Celebrity Fashions Limited

11th October, 2018

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001.

Scrip Code – 532695

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai- 400051.

NSE Symbol: CELEBRITY

Dear Sir/Madam,

Sub: Submission of Annual Report for the financial year 2017-18

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report for the financial year 2017-18 duly approved and adopted by the members at the 29th Annual General Meeting of the Company held on 25th September, 2018.

This is for your information and records. Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

For CELEBRITY FASHIONS LIMITED

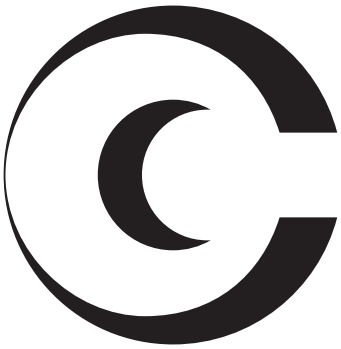
A. Rishi Kumar
Company Secretary & Compliance Officer

CELEBRITY FASHIONS LIMITED * CHENNAI 600 045

Encl: a/a

SDF - IV & C2, 3rd Main Road, MEPZ / SEZ, Tambaram, Chennai - 600 045. INDIA. Tel : + 91- 44- 4343 2200, 4343 2300
Fax : +91 - 44- 2262 2897 E-mail : email@celebritygroup.com
CIN : L17121TN1988PLC015655

Celebrity Fashions Limited



29th
ANNUAL REPORT 2017-2018

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BOARD OF DIRECTORS

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

Chief Financial Officer

Mr. S. Venkataraghavan

Company Secretary

Mr. A. Rishi Kumar

Registered Office

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

Banker

State Bank of India, Overseas Branch
Chennai – 600 001

Statutory Auditors

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

Internal Auditors

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

Secretarial Auditors

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

MANUFACTURING FACILITIES

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

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

No. 8, Thirumudivakkam Village,
Sriperumbudur, Kancheepuram

Warehouse

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

Washing Plant

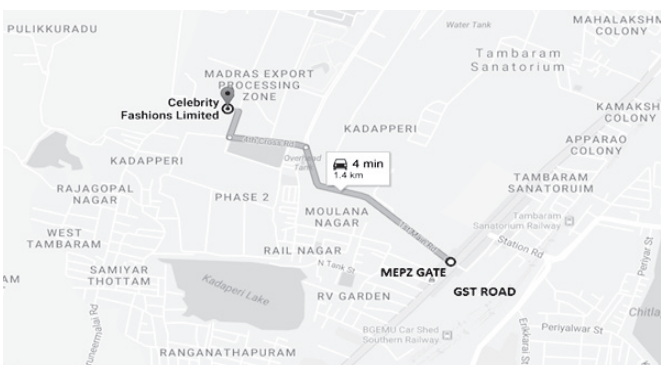
No. 70/2 & 3A, Selaiyur Agaram Road,
Thiruvanchery, Chennai 600 073.

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

Route Map to the AGM Venue

Venue: Celebrity Fashions Limited

SDF - IV & C 2,THIRD MAIN ROAD, MEPZ – SEZ, CHENNAI-600045.



NOTICE OF ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 together with the reports of the Board of Directors and Auditors thereon.
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, Joint Managing Director of the Company.

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

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

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

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

4. Appointment of Mr. Vidyuth Rajagopal as Managing Director of the Company

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

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

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

   RESOLVED FURTHER THAT in the event of the Company incurring a loss or its profits are inadequate in any financial year during the currency of his tenure the Company shall pay to Mr. Vidyuth Rajagopal the above remuneration as a minimum remuneration by way of salary, perquisites and allowances, in accordance with the provisions of Schedule V to the Companies Act, 2013 as amended from time to time.

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

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

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

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

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

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

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

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

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

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

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

Place: Chennai
Date: 08th August, 2018

A Rishi Kumar
Company Secretary

NOTES:

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

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

2. Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Corporate members are requested to send a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the Annual General Meeting.

4. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect to the special business as set out in the Notice is annexed hereto.

5. Members who hold the shares in the dematerialized form are requested to incorporate their DP ID Number and Client ID Number in the Attendance Slip/Proxy Form, for easier identification of attendance at the Meeting.

6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

7. The Register of Members and the Share Transfer books of the Company will remain closed from 15th September, 2018 to 25th September, 2018. (both days inclusive) for the purpose of Annual General Meeting.

8. Members are requested to notify Change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No. and in case of physical shares members are requested to advise any change of communication address immediately to the Registrar and Transfer Agent, Viz. Link Intime India Private Limited, C 101, 247 Park, L.B.S Marg, Vikhroli (W), Mumbai - 400083.

9. Queries, on the Accounts and Operation of the Company, if any, may be sent to the Company at its Registered Office (marked for the attention of the CFO/CS) at least seven days in advance of the Meeting.

10. In accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are given in S No.15. The cut-off date for determining the eligibility to vote by electronic means or by ballot at the general meeting shall be 14th September, 2018.

11. The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting in terms of notification issued by the Ministry of Corporate Affairs dated 19.03.2015.

12. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.

13. A route map showing directions to reach the venue of the 29th Annual General Meeting is given along with this notice.

14. IMPORTANT SHAREHOLDER COMMUNICATION:

The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. As per the Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, companies can now send various notices/documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors Report, Auditors, Report etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders. In case you are desirous of having a complete text of Annual Report 2017-18, you may write to us at investorservices@celebritygroup.com or at the registered Office of the Company. The Annual report of the Company can be accessed at www.celerbritygroup.com in the investor section.

Electronic copy of the Annual Report for 2017-18 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2017-2018 is being sent in the permitted mode.

Electronic copy of the Notice of the 29th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 29th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent in the permitted mode.

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

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

15. E-Voting:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and the Secretarial Standards issued by the Institute of Company Secretaries of India, the Company is pleased to provide its shareholders, facility to exercise their right to vote at the 29th AGM through electronic means and all the businesses may be transacted through the e-voting services provided by the Central Depository Services (India) Limited (CDSL). The facility for voting, through ballot/polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through polling paper in the Annual General Meeting.

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

(i) The voting period begins on Thursday, 20th September, 2018 at 9.00 A.M. and ends on Monday, 24th September, 2018 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14th September 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification code as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com 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 Members holding shares in Demat Form and Physical	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• 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.
	• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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. • 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)

(x) After entering these details appropriately, click on "SUBMIT" tab.

(xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xiii) Click on the EVSN of Celebrity Fashions Limited.

(xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xviii) You can also take a print out of the votes cast by clicking on "Click here to print" option on the Voting page.

(xix) If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xx) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xxi) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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 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.

(xxii) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, 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 Friday,14th September 2018, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.

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 27th September 2018. 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 and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 am to 5.00 pm) on all working days except Saturdays & Sundays, up to and including the date of the Annual General Meeting of the Company.

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

Item No. 3

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

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

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

i) Salary

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

ii) Medical Benefits

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

iii) Telephone

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

iv) Automobile

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

v) Reimbursement of expenses

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

vi) Sitting Fees

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

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

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

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

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

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

Item No. 4

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

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

i) Tenure

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

ii) Salary

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

iii) Medical Benefits

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

iv) Telephone

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

v) Automobile

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

vi) Reimbursement of expenses

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

vii) Sitting Fees

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

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

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

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

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

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

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

I. General Information

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

II. Information about the appointee

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

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

III. Other Information

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

Item No.5

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

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

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

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

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

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

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

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

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

Item No.6

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

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

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

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

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

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

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

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

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

Item No.7

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

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

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

The Company has received declaration from her stating that she meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has also given her consent to continue to act as Director of the Company, if so appointed by the members.

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

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

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

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

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

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

Place: Chennai
Date: 08th August, 2018

A. Rishi Kumar
Company Secretary

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

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

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

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

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

BOARD'S REPORT

Dear Shareholders,

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

FINANCIAL HIGHLIGHTS

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

(Rs. In Crores)

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

PERFORMANCE REVIEW

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

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

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

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

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

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

CHANGES TO SHARE CAPITAL

Preferential Allotment

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

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

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

DIVIDEND

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

TRANSFER TO RESERVES

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

FINANCE AND ACCOUNTS

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

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

DEPOSITS

During the year under review, the Company has not accepted or renewed any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2018, there were no deposits which were unpaid or unclaimed and due for repayment.

CASH FLOW STATEMENT

In conformity with the provisions of Section 134 of Companies Act, 2013 and Regulation 34 2(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash flow statement for the year ended 31st March, 2018 forms part of this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions with the related parties entered during the year were in the ordinary course of business and on Arm's length basis. Details of such transactions are given in the accompanying financial statements. The Company has framed a policy on Related Party Transactions and the same has been displayed in the Company's website www.celebritygroup.com

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

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

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

COMPLIANCE WITH CODE OF CONDUCT

The Company has framed a Code of Conduct for all the members of the Board and Senior Management personnel of the Company. The Code of Conduct is available on the Company's website: www.celebritygroup.com. All members of the Board and senior management personnel have affirmed compliance to the Code as on March 31, 2018.

As stipulated under Regulation 34 (3) and Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a declaration Signed by Mr. Charath Ram Narsimhan, Managing Director to this effect is annexed to the report on Corporate governance, which forms part of this annual report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

As there have been carry forward losses, provisions of Section 135 of Companies Act, 2013 pertaining to Corporate Social Responsibility are not applicable to the Company.

The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the CSR Committee is available on the website of the Company and can be accessed through the website www.celebritygroup.com.

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:

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

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

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

Key Managerial Personnel:

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

DECLARATION BY INDEPENDENT DIRECTOR

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

EXTRACT OF ANNUAL RETURN

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

NUMBER OF MEETINGS OF THE BOARD

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

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.

The Audit Committee reviews the adequacy and effectiveness of the Company's internal financial controls, so that the ultimate objective of Zero Surprise, Risk controlled Organization is achieved.

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:

a) attract, recruit, and retain good and exceptional talent;

b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;

c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;

d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;

e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and

f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long term value creation for its stakeholders.

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

BOARD EVALUATION

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.

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

Change in nature of business, if any: NIL

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

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

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

The Company was in receipt of the notice / order from statutory authorities during the year for claim not acknowledged as debts by the company. The details of the same have been provided in Note 38 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 thereby 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.

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 have been appointed as the Statutory Auditors of the Company from the conclusion of the 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company in place of M/s Anil Nair & Associates, Chartered Accountants, Chennai and M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, the Joint Auditors of the Company.

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 2017-18. The Secretarial Audit Report for the financial year 2017-18 does not contain any qualification, reservation or adverse remark or declaimer which requires any explanation/comments by the Board. Secretarial Audit Report given by Secretarial Auditors is annexed with the report as Annexure IV.

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 2017-18.

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

LISTING FEE

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

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

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

PARTICULARS OF EMPLOYEES

Disclosure with respect to the remuneration of directors and employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1), 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as ANNEXURE-I.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the financial year 2017-18, no unpaid or unclaimed dividend was required to be transferred to IEPF.

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

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

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

During the year ended 31st March, 2018, the ICC did not receive any complaint pertaining to sexual harassment/discrimination at the work locations.

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:-

a) in the preparation of the annual accounts for the financial year ended 31st March 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis;

e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2017-18.

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) : ₹173.53 Crs

b. Total Foreign exchange outgo : ₹ 43.42 Crs

SECRETARIAL STANDARDS

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

ACKNOWLEDGEMENT

The Directors wish to convey their gratitude and appreciation to all the employees for their valuable contribution during the year. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, financial institutions, business partners and other stakeholders.

For and on behalf of the Board

Sd/-

Venkatesh Rajagopal

Chairman

(DIN: 00003625)

Place: Chennai

Date: 28th May, 2018

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 2017-18:

Name of Director(s)	Designation	Ratio to median remuneration
Venkatesh Rajagopal	Chairman	Nil
Rama Rajagopal	Director	Nil
Charath Ram Narsimhan	Managing Director	Nil
Vidyuth Rajagopal*	Joint Managing Director	14.3:1

* Mr. Vidyuth Rajagopal appointed as Joint Managing Director with effect from 05th April 2017.

b) Details of Percentage increase in the remuneration of each director, CFO, CEO, CS or Manager, if any in the Financial Year 2017-18.

Name	Designation	% increase in remuneration in financial year
Venkatesh Rajagopal	Chairman	Nil
Rama Rajagopal	Executive Director	Nil
Charath Ram Narsimhan	Managing Director	Nil
Vidyuth Rajagopal	Joint Managing Director	31%
S. Venkataraghavan*	Chief Financial Officer	Nil
A. Rishi Kumar	Company Secretary	12%

* Mr. S. Venkataraghavan appointed as Chief Financial Officer with effect from 27th May 2017.

c) Percentage increase in the median remuneration of all employees in the financial year 2017-18: 7.74 %

d) The number of permanent employees on the rolls of the company as on 31st March 2018: 3,127

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 21.5% for Managerial Personnel (KMP) & 8 % for employees other than Managerial Personnel.

f) Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of the Company.

g) 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, 2018: Not Applicable

For and on behalf of the Board

Sd/-

Venkatesh Rajagopal

Chairman

(DIN: 00003625)

Place: Chennai
Date: 28th May, 2018

ANNEXURE - II TO BOARD'S REPORT

FORM NO. AOC -2

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

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

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

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 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: 28th May, 2018

ANNEXURE – III TO BOARD'S REPORT

Form No. MGT- 9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and

Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

I	CIN	L17121TN1988PLC015655
II	Registration Date	28-04-1988
III	Name of the Company	CELEBRITY FASHIONS LIMITED
IV	Category / Sub-Category of the Company	Company Limited by Shares
V	Address of the Registered Office and Contact Details	SDF-IV & C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai - 600 045 Ph No.044-4343 2200; Email id: investorservices@celebritygroup.com
VI	Whether listed company	Yes
VII	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400 083 Phone No.022- 49186000 | Fax No.022 49186060 Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

S No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Manufacture of all types of textile garments and clothing accessories	14101	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
NOT APPLICABLE					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/HUF	16445629	-	16445629	39.09	17760265	-	17760265	38.97	(0.12)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govts	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	**16445629**	**-**	**16445629**	**39.09**	**17760265**	**-**	**17760265**	**38.97**	**(0.12)**
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**16445629**	**-**	**16445629**	**39.09**	**17760265**	**-**	**17760265**	**38.97**	**(0.12)**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1) Institutions									
a) Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
b) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
c) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) Foreign Portfolio Investors	5450000	-	5450000	12.95	4565000	-	4565000	10.02	(2.94)
g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	**5450000**	**-**	**5450000**	**12.95**	**4565000**	**-**	**4565000**	**10.02**	**(2.94)**
2) Non-institutions									
a)Bodies Corporate	3944885	-	3944885	9.38	3058688	-	3058688	6.71	(2.67)
b)Individuals									
i. Individual shareholders holding nominal share capital up to Rs 1 lakh	6812150	165	6812315	16.19	6796533	165	6796698	14.91	(1.28)
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	7103917	0	7103917	16.89	11681234	0	11681234	25.63	8.74
c) Others (specify)									
Clearing Members	1261029	-	1261029	3.00	595022	-	595022	1.31	(1.69)
Hindu Undivided Family	671715	-	671715	1.60	685319	-	685319	1.50	(0.09)
Non Resident Indians	370779	-	370779	0.88	433678	-	433678	0.95	0.07
Foreign Companies	-	-	-	-	-	-	-	-	-
Office bearers	10945	-	10945	0.03	1006	-	1006	0.00	(0.02)
Trusts	35	-	35	0.00	35	-	35	0.00	0.00
Sub-Total (B)(2)	**20175455**	**165**	**20175620**	**47.96**	**23251515**	**165**	**23251680**	**51.02**	**3.06**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**25625455**	**165**	**25625620**	**60.91**	**27816515**	**165**	**27816680**	**61.03**	**0.12**
C. Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	**42071084**	**165**	**42071249**	**100.00**	**45576780**	**165**	**45576945**	**100.00**	**-**

(ii) Shareholding of Promoters:

S No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Share holding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Venkatesh Rajagopal	9642981	**22.92**	6.36	10957617	**24.04**	**12.66**	1.12
2	Rama Rajagopal	6794902	**16.15**	6.36	6794902	**14.91**	**12.65**	-1.24
3	Vidyuth Rajagopal	7000	**0.02**	0	7000	**0.01**	**0.00**	0.00
4	Rajagopalan.K.A	646	**0.00**	0	646	**0.00**	**0.00**	0.00
5	Anjali Rajagopal	100	**0.00**	0	100	**0.00**	**0.00**	0.00
	Total	**16445629**	**39.09**	**12.72**	**17760265**	**38.97**	**25.31**	**-0.12**

Note: 13,14,636 shares were allotted to Mr. Venkatesh Rajagopal on 13th February 2018, the said shares were in CDSL Transit as on 31st March 2018.

