



Celebrity Fashions Limited

03rd October, 2017

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1,
Block G, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051.

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.

NSE Symbol: CELEBRITY

Scrip Code: 532695

Dear Sir/Madam,

Sub: Submission of Annual Report for the financial year 2016-17

Ref: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2016-17 duly approved and adopted by the members in the 28th Annual General Meeting of the Company held on 25th September 2017.

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

Thanking you,

Yours faithfully,

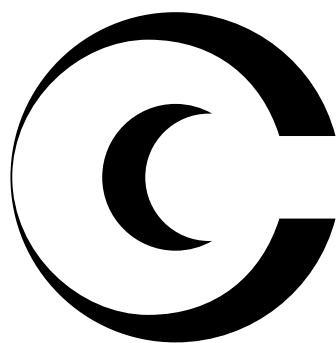
For **CELEBRITY FASHIONS LIMITED**

A. Rishi Kumar
Company Secretary

Encl: as above



Celebrity Fashions Limited



28th
ANNUAL REPORT 2016 - 2017

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Board of Directors

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

Chief Financial Officer

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

Company Secretary

Mr. A Rishi Kumar

REGISTERED OFFICE & CORPORATE OFFICE

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

BANKERS

State Bank of India, Overseas Branch
Chennai – 600 001

STATUTORY AUDITORS

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

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

INTERNAL AUDITORS

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

SECRETARIAL AUDITORS

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

MANUFACTURING FACILITIES

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

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

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

Washing Plant

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

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

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



NOTICE OF ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2017 together with the reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mrs. Rama Rajagopal (DIN 00003565), who retires by rotation and being eligible, offers herself for re-appointment.
- To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, Company hereby appoints M/s. SRSV & Associates, Chartered Accountants, Chennai, having Firm Registration No. 015041S as Statutory Auditors of the Company in place of M/s CNGSN & Associates LLP, Chartered Accountants, Chennai and M/s. Anil Nair & Associates, Chartered Accountants, Chennai, whose tenure expires at this Annual General Meeting, at such remuneration plus reimbursement of out-of pocket, travelling expenses and other applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the said Auditors.”

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

SPECIAL BUSINESS:

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

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:-

“RESOLVED THAT in partial modification of the resolution passed by the Members at the 27th Annual General Meeting held on 30th September, 2016, Mr. Vidyuth Rajagopal, (DIN: 07578471) Whole Time Director of the Company be and is hereby re-designated as the Joint Managing Director with effect from 05th April 2017 till the end of the tenure of his appointment viz. 31st July 2019 on the same terms and conditions including remuneration as approved earlier by the Members.”

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

Place : Chennai
Date : 18th August 2017

NOTES:

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

- The members/proxies and authorised representatives are requested to bring their copy of the Annual Report to the Meeting along with duly filled in Attendance Slips for attending the Meeting.
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- The Register of Members and the Share Transfer books of the Company will remain closed from 16th September 2017 to 25th September 2017. (both days inclusive) for the purpose of Annual General Meeting.
- Members are requested to notify Change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No. and in case of physical shares members are requested to advise any change of communication address immediately to the Registrar and Transfer Agent, Viz. M/s Link Intime India Private Limited, C 101, 247 Park, L.B.S Marg, Vikhroli (W), Mumbai-400083.
- Queries, if any on the Accounts and Operation of the Company, if any, may be sent to the Company at its Registered Office (marked for the attention of the CFO/CS) at least seven days in advance of the Meeting.
- As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 44 of the Listing Regulations, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are given in S No.15. The cutoff date for determining the eligibility to vote by electronic means or by ballot at the general meeting shall be 15th September 2017.
- The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting in terms of notification issued by the Ministry of Corporate Affairs dated 19.03.2015.
- Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
- A Route map showing directions to reach the venue of the 28th Annual General Meeting is given along with this notice as per the requirement of the Secretarial Standards-2 on “General Meetings”

14. IMPORTANT SHAREHOLDER COMMUNICATION:

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

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

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

15. E-VOTING:

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

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

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

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

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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)	<p>Enter the Dividend Bank Details or Date or Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member if/folio number in the Dividend Bank details field as mentioned in instruction (v)

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote. i.e. CELEBRITY FASHIONS LIMITED.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

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

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

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

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

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

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

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

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

Place : Chennai
Date : 18th August 2017

BOARD'S REPORT
Dear Members,

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

FINANCIAL HIGHLIGHTS

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

(Rs. in Crores)

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

PERFORMANCE REVIEW

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

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

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

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

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

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

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

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

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

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

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

CHANGES TO SHARE CAPITAL

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

a) Increase in Authorised Share Capital

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

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

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

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

b) Preferential Issue of Equity Shares

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

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

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

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

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

c) Preferential Issue of Convertible Warrants

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

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

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

DIVIDEND

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

TRANSFER TO RESERVES

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

FINANCE AND ACCOUNTS

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

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

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

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

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

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

DEPOSITS

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

CASH FLOW STATEMENT

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

The Company has framed a policy on Related Party Transactions and the same has been displayed in the Company's website www.celebritygroup.com

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

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

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

COMPLIANCE WITH CODE OF CONDUCT

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

Appointment of Directors

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

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

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

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

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

Appointment of KMP

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

DECLARATION BY INDEPENDENT DIRECTOR

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

EXTRACT OF ANNUAL RETURN

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

NUMBER OF MEETINGS OF THE BOARD & COMMITTEES

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

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

AUDIT COMMITTEE

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

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

NOMINATION AND REMUNERATION COMMITTEE POLICY

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

The Policy inter alia provides for the following:

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

MATERIAL CHANGES & COMMITMENTS

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

BOARD EVALUATION

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

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

Change in nature of business, if any: NIL

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

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

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

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR

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

The details of such familiarization programmes for the Independent Directors are disclosed on the website of the Company www.celebritygroup.com.

AUDITORS

Statutory Auditors

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

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

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

Mandatory Auditor Rotation

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

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

Secretarial Auditors

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

Internal Auditors

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

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

LISTING FEE

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

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

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

PARTICULARS OF EMPLOYEES

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

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE

A. Conservation of Energy:

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

B. Technology absorption:

Not applicable.

C. Foreign Exchange Earning and Outgo:

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

ACKNOWLEDGEMENT

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

For and on Behalf of the Board
Sd/-

Venkatesh Rajagopal
Chairman
(DIN: 00003625)

Place : Chennai
Date : 26th May 2017

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

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

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

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

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

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

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

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

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

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

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

For and on Behalf of the Board

Sd/-

Venkatesh Rajagopal

Chairman

(DIN: 00003625)

Place : Chennai
Date : 26th May 2017

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

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

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

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

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

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

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

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

For and on Behalf of the Board

Sd/-

Venkatesh Rajagopal

Chairman

(DIN: 00003625)

Place : Chennai
Date : 26th May 2017

ANNEXURE - III TO BOARD'S REPORT

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Financial Institutions / Banks	7469100	Nil	7469100	19.15	Nil	Nil	Nil	Nil	-19.15
c) Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Foreign Portfolio Investors	5450000	Nil	5450000	13.97	5450000	Nil	5450000	12.95	-1.02
g) Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Qualified Foreign Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B)(1)	12919100	Nil	12919100	33.12	5450000	Nil	5450000	12.95	-20.17
(2) Non-institutions									
a) Bodies Corporate	1983048	Nil	1983048	5.08	3944885	Nil	3944885	9.38	4.29
b) Individuals									
i. Individual shareholders holding nominal share capital up to Rs 1 lakh	3739095	165	3739260	9.59	6812150	165	6812315	16.19	6.61
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	2930911	0	2930911	7.51	7103917	0	7103917	16.89	9.37
c) Qualified Foreign Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Clearing Members	86999	0	86999	0.22	1261029	0	1261029	3.00	2.77
e) Hindu Undivided Family	386751	0	386751	0.99	671715	0	671715	1.60	0.61
f) Non Resident Indians	78384	0	78384	0.20	370779	0	370779	0.88	0.68
g) Foreign Companies	2180431	0	2180431	5.59	0	0	0	0	-5.59
h) Any others (Office bearers & trusts)	6100	0	6100	0.02	10980	0	10980	0.03	0.01
Sub-Total (B)(2)	11391719	165	11391884	29.21	20175455	165	20175620	47.96	18.75
Total Public Shareholding (B)= (B)(1)+(B)(2)	24310819	165	24310984	62.33	25625455	165	25625620	60.91	(1.42)
C.Shares held by Custodians and against which Depository Receipts have been issued	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
GRAND TOTAL (A)+(B)+(C)	39003600	165	39003765	100.00	42071084	165	42071249	100.00	Nil

(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	24.72	6.86	9642981	22.92	6.36	(1.80)
2	Rama Rajagopal	5042054	12.93	6.86	6794902	16.15	6.36	3.22
3	Vidyuth Rajagopal	7000	0.02	0	7000	0.02	0	Nil
4	Rajagopalan.K.A	646	0.00	0	646	0.00	0	Nil
5	Anjali Rajagopal	100	0.00	0	100	0.00	0	Nil
	Total	14692781	37.67	13.72	16445629	39.09	12.72	1.42

Note: 17,52,848 shares were allotted to Mrs. Rama Rajagopal on 04th March 2017, the said shares were in CDSL Transit as on 31st March 2017.

(iii) Change in Promoters' Shareholding

Sr.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
1	Rama Rajagopal	5042054	12.93	5042054	11.98
	1752848 Equity shares were allotted on preferential basis (04th March 2017)			1752848	4.17
	At the end of the Year			6794902	16.15

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

Sr.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Transactions during the year		Cumulative Shareholding during the year	
		No. of Share Held	% of Total shares of the company	Date of Transaction	No. of Shares	No. of Share Held	% of Total Shares of the company
1	LEMEN DIVERSIFIED FUND	3350000	8.58				
	At the end of the Year					3350000	7.96
2	DAVOS INTERNATIONAL FUND	2100000	5.38				
	At the end of the Year					2100000	4.99
3	BENNETT, COLEMAN AND COMPANY LIMITED	1316818	3.37				
	At the end of the Year					1316818	3.13
4	RAHUL KAYAN	0	0.00			0	0.00
	Purchase			23 Sep 2016	42000	42000	0.09
	Purchase			30 Sep 2016	11655	53655	0.12
	Purchase			07 Oct 2016	4562	58217	0.14
	Purchase			28 Oct 2016	75000	133217	0.32
	Purchase			04 Nov 2016	64023	197240	0.47
	Purchase			11 Nov 2016	41349	238589	0.57
	Purchase			18 Nov 2016	4214	242803	0.58
	Purchase			16 Dec 2016	30000	272803	0.65
	At the end of the Year					272803	0.65
5	ADROIT SHARE & STOCK BROKER PVT.LTD.	0	0.00			0	0.00
	Purchase			22 Jul 2016	195000	195000	0.46
	Purchase			05 Aug 2016	50000	245000	0.58
	Purchase			14 Oct 2016	500	245500	0.58
	Sale			21 Oct 2016	(500)	245000	0.58
	Sale			10 Feb 2017	(102676)	142324	0.34
	Sale			17 Feb 2017	(12324)	130000	0.31
	Purchase			03 Mar 2017	205014	335014	0.80
	Sale			10 Mar 2017	(52161)	282853	0.67
	Sale			17 Mar 2017	(17853)	265000	0.63
	At the end of the Year					265000	0.63
6	MOUNT INTRA FINANCE PVT. LTD	0	0.00			0	0.00
	Purchase			31 Mar 2017	250000	250000	0.59
	At the end of the Year					250000	0.59
7	M.NEELA REDDY	0	0.00			0	0.00
	Purchase			10 Jun 2016	5000	5000	0.01
	Purchase			08 Jul 2016	5000	10000	0.02
	Purchase			15 Jul 2016	20000	30000	0.07
	Purchase			22 Jul 2016	15000	45000	0.11
	Purchase			29 Jul 2016	12000	57000	0.14
	Purchase			26 Aug 2016	9999	66999	0.16
	Purchase			02 Sep 2016	8000	74999	0.18
	Purchase			11 Nov 2016	2454	77453	0.18
	Purchase			03 Feb 2017	159546	236999	0.56
	At the end of the Year					236999	0.56
8	JM FINANCIAL SERVICES LTD.	0	0.00			0	0.00
	Purchase			22 Apr 2016	22000	22000	0.05
	Sale			06 May 2016	(16970)	5030	0.01
	Sale			10 Jun 2016	(4030)	1000	0.002
	Purchase			08 Jul 2016	109000	110000	0.26
	Sale			15 Jul 2016	(106000)	4000	0.009
	Purchase			22 Jul 2016	21067	25067	0.05
	Sale			29 Jul 2016	(13160)	11907	0.02
	Purchase			05 Aug 2016	95083	106990	0.25
	Sale			12 Aug 2016	(5990)	101000	0.24

