

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting of the Members of Kitply Industries Limited will be held on Friday, the 25th day of October, 2013 at 1.00 p.m. at the Registered Office of the Company at Makum Pathar, A.T. Road, Margherita – 786181 (Assam) to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at March 31, 2013, the Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sushil Kumar Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution:-

4. "Resolved that Mr. Subhas Chandra Agarwala, who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956 and Article 94 of the Articles of Association of the Company and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, be and is hereby appointed a Director of the Company."

Registered Office :
Makum Pathar, A.T. Road,
Margherita-786181, Assam

Dated : October 01, 2013

By Order of the Board



(P.K. Goenka)

Chairman & Mg Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies in order to be effective, must be received by the Company, duly filled, stamped and signed, at its Registered Office or at its Administrative Office not less than 48 hours before the Meeting.
3. The relevant Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business in the Notice is annexed hereto. Profile of the Directors seeking appointment/re-appointment, as required in terms of the Listing Agreement entered into with the Stock Exchanges, are furnished below.
4. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the 30th Annual General Meeting.
5. Members/Proxies/Representatives should bring the enclosed Attendance slip, duly filled in, for attending the Meeting.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, October 18, 2013, to Friday, October 25, 2013, both days inclusive.
7. Members holding shares in the Dematerialized and Physical mode are requested to intimate all changes pertaining to their Bank details, ECS, mandates, nominations, power of attorney, change of address, etc. to the Company's **Registrars and Share Transfer Agents - M/s. MCS Share Transfer Agent limited , 12/1/5 Monoharpukar Road, Kolkata - 700 026, West Bengal** respectively. Changes intimated to the depository participant will then be automatically reflected in the Company's records which will help the Company and its Registrar and Transfer Agents to provide efficient and better service to the Members. Shareholders are hereby intimated that under instructions from the Securities and Exchange Board of India, furnishing of bank particulars by the shareholders has become mandatory.
8. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrar and Transfer Agents for consolidation into a single folio.
9. As per the provisions of the amended Companies Act, 1956, facility for making nomination is now available to INDIVIDUALS holding shares in the Company. Shareholders holding shares in physical form may obtain Nomination Form -2B from the Registrar & Share Transfer Agents. Shareholders desiring to avail this facility may send their Nomination Form duly filled in, to its Registrar & Share Transfer Agents by quoting their respective Folio Numbers. In case of shares held in demat form, the nomination has to be lodged with the Depository Participant.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Share Transfer Agents, M/s. MCS Share Transfer Agent Limited.

11. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their-email address with the RTA, M/s. MCS Share Transfer Agent Limited in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in Demat form to enable the Company to serve documents in electronic form.
12. All documents referred to in the accompanying Notice is open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11 a.m. and 1 p.m. upto the date of the 30th Annual General Meeting.

Explanatory Statement

As required by Section 173 (2) of the Companies Act, 1956, in respect of the items of Special Business mentioned in the Notice.

Item No. 5

Mr. Subhas Chandra Agarwal, was appointed as an Additional Director of the Company by the Board of Directors with effect from September 22, 2012. In accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 94 of the Articles of Association, Mr. Subhas Chandra Agarwal shall hold office up to the date of this Annual General Meeting. The Company has received Notice from a Member in writing under Section 257 of the Companies Act, 1956 separately signifying his intention to propose the appointment of Mr. Subhas Chandra Agarwal as the Director at this Annual General Meeting.

The Board of Directors are confident that his vast knowledge and experience in the plywood business will be of great value to the Company and hence recommends the Resolution No. 5 for your approval.

None of the Directors of the Company, other than Mr. Subhas Chandra Agarwal is interested in the said Resolution.

Registered Office :
Makum Pathar, A.T. Road,
Margherita-786181, Assam

Dated : May 30, 2013

By Order of the Board

(P.K. Goenka)
Chairman & Mg Director

DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING

RE-APPOINTMENT

(In Pursuance of Clause 49 of the Listing Agreement)

Particulars	Date of Birth	Date of Appointment	Qualifications	No. of Equity Shares held	Expertise in specific functional areas	Chairman/Director of other Companies (excluding foreign Companies)	Chairman/Member of Committees of the Boards of Companies of which he is Director (excluding private and foreign companies)
Mr. Sushil Kumar Sharma	01.01.1952	16.05.2012	B.Com	800	Accounts & Finance	Dhanani International Ltd	Nil
Mr. Subhas Chandra Agarwala	17.03.1957	22.09.2012	B.Com	NIL	Accounts & Finance	- Ellenbarrie Tea Company Ltd - Shilish Trading Pvt. Ltd. - Rahul Fiscal & Credit Co. Pvt. Ltd - Maheswaram Mines & Minerals Pvt. Ltd.	Nil

DIRECTORS' REPORT

To the Members of

Kitply Industries Limited

Your Directors have pleasure in presenting the 30th Annual Report and the Audited Accounts for the financial year ended March 31, 2013.

