



# Celebrity Fashions Limited

24<sup>th</sup> August, 2021

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai - 400001

**National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C/1,  
G Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400051

**Scrip Code - 532695**

**NSE Symbol: CELEBRITY**

Dear Sir/Madam,

**Sub: Submission of Annual Report for the financial year 2020-21**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the financial year 2020-21 along with the notice convening the Annual General Meeting scheduled to be held on Thursday, 16<sup>th</sup> September, 2021 at 02.30 P.M. IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

The Annual Report for the financial year 2020-21 is also available on the Company's website at [www.celebritygroup.com](http://www.celebritygroup.com).

This is for your information and records.

Thanking you,

Yours faithfully,

**For CELEBRITY FASHIONS LIMITED**

**A. Rishi Kumar**

**Company Secretary & Compliance Officer**

**Encl: As above**

# **Celebrity Fashions Limited**



**32<sup>nd</sup>**  
**ANNUAL REPORT 2020-2021**

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**BOARD OF DIRECTORS**

Mr. Venkatesh Rajagopal	Chairman
Mr. Vidyuth Rajagopal	Managing Director
Mrs. Rama Rajagopal	Director
Mr. N.K. Ranganath	Independent Director
Mrs. Nidhi Reddy	Independent Director
Mr. Manoj Mohanka	Independent Director
Mr. K. Sridhar	Independent Director

**Chief Financial Officer**

Mr. S. Venkataraghavan

**Company Secretary & Compliance Officer**

Mr. A. Rishi Kumar

**Registered Office**

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

**Banker**

State Bank of India, Overseas Branch  
Chennai – 600 001

**Statutory Auditors**

M/s. SRSV & Associates,  
T. Nagar, Chennai - 600017.

**Internal Auditors**

M/s RVKS & Associates,  
Raj Paris Trimeni Towers, 147, First Floor,  
G N Chetty Rd, T. Nagar, Chennai - 600 017.

**Secretarial Auditors**

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

**MANUFACTURING FACILITIES**

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

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

**Warehouse**

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

**Washing Plant**

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

SDF – IV, 3rd Main Road,

MEPZ – SEZ, Tambaram, Chennai – 600 045.

**Registrar and Share Transfer Agent**

Link Intime India Private Limited  
[www.linkintime.co.in](http://www.linkintime.co.in)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 32<sup>nd</sup> Annual General Meeting of Celebrity Fashions Limited will be held on Thursday, 16<sup>th</sup> September, 2021 at 2.30 P.M. IST through Video Conferencing/ Other Audio Visual Means to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 together with the reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mrs. Rama Rajagopal (DIN: 00003565), who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

3. **Re-appointment of Mr. Vidyuth Rajagopal as Managing Director and payment of remuneration.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013 (the Act), and the Rules made thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and as recommended by the Nomination and Remuneration Committee and the board of directors of the Company, and subject to such other approvals as may be necessary, the approval of the Members of the Company, be and is hereby accorded for the re-appointment of Mr. Vidyuth Rajagopal (DIN 07578471), as the Managing Director of the Company for a period of 3 years effective 08<sup>th</sup> August, 2021 on terms and conditions including remuneration as set out in the explanatory statement annexed to the notice convening this meeting.

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

**RESOLVED FURTHER THAT** the terms and remuneration as set out in the Explanatory Statement of this resolution shall be deemed to form part hereof and in the event of the Company incurring a loss or its profits are inadequate in any financial year during the currency of his tenure the Company shall pay to Mr. Vidyuth Rajagopal the aforementioned remuneration as a minimum remuneration by way of salary, perquisites and allowances, in accordance with the provisions of Schedule V to the Companies Act, 2013 as amended from time to time.

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

4. **Re-appointment of Mr. K. Sridhar (DIN: 02916536) as an Independent Director.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. K Sridhar (DIN: 02916536), Independent Director of the Company, whose period of office is liable to expire on 31<sup>st</sup> July, 2021 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for

re-appointment for a second term under the provisions of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 be and is hereby re-appointed as an Independent Director of the Company with effect from 01<sup>st</sup> August 2021 to 31<sup>st</sup> July 2024 and the term shall not be subject to retirement by rotation."

### 5. **Issue of Equity shares to ARES DIVERSIFIED on preferential basis:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to provisions of Sections 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (the "SEBI ICDR Regulations"), Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 ("SEBI Takeover Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "Listing Regulations"), each as amended from time to time, and any other applicable laws, rules and regulations, circulars, notifications, clarifications, guidelines issued by the Government of India, the Securities and Exchange Board of India ("SEBI" and the stock exchanges where the shares of the Company are listed ("Stock Exchanges"), or any other authority / body and enabling provisions in the Memorandum and Articles of Association of the Company and subject to necessary approvals, sanctions, permissions of appropriate statutory / regulatory and / or other authorities and persons, if applicable and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals / sanctions / permissions and / or consents, if any, and which may be agreed by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any committee(s), which the Board has constituted or may constitute to exercise its powers, including the powers conferred on the Board by this resolution), consent of the members of the Company ("Members") be and is hereby accorded to the Board, to create, offer, issue and allot, in one or more tranches, from time to time, up to 49,96,235 (Forty Nine lakhs ninety six thousand two hundred and thirty five only) fully paid-up equity shares of face value of Rs. 10/- each of the company to ARES DIVERSIFIED, Foreign Portfolio Investor (Corporate), Public Category ("Proposed Allottee(s)") by way of preferential allotment on a private placement basis ("Preferential Allotment") ranking pari-passu in all respects with the existing fully paid up equity shares of the Company in such manner and at such price as may be arrived at in accordance with the SEBI (ICDR) Regulations and such terms and conditions as may be deemed appropriate by the Board in accordance with the provisions of SEBI (ICDR) Regulations and other applicable laws in this respect.

**RESOLVED FURTHER THAT** the Relevant Date for the purpose of determining the minimum price of the Equity Shares under SEBI (ICDR) Regulations is 17<sup>th</sup> August, 2021, being the date 30 days prior to the date of this Annual General Meeting ("Relevant Date").

**RESOLVED FURTHER THAT** pursuant to the provisions of the Companies Act, 2013, the name of the Proposed Allottee be recorded for the issue of invitation to subscribe to the equity shares and a private placement offer letter in Form No. PAS- 4 together with an application form be issued to the Proposed Allottee inviting it to subscribe to the equity shares, and consent of the Members is hereby accorded for the same;

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the issue of equity shares shall be subject to the following terms and conditions:

- I. The proposed allottee of equity shares shall be required to bring in 100% of the consideration, for the equity shares to be allotted, on or prior to the date of allotment thereof.
- II. The consideration for allotment of equity shares shall be paid to the Company by the proposed allottee from their respective bank accounts.
- III. The Company shall procure the listing and trading approvals for the equity shares proposed to be issued and allotted to the Proposed Allottee from the relevant Stock Exchanges in accordance with the Listing Regulations and all other applicable laws, rules and regulations.

IV. The equity shares to be offered, issued and allotted to the Proposed Allottee will be listed on Stock Exchanges, where the existing equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be;

V. The equity shares shall be allotted to the Proposed Allottee in dematerialized form within a period of 15 days from the date of passing of the special resolution by the Members, provided that where the allotment of the equity shares is subject to receipt of any approval or permission from any regulatory authority, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.

VI. The equity shares to be offered, issued and allotted to the Proposed Allottee shall be subject to the provisions of applicable law and the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects, including with respect to dividend and voting powers, with the existing equity shares of the Company.

VII. The equity shares issued as above shall be locked-in as prescribed under the SEBI ICDR Regulations from time to time;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept any modification(s) in the terms of issue of equity shares, subject to the provisions of the Companies Act, 2013 and the SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to, do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable to give effect to the above resolution, including without limitation to issue and allot equity shares, to issue certificates/clarifications on the issue and allotment of equity shares, effecting any modifications to the foregoing (including modifications to the terms of the issue), entering into contracts, arrangements, agreements, memoranda, documents to give effect to the resolution above (including for appointment of agencies, consultants, intermediaries and advisors for managing issuance of and listing and trading of Equity Shares), making applications to Stock Exchanges for obtaining of in-principle, listing and trading approval, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/ or such other statutory or non-statutory authorities or entities as may be necessary for the purpose, seeking approvals from lenders (where applicable), to take all such steps as may be necessary for the admission of the equity shares with the depositories, viz. NSDL and CDSL and for the credit of such equity shares to the respective dematerialized securities account of the Proposed Allottee and to initiate all necessary actions for and to settle all questions, difficulties, disputes or doubts whatsoever that may arise, including without limitation in connection with the issue and utilization of proceeds thereof, and take all steps and decisions in this regard without necessity of any further approval(s) of the shareholders of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, as it may deem fit in its absolute direction, to any Committee of the Board or any one or more Director(s) /Company Secretary/ Key Managerial Personnel of the Company to give effect to the aforesaid resolution."

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

Place: Chennai  
Date: 13<sup>th</sup> August, 2021

A Rishi Kumar  
**Company Secretary**

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

#### NOTES:

- Explanatory Statements setting out the material facts concerning each item of Special Business to be transacted at the Annual General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice. Information on all the Directors proposed to be appointed/re-appointed at the Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are provided in this Notice.
- The Ministry of Corporate Affairs (MCA) has vide its General Circular No. 2/2021 dated January 13, 2021 read with General Circular No. 20/2020 dated 05th May, 2020, General Circular No. 14/2020 dated 08th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting (AGM) through VC/OAVM, without the physical presence of the Members at a common venue, due to the ongoing COVID-19 pandemic. In compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars, the AGM of the Company is being held through VC/OAVM mode only. In accordance with the MCA Circulars, Special Business under item no.3, 4 and 5 as set out in the Notice are considered unavoidable in nature by the Board of Directors of the Company.
- PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holding shares in dematerialised form are therefore requested to submit their PAN to the Depository Participant(s) with whom they are maintaining their dematerialised accounts. Members holding shares in physical form can write to the Registrar and Share Transfer Agent with their PAN details.
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contract or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection.
- Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking re-appointment at the Annual General Meeting, forms integral part of the notice.
- SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
- The Register of Members and Share Transfer Books will remain closed from Friday, September 10, 2021 to Thursday, September 16, 2021 (both days inclusive) for the purpose of the AGM.

10. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
11. Pursuant to the Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated May 05, 2020, 02/2021 dated January 13, 2021 [“MCA Circulars”], issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
12. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.celebritygroup.com](http://www.celebritygroup.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- 13. Voting through electronic means:**
- A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [LODR] the Company is providing members remote e-voting facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) and the business may be transacted through such voting, through e-voting services provided by Central Depository Services (India) Limited (CDSL).
- B. The facility for remote e-voting shall remain open from 9.00 AM on Monday, the 13th September 2021 to 5.00 PM on Wednesday, the 15th September 2021. During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, viz. Thursday, the 09th September 2021, may opt for remote e-voting. Remote e-voting shall not be allowed beyond 5.00 PM on Wednesday, the 15th September 2021.
- C. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants (DP). Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- D. Pursuant to said SEBI Circular, Login method for e-Voting and joining the AGM through VC for Individual shareholders holding securities in Demat mode are given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining the AGM through VC &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting</p>

	<p>Service Providers i.e. CDSL/NSDL, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/ EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https:// eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining the AGM through VC &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/ IdeasDirect Reg.jsp">https://eservices.nsdl.com/SecureWeb/ IdeasDirect Reg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https:// www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number holding with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining the AGM through VC &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their DPs	<p>You can also login using the login credentials of your demat account through your DP registered with NSDL/ CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining the AGM through VC &amp; voting during the meeting.</p>



Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

E. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

F. Login method for e-Voting and joining the AGM through VC for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on "Shareholders" module.
- Now enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first-time user follow the steps given below :

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details  OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction F.</li> </ul>

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

- G. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- H. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- I. Click on the EVSN of Celebrity Fashions Limited.
- J. 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.

- K. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- L. 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.
- M. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- N. You can also take a print out of the votes cast by clicking on "Click here to print" option on the Voting page.
- O. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- P. Facility for Non – Individual Shareholders and Custodians –Remote Voting
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
  - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter, etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [chandramouli@bpcorpadvors.com](mailto:chandramouli@bpcorpadvors.com) and to the Company at the email address [viz.investorservices@celebritygroup.com](mailto:viz.investorservices@celebritygroup.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- Q. All grievances connected with the facility for voting by electronic means may be addressed to Mr.Rakesh Dalvi, Sr. Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.
14. Instructions for shareholders attending the AGM through VC and E-voting during meeting are as under:
- A. The Procedure for attending meeting and e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- B. The Members can join the Annual General Meeting in the Video Conference mode upto 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the Annual General Meeting through Video Conference will be made available to at least 1000 members on first come first served basis. This will not include Members holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the Annual General Meeting.
- C. Members are requested to join the Annual General Meeting through Laptops/ iPads for better experience and will be required to have webcam and use Internet with a good speed to avoid any disturbance during the meeting.
- D. Members are requested to use Stable Wi-Fi or LAN Connection to mitigate Audio/Video loss due to fluctuation in your network. Please avoid connecting through your Mobile Devices or Tablets or through Laptop via Mobile Hotspot.

- E. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request at least 7 days prior to meeting mentioning your name, demat account number/ folio number, email id, mobile number (as registered with the DP/ Company) to the mail id: [investorservices@celebritygroup.com](mailto:investorservices@celebritygroup.com) Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- F. Members who do not wish to speak during the AGM but have queries may send your queries at least 3 days prior to meeting mentioning your name, demat account number/folio number, email id, mobile number to the mail id: [investorservices@celebritygroup.com](mailto:investorservices@celebritygroup.com) These queries will be replied to by the company suitably by email.
- G. Non-Individual members intending to authorise their representatives to attend the meeting are requested to send a scanned certified copy of the Board resolution authorising their representative to attend on their behalf at the meeting. The said Resolution / Authorisation shall be sent to the Scrutinizer by email through its registered email address with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- H. The attendance of the Members attending the Annual General Meeting through Video Conference/ Other Audio Visual Means (VC) will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- I. The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- J. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- K. Only those shareholders, who are present in the AGM through VC and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- L. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- M. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
15. Process for those shareholders whose E-mail/Mobile No. are not registered with the Company/DP:
- A. For Physical shareholders, please provide your E-mail ID/Mobile Number along with necessary details like Folio No., Name of shareholder, scanned copy of share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar card) by E-mail to the Company.
- B. For individual Demat shareholders, please update your e-mail id and mobile no. with your respective DP which is mandatory while E-voting and joining the AGM through VC through Depository.
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 Thursday, 09th September 2021, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.
17. The Company has appointed M/s. BP & Associates, Practising Company Secretaries as Scrutinizer to scrutinize the voting (at AGM Venue) and remote e-voting process in a fair and transparent manner.
18. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first scrutinise the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting and shall make not later than 48 hours of conclusion of the Meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
19. The results along with the Scrutinizer's Report shall be placed on the Company's website [www.celebritygroup.com](http://www.celebritygroup.com) and on the website of CDSL

within 48 hours of conclusion of the 32nd AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited.

20. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. on Thursday, September 16, 2021, subject to receipt of the requisite number of votes in favour of the Resolutions.
21. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 25th September, 2017.
22. Queries, on the Accounts and Operation of the Company, if any, may be sent to the Company at its Registered Office (marked for the attention of the CFO/ CS) at least seven days in advance of the Meeting.
23. In keeping with the Green Initiative measures, the Company hereby requests members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars, etc. from the Company electronically

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

### **Item No. 3**

The Company had appointed Mr. Vidyuth Rajagopal as Managing Director of the Company for a period of three years from 08th August 2018. The Members had subsequently approved the said appointment and terms of his remuneration.

His current term of appointment as Managing Director of the Company expired on 07th August 2021. Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Vidyuth Rajagopal should be available to the Company for a further period of 3 (Three) years with effect from 08th August 2021.

In terms of the provisions of the Act and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meetings held on 21st May 2021 re-appointed him as Managing Director of the Company for a further period of 3 (Three) years with effect from 08th August, 2021.

The main terms and conditions for the re-appointment of Mr. Vidyuth Rajagopal as Managing Director (MD), are as follows.

#### **i) Salary**

Fixed Annual CTC of Rs. 45 lakhs p.a. and variable bonus of Rs.15 lakhs p.a.

#### **ii) Medical Benefits**

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

#### **iii) Telephone**

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

#### **iv) Automobile**

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

#### **v) Residential Accommodation**

The Company shall provide rent free furnished accommodation.

#### **vi) Reimbursement of expenses**

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



vii) Sitting Fees

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

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

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

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

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

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

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

**I. General Information**

1	Nature of Industry	Manufacture & Export of all type of Textile garments and clothing accessories
2	Date of commencement of commercial production	Company is in operation since 1988
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	The Company has made a net loss of Rs.5.57 crs for the financial year ended 31st March, 2021.
5	Foreign Investments or collaborations, if any	Not Applicable

**II. Information about the appointee**

1	Background details	Mr. Vidyuth Rajagopal is serving as the Managing Director of the Company effective 08th August, 2018. He has had significant experience over the years working across all areas of the organization. He holds a bachelor's degree in Economics from Loyola College, Chennai and Master of Business Administration from ISB, Hyderabad..
2	Past remuneration (In lakhs)	45.65
3	Recognition or awards	Nil
4	Job profile and his suitability	Job requires strong knowledge and experience in garments industry. Mr. Vidyuth Rajagopal is eminently suitable given his background.
5	Proposed Remuneration	As per resolution given above
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is comparable and in line with the other companies of similar size and nature in the Industry.

7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Vidyuth Rajagopal is the son of Mr. Venkatesh Rajagopal and Mrs. Rama Rajagopal, the promoter directors.
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**III. Other Information**

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

**Item No. 4**

Mr. K. Sridhar was appointed as an Independent Director of the Company by the members at the 27th AGM of the Company held on 30th September, 2016 for a period of five consecutive years commencing from 1st August, 2016 upto 31st July, 2021.

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

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. K. Sridhar, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of three consecutive years from 1st August, 2021 upto 31st July, 2024.

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

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

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

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. K. Sridhar as an Independent Director for another term of three consecutive years with effect from 1st August, 2021 to 31st July, 2024, for the approval by the shareholders of the Company.

Save and except Mr. K. Sridhar, none of the other Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board recommends passing of the Resolution at Item No.4 of the Notice as a Special Resolution.

**Item No. 5**

The Company had allotted 2,51,04,500 1% Cumulative Redeemable Preference Shares (CRPS) of face value of Rs.10/- each to State Bank of India (SBI) on 24th September, 2013 as part of the Re-structuring Package sanctioned to the Company.

As per the terms of issue, the first instalment for redemption of CRPS is due in FY'22. In view of the carry forward losses, the Company is not in a position to redeem the CRPS from its profits, hence it was resolved to redeem the CRPS from issue of fresh equity to public category, subject to necessary approvals as may be required.

