



India's Leading Agri Bio-Tech Company

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A TRADITION OF QUALITY SINCE 40 YEARS



AN ISO 9001 : 2008 CERTIFIED COMPANY

ANNUAL  
REPORT  
2012

- AGROCHEMICALS
- R&D
- RESEARCHED BIOPRODUCTS
- MOLECULAR ENZYMES
- MOLECULAR DIAGNOSTIC KITS
- CONTRACT RESEARCH

# KILPEST INDIA LIMITED

## BHOPAL

### FORTIETH ANNUAL REPORT AND ACCOUNTS 2011-2012

- BOARD OF DIRECTORS** : MR. R.K. DUBEY  
CHAIRMAN & MANAGING DIRECTOR
- MR. D.K. DUBEY } WHOLETIME  
MR. N.K. DUBEY } DIRECTORS
- CA. SHABBAR HUSAIN } INDEPENDENT  
MR. B.M. SAIHGAL } DIRECTORS  
MR. K.N.DUBEY }  
MR. R.K.CHOUBEY }
- BANKERS** : STATE BANK OF INDIA  
PANCHANAN BHAWAN BRANCH, T.T. NAGAR, BHOPAL (M.P.)
- 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
- CUTTACK SALES DEPOT** : APCO MARKETING, FRIENDS COLONY, CUTTACK
- 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 Fortieth Annual Report, together with the Audited Accounts for the year ended 31st March, 2012 as follows:

### FINANCIAL RESULTS

The highlights of the operating results for the year are summarized below:-

(Rs. in lakhs)

	Year ended 31-03-2012	Year ended 31-03-2011
Sales Turnover	2082.81	2141.00
Profit before Depreciation	117.52	136.00
Less: Depreciation	19.38	19.00
Profit before Tax	98.00	117.00
Less: Provision for Taxation	27.00	39.00
Net Profit after Tax	71.33	78.00

### PERFORMANCE FOR THE YEAR 2011-2012

The year 2011-2012 was the worst year ever witnessed by pesticides industry which was mainly because of late onset of monsoon all across the country and no pest attack at all in Rabi season. Despite of these adverse conditions your company has been able to achieve sales of Rs.2082.81 lakhs. This was possible by company's focus on better margin products and aggressive sales marketing, launch of new products and increased focus on Bio products (developed in in-house R&D). Company's export to Bangladesh remained static due to tough competition from China. However, in 2012 more of company's products have been registered by two new distributors. Moreover, one of the products of company is also under process of registration in Jordan, as such, your directors do foresee a growth in export sales this year.

### BIOTECHNOLOGY JOINT VENTURE:

#### KILPEST LAUNCHED NOVEL BIOTECH INDO-SPANISH JV PROJECT AT BHOPAL M.P

The company has put up a most modern and state of art GMP compliant biotech plant in Industrial area, Govindpura, Bhopal. This is first novel plant of its kind in central India. The Researchers and Scientists have been duly trained in Spain and are further supported online from Madrid, Spain on day to day basis. This joint venture manufactures Molecular Biology Enzymes/Reagents used widely in the Biotechnology field and also makes Molecular Diagnostic kits based on Spanish patented technology for various diseases like Tuberculosis diagnosis, 1st & 2nd line Drug Resistance Tuberculosis, Malaria (Pf Vivax/Pf. Falciparum), Dengue, HPV, HBV, HCV, Early Septicemia detection within 6 hrs through Universal Bacterial & Fungal Identification Kit, Diabetes (risk prediction & drug metabolism) etc. Further with target to lead the research and development of new tools in the field of personalized medicine, medical diagnostics, pharmacogenomics, as well as provide diagnostic tests to predict drug treatment effectiveness (Companion Diagnostics) and enter the field of nutrigenomics. 3B BlackBio Biotech India Ltd will use and adapt a wide spectrum of technologies that include the most innovative micro-sequencing platforms.

Last year the effective working for this project was 7 months, for the life science market (comprising of Government and Private sector research institutes doing DNA based research), who consume the reagents produced by the project. And the diagnostic market was not covered as the diagnostic kits were being validated, however, in 2012-13 for Life Sciences market company shall get full year and with the increased sales team, more states shall be covered resulting in very good growth figures for this year.

And for Diagnostic kits new kits for Tuberculosis & HPV (Human Papilloma virus) are validated and ready for launch in September 2012. This segment even with effective 6 months working in current year will add a reasonable figure to the top and bottom line. And with break even achieved this year, from next year this project would start generally good profits. As this sector is currently growing at 20-25% CAGR.

### FORAY INTO DIAGNOSTIC SERVICE

Kilpest India Ltd is pleased to announce that the company's Diagnostic lab "DYGNOGENE" which was set up as a forward integration to the JV started with Biotoools B & M Labs, Spain has started working and has been successfully testing and delivering fast and accurate results for MTB, HPV, Hepatitis B & C.

The molecular diagnostic field mainly grows with word of mouth publicity and recommendation by doctors. We are pleased to announce that more doctors after getting fast and accurate results have started to recommend and send in more and more samples, as such, we foresee to receive, test more than 1500 samples this year.

## **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) 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, 2012 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.
- iiiv) 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 D. K. Dubey & Shri B.M.Saihgale 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 INDIA, COMMERCIAL BRANCH, BHOPAL for their support and co-operation.

For and on behalf of the Board  
of Directors

Place : Bhopal  
Dated : 31st May, 2012

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

**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, 2012.**

**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.  
Replacing all old bulbs with CFL.
- (b) Additional investments and proposals being implemented for reduction of energy consumption:
- (i) Elimination of heat losses in air-conditioning areas and all ac's kept at 24<sup>o</sup> C.
- (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**

**I POWER AND FUEL CONSUMPTION**

	<b>Year ended 31-03-2012</b>	<b>Year ended 31-03-2011</b>
1. Electricity		
(a) Purchased Units (KWH)	2,02,450	1,98,640
Total Amount (Rs.)	13,36,462	12,08,007
Average Rate/Unit (Rs.)	6.60	7.27
(b) Own Generator		
i) Through Diesel Generator		
Units (KWH)	1150	1214
Units/Ltr. of Diesel	1.0	1.3
Cost/Unit (Rs.)	45.50	34.30
ii) Through Steam Turbine/ Generator	NOT APPLICABLE	
<b>2. Coal</b>	NOT APPLICABLE	
<b>3. Fuel Furnace Oil + Light</b>	NOT APPLICABLE	
Diesel Oil	NOT APPLICABLE	
Quantity (KL)	NOT APPLICABLE	
Total Amount (Rs.)	NOT APPLICABLE	
Average Rate/KL (Rs.)	NOT APPLICABLE	
<b>4. 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 :

- Standardization of new protocol for large scale cultivation of antagonistic fungus *Trichoderma viride* through solid state fermentation.
- Optimization of production of Gibberellic acid from *Fusarium moniliforme* through solid state fermentation.
- Production, isolation, purification and characterization of novel antifungal compounds from *Streptomyces* species.
- Production of miticidal compounds (avermectins) from *Streptomyces* species through submerged fermentation.
- Selection of appropriate protocol for extraction and purification of artificial sweetener from plant material.
- Development of antifungal biocontrol agent *Bacillus subtilis* for management of fungal borne diseases of agriculturally important crops.
- Development of protocol for production of liquid protein hydrolysate plant growth stimulator and fertilizer.
- Development of chelated microfertilizer (Zinc-EDTA).
- Development of PCR based rapid disease diagnosis methods and kits.
- Development of mosquito larvicidal formulation based on *Bacillus thuringiensis*.

##### 2. Benefits derived as a result of the above R&D:

- New method for production of *Trichoderma viride* through solid state fermentation was adopted for cultivation as a result of which sales volume was increased.
- Method for production of Gibberellic acid from *Fusarium moniliforme* is standardized.
- Complete process for production and extraction of antifungal compounds from actinomycetes has been optimized.
- Suitable protocol for extraction and purification of artificial sweetener has been selected.
- An effective antifungal formulation based on *Bacillus subtilis* is ready for commercial production.
- Production of Liquid protein hydrolysate was stated and presently being commercialized as Fytozyme.
- Mosquito larvicidal formulation based on *Bacillus thuringiensis* was standardized and application for license is applied to CIB.
- Chelated microfertilizer (Zinc-EDTA) has been development followed by field trials.
- PCR based disease diagnosis has already been started at our Research Center.

##### 3. Future plan of action :

- Commercialization of Gibberellic acid based products for crops.
- Complete analysis of novel antifungal compounds obtained from *Streptomyces* species followed by submission of application for patent.
- Commercialization of *Bacillus subtilis* based fungal antagonistic formulation for crops.
- Commercialization of mosquito larvicidal formulation based on *Bacillus thuringiensis israelensis*.
- Establishment of joint venture with national and international companies for making rapid progress in biotechnology.

##### 4. Expenditure on R&D

	31-03-2012	31-03-2011
(a) Capital	13,40,859	81,05,772
(b) Recurring	17,49,618	22,13,857
(c) Total	<u>30,90,447</u>	<u>1,03,19,629</u>
(d) Total R&D expenditure as a percentage of total turnover	1.48%	4.82%

#### 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 this year.  
Total foreign exchange used

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2011-2012	2010-2011
1. Foreign Exchange Earnings	85,29,436	94,03,876
2. Foreign Exchange Outgo	1,15,66,301	36,57,342

For and on behalf of the Board  
of Directors

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

Place : Bhopal  
Dated : 31st May, 2012

## 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	2	-	-
		Executive Director			
02.	Shri D.K. Dubey	Executive Director	2	1	-
03.	Shri N.K. Dubey	Executive Director	2	-	-
04.	CA Shabbar Husain	Non Executive	-	3	2
		Independent Director			
05.	Shri B.M. Saighal	Non Executive	-	2	1
		Independent Director			
06.	Shri K.N.Dubey	Non Executive	-	1	-
		Independent Director			
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, 8 Board Meetings were held; on 14th April 2011, 31st May 2011, 25th June 2011, 27th July 2011, 5th October 2011, 24th October 2011, 15th November 2011, 31st January 2012. The Thirty Ninth Annual General Meeting was held on 30th September, 2011.

