

# KILPEST INDIA LIMITED

## BHOPAL

### THIRTY EIGHTH ANNUAL REPORT AND ACCOUNTS 2009-2010

- BOARD OF DIRECTORS** : MR. R.K. DUBEY  
CHAIRMAN & MANAGING DIRECTOR
- MR. D.K. DUBEY }  
MR. N.K. DUBEY } WHOLETIME  
DIRECTORS
- CA. SHABBAR HUSAIN }  
MR. B.M. SAIHGAL } INDEPENDENT  
MR. K.N.DUBEY } DIRECTORS  
MR. R.K.CHOUBEY }
- BANKERS** : STATE BANK OF INDORE  
T.T. NAGAR, BHOPAL
- AUDITORS** : M/S R.C. BAHETI & CO.  
CHARTERED ACCOUNTANTS  
BHOPAL
- REGISTERED OFFICE  
AND FACTORY** : 7-C, INDUSTRIAL AREA,  
GOVINDPURA,  
BHOPAL - 462 023
- LUCKNOW SALES DEPOT** : D-1207, HIMALAYA MARG,  
INDIRA NAGAR, LUCKNOW.
- RAIPUR SALES DEPOT** : 71/12, GURUTEG BAHADUR NAGAR,  
OPP. NAYA GURUDWARA, RAVIGRAM, RAIPUR.
- BILASPUR SALES DEPOT** : SHUKLA MOTORS,  
OPP. NATRAJ HOTEL, LINK ROAD, BILASPUR
- REGISTRAR & TRANSFER  
AGENTS** : M/s. ADROIT CORPORATE SERVICES PVT. LTD.  
19/20, JAFERBHOY INDUSTRIAL ESTATE,  
1ST FLOOR, MAKWANA ROAD,  
MAROL NAKA, ANDHERI (E),  
MUMBAI - 400 059

# KILPEST INDIA LIMITED

## REPORT OF THE DIRECTORS

To

Dear Members,

Your Directors have pleasure in presenting their Thirty Eighth Annual Report, together with the Audited Accounts for the year ended 31st March, 2010 as follows:

### FINANCIAL RESULTS

The highlights of the operating results for the year are summarised below :

(Rs. in lakhs)

	Year ended 31-03-2010	Year ended 31-03-2009
Sales Turnover	1910.47	1513.22
Profit before Depreciation	86.96	57.31
Less: Depreciation	15.30	13.74
Profit before Tax	71.65	43.57
Less: Provision for Taxation	22.21	16.41
Net Profit after Tax	49.44	27.16

### PERFORMANCE FOR THE YEAR 2009-20010

This year will be a turning point in Company's history as its sales figure inched towards the twenty crore mark. With this change in orbit the company is poised for good growth, and hopefully in the coming years the company will be able to reward its shareholders suitably.

This year Company has taken CIB Registration (Ministry of Agriculture, Govt. of India) for import of Key soyabean insecticide Triazophos from China, which will ensure timely and cost effect sourcing of raw material and in turn give edge to the company's sales in soyabean crop.

This year company has also acquired technology from National Research Development Corporation (NRDC), Govt. of India, New Delhi for Bt(i) Biolarvicide and applied for necessary CIB Registration, which should be granted by 2011 March, with growing awareness for environment protection and human health. Future holds only for safe Bio products. This Bio larvicide is used world over and has played a key role in eradicating mosquitoes from USA and other developed Countries. With above developments, the coming years should augment well for the company.

### Export

Company's exports were better this year and grew by 115 %. We expect the growth to continue as company is exploring newer products / markets.

## **FORAY INTO BIOTECHNOLOGY**

The Company's R & D was granted recognition by Govt. of India, Ministry of Science & Technology, Department of Scientific and Industrial Research (DSIR), New Delhi Under Section 35(2AB) of the Income-tax Act, 1961. This recognition will pave way for higher research expenditure and subsequent results will come out.

The Company's Bio-tech R & D Laboratory is functioning well and few biological products were put to field trial and with satisfactory results, new safer products would be commercialized in coming years. Company has started R&D in another field of biotechnology (medical genomics) with intent to enter Molecular Diagnostics field, currently world over, medical tests based on DNA testing are regarded more reliable, fast and accurate. By next year, the company should enter this new field of medical diagnostic with strong footing after necessary Research & Development.

## **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Stock Exchange Listing Agreement, a report on Corporate Governance and Management Discussion and Analysis and Certificate from the Auditors on compliance thereof is given separately which form a part of this Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that:

- i) The company has followed the applicable accounting standards in the preparation of the Annual Account for the year under review.
- ii) The Directors have made judgements and estimates that are reasonable and prudent and have selected accounting policies and applied them consistently to give true and fair view of the state of affairs of the company as at 31st March, 2010 and its profit for the year ended on that date.
- iii) The company has a proper and adequate system of internal control to ensure that all assets are safeguarded against losses and the system is capable of detecting frauds and other irregularities.
- iv) The annual accounts placed before you have been prepared on a going concern basis.

## **DIVIDEND**

Due to inadequate profit, your Directors regret their inability to recommend any Dividend for the year.

## **CURRENT LISTING**

Presently, the Equity Shares of the company are listed on the Bombay Stock Exchange Ltd, Mumbai.

## **DIRECTORS**

Shri K.N.Dubey & Shri R.K.Choubey retire by rotation at the forthcoming Annual General Meeting and are eligible for reappointment.

## **AUDITORS**

M/s R.C.Baheti & Co. Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for reappointment.

## **COMPANY SECRETARY**

As per the Companies (Amendment) Act, 2000, it is required, in case of your company, to obtain a certificate from a Company Secretary in whole-time practice regarding compliance of various secretarial matters as the paid-up capital of the company is more than Rs.10 lacs. Accordingly, the company has appointed M/s P.K. Rai & Associates, Practising Company Secretary as a Secretarial Auditor. The Secretarial Compliance Certificate given by M/s P.K. Rai & Associates, Bhopal is attached herewith which forms part of this report. The company had initiated the process of appointing a full time Company Secretary, and is looking for one.

## **PERSONNEL**

Personnel relations remained cordial during the year. The Board expresses its appreciation of the contribution of employees at all levels. There is no employee drawing remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956.

## **SAFETY AND ENVIRONMENT**

The company has installed adequate systems for industrial safety, environmental protection and pollution control. Necessary facilities at Company's plant are installed to meet the standards set by Pollution Control Authorities and Industrial Health & Safety Department. Company is having valid permissions from the above authorities. Company is also a member of Common Effluent Treatment Plant - commissioned by Central and State Pollution Control Board.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

A statement showing additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed forming part of this Report.

## **ACKNOWLEDGEMENTS**

The Directors take this opportunity to thank the shareholders, Distributors, the Bankers M/s **STATE BANK OF INDORE** for their support and co-operation.

**For and on behalf of the Board  
of Directors**

**Sd/-  
(R. K. DUBEY)  
CHAIRMAN & MANAGING DIRECTOR**

Place : Bhopal

Date : 30<sup>th</sup> June, 2010

**STATEMENT UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.**

**A. CONSERVATION OF ENERGY**

(a) Energy conservation measures taken:

The Company has further accelerated its efforts to conserve energy and has been able to achieve results this year also.

Some of the measures implemented are:

- (i) Planned production for maximum utilization of services.
- (ii) Stoppage of utilities when not required.
- (iii) Installation of items/ equipments which will consume less energy.

(b) Additional investments and proposals being implemented for reduction of energy consumption:

- (i) Elimination of heat losses in air- conditioning areas.

(c) Total energy consumption and energy consumption per unit of production as per FORM A hereunder:

**FORM A**

**FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO CONSUMPTION OF ENERGY**

**1. POWER AND FUEL CONSUMPTION**

	<b>Year ended 31-03-2010</b>	<b>Year ended 31-03-2009</b>
<b>1. Electricity</b>		
(a) Purchased Units (KWH)	1,76,780	1,34,770
Total Amount (Rs.)	9,62,605	9,10,220
Average Rate/Unit (Rs.)	6.21	6.75
(b) Own Generator		
i) Through Diesel Generator		
Units (KWH)	549	470
Units/Ltr. of Diesel	2.00	1.60
Cost/Unit (Rs.)	30.26	24
ii) Through Steam Turbine/ Generator	NOT APPLICABLE	

2.	<b>Coal</b>	NOT APPLICABLE
3.	<b>Fuel Furnace Oil + Light Diesel Oil</b>	NOT APPLICABLE
	Quantity (KL)	NOT APPLICABLE
	Total Amount (Rs.)	NOT APPLICABLE
	Average Rate/KL (Rs.)	NOT APPLICABLE
4.	<b>Others/Internal Generation</b>	NOT APPLICABLE

## II. CONSUMPTION PER UNIT OF PRODUCTION

Products (with details) Unit	Since the company manufactures several
Electricity Furnace Oil	formulations and having regard to the records and
Coal (specify quality)	other books maintained by the company, it is
Others (Specify)	impracticable to apportion the utilities.

