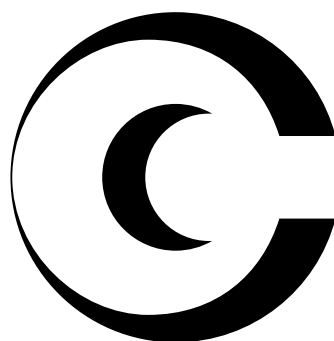


Celebrity Fashions Limited



25th
ANNUAL REPORT 2013 - 2014

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BOARD OF DIRECTORS		
Mr. V. Rajagopal, Chairman		
Mr. Charath Ram Narsimhan, Managing Director		
Mrs. Rama Rajagopal, Director		
Mr. N.K. Ranganath, Independent Director		
Mrs. Nidhi Reddy, Independent Director		
Mr. P.S.Raman, Independent Director		
COMPANY SECRETARY		
Mr. K. Senthilkumar		
Management Team		
Mr. Selin Reubalin C. C	Executive VP - Operations	
Mrs. Visalakshi. L	VP – Finance & Accounts	
Mr. A.M. Gopinath	VP – Commercial	
Mr. W. Charlie Manickarayan	GM – Human Resources	
Mr. Sankaranarayanan. G	GM – Sourcing	
Mr. Martin Premkumar. A	GM - Technical	
Mr. Balaji. J	GM – Purchase	

REGISTERED OFFICE & CORPORATE OFFICE

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

NOTICE CONVENING THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of Celebrity Fashions Limited will held on 29th day, September 2014 at 2.30 P.M at the Registered Office of the Company Situated at SDF IV & C2 ,3RD MAIN ROAD, MEPZ/SEZ, Tambaram, Chennai-600 045 to transact the following businesses:-

ORDINARY BUSINESS:

- To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- To appoint a director in place of Mrs.Rama Rajagopal (holding DIN 00003565), who retires by rotation and being eligible offers herself for re-appointment.
- To re-appoint Statutory Auditors and to fix their remuneration and to pass the following resolution with or without modification(s) as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of section 139 & 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s Anil Nair & Associates, Chartered Accountants, Chennai (Firm Registration No 000175S) and M/s.CNGSN & Associates, Chartered Accountants, Chennai (Firm Registration No.004915S) , be and is hereby -appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 28th AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

4. Appointment of Mr.N.K.Ranganath as an Independent Director of the Company

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

"RESOLVED that pursuant to the provisions of Sections 149 & 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.N.K.Ranganath (holding Din 00004044) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years upto FY 2018- 2019 ."

5. Appointment of Mr.P.S.Raman as an Independent Director of the Company

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

"RESOLVED that pursuant to the provisions of Sections 149 & 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.P.S.Raman (holding Din 00003606) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years up to FY 2018- 2019 ."

6. Appointment of Mrs.Nidhi Reddy as an Independent Director of the Company

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

"RESOLVED that pursuant to the provisions of Sections 149 & 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs.Nidhi Reddy (holding Din 00004081) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years up to FY 2018- 2019 ."

7. Borrowing Powers:

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Extra Ordinary General Meeting of the Shareholders of the Company held on 28th September 2005 pursuant to Section 180 of the Companies Act,2013 and other provisions, if any as may be applicable from time to time, approval of members, be and is hereby accorded to the Board of Directors of the Company for borrowing money from time to time any sum or sums of moneys on such terms and conditions and with or without security at its discretion either from the company's bankers or from any other banks, financial institutions or

other lending institutions or persons on such terms and conditions as may be considered suitable by the Board of Directors for the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary course of business)will exceed the aggregate of the paid up capital of the company and its free reserves provided that the total amount up to which monies may be borrowed by the Company shall not exceed Rs.200 Crores (Rupees Two Hundred Crores only).

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this Resolution.

Date : 11th August 2014
Place : Chennai

For and on behalf of the Board
K.Senthilkumar
Company Secretary

NOTES:

- A Member entitled to attend and vote in the above meeting is entitled to appoint a proxy to attend and vote instead of himself. Proxy need not be a member. Proxies in order to be effective should be lodged with the company at the registered office of the company at least 48 hours before the commencement of the meeting. Proxies submitted on behalf of the Companies, Societies and Partnership firms etc must be supported by appropriate resolution/authority as applicable, issued on behalf of the nominating organization.
- Corporate members are requested to send a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the Annual General Meeting.
- The members/proxies are requested to bring their copy of the Annual Report to the Meeting along with duly filled in Attendance Slips for attending the Meeting.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- The Register of Members and the Share Transfer books of the Company will remain closed from Monday the 22nd September 2014 to Monday the 29th September 2014 (both days inclusive)
- Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment.
- IMPORTANT SHAREHODER COMMUNICATION:**

The Ministry of Corporate Affairs (MCA), Government of India has taken a 'Green Initiative in Corporate Governance' by allowing paperless compliance by the Companies and has issued circulars stating that Annual Reports be sent to shareholders whose E-mail IDs are registered with us or the depositories. In case you are desirous of having a complete text of Annual Report 2013-14, you may write to us at investorservices@celebritygroup.com or at the registered Office of the Company. The Annual report of the Company can be accessed at www.celebritygroup.com in the investor section.

Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.

Electronic copy of the Notice of the 25th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 25th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent in the permitted mode.

8. E-Voting:

In compliance of with section 108 of the Companies Act,2013 and relevant rules there under, the company is also required to conduct the voting process electronically.The Business to be transacted at the AGM may be transacted through electronic voting system and the company is providing the facility for voting by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited:

The instructions for shareholders voting electronically are as under:

- The voting period begins on 22nd September,2014 and ends on 24th

September, 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If 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 (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.

- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians

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

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details they should create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- 9. The e-voting period commences on 22nd September, 2014 (9:00 am) and ends on 24th September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- 10. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22nd August, 2014.
- 11. Mr. S.Bhaskar, Practicing Company Secretary (C.P.No.A8315) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 12. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- 13. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.celebritygroup.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE & NSE Limited.
- 14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays & Sundays, up to and including the date of the Annual General Meeting of the Company..

Date : 11th August 2014
Place : Chennai

For and on behalf of the Board
K.Senthilkumar
Company Secretary

I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

Mr.N.K.Ranganath, born on 13th March, 1956, is a mechanical engineer and holds a post graduate degree in Business Management from XLRI.

Mr.N.K.Ranganath is Managing Director of M/s.Grundfos Pumps India Private Limited. He had acquired valuable knowledge, experience and expertise in sales, marketing, finance, production and human resources disciplines.

Mr.N.K.Ranganath is a Non Executive Independent Director of the Company.

He joined the Board of Directors of the Company in 06th September 2005. Mr. N.K.Ranganath is Chairman of the Audit Committee and Stakeholders Relationship Committee and a member of the Nomination and Remuneration Committee of the Board of Directors of the Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the company.

In the opinion of the Board, Mr. N.K.Ranganath fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. N.K.Ranganath as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. N.K.Ranganath as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. N.K.Ranganath as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. N.K.Ranganath, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.5

Mr.P.S.Raman, born on 07th November, 1960, holds bachelor degree in commerce and Law. He is a Senior Advocate with more than two decades of practice in Madras High Court and in the Supreme Court.

During the years of practice, he has gained valuable knowledge, experience and expertise in the field of Law.

Mr.P.S.Raman is a Non Executive Independent Director of the Company. He joined the Board of Directors of the Company in 10th January 2013. Mr. P.S.Raman is a member of the Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the company.

In the opinion of the Board, Mr. P.S.Raman fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr.P.S.Raman as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr.P.S.Raman as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. P.S.Raman as an Independent Director, for the approval by the shareholders of the Company.

Except Mr.P.S.Raman, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.6

Mrs.Nidhi Reddy, born on 13th April,1956, holds a Master Degree in Economics from Delhi School of Economics and a Post Graduate Diploma in Personnel Management and Industrial Relations from XLRI.

Mrs. Nidhi Reddy is the sole Proprietor of Nidhi Reddy Consultants. She specializes in the field of Human Resource Management, Behavioral Training and Recruitment.

Mrs.Nidhi Reddy is a Non Executive Independent Director of the Company. She joined the Board of Directors of the Company in 06th September 2005. Mrs. Nidhi Reddy is Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee and Stakeholders Relationship Committee of the Board of Directors of the Company. She does not hold by herself or for any other person on a beneficial basis, any shares in the company.

In the opinion of the Board, Mrs.Nidhi Reddy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mrs.Nidhi Reddy as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during

normal business hours on any working day.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Nidhi Reddy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs.Nidhi Reddy as an Independent Director, for the approval by the shareholders of the Company.

Except Mrs.Nidhi Reddy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.7

The members of the Company at their Extra Ordinary General Meeting held on September 28, 2005 had approved by way of an Ordinary Resolution under Section 293(1)(d) read with Section 293 (1)(a) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of 200 Crores (Rupees Two Hundred crores)

Section 180 of the Companies Act, 2013 effective from September 12, 2013 requires that consent of the company accorded by way of a special resolution is required to borrow money in excess of the company's paid up share capital and free reserves. Further, as per the clarification issued by the Ministry of Corporate Affairs approval granted by the shareholders by way of an ordinary resolution shall be valid for one year from the date Section 180 became effective. Thus, the approval granted by members is valid up to 11th September, 2014.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180 and other applicable provisions of the Companies Act, 2013, as set out at Item No. 7 of the Notice.

