



India's Leading Agri Bio-Tech Company

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AN ISO 9001 : 2008 CERTIFIED COMPANY

**ANNUAL
REPORT
2013**

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

KILPEST INDIA LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the FORTYFIRST ANNUAL GENERAL MEETING of KILPEST INDIA LIMITED, will be held at the Registered office of the Company at 7-C, Industrial Area, Govindpura, Bhopal 462 023 on Monday the 30th September, 2013 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri R.K. Choubey who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of CA Shabbar Husain, who retires by rotation and being eligible, offers him for re-appointment.
4. To appoint auditors and fix their remuneration for the year ending on 31st March, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

(R.K. DUBEY)
CHAIRMAN & MG. DIRECTOR

Place: Bhopal
Dated: 29th May, 2013

Registered Office: 7-C, Industrial Area,
Govindpura, Bhopal-462 023.

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FOURTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- Members are requested to notify immediately to the Company any change in their address.
- The Register of Members and share transfer books of the company will remain closed from 21st September 2013 to 30th September, 2013 both days inclusive.

KILPEST INDIA LIMITED

BHOPAL

FORTY FIRST ANNUAL REPORT AND ACCOUNTS 2012-2013

BOARD OF DIRECTORS	: MR. R.K. DUBEY CHAIRMAN & MANAGING DIRECTOR
	MR. D.K. DUBEY } MR. N.K. DUBEY } WHOLETIME DIRECTORS
	CA. SHABBAR HUSAIN } MR. B.M. SAIHGAL } INDEPENDENT MR. R.K. CHOUBEY } DIRECTORS
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.
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 Forty First Annual Report, together with the Audited Accounts for the year ended 31st March, 2013 as follows:

FINANCIAL RESULTS

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

	Year ended 31-03-2013	Year ended 31-03-2012
Sales Turnover	1955.57	2082.81
Profit before Depreciation	97.41	117.52
Less: Depreciation	21.55	19.38
Profit before Tax	75.85	98.00
Less: Provision for Taxation	19.20	27.00
Net Profit after Tax	56.65	71.33

PERFORMANCE FOR THE YEAR 2012-2013

The Year 2012-13 ended average although there was growth of 10% in Brand sales in Agriculture market, but the sales to Government department for Public Health use was down by Rs.24 millions and as this is tender business, which did not materialize in 12-13, as it has long process time involved. However this year has started well and company has received orders of Rs.20 Millions from various Government Departments, with these orders and Good Monsoon, your company should end the year well with good numbers.

On Export front company has registered few of its Products in Middle-East region and Nepal in current year which will start the commercial cycle in 13-14, also with more distributors added in Bangladesh, the sales which has been static in that region is also slated to improve well.

Further the Company is increasing its focus on R&D and introducing new R&D based products, increasing business area in adjoining reach markets and by aggressively promoting marketing efforts in existing area. New products for exports are being registered which will augur well for the Company in coming years.

As has already been communicated that the Biotech JV "3B BlackBio Biotech" is scaling up well, and in coming years will become a dominant player in the Indian Diagnostic & Biotech R&D Field.

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i. The company has followed the applicable accounting standards in the preparation of the Annual Account for the year under review.

- ii. The Directors have made judgments 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, 2013 and its profit for the year ended on that date.
- iii. The company has a proper and adequate system of internal control to ensure that all assets are safeguarded against losses and the system is capable of detecting frauds and other irregularities.
- iv. The annual accounts placed before you have been prepared on a going concern basis.

DIVIDEND

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

CURRENT LISTING

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

DIRECTORS

Shri R.K.Choubey & CA Shabbar Husain 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, Practicing 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, PANCHANAN BHAWAN, T.T. NAGAR, BHOPAL** for their support and co-operation.

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

Place : Bhopal
Dated : 29th May, 2013

**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, 2013

A. CONSERVATION OF ENERGY

- a) Energy conservation measures taken:
- (i) The Company has further accelerated its efforts to conserve energy and has been able to achieve results this year also.
 - (ii) Some of the measures implemented are:
 - (iii) Planned production for maximum utilization of services.
 - (iv) Stoppage of utilities when not required.
 - (v) 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°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

	Year ended 31-03-2013	Year ended 31-03-2012
1. Electricity		
(a) Purchased Units (KWH)	2,35,426	2,02,450
Total Amount (Rs.)	17,06,845	13,36,462
Average Rate/Unit (Rs.)	7.25	6.60
(b) Own Generator		
i) Through Diesel Generator		
Units (KWH)	1125	1150
Units/Ltr. of Diesel	1.0	1.0
Cost/Unit (Rs.)	50.00	45.50
ii) Through Steam Turbine/ Generator	NOT APPLICABLE	
2. Coal	NOT APPLICABLE	
3. Fuel Furnace Oil + Light	NOT APPLICABLE	
Diesel Oil	NOT APPLICABLE	
Quantity (KL)	NOT APPLICABLE	
Total Amount (Rs.)	NOT APPLICABLE	
Average Rate/KL (Rs.)	NOT APPLICABLE	
4. Others/ Internal Generation	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)	and other books maintained by the company, it is
Others (Specify)	impracticable to apportion the utilities.

B TECHNOLOGY ABSORPTION

EFFORTS MADE IN TECHNOLOGY ABSORPTION

FORM B
FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO ABSORPTION

RESEARCH & DEVELOPMENT

1. Specific areas in which R&D carried out by the company:

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

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

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

3. Future plan of action:

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

4. Expenditure on R&D	31-03-2013	31-03-2012
a) Capital	4,78,033	13,40,859
b) Recurring	<u>20,95,973</u>	<u>17,49,618</u>
c) Total	<u>25,74,006</u>	<u>30,90,447</u>
d) Total R&D expenditure as a percentage of total turnover	1.31%	1.48%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology : Innovations made in manufacturing processes.
absorption, adaptation and innovation : New Products launched

2. Benefits derived as a result of the above efforts : Existing Products improved.
 : Improved productivity and process efficiencies.
 : Sales volume increased.
 : Customer trust company's products.
 : Brand image improved.
3. There is no imported technology involved this year.
 Total foreign exchange used.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	<u>2012-2013</u>	<u>2011-2012</u>
1. Foreign Exchange Earnings	1,01,85,838	85,29,436
2. Foreign Exchange Outgo	87,81,806	1,15,66,301

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

Place : Bhopal
 Dated : 29th May, 2013

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

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		
			Directorship	Committee Membership	Committee Chairmanship
01	Shri R.K.Dubey	Chairman & Mg. Director	1	-	-
02	Shri D.K. Dubey	Executive Director	1	1	-
03	Shri N.K. Dubey	Executive Director	1	-	-
04	CA Shabbar Husain	Non Executive Independent Director	-	3	2
05	Shri B.M. Saighal	Non Executive Independent Director	-	2	1
06	Shri K.N. Dubey	Non Executive Independent Director	-	1	-
07	Shri R.K. Choubey	Non Executive Independent Director	-	-	-

(ii) Meeting of the Board of Directors:-

The Board of directors provides the strategic direction and thrust to the operations of the company. During the period under review, 7 Board Meetings were held; on 7th May 2012, 31st May 2012, 26th July 2012, 4th August 2012, 29th October 2012, 29th November 2012 and 31st January 2013. The Fortieth Annual General Meeting was held on 29th September, 2012.

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

S.No.	Name of Director	No. of Board Meetings attended	Attendance at AGM held on 29-09-2012
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	5	No
05	Shri B.M. Saighal	3	No
06	Shri K.N. Dubey	1	No
07	Shri R.K. Choubey	4	No

C. DETAILS OF REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED ON 31ST MARCH, 2013.

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	21,000	6,60,000	72,000
02	Shri D.K. Dubey	21,000	5,50,000	63,408
03	Shri N.K. Dubey	21,000	5,50,000	63,408
04	CA Shabbar Husain	15,000	-	-
05	Shri B.M. Saighal	9,000	-	-
06	Shri K.N. Dubey	3,000	-	-
07	Shri R.K. Choubey	12,000	-	-

D. COMMITTEES OF THE BOARD:

(i) Audit Committee

The following Directors are members of the Audit Committee:

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

All the Members of the Committee are independent Directors. The Managing Director, Statutory Auditors and Internal Auditors 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 2012, 25th July 2012, 27th October 2012, 29th January 2013 and all the Directors were present in all the four meetings.

(ii) Share Holders'/ Investors' Grievance Committee

The following Directors are members of the Shareholders' Committee.

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, 13.

(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.Saihgale	Chairman
CA Shabbar Husain	Member
Shri R.K.Choubey	Member

The Remuneration Committee was constituted during the year on 31st January 2008.