## B. TECHNOLOGY ABSORPTION

EFFORTS MADE IN TECHNOLOGY ABSORPTION

### FORM B

#### FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO ABSORPTION

#### RESEARCH & DEVELOPMENT

1. Specific areas in which R&D :  
carried out by the company
  - a) Development of botanicals compounds as a biopesticide.
  - b) Extraction of essential oils from botanicals and their use in development of i) Mosquito repellent cream  
ii) Stored pest repellent, iii) Antimicrobials.
  - c) Development of large scale cultivation technology of Biocontrol agents through solid substrate fermentation.
  - d) Development of Diagnostic Kits / Protocol based on molecular genomics, for disease detection etc.
  - e) Mass production and development of lipid lowering powdered formulation based on mushroom.
  - f) Mass production, concentration and harvesting of algal Biomass for development of nutritional supplements and biofertilizers.
  - g) Mass production of humic acid & other organic nutrients.
  - h) Extraction, isolation and purification of natural plant based sweeteners.  
i) Alternative nitrogen sources for plants.
  - j) Development of new formulations of pesticides.
  - k) Development of new formulations of micronutrients.

2. Benefits derived :  
as a result of the  
above R&D.
- Botanical biopesticide effective on 1st and 2nd instar Heliothis and sucking pests is ready for commercialization under the trade name 'Mahakaal'.
  - Large scale cultivation technology being developed and Standardized for biocontrol agent Trichoderma viride which is already being commercialized under the trade name 'Suraksha'.
  - Development of technology for large scale extraction of Humic acid from lignite with 80-85% purity and its commercialization.
  - Cockroach repellent- Bait and few biological products are put to field trial.
  - Generation of repository of economically important bacterial, Fungal and algal species.
  - Natural sweetner based on Plant Stevia is being put to test marketing.
3. Future plan of :  
action
- Improvement in existing products / process through sustained efforts.
  - Development and commercialization of combination of Compatible biocontrol agents for enhanced and multiple field efficacy.
  - Development and commercialization of bio products for better human health.
  - Strategic collaboration with Government and Non-Government organization for financial assistance in various R&D projects.
  - Development of organic product for household pest management.

4. Expenditure on R&D	31-03-2010	31-03-2009
(a) Capital	23,67,320	16,30,776
(b) Recurring	30,62,525	17,41,884
(c) Total	<u>54,29,845</u>	<u>33,72,664</u>
(d) Total R&D expenditure as a percentage of total turnover	2.85%	2.14%

## TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts, in brief, made towards technology absorption, adaptation and innovation : Innovations made in manufacturing processes.
  - : New Products launched
  - : Existing Products improved.
- Benefits derived as a result of the above efforts : Improved productivity and process efficiencies.
  - : Sales volume increased.
  - : Customer trust company's products.
  - : Brand image improved.
- There is no imported technology involved.  
Total foreign exchange used

## **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

	<b>2009-2010</b>	<b>2008-2009</b>
1. Foreign Exchange Earnings	1,10,19,007	51,31,808
2. Foreign Exchange Outgo	5,58,580	NIL

**For and on behalf of the Board  
of Directors**

**R. K. DUBEY**  
**CHAIRMAN & MANAGING DIRECTOR**

Place : Bhopal

Date : 30<sup>th</sup> June, 2010



## REPORT ON CORPORATE GOVERNANCE

### A. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

The company strongly believes that good Corporate Governance is a pre-requisite for enhancing shareholders long term value. The Board considers itself as the trustee of its Shareholders. During the period under review, the Board continued its pursuit by adopting and monitoring of corporate strategies, prudent business plans, major risks and ensuring that the company pursues policies and procedures to satisfy its social, legal and ethical responsibilities.

### B. BOARD OF DIRECTORS

#### (i) Composition and category of Directors

S. No.	Name of Director	Category	NUMBER OF OTHER		
			Director-Ships	Committee Membership	Committee Chairmanship
01.	Shri R.K. Dubey	Chairman & Mg. Director Executive Director	1	-	-
02.	Shri D.K. Dubey	Executive Director	-	1	-
03.	Shri N.K. Dubey	Executive Director	-	-	-
04.	CA Shabbar Husain	Non Executive Independent Director	-	3	2
05.	Shri B.M. Saighal	Non Executive Independent Director	-	2	1
06.	Shri K.N.Dubey	Non Executive Independent Director	-	1	-
07.	Shri R.K.Choubey.	Non Executive Independent Director	-	-	-

#### (ii) Meeting of the Board of Directors :-

The Board of directors provide the strategic direction and thrust to the operations of the company. During the period under review, 9 Board Meetings were held; on 1st June 2009, 30th June,2009, 31st July 2009, 8th August 2009, 31st October 2009, 1st December 2009, 19th January 2010, 30th January 2010, & 29th March 2010. The Thirty seventh Annual General Meeting was held on 30th September, 2009.

Attendance of each Director at Board Meeting and Annual General Meeting (AGM) was as follows:-

S.No.	Name of Director	No. of Board Meetings attended	Attendance at AGM held on 29-09-2008
01.	Shri R.K. Dubey	8	Yes
02.	Shri D.K. Dubey	8	Yes
03.	Shri N.K. Dubey	8	Yes
04.	CA Shabbar Husain	7	Yes
05.	Shri B.M. Saighal	6	No
06.	Shri K.N.Dubey	6	Yes
07.	Shri R.K.Choubey	6	Yes

**(C) DETAILS OF REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED ON 31ST MARCH, 2009.**

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and Committees thereof. The details of the sitting fees paid during the period to the Non-Executive Directors and the remuneration paid to the Executive Directors are given below:-

S.No.	Name of Director	Sitting fees (Incl. committee Meetings)	Salaries & Allowances etc.	Cont. to Provident & Superannuation Funds
01.	Shri R.K. Dubey	20,000	4,80,000	50,400
02.	Shri D.K. Dubey	20,000	3,00,000	33,000
03.	Shri N.K. Dubey	20,000	2,82,000	30,240
04.	CA Shabbar Husain	17,500	-	-
05.	Shri B.M. Saighal	15,000	-	-
06.	Shri K.N.Dubey	15,000	-	-
07.	Shri R.K.Choubey	15,000	-	-

**(D) COMMITTEES OF THE BOARD :**

**(i) Audit Committee**

The following Directors are members of the Audit Committee:

CA Shabbar Husain	-	Chairman, Non-Executive, Independent Director (Chartered Accountant)
Shri K.N. Dubey	-	Non-Executive Independent Director
Shri B.M. Saighal	-	Non-Executive Independent Director

All the Members of the Committee are independent Directors. The Managing Director, Statutory Auditors and Internal Auditor attend the meetings of the Committee.

The role, powers and functions of the audit Committee are as stated in clause No. 49 of the Listing Agreement and section 292A of the Companies Act, 1956. The Committee reviews the financial statements before they are placed before the Board. The audit committee was constituted on 28th March, 2003 in compliance to clause No. 49 of the Listing Agreement. The Committee reviews the financial statements before they are placed before the Board. During the period under review four meetings of the committee were held i.e., 29th June, 2009, 30th July 2009, 29th October 2009, 28th January, 2010 and all the Directors were present in all the four meetings.

**(ii) Share Holders'/Investors' Grievance Committee**

The following Directors are members of the Shareholders' Committee.

<b>S.No.</b>	<b>Name of the Director</b>
1.	CA Shabbar Husain
2.	Shri D.K. Dubey

**Terms of Reference**

The committee is charged with the responsibility to look into the redressal of the shareholders' complaints in respect of any matter including transfer of shares non-receipt of Annual Report, non-receipt of declared dividends, dematerialization of shares, IPO refunds and complaints, approve issue of duplicates and renewed share certificate, etc. The Committee is authorized to delegate its powers to officers and employees of the Company and / or of the Company's Registrar and Share Transfer Agent. The delegates regularly attend to share transfer formalities at least once in every 15 days.

