



KIL / SEC / 2012 – 13 /

Date : November 12 , 2012

National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051
Fax: 022 2659 8237 / 8

The Gauhati Stock Exchange Ltd.
2nd Floor, Shine Tower,
Sati Jaymati Road, Arya Chowk, Rehabari
Guwahati - 781 008
Fax: 0361 2541721

Dear Sirs,

Sub : Outcome of Board Meeting

The Board of Directors of the Company at its meeting held on November 12, 2012 has considered and approved the Un-audited Financial Results for the quarter ended September 30, 2012 under Clause 41 of the Listing Agreement which has been duly reviewed by the Statutory Auditors of the Company, M/s. S. R. Batliboi & Co., Chartered Accountants (copy of Un-audited Financial Results and Limited Review Report has been enclosed herewith for your records)

Kindly acknowledge receipt of the same.

Thanking You.

Yours faithfully,

For Kitply Industries Ltd.


Company Secretary
Enc: as above

Kitply Industries Ltd.

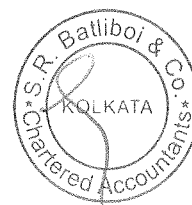
'White House', 'A' Block, 4th Floor, 119 Park Street, Kolkata - 700 016 Ph: 033 2229 3340/42/43/44 Fax: +91 033 2249 5009 E-mail: corporate@kitply.com
Regd. Office: Makum Pathar, A.T. Road, Margherita - 786181 (Assam). Phone No. 03751-272038, Fax No.03751-220353, E-mail: mrgunit@kitply.com

**Limited Review Report to
The Board of Directors of
KITPLY INDUSTRIES LIMITED**

1. We have reviewed the accompanying statement of unaudited financial results of KITPLY INDUSTRIES LIMITED ('the Company') for the quarter ended 30th September, 2012, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from the disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *Attention is drawn to Note No. 3 (d) of the accompanying statement of unaudited financial results, regarding non provision of interest and redemption premium amounting to Rs. 2226.35 lacs and Rs.4,687.51 lacs (including Rs.2,192.57 lacs to be adjusted against Securities Premium account) respectively on debentures of Rs. 12,000.00 lacs held by India Debt Management Private Limited, on and from 1st April, 2011 for the reasons mentioned therein. Had the above liability been considered in the unaudited financial results, loss for the quarter would have been Rs. 5,042.42 lacs as against the reported loss of Rs. 321.13 lacs.*

In respect of above, our review report for the quarter ended 30th June, 2012 and audit report for the year ended 31st March, 2012 was similarly modified.

4. Without qualifying our conclusion, we draw attention to the following matters in respect of the accompanying statement of unaudited financial results:
 - a. As stated in to Note No. 3 (a) (ii), the Company's net worth has been fully eroded and we also draw reference to paragraphs 4 (b) and 4 (c) below. Taken together, these conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, which is dependent on establishing profitable operations in line with the Company's business plans, as well as satisfactory settlement of disputes / litigation in favour of the Company. Further, the Company has made a reference to the Hon'ble Board for Industrial & Financial Reconstruction (BIFR) pursuant to the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 and



it has also been registered u/s 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985. As indicated in the above note, the Company is hopeful of working out a rehabilitation scheme, in view of which, the accompanying financial statements have been prepared under the going concern assumption, and consequently, no adjustments, if any, have been made in the unaudited financial results.

- b. Note No. 3 (b) regarding non-provision of interest amounting to Rs. 383.09 lacs (including Rs. 21.09 lacs for the quarter) and overdue interest and liquidated damages of Rs. 170.89 lacs claimed by certain lenders. Pending disposal of the suits filed by the above lenders as well the Company in the above matter, no liability thereof is considered payable.
 - c. Note No.3 (c) regarding non-provision of demand from a lender amounting to Rs. 3,210.37 lacs towards principal and interest on withdrawal of One Time Settlement entered in earlier years, due to alleged non fulfillment of agreed conditions by the Company. However, the above amount, in the opinion of the management is not payable and the Company has also been legally advised that the above demand is not tenable.
5. Based on our review conducted as above, *except for the effect of our observation in para 3 above* and read with the matters indicated in para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.



