



# Celebrity Fashions Limited

January 12, 2017

National Stock Exchange of India Ltd  
Exchange Plaza, C/1, Block G,  
Bandra Kurla Complex,  
Mumbai-400 051.  
Scrip Code: CELEBRITY

BSE Limited  
Phiroze Jee Jee Bhoj Towers  
Bandra (East), Dalal Street  
Mumbai 400 001.  
Scrip Code: 532695

Dear Sir/ Madam,

**Sub: Submission of information pursuant to Regulation 30(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 30 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith copy of Postal Ballot Notice of the Company.

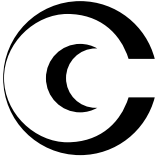
We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,  
For Celebrity Fashions Limited

A. Rishi Kumar  
Company Secretary  
Encl: a/a





# CELEBRITY FASHIONS LIMITED

CIN: L17121TN1988PLC015655

Registered Office: SDF IV & C2, 3rd Main Road, MEPZ/SEZ, Tambaram, Chennai 600 045

Email: investorservices@celebritygroup.com; Website: www.celebritygroup.com

Phone No: 044 -4343 2200/2300; Fax No: 044-43432360

## POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

**NOTICE IS HEREBY GIVEN** pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to other applicable laws and regulations, that the resolutions as set out in this Notice are proposed to be passed by the Members of Celebrity Fashions Limited (the "Company") through Postal Ballot (Postal Ballot Forms and voting through electronic means).

A Statement pursuant to Section 102 of the Companies Act, 2013, pertaining to the said resolutions, setting out material facts and the reasons thereof is annexed hereto along with the Postal Ballot Form for your consideration.

The Board of Directors of the Company (the "Board") has appointed M/s. BP & Associates, Practising Company Secretaries, Chennai as Scrutinizer for conducting the postal ballot (physical & e-voting) process in a fair and transparent manner in accordance with the provisions of Rule 22 of the Companies (Management and Administration) Rules, 2014.

The Scrutinizer will submit the report to the Chairman of the Company, upon completion of scrutiny of postal ballots in a fair and transparent manner and the result of the postal ballot will be declared / announced on Tuesday, 14th February, 2017 at the Registered Office of the Company. The result of the postal ballot will be posted on the Company's website viz. www.celebritygroup.com and on CDSL's website viz. www.cdslindia.com besides communicating to BSE Limited and the National Stock Exchange of India Limited (together, the "Stock Exchanges"), where the Equity Shares of the Company are listed.

**Regd. Office:**

SDF IV & C2, Third Main Road,  
MEPZ-SEZ, Tambaram,  
Chennai - 600045

By Order of the Board  
For **Celebrity Fashions Limited**

**A. Rishi Kumar**  
Company Secretary

CIN: L17121TN1988PLC015655

Date: 06th January 2017

Encl: Postage pre-paid Envelope

**1. To increase the Authorised Share Capital of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 61 and other applicable provisions of the Companies Act, 2013 and the rules issued thereunder (including any statutory modification or re-enactment thereof for the time being in force), the authorized share capital of the Company be and is hereby increased to Rs. 80,00,00,000/- (Rupees Eighty Crores only) divided into 5,40,00,000 (Five Crores Forty lakhs) Equity Shares of Rs. 10/- each and 2,60,00,000 (Two Crores Sixty lakhs) 1% Cumulative Redeemable Preference Shares of Rs. 10/- each, from Rs. 70,00,00,000/- (Rupees Seventy Crores only) divided into 4,40,00,000 (Four Crores Forty lakhs) Equity Shares of Rs. 10/- each and 2,60,00,000 (Two Crores Sixty lakhs) 1% Cumulative Redeemable Preference Shares of Rs. 10/- each, by way of creation of an additional 1,00,00,000 (One Crore only) Equity Shares of Rs. 10 each (Rupees Ten only) aggregating to Rs.10,00,00,000 (Rupees Ten Crores only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board, be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient, in the best interest of the Company."

**2. To alter the Capital Clause of the 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 Sections 13 and 61 and other applicable provisions of the Companies Act, 2013 and the rules issued thereunder (including any statutory modification or re-enactment thereof for the time being in force), Clause V of the Memorandum of Association of the Company be and is hereby amended and substituted by the following :

(V) The Authorised Share Capital of the Company is Rs. 80,00,00,000/- (Rupees Eighty Crores) comprising 5,40,00,000 (Five Crores Forty lakhs) Equity shares of Rs. 10/- each (Rupees ten only) aggregating to Rs. 54,00,00,000 (Rupees Fifty Four Crores only) and 2,60,00,000 (Two Crores Sixty lakhs) 1% Cumulative Redeemable Preference shares of Rs.10/- each (Rupees Ten only) 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, be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute

discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient, in the best interest of the Company.”

**3. Issue of Equity Shares to Mr. Charath Ram Narsimhan, Managing Director of the Company 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 the provisions of Section 62(1)(c) read with Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “Act”) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules/regulations/guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Securities and Exchange Board of India (“SEBI”) including Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (“SEBI (ICDR Regulations”), the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as amended and subject to such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, including but not limited to SEBI and all such other approvals, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”, which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution) to create, issue, offer and allot, in one or more tranches, upto 15,00,000 (Fifteen lakhs) fully paid Equity Shares of Rs. 10/- each (“Equity Shares”) of the Company for cash to Mr. Charath Ram Narsimhan, Managing Director of the Company as mentioned below at such price not less than the price determined in accordance with Chapter VII of SEBI (ICDR) Regulations on preferential allotment basis.

S No.	Name of the Allottee	Category	Equity Shares (Face Value of Rs.10/-)
1	Mr. Charath Ram Narsimhan	Key Managerial Personnel	15,00,000
		<b>Total</b>	<b>15,00,000</b>

**RESOLVED FURTHER THAT** the Equity Shares to be issued and allotted pursuant to this resolution shall be subject to the provisions of Memorandum and Articles of Association of the Company and shall rank pari passu with the existing Equity Shares of the Company in all respects.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the issue including reduction of the size of the issue, as it may deem expedient.

**RESOLVED FURTHER THAT** the Relevant Date for the purpose of determining the minimum price of the Equity Shares under SEBI (ICDR) Regulations is 13th January, 2017.

**RESOLVED FURTHER THAT** for the purpose of giving effect to above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient for the purpose of the issue or allotment of the shares and listing thereof with the Stock Exchanges and to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, utilization of issue proceeds, sign all such documents and undertakings as may be required and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors or any one or more Directors/Officials of the Company to give effect to this resolution.”