**Compliance Officer**

The Company has designated Mrs. Lilly George as its Compliance Officer.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review, were NIL. No requests for dematerialization were pending for approval as on 31st March, 10.

**(iii) Remuneration committee**

The Committee is responsible for recommending to the Board of Directors to review and / or determine and recommend the remuneration package of the Executive Directors of the Company in accordance with the guidelines laid out by the statute and the Listing Agreement with the stock exchange.

The Company has one Executive Chairman and Two Executive Directors on the Board, whose appointment and remuneration is approved by the Shareholders of the Company on recommendation of the Board of Directors of the Company, duly recommended by the Remuneration Committee.

The Company's Remuneration Committee consists of three Independent Directors: -

<b><u>Name of Member</u></b>	<b><u>Status</u></b>
Shri B. M. Saihgal	Chairman
CA Shabbar Husain	Member
Shri R. K. Choubey	Member

The Remuneration Committee was constituted on 31st January 2008.

One meeting of the Remuneration Committee was required to be held during the financial year ending 31-3-10 for recommending the remuneration of Managing Director and Whole time Directors. The meeting was held on 29th March, 2010.

## E. GENERAL BODY MEETING :

Particulars of the last Three Annual General Meeting (AGM) of the company have been held at the following places in the last three years:-

AGM	For the year	Venue	Date	Time
35th	2006-2007	M/s Kilpest India Ltd., Regd. Office, 7-C, Industrial Area, Govindpura, BHOPAL-23.	29-09-2006	11.30 a.m.
36th	2007-2008	-do-	30-09-2008	11.30 a.m.
37th	2008-2009	-do-	30-09-2009	11.30 a.m.

## F. DISCLOSURES REGARDING RE-APPOINTMENT OF DIRECTORS:

Pursuant to the provisions of Sections 255 and 256 of the Companies Act, 1956, Mr. R.K.Choubey & Mr. K.N. Dubey retire by rotation at the forthcoming Annual General Meeting.

## G. DISCLOSURES:

- i) There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the company at large.

The Directors have disclosed their interest in relation to Interest Income to them & their relatives, the details were put in the Board meeting dated 29th March 2010.

- ii) There is no non-compliance by the company or any penalties, structures imposed by the Stock Exchange, SEBI, or any other statutory authority on any matter related to capital markets, during the last three years/period.

- iii) Whistle Blower Policy

The Company has a whistle blower policy. Company affirm that it has not denied any personnel access to the audit committee and company has provided protection to "whistle blowers" from unfair termination and other unfair or prejudicial employment practices.

## H. MEANS OF COMMUNICATIONS :

### Financial Results

The quarterly unaudited financial results and annual audited financial results are normally published in Sandhya Prakash & Financial Express (Mumbai Edition).

## I. GENERAL SHAREHOLDERS INFORMATION:

- i) **Annual General Meeting :**

Day, date and time :

Thursday ,30th Sept, 2010 at 11.30 am

Venue

7-C, Industrial Area, Govindpura, Bhopal – 462 023.

- ii) **Financial Calendar :**

The Company follows April-March financial year. The un audited financial results for first, second (half yearly) and third quarter are generally published in July, October and January respectively. Annual audited financial results are published in June.

**iii) Date of Book Closure :**

The Company's Register of Members and Share Transfer Books shall remain closed from 21st September 2010 to 30th September 2010 (both days inclusive).

**iv) Share Transfer System :**

In compliance of SEBI requirement, Share transfers are entertained, both under Demat Form and Physical Form.

Physical shares for transfer are duly transferred within a period of 15-20 days from the date of receipt the documents if found in order. The Shareholder's Committee of the Company meets regularly to review and approve transfer proposals. The total number of shares transferred in physical form during the period ended 31st March, 2010 - is 23000.

Registrar & Transfer Agents : M/s Adroit Corporate Services Pvt. Ltd., Mumbai

Demat ISIN Numbers in NSDL & CDSL : INE994E01018

**v) Investor Services – queries / complaints during the period ended 31st March, 2010**

During the period from 01/04/2008 to 31/03/2009 no queries / complaints / request were received by the company from the shareholders and investors.

**vi) Listing on Stock Exchanges:**

The Shares of the Company are listed on the Stock Exchange at Mumbai.

Stock Codes : KILPEST 532067

Stock Exchanges : Bombay Stock Exchange Ltd.,  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai – 400 001.

Codes : BSE – 532067

**vii) Stock Market Data (At BSE)**

Month	High (Rs.)	Low (Rs.)
April 09	11.35	9.50
May 09	11.90	8.80
June 09	11.50	8.90
July 09	10.95	8.01
August 09	10.85	8.69
September 09	11.85	9.53
October 09	10.50	10.00
November 09	11.50	9.00
December 09	10.90	9.00
January 10	12.75	9.40
February 10	12.14	8.50
March 10	10.34	8.10

**viii) Distribution of Share Holding (As on 31st March, 09)**

No. of Shares	Shareholders		Shares	
	Number	% of total Holders	Number	% to Total Capital
Upto - 500	1128	63.98	365189	6.05
501 - 1000	144	8.17	126728	2.10
1001 - 2000	102	5.79	172063	2.85
2001 - 3000	113	6.41	289796	4.80
3001 - 4000	51	2.89	187406	3.10
4001 - 5000	57	3.23	276218	4.57
5001 - 10000	79	4.48	641042	10.62
10001 & above	89	5.05	3979158	65.91
<b>TOTAL</b>	<b>1739</b>	<b>100.00</b>	<b>6037600</b>	<b>100.00</b>

**ix) Dematerialisation of Shares as on 31 st March, 2010**

Particulars	No.of Share holders	No.of Shares	% of Shares
No.of Shareholders in Physical Mode	1058	3146000	52.11
No.of Shareholders in Electronic Mode	705	2891600	47.89
<b>Total</b>	<b>1739</b>	<b>6037600</b>	<b>100</b>

	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2008-10	2008-09	2009-10	2008-09
Number of Shares Dematerialised	1504222	1327995	1387378	1558145
Number of Shares Rematerialised	NIL	NIL	NIL	NIL

**x) Plant Location :**

7-C, Industrial Area, Govindpura,  
Bhopal - 462 023 (M.P.)

**xi) Address for Correspondence for Shareholders :**

REGD.OFFICE  
Kilpest India Limited,  
7-C, Industrial Area,  
Govindpura,

BHOPAL - 462 023 (MP)

REGISTRAR & TRANSFER AGENT  
M/s Adroit Corporate Services Pvt.Ltd,  
19/20, Jaferbhoy Industrial Estate,  
1st Floor, Makwana Road, Marol Naka,  
Andheri (E), MUMBAI- 400 059

## **J. DECLARATION / CERTIFICATION**

- a) **CODE OF CONDUCT :** The Board has laid down a Code of Conduct applicable to all the Directors and Senior Managers of the Company. Necessary certification to this effect is appended to this Corporate Governance Report.
- b) **CEO Certification :** As per requirements of Corporate Governance Code, the Managing Director and Chief Financial Officer have furnished the necessary Certificate to the Board of Directors with respect to financial statements and Cash Flow statements for the year ended 31st March 2010.

### **DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT**

I, R.K.Dubey, Chairman & Managing Director of Kilpest India Ltd, do hereby declare that a formal Code of Conduct has been laid down by the Board of Directors of Kilpest India Ltd, which has been made applicable to all the Directors and Senior Managers of the Company. The Code of Conduct has been affirmed to by all the Directors and Senior Managers of the Company. The said code of conduct has been posted on the Website of the Company [www.kilpest.com](http://www.kilpest.com)

Place : Bhopal

Date : 30<sup>th</sup> June, 2010

**R. K. DUBEY**

**CHAIRMAN & MG. DIRECTOR**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

### **(a) Industry structure and developments**

This year will be a turning point in Company's history as its sales figure inched towards the twenty crore mark. With this change in orbit the company is poised for good growth, and hopefully in the coming years the company will be able to reward its shareholders suitably.

This year Company has taken CIB Registration (Ministry of Agriculture, Govt. of India) for import of Key soyabean insecticide Triazophos from China, which will ensure timely and cost effect sourcing of raw material and in turn give edge to the company's sales in soyabean crop.

This year company has also acquired technology from National Research Development Corporation (NRDC), Govt. of India, New Delhi for Bt(i) Biolarvicide and applied for necessary CIB Registration, which should be granted by 2011 March, with growing awareness for environment protection and human health. Future holds only for safe Bio products. This Bio larvicide is used world over and has played a key role in eradicating mosquitoes from USA and other developed Countries. With above developments, the coming years should augment well for the company.

