

**CELEBRITY FASHIONS LIMITED**

CIN:L17121TN1988PLC015655

Registered office: SDF IV & C2, 3RD MAIN ROAD, MEPZ/SEZ, Tambaram, Chennai-600 045

Phone No.91-44-43432200/43432300; email: investorservices@celebritygroup.comFax No.+91-44-2262 2897; Website: www.celebritygroup.com**NOTICE CONVENING THE EXTRA ORDINARY GENERAL MEETING**

NOTICE is hereby given that the Extra Ordinary General Meeting of Celebrity Fashions Limited will be held on Wednesday, 16th July, 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:-

SPECIAL BUSINESS:**1. Reclassification of Authorised Share Capital of the Company and Amendment to Memorandum of Association:**

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

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (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.70,00,00,000/- (Rupees Seventy Crores Only) comprising of 7,00,00,000 (Seven Crores) shares of Rs.10/- (Rupees Ten Only) each comprising of 3,80,00,000 (Three Crores Eighty 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 Rs.10/- (Rupees Ten Only) each aggregating to Rs.32,00,00,000 (Rupees Thirty Two Crores Only) be reclassified as 4,40,00,000 (Four Crores Forty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs. 44,00,00,000 (Rupees Forty Four Crores Only) and 2,60,00,000 (Two Crores Sixty Lakhs) Redeemable Preference Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.26,00,00,000 (Rupees Twenty Six 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 4,40,00,000 (Four Crores Forty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs. 44,00,00,000 (Rupees Forty Four Crores Only) and 2,60,00,000 (Two Crores Sixty Lakhs) Redeemable Preference Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.26,00,00,000 (Rupees Twenty Six 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."

2. Amendment of Articles of Association:

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

"RESOLVED THAT, pursuant to the Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, 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."

3. Issue of Equity Shares on Preferential Basis:

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

"RESOLVED THAT pursuant to section 62 and other applicable provisions, if any, of the Companies Act, 2013, and the rules framed there under (including any statutory modification thereto or reenactment thereof for the time being in



force) 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 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, 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 allottee:

SL. No.	Name of the allottee	Category	Equity Shares (face value of Rs.10/- each)
1	Mr.V.Rajagopal	Promoter	26,50,000

"RESOLVED FURTHER THAT the Relevant Date for the preferential issue of equity shares, as per the SEBI (ICDR) Guidelines, for the determination of applicable price for the issue of the above mentioned equity shares is 30 days prior to the date of this EXTRA ORDINARY GENERAL MEETING".

"RESOLVED FURTHER THAT the equity shares allotted in the terms of the above 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 and allotted on a preferential basis hereunder will be subject to lock-in periods as per the provisions of SEBI (ICDR) Regulations, 2009."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised 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 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, 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."

Date : 18.06.2014
Place : Chennai

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



NOTES:

1. 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.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013) in respect of aforementioned business is attached.

3. Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members/Proxies should bring Notice along with the attendance slip duly filled in for attending the Meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. All documents referred to in the notice or in the accompanying explanatory statement are available for inspection by the members on all working days except Saturdays, Sundays and public holidays between 11.00 a.m. to 1.00p.m. prior to the date of Extraordinary General Meeting and will also be available for inspection at the Meeting.
6. Green Initiative - Members, who have registered their email addresses for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs, are being sent Notice by email and others are being sent by post.

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

Item No.1 & 2

The present Authorized Share Capital of the Company is Rs. 70,00,00,000 (Rupees Seventy Crores) comprising of 7,00,00,000 (Seven Crores) Shares of Rs. 10/- (Rupee Ten only) each. It is proposed to reclassify the Authorized Capital to Rs. 70,00,00,000 (Rupees Seventy Crores) comprising of 3,80,00,000 (Three Crores Eighty 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 Rs.10/- (Rupees Ten Only) each aggregating to Rs.32,00,00,000 (Rupees Thirty Two Crores Only) as 4,40,00,000 (Four Crores Forty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs. 44,00,00,000 (Rupees Forty Four Crores Only) and 2,60,00,000 (Two Crores Sixty Lakhs) Redeemable Preference Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.26,00,00,000 (Rupees Twenty Six Crores Only) by amending clause V of the Memorandum of Association.

The reclassification in the Authorized Share Capital will enable the Company to issue Shares on preferential basis in terms of the recommendations of the Board placed at Item No.3 before this meeting.

Existing Article 3 is proposed to be amended by way of substituting with new article 3 in its place as given in the resolution at item No. 2. This amendment in article 3 is required to give effect to the increase and change in the Authorized Share Capital of the Company due to the amendment of Clause V of the Memorandum of Association.

The Board of Directors recommends these resolutions for adoption by the Members. None of the Directors, any other Key Managerial Person(s) of the Company and their relatives are , in any way, is interested or concerned in this resolution.