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 30-09-2011
01.	Shri R.K. Dubey	7	Yes
02.	Shri D.K. Dubey	7	Yes
03.	Shri N.K. Dubey	7	Yes
04.	CA Shabbar Husain	6	No
05.	Shri B.M. Saighal	3	No
06.	Shri K.N.Dubey	4	No
07.	Shri R.K.Choubey	4	No

### (C) DETAILS OF REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED ON 31ST MARCH, 2012.

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	17,500	6,60,000	72,000
02.	Shri D.K. Dubey	17,500	4,80,000	55,008
03.	Shri N.K. Dubey	17,500	4,80,000	55,008
04.	CA Shabbar Husain	15,000	-	-
05.	Shri B.M. Saighal	7,500	-	-
06.	Shri K.N.Dubey	10000	-	-
07.	Shri R.K.Choubey	10000	-	-

**(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 has been 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., 30th May 2011, 26th July 2011, 22nd October 2011, 30th January 2012.

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

The following Directors are members of the Shareholders' Committee.

S.No.	Name of the Director
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 request for dematerialization were pending for approval as on 31st March, 2012.

**(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: -

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

The Remuneration Committee was constituted on 31st January 2008.

No meeting of the Remuneration Committee was required to be held during the financial year ending 31-03-2012.



## 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
37 <sup>th</sup>	2008-2009	M/s Kilpest India Ltd., Regd. Office, 7-C, Industrial Area, Govindpura, BHOPAL-23.	30-09-2009	11.30 a.m.
38 <sup>th</sup>	2009-2010	-do-	30-09-2010	11.30 a.m.
39 <sup>th</sup>	2010-2011	-do-	30-09-2011	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. D.K.Dubey & B.M. Saigal 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 on 05.10.2011.
- 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 published in Financial Express / Economic Times (Mumbai edition) and Swadesh / Business Bhaskar (Bhopal edition).

## I. GENERAL SHAREHOLDERS INFORMATION:

### i) Annual General Meeting :

Day, date and time : Saturday, 29th Sept, 2012 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/August, 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 20th September 2012 to 29th September 2012 (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, 2012 - is 1055680.

**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, 2012

During the period from 1/4/2011 to 31/3/2012 no queries / complaints / requests 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 11	33.50	31.70
May 11	33.70	31.50
June 11	30.80	21.20
July 11	30.80	21.20
August 11	23.00	18.00
September 11	23.20	16.00
October 11	22.00	16.15
November 11	19.00	14.05
December 11	17.90	12.70
January 12	18.20	14.65
February 12	18.50	13.05
March 12	17.89	12.50

viii) **Distribution of Share Holding (As on 31st March, 2012)**

No. of Shares	Shareholders		Shares		
	Number	% of total Holders	Number	Amount	% Total Capital
Upto - 100	605	33.70	43851	438510	0.70
101 - 500	609	33.93	227668	2276680	3.64
501 - 1000	202	11.25	174665	1746650	2.79
1001 - 2000	121	6.74	195711	1957110	3.13
2001 - 3000	63	3.51	166987	1669870	2.67
3001 - 4000	23	1.28	80870	808700	1.29
4001 - 5000	39	2.17	185816	1858160	2.97
5001 - 10000	51	2.84	393625	3936250	6.29
10001 - 20000	43	2.40	620723	6207230	9.92
20001 - 50000	25	1.39	766898	7668980	12.26
50001 - above	14	0.78	3400786	34007860	54.35
<b>TOTAL</b>	<b>1795</b>	<b>100</b>	<b>6257600</b>	<b>62576000</b>	<b>100</b>

ix) **Dematerialisation of Shares as on 31 st March, 2012**

Particulars	No. of Share holders	No. of Share	% of Share
No. of Shareholders in Physical Mode	473	320400	5.12
No. of Shareholders in Electronic Mode	1322	5937200	94.88
<b>Total</b>	<b>1795</b>	<b>6257600</b>	<b>100</b>

Particulars	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2011-12	2010-11	2011-12	2010-11
Number of Shares Dematerialised	1495467	1138060	4441733	3008010
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 2012.

#### 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)

For and on behalf of the Board  
of Directors

Place : Bhopal  
Date : 31<sup>st</sup> May, 2012

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

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

## (a) Industry structure and developments

### Agrochemical

The Industry continues to grow in size, due to increase in use of Agro chemicals by farmers due to awareness, increase in farm gate prices of produce and also government schemes emphasis to farmers to increase yield per acre. Also now India is becoming an aggressive player in export market second to China, and exports are continuously growing.

### Biotechnology JV

Life Sciences market dominated by Govt. Research Institutes has been growing at 10-15%. But now, with more emphasis on research by Govt. and also private companies, the molecular research market shall continue to expand, as we are way below the desired R&D expenditure in percentage terms vis-à-vis developed countries.

For Molecular Diagnostic Market its in the nascent stage in India and lot needs to be done to put molecular diagnosis in the routine diagnostic protocol, like awareness, development of infrastructure etc. Currently, the molecular diagnostic market is around 1000 crores, dominated by Pharma multinationals and highly metro centric. But with launch of cheaper kits and putting of new PCR diagnostic centers in smaller towns, the reach to people will increase along with awareness, which will spark huge growth potential in coming year.

## (b) Outlook & Opportunities

The Industry continues to grow in size, due to increase in use of Agro chemicals by farmers due to awareness, increase in farm gate prices of produce and also government schemes emphasis to farmers to increase yield per acre.

Also now India is becoming an aggressive player in export market second to China, and exports are continuously growing.

Life Sciences market dominated by Govt. Research Institutes has been growing at 10-15%. But now, with more emphasis on research by Govt. and also private companies, the molecular research market shall continue to expand, as we are way below the desired R&D expenditure in percentage terms vis-à-vis developed countries.

For Molecular Diagnostic Market its in the nascent stage in India and lot needs to be done to put molecular diagnosis in the routine diagnostic protocol, like awareness, development of infrastructure etc. Currently, the molecular diagnostic market is around 1000 crores, dominated by Pharma multinationals and highly metro centric. But with launch of cheaper kits and putting of new PCR diagnostic centers in smaller towns, the reach to people will increase along with awareness, which will spark huge growth potential in coming year.

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

Segment wise performance is not applicable as total revenue from any other segment apart from Agrochemical is not more than 10% this year

## (d) Risk and concerns

The Industry is depended on monsoon and pest attack. With global warming weather pattern is becoming unpredictable.

To some extent the ill effect can be ward off by focusing on irrigated areas, institutional business / warehousing corporation / public health program / exports.

Development of Molecular diagnostic market / Life Sciences is a slow process, as it requires investments to create new set ups / convince existing customers with free samples to switch there supplier and brand establishing by word of mouth. Thus, one need to survive for a long time period in this market to reap the rewards.

## (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 on financial performance with respect to operational performance

The year 2011-2012 was the worst year ever witnessed by pesticides industry which was mainly because of late offset of monsoon all across the country and no pest attack at all in Rabi season. Despite of these adverse conditions your company has been able to achieve sales of Rs.2082.81 lakhs. This was possible by company's focus on better margin products and aggressive sales marketing. Launch of new products and increased focus on bio products (developed in in-house R&D). Company's export to Bangladesh remained static due to tough competition from China. However, in 2012 more of company's products have been registered by two new distributors. Moreover, one of the products of company is also under process of registration in Jordan, as such, your directors do foresee a growth in export sales this year.

## (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, 2012 were 59.

for and on behalf of the Board  
of Directors

Place: Bhopal  
Date : 31st May, 2012

R.K. DUBEY  
CHAIRMAN & MANAGING DIRECTOR

## **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 2012 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, 2012, 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**  
Firm Registration No. : 403034C  
Membership No. : 010997

Place: Bhopal  
Date : 31<sup>st</sup> May, 2012

COMPLIANCE CERTIFICATE

**Registration No. 10-1131**

**Share Capital: Rs 15,00,00,000/-**

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 2012** (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 8 times respectively on 14/04/2011, 31/05/2011, 25/06/2011, 27/07/2011, 05/10/2011, 24/10/2011, 15/11/2011 and 31/01/2012 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 2011 was held on 30.09.2011, 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 not issued duplicate share certificates during the financial year.
13. The Company has:
  - (i) There was allotment of securities during the financial year.
  - (ii) The company has not declared a dividend during the financial year.
  - (iii) The company has not required to Post dividend warrants to member of the company as dividend declare during the financial year.

- (iv) not transferred, any amounts in unpaid dividend account, application money due for refund, matured deposits, 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 issued Equity 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 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 provisions of the Memorandum with respect to Situation of the company's registered office from one State to another during the year under scrutiny.
  27. The company has not altered the provision of the Memorandum with respect to the object of the company during the year under scrutiny.
  28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
  29. The company has altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
  30. The company has altered its Articles of Association during the financial year,
  31. 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.
  32. The Company has not received any money as security from its employees during the financial year.
  33. 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: 31/05/2012

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

AVADHESH PARASHAR  
C. P. No. - 9065

**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 2012.

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 No. 2	--	29/06/2011	Yes	No
2.	Form 8	--	15/07/2011	Yes	No
3.	Form 8	--	29/11/2011	Yes	No
4.	Form 23 AC	220	19/11/2011	Yes	No
5.	Form 23 ACA	220	19/12/2011	Yes	No
6.	Form 20 B	159	28/01/2012	No	Yes



# 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, 2012, 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 the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches.
  - 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, 2012 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2012 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, 2012.
    - 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,**

**(R.C. BAHETI)  
PARTNER**

Firm Registration No. : 403034C  
Membership No. : 010997

Place: Bhopal  
Date : 31<sup>st</sup> May, 2012

# 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.
- (c) According to the information given to us and in our opinion, the company has not disposed substantial portion of its fixed assets which will affect the company as a going concern.
- 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 seven 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. 99.12 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, and according to the books and records as products and examined by 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, 2012 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 as of 31st March 2012. 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 have been applied for the purpose for which these were 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**