<u>FINANCIAL RESULTS</u>	Year ended 31st March, 2013	Year ended 31st March, 2012
	(` in lacs)	
Turnover during the year	6345.72	7672.16
Loss Before Depreciation, Interest and Taxation	(-) 585.60	(-)2143.94
Add: Depreciation & Amortisation Expenses	(-) 102.17	(-)113.30
Add: Finance Cost	(-) 475.38	(-)565.17
Loss Before Taxation & Exceptional Items		(-)2822.41
Add/Less : Exceptional Items		
Expenses		(-)7597.34
Income		-
Loss for the year	(-) 1163.16	(-)10419.75
Earning Per Share	(3.41)	(30.54)

DIVIDEND

In view of the losses, your Directors are unable to recommend any dividend for the financial year ended March 31, 2013.

REVIEW OF OPERATIONS :

During the year under review, operations deteriorated further due to extreme paucity of working capital thereby resulting in complete stoppage of production in almost all the units of your Company. Your Company has recorded a turnover of Rs. 6513.95 lacs in comparison to that of Rs. 7919.01 lacs. The loss after taxation & exceptional items decreased to Rs. 1163.16 lacs as against Rs. 10419.75 lacs in the preceding year due to more trading activities and reduced manufacturing attributable to lack of working capital.

BIFR

In view of mandatory provision of Section 15 of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the company has made a reference thereunder to the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) for revival which has since been registered as Case No. 23/2012 and determination of sickness is still pending before the Hon'ble Board.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, forming part of the Directors' Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is discussed in a separate section of this Annual Report.

DIRECTORS

Mr. Sujit Chakravoti, Director of the Company resigned from the Board on September 22, 2012. The Board places on record its deep appreciation of the valuable services rendered during his tenure as a Director of the Company.

Mr. Subhas Chandra Agarwala was appointed by the Board as an Additional Non-Executive Director of your Company with effect from September 22, 2012.

Notice have been received from Member of the Company under Section 257 of the Companies Act, 1956 for the appointment of Mr. Subhas Chandra Agarwala as Director. Appropriate resolution seeking your approval for his appointment is appearing in the Notice Convening the ensuing Annual General Meeting of the Company.

Mr. Gaurav Goenka, Whole-Time Director of the company resigned from the Board on March 18, 2013. The Board places on record its deep appreciation of the valuable services rendered during his tenure as a Director of the Company.

Pursuant to Article 107 of the Articles of Association of the Company, Mr. Sushil Kumar Sharma retires by rotation and being eligible, offers himself for re-appointment. The Board has recommended his re-election.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, based on the representation received from the operating management, with respect to the Balance Sheet of the Company as at March 31, 2013 and the Profit & Loss Account for the year ended on that date (hereinafter collectively referred to as the '**Annual Accounts**') your Directors confirm that –

- (i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed ;
- (ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates are made prudently and reasonably so as to give a true and fair view of the state of affairs of the Company and of the loss of the Company;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the aforesaid Act, for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Annual Accounts have been prepared on a 'going concern' basis.

AUDITOR'S OBSERVATION

Observations of the Auditors, read together with the relevant Notes to the Accounts and Accounting Policies, are self-explanatory, as such, no further clarifications/explanations are required.

AUDITORS

M/s. S. R. Batliboi & Co. Chartered Accountants, Statutory Auditors of the Company shall retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Accordingly, it is proposed to re-appoint them as Statutory Auditors of the Company to hold office until conclusion of the next Annual General Meeting.

The operations of the Company do not require audit of cost accounts, in terms of the provisions of the Companies Act, 1956 read with the Rules made thereunder.

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement, a separate section on Corporate Governance forming part of the Directors' Report and the Certificate from **the Company's Auditors** confirming compliance of Corporate Governance norms are included in the Annual Report.

LISTING WITH STOCK EXCHANGES

Your Company continues to remain listed with National Stock Exchange of India Limited and the Gauhati Stock Exchange Limited and listing fee for the current financial year to both these exchanges has been paid by the Company.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits during the year under review.

DISCLOSURES

1. None of the employees of the Company were in receipt of remuneration during the year ended March 31, 2013 in respect of whom particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.
2. Information as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, as amended, is annexed hereto and forms part of this report.

ACKNOWLEDGEMENT

Your Directors wish to convey their gratitude and appreciation to all employees and business associates for their valuable contribution during the year. Your Directors also wish to thank the members, investors, bankers, government authorities, dealers, suppliers for their co-operation and support.

Place: Kolkata
Date: May 30, 2013

For and on behalf of the
Board of Directors


(P.K. Goenka)

Chairman & Managing Director

DIRECTORS' REPORT – continued

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

FORM A - FOR PLYWOOD UNIT

The Company has already taken and implemented energy conservation measures whenever possible and there are no major areas where further energy conservation measures can be taken. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

FORM – B

A. FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT OF ABSORPTION OF TECHNOLOGY, RESEARCH AND DEVELOPMENT (R&D).

Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company.
The R&D efforts of the Company are directed towards quality control, improvement/ up gradation of existing products and development of new products.
2. Benefits derived as a result of the above R & D.
Improvement in product quality, cost effectiveness and development of new value added products.
3. Expenditure on R&D

	2012-2013	2011-2012
(a) Capital	-	-
(b) Recurring	-	-
(c) Total	-	-
(d) Total R&D expenditure as a percentage of total Turnover.	-	-

Technology absorption, adaptation and innovation

The Company has not introduced any new process as there is complete stoppage of production in all the units due to absence of working capital.

The Company has not imported any technology during the last five years and there is no technical collaboration with any party.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of Foreign Exchange earned/utilized during the year have been given under the Notes to Accounts in Note No.42.

