



## Celebrity Fashions Limited

31<sup>st</sup> October, 2012

Bombay Stock Exchange Limited,  
25, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
Scrip Code  
532695

National Stock Exchange of India Limited,  
Exchange Plaza, C/1, Block G,  
Bandra – Kurla Complex, Bandra (East),  
Mumbai – 400 051

CELEBRITY

Dear Sirs,

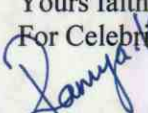
Sub: Minutes of the Extra Ordinary General Meeting held on 10<sup>th</sup> October, 2012

Enclosed is the Copy of the Minutes of the Meeting of Extra Ordinary General Meeting held on October 10<sup>th</sup>, 2012 at 11.00 A.M at Registered Office at SDF-IV & C2, 3<sup>rd</sup> Main Road, MEPZ-SEZ, Tambaram, Chennai – 600045 for your records

Kindly acknowledge the receipt

Thanking you,

Yours faithfully,  
For Celebrity Fashions Limited

  
Ramya. K  
Company Secretary

Encl.: As above.

**MINUTES OF THE EXTRA ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF CELEBRITY FASHIONS LIMITED HELD ON WEDNESDAY, THE 10<sup>TH</sup> DAY OF OCTOBER 2012 AT 11.00 A.M AT REGISTERED OFFICE SITUATED AT SDF - IV & C2, 3<sup>rd</sup> MAIN ROAD, MEPZ - SEZ, TAMBARAM, CHENNAI - 600 045**

**PRESENT**

Mr. V. Rajagopal Chairman  
Mr. S. Surya Narayanan Managing Director

**MEMBERS PRESENT**

Eight shareholders representing 49,30,554 equity shares of Rs.10/- each attended the meeting.

One proxy representing 43,42,054 equity shares of Rs.10/- each attended the meeting.

Mr. V. Rajagopal, Chairman welcomed the Members and Directors to the Extra Ordinary General Meeting and occupied the Chair.

1. The Chairman introduced the Director and senior executives of the Company to the Members.
2. After ascertaining that the requisite quorum for the meeting was present, the Chairman called the meeting to order.
3. Mr. N. K. Ranganath and Mrs. Nidhi Reddy were granted leave of Absence
4. Chairman delivered his speech, wherein he briefed about the purpose of the convening Extra Ordinary General Meeting of the Company. Thereafter he proceeded with the business to consider the items contained in the Notice of the Meeting.

The Chairman then invited the comments and questions from the members present on the resolutions.

**RESOLUTION NO.1**

**INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY AND AMENDMENT TO MEMORANDUM OF ASSOCIATION**

The Chairman proposed the following resolution as per item No.1 of the Notice as a Special Business by way of Ordinary Resolution by Mr. N. Rajasekaran

**RESOLVED THAT** pursuant to the provisions of Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the existing Authorized Share Capital of the Company of Rs.20,00,00,000/- (Rupees Twenty Crores Only) comprising of 2,00,00,000 (Two Crores) equity shares of Rs.10/- (Rupees Ten Only) each be and is hereby increased to Rs.70,00,00,000/- (Rupees Seventy Crores Only) comprising of 3,80,00,000 (Three Crores Eight Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs. 38,00,00,000 (Rupees Thirty Eighty Crores Only) and 3,20,00,000 (Three Crores Twenty Lakhs) Redeemable Preference Shares of

CHAIRMAN'S  
INITIAL

*M. S. R.*

Rs.10/- (Rupees Ten Only) each aggregating to Rs.32,00,00,000 (Rupees Thirty Two Crores Only).

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V:

'V) The Authorized Share Capital of the company is Rs.70,00,00,000/- (Rupees Seventy Crores) comprising 3,80,00,000 (Three Crores Eight Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs. 38,00,00,000 (Rupees Thirty Eight Crores Only) and 3,20,00,000 (Three Crores Twenty Lakhs) Redeemable Preference Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.32,00,00,000 (Rupees Thirty Two Crores Only).'