(iii) Change in Promoters' Shareholding

S No.	Shareholders Name	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total Shares of the company
1.	**Venkatesh Rajagopal**	9642981	22.92	9642981	21.16
	1314636 Equity shares were allotted on preferential basis (13th February 2018)			1314636	2.88
	At the end of the Year			**10957617**	**24.04**

(IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S No.	Top 10 Shareholders	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total shares of the Company
1	**LEMAN DIVERSIFIED FUND**	3350000	7.35			3350000	7.35
	Sale			04 Aug 2017	(885000)	2465000	5.41
	At the end of the year					2465000	5.41
2	**DAVOS INTERNATIONAL FUND**	2100000	4.61			2100000	4.61
	At the end of the year					2100000	4.61
3	**BENNETT, COLEMAN AND COMPANY LIMITED**	1316818	2.89			1316818	2.89
	At the end of the year					1316818	2.89
4	**ANLAGE INFOTECH INDIA PVT LTD**	0	0.00			0	0.00
	Purchase			28 Jul 2017	50000	50000	0.11
	Purchase			04 Aug 2017	500440	550440	1.21
	At the end of the year					550440	1.21
5	**RAMLAL KAWARLAL JAIN**	0	0.00			0	0.00
	Purchase			21 Jul 2017	388000	388000	0.85
	Purchase			04 Aug 2017	97814	485814	1.07
	At the end of the year					485814	1.07
6	**DHARMESH BHAVANJI HARIA**	9000	0.02			9000	0.02
	Purchase			07 Apr 2017	48000	57000	0.13
	Purchase			28 Apr 2017	6000	63000	0.14
	Purchase			26 May 2017	6	63006	0.14
	Purchase			02 Jun 2017	100998	164004	0.36
	Purchase			09 Jun 2017	30305	194309	0.43
	Purchase			16 Jun 2017	25578	219887	0.48
	Purchase			14 Jul 2017	18294	238181	0.52
	Purchase			21 Jul 2017	87330	325511	0.71
	Sale			28 Jul 2017	(3312)	322199	0.71
	Purchase			04 Aug 2017	2483	324682	0.71
	Purchase			25 Aug 2017	1	324683	0.71
	Purchase			01 Sep 2017	21585	346268	0.76
	Purchase			08 Sep 2017	62772	409040	0.90
	Purchase			27 Oct 2017	960	410000	0.90
	Purchase			15 Dec 2017	7000	417000	0.91
	Purchase			09 Feb 2018	8000	425000	0.93
	At the end of the year					425000	0.93
7	**HASMUKH PAREKH**	0	0.00			0	0.00
	Purchase			23 Feb 2018	284500	284500	0.62
	At the end of the year					284500	0.62
8	**M.NEELA REDDY**	236999	0.52			236999	0.52
	Purchase			22 Sep 2017	25832	262831	0.58
	Purchase			03 Nov 2017	31760	294591	0.65
	Sale			09 Feb 2018	(875)	293716	0.64
	Sale			16 Feb 2018	(13000)	280716	0.62
	At the end of the year					280716	0.62
9	**ARUNA R JAIN**	0	0.00			0	0.00
	Purchase			21 Jul 2017	62000	62000	0.14
	Purchase			04 Aug 2017	200000	262000	0.57
	At the end of the year					262000	0.57
10	**RAHUL KAYAN**	272803	0.60			272803	0.60
	Sale			21 Jul 2017	(53630)	219173	0.48
	At the end of the year					219173	0.48

(v) Shareholding of Directors and Key Managerial Personnel:

S No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
DIRECTORS					
1	**Venkatesh Rajagopal - Chairman & Director**				
	At the beginning of the year	9642981	**22.92**	9642981	**22.92**
	1314636 Equity shares were allotted on preferential basis (13th February 2018)	-	**-**	1314636	1.12
	At the end of the Year			10957617	**24.04**
2	**Rama Rajagopal – Director**				
	At the beginning of the year	6794902	**16.15**	6794902	**14.91**
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the Year	6794902	**16.15**	6794902	**14.91**
3	**Charath Ram Narsimhan - Managing Director**				
	At the beginning of the year	2340255	**5.56**	2340255	**5.56**
	2191060 Equity shares were allotted on preferential basis (13th February 2018)	-	-	2191060	4.38
	At the end of the Year	2340255	**5.56**	4531315	**9.94**
4	**Vidyuth Rajagopal – Joint Managing Director**				
	At the beginning of the year	7000	**0.02**	7000	**0.02**
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	**-**	-	**-**
	At the end of the Year	7000	**0.02**	7000	**0.02**
KEY MANAGERIAL PERSONNEL					
5	**Venkataraghavan S - Chief Financial Officer (w.e.f 27th May 2017)**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the Year	-	-	-	-
6	**A. Rishi Kumar - Company Secretary**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the Year	-	-	-	-

Note :

Independent Directors did not hold any shares in the Company during the financial year 2017-18.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 01.04.2017)				
i.Principal amount	6716.59	0.00	0.00	6716.59
ii.Interest due but not paid	0.00	0.00	0.00	0.00
iii.Interest accrued but not due	0.00	0.00	0.00	0.00
Total(i+ii+iii)	**6716.59**	**0.00**	**0.00**	**6716.59**
Change in Indebtedness during the financial year				
Addition	3067.20	0.00	0.00	3067.20
Reduction	0.00	0.00	0.00	0.00
Net Change	**3067.20**	**0.00**	**0.00**	**3067.20**
Indebtedness at the end of the financial year (as on 31.03.2018)				
i. Principal amount	9783.79	0.00	0.00	9783.79
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	**9783.79**	**0.00**	**0.00**	**9783.79**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. in Lakhs)

S No.	Particulars of Remuneration	Mr. Charath Ram Narsimhan (Managing Director)	Mr. Vidyuth Rajagopal (Joint Managing Director)	Total Amount
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	-	19.28	19.28
	b) Value of Perquisites u/s 17(2) of Income –tax Act,1961	-	0.32	0.32
	c) Profits in lieu of salary under section 17(3) of Income-tax Act,1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit -others,Specify	-	-	-
5	Others,please specify	-	-	-
	Total (A)	**-**	**19.60**	**19.60**

B. Remuneration to other directors:

(Amount in Lakhs)

Particulars of Remuneration	Name of Independent Directors				Total Amount
	N.K. Ranganath	P.S. Raman	Nidhi Reddy	K. Sridhar	
1. Independent Directors					
a) Fee for attending Board/Committee Meetings	0.27	0.08	0.065	0.23	0.645
b) Commission	-	-	-	-	-
c) Others, Please specify	-	-	-	-	-
Total (1)	**0.27**	**0.08**	**0.065**	**0.23**	**0.645**
2. Other Non-Executive Directors					
a) Fee for attending Board/Committee Meetings	-	-	-	-	-
b) Commission	-	-	-	-	-
c) Others, Please specify	-	-	-	-	-
Total(2)	-	-	-	-	-
Total (B)=(1+2)	0.27	0.08	0.065	0.23	0.645
Total Managerial Remuneration	**0.27**	**0.08**	**0.065**	**0.23**	**0.645**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Rs. in Lakhs)

S No.	Particulars of Remuneration	Chief Financial Officer*	Company Secretary	Total Amount
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	15.94	5.04	20.98
	b) Value of Perquisites u/s 17(2) of Income –tax Act,1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of Income-tax Act,1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit -others, Specify	-	-	-
5	Others, please specify	-	-	-
	Total (C)	**15.94**	**5.04**	**20.98**

* Appointed w.e.f. 27th May 2017

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment, compounding of offences for the year ending 31st March 2018.

For and on behalf of the Board

Sd/-

Venkatesh Rajagopal

Chairman

(DIN: 00003625)

Place: Chennai

Date: 28th May, 2018

ANNEXURE – IV TO BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Celebrity Fashions Limited.

SDF - IV& C 2, Third Main Road,

MEPZ - SEZ, Tambaram,

Chennai – 600 045

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Celebrity Fashions Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Celebrity Fashions Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Celebrity Fashions Limited for the financial year ended on 31st March, 2018 according to the applicable provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

e. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;

f. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

vi. The Special Economic Zones Act, 2005

vii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

viii. Other laws applicable to the company as per the representations made by the management

With respect to Fiscal laws such as Income Tax, Value Added Tax, Central Excise Act, Service Tax Rules and Goods and Service Tax, we have reviewed the systems and mechanisms established by the company for ensuring compliances under various acts and based on the information and explanation provided to us by the management and officers of the Company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India have been generally complied with.

ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review there were no events which required specific compliance of the provisions of

i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

iii. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors to schedule the Board Meetings, agenda and detailed notes on the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following significant events have taken place:

1. **Appointment of new statutory auditors for the term of five years**

   The shareholders of the Company at their Annual General Meeting held on 25th September, 2017 appointed M/s. SRSV & Associates, Chartered Accountants, Chennai, having Firm Registration No. 015041S as Statutory Auditors of the Company in place of M/s CNGSN & Associates LLP, Chartered Accountants, Chennai and M/s. Anil Nair & Associates, Chartered Accountants, Chennai, shall hold office for a period of five years, from the conclusion of the 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting of the Company.

2. **Re-designation of Mr. Vidyuth Rajagopal as Joint Managing Director of the Company.**

   The Board of directors at their meeting held on 05th April 2017, on the recommendation of the Nomination and Remuneration Committee, has approved the change in designation of Mr. Vidyuth Rajagopal (DIN: 07578471) from Whole Time Director to Joint Managing Director of the Company with effect from 05th April 2017. Subsequently the same has been by approved by shareholders at the AGM held on 25th September, 2017.

3. **Revision in remuneration payable to Mr. Vidyuth Rajagopal, Joint Managing Director of the Company.**

   The Board of Directors in their meeting held on December 11, 2017, approved the recommendation made by the Nomination and Remuneration Committee, to revise the remuneration payable to Mr. Vidyuth Rajagopal, Joint Managing Director of the Company, from Rs. 1,25,000 /- per month to Rs. 2,50,000/- per month, effective from 1st October 2017 to till the remaining period of his tenure i.e. 31st July, 2019.

4. **Reappointment of Mr. Charath Ram Narsiman as Managing Director for a further period of 5 years effective from 13th February 2018.**

   The Board of Directors in their meeting held on 11th December, 2017 approved the re-appointment of Mr. Charath Ram Narsimhan as Managing Director of the Company for a further period of five years effective from 13th February, 2018.

5. **Change in Key Managerial Person (Chief Financial Officer)**

   Mr. S. Venkataraghavan was appointed as Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 27th May, 2017 in place of Ms. L. Visalakshi, who resigned with effect from 26th May, 2017

6. **Allotment of Equity Shares on Preferential Basis upon conversion of warrants**

   The Board of Directors of the Company had allotted 3,505,696 equity shares of face value of Rs. 10/- each upon conversion of equivalent number of convertible warrants at a price of Rs. 11.41/- per equity share to the warrant holders on preferential basis.

For **BP & Associates**
Company Secretaries
Sd/-
S. Bhaskar
Partner
M No: 10798
CP No: 8315

Date : 28th May 2018
Place: Chennai

'ANNEXURE A'

To

The Members,

Celebrity Fashions Limited,

SDF - IV& C 2, Third Main Road,

MEPZ - SEZ, Tambaram,

Chennai – 600 045

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of account of the company.

4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **BP & Associates**
Company Secretaries
sd/-
S. Bhaskar
Partner
M No: 10798
CP No: 8315

Date : 28th May 2018
Place: Chennai

MANAGEMENT DISCUSSION & ANALYSIS

Disclaimer

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities, laws and regulations. Actual results could materially differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, global demand-supply conditions, changes in governmental regulations and tax structure, economic structure within India and the countries with which the Company has business contacts and other incidental factors.

The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

Overview of the Economy

Despite recent softening, global economic growth remained robust at 3.1 % in 2018. Even more important, some of the countries that have had high unemployment for some time, including several in the euro area, participated in the growth and are experiencing strong employment growth. Some of the larger emerging market economies, such as Argentina, Brazil, and Russia, came out of their recessions. Growth in emerging market and developing economies overall is projected to strengthen to 4.5 % in 2018-19 as the recovery in commodity exporters matures and commodity prices level off following this year's increase.

As per the IMF's World Economic Outlook, *"Global economic growth strengthened in 2017 to 3.8 %, with GDP continuing to accelerate over much of the world in what is seen as the broadest cyclical upswing since the start of the decade with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters.*

Global growth is expected to tick up to 3.9 % this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States but tensions over trade threaten to derail months of synchronized global expansion.

The global economic upswing that began around mid-2016 has become broader and stronger…, advanced economies as a group will continue to expand above their potential growth rates this year and next before decelerating, while growth in emerging market and developing economies will rise before levelling off. For most countries, current favorable growth rates will not last. Policymakers should seize this opportunity to bolster growth, make it more durable, and equip their governments better to counter the next downturn."

Overview of Industry

India's huge $100 billion-plus textiles and apparels industry, which employs more than 45 million people, accounts for almost 14% of exports and over a quarter of foreign exchange earnings. It is the second-largest employment sector after agriculture. Of this, the apparel sector alone accounts for more than 12 million jobs and a chunk of the exports. However, India is quickly losing its place at the top of the table of apparel-exporting nations.

Apparel exports in February (the latest month for which data are available) stood at $1.44 billion, a decline of 10.25% compared to the year before. In fiscal 2017-18 (April to February), overall apparel production declined 10.4%, while garment exports fell 4%. Worse, the trend is clearly downwards.

In the first year of implementation of the goods and services tax (GST), India's apparel or readymade garment (RMG) exports have declined by nearly 4 % during FY 2018. Duty drawback rate and ROSL were lowered to 2 % and 1.2% from 7.5 % and 3.9 %, respectively, in the post-GST era and incentive under the Merchandise Exports from India Scheme (MEIS) was increased to 4 % from 2 %.

A significant factor of the industry is its competitiveness with respect to Price. India is at a significant disadvantage to countries such as Bangladesh & Vietnam. The 2 countries boast much lower labor costs in comparison to our country and is a significant reason why Apparel exports from Bangladesh crossed India's in 2003, while Vietnam passed India in 2011. Both nations also enjoy an abundance of cheap & skilled labor which is today a scarcity in the traditional manufacturing zones of the India. Movement into underdeveloped portions of the country where the supply of labor is addressed could be the next step in the short run, however the lack of a competent eco system to support the entire value chain is a significant hurdle that will take considerable investment & time to put in place.

Increasingly, Speed to market & Product Leadtime is the next deciding factor guiding global sourcing decisions. As the customer has more access to a variety of products and brands, thank to the advent of commerce, it is increasingly getting tougher to retain the attention of the customer. Many of the brands are struggling with how to address this point, keeping in mind that their sourcing strategies for the longest time have been focused on sourcing product at the cheapest price point in bulk; allowing them to boast significant margins. It is also increasingly clear that a portion of inventory bought by brands is put on discount. Hence brands are focusing on buying more often in lesser quantities across many styles as opposed to buying in bulk as they did in the past. The challenge here is how do vendors & manufacturers react to this new way of working when for the last 20-30 years, the global industry has thrived on large scale manufacturing across homogenous products and where the importance of efficiency and capacity utilizations are counter to the present requirements of the industry.

Lastly, brands are increasingly looking at Social & Ethical compliance as a way to differentiate themselves from other brands. A lot of scrutiny is being put on their sourcing policies & the ethics/values of their vendors. Topics such as the health & security of their worker & Equal Open Equitable Working Culture have become important in the recent past. As brands increasingly communicate their values to the customer, they must match their communication with equal action, whether it be in terms of the environment, the end customer or the communities they impact. The approach of the apparel industry to this requirement, has been very short term.

Any action to ensure vendors are more compliant has been met with increased costs which are always viewed as an expense. If vendors are to view this requirement as an investment, as brands internationally are looking to align them with vendors who are respectful of these conditions, they will find themselves with a larger share of market share than they had originally envisioned. To take advantage of this development, requires a change in approach and mindset.

Financial Performance Overview

Until the year ended 31st March 2017, the Company prepared financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act. These are the Company's first Ind AS based financial statements. The date of transition to Ind AS is 1st April 2016 and necessary changes were made to the corresponding figures of the previous year.

We have witnessed Growth in Revenues & Operational EBIDTA of 6.3% and 42.7% respectively. The reduction in wastage is trimmed down to 3%. Our relentless focus on Operational Excellence, Wastage Elimination & Fiscal Discipline have significantly contributed to our improved performance during the year.