Place: Kolkata
Date: 12th November, 2012


For S. R. BATLIBOI & CO.
Firm Registration No. 301003E
CHARTERED ACCOUNTANTS

Per R. K. AGRAWAL
a Partner
Membership No. 16667

KITPLY INDUSTRIES LIMITED

REGISTERED OFFICE : MAKUM PATHAR, A.T.ROAD, MARGHERITA -786 181 (ASSAM)

Statement of Unaudited Financial Results for the quarter / half year ended 30th September, 2012

(₹ in Lacs)

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-Sep-12 (Unaudited)	30-Jun-12 (Unaudited)	30-Sep-11 (Unaudited)	30-Sep-12 (Unaudited)	30-Sep-11 (Unaudited)	31-Mar-12 (Audited)
PART - I							
1	Income from operations a) Net Sales / Income from operations (Net of excise duty) b) Other Operating Income	1,728.13 0.41	1,741.66 0.70	1,891.77 2.86	3,469.79 1.11	3,827.51 9.47	7,653.41 18.74
	Total Income from operations (net)	1,728.54	1,742.36	1,894.63	3,470.90	3,836.98	7,672.15
2	Expenses a) Cost of raw materials consumed b) Purchase of traded goods c) (Increase) / decrease in inventories of finished goods, work-in-progress and traded goods d) Employee benefits expense e) Depreciation and amortisation expense f) Selling expenses g) Other expenses	290.14 1,105.62 82.02 164.56 25.32 75.35 171.74	369.57 1,238.51 (94.21) 168.38 28.37 67.63 145.35	478.43 1,123.18 25.59 257.27 33.41 116.86 307.21	659.71 2,344.13 (12.19) 332.94 53.69 142.98 317.09	928.89 2,247.34 45.54 526.51 65.88 219.63 506.99	1,711.70 4,499.34 132.50 956.30 113.30 473.99 2,150.00
	Total expenses	1,914.75	1,923.60	2,341.95	3,838.35	4,540.78	10,037.13
3	Profit / (Loss) from operations before other Income, finance costs and exceptional items (1-2)	(186.21)	(181.24)	(447.32)	(367.45)	(703.80)	(2,364.98)
4	Other Income	0.57	38.87	3.24	39.44	39.80	107.72
5	Profit / (Loss) from ordinary activities before finance costs but before exceptional items (3+4)	(185.64)	(142.37)	(444.08)	(328.01)	(664.00)	(2,257.26)
6	Finance costs	135.49	131.10	382.78	266.59	764.77	565.17
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(321.13)	(273.47)	(826.86)	(594.60)	(1,428.77)	(2,822.43)
8	Exceptional items Expense	-	-	957.96	-	957.96	7,597.34
9	Profit / (Loss) from ordinary activities before tax (7-8)	(321.13)	(273.47)	(1,784.82)	(594.60)	(2,386.73)	(10,419.77)
10	Tax expense	-	-	-	-	-	-
11	Net Profit / (Loss) for the period (9-10)	(321.13)	(273.47)	(1,784.82)	(594.60)	(2,386.73)	(10,419.77)
12	Paid-up Equity Share Capital (Face Value ₹10 each)	3,449.10	3,449.10	3,449.10	3,449.10	3,449.10	3,449.10
13	Reserves excluding Revaluation Reserves						(35,418.23)
14	Basic and diluted earning per share (in ₹) (EPS) (not annualised)	(0.94)	(0.80)	(5.23)	(1.74)	(7.00)	(30.54)*
PART - II							
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding - Number of shares - Percentage of shareholding	22,071,578 64.70	22,071,578 64.70	22,071,578 64.70	22,071,578 64.70	22,071,578 64.70	22,071,578 64.70
2	Promoters and Promoter Group Shareholding a) Pledged / Encumbered - Number of shares - Percentage of shares (as a % of the total shareholding of promoter and promoter group) - Percentage of shares (as a % of the total share capital of the Company) b) Non - encumbered - Number of shares - Percentage of shares (as a % of the total shareholding of promoter and promoter group) - Percentage of shares (as a % of the total share capital of the Company)	12,004,395 99.68 35.19 38,541 0.32 0.11	12,004,395 99.68 35.19 38,541 0.32 0.11	12,004,395 99.68 35.19 38,541 0.32 0.11	12,004,395 99.68 35.19 38,541 0.32 0.11	12,004,395 99.68 35.19 38,541 0.32 0.11	12,004,395 99.68 35.19 38,541 0.32 0.11
B	INVESTOR COMPLAINTS Pending at the beginning of the quarter Received during the quarter Disposed of during the quarter Remaining unresolved at the end of the quarter	3 months ended 30.09.2012 - 2 2 -					