**4. Issue of Equity Shares to Mrs. Rama Rajagopal, Promoter Director of the Company 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 the provisions of Section 62(1)(c) read with Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “Act”) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules/regulations/guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Securities and Exchange Board of India (“SEBI”) including Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (“SEBI (ICDR Regulations”), the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as amended and subject to such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, including but not limited to SEBI and all such other approvals, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”, which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution) to create, issue, offer and allot, in one or more tranches, upto 20,00,000 (twenty lakh) fully paid Equity Shares of Rs. 10/- each (“Equity Shares”) of the Company for cash to Mrs. Rama Rajagopal, Promoter Director of the Company as mentioned below at such price not less than the price determined in accordance with Chapter VII of SEBI (ICDR) Regulations on preferential allotment basis.

S No.	Name of the Allottee	Category	Equity Shares (Face Value of Rs.10/-)
1	Mrs. Rama Rajagopal	Promoter	20,00,000
		<b>Total</b>	<b>20,00,000</b>

**RESOLVED FURTHER THAT** the Equity Shares to be issued and allotted pursuant to this resolution shall be subject to the provisions of Memorandum and Articles of Association of the Company and shall rank pari passu with the existing Equity Shares of the Company in all respects.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the issue including reduction of the size of the issue, as it may deem expedient.

**RESOLVED FURTHER THAT** the Relevant Date for the purpose of determining the minimum price of the Equity Shares under SEBI (ICDR) Regulations is 13th January, 2017.

**RESOLVED FURTHER THAT** for the purpose of giving effect to above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient for the purpose of the issue or allotment of the shares and listing thereof with the Stock Exchanges and to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, utilization of issue proceeds, sign all such documents and undertakings as may be required and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors or any one or more Directors/Officials of the Company to give effect to this resolution."

**5. To issue Convertible Warrants on preferential basis to Mr. Venkatesh Rajagopal, Promoter Director of the Company:**

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 Sections 62(1) (c), 42 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the "Act") to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 1956 (as amended) (without reference to the provisions that have caused to have effect upon notification of provisions of the Act) and in accordance with the enabling provisions of the Memorandum of Association and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in the Securities and Exchange Board of India (Issue of Capital

and Disclosure Requirements) Regulations, 2009, as amended ("SEBI (ICDR) Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and any other rules/regulations/guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Securities and Exchange Board of India ("SEBI") and the Reserve Bank of India ("RBI") and subject to such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, including but not limited to SEBI and subject to such conditions and modifications as might be prescribed while granting such approval, consents, permissions and sanctions and which terms may be agreed to by the Board of Directors of the Company (the "board") and all such other approvals, consent of the Members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, in one or more tranches, upto 15,00,000 (Fifteen lakhs) convertible warrants (the "Warrants") on a preferential basis to Mr. Venkatesh Rajagopal, Promoter Director ("Warrant Holder(s)" /"Proposed Allottee(s)), as mentioned in the statement setting out material facts, entitling the Warrant Holder(s) to apply for and get allotted one Equity Share of the face value of Rs. 10/- (the "Equity Shares") each fully paid-up against each Warrant within a period of 18 (eighteen) months from the date of allotment of Warrants, in such manner and at such price as may be arrived at in accordance with the SEBI (ICDR) Regulations and such terms and conditions as may be deemed appropriate by the Board in accordance with the provisions of SEBI (ICDR) Regulations (including Chapter VII thereof), or other applicable laws in this respect.

**RESOLVED FURTHER THAT** the resultant Equity Shares to be allotted on conversion of Warrants in terms of this Resolution shall rank pari passu in all respects with the existing Equity Shares of the Company and shall be subject to Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue including reduction of the size of the issue, as it may deem expedient, in its discretion.

**RESOLVED FURTHER THAT** the aforesaid issue of the Warrants shall be on the following terms and conditions:

- (i) The "relevant date" for the purpose of determining the minimum price of the Warrants under the SEBI (ICDR) Regulations is 13th January, 2017 being the date 30 (thirty) days prior to the deemed date of passing of this Resolution by the Members of the Company through Postal Ballot;
- (ii) The price of each equity share to be issued in lieu of the Warrants will be calculated in accordance with the provisions of Regulation 76(1) of Chapter VII of the SEBI (ICDR) Regulations on the basis of the relevant date being the date i.e. 30 days prior to the date of passing of special resolution through Postal Ballot to approve the proposed preferential issue;
- (iii) In accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations, 25% (Twenty Five Per Cent) of the

consideration payable against the Warrants, shall be paid by the Warrant Holder(s) to the Company on or before allotment of the Warrants and the balance consideration i.e. 75% (Seventy Five Per Cent) shall be paid at the time of allotment of Equity Shares pursuant to exercise of option of conversion against each such Warrant;

- (iv) The above said Warrants shall be converted into Equity Shares in the Financial Year 2017-18 subject to exercise of option of conversion by the warrant holder(s).
- (v) The Warrant Holder(s) shall be entitled to exercise the option of conversion of any or all of the Warrants in one or more tranches by way of a written notice to the Company, specifying the number of Warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the shareholders of the Company prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of Equity Shares to the Warrant Holder(s);
- (vi) If the entitlement against the Warrants to apply for the Equity Shares is not exercised within the aforesaid period of 18 (eighteen) months, the entitlement of the Warrant holder(s) to apply for Equity Shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrants shall stand forfeited;
- (vii) In the event that the Company completes any form of capital restructuring prior to the conversion of the Warrants, then, the number of Equity Shares that each Warrant converts into and the price payable for such Equity Shares, shall be adjusted accordingly in a manner that, to the extent permitted by applicable laws, Warrant Holder: (i) receives such number of Equity Shares that Warrant Holder would have been entitled to receive; and (ii) pays such consideration for such Equity Shares to the Company which Warrant Holder would have been required to pay, had the Warrants been exercised immediately prior to the completion of such capital restructuring;
- (viii) Upon exercise by Warrant Holder the option of conversion of any or all of the Warrants, the Company shall issue and allot appropriate number of Equity Shares and perform all such actions as are required to give effect to such issue, including but not limited to delivering to Warrant Holder(s), evidence of the credit of the Equity Shares to the depository account of Warrant Holder(s) and entering the name of Warrant Holder(s) in the records of the Company (including in the Register of Members of the Company) as the registered owner of such Equity Shares;
- (ix) The Warrants by itself until exercise of conversion option and Equity Shares allotted, does not give to the Warrant Holder(s) thereof any rights with respect to that of a shareholder(s) of the Company; and
- (x) The Warrants and Equity Shares allotted pursuant to conversion of such Warrants shall be subject to lock-in as stipulated under the SEBI (ICDR) Regulations.