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate.

The resolution was seconded by Mr. E. R. Srinivasan

### **RESOLUTION NO.2**

The following Resolution as per item No.2 of the Notice as a Special Resolution by Mr. E. R. Srinivasan

**"RESOLVED THAT**, pursuant to the Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by substituting the existing Article 3 by the following new Article 3:

'3. The Authorized Share Capital of the Company shall be such sum as may be specified in Clause V of the Memorandum of Association with a power to increase or decrease and to issue further capital of the Company and divide or consolidate the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined and to vary, modify, associate and such rights, privileges or conditions in such manner as may be provided or determined.'

The resolution was seconded by Mr. Charlie Manickarayan

### **RESOLUTION NO.3**

#### **A. PREFERENTIAL ISSUE OF EQUITY SHARES**

The following Resolution as per item No. 3(A) of the Notice as a Special Resolution by Mr. A.M Gopinath

**"RESOLVED THAT** pursuant to section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, and under the provisions of the Foreign Exchange Management Act, 1999, as amended from time to time, the Articles of Association of the Company, and the listing agreement entered into by the company with the Stock



Exchanges, where Shares of the Company are listed. Restructuring Package of the company to be approved by the lenders to the Company viz. State Bank of India and HDFC Bank Limited, and subject to any directions/exemptions to be issued by the Board for Industrial & Financial Reconstruction (BIFR) in terms of the Rehabilitation Scheme as may be approved by BIFR, and subject to such approvals, consents, permissions and/or sanctions as may be required from the Securities and Exchange Board of India (SEBI), Reserve Bank of India and from any other government/appropriate authorities/institutions of bodies (hereinafter individually/collectively referred to as the "concerned authorities") and subject to such conditions if any, as may be stipulated by the concerned authorities from time to time in granting any such approvals, consents, permissions or sanctions, the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee(s) of the Board for the time being, exercising the powers conferred on the Board) be and are hereby authorized and empowered and they shall always be deemed to have been so authorized and empowered on behalf of the Company, in terms of the approval under the Re-structuring / Rehabilitation Scheme, to create, offer, issue and allot from time to time, in one or more tranches at a price equivalent to the face value of Rs.10/- (Rupees Ten Only) per share and in accordance with the provisions of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI (ICDR)) and as amended from time to time and in the best interest of the Company and as deemed appropriate by the Board on preferential basis to the following:

SL. No.	Name of the allottee	Category	Equity Shares (face value of Rs.10/- each)
1	M/s Celebrity Connections (held in the name of Mr. V. Rajagopal, Partner)**	Promoter	7,00,000
2	M/s Celebrity Connections (held in the name of Mrs. Rama Rajagopal, Partner)**	Promoter	7,00,000
3	Davos International Fund	Foreign Institutional Investor	21,00,000
	<b>TOTAL</b>		<b>35,00,000</b>

\*\* Mr. V. Rajagopal and Mrs. Rama Rajagopal, the only partners of M/s. Celebrity Connections, holds the shares of Celebrity Fashions Limited in their names on behalf of the firm (as nominees), since a partnership firm cannot hold shares by itself.

"RESOLVED FURTHER THAT the equity shares allotted in the terms of this resolution shall rank pari passu in all respects with the existing fully paid up equity shares of the company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company."

"RESOLVED FURTHER THAT the Equity Shares issued on preferential basis shall be subject to lock-in requirement as prescribed by the SEBI (ICDR) Regulations, 2009."

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid equity shares and listing thereof with the stock exchanges as appropriate and to clarify, resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

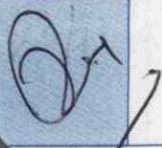
“RESOLVED FURTHER THAT, the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution on it to any Committee of Directors, any other Director(s) or any other Officer(s) of the Company to give effect to the aforesaid resolution.”