	Sale			19 Aug 2016	(900)	100100	0.24
	Purchase			26 Aug 2016	49900	150000	0.36
	Sale			02 Sep 2016	(50000)	100000	0.24
	Purchase			9 Sep 2016	2500	102500	0.24
	Purchase			16 Sep 2016	15500	118000	0.28
	Sale			23 Sep 2016	(116103)	1897	0.005
	Purchase			30 Sep 2016	33603	35500	0.08
	Sale			07 Oct 2016	(17450)	18050	0.04
	Sale			14 Oct 2016	(6050)	12000	0.03
	Purchase			21 Oct 2016	9156	21156	0.05
	Purchase			28 Oct 2016	15944	37100	0.09
	Sale			04 Nov 2016	(1100)	36000	0.09
	Sale			11 Nov 2016	(466)	35534	0.08
	Sale			18 Nov 2016	(534)	35000	0.08
	Purchase			16 Dec 2016	22100	57100	0.13
	Purchase			20 Jan 2017	44411	101511	0.24
	Purchase			27 Jan 2017	13208	114719	0.27
	Purchase			03 Feb 2017	4900	119619	0.28
	Sale			17 Feb 2017	(40438)	79181	0.19
	Sale			24 Feb 2017	(18181)	61000	0.14
	Sale			03 Mar 2017	(23084)	37916	0.09
	Purchase			10 Mar 2017	99568	137484	0.33
	Purchase			17 Mar 2017	90304	227788	0.54
	Sale			24 Mar 2017	(9899)	217889	0.52
	Sale			31 Mar 2017	(1767)	216122	0.51
	At the end of the Year					216122	0.51
9	ASHIKA STOCK BROKING LTD. - CLIENT A/C	0	0.00			0	0.00
	Purchase			7 Jun 2016	10	10	0.00
	Purchase			24 Jun 2016	3010	3020	0.007
	Sale			30 Jun 2016	(20)	3000	0.007
	Purchase			15 Jul 2016	13700	16700	0.04
	Purchase			22 Jul 2016	21300	38000	0.09
	Purchase			29 Jul 2016	461805	499805	1.19
	Sale			05 Aug 2016	(193900)	305905	0.73
	Purchase			12 Aug 2016	9000	314905	0.75
	Purchase			19 Aug 2016	15000	329905	0.78
	Sale			26 Aug 2016	(3510)	326395	0.77
	Sale			02 Sep 2016	(890)	325505	0.77
	Sale			09 Sep 2016	(6500)	319005	0.76
	Purchase			16 Sep 2016	221	319226	0.76
	Sale			23 Sep 2016	(2221)	317005	0.75
	Purchase			30 Sep 2016	3800	320805	0.76
	Sale			07 Oct 2016	(22990)	297815	0.71
	Purchase			14 Oct 2016	490	298305	0.71
	Sale			21 Oct 2016	(84110)	214195	0.51
	Sale			28 Oct 2016	(43890)	170305	0.40
	Sale			18 Nov 2016	(5000)	165305	0.39
	Purchase			02 Dec 2016	2000	167305	0.39
	Sale			09 Dec 2016	(2000)	165305	0.39
	Purchase			20 Jan 2017	12000	177305	0.42
	Sale			27 Jan 2017	(12000)	165305	0.39
	Purchase			10 Feb 2017	5000	170305	0.40
	Purchase			17 Feb 2017	10	170315	0.40
	Sale			24 Feb 2017	(10)	170305	0.40
	Sale			03 Mar 2017	(5000)	165305	0.39
	Purchase			10 Mar 2017	5020	170325	0.40
	Purchase			17 Mar 2017	2990	173315	0.41
	Purchase			24 Mar 2017	1990	175305	0.42

	Sale			31 Mar 2017	(8990)	166315	0.39
	At the end of the Year					166315	0.39
10	PRIYANKA FINANCE PRIVATE LIMITED	200000	0.51			200000	0.47
	Transfer			22 Jul 2016	275000	475000	1.13
	Transfer			29 Jul 2016	(35000)	440000	1.04
	Transfer			05 Aug 2016	60000	500000	1.19
	Transfer			12 Aug 2016	25000	525000	1.25
	Transfer			19 Aug 2016	10000	535000	1.27
	Transfer			16 Sep 2016	40000	575000	1.37
	Transfer			23 Sep 2016	25000	600000	1.43
	Transfer			07 Oct 2016	21751	621751	1.48
	Transfer			14 Oct 2016	28241	649992	1.54
	Transfer			21 Oct 2016	(5000)	644992	1.53
	Transfer			11 Nov 2016	5000	649992	1.54
	Transfer			06 Jan 2017	(100000)	549992	1.31
	Transfer			13 Jan 2017	(5000)	544992	1.29
	Transfer			20 Jan 2017	(55000)	489992	1.16
	Transfer			27 Jan 2017	(65000)	424992	1.01
	Transfer			03 Feb 2017	(15000)	409992	0.97
	Transfer			17 Feb 2017	(60000)	349992	0.83
	Transfer			10 Mar 2017	(50000)	299992	0.71
	Transfer			17 Mar 2017	(78000)	221992	0.53
	Transfer			24 Mar 2017	(102000)	119992	0.28
	Transfer			31 Mar 2017	(71000)	48992	0.12
	AT THE END OF THE YEAR					48992	0.12

(v) Shareholding of Directors and Key Managerial Personnel:

Sr.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	24.72	9642981	22.92
	Date wise increase in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the Year			9642981	22.92
2	Rama Rajagopal – Director				
	At the beginning of the year	5042054	12.93	5042054	11.98
	1752848 Equity shares were allotted on preferential basis (04th March 2017)	-	-	1752848	4.17
	At the end of the Year			6794902	16.15
3	Charath Ram Narsimhan - Managing Director				
	At the beginning of the year	1025619	2.63	1025619	2.44
	1314636 Equity shares were allotted on preferential basis (04th March 2017)	-	-	1314636	3.12
	At the end of the Year			2340255	5.56
4	Vidyuth Rajagopal – Joint Managing Director				
	At the beginning of the year	7000	0.02	7000	0.02
	Date wise increase/decrease in 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
KEY MANAGERIAL PERSONNEL					
1.	L. Visalakshi - Chief Financial Officer				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the end of the Year	-	-	-	-

2.	A. Rishi Kumar - Company Secretary					-
	At the beginning of the year	-	-	-	-	-
	Date wise increase/decrease in 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 2016-17.

V. INDEBTEDNESS

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

(Rs. In Lakhs)

	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i.Principal amount	6979.67	0.00	0.00	6979.67
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)	6979.67	0.00	0.00	6979.67
Change in Indebtedness during the financial year				
Addition	0.00	0.00	0.00	0.00
Reduction	263.08	0.00	0.00	263.08
Net Change	263.08	0.00	0.00	263.08
Indebtedness at the end of the financial year				
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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakhs)

Sr.No.	Particulars of Remuneration	Mr. Charath Ram Narsimhan (Managing Director)	Mr. Vidyuth Rajagopal* (Whole Time Director)	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	10.00	10.00
	(b) Value of Perquisites u/s 17(2) Income –tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	-as % of profit	-	-	-
	-others, Specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	10.00	10.00

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

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	0.12	0.11	0.58
b. Commission	-	-	-	-	-
c. Others, Please specify	-	-	-	-	-
Total(1)	0.27	0.08	0.12	0.11	0.58

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	0.12	0.11	0.58
Total Managerial Remuneration	10.58				

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
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.20	3.20	21.40
	(b) Value of Perquisites u/s 17(2) Income –tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission -as % of profit -others, Specify	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	Total	18.20	3.20	21.40

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give Details)
A.COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B.DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C.OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

 For and on Behalf of the Board
Sd/-

Venkatesh Rajagopal
Chairman
(DIN: 00003625)

 Place : Chennai
Date : 26th May 2017

ANNEXURE - IV TO BOARD'S REPORT
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017
[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 - 600045

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, 2017 generally 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, 2017 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 Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (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 and Service Tax Rules, 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 (Buyback of Securities) Regulations, 1998

We Further Report That

The Board of Directors of the Company is duly constituted with 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 is given to all directors to schedule the Board Meetings, agenda and detailed notes on 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 Company has:

1. Increased its Authorized Capital from Rs. 70,00,00,000/- to Rs. 80,00,00,000/- after obtaining approval from the members of the company by passing an Ordinary Resolution through Postal Ballot as per Section 61 (1) (a) of the Companies Act, 2013
2. Altered the Capital Clause of the Memorandum of Association after obtaining approval from the members of the company by passing Special Resolution through Postal Ballot as per Section 13 of the Companies Act, 2013
3. Issued Equity Shares to Mr. Charath Ram Narsimhan, Managing Director, Mrs. Rama Rajagopal, Promoter Director of the Company on Preferential Basis by passing Special Resolution through Postal Ballot as per Section 179(3) of the Companies Act, 2013

Sr. No.	Name of the Allottee	Equity Shares Issued (Face Value of Rs. 10/-)	Equity Shares Subscribed and Paidup (Face Value of Rs. 10/-)
1.	Mr. Charath Ram Narsimhan	15,00,000	13,14,636
2.	Mrs. Rama Rajagopal	20,00,000	17,52,848

4. Issued Convertible Warrants to Mr. V Rajagopal, Mrs. Rama Rajagopal Promoter Director and Mr. Charath Ram Narsimhan, Managing Director of the Company on Preferential Basis by passing Special Resolution through Postal Ballot as per Section 179(3) of the Companies Act, 2013.

Sr. No.	Name of the Allottee	No of Warrants Issued	No of Warrants Subscribed
1.	Mr. V Rajagopal	15,00,000	13,14,636
2.	Mr. Charath Ram Narsimhan.	25,00,000	21,91,060
3.	Mrs. Rama Rajagopal.	25,00,000	21,91,060

5. Approved the Sale of Immovable Property situated at 107A, GST Road, Chrompet, Chennai – 600044 by passing Special Resolution through Postal Ballot as per Section 180 of the Companies Act, 2013

For **BP & Associates**
 Company Secretaries
S.Bhaskar
 Partner

Date : 26th May 2017
 Place : Chennai

M No: 10798
 CP No: 8315

'ANNEXURE A'

To,

The Members,
Celebrity Fashions Limited
SDF - IV & C 2, Third Main Road,
MEPZ - SEZ, Tambaram, Chennai - 600045

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 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 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

S.Bhaskar
Partner
M No: 10798
CP No: 8315

Date : 26th May 2017
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

Economic activity although started off on a sluggish note in the first half of 2016 gained some momentum in the second half of 2016, especially in advanced economies.

Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth (after five quarters of drag). Growth also remained solid in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favor of leaving the European Union (Brexit). Activity surprised on the upside in Japan thanks to strong net exports, as well as in euro area countries, such as Germany and Spain, as a result of strong domestic demand. Economic performance across emerging market and developing economies has remained mixed. Whereas China's growth remained strong, reflecting continued policy support, activity has slowed in India because of the impact of the currency exchange initiative, as well as in Brazil, which has been mired in a deep recession. Activity remained weak in fuel and nonfuel commodity exporters more generally, while geopolitical factors held back growth in parts of the Middle East and Turkey.