The Board recommends this resolution for approval by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Date : 11th August 2014
Place : Chennai

For and on behalf of the Board
K.Senthilkumar
Company Secretary

DIRECTORS REPORT

Dear Shareholders,

Your Directors hereby present the 25th Annual Report along with the audited statements of the Company for the year ended 31st March 2014.

	FY 2013-14	FY 2013-14
Revenue From operations	235.31	186.37
Gross Profit / (Loss) before interest and depreciation	10.36	6.26
Interest	6.92	4.35
Profit / (Loss) before depreciation and tax	3.44	1.91
Depreciation	5.07	6.59
Profit / (Loss) before Extra-Ordinary Income	(1.63)	(4.68)
Extra-Ordinary Income	9.97	-
Profit / (Loss) before tax	8.34	(4.68)
Provision for Taxation		
Profit / (Loss) after tax	8.34	(4.68)
Balance brought forward from previous year	(70.10)	(65.42)
Balance carried to Balance Sheet	(61.76)	(70.10)

Indian Export Performance saw tremendous rebound in textile exports. The exports of garments from India have grown by 15.5% year on year to USD 14.94 bn in FY 2013-14 according to sources.

Improving textile and apparel demand from large markets and benefit accruing from a falling rupee have improved the performance of garment exporters. Rupee depreciation improved the competitiveness of Indian exporters in global textile trade mainly over China, Bangladesh and Vietnam. Sri Lanka is emerging as a competitor with an edge in currency competitiveness. Rupee depreciated the most during June to September 2013 against US Dollar and remained the most volatile. But the currency gains were partly offset by continued high inflation and bargain hunting by overseas buyers.

Your Company recorded total revenues of Rs.235 crs for the financial year ending 31st March 2014 as compared to Rs.186 crs previous year. The operating margins were at Rs.10.36 crs as compared to Rs.6.26 crs last year. The increase in revenues and incremental realisation on account of depreciation of INR against US Dollar contributed to incremental margins during the year under review.

The loss before extra-ordinary gain was at Rs.1.63 crs as compared to Rs.4.68 crs previous year. During the year, your company had an extra-ordinary gain of Rs.9.97 crs being the gain on settlement of dues with one of the banks under One-Time Settlement Scheme. The net profits after extra-ordinary income stood at Rs.8.34 crs during the year under review.

Finance and Accounts

There is no provision for Income Tax, due to the losses incurred by the Company in the earlier years. 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 balance and written down value of fixed assets under Income Tax.

The Company has not accepted any deposits within the meaning of Section 58A and 58AA of the Companies Act 1956.

The Company's networth was eroded as on 31st March 2010 under the provisions of Sick Industrial Companies Act (SICA). Accordingly the company filed for reference with the Board for Industrial and Financial Reconstruction (BIFR) under section 15(1) of SICA. The reference was considered by BIFR and upon submissions made and material on record, BIFR has declared the Company as Sick Industrial Company u/s 3(1)(o) of SICA vide its order dated 19th April 2011. BIFR appointed State Bank of India (SBI) as the Operating Agency (OA) and issued directions to submit a Rehabilitation Scheme as per section 18 of SICA.

State Bank of India sanctioned a Re-structuring Package to the Company vide its Sanction Letter dated 16th November 2012. The package included Conversion of portion of Term loans into Equity and 1% Cumulative Redeemable Preference Shares, re-scheduling of Term loan repayments and interest concessions.

SBI converted Rs.7.47 crs of Term loans into Equity Shares and Rs.25.10 crs of Term loans into 1% Cumulative Redeemable Preference Shares during September / October 2013.

HDFC Bank opted for a One-Time Settlement (OTS) of dues; accordingly the Company settled the dues of HDFC Bank under OTS and the net gain of Rs.9.97 crs upon settlement has been recognized under extra-ordinary income in the Statement of Profit and Loss.

The Draft Rehabilitation Scheme is pending for approval before Honorable BIFR.

The net worth of the Company as on 31st March 2014 has turned positive under the

provisions of Sick Industries Companies Act.

The Accounts of the Company have been prepared on the basis of 'going concern concept'. Your Company's Management Team constantly strives to mitigate the problems, improve the financial health of the Company by controlling the losses and the Company foresees strong signs of revival.

Share Capital

The Company issued 74,69,100 Equity Shares of Rs.10/- each to State Bank of India (SBI) pursuant to conversion of Term loans during September 2013. During the same period the Company issued 2,51,04,500 1% Cumulative Redeemable Preference Shares of Rs.10/- each to SBI against conversion of Term loans into Preference Shares.

The above conversion was in accordance with the Rehabilitation Scheme sanctioned by SBI to your Company.

State Bank of India, in its Sanction letter dated 16th November 2012 has stipulated that Promoters should cause equity infusion of Rs.7 crs in phases toward their contribution.

The first tranche of Rs.3.50 crs was received during the FY 2012-13 and your Company was in receipt of the balance Rs.3.50 crs during February/March 2014.