One meeting of the Remuneration Committee was required to be held during the financial year ending 31-3-13. The meeting was held on 31st May 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:-

Annual General Meeting (AGM)	For the year	Venue	Date	Time
38 th	2009-2010	M/s Kilpest India Ltd., Regd. Office, 7-C, Industrial Area, Govindpura, BHOPAL- 462023.	30-09-2010	11.30 a.m.
39 th	2010-2011	-do-	30-09-2011	11.30 a.m.
40 th	2011-2012	-do-	29-09-2012	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, Shri R.K.Choubey & CA Shabbar Husain retire by rotation at the forthcoming Annual General Meeting. The brief particulars to these Directors are as follows:

1.
 - i) Name of the Director Shri R.K.Choubey
 - ii) Date of birth 01-12-1937
 - iii) Date of Appointment 26-12-2005
 - iv) Expertise in specific functional area Retd. Sr. Agriculture Officer
 - v) List of other Directorships held in Public Limited Companies Nil
 - vi) Chairman/Member of Committees of the Board of other Public Limited Companies in which he is a Director Member - Remuneration Committee
 - vi) Shareholding in the Company Nil

2.		
i)	Name of the Director	CA Shabbar Husain
ii)	Date of birth	02-07-1953
iii)	Date of Appointment	28-03-2003
iv)	Expertise in specific functional area	Chartered Accountant with vast experience in corporate auditing and financing.
v)	List of other Directorships held in Public Limited Companies	Nil
vi)	Chairman/Member of Committees of the Board of other Public Limited Companies in which he is a Director	Chairman – Audit Committee Member – Shareholders/Investor Grievance Committee and Remuneration Committee
vi	Shareholding in the Company	2500 shares

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
- (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 (Mumbai edition) and Business Bhaskar (Bhopal edition).

I. GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting:

Day, date and time: Monday, 30th Sept, 2013 at 11.30 am
Venue: 7-C, Industrial Area, Govindpura, Bhopal- 462 023

ii) Financial Calendar:

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

iii) Date of Book Closure :

The Company's Register of Members and Share Transfer Books shall remain closed from 21st September 2013 to 30th September 2013 (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, 2013 - is 3000.

Registrar & Transfer Agents: M/s Adroit Corporate Services Pvt. Ltd, Mumbai
Demat ISIN Numbers in : INE994E01018
NSDL & CDSL

v) **Investor Services - queries / complaints during the period ended 31st March, 2013**
During the period from 1/4/2012 to 31/3/2013 no queries / complaints / requests were received by the Company from the shareholders and investors.

vi) **Listing on Stock Exchanges:**
The Shares of the Company is 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 2012	15.30	11.50
May 2012	13.50	10.56
June 2012	12.10	10.20
July 2012	12.00	10.66
August 2012	12.00	9.25
September 2012	12.65	9.00
October 2012	12.40	10.30
November 2012	11.45	9.26
December 2012	11.10	9.40
January 2013	10.95	9.50
February 2013	10.90	8.80
March 2013	10.00	7.38

viii) **Distribution of Share Holding (As on 31st March, 2013)**

No. of Shares	Shareholders		Shares	
	Number	% of total Holders	Number	% to Total Capital
UPTO 500	1190	67.31	266207	4.15
501 - 1000	199	11.26	171763	2.68
1001 - 2000	122	6.90	196065	3.06
2001 - 3000	68	3.85	179125	2.80
3001 - 4000	25	1.41	89969	1.40
4001 - 5000	38	2.15	178796	2.79
5001 -10000	47	2.66	372140	5.81
10001 &Above	79	4.47	4954035	77.31
TOTAL	1768	100.00	6408100	100.00

ix) **Dematerialization of Shares as on 31st March, 2013**

Particulars	No. of Share Holders	No. of Shares	% of Shares
No. of Shareholders in Physical Mode	471	315900	4.43
No. of Shareholders in Electronic Mode	1297	6092200	95.07
Total	1768	6408100	100

Particulars	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2012-13	2011-12	2012-13	2011-12
Year	2012-13	2011-12	2012-13	2011-12
Number of Shares Dematerialized	1711034	1495467	4381166	4441733
Number of Shares Rematerialized	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	REGISTRAR & TRANSFER AGENT
Kilpest India Limited,	M/s Adroit Corporate Services Pvt. Ltd.,
7-C, Industrial Area,	19/20, Jaferbhoy Industrial Estate,
Govindpura,	1st Floor, Makwana Road, Marol Naka,
BHOPAL - 462 023 (MP)	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 2013.

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

Place : Bhopal
Dated : 29th May, 2013

R.K. DUBEY

CHAIRMAN & MANAGING 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, and due to intensive farming of Pest prone crops like cotton, Chili, Paddy, Soyabean etc..

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

Biotechnology JV

Life Sciences market has been growing at a reasonable pace. 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, However, due to budget constrains Orders are often delayed to year end..

For Molecular Diagnostic Market it is 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 dominated by Pharma multinationals and highly metro centric. But with launch of cheaper indigenous kits and setting up 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 years.

(b) Outlook & Opportunities

Industry offer good opportunity for growth, due to increase in use of Agro chemicals by farmers due to reasons cited above. and due to intensive farming of Pest prone crops like cotton, Chili, Paddy, Soyabean etc..

Good export potential to adjoining countries exists, which has to be tapped and company is continuously getting new products registered in these countries to encash this opportunity.

Life Sciences market offer good opportunity with increased 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 it is 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 dominated by Pharma multinationals and highly metro centric. But with launch of cheaper indigenous 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.

Agrochemical sector is monsoon dependent, but as your company is covering a wide geographic area and multiple crop products this vagary is warded off to quite a lot extent.

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 2012-13 ended average although there was growth of 10% in Brand sales in Agriculture market due to extensive marketing effort ,stringent quality control and timely supply of goods to customers, but the sales to Government department for Public Health use was down by Rs.24 millions and as this is tender business, which did not materialize in 12-13, as it has long process time involved. However this year has started well and company has received orders of Rs.20 Millions from various Government Departments, with these orders and Good Monsoon, your company should end the year well with good numbers .

On Export front company has registered few of its Products in Middle-East region and Nepal in current year .which will start the commercial cycle in 13-14, also with more distributors added in Bangladesh, the sales which has been static in that region is also slated to improve well.

Company is growing its market to adjoining areas to current markets to increase its sales.

(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, 2013 were 61.

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

Place : Bhopal
Dated : 29th May, 2013

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Kilpest India Limited,

We have examined the compliance of conditions of Corporate Governance by Kilpest India Ltd for the period ended 31st March, 2013 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, 2013, 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**

Place : Bhopal
Dated : 29th May, 2013

**(CA R.C. BAHETI)
PARTNER
Firm Registration no. 403034C
Membership No. 10997**

COMPLIANCE CERTIFICATE

Registration No. 10-001131

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 2013** (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 7 times respectively on 07/05/2012, 31/05/2012, 26/07/.2012, 04/08/2012, 29/10/2012, 29/11/2012, and 31/01/2013 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 2012 was held on 29.09.2012, 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 Preferential allotment of shares during the financial year.
 - (ii) The company has not declared 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 there under
 19. The company has issued equity Shares 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 not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
 30. The company has not 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: 29/05/2013

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

**(P.K. Rai)
C. P. No. - 3779**

Annexure A

Registers as maintained by the Company:

Statutory Registers:

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

Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March 2013

S. No.	Form No./ Return	Filed Under Section	Date of filing	Whether filed within prescribed Time Yes/No	If delay in filing whether requisite additional fee paid
1	Form 2	-	26/05/2012	Yes	No
2	Form 8	-	25/12/2012	Yes	No
3	Form 23B	-	06/08/2012	Yes	No
4	Form 23AC	220	14/01/2013	Yes	No
5	Form 23ACA	220	14/01/2013	Yes	No
6	Form 20B,	159	08/11/2012	Yes	No
7	Form 20B, 2011	159	28/01/2012	No	Yes
8	Form 66	383	22/10/2012	Yes	No
9	Form 32	-	05/07/2012	No	Yes

P.K RAI & ASSOCIATES
PRACTISING COMPANY SECRETARIES

F5/159 ZONE II M.P NAGAR
BHOPAL (M.P) Ph-2761172

Date:29/05/2013

Dear Shareholders,

Sub: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by companies and has issued circulars on April 21, 2011 inter-alia stating that a company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode.

To take part in the Green Initiative, we propose to send documents such as Notices, Annual Report etc. through electronic mode to the e-mail address, which are made available to us by the Depositories and also which are registered and / or otherwise available with the Company’s Registrar and Share Transfer Agents, Adroit Corporate Services Pvt. Ltd. from time to time.

We earnestly request you to register your email id with your Depository Participants, or when you desire to have the above documents at any alternative e-mail address, then you may accordingly register / update your email-id with your Depository Participant (for shares held in electronic form) or with the Company’s Registrar and Share Transfer Agents at adroits@vsnl.net.