The global economic activity is picking up with long-awaited cyclical recovery in investment, manufacturing and trade. World Growth is expected to rise from 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018 based on World Economic Outlook forecast. Higher commodity prices have provided relief to commodity exporters and helped lift global headline inflation and reduce deflationary pressures. Financial markets are buoyant and expect continued policy support in China and fiscal expansion and deregulation in the United States.

The Indian economy is growing strongly and remains a bright spot in the global landscape. India topped the World Bank's growth outlook for the first time in 2015-16 during which the economy grew 7.6%. Growth is expected to have declined slightly to 7.1% for the 2016-17 fiscal year. The Exports grew at its fastest pace of 4.7% during FY 2016-17. A revival of growth in developed economies and surge in commodity prices in the second half of 2016-17, boosted Indian shipment even though the rupee was firm against the dollar. The inflows of foreign investments and a falling import bill have helped India raise its import cover ratio, even though this is still lower than that of its peers.

IMF has projected India's growth to rebound to 7.2% in the 2017-18 fiscal and 7.7% in 2018-19. Continued fiscal consolidation by reducing government deficits and debt accumulation and an anti-inflationary monetary policy stance have helped cement macroeconomic stability. In addition the significant progress on important economic reforms will support strong and sustainable growth going forward. In particular, the upcoming implementation of the goods and services tax, which has been in the making for over a decade, will help enhance the efficiency of production and movement of goods and services across the country.

Overview of Industry

India's share in global trade of textiles and apparels is 5%. Readymade garments remain the largest contributor to total textile and apparel exports from India, contributing 40 per cent to total textile and apparel exports. The ready-made garments exports from India stood at USD 17.36 bn in FY 2016-17.

The global apparel market mainly comprises the world's large economies of US, EU, Japan and China. USA and EU are the world's largest apparel importers, accounting for 60 per cent of the total imports, followed by Japan (7-10 per cent). Countries such as China, Bangladesh, Vietnam, India and Cambodia dominate the exports market.

In developing countries like India, it is important to explore ways to boost the standard of living and reduce poverty. Government of India is increasingly focusing on policy to create jobs that are good for development. Export-oriented apparel Industry provides significant opportunity for employment creation due to relatively low skill requirement. Furthermore, it also has a unique ability to attract female workers. The Government is increasing its focus and has come up with favourable policies for the industry through its Textile Policy and Make in India Campaign. The government is also actively considering Free Trade Agreement with EU which will allow duty free access of Indian garment in EU, which is the world's second largest export destination for ready-made garment.

During recent years, China has seen a sustained rise in its wage costs, which may lead to potential increase in its apparel prices. As a result, China is shifting its production base to higher value-added industries like electronics and curtailing low value-added production like textile and apparel. This presents a huge opportunity for south Asian countries including India to increase their share of exports.

With expected reduction in China's cost competitiveness and reduced focus on textiles, India has the chance of increasing its share in global apparel exports. India's market share has remained stable in the last 2 years despite increase in exports in value terms due to higher growth rates of its competing nations like Bangladesh and Vietnam led by favorable government policies in terms of incentivizing the sector through trade agreements with world's largest apparel importing nations like US and EU.

India needs to adopt more favorable policies to increase market access, ease import barriers, improve export logistics, labor reforms and facilitate foreign investment

Financial Performance Overview

The performance of the Company for the financial year 2016-17 has been constrained as compared to previous year. The revenues were down by 3% and Operational EBITDA was down by 26%. The financial results of the Company are as under:

	FY 2016-17		FY 2015-16	
	Amount	% to Revenues	Amount	% to Revenues
Revenue from operations	192.16		197.21	
Other Income	0.70		2.37	
Total revenues	192.86		199.58	
Cost of Materials	97.76	50.9%	109.94	55.7%
Change in Inventories of Finished Goods & Work-in-Progress – (Inc) / Dec	1.45	0.8%	(8.33)	-4.2%
Employee Benefit Expenses	52.41	27.3%	53.67	27.2%
Other Expenses	33.08	17.2%	33.29	16.9%
Total Expenses	184.70	96.1%	188.57	95.6%
EBITDA	8.16	4.2%	11.01	5.6%
Depreciation	7.01	3.6%	8.05	4.2%
Finance Costs	6.34	3.3%	8.65	4.5%
Profit/(Loss) before Tax before Exceptional Items	(5.19)	-2.7%	(5.69)	-3.0%
Exceptional Items - Expense/ (Income)	8.22	-4.3%	(27.09)	14.1%
Profit Before Tax	(13.41)	-7.0%	21.40	11.1%
Tax Expense	-	0.0%	-	0.0%
Profit After Tax	(13.41)	-7.0%	21.40	11.1%

Revenue from Operations

The Company achieved a topline of Rs.192.16 crs vis-à-vis Rs.197.21 crs the previous year. The cascading effect of Chennai floods had resulted in replenishment of prior season orders and this resulted in loss of opportunities of additional business. Further the company had planned to relocate its partial capacities of MEPZ unit to a unit in DTA and hence consciously reduced its capacities in MEPZ unit for a smooth transition. The New Unit was under trial run during the last quarter of the year. The year witnessed productivity improvements quarter on quarter when compared to previous year which has partially offset the impact of reduction in capacities.

Other Income of Rs.70 lakhs represents the interest income and rent income.

Cost of Materials & Changes in inventories

The costs of materials adjusted for Changes in inventories of finished goods and work-in-progress remained at 51.6% against 51.5% previous year. FY 2015-16 had the impact of deferred shipments due to Chennai floods and hence the inventory levels were higher as at the end of March 2016. Adjusted for the same there have been no major changes in total material costs in the current year. The company follows a cost plus model and hence was not impacted with movement of cotton price movements.

Employee Costs

The Manpower costs in absolute terms was lower by over 2% but remained at 27% of revenues as that of previous year. During the year the company implemented the

incremental minimum wages and had also settled the arrears of minimum wages effective December 2014 as per the stipulations of the Hon'ble High Court. The arrears of Rs.5.78 crs forms part of the exceptional item of the financial statements.

Other Expenses

The other expenses in absolute terms reduced marginally by 60 bps and remained at 17% of revenues during the current year. The expenses mainly include the costs of processing, dyes and chemicals, factory maintenance and consumables and other operating and administrative costs.

Operating Margins

During the year under review the Operating EBITDA (before other income) diminished by 13.6% in absolute terms with reduction in revenues and increase in wage costs. As a percentage to net revenues, Operating EBITDA was at 4.2% against 5.6% previous year.

Depreciation

Depreciation has reduced to Rs.7.01 crs as compared Rs.8.05 crs the previous year. The company has charged an additional depreciation of Rs.0.99 crs during the year under review towards short settlement of insurance claim on account of the Chennai floods.

Finance Costs

The total finance costs for the current year stood at Rs.6.34 crs against Rs.8.65 crs of the previous year. The reduction in interest is as a result of repayment of bulk term loans during FY 2015-16 and also on account of reduced working capital interest under the Interest Equalisation Scheme of Government of India. An amount of Rs.2.44 crs of interest has been charged under exceptional item which represents the additional levy pertaining to previous years by the Company's bankers over and above the terms of restructuring package.

Profit Before Tax and Net Profits

The loss before tax and exceptional items stood at Rs.5.19 crs against Rs.5.69 crs the previous year. Exceptional items were at Rs.8.22 crs (-ve) for the current year against Rs.27.09 crs (+ve) the previous year. The net loss for the current year was at Rs.13.41 crs against profits of Rs.21.40 crs the previous year.

Debt

The company had a total debt of Rs.67.17 crs as at the end of current year against Rs.69.79 crs previous year. Of the above, the term debt stood at Rs.24.98 crs compared to Rs.26.48 crs; the working capital loans including the bill discounted / factored were at Rs.42.19 crs against Rs.43.31 crs the previous year.

Working Capital & Liquidity

The current assets in absolute terms reduced by 10% and the current liabilities reduced by 4 % over the previous year.

Business Outlook

The performance of the Company is strongly dependent on two prime factors viz. improved operational productivity and continued rationalization of costs. The company is confident of consistent improvements to efficiencies in operations with the adoption of LEAN Techniques, process engineering and technology. Also the proposed infusion of equity by the Promoters / Director will support the refurbishment of machineries and also possible automation of specific operations. While the focus is to improve the top-line, the company is equally focused on ensuring a systematic approach in governing the costs so as to ensure long-term value creation.

With increasing competition from Bangladesh and Vietnam along with the passage of Trans-Pacific Partnership (TPP), the export demand for Indian apparel is expected to moderate. Further the recent appreciation of INR against US Dollar is also affecting the competitiveness of Indian Garment Manufacturing Companies. On the other hand, the organized retail market is growing rapidly due to increase in consumer spending, high brand consciousness, rising income and purchase power, increasing number of dual income nuclear families, changing lifestyle and consumer behavior.

Under the above scenario, the Company is exploring multiple options and alternatives including tie-up with off-shore units and re-organising its business model to include domestic clients as part of its business portfolio. The emphasis will remain on creating and sustaining a profitable business environment and thereby create value to all the stakeholders of the Company.

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 framework of rules and practices by which the Board of Directors ensure accountability, fairness and transparency in a Company's relationship with all its stakeholders. We believe that retaining and enhancing stakeholder trust is essential for sustained corporate growth.

Company's Philosophy on Corporate Governance is based on following principles:

Act in the spirit of law and not just the letter of law; Do what is right and not what is convenient; Provide complete transparency on our operations; Follow openness in our communication to all our stakeholders; 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.

BOARD OF DIRECTORS

At the helm of the Company's Corporate Governance practice is its Board. 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 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 Chairman and Managing Director under the supervision of the Board.

COMPOSITION OF THE BOARD

The Company has a balanced mix of executive and non – executive directors. As on 31st March, 2017, the Board of Directors of the Company comprised of Eight Directors which includes Two Executive directors, a Managing Director, a Whole – Time Director and four Non – Executive Independent Directors including two Woman Directors.

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 on the Company's Board is a member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees been Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on 31st March, 2017.

The composition of the Board is in conformity with the Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013

The composition of the Board of Directors and number of other Directorships & Memberships / Chairmanships of Committees as on 31st March, 2017 is as under:

Name & (DIN) of Directors	Category of Directorship	Directorships in other Companies#	Details of other Committees##	
			Chairman	Member
Mr. Venkatesh Rajagopal (DIN: 00003625)	Promoter & Executive Director	1	0	2
Mrs. Rama Rajagopal (DIN: 00003565)	Promoter & Executive Director	1	0	0
Mr. Charath Ram Narsimhan (DIN: 06497859)	Managing Director	0	0	0
Mr. P.S.Raman (DIN: 00003606)	Independent & Non-Executive Director	2	0	3
Mr. N.K.Ranganath (DIN: 00004044)	Independent & Non-Executive Director	3	2	2
Mrs. Nidhi Reddy (DIN: 00004081)	Independent & Non-Executive Director	1	0	0
Mr. Vidyuth Rajagopal ¹ (DIN: 07578471)	Joint Managing Director	0	0	0
Mr. K Sridhar ² (DIN: 02916536)	Independent & Non-Executive Director	3	0	0

Notes:

- 1 Appointed as Director w.e.f 01st August 2016 and re-designated as JMD w.e.f 05th April 2017
- 2 Appointed as Director (Independent) w.e.f 01st August 2016
- # The Directorship held by the Directors, as mentioned above, includes the directorship held in Private Limited Companies
- ## Membership(s) / Chairmanship(s) of Audit Committee and Stakeholders Relationship Committee in all public limited companies have been taken into consideration (excluding Celebrity Fashions Limited)

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

During the year under review Board met Six (06) times on 30th May 2016, 01st August 2016 12th November 2016, 06th January 2017, 13th February 2017 and 04th March 2017. 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 2016-17		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	6	Yes
Mrs. Nidhi Reddy	6	2	No
Mr. Vidyuth Rajagopal #	6	5	Yes
Mr. K Sridhar #	6	4	Yes

Notes:

Mr. Vidyuth Rajaopal and Mr. K. Sridhar were appointed as Directors on the Board of Directors of the Company w.e.f 01st August 2016.