The Company made preferential allotment of 1,50,000 Equity Shares at the face value of Rs.10/- per share to the promoter, Mr. V. Rajagopal and 33,50,000 Equity Shares at the face value of Rs.10/- per share to M/s Leman Diversified Fund, a Foreign Institutional Investor during March 2014 towards their contribution to Equity.

Further the Promoters / Directors had infused funds towards the One-Time Settlement of dues with HDFC Bank. The Company made preferential allotment of 13,50,000 Equity Shares at the face value of Rs.10/- per share to the promoter, Mr. V. Rajagopal and 10,00,000 Equity Shares at the face value of Rs.10/- per share to the Managing Director, Mr. Charath Ram Narsimhan towards their contribution to Equity.

The above preferential allotments were approved by the Shareholders in the Extra-Ordinary General Meeting held in March 2014.

Consequent to the above, the Equity Share Capital of the Company increased by Rs.13.32 crs and the Preference Share Capital increased by Rs.25.10 crs

Dividend

In view of the accumulated losses, no dividend is being recommended.

Personnel

The Board wishes to place on record its appreciation to all the employees in the Company for their sustained efforts and contributions during these tough times.

Directors

During the year under review, BIFR inducted Mr. Ramji Sinha as a Special Director of the Company.

Pursuant to Section 152 of the Companies Act 2013, Mrs. Rama Rajagopal retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

Auditors

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

Cost Auditor

Pursuant to the provisions under Section 233B of the Companies Act, 1956 your Company has appointed M/s. Rafiq & Associates, as Cost Auditor of your Company for the financial year 2014-15.

Corporate Governance Report and Management Discussion and Analysis Statement

A report on Corporate Governance is attached to this Report as also a Management Discussion and Analysis statement.

Particulars as per Section 217 of the Companies Act, 1956

- A) Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956 and based on the representations received, your Directors hereby confirm that:
- In the preparation of the Annual Accounts for the year ended 31st March 2014, the applicable Accounting Standards have been followed and there are no material departures;
 - The Directors 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 or loss of the Company for that period;
 - The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act,

- 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the Annual Accounts on a going concern basis.
- B) During the year under review, there were no employees covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 2011.
- C) The information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given below:
- i. **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.
- ii. Technology absorption:
Not applicable.
- iii. Foreign Exchange Earning and Outgo:
- | | |
|---|---------------|
| Total Foreign exchange earned (FOB Value) | Rs.186.12 crs |
| Total Foreign exchange outgo | Rs. 76.18 crs |

Appreciation

The Directors are sincerely thankful to you – the esteemed shareholders, customers, business partners and State Bank of India for the faith reposed and valuable support provided by them in the Company and its Management. The Directors wish to place on record the co-operation extended and the solidarity shown by the employees in assisting the organization to control its losses and contributing for a good turnaround.

For and on Behalf of the Board

Dated : 5th May 2014
Place : Chennai

V. Rajagopal
Chairman

“GROUP COMING WITHIN THE DEFINITION OF GROUP AS DEFINED IN THE MONOPOLIES AND RESTRICTIVE TRADE PRACTICES ACT, 1969.”

1. Mr.Venkatesh Rajagopal
2. Mrs.Rama Rajagopal
3. Mr.Suresh Rajagopal
4. Mr.K.A.Rajagopal
5. Ms.Anjali Rajagopal
6. Mr.Vidyuth Rajagopal
7. Celebrity Connections (Partnership Firm)
8. Indian Terrain Fashions Limited
9. Celebrity Clothing Limited

The above disclosure has been made inter alia for the purpose of Regulation 3(1)(e) of the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

For Celebrity Fashions Limited

Dated : 5th May 2014
Place : Chennai

Charath Ram Narsimhan
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS – 31ST MARCH 2014

This Management Discussion and Analysis Report is prepared in adherence to the spirit enunciated in the Code of Corporate Governance, approved by the Securities and Exchange Board of India and in compliance with the provisions of the Listing Agreement.

Global Overview

Over all the global economy has witnessed weak growth. Weak growth isn't just a problem for industrialized economies. Emerging economies are finding it increasingly difficult to maintain the pace of economic expansion they've recorded over the past decade. Higher borrowing costs are also putting the brakes on output, as the U.S. Federal Reserve moves toward the exit from its easy money policies, signaling an end ahead for the era of low-cost loans.

The prospect for rising interest rates is making investors re-examine whether emerging markets can sustain the growth necessary to pay off their debts, especially where they may have relied too much on credit. Slowing output combined with higher interest rates could spur defaults on corporate debt and other loans.

Combined with political tensions in Ukraine, Turkey and other emerging economies, those prospects have fueled several bouts of market volatility as investors pulled their cash out of questionable economies in droves.