Place : Bhopal  
Date : 31<sup>st</sup> May, 2012

Firm Registration No. : 403034C  
Membership No. : 010997

## Balance Sheet as at 31st March, 2012

Particulars	Schedule	As at the end 31st March 2012	As at the end 31st March 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's fund</b>			
a. Share Capital	A	6,48,80,500	6,29,58,000
b. Reserves and Surplus	B	<u>2,92,28,273</u>	<u>2,10,74,035</u>
		<u>9,41,08,773</u>	<u>8,40,32,035</u>
Share Application Money Pending Allotment		14,63,625	
<b>Non-current liabilities</b>			
a. Long Term borrowings	C	1,42,01,288	1,43,78,782
b. Deferred Tax liabilities		60,89,784	52,29,784
c. Other long term liabilities		--	--
d. Long Term provisions		<u>--</u>	<u>--</u>
		<u>2,02,91,072</u>	<u>1,96,08,566</u>
<b>Current liabilities</b>			
a. Short term borrowings	D	3,95,26,767	2,05,99,564
b. Trade Payables	E	6,30,68,681	5,17,37,866
c. Other current liabilities	F	17,93,436	24,17,490
d. Short term provisions	G	<u>18,20,000</u>	<u>93,07,050</u>
		<u>10,62,08,884</u>	<u>8,40,61,970</u>
<b>TOTAL</b>		<b>22,20,72,354</b>	<b>18,77,02,571</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Fixed assets			
(i) Tangible assets	H	3,34,77,426	3,34,63,059
(ii) Intangible assets		--	--
(iii) Capital work-in-progress		--	--
b. Non-current investments	I	5,10,100	5,10,100
c. Long term loans & advances	J	<u>1,44,26,138</u>	<u>42,13,738</u>
		<u>4,84,13,664</u>	<u>3,81,86,897</u>
<b>Current assets</b>			
(a) Current investments		--	--
(b) Inventories	K	4,09,31,050	3,56,12,432
(c) Trade receivables	L	10,33,43,290	10,08,42,271
(d) Cash & cash equivalents	M	1,11,68,158	32,98,175
(e) Short-term loans & advances	N	1,82,16,192	97,62,796
(f) Other current assets		<u>--</u>	<u>--</u>
		<u>17,36,58,690</u>	<u>14,95,15,674</u>
<b>TOTAL</b>		<b>22,20,72,354</b>	<b>18,77,02,571</b>
Significant Accounting Policies & Notes on Accounts Schedule "V"			
		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			
(N.K. DUBEY) Whole Time Director		(R.C. BAHETI) Partner	
		Firm Registration No. : 403034C	
		Membership No. : 010997	
Place : Bhopal			
Dated : 31 <sup>st</sup> May, 2012			

## Profit &amp; Loss Statement for the year ended 31st March 2012

Particulars	Schedule	For the Year ended 31st March 2012	For the Year ended 31st March 2011
<b>I. INCOME</b>			
SALES	O	20,82,80,725	21,41,18,424
INCREASE / DECREASE IN STOCK OF FINISHED GOODS	P	68,71,982	15,36,866
OTHER INCOME		14,31,115	3,35,811
<b>TOTAL</b>		<b>21,65,83,822</b>	<b>21,59,91,101</b>
<b>II. EXPENDITURE</b>			
MATERIALS CONSUMED			
(A) RAW MATERIALS	Q	12,90,89,462	12,49,07,502
(B) PACKING MATERIALS	R	2,16,42,201	1,98,83,879
MANUFACTURING EXPENSES	S	25,39,254	22,45,962
TAXES ON SALES		77,12,332	84,56,319
EXPENDITURE ON PERSONNEL	T	1,04,97,705	95,12,419
ADMINISTRATIVE, SELLING AND GENERAL EXPENDITURE	U	2,80,89,102	3,30,38,545
INTEREST		52,61,079	43,12,673
DEPRECIATION		19,38,749	19,43,114
<b>TOTAL</b>		<b>20,67,69,884</b>	<b>20,43,00,413</b>
<b>iii. PROFIT</b>			
PROFIT BEFORE INCOME TAX		98,13,938	1,16,90,688
LESS : PROVISION FOR INCOME TAX			
CURRENT		18,20,000	23,30,000
DEFERRED		<u>8,60,000</u>	<u>15,54,000</u>
<b>PROFIT AFTER TAX</b>		71,33,938	78,06,688
LESS : PROPOED DIVIDEND		--	59,83,300
TAX ON DIVIDEND		--	<u>9,93,750</u>
		71,33,938	8,29,638
ADD : BALANCE OF PROFIT BROUGHT FORWARD FROM PREVIOUS YEAR		1,84,91,931	1,76,62,293
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>2,56,25,869</b>	<b>1,84,91,931</b>

Significant Accounting Policies &amp; Notes on Accounts Schedule "V"

As per our annexed report of even date

(R.K. DUBEY)  
Chairman & Mg. DirectorFor R.C. Baheti & Co.  
Chartered Accountants(D.K. DUBEY)  
Whole Time Director(N.K. DUBEY)  
Whole Time Director(R.C. BAHETI)  
Partner

Firm Registration No. : 403034C

Membership No. : 010997

Place : Bhopal

Dated : 31<sup>st</sup> May, 2012

**CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2011-2012**

Particulars	2011-2012	2010-2011
<b>(A) Cash flow from operating activities</b>		
Net profit before tax & extra ordinary items	98,13,938	1,16,90,688
Adjustment for :		
Depreciation	19,38,749	19,43,114
Interest Paid	<u>52,61,079</u>	<u>43,12,673</u>
Operating profit before working capital changes	1,70,13,766	1,79,46,475
Adjustment for :		
Inventories	(53,18,618)	(49,54,285)
Trade & Other Liabilities	(1,09,54,415)	(2,60,80,279)
Trade Payables & Other Liabilities	<u>1,07,06,761</u>	<u>1,15,30,658</u>
Cash Generated from Operations	1,14,47,494	(15,57,431)
Income Tax Paid	<u>(23,30,000)</u>	<u>(11,02,000)</u>
<b>Net Cash used/Available from operating Activities</b>	<u>91,17,494</u>	<u>(26,59,431)</u>
<b>(B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(19,53,116)	(87,73,091)
Acquisition of investment	---	(5,10,000)
Increase in long term loans & advances	<u>(1,02,12,400)</u>	<u>---</u>
<b>Net cash used in investing activities</b>	<u>(3,21,65,516)</u>	<u>(92,83,091)</u>
<b>(C) Cash flow from financing activities</b>		
Increase in share capital	19,22,500	39,50,000
Share premium account	10,20,300	19,31,250
Share application money pending allotment	14,63,625	---
Increase in Bank borrowings	1,78,10,826	98,98,769
Proceeds from other borrowings	9,38,883	(12,52,319)
Interest Paid	(52,61,079)	(43,12,673)
Equity Dividend & Corporate Dividend Tax Paid	<u>(69,77,050)</u>	<u>---</u>
<b>Net Cash from Financial Activities</b>	<u>1,09,18,005</u>	<u>1,02,15,027</u>
Net increase/decrease in cash & cash equivalent a+b+c	78,69,983	(17,27,495)
Cash & Cash equivalents as at 1st April 2011 opening balance	<u>32,98,175</u>	<u>50,25,670</u>
Cash & Cash equivalents as at 31st March 2012 Closing balance	<b>1,11,68,158</b>	<b>32,98,175</b>

As per our annexed report of even date

(R.K. DUBEY)  
Chairman & Mg. Director(D.K. DUBEY)  
Whole Time Director(N.K. DUBEY)  
Whole Time DirectorFor R.C. Baheti & Co.  
Chartered Accountants

(R.C. BAHETI)

Partner

Firm Registration No. : 403034C  
Membership No. : 010997Place : Bhopal  
Dated : 31<sup>st</sup> May, 2012

Schedules annexed to and forming part of the Balance Sheet as on 31st March, 2012

Particulars	As at 31st March 2012	As at 31st March 2011
<b>Schedule "A"</b>		
<b>CAPITAL</b>		
Authorised Share Capital 1,50,00,000 Equity Share (15,00,000 Equity Share of Rs. 10 each)	1,50,00,000	1,50,00,000
Issued Subscribed & Paid-up		
60,30,600 Equity Share (Previous Year 60,30,600 equity share) of Rs. 10/- each Rs. 10/- called up	6,03,76,000	6,03,76,000
1250000 (previous year 1250000) warrants converted into equity Shares	31,25,000	31,25,000
220000 Equity shares (previous year nil) of Rs. 10/- each Rs. 7.50 called up	16,50,000	---
	<u>6,51,51,000</u>	<u>6,35,01,000</u>
Less-Calls in Arrears 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.	-2,70,500	-5,43,000
<b>TOTAL</b>	<b>6,48,80,500</b>	<b>6,29,58,000</b>
<b>SCHEDULE "B"</b>		
<b>RESERVES AND SURPLUS</b>		
Share premium Account		
Balance as per last year	19,31,250	19,31,250
Addition during the year	<u>10,20,300</u>	
<b>GENERAL RESERVE</b>		
Balance as per last year	6,50,854	6,50,854
<b>PROFIT &amp; LOSS ACCOUNT</b>		
Balance of profit & loss account	2,56,25,869	1,84,91,931
<b>TOTAL</b>	<b>2,92,28,273</b>	<b>2,10,74,035</b>
<b>Schedule "C"</b>		
<b>LONG TERM BORROWINGS</b>		
(a) Term Loans		
(i) Term loan from State Bank of India secured against certain items of plant and machinery	1,25,379	10,82,555
(ii) Term loan from State Bank of India secured against certain items of plant and machinery	<u>21,93,598</u>	<u>23,18,977</u> 34,35,354
(b) Deposits (un-secured)		
(i) from Directors	98,52,683	74,86,908
(ii) from others	<u>20,29,628</u>	<u>34,56,520</u> 1,09,43,428
<b>TOTAL</b>	<b>1,42,01,288</b>	<b>1,43,78,782</b>