**RESOLVED FURTHER THAT** the Warrants shall be issued and allotted by the Company to the Warrants Holders within a period of

15 days from the date of passing of this resolution, provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

**RESOLVED FURTHER THAT** for the purpose of giving effect to above resolution, the Board and such other persons as may be authorized by the Board, on behalf of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient for the purpose of the issue or allotment of the Warrants and upon conversion of the Warrants into Equity Shares, listing of the said Equity Shares with the Stock Exchanges and to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Warrants, utilization of issue proceeds, sign all such undertakings and documents as may be required, and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date thereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any one or more Directors/officials of the Company to give effect to this Resolution.”

**6. To issue Convertible Warrants on preferential basis to Mrs. Rama Rajagopal, Promoter Director of the Company:**

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 Sections 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “Act”) to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 1956 (as amended) (without reference to the provisions that have caused to have effect upon notification of provisions of the Act) and in accordance with the enabling provisions of the Memorandum of Association and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI (ICDR) Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and any other rules/regulations/guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Securities and Exchange Board of India (“SEBI”) and the Reserve Bank of India (“RBI”) and subject to such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, including but not limited to SEBI and subject to

such conditions and modifications as might be prescribed while granting such approval, consents, permissions and sanctions and which terms may be agreed to by the Board of Directors of the Company (the "board") and all such other approvals, consent of the Members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, in one or more tranches, upto 25,00,000 (Twenty five lakhs) convertible warrants (the "Warrants") on a preferential basis to Mrs. Rama Rajagopal, Promoter Director ("Warrant Holder(s)" / "Proposed Allottee(s)"), as mentioned in the statement setting out material facts, entitling the Warrant Holder(s) to apply for and get allotted one Equity Share of the face value of Rs. 10/- (the "Equity Shares") each fully paid-up against each Warrant within a period of 18 (eighteen) months from the date of allotment of Warrants, in such manner and at such price as may be arrived at in accordance with the SEBI (ICDR) Regulations and such terms and conditions as may be deemed appropriate by the Board in accordance with the provisions of SEBI (ICDR) Regulations (including Chapter VII thereof), or other applicable laws in this respect.

**RESOLVED FURTHER THAT** the resultant Equity Shares to be allotted on conversion of Warrants in terms of this Resolution shall rank pari passu in all respects with the existing Equity Shares of the Company and shall be subject to Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue including reduction of the size of the issue, as it may deem expedient, in its discretion.

**RESOLVED FURTHER THAT** the aforesaid issue of the Warrants shall be on the following terms and conditions:

- (i) The "relevant date" for the purpose of determining the minimum price of the Warrants under the SEBI (ICDR) Regulations is 13th January, 2017, being the date 30 (thirty) days prior to the deemed date of passing of this Resolution by the Members of the Company through Postal Ballot;
- (ii) The price of each equity share to be issued in lieu of the Warrants will be calculated in accordance with the provisions of Regulation 76(1) of Chapter VII of the SEBI (ICDR) Regulations on the basis of the relevant date being the date i.e. 30 days prior to the date of passing of special resolution through Postal Ballot to approve the proposed preferential issue;
- (iii) In accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations, 25% (Twenty Five Per Cent) of the consideration payable against the Warrants, shall be paid by the Warrant Holder(s) to the Company on or before allotment of the Warrants and the balance consideration i.e. 75% (Seventy Five Per Cent) shall be paid at the time of allotment of Equity Shares pursuant to exercise of option of conversion against each such Warrant;
- (iv) The above said Warrants shall be converted into Equity Shares in the Financial Year 2018-19 subject to exercise of option of conversion by the warrant holder(s).
- (v) The Warrant Holder(s) shall be entitled to exercise the option of conversion of any or all of the Warrants in one or

more tranches by way of a written notice to the Company, specifying the number of Warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the shareholders of the Company prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of Equity Shares to the Warrant Holder(s);

- (vi) If the entitlement against the Warrants to apply for the Equity Shares is not exercised within the aforesaid period of 18 (eighteen) months, the entitlement of the Warrant holder(s) to apply for Equity Shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrants shall stand forfeited;
- (vii) In the event that the Company completes any form of capital restructuring prior to the conversion of the Warrants, then, the number of Equity Shares that each Warrant converts into and the price payable for such Equity Shares, shall be adjusted accordingly in a manner that, to the extent permitted by applicable laws, Warrant Holder: (i) receives such number of Equity Shares that Warrant Holder would have been entitled to receive; and (ii) pays such consideration for such Equity Shares to the Company which Warrant Holder would have been required to pay, had the Warrants been exercised immediately prior to the completion of such capital restructuring;
- (viii) Upon exercise by Warrant Holder the option of conversion of any or all of the Warrants, the Company shall issue and allot appropriate number of Equity Shares and perform all such actions as are required to give effect to such issue, including but not limited to delivering to Warrant Holder(s), evidence of the credit of the Equity Shares to the depository account of Warrant Holder(s) and entering the name of Warrant Holder(s) in the records of the Company (including in the Register of Members of the Company) as the registered owner of such Equity Shares;
- (ix) The Warrants by itself until exercise of conversion option and Equity Shares allotted, does not give to the Warrant Holder(s) thereof any rights with respect to that of a shareholder(s) of the Company;
- (x) The Warrants and Equity Shares allotted pursuant to conversion of such Warrants shall be subject to lock-in as stipulated under the SEBI (ICDR) Regulations.

**RESOLVED FURTHER THAT** the Warrants shall be issued and allotted by the Company to the Warrants Holders within a period of 15 days from the date of passing of this resolution, provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

**RESOLVED FURTHER THAT** for the purpose of giving effect to above resolution, the Board and such other persons as may be authorized by the Board, on behalf of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient for the purpose of the issue or allotment of the Warrants

and upon conversion of the Warrants into Equity Shares, listing of the said Equity Shares with the Stock Exchanges and to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Warrants, utilization of issue proceeds, sign all such undertakings and documents as may be required, and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date thereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any one or more Directors/officials of the Company to give effect to this Resolution.”

**7. To issue Convertible Warrants on preferential basis to Mr. Charath Ram Narsimhan, Managing Director of the Company**

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 Sections 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “Act”) to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 1956 (as amended) (without reference to the provisions that have caused to have effect upon notification of provisions of the Act) and in accordance with the enabling provisions of the Memorandum of Association and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI (ICDR) Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and any other rules/regulations/guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Securities and Exchange Board of India (“SEBI”) and the Reserve Bank of India (“RBI”) and subject to such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, including but not limited to SEBI and subject to such conditions and modifications as might be prescribed while granting such approval, consents, permissions and sanctions and which terms may be agreed to by the Board of Directors of the Company (the “board”) and all such other approvals, consent of the Members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, in one or more tranches, upto 25,00,000 (Twenty five lakhs) convertible warrants (the “Warrants”) on a preferential basis to Mr. Charath Ram Narsimhan, Managing Director of the Company (“Warrant Holder(s)” /”Proposed Allottee(s)), as mentioned in the

statement setting out material facts, entitling the Warrant Holder(s) to apply for and get allotted one Equity Share of the face value of Rs. 10/- (the “Equity Shares”) each fully paid-up against each Warrant within a period of 18 (eighteen) months from the date of allotment of Warrants, in such manner and at such price as may be arrived at in accordance with the SEBI (ICDR) Regulations and such terms and conditions as may be deemed appropriate by the Board in accordance with the provisions of SEBI (ICDR) Regulations (including Chapter VII thereof), or other applicable laws in this respect.