In some countries, authorities have been able to assuage investors, although that may only be a temporary respite, the IMF said. India's central bank's boosted rates

to contain inflation and allowed the rupee to depreciate to spur exports. If lawmakers don't deliver on promised changes to make the economy more competitive, however, investor confidence there may sour again.

Other countries aren't faring as well. Brazil's central bank is struggling to control rising prices and investors aren't convinced the government is doing enough to restructure the economy. The IMF downgraded the country's 2014 forecast by half a percentage point to 1.8%.

That economic adjustment is complicated by the number of countries facing national election cycles, when it's harder for politicians to take steps many economists say are needed to promote stronger long-term growth.

Although the IMF kept its growth forecast for China at 7.5% for the year, it also indicated the world's second-largest economy could slow more than expected, as authorities tackle the country's borrowing problems. The IMF said China needs to do more to rein in credit growth to prevent a buildup of bad loans, even if it means lower growth than currently forecast.

The International Monetary Fund trimmed its outlook for global economic growth, as anemic output in Europe and Japan hobble the recovery and emerging markets struggle with rising borrowing costs.

The fund forecast that the world economy will expand 3.6% this year. That marked a slight downgrade from its 3.7% estimate in January, but would be stronger than last year's 3% expansion. It comes amid a darker outlook for key emerging markets such as Russia, Brazil and South Africa, despite healthier recoveries in the U.S., Germany and the U.K.

The U.S. growth of 2.8% this year should help perk up prospects for many emerging markets, where output is slowing

Indian Industrial overview

Readymade garment exports were up by 9.40per cent in March and 15.58per cent in 2013-14, thereby registering a stellar growth during the year. The weakening of the rupee has also boosted garment-manufacturing companies. Interestingly, the recovery in the US and European markets will continue to help garment-manufacturing companies

But it is companies who are into production of raw materials, especially yarn besides production and export of garments which have recorded a higher growth in revenues. Not only exports but India's textile production increased 4.6 percent in April-February 2013-14 even as the index of industrial production dropped by 0.1 per cent.

A large number of textiles exporters are facing a huge financial crunch due to substantial delay in getting duty drawback since the last five months from all the major ports. Drawback claims remain pending since September 2013 despite persistent follow up efforts made by the exporters, thereby, adversely affecting cash flows.

Opportunities and Threats

Strength

India is today recognized as one of the best sourcing destinations for garments, textiles, accessories and finish: It provides a perfect blend of fashion, design, quality, patterns, textures, colors and finish. Manufacturers here are ready to innovate, be flexible on quantities, have hands-on approach to quality control and keep the integrity on deadlines.

Labor is skilled and economical while process are highly without taking away from the quality of the final product. Amazing technological developments, superior design capabilities and companies that provide integrated logistic solutions are other highly prized support systems that the industry thrives on.

Combined with these manmade assets are the country's natural assets which play a large role in boosting the garment industry- by providing raw materials of world class quality. Here are some of India's natural leverages that the industry uses to its full advantage: India the largest producer of Jute the second largest producer of cotton, silk and cellulosic fiber, the third largest producer of raw cotton and the fourth largest producer of synthetic fiber.

Weakness

Exporters may find it challenging to manage liquidity in FY15 amid increasing volumes coupled with a long working capital cycle and the consequent higher use of working capital limits - a characteristic of the textile business.

It is to be noted that India's position in global arena is on a shaky platform as it is facing tough competition from its neighboring countries such as China & Bangladesh. Talking about these three Asian countries the labor in Bangladesh is cheapest and India's labor is costliest. China is technologically more advance than India and Bangladesh and in terms of fabric especially silk, Bangladesh is the leader. The fuel prices in India are the highest among these countries. China is the leader in exports with more than 40% market share. From the above point it can clearly be inferred that India is not in a leading position and will have to toil to reap success.

Risks and Concerns

Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could cause decline in our performance.

The economic environment, pricing pressure and decreased capacity utilization rates could negatively impact our revenues and operating results.

Our revenues are highly dependant on clients primarily located in US & EU. An economic slowdown or other factors that affect the economic health of the US & EU may affect our business.

Our net income may get reduced if Government of India slashes the subsidies given. Changes in the policies of the Government of India or political instability could delay the further liberalization of Indian economy, which could impact our business prospects.

Our failure to complete the orders in agreed time frame may negatively affect our profitability. Our client contracts are often conditioned on our performance, which, if unsatisfactory, could result in lesser revenues.

Outlook

The Gross Domestic Product (GDP) growth for FY 15 is predicted at 5.6 percent. Although the worst appears to be over, it is unlikely that the Indian economy will migrate to a high growth phase of around 9 percent over the next two-to-three years. It is believed that the economy, at this point of time, is delicately balanced and requires a serious policy push to return on the high growth path.

