



K-384

# ANNUAL REPORT 2007

35 YEARS  
OF SERVICE IN  
CROP PROTECTION  
INDUSTRY

AN ISO 9001-2000 CERTIFIED COMPANY



KILPEST INDIA LIMITED





# KILPEST INDIA LIMITED

## BHOPAL

### THIRTY FIFTH ANNUAL REPORT AND ACCOUNTS 2006-2007

**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  
MR. K.N.DUBEY  
MR. R.K.CHOUBEY

INDEPENDENT  
DIRECTORS

**BANKERS** : STATE BANK OF INDORE  
T.T. NAGAR, BHOPAL

**AUDITORS** : M/S R.C. BAHETI & CO.  
CHARTERED ACCOUNTANTS  
BHOPAL

**REGISTERED OFFICE  
AND FACTORY** : 7-C, INDUSTRIAL AREA,  
GOVINDPURA,  
BHOPAL - 462 023

**LUCKNOW SALES DEPOT** : D-1207, HIMALAYA MARG,  
INDIRA NAGAR, LUCKNOW.

**RAIPUR SALES DEPOT** : 72/12, GURUTEG BAHADUR NAGAR,  
OPP. NAYA GURUDWARA, RAVIGRAM, RAIPUR.

**BILASPUR SALES DEPOT** : SHUKLA MOTORS,  
OPP. NATRAJ HOTEL, LINK ROAD, BILASPUR

**REGISTRAR & TEANSFER  
AGENTS** : M/s. ADROIT CORPORATE SERVICES PVT. LTD.  
19/20, JAFERBHOY INDUSTRIAL ESTATE,  
1ST FLOOR, MAKWANA ROAD,  
MAROL NAKA, ANDHERI (E),  
MUMBAI - 400 059

Certified True-Copy  
For KILPEST INDIA LIMITED

*[Signature]*  
DIRECTOR

# KILPEST INDIA LIMITED

## REPORT OF THE DIRECTORS

To

Dear Members,

Your Directors have pleasure in presenting their Thirty Fifth Annual Report, together with the Audited Accounts for the year ended 31st March, 2007 as follows:

### FINANCIAL RESULTS

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

(in lacs)

	Year ended 31-03-2007	Year ended 31-03-2006
Sales Turnover	1364.61	966.03
Profit before Depreciation	49.58	37.49
Less: Depreciation	11.20	10.20
Profit before Tax	38.38	27.29
Less: Provision for Taxation	7.00	1.88
Net Profit after Tax	31.38	25.41

### PERFORMANCE FOR THE YEAR 2006-2007

This year will mark the turning point in your company's history. Due to the efforts of management for past several years in field of Public Health Government business, this year saw the efforts fructifying with good orders from Govt.departments. As a result the company's sales grew phenominally by 40%, and the profits too grew by 40% Company expects to continue the performance in the coming year also.

Company has been exporting its products to Bangladesh and with more registrations being cleared by the Ministry of Agriculture Bangladesh, the exports should also pick up further. Company has started several new products to strengthen its range of products to meet the competition.

### CORPORATE GOVERNANCE

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that :

- i) The company has followed the applicable accounting standards in the preparation of the Annual Account for the year under review.
- ii) The Directors have made judgements and estimates that are reasonable and prudent and have selected accounting policies and applied them consistently to give true and fair view of the state of affairs of the company as at 31st March, 2007 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. Company is maintaining 6 Nos. of BIS Licences. Company is an ISO 9001:2000, Certified.

## **DIVIDEND**

Looking into the performance, it was decided to reward the shareholders, and accordingly dividend of 10% was proposed on the fully paid shares as on 31-3-2007 on pro-rata basis.

## **CURRENT LISTING**

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

## **DIRECTORS**

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

## **AUDITORS**

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

## **COMPANY SECRETARY**

As per the Companies (Amendment) Act, 2000, it is required, in case of your company, to obtain a certificate from a Company Secretary in whole-time practice regarding compliance of various secretarial matters as the paid-up capital of the company is more than Rs.10 lacs. Accordingly, the company has appointed M/s P.K. Rai & Associates, Practising Company Secretary as 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 has initiated the process of appointing a full time Company Secretary, and is looking for a qualified person.

## **PERSONNEL**

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

## **SAFETY AND ENVIRONMENT**

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

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

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

## **ACKNOWLEDGEMENTS**

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

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

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

Place : Bhopal

Dated : 30th July, 2007

**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, 2007.**

**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**

**1. POWER AND FUEL CONSUMPTION**

	<b>Year ended 31-03-2007</b>	<b>Year ended 31-03-2006</b>
<b>1. Electricity</b>		
(a) Purchased Units (KWH)	1,98,380	1,22,580
Total Amount (Rs.)	9,09,936	7,83,927
Average Rate/Unit (Rs.)	4.58	6.39
(b) Own Generator		
i) Through Diesel Generator		
Units (KWH)	800	582
Units/Ltr. of Diesel	1.68	1.78
Cost/Unit (Rs.)	21.85	19.97
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).	other books maintained by the company, it is
Others (Specify)	impracticable to apportion the utilities.

## B. TECHNOLOGY ABSORPTION

### EFFORTS MADE IN TECHNOLOGY ABSORPTION

Report **FORM B** Junction.com

### 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 bio-products were being researched to be launched.	
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 specially bio-based	
4.	Expenditure on R&D		31-03-2007	31-03-2006
(a)	Capital		13,96,296	--
(b)	Recurring		NIL	1,44,760
(c)	Total		13,96,296	1,44,760
(d)	Total R&D expenditure as a percentage of total turnover		0.96%	0.15%

## TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2006-2007	2005-2006
1. Foreign Exchange Earnings	22,03,081	7,74,900
2. Foreign Exchange Outgo	24,35,577	33,98,620

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

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

Place : Bhopal

Dated : 30th July, 2007



## REPORT ON CORPORATE GOVERNANCE

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

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

### B. BOARD OF DIRECTORS

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

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

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

The Board of directors provide the strategic direction and thrust to the operations of the company. During the period under review, 10 Board Meetings were held on 20th May 2006, 30th June 2006, 24th July 2006, 14th August 2006, 28th September 2006, 31st October 2006, 13th November 2006, 18th November 2006, 4th December 2006 and 31st January 2007. The Thirtyfourth Annual General Meeting was held on 30th September, 2006.

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

S.No.	Name of Director	No. of Board Meetings attended	Attendance at AGM held on 30-09-2006
01.	Shri R.K. Dubey	10	Yes
02.	Shri D.K. Dubey	10	Yes
03.	Shri N.K. Dubey	10	Yes
04.	Shri Shabbar Husain	7	Yes
05.	Shri B.M. Saighal	6	No
06.	Shri K.N.Dubey	6	No
07.	Shri R.K.Choubey	6	No

**(C) DETAILS OF REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED ON 31ST MARCH, 2007.**

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.committity Meetings)	Salaries & Allowances etc.	Cont. to Provident & Superannuation Funds
01.	Shri R.K. Dubey	2,500	3,00,000	28,800
02.	Shri D.K. Dubey	2,500	1,80,000	21,600
03.	Shri N.K. Dubey	2,500	1,62,000	15,840
04.	Shri Shabbar Husain	1,750	-	-
05.	Shri B.M. Saighal	1,500	-	-
06.	Shri K.N.Dubey	1,500	-	-
07.	Shri R.K.Choubey	1,500	-	-

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

**(i) Audit Committee**

The following Directors are members of the Audit Committee:

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

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