**RESOLVED FURTHER THAT** the resultant Equity Shares to be allotted on conversion of Warrants in terms of this Resolution shall rank paripassu in all respects with the existing Equity Shares of the Company and shall be subject to Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue including reduction of the size of the issue, as it may deem expedient, in its discretion.

**RESOLVED FURTHER THAT** the aforesaid issue of the Warrants shall be on the following terms and conditions:

- (i) The “relevant date” for the purpose of determining the minimum price of the Warrants under the SEBI (ICDR) Regulations is 13th January, 2017 being the date 30 (thirty) days prior to the deemed date of passing of this Resolution by the Members of the Company through Postal Ballot;
- (ii) The price of each equity share to be issued in lieu of the Warrants will be calculated in accordance with the provisions of Regulation 76(1) of Chapter VII of the SEBI (ICDR) Regulations on the basis of the relevant date being the date i.e. 30 days prior to the date of passing of special resolution through Postal Ballot to approve the proposed preferential issue;
- (iii) In accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations, 25% (Twenty Five Per Cent) of the consideration payable against the Warrants, shall be paid by the Warrant Holder(s) to the Company on or before allotment of the Warrants and the balance consideration i.e. 75% (Seventy Five Per Cent) shall be paid at the time of allotment of Equity Shares pursuant to exercise of option of conversion against each such Warrant;
- (iv) The above said Warrants shall be converted into Equity Shares in the Financial Year 2017-18 subject to exercise of option of conversion by the warrant holder(s).
- (v) The Warrant Holder(s) shall be entitled to exercise the option of conversion of any or all of the Warrants in one or more tranches by way of a written notice to the Company, specifying the number of Warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the shareholders of the Company prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of Equity Shares to the Warrant Holder(s);

- (vi) If the entitlement against the Warrants to apply for the Equity Shares is not exercised within the aforesaid period of 18 (eighteen) months, the entitlement of the Warrant holder(s) to apply for Equity Shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrants shall stand forfeited;
- (vii) In the event that the Company completes any form of capital restructuring prior to the conversion of the Warrants, then, the number of Equity Shares that each Warrant converts into and the price payable for such Equity Shares, shall be adjusted accordingly in a manner that, to the extent permitted by applicable laws, Warrant Holder: (i) receives such number of Equity Shares that Warrant Holder would have been entitled to receive; and (ii) pays such consideration for such Equity Shares to the Company which Warrant Holder would have been required to pay, had the Warrants been exercised immediately prior to the completion of such capital restructuring;
- (viii) Upon exercise by Warrant Holder the option of conversion of any or all of the Warrants, the Company shall issue and allot appropriate number of Equity Shares and perform all such actions as are required to give effect to such issue, including but not limited to delivering to Warrant Holder(s), evidence of the credit of the Equity Shares to the depository account of Warrant Holder(s) and entering the name of Warrant Holder(s) in the records of the Company (including in the Register of Members of the Company) as the registered owner of such Equity Shares;
- (ix) The Warrants by itself until exercise of conversion option and Equity Shares allotted, does not give to the Warrant Holder(s) thereof any rights with respect to that of a shareholder(s) of the Company; and
- (x) The Warrants and Equity Shares allotted pursuant to conversion of such Warrants shall be subject to lock-in as stipulated under the SEBI (ICDR) Regulations.

**RESOLVED FURTHER THAT** the Warrants shall be issued and allotted by the Company to the Warrants Holders within a period of 15 days from the date of passing of this resolution, provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

**RESOLVED FURTHER THAT** for the purpose of giving effect to above resolution, the Board and such other persons as may be authorized by the Board, on behalf of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient for the purpose of the issue or allotment of the Warrants and upon conversion of the Warrants into Equity Shares, listing of the said Equity Shares with the Stock Exchanges and to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Warrants, utilization of issue proceeds, sign all such undertakings and documents as may be required, and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any

document so executed and delivered or acts and things done or caused to be done prior to the date thereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any one or more Directors/officials of the Company to give effect to this Resolution.”

#### 8. Approval For Sale Of Immovable Property Of The Company

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 180(1)(a), 110 and all other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) and any other law for the time being in force and subject to such other provisions, consents, permissions and sanctions, as may be necessary, consent of the members of the company be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as “the Board”, which term shall deem to include any Committee thereof), to sell, transfer and/or otherwise dispose of the Company’s Property situated at 107A, GST Road, Chrompet, Chennai – 600 044 in the state of Tamilnadu to suitable party/parties at such consideration and with effect from such date as the board may deem appropriate.”

**“RESOLVED FURTHER THAT** Board be and is hereby authorized with power to finalise the terms and conditions as well as the means, methods or modes in respect thereof and to finalise and execute all the required documents including agreements, memoranda, deeds of assignments/ conveyance and any other documents with such modifications as may be required from time to time and to do all such acts, deeds, matters and things as may be deemed necessary and/ or expedient in its discretion for completion of the transaction as aforesaid in the best interest of the company.”

**Place: Chennai**

**Date: 06th January 2017**

By Order of the Board

For **Celebrity Fashions Limited**

**A. Rishi Kumar**

Company Secretary

#### Notes:

1. An Explanatory Statement pursuant to Section 102 (1) read with Section 110 and other applicable provision of the Companies Act, 2013 in respect of all the businesses specified above is annexed.
2. The Postal Ballot Notice is being sent to all Members, whose names appear on the Register of Members/List of Beneficial Owners/Record of Depositories as on 30th December, 2016. The notice is being sent to members in the electronic form to the email addresses registered with their Depository Participant (in case of electronic shareholding)/ the Company’s Registrar and Share Transfer Agents (in case



of physical shareholding). In case of members whose e-mail addresses are not registered, physical copies of notice are being sent by permitted mode along with the postage prepaid self addressed business reply envelope.

3. The dispatch of the Postal Ballot Notices will be completed before 13th January, 2017. Please read carefully the instructions printed in the enclosed Postal Ballot Notice before exercising your vote and return the same duly completed, signifying your assent/dissent, in the attached self-addressed business reply envelope, so as to reach the Scrutinizer on or before 17:00 hours on 12th February, 2017. Postal Ballots received after the said date will be treated as not having been received.
4. The Members can opt for only one mode of voting, i.e either by physical ballot or by e-voting. In case any Member casts votes through both the modes, voting done by e-voting shall prevail and votes cast through physical postal ballot form will be treated as invalid.