Further, in case email address of any member has not been registered then the service of documents etc. will be effected by other mode of service as provided under Section 53 of the Companies Act, 1956.

We are sure that you would appreciate the “Green Initiative” taken by MCA and your Company’s desire to participate in such initiatives. It will not only be step to a Greener Earth but also be a faster mode of communication and there will be no chance of loss in postal transit.

Thank you for co-operating with us, as always,

(P.K. Rai)
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of Kilpest India Limited,

1. Report on the Financial Statements

We have audited the accompanying financial statements of Kilpest India Limited and its subsidiary, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
2. in the case of Profit & Loss Account, of profit for the year ended 31st March, 2013 and
3. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 2.27(3) of the Act, we report that:
 - (i) 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.
 - (ii) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- (iii) The Balance Sheet and the Statement of Profit & Loss dealt with by this Report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account are prepared in compliance with mandatory Accounting Standards referred to in Section 211(3 C) of the Companies Act, 1956.
- (v) As per representations received from directors and taken on record by the Board of Directors, we report that, in our opinion, none of the directors of the company is prima facie disqualified as on 31st March, 2013 from being appointed as a director under the provisions of Section 274(1)(g) of the Companies Act, 1956.
- (vi) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section prescribing the manner in which such cess is to be paid, we are not in a position to make any comments

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

Place : Bhopal
Dated : 29th May, 2013

**(CA R.C. BAHETI)
PARTNER
Firm Registration no. 403034C
Membership No. 10997**

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (5) 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. 113 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 facie 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 within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- 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, investor education and protection fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
 (b) The particulars of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute are as under:

Act	Assessment Year	Amount (Rs.)	Appeals
Income Tax Act 1961	2004-05	7,49,520/-	CIT-Bhopal
Income Tax Act 1961	2005-06	13,29,660/-	CIT-Bhopal
Income Tax Act 1961	2007-08	10,78,240/-	CIT-Bhopal
Income Tax Act 1961	2009-10	4,50,630/-	CIT-Bhopal

- 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.

 In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank.
- xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security byway 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 examination 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**

Place : Bhopal
Dated : 29th May, 2013

**(CA R.C. BAHETI)
PARTNER
Firm Registration no. 403034C
Membership No. 10997**

Balance Sheet as at 31st March, 2013

Particulars	Schedule	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
a. Share Capital	A	6,38,10,500	6,48,80,500
b. Reserves and Surplus	B	3,80,31,425	2,92,28,273
		<u>10,18,41,925</u>	<u>9,41,08,773</u>
Share Application money		--	14,63,625
Pending Allotment			
Non-current liabilities			
a. Long term borrowings	C	1,40,36,531	1,42,01,288
b. Deferred tax liabilities		65,57,784	60,89,784
c. Other long term Liabilities		--	--
d. Long-term provisions		--	--
		<u>2,05,94,315</u>	<u>2,17,54,697</u>
Current liabilities			
a. Short term borrowings	D	4,25,75,969	3,95,26,767
b. Trade payables	E	5,91,16,365	6,30,68,681
c. Other current liabilities	F	22,91,269	17,93,436
d. Short term provisions	G	14,50,000	18,20,000
		<u>10,54,33,603</u>	<u>10,62,08,884</u>
TOTAL		<u>22,78,69,843</u>	<u>22,20,72,354</u>
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	H	3,09,53,538	3,34,77,426
(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	1,51,47,687	1,44,26,138
		<u>4,66,11,325</u>	<u>4,84,13,664</u>
Current assets			
(a) Current investments		--	--
(b) Inventories	K	3,94,54,615	4,09,31,050
(c) Trade receivables	L	11,91,16,765	10,33,43,290
(d) Cash & cash equivalents	M	11,73,369	1,11,68,158
(e) Short-term loans & advances	N	2,15,13,769	1,82,16,192
(f) other current assets		--	--
		<u>18,12,58,518</u>	<u>17,36,58,690</u>
TOTAL		<u>22,78,69,843</u>	<u>22,20,72,354</u>

Summary of Significant Accounting Policies "S"

The accompanying notes are integral parts of the financial Statement.

For and behalf of the Board Directors

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

(D.K.DUBEY)
Whole Time Director

(N.K.DUBEY)
Whole Time Director

Place :-Bhopal
Date : 29th May,2013

As Per our annexed report of even date

For R.C. Baheti & Co.
Chartered Accountants

(R.C.BAHETI)
Partner

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

Profit & Loss Statement for the year ended 31st March 2013

Particulars	Schedule	For the year ended 31 st March 2013	For the year ended 31 st March 2012
CONTINUING OPERATIONS			
Revenue			
Revenue From Operations (Gross)		21,67,78,888	22,90,51,316
Less:-Excise Duty		(2,12,21,391)	(2,07,70,591)
Revenue From Operation (Net)		19,55,57,497	20,82,80,725
Other Income		11,96,207	14,31,115
TOTAL REVENUE		19,67,53,704	20,97,11,840
EXPENSES:			
Cost of material and components consumed	O	12,21,64,572	15,07,31,663
Changes in inventories of Finished Goods	P	25,39,944	(68,71,982)
Employee benefit expenses	Q	1,24,24,574	1,04,97,705
Finance cost		58,13,854	52,61,079
Depreciation		21,55,894	19,38,749
Other Expenses	R	4,40,69,720	3,83,40,688
TOTAL EXPENSES		18,91,68,558	19,98,97,902
Profit Before Exceptional & Extraordinary items & Tax		75,85,146	98,13,938
Exceptional items		--	--
Profit Before Extraordinary items & Tax		75,85,146	98,13,938
Extraordinary items		--	--
Profit Before Tax		75,85,146	98,13,938
Less:-Tax expenses			
Current tax		(14,50,000)	(18,20,000)
Deferred tax charge		(4,68,000)	(8,60,000)
Profit for the Period		56,67,146	71,33,938
Add:-Balance Of Profit Brought forward From Previous Year		2,56,25,869	1,84,91,931
BALANCE CARRIED TO BALANCE SHEET		3,12,93,015	2,56,25,869

Summary of Significant Accounting Policies "S"

The accompanying notes are integral parts of the financial Statement.
For and behalf of the Board Directors

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

(D.K.DUBEY)
Whole Time Director

(N.K.DUBEY)
Whole Time Director

Place :-Bhopal
Date : 29th May,2013

As Per our annexed report of even date

For R.C. Baheti & Co.
Chartered Accountants

(R.C.BAHETI)
Partner

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

Cash flow statement for the financial year 2012-2013

Particulars	2012-2013	2011-2012
(A). Cash flow from operating activities:-		
Net profit before tax & extra ordinary items.	75,85,146	98,13,938
Adjustment for:		
Depreciation	21,55,894	19,38,749
Interest paid	58,13,854	52,61,079
Operating profit before working capital changes	1,55,54,894	1,70,13,766
Adjustment for:		
Inventories	14,76,435	(53,18,618)
Trade & other receivables	(1,90,71,052)	(1,09,54,415)
Trade payables & other liabilities	(34,54,483)	1,07,06,761
Cash generated from operations	(54,94,206)	1,14,47,494
Income tax paid	(18,20,000)	(23,30,000)
Net Cash Used/ Available From Operating Activities-(a)	(73,14,206)	91,17,494
(B). Cash Flow From Investing Activities:-		
Purchase/ Sale of Fixed assets	3,67,994	(19,53,116)
Acquisition of investment		
Increase in long term loans & advances	(7,21,549)	(1,02,12,400)
Net Cash Used in Investing Activities-(b)	(3,53,555)	(1,21,65,516)
(C). Cash flow from financing activities:-		
Increase in share capital	(10,70,000)	19,22,500
Share premium account	29,01,006	10,20,300
Share application money	(14,63,625)	14,63,625
Increase in bank borrowings	18,55,460	1,78,10,826
Proceeds from other borrowings	10,28,985	9,38,883
Interest paid	(58,13,854)	(52,61,079)
Equity Dividend & Corporate Dividend Tax Paid	--	(69,77,050)
Credit Linked Subsidy Received	2,35,000	--
Net Cash From Financing Activities-(c)	(23,27,028)	1,09,18,005
Net increase/decrease in cash & cash equivalent a+b+c	(99,94,789)	78,69,983
Cash & cash equivalents as at 1st April 2012 opening balance	1,11,68,158	32,98,175
Cash & Cash Equivalents as at 31st March 2013 Closing Balance	11,73,369	1,11,68,158

Note: - (i) Figures in brackets are outflows.

(ii) Previous year figures have been regrouped wherever necessary.