Ares Diversified, FPI, has expressed their willingness to invest in the Company as equity to facilitate the redemption of first installment of CRPS ahead of time.

To expedite the above, the Board of Directors of the Company ("Board") in its meeting held on 13th August, 2021 approved raising funds through issuance of upto 49,96,235 (Forty Nine Lakhs Ninety Six Thousand Two Hundred and Thirty five only) fully paid-up equity shares of face value of Rs. 10/- each at a price determined in accordance with the SEBI ICDR Regulations. The equity shares are proposed to be issued to Ares Diversified, FPI, Public Category ("Proposed Allottee"), subject to approval of the members of the Company, on a preferential basis ("Preferential Allotment").

It was also proposed to redeem the aforesaid CRPS in 5 equal instalments starting from FY 2021-22, subject to necessary approvals as may be required.

As per Section 62(1)(c) of the Companies Act, 2013, read with Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014, and Regulation 160 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as may be applicable, a listed issuer is permitted to make a preferential issue of specified securities, if a special resolution has been passed by its members.

Accordingly, the approval of the members of the Company ("Members") is being sought, by way of a special resolution, to create, offer, issue and allot, equity shares, by way of Preferential Allotment to the Proposed Allottee as stated hereinabove.

The equity shares issued pursuant to the abovementioned resolution shall be subject to lock-in, in accordance with Regulations 167 and 168 of the SEBI ICDR Regulations.

The equity shares proposed to be issued / allotted shall rank pari passu inter-se and with the existing equity shares of the Company in all respects, including in relation to dividend and voting rights.

The relevant disclosures as required in terms of the Act and SEBI (ICDR) Regulations are as under:

**a) Object(s) of the preferential issue:**

To redeem 50,20,900 1% Cumulative Redeemable Preference Shares (CRPS) of Rs.10/- each fully paid-up aggregating to Rs. 5,02,09,000 as first instalment out of the total 2,51,04,500 1% Cumulative Redeemable Preference Shares (CRPS) of Rs.10/- each issued to the State Bank of India, lenders of the Company as part of the Restructuring Package sanctioned to the Company.

**b) Intent of the Promoters, Directors and Key Management Persons of the Company to subscribe to the preferential issue:**

The Equity shares are offered to ARES DIVERSIFIED, Foreign Portfolio Investor (Corporate) - Public category who had indicated their intention to subscribe to the proposed Preferential issue of Equity shares. None of the directors or Key Managerial Personnel of the Company intends to subscribe to any of the Equity shares proposed to be issued under the preferential allotment.

**c) Shareholding Pattern of the Company before and after the Preferential Issue:**

Please refer the "Annexure -1" for the consolidated shareholding pattern given at the end of AGM Notice.

**d) The time within which the preferential allotment shall be completed:**

Pursuant to Regulation 170 of the SEBI ICDR Regulations, preferential allotment of Equity shares will be completed within a period of 15 (fifteen) days from the date of passing of special resolutions.

Provided that where the allotment is pending on account of pendency of any application for approval or permission by any regulatory authorities, Banks as applicable, then the allotment would be completed within 15 (fifteen) days from the date of such approval or within such further period as may be prescribed or allowed by SEBI, stock exchange(s) or other regulatory authorities

**e) Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the Preferential Allotment**

The details of the proposed allottees is as per the below table. No change in control or management is contemplated consequent to the proposed preferential issue of Equity shares. However, voting rights will change in accordance with the shareholding pattern.

Name of the Proposed Allottees	Category	Ultimate beneficial owners	Pre - Preferential issue holding		Proposed Preferential issue	Post - Preferential issue holding	
			No. of Equity shares	% of holding		No. of Equity shares	% of holding
Ares Diversified	Public	FPI (Category I registered with SEBI)	0	0	49,96,235	49,96,235	9.47

**f) Pricing of the preferential issue:**

The equity shares of Company are listed on Stock Exchanges at BSE Limited and National Stock Exchange of India Limited ("NSE") and are frequently traded in accordance with SEBI ICDR Regulations. For the purpose of computation of the price for the equity shares proposed to be issued and allotted, the data for the last 26 weeks from NSE was considered, it being the exchange in which the highest trading volume in respect of the equity shares of the Company has been recorded during the preceding 12 calendar months prior to the Relevant Date.

The pricing of the Equity Shares to be allotted shall not be lower than the price determined in accordance with the Chapter VII of SEBI (ICDR) Regulations.

The issue of equity shares on preferential basis shall be made at a price not less than higher of the following:

**a) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the 26 (twenty six) weeks preceding the relevant date; or**

**b) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the 2 (two) weeks preceding the 'relevant date'.**

**g) Relevant Date:**

In terms of the provisions of Chapter V of the SEBI ICDR Regulations, relevant date for determining the floor price for the Preferential Issue is 17th August 2021, being the date 30 days prior to the date of this Annual General Meeting (AGM).

#### h) Auditors' Certificate:

The certificate from SRSV & Associates, Chartered Accountants, being the Statutory Auditors of the Company certifying that the Preferential Issue is being made in accordance with the requirements contained in the SEBI ICDR Regulations shall be made available for inspection by the Members during the meeting.

#### i) Lock in Period:

The shares to be allotted on preferential basis shall be subject to lock-in as per SEBI (ICDR) Regulations.

The entire pre-preferential allotment shareholding of the above proposed allottee(s), if any shall be locked-in from the Relevant Date up to the period of 6 months from the date of Trading Approval as per the Regulations 78(6) of the SEBI (ICDR) Regulations.

#### j) Undertakings

In terms of SEBI (ICDR) Regulations, the Company hereby undertakes that:

- The Company is eligible to make the Preferential Allotment under Chapter V of the SEBI ICDR Regulations.
- None of the Company, its Directors or Promoter have been declared as willful defaulter as defined under the SEBI ICDR Regulations. None of its Directors or Promoter is a fugitive economic offender as defined under the SEBI ICDR Regulations.
- It will re-compute the price of the Equity shares in terms of the provisions of SEBI (ICDR) Regulations, as may be applicable.
- If the amount payable on account of the re-computation of price of the Equity shares is not paid within the time stipulated in the SEBI (ICDR) Regulations, the underlying Equity shares shall continue to be locked-in till the time such amount is paid by the proposed allottees.
- The proposed allottees has not sold any equity shares of the Company during previous 6 (six) months preceding the relevant date.

The Board recommends the resolution as set out at Item No. 5 for approval of the shareholders as a Special Resolution.

The Board at its meeting held on 13th August 2021 has approved the issue of Equity Shares on Preferential Basis in the manner stated above subject to approval of the shareholders by way of Special Resolution.

None of the Directors or Key Managerial Personnel(s) of the Company or their relatives are concerned or interested financially or otherwise in the resolution except to the extent of their shareholding in the Company, if any

#### Annexure I –

Consolidated Shareholding Pattern of the Company before and after the preferential Issue

Category	Pre-issue		Proposed Issue (Equity Shares)	Post Issue	
	Total No. of shares	% of Holding		Total No. of shares	% of Holding
<b>Promoters (A)</b>					
Individuals	1,99,76,325	41.82		1,99,76,325	37.86
<b>Total</b>	<b>1,99,76,325</b>	<b>41.82</b>		<b>1,99,76,325</b>	<b>37.86</b>
<b>Public (B)</b>					
<b>Institutions</b>					
Foreign Portfolio Investors	45,65,000	9.56	49,96,235	95,61,235	18.12
<b>Sub Total</b>	<b>45,65,000</b>	<b>9.56</b>	<b>49,96,235</b>	<b>95,61,235</b>	<b>18.12</b>
<b>Non-Institutions</b>					
Individuals (Public)	1,92,56,584	40.31		1,92,56,584	36.5
Clearing Member	1,44,752	0.30		1,44,752	0.27
HUF	9,22,783	1.93		9,22,783	1.75
Non Resident Indians	2,80,366	0.59		2,80,366	0.53
Bodies Corporate	26,22,160	5.49		26,22,160	4.97
Trusts	35	0.00		35	0.00
<b>Sub Total</b>	<b>2,32,26,680</b>	<b>48.62</b>		<b>2,32,26,680</b>	<b>44.02</b>
<b>Total (B)</b>	<b>2,77,91,680</b>	<b>58.18</b>	<b>49,96,235</b>	<b>3,27,87,915</b>	<b>62.14</b>
<b>Total Shareholding (A) + (B)</b>	<b>4,77,68,005</b>	<b>100.00</b>	<b>49,96,235</b>	<b>5,27,64,240</b>	<b>100.00</b>

**Note:** The pre-issue shareholding pattern has been prepared based on the shareholding pattern of the Company as on 30th June, 2021.

The % of post issue capital is arrived after considering the proposed allotment of Equity Shares.

**Details of the Director seeking appointment / re-appointment at the 32<sup>nd</sup> Annual General Meeting**

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

Name of Director	Mrs. Rama Rajagopal (DIN: 00003565)	Mr. K Sridhar (DIN: 02916536)
Age	66 Years	65 Years
Nationality	Indian	Indian
Qualification	Post Graduate in Economics from University of Bangalore	Post Graduate in Management from University of Madras
Nature of Expertise/ Experience	General Management & Administration	Human Resources
Date of first appointment to the Board	04 <sup>th</sup> January, 1994	01 <sup>st</sup> August 2016
Terms and Conditions of Appointment/ Re-appointment	Being longest in office liable to retire by rotation and sought herself of reappointment.	Re-appointed for a term of 3 years with effect from 01st August, 2021
Remuneration last drawn in the FY 20-21	Nil	Nil
Remuneration proposed to be paid.	Nil	Nil
Number of Equity shares held in the company	89,85,962	Nil
Inter-se relationship with other Directors/KMP	Related to Mr. Venkatesh Rajagopal (Chairman) and Mr. Vidyuth Rajagopal (Managing Director)	Not related to any Director/ KMP
No of Board Meetings attended and held during the year	4/6	6/6
Name(s) of other entities in which holding of directorship	Indian Terrain Fashions Limited	Kelsa Management Solutions Private Limited, Jenson & Nicholson Paints Private Limited
Chairpersonship/ Membership in committees of other Entities	Indian Terrain Fashions Limited • Chairperson - CSR Committee	Nil

Name of Director	Mr. Vidyuth Rajagopal (DIN: 07578471)
Age	34 Years
Nationality	Indian
Qualification	<ul style="list-style-type: none"> <li>Bachelor's Degree in Economics – Loyola College, Chennai</li> <li>Masters in Business Administration – Indian School of Business, Hyderabad</li> </ul>
Nature of Expertise/ Experience	Business Development, Merchandising, Product Development, Retail Operations, Cluster Management and factory operations in Apparel manufacturing industry
Date of first appointment to the Board	01 <sup>st</sup> August, 2016
Terms and Conditions of Appointment / Re- appointment	Re-appointed for a term of 3 years with effect from 08th August, 2021
Remuneration last drawn in the FY 2020-21	45.65 lakhs
Remuneration proposed to be paid.	60.00 lakhs
Number of Equity shares held in the company	32,000 equity shares as on 30th June, 2021
Inter-se relationship with other Directors/KMP	Relationship with directors • Son of Mr. Venkatesh Rajagopal and Mrs. Rama Rajagopal
No of Board Meetings attended and held during the year	6/6
Name(s) of other entities in which holding of directorship	Indian Terrain Fashions Limited
Chairpersonship/Membership in committees of other Entities	Nil

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

Place: Chennai  
Date: 13<sup>th</sup> August, 2021

A Rishi Kumar  
Company Secretary

## BOARD'S REPORT

### Dear Members,

The Directors have pleasure in presenting the Board's Report along with the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021.

### FINANCIAL SUMMARY

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

(Rs. In Crores)

Particulars	FY 2020-21	FY 2019-20
Revenue From operations	232.77	232.50
EBITDA	6.96	18.56
Interest Cost	5.80	8.06
Profit / (Loss) before depreciation and tax	1.16	10.50
Depreciation	6.73	9.30
Profit/ (Loss) before exceptional item and tax	(5.57)	1.20
Exceptional Item	-	15.64
Provision for Taxation	-	-
Profit / (Loss) after tax	(5.57)	16.84
Other Comprehensive Income	(0.46)	(0.91)
Total Comprehensive Income	(6.03)	15.93
Earnings per Share (In Rs.)	(1.26)	3.34

### PERFORMANCE REVIEW

The Company's revenue from operations for FY 2020-21 was Rs. 232.77 crore compared to Rs. 232.50 crore in the previous year, an increase of 0.12% over the previous year. The Operating EBITDA stood at Rs.6.96 crs against Rs.18.56 crs the previous year.

### Cost of Materials & Changes in inventories

The cost of materials adjusted for changes in inventories of finished goods and work in progress is 59.19 % as against 51.98 % in the previous year.

### Employee Costs

The manpower cost for the year is 23.59% to revenues as against 25.80% in the previous year.

### Depreciation

Depreciation during the year reduced to Rs.6.73 crores as against Rs.9.30 crores in the previous year.

### Finance Costs

Finance cost for the year reduced to Rs. 5.8 crores as against 8.06 crores in the previous year.

### Profit before tax and net profits

The profits/loss before exceptional item is Rs.(5.57) crores as against Rs.1.20 crores in the previous year.

The net profit/loss after accounting for exceptional item & tax is Rs.(6.03) crores during the year as against Rs.15.93 crores in the previous year.

### SHARE CAPITAL

The paid-up equity share capital as on March 31,2021 stood at Rs. 47,76,80,050/- divided into 4,77,68,005 Equity Shares of Face Value of Rs.10/- (Rupee Ten Only) each. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights.

The paid-up preference share capital as on March 31,2021 stood at Rs. 25,10,45,000/- divided into 2,51,04,500 1% Cumulative Redeemable Preference shares of Rs.10/- (Rupees Ten Only) each.

### DIVIDEND

Due to the losses incurred by the Company in the earlier years, the Board of Directors have not recommended any dividend for the financial year ended 31<sup>st</sup> March, 2021.

### TRANSFER TO RESERVES

The Company has not transferred any amount to general reserve for the financial year ended 31<sup>st</sup> March,2021.

### FINANCE AND ACCOUNTS

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

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

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

### DEPOSITS

During FY 2020-21, the Company did not accept any deposit within the meaning of sections 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014 and accordingly no amount on account of principal or interest on public deposits was outstanding as on 31<sup>st</sup> March,2021.

### CASH FLOW STATEMENT

In conformity with the provisions of Section 134 of Companies Act, 2013 and Regulation 34 2(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash flow statement for the year ended 31<sup>st</sup> March,2021 forms part of this Annual Report.

### COVID-19 IMPACT

The outbreak of COVID-19 across globe and India has resulted in pandemic. The central and state government has imposed various lockdown during the first quarter of 2020-21 to prevent the spread. The Company has shut down factories / office and operational activities, impacting the business during the 1<sup>st</sup> quarter of the financial year. However, this does not affect the going concern status of the Company.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

The Company has framed a policy on Related Party Transactions and the same has been displayed in the Company's website [www.celebritygroup.com](http://www.celebritygroup.com)

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

### SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

## CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

The Corporate Governance Report and Management Discussion & Analysis which forms part of this report are set out separately along with the Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance and Certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as stipulated in Schedule V read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## COMPLIANCE WITH CODE OF CONDUCT

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

All members of the Board and senior management personnel have affirmed compliance to the Code as on March 31, 2021.

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the CSR Committee is available on the website of the Company and can be accessed through the website [www.celebritygroup.com](http://www.celebritygroup.com).

## ESTABLISHMENT OF VIGIL MECHANISM

Pursuant to Section 177 (9) of Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has a vigil mechanism established, to enable all employees and the directors to report in good faith about any violation of the Policy. The Audit Committee of the Board oversees the functioning of Whistle Blower Policy. The Whistle Blower Policy covering all employees and directors is hosted in the Company's Website [www.celebritygroup.com](http://www.celebritygroup.com).

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Directors:

### Resignations

No resignations during the financial year 2020-21.

### Appointment/Re-appointment

#### Re-appointment of Mr. Vidyuth Rajagopal as Managing Director

The board at its meeting held on 21st May, 2021 re-appointed Mr. Vidyuth Rajagopal as Managing Director of the Company, effective 08th August, 2021 to hold the office for a period of three years on such terms and conditions, subject to the approval of the shareholders at the AGM.

#### Re-appointment of Mr. K. Sridhar as an Independent Director

The board at its meeting held on 21st May, 2021 re-appointed Mr. K. Sridhar as an Independent Director of the Company, effective 01st August, 2021 to hold the office for a period of three years on such terms and conditions, subject to the approval of the shareholders at the AGM.

## Retirement by Rotation

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

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

## Key Managerial Personnel:

The following are the Key Managerial Personnel of the Company:

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

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

## EMPLOYEE STOCK OPTION PLAN (ESOP)

During the financial year ended 31<sup>st</sup> March, 2021 there were no pending options to be vested or exercised.

## DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended, an extract of the Annual Return of the Company in the prescribed form MGT-9 is annexed as **Annexure 3** to this Annual Report. The Annual Return has been hosted on the website of the Company, viz. [www.celebritygroup.com](http://www.celebritygroup.com).

## NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 6 (six) times during the financial year 2020-21 i.e., 16<sup>th</sup> April 2020, 25<sup>th</sup> June 2020, 12<sup>th</sup> September 2020, 11<sup>th</sup> November 2020, 27<sup>th</sup> January 2021 and 11<sup>th</sup> February 2021. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of all Board/ Committee meetings held are given in the Corporate Governance Report.

## AUDIT COMMITTEE

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

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

## REMUNERATION POLICY

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

The Policy inter alia provides for the following:

- attract, recruit, and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;



- c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long term value creation for its stakeholders.

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

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

#### **MATERIAL CHANGES & COMMITMENTS**

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

#### **BOARD EVALUATION**

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

#### **DISCLOSURE AS PER THE COMPANIES (ACCOUNTS) RULES, 2014**

Change in nature of business, if any: Nil

The name of Companies which have become or ceased to be its subsidiaries, Joint Ventures or Associate companies during the Financial year: Not Applicable.

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

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

The Company was in receipt of the notice / order from statutory authorities during the year for claim not acknowledged as debts by the company. The details of the same have been provided in Note 46 of the financial statements.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

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

#### **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

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

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

#### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR**

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

The details of such familiarization programmes for the Independent Directors are disclosed on the website of the Company [www.celebritygroup.com](http://www.celebritygroup.com).

#### **AUDITORS**

##### **Statutory Auditors**

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

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

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

##### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. BP & Associates, Practicing Company Secretaries, as the Secretarial Auditors of the Company to undertake the Secretarial Audit for the financial year 2020-21.