The financial results of the Company are as under:

	FY 2017-18		FY 2016-17	
	Amount	% to Revenues	Amount	% to Revenues
Revenue from operations	203.54		192.05	
Other Income	2.65		1.89	
Total revenues	206.19		193.94	
Cost of Materials	109.02	53.6%	97.76	50.9%
Change in Inventories of Finished Goods & Work-in-Progress – (Inc) / Dec	(0.29)	-0.1%	2.28	1.2%
Employee Benefit Expenses	54.16	26.6%	51.85	27.0%
Other Expenses	30.50	15.0%	33.08	17.2%
Total Expenses	193.39	95.0%	184.97	96.3%
EBITDA	12.80	6.3%	8.97	4.7%
Depreciation	6.89	3.4%	7.03	3.7%
Finance Costs	6.79	3.4%	6.59	3.4%
Profit/ (Loss) before Tax before Exceptional Items	(0.88)	-0.4%	(4.65)	-2.4%
Exceptional Items - Expense / (Income)	-	0.0%	8.22	4.3%
Profit / (Loss) before Tax after Exceptional Items	(0.88)	-0.4%	(12.87)	-6.7%
Tax Expense	-	0.0%	-	0.0%
Other comprehensive Income	(0.42)	-0.2%	(0.56)	-0.3%
Total comprehensive Income for the year	(1.30)	-0.6%	(13.43)	-7.0%

Revenue from Operations

The Company's operational revenues were Rs.203.54 crores as against Rs.192.05 crores during the previous year. The first quarter of the year realized an improved machinery efficiency of 3% and same has been sustained throughout the year. Other income of Rs.2.65 crores consists of interest income, rental and gain on foreign currency transactions.

Cost of Materials & Changes in inventories

The cost of materials adjusted for changes in inventories of finished goods and work in progress is 53.4 % as against 52.1 % in the previous year.

Employee Costs

Though the manpower cost is up by 4.5% in absolute terms, it is 26.6 % to revenues as against 27.0% in the previous year.

Other Expenses

The other expense is reduced by about 7.8% in absolute terms as well by about 2.2% against revenues compared to the previous year.

Operating Margins

The operating EBITDA is up by 42.7% in absolute terms and is up by 1.6% against the previous year as a % to revenue from operations.

Depreciation

Depreciation during the year reduced to Rs.6.89 crores as against Rs.7.03 crores in the previous year.

Finance Costs

Finance cost remained almost staple both in absolute terms as well as % to operating revenues.

Profit before tax and net profits

The net loss during the year is Rs.1.30 crores as against Rs.13.43 crores after accounting for exceptional items of Rs.8.22 crores in the previous year.

Forex Risk

The Company's policy is to systematically hedge its long term foreign exchange risks as well as short term exposures in line with its hedging policy. In addition to this, the company also has a natural hedge on the imports of the company which is almost 40%-50% of its Exports.

Business Philosophy

At Celebrity Fashions, our business philosophy is based on 3 pillars:

1. Operational Excellence
2. Wastage Elimination
3. Fiscal Discipline/Cost Management

The 3 fundamentals frame the culture of the organization and permeate each and every interaction of stakeholders, both internal & external.

I. Operational Excellence

As the preferred supply chain partner for global brands, our approach is centered on maximizing the efficiency of our business operations & ensuring that we optimize usage of the fixed assets of the company. A central activity of ours is to build a culture of performance with a relentless focus on execution

Our operations are modular in nature, involving the synchronization of multiple stations & processes to deliver product to our customer

i. On time
ii. World class quality
iii. At a Competitive cost

We have focused on the real time application of the above principles to ensure that once an order is taken into production, that it is packed and delivered without any disturbances.

Our aim is to shift from an efficiency led model to an inventory light model which will allow the organization to benefit from continuous cash flows and at the same have a clear indication of future revenues.

II. Wastage Elimination

The above pillar can be further segregated into 2 categories:
Wastage in terms of

i. Raw Materials
ii. Non-Value Adding processes

As a manufacturer with 30 years of experience, there is a large amount of domain knowledge existing in the company that has come from working with the very best of global brands across product categories.

In the coming quarters, we aim to centralize this domain knowledge with a focus on elimination non-value adding processes; resulting in more predictability in the outcome & maximizing our opportunity to ship given a set of inputs.

We have prioritized preparatory work & other R&D activities to ensure that the factory is able to pursue a plug and play approach which would allow them to minimize disruptions and maximize output.

III. Fiscal Discipline

The business of Apparel Manufacturing is price sensitive & competitive. As a member of a global supply chain, we are no longer competing with just other vendors from India, but with vendors from across the globe. As mentioned earlier, countries such as Bangladesh & Vietnam enjoy far lower labor costs putting India at a straight disadvantage as a result.

Apart from the yields that bear fruit as result of the combination of the earlier 2 points, we are also driving a culture of fiduciary responsibility across all stakeholders.

Our focus is on rationalizing every rupee spent to ensure that it is spent to improve the performance of the organization and weed out any unnecessary expenditure. This fundamental has pushed us to relook at our inventory carrying levels to minimize holding & interest costs.

We continue to work with our vendors and suppliers with the aim to save every possible rupee in the value chain, without compromising on the world class service that we are known for.

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations"]

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the Organisation. The Company endeavours to ensure that highest standards of ethical and responsible conduct are met.

We believe in our employees and other stakeholders; and ensure adequate control system to enable the Board to efficiently conduct the business and discharge its responsibilities to shareholders.

The Company has adopted the requirements of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the disclosure requirements of which are given below:

BOARD OF DIRECTORS

The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and societal expectations.

The Key to good corporate governance is the optimum combination of the executive and non-executive directors on the board and the extent of their independence. The Board consists of 8 (eight) members with knowledge and experience in diverse fields and professionally acclaimed to understand their role in addressing the issues raised by the management. The day-to-day affairs of the company are managed by the Managing Director & Joint Managing Director under the supervision of the Board.

COMPOSITION OF THE BOARD

As on 31st March, 2018, the Company's Board of Directors ('Board') comprises eight members, which includes four Executive Directors and four Non – Executive Independent Directors of which two are Woman Directors.

The Board's composition is in compliance with the requirements of Regulation 17(1) of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

Independent directors are Non-Executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations entered into with the Stock Exchanges. The maximum tenure of the independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria as mentioned under regulation 16(1)(b) of the SEBI Listing Regulation and Section 149 of the Companies Act, 2013. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

None of the Directors hold directorships in more than twenty Indian Companies including ten public limited Companies. Further none of them serve as Members of more than 10 (ten) Board Committees nor are any of them serving as Chairperson of more than 5 (five) Board Committees (Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/she is a Director.

None of the Independent Directors of the Company serve as Independent Directors in more than seven listed Companies and none of the whole-time directors of the Company serve as Independent Directors in more than three listed Companies.

The composition of the Board of Directors and number of other Directorships & Memberships / Chairmanships of Committees as on 31st March, 2018 is as under:

Sr. No.	Name & (DIN) of Directors	Category	Directorships in other Companies (*)	No of Committee positions held in other companies (**)	
				Chairman	Member
1	Mr. Venkatesh Rajagopal (DIN: 00003625)	Promoter & Director	1	-	2
2	Mrs. Rama Rajagopal (DIN: 00003565)	Promoter & Director	1	-	-
3	Mr. Charath Ram Narsimhan (DIN: 06497859)	Managing Director	NA	-	-
4	Mr. P.S.Raman (DIN: 00003606)	Independent & Non Executive Director	2	-	3
5	Mr. N.K.Ranganath (DIN: 00004044)	Independent & Non Executive Director	4	2	2
6	Mrs. Nidhi Reddy (DIN: 00004081)	Independent & Non Executive Director	1	-	-
7	Mr. Vidyuth Rajagopal (DIN: 07578471)	Joint Managing Director	NA	-	-
8	Mr. K Sridhar (DIN: 02916536)	Independent & Non-Executive Director	3	-	-

Notes:

* Including Directorships held in Private Limited Companies, Section 8 Companies (as per Companies Act, 2013), Alternate Directorships and Directorships in entities incorporated outside India.

** Position in Audit Committee and Stakeholders Relationship Committee only (excluding Private Limited Company, Foreign Company and Section 8 Company) as provided in Regulation 26(1) of Listing Regulations (excluding Celebrity Fashions Ltd).

Attendance of Each Director at the Board Meetings and the Last AGM:

During the year under review, the Board met Six (06) times on 05th April 2017, 26th May 2017, 18th August 2017, 08th September 2017, 11th December 2017 and 13th February 2018. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 days.

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are detailed below:

Name of the Director(s)	Number of Board Meetings held and attended during the FY 2017-18		Attendance at last AGM
	Held	Attended	
Mr. Venkatesh Rajagopal	6	6	Yes
Mrs. Rama Rajagopal	6	3	No
Mr. Charath Ram Narsimhan	6	6	Yes
Mr. P.S.Raman	6	2	No
Mr. N.K.Ranganath	6	5	Yes
Mrs. Nidhi Reddy	6	2	No
Mr. Vidyuth Rajagopal	6	6	Yes
Mr. K Sridhar	6	4	Yes

Disclosure of relationship between directors inter-se:

Except between Mr. Venkatesh Rajagopal (Chairman & Executive Director) and his wife Mrs. Rama Rajagopal (Executive Director) and their son Mr. Vidyuth Rajagopal (Joint Managing Director), there is no relationship between the Directors inter-se.

Number of shares and convertible instruments held by non-executive directors:

None of the Non-executive director holds shares and/or convertible instruments in the Company during the period under review.

Familiarization programme for Independent Directors

The Independent directors are provided with necessary documents, reports, internal policies, documents and brouchers enabling them to familiarize with the Company's systems, procedures and practices. During every meeting of the Board and committees, periodical presentations are made on the business updates, strategies, performances and related risks involved. The details of such familiarization programmes for the Independent Directors are posted on the website of the Company www.celebritygroup.com.

Appointment of Director(s):

At the AGM of the Company held on 25th September, 2017, the following was approved by the shareholders of the Company.

- Re-designation of Mr. Vidyuth Rajagopal (DIN: 07578471) as Joint Managing Director of the Company.

Resignation of Director(s):

There were no resignations during the year under review.

Access to information and updation to Directors

The required information as enumerated in Part- A of Schedule II of SEBI (LODR) Regulations, 2015 is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board also reviews significant strategic, financial, operational and compliance matters in the meeting. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them.

COMMITTEES OF THE BOARD

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review. As on date the Board has established the following Committees:

AUDIT COMMITTEE

Brief description of terms of reference

The Audit Committee plays an important role in financial reporting of performance and review of internal control procedure. Apart from all the matters provided in Part C of Schedule II of SEBI (LODR) Regulations 2015 and Section 177 of the Companies Act 2013, the Audit Committee reviews reports of the internal auditor, statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company.

The terms of reference of the Committee are in alignment with the norms specified in the Listing Regulations and relevant provisions of the Companies Act, 2013.

Composition of the Committee

The Audit Committee comprises of 5 Directors as its members, with requisite financial, legal and management expertise, out of which 4 are Independent Non-Executive Directors. As required under Regulation 18 of the SEBI Listing Regulations, during the year, the Audit Committee met four times, to deliberate on various matters and the gap between any such two meetings was not more than 120 days. The required quorum was present in all such meetings.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31st March, 2018 is detailed below:

Name of the Member(s)	Nature of Membership	Meeting(s)	
		Held	Attended
Mr. N.K. Ranganath	Chairperson	4	4
Mr. P.S. Raman	Member	4	1
Mrs. Nidhi Reddy	Member	4	1
Mr. K. Sridhar	Member	4	4
Mr. Charath Ram Narsimhan	Member	4	4

The Committee met 4 (four) times during the financial year 2017-18 on 20th May, 2017, 08th September, 2017, 11th December, 2017 and 13th February, 2018.

Chief Financial Officer, Internal Auditor and such other officers of the Company, attend the meetings of the Committee, for providing such information as may be necessary, if required by the Audit Committee.

The Chairman of the Audit Committee was present at the Company's Annual General Meeting held on 25th September, 2017 to answer the shareholders' queries.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Listing Agreement read with SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

Composition of the Nomination & Remuneration Committee:

The NRC comprises of 4 Non-executive Independent Directors as its members. Detailed composition of the NRC is as follows:

Name of the Member	Position	Category
Mr. K. Sridhar	Chairperson	Independent, Non-executive Director
Mr. N.K. Ranganath	Member	Independent, Non-executive Director
Mr. P.S. Raman	Member	Independent, Non-executive Director
Mrs. Nidhi Reddy	Member	Independent, Non-executive Director

Brief description of terms of reference:

The powers, role and terms of reference of Committee covers the areas as contemplated under the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. The brief terms of reference of Nomination & Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
5. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s)/Executive Director(s) based on their performance and defined assessment criteria.
7. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

Meetings and attendance during the year:

NRC met three times during the year under review. Attendance of the members at the meetings held during the year is as follows:

Date of Meeting	Mr. K. Sridhar Chairperson	Mr. N.K. Ranganath Member	Mr. P.S. Raman Member	Mrs. Nidhi Reddy Member
05th April 2017	Yes	Yes	No	No
20th May 2017	Yes	Yes	Yes	No
11th Dec 2017	Yes	Yes	No	No

Details of Remuneration paid to Directors

The Non executive directors do not draw any remuneration from the Company other than the sitting fees for attending each meeting of the Board and committees thereof. The Company pays sitting fees of Rs. 2,500/- to all the non-executive directors for attending each meeting of the Board and Rs.1,500/- for each meeting of its committee thereof which is within the limits prescribed under the Companies Act, 2013.

During the financial year 2017-18, the sitting fee paid to Non - Executive Directors were as under:

Name of the Non executive Director	Sitting Fees (includes the fees paid for Committee Meetings) Rs.
Mr. N.K .Ranganath	27,000
Mr. P.S.Raman	8,000
Mrs. Nidhi Reddy	6,500
Mr. K Sridhar	23,000

There are no other particular pecuniary relationships or transactions of the non-executive directors' vis-à-vis of the Company. The Company pays no remuneration by way of Salary, perquisites and allowances to the Managing Director and Executive Directors except to Mr. Vidyuth Rajagopal, Joint Managing Director. The remuneration is revised with effect from 01st October, 2017 as under:

Name of the Executive Director	Salary (Rs. in Lakhs)	Perquisites	Total (Rs. in Lakhs)
Mr. Charath Ram Narsimhan	Nil	Nil	Nil
Mr. Vidyuth Rajagopal	19.28	0.32	19.60

Pursuant to the recommendation of the Nomination and Remuneration Committee, the board of directors of the Company at their meeting held on 11th December, 2017 has revised the remuneration payable to Mr. Vidyuth Rajagopal, Joint Managing Director from 1,25,000/- per month to 2,50,000/- per month with effect from 1st October, 2017.

No salary was paid to Mr. Charath Ram Narsimhan, Managing Director since appointment (Appointed w.e.f. 13th February 2013)

The Company does not have any Employees' Stock Option Scheme and there is no separate provision for payment of Severance Fees.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 20 of the Listing Regulations.

The constitution of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2017-18 is detailed below:

Name of the Member(s)	Nature of Membership	Meetings	
		Held	Attended
Mr. N.K. Ranganath	Chairman	Nil	Nil
Mrs. Nidhi Reddy	Member	Nil	Nil
Mr. Charath Ram Narsimhan	Member	Nil	Nil

Name and Designation of Compliance Officer:

A. Rishi Kumar

Company Secretary

Celebrity Fashions Limited

Terms of reference of the Committee inter alia, include the following:

This Committee has been formed with a view to undertake the following: -

1. Approval of transfer/transmission of shares/debentures issued by the Company, issue of duplicate certificates and certificates after split/consolidation/ replacement.
2. Looking into the redressal of shareholders' and investors' complaints and other areas of investor services.

Details of Complaints / Queries received and redressed during the financial year ended 31st March, 2018:

Sr. No.	Particulars of Complaints / Queries	Received	Redressed	Pending as on 31.3.2018
1.	Non receipt of Share Certificates - Direct from Shareholders - Received from SEBI	 Nil Nil	 Nil Nil	 Nil Nil
2.	Non receipt of Dividend /Interest Warrants - Direct from Shareholders - Received from SEBI	 Nil Nil	 Nil Nil	 Nil Nil
3.	Confirmation of Demat Credit	Nil	Nil	Nil
4.	Non receipt of Debentures Redemption payment	Nil	Nil	Nil
5.	Non receipt of letter of offer, allotment advice ,share certificates etc. for Rights Issue & others	Nil	Nil	Nil
6.	Others - Complaints received from SEBI, Stock Exchanges, NSDL, ROC, Company Law Board etc.	Nil	Nil	Nil
	Total	Nil	Nil	Nil

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of certificates for transfer, sub-division, consolidation etc. and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of the Listing Regulations. Further, the Compliance Certificate under Regulation 7(3) of the Listing Regulations, confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent is also submitted to the Stock Exchanges on a half yearly basis.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition of the CSR Committee is in line with provisions of Section 135 of the Companies Act, 2013 read with the Rules issued thereunder.

