



WE MAKE  
SCIENCE  
AMENABLE  
TO LIFE



India's Leading Agri Bio-Tech Company



**AN ISO 9001 : 2000 CERTIFIED COMPANY**

LIQUID CONCENTRATES/WETTABLE POWDERS/PLANT HORMONES/MICRONUTRIENTS/BIOPESTICIDES/ORGANIC FERTILIZERS

▢ R & D

▢ QC

▢ FORMULATIONS

▢ PROCESS

▢ PRODUCTION

**ANNUAL REPORT 2009**

# KILPEST INDIA LIMITED

## BHOPAL

### THIRTY SEVENTH ANNUAL REPORT AND ACCOUNTS 2008-2009

**BOARD OF DIRECTORS** : MR. R.K. DUBEY  
CHAIRMAN & MANAGING DIRECTOR

MR. D.K. DUBEY }  
MR. N.K. DUBEY } WHOLETIME  
DIRECTORS

CA. SHABBAR HUSAIN }  
MR. B.M. SAIHGAL } INDEPENDENT  
MR. K.N.DUBEY } DIRECTORS  
MR. R.K.CHOUBEY }

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

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

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

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

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

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

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

# KILPEST INDIA LIMITED

## REPORT OF THE DIRECTORS

To

Dear Members,

Your Directors have pleasure in presenting their Thirty Seventh Annual Report, together with the Audited Accounts for the year ended 31st March, 2009 as follows:

### FINANCIAL RESULTS

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

(Rs. in lakhs)

	Year ended 31-03-2009	Year ended 31-03-2008
Sales Turnover	1513.22	1382.14
Profit before Depreciation	57.31	45.65
Less: Depreciation	13.74	11.38
Profit before Tax	43.57	34.27
Less: Provision for Taxation	16.41	6.22
Net Profit after Tax	27.16	28.05

### PERFORMANCE FOR THE YEAR 2008-2009

Company has done better on sales front and also on profit before tax. Agrochemical industry is normalizing after the last year China Syndrome, where shortages and price spiraling was the main feature, had the raw material shortage not been there, your Company would have done much better. Coming year company expects lot of tenders to be finalized in its favour, which are pending, and your company is starting a number of new products and also tapping new areas, which all should give good growth to the Company.

### Export

Company's exports were better this year and grew by 70%. We expect the growth to continue as company is exploring newer products / markets.

### FORAY INTO BIOTECHNOLOGY

The Company's Bio-tech R & D Laboratory is fully functional and lot of biological products which are in pipeline, will be launched in 2009-10. Company hopes that with growing awareness & demand towards organic / natural products, company's research efforts in this line will start a new era.

## **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, 2009 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**

Company has been doing Research & Development for quite sometime, and has developed several products / process, which have been commercialized in the past.

Looking into the need of the hour, Company is focusing itself into Biotechnology and with this intent is increasing its research activities in biotechnology and the management is hopeful that the team of young and qualified scientists will give several novel products to the company in coming years, which will write a new growth story of the Company.

## **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.

## **DIRECTORS**

Shri B.M.Saihgale & Shri D.K. 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 a Secretarial Auditor. The Secretarial Compliance Certificate given by M/s P.K. Rai & Associates, Bhopal is attached herewith which forms part of this report. The company had initiated the process of appointing a full time Company Secretary, and is looking for one.

## PERSONNEL

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

## SAFETY AND ENVIRONMENT

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

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

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

## ACKNOWLEDGEMENTS

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

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

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

Place : Bhopal

Date : 30<sup>th</sup> June, 2009

**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, 2009.**

**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 31-03-2009</b>	<b>Year ended 31-03-2008</b>
<b>1. Electricity</b>		
(a) Purchased Units (KWH)	1,34,770	1,41,550
Total Amount (Rs.)	9,10,220	8,55,042
Average Rate/Unit (Rs.)	6.75	6.04
(b) