

**Auditors' Report on Quarterly Financial Results and Year to Date Financial Results of
Celebrity Fashions Limited Pursuant to the Clause 41 of the Listing Agreement**


**TO THE BOARD OF DIRECTORS OF
CELEBRITY FASHIONS LIMITED**

1. We have reviewed the quarterly financial results of **Celebrity Fashions Limited** ('the Company') for the quarter ended March 31, 2014 and audited the year to date financial results for the period from April 1, 2013 to March 31, 2014, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211 (3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.
3. Based on our audit and in our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date financial results:
 - i. are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
 - ii. give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2014 as well as the year to date results for the period from April 1, 2013 to March 31, 2014.



4. Further, we also report that we have, on the basis of the books of account and other records information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

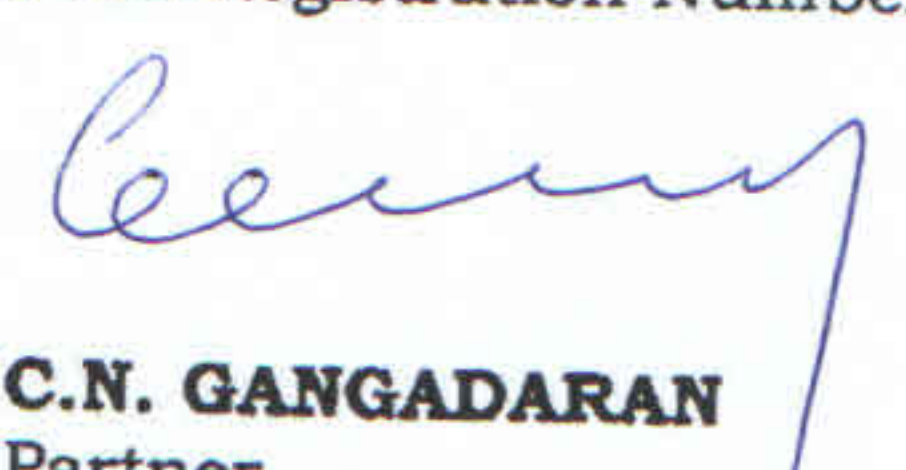
for **ANIL NAIR & ASSOCIATES**
Chartered Accountants
Firm Registration Number 000175S


G. ANIL
Partner
Membership Number 22450

Chennai, May 05, 2014



for **CNGSN & ASSOCIATES**
Chartered Accountants
Firm Registration Number 004915S


C.N. GANGADARAN
Partner
Membership Number 11205





Celebrity Fashions Limited

Regd & Corp. Office: SDF-IV & C 2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai - 600 045.

Audited Financial Results for the Quarter and Year Ended 31st March 2014

Sl. No.	Particulars	Rs. In Crs				
		Quarter Ended			FY 2013-14	FY 2012-13
		Audited 31/03/2014	Unaudited 31/12/2013	Audited 31/03/2013	Audited	Audited
1	Net Sales / Income from Operations (net of Excise Duty)	66.83	70.71	79.58	221.38	178.46
	Other Operating Income	5.52	0.73	1.75	13.93	7.91
	Total	72.35	71.44	81.33	235.31	186.37
2	Cost of Sales / Operating Expenses					
	-- (Increase) / Decrease in Stock	13.94	(10.66)	24.29	(4.42)	6.33
	-- Consumption of Raw Materials	27.07	54.17	27.14	142.24	104.47
	-- Purchase of traded goods	-	-	-	-	-
	-- Employee Costs	10.68	12.99	9.24	48.18	39.92
	-- Depreciation	1.42	1.21	1.99	5.07	6.59
	-- Other Expenses	11.13	11.71	10.43	40.31	32.35
	-- Total	64.24	69.42	73.09	231.38	189.66
3	Profit from Operations before Other Income, Interest and Exceptional Items	8.11	2.02	8.24	3.93	(3.29)
4	Other Income	0.26	0.47	0.44	1.36	2.96
5	Profit before Interest and Exceptional Items	8.37	2.49	8.68	5.29	(0.33)
6	Interest & Other Finance Costs	0.95	1.25	1.49	6.92	4.35
7	Profit after Interest but before Exceptional Items	7.42	1.24	7.19	(1.63)	(4.68)
8	Exceptional Item	-	-	-	-	-
9	Profit / (Loss) from Ordinary Activities before Tax	7.42	1.24	7.19	(1.63)	(4.68)
10	Provision for Tax	-	-	-	-	-
11	Net Profit / (Loss) from Ordinary Activities after tax	7.42	1.24	7.19	(1.63)	(4.68)
12	Extraordinary Items (net of tax expenses)	9.97	-	-	9.97	-
13	Net Profit / (Loss) for the Period (11+12)	17.39	1.24	7.19	8.34	(4.68)
14	Paid-Up Equity Share Capital (Equity Shares of Rs.10/- each)	36.35	30.50	23.03	36.35	23.03
15	Reserves excluding Revaluation Reserves as per Balance Sheet				(59.71)	(68.05)
16	Earnings Per Share (before Extraordinary items)					
	-- Basic EPS	2.41	0.41	3.24	(0.61)	(2.32)
	-- Diluted EPS	2.41	0.41	3.24	(0.61)	(2.32)
	Earnings Per Share (after Extraordinary items)					
	-- Basic EPS	5.64	0.41	3.24	3.09	(2.32)
	-- Diluted EPS	5.64	0.41	3.24	3.09	(2.32)



Charan Narsimhan

Select Information for the Quarter and Year Ended 31st March 2014

Sl. No.	Particulars	Quarter Ended			FY 2013-14	FY 2012-13
		Audited	Unaudited	Audited	Audited	Audited
		31/03/2014	31/12/2013	31/03/2013		
A	Particulars of Shareholding					
1	Public Shareholding					
	-- Number of Shares	1,99,59,969	1,99,59,969	1,24,99,869	1,99,59,969	1,24,90,869
	-- Percentage Shareholding	65.4%	65.4%	54.2%	65.4%	54.2%
2	Promoters and Promoter Group Shareholding					
	a) Pledged / Encumbered					
	-- Number of Shares	53,52,516	8,00,000	61,52,516	53,52,516	61,52,516
	-- Percentage Shares (as a % of the total shareholding of promoter and promoter group)	50.8%	7.6%	58.4%	50.8%	58.4%
	-- Percentage Shares (as a % of the total share capital of the company)	17.5%	2.6%	26.7%	17.5%	26.7%
	b) Non-Encumbered					
	-- Number of Shares	51,91,280	97,43,796	43,91,280	51,91,280	43,91,280
	-- Percentage Shares (as a % of the total shareholding of promoter and promoter group)	49.2%	92.4%	41.6%	49.2%	41.6%
	-- Percentage Shares (as a % of the total share capital of the company)	17.0%	31.9%	19.1%	17.0%	19.1%
	Particulars for 3 months ending 31st March 2014					
B	Investor Complaints					
	Pending at the beginning of the Quarter	NIL				
	Received during the Quarter	NIL				
	Disposed during the Quarter	NIL				
	Remaining unresolved at the end of the Quarter	NIL				



