



KUNSTSTOFFE Industries Limited

REGD. Off. : Kiran Building, 128, Bhaudaji Road, Matunga (e), Mumbai - 400019.



Notice of Postal Ballot pursuant to Section 192A of the Companies Act, 1956

Dear Member(s),

Notice is hereby given, pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 that the enclosed resolutions for the purpose of Capital Reduction and Consolidation of Share Capital and Further issue of capital to the promoters and their associates and Strategic Investors pursuant to the directions / orders of the Hon'ble Board for Industrial and Financial Reconstruction issued in the case No. 192/2006 of the approved rehabilitation scheme of the company to be passed as Special Resolution by way of Postal Ballot.

The company is desirous of seeking your consent for such proposal as contained in the resolutions appended below. An explanatory statement pertaining to the said resolutions setting out the material facts and the reasons therefore is annexed. The said special resolutions and the explanatory statement are being sent to you along with a Postal Ballot Form for your consideration. The Company has appointed Ms. Sarita Lakhotia, a Practising Company Secretary, as the scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the form and return the same duly completed so as to reach the scrutinizer on or before the close of the working hours i.e. 5.00 p.m., on 08/06/2013. On completion of the scrutiny of the forms, the scrutinizer will submit her report to the Chairman of the Company. The results of the postal ballot will be announced by the Chairman of the company Shri Pravin Sheth on 11/06/2013 at 3.00 p.m. at the Registered Office of the company.

The Members are requested to consider the following resolutions:

Special Business:

1. To consider and thought fit to give assent or dissent to the following resolution as a 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 consequent 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."

2. To consider and thought fit to give assent or dissent to the following resolution as a Special Resolution :

"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, 1987 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."

By order of the Board of Directors
For Kunststoffe Industries Limited

Place : Mumbai
Date : 30/04/2013

Pravin Sheth
Chairman

Notes :

1. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 setting out the material facts in respect of the business under item no. 1 & 2 is annexed hereto.
2. Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 provides for passing of certain resolutions only by postal ballot in case of listed companies and item No. 1 & 2 in the Notice required consent of the shareholders through postal ballot. The postal Ballot Form and a self-addressed stamped envelope is enclosed for use of members.
3. Pursuant to the provisions of Section 192A, the Board of Directors at its meeting held on 30/04/2013 had appointed Ms. Sarita Lakhotia of M/s. Lakhotia & Associates, Company Secretary, Mumbai, as the scrutinizer to receive and scrutinize the completed postal ballot papers received from the members and for conducting the Postal Ballot process in a fair and transparent manner.
4. The members are requested to carefully read the instructions printed on the form and return the duly completed Form (No other form or photocopy is permitted) with their assent (for) or dissent (against), in the enclosed self-addressed stamped envelope, so as to reach the scrutinizer on or before the close of the working hours i.e. 5.00 p.m., on Saturday, 8th day of June, 2013 failing which, it



will be strictly treated as if no reply has been received from the member.

5. The scrutinizer will submit her report to Shri Pravin Sheth, Chairman of the Company after completion of the scrutiny of the Postal Ballot Forms. The results of the postal ballot will be announced by the Chairman at 3.00 p.m. on Tuesday, 11th June, 2013 at the Registered Office of the company. Members who wish to be present at the said venue at the time of declaration of the results may do so at the said venue at the appointed time. The resolution will be taken as passed effectively on the date of announcement of the result.
6. All documents referred to in the Notice are available for inspection by the members of the Company at the Registered Office on all working days of the company between 3.00 p.m. to 5.30 p.m. upto 8th June, 2013.
7. Only a shareholder entitled to vote is entitled to exercise his vote through Postal Ballot and a shareholder having no voting rights should treat this Notice as an intimation only.

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

ITEM NO. 1

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 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.

Item No. 2

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.