### **(b) Out look & Opportunities**

This year Company has taken CIB Registration (Ministry of Agriculture, Govt. of India) for import of Key soyabean insecticide Triazophos from China, which will ensure timely and cost effect sourcing of raw material and in turn give edge to the company's sales in soyabean crop.

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### **Export Market**

Company's exports were better this year and grew by 115%. We expect the growth to continue as company is exploring newer products / markets.

### **FORAY INTO BIOTECHNOLOGY**

The Company's R& D was granted recognition by Govt. of India, Ministry of Science & Technology, Department of Scientific and Industrial Research (DSIR), New Delhi Under Section 35(2AB) of the Income-tax Act, 1961. This recognition will pave way for higher research expenditure and subsequent results will come out.

The Company's Bio-tech R & D Laboratory is functioning well and few biological products were put to field trial and with satisfactory results, new safer products would be commercialized in coming years. Company has started R&D in another field of biotechnology (medical genomics) with intent to enter Molecular Diagnostics field, currently world over, medical tests based on DNA testing are regarded more reliable, fast and accurate. By next year, the company should enter this new field of medical diagnostic with strong footing after necessary Research & Development.



**(c) Segment-wise or product-wise performance**

The company has only one business segment of agrochemicals.

**(d) Risk and Concerns**

With above effort to focus on Public health business & institutional sales / irrigated areas and to increase the product range, the company is making all efforts to ward of the ill effect of monsoon, which is the main risk. Company is also diversifying into bio-products which have better margins and is focusing on more exports. Company is diversifying in medical biotechnology in the field of Molecular Diagnostics.

**(e) Internal Control Systems and their adequacy:**

The company has an elaborate system of internal controls to ensure optimal utilization of company's resources and protection thereof, facilitating accurate and speedy compilation of accounts and management information reports and compliance with laws and regulations. The company has a well defined organization structure, authority levels and internal guidelines and rules for conducting business transactions. The internal Auditors' and company's internal audit department conduct regular audits to ensure adequacy of internal control system, adherence to management instruction and compliance with laws and regulations of the country as well as to suggest improvements.

**(f) Discussion of financial performance with respect to operational performance**

This year will be a turning point in Company's history as its sales figure inched towards the twenty crore mark. With this change in orbit the company is poised for good growth, and hopefully in the coming years the company will be able to reward its shareholders suitably.

**(g) Human Resources**

The Company firmly believes that Human Resources and knowledge capital are vital for business success and creating value for stakeholders. The Company recognizes the fact that people drive business success, strengthening its efforts to build leadership at all levels. The industrial relations at both the units have remained quite cordial with total dedicated efforts from employees.

The total number of employees as on 31st March, 2010 were 53.

**for and on behalf of the Board  
of Directors**

Sd/-

**(R. K. DUBEY)**

**CHAIRMAN & MANAGING DIRECTOR**

Place : Bhopal

Date : 30<sup>th</sup> June, 2010

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of,  
Kilpest India Limited,

We have examined the compliance of conditions of Corporate Governance by Kilpest India Ltd. for the period ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the period ended 31st March, 2010, no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For R.C. BAHETI & CO.**  
**Chartered Accountants**

**(R.C. BAHETI)**  
**Partner**

Place: Bhopal  
Date : 30<sup>th</sup> June, 2010

## COMPLIANCE CERTIFICATE

**Registration No. 10-1131**

**Share Capital: Rs 70000000/-**

To,  
The Members  
**Kilpest India Limited.**  
7-C, Industrial Area  
Govindpura, Bhopal

We have examined the registers, records, books and papers of M/s Kilpest India Limited (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2010 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a public Limited company, comments is not required.
4. The Board of directors duly met 9 times respectively on 01/06/2009, 30/06/2009, 31/07/2009, 08/08/2009, 31/10/2009, 1/12/2009, 19/01/2010, 30/01/2010 and 29/03/2010 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members or Debenture holders during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March 2009 was held on 30.09.2009, after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary general meeting was held during the financial year.

8. The company has not advanced loans to its directors /persons or firms or companies referred to under section 295 of the Act.
9. The company has duly complied with the provisions of section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or the Central Government.
12. The company has issued duplicate share certificates during the financial year.
13. The Company has:
  - (i) There was no allotment of securities during the financial year.
  - (ii) Not deposited any amount in a separate Bank Account as no dividend was declared the financial year.
  - (iii) Was not required to post Dividend Warrants to any members of the company as no dividend was declared during the financial year.
  - (iv) Not transferred, any amounts in unpaid dividend account, application money due for refund, matured deposits in matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years, to Investor Education and Protection Fund, as there was no such amount.
  - (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have duly made.
15. The appointment of Managing Director has been made in compliance with the provisions of the Act.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act, during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder
19. The company has not issued any Shares or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the right to dividend, rights shares and bonus shares nad bonus shares pending registration of transfer of shares.

23. The company has not invited deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has complied with the provisions of section 293(1)(d) of the Act.
25. The Company has not made loans or advance or guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provision of the Memorandum with respect to the object of the company during the year under scrutiny.
27. The company has not altered the provision of the Memorandum with respect to to name of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
29. The company has not altered its Articles of Association during the financial year,
30. There was/were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
31. The Company has not received any money as security from its employees during the financial year.
32. As informed and explained to us the Company has been generally regular in depositing provident fund & E.S.I dues with the appropriate authorities.

Place: Bhopal

Date: 31/5/2010

**For P.K.Rai & Associates**  
Practicing Company Secretary

**P. K. RAI**  
C. P. No. - 3779

**Annexure A**

**Registers as maintained by the Company: -**

**Statutory Registers:**

- (a) Register of Members under Section 150.
- (b) Register of charge U/s 143 Copies of Instrument Creating Charges U/s 136.
- (c) Registers and Returns under Section 163.
- (d) Minutes Book of Meetings.
- (e) Register of contracts, Companies and Firms in which Directors are interested, maintained under section 301.
- (f) Register of Directors, Managing Directors, Manager and Secretary under Section 303
- (g) Register of Director's Shareholdings under Section 307
- (h) Books of Account u/s 209.

**Annexure B**

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March 2010.

S. No.	Form No. / Return	Filed under Section	Date of Filing	Whether Filed within the prescribed time Yes / No	If delay in filing whether requisite additional fee paid Yes / No
1.	Form 23 AC, ACA	220	15/10/2009	Yes	No
2.	Form 66	383 (a)	15/10/2009	Yes	No
3.	Form 20 B	159	17/11/2009	Yes	No
4.	Form 8		01/09/2009	Yes	No
5.	Form 8		14/12/2009	Yes	No
6.	Form		22/12/2009	Yes	No

# Auditors' Report

To the Members of Kilpest India Limited,

1. We have audited the attached Balance Sheet of KILPEST INDIA LIMITED as at 31st March, 2010, the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in Paragraph 3 above :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of the books.
  - c) The Balance Sheet the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the branch;
  - d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section 3(C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of Sub section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion, and to the best of our information, and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - i) in the case of the Balance Sheet, of the state of affairs of the Company, as on 31st March, 2010.
    - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
    - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For R.C. BAHETI & CO.,  
Chartered Accountants,**

Place: Bhopal  
Dated: 30<sup>th</sup> June, 2010

**(R.C. BAHETI)  
PARTNER  
MEMBERSHIP NO. 10997**

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (3) of our report of even date)

- i)
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) A major portion of fixed assets has been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.
- ii)
  - (a) The inventory of finished goods and raw and packing materials and stores and spare parts have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification, between the physical stocks and the book records were not material.
- iii)
  - (a) The company has taken unsecured loans from the parties covered in the register maintained under Section 301 of the Companies Act, 1956. There are eight parties covered in the register maintained under Section 301 of the Companies Act, 1956, from whom the company has taken loans. The maximum amount involved during the year and the year end balance of the loans taken from such parties was Rs. 104.11 Lakhs. The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - (b) In respect of loans taken from parties covered in the register maintained under Section 301 of the Companies Act, 1956.
    - (i) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under Section 301 of the companies Act, 1956 are not prima facies prejudicial to the interest of the company.
    - (ii) The company is regular in payment of principal amounts as stipulated and is also regular in payment of interest.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedure, commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.