The resolution was seconded by Mr. R. Raghunathan

**B. CONVERSION OF LOAN INTO CUMULATIVE REDEEMABLE PREFERENCE SHARES (CRPS)**

The following Resolution as per item No. 3(B) of the Notice as a Special Resolution by Mr. N. Rajasekaran

“RESOLVED THAT pursuant to section 80, 81, 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, and pursuant to the provisions of the Memorandum & Articles of Association of the Company, and the listing agreement entered into by the company with the Stock Exchanges, where Shares of the Company are listed, Restructuring Package of the company to be approved by the Lenders to the Company viz. State Bank of India and HDFC Bank Limited and subject to any directions/exemptions to be issued by the Board for Industrial & Financial Reconstruction (BIFR) in terms of the proposed Rehabilitation Scheme as may be approved by BIFR, and subject to such approvals, consents, permissions and/or sanctions as may be required from the Securities and Exchange Board of India (SEBI), Reserve Bank of India, and from any other government/ appropriate authorities / institutions of bodies (hereinafter individually/collectively referred to as the “concerned authorities”) and subject to such conditions if any, as may be stipulated by the concerned authorities from time to time in granting any such approvals, consents, permissions or sanctions, the Board of Directors of the Company be and is hereby authorized to allot 3,02,50,000 (Three Crores Two Lakhs Fifty Thousand) 1% Cumulative Redeemable Preference Shares (CRPS) of face value of Rs.10/- (Rupees Ten Only) each against conversion of part outstanding amounts of the loan facilities amounting to Rs.30,25,00,000 (Rupees Thirty Crores Twenty Five Lakhs Only) provided by the lenders of the Company (viz. State Bank of India and HDFC Bank Limited) in accordance with the Re-structuring Package to be approved by the concerned authorities. The Conversion shall be in accordance with the following conditions:



- i) The Company shall allot and issue 3,02,50,000 (Three Crores Two Lakhs Fifty Thousand) 1% Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.30,25,00,000 (Rupees Thirty Crores Twenty Five Lakhs Only) to the lenders of the Company in accordance with the proposed Re-Structuring Package and the lenders shall accept the same in satisfaction of the part of the loans as envisaged in the Re-structuring Package.
- ii) The CRPS shall carry a dividend of 1% p.a. and will be redeemed in 6 equal annual installments starting FY 2022. If in case the cash flows does not permit redemption of these CRPS, the Company will issue fresh CRPS, carrying dividend at 1% p.a. to the holders of original CRPS as a consideration for redemption of original CRPS or redeem the CRPS from the promoters' infusion of funds.
- iii) Any other conditions / exemption / direction as may be imposed by BIFR in the Rehabilitation Scheme as may be approved by BIFR.
- iv) All other terms and conditions as may be presently or as amended from time to time.
- v) Proposed Allottees to the issue:

SL. No.	Name of the allottee	Category	1% Cumulative Redeemable Preference Shares (face value of Rs.10/- each)	Amount of Loans to be Converted into 1% CRPS Rs.
1	State Bank of India	Public – Banks / Financial Institution	2,51,04,500	25,10,45,000
2	HDFC Bank Limited	Public – Banks / Financial Institution	51,45,500	5,14,55,000
	<b>TOTAL</b>		<b>3,02,50,000</b>	<b>30,25,00,000</b>

“RESOLVED FURTHER THAT the terms and conditions with regard to timing, conversion terms, and any other conditions as may be imposed by the Board for Industrial & Financial Reconstruction (BIFR) in terms of the Rehabilitation Scheme, will apply for the allotment and conversion of loans into 1% Cumulative Redeemable Preference Shares (CRPS) at any point of time.

“RESOLVED FURTHER THAT, the Board be and is hereby authorized for the purpose of giving effect to this resolution, on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to enter into arrangements / agreements / make payment of dividend in priority to equity share holders in the case of 1% Cumulative Redeemable Preference Shares (CRPS) as per the terms and conditions mentioned above and to settle all questions, difficulties, doubts that may arise in regard to such issue as the Board, in its absolute discretion deem fit and take all steps which are incidental, consequential, relevant or ancillary in this connection.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) / Authorized Representative(s) of the Company to give effect to the aforesaid resolution.”