The Committee met 1 (one) time during the financial year 2017-18 on 13th February, 2018.

The constitution of the CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2017-18 is detailed below:

Name of the Member(s)	Nature of Membership	Meetings	
		Held	Attended
Mrs. Rama Rajagopal	Chairperson	1	1
Mr. Venkatesh Rajagopal	Member	1	1
Mr. N.K. Ranganath	Member	1	1
Mr. Charath Ram Narsimhan	Member	1	1

The terms of reference of CSR Committee shall, inter-alia, include the following:

a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made there under;

b. To recommend the amount of expenditure to be incurred on the CSR activities;

c. To monitor the implementation of CSR policy of the Company from time to time;

d. To carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee and the Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company. The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations.

The composition of the Committee and details of meetings attended by the members of the Committee are given below:

Name of the Member(s)	Nature of Membership
Mr. Venkatesh Rajagopal	Chairman
Mrs. Rama Rajagopal	Member

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 13th February 2018, inter alia to discuss:

1. Evaluation of the performance of the Non Independent Directors and the Board of Directors as a Whole:
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present for the meeting.

SUBSIDIARY COMPANIES

The Company has no subsidiary Companies.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings (AGMs) and the summary of Special Resolutions passed therein are as under:

Year(s)	Meeting Date	Time	Venue	No. of Special resolution(s) passed
2016-17	25th September, 2017	02.30 P.M	Registered Office, SDF – IV & C2,3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.	Nil
2015-16	30th September, 2016	3.00 P.M	Registered Office, SDF – IV & C2,3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.	1
2014-15	25th September, 2015	2.30 P.M	Registered Office, SDF – IV & C2,3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.	Nil

There was no extra ordinary general meeting held during the last three years.

The Company has not passed any ordinary/special resolution during previous year ended 31st March, 2018 through postal ballot.

There is no immediate proposal for passing any special resolution through postal ballot on or before the ensuing Annual General Meeting.

MEANS OF COMMUNICATION

The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, Company's website and subject specific communications.

a) Quarterly Results:

The Company's quarterly financial results are announced within 45 days of the close of the quarter and the audited annual financial results are announced within 60 days from the close of the financial year as per the requirements of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. The aforesaid financial results are intimated to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after the approval of the Board of directors and are simultaneously displayed on our website www.celebritygroup.com

b) Newspaper wherein results are published :

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Business Standard (English daily) and Makkal Kural (Vernacular newspaper).

c) Website

These results are also made available on the website of the Company www.celebritygroup.com. The website also displays vital information relating to the Company and its performance.

d) Stock Exchange

The Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other regulations issued by the SEBI.

e) Presentations

No presentation has been made to institutional investors or to the analysts during the year under review.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting and Date of Book Closure

This Corporate Governance Report was taken on record by the Board in their meeting held on 28th May 2018. The date and venue of the Annual General Meeting was not finalized in the said Meeting. Hence the details as to the Schedule of Annual General Meeting and the dates of Book Closure have not been provided.

Financial Year
1st April to 31st March

Dividend Payment Date
Not Applicable

Tentative Calendar of financial year ending 31st March, 2019

The tentative month of meeting of Board of Directors for consideration of quarterly/ Half yearly / Annual financial results for the financial year ending 31st March, 2019 are as follows:

First Quarter Results	August, 2018
Second Quarter and Half yearly Results	November, 2018
Third Quarter Results	February, 2019
Fourth Quarter and Annual Results	May, 2019

Listing Details:
The Company's shares are listed on the following stock exchanges:

Name of Stock Exchange(s)	Stock Code(s)
BSE Limited (BSE)	532695
The National Stock Exchange of India Limited (NSE)	CELEBRITY

The Company has paid the annual listing fees to BSE Limited and National Stock Exchange of India Limited and the custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year ended 31st March, 2018.

Market Price Data

The details of monthly high and low prices of the Company's shares at BSE and NSE for the financial year ended 31st March 2018 are as follows:

(Share price in Rs.)

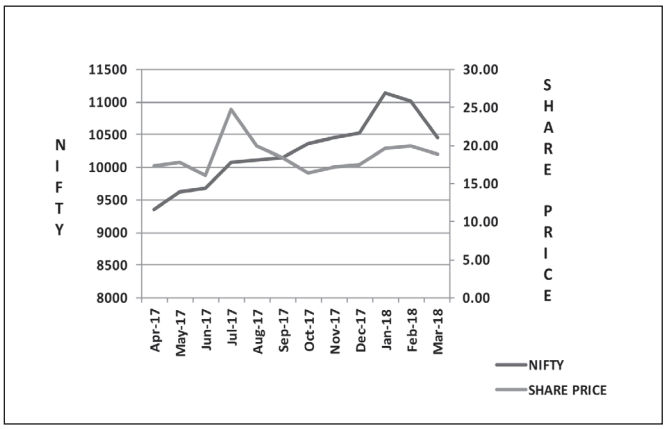
Month(s)	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-17	18.80	15.00	2139902	18.80	15.25	6005342
May-17	18.55	13.10	1543472	18.40	12.90	5061285
Jun-17	16.85	13.75	395332	16.90	13.30	1561766
Jul-17	26.74	14.02	3588434	27.05	14.25	14871118
Aug-17	21.00	16.15	548532	21.00	15.90	1751589
Sep-17	18.95	14.15	405419	18.65	14.20	925582
Oct-17	17.60	13.85	317578	16.95	14.05	609256
Nov-17	18.00	14.50	405732	17.95	14.45	906127
Dec-17	17.80	13.60	607412	17.70	13.40	2255965
Jan-18	21.15	15.05	2106348	21.45	15.35	8264172
Feb-18	21.25	14.65	654544	21.20	14.40	4850546
Mar-18	19.20	13.55	381981	19.50	12.55	1360898

Source: BSE and NSE Website

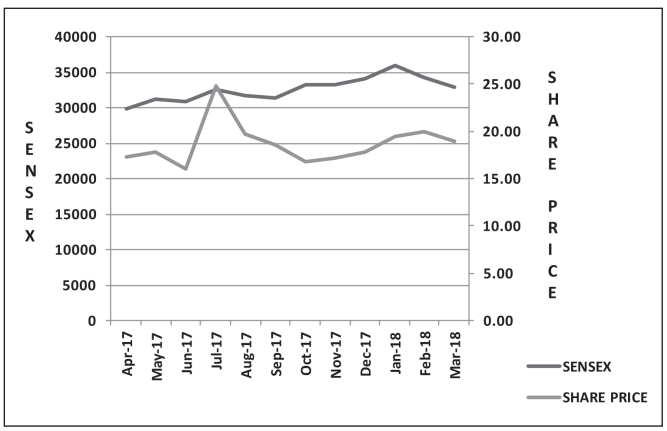
Stock performance in comparison to broad-based indices:

The Chart below shows the comparison of the Company's share price movement on BSE & NSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31st March, 2018 (based on month end closing):

1. NSE Nifty



2. BSE Sensex



Registrar and Share Transfer Agents

Link Intime India Private Limited, Mumbai are the Registrar and Share Transfer agents for handling physical and electronic registry work. The Shareholders are requested to address their share related requests/ queries to the RTA. The contact address of the registrar and share transfer agent is as follows:

Link Intime India Private Limited
C - 101, 247 Park, L.B.S Marg,
Vikhroli (West),
Mumbai 400 083
Tel: + 91 22 4918 6000
Fax: + 91 22 4918 6060
Website: www.linkintime.co.in

Share Transfer System

As much as 92.31 % of the Company's equity shares are in electronic format. These shares can be transferred through the depositories without the Company's involvement. Transfer of shares in physical form is processed within 15 days from the date of receipt, provided the documents are complete in all respects. All the transfers are first processed by the Transfer Agent and are submitted thereafter to the Company, for approval.

As per the requirement of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained certificates on half yearly basis from the Company Secretary in practice for due compliance of share transfer formalities.

Distribution of Shareholding:

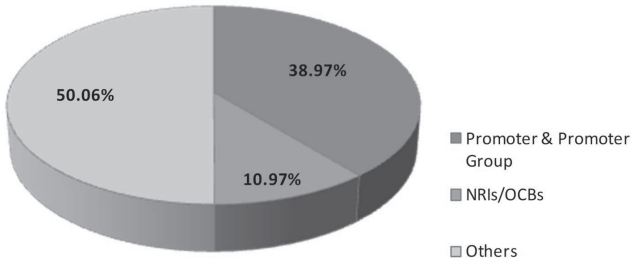
Distribution of Shareholding as on 31st March 2018 is as follows:

Range	No. of shareholders	% to total holders	No. of Shares	Amount (Rs.)	% to Capital
1-5000	10821	77.95	1339919	13399190	2.94
5001-10000	1250	9.00	1079822	10798220	2.37
10001-20000	712	5.13	1149012	11490120	2.52
20001-30000	309	2.23	808830	8088300	1.78
30001-40000	131	0.94	477457	4774570	1.05
40001-50000	153	1.10	740125	7401250	1.62
50001-100000	268	1.93	2084181	20841810	4.57
Greater than 100000	238	1.72	37897599	378975990	83.15
Grand Total	**13882**	**100.00**	**45576945**	**455769450**	**100.00**

Shareholding Pattern as on 31st March 2018

Category of Shareholder(s)	Total No. of Shares	% of Total No. of Shares
Promoter and promoter group		
Promoter and promoter group	17760265	38.97
Sub Total	**17760265**	**38.97**
NRIs/OCBs		
Non Resident Indians	433678	0.95
Foreign Portfolio Investor	4565000	10.02
Sub Total	**4998678**	**10.97**
Others		
Clearing Members	595022	1.31
Private Corporate Bodies	3058688	6.71
Public	18477932	40.54
Others	686360	1.51
Sub Total	**22818002**	**50.06**
Total	**45576945**	**100.00**

Category-wise Shareholding:



Dematerialization of Shares & liquidity

As on 31st March 2018, 42071084 Equity shares aggregating to 92.31% were held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The shares are available for dematerialisation under **ISIN – INE185H01016**

The Trading approval for 3505696 Equity shares allotted on preferential basis was received on 26th April 2018.

Requests for dematerialisation of shares are processed and generally confirmed within 15 days of receipt.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs during the financial year 2017- 18.

As on 31st March, 2018, 21,91,060 convertible warrants were pending for conversion.

Commodity price risk or foreign exchange risk and hedging activities:

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with the no material residual risk. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to firm commitment.

Plant Locations:

1) Plot C2, Phase II, MEPZ-SEZ, Tambaram,Chennai – 600045.
2) No: 208, Velachery Tambaram Road,Narayanapuram, Pallikaranai, Chennai 600100.
3) No.70/2 & 3A, Selaiyur Agaram, Thiruvanchery, Chennai – 600 073.
4) BSR Avenue, Thirumudivakkam High Road, Thirumudivakkam, Chennai – 600 044.

Address for Correspondence:

Celebrity Fashions Limited
CIN : L17121TN1988PLC015655
Registered & Corporate Office
SDF - IV & C2, 3rd Main Road,
MEPZ - SEZ, Tambaram,
Chennai 600 045.
Tel : + 91 44 4343 2200 / 4343 2189
Email : investorservices@celebritygroup.com
Website: www.celebritygroup.com

OTHER DISCLOUSRES:

Disclosure on Materially significant related party transactions

During the year, the Company had not entered into any transaction of a material nature with any of the related parties which may have potential conflict with the interest of the Company. The transactions of purchase/sale of finished goods, raw materials and job work with related parties have been made in the ordinary course of business and at arm's length.

The Company has already taken approval from the shareholders for a contract value of Rs.40 Crores towards related party transactions on Purchase of Raw Materials, Issue of Job Work Orders and lease rentals.

The Register of Contracts containing transactions, in which Directors are interested, is placed before the board regularly.

The Company has complied with the requirements of SEBI and stock exchanges on the matters relating to capital markets as applicable from time to time. There has been no instance of non-compliance by the company or penalty, strictures imposed on company by the stock exchanges or SEBI or any statutory authority, on any matter relating to capital markets, during last three years.

Vigil Mechanism / Whistle Blower Policy:

The company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The company affirms that no personnel has been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may make protected disclosures concerning financial or accounting matters, in writing to the Chairman of the Audit Committee of the Company, as soon as possible but not later than thirty consecutive days after becoming aware of the same. The Chairman of the Audit Committee of the Company shall finalise and submit the report it to the Audit Committee for further action.

Code of Conduct

The Company has adopted a Code of Conduct for all board members and senior management of the Company. The Code has been communicated to the directors and the members of the Senior Management of the Company. The code has been displayed on the Company's website namely www.celebritygroup.com. All the members of the Board and senior management have confirmed compliance with the Code for the year ended, 31st March 2018. The annual report contains a declaration to this effect signed by the Managing Director.

Code of Conduct to Regulate, Monitor and Report Trading by Insiders:

In accordance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct to Regulate, Monitor and Report Trading by Insiders ("Insider Trading Code). The said Insider Trading Code applies to Directors, Senior Management Personnel, persons forming part of the Promoter(s) & Promoter(s) Group and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company ("designated persons"). Such designated persons are expected to be in compliance with the Insider Trading Code at all times.

CEO / CFO Certification

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the financial year 2017-18 signed by Mr. Charath Ram Narsimhan, Managing Director and Mr. S Venkataraghavan, CFO was placed before the Board of Directors of the Company at their meeting held on 28th May, 2018.

The Company is in compliance with the mandatory requirements of the Code of Corporate Governance as specified in regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations. The Company is also in compliance with Secretarial Standards on Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India

Non-mandatory requirements under Listing Regulations

The Company has fulfilled the following non-mandatory requirements under the Listing Regulations:

a. It is in the regime of financial statements with unmodified audit opinion.

b. It complies with the requirement of having separate persons to the post of Chairman and Managing Director.

c. The Internal Auditor reports directly to the Audit Committee.

The Company has no subsidiary. Hence the requirement of Policy for determining 'material' subsidiaries does not arise. The Policy on dealing with related party transactions is available in www.celebritygroup.com.

Disclosures with respect to Demat suspense account/ unclaimed suspense account:

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2017	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL	NIL
Number of shareholders to whom shares were transferred from the suspense account during the year	NIL	NIL
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 31st March 2018	NIL	NIL
The voting rights on the shares outstanding in the suspense account as on 31st March 2018 shall remain frozen till the rightful owner of such shares claims the shares	NIL	NIL

Declaration on Compliance of the Company's Code of Conduct

The Company has a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company in terms of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to further strengthen corporate governance practices of the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year ended 31st March, 2018.

Date: 28th May, 2018
Place: Chennai

Charath Ram Narsimhan
Managing Director

Certificate on Compliance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members

Celebrity Fashions Limited

We have examined the compliance of conditions of Corporate Governance by Celebrity Fashions Limited ("the Company") for the year ended 31st March, 2018, as stipulated under Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to a review of the procedures adopted and implementation thereof, by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of the Listing Regulations.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BP & Associates**
Company Secretaries
sd/-
S. Bhaskar
Partner
M No: 10798
CP No: 8315

Date : 28th May 2018
Place: Chennai

INDEPENDENT AUDITOR'S REPORT

To the Members of CELEBRITY FASHIONS LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements drawn in accordance with the Indian Accounting Standards ("the Financial Statements") of **CELEBRITY FASHIONS LIMITED** ("the Company"), which comprise the Balance sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow for the year ended 31st March 2018 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), Changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the state of affairs (financial position) of the Company as at 31st March 2018, its Loss (financial performance including Other Comprehensive Income), Changes in Equity and its Cash Flows for the year ended on 31st March 2018.