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.

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

None of the Non-executive independent director holds any 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 brochures 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 30th September, 2016, the following was approved by the shareholders of the Company.

- Appointment of Mr. Vidyuth Rajagopal (DIN: 07578471) as a Director.
- Appointment of Mr. Vidyuth Rajagopal (DIN: 07578471) as Whole-time Director for a term of three years.
- Appointment of Mr. K. Sridhar (DIN: 02916536) as an Independent Director for a term of 5 Years.

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 schedule 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:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders' Relationship Committee
- D. Corporate Social Responsibility Committee
- E. Risk Management Committee

AUDIT COMMITTEE

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.

Composition of the Audit 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, 2017 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	2
Mrs. Nidhi Reddy	Member	4	2
Mr. K. Sridhar ⁽¹⁾	Member	4	1
Mr. Charath Ram Narsimhan	Member	4	4

Note:

(1) Appointed as a Member of the Committee w.e.f 01st August 2016

The Committee met 4 (four) times during the financial year 2016-17 on 30th May, 2016, 01st August, 2016, 12th November, 2016 and 13th February, 2017.

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.

Broad Terms of reference:

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under the SEBI Listing Regulations and Section 177 of the Companies Act, 2013. The brief terms of reference of Audit Committee are as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(5) of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 16. To review the functioning of the Whistle Blower mechanism;
 17. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 18. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of Information by Audit Committee:

1. The Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor;
6. Statement of deviations :
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) 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 Committee 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 ⁽¹⁾	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

Note:

(1) Appointed as a Member of the Committee w.e.f 01st August 2016 and Designated as the Chairperson in place of Mrs. Nidhi Reddy w.e.f 12th November 2016.

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:

- 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.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- 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.
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- 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.
- 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.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Meetings and attendance during the year:

The committee met once during the year under review. Attendance of the members at the meeting held during the year is as follows:

Date of Meeting	Mr. K. Sridhar ⁽¹⁾ Chairperson	Mr. N.K. Ranganath Member	Mr. P.S. Raman Member	Mrs. Nidhi Reddy Member
01 st August 2016	-	Yes	No	Yes

Note:

(1) Appointed as a Member of the Committee w.e.f 01st August 2016 and Designated as the Chairperson in place of Mrs. Nidhi Reddy w.e.f 12th November 2016.

Remuneration Policy

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

The Policy inter alia provides for the following:

- attract, recruit, and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;

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

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 2016-17, the sitting fee paid to Non - Executive Directors were as under:

Name of the Director	Sitting Fees (includes the fees paid for Committee Meetings) Rs.
Mr. N.K. Ranganath	26,500
Mr. P.S.Raman	8,000
Mrs. Nidhi Reddy	12,000
Mr. K Sridhar	11,500

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, Whole time director (re-designated as JMD w.e.f. 05th April 2017) as under:

Name of the Director	Salary (Rs. in Lakhs)	Retirement Benefits	Total (Rs. in Lakhs)
Mr. Charath Ram Narsimhan	Nil	Nil	Nil
Mr. Vidyuth Rajagopal	10.00	-	10.00

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 2016-17 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 & Compliance Officer
Celebrity Fashions Limited

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

- To specifically look into the redressal of Investors' Grievances pertaining to:
 - Transfer of shares and debentures;
 - Non-receipt of declared dividends, interests and redemption proceeds of debentures;
 - Dematerialization of shares and debentures;
 - Replacement of lost, stolen, mutilated share and debenture certificates;
 - Non-receipt of rights, bonus, split share and debenture certificates;
 - Non-receipt of balance sheet.
- To look into other related issues towards strengthening investors' relations.
- To consider and approve issuance of share / debenture certificates including duplicate share/debenture certificates.
- To look into the reasons for any defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and Creditors.

Details of Complaints / Queries received and redressed during 1st April, 2016 to 31st March, 2017:

Sr. No.	Particulars of Complaints / Queries	Received	Redressed	Pending as on 31.3.2017
1.	Non receipt of Share Certificates			
	- Direct from Shareholders	Nil	Nil	Nil
	- Received from SEBI	Nil	Nil	Nil
2.	Non receipt of Dividend /Interest Warrants			
	- Direct from Shareholders	Nil	Nil	Nil
	- Received from SEBI	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 2016-17 on 13th February, 2017.

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 2016-17 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. Ranaganth	Member	1	1
Mr. Charath Ram Narsimhan	Member	1	1

* Mrs. Rama Rajagopal appointed as Chairperson with effect from 30th May 2016.

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

- 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;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor the implementation of CSR policy of the Company from time to time;
- 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 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 Committee consists of Mr. Venkatesh Rajagopal being the Chairman and Mrs. Rama Rajagopal as 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 2017, without the presence of Executive Directors of the Company, inter alia to discuss:

- Evaluation of the performance of the Non Independent Directors and the Board of Directors as a Whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- 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 except Mr. P.S. Raman and Mr. K. Sridhar.

SUBSIDIARY COMPANIES

The Company has no subsidiary Companies.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings (AGMs) held are as under:

Year(s)	Meeting Date	Time	Venue	No. of Special resolution(s) passed
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
2013-14	29th September, 2014	2.30 P.M	Registered Office, SDF – IV & C2,3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.	1

POSTAL BALLOT:

The details of Special Resolution(s) passed through Postal Ballot, Voting Pattern and Procedure for Postal Ballot are as under:

Resolution	No. of votes polled	Votes cast in favour		Votes cast against	
		No. of Votes	%	No. of Votes	%
Alteration of Capital Clause of the Memorandum of Association of the Company	21199989	21191137	99.96	8852	0.04
Issue of Equity Shares to Mr. Charath Ram Narsimhan, Managing Director of the Company on Preferential basis	20174570	20164617	99.95	9953	0.05
Issue of Equity Shares to Mrs. Rama Rajagopal, Promoter Director of the Company on Preferential basis	6507408	6497455	99.85	9953	0.15
Issue of Warrants to Mr. Venkatesh Rajagopal, Promoter Director of the Company on Preferential basis	6507408	6497355	99.85	10053	0.15
Issue of Warrants to Mrs. Rama Rajagopal, Promoter Director of the Company on Preferential basis	6507408	6497356	99.85	10052	0.15
Issue of Warrants to Mr. Charath Ram Narsimhan, Managing Director of the Company on Preferential basis	20174570	20164518	99.95	10052	0.05
Approval for sale of Immovable property of the Company	21200154	21190066	99.95	10088	0.05

I. POSTAL BALLOT NOTICE DATED 06TH JANUARY 2017:

- To increase the Authorized Share Capital of the Company.
- To alter the Capital clause of the Memorandum of Association.
- Issue of Equity Shares to Mr. Charath Ram Narsimhan, Managing Director of the Company on preferential basis.
- Issue of Equity Shares to Mrs. Rama Rajagopal, Promoter Director of the Company on preferential basis.
- To issue Convertible warrants on preferential basis to Mr. Venkatesh Rajagopal, Promoter Director of the Company.
- To issue Convertible warrants on preferential basis to Mrs. Rama Rajagopal, Promoter Director of the Company.
- To issue Convertible warrants on preferential basis to Mr. Charath Ram Narsimhan, Managing Director of the Company.
- Approval for sale of Immovable Property of the Company.

The Board of Directors of the Company had appointed Mr. Bhaskar Swaminathan, Partner, BP & Associates, Practicing Company Secretaries as the Scrutinizer for conducting the postal ballot/ e-voting process.

The Company completed the dispatch of the Postal Ballot Notice dated 06th January 2017 together with the Explanatory Statement on 12th January 2017 along with forms and postage prepaid self addressed business reply envelope to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on 30th December 2016.

The e-voting period commenced on Saturday, 14th January 2017 (9 a.m.) and ended on Sunday, 12th February 2017. (5 p.m.)

Particulars of postal ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.

The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.

All postal ballot forms received/receivable up to 5.00 PM on 12th February 2017, had been considered for his scrutiny and envelopes containing postal ballot forms received after this had not been considered for his scrutiny.

The results of postal ballot were declared on 14th February 2017.

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

MEANS OF COMMUNICATION
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 Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites.

e) Presentations

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

GENERAL SHAREHOLDER INFORMATION

In terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), more particularly Point No. 9 of Part C of Schedule V thereof, General Information of the Company for reference of the Shareholders, is provided as under:

Annual General Meeting and Date of Book Closure

This Corporate Governance Report was taken on record by the Board in their meeting held on 26th May 2017 and the date and venue of the Annual General Meeting was not finalized in the said Board 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

Tentative Calendar of financial year ending 31st March, 2018

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, 2018 are as follows:

First Quarter Results	*September, 2017
Second Quarter and Half yearly Results	*December, 2017
Third Quarter Results	February, 2018
Fourth Quarter and Annual Results	May, 2018

* The Company is required to adopt Ind AS for the first time in this financial year 2017-18. Hence the timeline for submitting the financial results for the quarter ended June, 2017 and September, 2017 may be extended by one month in compliance with the provisions of the SEBI Circular CIR/CFD/FAC/62/2016 dated 05th July, 2016.

Dividend Payment Date:

Not Applicable

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
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.

Market Price Data – the monthly high and low prices of the Company's shares at BSE and NSE for the financial year ended 31st March 2017 are as follows:

(Share price in Rs.)

Month(s)	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-16	9.80	8.40	122868	9.95	8.25	278557
May-16	10.15	8.21	136221	10.20	8.25	304256
Jun-16	11.85	7.79	962395	12.00	9.00	1815103
Jul-16	15.90	9.15	10697956	15.95	9.80	19536742
Aug-16	15.47	10.58	2702053	15.50	10.55	7574918
Sep-16	12.10	10.00	853284	12.40	9.90	2141670
Oct-16	14.00	10.95	1330600	14.10	10.90	3564258
Nov-16	13.90	8.81	575890	13.90	8.75	1768136
Dec-16	11.00	8.40	219652	10.80	8.40	916526
Jan-17	12.50	8.50	908300	12.50	8.60	3865809
Feb-17	12.55	10.42	623661	12.50	10.35	2249563
Mar-17	16.29	10.20	3711217	16.30	10.10	9655360

Source: BSE and NSE Website

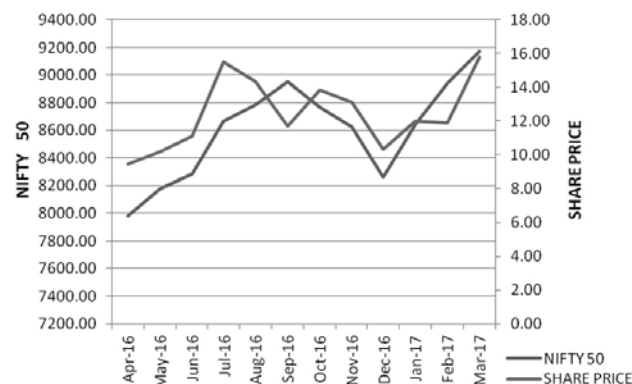
Stock performance in comparison to broad-based indices:

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, 2017 (based on month end closing):

1. BSE Sensex



2. NSE Nifty



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 2596 3838
Fax: + 91 22 2596 2691
Website: www.linkintime.co.in

Share Transfer System

As much as 99.99 % 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.