* Annualised

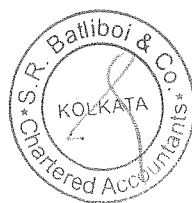


Segment Revenue, Results and Capital Employed as per Clause 41 of Listing Agreement							
							(₹ in Lacs)
	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-Sep-12 (Unaudited)	30-Jun-12 (Unaudited)	30-Sep-11 (Unaudited)	30-Sep-12 (Unaudited)	30-Sep-11 (Unaudited)	31-Mar-12 (Audited)
1	Segment Revenue						
	a) Plywood & Allied Products	1,728.23	1,737.77	1,891.90	3,466.00	3,832.12	7,488.56
	b) Agro Forestry	0.31	4.59	2.73	4.90	4.86	183.59
	Total Segment Revenue	1,728.54	1,742.36	1,894.63	3,470.90	3,836.98	7,672.15
	Less: Inter Segment Revenue	-	-	-	-	-	-
	Net sales / Income from Operations	1,728.54	1,742.36	1,894.63	3,470.90	3,836.98	7,672.15
2	Segment Results Profit / (Loss) before tax and interest from each segment						
	a) Plywood & Allied Products	(118.76)	(97.19)	(1,342.07)	(215.95)	(1,496.78)	(2,200.87)
	b) Agro Forestry	(11.51)	(6.43)	(16.62)	(17.94)	(30.59)	(7,435.87)
	Total	(130.27)	(103.62)	(1,358.69)	(233.89)	(1,527.37)	(9,636.74)
	Less: (i) Finance Cost	135.49	131.10	382.78	266.59	764.77	565.17
	(ii) Un-allocable Expenditure	55.37	38.75	43.35	94.12	94.59	217.86
	Total Loss Before Tax	(321.13)	(273.47)	(1,784.82)	(594.60)	(2,386.73)	(10,419.77)
3	Capital Employed (Segment Asset less Segment Liabilities)						
	a) Plywood & Allied Products	(1,799.11)	(1,593.57)	(1,326.97)	(1,799.11)	(1,326.97)	(1,450.19)
	b) Agro Forestry	4,071.72	4,073.80	12,288.10	4,071.72	12,288.10	4,073.52
	Total	2,272.61	2,480.23	10,961.13	2,272.61	10,961.13	2,623.33

Notes :

