



Celebrity Fashions Limited

SYNOPSIS OF THE SCHEME OF ARRANGEMENT

The Scheme of Arrangement is to reorganize and streamline the business of Celebrity Fashions Limited by way of demerger of the Indian Terrain division to Indian Terrain Fashions Limited.

Celebrity Fashions Limited ("the Transferor Company or "CFL") is a Company incorporated on April 28, 1988, under the Companies Act, 1956 and the Registered Office is situated at SDF — IV & C 2, Third Main Road, MEPZ — SEZ, Tambaram, Chennai — 600 045. The equity shares of CFL are listed on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited

Indian Terrain Fashions Limited ("the Transferee Company" or "ITFL") is a company incorporated on 29 th September 2009, under the Companies Act, 1956 having its Registered Office at No.208, Velachery Tambaram Main Road, Narayanapuram, Pallikaranai, Chennai — 600 100.

SHARE EXCHANGE RATIO

Upon effectiveness of Scheme, in consideration for the demerger of the Indian Terrain Division to the Indian Terrain Fashions Limited (Transferee Company) pursuant to clause 4 of the Scheme, the Indian Terrain Fashions Limited (Transferee Company) shall, without any further act or deed, issue and allot to each member of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date, equity shares in the Transferee Company in the ratio of 2 (Two) equity shares in the Transferee Company of the face value of Rs.10/- (Rupee Ten only) each credited as fully paid-up for every 7 (Seven) equity shares of Rs. 10/- (Rupees Ten only) each fully paid-up held by such member or his/her/its heirs, executors, administrators or successors in the Transferor Company ("Share Entitlement Ratio").

FRACTIONAL ENTITLEMENTS

No fractional certificate shall be issued by the Transferee Company in respect of the fractional entitlement, if any, to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid. The Directors of the Transferor Company shall instead consolidate all such fractional entitlements to which the members of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid and thereupon issue and allot equity shares in lieu thereof to a Director or an Officer or Auditor of the Transferor Company or an Institution with the express understanding that such Director, Officer, Auditor or an Institution to whom such equity shares be allotted shall sell the same in the market and pay to the Transferor Company the net sale proceeds thereof whereupon the Transferor Company shall distribute such net sale proceeds to the said shareholders of the Transferor Company in proportion to their fractional entitlements. The issue and allotment of consolidated fractional entitlements shall not require any further approval from the shareholders of the Transferee Company or from any other statutory authority or body.

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For Celebrity Fashions Limited

G. Balaji
Company Secretary



Celebrity Fashions Limited

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Illustration of allotment

If Mr. X holds 100 equity shares in Celebrity Fashions Limited, as per the Scheme of arrangement, for every seven shares held in Celebrity Fashions Limited, two shares will be issued in Indian Terrain Fashions Limited.

Entitlement of Mr. X in Indian Terrain Fashions Limited

$100/7 \times 2 = 28.57$ shares rounded off to **28 shares**

Fractional entitlement is ignored as per the scheme. Consolidation of the fractional entitlements will be issued to the Director or Officer or Auditor or an Institution as per the Scheme of Arrangement.

CAPITAL REDUCTION IN ITFL

The Indian Terrain Fashions Limited (Transferee Company) shall cancel its pre — demerger paid up equity share capital of Rs. 5,00,000/- (Rupees Five Lakhs only) i.e. 50,000 equity shares of Rs. 10/- (Rupees Ten only) each, held by the Transferor Company, upon allotment of equity shares as per clause 9.1, as consideration for demerger. The cancellation of the pre - demerger share capital shall result in a mirror image of *the* shareholding pattern in the Indian Terrain Fashions Limited (Transferee Company) as it stands for the Transferor Company.

For Celebrity Fashions Limited

G. Balaji
Company Secretary