For and on behalf of the Board of Directors


P. K. Goenka

Chairman & Managing Director

Kolkata, May 30, 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND THE DEVELOPMENTS

The plywood industry in India is continuing to evolve with changing consumer/market trends and has a growing potential in the wake of the long-term growth prospects of India's construction/real estate industries. With the economic revival expected in the ensuing year and the continued infrastructure focus of the Government along with expected impetus for the real estate sector, the demand outlook for plywood is also expected to get a boost.

The Indian real estate sector plays a significant role in the country's economy. Accordingly to a study, the real estate market in India is expected to grow rapidly due to improvement in affordability, better job security and availability of housing finance. In this year budget, the fiscal sops and stimulus and classified loans under Rs. 20 lakh as priority sector lending are all set to brighten the prospects of housing sector. The new classification of loans is aimed at encouraging banks to lend. The Rs. 4000 crore refinance facility for NHB will ensure availability of loans for the sector. The reduction in home loans rates by PSU banks to Rs. 5 lakh and 9.5% for loans in the range of Rs. 5 to 20 lakh has prompted large private players such as HDFC and ICICI bank to cut rates, the development will again encourage housing activities which will again boost the business of construction companies.

Recently, the centre has given a major incentive to the states to engage private developers by agreeing in doling out 25% of the total cost of external services such as drainage, roads, sewage and a water supply as grant to state governments. Consequently, the meltdown may soon make housing for the masses a reality.

Since plywood, Boards and laminate related products are essential part of construction, the demand for these products is directly related to the growth of infrastructure and real estate sector. Thus with continued government focus on infrastructure and real estate sector the demand for plywood and other allied products is expected to remain buoyant.

The furniture vertical is the second largest wood processing segment after timber and logs, making India a fast emerging market for high end, value added imported products. The branded higher quality wooden furniture industry is growing at 15% annually, while the manufacture of pre fabricated doors and windows is relatively new and is growing at 10% per annum. The increasing demand of plywood in the furniture vertical will further accelerate the growth of this industry.

FUTURE OUTLOOK, OPPORTUNITIES & THREATS

Wood and wood based industry play a vital role in fueling the growth of the Indian economy. This industry has true potential to grow manifolds from the existing levels and is poised for a sustainable growth annually. The last decade has seen India become the manufacturing hub for the global markets. The wood, plywood and allied product industry are one of the key sectors having immense potential as India is one of the major wood users in the Asia Pacific region. The long-term future of the plywood industry continues to be positive.

Substantial increase in the prices of raw material has affected the profitability of the plywood companies and the uncertain global situation would continue to pose a threat to the profitability of the Industry.

But the industry still has a grouse - that the government has not given it any support or preference, despite it being an alternative to precious forest wood in the field of research and development. Competition from both unorganised and other organised players has led to difficulties in improving market share. Moreover the industry is facing a raw material shortage of 30-50% and stringent pollution norms, which may be a big threat in future.

RISK AND CONCERNS

Wherever necessary and possible, insurance cover is taken for risk mitigation. The Management does not perceive any major technological or environmental risk to the Company in the near future except for risks emanating from working capital shortage. There is severe working capital constraint in the organization and the Company has filed reference thereunder to the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) for revival which has since been registered as Case No. 23/2012 and determination of sickness is still pending before the Hon'ble Board.

SEGMENTS WISE PERFORMANCE

The Company mainly operates in the plywood manufacturing business.

The Company also has an Agro-Forestry Division wherein it carries out plantation activity in a large ongoing agro forestry project covering an area of 1326 acres in the districts of Durg and Raipur in Chhattisgarh.

The enormous pest attack which occurred in the past two years on the plantation sites has caused significant damages to the timbers resulting in rapid decline in the value of the timber plantation. The Company has filed a Miscellaneous Application before the Hon'ble BIFR seeking direction to fell the timber as a measure to mitigate loss and generate whatever funds can be generated from the salvaged timber.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company's internal control system has been designed to provide for :

- Accurate recording of transactions with internal checks and prompt reporting.
- Adhere to Applicable Accounting standards and Policies.
- Review of capital investments and long term business plans.
- Periodic review meetings to manage effective implementation of system.
- Compliance with applicable statutes, policies, listing requirements and operating guidelines of the company.
- Effective use of resources and safeguarding of assets .
- IT systems with in built controls to facilitate all of the above.
- All assets are safeguarded and protected against loss from unauthorized use or disposition, and that the transactions are authorized, recorded and reported correctly.

The Company has a budgetary control system and actual performance is reviewed with reference to budget by the management from time to time. The Company has a well-defined organization structure, authority levels and internal guidelines and rules for conducting business transactions.

The Audit Committee members review the Internal Audit Report quarterly and key observations are discussed for implementation and correction.

FINANCIAL PERFORMANCE

During the Financial Year ended March 31, 2013, the Company achieved Sales of Rs. 6345.72 lacs as against Rs. 7672.16 lacs for the previous year ended March 31, 2012. The loss for the year was Rs. 1163.16 lacs as against Rs. 10419.75 lacs in the previous year.