Particulars	As at 31st March 2012	As at 31st March 2011
<b>SCHEDULE 'D'</b>		
<b>SHORT TERM BORROWINGS</b>		
(A) Loans repayable on demand		
(I) From bank	3,95,26,767	2,05,99,564
cash credit from State Bank of India		
secured by hypothecation of inventories		
& book debts and further secured by first		
charge on land and building both present and		
future and hypothecation of machineries		
<b>TOTAL</b>	<b>3,95,26,767</b>	<b>2,05,99,564</b>
<b>SCHEDULE "E"</b>		
<b>TRADE PAYABLES</b>		
(I) Sundry creditors for goods supplied/services	6,30,68,681	5,17,37,866
<b>TOTAL</b>	<b>6,30,68,681</b>	<b>5,17,37,866</b>
<b>SCHEDULE "F"</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Unpaid/Unclaimed Dividend	3,150	3,150
Taxes Payable	60,000	55,900
Trade deposits	10,10,000	11,35,000
Income tax deducted at source	2,18,650	5,21,356
Other outstanding liabilities	5,01,636	7,02,084
<b>TOTAL</b>	<b>17,93,436</b>	<b>24,17,490</b>
<b>SCHEDULE "G"</b>		
<b>SHORT TERM PROVISIONS</b>		
(i) Provision for Income Tax	18,20,000	23,30,000
(ii) Proposed Dividend	---	59,83,300
(iii) Tax on Proposed Dividend	---	9,93,750
<b>TOTAL</b>	<b>18,20,000</b>	<b>93,07,050</b>
<b>SCHEDULE "T"</b>		
<b>NON-CURRENT INVESTMENTS</b>		
(i) SUBSIDIARY-UNQUOTED		
51,000 Equity Shares (Previous Year 51,000 Equity Shares)	5,10,000	5,10,000
of Rs. 10/- each - fully Paid-up in 3B BLACK BIO		
BIO-TECH INDIA LIMITED, BHOPAL		
(ii) OTHERS-UNQUOTED		
One equity Share (Previous Year One Equity Share)	100	100
of Rs. 100/- each fully Paid-up in GOVINDPURA		
AUDYOGIK KSHETRA PRADUSHAN NIVARAN		
KENDRA		
<b>TOTAL</b>	<b>5,10,100</b>	<b>5,10,100</b>



**SCHEDULE 'H'**  
**FIXED ASSETS-TANGIBLE**

**Schedules annexed to and forming part of the Balance Sheet as on 31st March, 2012**

S.NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		Gross. Block As on 0/01/2011	Addition during the year	Sale/ Transfers During the Year	Total Assets As on 31-3-2012	Total Depreciation Upto 31-3-2011	Provided For the Year	Total Depreciation Upto 31-3-2012	As on 31-3-2012	AS ON 31-3-2011
1	Leasehold Land	15,40,000	--	--	15,40,000	--	--	--	15,40,000	15,40,000
2	Free hold Land	49,35,755	--	2,96,060	46,39,695	--	--	--	46,39,695	49,35,755
3	Factory Building	35,54,811	--	--	35,54,811	20,67,343	1,18,731	21,86,074	13,68,737	14,87,468
4	Office Building	5,93,290	--	--	5,93,290	1,74,078	9,671	1,83,749	4,09,541	4,19,212
5	R & D Building	96,79,287	7,36,044	--	1,04,15,331	13,78,263	1,69,665	15,47,928	88,67,403	83,01,024
6	R & D Equipment	97,53,828	5,70,015	--	1,03,23,843	6,65,533	4,90,382	11,55,915	91,67,928	90,88,295
7	Plant & Machinery	74,25,222	1,29,094	--	75,54,316	42,38,738	3,58,520	45,97,258	29,57,058	31,86,484
8	Pollution Control Equipment	7,40,000	405	--	7,40,405	1,39,658	35,150	1,74,808	5,65,597	6,00,342
9	Electrical Installations	4,11,348	65,422	--	4,76,770	2,74,529	22,647	2,97,176	1,79,594	1,36,819
10	Laboratory Equipments	32,28,219	7,600	--	32,35,819	23,29,720	1,53,701	24,83,421	7,52,398	8,98,499
11	Air-Conditaioners & Refreigerators	4,89,070	31,905	--	5,20,975	2,17,428	24,746	2,42,174	2,78,801	2,71,642
12	Generator	5,88,960	--	--	5,88,960	4,05,376	27,976	4,33,352	1,55,608	--
13	Vehicles	36,44,377	3,49,850	--	39,94,227	22,44,257	3,79,451	26,23,708	13,70,519	1,83,584
14	Office Equipments & Machinery	5,83,493	7,345	--	5,90,838	3,10,004	28,065	3,38,069	2,52,769	14,00,120
15	Computers	7,38,959	2,31,290	--	9,70,249	7,38,959	18,693	7,57,652	2,12,597	2,73,489
16	Furniture & fixtures	7,19,988	81,606	--	8,01,594	6,18,792	50,741	6,69,533	1,32,061	1,01,196
17	R & D Furniture & fixtures	6,61,560	34,800	--	6,96,360	1,05,994	44,080	1,50,074	5,46,286	5,55,566
18	Tubewell	1,03,154	3,800	--	1,06,954	19,590	6,530	26,120	80,834	83,564
	<b>TOTAL</b>	<b>4,93,91,321</b>	<b>22,49,176</b>	<b>2,96,060</b>	<b>5,13,44,437</b>	<b>1,59,28,262</b>	<b>19,38,749</b>	<b>1,78,67,011</b>	<b>3,34,77,426</b>	<b>3,34,63,059</b>
	Figure for the Previous year	4,06,18,230	87,73,091	--	4,93,91,321	1,39,85,148	19,43,114	1,59,28,262	3,34,63,059	2,66,33,082

Particulars	As at 31st March 2012	As at 31st March 2011
<b>SCHEDULE "J"</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
(I) Deposits - unsecured considered good	1,44,26,138	42,13,738
<b>TOTAL</b>	<b>1,44,26,138</b>	<b>42,13,738</b>
<b>SCHEDULE "K"</b>		
<b>INVENTORIES</b>		
(At cost except otherwise stated as valued, verified and certified by the management)		
(i) Raw Materials	1,54,15,139	1,62,87,522
(ii) Packing materials	53,25,212	60,09,780
(iii) Miscellaneous Stock	6,06,137	6,02,550
(iv) Finished Goods	1,95,84,562	1,27,12,580
(At cost or market price whichever is lower)		
<b>TOTAL</b>	<b>4,09,31,050</b>	<b>3,56,12,432</b>
<b>SCHEDULE "L"</b>		
<b>TRADE RECEIVABLES :</b>		
(A) Trade receivables outstanding for a period less than six months from the date they are due for payment		
(i) Secured, considered good	---	---
(ii) Unsecured, considered good	6,64,28,790	6,37,84,251
(iii) Doubtful	---	---
Less : Allowance for Bad and Doubtful Debts	-----	-----
	6,64,28,790	6,37,84,251
(B) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
(I) Secured, considered good	--	--
(ii) Unsecured, considered good	3,69,14,500	3,70,58,020
(iii) Doubtful	--	--
Less : Allowance for Bad and Doubtful Debts	-----	-----
	3,69,14,500	3,70,58,020
<b>TOTAL</b>	<b>10,33,43,290</b>	<b>10,08,42,271</b>
<b>SCHEDULE "M"</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
(A) Balances with Banks :		
(I) Earmarked Bank Balances :		
Unpaid dividend bank account	10,720	10,720
(II) Bank Balances held as margin money or as security against :		
(i) Letter of Credit	---	---
(ii) Other Commitments	3,54,229	1,25,699
(III) Other Bank Balances :		
(I) Others including balances in current account	97,53,523	12,64,591
(B) Cash on hand	10,49,686	18,97,165
<b>TOTAL</b>	<b>1,11,68,158</b>	<b>32,98,175</b>

Particulars	As at 31st March 2012	As at 31st March 2011
<b>SCHEDULE "N"</b>		
<b>SHORT-TERM LOANS AND ADVANCES :</b>		
Unsecured, considered good :		
- Advance Income Tax	11,91,177	15,58,499
- Balances with Excise and Sales Tax Authorities	94,457	10,25,546
- Others : (Advance for goods purchased, prepaid expenses & other trade advances)	1,69,30,558	71,78,751
<b>TOTAL</b>	<b>1,82,16,192</b>	<b>97,62,796</b>
<b>Schedules annexed to and forming part of the profit &amp; loss account for the year ended 31st March 2012</b>		
Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>SCHEDULE 'O'</b>		
<b>SALES</b>		
At Bhopal	17,94,01,880	18,73,17,837
At Raipur / Bilaspur Depots	4,32,09,394	3,60,52,873
At Lucknow Depot	57,89,367	89,84,338
At Cuttak Depot	6,50,675	---
	<u>22,90,51,316</u>	<u>23,23,55,048</u>
Less : Excise Duty	2,07,70,591	1,82,36,624
<b>TOTAL</b>	<b>20,82,80,725</b>	<b>21,41,18,424</b>
<b>SCHEDULE 'P'</b>		
<b>INCREASE/DECREASE IN STOCK OF FINISHED GOODS</b>		
Closing Stock		
Less : Opening Stock	1,95,84,562	1,27,12,580
	<u>1,27,12,580</u>	<u>1,11,75,714</u>
<b>TOTAL</b>	<b>68,71,982</b>	<b>15,36,866</b>
<b>SCHEDULE 'Q'</b>		
<b>RAW MATERIALS CONSUMED</b>		
<b>1. Chemicals &amp; Other Raw Materials</b>		
Opening Stock	1,53,64,515	1,21,89,526
Purchases	<u>12,21,91,359</u>	<u>11,99,25,379</u>
	13,75,55,874	13,21,14,905
Less : Closing Stock	<u>1,45,86,348</u>	<u>1,53,64,515</u>
	12,29,69,526	11,67,50,390
<b>2. Soapstone &amp; Other Raw Materials</b>		
Opening Stock	9,23,007	11,54,531
Purchases	<u>60,25,720</u>	<u>79,25,588</u>
	69,48,727	90,80,119
Less : Closing Stock	<u>8,28,791</u>	<u>9,23,007</u>
	61,19,936	81,57,112
<b>TOTAL</b>	<b>12,90,89,462</b>	<b>12,49,07,502</b>