- v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party during the year have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time where such market prices are available.
- vi) The Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under are applicable.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
- ix) (a) According to the information and explanations given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Customs Duty, Excise Duty, and Cess were in arrears, as at 31st March, 2010 for a period more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute.
- x) The company does not have any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions and bank.
- xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.

- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- xv) In our opinion the company has not given any guarantee for loan taken by others from bank or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xvi) In our opinion, the term loan has been applied for the purpose for which it was raised.
- xvii) According to the information and explanations given to us and on an overall examinations of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term assets. No long term funds have been used to finance short term assets.
- xviii) According to the information and explanations given to us, during the period covered by our audit report, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) In our opinion, the company has not issued debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xx) During the period covered by our audit report, the company has not raised any money by public issues.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For R.C. BAHETI & CO.  
Chartered Accountants**

**(R.C. BAHETI)  
PARTNER  
MEMBERSHIP NO: 10997**

Place : Bhopal  
Dated: 30<sup>th</sup> June, 2010

# KILPEST INDIA LIMITED, BHOPAL

## BALANCE SHEET AS ON 31ST MARCH, 2010

	Schedule	As at 31st March, 2010		As at 31st March, 2009
<b>I. SOURCES OF FUNDS</b>				
<b>1. SHAREHOLDERS FUNDS</b>				
a. CAPITAL	A	5,90,08,000		5,90,08,000
b. RESERVES & SURPLUS	B	<u>1,83,13,147</u>	7,73,21,147	<u>1,33,73,658</u> 7,23,81,658
<b>2. LOAN FUNDS</b>				
a. SECURED LOANS	C	1,41,36,149		1,68,08,589
b. UNSECURED LOANS		<u>1,21,95,747</u>	2,63,31,896	<u>1,44,36,495</u> 3,12,45,084
<b>3. DEFERRED TAX LIABILITY (NET)</b>			36,75,784	25,56,446
<b>TOTAL</b>			<b>10,73,28,827</b>	<b>10,61,83,188</b>
<b>II APPLICATION OF FUNDS</b>				
<b>1. FIXED ASSETS</b>				
a. GROSS BLOCK		4,06,18,230		3,20,95,894
b. LESS : DEPRECIATION		<u>1,39,85,148</u>		<u>1,24,54,781</u>
c. NET BLOCK			2,66,33,082	1,96,41,113
<b>2. INVESTMENTS</b>			100	100
(Non-Trade-Long Term (At Cost))				
Unquoted				
1 Equity Share of Rs.100/- fully paid-up in Govindpura Audhogik Kshetra Pradushan Nivaran Kendra (Previous year 1 Equity Share)				
<b>3. CURRENT ASSETS AND LOANS AND ADVANCES</b>				
a. INVENTORIES		3,06,58,147		3,69,86,853
b. SUNDRY DEBTORS		8,53,26,713		7,19,73,422
c. CASH & BANK BALANCES		50,25,670		18,35,830
d. LOANS & ADVANCES		34,11,813		24,74,298
		<u>12,44,22,343</u>		<u>11,32,70,403</u>

	Schedule	As at 31st March, 2010	As at 31st March, 2009
<b>4. LESS :CURRENT LIABILITIES AND PROVISIONS</b>	F		
a. CURRENT LIABILITIES		4,26,24,698	2,60,73,428
b. PROVISIONS		11,02,000	6,55,000
		<u>4,37,26,698</u>	<u>2,67,28,428</u>
<b>NET CURRENT ASSETS</b>		8,06,95,645	8,65,41,975
<b>TOTAL</b>		<b>10,73,28,827</b>	<b>10,61,83,188</b>

Significant Accounting Policies and Notes to Accounts : Schedule "N"

Balance Sheet Abstract and Company's General Business Profile : Schedule "O"

The Schedules referred to above form an integral part of the Balance Sheet.

As per our annexed report of even date

(R.K. DUBEY)  
Chairman & Mg. Director

For R.C. Baheti & Co.  
Chartered Accountants

(D.K. DUBEY)  
Whole Time Director

(R.C. BAHETI)  
Partner

(N.K. DUBEY)  
Whole Time Director

Place : Bhopal

Dated: 30<sup>th</sup> June, 2010

# KILPEST INDIA LIMITED, BHOPAL

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedule	For the year ended 31st March, 2010	For the year ended 31st March, 2009
<b>I. INCOME</b>			
SALES	G	19,10,47,489	15,13,22,243
INCREASE /DECREASE IN STOCK OF FINISHED GOODS	H	(3,88,618)	(4,42,747)
MISCELLANEOUS INCOMES		2,70,540	-
<b>TOTAL</b>		<b>19,09,29,411</b>	<b>15,08,79,496</b>
<b>II. EXPENDITURE</b>			
MATERIALS CONSUMED			
(a) Raw Materials	I	11,63,22,782	9,73,53,338
(b) Packing Materials	J	1,32,84,276	1,18,18,866
MANUFACTURING EXPENSES	K	27,64,888	18,69,503
TAXES ON SALES		79,45,356	52,48,683
EXPENDITURE ON PERSONNEL	L	80,40,367	70,01,681
ADMINISTRATIVE, SELLING AND GENERAL EXPENDITURE	M	3,02,36,535	1,76,27,053
INTEREST		36,39,115	42,28,848
DEPRECIATION		15,30,367	13,74,478
<b>TOTAL</b>		<b>18,37,63,686</b>	<b>14,65,22,450</b>
<b>III. PROFIT</b>			
PROFIT BEFORE INCOME TAX		71,65,725	43,57,046
LESS : PROVISION FOR INCOME TAX			
CURRENT	11,02,000		6,55,000
DEFERRED	11,19,338	22,21,338	9,86,000
NET PROFIT AFTER TAX		49,44,387	27,16,046
LESS : INCOME TAX FOR EARLIER YEAR WRITTEN OFF		4,898	1,22,183
		49,39,489	25,93,863
ADD: BALANCE OF PROFIT BROUGHT FORWARD FROM PREVIOUS YEAR		1,27,22,804	1,01,28,941
<b>Balance carried to Balance Sheet</b>		<b>1,76,62,293</b>	<b>1,27,22,804</b>

Significant Accounting Policies and Notes to Accounts : Schedule "N"

Balance Sheet Abstract and Company's General Business Profile : Schedule "O"

The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our annexed report of even date.

(R.K. DUBEY)  
Chairman & Mg. Director

For R.C. Baheti & Co.  
Chartered Accountants

(D.K. DUBEY)  
Whole Time Director

(R.C. BAHETI)  
Partner

(N.K. DUBEY)  
Whole Time Director

Place : Bhopal

Dated: 30<sup>th</sup> June, 2010

# KILPEST INDIA LIMITED, BHOPAL

## Schedules annexed to and forming part of the Balance Sheet as on 31st March, 2010

<b>SCHEDULE 'A'</b>	<b>As at 31st March, 2010</b>	<b>As at 31st March, 2009</b>
<b>CAPITAL</b>		
Authorised		
70,00,000 Equity Shares (Previous year 70,00,000 Equity Shares) of Rs.10/- each	<u>7,00,00,000</u>	<u>7,00,00,000</u>
Issued		
64,00,000 Equity Shares (Previous Year 64,00,000 Equity Shares) of Rs.10/- each.	<u>6,40,00,000</u>	<u>6,40,00,000</u>
Subscribed and Paid-up		
60,37,600 Equity shares (Previous year 60,37,600 Equity Shares) of Rs.10/- each.	6,03,76,000	6,03,76,000
Less: Calls in Arrears	13,68,000	13,68,000
Out of above, 7,50,000 Bonus Shares of Rs.10/- each were allotted during the year 1994-95 by capitalisation of Revaluation Reserve and General Reserve.		
<b>Total</b>	<b>5,90,08,000</b>	<b>5,90,08,000</b>
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Balance as per last year	6,50,854	6,50,854
<b>Profit and Loss account</b>		
Balance of Profit & Loss Account	1,76,62,293	1,27,22,804
<b>Total</b>	<b>1,83,13,147</b>	<b>1,33,73,658</b>

# KILPEST INDIA LIMITED, BHOPAL

## Schedules to Balance Sheet contd...

<b>SCHEDULE 'C'</b>	<b>As at 31st March, 2010</b>	<b>As at 31st March, 2009</b>
<b>SECURED LOANS</b>		
Bank Overdrafts		
From State Bank of Indore	1,41,36,149	1,68,08,589
Secured by hypothecation of inventories and book debts and further secured by first charge on Land and Building both present and future and Hypothecation of Machineries		
<b>Total</b>	<b>1,41,36,149</b>	<b>1,68,08,589</b>



