

KILPEST INDIA LIMITED

BHOPAL

THIRTIETH ANNUAL REPORT AND ACCOUNTS 2001-2002

BOARD OF DIRECTORS	:	MR. R.K. DUBEY CHAIRMAN & MANAGING DIRECTOR
		MR. D.K. DUBEY) WHOLETIME MR. N.K. DUBEY) DIRECTORS
		MR. A.D. PHADKE) PROF. EMERITUS G.P. AGRAWAL) DIRECTORS MR. B.M. SAIHGAL) MR. S. MEHRA)
BANKERS	:	STATE BANK OF INDORE T.T. NAGAR, BHOPAL
AUDITORS	:	M/S R.C. BAHETI & CO. CHARTERED ACCOUNTANTS BHOPAL
COMPANY SECRETARY	:	MRS. JOYCE JOKIM NORONHA, ACS, 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	:	C/O SUVIDHA AGENCIES, 72/12, GURUTEG BAHADUR NAGAR, OPP. NAYA GURUDWARA RAVIGRAM, RAIPUR.
BILASPUR SALES DEPOT	:	C/O SHUKLA MOTORS, OPP. NATRAJ HOTEL, LINK ROAD, BILASPUR
INDORE SALES DEPOT	:	C/O NISHA TRADING CO., 45, MAHAVEER MARKET, NEAR DEVSHREE CINEMA, INDORE, (M.P.)
GONDIA SALES DEPOT	:	C/O NAVNEET KUMAR BAGGA, BAGGA SAW MILL, RAIL TOLY, GONDIA.

CERTIFIED TRUE COPY
FOR KILPEST INDIA LIMITED

(R. K. DUBEY)

Chairman & Managing Director

K I L P E S T I N D I A L I M I T E D**REPORT OF THE DIRECTORS**

To

Dear Members,

Your Directors herewith present their Thirtieth Annual Report and the Audited Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

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

	Year ended 31-03-2002 -----	Year ended 31-03-2001 -----
Sales Turnover	848.78	727.51
Profit before Depreciation	18.43	15.69
Less: Depreciation	9.07	9.09
Profit before Tax	9.36	6.71
Less: Provision for Taxation	0.75	0.60
Net Profit after Tax	8.61	6.11

PERFORMANCE FOR THE YEAR 2001-2002

This year the company sales increased by 17.72%, due to extensive marketing efforts in Chattisgarh, Andhra Pradesh and Uttar Pradesh and as good season prevailed in these states. Being highly competitive industry, the profit margins remained in pressure and the company ended the year with Net profit of Rs.8.61 lacs.

OUTLOOK

The company puts great impetus on quality and this is one of the reasons that your company's products are enjoying good reputation and in highly competitive market continue to enjoy good demand. As a step forward in this direction the company has applied for ISO 9001 and ISO certification has been granted, this conferment will make it the only ISO:9001-2000 Pesticide company in Madhya Pradesh and Chattisgarh States. With this the marketability of your company's products will improve further. As is known, being seasonal industry the performance is subjected alot to monsoon, which is not good till date. Hoping for the best, the management is looking for new markets to offset the effect of bad monsoon.

CORPORATE GOVERNANCE DISCLOSURE

The code of corporate governance introduced by Clause 49 of the Listing Agreement with the Stock Exchanges, where the shares of the company are listed, is required to be implemented by the company on or before 31st March, 2003. Necessary steps have been initiated by the company to comply with the code on Corporate Governance by such due date of 31st March, 2003.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i) The company has followed the applicable accounting standards in the preparation of the Annual Account for the year under review.
- ii) The Directors have made judgements and estimates that are reasonable and prudent and have selected accounting policies and applied them consistently to give true and fair view of the state of affairs of the company as at 31st March, 2002 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.

RESEARCH & DEVELOPMENT

The company has one of the most advanced and well equipped Research Laboratory in Madhya Pradesh and quality of product is continuously reviewed and improved.

DIVIDEND

Your Directors regret their inability to recommend any Dividend for the year under review.

CURRENT LISTING

Presently, the Equity Shares of the company are listed on the Mumbai and Indore Stock Exchanges.

DIRECTORS

Shri N.K. Dubey and Shri G.P. Agrawal 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 conclusion of the Thirtieth Annual General Meeting and are eligible for reappointment.