In compliance with provisions of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to all the Members of the Company. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting facility to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. Please note that e-voting is optional for Members. The Company has appointed Link Intime India Pvt.Ltd as e-voting facilitator to co-ordinate with CDSL for uploading the Notice of Postal Ballot and Postal Ballot Form on the website of the CDSL.

5. The voting rights of Members shall be in proportion to their number of shares held by them each fully paid up in the paid up equity share capital of the Company as on (date).

**Members desire to exercise vote either by Postal Ballot Form or by e-voting are requested to carefully read the instructions printed in the Postal Ballot Notice.**

1. The Board of Directors of the Company has appointed M/s. BP & Associates, Practising Company Secretaries as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and to receive and scrutinize the completed ballot paper and the votes received electronically from the Members. After completion of his scrutiny, Scrutinizer will submit his report to the Chairman and in his absence to the Company Secretary of the Company. The Scrutinizer's decision or the validity of a Postal Ballot e-voting shall be final and binding.
2. A copy of each of the document with reference to the items mentioned in the notice will be available for inspection to the Members at the Registered Office of the Company between 10 A.M. to 1.00 P.M on any working day excluding Saturdays, Sundays and national holidays till the last date of receiving Postal Ballots by Scrutinizer i.e. 12th February, 2017.

3. The e-voting period commences on Saturday, 14th January, 2017 (9 a.m.) and ends on Sunday, 12th February, 2017 (5 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 30th December, 2016 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 Member, he shall not be allowed to change it subsequently.
4. Members who are holding shares in electronic form are requested to notify any correction/change in their name/address immediately to the Depository Participant. Members who hold shares in physical form are requested to notify any change in their particulars like change in address, bank particulars, etc, to the Company's Registrars and Transfer Agents viz., Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400 078, Telephone - 022 - 25963838, Fax - 022 - 25946969
5. The Scrutinizer will submit his report to the Chairman of the meeting within 48 hours from the last date of receipt of Postal Ballots. The results of the Postal Ballot and e-voting will be declared by the Chairman of the Meeting or Managing Director or Executive Directors or Company Secretary on receipt of scrutinizer report and the resolution will be deemed to have been passed on the date of announcement/declaration of the results if the results of the Postal Ballot/e-voting indicate that the requisite majority of the members had assented to the resolution. Further, the results of the Postal Ballot along with the Scrutinizer's report shall be placed on Company's website [www.celebritygroup.com](http://www.celebritygroup.com) and communicated to the BSE Limited and the National Stock Exchange of India Limited where the equity shares of the company is listed.

#### **Voting through electronic means:**

In compliance of with section 108 of the Companies Act, 2013 and relevant rules there under, the company is required to conduct the voting process electronically. 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:**

- (i) The voting period begins on 14th January, 2017 9.00A.M and ends on 12th February, 2017 5.00 P.M. 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 30th December, 2016, 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. Members who do not have access to e-voting facility may send duly completed Ballot Form (part of Notice) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, not later than 5.00 P.M on Sunday, 12th February, 2017 in self addressed envelope. Ballot Form received thereafter will be treated as invalid

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - 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](http://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</p> <p>(Applicable for both demat shareholders as well as physical shareholders)</p> <p>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.</p> <p>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</p>
DOB	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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. 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 (v).

- (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 & Custodians:
- ❖ Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates and Custodians respectively.
  - ❖ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - ❖ After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the depository account(s)/ folio numbers on which they wish to vote on.
  - ❖ The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdislindia.com](mailto:helpdesk.evoting@cdislindia.com).

#### **PROCEDURE FOR VOTING THROUGH POSTAL BALLOT FORM:**

- ❖ A Member desiring to exercise vote by Postal Ballot Form may complete the Postal Ballot form and send it to the Scrutinizer in the enclosed self addressed business reply envelope. Postage will be borne and paid by the company. However, Postal Ballots deposited in person or sent by courier or by registered/speed post, at the expense of the Member, will also be accepted. No other form or photocopy of the Postal Ballot form will be accepted.
- ❖ The self-addressed envelope bears the address of the Scrutinizer appointed by the Board of the Directors of the Company.
- ❖ The Postal Ballot Form should be completed and signed by the Member and in case of joint holding, the form should be completed and signed by the first named member and in his absence by the next named Member, as per the specimen signature recorded with the Company or furnished by National Securities Depository Limited/ Central Depository Services (India) Limited to the Company, in respect of shares held in the physical form or dematerialised form respectively.
- ❖ In case of shares held by institutions, companies, trusts, societies etc. (i.e. other than individuals, HUF, NRI etc.) completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/appropriate Authorisation with the specimen signature(s) of the authorized signatory(ies), duly attested.
- ❖ Unsigned, incomplete and incorrect Postal Ballot Form will be rejected.
- ❖ Duly completed Postal Ballot Form should reach the Scrutinizer not later than close of working hours on 12th February, 2017 at the address as appearing in the self-addressed Business Reply Envelope. Postal Ballot Forms received after the above date will be treated as if, reply from such Members has not been received.
- ❖ The consent must be accorded by recording the assent in the Column "FOR" and dissent in the Column "AGAINST" by placing a tick mark (✓) in the appropriate column.
- ❖ There shall be one ballot for every folio/DPID & Client ID irrespective of the number of joint holders.
- ❖ Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed Business Reply Envelope.
- ❖ Duplicate copy of the Postal Ballot Form can be obtained on written request from Link Intime India Private Limited, the Registrar and Share Transfer Agents at C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup(West), Mumbai - 400 078 or can be downloaded from Company's website [www.celebritygroup.com](http://www.celebritygroup.com). However, the duly filled in duplicate Postal Ballot Form should reach

the Scrutinizer not later than the date specified under instructions above.

#### **EXPLANATORY STATEMENT**

(Pursuant to the Provisions of Section 102 of the Companies Act, 2013)

##### **Item No. 1 & 2**

It is considered desirable that the share capital of your Company be enlarged commensurate with the size and nature of your Company including the need to issue further shares on preferential basis. It is proposed to increase the authorised share capital of the Company from Rs. 70,00,00,000/- (Rupees Seventy Crores only) consisting of 4,40,00,000 (Four Crore Forty lakhs) Equity Shares of Rs. 10/- each and 26,00,00,000 (Twenty Six Crores) 1% Cumulative Redeemable Preference Shares of Rs. 10/- each, to 80,00,00,000/- (Rupees Eighty Crores only) consisting of 5,40,00,000 (Five Crores Forty Lakh) Equity Shares of Rs. 10/- each and 2,60,00,000 (Two Crore Sixty Lakh) 1% Cumulative Redeemable Preference Shares of Rs. 10/- each.