The economic recovery in key markets – the US and eurozone - would continue to drive the order book of exporters in FY15. Export sales have also improved as garment manufacturers have tapped new geographies such as Middle East, Latin America, Japan, Russia and Australia. Most exporters are running on full capacity and also outsourcing manufacturing on a job work basis as order books are growing. Continuing rupee depreciation and India's improving position as a preferred supplier for value-added garments would aid continued growth in exports during FY15.

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.

Risk Management

In an interdependent, fast-moving world, organizations are increasingly confronted by risks that are complex in nature and global in consequence. Such risks can be difficult to anticipate and respond to, even for the most seasoned business leaders.

The Company is exposed to the following risks:

Foreign Exchange 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 50% of its Exports.

Interest Rate Risk

The Interest rate regime was continuously on the hike mode for the past several quarters. Now the interest rates are expected to soften. The Company's Banks have sanctioned a re-structuring package wherein the interest rates on term loans are at concessional levels. However the Banks reserves the right of recompense and the compensation will cover the entire amount of sacrifice and concessions in rates of interest of all facilities.

Apart from the above, the Company is also exposed to certain operating business risks in the form of government regulations and the same is taken care through regular monitoring and corrective mechanisms.

Financial Performance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India.

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

Highlights

Rs. In Crores

	2013-2014	2012-2013
Income From operations	235.31	187.24
PBIDT	10.36	6.26
Interest	6.92	4.35
PBDT	3.44	1.91
Depreciation	5.07	6.59
Profit/ (Loss) Before Tax'	(1.63)	(4.68)
Extra Ordinary Income	9.97	-
Provision for Taxation	-	-
Net Profit / (Loss) after Tax	8.34	(4.68)

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. The Company had around 5000 employees as on 31st March 2014.

Cautionary Statement

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

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Corporate Governance

Celebrity Fashions Limited focuses Corporate Governance as a key driver of sustainable corporate growth and a powerful medium to achieve the company's goal of maximizing value for all its stakeholders. A sound corporate governance strengthens investors' trust and enables the company to fulfill its commitment towards the customers, employees and the society in general. Celebrity Fashions Limited believes that the primary objective is to create and adhere to a corporate culture of conscience and consciousness, empowerment, accountability and independent monitoring.

The company philosophy is based on the key elements in corporate governance viz., transparency, disclosure, supervision and internal controls, risk management, internal and external communications, high standard of safety, health, accounting fidelity, product and service quality. The company has a strong legacy of fair and ethical governance practices.

BOARD OF DIRECTORS

The Board of Directors of the Company possess highest personal and professional ethics, integrity and values, and provides leadership, strategic guidance and objective judgement on the affairs of the company. The Board is fully aware of its fiduciary responsibilities and is committed to represent the long-term interest of the Stakeholders. The Board adopted the principles of corporate governance and remains informed, participative, and independent to implement its broad policies and guidelines and has set up adequate review procedures.

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 six 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 and Chairman under the supervision of the Board.

Composition of the Board

The Board has constituted in the manner, which will result in an appropriate mix of Executive / non executive independent directors to ensure proper governance and Management.

During the financial year ended 2013-14, the Board consisted of Six Directors. Mr.V.Rajagopal is the Chairman and Mr. Charath Ram Narsihman is a Managing Director and Mrs. Rama Rajgopal, Director. Three Directors viz., Mr. N.K. Ranganath, Mr. P.S. Raman and Mrs.Nidhi Reddy are non executive Independent Directors.

Mr.Ramji sinha was appointed by BIFR as a Special Director in june 2013.

Board Meetings

During the financial year 2013-14, the Board met 6 times on 03.05.2013, 09.08.2013, 24.09.2013, 09.11.2013, 12.02.2014 and 27.03.2014.

Details of attendance of each director at the Board Meetings and in the last Annual

General Meeting and number of directorships / committee memberships held by them as on 31st March 2014 are as follows:

Name of the Director	Category	Attendance at the Board Meetings	Attendance at the Last AGM	Number of other Director ships held**	Other Committee Membership***	
					Member	Chairman
Mr. V. Rajagopal Chairman	Executive / Promoter	6/6	No	2	-	-
Mrs.Rama Rajagopal Executive Director	Executive / Promoter	6/6	Yes	2	-	-
Mr. Charath Ram Narsimhan Managing Director	Executive	6/6	Yes	1	2	-
Mr.P.S.Raman Director	Independent Non Executive	1/6	No	1	1	-
Mr.N.K.Ranganath Director	Independent Non Executive	5/6	No	3	1	2
Mrs.Nidhi Reddy Director	Independent Non Executive	1/6	No	-	2	1

Access to information and updation to Directors

The required information as enumerated in Annexure 1A to Clause 49 of the Listing Agreement 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.

COMMITTEES OF THE BOARD

The Board in order to be effective had constituted an Audit Committee, a Shareholder / Investor Grievance Committee and a Remuneration and Compensation Committee.