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

(D.K.DUBEY)
Whole Time Director

(N.K.DUBEY)
Whole Time Director

As Per our annexed report of even date

For R.C. Baheti & Co.
Chartered Accountants

(R.C.BAHETI)
Partner

Place :-Bhopal
Date : 29th May,2013

Firm Registration No.403034 C
Membership No.:010997

KILPEST INDIA LIMITED
FORTY FIRST ANNUAL REPORT 2012-2013

Schedules annexed to and forming part of the Balance Sheet as on 31st March, 2013

Particulars	As at 31 st March 2013	As at 31 st March 2012
<u>Schedule "A"</u>		
<u>CAPITAL</u>		
<u>AUTHORIZED SHARE CAPITAL</u>		
1,50,00,000 Equity share (1,50,00,000 Equity share of Rs.10 each)	<u>15,00,00,000</u>	<u>15,00,00,000</u>
<u>Issued Subscribed & Paid-up</u>		
64,08,100 Equity shares (previous year 60,37,600 equity shares) of Rs.10/-each	6,40,81,000	6,03,76,000
Initial sum @ Rs. 2.50 per warrant (previous year 1250000) Warrants Warrants converted into equity share	--	31,25,000
Balance amount Rs. 7.50 per Equity shares (previous year 2,20,000) of Rs. 10/ each	--	16,50,000
	<u>6,40,81,000</u>	<u>6,51,51,000</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 capitalization of Revaluation Reserve and general reserve.	(2,70,500)	(2,70,500)
TOTAL	6,38,10,500	6,48,80,500
<u>SCHEDULE "B"</u>		
<u>RESERVES AND SURPLUS</u>		
Share Premium Account		
Balance as per last year	29,51,550	19,31,250
Add:-during the year	<u>29,01,006</u>	<u>10,20,300</u>
	58,52,556	29,51,550
<u>CAPITAL RESERVE</u>		
Credit linked capital subsidy received during the year	2,35,000	--
<u>GENERAL RESERVE</u>		
Balance as per last year	6,50,854	6,50,854
<u>PROFIT & LOSS ACCOUNT</u>		
Balance of Profit & Loss Account	3,12,93,015	2,56,25,869
TOTAL	3,80,31,425	2,92,28,273
<u>SCHEDULE 'C'</u>		
<u>LONG TERM BORROWINGS</u>		
(a) Term Loans		
(i) Term loan from State Bank of India secured against certain items of plant and machinery	--	1,25,379
(ii) Term loan from State Bank of India secured against certain items of plant and machinery	<u>11,25,235</u>	<u>21,93,598</u>
	11,25,235	23,18,977
(b) Deposits (un-secured)		
(i) From Directors	1,15,61,097	98,52,683
(ii) From Others	<u>13,50,199</u>	<u>20,29,628</u>
	1,29,11,296	1,18,82,311
TOTAL	1,40,36,531	1,42,01,288

Particulars	As at 31st March 2013	As at 31st March 2012
<u>SCHEDULE 'D'</u>		
<u>SHORT TERM BORROWINGS</u>		
(A) Loans Repayable on Demand		
(i) From bank	4,25,75,969	3,95,26,767
Cash Credit from State Bank of India secured by hypothecation of inventories & book debts and further secured by first charge on land & building both present and future and hypothecation of machineries		
TOTAL	4,25,75,969	3,95,26,767
<u>SCHEDULE 'E'</u>		
<u>TRADE PAYABLE</u>		
(I) Sundry creditors for goods supplied/services	5,91,16,365	6,30,68,681
TOTAL	5,91,16,365	6,30,68,681
<u>SCHEDULE 'F'</u>		
<u>OTHER CURRENT LIABILITIES</u>		
Unpaid/Unclaimed Dividend	3,150	3,150
Taxes payable	2,59,315	60,000
Trade deposit	11,50,000	10,10,000
Income tax deducted at source	92,702	2,18,650
Other outstanding liabilities	7,86,102	5,01,636
TOTAL	22,91,269	17,93,436
<u>SCHEDULE 'G'</u>		
<u>SHORT TERM PROVISIONS</u>		
(I) Provision for income tax	14,50,000	18,20,000
(ii) Proposed Dividend		
(iii) Tax on Proposed Dividend		
TOTAL	14,50,000	18,20,000
<u>SCHEDULE 'I'</u>		
<u>NON-CURRENT INVESTMENTS</u>		
(I) SUBSIDIARY- UNQUOTED	5,10,000	5,10,000
51,000 Equity Share (Previous Year 51,000 Equity Share) of Rs.10/- Each -fully Paid-up in 3B BLACKBIO BIOTECH INDIA LIMITED,BHOPAL		
(II) OTHER –UNQUOTED	100	100
One Equity Share (Previous Year One Equity Share) of Rs.10/- Each -fully Paid-up in GOVINDPURA AUDYOGIK KSHETRA PRADUSHAN NIVARAN KENDRA, BHOPAL		
TOTAL	5,10,100	5,10,100

KILPEST INDIA LIMITED**FORTY FIRST ANNUAL REPORT 2012-2013****SCHEDULED' H'****FIXED ASSETS- TANGIBLE**Schedules annexed to and forming part of the balance sheet as on 31st March 2013

S. No.	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		Gross. Block As on 01-4-2012	Addition during the year	Sale/ Transfers During the Year	Total Assets As on 31-3-2013	Total Depreciation Upto 31-3-2012	Provided For the Year	Total Depreciation Upto 31-3-2013	As on 31-3-2013	As on 31-3-2012
1	2	3	4	5	6	7	8	9	10	11
1	Leasehold Land	15,40,000	--	--	15,40,000	--	--	--	15,40,000	15,40,000
2	Free hold Land	46,39,695	--	14,78,000	31,61,695	--	--	--	31,61,695	40,24,055
3	Factory Building	35,54,811	--	--	35,54,811	21,86,074	1,18,731	23,04,805	12,50,006	13,68,737
4	Office Building	5,93,290	--	--	5,93,290	1,83,749	9,671	1,93,420	3,99,870	4,09,541
5	R & D Building	1,04,15,331	--	--	1,04,15,331	15,47,928	1,74,669	17,22,597	86,92,734	88,67,300
6	R & D Equipment	1,03,23,843	3,40,806	--	1,06,64,649	11,55,915	4,91,979	16,47,894	90,16,755	91,60,136
7	Plant & Machinery	75,54,316	1,29,472	--	76,83,788	45,97,258	3,64,146	49,61,404	27,22,384	35,72,801
8	Pollution Control Equipment	7,40,405	--	--	7,40,405	1,74,808	35,150	2,09,958	5,30,447	5,65,597
9	Equipment Installations	4,76,770	--	--	4,76,770	2,97,176	22,647	3,19,823	1,56,947	1,79,594
10	Laboratory Equipments	32,35,819	--	--	32,35,819	24,83,421	1,53,701	26,37,122	5,98,697	7,52,398
11	Air-Conditioners & Refrigerators	5,20,975	--	--	5,20,975	2,42,174	24,746	2,66,920	2,54,055	2,78,801
12	Generator	5,88,960	--	--	5,88,960	4,33,352	27,976	4,61,328	1,27,632	1,55,608
13	Vehicles	39,94,227	3,15,500	27,800	42,81,927	26,23,708	4,06,781	30,30,489	12,51,438	13,70,519
14	Office Equipments & Machinery	5,90,838	350	--	5,91,188	3,38,069	28,082	3,66,151	2,25,037	2,52,769
15	Computers	9,70,249	1,23,500	--	10,93,749	7,57,652	1,77,297	9,34,949	1,58,800	2,20,389
16	Furniture & fixtures	8,01,594	9,889	--	8,11,483	6,69,533	51,367	7,20,900	90,583	1,32,061
17	R & D Furniture & fixtures	6,96,360	85,427	--	7,81,787	1,50,074	49,488	1,99,562	5,82,225	5,46,286
18	Tubewell	1,06,954	28,182	--	1,35,136	26,120	8,554	34,674	1,00,462	80,834
19	R & D Computer		51,800	--	51,800	--	8,397	8,397	43,403	--
20	CCTV		52,880	--	52,880	--	2,512	2,512	50,368	--
	TOTAL	5,13,44,437	11,37,806	15,05,800	5,09,76,443	1,78,67,011	21,55,894	2,00,22,905	3,09,53,538	3,34,77,426
	Figure for the Previous year	4,93,91,321	22,49,176	2,96,060	5,13,44,437	1,59,28,262	19,38,749	1,78,67,011	3,34,77,426	3,34,63,059