Emphasis of Matter

We draw attention to Note No. 33 of the Ind AS financial statements which discloses that as at the date of the Balance Sheet the Company has significant accumulated losses. We have evaluated the appropriateness of the 'going concern' concept in accordance with SA-570, based on such evaluation, in our opinion and on the basis of the information and explanations given to us, we report that we have obtained sufficient evidence to establish the continuance of the Company as a going concern. The Ind AS financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note. Our opinion is not modified in respect of this matter.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements are based on the previously issued statutory financial statements prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7

of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India, jointly audited by CNGSN & Associates LLP, Chartered Accountants, and Anil Nair & Associates, Chartered Accountants, the predecessor auditors, whose report for the year ended March 31, 2016 and March 31, 2017 dated 30th May, 2016 and 26th May, 2017 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements- Refer Note 38(c)

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For SRSV & Associates
Chartered Accountants
F.R. No. 015041S
V. Rajeswaran
Partner
Membership No. 020881

Date : 28th May 2018
Place: Chennai

Annexure A to the Independent Auditor's Report

Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date to the Ind AS Financial Statements of the Company for the year ended 31st March 2018:

i. Fixed Assets

a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.

c) According to the information and explanation given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties of the Company are held in the name of the Company.

ii. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.

iii. In our opinion and according to the information and explanations given to us, the company has not granted loans to parties covered in the register maintained under section 189 of the Companies Act. Accordingly, reporting under this clause does not arise.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public, are not applicable.

vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act 2013. Accordingly, clause vi of paragraph 3 of Companies (Auditors Report) Order 2016 is not applicable.

vii. Undisputed and disputed taxes and duties

a) According to the records of the Company and information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, Goods and service tax, cess and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months.

b) As at 31st March 2018 according to the records of the Company, the following are the particulars of the disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax and cess, which have not been deposited on account of dispute:

Name of the Statue	Nature of Dues	Assessment Year to which the amount relates	Forum where the dispute is pending	Amount (in Rs)
Income Tax Act,1961	Income Tax	**2003-2004**	Pending before the Assessing Officer	526,669*
Income Tax Act,1961	Income Tax	**2004-2005**	Pending before the Assessing Officer	961,087*
Income Tax Act,1961	Fringe Benefit Tax	**2007-2008**	Pending for rectification before the Assessing Officer	699,860
Income Tax Act,1961	Fringe Benefit Tax	**2008-2009**	Pending for rectification before the Assessing Officer	601,600
Income Tax Act,1961	Income Tax	**2011-2012**	Pending for rectification before the Assessing Officer and appeal before the Commissioner of Income Tax Appeals, Chennai	114,652
Total				**2,903,868**

* Relating to Income Tax dues of Partnership Firm Celebrity Connections

viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or debenture holders.

ix. In our opinion, term loans have been applied for the purposes for which they were raised. During the year, the company has not raised money by way of initial public offer or further public offer. The Company has not issued any debentures during the year

x. In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.

xi In our opinion and according to the information and explanations given to us, managerial remuneration has been provided in accordance with the requisite approvals mandated by Section 197 read with Schedule V of the Companies Act, 2013.

xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause xii of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

xiii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financial Statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, except allotment of equity shares on conversion of convertible warrants as stated in note no. 13 in respect of which requirement of section 42 of the Act have been complied with and the amountraised has been used for the purpose for which the funds were raised.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors. Accordingly, clause xv of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-lA of the Reserve Bank of India Act, 1934. Accordingly, clause xvi of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

For SRSV & Associates
Chartered Accountants
F.R. No. 015041S
V. Rajeswaran
Partner
Membership No. 020881

Date : 28th May 2018
Place: Chennai

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **CELEBRITY FASHIONS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SRSV & Associates
Chartered Accountants
F.R. No. 015041S
V. Rajeswaran
Partner
Membership No. 020881

Date : 28th May 2018
Place: Chennai

Balance Sheet as at 31st March 2018

₹. In Crores

Particulars	Note No.	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
I ASSETS				
1 Non-Current Assets				
(a) Property, Plant & Equipments	2	33.00	38.66	44.54
(b) Intangible assets	3	-	0.01	0.05
(c) Investment property	4	1.47	1.54	1.61
		34.47	**40.20**	**46.20**
(d) Financial assets				
(i) Loans	5	3.23	3.27	2.93
(e) Income Tax Assets	6	2.91	2.93	2.86
Total Non-Current Assets		**40.61**	**46.40**	**51.99**
2 Current Assets				
(a) Inventories	7	40.43	38.43	41.41
(b) Financial assets				
(i) Loans	5	0.13	0.18	0.27
(ii) Trade receivables	8	36.11	25.40	30.25
(iii) Cash and Cash equivalents	9	0.62	0.36	0.47
(iv) Bank balances other (iii) above	10	1.61	1.53	1.44
(v) Other Financial assets	11	1.58	1.42	1.09
(c) Other current assets	12	6.65	4.59	3.98
Total Current Assets		**87.13**	**71.91**	**78.91**
Total Assets		**127.74**	**118.31**	**130.90**
II EQUITY AND LIABILITIES				
1 Equity				
(a) Share Capital	13	45.58	42.07	39.00
Other Equity				
(a) Reserves and Surplus	14	(56.65)	(55.84)	(42.84)
(b) Money received against Warrants	15	0.63	1.63	-
Total Equity		**(10.44)**	**(12.14)**	**(3.84)**
2 Liabilities				
Non-Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	16	45.41	48.80	50.09
(b) Deferred tax liabilities (Net)	17	-	-	-
(c) Other non current liabilities	18	0.03	0.02	0.02
Total Non-Current Liabilities		**45.44**	**48.82**	**50.11**

Particulars	Note No.	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	19	49.83	42.19	43.31
(ii) Trade Payables				
Due to Micro, Small and Medium Enterprises		-	-	-
Due to Others	20	25.80	22.90	24.20
(iii) Other Financial Liabilities	21	11.94	11.91	13.03
(b) Other current liabilities	22	1.16	1.21	1.19
(c) Short-term provisions	23	4.01	3.42	2.90
Total Current Liabilities		**92.74**	**81.63**	**84.63**
Total Liabilities		**138.18**	**130.45**	**134.74**
Total Equity and Liabilities		**127.74**	**118.31**	**130.90**

See Accompanying Notes to Financial Statements 1

To be read with our report of even date

SRSV & Associates
Chartered Accountants
ICAI Firm Registration No. 015041S

V. Rajeswaran
Partner
Membership Number 020881

Chennai
28 May 2018

For and on Behalf of the Board

V. Rajagopal
Chairman
DIN: 00003625

A. Rishi Kumar
Company Secretary

S Venkataraghavan
Chief Financial Officer

Charath Ram Narsimhan
Managing Director
DIN: 06497859

Statement of Profit and Loss for the year ended 31st March 2018

₹ In Crores (except per share data)

Particulars		Note No.	For the Year Ended 31-Mar-18	For the Year Ended 31-Mar-17
I	Revenue from Operations	24	203.54	192.29
II	Other Income	25	2.65	1.89
III	**Total Revenues**		**206.19**	**194.18**
IV	**Expenses**			
	a Cost of Materials	26	109.02	97.76
	b Changes in Inventories of Finished Goods & Work-in-Progress - (Inc) / Dec	27	(0.29)	2.28
	c Excise Duty Expenses		-	0.24
	d Employee Benefit Expenses	28	54.16	51.85
	e Other Expenses	29	30.50	33.08
	Total Expenses		**193.39**	**185.21**
V	**Earnings before Interest, Depreciation and Tax (III - IV)**		**12.80**	**8.97**
	f Finance Costs	30	6.79	6.59
	g Depreciation		6.89	7.03
			13.68	13.62
VI	**Profit / (Loss) before Tax and Exceptional Items**		**(0.88)**	**(4.65)**
VII	**Exceptional Item - Expense / (Income)**	31	-	8.22
VIII	**Profit / (Loss) before Tax after Exceptional Items**		(0.88)	(12.87)
IX	**Tax Expenses**			
	a Current Tax Expense		-	-
	b Deferred Tax		-	-
	Profit/ (Loss) after tax		**(0.88)**	**(12.87)**
X	**Other comprehensive income**			
	Items that will not be reclassified to Profit or Loss			
	Remeasurement of post employment benefit obligations	32	(0.42)	(0.56)
	Income tax relating to these items			
	Other Comprehensive Income (net of tax expense)		(0.42)	(0.56)
XI	**Total Comprehensive Income for the year**		**(1.30)**	**(13.43)**
XII	**Earnings Per Share - In Rs. before Extra-Ordinary Item**			
	Basic		(0.21)	(3.28)
	Diluted		(0.21)	(3.28)
XIII	**Earnings Per Share - In Rs. after Extra-Ordinary Item**			
	Basic		(0.21)	(3.28)
	Diluted		(0.21)	(3.28)
	See Accompanying Notes to Financial Statements	1		
	To be read with our report of even date			

SRSV & Associates
Chartered Accountants
ICAI Firm Registration No. 015041S

V. Rajeswaran
Partner
Membership Number 020881

Chennai
28 May 2018

For and on Behalf of the Board

V. Rajagopal
Chairman
DIN: 00003625

A. Rishi Kumar
Company Secretary

S Venkataraghavan
Chief Financial Officer

Charath Ram Narsimhan
Managing Director
DIN: 06497859

Notes on Financial Statements for the year ended 31st March, 2018

1 Significant Accounting Policies

Company Overview

Celebrity Fashions Limited ("the Company") is a public limited company incorporated in India. The Company's equity shares are listed on BSE and NSE. The Registered office is located at Chennai.

1.1 Statement of Compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act,2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Upto the year ended 31st March 2017, the Company prepared financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These are Company's first Ind AS based financial statements. The date of transition to Ind AS is 1st April, 2016. Company has opted certain exemptions while first-time adoption of Ind As based Financial statement (refer transition note in Financial Statement)

1.2 Basis of Preparation of Financial Statements

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The principal accounting policies are set out below:

All assets and liabilities have been classified as current or noncurrent according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

1.3 Going Concern

The board of directors have considered the financial position of the Company at 31 March 2018 and projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

1.4 Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

1.5 Revenue Recognition

The Company recognizes revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria in relation to significant risk.

1.5.1 Sale of Goods

Revenue from sale of products is recognised when the products are delivered to the dealer / customer or when delivered to the carrier, when risks and rewards of ownership pass to the dealer / customer, as per terms of contract.

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances and rebates. It includes excise duty but excludes Value Added Tax and Sales Tax.

1.5.2 Income from service

Income from services is accounted over the period of rendering of services.

1.6 Foreign Currencies

1.6.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the company's functional and presentation currency.

1.6.1 Transaction balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

1.7 Employee Benefits

1.7.1 Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

1.7.2 Other Long term employee benefit

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional

amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

1.7.3 Post employment obligation

The Company operates the following post-employment schemes:

a. Defined benefit plans such as gratuity for its eligible employees, and

b. Defined contribution plans such as provident fund

Defined Contribution plan:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme and pension scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan:

The Company has a gratuity defined benefit plans for its employees. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and the balancesheet. The Company has funded this with Reliance Life Insurance and SBI Life Insurance. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

1.7.4 Bonus Plans

The Company recognizes a liability and an expense for bonus. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.8.1 Current Tax

The income tax expenses or credit is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted.

1.8.2 Deferred Tax

Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future. In case of unabsorbedlosses and unabsorbed depreciation, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realisedagainst future taxable profit. Unrecognized deferred tax assets of earlier periods are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain as the case may be, that future taxable income will be available against which such deferred tax assets can be realized.

1.8.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

1.9 Property, Plant and Equipment

Property, Plant And Equipment are stated at cost including incidental expenses related to acquisition and installation, less accumulated depreciation and impairment if any. Direct costs are capitalized until the Property Plant And Equipment are ready for use. These costs includes non recoverable taxes, duties or levies, freight and any other directly attributable costs of bringing the asset to its working condition for its intended use.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Gains and losses arising from retirement or disposal of the Property, Plant And Equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss on the date of retirement or disposal.

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged.

Category of Assets	Useful life under Companies Act, 2013	Useful life estimated by the Management
Buildings - Factory	30	30
Buildings - Office	60	60
Plant & Machinery*	15	18
Electrical Installation*	10	14
Office Equipments	5	5
Computers	3	3
Vehicles	8	8
urniture & Fixtures	10	10

Additional depreciation is being provided to the extent required during the year of sale of assets. Assets, for which the estimated useful life is completed, have been removed from gross block and accumulated depreciation.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work - in -progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Transition to Ind AS

On transition to Ind AS, the Company has elected adopt fair value as its deemed cost for the land and apply Ind-AS 16 retrospectively for other class of assets as at 1stApril 2016,.

1.10 Intangible Assets

Intangible assets are stated at cost less accumulated amortisation / depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs and any cost directly attributable in bringing the asset to its working condition for the intended use. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Amortization of Intangible Assets

The amortization period and the amortization method for an intangible asset are reviewed, at least, at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Category of Assets	Useful life under Companies Act, 2013	Useful life estimated by the Management
Computer Software (Intangible)	3	3

1.11 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment roperty is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

1.12 Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as as of the transition date.

1.13 Impairment of tangible and intangible assets

The Company assesses at each Balance Sheet date whether there is any indication due to internal or external factors that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the profit and loss account. If at any subsequent balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount subject to maximum of depreciated historical cost and is accordingly reversed in the profit and loss account.

1.14 Inventories

Raw Materials and Components are valued at lower of Cost or Net Realizable Value. Cost of the said is computed by applying Specific Identification Method. Work in Progress and Finished Goods are valued at lower of Cost or Net Realizable Value. Cost of these inventories includes Costs of Conversion and Other costs incurred in bringing them to the present location and condition.

Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

1.15 Provisions and contingencies

Provisions

Provisions are recognised when there is a present obligation or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

1.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets andfinancial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

1.17 Financial Assets

1.17.1 Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company classifies its financial assets in the following measurement categories:

-those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

-those measured at amortised cost

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain or losses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

1.18 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

1.19 Cash and Cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three month or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

1.20 Impairment of Financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

-Financial assets measured at amortized cost

-Financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to :

-the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or

-full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

1.21 Income Recognition

Interest Income

Interest income from debt instruments is recognized using the effective interest rate method.

1.22 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

1.22.1 Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

1.22.2 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.22.3 Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period,

the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

1.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Company has only a single reportable segment.

1.24 Leases

Leases of property, plant and equipment where the Company, as a lessee has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Contingent rents are payable as per the agreed terms.

1.25 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period oftime that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

1.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

1.27 Earning Per Share

Basic earnings per share have been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive.

1.28 Exceptional Items

Exceptional Items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of Company's financial performance. Items which may be considered exceptional are diminution in value of investments in equity shares of subsidiaries, Impairment Loss, etc.

Notes on Financial Statements for the year ended 31st March 2018 ₹in Crores

2 Property, Plant & Equipment

The reconciliation for changes in the carrying value of property, plant and equipment for the year ended March 31, 2017 are as follows:

Sl. No.	Asset Description	Deemed Cost / Gross Block				Accumulated Depreciation				Net Block	
		As at 1-Apr-16	Additions	Deletions / Adjustments	As at 31-Mar-17	As at 1-Apr-16	Depreciation for the year 31-Mar-17	Deletions	As at 31-Mar-17	31-Mar-17	31-Mar-16
1	Land and Site Development	-	-	-	-	-	-	-	-	-	-
2	Lease Hold Land	-	-	-	-	-	-	-	-	-	-
3	Buildings	11.97	0.99	-	12.96	-	0.24	-	0.24	12.72	11.97
4	Plant & Machinery	29.12	1.63	5.05	25.70	-	5.71	2.86	2.85	22.85	29.12
5	Electrical Installation	3.01	0.41	0.03	3.39	-	0.77	-	0.77	2.62	3.01
6	Office Equipments	0.06	0.11	-	0.17	-	0.02	-	0.02	0.15	0.06
7	Computers	0.12	0.04	-	0.16	-	0.07	-	0.07	0.09	0.12
8	Vehicles	0.11	-	-	0.11	-	0.01	-	0.01	0.10	0.11
9	Furniture & Fixtures	0. 15	0.07	-	0.22	-	0.10	-	0.10	0.12	0.15
	Total	**44.54**	**3.25**	**5.08**	**42.71**	**-**	**6.92**	**2.86**	**4.06**	**38.66**	**44.54**

The reconciliation for changes in the carrying value of property, plant and equipment for the year ended March 31, 2018 are as follows:

Sl. No.	Asset Description	Gross Block (at cost)				Accumulated Depreciation				Net Block	
		As at 1-Apr-17	Additions	Deletions / Adjustments	As at 31-Mar-18	As at 1-Apr-17	Depreciation for the year 31-Mar-18	Deletions	As at 31-Mar-18	31-Mar-18	31-Mar-17
1	Land and Site Development	-	-	-	-	-	-	-	-	-	-
2	Lease Hold Land	-	-	-	-	-	-	-	-	-	-
3	Buildings	12.96	0.17	0.85	12.28	0.24	1.23	0.85	0.62	11.66	12.72
4	Plant & Machinery	25.70	1.06	1.20	25.56	2.85	4.59	0.96	6.48	19.08	22.85
5	Electrical Installation	3.39	0.11	0.06	3.44	0.77	0.84	0.06	1.55	1.89	2.62
6	Office Equipments	0.17	0.03	-	0.20	0.02	0.05	-	0.07	0.13	0.15
7	Computers	0.16	0.02	-	0.18	0.07	0.04	-	0.11	0.07	0.09
8	Vehicles	0.11	-	-	0.11	0.01	0.01	-	0.02	0.09	0.10
9	Furniture & Fixtures	0.22	0.01	-	0.23	0.10	0.05	-	0.15	0.08	0.12
	Total	**42.71**	**1.40**	**2.11**	**42.00**	**4.06**	**6.81**	**1.87**	**9.00**	**33.00**	**38.66**

Refer to notes 1.9 for information on significant accounting policies.