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

Sr. No.	Category	Existing Shareholding Pattern		Proposed Shareholding Pattern after reduction by 60%			
		Paid up Amount in Lacs	%	60 derated Amount	%	Fresh Allotment	Total post Red. & fresh Allotment
1	Promoter Group (s)	299.81	25.30	119.92	150.00	269.92	39.18
2	MFI/ FI	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.

By order of the Board of Directors
For Kunststoffe Industries Limited

Place: Mumbai
Date: 30/04/2013

Pravin Sheth
Chairman



KUNSTSTOFFE Industries Limited

REGD. Off. : Kiran Building, 128, Bhaujaji Road, Matunga (e), Mumbai - 400019.

POSTAL BALLOT FORM

(Please read the instructions overleaf before filling up the form)

Sr. No. : _____

1. Name(s) of Member(s)/ Beneficial Owner(s) :

2. Registered address of the sole /
First named Member/ Beneficial Owner :

3. Name(s) of Joint Holder,
if any (In block letters) :

4. Registered Folio No./ DP ID No. &
Client ID No* (*Applicable to Members
holding Shares in dematerialized form) :

5. No. of Shares :

6. I/We hereby exercise my/our vote in respect of the Resolution to be passed through Postal ballot for the business stated in the Notice of the Company by sending my /our assent to the said Resolution by placing the tick mark(✓) at the appropriate box below:

Item No.	Special Resolution No. as per the Notice dated 30/04/2013	Description of Resolution	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1.	Special Resolution as per BIFR order	Reduction and Consolidation of share capital		
2.	Special Resolution u/s. 81(1A) of the Companies Act, 1956	Further issue of Equity shares to the Promoters and their relatives and Strategic Investor		

Place :

Date:

Signature of Member/Authorised Signatory

Note: For instructions see overleaf





INSTRUCTIONS

1. A member desiring to exercise his vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if deposited in person or sent by courier at the expense of the shareholder will also be accepted.
2. Please convey your assent/dissent in the Ballot paper attached. The assent/ dissent otherwise received in any other form shall not be considered valid.
3. This form should be completed and signed by the shareholder as per specimen Signature, in case of joint holding, this form should be completed and signed (as per specimen signature registered with the Company) by the first named shareholder and in absence, by the next named shareholder.
4. Unsigned/ Signature not tallied Postal Ballot form will be rejected.
5. Where the Postal Ballot Form has been signed by an authorised representative of a body corporate, a certified copy of the relevant authorization to vote on the Postal Ballot should accompany the Postal Ballot Form.
6. The Self addressed envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company. Kindly ensure duly completed Postal Ballot Form reaches the Scrutinizer not later than the close of working hours (i.e. 5.00 p.m.) on Saturday, 8th June, 2013. The response otherwise received after this date shall be strictly treated as if the response from the member has not been received.
7. A member may request for a duplicate Postal ballot paper, if so required and the same duly completed should reach the scrutinizer not later than the date and time specified in item 6 above.
8. All shareholders need not use all his votes nor he need to cast all his votes in the same way.
9. Shareholders are requested not to send any other paper with the Postal Ballot Form (other than the one specified in item 5 above) in the enclosed self addressed postage pre paid envelope in as much as all such envelopes will be sent to the Scrutinizer, Ms. Sarita Iakhotia, Kunststoffe Industries Limited, D.J.Corporation, 24, 1st Floor, Palkhiwala House, Tara Manzil, 1st Dhobi Talao Lane, Mumbai- 400 002 & any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
10. Voting rights will be reckoned on the paid up value of shares registered in the name of shareholders on the cut-off date i.e. 30th April, 2013.
11. The Scrutinizer will submit her report to the Chairman after completion of Scrutiny and the results of the Postal Ballot will be announced by the Chairman on 11th June, 2013 at 3.00 p.m. at the registered office of the Company at Kiran Building, 128, Bhaudaji Road, Matunga (E), Mumbai - 400019. Members who wish to be present at the time of declaration of results may do so at the above venue.