As a consequence of increase of authorised share capital of the Company, the existing authorised share capital clause in the Memorandum of Association of the Company be altered accordingly. The proposed increase of authorised share capital requires the approval of members of the Company in general meeting under Sections 13, 61 and other applicable provisions of the Companies Act, 2013, as well as any other applicable statutory and regulatory approvals.

The new set of Memorandum of Association is available for inspection at the Registered Office of the Company on any working day, during business hours.

The Board recommends the resolutions as set out at Item No. 1 & 2 hereof for approval of the shareholders as an Ordinary Resolution and Special Resolution, respectively.

None of the directors or any key managerial personnel or any relative of any of the directors/key managerial personnel of the Company is, in anyway, concerned or interested in the above Resolution except to the extent of their shareholding in the Company.

##### **Item No. 3 & 4**

As per Section 62(1)(c) read with Section 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended and the rules made thereunder (the "Act") and other applicable provisions, if any, and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI (ICDR) Regulations") and such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, approval of shareholders of the Company by way of special resolution is required to create, issue, offer and allotment of equity shares on preferential basis to Promoter Director and Managing Director of the Company.

The allotment of the equity shares is subject to the Promoter Director and Managing Director of the Company not having sold any Equity Shares of the Company during the 6 (six) months preceding the 'relevant date'. The Promoter Director and Managing director of the Company has represented that they have not sold any equity shares of the Company during the 6 (six) months preceding the relevant date.

**The relevant disclosures as required in terms of the Act and SEBI (ICDR) Regulations are as under:**

**a) Object(s) of the issue through preferential issue:**

The object of raising the equity share capital by issuing equity shares to the Promoter and Managing Director of the Company is to (i) augment long term capital of the company, undertake expansion/modernization of existing facilities and (ii) other general corporate purposes. This will also improve Company's debt-equity ratio. It is therefore proposed to offer upto 35,00,000 (Thirty Five Lakhs) fully paid equity shares of Rs. 10/- each to the Promoter Director and Managing Director of the Company on a preferential basis.

**b) Proposal of the Promoters / Directors / Key Management Persons of the Company to subscribe to the preferential issue:**

The Company has received written consent from Promoter Director and Managing director towards their intention to subscribe proposed issue of equity shares by the Company.

**c) Shareholding Pattern of the Company before and after the Preferential Issue:**

Please refer the "Annexure -1" for the consolidated shareholding pattern given at the end of Postal ballot Notice.

**d) The time within which the preferential allotment shall be completed:**

The equity shares shall be allotted within a period of 15 (fifteen) days from the date of passing of the Resolution by the Shareholders of the Company provided where the allotment is pending on account of any approval from any regulatory authority / Central Government the allotment shall be completed by the Company within a period of 15 days from the date of such approval.

**e) Identity of the proposed allottees:**

Below are the particulars of proposed allottees, and, the percentage of post preferential issue capital that maybe held by them in the issuer Company consequent to the preferential issue:

Name of the Proposed allottee	Category	Pre - Issue Equity Shareholding		No. of Equity Shares to be allotted		Post issue shareholding	
		No of Shares	%	No. of Shares	No of Shares	%	
Mrs. Rama Rajagopal	Promoter	50,42,054	12.93	20,00,000	70,42,054	16.57	
Mr. Charath Ram Narsimhan	Non-Promoter	10,25,619	2.63	15,00,000	25,25,619	5.94	

**f) Pricing of the preferential issue:**

The pricing of the Equity Shares to be allotted to the Promoter and Managing Director of the Company on preferential basis shall not be lower than the price determined in accordance with the Chapter VII of SEBI (ICDR) Regulations.

The issue of equity shares on preferential basis shall be made at a price not less than higher of the following:

- a) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the 26 (twenty six) weeks preceding the relevant date; or
- b) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the 2 (two) weeks preceding the 'relevant date'.

The requirement of the basis on which the price has been arrived at along with report of the registered valuer as such is not applicable in the present case since the Company is a listed Company and the pricing is in terms of the SEBI (ICDR) Regulations. The price shall be determined on the basis of the quotes available on the Stock Exchange having highest trading volume during the preceding twenty six weeks prior to the relevant date.

**g) Relevant Date:**

The relevant date for the purpose of pricing of equity shares shall be 13th January, 2017 being the date which is 30 (thirty) days prior to the deemed date of passing of special resolution by the Members of the Company through Postal Ballot to approve the proposed preferential issue, in accordance with the SEBI (ICDR) Regulations.

**h) Auditors' Certificate :**

The price at which the Equity shares would be issued to the Promoter Director and Managing Director of the Company cannot be exactly determined at the time of issue of this Notice to the shareholders as the same depends on the average of the market prices prevailing in the preceding 2 (two) weeks or (26) (twenty six weeks) of the 'relevant date' as per Regulation 76 of the SEBI (ICDR) Regulations. Auditors' certificate as required under Regulation 73(2) of SEBI (ICDR) Regulations will be available for inspection at the registered office of the Company between 11:00 a.m. and 1:00 p.m. on any working day except Saturday and public holidays from the Relevant Date (ie. 13th January, 2017) upto the last date for voting under postal ballot (ie. 12th Febuary 2017) and shall also be available at the date of declaration of result of the postal ballot.

**i) Lock in Period:**

The shares to be allotted on preferential basis shall be subject to lock-in as per SEBI (ICDR) Regulations, 2009.

The entire pre-preferential allotment shareholding of the above proposed allottee(s) shall be locked-in from the Relevant Date up to the period of 6 months from the date of Trading Approval as per the Regulations 78(6) of the SEBI(ICDR) Regulations, 2009.

**j) Undertakings:**

In terms of SEBI (ICDR) Regulations, 2009, the Company hereby undertakes that:

- a) It shall re-compute the price of the specified securities in terms of the provisions of SEBI (ICDR) Regulations, where it is required to do so.

- b) If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the Specified securities shall continue to be locked- in till the time such amount is paid by the proposed allottees.

The Board recommends the resolution as set out at Item No. 3 & 4 for approval of the shareholders as a Special Resolution.

The Board at its meeting held on 06th January, 2017 has approved the issue of Equity Shares on a Preferential Basis in the manner stated above subject to approval of the shareholders by way of Special Resolution.

Mr. Charath Ram Narsimhan is interested in the resolution at item No.3.

Mrs. Rama Rajagopal, Mr. Venkatesh Rajagopal and Mr. Vidyuth Rajagopal are interested in the resolution at item No.4.

None of the other directors and/or Key managerial personnel or any relative of any of the directors or key managerial personnel of the Company is, in anyway, concerned or interested in the resolutions set out at item No. 3 & 4 of the Notice.