# KILPEST INDIA LIMITED, BHOPAL

## SCHEDULE - D

### FIXED ASSETS

(Annexed to and forming part of the Balance Sheet as on 31st March 2010)

S. No.	PARTICULARS	D E P R E C I A T I O N										N E T B L O C K	
		Gross Block as on 1-4-2009	Additions during the year	Sale/Transfers during the year	Total Assets as on 31-3-2010	Total Depreciation upto 31-3-2009	Provided for the year	Adjustments	Total Depreciation upto 31-3-2010	As on 31-3-2010	As on 31-3-2009		
01.	Leasehold Land	15,40,000	-	-	15,40,000	-	-	-	15,40,000	15,40,000	15,40,000		
02.	Free hold Land	3,68,105	45,67,650	-	49,35,755	-	-	-	49,35,755	49,35,755	3,68,105		
03.	Factory Building	35,54,811	-	-	35,54,811	18,29,881	1,18,731	-	16,06,199	19,48,612	17,24,930		
04.	Office Building	5,93,290	-	-	5,93,290	1,54,736	9,671	-	4,28,883	1,64,407	4,38,554		
05.	R & D Building	82,70,654	5,02,936	-	87,73,590	10,77,481	1,43,010	-	75,53,099	12,20,491	71,93,173		
06.	R & D Equipment	8,87,561	17,78,211	-	26,65,772	54,884	1,14,092	-	24,96,796	1,68,976	8,32,677		
07.	Plant & Machinery	58,39,570	13,37,211	-	71,76,781	35,43,243	3,40,897	-	32,92,641	38,84,140	22,96,327		
08.	Pollution Control Equip.	7,40,000	-	-	7,40,000	69,358	35,150	-	6,35,492	1,04,508	6,70,642		
09.	Electrical Installations	3,21,006	36,410	-	3,57,416	2,38,013	16,977	-	1,02,426	2,54,990	82,993		
10.	Laboratory Equipments	32,28,219	-	-	32,28,219	20,23,040	1,53,340	-	10,51,839	21,76,380	12,05,179		
11.	Air-Conditioners & Refrigerators	4,49,090	13,900	-	4,62,990	1,72,205	21,992	-	2,68,793	1,94,197	2,76,885		
12.	Generator	5,60,960	28,000	-	5,88,960	3,49,424	27,976	-	2,11,560	3,77,400	2,11,536		
13.	Vehicles	34,11,111	81,950	-	34,93,061	15,66,200	3,31,841	-	15,95,020	18,98,041	18,44,911		
14.	Office Equipments & Machinery	4,82,423	24,600	-	5,07,023	2,57,831	24,084	-	2,25,108	2,81,915	2,24,592		
15.	Computers	6,40,559	27,150	-	6,67,709	5,52,461	1,08,236	-	7,012	6,60,697	88,098		
16.	Furniture & Fixture	6,42,013	38,145	-	6,80,158	5,30,163	43,054	-	1,06,941	5,73,217	1,11,850		
17.	R&D Furniture & Fixture	4,63,368	86,173	-	5,49,541	29,331	34,786	-	4,85,424	64,117	4,34,037		
18.	Tube well	1,03,154	-	-	1,03,154	6,530	6,530	-	90,094	13,060	96,624		
<b>Totals</b>		<b>3,20,95,894</b>	<b>85,22,336</b>	-	<b>4,06,18,230</b>	<b>1,24,54,781</b>	<b>15,30,367</b>	-	<b>2,66,33,082</b>	<b>1,39,85,148</b>	<b>1,96,41,113</b>		
<b>Figures for the previous year</b>		<b>2,90,80,339</b>	<b>30,15,555</b>	-	<b>3,20,95,894</b>	<b>1,10,80,303</b>	<b>13,74,478</b>	-	<b>1,96,41,113</b>	<b>1,24,54,781</b>	<b>1,80,00,036</b>		

# KILPEST INDIA LIMITED, BHOPAL

## Schedules to Balance Sheet contd...

SCHEDULE 'E'	As at 31st March 2010	As at 31st March 2009
<b>CURRENT ASSETS AND LOANS AND ADVANCES</b>		
<b>(A) CURRENT ASSETS</b>		
Inventories (At cost except otherwise stated) (As valued, verified and certified by the Management)		
Raw Materials	1,36,44,057	2,07,29,894
Packing Materials	51,53,687	39,57,506
Finished Goods	1,11,75,714	1,15,64,332
(At cost or market price whichever is lower)		
Miscellaneous Stock	<u>6,84,689</u>	<u>7,35,121</u>
	3,06,58,147	3,69,86,853
<b>(B) SUNDRY DEBTORS (UNSECURED)</b>		
Over six months, Considered good	2,91,50,657	2,18,91,613
Other debts, considered good	<u>5,61,76,056</u>	<u>5,00,81,809</u>
	8,53,26,713	7,19,73,422
<b>(C) CASH &amp; BANK BALANCES</b>		
Cash in Hand	10,48,238	11,58,546
Balances with Scheduled Banks		
On Current Accounts	2,48,325	1,51,736
On Saving Accounts	4,398	4,398
On Deposit Accounts	<u>37,24,709</u>	<u>5,21,150</u>
	50,25,670	18,35,830
<b>(D) LOANS AND ADVANCES (Unsecured, considered good)</b>		
Advances recoverable in cash or in kind or for value to be received.	17,44,231	12,89,779
Prepaid Expenses	95,432	80,410
Security Deposits	10,55,835	7,33,752
Income Tax Payment	<u>5,16,315</u>	<u>3,70,357</u>
	34,11,813	24,74,298
<b>Totals</b>	<b>12,44,22,343</b>	<b>11,32,70,403</b>

# KILPEST INDIA LIMITED, BHOPAL

## Schedules to Balance Sheet contd...

SCHEDULE 'F'	As at 31st March 2010	As at 31st March 2009
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>(A) Current Liabilities</b>		
Sundry Creditors	4,06,27,226	2,42,04,730
Security Deposits from Customers	10,90,000	10,60,000
Taxes on Sales/Entry Tax payable	1,17,086	91,178
Income Tax Deducted at Source	2,42,541	2,77,481
Other outstanding liabilities	5,44,695	4,36,889
Unclaimed Dividend	<u>3,150</u>	<u>3,150</u>
	4,26,24,698	2,60,73,428
<b>(B) Provisions</b>		
For Taxation	11,02,000	6,55,000
<b>Totals</b>	<b>4,37,26,698</b>	<b>2,67,28,428</b>

### Schedules annexed to and forming part of the Profit and Loss Account for the Year ended 31st March, 2010

SCHEDULE 'G'	For the year ended 31st March 2010	For the year ended 31st March 2009
<b>SALES</b>		
At Bhopal	15,81,89,262	11,18,99,260
At Raipur Depot	1,94,76,766	3,10,72,784
At Bilaspur Depot	32,11,021	20,78,910
At Lucknow Depot	68,83,296	43,74,236
At Indore Depot	<u>1,69,84,069</u>	<u>81,74,720</u>
	20,47,44,414	15,75,99,910
Less: Excise Duty	1,36,96,925	62,77,667
	<b>19,10,47,489</b>	<b>15,13,22,243</b>

## KILPEST INDIA LIMITED, BHOPAL

SCHEDULE 'H'	For the year ended 31st March 2010	For the year ended 31st March 2009
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### INCREASE/DECREASE IN STOCK OF FINISHED GOODS

Closing Stock	1,11,75,714	1,15,64,332
Less: Opening Stock	1,15,64,332	1,20,07,079
	(3,88,618)	(4,42,747)

### SCHEDULE 'I'

#### RAW MATERIALS CONSUMED

##### 1. Chemicals and Other Raw Materials

Opening Stock	1,95,52,989		1,32,11,863
Purchases	10,16,15,899		9,96,16,664
	12,11,68,888		11,28,28,527
Less Closing Stock	1,21,89,526	10,89,79,362	1,95,52,989
			9,32,75,538

##### 2. Soapstone and other Raw Materials

Opening Stock	11,76,905		9,06,220
Purchases	76,21,046		43,48,485
	87,97,951		52,54,705
Less : Closing Stock	14,54,531	73,43,420	11,76,905
			40,77,800
		11,63,22,782	9,73,53,338