Particulars	As at 31st March 2013	As at 31st March 2012
<u>SCHEDULE 'J'</u>		
<u>LONG TERM LOANS AND ADVANCES</u>		
(I) Deposits unsecured ,considered goods	1,51,47,687	1,44,26,138
TOTAL	1,51,47,687	1,44,26,138
<u>SCHEDULE 'K'</u>		
<u>INVENTORIES</u>		
(At cost except otherwise stated-as valued, verified and certified by the Management)		
(i) Raw Materials	1,61,42,564	1,54,15,139
(ii) Packing Materials	56,60,569	53,25,212
(iii) Miscellaneous Stock	6,06,864	6,06,137
(iv) Finished Goods	1,70,44,618	1,95,84,562
(At cost or market price whichever is lower)		
TOTAL	3,94,54,615	4,09,31,050
<u>SCHEDULE 'L'</u>		
<u>TRADE RECEIVABLES</u>		
(A) Trade receivables outstanding for a period less than six months from the date they are due for Payment		
(i) Secured, considered goods	--	--
(ii) Unsecured, considered goods	7,78,99,633	6,64,28,790
(ii) Doubtful	--	--
Less:- Allowance for bad and Doubtful Debts	--	6,64,28,790
(B) Trade receivables outstanding for a period exceeding six months from the date they are due for Payment		
(i) Secured, considered goods	--	--
(ii) Unsecured, considered goods	4,12,17,132	3,69,14,500
(ii) Doubtful	--	--
Less:- Allowance for bad and Doubtful Debts	--	3,69,14,500
TOTAL	11,91,16,765	10,33,43,290
<u>SCHEDULE 'M'</u>		
<u>CASH AND CASH EQUIVALENTS</u>		
(A) Balance with banks:		
(I) Earmarked Bank Balances		
Unpaid dividend	10,720	10,720
(I) Bank Balances held as margin money or as security against		
(i) Letter of Credits		
(ii) Other Commitments	11,646	3,54,229
(III) Other Bank Balances		
(i) Other including balances in current account	8,78,307	97,53,523
(B) Cash on hand	2,72,876	10,49,686
TOTAL	11,73,369	1,11,68,158

Particulars	As at 31st March 2013	As at 31st March 2012
<u>SCHEDULE 'N'</u>		
<u>SHORT TERM LOANS & ADVANCES</u>		
Unsecured, considered good		
- Advance Income tax	7,39,000	11,91,177
- Balances with Excise & sales tax Authorities	35,487	94,457
- Others	2,07,39,282	1,69,30,558
(Advances for goods purchase, prepaid expenses & other trade advances)		
TOTAL	2,15,13,769	1,82,16,192
<u>SCHEDULE 'O'</u>		
<u>COST OF MATERIALS CONSUMED</u>		
Chemicals & other raw materials	10,11,54,978	12,29,69,526
Soapstone & other raw materials	21,60,132	61,19,936
	10,33,15,110	12,90,89,462
Packing material consumed	1,88,49,462	2,16,42,201
TOTAL	12,21,64,572	15,07,31,663
<u>SCHEDULE 'P'</u>		
<u>CHANGES IN INVENTORIES OF FINISHED GOODS</u>		
(Increase)/ decrease in inventories:		
Inventories at the end of the year		
Finished goods	1,70,44,618	1,95,84,562
Inventories at the beginning of the year		
Finished goods	1,95,84,562	1,27,12,580
TOTAL	(25,39,944)	68,71,982
<u>SCHEDULE 'O'</u>		
<u>EMPLOYEE BENEFITS EXPENSES</u>		
Salary and wages	1,10,04,574	97,74,817
Contribution to Provident & other funds	14,20,000	7,22,888
TOTAL	1,24,24,574	1,04,97,705

Particulars	As at 31st March 2013	As at 31st March 2012
<u>SCHEDULE 'R'</u>		
<u>OTHER EXPENSES</u>		
Power , fuel & water	17,49,522	11,11,462
Stores, Spares, Consumed	5,98,211	8,14,188
Repairs to :		
Buildings	1,50,116	2,62,656
Plant & Machinery	1,32,185	47,112
Others	3,19,346	3,04,361
Insurance	1,41,318	1,11,517
Rent	1,27,200	34,100
Rates, Taxes & Duties	10,49,941	7,49,580
Director Remuneration & sitting fees	20,87,490	18,97,016
Auditors, remuneration	47,865	55,000
Carriage outward	49,72,639	69,69,644
R&D Expenses		
Salary & other allowances	18,73,018	15,69,762
Consumption of stores	39,181	74,015
Other expenses	1,83,774	1,05,841
Legal & Professional Fess	4,40,539	5,05,697
Selling, Distribution & Sales Promotion Expenses	81,07,470	--
Miscellaneous expenses	2,20,49,905	2,37,28,737
TOTAL	4,40,69,720	3,83,40,688

Note:- Previous year figures have been regrouped wherever necessary.

KILPEST INDIA LIMITED, BHOPAL

Schedule 'S'

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 the Income Tax Act,1961.
4. Amount held in margin accounts with State Bank of India, T.T. Nagar Branch, Bhopal is Rs. 85,779 (previous year Rs.3,54,229).
5. Contingent Liabilities :
- | | 2012-2013 | 2011-2012 |
|---|------------------|------------------|
| i) Guarantees given on behalf of the Company by Company's bankers | 11,46,528 | 35,26,088 |
| ii) Income Tax Matter Under Appeal. | 36,08,050 | 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. 4,78,033 (Previous Year Rs. 13,40,859) |
| b) Revenue Expenditure | Rs. 20,95,973 (Previous Year Rs. 17,49,618) |

8. DIRECTORS' REMUNERATION	2012-2013	2011-2012
Remuneration	17,60,000	16,20,000
Other benefits	2,25,490	1,82,016
Sitting fees	63,000	95,000
	<u>20,48,490</u>	<u>18,97,016</u>

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

Particulars	2012-2013	2011-2012
Raw Materials		
Chemical & Other raw materials	10,11,54,978	12,29,69,526
Soap stone & other raw materials	21,60,132	61,19,936
Components, packing material etc.	1,88,49,462	2,16,42,201
TOTAL	12,21,64,572	15,07,31,663

(B) Break-up of Sales

Particulars	2012-2013	2011-2012
(a) Pesticides	19,23,42,303	20,39,09,062
(b) Micro-Fertilizer/Bio Fertilizer	32,15,194	43,71,663
TOTAL	19,55,57,497	20,82,80,725

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

Particulars	Closing Inventory		Opening Inventory	
	2012-2013	2011-2012	2012-2013	2011-2012
(a) Pesticides	1,50,59,709	1,76,08,742	1,76,08,742	93,77,125
(b) Micro-Fertilizer/ Bio- Fertilizer	19,84,909	19,75,820	19,75,820	33,35,155
TOTAL	1,70,44,618	1,95,84,562	1,95,84,562	1,27,12,580

(D) Earnings in Foreign Exchange :

Particulars	2012-2013	2011-2012
On account of Export Sale 1		
a) at FOB Basis	1,01,85,838	85,29,436
b) at CIF Basis	--	--

(E) Expenditure in Foreign Currency:

Particulars	2012-2013	2011-2012
1. Traveling Expenses	--	--
2. Other Expenses	--	--
3. CIF Value of Imports of raw materials, components and finished goods	87,81,806	1,15,66,301
4. Imports of Capital Goods	---	---

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

1. Raw Materials:-

Particulars	2012-2013		2011-2012	
	Amount	%	Amount	%
i) Imported	87,81,806	8.5	1,15,66,301	10
ii) Indigenous	9,45,33,304	91.5	11,75,23,161	90
Total	10,33,15,110	100	12,90,89,462	100

2. Stores, Spare Parts and Components

Particulars	2012-2013		2011-2012	
	Amount	%	Amount	%
i) Imported	---	---	---	---
ii) Indigenous	1,88,49,462	100	2,16,42,201	100
Total	1,88,49,462	100	2,16,42,201	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, 2013:-

(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:

(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	
	2012-13	2011-2012	2012-13	2011-2012
(i) Interest Paid	1,65,937	12,18,689	-	5,374
(ii) Salary & other benefits	21,46,334	18,97,016	-	-
(iii) Outstanding payable as on 31st March, 2013	1,13,23,717	99,04,211	7,776	7,776

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

Particulars	2012-2013	2011-2012
Profit after Tax	56,67,146	71,33,938
Weighted average number of Equity Shares of Rs.10/- each	63,81,050	64,88,050
Earnings Per Share (Re)	0.89	1.10

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 : 29th May, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of Kilpest India Limited,

1. Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Kilpest India Limited and its subsidiary, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 and its subsidiary as at 31st March; 2013;
- (ii) in the case of Profit & Loss Account, of profit for the year ended 31st March, 2013 and
- (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. 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.
2. As required by section 2.27(3) of the Act, we report that:
 - (i) 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.

- (ii) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (iii) The Balance Sheet and the Statement of Profit & Loss dealt with by this Report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account are prepared in compliance with mandatory Accounting Standards referred to in Section 211(3 C) of the Companies Act, 1956.
- (v) As per representations received from directors and taken on record by the Board of Directors, we report that, in our opinion, none of the directors of the company is prima facie disqualified as on 31st March, 2013 from being appointed as a director under the provisions of Section 274(1)(g) of the Companies Act, 1956.
- (vi) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section prescribing the manner in which such cess is to be paid, we are not in a position to make any comments.

