



Kunststoffe Industries Limited

MFRS. OF: HDPE/PP PIPES, TANKS & CHEMICAL VESSELS

Regd. Off.: Kiran Building, 128 Bhaudaji Road, Matunga (East), Mumbai-400 019.

Tel. : 24082689-90 Fax : 24044853 Email : kunststoffe@vsnl.net

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION DECLARED TO BE PASSED BY POSTAL BALLOT ON 11TH JUNE 2013 PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956 AT THE REGISTERED OFFICE OF M/S. KUNSTSTOFFE INDUSTRIES LIMITED AT 3.00 P.M. AT KIRAN BUILDING , 128 BHAUDAJI ROAD, MATUNGA, MUMBAI – 400019.

SPECIAL RESOLUTION

FURTHER ISSUE OF EQUITY SHARES :

“RESOLVED THAT pursuant to the Order dated 15/03/2013 of the Hon`ble Board for Industrial and Financial Reconstruction (BIFR) and the relevant provisions of and exemptions granted in the approved Rehabilitation Scheme and pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force, and as may be enacted from time to time), Securities and Exchange Board of India (Substantial Acquisition of Shares and Control) Regulations, 1997 as amended to date and other applicable Regulations, if any, and in accordance with the relevant provisions of the Memorandum and Articles of Association of the company and the Listing agreement entered into by the company with the Stock Exchanges, where the company's shares are listed, consent and approval of the company be and is hereby accorded to the Board (to issue and delegate all or any of the powers hereby confirmed to any Committee thereof) and the Board is hereby authorized to issue , offer and allot not exceeding 2150000 new Equity Shares of Rs.10/- each at par aggregating to Rs.2,15,00,000/- to the Promoters and their relatives, associates and the Strategic Investor by way of conversion into equity capital post de-rating of equity of the company equivalent to the amount of share application money brought in by the promoters and their relatives and Strategic Investor as provided in the approved scheme of rehabilitation and that the old share certificates will be treated as cancelled and in that place new share certificates will be issued.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question, doubt or query that may arise in this regard.”

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956) .

As per the provisions of the approved scheme of rehabilitation, the company is permitted to convert the existing share application money brought in by the promoters, their relatives and Strategic Investor into equity share capital.

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Works : Kadaiya Village, Airport Road, Nani Daman, Daman-396 210 (U.T.)

Phone : (0260) 2221858 - 2220766 Fax : (0260) 2220758

Shareholding Pattern before & after sanction of the scheme is as follows :

Sr. No.	Category	Existing Shareholding		Proposed Shareholding Pattern after reduction by 60%			
		Paid Amount Lacs	up in %	60 % derated Amount	Fresh Allotment	Total post Red. & fresh Allotment	%
1	Promoter (s) Group	299.81	25.30	119.92	150.00	269.92	39.18
2	MF/UTI	94.68	7.99	37.87	--	37.87	5.50
3	Foreign Institutional Investor	15.17	1.28	6.06	--	6.06	0.88
4	Private Corporate Bodies	125.73	10.61	50.30	65.00	115.30	16.72
5	NRI	106.41	8.98	42.56	--	42.56	6.18
6	Public	543.20	45.84	217.28	--	217.28	31.54
	Total	1185.00	100	474.00	215.00	689.00	100

The Company has already inducted share application money of Rs. 215.00 Lacs brought in by the promoters and their relatives and strategic investor and it is proposed to be converted into equity capital post de-rating of equity of the company to the promoters and their relatives and strategic investor as provided in the approved rehabilitation scheme.

Name	Status	No. of shares of Rs. 10/- each to be issued	Aggregate Amount (in Rs.)
Promoters	Promoters' Group	15,00,000	1,50,00,000/-
Gayatri Pipes & Fittings Pvt. Ltd. (GPFL)	Strategic Investor	6,50,000	65,00,000/-
	Total	21,50,000	2,15,00,000/-

Out of the Total 21,50,000 equity shares, 15,00,000 equity shares proposed to be issued to Promoters and their relatives are subject to a lock in period of Three years from the date of allotment and 6,50,000 equity shares proposed to be issued to strategic Investor are subject to a lock in period of six months from the date of preferential allotment as provided in the approved scheme.

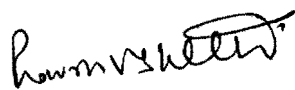
A special resolution for further issue of shares is required to be approved by the shareholders of the company.

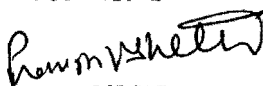
None of the directors of the company is in any way, concerned or interested in the said resolution except the promoters and their relatives and associates to whom the issue of further share capital is proposed to be made.

// Certified To Be True Copy //

For Kunststoffe Industries Ltd.

FOR KUNSTSTOFFE INDUSTRIES LTD.


Pravin Sheth
Director


DIRECTOR