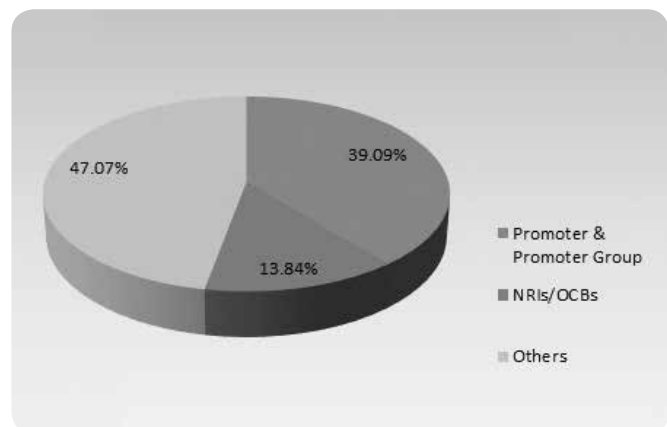
Distribution of Shareholding:

Distribution of Shareholding of shares of the Company as on 31st March 2017 is as follows:

Range	No. of shareholders	% to total holders	No. of Shares	Amount (Rs.)	% to Capital
1-500	10935	77.88	1307344	13073440	3.10
501-1000	1228	8.74	1074487	10744870	2.55
1001-2000	727	5.17	1190988	11909880	2.83
2001-3000	294	2.09	776115	7761150	1.84
3001-4000	138	0.98	500115	5001150	1.19
4001-5000	193	1.37	932285	9322850	2.21
5001-10000	264	1.88	2083352	20833520	4.95
Greater than 10000	262	1.87	34206563	342065630	81.30
Grand Total	14041	100.00	42071249	420712490	100.00

Shareholding Pattern as on 31st March 2017

Category of Shareholder(s)	Total No. of Shares	% of Total No. of Shares
Promoter and promoter group		
Promoter and promoter group	16445629	39.09
Sub Total (A)	16445629	39.09
NRIs/OCBs		
Non Resident Indians	370779	0.88
Foreign Portfolio Investor	5450000	12.95
Sub Total (B)	5820779	13.84
Others		
Clearing Members	1261029	3.00
Private Corporate Bodies	3944885	9.38
Public	13916232	33.08
Others	682695	1.62
Sub Total (C)	19804841	47.07
Total (A+B+C)	42071249	100.00

Category-wise Shareholding :

Dematerialization of Shares:

The Equity Shares of the company were admitted in the following depositories under International Securities Identification number (ISIN) No. INE185H01016 considering the benefits embedded in holding and trading of the securities in electronic form.

Name of the depository	Address
National Securities Depository Limited	4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
Central Depository Services (India) Limited	28th Floor, Phiroze Jee Jeebhoy Towers, Dalal Street, Mumbai - 400 001.

As at 31st March 2017, 42071084 Equity shares aggregating to 99.99% were held in dematerialized form.

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 2016-17.

56,96,756 convertible warrants have been allotted during the financial year 2016-17 (Refer Note. 2 & 4 of the financial statements)

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 no material residual risk. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to firm commitment.

Plant Locations:

- Plot C2, Survey Nos. 24,25 and 54, Phase II, MEPZ-SEZ, Tambaram, Chennai – 600045.
- No: 208, Velachery, Tambaram Road, Narayanapuram, Pallikaranai, Chennai 601 302
- No.70/2 & 3A, Selaiyur Agaram, Thiruvanchery, Chennai – 600 073.
- No.8, 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 43432200
 Fax : +91 44 22622897, 22628184
 Email : investorservices@celebritygroup.com
 Website : www.celebritygroup.com

OTHER DISCLOSURES:
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 2017. 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.

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 our Company's website.

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 already took 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 Board has approved a policy for related party transactions which has been uploaded on the Company's website.(www.celebritygroup.com)

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.

CEO / CFO Certification

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the financial year 2016-17 signed by Mr. Charath Ram Narsimhan, Managing Director and Mrs. L Visalakshi, CFO was placed before the Board of Directors of the Company at their meeting held on 26th May, 2017.

Vigil Mechanism and 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 and submit it to the Audit Committee for further action.

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, 2016	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 2017	NIL	NIL
The voting rights on the shares outstanding in the suspense account as on 31st March 2017 shall remain frozen till the rightful owner of such shares claims the shares	NIL	NIL

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has in respect of the financial year ended 31st March 2017, received from all the members of the Board and Senior Management team of the Company, affirmation(s) that they have complied with the Code of Conduct as applicable to them.

For the purpose of this declaration, the Senior Management Team means Members of the Management one level below Executive Directors as on 31st March 2017.

Place : Chennai
Date : May 26, 2017

Charath Ram Narsimhan
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of 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, 2017, 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. Our examination was limited to a review of the procedures and implementation thereof, adopted 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 **CNGSN & ASSOCIATES LLP**
Chartered Accountants
FR No. 004915S / S200036
C.N. GANGADARAN
Partner
Membership Number 011205

Place : Chennai
Date : May 26, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CELEBRITY FASHIONS LIMITED REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Financial Statements of **Celebrity Fashions Limited** ("the Company"), which comprises the Balance sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE 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 Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) 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 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 Financial Statements based on our audit. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which required to be in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. And other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the 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 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of 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 financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2017, and its profits and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to Note No. 27 of the Financial Statements which discloses that as at the date of the Balance Sheet of 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 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 qualified in respect of this 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 (here in after referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Companies Act, 2013, 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 purpose 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act; and
 - (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 A'; and
 - (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 knowledge and belief and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on as at March 31, 2017 on its financial position in its Financial Statements as referred to in Note 34(c) to the Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017;
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company for the year ended March 31, 2017
 - iv. The Company has provided requisite disclosures in the Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management (Refer Note 42).

For **ANIL NAIR & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number 000175S

G. ANIL
Partner
Membership Number 022450

Place: Chennai
Date : May 26, 2017

For **CNGSN & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number 004915S /S200036

C.N. GANGADARAN
Partner
Membership Number 011205

ANNEXURE A

TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF CELEBRITY FASHIONS LIMITED

(Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of **Celebrity Fashions Limited** on the Financial Statements for the year ended March 31, 2017)

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, 2017 in conjunction with our audit of the 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 ('ICAI'). 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.

AUDITOR'S 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 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 operate 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 judgment, 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, 2017, 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 **ANIL NAIR & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number 000175S

For **CNGSN & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number 004915S /S200036

G. ANIL
Partner
Membership Number 022450
Place: Chennai
Date : May 26, 2017

C.N. GANGADARAN
Partner
Membership Number 011205

ANNEXURE - B
TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF CELEBRITY FASHIONS LIMITED

The Annexure referred to in our Independent Auditors' Report to the members of the **Celebrity Fashions Limited** on the Financial Statements for the year ended March 31, 2017, we report that:

1. In respect of its Fixed Assets:
 - a. On the basis of available information, we report that the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As explained to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased periodical manner designed to cover all the items over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. In respect of its Inventories:

In our opinion, the inventories have been physically verified during the year by the management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore in our opinion, the provisions of clause(iii)(a)(b) and(c) of paragraph 3 of the said Order are not applicable to the Company.
4. 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 grant of loans, making investments and providing guarantees and securities.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore in our opinion the provisions of Clause (v) of paragraph 3 of the Order (as amended) are not applicable to the Company.
6. To the best of our knowledge and as explained to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for any of the products/services manufactured/rendered by the Company.
7. In respect of Statutory dues:
 - a. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues, including provident fund, employees state insurance scheme, income tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance scheme, income tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, the following dues of Income Tax and Fringe Benefit Tax have not been deposited by the Company on account of Disputes: -

Name of the Statute	Nature of Dues	Assessment Year to which the amount relates	Forum where the dispute is pending	Amount (in ₹)
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	29,03,868

* Relating to Income Tax dues of Partnership Firm Celebrity Connections

8. 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 and borrowings to a financial institution, bank, or government. The Company has not issued any debentures.
9. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans raised in our opinion have been applied by the Company for the purposes for which they were obtained.
10. According to the information and explanations given to us no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has paid / provided Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with its related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
14. During the year, the company has made preferential allotment of shares. In respect of the same, in our opinion, the company has complied with the requirements of the section 42 of the Act and the rules framed there under. Further, in our opinion, the amount so raised have been used for the purposes for which the funds were raised.
15. In our opinion and according to the information and explanation given to us, during the year, the company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of paragraph 3 of the order is not applicable to the company.
16. In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **ANIL NAIR & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration Number 000175S

For **CNGSN & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number 004915S /S200036

G. ANIL
Partner
Membership Number 022450
Place: Chennai
Date : May 26, 2017

C.N. GANGADARAN
Partner
Membership Number 011205

Standalone Balance Sheet as at 31st March 2017

₹. In Crores

Particulars	Note No.	As at 31-Mar-17	As at 31-Mar-16
I EQUITY AND LIABILITIES			
1 Shareholder's Funds			
(a) Share Capital	2	67.17	64.10
(b) Reserves and Surplus	3	(54.69)	(41.72)
(c) Money received against Warrants	4	1.63	-
		14.11	22.38
2 Non-Current Liabilities			
(a) Long-term borrowings	5	22.81	24.35
(b) Deferred tax liabilities (Net)	6	-	-
(c) Other Long-term liabilities	7	0.16	0.05
		22.97	24.40
3 Current Liabilities			
(a) Short-term borrowings	8	42.19	43.31
(b) Trade payables	9		
Due to Micro, Small and Medium Enterprises		-	-
Due to Others		22.83	24.16
(c) Other current liabilities	10	12.81	14.09
(d) Short-term provisions	11	3.43	2.91
		81.26	84.47
Total		118.34	131.25
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	12		
(i) Property, Plant & Equipments		39.93	45.91
(ii) Intangible assets		0.01	0.05
		39.94	45.96
(b) Long-term loans and advances	13	6.20	5.79
(c) Other non-current assets	14	1.58	1.16
		47.72	52.91
2 Current Assets			
(a) Inventories	15	33.91	36.06
(b) Trade receivables	16	30.18	36.11
(c) Cash and Cash Equivalent	17	1.90	1.91
(d) Short-term loans and advances	18	0.52	0.48
(e) Other current assets	19	4.11	3.78
		70.62	78.34
Total		118.34	131.25

 See Accompanying Notes to Financial Statements
 To be read with our report of even date

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 For **Anil Nair & Associates**
 Chartered Accountants
 ICAI Firm Registration No. 000175S

G. Anil
 Partner
 Membership No. 022450

Chennai, 26 May 2017

 For **CNGSN & Associates LLP**
 Chartered Accountants
 ICAI Firm Registration No. 004915S / S200036

C.N.Gangadaran
 Partner
 Membership No. 011205

A. Rishi Kumar
 Company Secretary
 M.No : A42884

L.Visalakshi
 Chief Financial Officer

For and on Behalf of the Board

V. Rajagopal
 Chairman
 DIN : 00003625

Charath Ram Narsimhan
 Managing Director
 DIN : 06497859

Statement of Standalone Profit and Loss for the Year Ended 31st March 2017

₹. In Crores (except per share data)

Particulars	Note No.	for the year ended 31-Mar-17	for the year ended 31-Mar-16
I Revenue from Operations (gross)	20	191.42	197.37
Less: Excise Duty		0.25	0.06
Revenue from Operations (net)		191.17	197.31
II Other Income	21	1.69	2.27
III Total Revenues		192.86	199.58
IV Expenses			
a Cost of Materials	22	97.76	109.94
b Purchases of Traded Goods	-	-	-
c Changes in Inventories of Finished Goods & Work-in-Progress - (Inc) / Dec	22	1.45	(8.33)
d Employee Benefit Expenses	23	52.41	53.67
e Other Expenses	24	33.08	33.29
		184.70	188.57
V Earnings before Interest, Depreciation and Tax		8.16	11.01
f Finance Costs	25	6.34	8.65
g Depreciation		7.01	8.05
		13.35	16.70
VI Profit / (Loss) before Tax and Exceptional Items		(5.19)	(5.69)
VII Exceptional Item - Expense / (Income)	26	8.22	(27.09)
VIII Profit / (Loss) before Tax after Exceptional Items		(13.41)	21.40
IX Tax Expenses			
a Current Tax Expense		-	-
b Deferred Tax		-	-
		-	-
X Profit / (Loss) for the Period		(13.41)	21.40
XI Earnings Per Share - In Rs. before Extra-Ordinary Item			
-- Basic		(3.42)	5.49
-- Diluted		(3.42)	5.49
XII Earnings Per Share - In Rs. after Extra-Ordinary Item			
-- Basic		(3.42)	5.49
-- Diluted		(3.42)	5.49

See Accompanying Notes to Financial Statements

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To be read with our report of even date

 For **Anil Nair & Associates**
 Chartered Accountants
 ICAI Firm Registration No. 000175S

G. Anil
 Partner
 Membership No. 022450

Chennai, 26 May 2017

 For **CNGSN & Associates LLP**
 Chartered Accountants
 ICAI Firm Registration No. 004915S / S200036

C.N.Gangadaran
 Partner
 Membership No. 011205

A. Rishi Kumar
 Company Secretary
 M.No : A42884

L.Visalakshi
 Chief Financial Officer

For and on Behalf of the Board

V. Rajagopal
 Chairman
 DIN : 00003625

Charath Ram Narsimhan
 Managing Director
 DIN : 06497859

NOTES TO THE ACCOUNTS AS AT 31ST MARCH 2017
1 Significant Accounting Policies
1.1 Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis. GAAP comprises of mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Further the pronouncements and the guidance notes issued by the Institute of Chartered Accountants of India ("ICAI") have also been considered. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised Accounting Standards on an on-going basis. The financial statements are presented in Indian rupees rounded off to the nearest rupee in crores.