- Limited Review of the above quarterly results has been carried out by the Statutory Auditors of the Company.
- The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 12th November 2012.
- (i) The Company has made a reference to the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) pursuant to the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 and it has been registered u/s 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985.
 - (ii) While there has been a complete erosion of the Net Worth, the accounts have been prepared on a going concern basis since a Revival Plan would be formulated by the operating agency, under the BIFR Act and the Company is hopeful of working out a rehabilitation scheme.
 - Interest amounting to ₹383.09 lacs (including ₹21.09 lacs for the quarter) and disputed overdue interest and liquidated damages of ₹170.89 lacs, claimed by certain lenders has not been provided in the accounts as the matter is subjudice before the Hon'ble Calcutta High Court.
 - Provision against demand from a lender amounting to ₹3,210.37 lacs towards principal and interest on withdrawal of One Time Settlement entered in earlier years, due to alleged non fulfillment of agreed conditions by the Company, has not been made in the accounts since the above amount is not payable by the Company.
 - Interest and redemption premium on debentures of India Debt Management Pvt. Ltd. (IDM) has not been provided on and from 1st April, 2011 as the company has filed a Civil Suit before the Hon'ble Calcutta High Court inter alia raising a claim of ₹29,100 lacs against IDM on account of damages caused, which is pending adjudication. Further, the above lender has referred the above dispute for arbitration to Singapore International Arbitration Centre as per the terms of Debenture Subscription agreement, during the current quarter, but the proceedings thereof have not yet started.

The Auditors have referred the above matters in their report on Accounts for the year ended 31st March, 2012 and subsequent limited review report for the quarter ended 30th June, 2012.
- The Company had filed a Scheme u/s 391-394 of the Companies Act, 1956, read with Sections 78 & 100-104 envisaging amongst other things (i) reduction of Equity Capital by 90% as approved by the shareholders in EGM held on 30.10.2008 (ii) conversion of portion of Debt into Equity and (iii) restructuring of Assets and Liabilities. Pending approval of the Hon'ble High Court of Guwahati, the effect of reduction in Share Capital and conversion of portion of a Debt into Equity has not been given in the books of account. However, the effect of restructuring of Assets and Liabilities has already been given in accounts in earlier years.
- There were no extraordinary items during the quarter/half year ended 30th September, 2012.
- Previous period / year's figures have been regrouped / rearranged wherever necessary.



Statement of Assets & Liabilities

(₹ in Lacs)

	As at 30-Sep-12 (Unaudited)	As at 31-Mar-12 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	3,449.10	3,449.10
(b) Reserves & Surplus	(34,897.55)	(34,302.95)
Sub-total - Shareholders' Funds	(31,448.45)	(30,853.85)
2 Non-current liabilities		
(a) Long-term borrowings	20,034.42	22,013.87
(b) Trade payables	36.46	37.62
(c) Other long-term liabilities	5,824.12	5,710.03
(d) Long-term provisions	1,312.90	1,310.05
Sub-total - Non-current liabilities	27,207.90	29,071.57
3 Current liabilities		
(a) Short-term borrowings	460.00	440.00
(b) Trade payables	4,587.14	3,791.44
(c) Other current liabilities	7,542.40	5,460.75
(d) Short-term provisions	56.84	56.50
Sub-total - Current liabilities	12,646.38	9,748.69
TOTAL - EQUITY AND LIABILITIES	8,405.83	7,966.41
B ASSETS		
1 Non-current assets		
(a) Fixed assets	4,769.13	4,826.38
(b) Non-current investments *	-	-
(c) Long-term loans and advances	180.84	178.04
Sub-total - Non-current assets	4,949.97	5,004.42
* Fully provided for in the accounts		
2 Current assets		
(a) Inventories	905.00	900.10
(b) Trade receivables	2,262.40	1,764.37
(c) Cash and cash equivalents	47.23	72.77
(d) Short-term loans and advances	241.23	224.65
(e) Other current assets	-	0.10
Sub-total - Current assets	3,455.86	2,961.99
TOTAL - ASSETS	8,405.83	7,966.41

Note: Certain Lenders have recalled their loans in earlier years, which the Company has disputed (refer note 3 (b) to 3 (d) above) and hence the dues of ₹18,072.55 lacs to such lenders have been considered as Non-Current in the above Statement of Assets & Liabilities.

Place : Kolkata
Date : November 12, 2012



By order of the Board
P.K. Goenka
P.K. Goenka
Chairman & Mg Director