The Secretarial Audit Report issued by M/s. BP & Associates, Secretarial Auditors for the Financial Year ended 31st March 2021 is annexed with the report as Annexure 4. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

##### **Internal Auditors**

Pursuant to Section 138 of the Companies Act 2013 read with rule 13 of The Companies (Accounts) Rules, 2014 and all other applicable provisions (including any amendment thereto) if any of the Companies Act, 2013 and as recommended by the audit committee M/s. RVKS & Associates, Chartered Accountants, Chennai were appointed as the Internal Auditors of the company for the Financial Year 2020-21.

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

## COST RECORDS AND COST AUDIT

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

## REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

## LISTING

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

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

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

## PARTICULARS OF EMPLOYEES

Disclosure with respect to the remuneration of Directors as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure 1** 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 1** which forms part of this Annual Report. Pursuant to the provisions of the Section 136(1) of the Companies Act, 2013, the reports and accounts, as set out therein, are being sent to all members of the Company, excluding the aforesaid information and the same is open for inspection at the registered office of the Company during working hours upto the date of Annual General Meeting.

## INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the financial year 2020-21, no unpaid or unclaimed dividend was required to be transferred to IEPF.

## INTERNAL COMPLAINTS COMMITTEE

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

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

During the year ended 31st March, 2021, the ICC did not receive any complaint pertaining to sexual harassment/discrimination at the work location.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- In preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2021, the applicable accounting standards have been followed and there are no material departures.

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2020-21.

## 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) | : ₹212.59 Crs |
| b. Total Foreign exchange outgo              | : ₹ 62.64 Crs |

## HUMAN RESOURCES AND EMPLOYEE RELATIONS

The Board of Directors commends the continued dedication of all its employees. Details of Human Resources and Employee Relations and matters incidental there to are provided in the Management Discussion and Analysis Report.

## SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

## ACKNOWLEDGEMENT

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

For and on behalf of the Board

**Venkatesh Rajagopal**

Chairman

(DIN: 00003625)

Place: Chennai

Date: 21<sup>st</sup> May, 2021

**ANNEXURE - 1 TO BOARD'S REPORT**
**A. Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

a) Ratio of remuneration of each director to the median remuneration of all the employees of the company for the financial year 2020-21:

Name of Director(s)	Designation	Ratio of remuneration of Director to the Median remuneration
Venkatesh Rajagopal	Chairman	Nil
Rama Rajagopal	Director	Nil
Vidyuth Rajagopal	Managing Director	25

b) Percentage increase in the remuneration of Directors, Chief Financial Officer and Company Secretary for the financial year 2020-21 is as follows:

Name of Director(s)	Designation	% increase
Venkatesh Rajagopal	Chairman	-
Rama Rajagopal	Director	-
Vidyuth Rajagopal	Managing Director	Nil
S. Venkataraghavan	Chief Financial Officer	Nil
A. Rishi Kumar	Company Secretary	Nil

c) **Percentage increase in the median remuneration of all employees in the financial year 2020-21 : 4.93%**

d) **Number of permanent employees on the rolls of the company as on 31st March 2021 : 3266**

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) & Nil for employees other than Managerial Personnel.

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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) The Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 forming part of the Board's Report for the financial year ended 31st March, 2020 : Not Applicable**

For and on behalf of the Board

**Venkatesh Rajagopal**

Chairman

(DIN: 00003625)

Place: Chennai

Date: 21<sup>st</sup> May, 2021

**ANNEXURE - 2 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)**

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

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

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

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

S No.	Particulars	Details
1	Name (s) of the related party	Indian Terrain Fashions Limited.
2	Nature of Relationship	Mr.Venkatesh Rajagopal & Mrs.Rama Rajagopal, Directors of Celebrity Fashions Limited are also Directors in Indian Terrain Fashions Limited
3	Nature of contracts/arrangements/ Transaction	Job work charges, Material Transfers, Washing charges, FOB Sales and Rentals
4	Duration of the contracts/ arrangements/ Transaction	Not Applicable
5	Salient terms of the contracts or arrangements or transaction including the value, if any	Upto Maximum of Rs.40 Crores in any financial year
6	Date of approval by the Board	13 <sup>th</sup> 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

**Venkatesh Rajagopal**

Chairman

(DIN: 00003625)

Place: Chennai

Date: 21<sup>st</sup> May, 2021

**ANNEXURE – 3 TO BOARD'S REPORT**

**Form No. MGT- 9**  
**EXTRACT OF ANNUAL RETURN**  
*as on the financial year ended on 31<sup>st</sup> March 2021*  
*[Pursuant to Section 92(3) of the Companies Act, 2013 and*  
*Rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Manufacture of all types of textile garments and clothing accessories	141	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2020)				No. of Shares held at the end of the year (As on 31.03.2021)				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/HUF	19976325	-	19976325	41.82	19976325	-	19976325	41.82	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govts	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	19976325	-	19976325	41.82	19976325	-	19976325	41.82	0.00
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	19976325	-	19976325	41.82	19976325	-	19976325	41.82	0.00

<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
b) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
c) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) Foreign Portfolio Investors	4565000	-	4565000	9.56	4565000	-	4565000	9.56	0.00
g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	<b>4565000</b>	<b>-</b>	<b>4565000</b>	<b>9.56</b>	<b>4565000</b>	<b>-</b>	<b>4565000</b>	<b>9.56</b>	<b>0.00</b>
<b>2) Non-institutions</b>									
a) Bodies Corporate	2574867	0	2574867	5.39	2606333	0	2606333	5.45	0.06
b) Individuals									
i. Individual shareholders holding nominal share capital up to Rs 1 lakh	6412727	165	6412892	13.43	6890566	165	6890731	14.43	1.00
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	12712133	0	12712133	26.61	12375355	0	12375355	25.91	(0.70)
c) NBFC registered with RBI	-	-	-	-	-	-	-	-	-
d) Clearing Members	42909	0	42909	0.09	60892	0	60892	0.13	0.04
e) Hindu Undivided Family	825781	0	825781	1.73	988403	0	988403	2.07	0.34
f) Non Resident Indians	655457	0	655457	1.37	304026	0	304026	0.64	(0.74)
g) Foreign Companies	-	-	-	-	-	-	-	-	-
h) Office bearers	2606	0	2606	0.01	905	0	905	0.01	0.00
i) Trusts	35	-	35	0.00	35	0	35	0.00	0.00
<b>Sub-Total (B)(2)</b>	<b>23226515</b>	<b>165</b>	<b>23226680</b>	<b>48.62</b>	<b>23226515</b>	<b>165</b>	<b>23226680</b>	<b>48.62</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>27791515</b>	<b>165</b>	<b>27791680</b>	<b>58.18</b>	<b>27791515</b>	<b>165</b>	<b>27791680</b>	<b>58.18</b>	<b>0.00</b>
C. Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>47767840</b>	<b>165</b>	<b>47768005</b>	<b>100.00</b>	<b>47767840</b>	<b>165</b>	<b>47768005</b>	<b>100.00</b>	<b>0.00</b>

**(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	10957617	22.94	13.71	10957617	22.94	13.71	0.00
2	Rama Rajagopal	8985962	18.81	13.71	8985962	18.81	13.71	0.00
3	Vidyuth Rajagopal	32000	0.07	0.00	32000	0.07	0.00	0.00
4	Rajagopalan.K.A	646	0.00	0.00	646	0.00	0.00	0.00
5	Anjali Rajagopal	100	0.00	0.00	100	0.00	0.00	0.00
	<b>Total</b>	<b>19976325</b>	<b>41.82</b>	<b>27.42</b>	<b>19976325</b>	<b>41.82</b>	<b>27.42</b>	<b>0.00</b>

**(iii) Change in Promoters' Shareholding**

There was no change in shareholding of Promoter during the financial year ended March 31, 2021.

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

S No.	Top 10 Shareholders	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total shares of the Company
1	<b>DAVOS INTERNATIONAL FUND</b>	2100000	4.40			2100000	4.40
	Transfer			26 Feb 2021	2465000	4565000	9.56
	At the end of the year					4565000	9.56
2	<b>CHARATH RAM NARSIMHAN</b>	4531315	9.49			4531315	9.49
	At the end of the year					4531315	9.49
3	<b>BENNETT, COLEMAN AND COMPANY LIMITED</b>	1316818	2.76			1316818	2.76
	At the end of the year					1316818	2.76
4	<b>ANLAGE INFOTECH INDIA PRIVATE LIMITED</b>	660934	1.38			660934	1.38
	At the end of the year					660934	1.38
5	<b>JITENDRA H PANJABI</b>	530000	1.11			530000	1.11
	At the end of the year					530000	1.11
6	<b>CHOPRA NARPATKUMAR KEWALCHAND HUF</b>	244931	0.51			244931	0.51
	Transfer			05 Feb 2021	91939	336870	0.71
	At the end of the year					336870	0.71
7	<b>NILESHKUMAR PANDYA</b>	329842	0.69			329842	0.69
	Transfer			10 Jul 2020	10	329852	0.69
	At the end of the year					329852	0.69
8	<b>BIRSEN SINGH</b>	250010	0.52			250010	0.52
	Transfer			09 Oct 2020	49990	300000	0.63
	At the end of the year					300000	0.63
9	<b>M.NEELA REDDY</b>	270270	0.57			270270	0.57
	Transfer			06 Nov 2020	(265)	270005	0.57
	At the end of the year					270005	0.57
10	<b>SAGAR MAL MALL</b>	226972	0.48			226972	0.48
	At the end of the year					226972	0.48



(v) Shareholding of Directors and Key Managerial Personnel:

S No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Venkatesh Rajagopal - Chairman &amp; Director</b>				
	At the beginning of the year	10957617	<b>22.94</b>		
	Date wise increase (+) / decrease (-) with reasons, during the year.	-	-	-	-
	At the end of the Year			10957617	<b>22.94</b>
2	<b>Rama Rajagopal – Director</b>				
	At the beginning of the year	8985962	<b>18.81</b>		
	Date wise increase (+) / decrease (-) with reasons, during the year.	-	-	-	-
	At the end of the Year			8985962	<b>18.81</b>
3	<b>Vidyuth Rajagopal – Managing Director</b>				
	At the beginning of the year	32000	<b>0.07</b>		
	Date wise increase (+) / decrease (-) with reasons, during the year.	-	-	-	-
	At the end of the Year			32000	<b>0.07</b>

Other than the above, no other Director and Key Managerial Personnel held any share in the Company either at the beginning of the financial year, during the financial year or as at the financial year ended March 31, 2021.

**V. INDEBTEDNESS**

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

(Rs. In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (as on 01.04.2020)</b>				
i.Principal amount	6782.82	0.00	0.00	6782.82
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
<b>Total(i+ii+iii)</b>	<b>6782.82</b>	<b>0.00</b>	<b>0.00</b>	<b>6782.82</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	1318.32	0.00	0.00	1318.32
Reduction	0.00	0.00	0.00	0.00
<b>Net Change</b>	<b>1318.32</b>	<b>0.00</b>	<b>0.00</b>	<b>1318.32</b>
<b>Indebtedness at the end of the financial year (as on 31.03.2021)</b>				
i. Principal amount	8101.14	0.00	0.00	8101.14
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
<b>Total (i+ii+iii)</b>	<b>8101.14</b>	<b>0.00</b>	<b>0.00</b>	<b>8101.14</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

(Rs. in Lakhs)

S No.	Particulars of Remuneration	Mr. Vidyuth Rajagopal (Managing Director)	Total Amount
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45.65	45.65
	b) Value of Perquisites u/s 17(2) of Income –tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission -as % of profit -others, Specify	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>45.65</b>	<b>45.65</b>

**B. Remuneration to other directors:**

(Amount in Lakhs)

Particulars of Remuneration	Name of Independent Directors				Total Amount
	N.K. Ranganath	K. Sridhar	Nidhi Reddy	Manoj Mohanka	
1. Independent Directors					
a) Fee for attending Board/Committee Meetings	-	-	-	-	-
b) Commission	-	-	-	-	-
c) Others, Please specify	-	-	-	-	-
Total (1)	-	-	-	-	-
2. Other Non-Executive Directors					
a) Fee for attending Board/Committee Meetings	-	-	-	-	-
b) Commission	-	-	-	-	-
c) Others, Please specify	-	-	-	-	-
Total(2)	-	-	-	-	-
Total (B)=(1+2)	-	-	-	-	-
Total Managerial Remuneration	-	-	-	-	-

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

(Rs. in Lakhs)

S No.	Particulars of Remuneration	Chief Financial Officer	Company Secretary	Total Amount
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17.89	7.24	25.13
	b) Value of Perquisites u/s 17(2) of Income –tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit -others, Specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (C)</b>	<b>17.89</b>	<b>7.24</b>	<b>25.13</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment, compounding of offences for the year ending 31st March 2021.

For and on behalf of the Board

Place: Chennai  
Date: 21<sup>st</sup> May, 2021

**Venkatesh Rajagopal**  
Chairman  
(DIN: 00003625)

**ANNEXURE – 4 TO BOARD'S REPORT**
**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
**Celebrity Fashions Limited.**  
SDF - IV & C 2, Third Main Road,  
MEPZ - SEZ, Tambaram,  
Chennai – 600 045

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

Based on our verification of the **Celebrity Fashions Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2021 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 31<sup>st</sup> March, 2021 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. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - f. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

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

- i. Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, issued by The Institute of Company Secretaries of India have been generally complied with.

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

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

- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

**We further report that**

The Board of Directors of the Company is duly constituted with 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 report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**1. Regularisation of Mr. Manoj Mohanka as an Independent Director of the Company:**

During the year Mr. Manoj Mohanka (DIN: 00128593) was Regularized as an Independent Director of the Company at the Annual General Meeting held on 21<sup>st</sup> September 2020.

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

At the Annual General Meeting held on 21st September 2020 the remuneration payable to Mr. Vidyuth Rajagopal, (DIN 07578471) Managing Director of the Company was increased from Rs.2,50,000/- per month to Rs. 4,00,000 per month

(including bonus), effective from 01st April 2019 to till the remaining period of his tenure i.e upto 07<sup>th</sup> August 2021.

For **BP & Associates**  
Company Secretaries

Date : 21<sup>st</sup> May, 2021  
Place: Chennai

**K. J. Chandra Mouli**  
Partner  
M No: 25315  
CP No: 15708  
UDIN:A025315C000351080

### ‘ANNEXURE A’

To  
The Members,  
**Celebrity Fashions Limited,**  
SDF - IV& C 2, Third Main Road,  
MEPZ - SEZ, Tambaram,  
Chennai – 600 045

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on 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. Wherever 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

Date : 21<sup>st</sup> May, 2021  
Place: Chennai

**K. J. Chandra Mouli**  
Partner  
M No: 25315  
CP No: 15708  
UDIN:A025315C000351080

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Economic Overview

#### Global Economy:

The COVID-19 pandemic has caused major disruptions in the global economy. Economic activity has been hit by reduced personal interaction and uncertainty about the post-pandemic economic landscapes.

As with the previous economic crisis, the pandemic is expected to leave long lasting adverse effects on global economic activity and per capita incomes.

Global output is expected to expand 4 percent in 2021 but remain well below pre-pandemic projections. Downside risks include the possibility of a further resurgence of the virus, vaccination delays, more severe effects on potential output from the pandemic, and financial stress.

The pandemic has had a devastating impact on South Asia, leading to an estimate 6.7 percent output contraction in 2020. The region is projected to grow by 3.3 percent in 2021 and 3.8 percent in 2022, substantially weaker growth than during the decade leading up to the pandemic.

#### Indian Economy:

The pandemic hit the economy when the growth was declining. The Government action on managing the pandemic as well as the economy helped to arrest the de-growth to 9.6% for the financial year ("FY") 2020-21. This is a significant improvement considering 23.9% shrinkage recorded in GDP for April-June quarter. Considering positive sentiments of the last two quarters of FY 2020-21, the World Bank estimates that the Indian economy will recover by 5.4% in FY 2021-22. However, the surge in Covid-19 positive cases and the death toll starting April 2021 may slow down the economy to some extent and may adversely impact the forecast growth.

#### Industry Overview:

Global apparel market shrunk by 22%, coming down from US\$ 1,635 billion in 2019 to US\$ 1,280 billion in 2020.

The COVID-19 crisis is hitting the garment sector in Asia and the Pacific particularly hard, affecting millions of workers and enterprises in the supply chains and with observed "ripple effects" across a number of dimensions.

Global garment trade virtually collapsed in the first half of 2020. In some cases, imports from Asia's garment-producing countries to major buying countries dropped by as much as 70 per cent. Cancellations of buyers' orders were common at the onset of the crisis. Garment manufacturers also experienced disruptions of up to 60 per cent of their imported input supply.

Industries whose operations are more globalized (and particularly those that rely on Chinese inputs for production) were most exposed to initial supply chain disruption due to COVID-19.

#### Indian Textile Industry:

Indian domestic textile and apparel market is estimated at US\$ 75 billion in 2020-21. The market fell 30% from US\$ 106 billion in 2019-20.

Due to the pandemic, all economic activities except for the essential goods and services came to a standstill. The textile and apparel industry was no exception to this.

The year 2020 has, however, drastically impacted all sectors due to the ongoing pandemic. While some industries like the health sector have seen an upsurge, others like the aviation have plummeted to unforeseen lows. As we all know, manufacturing and export came to an abrupt halt for complete two months due to COVID-19 lockdown.

The apparel industry is facing challenges such as increased bargaining power of buyers, cost-side pressures, and write-backs of export incentives booked previously which are impacting the profitability. Sustained pressure on liquidity due to delays in clearance of the government dues, will lead to operating profit of the apparel exporters to fall by 100-150 bps in this fiscal. It resulted in a moderation in debt coverage metrics and impacted smaller companies, with limited bargaining power with customers, modest liquidity cushion and less financial flexibility to absorb the impact.

Textile and apparel exports in 2020-2021 are almost 13% less (in dollar terms) than the previous year. The exports were worth \$29 billion in 2020-21 as against \$34 billion in 2019-2020. Exports of ready-made garments declined 20.78% last financial year compared with the previous year, while exports of man-made textile items fell 21.20%. This was mainly because of the COVID spread and its impact on exports last April and May.

Yarn's price per kg increased by more than 22% for 30s combed (combed cotton is a softer version of regular cotton and more expensive), 21.3% for 34s combed and 21.9% for 40s combed during the second half of 2020-21 fiscal. Exporters enter into a price agreement with buyers at least six months before supply. Now, while the mills are increasing the prices frequently and arbitrarily, the buyers or importers are not willing to increase the prices. Besides, duty concession to competitive countries like Bangladesh, Vietnam, etc. because of their Free Trade Agreement (FTA) with importing countries make the situation precarious for the Indian exporters.

Disrupted logistics and frozen external trade caused due to the pandemic affected the entire value chain alike. India's April and May 2020 net trade were around 50% lower month-on-month compared to that of the previous year.

Swelling freight rates and container shortage have become a global challenge disrupting supply chains across industries. Over the last six to eight months, shipping freight rates across transportation channels have gone through the roof. This has had a consequential impact on allied functions and industries, such as auto, textile and manufacturing among others.

#### Internal Control Systems and their Adequacy

The Company has developed adequate internal control system commensurate to its size and business to ensure that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly. The internal audit reports are periodically reviewed by the Management together with the Audit Committee of the Board. The Company has a strong Management Information System as a part of Control Mechanism.

#### Human Resources/Industrial Relations

Industrial relations have continued to be harmonious at all units throughout the year. No man-days were lost due to strike, lock out etc.

Measures for employees' safety, their welfare and development received top priorities. Your Company has a vision of being an 'Injury Free' and 'Zero Environment Incident' organisation. Over the past many years, your Company has been progressing well on the safety record in factories and facilities. The Company had around 3266 employees as on 31st March 2021.

#### 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.

#### Forex Risk

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

#### Financial Performance:

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

	FY 2020-21		FY 2019-20	
	Amount (In Crs.)	% to Revenues	Amount (In Crs.)	% to Revenues
Revenue from operations	232.77		232.50	
Other Income	0.88		(3.54)	
Total revenues	233.65		228.96	
Cost of Materials	139.65	59.99%	130.96	56.33%
Change in Inventories of Finished Goods & Work-in- Progress – (Inc) / Dec	(1.87)	(0.80)%	(10.11)	(4.35)%
Employee Benefit Expenses	54.91	23.59%	59.99	25.80%
Other Expenses	34.00	14.61%	29.56	12.71%
Total Expenses	226.69	97.39%	210.40	90.49%
EBITDA	6.96	2.99%	18.56	7.98%
Depreciation	6.73	2.89%	9.30	4.00%
Finance Costs	5.8	2.49%	8.06	3.47%
Profit / (Loss) before Tax and Exceptional Items	(5.57)	(2.39)%	1.20	0.52%
Exceptional Items - Expense / (Income)	0	0.00%	15.64	6.73%
Profit / (Loss) before Tax after Exceptional Items	(5.57)	(2.39)%	16.84	7.24%
Tax Expense	0	0.00%	0	0.00%
Other comprehensive Income	(0.46)	(0.20)%	(0.91)	(0.39)%
Total comprehensive Income for the year	(6.03)	(2.59)%	15.93	6.85%

The overall profitability of the Company during the year under review, as compared to the previous year, has been adversely affected due to the unfavorable economic conditions prevailing throughout the year on account of disruptions caused by the COVID 19 pandemic and the lockdown pursuant to Govt.'s directives to prevent spread of pandemic.

#### Profitability and Financial risks ratios:

Ratios	Basis	FY 2020-21	FY 2019-20
Current Ratio	In Times	1.09	1.03
Debt Equity Ratio	In Times	1.61	1.42
Operating Profit Margin	In %	2.99%	7.98%

The Company has maintained satisfactory performance ratios despite adverse market situation prevailing for a major part of the year.

## **Business Philosophy**

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

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

The 3 fundamentals frame the culture of the organization and permeate all interactions of stakeholders, both internal & external.

### **I. Operational Excellence**

As the preferred supply chain partner for global brands, our approach is centered on maximizing the efficiency of our business operations & ensuring that we optimize fixed asset turnover. We continue to focus on building a culture of performance with a relentless focus on execution

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

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

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

Our aim is to shift from an efficiency led model to an inventory light model which will allow the organization to benefit from continuous cash flows and at the same be able to forecast our future revenues better.

### **II. Wastage Elimination**

The above pillar can be further segregated into 2 categories:

Wastage in terms of

- i. Raw Materials
- ii. Non-Value Adding processes

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

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

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

### **III. Fiscal Discipline**

The business of Apparel Manufacturing is price sensitive & competitive. As a member of a global supply chain, we are competing with vendors from across the globe. As mentioned earlier, countries such as Bangladesh & Vietnam enjoy far lower labor costs putting India at a straight disadvantage as a result.

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

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

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



## REPORT ON CORPORATE GOVERNANCE

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

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Company considers it essential to abide by the applicable laws and regulations in letter and spirit and is committed to the highest standards of corporate governance.

We practice fair play and integrity in our transactions with all stakeholders, both within and outside the organisation. We conduct ourselves in the most equitable manner.

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

### BOARD OF DIRECTORS

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

The Key to good corporate governance is the optimum combination of the executive and non-executive directors on the board and the extent of their independence. The Board consists of 7 (Seven) members with knowledge and experience in diverse fields and professionally acclaimed to understand their role in addressing the issues raised by the management. The day-to-day affairs of the company are managed by the Managing Director under the supervision of the Board.

### COMPOSITION

As on 31st March, 2021, the Company's Board of Directors ('Board') comprises seven members, which includes One Executive Director, Two Non – Executive Non Independent Directors and Four Non Executive Independent Directors.

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

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

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

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

The composition of the Board of Directors and number of other Directorships & Memberships / Chairmanships of Committees as on 31st March, 2021 is as under:

Sr. No.	Name & (DIN) of Directors	Category	Directorships in other Companies (*)	No of Committee positions held in other companies (**)	
				Chairman	Member
1	Mr. Venkatesh Rajagopal (DIN: 00003625)	Promoter & Non Executive Director	1	-	2
2	Mrs. Rama Rajagopal (DIN: 00003565)	Promoter & Non Executive Director	1	-	-
3	Mr. N.K.Ranganath (DIN: 00004044)	Independent & Non Executive Director	2	2	-
4	Mrs. Nidhi Reddy (DIN: 00004081)	Independent & Non Executive Director	1	-	-
5	Mr. Vidyuth Rajagopal (DIN: 07578471)	Managing Director	1	-	-
6	Mr. K Sridhar (DIN: 02916536)	Independent & Non Executive Director	2	-	-
7	Mr. Manoj Mohanka (DIN: 00128593)	Independent & Non Executive Director	7	1	3

### Notes:

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

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

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

During the financial year 2020-21, six (06) Board meetings were held on 16<sup>th</sup> April 2020, 25<sup>th</sup> June 2020, 12<sup>th</sup> September 2020, 11<sup>th</sup> November 2020, 27<sup>th</sup> January 2021 and 11<sup>th</sup> February 2021. 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 Company provides teleconference/Video Conference facilities to Directors to participate in the meetings.

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 2020-21		Attendance at 31 <sup>st</sup> AGM
	Held	Attended	
Mr. Venkatesh Rajagopal	6	6	Yes
Mrs. Rama Rajagopal	6	4	Yes
Mr. Vidyuth Rajagopal	6	6	Yes
Mr. N.K.Ranganath	6	4	Yes
Mrs. Nidhi Reddy	6	4	Yes
Mr. K Sridhar	6	6	Yes
Mr. Manoj Mohanka	6	4	Yes

#### Relationship between directors inter-se:

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

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

No Non-executive director holds shares and/or convertible instruments in the Company during the period under review.

#### Names of listed entity wherein Directors are holding position of Director & the category of Directorship as on 31st March 2021:

Name of Directors	Name of the Listed Company	Category
Mr. Venkatesh Rajagopal	Indian Terrain Fashions Limited	Executive Director
Mrs. Rama Rajagopal	Indian Terrain Fashions Limited	Executive Director
Mr. Vidyuth Rajagopal	Indian Terrain Fashions Limited	Executive Director
Mr. N.K.Ranganath	Indian Terrain Fashions Limited	Non-Executive and Independent Director
Mrs. Nidhi Reddy	Indian Terrain Fashions Limited	Non-Executive and Independent Director
Mr. K Sridhar	-	-
Mr. Manoj Mohanka	Indian Terrain Fashions Limited	Non-Executive and Independent Director
	India Carbon Limited	Non-Executive and Independent Director
	Titagarh Wagons Limited	Non-Executive and Independent Director

#### Familiarization programme for Independent Directors

On appointment of an individual as Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarisation program including the presentation from the Chairman ,Managing Director providing information relating to the Company, industry, business model of the Company, geographies in which Company operates, etc. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme also provides information relating to the financial performance of the Company and budget and control process of the Company. The details of familiarization program can be accessed from the website of the Company [www.celebritygroup.com](http://www.celebritygroup.com).

#### Chart / Matrix of Skills / Expertise / Competence of the Board of Directors in context to Company's business and sector:

S No.	Name of the Member	Skills/Expertise/Competencies
1.	Mr. Venkatesh Rajagopal	Apparel & Textile Industry Domain, Entrepreneur, Board Service, Business Strategy, Corporate Planning and functional areas like Managerial, Financial, Marketing and Administration.
2.	Mrs. Rama Rajagopal	Entrepreneur, Business and Corporate Planning.
3.	Mr. Vidyuth Rajagopal	Experience and Expertise in Marketing, Merchandising, Business Strategy and Corporate Planning.
4.	Mr. N.K. Ranganath	Board Service, Business Strategy, Corporate Planning and expertise in sales, marketing, finance, production and human resource disciplines.
5.	Mrs. Nidhi Reddy	Experience and Expertise in Human Resource discipline.
6.	Mr. K. Sridhar	Experience and Expertise in Human Resource disciplines.
7.	Mr. Manoj Mohanka	Strategic Marketing, Business Management, Business Strategy and Corporate Planning.

#### Resignation of Director(s):

There were no resignations during the year under review.

#### Access to information and updation to Directors

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

#### COMMITTEES OF THE BOARD

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

#### AUDIT COMMITTEE

##### Brief description of terms of reference

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

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

##### Composition of the Committee

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

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31<sup>st</sup> March, 2021 is detailed below:

Name of the Member(s)	Designation	Meeting(s)	
		Held	Attended
Mr. N.K. Ranganath	Chairperson	4	4
Mr. Vidyuth Rajagopal	Member	4	4
Mrs. Nidhi Reddy	Member	4	4
Mr. K. Sridhar	Member	4	4
Mr. Manoj Mohanka	Member	4	4

The Committee met 4 (four) times during the financial year 2020-21 on 25<sup>th</sup> June 2020, 12<sup>th</sup> September, 2020, 11<sup>th</sup> November, 2020 and 11<sup>th</sup> February, 2021.

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

The Chairman of the Audit Committee was present at the 31<sup>st</sup> Annual General Meeting to answer the shareholders' queries.

#### NOMINATION AND REMUNERATION COMMITTEE

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

#### Composition of the Nomination & Remuneration Committee:

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

Name of the Member	Designation	Category
Mr. K. Sridhar	Chairperson	Independent, Non-executive Director
Mr. N.K. Ranganath	Member	Independent, Non-executive Director
Mrs. Nidhi Reddy	Member	Independent, Non-executive Director
Mr. Manoj Mohanka	Member	Independent, Non-executive Director

#### Brief description of terms of reference:

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

- 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.

#### Meetings and attendance during the year:

NRC 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 Chairperson	Mr. N.K. Ranganath Member	Mrs. Nidhi Reddy Member	Mr. Manoj Mohanka Member
11 <sup>th</sup> February 2021	Yes	Yes	Yes	Yes

#### 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 2020-21, it was decided to waive sitting fees paid to Non - Executive Directors for attending meetings of the Board & its committees.

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, Managing Director. The details of remuneration package of the executive director is summarized below:

Name of the Director	Salary (Rs. in Lakhs)	Retirement Benefits	Total (Rs. in Lakhs)	Tenure (No. of years)
Mr. Vidyuth Rajagopal	48.00	-	48.00	From 1 <sup>st</sup> April 2019 upto 07 <sup>th</sup> August, 2021.

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

#### Performance evaluation criteria for independent directors

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. Their criteria provide for certain parameters like attendance at meetings, preparedness and contribution at Board Meetings, interpersonal skills etc. which are used by the Committee and/or the Board while evaluating the performance of each Director.

#### 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 is detailed below:

The Committee met once during the financial year 2020-21 on 11<sup>th</sup> February, 2021.

Name of the Member(s)	Nature of Membership	Meetings	
		Held	Attended
Mr. N.K. Ranganath	Chairman	1	1
Mrs. Nidhi Reddy	Member	1	-
Mr. Vidyuth Rajagopal	Member	1	1

**Name and Designation of Compliance Officer:**

A. Rishi Kumar

Company Secretary

Celebrity Fashions Limited

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

- 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, 2020 to 31st March, 2021:**

Sr. No.	Particulars of Complaints / Queries	Received	Redressed	Pending as on 31.3.2021
1.	Non receipt of Share Certificates - Direct from Shareholders - Received from SEBI	Nil Nil	Nil Nil	Nil Nil
2.	Non receipt of Dividend /Interest Warrants - Direct from Shareholders - Received from SEBI	Nil Nil	Nil Nil	Nil Nil
3.	Confirmation of Demat Credit	Nil	Nil	Nil
4.	Non receipt of Debentures Redemption payment	Nil	Nil	Nil
5.	Non receipt of letter of offer, allotment advice, share certificates etc. for Rights Issue & others	Nil	Nil	Nil
6.	Others - Complaints received from SEBI, Stock Exchanges, NSDL, ROC, Company Law Board etc.	Nil	Nil	Nil
	<b>Total</b>	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 2020-21 on 11<sup>th</sup> February, 2021.

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 2020-21 is detailed below:

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

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

**RISK MANAGEMENT COMMITTEE**

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

The 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. There was no meeting held by the committee during the year.

## MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 11<sup>th</sup> February 2021, inter alia to discuss:

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

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. All the Independent Directors were present for the meeting.

## SUBSIDIARY COMPANIES

The Company has no subsidiary Companies.

## GENERAL BODY MEETINGS

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

Year(s)	Date & Time	Venue	No. of Special resolution(s) passed
2019-20	21 <sup>st</sup> September, 2020 at 2.30 P.M.	Video Conferencing	Nil
2018-19	30 <sup>th</sup> September, 2019 at 02.30 P.M.	Registered Office, SDF – IV & C2,3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045	Nil
2017-18	25 <sup>th</sup> September, 2018 at 02.30 P.M.	Registered Office, SDF – IV & C2,3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045	5

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

## Postal Ballot

No postal ballot was conducted during the financial year 2020-21. There is no immediate proposal for passing any resolution through postal ballot.

## MEANS OF COMMUNICATION

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

### a) Quarterly Results:

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

### c) Website

These results are also made available on the website of the Company at [www.celebritygroup.com](http://www.celebritygroup.com). The website also displays vital information relating to the Company and its performance.

### d) Stock Exchange

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

### e) Presentations

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

## GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

#### Day, Date and Time:

This Corporate Governance Report was taken on record by the Board in their meeting held on 21<sup>st</sup> May 2021. The date of the Annual General Meeting was not finalized in the Board Meeting. Hence the details as to the Schedule of Annual General Meeting and the dates of Book Closure have not been provided.

**Venue:** The Company is conducting AGM through Video Conferencing/Other Audio Visual Means as permitted under the various circulars issued by Ministry of Corporate Affairs.

**Financial Calendar:** 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021

**Dividend Payment Date:** Not Applicable

### Listing on Stock Exchanges:

The equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Annual Listing fee for the financial year 2020-21 has been paid to BSE and NSE.

Name and address of the Stock Exchange(s)	Scrip Code
BSE Limited (BSE)	532695
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	
National Stock Exchange of India Limited (NSE)	CELEBRITY
Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.	

The custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year ended 31<sup>st</sup> March, 2021 has been paid within due date.

### Tentative Calendar for financial year ending 31st March, 2022

The tentative month of meeting of Board of Directors for consideration of quarterly/ Half yearly/Annually financial results for the financial year ending 31st March, 2022 are as follows:

First Quarter Results	August, 2021
Second Quarter and Half yearly Results	November, 2021
Third Quarter Results	February, 2022
Fourth Quarter and Annual Results	May, 2022

### Market Price Data

The monthly high and low prices of the Company's shares at BSE and NSE for the financial year ended 31<sup>st</sup> March 2021 are as follows:

(Share price in Rs.)

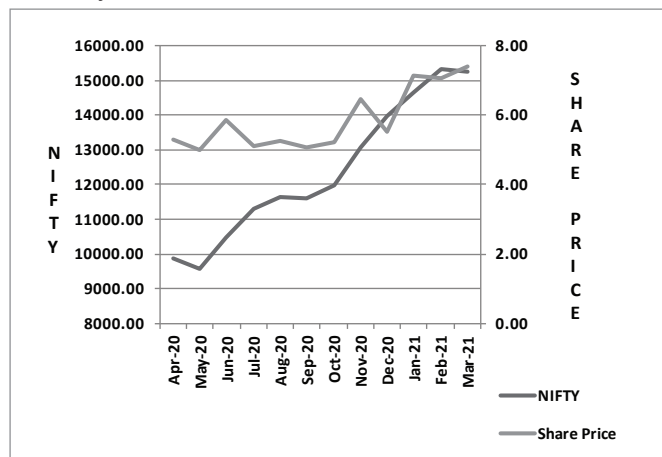
Month(s)	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-20	5.57	3.87	55341	5.60	3.65	350276
May-20	5.28	3.95	25436	5.30	3.85	198537
Jun-20	6.00	3.99	121970	6.00	3.80	713436
Jul-20	5.26	4.25	82719	5.25	4.20	814279
Aug-20	5.45	3.67	442366	5.65	3.60	2174409
Sep-20	5.20	4.15	100232	5.25	4.30	738465
Oct-20	5.64	4.25	120099	5.65	4.40	944636
Nov-20	6.75	4.49	551165	6.80	4.50	2740594
Dec-20	5.95	4.60	409164	5.95	4.65	2289015
Jan-21	7.50	5.24	545054	7.50	5.25	1996021
Feb-21	7.22	5.13	242299	7.05	5.00	2870755
Mar-21	7.68	5.70	244103	7.75	5.55	780443

Source: BSE and NSE Website

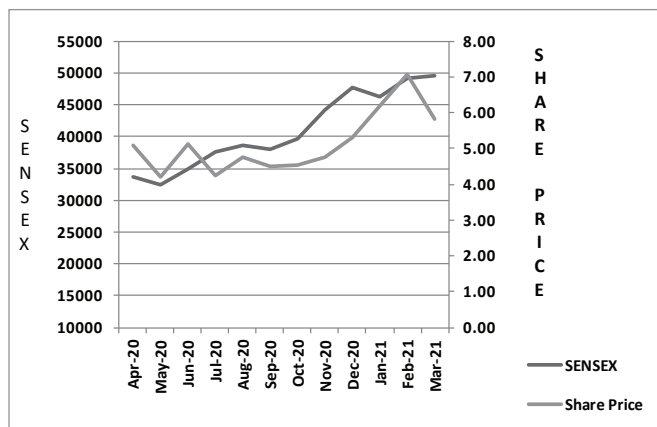
### Stock performance in comparison to broad-based indices:

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 & NSE Nifty for the financial year ended 31<sup>st</sup> March, 2021 (based on month end closing):

#### 1. NSE Nifty



#### 2. BSE Sensex



### Registrar and Share Transfer Agents

M/s. 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](http://www.linkintime.co.in)  
E-mail: [avani.shah@linkintime.co.in](mailto:avani.shah@linkintime.co.in)

### Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

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

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.



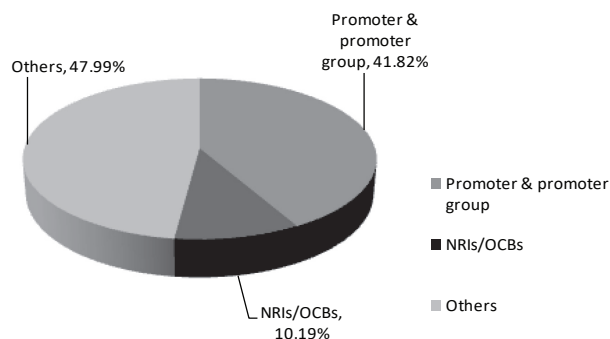
**Distribution of Shareholding:**

Distribution of Shareholding as on 31st March 2021 is as follows:

Range	No. of shareholders	% to total shareholders	No. of Shares	Amount (Rs.)	% to Capital
1-500	10720	78.18	1260969	12609690	2.64
501-1000	1198	8.74	1032320	10323200	2.16
1001-2000	717	5.23	1159337	11593370	2.43
2001-3000	288	2.10	753635	7536350	1.58
3001-4000	135	0.98	495793	4957930	1.04
4001-5000	151	1.10	733511	7335110	1.54
5001-10000	262	1.91	2035518	20355180	4.26
Greater than 10000	241	1.76	40296922	402969220	84.36
<b>Grand Total</b>	<b>13712</b>	<b>100.00</b>	<b>47768005</b>	<b>477680050</b>	<b>100.00</b>

**Shareholding Pattern as on 31st March 2021**

Category of Shareholder(s)	Total No. of Shares	% of Total No. of Shares
<b>Promoter and promoter group</b>		
Promoter and promoter group	19976325	41.82
<b>Sub Total</b>	<b>19976325</b>	<b>41.82</b>
<b>NRIs/OCBs</b>		
Non Resident Indians	304026	0.64
Foreign Portfolio Investor	4565000	9.56
<b>Sub Total</b>	<b>4869026</b>	<b>10.19</b>
<b>Others</b>		
Clearing Members	60892	0.13
Private Corporate Bodies	2606333	5.46
Public	19266086	40.33
Others	989343	2.07
<b>Sub Total</b>	<b>22922654</b>	<b>47.99</b>
<b>Total</b>	<b>47768005</b>	<b>100.00</b>

**Category-wise Shareholding:**

**Dematerialization of Shares & liquidity**

As on 31st March 2021, 99.99% of total equity shares of the Company were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The shares are available for dematerialisation under **ISIN – INE185H01016**

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

**Dematerialization of Shares – Process**

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Link Intime India Private Limited.
- RTA will process the DRF and confirm or reject the request to DP/ depositories.
- Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP.

**Outstanding GDRs/ADRs/Warrants**

The Company has no outstanding GDRs/ ADRs/Warrants as on 31st March 2021.

**Commodity price risk or foreign exchange risk and hedging activities:**

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

**Plant Locations:**

- Plot C2, Phase II, MEPZ-SEZ, Tambaram, Chennai – 600045.
- No: 208, Velachery Tambaram Road, Narayanapuram, Pallikaranai, Chennai 600100.

**Address for Correspondence:**
**Celebrity Fashions Limited**

CIN : L17121TN1988PLC015655

Registered & Corporate Office

SDF - IV & C2, 3rd Main Road,

MEPZ - SEZ, Tambaram,

Chennai 600 045.

Tel : + 91 44 4343 2200 / 4343 2189

Email : [investorservices@celebritygroup.com](mailto:investorservices@celebritygroup.com)

Website : [www.celebritygroup.com](http://www.celebritygroup.com)

#### Credit ratings

The details of Credit rating obtained by the Company as on 31st March 2021 is as follows:

Credit Rating Agency	Loan Facilities	Rating
CRISIL Limited	Long term	CRISIL BB-
	Short term	CRISIL A4+

#### OTHER DISCLOSURES:

##### Related Party Transactions

During FY 2020-21, 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 details of related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

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

##### Vigil Mechanism/ Whistle Blower Policy:

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

##### Code of Conduct

The Company has adopted a Code of Conduct for all board members and senior management of the Company. The Code has been communicated to the directors and the members of the Senior Management of the Company. The code has been displayed on the Company's website namely [www.celebritygroup.com](http://www.celebritygroup.com). All the members of the Board and senior management have confirmed compliance with the Code for the year ended, 31st March 2021. The annual report contains a declaration to this effect signed by the Managing Director and the Company Secretary as Compliance Officer.

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

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

#### CEO / CFO Certification

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the financial year 2020-21 signed by Mr. Vidyuth Rajagopal, Managing Director and Mr. S Venkataraghavan, Chief Financial Officer was placed before the Board of Directors of the Company at their meeting held on 21st May, 2021.

#### Non-mandatory requirements under Listing Regulations

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

- The Company's Financial Statements have been accompanied with unmodified audit opinion.
- It complies with the requirement of having separate persons to the post of Chairman and Managing Director.
- The Internal Auditor reports directly to the Audit Committee.

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

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

There were no instances, wherein the Board had not accepted recommendations made by any Committee of the Board.

#### Details of utilization of funds raised through preferential allotment or qualified institutional placement :

The Company did not raise any funds through preferential allotment or qualified institutional placement that are unutilized.

#### Total fees paid by the listed entity to the Statutory Auditor:

S. No	Name of Auditor	Description of Service	Amount ₹
1.	SRSV & Associates	Statutory Audit	Rs. 4,50,000

Information relating to Directors seeking appointment/reappointment as required under Regulation 36(3) of Listing Regulations is given in the Notice of the ensuing 32<sup>nd</sup> Annual General Meeting.

#### Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year 2020-21

S. No	Particulars	Number of Complaints
1.	Number of complaints filed during the financial year	NIL
2.	Number of complaints disposed of during the financial year	NIL
3.	Number of complaints pending as on end of the financial year	NIL

**Equity shares in Unclaimed Suspense Account under Regulation 39 and Schedule VI of Listing Regulations.**

The details of Equity shares in Unclaimed Suspense Account under Regulation 39 and Schedule VI of Listing Regulations are as follows:

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, 2020	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 2021	NIL	NIL

**Certificate from Company Secretary in Practice:**

A certificate from Mr. **K.J. Chandra Mouli** of M/s. BP & Associates, Company Secretary in Practice has been attached with this Report stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

**Declaration of Compliance with the Code of Conduct**

I hereby confirm that the Company has obtained from all the members of the Board and senior management personnel, affirmation that they have complied with the Code of Conduct laid down by the Company for the financial year ended 31st March, 2021.

For Celebrity Fashions Limited

Date: 21<sup>st</sup> May, 2021  
Place: Chennai

**Vidyuth Rajagopal**  
Managing Director  
(DIN:07578471)

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

To

The Members

**Celebrity Fashions Limited**

We have examined the compliance of conditions of Corporate Governance by Celebrity Fashions Limited ("the Company") for the year ended 31st March, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic. We certify that the company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of the Listing Regulations.

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

For **BP & Associates**  
Company Secretaries

Date : 21<sup>st</sup> May, 2021  
Place: Chennai

**K.J. CHANDRA MOULI**  
Partner  
M No: 25315  
CP No: 15708  
UDIN: A025315C000351047

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
Celebrity Fashions Limited  
SDF – IV & C2, Third Main Road,  
MEPZ – SEZ, Tambaram,  
Chennai – 600045

We have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of CELEBRITY FASHIONS LIMITED having CIN: L17121TN1988PLC015655 and having registered office at SDF - IV & C 2, Third Main Road, MEPZ - SEZ, Tambaram, Chennai – 600 045 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company*
1	Mr. Venkatesh Rajagopal	00003625	28-04-1988
2	Mrs. Rama Rajagopal	00003565	04-01-1994
3	Mr. Vidyuth Venkatesh Rajagopal	07578471	01-08-2016
4	Mr. Ranganath Nuggehalli Krishna	00004044	06-09-2005
5	Mrs. Nidhi Reddy	00004081	06-09-2005
6	Mr. Manoj Mohanka	00128593	11-11-2019
7	Mr. Krishnamurthy Sridhar	02916536	01-08-2016

\*The date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BP & Associates**  
Company Secretaries

Date : 21<sup>st</sup> May, 2021  
Place: Chennai

**K.J .CHANDRA MOULI**  
Partner  
M No: 25315  
CP No: 15708  
UDIN: A025315C000351036

## INDEPENDENT AUDITOR'S REPORT

To the Members of CELEBRITY FASHIONS LIMITED

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **CELEBRITY FASHIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, and its Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to Note No. 41 to the financial statements, which describe the uncertainties and the impact of the Covid-19 pandemic on the Company's operations and results as assessed by management. The actual results may differ from such estimates depending on future developments.

Our opinion is not modified in respect of this matter

### Material Uncertainty Related to Going Concern

The Company has significant accumulated losses as at the date of the Balance Sheet. These events or conditions, along with other matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. 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. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### a) Revenue recognition (Ind AS 115)

The application of the new standard on recognition of revenue involves significant judgment and estimates made by the management which includes identification of performance obligations contained in contracts, determination of the most appropriate method for recognition of revenue relating to the identified performance obligations, assessment of transaction price and allocation of the assessed price to the individual performance obligations.

Audit procedure involved review of the Company's Ind AS 115 implementation process and key judgments made by management, evaluation of customer contracts in light of Ind AS 115 on sample basis and comparison of the same with management's evaluation and assessment of design and operating effectiveness of internal controls relating to revenue recognition.

Based on the procedures performed, it is concluded that management's judgments with respect to recognition and measurement of revenue in light of IND AS 115 is appropriate.

Furthermore, the appropriateness of the disclosures made in Note 26 & 1.5 to the financial statements was assessed.

**b) Existence and impairment of Trade Receivables**

Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the Company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place which impacts the timing of revenue recognition. Given the magnitude and judgment involved in the impairment assessment of trade receivables, we have identified this as a key audit matter.

We performed audit procedures on existence of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.

In calculating the Expected Credit Loss as per Ind AS 109 – "Financial Instruments", the Company has also considered the estimation of probable future customer default and has taken into account an estimation of possible effect from the pandemic relating to Covid-19.

We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.

Further more we assessed the appropriateness of the disclosures made in Note No. 1.17 to the financial statements.

**c) Assessment of Provisions for taxation, litigations and claims:**

As at March 31, 2021 Celebrity Fashions Limited had a provision in respect of possible or actual taxation disputes, litigation and claims to the tune of Rs 29,03,868/- These provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various forums

The Audit addressed this Key Audit Matter by assessing the adequacy of tax Provisions by reviewing correspondence with tax Authorities

Discussing significant litigations and claims with the Company's Internal Legal Counsel

Obtaining Letters from Celebrity Fashions External Advisors including their views regarding the likely outcome and magnitude of and exposure to the relevant litigation and claims

Reviewing previous judgments made by relevant tax Authorities and opinions given by Company's advisors.

Assessing the reliability of the past estimates of the management.

Based on the procedures performed, it is concluded that the management's assessment of the outcome of pending litigations and claims is appropriate.

Furthermore, the appropriateness of the disclosures made in note 46 to the financial statements was assessed.

**d) Recognition and measurement of deferred taxes**

The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with Ind AS.

This involves significant calculations requiring detailed knowledge of applicable tax laws.

The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and re-performance of calculations and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards on sample basis.

The audit procedures performed did not lead to identification of any material misstatement with respect to recognition and measurement of deferred taxes.

Furthermore, the appropriateness of the disclosures made in note 1.8.2 to the financial statements was assessed.

**e) Accuracy on valuation of Inventory**

Management judgment is required to establish the carrying value of inventory particularly in relation to determining the appropriate level of provisions in relation to obsolete and Surplus items.

The judgment reflects that inventory is held to support Company's operations which results in the Company holding inventory for extended periods before utilization. In cases of disputes with land owners we have relied on Management Representation.

Physical Verification of Inventory was not conducted on 31st March 2021 owing to internal safety protocols followed to prevent spread of COVID – Second wave, accordingly necessary Alternative Audit Procedures have been conducted to conclude that inventory is free of material misstatements. With respect to the Net Realizable value of Inventory the Company has provided Management Representations that there is no significant impact on account of Covid as all contracts are based on fixed prices.

Audit procedures include testing the inventory provisions, we assessed the management control and estimation of inventory provisions and their appropriateness. Future salability of inventory was assessed based on past track records.

Based on the audit procedure performed, no material discrepancies were identified.

**f) Adoption of IND AS 116 – Leases**

As described in Note 5 to the financial statements, the Company has adopted Ind AS 116 - Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit.

Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition. Refer Note No. 5 & 1.23 to the financial statements.

Our audit procedures on adoption of Ind AS 116 include:

- Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116).
- Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;
- Evaluated the reasonableness of the discount rates applied in determining the lease liabilities.

On a statistical sample, we performed the following procedures:

- assessed the key terms and conditions of each lease with the underlying lease contracts; and
- evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term.
- Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures



### Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone 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 Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity 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 the rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and companies (Indian Accounting Standards Amendment Rules, 2016). 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 Companies Act, 2013, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in the equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act as amended:



In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note No. 46 to the Standalone Financial Statements;
  - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SRSV & Associates  
Chartered Accountants  
F.R.No.015041S

V. Rajeswaran  
Partner

Date : 21<sup>st</sup> May, 2021  
Place: Chennai

Membership No. 020881  
UDIN : 21020881AAAADD1292

#### Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Celebrity Fashions Limited of even date)

- In respect of the Company's fixed assets:
  - The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- Physical verification of Inventory was not conducted on 31st March 2021 owing to internal safety protocols followed to prevent spread of COVID – Second wave, accordingly necessary alternative Audit procedures have been conducted to conclude that inventory is free of material misstatements and no material discrepancies were noticed.
- In our opinion and according to the information and explanations given to us 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. (Based on the above para, matters referred in clause iii(a), iii(b) and iii(c) of paragraph 3 of Companies (Auditors Report) Order 2016 are not applicable).

- In our opinion and according to the explanations given to us there are no loans, investments, guarantees and securities provided by the Company as specified under Sections 185 and 186 of the Companies Act, 2013. Therefore, the provisions of the paragraph 3(iv) of the order are not applicable to the Company.
- In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- 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.
- Undisputed and disputed taxes and duties
  - According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, Goods and service tax, cess and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months.
  - As at March 31, 2021 according to the records of the Company, the following are the particulars of the disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax and cess, which have not been deposited on account of dispute:

Name of the Statute	Nature of Dues	Assessment Year to which the amount relates	Forum where the dispute is pending	Amount (in Rs)
Income Tax Act, 1961	Income Tax	2003-04	Pending before the Assessing Officer	526,669*
Income Tax Act, 1961	Income Tax	2004-05	Pending before the Assessing Officer	961,087*
Income Tax Act, 1961	Fringe Benefit Tax	2007-08	Pending for rectification before the Assessing Officer	699,860
Income Tax Act, 1961	Fringe Benefit Tax	2008-09	Pending for rectification before the Assessing Officer	601,600
Income Tax Act, 1961	Income Tax	2011-12	Pending for rectification before the Assessing Officer and appeal before the Commissioner of Income Tax Appeals, Chennai	114,652
<b>Total</b>				<b>2,903,868</b>

\* Relating to Income Tax dues of Partnership Firm Celebrity Connections

- Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or debenture holders (To be read along with note no. 46 regarding SBI recompense).
- To the best of our knowledge and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the Company has utilized the monies raised by way of term loans for the purpose for which they were raised.
- In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the financial year.
- In our opinion and according to the information and explanations given to us, managerial remuneration has been provided in accordance with the requisite approvals mandated by Section 197 read with Schedule V of the Companies Act, 2013.

- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause xii of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xiii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause XIV of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors. Accordingly, clause xv of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause xvi of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

For SRSV & Associates  
Chartered Accountants  
F.R No.015041S

Date : 21<sup>st</sup> May, 2021  
Place: Chennai

V. Rajeswaran  
Partner  
Membership No. 020881  
UDIN : 21020881AAAADD1292

## Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Celebrity Fashions Limited of even date)

### Report on the Internal Financial Controls over Financial Reporting 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, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### 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, to the best of our information and according to the explanations given to us, 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SRSV & Associates  
Chartered Accountants  
F.R. No. 015041S

Date : 21<sup>st</sup> May, 2021  
Place: Chennai

V. Rajeswaran  
Partner  
Membership No. 020881  
UDIN : 21020881AAAADD1292

**Balance Sheet as at 31st March 2021**

₹. In Crores

Particulars	Note No.	As at 31-Mar-21	As at 31-Mar-20
<b>I ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant & Equipments	2	21.58	24.73
(b) Other Intangible assets	3	0.02	0.06
(c) Investment property	4	-	-
(d) Right of use asset	5	6.10	14.51
		<b>27.70</b>	<b>39.30</b>
(e) Financial assets			
(i) Loans	6	2.64	3.10
(f) Income Tax Assets	7	3.36	3.30
(g) Deferred tax assets (Net)	8	-	-
<b>Total Non-Current Assets</b>		<b>33.70</b>	<b>45.70</b>
<b>2 Current Assets</b>			
(a) Inventories	9	59.61	57.26
(b) Financial assets			
(i) Trade receivables	10	54.52	29.57
(ii) Cash and Cash equivalents	11	0.09	0.24
(iii) Bank balances other than Cash and Cash equivalents	12	0.80	3.06
(iv) Loans	6	0.16	0.21
(v) Other Financial assets	13	0.13	0.03
(c) Other current assets	14	8.48	9.01
<b>Total Current Assets</b>		<b>123.79</b>	<b>99.38</b>
<b>Total Assets</b>		<b>157.49</b>	<b>145.08</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Share Capital	15	47.77	47.77
<b>Other Equity</b>			
(a) Reserves and Surplus	16	(44.13)	(38.10)
(b) Money received against Warrants	17	-	-
<b>Total Equity</b>		<b>3.64</b>	<b>9.67</b>
<b>2 Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	36.06	26.74
(ii) Lease liabilities	19	4.05	11.69
(b) Other non current liabilities	20	0.19	0.20
<b>Total Non-Current Liabilities</b>		<b>40.30</b>	<b>38.63</b>

₹. In Crores

Particulars	Note No.	As at 31-Mar-21	As at 31-Mar-20
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	41.40	41.09
(ii) Lease liabilities	19	3.95	4.71
(iii) Trade Payables			
Due to Micro, Small and Medium Enterprises	22	0.14	0.04
Due to Others	22	29.49	24.05
(iv) Other Financial Liabilities	23	25.07	14.54
(b) Other current liabilities	24	6.09	6.16
(c) Short-term provisions	25	7.41	6.19
<b>Total Current Liabilities</b>		<b>113.55</b>	<b>96.78</b>
<b>Total Liabilities</b>		<b>153.85</b>	<b>135.41</b>
<b>Total Equity and Liabilities</b>		<b>157.49</b>	<b>145.08</b>

Summary of Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

To be read with our report of even date

For and on Behalf of the Board

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

**V. Rajeswaran**  
Partner  
Membership Number 020881

Chennai  
21 May 2021

**V. Rajagopal**  
Chairman  
DIN: 00003625

**Vidyuth Rajagopal**  
Managing Director  
DIN 07578471

**A. Rishi Kumar**  
Company Secretary  
M.No:42884

**S Venkataraghavan**  
Chief Financial Officer

**Statement of Profit and Loss for the year ended 31st March 2021**

₹ In Crores (except per share data)

Particulars	Note No.	For the Year Ended 31-Mar-21	For the Year Ended 31-Mar-20
I Revenue from Operations	26	232.77	232.50
II Other Income	27	0.88	(3.54)
<b>III Total Revenues</b>		<b>233.65</b>	<b>228.96</b>
<b>IV Expenses</b>			
a Cost of Materials	28	139.65	130.96
b Changes in Inventories of Finished Goods & Work-in-Progress - (Inc) / Dec	29	(1.87)	(10.11)
c Employee Benefit Expenses	30	54.91	59.99
d Other Expenses	31	34.00	29.56
<b>Total Expenses</b>		<b>226.69</b>	<b>210.40</b>
<b>V Earnings before Interest, Depreciation and Tax (III - IV)</b>		<b>6.96</b>	<b>18.56</b>
e Finance Costs	32	5.80	8.06
f Depreciation	33	6.73	9.30
		12.53	17.36
<b>VI Profit / (Loss) before Tax and Exceptional Items</b>		<b>(5.57)</b>	<b>1.20</b>
<b>VII Exceptional Item - (Expense) / Income</b>	34	-	15.64
<b>VIII Profit / (Loss) before Tax after Exceptional Items</b>		<b>(5.57)</b>	<b>16.84</b>
<b>IX Tax Expenses</b>			
a Current Tax Expense		-	-
b Deferred Tax		-	-
<b>Profit/ (Loss) after tax</b>		<b>(5.57)</b>	<b>16.84</b>
<b>X Other comprehensive income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Remeasurement of post employment benefit obligations	35	(0.46)	(0.91)
Income tax relating to these items			
<b>Other Comprehensive Income (net of tax expense)</b>		<b>(0.46)</b>	<b>(0.91)</b>
<b>XI Total Comprehensive Income for the year</b>		<b>(6.03)</b>	<b>15.93</b>
<b>XII Earnings Per Share - In ₹ before Extra-Ordinary Item</b>	45		
Basic		(1.26)	3.34
Diluted		(1.26)	3.34
<b>XIII Earnings Per Share - In ₹ after Extra-Ordinary Item</b>	45		
Basic		(1.26)	3.34
Diluted		(1.26)	3.34

Summary of Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

To be read with our report of even date

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

**V. Rajeswaran**  
Partner  
Membership Number 020881

Chennai  
21 May 2021

For and on Behalf of the Board

**V. Rajagopal**  
Chairman  
DIN: 00003625

**Vidyuth Rajagopal**  
Managing Director  
DIN 07578471

**A. Rishi Kumar**  
Company Secretary  
M.No:42884

**S Venkataraghavan**  
Chief Financial Officer

**Statement of Cashflow for the year ending 31st March 2021**

₹ In Crores

S No.	Particulars	Year ended 31-Mar-21		Year ended 31-Mar-20	
<b>A</b>	<b>Cashflow from Operating Activities</b>				
	<b>Net Profit before Tax</b>		<b>(5.57)</b>		<b>16.84</b>
	Adjustments for:				
	Depreciation for the Year	6.73		9.30	
	Profit on sale of Land & Buildings	-		(15.64)	
	Interest & Finance Charges paid	5.80		8.06	
	Government Grant	(0.03)		(0.02)	
	Interest Income	(0.30)	12.20	(0.19)	1.51
	<b>Operating Profit before Working Capital Changes</b>		<b>6.63</b>		<b>18.35</b>
	Adjustments for:				
	Decrease / (Increase) in debtors and other receivables	(24.00)		5.24	
	Decrease / (Increase) in inventories	(2.35)		(7.46)	
	Increase / (Decrease) in creditors and other payables	13.22	(13.13)	1.57	(0.65)
	<b>Cash generated from Operations</b>		<b>(6.50)</b>		<b>17.70</b>
	Income Taxes Refund / (Paid) (net)		(0.08)		(0.24)
	<b>Net Cash from Operating Activities</b>		<b>(6.58)</b>		<b>17.46</b>
<b>B</b>	<b>Cashflow from Investing Activities</b>				
	(Purchase) / Sale of Fixed Assets - Net	(0.10)		(0.08)	
	Gross proceeds from sale of investment property	-		17.03	
	Increase in Restricted Cash Balances	-		-	
	Increase in Fixed Deposits	2.26		(1.36)	
	Interest Received	0.12	2.28	0.19	15.78
	<b>Net Cash (Used In) / from Investing Activities</b>		<b>2.28</b>		<b>15.78</b>
<b>C</b>	<b>Cashflow from Financing Activities</b>				
	Proceeds from issue of Share Capital	-		-	
	Application Money Received	-		-	
	Short Term Borrowings	0.31		(4.71)	
	Term loan Receipts (Net)	12.62		(19.12)	
	Interest and Finance Charges paid	(5.55)		(7.81)	
	Principal repayment of lease liabilities	(3.23)		(3.45)	
	<b>Net Cash (Used In) / from Financing Activities</b>		<b>4.15</b>		<b>(35.09)</b>
	<b>Net Increase in Cash and Cash Equivalents</b>		<b>(0.15)</b>		<b>(1.85)</b>
	Cash and Cash Equivalents (Opening Balance)		0.24		2.09
	<b>Cash and Cash Equivalents (Closing Balance)</b>		<b>0.09</b>		<b>0.24</b>

The accompanying notes are an integral part of the financial statements

To be read with our report of even date

**SRSV & Associates**

Chartered Accountants  
ICAI Firm Registration No. 015041S

**V. Rajeswaran**

Partner  
Membership Number 020881

Chennai  
21 May 2021

For and on Behalf of the Board

**V. Rajagopal**  
Chairman  
DIN: 00003625

**Vidyuth Rajagopal**  
Managing Director  
DIN 07578471

**A. Rishi Kumar**  
Company Secretary  
M.No:42884

**S Venkataraghavan**  
Chief Financial Officer



**Statement of Changes in Equity**

₹ in Crores

**i. Equity Share Capital**

Particulars	Note	No.of shares	Amount
Balance as at 1st April 2019	15	4,77,68,005	47.77
Changes in equity share capital during the year		-	-
Balance as at 31st March 2020		4,77,68,005	47.77
Changes in equity share capital during the year		-	-
<b>Balance as at 31st March 2021</b>		<b>4,77,68,005</b>	<b>47.77</b>

**ii. Other Equity**

Particulars	Note	Security Premium Reserve	Reserves and Surplus Retained Earnings	Total	Others Money Received Against
Balance as at 31st March 2019	16	3.28	(57.31)	(54.03)	-
Profit for the period		-	16.84	16.84	-
Other comprehensive income		-	(0.91)	(0.91)	-
Issue of Shares		-	-	-	-
Conversion of Warrants		-	-	-	-
Dividends paid		-	-	-	-
Dividend distribution tax		-	-	-	-
Transfer to general reserve		-	-	-	-
<b>Balance as at 31st March 2020</b>		<b>3.28</b>	<b>(41.38)</b>	<b>(38.10)</b>	<b>-</b>
Balance as at 1st April 2020	16	3.28	(41.38)	(38.10)	-
Profit for the period		-	(5.57)	(5.57)	-
Other comprehensive income		-	(0.46)	(0.46)	-
Issue of Shares		-	-	-	-
Conversion of Warrants		-	-	-	-
Dividends paid		-	-	-	-
Dividend distribution tax		-	-	-	-
Transfer to general reserve		-	-	-	-
<b>Balance as at 31st March 2021</b>		<b>3.28</b>	<b>(47.41)</b>	<b>(44.13)</b>	<b>-</b>

The accompanying notes are an integral part of the financial statement

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

**V. Rajeswaran**  
Partner  
Membership Number 020881

Chennai  
21 May 2021

For and on Behalf of the Board

**V. Rajagopal**  
Chairman  
DIN: 00003625

**Vidyuth Rajagopal**  
Managing Director  
DIN 07578471

**A. Rishi Kumar**  
Company Secretary  
M.No: 42884

**S Venkataraghavan**  
Chief Financial Officer

## Notes on Financial Statements for the year ended 31st March, 2021

### 1 Significant Accounting Policies

#### Company Overview

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

#### 1.1 Statement of Compliance

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

#### 1.2 Basis of Preparation of Financial Statements

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

The principal accounting policies are set out below:

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

#### 1.3 Going Concern

The board of directors have considered the financial position of the Company at 31 March 2021 and projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

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

#### 1.4 Use of Estimates and Judgements

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

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

#### 1.5 Revenue Recognition

The Company has applied Ind AS 115 from April 1, 2018 and had opted for Modified retrospective application with the cumulative effect of initially applying this standard recognised at the date of initial application. The standard has been applied to all open contracts as on 1st April 2018, and subsequent contracts with customers from that date.

#### 1.5.1 Sale of Goods

Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has possession and legal title of the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

#### 1.5.2 Income from service

Revenue from job contract manufacturing activities is recognised when the performance obligations are satisfied and the control of the product is transferred at a point in time, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has possession and legal title of the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

#### 1.6 Foreign Currencies

##### 1.6.1 Functional and presentation currency

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

##### 1.6.2 Transaction balances

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

#### 1.7 Employee Benefits

##### 1.7.1 Short term obligations

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

##### 1.7.2 Other Long term employee benefit

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

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

### 1.7.3 Post employment obligation

The Company operates the following post-employment schemes:

- a. Defined benefit plans such as gratuity for its eligible employees, and
- b. Defined contribution plans such as provident fund

#### Defined Contribution plan:

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

#### Defined benefit plan:

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

### 1.7.4 Bonus Plans

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

### 1.8 Taxation

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

### 1.8.1 Current Tax

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

### 1.8.2 Deferred Tax

Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future. In case of 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.

### 1.8.3 Current and deferred tax for the year

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

### 1.9 Property, Plant and Equipment

Property, Plant And Equipment are stated at cost including incidental expenses related to acquisition and installation, less accumulated depreciation and impairment if any. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. 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.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

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.

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

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.

#### 1.10 Intangible Assets

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

##### Amortization of Intangible Assets

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

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

#### 1.11 Investment property

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

#### 1.12 Impairment of tangible and intangible assets

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

#### 1.13 Inventories

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

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

#### 1.14 Provisions and contingencies

##### Provisions

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

##### Contingent liabilities

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

#### 1.15 Financial instruments

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

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

## **1.16 Financial Assets**

### **1.16.1 Classification of financial assets**

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

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

- those measured at amortised cost

#### **Debt instruments**

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

#### **Amortised Cost**

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

#### **Fair value through other comprehensive income (FVOCI):**

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

#### **Fair value through profit or loss:**

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

#### **Equity instruments**

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

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

## **1.17 Trade Receivables**

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

## **1.18 Cash and Cash equivalents**

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

## **1.19 Impairment of Financial assets**

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

- Financial assets measured at amortized cost

- Financial assets measured at fair value through other comprehensive income

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

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

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

## **1.20 Income Recognition**

### **Interest Income**

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

## **1.21 Financial liabilities**

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

### **1.21.1 Trade and other payables**

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

### **1.21.2 Borrowing**

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



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

### 1.21.3 Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

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

### 1.22 Segment reporting

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

### 1.23 Leases

*Till March 31, 2019*

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

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

*With effective from April 1, 2019*

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Company under residual value guarantees,

- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Such modification is adjusted against the Right-of-use asset

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

### 1.24 Borrowing costs

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

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



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

#### 1.25 Government grants

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

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

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

#### 1.26 Earning Per Share

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

#### 1.27 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.

#### 1.28 New standards and amendments

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1st April 2019:

- i) Ind AS 116, Leases
- ii) Uncertainty over income tax treatments - Appendix C to Ind AS 12, Income Taxes
- iii) Plan amendment, Curtailment and Settlement - Amendments to Ind AS 19, Employee Benefits
- iv) Amendment to Ind AS 12, Income Taxes
- v) Amendment to Ind AS 23, Borrowing costs

The company adopted Ind AS 116 Leases standard, the impact of adoption has been disclosed as part of notes. Other amendments did not have any significant impact on the financial statements.

## Notes on Financial Statements for the year ended 31st March 2021

₹in Crores

### 2 Property, Plant & Equipment

The reconciliation for changes in the carrying value of property, plant and equipment for the year ended March 31, 2021 are as follows:

Sl. No.	Asset Description	Deemed Cost / Gross Block				Accumulated Depreciation			Net Block	
		As at 1-Apr-20	Additions	Deletions / Adjustments	As at 31-Mar-21	As at 1-Apr-20	Depreciation for the year 31-Mar-21	Deletions	As at 31-Mar-21	31-Mar-21 31-Mar-20
1	Land and Site Development	-	-	-	-	-	-	-	-	-
2	Lease Hold Land	-	-	-	-	-	-	-	-	-
3	Buildings	11.43	-	-	11.43	0.99	0.23	-	1.22	10.21 10.44
4	Plant & Machinery	25.55	0.05	-	25.60	11.96	2.80	-	14.76	10.84 13.59
5	Electrical Installation	3.11	-	-	3.11	2.95	0.05	-	3.00	0.11 0.16
6	Office Equipments	0.61	-	-	0.61	0.24	0.11	-	0.35	0.26 0.37
7	Computers	0.33	0.07	-	0.40	0.24	0.07	-	0.31	0.09 0.09
8	Vehicles	-	-	-	-	-	-	-	-	-
9	Furniture & Fixtures	0.26	-	-	0.26	0.18	0.01	-	0.19	0.07 0.08
<b>Total</b>		<b>41.29</b>	<b>0.12</b>	<b>-</b>	<b>41.41</b>	<b>16.56</b>	<b>3.27</b>	<b>-</b>	<b>19.83</b>	<b>21.58 24.73</b>

Refer to notes 1.9 for information on significant accounting policies.

**Notes on Financial Statements for the year ended 31st March 2021**

₹in Crores

**3 Other Intangible assets**

The reconciliation for changes in the carrying value of Intangible Asset for the year ended March 31, 2021 are as follows:

Sl. No.	Asset Description	Deemed Cost / Gross Block				Accumulated Depreciation				Net Block	
		As at 1-Apr-20	Additions	Deletions / Adjustments	As at 31-Mar-21	As at 1-Apr-20	Depreciation for the year 31-Mar-21	Deletions	As at 31-Mar-21	31-Mar-21	31-Mar-20
1	Computer Software										
	- Acquired	0.15	-	-	0.15	0.09	0.04	-	0.13	0.02	0.06
	Total	0.15	-	-	0.15	0.09	0.04	-	0.13	0.02	0.06

Refer to note 1.10 for information on significant accounting policies.

**4 Investment Property**

The reconciliation for changes in the carrying value of Investment property for the year ended March 31, 2021 are as follows:

Sl. No.	Asset Description	Deemed Cost / Gross Block					Accumulated Depreciation			Net Block	
		As at 1-Apr-20	Additions	Deletions / Adjustments	As at 31-Mar-21	As at 1-Apr-20	Depreciation for the year 31-Mar-21	Deletions	As at 31-Mar-21	31-Mar-21	31-Mar-20
1	Land	-	-	-	-	-	-	-	-	-	-
2	Building	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-	-	-	-

**i.Fair Value**

Sl.No.	Particulars	31-Mar-21	31-Mar-20
1	Investment Property	-	-

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

**ii. Amounts recognised in profit or loss for investment property**

Sl.No.	Particulars	31-Mar-21	31-Mar-20
	<b>Rental Income</b>		
1	Direct operating expenses from property that generated rental income	-	-
2	Direct operating expenses from property that did not generate rental income	-	-
	<b>Profit from investment properties before depreciation</b>	<b>-</b>	<b>-</b>
	Depreciation	-	-
	<b>Profit from investment properties</b>	<b>-</b>	<b>-</b>

## 5.Right to use Asset

Particulars	Building
Gross Block	
Opening/(On transition to Ind AS 116)	14.61
Additions during the year	-
(Deletions during the year due to modification of lease payments)	(1.34)
(Modification during the year due to modification of lease payments)	(3.65)
<b>Closing Balance during the year</b>	<b>9.51</b>
Amortisation	-
Additions	3.42
Amortisation for the year	3.42
<b>Closing Balance during the year</b>	<b>6.10</b>

The company has generally leased building for factory, the lease period, ranges from 2-7 years, lease terms included for workings is the non-cancellable period and expected lease term.

Company has exercised the option of short term leases and low value asset exemption.

### Extension and termination options

Extension options has been included in a certain of leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations.

### Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

For leases of factory building, the following are normally the most relevant:

- If there are significant penalties to terminate or not extend, the Company is typically reasonably certain to extend.
- If the leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend.
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised or not exercised, or the Company becomes obliged to exercise or not exercise. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases. The Company has applied Ind AS 116 using the modified retrospective approach with cumulative effect of initial application recognised in retained earnings at April 1, 2019. The comparative information in the financial statements would not be restated and would be presented based on the requirements of the previous standard i.e. Ind AS 17.

In adopting Ind AS 116, the Company has applied the below practical expedients:

- The company has not reassessed whether a contract is, or contains, a lease as per the definitions of Ind AS 116 at the date of initial application.
- The company applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The company relied on its assessment of whether leases are onerous applying Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, immediately before the date of initial application as an alternative to performing an impairment review as per Ind AS 36 Impairment of assets.
- The Company has treated the leases with remaining lease term of less than 12 months as "short term leases".
- The Company has excluded the initial direct costs from measurement of the right-of-use asset at the "date of transition".
- The company used hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

Effective 1st April 2019, the company has adopted Ind AS 116 "Leases" and applied the Standard to its leases retrospectively and has recognised the effect of the cumulative adjustment (net of taxes) of Rs.3.25 Crores in the opening balance of retained earnings, on the date of initial application (1st April 2019). Accordingly, comparatives for the period prior has not been restated.

The adoption of the Standard has resulted in recognising "Right-of-use asset" of Rs. 20.83 crores and a corresponding "Lease liability" of Rs. 20.83 crores as at the date of initial application. The net impact on retained earnings on 1st April 2019 is Nil.

PARTICULARS		As at 31st March 2021	As at 31st March 2020
<b>5</b>	<b>Right-of-use assets Non Current</b>		
	Right-of-use assets	6.10	14.51
		<b>6.10</b>	<b>14.51</b>
<b>6</b>	<b>LOANS Non Current</b>		
	<b>Unsecured and considered good</b>		
<b>a</b>	Security Deposits	2.64	3.10
	<b>Total</b>	<b>2.64</b>	<b>3.10</b>
Security Deposits include Rental, Electricity and Other Deposits which have been given for business purposes.			
	<b>Current Unsecured and considered good</b>		
<b>b</b>	Loans and advances to Employees	0.16	0.21
	<b>Total</b>	<b>0.16</b>	<b>0.21</b>
	<b>Breakup of security details</b>		
	Loans considered good - secured	-	-
	Loans considered good - unsecured	2.80	3.31
	Loans which have significant increase in credit risk	-	-
	Loans-credit impaired	-	-
		2.80	3.31
	<b>Less:Loss allowance</b>	-	-
	<b>Total Loans</b>	<b>2.80</b>	<b>3.31</b>
<b>7</b>	<b>INCOME TAX ASSETS</b>		
<b>a</b>	Balance due from Revenue Authorities	3.36	3.30
	<b>Total</b>	<b>3.36</b>	<b>3.30</b>
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.			
<b>8</b>	<b>DEFERRED TAX ASSETS</b>		
	Deferred Tax Asset	-	-
	Deferred Tax Asset on Unabsorbed Depreciation & Business Loss	-	-
	<b>Total</b>	-	-

During the previous year, the Company had recognized deferred tax asset on unabsorbed depreciation and brought forward business losses to the extent of corresponding deferred tax liability.

In accordance with the provisions of Ind AS 12 income taxes, the Company has deferred tax assets which have not been recognized due to absence of virtual certainty backed by convincing evidence of sufficient future taxable income against which such assets could be offset.

**Notes on Financial Statements for the year ended 31st March 2021**

₹in Crores

PARTICULARS		As at 31st March 2021	As at 31st March 2020
<b>9</b>	<b>INVENTORIES</b>		
a	Raw Materials	20.04	19.56
b	Work-in-Progress	1.67	0.97
c	Finished Goods	37.90	36.73
	<b>Total</b>	<b>59.61</b>	<b>57.26</b>
Write-downs of inventories to net realisable value amounted to ₹10.55 crs (31 March 2020 – ₹8.76 crs). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished good		10.55	8.76
<b>10</b>	<b>TRADE RECEIVABLES</b>		
a	Dues from related parties	8.42	11.85
b	Unsecured and considered good	46.10	17.72
	<b>Total</b>	<b>54.52</b>	<b>29.57</b>
	<b>Breakup of security details</b>		
	Trade receivables considered good - secured	-	-
	Trade receivables considered good - unsecured	54.52	29.57
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables-credit impaired	-	-
		54.52	29.57
	<b>Less: Loss allowance</b>	<b>-</b>	<b>-</b>
	<b>Total Trade Receivables</b>	<b>54.52</b>	<b>29.57</b>
<b>11</b>	<b>CASH AND BANK BALANCES</b>		
a	Cash and cash equivalents		
	Balances with Banks		
	In Current Account	0.04	0.07
	Cash on hand	0.05	0.17
	<b>Total</b>	<b>0.09</b>	<b>0.24</b>
<b>12</b>	<b>BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
a	Fixed Deposits with Banks	0.80	3.06
	<b>Total</b>	<b>0.80</b>	<b>3.06</b>

Fixed deposits with banks include deposits of ₹0.80 crs with a maturity of more than 3 months, but less than 12 months (Previous Year ₹3.06 crs )

Fixed deposits with banks comprises of restricted bank balances of ₹0.80 crs (Previous year ₹1.97 crs) The restrictions are primarily on account of fixed deposits held as margin money against borrowings / bank guarantees.

PARTICULARS		As at 31st March 2021	As at 31st March 2020
<b>13</b>	<b>OTHER FINANCIAL ASSETS</b>		
<b>a</b>	Amount Receivable on Mark to Market on Forward Contracts	0.11	-
<b>b</b>	Interest accrued on Fixed Deposits	0.02	0.03
	<b>Total</b>	<b>0.13</b>	<b>0.03</b>
<b>14</b>	<b>OTHER CURRENT ASSETS</b>		
	Unsecured and considered good		
<b>a</b>	Advances to suppliers of goods and services	3.55	4.25
<b>b</b>	Prepaid Expenses	0.60	0.42
<b>c</b>	Export Benefit Receivable Duty Drawback Receivable	0.15	0.10
<b>d</b>	Other Indirect Taxes Receivable Service Tax Receivable GST Input Credit (Net) Cenvat Receivable	1.09 2.99 0.10	1.09 3.05 0.10
	<b>Total</b>	<b>8.48</b>	<b>9.01</b>
<b>15</b>	<b>SHARE CAPITAL</b>		
<b>a</b>	<b>Authorized, Issued, Subscribed and Paid-Up Share Capital</b>		
	<b>Authorized Share Capital:</b> 5,40,00,000 (Previous Year 5,40,00,000 ) Equity Shares of ₹10/- each	54.00	54.00
	<b>Issued Capital</b> 4,90,03,765 (Previous year 4,90,03,765) Equity Shares of ₹10/- each	49.00	49.00
	<b>Subscribed and Paid up Capital</b> 4,77,68,005 (Previous Year 4,77,68,005) Equity Shares of ₹10/- each	47.77	47.77
	<b>Total</b>	<b>47.77</b>	<b>47.77</b>
<b>b</b>	<b>Reconciliation of the number of shares</b>		
	Number of Equity Shares outstanding at the beginning of the year	4,77,68,005	4,77,68,005
	Add: Number of Equity Shares issued during the year	-	-
	<b>Number of Equity Shares outstanding at the end of the year</b>	<b>4,77,68,005</b>	<b>4,77,68,005</b>



PARTICULARS		As at 31st March 2021	As at 31st March 2020
<b>c</b>	<b>Rights, Preferences and Restrictions attached to equity Shares</b>		
	Equity Shares having a par value of ₹10/- each with voting rights. Each holder of Equity Shares is entitled to one vote per share.		
	In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of Equity Shares held by the shareholders, after distribution of all preferential amounts.		
<b>d</b>	<b>Shares held by Holding Company, Ultimate Holding Company, Subsidiaries, Associates</b>	NIL	NIL
<b>e</b>	<b>Details of Equity Shares held by each Shareholder holding more than 5%</b>		
Name of the Shareholder		As at 31st March 2020 No. of Shares % held	As at 31st March 2019 No. of Shares % held
	Mr. Venkatesh Rajagopal	10957617 22.9%	10957617 22.9%
	Mrs. Rama Rajagopal	8985962 18.8%	8985962 18.8%
	Davos International Fund	4565000 9.6%	2100000 4.4%
	Mr. Charath Ram Narsimhan	4531315 9.5%	4531315 9.5%
<b>f</b>	<b>Shares allotted for consideration other than cash during the last 5 years</b>	NIL	NIL
<b>16</b>	<b>RESERVES AND SURPLUS</b>		
<b>a</b>	<b>Securities Premium Reserve</b>		
	Opening Balance	3.28	3.28
	Add:		
	Premium received on Equity Shares issued during the year	0.00	0.00
	<b>Closing Balance</b>	<b>3.28</b>	<b>3.28</b>
<b>b</b>	<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
	Opening Balance	(41.38)	(57.31)
	Add:		
	Profit / (Loss) for the year	(5.57)	16.84
	Other Comprehensive Income	(0.46)	(0.91)
	Closing Balance	(47.41)	(41.38)
	<b>Total</b>	<b>(44.13)</b>	<b>(38.10)</b>

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

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

PARTICULARS		As at 31st March 2021	As at 31st March 2020
17	<b>Application Money received against Share Warrants</b>		
	Opening Balance	-	-
	Add: Received during the year	-	-
	Less: Converted during the year	-	-
	<b>Closing balance</b>	-	-
18	<b>LONG TERM BORROWINGS</b>		
	<b>Unsecured</b>		
	<b>Preference Shares</b>		
	<b>Authorized</b>		
	2,60,00,000 (Previous Year 2,60,00,000) 1% Cumulative Redeemable Preference Shares of ₹10/- each	26.00	26.00
	<b>Issued, Subscribed and Paid up</b>		
	2,51,04,500 (Previous year 2,51,04,500 and on 1st April 2016 is 2,51,04,500) 1% Cumulative Redeemable Preference Shares of ₹10/- each	25.10	25.10
	Preference Shares Classified as Borrowing held under amortised cost model	26.99	26.74
	<b>Secured</b>		
	<b>Term loans from Banks</b>		
	Guaranteed Emergency Credit Line (GECL)	9.07	-
	Funded Interest Term loans	-	-
	<b>Total</b>	<b>36.06</b>	<b>26.74</b>
	<b>Net debt reconciliation</b>		
	Particulars	31-Mar-21	31-Mar-20
	Current borrowings	(44.96)	(41.09)
	Non current borrowings	(36.05)	(26.74)
	<b>Net debt</b>	<b>(81.01)</b>	<b>(67.83)</b>

<b>PARTICULARS</b>	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
	Liabilities from financing activities	
<b>Particulars</b>	<b>Non current borrowings</b>	<b>Current borrowings</b>
Net debt as on 01st April 2019	(42.69)	(48.71)
Cash flows	15.95	7.62
Acquisition - Finance leases	-	-
Foreign Exchange Adjustments	-	-
Interest expense	(1.18)	(2.47)
Interest paid	1.18	2.47
<u>Other non-cash movements</u>	-	-
-Acquisition/disposals	-	-
-Fair value adjustments	-	-
<b>Net debt on 31st March 2020</b>	<b>(26.74)</b>	<b>(41.09)</b>
Net debt as on 01st April 2020	(26.74)	(41.09)
Cash flows	(9.32)	(3.87)
Acquisition - Finance leases	-	-
Foreign Exchange Adjustments	-	-
Interest expense	(0.41)	(2.28)
Interest paid	0.41	2.28
<u>Other non-cash movements</u>	-	-
-Acquisition/disposals	-	-
-Fair value adjustments	-	-
<b>Net debt on 31st March 2021</b>	<b>(36.06)</b>	<b>(44.96)</b>

PARTICULARS	As at 31st March 2021	As at 31st March 2020
<b>a Rights, Preferences and Restrictions attached to Preference shares</b>		
The Cumulative Redeemable Preference Shares carry a dividend of 1% p.a. and will be redeemed in 5 equal annual installments starting with the financial year 2022.		
<b>b Details of 1% Cumulative Redeemable Preference Shares held by each Shareholder more than 5%</b>		
	As at 31-Mar-2021	As at 31 March 2020
<b>Name of the Shareholder</b>	<b>No. of Shares % held</b>	<b>No. of Shares % held</b>
State Bank of India	25104500 100.0%	25104500 100.0%
<b>% Holding</b>		
State Bank of India	100.0%	100.0%
There is no movement of Preference shares during the year and previous period of 2 years		
<b>c Details of Term loans - Bank wise, Repayments and Security</b>		
Term loans from State Bank of India	12.62	-
Loans Classified under Other Current Liabilities - being current maturities of long term borrowings	3.55	-
<b>Long Term Borrowings</b>	<b>9.07</b>	<b>-</b>
The above term loans extended by State Bank of India (SBI) are secured by hypothecation of current assets including stock and receivables.		
Also the loans are additionally secured by the following collaterals:		
Hypothecation charge of the entire plant & machinery		
Equitable mortgage over leasing rights of land (2.306 acres and building (168050 Sq.ft) at Plot No.C-2, Phase - II,		
Pledge of 1,30,97,987 shares belonging to the Promoter Directors		
Personal Guarantee of Promoter Directors & Managing Director		
There were no pending obligations on interest and debt repayment to the lender, State Bank of India as on 31st March 2021.		
The Company has availed GECL - 2.0 Credit Scheme for Rs.9.26 cr under Aatma Nirbhar Bharat Package announced by Central Government.		
<b>19 LEASE LIABILITY</b>		
Non-Current	4.05	11.69
Current	3.95	4.71
<b>Total</b>	<b>8.00</b>	<b>16.40</b>

PARTICULARS		As at 31st March 2021	As at 31st March 2020
<b>20</b>	<b>OTHER NON CURRENT LIABILITIES</b>		
	Government Grant	0.19	0.20
	<b>Total</b>	<b>0.19</b>	<b>0.20</b>
<b>21</b>	<b>SHORT-TERM BORROWINGS</b>		
<b>a</b>	<b>Loans Repayable on Demand from Banks</b>		
	Secured:		
	Working Capital Facilities	18.27	20.76
	Export Bills Discounted	23.13	20.33
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			
Equitable mortgage over leasing rights of land (2.306 acres and building (168050 Sq.ft) at Plot No.C-2, Phase - II,			
Pledge of 1,30,97,987 shares belonging to the Promoter Directors			
Personal Guarantee of Promoter Directors & Managing Director			
	<b>Total</b>	<b>41.40</b>	<b>41.09</b>
<b>22</b>	<b>TRADE PAYABLES</b>		
<b>a</b>	Micro, Small and Medium Enterprises	0.14	0.04
<b>b</b>	Others	29.49	24.05
	<b>Total</b>	<b>29.63</b>	<b>24.09</b>

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows

Particulars	31-03-2021	31-03-2020
a Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.14	0.04
b Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
c Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
d Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
e Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
f Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
g Further interest remaining due and payable for earlier years outstanding on the same.	-	-

PARTICULARS		As at 31st March 2021	As at 31st March 2020
<b>23</b>	<b>OTHER FINANCIAL LIABILITY</b>		
<b>a</b>	<b>Current Maturities of Long-Term Borrowings</b>		
	Term loans from Banks		
	Common Covid Emergency Credit Line (CCECL)	3.36	-
	Guaranteed Emergency Credit Line (GECL)	0.19	-
	Funded Interest Term loans	-	-
	<b>Total</b>	<b>3.55</b>	<b>-</b>
<b>b</b>	<b>Expenses Payable</b>		
	Accrued Expenses	14.22	5.09
	Salaries and Wages Payable	3.64	3.48
	Bonus Payable	3.66	2.44
	<b>Total</b>	<b>21.52</b>	<b>11.01</b>
<b>c</b>	<b>Amount Payable on Mark to Market on Forward Contracts</b>	-	3.53
	<b>Total</b>	<b>25.07</b>	<b>14.54</b>
<b>24</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Withholding and Other Taxes Payable	1.07	1.13
	MLFPS Payable	5.00	5.00
	Government Grant	0.02	0.03
	<b>Total</b>	<b>6.09</b>	<b>6.16</b>
<b>25</b>	<b>SHORT-TERM PROVISIONS</b>		
<b>a</b>	<b>Provision for Employee Benefits</b>		
	Provision for Unavailed leave	4.70	3.89
	Provision for Gratuity (Refer Note 46)	2.71	2.30
	<b>Total</b>	<b>7.41</b>	<b>6.19</b>



PARTICULARS		As at 31st March 2021	As at 31st March 2020
<b>26</b>	<b>REVENUE FROM OPERATIONS (GROSS)</b>		
	Revenue from contracts with customers are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Company identifies geography, amongst others to indicate the factors as mentioned above.		
	The details of revenue from sale of products on the basis of geography is provided :		
<b>a</b>	<b>Sale of Products</b>		
	Manufactured goods		
	Exports	212.59	190.36
	Domestic	14.28	34.90
<b>b</b>	<b>Other Operating Revenues</b>		
	Income from Job Contract Manufacturing Activities	0.17	1.72
	Export Incentives	5.73	5.52
	<b>Total</b>	<b>232.77</b>	<b>232.50</b>
	The operations of the Company relate to only one segment viz., garment manufacturing. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.		
	Transaction price allocated to the remaining performance obligations		
	The Company's contracts with customers are short term contracts with performance obligations that has an original expected duration of one year or less. Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.		
	There is no impact on the retained earnings as on the date of adoption of the standard. There is no effect on any financial statement line item due to application of this standard and there is no requirement to disclose the same.		
<b>27</b>	<b>OTHER INCOME</b>		
<b>a</b>	Interest income from Financial Assets at amortised cost	0.12	0.19
<b>b</b>	Rental income	0.17	-
<b>c</b>	Net Gain / (Loss) on Foreign Currency Transactions (Other than considered in finance costs)	0.56	(3.75)
<b>d</b>	Others	0.03	0.02
	<b>Total</b>	<b>0.88</b>	<b>(3.54)</b>
	Interest income comprises:		
	Interest on fixed deposits with Banks	0.10	0.17
	Interest on employee loans	0.02	0.02

PARTICULARS		As at 31st March 2021	As at 31st March 2020
<b>28</b>	<b>COST OF MATERIALS</b>		
	Opening Stock of Materials	19.56	22.22
	Add: Purchases of Materials	140.13	128.30
	Closing Stock of Materials	20.04	19.56
	<b>Total</b>	<b>139.65</b>	<b>130.96</b>
<b>29</b>	<b>CHANGE IN INVENTORIES OF FINISHED GOODS / WORK-IN-PROGRESS - (INC) / DEC</b>		
	<b>Closing Stock</b>		
	Finished Goods	37.90	36.73
	Work-in-Progress	1.67	0.97
	<b>Opening Stock</b>		
	Finished Goods	36.73	25.59
	Work-in-Progress	0.97	2.00
	<b>Total</b>	<b>(1.87)</b>	<b>(10.11)</b>
<b>30</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries and Wages	47.47	52.43
	Contribution to Provident and Other Funds	4.51	5.08
	Staff Welfare Expenses	2.93	2.48
	<b>Total</b>	<b>54.91</b>	<b>59.99</b>
<b>31</b>	<b>OTHER EXPENSES</b>		
	Subcontracting and Garment Processing Costs	10.24	5.43
	Consumables	1.05	1.70
	Power & Fuel	2.85	3.47
	Rent	0.28	0.63
	Insurance	0.67	0.68
	Maintenance Expenses	2.31	1.71
	Rates and Taxes	0.39	0.44
	Shipping Charges	4.12	1.57
	Export Expenses	1.13	0.31
	Traveling & Conveyance	4.24	6.44
	Consultancy Charges	1.18	1.62
	Communication Expenses	0.59	0.78
	Selling Commission	(0.01)	0.54
	Printing & Stationery	0.19	0.24
	Auditors' Remuneration	0.06	0.06
	Directors Remuneration	0.46	0.45
	Other Miscellaneous Expenses	4.25	3.49
	<b>Total</b>	<b>34.00</b>	<b>29.56</b>

Auditors' Remuneration includes ₹4.50 lakhs (Previous Year ₹4.50 lakhs) against Statutory Audit, ₹0.70 lakhs (Previous Year ₹0.70 lakhs) against Tax Audit. Secretarial Audit Fee ₹1.15 lakhs (Previous year ₹1.15 lakhs)

An amount of ₹0.00 lakhs (Previous Year ₹0.27 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 ₹0.00 lakhs (Previous year ₹0.59 lakhs ) is grouped under Other Miscellaneous expenses.

**Notes on Financial Statements for the year ended 31st March 2021**

₹in Crores

	PARTICULARS	As at 31st March 2021	As at 31st March 2020
<b>32</b>	<b>FINANCE COSTS</b>		
<b>a</b>	Interest on Financial liability not at Fair Value through Profit & Loss		
	Term loans	0.41	1.19
	Working Capital & Others	2.28	2.47
	Preference Shares	0.25	0.25
	Interest on Lease Liability	1.63	3.13
<b>b</b>	Other Borrowing Costs - Bank Charges	1.23	1.02
	<b>Total</b>	<b>5.80</b>	<b>8.06</b>
<b>33</b>	<b>DEPRECIATION</b>		
	Depreciation PPE	3.31	3.96
	Amortisation of Right to use asset	3.42	5.34
	<b>Total</b>	<b>6.73</b>	<b>9.30</b>
<b>34</b>	<b>EXCEPTIONAL ITEMS - Expense / (Income)</b>		
	Profit on Sale of Immovable Property	-	(15.64)
	<b>Total</b>	<b>-</b>	<b>(15.64)</b>
<p>The company has sold its sole Investment Property in Previous year (₹15.64 cr) and gain on such sale is expected to be non-recurring event, The same has been excluded from the other income and has been disclosed under Exceptional Items in the Statement of Profit and Loss.</p>			
<b>35</b>	<b>OTHER COMPREHENSIVE INCOME</b>		
	<b>Items that will not be reclassified to Profit or Loss</b>		
	Remeasurement of post employment benefit obligations	0.46	0.91
	<b>Total</b>	<b>0.46</b>	<b>0.91</b>
<b>36</b>	<b>Fair Value Measurement</b>		
	<b>Financial instruments</b>		
	<b>Financial instruments by category</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>Financial Assets</b>		
	<b>Amortised cost</b>		
	Trade receivables	54.52	29.57
	Loans and advances to Employees	0.16	0.21
	Cash and cash equivalents	0.10	0.24
	Other bank balances	0.82	3.08
	Security deposits	2.64	3.10
	Interest accrued on Fixed Deposits	0.02	0.03
	Rent Receivable	-	-
	<b>Fair value through Profit &amp; Loss</b>		
	Amount Receivable on Mark to Market on Forward Contracts	0.11	-
	<b>Total financial assets</b>	<b>58.36</b>	<b>36.23</b>

Financial instruments by category	31-Mar-21	31-Mar-20
<b>Financial liabilities</b>		
Long Term Borrowings	9.07	-
Preference Share	26.99	26.74
Short Term Borrowings	41.40	41.09
Trade payables	29.62	24.09
Other Financial Liability	25.08	14.54
<b>Total financial liabilities</b>	<b>132.16</b>	<b>106.46</b>

### (i) Fair value hierarchy

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

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

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

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

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

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

### (ii) Valuation technique used to determine fair value

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

## 37 Financial risk management

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

### A.Credit risk

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

#### (i) Credit risk management

Credit risk on deposit is mitigated by depositing the funds in reputed private sector bank. For trade receivables, the primary source of credit risk is that these are unsecured. The Company sells the products to customers only when the collection of trade receivables is certain and whether there has been a significant increase in the credit risk on an on-going basis is monitored throughout each reporting period. As at the balance sheet date, based on the credit assessment the historical trend of low default is expected to continue. An impairment analysis is performed at each reporting date on an individual basis for major clients. Any recoverability of receivables is provided for based on the impairment assessment. Historical trends showed as at the transition date and 31st March 2020 company had no significant credit.

### B.Liquidity risk

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

#### (ii) Maturities of financial liabilities

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

a) all non-derivative financial liabilities, and

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

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

**Contractual maturities of financial liabilities**

₹ in Crores

Non Derivatives	31-Mar-21			31-Mar-20		
	Maturing within 1 year	Maturing after 1 Year	Total	Maturing within 1 year	Maturing after 1 Year	Total
Short term Borrowing	44.61	-	44.61	44.63	-	44.63
Long Term Borrowing	-	13.60	13.60	-	-	-
Expenses payable	21.53	-	21.53	13.28	-	13.28
Trade Payables	29.62	-	29.62	21.82	-	21.82
Lease liabilities	3.95	4.05	8.00	4.71	11.69	16.40
<b>Total Non Derivative liabilities</b>	<b>99.72</b>	<b>17.65</b>	<b>117.36</b>	<b>84.43</b>	<b>11.69</b>	<b>96.12</b>

**C.Market risk**
**(i) Foreign currency risk**

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

₹ in Crores

Particulars	31-Mar-21		31-Mar-20	
	USD	EURO	USD	EURO
<b>Financial assets</b>				
Trade receivables	43.72	-	17.07	-
<b>Exposure to foreign currency risk (assets)</b>	<b>43.72</b>	<b>-</b>	<b>17.07</b>	<b>-</b>
<b>Financial liabilities</b>				
Trade payables	10.60	-	6.89	-
<b>Exposure to foreign currency risk (liabilities)</b>	<b>10.60</b>	<b>-</b>	<b>6.89</b>	<b>-</b>
<b>Net exposure to foreign currency risk</b>	<b>33.11</b>	<b>-</b>	<b>10.18</b>	<b>-</b>

**Sensitivity**

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

	Impact on profit after tax	
	31-Mar-21	31-Mar-20
USD sensitivity		
INR/USD Increases by 5%	1.66	0.51

\* Holding all other variable constant

PARTICULARS	As at 31st March 2021	As at 31st March 2020
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### 38. Capital management

#### (a) Risk management

The company's objectives when managing capital are to

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

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

₹ in crores

Particulars	31-Mar-21	31-Mar-20
Share Capital	47.77	47.77
Reserves and Surplus	(44.13)	(38.10)
Money Received Against Warrants	-	-
Preference Share Capital	25.10	25.10
<b>Networth</b>	<b>28.74</b>	<b>34.77</b>

Company considers preference shares as part of the equity for its performance evaluation

Debt	9.07	-
Debt / Equity	0.32	-

Debt consists of Long term borrowings only.

Company intends to maintain optimal gearing ratio of one times of equity.

### 39. Segment Information

(All amounts in ₹Crores unless otherwise stated)

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

#### Entity wide disclosures

Revenue from Operation	Domestic	Overseas	Total
FY 2020-2021	20.18	212.59	232.77
FY 2019-2020	42.14	190.36	232.50

Revenues of approximately ₹149.03 crores (31 March 2020 ₹120.55 crores ) are derived from a single external customer.



**Notes to the Accounts as at 31st March 2021**

₹ In Crores

PARTICULARS	As at 31-Mar-21	As at 31-Mar-20
<b>40</b> 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		
<b>41</b> The outbreak of COVID-19 across globe and India has resulted in pandemic. The central and state government has imposed lockdown from 24.03.2020 to prevent the spread. The Company has shut down factories / office and operational activities , impacting the business during the quarter. The Company has taken and shall continue to take various steps to protect its employees from the pandemic. The Company has considered the possible effects of COVID-19 on the carrying amounts of Property, Plant and Equipment, Inventories, Trade Receivable and Other Current Assets. Based on current estimates the Company expects the carrying amount of these assets to be recovered.		
The impact of COVID-19 on the overall economic environment being uncertain, may affect the underlying assumptions and estimates used to prepare the financial statements, which may differ from that considered as at the date of approval of these financial statements. The company will continue to closely monitor material changes to future economic conditions. As this is a developing situation the estimates may change depending upon future events.		
<b>42</b> Some balances of Trade/Other receivables, Trade/Other Payables and Loans and Advances are subject to confirmation/reconciliation. Adjustments (if any) will be accounted for on confirmation/reconciliation of the same. In the opinion of the Board of Directors this will not have a material adverse impact on the Company's financial position and results of operations.		
<b>43</b> Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act 2006") as at March 31, 2021 and March 31, 2020:-		
i) Total outstanding dues of micro enterprises and small enterprises ((see note below)	0.14	0.04
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	29.49	24.05
<b>44</b> The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.		
<b>45 EARNINGS PER SHARE</b>		
<b>Earnings Per Share - In ₹</b>		
<b>Basic</b>	(1.26)	3.34
<b>Diluted</b>	(1.26)	3.34
<b>Earnings per Share is calculated as under:</b>		
<b>a</b> Numerator		
<b>Net Profit after Tax as disclosed in Statement of Profit and Loss</b>	(6.02)	15.93
<b>b</b> Denominator		
<b>Weighted Average Number of Equity Share Outstanding</b>		
Basic	4,77,68,005	4,77,68,005
Diluted	4,77,68,005	4,77,68,005
<b>c</b> Nominal Value of Equity Share (In ₹)	10.00	10.00

**Notes to the Accounts as at 31st March 2021**

₹ In Crores

PARTICULARS	As at 31-Mar-21	As at 31-Mar-20
<b>46 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)</b>		
<b>a</b> Guarantees given by Banks and counter Guaranteed by the Company	-	-
<b>b</b> On account of Letters of Credit issued by Bankers on behalf of the Company	0.35	0.15
<b>c</b> Claims against Company not acknowledged as debts being petition/ appeals pending before the Assessing Officer/ Commissioner of Income Tax (Appeals).	0.29	0.29
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.		
<b>d</b> In terms of the "Master Restructuring Agreement dated August 11, 2015 ("MRA") entered into between SBI and CFL, with an effective date of March 31, 2011, SBI had extended concessional interest rate for the credit facilities sanctioned and has preferred a recompense claim against CFL vide the above stated agreement. The estimated contingent liability of the Recompense amount, as on 31st Mar'20, has been determined at Rs.56.19 Cr. This amount may be payable in future, based on profits and cash flows, in the manner to be determined between CFL and SBI. The exact modalities shall be detailed once the technical matters related to payment of agreed settlement amount reaches a finality between parties.	56.19	56.19
<b>47 Commitments</b>		
<b>(a) Capital commitments</b>		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows: Property, plant and equipment	-	-
<b>(b) Lease commitments</b>		
Within one year	5.83	7.12
Later than one year but not later than five years	6.40	13.36
<b>48</b> 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, 2021 (March 31, 2020 ₹ NIL)	-	-
<b>49 RELATED PARTY TRANSACTIONS</b>		
<b>a Key Managerial Personnel:</b>		
Mr. V.Rajagopal		
Mr. Vidyuth Rajagopal		
<b>b Relative of Key Managerial Personnel:</b>		
Mrs. Rama Rajagopal		
<b>c Enterprises under Control or Significant Influence of Key Managerial Personnel:</b>		
M/s Indian Terrain Fashions Limited		
M/s Celebrity Connections		
<b>d Transactions carried out with Related Parties during the Year</b>		
<b>Key Managerial Personnel</b>		
Managerial Remuneration - Mr. Vidyuth Rajagopal	0.46	0.45
<b>Enterprises Under Same Management</b>		
Job work Charges, Material Transfers, Sale of Garments and Rentals	8.57	23.84

**Notes to the Accounts as at 31st March 2021**

₹ In Crores

PARTICULARS	As at 31-Mar-21	As at 31-Mar-20
<b>e Outstanding Balances as on 31st March 2021</b>		
i Payable as Managerial Remuneration - Mr Vidyuth Rajagopal	0.10	0.02
ii Trade Receivable against Job work Charges and Material Transfers - Indian Terrain Fashions Limited	8.42	11.85
<b>50 DISCLOSURE AS PER REGULATION 34 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015</b>		
Loans and advances in the nature of loans given to Subsidiaries, Associates and Others	-	-
<b>51 EMPLOYEE BENEFIT PLAN - GRATUITY</b>		
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.		
<b>Amount Recognized in the Balance Sheet in respect of gratuity</b>		
Present Value of Defined Benefit Obligation at the end of the Year	3.23	2.75
Fair Value of Plan Assets at the end of the Year	0.52	0.45
<b>Net Liability / (Asset)</b>	<b>2.71</b>	<b>2.30</b>
<b>Amount Recognized in Profit and Loss Account in respect of gratuity</b>		
Current Service Cost	0.36	0.30
Past service cost	-	-
Interest on Defined Benefit Obligations	0.17	0.15
Interest on Plan Assets	(0.03)	(0.02)
<b>Total</b>	<b>0.50</b>	<b>0.42</b>
<b>Amount Recognized in Other comprehensive income in respect of gratuity</b>		
Net Actuarial (Gain) / Loss recognized during the Period	0.46	0.91
<b>Actual Return on Plan Assets</b>		
Interest return on Plan Assets	(0.03)	0.02
Actuarial Gain / (Loss) on Plan Assets	0.00	0.00
<b>Actual Return on Plan Assets</b>	<b>(0.03)</b>	<b>0.03</b>
<b>Reconciliation of present value of obligation and the fair value of the plan assets</b>		
Opening Defined Benefit Obligation	2.75	2.18
Current Service Cost	0.36	0.30
Past service cost	-	-
Interest Cost	0.17	0.15
<b>Actuarial (Gain) / Loss on obligations</b>		
Actuarial (Gains) / Losses on Obligations due to change in demographic assumptions	0.44	-
Actuarial (Gain) / Loss on obligations due to changes in financial assumptions	(0.03)	0.19
Actuarial (Gain) / Loss on obligations due to experience adjustments	0.05	0.72
Benefits Paid	(0.52)	(0.79)
<b>Closing Defined Benefit Obligation</b>	<b>3.23</b>	<b>2.75</b>

**Notes to the Accounts as at 31st March 2021**

₹ In Crores

<b>PARTICULARS</b>	<b>As at 31-Mar-21</b>	<b>As at 31-Mar-20</b>
Opening Fair Value of Plan Assets	0.45	0.36
Interest income on Plan Assets	(0.03)	0.02
Return in excess of interest income	0.00	0.00
Employer Contributions	0.56	0.85
Benefits Paid	(0.52)	(0.79)
<b>Closing Fair Value of Plan Assets</b>	<b>0.46</b>	<b>0.45</b>
<b>Closing balances of Defined Benefit Obligation</b>		
Defined Benefit Obligation at the beginning of the Year	2.75	2.18
Interest Cost	0.17	0.15
Current Service Cost	0.36	0.30
Benefit Paid	(0.52)	(0.79)
Actuarial (gain) / loss on obligations	0.46	0.91
Liability at the end of the Year	3.23	2.75
<b>Closing balances of Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the Year	0.45	0.36
Expected Return on Plan Assets	(0.03)	0.02
Employer Contributions	0.56	0.85
Benefits Paid	(0.52)	(0.79)
Actuarial gain/(loss) on Plan Assets	0.00	0.00
Fair Value of Plan Assets at the end of the Year	0.46	0.45
Actual Return on plan assets	(0.03)	0.03
<b>Investment Details of Plan Assets</b>		
Money Market Instruments	0%	0%
Assets under Insurance Schemes	100%	100%
<b>Principal Actuarial Assumptions at the Balance Sheet Date</b>		
Discount Rate	6.33%	6.24%
Estimated Rate of Return on Plan Assets	6.33%	6.24%
Rate of Salary increase	3.75%	3.75%
Rate of employee turnover	For service below 4 year 25% For Service above 4 year 3%	For service below 4 year 72% For Service above 4 year 3%
Mortality rate during employment		
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.		

**Notes to the Accounts as at 31st March 2021**

₹ In Crores

PARTICULARS	As at 31-Mar-21	As at 31-Mar-20
<b>Sensitivity Analysis</b>		
Projected Benefit Obligation on current assumptions	3.23	2.75
Decrease in obligation due to +1% change in discount rate	(0.31)	(0.26)
Increase in obligation due to -1% change discount rate	0.36	0.31
Increase in obligation due to +1% change in rate of salary increase	0.37	0.31
Decrease in obligation due to -1% change in rate of salary increase	(0.32)	(0.27)
The Sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period holding all other assumptions constant		
Maturity analysis of the the benefits from the fund		
Within One year	0.12	0.13
Within two to five year	0.72	0.59
After five years to ten years	1.25	0.99
After ten years and above	4.97	4.21
<b>52 SEGMENT REPORTING</b>		
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.		
<b>53 OTHERS</b>		
<b>a Aggregate Expenses</b>		
Electricity Expenses included under Power and Fuel	2.34	2.70
<b>b Earnings in Foreign Currency</b>		
Export of Goods - FOB Value	212.59	190.36
<b>c Expenditure in Foreign Currency</b>		
Selling Commission & Consultancy Charges	-	-
Software Expenses	0.49	0.04
Travel	-	-
Claims	-	-
Spares	0.00	0.05
Interest	0.02	-
Consultancy	0.03	0.07

**Notes to the Accounts as at 31st March 2021**

₹ In Crores

PARTICULARS		As at 31-Mar-21	As at 31-Mar-20
<b>d</b>	<b>Value of Imports</b>		
	Raw materials	62.86	41.11
	Capital Goods	0.04	-
<b>e</b>	<b>Imported and Indigenous Consumption of Raw materials</b>		
	Imported		
	₹ In Crores	62.64	41.96
	% to Total	44.9%	32.0%
	Indigenous		
	₹ In Crores	77.01	88.99
	% to Total	55.1%	68.0%
<b>54</b>	<b>OTHER DISCLOSURES</b>		
<b>a</b>	Foreign Exchange Differences		
	Amount of Exchange Difference Gain / (Loss) included in Profit and Loss Account	0.56	(3.76)
<b>b</b>	Previous year figures have been regrouped, reworked and reclassified wherever necessary to conform to current year classification.		
<b>c</b>	In the opinion of the Management , Current Assets, Loans and Advances have a value of at least equal to the amounts shown in the Balance Sheet, if realized in the due course of the business. The provision for all liabilities is adequate and not in excess of the amount reasonably necessary.		

To be read with our report of even date

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

**V. Rajeswaran**  
Partner  
Membership Number 020881

Chennai  
21 May 2021

For and on Behalf of the Board

**V. Rajagopal**  
Chairman  
DIN: 00003625

**Vidyuth Rajagopal**  
Managing Director  
DIN 07578471

**A. Rishi Kumar**  
Company Secretary  
M.No: 42884

**S Venkataraghavan**  
Chief Financial Officer



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