1.2 Use of Estimates

The preparation of the financial statements in conformity of the GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the period. Although these estimates are based upon the management best knowledge of current events and actions, actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material their effects are disclosed in the notes to the financial statements.

1.3 Current /Non Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act 2013 The Company has ascertained it's normal operating cycle as 12 months. In accordance with Schedule III of the Act, any asset or liability is classified as current if it satisfies any of the following conditions:

- 1) It is expected to be realized or settled in the company's normal operating cycle;
- 2) It is expected to be realized or settled within twelve months from the reporting date;
- 3) In the case of an assets :-
 - i) It is held primarily for the purpose of being traded; or
 - ii) It is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months from the reporting date;
- 4) In the case of a liability, the company doesn't have an unconditional right to defer settlement of liability for at least twelve months from the reporting date.

All the other assets and liabilities are classified as Non-Current. Current Asset/Liabilities include the current portion of Non Current Asset/Liabilities respectively.

1.4 Revenue Recognition

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes Sales (net of trade discounts and rebates) which are recorded when the significant risks and rewards of ownership are transferred. Export Sales are accounted on the basis of the dates of Bill of Lading and other delivery documents as per the contract. Domestic Sales excludes Sales Tax and Value Added Tax. Export Incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

Other Operating Income represents conversion charges received by the Company from contract manufacturing activities and the same is accounted when the significant risks and rewards of ownership are transferred.

1. Rental Income on properties leased are accounted on accrual basis.
2. Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
3. Dividend income is recognized when the Company's right to receive dividend is established.

The Income mentioned in item 1,2 & 3 above are grouped under the head "Other Income" in the Statement of Profit and Loss

1.5 Expenditure

Expenses are recognized on accrual basis.

1.6 CENVAT Credit

CENVAT (Central Value Added Taxes) credit in respect of input services are accounted and utilized on accrual basis, in accordance with CENVAT Credit Rules, 2004. The balance of CENVAT Credit is evaluated at the end of each period and amount expected to be unutilized and ineligible CENVAT Credits are charged to Statement of Profit and Loss.

1.7 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where no reliable estimate can be made, a disclosure is made as a contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements.

1.8 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
Furniture & 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.

1.9 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

1.10 Impairment

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.

1.11 Borrowing Costs

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

1.12 Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that which approximates the actual rate at the date of the transaction.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent on the date of transaction. Monetary items denominated in foreign currencies at the year end are restated at year end rates. Any income or expense on account of exchange differences either on settlement or on translation is recognized in the Statement of Profit and Loss.

The Company uses forward contracts to mitigate its risks associated with foreign currency exchange rates. The Company does not use the foreign exchange forward contracts of options for trading or speculating purpose. The premium or discount on foreign exchange forward contracts is amortized as income or expense over the life of the contract. The exchange difference is calculated and recorded in accordance with AS-11 - 'The Effects of Changes in Foreign Exchange Rates' (revised) in the Statement of Profit and Loss.

1.13 Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or non-current (long term) based on Management's intention at the time of purchase.

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments.

Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. Current investments are carried at the lower of cost and fair value of each investment individually.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

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.

1.15 Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits in the nature of salary, wages, bonus, leave encashment and the expected cost of ex-gratia are recognized and accounted for on accrual basis in the period in which the employee renders the related service.

A) Defined Contribution Plans

Provident Fund and Employees State Insurance Scheme is a defined contribution plan, each eligible employee and the Company makes equal contributions at a percentage on the basic salary specified under the Employees' Provident Funds and Miscellaneous Provision Act, 1952 and Employees State Insurance Act, 1948 respectively. The Company's contributions are charged to the statement of profit and loss in the year when the contributions to the respective funds are due. The Company has no further obligations under the plan beyond its periodic contributions.

B) Defined Benefit Plan

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering the eligible employees.

The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of the employee's employment with the Company.

The Employees Gratuity Scheme which is a defined benefit plan, is managed by trust maintained with Reliance Life Insurance and SBI Life Insurance. The liability with respect to gratuity plan is determined by an independent actuarial valuation on projected unit credit method on the balance sheet date, base upon which the Company contributes to the Group Gratuity Scheme. Obligation is measured at the present value of the estimated future cash flows using a discount rate that is determined with reference to market yields at the Balance Sheet date on Government Bonds, where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

1.16 Taxation

Tax expense comprises of current and deferred tax. Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax assets and liabilities are measured, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961. 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 unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against 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.

1.17 Accounting of Government Grants:

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is netted off with the relevant expense. Where the grant or

subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

1.18 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 manufacturing garments and is managed as one entity and is governed by a similar set of risks and return.

1.19 Earnings per Share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including changes effected prior to the approval of the financial statements by the Board of Directors.

1.20 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated..

1.21 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on deposit with Banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.22 Trade Receivables And Loans and Advances

Trade receivables and loans and advances are stated after writing off debts/ loans and advances considered as bad. Adequate provision is made for debts/ loans and advances considered doubtful (if any)

1.23 Leases

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the maximum lease payment at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term.

1.24 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, 2017

₹. In Crores (except per share data)

Particulars	As at 31-Mar-17	As at 31-Mar-16
2 SHARE CAPITAL		
a Authorised, Issued, Subscribed and Paid-Up Share Capital		
Authorized Share Capital:		
5,40,00,000 (Previous Year 4,40,00,000) Equity Shares of ₹.10/- each	54.00	44.00
2,60,00,000 (Previous Year 2,60,00,000) 1% Cumulative Redeemable Preference Shares of ₹.10/- each	26.00	26.00
Issued Capital		
4,25,03,765 (Previous Year 3,90,03,765) Equity Shares of ₹.10/- each	42.50	39.00
2,51,04,500 (Previous Year 2,51,04,500) 1% Cumulative Redeemable Preference Shares of ₹.10/- each	25.10	25.10
Subscribed and Paid up Capital:		
4,20,71,249 (Previous Year 3,90,03,765) Equity Shares of ₹.10/- each	42.07	39.00
2,51,04,500 (Previous Year 2,51,04,500) 1% Cumulative Redeemable Preference Shares of ₹.10/- each	25.10	25.10
Total	67.17	64.10
Upon approval of the shareholders vide resolution dated 12th February 2017, the Company has allotted 30,67,484 shares under preferential allotment on 4th March 2017 to the Promoter / Director.		
b Reconciliation of the number of shares		
Number of Equity Shares outstanding at the beginning of the year	39,003,765	39,003,765
Add: Number of Equity Shares issued & subscribed during the year	3,067,484	-
Number of Equity Shares outstanding at the end of the year	42,071,249	39,003,765
Number of 1% Cumulative Redeemable Preference Shares outstanding at the beginning of the year	25,104,500	25,104,500
Add: Number of 1% Cumulative Redeemable Preference Shares issued during the year	-	-
Number of 1% Cumulative Redeemable Preference Shares outstanding at the end of the year	25,104,500	25,104,500
c Rights, Preferences and Restrictions attached to each Class of Shares	NIL	NIL
The Company has two classes of shares:		
Equity Shares having a par value of ₹.10/- each with voting rights. Each holder of Equity Share is entitled to one vote per share.		
1% Cumulative Redeemable Preference Shares of ₹.10/- each. 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.		
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
e Details of Equity Shares held by each Shareholder holding more than 5%		
Name of the Shareholder	As at 31-Mar-17	As at 31-Mar-16
	No. of Shares	No. of Shares
	% held	% held
Mr. Venkatesh Rajagopal	96,42,981	96,42,981
Mrs. Rama Rajagopal	67,94,902	50,42,054
M/s Leman Diversified Fund	33,50,000	33,50,000
Mr. Charath Ram Narsimhan	23,40,255	-
f Details of 1% Cumulative Redeemable Preference Shares held by each Shareholder more than 5%		
State Bank of India	251,04,500	251,04,500
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	-
	5,696,756	-
As at 31st March 2017, 56,96,756 Warrants (Previous Year NIL) were pending to be converted into Equity Shares of ₹.10/- each.		
As at 31st March 2017, the Company had received 25% of the consideration payable for the said warrants. Refer Note (4)		
h Shares allotted for consideration other than cash during the last 5 years	NIL	NIL

Notes on Financial Statements for the Year ended 31st March, 2017

₹. In Crores (except per share data)

Particulars	As at 31-Mar-17	As at 31-Mar-16
3 RESERVES AND SURPLUS		
a Securities Premium Reserve		
Opening Balance	2.05	2.05
Add: Premium received on Equity Shares issued during the year	0.44	-
Closing Balance	2.49	2.05
b Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	(43.77)	(65.17)
Add: Profit / (Loss) for the year	(13.41)	21.40
Closing Balance	(57.18)	(43.77)
Total	(54.69)	(41.72)

4. Money received against Share Warrants

Opening Balance	-	-
Add: Received during the year	1.63	-
Less: Converted during the year	-	-
Closing balance	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
Mr. Charath Ram Narsimhan	2,191,060

As at 31st March 2017, 56,96,756 Warrants (Previous Year NIL) 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.

5 LONG TERM BORROWINGS

Secured		
Term loans from Banks		
Clean Term loans	4.81	6.31
Rent Plus Term loans	-	0.60
Funded Interest Term loans	18.00	17.44
Total	22.81	24.35

Details of Term loans - Bank wise, Repayments and Security

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

The above term loans extended by State Bank of India (SBI) are primarily secured by charge over current assets including stock, receivables and other current assets and first charge over the assets purchased out of the term loans

The Lease rental receivables from the property let out on lease are assigned to Rent-Plus Term loans extended by State Bank of India (SBI).

Also the loans are additionally secured by the following collaterals.

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, and survey no.24,25&54,MEPZ,Tambaram.