Particulars	For the year ended 31st March 2012		For the year ended 31st March 2011	
<b>SCHEDULE 'R'</b>				
<b>PACKING MATERIAS CONSUMED</b>				
Opening Stock	60,09,780		51,53,687	
Purchases	<u>2,09,57,633</u>		<u>2,07,39,972</u>	
	2,69,67,413		2,58,93,659	
Less : Closing Stock	<u>53,25,212</u>	2,16,42,201	<u>60,09,780</u>	1,98,83,879
<b>TOTAL</b>		<b>2,16,42,201</b>		<b>1,98,83,879</b>
<b>SCHEDULE 'S'</b>				
<b>MANUFACTURING EXPENSES</b>				
Power Charges		11,11,462		12,08,007
Laboratory Expenses		1,35,733		53,103
Carriage Inward		87,381		21,745
Factory & Stacking Expenses		2,54,849		--
Loading & Unloading Expenses		24,264		18,960
Consumption of Stores and Spare Parts		8,14,188		7,97,451
Repairs to Plant & Machinery		47,112		86,495
Generator Running & Maintenance		64,265		60,201
<b>TOTAL</b>		<b>25,39,254</b>		<b>22,45,962</b>
<b>SCHEDULE 'T'</b>				
<b>EXPENDITURE ON PERSONNEL</b>				
<b>1. Factory Staff</b>				
Salaries, Wages & bonus		57,02,886		51,33,664
Contribution to Provident and Gratuity Funds		<u>3,20,915</u>	60,23,801	<u>2,51,589</u> 53,85,253
<b>2. Office Staff</b>				
Salaries, Wages & bonus		40,71,931		37,84,519
Contribution to Provident and Gratuity Funds		<u>4,01,973</u>	44,73,904	<u>3,42,647</u> 41,27,166
<b>TOTAL</b>		<b>1,04,97,705</b>		<b>95,12,419</b>

Particulars	For the year ended 31st March 2012		For the year ended 31st March 2011	
<b>SCHEDULE 'U'</b>				
<b>ADMINISTRATIVE SELLING AND GENERAL EXPENDITURE</b>				
Advertisement & Publicity		10,42,994		9,77,082
AUDIT FEE				
For Audit	20,000		20,000	
For Other Services	<u>35,000</u>	55,000	<u>20,000</u>	40,000
Bank Commission & Charges		9,56,968		4,76,552
Building & General Maintenance		2,62,656		7,40,507
Commission on Sales		39,14,249		37,70,584
Directors Remuneration & Sitining fees		18,97,016		18,94,516
Insurance		1,11,517		2,84,084
Legal & Professional Fees		5,05,697		4,40,900
Miscellaneous Expenses		48,56,116		97,27,863
Outward Freight & Forwarding Expenses		69,69,644		62,51,509
Rent		34,100		1,04,776
Rates, Taxes & Fees		7,49,580		13,45,426
R & D Expenses				
Salary & Bonus	15,69,762		13,99,841	
Consumption of Stores	74,015		2,67,135	
Other Expenses	<u>1,05,841</u>	17,49,618	<u>5,46,881</u>	22,13,857
Traveling & Conveyance		26,99,516		26,14,936
Telephones and Postage		4,57,539		6,36,322
Vehicle Maintenance & Hire Charges		3,04,361		3,52,314
Workmen & Staff Welfare Expenses		15,22,531		11,67,317
<b>TOTAL</b>		<b>2,80,89,102</b>		<b>3,30,38,545</b>

# KILPEST INDIA LIMITED, BHOPAL

## Schedule `V`

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES :

##### 1. General

###### 1. 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. 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.

###### 4. 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.

###### 5. 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.

###### 6. Investments :-

Investments classified as Long Term Investments are stated at cost.

###### 7. Contingent Liabilities :-

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

###### 8. 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.

###### 9. 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 provisions 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 India, T.T. Nagar Branch, Bhopal is Rs. 3,54,229 (previous year Rs.1,25,699).
5. Contingent Liabilities :
- |   | <b>2011-2012</b> | <b>2010-2011</b> |
|---|------------------|------------------|
| i) Guarantees given on behalf of the Company by Company's bankers | 35,26,088        | 12,56,502        |
| ii) Income Tax Matter Under Appeal.                               | 21,09,577        | —                |
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 | Rs. 13,40,859 (Previous Year Rs. 81,05,772) |
| b) Revenue Expenditure | Rs. 17,49,618 (Previous Year Rs. 22,13,857) |

<b>8. DIRECTORS' REMUNERATION</b>	<b>2011-2012</b>	<b>2010-2011</b>
Remuneration	16,20,000	16,20,000
Other benefits	1,82,016	1,82,016
Sitting fees	95,000	92,500
	<u>18,97,016</u>	<u>18,94,516</u>

**9(A) Break-up of Major Raw Materials Consumed :**

<b>Particulars</b>	<b>2011-2012</b>	<b>2010-2011</b>
<b>Raw Materials</b>		
Chemical & Other raw materials	12,29,69,526	11,67,50,390
Soap stone & other raw materials	61,19,936	81,57,112
Components, packing material etc.	2,24,56,389	2,06,81,330
<b>TOTAL</b>	<b>15,15,45,851</b>	<b>14,55,88,832</b>

**(B) Break-up of Sales**

<b>Particulars</b>	<b>2011-2012</b>	<b>2010-2011</b>
(a) Pesticides	20,39,09,062	16,88,79,844
(b) Micro-Fertilizer/Bio Fertilizer	43,71,663	4,52,38,580
<b>TOTAL</b>	<b>20,82,80,725</b>	<b>21,41,18,424</b>

**(C) Break-up of closing & Opening value of inventories**

<b>Particulars</b>	<b>Closing Inventory</b>		<b>Opening Inventory</b>	
	<b>2011-2012</b>	<b>2010-2011</b>	<b>2011-2012</b>	<b>2010-2011</b>
(a) Pesticides	1,76,08,742	93,77,425	93,77,425	68,54,648
(b) Micro-Fertilizer/Bio Fertilizer	19,75,820	33,35,155	33,35,155	43,21,066
<b>TOTAL</b>	<b>1,95,84,562</b>	<b>1,27,12,580</b>	<b>1,27,12,580</b>	<b>1,11,75,714</b>

**(D) Earnings in Foreign Exchange :**

Particulars	2011-2012	2010-2011
On account of Export Sale 1		
a) at FOB Basis	85,29,436	94,03,876
b) at CIF Basis	--	--

**(E) Expenditure in Foreign Currency :**

Particulars	2011-2012	2010-2011
1. Traveling Expenses	--	--
2. Other Expenses	--	--
3. CIF Value of Imports of raw materials, components and finished goods	1,15,66,301	36,57,342
4. Imports of Capital Goods	---	---

**(F) Value of Raw materials, Stores, Spare Parts and Components consumed:-**

## 1. Raw Materials:-

Particulars	2011-2012		2010-2011	
	Amount	%	Amount	%
i) Imported	1,15,66,301	10	36,57,342	3
ii) Indigeneous	11,75,23,161	90	12,12,50,160	97
Total	12,90,89,462	100	12,49,07,502	100

## 2. Stores, Spare Parts and Components

Particulars	2011-2012		2010-2011	
	Amount	%	Amount	%
i) Imported	---	---	---	---
ii) Indigeneous	2,24,56,389	100	2,06,81,330	100
Total	2,24,56,389	100	2,06,81,330	100

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, 2012 :-

**(A) Relationships :**

## (i) Key Management Personnel &amp; Relatives:-

- (a) Shri Ram Kuber Dubey, C & MD
- (b) Shri Dhirendra Dubey, Whole-time Director
- (c) Shri Nikhil Dubey, Whole-time Director
- (d) Smt. Mithala Dubey
- (e) Smt. Anamika Dubey
- (f) Smt. Madhulika Dubey



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

(a) M/s Ram Kumar Dhirendra 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	
	2011-12	2010-2011	2011-12	2010-2011
(i) Interest Paid	12,18,689	11,65,679	5,374	2,32,419
(ii) Salary & other benefits	18,97,016	18,94,516	-	-
(iii) Outstanding payable as on 31st March, 2012	99,04,211	89,39,988	7,776	2,02,939

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

Particulars	2011-2012	2010-2011
Profit after Tax	71,33,938	78,06,688
Weighted average number of Equity Shares of Rs.10/- each	64,88,050	59,83,300
Earnings Per Share (Re)	1.10	1.30

As per our annexed report of even date

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

(D.K. DUBEY)  
Whole Time Director

(N.K. DUBEY)  
Whole Time Director

For R.C. Baheti & Co.  
Chartered Accountants

(R.C. BAHETI)  
Partner  
Firm Registration No. : 403034C  
Membership No. : 010997

Place : Bhopal  
Dated : 31<sup>st</sup> May, 2012

# Consolidated Financial Statements

## Auditors' Report

### To the Board of Directors of Kilpest India Limited

1. We have audited the attached consolidated Balance Sheet of Kilpest India Limited and its subsidiary M/s 3B BlackBio Biotech India Limited as at 31st March 2012, Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date.
2. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and notified under sub-section (3C) of Section 211 of the Companies Act, 1956.
4. On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of Kilpest India Limited and its subsidiary 3B BlackBio Biotech India Limited, we are of the opinion that
  - a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Kilpest India Limited and its subsidiary 3B BlackBio Biotech India Limited as at 31st March, 2012.
  - b) The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Kilpest India Limited and its subsidiary 3B BlackBio Biotech India Limited for the year then ended; and
  - c) The Consolidated Cash Flow Statement gives a true and fair view of the cash flows of Kilpest India Limited and its subsidiary 3B BlackBio Biotech India Limited for the year then ended.

For R.C. Baheti & Co.  
Chartered Accountants

(R.C. BAHETI)  
Partner  
Firm Registration No. : 403034C  
Membership No. : 010997

Place : Bhopal  
Dated: 31<sup>st</sup> May, 2012

**Consolidated Balance Sheet as at 31st March, 2012**

Particulars	Schedule	As at 31st March, 2012		As at 31st March, 2011
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS FUNDS</b>				
a. Share capital	A	6,48,80,500	6,29,58,000	
b. Reserves and Surplus	B	<u>2,55,29,198</u>	<u>2,10,74,035</u>	8,40,32,035
Share Application Money Pending Allotment			14,63,625	--
Minority Interest			(30,64,014)	4,90,000
<b>Non-current liabilities</b>				
a. Long term Borrowings	C	1,42,01,288	1,43,78,782	
b. Deferred tax liabilities		60,89,784	5,22,97,84	
c. Other long term Liabilities		--	--	
d. Long-term provisions		<u>--</u>	<u>--</u>	1,96,08,566
<b>Current liabilities</b>				
a. Short term borrowings	D	4,18,48,128	2,05,99,564	
b. Trade payables	E	6,60,59,191	5,23,35,959	
c. Other current liabilities	F	24,38,926	24,17,490	
d. Short term provisions	G	<u>18,20,000</u>	<u>11,21,66,245</u>	8,46,60,063
<b>TOTAL</b>			<b>22,12,66,626</b>	<b>18,87,90,664</b>
<b>ASSETS</b>				
Non-current assets				
(a) Fixed assets				
(i) Tangible assets	H-1	3,43,41,286	3,44,23,154	
(ii) Intangible assets	H-2	75,48,063	31,58,063	
(iii) Capital work -in-progress		--	--	
(b) Non-current investments	I	100	100	
(c) Long term loans & advances	J	<u>4,96,600</u>	<u>4,23,86,049</u>	3,76,58,481
<b>Current assets</b>				
(a) Current investment		--	--	
(b) Inventories	K	4,36,13,020	3,64,87,613	
(c) Trade receivables	L	10,51,04,307	10,08,42,271	
(d) Cash & cash equivalents	M	1,11,77,023	35,14,955	
(e) Short-term loans & advances	N	1,89,86,227	1,02,87,344	
(f) Other current assets		<u>--</u>	<u>17,88,80,577</u>	15,11,32,183
<b>TOTAL</b>			<b>22,12,66,626</b>	<b>18,87,90,664</b>

Significant Accounting Policies &amp; Notes on Accounts Schedule "V"

As per our annexed report of even date

(R.K. DUBEY)  
Chairman & Mg. DirectorFor R.C. Baheti & Co.  
Chartered Accountants(D.K. DUBEY)  
Whole Time Director

(R.C. BAHETI)

(N.K. DUBEY)  
Whole Time DirectorPartner  
Firm Registration No. : 403034C  
Membership No. : 010997Place : Bhopal  
Dated : 31<sup>st</sup> May, 2012

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2012**

Particulars	Schedule	For the Year ended 31st March 2012	For the Year ended 31st March 2011
<b>I. INCOME</b>			
SALES	O	21,27,55,943	21,41,18,424
INCREASE / DECREASE IN STOCK FINISHED GOODS	P	68,71,982	15,36,866
OTHER INCOME		9,51,115	3,35,811
<b>TOTAL</b>		<b>22,05,79,040</b>	<b>21,59,91,101</b>
<b>II. EXPENDITURE</b>			
MATERIALS CONSUMED			
(A) RAW MATERIALS	Q	13,09,76,946	12,49,07,502
(B) PACKING MATERIALS	R	2,18,48,959	1,98,83,879
MANUFACTURING EXPENSES	S	25,58,474	22,45,962
TAXES ON SALES		77,12,332	84,56,319
EXPENDITURE ON PERSONNEL	T	1,39,81,095	95,12,419
ADMINISTRATIVE SELLING & GENERAL EXPENDITURE	U	3,18,27,882	3,30,38,545
INTEREST		71,73,754	43,12,673
DEPRECIATION		19,38,749	19,43,114
<b>TOTAL</b>		<b>21,80,18,191</b>	<b>20,43,00,413</b>
<b>III. PROFIT</b>			
<b>PROFIT BEFORE INCOME TAX</b>		25,60,849	1,16,90,688
LESS:- PROVISION FOR INCOME TAX			
CURRENT	18,20,000		23,30,000
DEFERRED	<u>8,60,000</u>	<u>(26,80,000)</u>	<u>15,54,000</u>
<b>PROFIT AFTER TAX</b>		<u>(1,19,151)</u>	<u>78,06,688</u>
LESS:- PROPOSED DIVIDEND		--	59,83,300
TAX ON DIVIDEND		--	<u>9,93,750</u>
		<u>(1,19,151)</u>	<u>8,29,638</u>
ADD:- BALANCE OF PROFIT BROUGHT FORWARD FROM PREVIOUS YEAR		1,84,91,931	1,76,62,293
<b>BALANCE CARRIED TO BALANCESHEET</b>		<b>1,83,72,780</b>	<b>1,84,91,931</b>

Significant Accounting Policies &amp; Notes on Accounts Schedule "V"

As per our annexed report of even date

(R.K. DUBEY)  
Chairman & Mg. DirectorFor R.C. Baheti & Co.  
Chartered Accountants(D.K. DUBEY)  
Whole Time Director

(R.C. BAHETI)

(N.K. DUBEY)  
Whole Time Director

Partner

Place : Bhopal  
Dated : 31<sup>st</sup> May, 2012Firm Registration No. : 403034C  
Membership No. : 010997

**Consolidated cash flow statement for the financial year 2011-2012**

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>(A) Cash flow from operating activities :</b>		
Net Profit before tax & Extra Ordinary items.	25,60,849	1,16,90,688
Adjustment for:		
Pre-Operative & Project Expenses	--	(6,12,226)
Preliminary Expenses	--	(77,164)
Depreciation	19,38,749	19,43,114
Interest	71,73,754	43,12,673
Operating Profit before working capital changes	<u>1,16,73,352</u>	<u>1,72,57,085</u>
Adjustment for:		
Inventories	(71,25,407)	(58,29,466)
Trade & Other Receivables	(1,29,60,919)	(2,61,82,976)
Trade Payables & Other Liabilities	1,37,44,668	1,21,28,751
Cash Generated From Operations	53,31,694	(26,26,606)
Income Tax Paid	(23,30,000)	(11,02,000)
<b>Net Cash used/available From</b>	<u>30,01,694</u>	<u>(37,28,606)</u>
<b>(B) Cash Flow From Investing Activities:-</b>		
Purchase of Fixed assets	(62,46,881)	(1,22,79,023)
Increase in Long Term Loans & Advances	(4,19,436)	---
<b>Net Cash used in Investing activities</b>	<u>(66,66,317)</u>	<u>(1,22,79,023)</u>
<b>(C) Cash flow from financing activities:-</b>		
Increase in Share capital	19,22,500	44,40,000
Share premium account	10,20,300	19,31,250
Share Application Money Pending Allotment	14,63,525	98,98,769
Increase in bank borrowings	2,01,32,187	25,39,568
Proceeds from other borrowings	9,38,983	(43,12,673)
Interest paid	(71,73,754)	---
Equity Dividend & Corporate Dividend tax Paid	(69,77,050)	---
<b>Net cash from financing activities</b>	<u>1,13,26,691</u>	<u>1,44,96,914</u>
Net increase/decrease in cash & cash equivalents a+b+c	76,62,068	(15,10,715)
Cash & cash Equivalents as at 1st April 2011 Opening balance	35,14,955	50,25,670
<b>Cash &amp; cash equivalents as at 31st March 2012 Closing balance</b>	<u>1,11,77,023</u>	<u>35,14,955</u>

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

(D.K. DUBEY)  
Whole Time Director

(N.K. DUBEY)  
Whole Time Director

For R.C. Baheti & Co.  
Chartered Accountants

(R.C. BAHETI)

Partner

Firm Registration No. : 403034C  
Membership No. : 010997

Place : Bhopal  
Dated : 31<sup>st</sup> May, 2012

## Schedules annexed to and forming part of the Consolidated Balance Sheet as on 31st March,2012

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>SCHEDULE 'A'</b>		
<b>CAPITAL</b>		
<b>Authorised share capital</b>		
1,50,00,000 Equity shares (Previous year 1,50,00,000 Equity Shares) of Rs.10 each	1,50,00,000	1,50,00,000
Issued Subscribed & Paid-up		
60,37,600 Equity shares (previous year 60,37,600 equity share) of Rs.10/-each Rs.10/- Called - up	60,37,60,00	6,03,76,000
1250000 (previous year 1250000) Warrants converted into equity Shares	31,25,000	31,25,000
220000 Equity shares ( previous year nil) of Rs 10/= each Rs 7.50 calledup	16,50,000	--
	<u>6,51,51,000</u>	<u>6,35,01,000</u>
Less:-Calls in Arrears Out of above , 7,50,000 bonus share of Rs.10/- each were allotted during the year 1994-95 by capitalsition of Revaluation Reserve and general reserve.	-2,70,500	-5,43,000
<b>TOTAL</b>	<u>6,48,80,500</u>	<u>6,29,58,000</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Share Premium Account</b>		
Balance as per last year	19,31,250	
Addition during the year	<u>10,20,300</u>	19,31,250
<b>GENERAL RESERVE</b>		
Balance as per last year	6,50,854	6,50,854
<b>PROFIT &amp; LOSS ACCOUNT</b>		
Balance of profit & loss account	1,83,72,780	
Add:-Minority Interest in Net Loss of subsidiary 3 B Black Bio Bio-tech India Limited	<u>35,54,014</u>	2,19,26,794
<b>TOTAL</b>	<u>2,55,29,198</u>	<u>2,10,74,035</u>

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>SCHEDULE 'C'</b>		
<b>LONG TERM BORROWINGS</b>		
(a) Term Loans		
(i) Term loan from State Bank of India secured against certain items of plant and machinery	1,25,379	10,82,555
(ii) Term loan from State Bank of India secured against certain items of plant and machinery	<u>21,93,598</u>	<u>23,52,799</u>
	23,18,977	34,35,354
(b) Deposits (unsecured)		
(i) From Directors	98,52,683	74,86,908
(ii) From others	<u>20,29,628</u>	<u>34,56,520</u>
	1,18,82,311	1,09,43,428
<b>TOTAL</b>	<b>1,42,01,288</b>	<b>1,43,78,782</b>
<b>SCHEDULE 'D'</b>		
<b>SHORT TERM BORROWING</b>		
(A) Loans repayable on demand		
(i) From bank		
(a) Cash credit from State Bank of India secured by hypothecation of inventories & book debts and further secured by first charge on land and building both present and future and hypothecation of machineries	3,95,26,767	2,05,99,564
(b) Cash Credit from State bank of india -Secured by hypothecation of inventories and Book Debts	23,21,361	---
<b>TOTAL</b>	<b>4,18,48,128</b>	<b>2,05,99,564</b>
<b>SCHEDULE 'E'</b>		
<b>TRADE PAYABLES</b>		
(I) Sundry creditors for goods supplied/services	6,60,59,191	5,23,35,959
<b>TOTAL</b>	<b>6,60,59,191</b>	<b>5,23,35,959</b>
<b>SCHEDULE 'F'</b>		
<b>OTHER CURRENT LIABILITIES</b>		
(a) Unpaid/Unclaimed Dividend	3,150	3,150
(b) Taxes payable	60,000	55,900
(c) Trade deposits	10,10,000	11,35,000
(d) Income tax deducted at source	4,25,792	5,21,356
(e) Other outstanding liabilities	9,39,984	7,02,084
<b>TOTAL</b>	<b>24,38,926</b>	<b>24,17,490</b>
<b>SCHEDULE 'G'</b>		
<b>SHORT TERM PROVISIONS</b>		
(I) Provision for Income Tax	18,20,000	23,30,000
(ii) Proposed Dividend	---	59,83,300
(iii) Tax on Proposed Dividend	---	9,93,750
<b>TOTAL</b>	<b>18,20,000</b>	<b>93,07,050</b>

**SCHEDULE 'H-1'**  
**FIXED ASSETS-TANGIBLE**

**Schedule annexed to and forming part of the Consolidated Balance Sheet as on 31st March, 2012**

S.NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		Gross. Block As on 01/04/2011	Addition during the year	Sale/ Transfers During the Year	Total Assets As on 31-3-2012	Total Depreciation Upto 31-3-2011	Provided For the Year	Total Depreciation Upto 31-3-2012	As on 31-3-2012	AS ON 31-3-2011
1	Leasehold Land	15,40,000	--	--	15,40,000	--	--	--	15,40,000	15,40,000
2	Free hold Land	49,35,755	--	2,96,060	46,39,695	--	--	--	46,39,695	49,35,755
3	Factory Building	35,54,811	--	--	35,54,811	20,67,343	1,18,731	21,86,074	13,68,737	14,87,468
4	Office Building	5,93,290	--	--	5,93,290	1,74,078	9,671	1,83,749	4,09,541	4,19,212
5	R & D Building	96,79,287	7,36,044	--	1,04,15,331	13,78,263	1,69,665	15,47,928	88,67,403	83,01,024
6	R & D Equipment	97,53,828	5,70,015	--	1,03,23,843	6,65,533	4,90,382	11,55,915	91,67,928	90,88,295
7	Plant & Machinery	74,25,222	1,29,094	--	75,54,316	42,38,738	3,58,520	45,97,258	29,57,058	31,86,484
8	Pollution Control Equipment	7,40,000	405	--	7,40,405	1,39,658	35,150	1,74,808	5,65,597	6,00,342
9	Electrical Installations	4,56,787	65,422	--	5,22,209	2,74,529	22,647	2,97,176	2,25,033	1,82,258
10	Laboratory Equipments	32,28,219	7,600	--	32,35,819	23,29,720	1,53,701	24,83,421	7,52,398	8,98,499
11	Air-Conditaioners & Refreigerators	4,89,070	31,905	--	5,20,975	2,17,428	24,746	2,42,174	2,78,801	2,71,642
12	Generator	5,88,960	--	--	5,88,960	4,05,376	27,976	4,33,352	1,55,608	1,83,584
13	Vehicles	36,44,377	3,49,850	--	3994,227	22,44,257	3,79,451	26,23,708	13,70,519	14,00,120
14	Office Equipments & Machinery	5,83,493	7,345	--	5,90,838	3,10,004	28,065	3,38,069	2,52,769	2,73,489
15	Computers	7,69,359	2,31,290	--	10,00,649	7,38,959	18,693	7,57,652	2,42,997	30,400
16	Furniture & fixtures	9,02,198	81,606	--	9,83,804	6,18,792	50,741	6,69,533	3,14,271	2,83,406
17	R & D Furniture & fixtures	6,61,560	34,800	--	6,96,360	1,05,994	44,080	1,50,074	5,46,286	5,55,566
18	Tubewell	1,03,154	3,800	--	1,06,954	19,590	6,530	26,120	80,834	83,564
19	Equipments	49,320	3,88,491	--	4,37,811	--	--	--	4,37,811	49,320
20	Computers & software	40,500	1,27,500	--	1,68,000	--	--	--	1,68,000	40,500
21	Pre-Operative Project Expenses	6,12,226	--	6,12,226	--	--	--	--	--	6,12,226
	<b>TOTAL</b>	<b>5,03,51,416</b>	<b>27,65,167</b>	<b>9,08,286</b>	<b>5,22,08,297</b>	<b>1,59,28,262</b>	<b>19,38,749</b>	<b>1,78,67,011</b>	<b>3,43,41,286</b>	<b>3,44,23,154</b>
	Figure for the Previous year	4,06,18,230	91,20,960	---	4,97,39,190	1,39,85,148	19,43,114	1,59,28,262	3,44,23,154	2,66,33,000

**SCHEDULE 'H-2'**  
**FIXED ASSETS-INTENGIBLE**

1	Technology Fees	31,58,063	43,90,000	--	75,48,063	--	--	--	75,48,063	31,58,063
	<b>TOTAL</b>	<b>31,58,063</b>	<b>43,90,000</b>	<b>--</b>	<b>75,48,063</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>75,48,063</b>	<b>31,58,063</b>
	Figure for the Previous year	---	<b>31,58,063</b>	--	<b>31,58,063</b>	--	--	--	<b>31,58,063</b>	--



Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>SCHEDULE 'I'</b>		
<b>NON-CURRENT INVESTMENTS</b>		
Non-trade Investment		
(II) OTHER-UNQUOTED		
One Equity share(Previous year One Equity share) of Rs. 100/- Paid-up in GOVINDPURA AUDYOGIK KSHETRA PRADUSHAN NIVARAN KENDRA	100	100
<b>TOTAL</b>	<b>100</b>	<b>100</b>
<b>SCHEDULE 'J'</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
(I) Deposits-unsecured ,considered good	4,96,600	77,164
<b>TOTAL</b>	<b>4,96,600</b>	<b>77,164</b>
<b>SCHEDULE 'K'</b>		
<b>INVENTORIES</b>		
(At cost except otherwise stated-as valued, verified and certified by the Management)		
(i) Raw Materials	1,80,85,780	1,71,62,703
(ii) Packing Materials	53,36,541	60,09,780
(iii) Miscellaneous Stock	6,06,137	6,02,550
(iv) Finished Goods	1,95,84,562	1,27,12,580
(At cost or market price whichever is lower)		
<b>TOTAL</b>	<b>4,36,13,020</b>	<b>3,64,87,613</b>
<b>SCHEDULE 'L'</b>		
<b>TRADE RECEIVABLES:-</b>		
(A) Trade receivables outstanding for a period less than six months from the date they are due for payment		
(i) Secured,considered good	---	---
(ii) Unsecured,considered good	6,81,89,807	6,37,84,251
(iii) Doubtful	---	---
Less:-Allowance for bad & doubtful debts	---	---
	<u>6,81,89,807</u>	<u>6,37,84,251</u>
(B) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
(i) Secured,considered good	---	---
(ii) Unsecured,considered good	3,69,14,500	3,70,58,020
(iii) Doubtful	---	---
Less:-Allowance for bad & doubtful debts	---	---
	<u>3,69,14,500</u>	<u>3,70,58,020</u>
<b>TOTAL</b>	<b>10,51,04,307</b>	<b>10,08,42,271</b>

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>SCHEDULE 'M'</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
(A) Balance with Bank:		
(i) Earmarked Bank Balance:		
Unpaid dividend bank account	10,720	10,720
(ii) Bank Balance held as margin money or as security against:		
1) Letters of Credit	---	---
2) Other Commitment	3,54,229	1,25,699
(iii) Other Bank Balance		
1) Other Balances in current account	97,56,223	14,72,742
(B) Cash on Hand	10,55,851	19,05,794
<b>TOTAL</b>	<b>1,11,77,023</b>	<b>35,14,955</b>

**SCHEDULE 'N'****SHORT-TERM LOANS ADVANCES:**

Unsecured, considered good :

(i) Advance Income Tax	11,91,177	15,58,499
(ii) Balance with Excise and Sales Tax Authorities	94,457	1,02,546
(iii) Others	1,77,00,593	77,03,299
(Advance for goods purchase, prepaid expenses & Other Trade advances )		

<b>TOTAL</b>	<b>1,89,86,227</b>	<b>1,02,87,344</b>
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**Schedules annexed to and forming part of the consolidated Profit and Loss Statement for the year ended 31st March, 2012**

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>SCHEDULE 'O'</b>		
<b>SALES</b>		
At Bhopal	18,38,77,098	18,73,17,837
At Raipur/bilaspur Ddepot	4,32,09,394	3,60,52,873
At Lucknow Depot	57,89,367	89,84,338
At Cuttack Depot	6,50,675	---
	23,35,26,534	23,23,55,048
Less:-Excise Duty	2,07,70,591	1,82,36,624
<b>Total</b>	<b>21,27,55,943</b>	<b>21,41,18,424</b>
<b>SCHEDULE 'P'</b>		
<b>INCREASE/DECREASE IN STOCK OF FINISHED GOODS</b>		
Closing stock	1,95,84,562	1,27,12,580
Less:-Opening stock	1,27,12,580	1,11,75,714
<b>Total</b>	<b>68,71,982</b>	<b>15,36,866</b>

Particulars	For the year ended 31st March 2012		For the year ended 31st March 2011	
<b>SCHEDULE 'Q'</b>				
<b>RAW MATERIALS CONSUMED</b>				
<b>1. Chemicals &amp; Other Raw Materials</b>				
Opening Stock	1,53,64,515		1,21,89,526	
Purchases	<u>12,67,49,484</u>		<u>11,99,25,379</u>	
	14,21,13,999		13,21,14,905	
Less :- Closing Stock	<u>1,72,56,989</u>	12,48,57,010	<u>1,53,64,515</u>	11,67,50,390
<b>2. Soapstone &amp; Other Raw Materials</b>				
Opening Stock	9,23,007		11,54,531	
Purchases	<u>60,25,720</u>		<u>79,25,588</u>	
	69,48,727		90,80,119	
Less :- Closing Stock	<u>8,28,791</u>	61,19,936	<u>9,23,007</u>	81,57,112
<b>TOTAL</b>		<b>13,09,76,946</b>		<b>12,49,07,502</b>
<b>SCHEDULE 'R'</b>				
<b>PACKING MATERIALS CONSUMED</b>				
Opening Stock	60,09,780		51,53,687	
Purchases	<u>2,11,75,720</u>		<u>2,07,39,972</u>	
	2,71,85,500		2,58,93,659	
Less :- Closing Stock	<u>53,36,541</u>	2,18,48,959	<u>60,09,780</u>	1,98,83,879
<b>TOTAL</b>		<b>2,18,48,959</b>		<b>1,98,83,879</b>
<b>SCHEDULE 'S'</b>				
<b>MANUFACTURING EXPENSES</b>				
Power Charges		11,11,462		12,08,007
Laboratory Expenses		1,54,953		53,103
Carriage Inward		87,381		21,745
Factory & Stacking Expenses		2,54,849		--
Loading & Unloading Expenses		24,264		18,960
Consumption of Stores and Spare Parts		8,14,188		7,97,451
Repairs to Plant & Machinery		47,112		86,495
Generator Running & Maintenance		64,265		60,201
<b>TOTAL</b>		<b>25,58,474</b>		<b>22,45,962</b>