MATERIAL DEVELOPMENT IN HUMAN RESOURCE/INDUSTRIAL RELATION

The Company is committed to human resource management & development as the employees are one of the most important stakeholders of the Company. The Human Resource Department is managed by qualified professionals and there is a continuing endeavor to improve the knowledge, skills and attitude of employees. Moreover, the Company also continues to focus on the safety, training and development of employees. Industrial Relations remained harmonious and cordial during the period.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing the Company's objectives, outlook and expectations, may constitute "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Several factors make a significant difference to the Company's operations, including climatic conditions, economic scenario affecting demand and supply, Government regulations, taxation, natural calamity and such other factors over which the Company does not have any direct control.

ANNEXURE TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-13

(As required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The Company constantly endeavors to ensure adoption of best Corporate Practices and the accountability of persons-in-charge of the Company's operations and is therefore committed to good Corporate Governance which is a key to sustainable industrial growth and long term value creation and trust.

The Company believes in the principles of transparency, fairness and accountability in its dealings thereby maintaining high standards of business ethics. This report mirrors the various obligations as required to be fulfilled by the company as per the listing agreement with the stock exchanges.

II. BOARD OF DIRECTORS :

i) Composition :

As on March 31, 2013, the Board comprises of four Directors including one Executive Chairman and Managing Director and three Non- Executives & Independent Directors which is in conformity with the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees in any Company [as per Clause 49(1)(c)(ii)] across all the Companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other Companies.

The Independent Directors are professionals with high credentials who actively contribute to the decision making and strategic management aspects of the Board.

The Composition of the Board, category of Directors and their attendance at the Board Meetings (BMs) during the year and at last Annual General Meeting (AGM), as also the number of Directorships /Memberships/Chairmanships in Indian Public Companies are given below :-

Name of the Directors	Category	Attendance Particulars at the		No. of Directorships in other public limited Companies	No. of Committee positions held in other public limited Companies *	
		BM	Last AGM (21.09.12)		Chair-man	Mem-ber
Mr. P.K.Goenka (CMD)	Executive & Non-Independent	5	No	2	-	-
Mr.Gaurav Goenka ¹ (WTD)	Executive & Non-Independent	5	No	1	-	-
Mr. Sujit Chakravorti ²	Non-Executive & Independent	2	No	4	2	3
Mr.Udayan Banerjee	Non-Executive & Independent	5	No	2	-	-
Mr. Mahesh Shah ³	Non-Executive & Independent	-	-	-	-	-
Mr. Sushil Sharma ⁴	Non-Executive & Independent	5	Yes	1	-	-
Mr. Subhas Chandra Agarwala ⁵	Non-Executive & Independent	3	NA	4	-	-

* Represents Chairmanships/Memberships of Audit Committee, Shareholders'/Investors' Grievance Committee and Remuneration Committee.

1. Ceased to be the WTD w.e.f March 18, 2013
2. Ceased to be the Directors w.e.f September 22, 2012
3. Ceased to be the Director w.e.f May 8, 2012
4. Became a Director w.e.f. May 16 , 2012
5. Became a Director w.e.f. September 22, 2012

ii) Board Meetings held during the year :

The Board of Directors met five times during the financial year ended March 31, 2013 on the following dates:

May 30, 2012, August 14, 2012, November 12, 2012, December 07, 2012 and February 14, 2013.

The gap between any two meetings did not exceed four months in compliance with the requirement of listing agreement.

The Company placed before the board the Annual Budget, performance level of various units and other informations on regular basis as specified in Annexure 1 of the Listing Agreement with the Stock Exchanges.

Mr. Sushil Kumar Sharma is liable to retire by rotation and being eligible, offered himself for re-appointment. Information as required under Clause 49(VI) of the Listing Agreement is appended to the Notice for the 30th Annual General Meeting.

iii) Code of conduct for Directors & Senior Management :

The Board has framed a code of conduct for all Board members and senior management personnel of the Company focusing transparency, accountability and ethical expression in all acts and deeds. A certificate of affirmation in this regard is appended.

iv) CEO & CFO Certification :

A certificate as obtained from CEO & CFO of the Company for due compliance under Clause 49(V) of the Listing Agreement is appended herewith.

III) AUDIT COMMITTEE (AC) :

The Company has an Independent Audit Committee. The composition, role / functions of the committee comply with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 (II)(A) of the Listing Agreement. The Committee comprises of experts specializing in accounting/financial management. The Chairman of the Audit Committee is an Independent Director.

i) The Terms of Reference are briefly enumerated hereunder :

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible .
- b) Recommending the appointment / removal of external auditors, fixing audit fees and approving payments for any other services.
- c) Reviewing with management the periodic financial statements before submission to the Board, focusing primarily on :
 - Any changes in accounting policies and practices;
 - Major accounting entries based on exercise of judgment by management;
 - Qualifications in draft audit report;
 - Significant adjustments arising out of audit;
 - The going concern assumption;
 - Compliance with accounting standards;
 - Compliance with stock exchange and legal requirements concerning financial statements;
 - Any related party transaction i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large;

- d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit function.
- f) Discuss with internal auditor any significant findings and follow-up thereon.
- g) Discussing with external auditors before the audit committees, the nature and scope of audit as well as conduct post-audit discussions to ascertain any area of concern.
- h) Reviewing the Company's financial and risk management policies.

ii) Constitution & Re-constitution of the Audit Committee and their attendance at the meetings :