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Celebrity Fashions Limited			
Statement of Assets and Liabilities			
		31-Mar-14	31-Mar-13
Particulars		Rs. In Crs	
		Audited	
A	EQUITY AND LIABILITIES		
1	Shareholders Funds		
	(a) Capital	61.45	23.03
	(b) Reserves & Surplus	(59.71)	(68.05)
		1.74	(45.02)
2	Non-Current Liabilities		
	(a) Long Term Borrowings	41.98	104.95
	(b) Deferred Tax Liabilities (net)	-	-
	(c) Other Long Term Borrowings	0.82	2.32
		42.80	107.27
3	Current Liabilities		
	(a) Short Term Borrowings	32.06	33.07
	(b) Trade Payables	37.03	21.46
	(c) Other Current Liabilities	23.28	15.46
	(d) Short Term Provisions	2.86	3.74
		95.23	73.73
	TOTAL EQUITY AND LIABILITIES	139.77	135.98
B	ASSETS		
1	Non-Current Assets		
	(a) Fixed Assets	65.41	69.30
	(b) Non-Current Investments	0.05	0.05
	(c) Long Term Loans and Advances	2.87	2.96
	(d) Other Non-Current Assets	3.14	4.08
		71.47	76.39
2	Current Assets		
	(a) Current Investments	-	-
	(b) Inventories	24.18	15.37
	(c) Trade Receivables	35.12	35.21
	(d) Cash and Bank Balances	2.81	4.66
	(e) Short Term Loans and Advances	5.34	3.65
	(f) Other Current Assets	0.85	0.70
		68.30	59.59
	TOTAL ASSETS	139.77	135.98



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Notes

- 1 The above results as reviewed by Audit Committee were approved and taken on record by Board of Directors in the meeting held on 5th May 2014.
- 2 The Company operates exclusively in the segment of garments. This in the context of Accounting Standard 17 (AS 17) "Segment Reporting" issued by the Institute of Chartered Accountants of India constitutes one single primary segment.
- 3 Other Operating Income represents conversion charges received by the Company towards contract manufacturing activities.
- 4 The Company has got a net deferred tax asset on account of accumulated losses and unabsorbed depreciation. In compliance with the provisions of the Accounting Standard - 22, "Accounting for Taxes on Income" and based on General Prudence, the Company has not recognised the deferred tax asset in full, but has restricted the same to Deferred Tax Liability.
- 5 The Company has been declared as Sick Industrial Company under Section 3(i)(o) of the Sick Industries Companies Act (SICA) by the Board for Industrial and Financial Reconstruction (BIFR) during April 2011. As per the directions of BIFR, the Company had prepared the Draft Rehabilitation Proposal and submitted with the Operating Agency (OA), State Bank of India (SBI). The Company's Bankers included State Bank of India and HDFC Bank. SBI vide its Sanction letter dated 16th November 2012 has approved a Re-structuring Package for the Company. The Package includes conversion of portion of debt into 1% Cumulative Redeemable Preference Shares, a portion of debt into Equity Shares, interest rate concessions and moratorium for repayment of balance loans. The Cut-Off-Date for the Package is 1st April 2011. During the year under review, State Bank of India converted term loans amounting to Rs.32.57 crs into Equity Shares and 1% Cumulative Redeemable Preference Shares during September/October 2013. The Company has settled the dues of HDFC Bank under One-Time Settlement Scheme (OTS). The gain on settlement of dues under OTS has been recognised as extra-ordinary income in the Statement of Profit and Loss. With the OTS with HDFC Bank, State Bank of India is the sole Banker to the Company. The Draft Rehabilitation Scheme is pending for approval before Hon'ble BIFR.
- 6 The Company has allotted 58,50,000 Equity Shares of Rs. 10/- each to Mr. V. Rajagopal, Promoter, Mr. Charath Ram Narsimhan, Managing Director and M/s Leman Diversified Fund, Foreign Institutional Investor on 27th March 2014 as approved by the Shareholders in the Extra-Ordinary General Meeting dated 18th March 2014. The Company has secured listing approval for the above shares from National Stock Exchange of India Limited and Bombay Stock Exchange in April/May 2014. The Shareholding pattern disclosed does not include 58,50,000 Equity Shares allotted on 27th March 2014.
- 7 The number of shares used in calculating the Basic and Diluted EPS is based on weighted average number of shares outstanding during the period / year as per Accounting Standard 20.
- 8 The figures of last quarter are the balancing figures between audited figures in respect of full Financial Year and the published year to date figures upto the third quarter of the current financial year.
- 9 Previous period figures have been regrouped / recast / reclassified, wherever necessary.

Date: 5th May 2014
Place: Chennai

By Order of the Board
for Celebrity Fashions Limited



Charath Narsimhan
Charath Ram Narsimhan
Managing Director