Item No.3

The disclosures which are required to be given in the explanatory statement to the notice of the EXTRA ORDINARY GENERAL MEETING in terms of point no.73 of chapter VII of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 and as amended from time to time for Preferential issues and as are in force on the date of this notice are stated below:

Brief about the Company

The Company is predominantly an exporter of Ready-made Garments. The financial performance of the Company was drastically affected for reasons beyond its control including Global economic recession, Volatility in Currency movements and increase in raw material prices and other costs.

The networth of the Company got eroded and the Company was declared Sick in April 2011 by the Board for Industrial and Financial Reconstruction (BIFR). The Bankers to the Company include State Bank of India and HDFC Bank Limited.

State Bank of India sanctioned a re-structuring package for the revival of the company in November 2012 and the Company made One-Time Settlement of its dues with HDFC Bank in February 2014. The Company's networth has turned positive as on 31st March 2014.



1. **Objects of the Issue:** The objective of the issue of equity shares is for working capital purposes and to improve the net worth position of the company.
2. **Intention of the promoters/directors/their associates and relatives/Key Managerial persons with regard to the proposed issue:**
Directors/their associates and relatives/Key Managerial Persons of the Company are not intending to participate/subscribe to the present offer except Mr.V.Rajagopal, Promoter/Promoter Group.
3. **Shareholding Pattern before and after the issue of shares involve in the present resolution is as below:**

Category Code	Category of Shareholder	Pre issue		Post issue	
		Pre-issue Shares held	% of Total Holding	Post-issue Shares held	% of Total Holding
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian Promoters (A)	12043796	33.13	14693796	37.67
(B)	Public Shareholding				
(1)	Institutions				
(a)	Financial Institutions/Banks	7469100	20.54	7469100	19.15
(b)	Foreign Institutional Investors	5450000	15.00	5450000	13.97
	Sub-Total(B1)	12919100	35.54	12919100	33.12
(2)	Non-Institutions				
(a)	Bodies Corporate	2571280	7.07	2656924	6.81
(b)	Resident Individuals	5220511	14.36	5171458	13.26
(c)	Foreign Companies	3400000	9.35	3400000	8.73
(d)	Non Resident Indians	55215	0.15	40062	0.10
(e)	Others-Clearing Member	143863	0.40	122425	0.31
	Sub-Total(B2)	11390869	31.33	11390869	29.21
	GRAND TOTAL (A)+(B1)+(B2)	36353765	100.00	39003765	100.00

NOTE:

The above Shareholding pattern may change upon transfer of shares by existing shareholders of the Company from time to time.

4. Proposed time within which the allotment shall be complete:

The allotment of equity shares is proposed to be completed within 15 days from the date of this extra ordinary General Meeting. Provided that where the issue of equity shares on preferential basis is pending on account of pendency of any approval / directions of such issue by any regulatory / statutory authority, the allotment shall be completed within 15 days from the date of such approvals.

5. Pricing of the Issue:

As per SEBI (ICDR) Regulation, 2009, for preferential issue, the issue of equity shares to be issued to Mr.V.Rajagopal comes to Rs.9.65/- Against this, the equity shares are proposed to be issued on preferential basis at a price of Rs.10/- per share (i.e at par value)



6. Identity of the Natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the Proposed allottees and the percentage of post preferential issue capital that may be held by them:

Name of the Proposed allottee	Category	Pre-issue holding		Allotment No. of Shares	Post-issue holding	
		No. of Shares	%		No. of Shares	%
Mr.V.Rajagopal	Promoter	4846269	13.33	2650000	7496269	19.22
Mr. V.Rajagopal (Partner of Celebrity Connections)	Promoter	2146712	5.90	-	2146712	5.50

7. There will not be any change in the management control of the Company on account of the proposed preferential issue of equity shares.
8. **Lock in Requirements:** The equity shares issued and allotted on a preferential basis hereunder will be subject to lock-in periods as per the provisions of SEBI (ICDR) Regulations, 2009.
9. A copy of the Certificate from the Statutory Auditors, M/s CNGSN Associates as per SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 shall be placed before the shareholders at the time of meeting and available for inspection at the Registered Office of the Company during the business hours.
10. **Relevant Date:** Relevant Date for the purpose is 16th June 2014 which is the date 30 days prior to the date of EGM.

11. Re-computation of Issue Price:


Since the equity shares of the company have been listed on a recognized stock exchange for a period more than twenty six weeks prior to the relevant date, the company is neither required to re-compute the price of equity shares to be allotted nor, therefore, required to submit the undertakings specified under regulation 73 (1) (f) and (g) of SEBI (ICDR) Regulations.

The Members are, therefore, requested to accord their approval authorizing the Board to go for the proposed preferential issue as set out in the resolution.

None of the Directors, Key Managerial Persons/Relatives of the Directors is interested in this resolution except Mr.V.Rajagopal to the extent of his shareholding.

Date : 18.06.2014
Place : Chennai

For and on behalf of the Board


K.Senthikumar
Company Secretary