Name of Members	Category	No. of Meetings	
		Held	Attended
Mr. Sujit Chakravorti (Chairman) ¹	Non-Executive & Independent	4	2
Mr. Udayan Banerjee	Non-Executive & Independent	4	4
Mr. Mahesh Shah ²	Non-Executive & Independent	4	-
Mr. Sushil Sharma (Chairman) ³	Non-Executive & Independent	4	4
Mr. Subhas Chandra Agarwala ⁴	Non-Executive & Independent	4	2

1. Ceased to be a member w.e.f September 22, 2012
2. Ceased to be a member w.e.f May 8, 2012
3. Became a member w.e.f. May 16, 2012 and re-designated as chairman of the committee on September 22, 2012.
4. Became a member w.e.f. September 22, 2012

The Audit Committee was re-constituted twice during the year on May 16, 2012 and September 22, 2012 wherein Mr. Sushil Kumar Sharma and Mr. Subhas Chandra Agarwala were co-opted as member in place of Mr. Mahesh Shah and Mr. Sujit Chakravorti. Mr. Sushil Kumar Sharma was re-designated as Chairman of the Audit Committee on September 22, 2012.

iii) Meetings of the Committee :

The Committee met 4 times on **May 30, 2012, August 14, 2012, November 12, 2012 and February 14, 2013** during the financial year ended March 31, 2013

The Minutes of the Meetings of the Audit Committee are discussed and taken note by the board of directors.

The Statutory Auditor, Internal Auditor and Executive Directors/Chief Financial Officer are invited to the meeting as and when required. The Company Secretary acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee could not attend the last Annual General Meeting as held on September 21, 2012.

IV) REMUNERATION COMMITTEE (RC)

i) Constitution of and Re-constitution of the Remuneration Committee and their attendance at the meetings :

The Remuneration Committee comprises of the following Directors as members :

Name of Members	Category	No. of Meetings	
		Held	Attended
Mr. Sujit Chakravorti (Chairman) ¹	Non-Executive & Independent	-	-

Mr. Udayan Banerjee	Non-Executive & Independent	-	-
Mr. Mahesh Shah ²	Non-Executive & Independent	-	-
Mr. Sushil Kumar Sharma (Chairman) ³	Non-Executive & Independent	-	-
Mr. Subhas Chandra Agarwala ⁴	Non-Executive & Independent	-	-

1. Ceased to be a member w.e.f. September 22, 2012

2. Ceased to be a member w.e.f May 08, 2012

3. Became a member w.e.f May 16, 2012 and re-designated as chairman of the committee on September 22, 2012

4. Became a member w.e.f September 22, 2012

The Remuneration Committee was reconstituted twice during the year on May 16, 2012 and on September 22, 2012 wherein Mr. Sushil Kumar Sharma and Mr. Subhas Chandra Agarwala were co-opted as member in place of Mr. Mahesh Shah and Mr. Sujit Chakravorti. Mr. Sushil Kumar Sharma was re-designated as Chairman of the Remuneration Committee on September 22, 2012.

ii) Meetings held during the year :

No meetings were held during the financial year ended on March 31, 2013.

iii) Terms of Reference :

The broad terms of reference of the Remuneration Committee are enumerated hereunder :

- To recommend to the Board, salary (including annual increments), perquisites and commission to be paid to the Company's Managing/Whole-time Directors (MD/WTDs).
- To finalize the perquisites package within the overall ceiling fixed by the Board.
- To recommend to the Board appointment/re-appointment of Managing/Whole-time Director, retirement benefits to be paid to the MD and WTDs under the Retirement Benefit Guidelines adopted by the Board.
- The Committee also decides the Remuneration Package of the senior management members by emphasizing on the current employment scenario and remuneration package of the industry.

iv) Remuneration Policy :

While considering and approving the remuneration, the Committee takes into account the following considerations :

- a) Financial position of the Company ;
- b) Present trends in the industry ;
- c) Qualification, experience and past performance of the appointee.

The Committee also takes into consideration and ensures the compliance of the provisions under Schedule XIII of the Companies Act, 1956 for appointing and fixing remuneration of Managing Directors and other Whole-time Directors.

The Non-Executive Directors do not receive any remuneration from the Company except for the Sitting fees for attending the board meetings/committee meetings within the permissible limits as prescribed under law.

v) Remuneration to Directors :

The details of remuneration paid to directors in respect of the financial year under review are furnished hereunder :

Category	Name of the Directors	Sitting Fees	Basic Salary & Perquisites	Employers Contribution To PF.	Total
Executive Directors	Mr.P.K.Goenka	NA	15,00,000	1,80,000	16,80,000
	Mr.Gaurav Goenka	NA	5,60,097	67,212	6,27,309
Non-Executive Directors	Mr. Sujit Chakravorti	6000	-	-	6,000
	Mr. Udayan Banerjee	13,500	-	-	13,500
	Mr. Sushil Kumar Sharma	13,500	-	-	7,500
	Mr. Subhas Chandra Agarwala	7,500	-	-	-
Total					23,34,309

V) SHAREHOLDERS' GRIEVANCE COMMITTEE (SGC) :

i) Constitution and Re-constitution of the Shareholder's Grievance Committee and their attendance at the meetings :

The composition, number of meeting of the above Committee and the attendance of Directors during the year under review were as follows :