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

Place : Bhopal
Dated : 29th May, 2013

**(CA R.C. BAHETI)
PARTNER
Firm Registration no. 403034C
Membership No. 10997**

Consolidated Balance Sheet as at 31st March, 2013

Particulars	Schedule	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
a. Share Capital	A	6,38,10,500	6,48,80,500
b. Reserves and Surplus	B	3,35,05,480	2,55,29,198
		<u>9,73,15,980</u>	<u>9,04,09,698</u>
Share Application money Pending Allotment			14,63,625
Minority interest		(38,58,458)	(30,64,014)
Non-current liabilities			
a. Long term borrowing	C	1,53,82,607	1,42,01,288
b. Deferred tax liabilities		65,57,784	60,89,784
c. Other long term liabilities		--	--
d. Long-term provision		--	--
		<u>2,19,40,391</u>	<u>2,02,91,072</u>
Current liabilities			
a. Short term borrowings	D	4,45,28,285	4,18,48,128
b. Trade payables	E	6,38,46,820	6,60,59,191
c. Other current liabilities	F	28,18,706	24,38,926
d. Short term provisions	G	14,50,000	18,20,000
		<u>11,26,43,811</u>	<u>11,21,66,245</u>
TOTAL		22,80,41,724	22,12,66,626
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	H-1	3,18,48,398	3,43,41,286
(ii) Intangible assets	H-2	75,48,063	75,48,063
(iii) Capital work -in-progress		--	--
(b) Non-current investments	I	100	100
(c) long term loans & advances	J	5,20,005	4,96,600
		<u>3,99,16,566</u>	<u>4,23,86,049</u>
Current assets			
(a) Current investments		--	--
(b) Inventories	K	4,33,09,564	4,36,13,020
© Trade receivables	L	12,17,43,506	10,51,04,307
(d) Cash & cash equivalents	M	11,92,893	1,11,77,023
(e) Short-term loans & advances	N	2,18,79,195	1,89,86,227
(f) Other current assets		--	--
		<u>18,81,25,158</u>	<u>17,88,80,577</u>
TOTAL		22,80,41,724	22,12,66,626

Summary of Significant Accounting Policies "S"

The accompanying notes are integral parts of the financial Statement.

For and behalf of the Board Directors

(R.K.DUBEY)
Chairman & Mg. Director(D.K.DUBEY)
Whole Time Director(N.K.DUBEY)
Whole Time DirectorPlace :-Bhopal
Date : 29th May,2013

As Per our annexed report of even date

For R.C.Baheti & Co.
Chartered Accountants(R.C.BAHETI)
PartnerFirm Registration No.: 403034C
Membership No.:010997

Consolidated Profit & Loss Statement for the year ended 31st March 2013

Particulars	Schedule	For The Year ended 31st March 2013	For The Year ended 31st March 2012
I. INCOME			
Revenue From Operations (Gross)		22,34,96,545	23,35,26,534
Less:-Excise Duty		(2,12,21,391)	(2,07,70,591)
Revenue From Operation (Net)		20,22,75,154	21,27,55,943
Other Income		11,96,207	9,51,115
TOTAL		20,34,71,361	21,37,07,058
EXPENSES:			
Cost of material and components consumed	O	12,48,66,701	15,28,25,905
Changes in inventories of Finished Goods	P	25,39,944	(68,71,982)
Employee benefit expenses	Q	1,57,88,909	1,39,81,095
Finance cost		61,78,879	71,73,754
Depreciation		21,55,894	19,38,749
Other Expenses	R	4,59,77,202	4,20,98,688
TOTAL EXPENSES		19,75,07,529	21,11,46,209
Profit Before Exceptional & Extraordinary items & Tax		59,63,832	25,60,849
Exceptional items		--	--
Profit Before Extraordinary items & Tax		59,63,832	25,60,849
Extraordinary items		--	--
Profit Before Tax		59,63,832	25,60,849
Tax expenses			
Current tax		(14,50,000)	(18,20,000)
Deferred tax charge		(4,68,000)	(8,60,000)
Profit for the Period		40,45,832	(1,19,151)
Add:-Balance Of Profit Brought forward From Previous Year		1,83,72,780	1,84,91,931
BALANCE CARRIED TO BALANCE SHEET		2,24,18,612	1,83,72,780

Summary of Significant Accounting Policies "S"

The accompanying notes are integral parts of the financial Statement.

For and behalf of the Board Directors

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

(D.K.DUBEY)
Whole Time Director

(N.K.DUBEY)
Whole Time Director

Place :-Bhopal
Date : 29th May,2013

As Per our annexed report of even date

**For R.C. Baheti & Co.
Chartered Accountants**

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

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

Consolidated cash flow statement for the financial year 2012-2013

Particulars	2012-2013	2011-2012
(A).Cash flow from operating activities:		
Net profit before tax & extra ordinary items.	59,63,832	25,60,849
Adjustment for:		
Depreciation	21,55,894	19,38,749
Interest paid	61,78,879	71,73,754
Operating profit before working capital changes	1,42,98,605	1,16,73,352
Adjustment for:		
Inventories	3,03,456	(71,25,407)
Trade & other receivable	(1,95,32,167)	(1,29,60,919)
Trade payable & other liabilities	(18,32,591)	1,37,44,668
Cash generated from operations	(67,62,697)	53,31,694
Income tax paid	(18,20,000)	(23,30,000)
Net cash used/available from	(85,82,697)	30,01,694
(B).Cash Flow From Investing Activities:-		
Purchase of Fixed assets	3,36,994	(62,46,881)
Increase in long term loans & advances	(23,405)	(4,19,436)
net cash used in investing activities-b	3,13,589	(66,66,317)
(C).cash flow from financing activities:-		
Increase in share capital	(10,70,000)	19,22,500
Share premium account	29,01,006	10,20,300
Share application money allotment	(14,63,625)	14,63,625
Increase in bank borrowing	14,86,415	2,01,32,187
Proceeds from other borrowings	23,75,061	9,38,883
Interest paid	(61,78,879)	(71,73,754)
Equity Dividend & Corporate Dividend tax Paid	--	(69,77,050)
Credit Linked Subsidy Received	2,35,000	--
Net cash from financing activities-(c)	(17,15,022)	1,13,26,691
Net increase/decrease in cash & cash equivalent a+b+c	(99,84,130)	76,62,068
Cash & cash equivalents as at 1st April 2012 opening balance	1,11,77,023	35,14,955
Cash & Cash equivalents as at 31st march 2013 closing balance	11,92,893	1,11,77,023

Note:- (i) Figures in brackets are outflows.

(ii) Previous year figures have been regrouped wherever necessary.

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

(D.K.DUBEY)
Whole Time Director

(N.K.DUBEY)
Whole Time Director

As Per our annexed report of even date

For R.C. Baheti & Co.
Chartered Accountants

(R.C.BAHETI)
Partner

Place :-Bhopal
Date : 29th May,2013

Firm Registration No.403034 C
Membership No.:010997

Schedules annexed to and forming part of the Consolidated Balance Sheet as on 31st March, 2013

Particulars	As at 31st March 2013	As at 31st March 2012
Schedule 'A'		
CAPITAL		
Authorized Share Capital		
1,50,00,000 Equity share (1,50,00,000 Equity share of Rs.10 each)	15,00,00,000	15,00,00,000
Issued Subscribed & Paid-up		
64,08,100 Equity shares (previous year 60,37,600 equity shares) of Rs.10/-each	6,40,81,000	6,03,76,000
Initial sum @ Rs. 2.50 per warrant (previous year 1250000) Warrants Warrants converted into equity share	--	31,25,000
Balance amount Rs. 7.50 per Equity shares (previous year 2,20,000) of Rs 10/ each	--	16,50,000
	6,40,81,000	6,51,51,000
Less:-Calls in Arrears Out of above , 7,50,000 bonus share of Rs.10/- each were allotted during the year 1994-95 by capitalization of Revaluation Reserve and general reserve.	(2,70,500)	(2,70,500)
TOTAL	6,38,10,500	6,48,80,500
SCHEDULE 'B'		
RESERVE AND SURPLUS		
share premium Account		
Balance as per last year	29,51,550	19,31,250
Add :- during the year	<u>29,01,006</u>	<u>10,20,300</u>
	58,52,556	29,51,550
CAPITAL RESERVE		
Credit Linked Capital Subsidy - Received during the year	2,35,000	
GENERAL RESERVE		
Balance as per last year	6,50,854	6,50,854
PROFIT & LOSS ACCOUNT		
Balance of profit & loss account	2,24,18,612	1,83,72,780
Add :- Minority interest in net loss of subsidiary 3B BlackBio Biotech India limited	<u>43,48,458</u>	<u>35,54,014</u>
	2,67,67,070	2,19,26,794
TOTAL	3,35,05,480	2,55,29,198
SCHEDULE 'C'		
LONG TERM BORROWINGS		
(a) Term Loans		
(i) Term loan from state bank of India secured against certain item of plant and machinery	--	1,25,379
(ii) Term loan from state bank of India secured against certain item of plant and machinery	11,25,235	21,93,598
	11,25,235	23,18,977
(b) Deposit (un-secured)		
(i) From Directors	1,29,07,173	98,52,683
(ii) From Other	<u>13,50,199</u>	<u>20,29,628</u>
	1,42,57,372	1,18,82,311
TOTAL	1,53,82,607	1,42,01,288