Pledge of 53,52,516 shares belonging to the Promoter Directors

Personal Guarantee of Promoter Directors of the Company

Notes on Financial Statements for the Year ended 31st March, 2017

₹. In Crores (except per share data)

Particulars	As at 31-Mar-17	As at 31-Mar-16																														
The maturity profile and rate of interest of the above loans are as set out below: Rates of Interest Clean Term loan - Base Rate less 5.75% Rent Plus Term loan - Base Rate plus 3.75% Funded Interest Term loan - Zero %																																
	<table border="1"> <thead> <tr> <th>Year</th> <th>Clean Term loan</th> <th>Rent Plus Term loan</th> <th>Funded Interest Term loan</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2017 - 18</td> <td style="text-align: center;">1.59</td> <td style="text-align: center;">0.58</td> <td></td> <td style="text-align: center;">2.17</td> </tr> <tr> <td>2018 - 19</td> <td style="text-align: center;">1.59</td> <td></td> <td></td> <td style="text-align: center;">1.59</td> </tr> <tr> <td>2019 - 20</td> <td style="text-align: center;">1.59</td> <td></td> <td style="text-align: center;">18.00</td> <td style="text-align: center;">19.59</td> </tr> <tr> <td>2020 - 21</td> <td style="text-align: center;">1.63</td> <td></td> <td></td> <td style="text-align: center;">1.63</td> </tr> <tr> <td></td> <td style="text-align: center;">6.40</td> <td style="text-align: center;">0.58</td> <td style="text-align: center;">18.00</td> <td style="text-align: center;">24.98</td> </tr> </tbody> </table>	Year	Clean Term loan	Rent Plus Term loan	Funded Interest Term loan	Total	2017 - 18	1.59	0.58		2.17	2018 - 19	1.59			1.59	2019 - 20	1.59		18.00	19.59	2020 - 21	1.63			1.63		6.40	0.58	18.00	24.98	
Year	Clean Term loan	Rent Plus Term loan	Funded Interest Term loan	Total																												
2017 - 18	1.59	0.58		2.17																												
2018 - 19	1.59			1.59																												
2019 - 20	1.59		18.00	19.59																												
2020 - 21	1.63			1.63																												
	6.40	0.58	18.00	24.98																												
As at 31st March 2017, there were no defaults in interest and debt repayment to the lender, State Bank of India.																																
6 DEFERRED TAX LIABILITIES																																
Deferred Tax Liability	-	-																														
Deferred Tax Asset on Unabsorbed Depreciation & Business Loss	-	-																														
In accordance with the provisions of Accounting Standard 22 'Accounting for taxes on income', 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. 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.																																
Total	-	-																														
7 OTHER LONG-TERM LIABILITIES																																
a Trade Payables	0.07	0.04																														
b Others:																																
Accrued Expenses	0.09	0.01																														
Total	0.16	0.05																														
8 SHORT-TERM BORROWINGS																																
a. Loans repayable on demand from banks																																
Secured :																																
Working Capital Facilities	22.16	19.61																														
Export Bills Discounted	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 the inventories of the Company in the form of Raw Materials, Stock in Process and Finished Goods, Receivables and Other Current Assets 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, and survey no.24,25&54,MEPZ,Tambaram Pledge of 53,52,516 shares belonging to the Promoter Directors Personal Gurantee of Promoter Directors The Company has availed factoring facility for its Trade Receivables from RTS International Inc.																																
Total	42.19	43.31																														
9 TRADE PAYABLES																																
a Micro, Small and Medium Enterprises	-	-																														
b Others	22.83	24.16																														
Total	22.83	24.16																														

Notes on Financial Statements for the Year ended 31st March, 2017

₹. In Crores (except per share data)

Particulars	As at 31-Mar-17	As at 31-Mar-16
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 2017 as Micro, Small or Medium Enterprises (MSME). Consequently the amount payable to these enterprises during the year is ₹ NIL (Previous Year ₹ NIL)		
Others include Bills Acceptances of ₹7.21 crs (Previous Year ₹14.83 crs)		
10 OTHER CURRENT LIABILITIES		
a Current Maturities of Long-Term Borrowings		
Term loans from Banks		
Clean Term Loans	1.59	1.59
Rent Plus Term Loans	0.58	0.54
	2.17	2.13
b Accrued Salaries and Benefits		
Salaries and Wages Payable	3.04	2.85
Bonus Payable	1.76	2.60
	4.80	5.45
c Other Liabilities		
Withholding and Other Taxes Payable	0.99	0.97
Accrued Expenses	4.85	5.54
	5.84	6.51
Total	12.81	14.09
11 SHORT-TERM PROVISIONS		
a Provision for Employee Benefits		
Provision for Unavailed leave	2.33	2.09
Provision for Gratuity (Refer Note 38)	1.10	0.82
Total	3.43	2.91

12 FIXED ASSETS
12.1 PROPERTY, PLANT AND EQUIPMENT - TANGIBLE ASSETS

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As on 01/04/16	Additions	Deductions/ Adjustments	As on 31/03/17	As on 01/04/16	For the year	Deductions/ Adjustments	As on 31/03/17	As on 31/03/17	As on 31/03/16
1	Land and Site Development	0.47	-	-	0.47	-	-	-	-	0.47	0.47
2	Buildings	20.75	0.98	-	21.73	7.63	0.31	-	7.94	13.79	13.12
3	Plant & Machinery	59.52	1.60	10.88	50.23	30.64	5.70	8.70	27.63	22.60	28.88
4	Electrical Installation	7.65	0.41	0.07	7.99	4.64	0.76	0.04	5.36	2.63	3.01
5	Office Equipments	0.32	0.11	-	0.43	0.27	0.02	-	0.29	0.14	0.05
6	Computers	0.51	0.04	-	0.55	0.39	0.07	-	0.46	0.09	0.12
7	Vehicles	0.12	-	-	0.12	0.01	0.01	-	0.02	0.09	0.11
8	Furniture & Fixtures	4.29	0.07	-	4.36	4.14	0.10	-	4.24	0.12	0.15
	Total	93.63	3.21	10.95	85.88	47.72	6.97	8.74	45.94	39.93	45.91
	Previous Year	107.99	0.83	15.21	93.61	49.59	8.00	9.89	47.70	45.91	58.40

12.2 INTANGIBLE ASSETS

Sl. No.	Particulars	Gross Block				Amortization				Net Block	
		As on 01/04/16	Additions	Deductions/ Adjustments	As on 31/03/17	As on 01/04/16	For the year	Deductions/ Adjustments	As on 31/03/17	As on 31/03/17	As on 31/03/16
1	Computer Software	0.36	-	-	0.36	0.31	0.04	-	0.35	0.01	0.05
	Total	0.36	-	-	0.36	0.31	0.04	-	0.35	0.01	0.05
	Previous Year	0.36	-	-	0.36	0.26	0.05	-	0.31	0.05	0.10

Notes on Financial Statements for the Year ended 31st March, 2017

₹. In Crores (except per share data)

Particulars	As at 31-Mar-17	As at 31-Mar-16
13 LONG-TERM LOANS AND ADVANCES		
Unsecured and considered good		
a Security Deposits	3.27	2.93
b Balance due from Revenue Authorities	2.93	0.29
Total	6.20	3.22
Security Deposits include Rental, Electricity and Other Deposits which have been given for business purposes.		
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.		
14 OTHER NON-CURRENT ASSETS		
Others		
a Interest accrued on Fixed Deposits	0.01	0.05
b Receivable from Government Authorities		
Duty Drawback Receivable	-	-
Service Tax Receivable	1.06	0.89
Cenvat Receivable	0.22	0.22
VAT Receivable	0.29	2.57
Total	1.58	3.73
Service Tax receivable amounting to ₹1.06 crs (Previous Year ₹ 0.89 crs) respectively have been outstanding for a period exceeding 12 months and accordingly has been grouped under Other Non Current Assets.		
15 INVENTORIES		
a Raw Materials	14.05	14.75
b Work-in-Progress	2.04	1.88
c Finished Goods	17.82	19.43
Total	33.91	36.06
16 TRADE RECEIVABLES		
Unsecured and considered good		
a Trade receivables outstanding for a period exceeding six months	-	-
b Others	30.18	36.12
Total	30.18	36.12
Trade Receivables include ₹3.62 crs (Previous Year ₹1.55 crs) receivable from Company under Significant Influence or Control of Key Managerial Personnel (Refer Note 36d ii)		
17 CASH AND BANK BALANCES		
a Cash and cash equivalents		
Balances with Banks		
in Current Account	0.09	0.19
Cash on hand	0.27	0.28
	0.36	0.47
b Other Bank Balances		
Fixed Deposits with Banks	1.54	1.44
Total	1.90	1.91
Fixed deposits with banks include deposits of ₹1.53 crs with a maturity of more than 3 months, but less than 12 months (Previous Year ₹0.99 crs)		
Fixed deposits with banks comprises of restricted bank balances of ₹1.35 crs (Previous year ₹1.27 crs) The restrictions are primarily on account of fixed deposits held as margin money against borrowings / bank guarantees.		
18 SHORT-TERM LOANS AND ADVANCES		
Unsecured and considered good		
Others		
a Advances		
Prepaid Expenses	0.34	0.21
Loans and advances to Employees	0.18	0.27
Total	0.52	0.48

Notes on Financial Statements for the Year ended 31st March, 2017

₹. In Crores (except per share data)

Particulars	As at 31-Mar-17	As at 31-Mar-16
19 OTHER CURRENT ASSETS		
Unsecured and considered good		
a Advances to suppliers of goods and services	1.03	0.66
b Amount Receivable / (Payable) on Forward Contracts	-	0.33
c Rent Receivable	1.41	0.78
d Balances with Government Authorities		
Duty Drawback Receivable	0.74	0.97
Service Tax Receivable	0.13	0.72
Export Incentive Receivable	0.80	-
VAT - Input Credit	-	0.31
Total	1.67	2.00
20 REVENUE FROM OPERATIONS (GROSS)		
a Sale of Products		
Manufactured goods		
Exports	154.70	162.56
Domestic (Gross)	12.22	16.07
b Other Operating Revenues		
Income from Job Contract Manufacturing Activities	16.97	14.56
Export Incentives	7.53	4.18
Total	191.42	197.37
21 OTHER INCOME		
a Interest income	0.10	0.14
b Rental income	0.60	2.23
c Net Gain / (Loss) on Foreign Currency Transactions (Other than considered in finance costs)	0.99	(0.10)
Total	1.69	2.27
Interest income comprises:		
Interest on fixed deposits with Banks	0.09	0.11
Interest on employee loans	0.01	0.03
Rental income includes a sum of ₹. Nil (Previous year ₹.1.26 crs) pertaining to previous years rent receivable on leased property.		
22 COST OF MATERIALS		
Opening Stock of Materials	14.75	12.79
Add: Purchases of Materials	97.05	111.90
Closing Stock of Materials	14.04	14.75
Total	97.76	109.94
CHANGE IN INVENTORIES OF FINISHED GOODS / WORK-IN-PROGRESS - (INC) / DEC		
Closing Stock		
Finished Goods	17.82	19.43
Work-in-Progress	2.04	1.88
Opening Stock		
Finished Goods	19.43	10.68
Work-in-Progress	1.88	2.30
Total	1.45	(8.33)
23 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages (Refer Note 26)	45.68	46.19
Contribution to Provident and Other Funds	4.67	5.11
Staff Welfare Expenses	2.06	2.37
Total	52.41	53.67

Notes on Financial Statements for the Year ended 31st March, 2017

₹. In Crores (except per share data)

Particulars	As at 31-Mar-17	As at 31-Mar-16
24 OTHER EXPENSES		
Subcontracting and Garment Processing Costs	7.55	5.14
Consumables	1.01	1.14
Power & Fuel	3.63	3.81
Rent	4.97	4.36
Insurance	0.47	0.56
Maintenance Expenses	2.63	3.40
Rates and Taxes	0.22	0.32
Shipping Charges	1.95	2.78
Export Expenses	0.25	0.07
Travelling & Conveyance	5.73	7.55
Consultancy Charges	0.66	0.69
Communication Expenses	0.94	0.78
Selling Commission & Discounts	0.42	0.19
Printing & Stationery	0.52	0.55
Auditors' Remuneration	0.07	0.06
Directors Remuneration	0.10	-
Other Miscellaneous Expenses	1.96	1.89
Total	33.08	33.29
Auditors' Remuneration includes ₹.5.10 lakhs (Previous Year ₹. 4.50 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 ₹. 5.93 lakhs (Previous Year ₹. 4.17 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 ₹. 0.59 lakhs (Previous year ₹. 0.58 lakhs) is grouped under Other Miscellaneous expenses		
25 FINANCE COSTS		
a Interest on		
Term loans	1.15	2.38
Working Capital & Others	3.91	5.17
b Other Borrowing Costs - Bank Charges	1.28	1.10
Total	6.34	8.65
26 EXCEPTIONAL ITEMS - Expense / (Income)		
Arrears of Minimum Wages	5.78	-
Interest on Term Loan	2.44	-
Profit on Sale of Immovable Property	-	(27.09)
Total	8.22	(27.09)

Expense:

The Minimum Wages revision by the Tamilnadu Government effective December 2014 was upheld by the Hon'ble HighCourt of Madras and accordingly the Company has paid ₹. 5.78 crs as arrears wages during the year. The same has been excluded from the above Employee expenses 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 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 November 2012

The Company submitted an insurance claim with the insurers for the damages in respect of the Chennai floods. The final settlement of claim was received in April 2017. The Company has provided for the short receipt of ₹. 1.14 crs on damaged Machineries / Inventories under additional depreciation and material costs respectively.