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 Joyce Noronha & Associates as a Secretarial Auditor. The Secretarial Compliance Certificate given by M/s Joyce Noronha & Associates is attached herewith which forms part of this report. The company has also initiated the process of appointing a full time Company Secretary.

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.

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 Banker's M/s STATE BANK OF INDORE, the Financial Institution MADHYA PRADESH FINANCIAL CORPORATION, for their support and co-operation.

for and on behalf of the Board
of Directors

R.K. DUBEY
CHAIRMAN & MANAGING DIRECTOR

Place : Bhopal
Dated : 4th September, 2002

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, 2002.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

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

Some of the measures implemented are:

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

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

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

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

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO CONSUMPTION OF ENERGY

I. POWER AND FUEL CONSUMPTION

	Year ended 31-03-2002 -----	Year ended 31-03-2001 -----
1. Electricity		
(a) Purchased Units (KWH)	1,09,016	93,550
Total Amount (Rs.)	6,25,533	6,01,759
Average Rate/Unit (Rs.)	5.74	6.43
(b) Own Generator		
i) Through Diesel Generator		
Units (KWH)	7,438	5,534
Units/Ltr. of Diesel	2.37	2.33
Cost/Unit (Rs.)	8.86	8.12
ii) Through Steam Turbine/Generator	NOT APPLICABLE	

- | | |
|----------------------------------------|----------------|
| 2. Coal | NOT APPLICABLE |
| 3. Fuel Furnace Oil + Light 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 formulations and having regard to the records and other books maintained by the company, it is impracticable to apportion the utilities.
Electricity	
Furnace Oil	
Coal (specify quality)	
Others (Specify)	

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 | : | During the year, R&D efforts were directed towards improvement of quality of existing products and also to reduce their cost. | | | | | | | | | | | | | | | |
|-------------------------------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------|------------|-------------|------------|------------|---------------|----|----|-----------|------------|------------|-------------------------------------------------------------|-------|-------|
| 2. Benefits derived as a result of the above R&D. | : | Better cost effective formulations developed. | | | | | | | | | | | | | | | |
| 3. Future plan of action | : | Development of new formulation and new products. | | | | | | | | | | | | | | | |
| 4. Expenditure on R&D | | <table border="0"> <tr> <th></th> <th>31-03-2002</th> <th>31-03-2001</th> </tr> <tr> <td>(a) Capital</td> <td>2, 77, 833</td> <td>2, 92, 104</td> </tr> <tr> <td>(b) Recurring</td> <td>--</td> <td>--</td> </tr> <tr> <td>(c) Total</td> <td>2, 77, 833</td> <td>2, 92, 104</td> </tr> <tr> <td>(d) Total R&D expenditure as a percentage of total turnover</td> <td>0.31%</td> <td>0.40%</td> </tr> </table> | | 31-03-2002 | 31-03-2001 | (a) Capital | 2, 77, 833 | 2, 92, 104 | (b) Recurring | -- | -- | (c) Total | 2, 77, 833 | 2, 92, 104 | (d) Total R&D expenditure as a percentage of total turnover | 0.31% | 0.40% |
| | 31-03-2002 | 31-03-2001 | | | | | | | | | | | | | | | |
| (a) Capital | 2, 77, 833 | 2, 92, 104 | | | | | | | | | | | | | | | |
| (b) Recurring | -- | -- | | | | | | | | | | | | | | | |
| (c) Total | 2, 77, 833 | 2, 92, 104 | | | | | | | | | | | | | | | |
| (d) Total R&D expenditure as a percentage of total turnover | 0.31% | 0.40% | | | | | | | | | | | | | | | |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation : Efforts are being made to evolve better cost effective process and to manufacture new products.
2. Benefits derived as a result of the above efforts : Cost of production reduced, product quality improved.
3. There is no imported technology involved.
Total foreign exchange used