Name of Member	Designation	Category	No. of Meetings	
			Held	Attended
Mr. Udayan Banerjee	Chairman	Non-Executive & Independent	2	2
Mr. Sujit Chakravorti ¹	Member	Non-Executive & Independent	2	2
Mr. Gaurav Goenka ²	Member	Executive & Non -Independent	2	2
Mr. Sushil Kumar Sharma ³	Member	Non-Executive & Independent	2	2
Mr. Subhas Chandra Agarwal ⁴	Member	Non-Executive & Independent	2	2

1.Ceased to be a member w.e.f. September 22, 2012

2. Ceased to be a member w.e.f. March 18, 2013

3. Became a member w.e.f. on September 22, 2012

4. Became a member w.e.f. March 18, 2013

ii) Meetings held during the year :

The Shareholder's' Grievance Committee members met twice during the year under review on **July 28, 2012 and January 24, 2013.**

The Shareholder's Grievance Committee was reconstituted twice during the year on September 22, 2012 and on March 18, 2013 to give effect to the cessation of Mr. Sujit Chakravorti and Mr. Gaurav Goenka from the membership of the committee and co-option of Mr. Sushil Kumar Sharma and Mr. Subhas Chandra Agarwal as a member of the committee.

iii) Terms of Reference :

The Company has formed an Investors' Grievance Committee with the following terms of reference :

- To investigate into other investor's complaints and take necessary steps for redressal of same.

- b) To deal with various shareholder's queries like non-receipt of annual reports, share certificates duly transferred, dividend payments, issue of duplicate certificates, transmission (with and without legal representation) of shares and other miscellaneous complaints.
- c) To oversee the performance of M/s. MCS Share Transfer Agent Limited, the Registrars and Share Transfer Agents of the Company and recommend measures to improve the level of investor related services.
- d) All the share transfer/transmission cases approved by the Registrars are reported to the Committee. The Committee also keeps a close watch on disposal status of all complaints/grievances of shareholders.

iv) Compliance Officer of the Company in terms of Clause 47(a) of the Listing Agreement :

Name, designation and address : Mrs. Shabnum Zaman , Company Secretary

"White House", 4th Floor, A-Block,
119, Park Street, Kolkata – 700 016
Phone: (033) 2229-3340/42/43/44
Fax No. (033) 2249-5009,

e-mail : shabnum@kitply.com

v) Details of complaints received during the year :

4 members' complaints/queries were received during the year under review and all were duly replied/resolved and none of the grievances and no share transfers were pending as on March 31, 2013. There were also no investors complaint pending against the Company as on March 31, 2013 on SCORES, the web based complaint redressal system of SEBI.

vi) E-mail ID earmarked for redressing investors queries in terms of Clause 47 (f) of the Listing Agreement : investors@kitply.com

vii) Complaints Disposal System :

The Company and MCS Share Transfer Agent Limited., (Registrar & Share Transfer Agent) attend to all grievances of the investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

All the investor grievances/correspondence have been promptly attended to from the date of their receipt. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

VI. SHARE TRANSFER COMMITTEE (STC):

Mr. P.K. Goenka and Mr. Sushil Kumar Sharma are the members of the Share Transfer Committee as on March 31, 2013.

The Share Transfer Committee was reconstituted once during the year on March 18, 2013 to give effect to the cessation of Mr. Gaurav Goenka from the membership of the committee and co-option of Mr. Sushil Kumar Sharma as a member of the committee.

The STC notes and take on record the transfer/transmission/transposition of shares and consolidation/splitting of folios, issue of share certificate on exchange for subdivision, consolidation, defaced etc., as approved by the authorized officers of the Company. The STC Meetings are held as and when required, usually fortnightly.

During the year 15 meetings of the Share Transfer Committee were held under review.

VII. GENERAL BODY MEETINGS :

- a) Details of venue, date and time of the General Meetings held during the last three Financial Years are briefed hereunder :

Year	AGM / EGM	Venue	Day	Date & Time
2009-2010	AGM	Makum Pathar, A.T.Road Margherita -786181, Assam	Wednesday	15.09.2010 at 10.00 am.
2010-2011	AGM	Makum Pathar, A.T.Road Margherita -786181, Assam	Friday	26.08.2011 at 10.00 am.
2011-2012	AGM	Makum Pathar, A.T.Road Margherita -786181, Assam	Friday	21.09.2012 at 10.00 am.

- b) No special resolutions were passed during the last three AGMs.
c) No special resolution was passed through Postal Ballot during the financial year 2011-2012. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

VIII .OTHER DISCLOSURES :

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company at large.

- b) All pecuniary transactions of Independent Directors with the Company, its promoters, are covered in Note No to the Balance Sheet which in the judgement of the Board, do not affect independence of the Director.
c) With regard to matters related to capital markets, the Company has complied with all requirements of the Listing Agreement entered into with the Stock Exchanges as well as SEBI Regulations and Guidelines. No penalties were imposed or strictures passed against the Company by the Stock Exchanges, SEBI or any other statutory authority during the last three years in this regard.
d) The Company does not have a formal Whistle blower policy. However, no person has been denied access to the Audit Committee.
e) The Company has a Remuneration Committee (non-mandatory) and has complied with all the mandatory requirements of Clause 49 of the Listing Agreement .