# KILPEST INDIA LIMITED, BHOPAL

## Schedules to Profit And Loss Account contd ...

SCHEDULE 'J'	For the year ended 31st March 2010	For the year ended 31st March 2009
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### PACKING MATERIALS CONSUMED

Opening Stock	39,57,506		42,10,196	
Purchase	<u>1,44,80,457</u>		<u>1,15,66,176</u>	
	1,84,37,963		1,57,76,372	
Less : Closing Stock	<u>51,53,687</u>	1,32,84,276	<u>39,57,506</u>	1,18,18,866
		<u>1,32,84,276</u>		<u>1,18,18,866</u>

### SCHEDULE 'K' MANUFACTURING EXPENSES

Power Charges		9,62,605		9,10,220
Laboratory Expenses		1,83,676		2,91,205
Carriage Inward		44,942		28,409
Factory & Stacking Expenses		2,51,550		1,69,693
Loading & Unloading Expenses		3,94,214		39,183
Consumption of Stores and Spare Parts		8,93,159		3,67,164
Repairs to Plant & Machinery		1,810		30,700
Generator Running & Maintenance		32,932		32,929
		<u>27,64,888</u>		<u>18,69,503</u>

### SCHEDULE 'L' EXPENDITURE ON PERSONNEL

1. Factory Staff				
Salaries, Wages and Bonus	38,36,200		32,36,726	
Contribution to Provident and Gratuity Funds	<u>1,62,883</u>	39,99,083	<u>3,35,176</u>	35,71,902
2. Office Staff				
Salary & Bouns	37,15,693		32,01,557	
Contribution to Provident and Gratuity Funds	<u>3,25,591</u>	40,41,284	<u>2,28,222</u>	34,29,779
		<u>80,40,367</u>		<u>70,01,681</u>

# KILPEST INDIA LIMITED, BHOPAL

## Schedules to Profit And Loss Account contd ...

SCHEDULE 'M'	For the year ended 31st March 2010	For the year ended 31st March 2009
<b>ADMINISTRATIVE SELLING AND GENERAL EXPENDITURE</b>		
Advertisement & Publicity	6,73,022	5,04,962
<b>AUDIT FEE</b>		
For Audit	20,000	15,000
For Other Services	<u>5,000</u>	5,000
Bank Commission & Charges	5,98,443	5,37,644
Bad Debts written off	38,57,642	----
Building & General Maintenance	1,24,469	45,976
Commission on Sales	27,25,765	11,26,695
Directors Remuneration & Sitting Fee	13,01,140	12,57,460
Insurance	2,00,515	2,29,753
Legal & Professional Fee	4,90,186	3,09,894
Miscellaneous Expenses	75,42,237	44,77,477
Outward Freight & Forwarding Expenses	46,96,174	31,39,302
Rent	51,600	59,100
Rates, Taxes & Fees	6,28,669	6,08,768
R & D Expenses		
Consumption of Store	4,69,004	6,84,517
Salary & Bonus	11,50,890	8,82,247
Others	<u>14,42,631</u>	<u>1,75,120</u>
Travelling & Conveyance	25,01,122	20,54,919
Telephones, Fax, Postage & Telegrams	4,65,656	4,74,349
Vehicle Maintenance & Hire Charges	2,15,617	2,93,985
Workmen & Staff Welfare Expenses	10,76,753	7,44,885
	<u>3,02,36,535</u>	<u>1,76,27,053</u>

# KILPEST INDIA LIMITED, BHOPAL

## Schedule 'N'

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES :

##### 1. General

###### Accounting Convention

The financial statements are prepared under the historical cost convention on accrual basis and comply with Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

##### 2. Revenue Recognition

Sales comprise sale of goods inclusive of Excise Duty and VAT/Central Sales Tax and are net of allowances for discounts, rate differences and leakages.

##### 3. Excise Duty :

Liability for Excise Duty on Finished Goods is accounted as and when they are cleared from the factory premises after taking credit of Cenvat benefit available. No provision is made in the accounts for the goods manufactured and lying in factory premises.

##### 4. Fixed Assets :

In order to relate them more closely to current replacement values, all the fixed assets acquired up to 31st March, 1993 were revalued as on that date and are accordingly carried at revalued figures. Fixed assets acquired after 31st March, 1993 are stated at cost inclusive of freight, taxes and incidental expenses related thereto.

##### 5. Depreciation :

- i) Depreciation has been calculated on straight line method at the rates provided in Schedule XIV to the Companies Act, 1956.
- ii) Depreciation on additions during the year has been provided for full year.

##### 6. Inventories :-

- i) Finished products produced by the Company are carried at lower of cost or market value.
- ii) Raw materials, Packing Materials and Stores and Spare Parts are carried at cost.
- iii) Cost is arrived at mainly on a 'First in first out' basis and is inclusive of freight and expenses incurred.

##### 7. Investments :-

Investments classified as Long Term Investments are stated at cost.

**8. Contingent Liabilities :-**

Contingent liabilities are not provided for and are disclosed by way of notes.

**9. Employees' Retirement Benefits.**

i) Company's contributions to Provident Fund are charged to Profit & Loss Account.

ii) Gratuity is accounted for as and when the same is paid.

10. Deferred Tax is accounted for by computing the tax effect of timing difference which arise during the year and reverse in subsequent periods.

**B. NOTES TO ACCOUNTS :**

1. Previous year figures have been recast and regrouped wherever necessary.

2. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

3. The provision for Income Tax has been made as per the provisions of Section 115JB of the Income Tax Act,1961.

4. Amount held in margin accounts with State Bank of Indore, T.T. Nagar Branch, Bhopal is Rs. 21,84,709 (previous year Rs.5,21,150).

5. Contingent Liabilities : **2009-2010** **2008-2009**

i) Guarantees given on behalf of the Company by Company's bankers 17,40,097 52,10,870

ii) Letters of Credit for purchase of Raw Materials 55,14,290 ---

6. Amount payable to SSI Units exceeding Rs. One Lakh beyond a period of 30 days could not be mentioned as necessary information from all the parties are yet to be received.

7. Expenditure on Scientific Research :-

a) Capital Expenditure 23,60,320 (Previous Year Rs.16,30,776)

b) Revenue Expenditure 30,62,525 (Previous Year Rs. 17,41,884)

8. **DIRECTORS' REMUNERATION** **2009-2010** **2008-09**

Remuneration 10,62,000 10,27,000

Other benefits 1,16,640 1,12,440

Sitting fees 1,22,500 1,12,500



9. Additional information pursuant to the provisions of Part-II of Schedule-VI to the Companies Act, 1956:

**A. Licenced and Installed Capacity & Actual Production:**

	<b>Units</b>	<b>2009-2010</b>	<b>2008-2009</b>
a) Licenced Capacity as registered with the Directorate of Small Scale Industries, Bhopal.		(Per Annum)	(Per Annum)
<b>i) Pesticides:</b>			
1. Dust, WDPs and Granules	MTs	18,550	18,550
2. Liquids	LTs	18,00,000	18,00,000
<b>ii) Micro-fertilizers</b>			
1. Granules	MTs	2,200	2,200
2. Liquids	LTs	55,000	55,000
b) Installed/Assessed Capacity as Certified by the NSIC, Government of India, Bhopal			
<b>i) Pesticides:</b>			
1. Dust, WDPs and Granules	MTs	6,600	6,600
2. Liquids	LTs	7,20,000	7,20,000
<b>ii) Micro-fertilizers</b>			
1. Granules	MTs	2,200	2,200
2. Liquids	LTs	55,000	55,000
c) Actual Production:			
<b>i) Pesticides:</b>			
1. Dust, WDPs and Granules	MTs	3809.764	2452.390
2. Liquids	LTs	3,23,569	2,35,422
<b>ii) Micro-fertilizers / Bio Fertilizers</b>			
1. Granules	MTs	672.503	777.532
2. Liquids	LTs	90,780	86,812

**B. Opening and Closing Stock of Goods Produced:**

Class of Goods	Unit	OPENING STOCK				CLOSING STOCK			
		2009-2010		2008-2009		2009-2010		2008-2009	
		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
<b>i) Pesticides</b>									
1. Dusts, WDPs, & Granules	MTs	79.012	20,24,949	73.614	16,26,027	120.745	26,78,096	79.012	20,24,949
2. Liquids	LTs	11,566	36,06,895	12,540	36,70,068	14,996	41,76,552	11,566	36,06,895
<b>ii) Micro-Fertilizers / Bio Fertilizers</b>									
1. Granules	MTs	92.789	46,42,308	48.108	22,83,640	69.784	34,91,350	92.789	46,42,308
2. Liquids	LTs	16,691	12,90,180	35,614	44,27,344	10,734	8,29,716	16,691	12,90,180
		1,15,64,332		1,20,07,079		1,11,75,714		1,15,64,332	