#### Item No. 5, 6 & 7

As per Section 62(1)(c) read with Section 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended and the rules made thereunder (the "Act") and other applicable provisions, if any, and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI (ICDR) Regulations") and such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, approval of shareholders of the Company by way of special resolution is required for allotment of Warrants on preferential basis to Promoter Directors and Managing Director of the Company.

The allotment of the Warrants is subject to the Promoter Directors and Managing Director of the Company not having sold any Equity Shares of the Company during the 6 (six) months preceding the 'relevant date'. The Promoter Directors and Managing Director of the Company have represented that they have not sold any equity shares of the Company during the 6 (six) months preceding the relevant date.

#### The relevant disclosures as required in terms of the Act and SEBI (ICDR) Regulations are as under:

##### a) Object(s) of the issue through preferential issue:

The object of raising the equity share capital by issuing Warrants to the Promoter Directors and Managing Director of the Company is to (i) augment long term capital of the company, undertake expansion/modernization of existing facilities and (ii) other general corporate purposes. This will also improve Company's debt-equity ratio. It is therefore proposed to offer upto 65,00,000 (Sixty Five Lakhs) Warrants of Rs. 10/- each to the Promoter Directors and Managing Director of the Company on preferential basis.

##### b) Proposal of the Promoters / Directors / Key Management Persons of the Company to subscribe to the preferential issue:

The Company has received written consent from the promoter Directors and Managing Director towards their intention to subscribe proposed issue of warrants by the Company.

##### c) Shareholding Pattern of the Company before and after the Preferential Issue:

Please refer the "Annexure -1" for the consolidated shareholding pattern given at the end of Postal ballot Notice.

##### d) The time within which the preferential allotment shall be completed:

The Warrants shall be allotted within a period of 15 (fifteen) days from the date of passing of the Resolution by the Shareholders of the Company provided where the allotment is pending on account of any approval from any regulatory authority / Central Government the allotment shall be completed by the Company within a period of 15 days from the date of such approval.

##### e) Conversion of Warrants:

Out of the said 65,00,000 Warrants, 40,00,000 Warrants shall be converted into Equity Shares in the Financial Year 2017 - 18 and the remaining 25,00,000 Warrants shall be converted into Equity Shares in the Financial Year 2018-19; however, all the warrants shall be converted within a period of 18 months from the date of allotment.

##### f) Identity of the proposed allottees:

Below are the particulars of proposed allottees, and the percentage of post preferential issue capital that may be held by them in the issuer Company consequent to the preferential issue:

Name of the Proposed allottee	Category	Pre - Issue Equity Shareholding (Post Issue of 35,00,000 Equity Shares)		No. of Equity Shares to be allotted	Post issue shareholding (After exercise of Warrants)	
		No of Shares	%		No of Shares	%
Mr. Venkatesh Rajagopal	Promoter	96,42,981	24.72	15,00,000	1,11,42,981	22.74
Mr. Charath Ram Narsimhan	Non-Promoter	25,25,619	5.94	25,00,000	50,25,619	10.26
Mrs. Rama Rajagopal	Promoter	70,42,054	16.57	25,00,000	95,42,054	19.47

##### g) Pricing of the preferential issue:

The pricing of the Equity Shares to be allotted on conversion of Warrants to the Promoter Directors and Managing Director of the Company on preferential basis shall not be lower than the price determined in accordance with the Chapter VII of SEBI (ICDR) Regulations.

The issue of equity shares arising out of exercise of Warrants issued on preferential basis shall be made at a price not less than higher of the following or as per the law prevailing at the time of allotment of Warrants:

- a) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the 26 (twenty six) weeks preceding the relevant date; or

- b) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the 2 (two) weeks preceding the 'relevant date'.

The requirement of the basis on which the price has been arrived at along with report of the registered valuer as such is not applicable in the present case since the Company is a listed Company and the pricing is in terms of the SEBI (ICDR) Regulations. The price shall be determined on the basis of the quotes available on the Stock Exchange having highest trading volume during the preceding twenty six weeks prior to the relevant date.

**h) Relevant Date:**

The relevant date for the purpose of pricing shall be Friday, 13th January, 2017 being the date which is 30 (thirty) days prior to the deemed date of passing of special resolution by the Members of the Company through Postal Ballot to approve the proposed preferential issue, in accordance with the SEBI (ICDR) Regulations.

**i) Auditors' Certificate:**

The price at which the Warrants would be issued to Promoter Directors and Managing Director of the Company cannot be exactly determined before issue of this Notice to the shareholders as the same depends on the average of the market prices prevailing in the preceding 2 (two) weeks or (26) (twenty six weeks) of the 'relevant date' as per Regulation 76 of the SEBI (ICDR) Regulations. Auditors' certificate as required under Regulation 73(2) of SEBI (ICDR) Regulations will be available for inspection at the registered office of the Company between 11:00 a.m. and 1:00 p.m. on any working day except Saturday and public holidays from the Relevant Date (ie. 13th January, 2017) upto the last date for voting under postal ballot (ie. 12th February, 2017) and shall also be available at the date of declaration of result of the postal ballot.

**j) Lock in Period:**

The Warrants allotted on a preferential basis and the Equity Shares to be allotted pursuant to exercise of option attached to Warrants shall be subject to lock-in as per SEBI (ICDR) Regulations.

As per Regulation 78(6) of the SEBI (ICDR) Regulations, the entire pre-preferential allotment shareholding of the above proposed allottee(s) shall be locked-in from the Relevant Date up to the period of 6 months from the date of Trading Approval.

**k) Undertakings:**

In terms of SEBI (ICDR) Regulations, 2009, the Company hereby undertakes that:

- a) It shall re-compute the price of the Warrants / Equity Shares issued on conversion of Warrants in terms of the provisions of SEBI (ICDR) Regulations, where it is required to do so.
- b) If the amount payable on account of the recomputation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the underlying Warrants / Equity Shares shall continue to be locked- in till the time such amount is paid by the proposed allottees.

The Board recommends the resolution as set out at Item No. 5, 6 & 7 for approval of the shareholders as a Special Resolution.

The Board at its meeting held on 06th January 2017 has approved the issue of Warrants on preferential basis and of Equity Shares on conversion of such Warrants on a Preferential Basis in the manner stated above subject to approval of the shareholders by way of Special Resolution.

Mr. Venkatesh Rajagopal, Mrs. Rama Rajagopal and Mr. Vidyuth Rajagopal are interested in the resolutions at item No.5. & 6

Mr. Charath Ram Narsimhan is interested in the resolution at item No.7.

None of the other directors and/or Key managerial personnel or any relative of any of the directors or key managerial personnel of the Company is, in anyway, concerned or interested in the resolutions set out at item No. 5,6 & 7 of the Notice.