AUDIT COMMITTEE

The Audit Committee plays an important role in financial reporting of performance and review of internal control procedure.

The Company consists of qualified and independent Audit Committee. The committee consists of four members Mr. N. K. Ranganath, Non-executive independent director as its Chairman, Mr. Charath Ram Narsimhan, Mr.P.S.Raman and Ms. Nidhi Reddy as its members. All the members of the Committee have excellent financial and accounting knowledge.

The role of the Audit Committee, in brief, is to review financial statements, internal controls, accounting policies and internal audit. The quarterly financial results are placed before the audit committee for its review, suggestions and recommendation(s), before taking the same to the Board. The Committee also reviews the management discussion and analysis of financial conditions and results of operations, related party transactions.

The Committee met 4 times on 03.05.2013, 09.08.2013, 09.11.2013 and 12.02.2014 during the financial year ended 31st March 2014.

REMUNERATION AND COMPENSATION COMMITTEE

The Board has set up Remuneration and Compensation Committee with a role to determine the remuneration payable to whole time directors and key managerial personnel of the Company, to recommend to the Board the appointment / reappointment of the Executive / Non-executive directors, to grant stock options and for framing of policies to attract, motivate and retain personnel.

The Committee consists of three non-executive independent directors, Ms. Nidhi Reddy as its Chairman, Mr. N.K. Ranganath and Mr. P.S. Raman as its members.

During the year ended 31st March 2014, the Remuneration and Compensation Committee met once on 03rd May, 2013.

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.

Remuneration 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, 1956.

During the financial year 2013-14, the sitting fee paid to Non - Executive Directors were as under:

Name of the Director	Sitting Fees (includes the fees paid for Committee Meetings) Rs.
Mr. P.S.Raman	5,500
Mr. N.K.Ranganath	21,500
Mrs. Nidhi Reddy	7,000
Mr.Ramji Sinha	5,000

There are no other particular pecuniary relationships or transactions of the non-executive directors' vis-à-vis of the Company.

The Company pays remuneration by way of Salary, perquisites and allowances to the Chairman and Managing Director. Details of the remuneration and perquisites paid to the whole time directors are as under:

Name of the Director	Salary (Rs. in Lakhs)	Retirement Benefits	Total (Rs. in Lakhs)
Mr. Charath Ram Narsimhan*	Nil	Nil	Nil

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

Shareholders/Investors Grievance Committee

The Committee oversees and reviews all matters connected with share transfers, issue of duplicate share certificates, etc. The Committee also looks into the redressal of investors' grievances pertaining to transfer of shares and dematerialization, non-receipt of balance sheet, non-receipt of declared dividends, etc.

The Committee consists of three members Mr. Ranganath, Non executive independent director as its Chairman, Ms. Nidhi Reddy and Mr. Charath Ram Narsimhan as its members. During the year, there was no meeting held.

The Company received no complaint during the year and no complaints pending to be resolved as on 31st March 2014.

During the year ended 31st March 2014, the shareholders/Investors Grievance Committee met once on 12th February 2014.

General Body Meetings

The details of the last three Annual General Meetings (AGMs) held were as under:

Financial year	Day and Date	Time	Venue
2012-13	Monday,23rd September 2013	3.00 P.M	Registered Office, SDF- IV & C 2,3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.
2011-12	Monday, 17th September 2012	3.00 P.M	Registered Office, SDF- IV & C 2,3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.
2010- 11	Wednesday, 28th September, 2011	10.30 A.M	Registered Office, SDF- IV & C 2,3rd Main Road, MEPZ - SEZ, Tambaram, Chennai 600 045.

The following special resolutions were passed by the members during the last 3 annual general meetings and Extra ordinary General Meetings:

EGM held on 18th March 2014

Preferential allotment of Equity shares to Mr.V.Rajagopal,Promoter, Mr.Charath Ram Narsimhan,Key Managerial person and Leman Diversified Fund,Foreign Institutional Investor in accordance with SEBI (ICDR) Regulations,2009.

EGM held on 10th October 2012

Preferential allotment of Equity Shares to the Promoters, Mr. V. Rajagopal, and Mrs. Rama Rajagopal in accordance with SEBI (ICDR) guidelines.

AGM held on 23.09.2013

Special Resolutions passed :

- Conversion of Loan into 1% Cumulative Redeemable Preference Shares in accordance with Sections 80,81,81(1A) of the Companies Act,1956
- Conversion of Loans into Equity shares in accordance with Section 81(1A) of the Companies Act,1956 and SEBI (ICDR) guidelines.

Code of conduct

The Company has adopted a Code of Conduct for all board members and senior management of the Company. The Code has been communicated to the directors and the members of the Senior Management of the Company. The code has been displayed on the Company's website namely www.celebritygroup.com. All the members of the Board and senior management have confirmed compliance with the Code for the year

ended, 31st March 2014. The annual report contains a declaration to this effect signed by the Chairman & Company Secretary as Compliance Officer of the Code.

