



Celebrity Fashions Limited

21st May, 2015

Bombay Stock Exchange Ltd
PJ Towers
Dalal Street
Mumbai 400 023

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, Plot No. C/1
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051

Dear Sirs,

Sub: Approval of Audited Annual Financial Results-Board Meeting Dated 21st May 2015

Ref.: Scrip Code – 532695 / CELEBRITY

The Board of Directors of the Company at their Meeting held on 21st May 2015, at the Registered Office of the Company has approved the Audited Annual Financial Results for the Quarter and the year ended 31st March, 2015

We hereby enclose the aforesaid approved Audited Annual financial results along with Auditors Report as per the Listing Agreement for your records.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,

For **CELEBRITY FASHIONS LIMITED**

Authorised signatory

Encl:a/a

Dr. C.N. GANGADARAN
B.Com., FCA, MBIM (Lond.), Ph.d.

S. NEELAKANTAN
B.Com., FCA

R. THIRUMALMARUGAN
M.Com., FCA

G. CHELLA KRISHNA
M.Com., FCA, PGPM

CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

"Agastyar Manor"

New No.20, Old No.13, Raja Street,
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D. KALAIALAGAN
B.Com., FCA

B. RAMAKRISHNAN
B.Com., FCA, Grad. CWA

V. VIVEK ANAND
B.Com., FCA

INDEPENDENT AUDITOR'S REPORT

To the Members of Celebrity Fashions Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Celebrity Fashions Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.



CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Contd.....

Emphasis of Matter

We draw attention to Note No. 27 of the Financial Statements which indicates that the Company has accumulated losses and that more than 50% of its Net Worth has been eroded. We have evaluated the appropriateness of the 'going concern' concept in accordance with SA-570, based on such evaluation, in our opinion and on the basis of the information and explanations given to us, we report that we have obtained sufficient evidence to establish the continuance of the Company as a going concern. The financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a 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 Companies Act, 2013, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of the written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act; and
 - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 29 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been a delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company which is detailed below :

33,799 outstanding since November 13, 2013.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
F.R.No.004915S




C N GANGADARAN
Partner
Memb.No.11205

Place: Chennai
Dated:

21/5/15

Annexure To The Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of **Celebrity Fashions Limited** ("the Company") for the year ended March 31, 2015. We report that:

1. In respect of its Fixed Assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased periodical manner designed to cover all the items over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
2. In respect of its inventories :
 - a. As explained to us the inventories of the Company, except in the case of raw material of the value 0.99 crores lying in transit for which confirmation has been obtained, have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. According to the information and explanations given to us, the Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to book records.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Hence the question of reporting whether the receipt of principal and interest are regular and whether reasonable steps for recovery of over dues of such loans taken do not arise.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets, inventory and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither observed nor have we been informed of any continuing failure to correct major weaknesses in the internal control system.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore in our opinion the provisions of Clause (v) of paragraph 3 of the Order (as amended) are not applicable to the Company.
6. To the best of our knowledge and as explained to us, the Central Government of India has not prescribed the maintenance of cost records under Section 148(1) (d) of the Companies Act, 2013 for any of the products manufactured by the Company.
7. In respect of statutory dues:
 - a. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues, including provident fund, employees state insurance scheme, income tax, duty of customs, value added tax, cess and other material statutory dues as applicable, have been regularly deposited during the year by the Company with the appropriate authorities. *However there has been delay in depositing service tax dues with the appropriate authorities during the year.* As explained to us, the Company did not have any dues on account of duty of excise.