**Item No. 8**

The Company's Banker, State Bank of India sanctioned a Restructuring Package for the revival of the Company in November 2012. The Re-structuring Scheme envisaged conversion of portion of term loans into Equity Shares and 1% Cumulative Redeemable Preference Shares, Infusion of capital by Promoters and repayment of term loans through sale of immovable properties.

In accordance with the above restructuring package, the Company proposes to sell its property situated at 107A, GST Road, Chrompet, Chennai - 600 044 and proposes to utilize the sale proceeds for the purpose of repayment of term loans.

The Board of Directors of your company has deemed fit to sell, transfer or otherwise dispose of the whole of the above property to suitable party/parties on a reasonable consideration.

As the aforesaid transaction amounts to sale/disposal of the undertaking of the company in terms of Section 180(1) (a) of the Companies Act, 2013, your approval is being sought under the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 through a resolution to be passed through postal ballot as set out in the notice.

You are requested to grant your consent to the Special resolution as set out at Item No.8 of the accompanying notice.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

The Board recommends the Resolution of the Notice for approval of the Members by a Special Resolution.

**Place: Chennai**  
**Date: 06th January 2017**

By Order of the Board  
For **Celebrity Fashions Limited**

**A. Rishi Kumar**  
**Company Secretary**

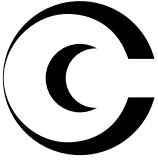
## Annexure I

Consolidated Shareholding Pattern of the Company before and after the preferential Issue.

Category	Pre-issue Shareholding as on 30th Sep, 2016		After allotment of Equity Shares		After Conversion of 40,00,000 Convertible warrants in the financial year 2017-18		After Conversion of 25,00,000 Convertible warrants in the financial year 2018-19	
	Total No. of shares	% of Holding	Total No. of shares	% of Holding	Total No. of shares	% of Holding	Total No. of shares	% of Holding
<b>Shareholding of Promoter and Promoter Group</b>								
<b>Indian</b>								
<b>Individual:</b>								
V Rajagopal	9642981	24.72	9642981	22.69	11142981	23.96	11142981	22.74
Rama Rajagopal	5042054	12.93	7042054	16.57	7042054	15.14	9542054	19.47
Vidyuth Rajagopal	7000	0.02	7000	0.02	7000	0.02	7000	0.01
Rajagopalan K A	646	0.00	646	0.00	646	0.00	646	0.00
Anjali Rajagopal	100	0.00	100	0.00	100	0.00	100	0.00
<b>Total Shareholding of promoter and promoter group</b>	<b>14692781</b>	<b>37.67</b>	<b>16692781</b>	<b>39.27</b>	<b>18192781</b>	<b>39.12</b>	<b>20692781</b>	<b>42.23</b>
<b>Public Shareholding</b>								
<b>Institutions</b>								
Mutual Funds	0	0	0	0	0	0	0	0
Financial Institutions / Banks	0	0	0	0	0	0	0	0
Central Government/ State Government(s)	0	0	0	0	0	0	0	0
Foreign Institutional Investors	3350000	8.59	3350000	7.79	3350000	7.20	3350000	6.84
Foreign Portfolio Investors	2100000	5.38	2100000	4.88	2100000	4.52	2100000	4.29
<b>Sub Total</b>	<b>5450000</b>	<b>13.97</b>	<b>5450000</b>	<b>12.82</b>	<b>5450000</b>	<b>11.72</b>	<b>5450000</b>	<b>11.12</b>
<b>Non-Institutions</b>								
Individuals (Public)	11888588	30.48	13388588	31.50	15888588	34.17	15888588	32.42
Clearing Member	1193448	3.06	1193448	2.81	1193448	2.57	1193448	2.44
Foreign Company	0	0	0	0	0	0	0	0
Non Resident Indians	113702	0.29	113702	0.27	113702	0.24	113702	0.23
Bodies Corporate	5665246	14.52	5665246	13.33	5665246	12.18	5665246	11.56
<b>Sub Total</b>	<b>18860984</b>	<b>48.36</b>	<b>20360984</b>	<b>47.90</b>	<b>22860984</b>	<b>49.16</b>	<b>22860984</b>	<b>46.65</b>
<b>Total Shareholding</b>	<b>39003765</b>	<b>100.00</b>	<b>42503765</b>	<b>100.00</b>	<b>46503765</b>	<b>100.00</b>	<b>49003765</b>	<b>100.00</b>

**Note:** The pre-issue shareholding pattern has been prepared based on the shareholding pattern of the Company as on 30th September, 2016.

The % of post issue capital is arrived after considering the proposed allotment of Equity Shares and Warrants.



# CELEBRITY FASHIONS LIMITED

CIN No.: L17121TN1988PLC015655

Registered Office: SDF IV & C2, 3rd Main Road, MEPZ/SEZ, Tambaram, Chennai 600 045.

Phone No: 044 -4343 2200/2300; Fax No: 044-22622897:

Email: investorservices@celebritygroup.com Website: www.celebritygroup.com

## POSTAL BALLOT FORM

(To be returned to the Scrutinizer)

1. Name of the Member(s) (Including Joint-holders, if any) (IN BLOCK LETTERS)	
2. Registered address of the Sole/First named Shareholder.	
3. Registered Folio No./ DP ID*/Client ID* (applicable to investors holding shares in demat form)	
4. No of share(s) held	

I/We hereby exercise my/our vote in respect of the following Special Resolutions/Ordinary resolution to be passed through Postal Ballot for the business stated in the Notice dated 06th January, 2017 of the Company by sending my/our assent or dissent to the said Resolution by placing the Tick (✓) mark at the appropriate box below:

Description	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Increase in the Authorised Share Capital of the Company.			
Alteration of the Capital Clause of the Memorandum of Association.			
Issue of Equity shares to Mr. Charath Ram Narsimhan, Managing Director of the Company on preferential basis.			
Issue of Equity shares to Mrs. Rama Rajagopal, Promoter Director of the Company on preferential basis.			
Issue of Warrants to Mr. Venkatesh Rajagopal, Promoter Director of the Company on preferential basis.			
Issue of Warrants to Mrs. Rama Rajagopal, Promoter Director of the Company on preferential basis.			
Issue of Warrants to Mr. Charath Ram Narsimhan, Managing Director of the Company on preferential basis.			
Approval for Sale of Immovable Property of the Company			

### Note:

1) Please read the instructions printed in the Postal Ballot Notice before filling the Postal Ballot Form.

2) Last date for receipt of this Form by the Scrutinizer is 12th February 2017.

Place:

(Signature of Member)

Date:

Name:



If undelivered please return to  
**CELEBRITY FASHIONS LIMITED**

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

Tel :+91-44-43432200/2300

Fax : +91-44-2262 2897