Celebrity Fashions Limited

19th February ,2014

Bombay Stock Exchange Ltd
PJ Towers
Dalal Street
Mumbai 400 023

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

Dear Sirs,

Sub: Extra ordinary General Meeting on 18th March 2014-Celebrity Fashions Limited

Ref.: Scrip Code – 532695 / CELEBRITY

We wish to inform you that the Extra ordinary General Meeting of the Company will be held on Tuesday,18th March 2014 at 11.30 A.M. at the Registered office of the Company for issue of equity shares on preferential basis to Promoter,Director and Foreign Institutional Investor.

Please find enclosed Notice of Extra ordinary Meeting for your record.

Thanking you,

Yours Faithfully

For CELEBRITY FASHIONS LIMITED

K. SENTHILKUMAR
Company Secretary

SDF - IV & C2, 3rd Main Road, MEPZ / SEZ, Tambaram, Chennai -600 045. INDIA. Tel : + 91 - 44 - 43432200, 43432300
Fax : + 91 - 44 - 22622897 E-mail : email@celebritygroup.com

CELEBRITY FASHIONS LIMITED

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

NOTICE OF EXTRA-ORDINARY GENERAL MEETING

Dear Shareholder (s)

NOTICE is hereby given that the Extra Ordinary General Meeting of the members of Celebrity Fashions Limited will be held on Tuesday, 18th March, 2014 at 11:30 AM 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 Special Business:-

SPECIAL BUSINESS:

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 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 read with the Companies Act, 2013 as applicable till date, the provisions of the Foreign Exchange Management Act, 1999, as amended from time to time, the Articles of Association of the Company, and the listing agreement entered into by the company with the Stock Exchanges where Shares of the Company are listed, restructuring package sanctioned by State Bank of India, One-Time Settlement proposal agreed by HDFC Bank 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 allottees:

SL.No	Name of the allottee	Category	Equity Shares (face value of Rs.10/- each)
1	Mr. V.Rajagopal	Promoter	15,00,000
2	Mr. Charath Ram Narsimhan	Key Managerial Person	10,00,000
3	Leman Diversified Fund	Foreign Institutional Investor	33,50,000
	TOTAL		**58,50,000**

"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 Extraordinary 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) Regulation"

RESOLVED FURTHER THAT the Company can apply for relaxation from any of the regulations under SEBI which will become qualified after the restructuring proposal is approved by BIFR.

"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 : 12th February 2014
Place : Chennai

For and on behalf of the Board

K.Senthil kumar
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 (Corresponding to Section 173 of the Companies Act, 1956) 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 UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 73 OF THE ICDR REGULATIONS, 2009:

The disclosures which are required to be given in the explanatory statement to the notice of the Extra 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 has been 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 has got eroded and the Company has been 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. BIFR has appointed State Bank of India as the Operating Agency and issued directions to submit a Rehabilitation Scheme for the revival of the Company.
State Bank of India after conducting a Techno-Economic Viability study sanctioned a Re-structuring Package for the revival of the Company in November 2012. The Re-structuring Scheme included conversion of portion of Term loans into Equity / 1% Cumulative Redeemable Preference Shares, re-schedulement of Term loan repayments and interest rate concessions. The package also stipulated infusion of Rs.7 crs into the Company as Equity as contribution towards the Lender Sacrifice. 50% of the contribution amount was brought upfront in October / November 2012 and the balance 50% being brought in March 2014.

The proposed issue to M/s Leman Diversified Fund, Foreign Institutional Investor for 33,50,000 equity shares at Rs.10/- each and to Mr. V. Rajagopal, Promoter, Chairman for 1,50,000 equity shares of Rs.10/- each is towards the balance contribution of Rs.3.50 crs in accordance with the Re-structuring Package.

HDFC Bank has opted for an One-Time Settlement of the outstanding dues of the Company. The Board of Directors of the Company after due deliberation have agreed the proposal from HDFC Bank. In accordance with the stipulations laid by the Operating Agency (OA), State Bank of India that the settlement is to be funded by additional contribution from the Promoters / Directors, the Promoter / Director is bringing the requisite amounts for the One-Time Settlement. The proposed issue of 13,50,000 Equity Shares of Rs.10/- each to Mr. V. Rajagopal, Promoter-cum-Chaiman and 10,00,000 Equity Shares of Rs.10/- each to Mr. Charath Ram Narsim-

han, Managing Director is towards the One-Time Settlement of dues with HDFC Bank.