Notes on Financial Statements for the year ended 31st March 2018 ₹in Crores

3 Intangible assets

The reconciliation for changes in the carrying value of Intangible Asset for the year ended March 31, 2017 are as follows:

Sl. No.	Asset Description	Gross Block (at cost)				Accumulated Depreciation				Net Block	
		As at 1-Apr-16	Additions	Deletions / Adjustments	As at 31-Mar-17	As at 1-Apr-16	Depreciation for the year 31-Mar-17	Deletions	As at 31-Mar-17	31-Mar-17	31-Mar-16
1	Computer Software										
	- Acquired	0.05	-	-	0.05	-	0.04	-	0.04	0.01	0.05
	Total	**0.05**	**-**	**-**	**0.05**	**-**	**0.04**	**-**	**0.04**	**0.01**	**0.05**

The reconciliation for changes in the carrying value of Intangible Asset for the year ended March 31, 2018 are as follows:

Sl. No.	Asset Description	Gross Block (at cost)				Accumulated Depreciation				Net Block	
		As at 1-Apr-17	Additions	Deletions / Adjustments	As at 31-Mar-18	As at 1-Apr-17	Depreciation for the year 31-Mar-18	Deletions	As at 31-Mar-18	31-Mar-18	31-Mar-17
1	Computer Software										
	- Acquired	0.05	-	-	0.05	0.04	0.01	-	0.05	-	0.01
	Total	**0.05**	**-**	**-**	**0.05**	**0.04**	**0.01**	**-**	**0.05**	**0.00**	**0.01**

Refer to note 1.10 for information on significant accounting policies.

4 Investment Property

The reconciliation for changes in the carrying value of Investment property for the year ended March 31, 2017 are as follows:

Sl. No.	Asset Description	Gross Block (at cost)				Accumulated Depreciation				Net Block	
		As at 1-Apr-16	Additions	Deletions / Adjustments	As at 31-Mar-17	As at 1-Apr-16	Depreciation for the year 31-Mar-17	Deletions	As at 31-Mar-17	31-Mar-17	31-Mar-16
1	Land	0.47	-	-	0.47	-	-	-	-	0.47	0.47
2	Building	1.14	-	-	1.14	-	0.07	-	0.07	1.07	1.14
	Total	**1.61**	**-**	**-**	**1.61**	**-**	**0.07**	**-**	**0.07**	**1.54**	**1.61**

The reconciliation for changes in the carrying value of Investment property for the year ended March 31, 2018 are as follows:

Sl. No.	Asset Description	Gross Block (at cost)				Accumulated Depreciation				Net Block	
		As at 1-Apr-17	Additions	Deletions / Adjustments	As at 31-Mar-18	As at 1-Apr-17	Depreciation for the year 31-Mar-18	Deletions	As at 31-Mar-18	31-Mar-18	31-Mar-17
1	Land	0.47	-	-	0.47	-	-	-	-	0.47	0.47
2	Building	1.14	-	-	1.14	0.07	0.07	-	0.14	1.00	1.07
	Total	**1.61**	**-**	**-**	**1.61**	**0.07**	**0.07**	**-**	**0.14**	**1.47**	**1.54**

Notes on Financial Statements for the year ended 31st March 2018 ₹in Crores

i.Fair Value

Sl.No.	Particulars	31-Mar-18	31-Mar-17	1-Apr-16
1	Investment Property	17.75	18.34	21.61

The fair values of investment properties have been determined with reference to the market value as for the location at which the property is located by an independent third party valuer. The fair valuation of the property is determined annually.

ii. Amounts recognised in profit or loss for investment property

Sl.No.	Particulars	31-Mar-18	31-Mar-17
	Rental Income		
1	Direct operating expenses from property that generated rental income	1.10	0.60
2	Direct operating expenses from property that did not generate rental income	-	-
	Profit from investment properties before depreciation	**1.10**	**0.60**
	Depreciation	0.07	0.07
	Profit from investment properties	**1.03**	**0.53**

	PARTICULARS	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
5	**LOANS**			
	Non Current			
	Unsecured and considered good			
a	Security Deposits	3.23	3.27	2.93
	Total	**3.23**	**3.27**	**2.93**

Security Deposits include Rental, Electricity and Other Deposits which have been given for business purposes.

	Current			
	Unsecured and considered good			
b	Loans and advances to Employees	0.13	0.18	0.27
	Total	**0.13**	**0.18**	**0.27**
6	**INCOME TAX ASSETS**			
a	Balance due from Revenue Authorities	2.91	2.93	2.86
	Total	**2.91**	**2.93**	**2.86**

Balance Due from Revenue Authorities comprises of tax refund due from the Income Tax Department which are outstanding for more than 12 months. Income Tax refund is determined after year wise set off of Advance Taxes Paid and taxes deducted at source against provision for taxation.

Notes on Financial Statements for the year ended 31st March 2018 ₹in Crores

	PARTICULARS	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
7	**INVENTORIES**			
a	Raw Materials	15.76	14.05	14.75
b	Work-in-Progress	0.98	2.04	1.88
c	Finished Goods	23.69	22.34	24.78
	Total	**40.43**	**38.43**	**41.41**

Write-downs of inventories to net realisable value amounted to ₹0.11crs (31 March 2017 – ₹0.59 crs). These were recognised as an expense during the year and included in ₹changes in value of inventories of work-in-progress, stock-in-trade and finished good

8	**TRADE RECEIVABLES**			
a	Unsecured and considered good	36.11	25.40	30.25
	Total	**36.11**	**25.40**	**30.25**

Trade Receivables include ₹2.71 crs (Previous Year ₹3.62 crs) receivable from Company under Significant Influence or Control of Key Managerial Personnel (Refer Note 41(d)(ii))

Previous year Trade Receivables includes ₹7.96 Crs. (1st April 2016 `19.46 Crs) which was subject to with recourse factoring arrangement. The Company retains the risk of late payment and credit risk. Hence the entire transferred assets are retained in the balancesheet in full.

9	**CASH AND BANK BALANCES**			
a	Cash and cash equivalents			
	Balances with Banks			
	In Current Account	0.31	0.09	0.19
	Cash on hand	0.31	0.27	0.28
	Total	**0.62**	**0.36**	**0.47**

10	**BANK BALANCES OTHER THAN ABOVE**			
a	Fixed Deposits with Banks	1.61	1.53	1.44
	Total	**1.61**	**1.53**	**1.44**

Fixed deposits with banks include deposits of ₹1.61 crs with a maturity of more than 3 months, but less than 12 months (Previous Year ₹1.53 crs)

Fixed deposits with banks comprises of restricted bank balances of ₹1.42 crs (Previous year ₹1.35 crs) The restrictions are primarily on account of fixed deposits held as margin money against borrowings / bank guarantees.

11	**OTHER FINANCIAL ASSETS**			
a	Amount Receivable on Mark to Market on Forward Contracts	0.02	-	0.26
b	Rent Receivable	1.55	1.41	0.78
c	Interest accrued on Fixed Deposits	0.01	0.01	0.05
	Total	**1.58**	**1.42**	**1.09**

Notes on Financial Statements for the year ended 31st March 2018 ₹in Crores

	PARTICULARS	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
12	**OTHER CURRENT ASSETS**			
	Unsecured and considered good			
a	Advances to suppliers of goods and services	1.15	1.03	0.66
b	Prepaid Expenses	0.53	0.34	0.21
c	Export Benefit Receivable			
	Duty Drawback Receivable	0.20	0.73	0.97
	ROSL Receivable	0.34	0.80	-
d	Other Indirect Taxes Receivable			
	Service Tax Receivable	1.14	1.19	1.61
	GST Input Credit (Net)	3.04	-	-
	Cenvat Receivable	0.09	0.22	0.22
	VAT - Input Credit	0.16	0.28	0.31
	Total	**6.65**	**4.59**	**3.98**
13	**SHARE CAPITAL**			
a	**Authorized, Issued, Subscribed and Paid-Up Share Capital**			
	Authorized Share Capital:			
	5,40,00,000 (Previous Year 5,40,00,000 and on 1st April 2016 is 4,40,00,000) Equity Shares of ₹10/- each	54.00	54.00	44.00
	Issued Capital			
	4,65,03,765 (Previous year 4,25,03,765 and 1st April 2016 is 3,90,03,765) Equity Shares of ₹10/- each Issued,	46.50	42.50	39.00
	Subscribed and Paid up Capital			
	4,55,76,945 (Previous Year 4,20,71,249 and 1st April 2016 is 3,90,03,765) Equity Shares of ₹10/- each	45.58	42.07	39.00
	Total	**45.58**	**42.07**	**39.00**

Upon approval of the shareholders vide resolution dated 13th February 2018, the Company has allotted 35,05,696 shares under preferential allotment on 13th February 2018 to the Promoter / Director.

b	**Reconciliation of the number of shares**			
	Number of Equity Shares outstanding at the beginning of the year	42,071,249	39,003,765	39,003,765
	Add: Number of Equity Shares issued during the year	3,505,696	3,067,484	-
	Number of Equity Shares outstanding at the end of the year	**45,576,945**	**42,071,249**	**39,003,765**

Notes on Financial Statements for the year ended 31st March 2018 ₹in Crores

	PARTICULARS	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
c	**Rights, Preferences and Restrictions attached to equity Shares**			
	Equity Shares having a par value of ₹10/- each with voting rights. Each holder of Equity Shares is entitled to one vote per share.			
	In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of Equity Shares held by the shareholders, after distribution of all preferential amounts.			
d	**Shares held by Holding Company, Ultimate Holding Company, Subsidiaries, Associates**	NIL	NIL	NIL
e	**Details of Equity Shares held by each Shareholder holding more than 5%**			

Name of the Shareholder	As at 31st March 2018		As at 31st March 2017		As at 31st March 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Mr. Venkatesh Rajagopal	10957617	24.0%	9642981	22.9%	9642981	24.7%
Mrs. Rama Rajagopal	6794902	14.9%	6794902	16.2%	5042054	12.9%
M/s Leman Diversified Fund	2465000	5.4%	3350000	8.0%	3350000	8.6%
Mr. Charath Ram Narsimhan	4531315	9.9%	2340255	5.6%		

g	**Shares reserved for issuance**			
	Convertible Warrants on Preferential basis in FY 2017-18		3,505,696	
	Convertible Warrants on Preferential basis in FY 2018-19	2,191,060	2,191,060	
		2,191,060	**5,696,756**	**-**

As at 31st March 2018, 21,91,060 Warrants (Previous Year 56,96,756) were pending to be converted into Equity Shares of ₹10/- each.

h	**Shares allotted for consideration other than cash during the last 5 years**	NIL	NIL	NIL
14	**RESERVES AND SURPLUS**			
a	**Securities Premium Reserve**			
	Opening Balance	2.48	2.05	2.05
	Add:			
	Premium received on Equity Shares issued during the year	0.49	0.43	-
	Closing Balance	**2.97**	**2.48**	**2.05**

Notes on Financial Statements for the year ended 31st March 2018 ₹in Crores

	PARTICULARS	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
b	**Surplus / (Deficit) in Statement of Profit and Loss**			
	Opening Balance	(58.32)	(44.89)	(66.30)
	Add:			
	Profit / (Loss) for the year	(0.88)	(12.87)	21.41
	Other Comprehensive Income	(0.42)	(0.56)	-
	Closing Balance	(59.62)	(58.32)	(44.89)
	Total	**(56.65)**	**(55.84)**	**(42.84)**

Securities Premium: Reserve represent the premium received on issues of securities, the same is available for use as per Companies Act, 2013.

Retained earnings: Company's cumulative earnings since its formation minus the dividends/capitalisation and earnings transferred to general reserve.

15	**Application Money received against Share Warrants**			
	Opening Balance	1.63	-	-
	Add:Received during the year	-	1.63	-
	Less: Converted during the year	1.00	-	-
	Closing balance	**0.63**	**1.63**	**-**

The shareholders of the Company vide resolution dated 12th February 2017 have approved the issue of Convertible Warrants on Preferential basis to the Promoter Directors / Director of the Company.

Accordingly, the Company had issued 5,696,756 (Fifty Six Lakh Ninety Six Thousand Seven Hundred and Fifty Six) Warrants Convertible into Equity Shares, to the Promoter Directors / Director of the Company on preferential basis, Each Warrant is convertible into one equity share at a conversion price of ₹11.41 per share, including a premium of ₹1.41 on each share of Face Value of ₹10/-. The right vested shall be exercised not later than 18 months from the date of allotment in accordance with the SEBI (ICDR) Regulations, 2015. The prospective allottees had paid ₹16,250,000 towards 25% value of total consideration payable for the Warrants. In case of non exercise of warrants within the period of 18 months, the same shall stand forfeited and the money received against the same shall not be refunded by the Company.

The details of Allottees of Warrants convertible into Equity Shares are as follows :-

Mr. Venkatesh Rajagopal	-	1,314,636
Mrs. Rama Rajagopal	2,191,060	2,191,060
Mr. Charath Ram Narsimhan	-	2,191,060

As at 31st March 2018, 21,91,060 Warrants (Previous Year 56,96,756) were pending to be converted into Equity Shares of ₹10/- each. The warrants would be converted into equivalent number of shares on payment of balance amount.

16	**LONG TERM BORROWINGS**			
	Unsecured			
	Preference Shares			
	Authorized			
	2,60,00,000 (Previous Year 2,60,00,000 and on 1st April 2016 is 2,60,00,000) 1% Cumulative Redeemable Preference Shares of ₹10/- each	26.00	26.00	26.00

Notes on Financial Statements for the year ended 31st March 2018 ₹in Crores

PARTICULARS	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Issued, Subscribed and Paid up			
2,51,04,500 (Previous year 2,51,04,500 and on 1st April 201616 is 2,51,04,500) 1% Cumulative Redeemable Preference Shares of ₹10/- each	25.10	25.10	25.10
Preference Shares Classified as Borrowing held under amortised cost model	26.23	25.98	25.73
Secured			
Term loans from Banks			
Clean Term loans	2.08	4.81	6.32
Rent Plus Term loans	-	-	0.60
Funded Interest Term loans	17.10	18.01	17.44
Total	**45.41**	**48.80**	**50.09**

a Rights, Preferences and Restrictions attached to Preference shares

The Cumulative Redeemable Preference Shares carry a dividend of 1% p.a. and will be redeemed in 5 equal annual installments starting with the financial year 2022.

b Details of 1% Cumulative Redeemable Preference Shares held by each Shareholder more than 5%

Name of the Shareholder	As at 31-Mar-18 No. of Shares	% held	As at 31 March 2017 No. of Shares	% held	As at 31 March 2016 No. of Shares	% held
State Bank of India	25104500	100.0%	25104500	100.0%	25104500	100.0%
% Holding						
State Bank of India		100.0%		100.0%		100.0%

There is no movement of Preference shares during the year and previous period of 2 years

c Details of Term loans - Bank wise, Repayments and Security

Term loans from State Bank of India	21.77	24.98	26.48
Loans Classified under Other Current Liabilities - being current maturities of long term borrowings	2.59	2.17	2.13
Long Term Borrowings	**19.18**	**22.81**	**24.35**

The above term loans extended by State Bank of India (SBI) are secured by hypothecation of current assets including stock and receivables.

Also the loans are additionally secured by the following collaterals:

PARTICULARS	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016

Hypothecation charge of the entire plant & machinery
Extension of E.M over land & building at 107A, GST Road, Chrompet, Chennai.
Equitable mortgage over leasing rights of land (2.306 acres and building (168050 Sq.ft) at plot no.C-2, Phase - II,
Pledge of 1,15,35,937 shares belonging to the Promoter Directors
Personal Guarantee of Promoter Directors

The maturity profile and rate of interest of the above loans are as set out below:

Rates of Interest
Clean Term loan - 9.25%
Funded Interest Term loan -9.25%

Year	Clean term Loan	Rent Plus Term Loan	Funded Interest Tem Loan	Total
2018-19	1.45		1.14	2.60
2019-20	1.59		15.95	17.54
2020-21	1.63			1.63
	4.67	-	17.09	21.77

17	**DEFERRED TAX LIABILITIES**			
	Deferred Tax Liability	-	-	-
	Deferred Tax Asset on Unabsorbed Depreciation & Business Loss	-	-	-
	During the previous year, the Company had recognized deferred tax asset on unabsorbed depreciation and brought forward business losses to the extent of corresponding deferred tax liability.			
	In accordance with the provisions of Ind AS 12 income taxes, the Company has deferred tax assets which have not been recognized due to absence of virtual certainty backed by convincing evidence of sufficient future taxable income against which such assets could be offset.			
	Total	**-**	**-**	**-**
18	**OTHER NON CURRENT LIABILITIES**			
	Government Grant	0.03	0.02	0.02
	Total	**0.03**	**0.02**	**0.02**
19	**SHORT-TERM BORROWINGS**			
a	**Loans Repayable on Demand from Banks**			
	Secured:			
	Working Capital Facilities	21.44	22.16	19.61
	Export Bills Discounted	28.39	12.86	6.19
	From Others			
	Unsecured:			
	Factoring Facility - RTS International Inc.	-	7.17	17.51
	The above facilities in the form of Export Packing Credit, Cash Credit and Export Bills Discounting facility are secured by way of charge on theinventories of the Company in the form of Raw Materials, Stock in Process and Finished Goods, Receivables and Other Current Assets.			