Particulars	As at 31st March 2013	As at 31st March 2012
<u>SCHEDULE 'D'</u>		
<u>SHORT TERM BORROWING</u>		
(A) Loan repayable on demand		
(i) From Bank	4,25,75,969	3,95,26,767
(a) Cash Credit from State Bank of India secured by hypothecation of inventories & book debts and further secured by first charge on land building both present and future and hypothecation of machineries		
(b) Cash Credit from State Bank of India secured by hypothecation of inventories and book debts	19,52,316	23,21,361
TOTAL	4,45,28,285	4,18,48,128
<u>SCHEDULE 'E'</u>		
<u>TRADE PAYABLES</u>		
(I) Sundry creditors for goods supplied/service	6,38,46,820	6,60,59,191
TOTAL	6,38,46,820	6,60,59,191
<u>SCHEDULE 'F'</u>		
<u>OTHER CURRENT LIABILITIES</u>		
Unpaid/ Unclaimed Dividend	3,150	3,150
Taxes payable	2,67,466	60,000
Trade deposit	11,50,000	10,10,000
Income tax deducted at source	1,20,219	4,25,792
other outstanding liabilities	12,77,871	9,39,984
TOTAL	28,18,706	24,38,926
<u>SCHEDULE 'G'</u>		
<u>SHORT TERM PROVISIONS</u>		
(I) Provision for income tax	14,50,000	18,20,000
(ii) Proposed Dividend	--	--
(iii) Tax on Proposed Dividend	--	--
TOTAL	14,50,000	18,20,000
<u>SCHEDULE 'I'</u>		
<u>NON-CURRENT INVESTMENTS</u>		
(I) OTHER –UNQUOTED	100	100
One Equity Share (Previous Year One Equity Share) of Rs.10/- Each -fully Paid-up in GOVINDPURA AUDYOGIK KSHETRA PRADUSHAN NIVARAN KENDRA BHOPAL		
TOTAL	100	100

KILPEST INDIA LIMITED
FORTY FIRST ANNUAL REPORT 2012-2013
SCHEDULE 'H-1'
FIXED ASSETS- TANGIBLE

 Schedules annexed to and forming part of the consolidated balance sheet as on 31st March 2013

S. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		Gross. Block As on 1/4/2013	Addition during the year	Sale/ Transfers During the Year	Total Assets As on 31-3-2013	Total Depreciation Upto 31-3-2012	Provided For the Year	Total Depreciation Upto 31-3-2013	As on 31-3-2013	AS ON 31-3-2012
1	2	3	4	5	6	7	8	9	10	11
1	Leasehold Land	15,40,000	--	--	15,40,000	--	--	--	15,40,000	15,40,000
2	Free hold Land	46,39,695	--	14,78,000	31,61,695	--	--	--	31,61,695	40,24,055
3	Factory Building	35,54,811	--	--	35,54,811	21,86,074	1,18,731	23,04,805	12,50,006	13,68,737
4	Office Building	5,93,290	--	--	5,93,290	1,83,749	9,671	1,93,420	3,99,870	4,09,541
5	R & D Building	1,04,15,331	--	--	1,04,15,331	15,47,928	1,74,669	17,22,597	86,92,734	88,67,300
6	R & D Equipment	1,03,23,843	3,40,806	--	1,06,64,649	11,55,915	4,91,979	16,47,894	90,16,755	91,60,136
7	Plant & Machinery	75,54,316	1,29,472	--	76,83,788	45,97,258	3,64,146	49,61,404	27,22,384	35,72,801
8	Pollution Control Equipment	7,40,405	--	--	7,40,405	1,74,808	35,150	2,09,958	5,30,447	5,65,597
9	Electric Installations	5,22,209	--	--	5,22,209	2,97,176	22,647	3,19,823	2,02,386	1,79,594
10	Laboratory Equipments	32,35,819	--	--	32,35,819	24,83,421	1,53,701	26,37,122	5,98,697	7,52,398
11	Air-Conditioners & Refrigerators	5,20,975	--	--	5,20,975	2,42,174	24,746	2,66,920	2,54,055	2,78,801
12	Generator	5,88,960	--	--	5,88,960	4,33,352	27,976	4,61,328	1,27,632	1,55,608
13	Vehicles	39,94,227	3,15,500	27,800	42,81,927	26,23,708	4,06,781	30,30,489	12,51,438	13,70,519
14	Office Equipments & Machinery	5,90,838	350	--	5,91,188	3,38,069	28,082	3,66,151	2,25,037	2,52,769
15	Computers	11,68,649	1,54,500	--	13,23,149	7,57,652	1,77,297	9,34,949	3,88,200	2,20,389
16	Furniture & fixtures	9,83,804	9,889	--	9,93,693	6,69,533	51,367	7,20,900	2,72,793	32,061
17	R & D Furniture & fixtures	6,96,360	85,427	--	7,81,787	1,50,074	49,488	1,99,562	5,82,225	5,46,286
18	Tube well	1,06,954	28,182	--	1,35,136	26,120	8,554	34,674	1,00,462	80,834
19	Equipments	4,37,811	--	--	4,37,811	--	--	--	4,37,811	4,37,811
20	R & D Computer	--	51,800	--	51,800	--	8,397	8,397	43,403	--
21	C.C.TV	--	52,880	--	52,880	--	2,512	2,512	50,368	--
	TOTAL	5,22,08,297	11,68,806	15,05,800	5,18,71,303	1,78,67,011	21,55,894	2,00,22,905	3,18,48,398	3,39,15,237
	Figure for the Previous year	5,03,51,416	27,65,167	9,08,286	5,22,08,297	1,59,28,262	19,38,749	1,78,67,011	3,43,41,286	3,44,23,154

SCHEDULE 'H-2'
FIXED ASSETS- INTANGIBLE

 Schedules annexed to and forming part of the consolidated balance sheet as on 31st March 2013

1	Technology Fees	75,48,063			75,48,063				75,48,063	75,48,063
	TOTAL	75,48,063			75,48,063				75,48,063	75,48,063
	Figure for the Previous year	31,58,063	43,90,000		75,48,063				75,48,063	31,58,063

Particulars	As at 31st March 2013	As at 31st March 2012
<u>SCHEDULE 'J'</u>		
<u>LONG TERM LOAN AND ADVANCES</u>		
(I) Deposit-unsecured, considered goods	5,20,005	4,96,600
TOTAL	5,20,005	4,96,600
<u>SCHEDULE 'K'</u>		
<u>INVENTORIES</u>		
(At cost except otherwise stated-as valued, verified and certified by the Management)		
(i) Raw Materials	1,61,42,564	1,80,85,780
(ii) Packing Materials	56,60,569	53,36,541
(iii) Miscellaneous Stock	6,06,864	6,06,137
(iv) Finished Goods (At cost or market price whichever is lower)	2,08,99,567	1,95,84,562
TOTAL	4,33,09,564	4,36,13,020
<u>SCHEDULE 'L'</u>		
<u>TRADE RECEIVABLES</u>		
(A) Trade receivables outstanding for a period less than six months from the date they are due for payment		
(i) Secured, considered goods	--	--
(ii) Unsecured, considered goods	80526374	6,81,89,807
(ii) Doubtful	--	--
Less:- Allowance for bad and Doubtful Debts	--	--
	8,05,26,374	6,81,89,807
(B) Trade receivables outstanding for a period exceeding six months from the date they are due for Payment		
(i) Secured, considered goods	--	--
(ii) Unsecured, considered goods	4,12,17,132	3,69,14,500
(ii) Doubtful	--	--
Less:- Allowance for bad and Doubtful Debts	--	--
	4,12,17,132	3,69,14,500
TOTAL	12,17,43,506	10,51,04,307
<u>SCHEDULE 'M'</u>		
<u>CASH AND CASH EQUIVALENTS</u>		
(A) Balance 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	11,466	3,54,229
(III) Other Bank Balances		
(i) Other including balances in current account	8,78,307	97,56,223
(B) Cash on hand	2,92,400	10,55,851
TOTAL	11,92,893	1,11,77,023