1. Objects of the Issue: As stated above, the objective of the issue of equity shares is to meet out the terms and conditions of the restructuring package sanctioned by State Bank of India as part of the lender's sacrifice and in accordance with the guidelines issued by Reserve Bank of India and also to repay the debts of the Company in accordance with the One-Time Settlement scheme agreed with HDFC Bank.

2. Intention of the promoters/directors/their associates and relatives/Key Managerial persons with regard to the proposed issue:

The proposed issue of securities is in accordance with the Re-structuring Package sanctioned by State Bank of India and the One-Time Settlement Scheme agreed with HDFC Bank.

The allotment would not result in any change in control or management of the affairs of the Company. However there will be consequential change in the voting rights / share holding of the Company.

3. Shareholding Pattern of the Company before and after the Proposed issue:

Particulars	**Pre-allottment Holding**		**Post-allottment Holding**	
Category of Shareholders	**Total No.of Shares**	**% of Paid up capital**	**Total No.of Shares**	**% of Paid up capital**
Promoter & Promoter Group	10543796	34.56	12043796	33.13
Bodies corporate	2571280	8.43	2571280	7.07
Foreign Institutional Investor	2100000	6.88	5450000	15.00
Financial Institutions/Banks	7469100	24.49	7469100	20.54
Resident Individuals	4220511	13.84	5220511	14.36
Clearing Members	143863	0.47	143863	0.40
Non Resident Indians	55215	0.18	55215	0.15
Foreign Companies	3400000	11.15	3400000	9.35
Total	**30503765**	**100**	**36353765**	**100**

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) Regulations,2009, for preferential issue, the issue of equity shares to be issued to Mr.V.Rajagopal & Mr.Charath Ram Narsimhan and M/s.Leman Diversified Fund comes to Rs.4.01/- 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)

The relevant date for the above purpose means 30 days prior to the date on which the general meeting is held to consider the proposed issue under section 81(1A) of the Companies

Act, 1956. As the date of Extra Ordinary General Meeting of Shareholders is 18/03/2014, the relevant date is 16th February 2014. 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.

6. Identity of 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**	**Post-issue holding**	
		No.of Shares	**%**	**No.of Shares**	**No.of Shares**	%
Mr.V.Rajagopal	Promoter	3346269	10.97	1500000	4846269	13.33
Mr. V.Rajagopal (Partner of Celebrity Connections)	Promoter	2146712	7.04	-	2146712	5.90
Mr. Charath Ram Narsimhan	Key Managerial Person	25619	0.08	1000000	1025619	2.82
Leman Diversified Fund	Foreign Institutional Investor	Nil	Nil	3350000	3350000	9.21

7. There will not be any change in the control of the Company on account of the proposed preferential issue of equity shares.

8. 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. 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 2009.

10. None of the Directors, Key Managerial Persons/ Relatives of the Directors is interested in this resolution except Mr.V.Rajagopal, Mrs.Rama Rajagopal and Mr. Charath Ram Narsimhan to the extent of their shareholding.

It is to be noted that this resolution does not relate to or affects any other Company.

Date : 12th February 2014
Place : Chennai

For and on behalf of the Board

K.Senthil kumar
Company Secretary

Celebrity Fashions Limited

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

Proxy Form

Regd Folio No. /DP/ Client ID | |

I / We .....of ..... being a member / members of the Company hereby appoint ..... of ..... or failing him / her .... of ..... as my / our proxy, to vote for me / us on my behalf at the Extra - Ordinary General Meeting of the Company to be held on Tuesday, the 18th day of March 2014 at 11.30 A.M. at Registered Offce situated at SDF-IV& C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai-600 045 and at any adjournment thereof. Signed this ..... day of ..... 2014.

Signature .....

Affix Re.1/- Revenue Stamp

Notes : This form in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

Celebrity Fashions Limited

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

ATTENDANCE SLIP

Regd Folio No. /DP/ Client ID	
No.of Shares held	

I certify that I am member / proxy for the member of the Company. I hereby record my presence at the Extra - Ordinary General Meeting of the Company at the Registered Offce situated at SDF-IV & C2, 3rd Main Road, MEPZ-SEZ, Tambaram, Chennai - 600 045 at 11.30 A.M. on Tuesday, the 18th day of March 2014

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Name of the Member / Proxy Signature of member / Proxy

Note : Please fill the Attendance slip and hand it over at the entrance of the meeting hall.

Book Post

If undelivered please return to

Celebrity Fashions Limited

SDF-IV & C2, 3rd Main Road,
MEPZ-SEZ, Tambaram, Chennai - 600 045.
Tel : +91 44 4343 2000 / 4343 2200
Fax : +91 44 2262 2897