The resolution was seconded by Mr. R. Raghunathan

### **C. CONVERSION OF LOANS INTO EQUITY SHARES**

The following Resolution as per item No. 3(C) of the Notice as a Special Resolution by Mr. E. R. Srinivasan

**“RESOLVED THAT**, in accordance with the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) (the “Act”) and in accordance with the provisions of the Memorandum of Association (“MOA”) and Articles of Association (“AOA”) of the Company, approvals from Bankers to the Company viz. State Bank of India and HDFC Bank Limited, subject to the Listing Agreements entered into by the Company with the Stock exchanges on which company’s shares are listed and the rules/regulations/guidelines, notifications, circulars and clarifications issued by Securities and Exchange Board of India (“SEBI”), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”), SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“SEBI Takeover Regulations”), and any other applicable laws and regulations, permissions including from Reserve Bank of India (“RBI”) or any other relevant authority from time to time, to the extent applicable and subject to any directions / conditions / exemptions issued by the Board for Industrial and Financial Reconstruction (BIFR) and from any other government/ appropriate authorities/institutions of bodies (hereinafter individually / collectively referred to as the “concerned authorities”) and subject to such conditions if any, as may be stipulated by the concerned authorities from time to time in granting any such approvals, consents, permissions or sanctions, the Board of Directors of the Company be and is hereby authorized to allot 90,00,000 (Ninety Lakhs) Equity Shares of face value of Rs.10/- (Rupees Ten Only) each against conversion of part outstanding amounts of the loan facilities amounting to Rs.9,00,00,000 (Rupees Nine Crores Only) provided by the lenders of the Company (viz. State Bank of India and HDFC Bank Limited) in accordance with the Re-structuring Package to be approved by the concerned authorities. The Conversion shall be in accordance with the following conditions:

- i) The Company shall allot and issue the requisite number of Equity Shares to the Bankers of the Company in accordance with the proposed Re-Structuring Package and the Bankers shall accept the same in satisfaction of the part of the loans as envisaged in the Re-structuring Package.
- ii) The Part of the said loans so converted shall cease to carry interest from the date of conversion and the said loans shall stand correspondingly reduced from the outstanding loan as on date of conversion.
- iii) The Equity shares so issued and allotted to the Bankers shall rank pari passu with the existing equity shares of the Company in all respects,



inter alia, the dividends and other distributions or to be declared in respect of the equity capital of the Company.

iv) Proposed allottees to the issue:

SL. No.	Name of the allottee	Category	Equity Shares (face value of Rs.10/- each)	Amount of Loans to be Converted into Equity Rs.
1	State Bank of India	Public – Banks / Financial Institution	74,69,100	7,46,91,000
2	HDFC Bank Limited	Public – Banks / Financial Institution	15,30,900	1,53,09,000
	<b>TOTAL</b>		<b>90,00,000</b>	<b>9,00,00,000</b>

**“RESOLVED FURTHER THAT** the Equity shares issued pursuant to conversion of the outstanding loans shall be subject to lock-in requirement as prescribed by the SEBI (ICDR) Regulations, 2009”.

**“RESOLVED FURTHER THAT** on conversion of the outstanding loans to Equity shares, the said Equity shares shall be listed on the Stock Exchanges on which the existing Equity Shares of the Company are listed”.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be necessary, appropriate, desirable or expedient to give effect to this resolution”.

The resolution was seconded by Mr. Charlie Manickarayan

The Chairman put the resolution to vote and the same was carried as a Special Resolution unanimously by all the members present.

The Chairman concluded the Meeting with a vote of thanks and declared the meeting as officially closed.

Place: Chennai  
Date: 29.10.2012

  
CHAIRMAN

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