The Company has also framed a Code of Conduct for prevention of Insider Trading in compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all directors/officers and designated employees of the company. The code regulates dealing in shares by the persons having access to the unpublished price sensitive information.

CEO/ CFO CERTIFICATION

CEO and CFO have given the certificate as given in Clause 49 of the Listing Agreement.

DISCLOSURES

There were no materially significant related party transactions that may have potential conflict with the interest of company at large. The details of the related party transactions are disclosed under the notes on accounts, as required under the Accounting standard 18 issued by the Institute of Chartered Accountants of India.

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 or 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.

The company has complied with all the mandatory requirements of the code of corporate governance prescribed by the stock exchanges. In compliance with non-mandatory requirements, the company has constituted a Remuneration and Compensation Committee.

The company has not adopted the whistle blower mechanism, as it is a non-mandatory requirement

Means of Communication

The quarterly and half-yearly / annual financial results are communicated to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), where the shares of the Company are listed, as soon as they are approved and taken on record by the Board of Directors. The financial results are published in English Newspaper having all India Edition and in Tamil newspaper.

GENERAL SHAREHOLDERS INFORMATION

Financial Year

1st April to 31st March

Annual General Meeting and Date of Book Closure

This Corporate Governance Report was taken on record by the Board in their meeting held on 05th May 2014. The date and venue 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.

Listing on Stock Exchanges

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
Stock Code: "532695"

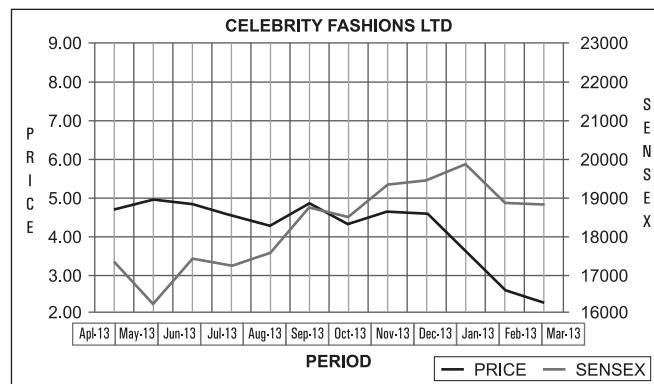
National Stock Exchange of India Limited
Exchange Plaza, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai 400 051
Stock Code: "CELEBRITY"

Market Price data

(Share price in Rs.)

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-13	2.46	2.02	3,173	2.60	2.40	101
May-13	4.71	2.15	1,35,392	0.00	0.00	0
Jun-13	4.98	3.25	52,657	0.00	0.00	0
Jul-13	8.79	5.2	1,96,172	0.00	0.00	0
Aug-13	5.82	4	21,612	0.00	0.00	0
Sep-13	4.72	3.56	30,085	0.00	0.00	0
Oct-13	4.41	3.56	17,812	0.00	0.00	0
Nov-13	4.85	3.73	43,666	0.00	0.00	0
Dec-13	4.5	3.25	18,491	0.00	0.00	0
Jan-14	4.44	3.51	23,063	4.60	3.60	4970
Feb-14	5.9	3.55	72,103	5.80	3.65	3701
Mar-14	7.64	4.35	93,677	7.40	4.35	1448

Celebrity Fashions Limited Share Price Performance in comparison with 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:

M/s. Link Intime India Private Limited
C - 13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (W),
Mumbai 400 078
Tel: + 91 22 2596 3838
Fax : + 91 22 2596 2691
Website : www.linkintime.co.in
E-mail : celebrityfashions@linkintime.com

Share Transfer System

The Board has delegated the powers to approve share transfers, transmissions, rematerialisation by constituting a Shareholders/ Investors Grievance Committee. As 99.99% of the shares were held in dematerialized mode, the transfers of those shares were done through the depositories with no involvement of the company.

The physical share transfer, transmissions are processed based on number of requests received. The shares lodged for transfers are processed and registered as per the requirements of the listing agreement if the documents are complete in all respects.

Distribution of Shareholding:

Distribution of Shareholding as on 31st March 2014 is as under:

Range	Holding	Amount (Rs.)	% to Capital	No. of Holders	% to Total Holders
1-500	1244967	12449670	4.08	12043	89.73
501-1000	540426	5404260	1.77	673	5.01
1001-2000	554852	5548520	1.82	366	2.73
2001-3000	294954	2949540	0.97	116	0.86
3001-4000	186218	1862180	0.61	53	0.39
4001-5000	236507	2365070	0.78	50	0.37
5001-10000	411975	4119750	1.35	59	0.44
Greater than 10001	27033866	270338660	88.62	61	0.46
TOTAL	30503765	305037650	100.0000	13421	100.0