IX . MEANS OF COMMUNICATION:

(a)	Whether half-yearly report sent to each household of shareholders	No.
(b)	Quarterly Results :	
	(i) Which newspapers normally published in :	The Financial Express and Aaji, (Assamees)
	(ii) Any Website displayed :	Yes : www.kitply.com

(c)	Whether Website also displays official news releases	No.
(d)	Whether presentations made to institutional investors or to the analysts	No.
(e)	Whether MD&A is a part of Annual Report or not	Yes

X. GENERAL SHAREHOLDER INFORMATION

(a)	30 th Annual General Meeting :	Date : 25 th October, 2013. Time: 1.00 p.m. Venue : Registered Office : Makum Pathar, A.T.Road Margherita– 786181 , Assam
(b)	Financial Calendar	
	The Financial Results for the year 2013-14 will be announced as per the following tentative schedule:	
	FINANCIAL REPORTING	DUE DATE
	For the quarter ending June 30, 2013	On or before Mid August, 2013
	For the quarter ending September 30, 2013	On or before Mid November, 2013
	For the quarter ending December 31,2013	On or before Mid February, 2014
	For the year ending March 31, 2014	On or before the end of May, 2014
	Annual General Meeting for the year ending March 31, 2014	Last week of September, 2014
(c)	Book closure period	From 18 th October, 2013 to 25 th October, 2013 (both days inclusive)
(d)	Dividend Payment Date	In the absence of any distributable profits, the Directors have not recommended any Dividend on equity shares for the year under review.
(e)	Listing on Stock Exchanges The Company's securities are Listed at : 1) The National Stock Exchange of India Ltd, "Exchange Plaza", 5 th Floor, Plot No.C/1, G Block, Bandra-Kurla Complex , Mumbai - 400051 2) The Gauhati Stock Exchange Ltd, 2 nd Floor, Shine Tower Sati Jay Mati Road, Ariya Chowk Reha Bari, Guwahati – 781 008	

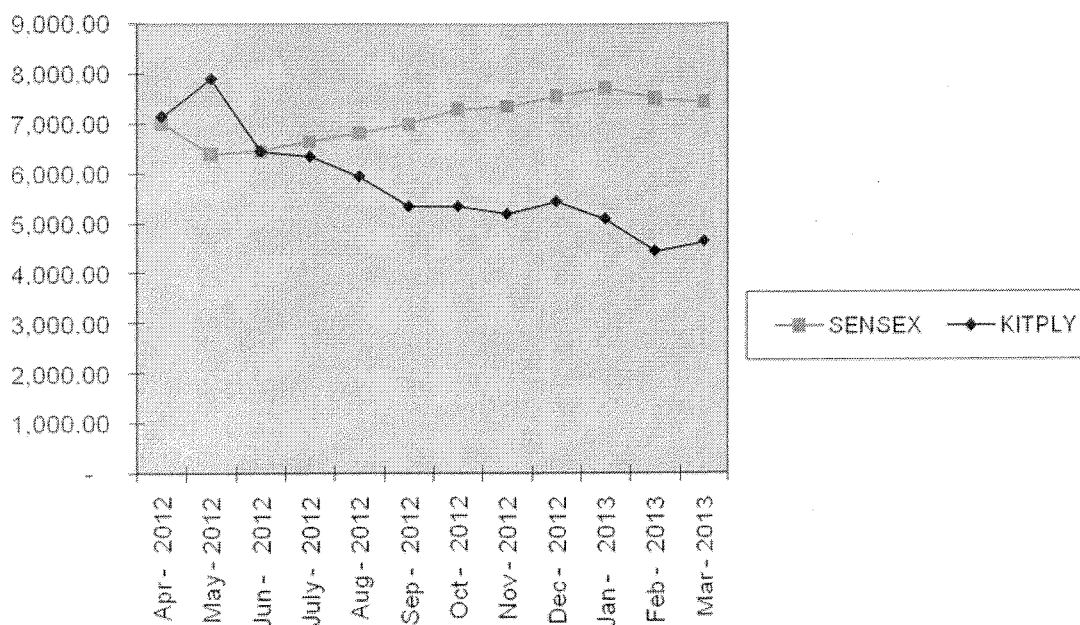
	Note : The Company has paid Listing fees to NSE for the Financial Year 2012-13 and GSE for the Financial Year 2011-12 except Madras and Calcutta Stock Exchange where the Company's applications for delisting are pending on 31.03.2013	
(f)	i) Stock Code : Physical Form De-Mat Form	National Stock Exchange (NSE) - Mumbai
		KITPLYINDEQ
		KITPLYIND-502595
	ii) International Securities Identification Number (ISIN)	INE147B01019
(g)	Custodial Fees to depositories	The annual custodial fees for the Financial Year 2012-13 has been paid to National Securities Depository Ltd.(NSDL) and Central Depository Services (India) Ltd. (CDSL).

(h) Stock Market Data during each month in the Financial Year 2012-13:

Market Price Data – Monthly high/ low and Trading Volumes on National Stock Exchange depicting the liquidity of the Company's shares on the said exchange is given hereunder:

Face value of shares of ` 10/- each			
National Stock Exchange of India Limited			
Months	Months High Price	Month's Low price	Volume Nos.
April' 2012	4.60	2.55	348749
May, 2012	5.05	2.85	354592
June, 2012	3.70	2.75	111449
July, 2012	3.50	2.85	69737
August, 2012	3.30	2.65	135483
September, 2012	3.00	2.35	165934
October, 2012	3.00	2.35	167564
November, 2012	2.85	2.35	148424
December, 2012	3.05	2.40	233798
January, 2013	2.90	2.20	222003
February, 2013	2.60	1.85	223174
March, 2013	2.75	1.90	121714

(i) The performance of the Company's scrip on the NSE as compared to the S&P CNX NIFTY Sensex.