Notes on Financial Statements for the year ended 31st March 2018 ₹in Crores

	PARTICULARS	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	The loans are additionally secured by the following collaterals:			
	Hypothecation charge on the entire plant & machinery			
	Extension of Equitable Mortgage over land & building at 107A, GST Road, Chrompet, Chennai.			
	Equitable mortgage over leasing rights of land (2.306 acres and building (168050 Sq.ft) at plot no.C-2, Phase - II,			
	Pledge of 1,15,35,937 shares belonging to the Promoter Directors			
	Personal Guarantee of Promoter Directors			
	The Company has availed factoring facility in the previous year for its Trade Receivables from RTS International Inc. and has ceased during current year.			
	Total	**49.83**	**42.19**	**43.31**
20	**TRADE PAYABLES**			
a	Micro, Small and Medium Enterprises	-	-	-
b	Others	25.80	22.90	24.20
	Total	**25.80**	**22.90**	**24.20**
	The Company has not received any Memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 2018 as Micro, Small or Medium Enterprises (MSME).			
	Consequently the amount payable to these enterprises during the year is ₹NIL (Previous Year ₹NIL). There are no interest due or outstanding on the same.			
	Others include Bills Acceptances of ₹14.03 crs (Previous Year ₹7.21 crs)			
21	**OTHER FINANCIAL LIABILITY**			
a	**Current Maturities of Long-Term Borrowings**			
	Term loans from Banks			
	Clean Term Loans	2.59	1.59	1.59
	Rent Plus Term Loans	-	0.58	0.54
		2.59	2.17	2.13
b	**Expenses Payable**			
	Accrued Expenses	4.75	4.94	5.45
	Salaries and Wages Payable	2.81	3.04	2.85
	Bonus Payable	1.71	1.76	2.60
		9.27	9.74	10.90
c	**Amount Payable on Mark to Market on Forward Contracts**	0.08	-	-
	Total	**11.94**	**11.91**	**13.03**
22	**OTHER CURRENT LIABILITIES**			
	Withholding and Other Taxes Payable	0.90	0.98	0.97
	Government Grant	0.26	0.23	0.22
	Total	**1.16**	**1.21**	**1.19**
23	**SHORT-TERM PROVISIONS**			
a	Provision for Employee Benefits			
	Provision for Unavailed leave	2.72	2.32	2.09
	Provision for Gratuity (Refer Note 43)	1.29	1.10	0.81
	Total	**4.01**	**3.42**	**2.90**

Notes on Financial Statements for the year ended 31st March 2018 ₹in Crores

	PARTICULARS	As at 31st March 2018	As at 31st March 2017
24	**REVENUE FROM OPERATIONS (GROSS)**		
a	Sale of Products		
	Manufactured goods		
	Exports	173.53	155.57
	Domestic	9.45	12.22
b	Other Operating Revenues		
	Income from Job Contract Manufacturing Activities	13.44	16.97
	Export Incentives	7.12	7.53
	Total	**203.54**	**192.29**
25	**OTHER INCOME**		
a	Interest income from Financial Assets at amortised cost	0.08	0.10
b	Rental income	1.10	0.60
c	Net Gain / (Loss) on Foreign Currency Transactions (Other than considered in finance costs)	1.44	1.17
d	Others	0.03	0.02
	Total	**2.65**	**1.89**
	Interest income comprises:		
	Interest on fixed deposits with Banks	0.06	0.09
	Interest on employee loans	0.01	0.01
26	**COST OF MATERIALS**		
	Opening Stock of Materials	14.04	14.75
	Add: Purchases of Materials	110.74	97.05
	Closing Stock of Materials	15.76	14.04
	Total	**109.02**	**97.76**
27	**CHANGE IN INVENTORIES OF FINISHED GOODS / WORK-IN-PROGRESS - (INC) / DEC**		
	Closing Stock		
	Finished Goods	23.69	22.34
	Work-in-Progress	0.98	2.04
	Opening Stock		
	Finished Goods	22.34	24.78
	Work-in-Progress	2.04	1.88
	Total	**(0.29)**	**2.28**
28	**EMPLOYEE BENEFITS EXPENSE**		
	(Refer Note 31)		
	Salaries and Wages	46.96	45.12
	Contribution to Provident and Other Funds	5.07	4.67
	Staff Welfare Expenses	2.13	2.06
	Total	**54.16**	**51.85**

Notes on Financial Statements for the year ended 31st March 2018 ₹in Crores

	PARTICULARS	As at 31st March 2018	As at 31st March 2017
29	**OTHER EXPENSES**		
	Subcontracting and Garment Processing Costs	4.98	7.55
	Consumables	0.92	1.01
	Power & Fuel	3.54	3.63
	Rent	6.12	4.97
	Insurance	0.82	0.47
	Maintenance Expenses	2.40	2.63
	Rates and Taxes	0.27	0.22
	Shipping Charges	1.81	1.95
	Export Expenses	0.01	0.25
	Traveling & Conveyance	4.89	5.73
	Consultancy Charges	0.90	0.66
	Communication Expenses	0.70	0.94
	Selling Commission	0.47	0.42
	Printing & Stationery	0.42	0.53
	Auditors' Remuneration	0.06	0.07
	Directors Remuneration	0.19	0.10
	Other Miscellaneous Expenses	2.00	1.95
	Total	**30.50**	**33.08**

Auditors' Remuneration includes ₹4.50 lakhs (Previous Year ₹5.10 lakhs) against Statutory Audit, ₹0.70 lakhs (Previous Year ₹0.70 lakhs) against Tax Audit. Secretarial Audit Fee ₹1.00 lakhs (Previous year ₹1.00 lakhs)

An amount of ₹0.40 lakhs (Previous Year ₹5.93 lakhs) was paid to the Auditors towards certification, out-of-pocket expenses and for representation in taxation matters and Tax Audit and the same is classified under Consultancy Charges.

Directors Sitting Fee of ₹0.65 lakhs (Previous year ₹0.59 lakhs) is grouped under Other Miscellaneous expenses.

30		**FINANCE COSTS**		
	a	Interest on Financial liability not at Fair Value through Profit & Loss		
		Term loans	2.34	1.15
		Working Capital & Others	3.16	3.91
		Preference Shares	0.25	0.25
	b	Other Borrowing Costs - Bank Charges	1.04	1.28
		Total	**6.79**	**6.59**
31		**EXCEPTIONAL ITEMS - Expense / (Income)**		
		Arrears of Minimum Wages	-	5.78
		Interest on Term Loan	-	2.44
		Profit on Sale of Immovable Property	-	-
		Total	**-**	**8.22**

Expense:

The Minimum Wages revision by the Tamilnadu Government effective December 2014 was upheld by the Hon'ble HighCourt of Madras andaccordingly the Company has paid ₹5.78 crs as arrears wages during the previous year. The same has been excluded from the above Employeeexpenses and has been grouped under Exceptional Items in the Statement of Profit and Loss.

Interest rates on Term Loans was reset by Company's lender during the previous year. This has resulted in the Company being liable for an interest differential amounting to ₹2.44 crs on Term Loans availed upto March 31, 2016. This was as a consequence of the Bank levying interest above the rates specified in the restructuring package sanctioned to the Company in Novermber 2012.

32	**OTHER COMPREHENSIVE INCOME**		
	Items that will not be reclassified to Profit or Loss		
	Remeasurement of post employment benefit obligations	0.42	0.56
	Total	**0.42**	**0.56**

Notes to the Accounts as at 31st March 2018 ₹ In Crores

	PARTICULARS	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
33	The company has significant accumulated losses. In this connection, the company has implemented various initiatives to improve on the efficiencies and control the losses. In view of the various strategic initiatives that the Company is exploring, it is confident of being able to continue and operate the business on a "Going Concern" basis and accordingly the financial statements have been prepared on the same lines			
34	Some balances of Trade/Other receivables, Trade/Other Payables and Loans and Advances are subject to confirmation/reconciliation. Adjustments (if any) will be accounted for on confirmation/reconciliation of the same. In the opinion of the Board of Directors this will not have a material adverse impact on the Company's financial position and results of operations.			
35	Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act 2006") as at March 31, 2018 and March 31, 2017:-			
	i) Total outstanding dues of micro enterprises and small enterprises (see note below)	Nil	Nil	Nil
	ii) Total outstanding dues ofcreditors other than micro enterprises and small enterprises	25.80	22.90	24.20
	Note :- The Company has not received any memorandum from (as required to be filed by the supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 2018 as Micro, Small or Medium Enterprises. Consequently, the Company has no amounts payable to Micro and Small enterprises as defined in section 7(1) of the Micro, Small and Medium Enterprises Development Act ,2006, to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.			
36	The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.			
37	**EARNINGS PER SHARE**			
	Earnings Per Share - In ₹			
	Basic	**(0.21)**	**(3.28)**	
	Diluted	**(0.21)**	**(3.28)**	
	Earnings per Share is calculated as under:			
a	Numerator			
	Net Profit after Tax as disclosed in Statement of Profit and Loss	**(0.88)**	**(12.87)**	
b	Denominator			
	Weighted Average Number of Equity Share Outstanding			
	Basic	42,522,667	39,239,079	
	Diluted	42,522,667	39,239,079	
c	**Nominal Value of Equity Share (In ₹)**	**10.00**	**10.00**	

Notes to the Accounts as at 31st March 2018 ₹ In Crores

	PARTICULARS	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
38	**CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)**			
a	Guarantees given by Banks and counter Guaranteed by the Company	-	-	-
b	On account of Letters of Credit issued by Bankers on behalf of the Company	0.25	0.30	0.46
c	Claims against Company not acknowledged as debts being petition/ appeals pending before the Assessing Officer/ Commissioner of Income Tax (Appeals).	0.29	0.29	0.79

Based on the decisions of the appellate authorities for the earlier years and interpretations of other relevant provisions, the Company is of the opinion that the demands are likely to be deleted and consequently no provision has been made for such demands. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

d The Banks have extended concessional interest rate for the credit facilities sanctioned to the Company for the period upto 31st March 2017. As per the terms of the Sanction letter, Banks have the right to be recompensated in future for the sacrifice extended.

39 Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows: Property, plant and equipment	-	0.06	0.06

(b) Lease commitments

Within one year	5.80	5.18	4.48
Later than one year but not later than five years	19.20	18.48	13.50

40 In respect of amounts mentioned under section 125 of the Companies Act, 2013 there are no dues that are required to be transferred to Investor Education and Protection Fund as at March 31, 2018 (March 31, 2017₹ NIL)

41 RELATED PARTY TRANSACTIONS

a Key Managerial Personnel:

Mr. V.Rajagopal
Mrs. Rama Rajagopal
Mr. Charath Ram Narsimhan
Mr. Vidyuth Rajagopal

b Enterprises under Control or Significant Influence of Key Managerial Personnel:

M/s Indian Terrain Fashions Limited
M/s Celebrity Connections

c Transactions carried out with Related Parties during the Year

Key Managerial Personnel			
Managerial Remuneration - Mr. Vidyuth Rajagopal	0.19	0.10	-
Enterprises Under Same Management			
Job work Charges, Material Transfers and Rentals	25.35	25.47	23.69
Sale of Property	-	-	14.00

Notes to the Accounts as at 31st March 2018 ₹ In Crores

	PARTICULARS	As at 31-Mar-18	As at 31-Mar-17
i	Payable as Managerial Remuneration - Mr Vidyuth Rajagopal	0.02	0.01
ii	Trade Receivable against Job work Charges and Material Transfers - Indian Terrain Fashions Limited	2.71	3.62

42 DISCLOSURE AS PER REGULATION 34 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015

Loans and advances in the nature of loans given to Subsidiaries, Associates and Others	-	-

43 EMPLOYEE BENEFIT PLAN - GRATUITY

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Amount Recognized in the Balance Sheet in respect of gratuity		
Present Value of Defined Benefit Obligation at the end of the Year	1.85	1.85
Fair Value of Plan Assets at the end of the Year	0.57	0.75
Net Liability / (Asset)	**1.29**	**1.10**
Amount Recognized in Profit and Loss Account in respect of gratuity		
Current Service Cost	0.24	0.21
Past service cost	0.00	
Interest on Defined Benefit Obligations	0.13	0.06
Interest on Plan Assets	0.05	0.06
Total	**0.42**	**0.34**
Amount Recognized in Other comprehensive income in respect of gratuity		
Net Actuarial (Gain) / Loss recognized during the Period	0.42	0.56
Actual Return on Plan Assets		
Interest return on Plan Assets	0.05	0.06
Actuarial Gain / (Loss) on Plan Assets	0.11	(0.02)
Actual Return on Plan Assets	**0.16**	**0.04**
Reconciliation of present value of obligation and the fair value of the plan assets		
Opening Defined Benefit Obligation	1.85	1.66
Current Service Cost	0.24	0.21
Past service cost	(0.00)	-
Interest Cost	0.13	0.13
Actuarial (Gain) / Loss on obligations		
Actuarial (Gain) / Loss on obligations due to changes in financial assumptions	(0.14)	(0.13)
Actuarial (Gain) / Loss on obligations due to experience adjustments	0.67	0.68
Benefits Paid	(0.90)	(0.70)
Closing Defined Benefit Obligation	**1.85**	**1.85**

Notes to the Accounts as at 31st March 2018 ₹ In Crores

PARTICULARS	As at 31-Mar-18	As at 31-Mar-17
Interest income on Plan Assets	0.05	0.06
Return in excess of interest income	0.11	(0.02)
Employer Contributions	0.55	0.56
Benefits Paid	(0.90)	(0.70)
Closing Fair Value of Plan Assets	**0.57**	**0.75**
Closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the Year	1.10	1.66
Interest Cost	0.13	0.06
Current Service Cost	0.24	0.21
Benefit Paid	(0.90)	(0.70)
Actuarial (gain) / loss on obligations	0.53	(0.15)
Liability at the end of the Year	1.10	1.10
Closing balances of Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the Year	0.75	0.85
Expected Return on Plan Assets	0.05	0.06
Employer Contributions	0.55	0.56
Benefits Paid	(0.90)	(0.70)
Actuarial gain/(loss) on Plan Assets	0.11	(0.02)
Fair Value of Plan Assets at the end of the Year	0.57	0.75
Actual Return on plan assets	0.16	0.04
Investment Details of Plan Assets		
Money Market Instruments	0%	0%
Assets under Insurance Schemes	100%	100%
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	6.85%	7.54%
Estimated Rate of Return on Plan Assets	6.85%	7.54%
Rate of Salary increase	3.50%	3.50%
Rate of employee turnover	For service below 4 year 72% For Service above 4 year 2%	For service below 4 year 72% For Service above 4 year 2%
Mortality rate during employement	India Assured Lives Mortality	
The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
Sensitivity Analysis		
Projected Benefit Obligation on current assumptions	**1.85**	**1.85**
Decrease in obligation due to +1% change in discount rate	(0.18)	0.19
Increase in obligation due to -1% change discount rate	0.22	0.22
Increase in obligation due to +1% change in rate of salary increase	0.22	0.24
Decrease in obligation due to -1% change in rate of salary increase	(0.19)	0.20
Increase in obligation due to +1% change in rate of salary increase		
Decrease in obligation due to -1% change in rate of salary increase		

Notes to the Accounts as at 31st March 2018 ₹ In Crores

PARTICULARS	As at 31-Mar-18	As at 31-Mar-17
The Sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period holding all other assumptions constant		
Maturity analysis of the the benefits from the fund		
Within One year	0.10	0.11
Within two to five year	0.33	0.30
After five years to ten years	0.67	0.58
After ten years and above	3.97	3.79

44 SEGMENT REPORTING

The Company has considered business segment as the primary segment for disclosure. The Company is primarily engaged in a single segment business of manufacture and sale of garments and is managed as one entity for its sale and is governed by a similar set of risks and return. Hence, no additional disclosures are required, other than those already given in the Financial Statements.