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2001-2002	2000-2001
1. Foreign Exchange Earnings	--	--
2. Foreign Exchange Outgo	--	--

for and on behalf of the Board
of Directors

Report

R.K. DUBEY
CHAIRMAN & MANAGING DIRECTOR

Place : Bhopal
Dated : 4th September, 2002

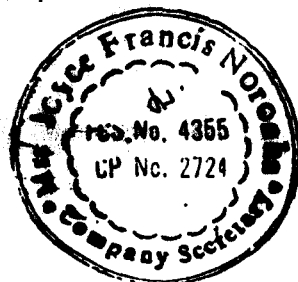
Mrs. Joyce Francis Noronha**Practising Company Secretary****M. Phil (Com.), LL.M., MBA (Fin. & HRM), ICWA (Finalist), FCS.****34-D****9-88, Zone-1, First Floor,****Near Chetak Bridge,****M.P. Nagar, Bhopal - 462 011.****Ph. : 275385 (O) Telefax : 293727 (R)**

To

The Members of
M/s Kilpest India Limited
7- C, Industrial Area,
Govindpura, Bhopal- 462 023.
Madhya Pradesh.

We have examined the registers, records, books and papers of M/s Kilpest India Limited, having its registered office at, 7- C, Industrial Area, Govindpura, Bhopal- 462 023, Madhya Pradesh, 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 March 31st, 2002. 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 and the rules made thereunder 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 is a Listed Public Limited Company.
4. The Board of Directors duly met 6(six) times, during the year on 30/05/2001, 30/06/2001, 31/07/2001, 15/10/2001, 31/10/2001 and 30/01/2002 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 closed its Register of Members, from 17th September, 2001 to 22nd September, 2001 and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on March 31st, 2001 was held on September 29th, 2001,



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Mrs. Joyce Francis Noronha**Practising Company Secretary****M. Phil (Com.), LL.M., MBA (Fin. & HRM), ICWA (Finalist), FCS.**

36-D

B-80, Zone-II First Floor,

Near Chetak Bridge,

M.P. Nagar, Bhopal - 462 011.

Ph. : 275385 (O) Telefax : 293727 (R)

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after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes book maintained for the purpose.

7. No Extra Ordinary General Meeting was held during the year.
8. The Company has not advanced loan to any of its Directors and / or persons or firms or Companies referred in the section 295 of the Act during the year.
9. The Company has not entered into contracts/ arrangements with any party attracting the provisions of section 297 of the Act during the year.
10. The Company has made necessary entries in the register maintained under section 301 of the Act for contracts/ arrangements made in the earlier years.
11. The Company has obtained necessary approvals from the Board of Directors, members, and previous approval of the Central Government pursuant to Section 314 of the Act wherever applicable.
12. The Company has not issued any duplicate share certificates during the year under review.
13. The Company has :
 - i. delivered all the certificates on lodgement thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act (There was no allotment of shares during the year) ;
 - ii. The Company has not declared any dividend during the year .
 - iii. There is unclaimed / unpaid dividend in the Dividend Account of the Company amounting to Rs.3150/- and the mandatory period of seven years has not lapsed.
 - iv. There are no matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
 - v. Duly complied with the requirements of section 217 of the Act.



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Mrs. Joyce Francis Noronha**Practising Company Secretary****M. Phil (Com.), LL.M., MBA (Fin. & HRM), ICWA (Finalist), FCS.****36-D****G-60, Zone-2, First Floor,****Near Ghatak Bridge,****M.P. Nagar, Bhopal - 462 011.****Ph. : 275385 (O) Telefax : 293727 (R)**

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14. The Board of Directors of the Company is duly constituted and the appointment of directors, has been duly made.
15. The appointment of Managing Director/ Whole- time Director is in accordance with the provisions of section 269 read with Schedule XIII to the Act.
16. The Company has not appointed any sole-selling agents during the year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and rules made thereunder.
19. The Company has not issued any shares/debentures /other securities during the financial year.
20. The company has not bought back any shares during the financial year ending March 31st, 2001.
21. The Company has not redeemed any preference shares / debentures during the year under review.
22. The provisions of para 22 of the Compliance Certificate pursuant to section 383A of the Act are not applicable.
23. The Company has neither accepted / renewed any deposit , during the year under review nor has any deposits outstanding as on March 31st, 2002.
24. The Company has not borrowed from the Directors, members, public, financial institutions banks and others during the financial year ending March 31st, 2002.
25. The Company has not made loans and investments, or given guarantees or provided securities to other bodies corporate during the year under review.
26. The Company has not altered the provisions of the memorandum with respect to situation of the registered office of the company from one state to another during the year under scrutiny.

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