Income:

The Company has sold two of its non-operational properties during the Financial year 2015-16. The sale had fetched a gain of ₹. 27.09 crores and the same has been treated as Exceptional item in the Statement of Profit & Loss for the year ended March 31, 2016.

- 27 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

Notes on Financial Statements for the Year ended 31st March, 2017

₹. In Crores

Particulars	As at 31-Mar-17	As at 31-Mar-16
28 Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II of the Companies Act 2013 as disclosed in the Accounting policy on Depreciation and Amortization.		
29 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 impact / adverse impact on the Company's financial position and results of operations.		
30 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act 2006") as at March 31, 2017 and March 31, 2016:-		
i) Total outstanding dues of micro enterprises and small enterprises (see note below)	NIL	NIL
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	22.83	24.16
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 2017 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.		
31 For the year ended March 31, 2017 the Company has not declared dividend on its Cumulative Redeemable Preference Shares in view of carry forward losses. The arrear of dividend on Cumulative Redeemable Preference Shares ₹. 0.88 crs has been disclosed as a Contingent Liability.		
32 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.		
33 EARNINGS PER SHARE		
Earnings Per Share - In ₹. before Extra-Ordinary Income		
Basic	(3.42)	5.49
Diluted	(3.42)	5.49
Earnings Per Share - In ₹. after Extra-Ordinary Income		
Basic	(3.42)	5.49
Diluted	(3.42)	5.49
Earnings per Share is calculated as under:		
a Numerator		
Net Profit after Tax as disclosed in Statement of Profit and Loss before Extra ordinary item	(13.41)	21.40
Net Profit after Tax as disclosed in Statement of Profit and Loss after Extra ordinary item	(13.41)	21.40
b Denominator		
Weighted Average Number of Equity Share Outstanding		
Basic	39,239,079	39,003,765
Diluted	39,239,079	39,003,765
c Nominal Value of Equity Share (In ₹.)	10.00	10.00
34 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	0.30	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	0.79
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.		
e For the year ended 31st March 2017, the Company has not declared dividend on its Cumulative Redeemable Preference Shares in view of carry forward losses. The Arrears of Dividend on Cumulative Preference Shares as of 31st March 2017	0.88	0.63
35 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, 2017 (March 31, 2016: ₹ NIL)		

Notes on Financial Statements for the Year ended 31st March, 2017

₹. In Crores (except per share data)

Particulars	As at 31-Mar-17	As at 31-Mar-16
36 RELATED PARTY TRANSACTIONS		
a Key Managerial Personnel:		
Mr. Venkatesh 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	0.10	-
Enterprises Under Same Management		
Job work Charges, Material Transfers and Rentals	25.47	23.69
Sale of Property	-	14.00
d Outstanding Balances as on 31.03.17		
i Payable as Managerial Remuneration - Mr Vidyuth Rajagopal	0.01	-
ii Trade Receivable against Job work Charges and Material Transfers - Indian Terrain Fashions Limited	3.62	1.55
37 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		
38 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	1.66
Fair Value of Plan Assets at the end of the Year	0.75	0.85
Net Liability / (Asset)	1.10	0.81
Amount Recognized in Profit and Loss Account in respect of gratuity		
Current Service Cost	0.21	0.16
Interest on Defined Benefit Obligations	0.06	0.04
Expected Return on Plan Assets	0.06	-
Net Actuarial (Gain) / Loss recognized during the Period	0.56	0.50
Net Gratuity Cost	0.90	0.71
Actual Return on Plan Assets		
Expected Return on Plan Assets	0.06	0.06
Actuarial Gain / (Loss) on Plan Assets	(0.02)	(0.01)
Actual Return on Plan Assets	0.04	0.05
Reconciliation of present value of obligation and the fair value of the plan assets		
Opening Defined Benefit Obligation	1.66	1.32
Current Service Cost	0.21	0.16
Interest Cost	0.13	0.10
Actuarial (Gain) / Loss	0.54	0.49
Benefits Paid	(0.70)	(0.42)
Closing Defined Benefit Obligation	1.85	1.66

Notes on Financial Statements for the Year ended 31st March, 2017

₹. In Crores (except per share data)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Opening Fair Value of Plan Assets	0.85	0.76
Expected Return on Plan Assets	0.06	0.06
Actuarial Gain / (Loss)	(0.02)	(0.01)
Employer Contributions	0.56	0.45
Benefits Paid	(0.70)	(0.42)
Closing Fair Value of Plan Assets	0.75	0.85
Closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the Year	1.66	1.32
Interest Cost	0.06	0.04
Current Service Cost	0.21	0.16
Benefit Paid	(0.70)	(0.42)
Actuarial (gain) / loss on obligations	(0.15)	0.55
Liability at the end of the Year	1.10	1.66
Closing balances of Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the Year	0.85	0.76
Expected Return on Plan Assets	0.06	0.06
Employer Contributions	0.56	0.45
Benefits Paid	(0.70)	(0.42)
Actuarial gain/(loss) on Plan Assets	(0.02)	(0.01)
Fair Value of Plan Assets at the end of the Year	0.75	0.85
Actual Return on plan assets	0.04	0.05
Investment Details of Plan Assets		
Money Market Instruments	66%	66%
Assets under Insurance Schemes	34%	34%
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	7.54%	7.54%
Estimated Rate of Return on Plan Assets	7.54%	7.54%
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.		
39 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.		
40 OTHERS		
a Aggregate Expenses		
Electricity Expenses included under Power and Fuel	2.30	3.07
b Earnings in Foreign Currency		
Export of Goods - FOB Value	154.70	162.56
c Expenditure in Foreign Currency		
Selling Commission & Consultancy Charges	0.37	0.19
Software Expenses	0.03	0.05
Travel	0.09	0.10
Claims	0.21	0.01
Spares	0.13	0.12
Interest	0.04	0.05
Consultancy	0.04	0.03

Notes on Financial Statements for the Year ended 31st March, 2017

₹. In Crores

Particulars	As at 31-Mar-17	As at 31-Mar-16
d Value of Imports		
Raw materials	35.56	40.95
Capital Goods	0.26	0.17
e Imported and Indigenous Consumption of Raw materials		
Imported		
₹. In Crores	37.15	45.63
% to Total	38.0%	41.5%
Indigenous		
₹. In Crores	60.61	64.32
% to Total	62.0%	58.5%

41 OTHER DISCLOSURES

- a Foreign Exchange Differences
- | | | |
|---|------|--------|
| Amount of Exchange Difference Gain / (Loss) included in Profit and Loss Account | 0.76 | (0.20) |
| Premium / (Discount) on Forward Foreign Exchange Contracts recognized | 0.23 | 0.10 |
- 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.

42 DISCLOSURE ON SPECIFIED BANK NOTES

During the year, the Company had Specified Bank Notes (SBN) and other denomination note as defined in the MCA notification G.S.R 308 € dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBN's *	Other Denomination notes	Total
Closing Cash in hand as on November 08, 2016	5,920,500	14,975	5,935,475
(+) Permitted receipts	-	6,340	6,340
(-) Permitted payments	-	199,317	199,317
(+) Non - Permitted receipts	-	-	-
(-) Non - Permitted payments	-	-	-
(+) Amount withdrawn from bank	-	1,404,000	1,404,000
(-) Amount deposited into bank	5,920,500	-	5,920,500
Closing Cash in hand as on December 30, 2016			1,225,998

For the purpose of this clause, the term Specified Bank Notes (SBN) shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O 307€ dated the 8th November 2016.

To be read with our report of even date

For **Anil Nair & Associates**
Chartered Accountants
ICAI Firm Registration No. 000175S

G. Anil
Partner
Membership No. 022450

For **CNGSN & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 004915S / S200036

C.N.Gangadaran
Partner
Membership No. 011205

For and on Behalf of the Board

V. Rajagopal
Chairman
DIN : 00003625

A. Rishi Kumar
Company Secretary
M.No : A42884

L.Visalakshi
Chief Financial Officer

Charath Ram Narsimhan
Managing Director
DIN : 06497859

Chennai, 26 May 2017

CASHFLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2017

₹. In Crores

Sr. No.	Particulars	2016-17	2015-16
A	Cashflow from Operating Activities		
	Net Profit before Tax	(13.41)	21.41
	Adjustments for:		
	Depreciation for the Year	7.01	8.05
	Profit on Sale of Land & Buildings	-	(27.09)
	Unrealised (Gain) / Loss on Exchange Differences	(0.09)	0.41
	Interest & Finance Charges paid	6.35	8.65
	Interest Income	(0.10)	(0.14)
	Operating Profit before Working Capital Changes	(0.25)	11.29
	Adjustments for:		
	Decrease / (Increase) in debtors and other receivables	1.45	(4.90)
	Decrease / (Increase) in inventories	2.15	(9.28)
	Increase / (Decrease) in creditors and other payables	(1.93)	3.57
	Cash generated from Operations	1.42	0.66
	Income Taxes Refund / (Paid) (net)	(0.36)	(0.57)
	Net Cash from Operating Activities	1.05	0.09
B	Cashflow from Investing Activities		
	(Purchase) / Sale of Fixed Assets - Net	(1.00)	31.59
	Increase in restricted Cash Balances	(0.08)	(0.10)
	Increasing Fixed Deposits	(0.01)	(0.01)
	Interest Received	0.09	0.09
	Net Cash (Used In) / from Investing Activities	(1.00)	31.57
C	Cashflow from Financing Activities		
	Proceeds from issue of Share Capital	3.50	-
	Application Money Received	1.63	-
	Short Term Borrowings	2.54	9.83
	Term loan Receipts (Net)	(1.50)	(33.23)
	Interest and Finance Charges paid	(6.34)	(8.65)
	Net Cash (Used In) / from Financing Activities	(0.17)	(32.05)
	Net Increase in Cash and Cash Equivalents	(0.11)	(0.39)
	Cash and Cash Equivalents (Opening Balance)	0.47	0.86
	Cash and Cash Equivalents (Closing Balance)	0.36	0.47

Note:

1 The above statement has been prepared on the basis of indirect method as stipulated in Accounting Standard 3

2 Cash and Cash equivalents represents

-- Cash balances

0.28 0.28

-- Bank balances

0.09 0.19

0.36 0.47

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

To be read with our report of even date

 For **Anil Nair & Associates**
 Chartered Accountants
 ICAI Firm Registration No. 000175S

G. Anil
 Partner
 Membership No. 022450

 For **CNGSN & Associates LLP**
 Chartered Accountants
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 Company Secretary
 M.No : A42884

L.Visalakshi
 Chief Financial Officer

Charath Ram Narsimhan
 Managing Director
 DIN : 06497859

Chennai, 26 May 2017

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 28th 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 Monday, the 25th day of September 2017 at 2.30 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) holding 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 28th Annual General Meeting of the Company to be held on Monday, the 25th day of September 2017 at 2.30 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	To consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2017 together with the reports of the Board of Directors and Auditors thereon		
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.		
3	To appoint the Statutory Auditors of the Company and fix their remuneration.		
4	To approve re-designation of Mr. Vidyuth Rajagopal (DIN : 07578471) as Joint Managing Director of the Company		

Signed this..... Day of..... 2017.

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 4343 2360