



Kunststoffe Industries Limited

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

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

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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

WRITING DOWN OF EQUITY SHARE CAPITAL BY 60% AS PER BIFR DIRECTIONS / ORDERS:

“RESOLVED THAT pursuant to Order dated 15/03/2013 issued by Board for Industrial and Financial Reconstruction (BIFR) and the provisions of and exemptions granted in the approved Rehabilitation Scheme 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), the consent and approval of the shareholders be and is hereby given to de-rate existing equity Share Capital of the Company by 60% from the existing Rs. 10/- per share fully paid up to Rs. 4/- per share and thereby the existing amount of paid up share capital from Rs.1185.00 lacs to Rs. 474.00 lacs and consequently with the reduction of share capital of the company, 5 equity shares so reduced shall be consolidated into two new equity shares of Rs.10/- each.”

“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 transfer the fractional shares, if any, to a trustee account and to consolidate the fractional shares into marketable lots and to sell and distribute the sale proceeds in proportion to the fractional shares and further 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 the members are aware, the Company is primarily engaged in the business of manufacture of HDPE and Poly Propylene Tanks and Pipes in Nani Daman, U.T. and the unit had become sick due to several reasons and registered with the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) for the purpose of revival and rehabilitation of the unit. The Hon'ble BIFR, based on the Rehabilitation scheme prepared under section 18 of the Sick Industrial Companies (Special Provisions) Act, 1985 for rehabilitation of the unit and subsequent publication of the scheme in the Newspaper on 26th June, 2010, approved the Scheme on 8th March, 2013 for implementation. According to the approved scheme, the Company is directed to write down the paid up capital by 60% and to consolidate the share capital and further directed to issue share capital to the promoters and their relatives and Strategic Investor to the extent of Rs.215.00 Lacs for the purpose of revival and rehabilitation of the Unit. The company was directed to obtain a special resolution approved by the shareholders to the above effect as part of implementation of the approved scheme. Whereas the company was specifically exempted from all applicable provisions of the Companies Act, 1956 and the SEBI Act and the applicable Regulations therein as far as the capital reduction, consolidation and further issue of capital was concerned.

Upon coming into effect of the scheme of rehabilitation as approved by the Hon'ble BIFR at its hearing held on 02/01/2013, the paid up share capital of the company of Rs. 1185.00 Lacs consisting of 11850000 equity shares of Rs. 10/- each fully paid up shall be reduced to Rs. 474.00 Lacs consisting of 4740000 equity shares of Rs. 10/-each by effecting a reduction of Rs. 711.00 Lacs from the paid up capital of the company by Rs.6/- per equity share of Rs. 10/- each. Simultaneously with the reduction of

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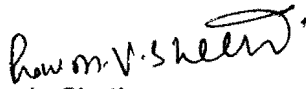
share capital of the company, 5 equity shares so reduced shall be consolidated into two new equity shares of Rs. 10/- each. The net effect of reduction is that a shareholder holding 100 equity shares before reduction will get 40 equity shares after reduction and consolidation.

The Hon'ble BIFR further directed the BSE, Mumbai to list the further issued capital as provided in the approved Scheme.

// Certified To Be True Copy //

For **Kunststoffe Industries Ltd.**

FOR **KUNSTSTOFFE INDUSTRIES LTD.**


Pravin Sheth
Director


DIRECTOR