The Company has identified Geographical Segment as the secondary segment which consists of:

a) Domestic (Sales to customers located in India)

b) International (Sales to customers located outside India)

Revenue directly attributable to segments is reported based on items that are individually identifiable to that segment. The Company believes that it is not practical to allocate segment expenses, segment results, assets used, except trade receivables, in the Company's business or liabilities contracted since the resources/ services/ assets are used interchangeably within the segments. All fixed assets are located in India. Accordingly, no secondary segmental information is disclosed.

45 OTHERS

a	**Aggregate Expenses**		
	Electricity Expenses included under Power and Fuel	2.79	2.30
b	**Earnings in Foreign Currency**		
	Export of Goods - FOB Value	173.53	155.57
c	**Expenditure in Foreign Currency**		
	Selling Commission & Consultancy Charges	0.05	0.37
	Software Expenses	0.25	0.03
	Travel	0.09	0.09
	Claims	-	0.21
	Spares	0.09	0.13
	Interest	0.13	0.04
	Consultancy	0.05	0.04
d	**Value of Imports**		
	Raw materials	42.74	35.56
	Capital Goods	0.03	0.26
e	**Imported and Indigenous Consumption of Raw materials**		
	Imported		
	₹ In Crores	42.07	37.15
	% to Total	38.6%	38.0%

Notes to the Accounts as at 31st March 2018 ₹ In Crores

	PARTICULARS	As at 31-Mar-18	As at 31-Mar-17
	Indigenous		
	₹ In Crores	66.95	60.61
	% to Total	61.4%	62.0%

46 OTHER DISCLOSURES

a	Foreign Exchange Differences		
	Amount of Exchange Difference Gain / (Loss) included in Profit and Loss Account	1.45	1.17
	Premium / (Discount) on Forward Foreign Exchange Contracts recognized	-	0.23

b Previous year figures have been regrouped, reworked and reclassified wherever necessary to conform to current year classification.

c In the opinion of the Management , Current Assets, Loans and Advances have a value of at least equal to the amounts shown in the Balance Sheet, if realized in the due course of the business. The provision for all liabilities is adequate and not in excess of the amount reasonably necessary.

To be read with our report of even date

SRSV & Associates
Chartered Accountants
ICAI Firm Registration No. 015041S

V. Rajeswaran
Partner
Membership Number 020881

Chennai
28 May 2018

For and on Behalf of the Board

V. Rajagopal
Chairman
DIN: 00003625

A. Rishi Kumar
Company Secretary

S Venkataraghavan
Chief Financial Officer

Charath Ram Narsimhan
Managing Director
DIN: 06497859

Statement of Cashflow for the year ending 31st March 2018

₹ In Crores

S No.	Particulars	2017-18		2016-17	
A	**Cashflow from Operating Activities**				
	Net Profit before Tax		(0.88)		(12.87)
	Adjustments for:				
	Depreciation for the Year	6.89		7.03	
	Profit on sale of Land & Buildings	-		-	
	Unrealised (Gain) / Loss on Exchange Differences	-		-	
	Interest & Finance Charges paid	6.79		6.59	
	Government Grant	(0.03)		(0.02)	
	Interest Income	(0.08)	13.57	(0.10)	13.50
	Operating Profit before Working Capital Changes		**12.69**		**0.63**
	Adjustments for:				
	Decrease / (Increase) in debtors and other receivables	(12.83)		3.65	
	Decrease / (Increase) in inventories	(2.00)		2.99	
	Increase / (Decrease) in creditors and other payables	2.62	(12.21)	(2.47)	4.17
	Cash generated from Operations		**0.48**		**4.80**
	Income Taxes Refund / (Paid) (net)		0.02		(0.07)
	Net Cash from Operating Activities		0.50		4.73
B	**Cashflow from Investing Activities**				
	(Purchase) / Sale of Fixed Assets - Net	(1.14)		(1.01)	
	Increase in Restricted Cash Balances	(0.05)		(0.08)	
	Increase in Fixed Deposits	(0.03)		(0.01)	
	Interest Received	0.08	(1.14)	0.10	(1.00)
	Net Cash (Used In) / from Investing Activities		**(1.14)**		**(1.00)**
C	**Cashflow from Financing Activities**				
	Proceeds from issue of Share Capital	4.00		3.50	
	Application Money Received	(1.00)		1.63	
	Short Term Borrowings	7.65		(1.13)	
	Term loan Receipts (Net)	(3.21)		(1.50)	
	Interest and Finance Charges paid	(6.54)		(6.34)	
	Net Cash (Used In) / from Financing Activities		**0.90**		**(3.84)**
	Net Increase in Cash and Cash Equivalents		**0.26**		**(0.11)**
	Cash and Cash Equivalents (Opening Balance)		0.36		0.47
	Cash and Cash Equivalents (Closing Balance)		**0.62**		**0.36**

Note:

1 The above statement has been prepared on the basis of indirect method as stipulated in Ind AS 7

2 Cash and Cash equivalents represents
-- Cash balances

3 Previous year figures are re-grouped / re-classified in line with current year requirements

To be read with our report of even date

SRSV & Associates
Chartered Accountants
ICAI Firm Registration No. 015041S

V. Rajeswaran
Partner
Membership Number 020881

Chennai
28 May 2018

For and on Behalf of the Board

V. Rajagopal
Chairman
DIN: 00003625

A. Rishi Kumar
Company Secretary

S Venkataraghavan
Chief Financial Officer

Charath Ram Narsimhan
Managing Director
DIN: 06497859

₹ in Crores

EQUITY RECONCILIATION	31-Mar-17	1-Apr-16
Total Equity as per (IGAAP) audited financials	**14.11**	**22.38**
Reclassification of preference shares as borrowings	(25.10)	(25.10)
Interest cost accounted as per EIR on preference shares	(0.88)	(0.63)
Reassessment of Revenue recognition	(0.27)	(0.52)
Mark to market of forward contracts	-	0.03
Total Reserves as per Ind AS	**(12.14)**	**(3.84)**

PROFIT RECONCILIATION	31-Mar-17
Profit as per IGAAP Financials	**(13.40)**
Interest cost accounted as per EIR on preference shares	(0.25)
Reassessment of Revenue recognition	0.25
Remeasurement of Employee benefits	0.56
Mark to market of forward contracts	(0.03)
Profit as per Ind AS	**(12.87)**
Other Comprehensive Income	
Remeasurement of Employee benefits	(0.56)
Total Comprehensive Income	**(13.43)**

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value Measurement

Financial instruments by category	Amortised cost		
	31-Mar-18	31-Mar-17	1-Apr-16
Financial Assets			
Trade receivables	36.11	25.40	30.25
Loans and advances to Employees	0.13	0.18	0.27
Cash and cash equivalents	0.62	0.36	0.47
Other bank balances	1.62	1.54	1.49
Security deposits	3.23	3.27	2.93
Rent Receivable	1.54	1.41	0.78
Total financial assets	**43.25**	**32.16**	**36.19**
Financial liabilities			
Long Term Borrowings	19.18	22.81	24.35
Preference Share	26.23	25.98	25.73
Short Term Borrowings	49.83	42.18	43.31
Trade payables	25.80	22.90	24.20
Other Financial Liability	9.35	9.74	10.90
Total financial liabilities	**130.40**	**123.62**	**128.50**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

Capital management

(a) Risk management

The company's objectives when managing capital are to

-safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

-maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, The company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

₹ in crores

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Share Capital	45.58	42.07	39.00
Reserves and Surplus	(56.65)	(55.84)	(42.84)
Money Received Against Warrants	0.63	1.63	-
Preference Share Capital	25.10	25.10	25.10
Networth	**14.66**	**12.96**	**21.27**
Company considers preference shares as part of the equity for its performance evaluation			
Debt	19.18	22.81	24.35
Debt / Equity	1.31	1.76	1.15
Debt consists of Long term borrowings only.			
Company intents to maintain optimal gearing ratio of one times of equity.			

Financial instruments and risk management (contd.)

Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk.

A.Credit risk

Company faces credit risk from cash and cash equivalents, deposits with banks and financial institutions and unsecured trade receivables. The company doesn't face any credit risk with other financial assets.

(i) Credit risk management

Credit risk on deposit is mitigated by depositing the funds in reputed private sector bank. For trade receivables, the primary source of credit risk is that these are unsecured.The Company sells the products to customers only when the collection of trade receivables is certain and whether there has been a significant increase in the credit risk on an on-going basis is monitored throughout each reporting period. As at the balance sheet date, based on the credit assessment the historical trend of low default is expected to continue. An impairment analysis is performed at each reporting date on an individual basis for major clients. Any recoverability of receivables is provided for based on the impairment assessment. Historical trends showed as at the transition date and 31st March 2017 company had no significant credit.

B.Liquidity risk

Objective of liquidity risk management is to maintain sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of The company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(ii) Maturities of financial liabilities

The tables below analyse The company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities ₹in Crores

Non Derivatives		**31-Mar-18**			**31-Mar-17**			**1-Apr-16**	
	Maturing within 1 year	**Maturing after 1 Year**	**Total**	**Maturing within 1 year**	**Maturing after 1 Year**	**Total**	**Maturing within 1 year**	**Maturing after 1 Year**	**Total**
Short term Borrowing	54.44		54.44	42.18		42.18	43.31		43.31
Long Term Borrowing		20.95	20.95		22.81	22.81		24.35	24.35
Expenses payable	9.28		9.28	9.74		9.74	10.90		10.90
Trade Payables	25.80		25.80	22.90		22.90	24.20		24.20
Total Non Derivative liabilities	**89.52**	**20.95**	**110.47**	**74.83**	**22.81**	**97.64**	**78.41**	**24.35**	**102.76**

C.Market risk

(i) Foreign currency risk

The company activities exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EURO Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the companys functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

₹ in Crores

Particulars	31-Mar-18		31-Mar-17			1-Apr-16		
	USD	EURO	USD	EURO	GBP	USD	EURO	GBP
Financial assets								
Trade receivables	33.37	-	19.53	-	0.10	24.57	0.34	2.04
Exposure to foreign currency risk (assets)	33.37	-	19.53	-	0.10	24.57	0.34	2.04
Financial liabilities								
Trade payables	8.06	-	6.47	-	-	11.40	-	-
Exposure to foreign currency risk (liabilities)	8.06	-	6.47	-	-	11.40	-	-
Net exposure to foreign currency risk	25.31	-	13.06	-	0.10	13.17	0.34	2.04

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from major foreign currency denominated financial instruments

	Impact on profit after tax			Impact on profit after tax			Impact on profit after tax	
	31-Mar-18	31-Mar-17		31-Mar-18	31-Mar-17		31-Mar-18	31-Mar-17
USD sensitivity			EURO sensitivity			GPB sensitivity		
INR/USD Increases by 5%	1.27	0.65	INR/EURO Increases by 5%	-	-	INR/GBP Increases by 5%	-	-

* Holding all other variable constant

Segment Information

The company is primarily is in the business of manufacturing and export of garments to reputed multinational brand. Chief Operating Decision Makers (CODM) evaluates the company's performance and allocate resources based on the analysis of various performance indicators of the company as single unit. Therefore there is only single reportable segment for the Company. Company is domiciled in India.

Entity wide disclosures

Revenue from Operation	Domestic	Overseas	Total
FY 2017-2018	30.01	173.53	203.54
FY 2016-2017	36.72	155.57	192.29

Revenues of approximately ₹115.59 crores (31 March 2017 ₹121.44 crores) are derived from a single external customer.

₹ in Crores

Statement of Changes in Equity

i. Equity Share Capital

Particulars	Note	Amount
Balance as at 1st April 2016	13	39.00
Changes in equity share capital during the year		3.07
Balance as at 31st March 2017		42.07
Changes in equity share capital during the year		3.51
Balance as at 31st March 2018		**45.58**

ii. Other Equity

Particulars	Note	Reserves and Surplus		Total	Others
		Security Premium Reserve	Retained Earnings		Money Received Against
Balance as at 1st April 2016	14	2.05	(44.89)	(42.84)	-
Profit for the period			(12.87)	(12.87)	
Other comprehensive income			(0.56)	(0.56)	
Issue of Shares		0.43		0.43	
Issue of Warrants					1.63
Dividends paid					
Dividend distribution tax					
Transfer to general reserve					
Balance as at 31 st March 2017		**2.48**	**(58.32)**	**(55.84)**	**1.63**
Profit for the period			(0.88)	(0.88)	
Other comprehensive income			(0.42)	(0.42)	
Issue of Shares		0.49		0.49	
Conversion of Warrants					1.00
Dividends paid					
Dividend distribution tax					
Transfer to general reserve					
Balance as at 31 st March 2018		**2.98**	**(59.62)**	**(56.65)**	**0.63**

(All amounts in ₹ Crores unless otherwise stated)

First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (The company's date of transition). In preparing its opening Ind AS balance sheet, The company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected The company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, The company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.1.2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Estimation of expected credit loss

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C: Notes to first-time adoption:

Note 1: Investment Property

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

Note 2: Preference shares

Under the previous GAAP, Cumulative redeemable preference shares were classified as part of equity, under Ind-AS 109, the same has been classified as borrowings, Consequent to this equity has reduced by ₹25.10 crores as at April 1, 2016 and March 31, 2017

Note 3: Interest accounted on EIR basis on Preference shares

Under the previous GAAP, un-declared dividend was shown as contingent liability, consequent change in classification of preference shares interest has been accounted as per effective interest rate method. The above reduced the equity by ₹0.88 crores as at 31 March 2017 (April 1, 2016 ₹0.63 crores)

Note 4: Revenue

On adoption offf Ind AS, company has reassessed it revenue recognition and has de-recognised where it had continuing managerial involvement post the sale. Consequently, the total equity as at 31 March 2017 decreased by ₹32. 29 (1 April 2016 ₹14.71) and profit for the year ended 31 March 2017 decreased by ₹19.51.

Note 5: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. There is no impact in overall equity due to above adjustment

Note 6: Mark to Market of Forward contracts

Under previous GAAP premium on forward contracts were amortised over the tenor, under Ind AS the forward contracts are marked to market, Profit for the year 31 March 2017 decreased by ₹0.03 and equity reduced by NIL as at 31 March 2017, equity increased by ₹0.03 as at 1 April, 2016

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CELEBRITY FASHIONS LIMITED

(CIN: L17121TN1988PLC015655)
Registered office: SDF IV & C2, 3RD MAIN ROAD, MEPZ/SEZ, Tambaram, Chennai - 600 045
Phone No.91-44-43432200/43432300; email: investorservices@celebritygroup.com
Fax No. +91-44-4343 2360; Website: www.celebritygroup.com

ATTENDANCE SLIP

Regd Folio No. /DP/ Client ID	
No. of Shares held	

I/We hereby record my/our presence at the 29th ANNUAL GENERAL MEETING of the Company at the Registered Office situated at SDF-IV & C2, 3rd Main Road, MEPZ- SEZ, Tambaram, Chennai-600 045 on Tuesday, the 25th day of September 2018 at 02.30 P.M.

.....
Signature of member / Proxy

.....

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L17121TN1988PLC015655
Name of the Company	CELEBRITY FASHIONS LIMITED
Registered Office	SDF – IV & C2, 3rd Main Road, MEPZ – SEZ, Tambaram, Chennai – 600 045
Name of the Member (s)	
Registered Address	
E-mail Id	
Folio No./Client Id	
DP ID	

I/ We being the member(s) of ..... Shares of the above named company, hereby appoint

1. Name :
   Address :
   Email Id :
   Signature : ....., or failing him

as my / our proxy to attend and vote (on a poll) for me / us on my behalf at the 29th Annual General Meeting of the Company to be held on Tuesday, the 25th day of September 2018 at 02.30 P.M. at the Registered Office situated at SDF-IV & C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai - 600 045 and at any adjournment thereof in respect of such resolutions are indicated below:

Resolution No.	Resolution	For	Against
1	Adoption of Audited Financial Statements for the year ended 31st March, 2018 and the reports of the Board of Directors and the Statutory Auditors thereon.		
2	Re-appointment of Mrs. Rama Rajagopal (DIN: 00003565) who retires by rotation		
3	Revision in remuneration of Mr. Vidyuth Rajagopal, Joint Managing Director of the Company		
4	Appointment of Mr. Vidyuth Rajagopal as Managing Director of the Company		
5	Re-appointment of Mr. N. K. Ranganath (DIN: 00004044) as an Independent Director		
6	Re-appointment of Mr. P.S. Raman (DIN: 00003606) as an Independent Director		
7	Re-appointment of Mrs. Nidhi Reddy (DIN: 00004081) as an Independent Director		

Signed this..... day of ..... 2018.

Signature of shareholder

Signature of Proxy holder(s)

Affix
Re. 1/-
Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

REGISTERED BOOK POST

If undelivered please return to

Celebrity Fashions Limited

SDF-IV & C2, 3rd Main Road,
MEPZ-SEZ, Tambaram, Chennai - 600 045.
Tel : +91 44 4343 2300 / 2200
Fax : +91 44 43432360