Particulars	For the year ended 31st March 2012		For the year ended 31st March 2011	
<b>SCHEDULE 'T'</b>				
<b>EXPENDITURE ON PERSONNEL</b>				
<b>1. Factory Staff</b>				
Salaries, Wages & bonus	57,02,886		51,33,664	
Contribution to Provident and Gratuity Funds	<u>3,20,915</u>	60,23,801	<u>2,51,589</u>	53,85,253
<b>2. Office Staff</b>				
Salaries and Bonus	75,55,321		37,84,519	
Contribution to Provident and Gratuity Funds	<u>4,01,973</u>	79,57,294	<u>3,42,647</u>	41,27,166
<b>TOTAL</b>		<u>1,39,81,095</u>		<u>95,12,419</u>
<b>SCHEDULE 'U'</b>				
<b>ADMINISTRATIVE SELLING AND GENERAL EXPENDITURE</b>				
Advertisement & Publicity		13,66,803		9,77,082
AUDIT FEE	25,000		20,000	
For audit	<u>35,000</u>	60,000	<u>20,000</u>	40,000
For Other Services				
Bank Commission & Charges		10,00,622		4,76,552
Building & General Maintenance		2,62,656		7,40,507
Commission on Sales		39,14,249		37,70,584
Directors Remuneration & Sitting fess		18,97,016		18,94,516
Insurance		1,31,109		2,84,084
Legal & Professional Fess		5,18,197		4,40,900
Miscellaneous Expenses		76,47,061		97,27,863
Outward Freight & Forwarding Expenses		69,69,644		62,51,509
Rent		34,100		1,04,776
Rates, Taxes & Fees		7,49,580		13,45,426
R & D Expenses				
Salary & Bonus	15,69,762		13,99,841	
Consumption of Stores	74,015		2,67,135	
Other Expenditure	<u>1,05,841</u>	17,49,618	<u>5,46,881</u>	22,13,857
Travelling & Conveyance		32,13,716		26,14,936
Telephones and Postage		4,86,619		6,36,322
Vehicle Maintenance & Hire Charges		3,04,361		3,52,314
Workmen & Staff Welfare Expenses		15,22,531		11,67,317
<b>TOTAL</b>		<u>3,18,27,882</u>		<u>3,30,38,545</u>

# KILPEST INDIA LIMITED, BHOPAL

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON THE CONSOLIDATED ACCOUNTS Schedule V

### Notes on Consolidated Accounts

#### A. BASIS OF CONSOLIDATION

The consolidated financial statements relate to Kilpest India Limited and its subsidiary company 3B Blackbio Biotech India Limited in which the parent company holds 51% voting right.

##### a) Basis of Accounting

- i) The financial statement of subsidiary company used in consolidation are drawn upto same reporting date as of the company, i.e. for the year ended 31<sup>st</sup> March 2012.
- ii) The financial statements of the group have been prepared in accordance with the applicable accounting standards in India and generally accepted accounting policies.

##### b) Principles of Consolidation

The consolidated financial statements have been prepared on the following basis :

- i) The financial statement of the company and its subsidiary have been consolidated on line-by line basis adding together the book value of like items of assets, liabilities after eliminationg intra group balances and intra group transactions and unrealized profit if any as per Accounting Standard (AS-21) Consolidated Financial Statements.
- ii) The consolidated financial statements are presented, in the same format as that adopted by the company for its separate financial statements.
- iii) Minority interest in the net assets of subsidiary consists of the amount of equity after deducting the amount of net loss attributable to minority.

#### B. 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. Use of Estimates

The presentation of financial statements are in conformity with the generally accepted accounting principles which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on the management's evaluation of relevant facts and circumstances as on date of financial statements. The actual outcome may diverge from these estimates.

##### 3. 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.

##### 4. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on that date of transaction

##### 5. Fixed Assets :

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

##### 6. Depreciation / Amortisation :

- 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.
- iii) No depreciation / Amortisation has been provided on assets related to subsidiary.

7. **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.
8. **Investments :-**  
 Investments classified as Long Term Investments are stated at cost.

**C. 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. During the previous year the company had entered into a license agreement with M/s Biotoools Biotechnological & Medical Laboratories, S.A., Madrid, Spain and M/s 2B Black Bio, S.L., Madrid, Spain for providing technology, know-how and right to manufacture, market, distribute and sell the products on payment of technology fees. In the year, 2010-2011, company had paid technology fees of ₹0,000 converted into Indian currency Rs.31,58,063 and during the year 2011-2012 company further paid a sum of ₹7500 converted into Indian currency 43,90,000. Company has not accounted for remaining liability on account of technology fees and interest.
4. The provision for Income Tax has been made as per the provisions of Section 115JB of the Income Tax Act, 1961.
5. Amount held in margin accounts with State Bank of India, T.T. Nagar Branch, Bhopal is Rs. 3,54,259 (previous year Rs.1,25,699).
6. Contingent Liabilities :
- |   | <b>2011-2012</b> | <b>2010-2011</b> |
|---|------------------|------------------|
| i) Guarantees given on behalf of the Company by Company's bankers | 35,26,088        | 12,56,502        |
| ii) Income Tax Matter Under Appeal.                               | 21,09,577        | ---              |
7. 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.
8. Expenditure on Scientific Research :-
- |                        |   |
|------------------------|---|
| a) Capital Expenditure | Rs. 13,40,859 (Previous Year Rs. 81,05,772) |
| b) Revenue Expenditure | Rs. 17,49,618 (Previous Year Rs. 22,13,857) |
9. **DIRECTORS' REMUNERATION**
- |                | <b>2011-2012</b> | <b>2010-2011</b> |
|----------------|------------------|------------------|
| Remuneration   | 16,20,000        | 16,20,000        |
| Other benefits | 1,82,016         | 1,82,016         |
| Sitting fees   | 95,000           | 92,500           |
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, 2012:-

**(A) Relationships :**

- (i) Key Management Personnel & Relatives:-
- Shri Ram Kuber Dubey, C & MD
  - Shri Dhirendra Dubey, Whole-time Director
  - Shri Nikhil Dubey, Whole-time Director
  - Smt. Mithala Dubey
  - Smt. Anamika Dubey
  - Smt. Madhulika Dubey
- (ii) Enterprises over which key management personnel and/ or their relatives have significant influence:
- M/s Ram Kumar Dhirendra 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	
	2011-12	2010-2011	2011-12	2010-2011
(i) Interest Paid	12,18,689	11,65,679	5,374	2,32,419
(ii) Salary & other benefits	18,97,016	18,94,516	-	-
(iii) Outstanding payable as on 31st March, 2012	99,04,211	89,39,988	7,776	2,02,939

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

Particulars	2011-2012	2010-2011
Profit after Tax	71,33,938	78,06,688
Weighted average number of Equity Shares of Rs.10/- each	64,88,050	89,83,300
Earnings Per Share (Re)	1.10	1.30

As per our annexed report of even date

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

(D.K. DUBEY)  
Whole Time Director

(N.K. DUBEY)  
Whole Time Director

For R.C. Baheti & Co.  
Chartered Accountants

(R.C. BAHETI)

Partner

Firm Registration No. : 403034C  
Membership No. : 010997

Place : Bhopal  
Dated : 31<sup>st</sup> May, 2012

**Statement pursuant to Section 212 of the Companies Act, 1956,  
relating to Subsidiary Companies**

1. Name of the Subsidiary : 3B BlackBio Biotech India Ltd.
2. Financial year of the subsidiary company ended on : 31.03.2012
3. Date from which it became Subsidiary : 12.11.2010
4. (a) Number of shares held by Kilpest India Ltd. (Holding Company) the financial year of the Subsidiary : 51,000 equity shares of Rs. 10/-
- (b) Extent of share holding interest of Holding Company at the end of financial year of the subsidiary : 51%
5. The Net aggregate amount of the Subsidiary's Profit/(Losses) so far as it concerns the members of the Holding Company not dealt with the Holding Company's accounts.
- (i) For the financial year ended 31<sup>st</sup> March 2012 : 36,99,075
- (ii) For the previous year : NIL
6. The Net aggregate amount of the Profit of the Subsidiary which has been dealt with in the accounts of the Holding Company.
- (i) For the financial year ended 31<sup>st</sup> March 2012 : NIL
- (ii) For the previous year : NIL
7. Material changes between the end of the Financial Year of the Subsidiary and the Holding Company's financial year. : N.A.

(R.K. DUBEY)  
Managing Director

For R.C. Baheti & Co.  
Chartered Accountants

(D.K. DUBEY)  
Director

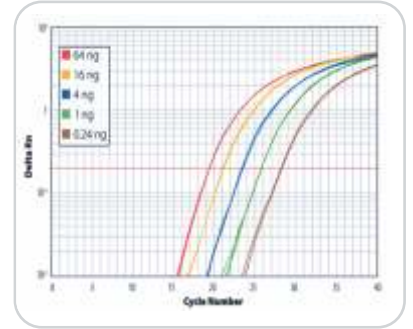
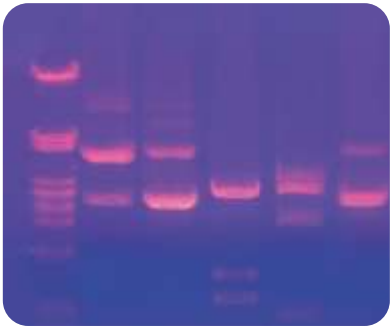
(R.C. BAHETI)  
Partner  
Firm Registration No. : 403034C  
Membership No. : 010997

(N.K. DUBEY)  
Director

Place : Bhopal  
Dated : 31<sup>st</sup> May, 2012

Place : Bhopal  
Dated : 31<sup>st</sup> May, 2012





## 3B BlackBio Biotech India Ltd

A joint venture of Kilpest India Limited, 2B BlackBio, S.L. and Biotools B&M Labs, S.A. Madrid, Spain

**Provider of PCR enzymes, reagents, Molecular Diagnostic Kits, Electrophoresis Chemicals and Thermal cyclers**