**C. Particulars in respect of Purchases and Sales :-**

Class of Goods	Unit	Purchases				Sales			
		2009-2010		2008-2009		2009-2010		2008-2009	
		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
<b>i) Pesticides</b>									
1. Dusts, WDPs, & Granules	MTs	-	-	-	-	3768.031	8,39,23,564	2446.992	6,88,64,488
2. Liquids	LTs	-	-	-	-	3,20,137	8,04,57,151	2,36,396	5,79,17,020
<b>ii) Micro-Fertilizers / Bio Fertilizers</b>									
1. Granules	MTs	-	-	-	-	695.508	1,67,81,585	732.851	1,40,08,850
2. Liquids	LTs	-	-	-	-	96,737	98,85,189	1,05,735	1,05,31,885
		19,10,47,489		15,13,22,243					

**D. Details of Raw Materials consumed :**

Class of Goods	Unit	2009-2010		2008-2009	
		Quantity	Amount	Quantity	Amount
1. Chemicals	MTs	1393.020	10,89,79,362	1337.991	9,32,75,538
2. Soapstones	MTs	3556.679	73,43,420	2253.168	40,77,800
		11,63,22,782		9,73,53,338	

**E. Value of Raw materials, Stores, Spare Parts and Components consumed:-**

## 1. Raw Materials:-

	2009-2010		2008-2009	
	Amount	%	Amount	%
i) Imported	--	--	24,65,875	2.53
ii) Indigeneous	11,63,22,782	100%	9,48,87,463	94.47
	11,63,22,782	100%	9,73,53,338	100.00
2. Stores, Spare Parts and Components				
i) Imported	--	--	--	--
ii) Indigeneous	1,41,77,435	100.00	1,21,86,030	100.00
	1,41,77,435		1,21,86,030	100.00

**F. Earnings in Foreign Exchange:**

	<u>2009-10</u>	<u>2008-09</u>
On account of Export Sale	1,10,19,007	51,31,808

**G. Value of Imports on C.I.F. Basis**

	<u>2009-10</u>	<u>2008-09</u>
1. Capital Goods	5,58,580	--
2. Raw Materials	--	--
3. Stores, Spare Parts & Components	--	--

10. The AS-17 issued by The Institute of Chartered Accountants of India, regarding Segment Reporting is not applicable as the Company is formulating only agro-chemical based products.

11. Related Party Disclosures as per AS-18, issued by The Institute of Chartered Accountants of India, for the year ended on 31st March, 2010:-

**(A) Relationships :**

- (i) Key Management Personnel & Relatives:-
- (a) Shri Ram Kuber Dubey, C & MD
  - (b) Shri Dharendra Dubey, Whole-time Director
  - (c) Shri Nikhil Dubey, Whole-time Director
  - (d) Smt. Mithala Dubey
  - (e) Prof. Ram Kumar Dubey
  - (f) Smt. Anamika Dubey
  - (g) Smt. Madhulika Dubey

- (ii) Enterprises over which key management personnel and/ or their relatives have significant influence:

(a) M/s Ram Kumar Dharendra Kumar HUF.

(B) Transactions during the year with related parties in normal course of business and balances at the end of the financial year	In relation to Item No.			
	A (i) above		A (ii) above	
	2009-10	2008-09	2009-10	2008-09
(i) Interest Paid	12,39,642	14,47,690	2,32,419	2,18,285
(ii) Salary & other benefits	13,02,622	11,97,460	-	-
(iii) Outstanding payable as on 31st March, 2010	85,49,178	1,08,43,314	18,62,230	16,93,751

12. Statement showing calculation of Earning Per Share as per AS-20 issued by The Institute of Chartered Accountants of India :-

	2009-2010	2008-2009
Profit after Tax	49,39,489	25,93,863
Weighted average number of Equity Shares of Rs.10/- each	59,00,800	59,00,800
Earnings Per Share (Re)	0.84	0.44

## SCHEDULE 'O'

### Balance Sheet Abstract and Company's General Business Profile

**I. Registration Details**

Registration No.	1131 of 1972	State Code	10
Balance Sheet	31-03-2010		

**II. Capital Raised during the year**

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**III. Position of Mobilisation and Deployment of Funds (Amount Rs)**

Total Liabilities	15,10,55,525	Total Assets	15,10,55,525
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**Sources of Funds**

Paid-up Capital	5,90,08,000	Reserves & Surplus	1,83,13,147
Secured Loans	1,41,36,149	Unsecured Loans	1,21,95,747
Other Liabilities	36,75,784		

**Application of Funds**

Net fixed assets	2,66,33,082	Investments	100
Net Current Assets	8,06,95,645	Misc. Expenditure	---
Accumulated Losses	Nil		

**IV. Performance of Company (Amount Rs)**

Turnover	19,13,18,029	Total Expenditure	18,41,52,304
Profit Before Tax	71,65,725	Profit after Tax	49,39,489
Earning per share	0.84	Dividend	Nil

**V. Generic Names of Three Principal Products of Company**

(as per monetary terms)

Item Code (ITC Code)	NA
Product Description	PESTICIDES
Item Code (ITC Code)	NA
Product Description	MICRO FERTILIZERS

Signatures to Schedules 'A' to 'O'

As per our annexed Report of even date.

(R.K. DUBEY)  
Chairman & Mg. Director

For R.C. Baheti & Co.  
Chartered Accountants

(D.K. DUBEY)  
Whole Time Director

(R.C. BAHETI)  
Partner

(N.K. DUBEY)  
Whole Time Director

Place : Bhopal

Dated : 30<sup>th</sup> June, 2010

# KILPEST INDIA LIMITED, BHOPAL

## CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2009-2010

	2009-2010	2008-2009
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit Before Tax and Extra ordinary items.	71,65,725	43,57,046
<b>Adjustment for:</b>		
Depreciation	15,30,367	13,74,478
Interest paid	<u>36,39,115</u>	<u>42,28,848</u>
Operating Profit before Working Capital changes	1,23,35,207	99,60,372
<b>Adjustment for :</b>		
Inventories	63,28,706	(60,18,655)
Trade and other Receivables	(1,42,90,806)	35,83,803
Trade payables and other liabilities	<u>1,69,98,270</u>	<u>(10,61,114)</u>
Cash generated from operations	2,13,71,377	64,64,406
Income Tax Payments	(11,06,898)	(7,77,183)
Net cash used/available from Operating Activities - A	<u>2,02,64,479</u>	<u>56,87,223</u>
<b>B. Cash Flow from Investing Activities:-</b>		
Purchase/Sale of Fixed Assets	(85,22,336)	(30,15,555)
Net cash used in Investing Activities - B	<u>(85,22,336)</u>	<u>(30,15,555)</u>

**C. Cash Flow from Financing Activities:-**

Increase in Share Capital	---	7,43,500
Working Capital Limits	(26,72,440)	5,98,955
Proceeds from other Borrowings	(22,40,748)	1,38,471
Interest paid	(36,39,115)	(42,28,848)
Net Cash from Financing Activities - C	<u>(85,52,303)</u>	<u>(27,47,922)</u>
Net Increase/Decrease in Cash and Cash equivalents A+B-C	31,89,840	(76,254)
Cash and Cash equivalents as at 1st April, 2009 - Opening Balance	18,35,830	19,12,084
Cash and Cash equivalents as at 31st March, 2010 - Closing Balance.	50,25,670	18,35,830

**FOR AND ON BEHALF OF THE BOARD OF DIRECTOR**

**R.K. DUBEY  
CHAIRMAN & MANAGING DIRECTOR**

Place : Bhopal

Dated : 30<sup>th</sup> June, 2010

**AUDITORS' REPORT**

We have examined the attached Cash Flow Statement of Kilpest India Limited, Bhopal for the year ended 31st March, 2010. The statement has been prepared by the company in accordance with the listing requirements with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our report of 30th June, 2010 to the members of the company.

**FOR R.C. BAHETI & CO.,  
CHARTERED ACCOUNTANTS**

**R.C. BAHETI  
PARTNER  
M. No. 10997**

Place : Bhopal  
Dated : 30<sup>th</sup> June, 2010