Schedules annexed to and forming part of the Consolidated Balance Sheet as on 31st March 2013

Particulars	As at 31st March 2013	As at 31st March 2012
<u>SCHEDULE 'N'</u>		
<u>SHORT - TERM LOAN AND ADVANCES</u>		
Unsecured , considered goods		
- Advances Income Tax	7,44,184	11,91,177
- Balances with Excise and Sales Tax Authorities	3,95,729	94,457
- Other :	2,07,39,282	1,77,00,593
(Advance for goods purchase prepaid expenses & other trade advances)		
TOTAL	2,18,79,195	1,89,86,227
<u>SCHEDULE 'O'</u>		
<u>COST OF MATERIALS CONSUMED</u>		
Chemicals & other raw materials	10,11,54,978	12,48,57,010
Soapstone & other raw materials	21,60,132	61,19,936
	10,33,15,110	13,09,76,946
Stores & other materials	2,15,51,591	2,18,48,959
TOTAL	12,48,66,701	15,28,25,905
<u>SCHEDULE 'P'</u>		
<u>CHANGES IN INVENTORIES OF FINISHED GOODS</u>		
(Increase) / decrease in inventories:		
Inventories at the end of the year		
Finished goods	1,70,44,618	1,95,84,562
Inventories at the beginning of the year		
Finished goods	1,95,84,562	1,27,12,580
TOTAL	(25,39,944)	68,71,982
<u>SCHEDULE 'Q'</u>		
<u>EMPLOYEE BENEFITS EXPENSES</u>		
Salary and wages	1,43,68,909	1,32,58,207
Contribution to Provident & other funds	14,20,000	7,22,888
TOTAL	1,57,88,909	1,39,81,095

Particulars	As at 31st March 2013	As at 31st March 2012
<u>SCHEDULE 'R'</u>		
<u>OTHER EXPENSES</u>		
Power , fuel & water	17,49,522	11,11,462
Stores, Spares, Consumed	6,00,352	8,14,188
Repairs to :		
Buildings	1,50,116	2,62,656
Plant & Machinery	1,32,185	47,112
Others	3,19,346	3,04,361
Insurance	1,41,318	1,11,517
Rent	1,27,200	34,100
Rates, Taxes & Duties	10,49,941	7,49,580
Director Remuneration & sitting fees	20,87,490	18,97,016
Auditors, remuneration	64,719	60,000
Carriage outward	53,57,832	69,69,644
R&D Expenses		
Salary & other allowances	18,73,018	15,69,762
Consumption of stores	39,181	74,015
Other expenses	1,83,774	1,05,841
Legal & Professional Fess	5,18,279	5,18,197
Selling, Distribution & Sales Promotion Expenses	84,41,568	--
Miscellaneous expenses	2,31,41,361	2,74,69,237
TOTAL	4,59,77,202	4,20,98,688

Note:- Previous year figures have been regrouped wherever necessary.

KILPEST INDIA LIMITED, BHOPAL

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON THE CONSOLIDATED ACCOUNTS Schedule 'S'

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 31st March 2013.
- 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 eliminating 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 31st March, 1993 were revalued as on that date and are accordingly carried at revalued figures. Fixed assets tangible / intangible acquired after 31st March, 1993 are stated at cost inclusive of freight, taxes and incidental expenses related thereto.

6. Depreciation / Amortization:

- 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 have 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. The provision for Income Tax has been made as per the provisions of the Income Tax Act,1961.
- 4. Amount held in margin accounts with State Bank of India, T.T. Nagar Branch, Bhopal is Rs. 85,779 (previous year Rs.3,54,229).

5. Contingent Liabilities :	2012-2013	2011-2012
i) Guarantees given on behalf of the Company by Company's bankers	11,46,528	35,26,088
ii) Income Tax Matter Under Appeal.	36,08,050	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. 4,78,033 (Previous Year Rs. 13,40,859)
- b) Revenue Expenditure Rs. 20,95,973 (Previous Year Rs. 17,49,618)

8. DIRECTORS' REMUNERATION	2012-2013	2011-2012
Remuneration	17,60,000	16,20,000
Other benefits	2,25,490	1,82,016
Sitting fees	63,000	95,000

- 9. 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.

10. Related Party Disclosures as per AS-18, issued by The Institute of Chartered Accountants of India, for the year ended on 31st March, 2013:-

(A) Relationships :

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

(B) Transactions during the year with related parties in normal course of business and balances at the end of the financial year	In relation to Item No.			
	A (i) above		A (ii) above	
	2012-13	2011-12	2012-13	2011-12
(i) Interest Paid	1,95,937	12,18,689	-	5,374
(ii) Salary & other benefits	21,46,334	18,97,016	-	-
(iii) Outstanding payable as on 31st March, 2013	1,13,23,717	99,04,211	7,776	7,776

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

Particulars	2012-2013	2011-2012
Profit after Tax	56,67,146	71,33,938
Weighted average number of Equity Shares of Rs.10/- each	63,81,050	64,88,050
Earnings Per Share (Re)	0.89	1.10

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 : 29th May, 2013

**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 : 31.03.2013
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 31st March 2013 : (45,25,946)
 - (ii) For the previous year : 36,99,075
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 31st March 2013 : 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 : 29th May, 2013

Place : Bhopal
Dated : 29th May, 2013

KILPEST INDIA LIMITED

**Registered Office : 7-C, Industrial Area,
Govindpura, Bhopal-462 023**

Please complete the attendance slip and hand it over at the entrance of the Meeting Hall. Please also bring your copy of the enclosed Annual Report.

ATTENDANCE SLIP

I hereby record my presence at the 41st ANNUAL GENERAL MEETING of the Company held on 30th September, 2013.

REGD.FOLIO NO	NO.OF SHARES
NAME OF THE SHAREHOLDER (IN BLOCK CAPITALS)	
SIGNATURE OF THE SHAREHOLDER OR PROXY	

KILPEST INDIA LIMITED

**Registered Office : 7-C, Industrial Area,
Govindpura, Bhopal-462 023**

REGD.FOLIO NO

NO.OF SHARES

PROXY FORM

I/We

of

..... being a Member/Members of KILPEST INDIA LIMITED

hereby appoint of

or failing him of

or failing him of

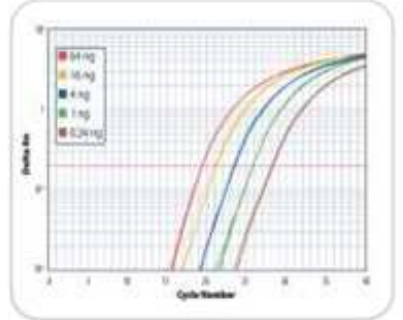
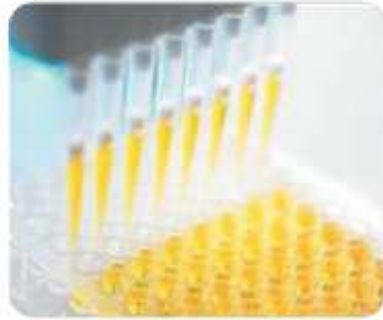
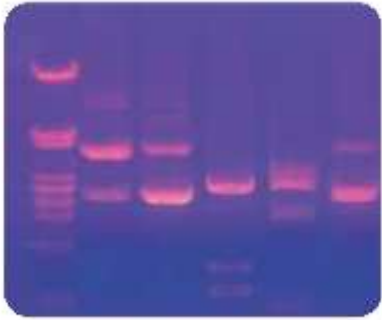
as my/our Proxy to attend and vote for me/us and on my/our behalf at the 41st Annual General Meeting of the Company to be held on 30th September, 2013 and at any adjournment thereof.

AS WITNESS my/our hand this day of 2013.

Affix Re.1/-

Signed by the said Revenue
Stamp

Note: The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.



3B BlackBio Biotech India Ltd

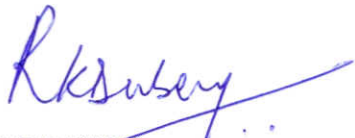


A joint venture of Kilpest India Limited, 2B BlackBio, S.L. and Biotools B&M Labs, S.A. Madrid, Spain

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

www.3bblackbio.com

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the company	KILPEST INDIA LTD, BHOPAL
2	Annual financial statements for the year ended	31 st March 2013
3	Type of Audit observation	No Qualification
4	Frequency of observation	Whether appeared first time / repetitive / Since how long period Nil
5	<p>To be signed by -</p> <ul style="list-style-type: none"> • Managing Director • Auditor of the company • Audit Committee Chairman 	 R.K.DUBEY MG.DIRECTOR For R.C. BAHETI & CO CHARTERED ACCOUNTANTS  R. C. Baheti (Partner) (CA R.C.BAHETI) MEMBERSHIP No.10997  CA SHABBAR HUSAIN