(j) Share Holding Pattern as on 31.03.2013:

Name of the Shareholder	No. of Shares Held	% Holding
Promoter & Promoter Group	1,20,42,936	35.30
FIs	300	0.00
NRIs and OBCs	46,820	0.13
Mutual Funds	7,000	0.02
FIs/Insurance Cos./Banks	10,70,240	3.14
Bodies Corporate	31,93,889	9.36
General Public	1,77,53,329	52.05
Total	3,41,14,514	100.00

(k) Distribution of Share Holdings as on 31.03.2013:

Range of Ordinary Shares	No. of Shares	% to Capital	No. of Holders	% of Holders
1 to 500	62,55,999	18.34	43,124	91.45
501 to 1000	18,65,229	5.47	2,152	4.56
1001 to 10000	52,49,646	15.39	1,702	3.62
Above 10000	2,07,43,640	60.80	177	0.37
Total	3,41,14,514	100.00	47,155	100.00

(I)	Registrar & Share Transfer Agents :	MCS Share Transfer Agent Limited 12/1/5 Monoharpukur Road,
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		Kolkata – 700026 Ph. No.(033) 4072 4051/52/53 Fax No.(033) 4072 4050/54 e-mail : mcskol@rediffmail.com
m)	Share Transfer System	Shares lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodging, if the documents are clear in all respects. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 15 days. The board of directors has delegated the power of approving the share transfers/ transmissions etc as processed by the registrars to Share Transfer Committee. A summary of transfer/ transmission of securities of the Company so approved by the Share Transfer Committee is placed at every Board Meeting and taken note of. Grievances received from Members and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 15 days. Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half-yearly basis, have been issued by a Company Secretary in practice for due compliance of share transfer formalities by a Company.
(n)	Dematerialization of Shares & Liquidity:	Approximately 90.20% of the paid up Ordinary Share Capital of the Company are held in dematerialized form as on March 31, 2013 corresponding to 3,07,71,037 Equity Shares. Electronic holding by members comprises of 76.69% held through the National Securities Depository Limited and 13.51% held through Central Depository Securities (India) Limited.
o)	Secretarial Audit :	In compliance with Regulation 55A of SEBI (Depositories & Participants Regulations) 1996, a qualified Practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with NSDL & CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and that in dematerialized form (held with NSDL & CDSL).
(p)	Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion date and likely equity	None
(q)	Plant Locations : (A) <u>Plywood Division:</u>	1. A.T Road, Margherita, Assam 2. Thana Road, Margherita, Assam. 3. Gondia, Maharashtra. 4. Shahabad Road, Rampur, U.P. 5. Long Island, Andaman. 6. Igatpuri, Nashik, Maharashtra

		(Laminate Factory) ➤ Spread over Raipur & Durg District in Chhattisgarh.
	(B) Agro-Forestry Division	
(r)	Correspondences :	
	General Correspondences :	Corporate Office 'White House' Block – A 119, Park Street, Kolkata – 700 016 Tel : (033)2229-3340/42/43/44 Fax : (033) 2249-5009 E-mail : corporate@kitply.com
	Investor's Correspondences	MCS Share Transfer Agent Limited. 12/1/5 Monoharpukur Road, Kolkata - 700 026 Ph. No.(033) 4072 4051/52/53 Fax No.(033) 4072 4050/54 e-mail : mcskol@rediffmail.com

CEO AND CFO CERTIFICATION

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION.

We, Pawan Kumar Goenka, Chairman & Managing Director and Suresh Kumar Lakkar, Officiating Chief Financial Officer of Kitply Industries Ltd. to the best of our knowledge and belief, certify that:

1. We have reviewed Balance Sheet and Profit & Loss Account and all the Schedules and Notes on Accounts, as well as Cash Flow Statements and Director's Report for Financial Year ended on March 31, 2013;
2. Based on our knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the company's affairs, and are in compliance with the existing accounting standards and/or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct;
5. We are responsible for establishing and maintaining internal controls, and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
6. We have disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors:
 - a) any deficiencies in the design or operation of internal controls, that could adversely affect the company's ability to record, process, summarize and report financial data, and any material weaknesses in the internal controls over financial reporting including any corrective actions with regard to deficiencies;
 - b) significant changes in internal controls during the year;
 - c) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - d) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal controls system.


(P.K. Goenka)
Chairman & Managing Director


(Suresh Kumar Lakkar)
Officiating Chief Financial
Officer

Place: Kolkata
Date : May 30, 2013

Declaration regarding compliance by Board Members and Senior Management personnel with the Company's Code of Conduct.

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Whole-time director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors.

I confirm that the Company has in respect of the year ended March 31, 2013, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them. I further confirm that the rules of Insider Trading Regulation has been duly complied with.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Executive Vice President cadre and the Company Secretary as on March 31, 2013. The said Code of Conduct has also been uploaded by the Company in its website www.kitply.com.

Kolkata
Date: May 30, 2013


(P. K. Goenka)
Chairman & Managing Director