According to the information and explanations given to us, *except for service tax payable amounting to ` 23.04 lakhs* no undisputed amounts payable in respect of provident fund, employees state insurance scheme, income tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, the disputed statutory dues aggregating to ` 29.03 lakhs that has not been deposited on account of matters pending before the appropriate authorities are as under:-

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum Where the dispute is pending	Amount (in `.)
Income Tax Act, 1961	Income Tax	2003-2004	Pending before the Assessing Officer	5,26,669*
Income Tax Act, 1961	Income Tax	2004-2005	Pending before the Assessing Officer	9,61,087*
Income Tax Act, 1961	Fringe Benefit Tax	2007-2008	Pending for rectification before the Assessing Officer	6,99,860
Income Tax Act, 1961	Fringe Benefit Tax	2008-2009	Pending for rectification before the Assessing Officer	6,01,600
Income Tax Act, 1961	Income Tax	2011-2012	Pending for rectification before the Assessing Officer and appeal before the Commissioner of Income Tax Appeals, Chennai	1,14,652
Total				29,03,868

* Relating to Income Tax dues of partnership firm Celebrity Connections

- c. According to the information and explanations given to us, the following are the instances of delay in transferring amounts required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.

` 33,799 outstanding since November 13, 2013.

8. The accumulated losses of the Company have exceeded 50% of its net worth as at March 31, 2015. The Company has not incurred cash losses during the current financial year and in the immediately preceding financial year. Further during the year the Board for Industrial and Financial Reconstruction (BIFR) has discharged the Company from the purview of the Sick Industrial Companies Act under section 3(1)(o), vide its order dated 04th August 2014.
9. Based on our audit procedures and according to the information and explanations given to us, the Company has defaulted in repayment of ` 18.22 crores (principal amount) and interest amounting to ` 1.09 crores in respect of loans availed from State Bank of India. While repayment of principal is pending since March 31, 2015 interest remained unpaid since February 2015, which has however since been regularised.



10. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Hence in our opinion clause (x) of paragraph 3 of the Companies (Auditors Report) Order, 2015 is not applicable to the Company.
11. According to the information and explanations given to us and based on the records and documents produced before us, in our opinion the term loans have been applied for the purposes for which they were obtained.
12. According to the information and explanations given to us no material fraud on or by the Company has been noticed or reported during the course of our audit.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
F.R.No.004915S



C N GANGADARAN
Partner
Memb.No.11205

Place: Chennai
Dated:

21/5/15



 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 2015					
Rs. In Crs					
Sl. No.	Particulars	Quarter Ended			FY 2014-15 Audited
		Audited 31/03/2015	Unaudited 31/12/2014	Audited 31/03/2014	FY 2013-14 Audited
1	Net Sales / Income from Operations	35.19	57.60	66.83	184.29
	Other Operating Income	9.42	1.88	5.52	21.58
	Total	44.61	59.48	72.35	205.87
2	Cost of Sales / Operating Expenses				
	-- (Increase) / Decrease in Stock	8.72	(3.34)	13.94	0.62
	-- Consumption of Raw Materials	12.73	35.16	27.07	107.94
	-- Purchase of traded goods	-	-	-	-
	-- Employee Costs	10.56	14.21	10.68	54.37
	-- Depreciation	1.16	2.25	1.42	6.80
	-- Other Expenses	7.71	8.07	11.13	32.68
	-- Total	40.88	56.35	64.24	202.41
3	Profit from Operations before Other Income, Interest and Exceptional Items	3.73	3.13	8.11	3.46
4	Other Income	2.77	0.26	0.26	3.58
5	Profit before Interest and Exceptional Items	6.50	3.39	8.37	7.04
6	Interest & Other Finance Costs	2.22	2.47	0.95	9.33
7	Profit after Interest but before Exceptional Items	4.28	0.92	7.42	(2.29)
8	Exceptional Item	-	-	-	-
9	Profit / (Loss) from Ordinary Activities before Tax	4.28	0.92	7.42	(2.29)
10	Provision for Tax	-	-	-	-
11	Net Profit / (Loss) from Ordinary Activities after tax	4.28	0.92	7.42	(2.29)
12	Extraordinary Items (net of tax expenses)	-	-	9.97	-
13	Net Profit / (Loss) for the Period (11+12)	4.28	0.92	17.39	(2.29)
14	Paid-Up Equity Share Capital (Equity Shares of Rs.10/- each)	39.00	39.00	36.35	39.00
15	Reserves excluding Revaluation Reserves as per Balance Sheet				(63.12)
16	Earnings Per Share (before Extraordinary items)				
	-- Basic EPS	1.10	0.24	2.41	(0.60)
	-- Diluted EPS	1.10	0.24	2.41	(0.60)
	Earnings Per Share (after Extraordinary items)				
	-- Basic EPS	1.10	0.24	5.64	(0.60)
	-- Diluted EPS	1.10	0.24	5.64	(0.60)
Select Information for the Quarter and Year Ended 31st March 2015					
Sl. No.	Particulars	Quarter Ended			FY 2014-15 Audited
		Audited 31/03/2015	Unaudited 31/12/2014	Audited 31/03/2014	FY 2013-14 Audited
A	Particulars of Shareholding				
1	Public Shareholding				
	-- Number of Shares	24,309,969	24,309,969	19,959,969	24,309,969
	-- Percentage Shareholding	62.3%	62.3%	63.4%	62.3%
2	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	-- Number of Shares	5,352,516	5,352,516	5,352,516	5,352,516
	-- Percentage Shares (as a % of the total shareholding of promoter and promoter group)	36.4%	36.4%	50.8%	36.4%
	-- Percentage Shares (as a % of the total share capital of the company)	13.7%	13.7%	17.5%	13.7%
	b) Non-Encumbered				
	-- Number of Shares	9,341,280	9,341,280	5,191,280	9,341,280
	-- Percentage Shares (as a % of the total shareholding of promoter and promoter group)	63.6%	63.6%	49.2%	63.6%
	-- Percentage Shares (as a % of the total share capital of the company)	23.9%	23.9%	17.0%	23.9%
Particulars for 3 months ending 31st March 2015					
B	Investor Complaints				
	Pending at the beginning of the Quarter	NIL			
	Received during the Quarter		1		
	Disposed during the Quarter		1		
	Remaining unresolved at the end of the Quarter	NIL			

Charan Narsimhan

Celebrity Fashions Limited			
Statement of Assets and Liabilities			
		31-Mar-15	31-Mar-14
	Particulars	₹ In Crs	
		Audited	
A	EQUITY AND LIABILITIES		
1	Shareholders Funds		
	(a) Capital	64.10	61.45
	(b) Reserves & Surplus	(63.12)	(59.71)
		0.98	1.74
2	Non-Current Liabilities		
	(a) Long Term Borrowings	27.27	41.98
	(b) Deferred Tax Liabilities (net)	-	-
	(c) Other Long Term Borrowings	1.39	0.82
		28.66	42.80
3	Current Liabilities		
	(a) Short Term Borrowings	20.60	32.04
	(b) Trade Payables	18.72	28.78
	(c) Other Current Liabilities	45.20	32.69
	(d) Short Term Provisions	2.42	1.69
		86.94	95.20
	TOTAL EQUITY AND LIABILITIES	116.58	139.74
B	ASSETS		
1	Non-Current Assets		
	(a) Fixed Assets	58.51	65.41
	(b) Non-Current Investments	-	0.05
	(c) Long Term Loans and Advances	2.86	2.87
	(d) Other Non-Current Assets	4.76	3.36
		66.13	71.69
2	Current Assets		
	(a) Current Investments	-	-
	(b) Inventories	26.78	24.18
	(c) Trade Receivables	18.27	35.12
	(d) Cash and Bank Balances	2.19	2.79
	(e) Short Term Loans and Advances	0.43	0.36
	(f) Other Current Assets	2.78	5.60
		50.45	68.05
	TOTAL ASSETS	116.58	139.74

Charan Nandan

- 1 The above results as reviewed by Audit Committee were approved and taken on record by Board of Directors in the meeting held on 21st May 2015
- 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 Pursuant to the enactment of Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in the Accounting Policy on Depreciation, Amortisation and Depletion in the Notes to Financial Statements. For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the management believes that useful lives as estimated by the Company best represent the period over which the management expects to use these assets.
Hence the useful lives of these assets is different from the useful lives as prescribed under Part C of Schedule II of Companies Act, 2013.
The unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of fixed assets whose lives have expired as at 1st April 2014 have been adjusted in the Opening Balance of Reserves and Surplus amounting to Rs.1.12 crs.
- 5 The Company was discharged from the purview of the Sick Industries Companies Act (SICA) by the Board of Industrial and Financial Reconstruction (BIFR) vide its order dated 4th August 2014.
- 6 The Report of Statutory Auditors on the Financial Statements of the Company for the financial year ending 31st March 2015 contains qualifications which is being summarised below:
 - a) *There has been a delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company which is detailed below: Rs.33,799/- due to be remitted by 13th November 2013 was remitted on 17th July 2014*
 - b) *There have been delays in depositing undisputed service tax dues with the appropriate authorities during the year*
 - c) *Based on our audit procedures and according to the information and explanations given to us, the Company has defaulted in repayment of Rs.18.22 crs (principal amount) and interest amounting to Rs.1.10 crs in respect of loans availed from State Bank of India. While the principle repayment was pending to be repaid by 31st March 2015, the interest remained unpaid since February 2015.*
 - d) *The accumulated losses of the Company have exceeded 50% of its networth as on 31st March 2015.*

The response from the Management with respect to the above qualifications is appended below:

 - a) The delays in remitting the unclaimed dividend amounts to Investor Education and Protection Fund were due to delays in receipt and reconciliation of data from the Bank. Immediately upon receipt of data, the Company has remitted the amount of Rs.33,799/- to Investors Education and Protection Fund
 - b) During the year under review, the Company has arrived at an out-of-court settlement with its tenant and has entered into a fresh lease deed and memorandum of understanding. The Company has recognised a rental income of Rs.1.26 crs pertaining to previous year and the same has been included under Other Income. Along with the same, the Company has recognised the rental income for the Current Year during the last quarter of the financial year. The service tax amounts of Rs.30 lakhs on the rental income were pending to be remitted as on 31st March 2015. The Company is taking steps to remit the same at the earliest.
 - c) In accordance with the re-structuring package sanctioned to the Company by State Bank of India, an amount of Rs.18.22 crs was to be repaid by 31st March 2015 from the sale of proceeds of one of properties of the Company. Pending disposal of the property, the amount of Rs.18.22 crs remained unpaid to State Bank of India. The Company is taking necessary steps for disposal of the property and for repayment of term loans.
As at 31st March 2015, interest on working capital and term loans amounting to Rs.1.10 crs were pending to be serviced since February 2015. The Company has serviced the same in April 2015.
 - d) The accumulated losses of the Company have exceeded 50% of its networth as on 31st March 2015. The accounts of the Company have been prepared on 'Going Concern' basis. 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 signs of revival.
- 7 The Company has deferred tax asset however due to the absence of virtual certainty of future taxable income and based on General Prudence the Company has not recognised the deferred tax asset in accordance with the provisions of Accounting Standard 22.
- 8 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.
- 9 At the AGM held on 29th September, 2014, M/s. Anil Nair & Associates, Chartered Accountants, Chennai and M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai were appointed as joint auditors for the Company for the Financial year 2014-15. However, M/s. Anil Nair & Associates are awaiting the revalidation of their Peer Review Certificate and the process is on-going. As on the date of signing the Balance Sheet, M/s. Anil Nair & Associates are yet to receive the certification from Peer Review Board. Consequently as a matter of abundant prudence, M/s. Anil Nair & Associates have abstained from signing the Balance Sheet of the Company. The Annual Accounts of the Company including its Balance Sheet, Statement of Profit and Loss along with Cash Flow Statement have been audited and signed by M/s. CNGSN & Associates LLP.
- 10 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.
- 11 Previous period figures have been regrouped / reclassified, wherever necessary.

By Order of the Board
for Celebrity Fashions Limited

Charan Narsimhan

Charan Ram Narsimhan
Managing Director

Date: 21st May 2015
Place: Chennai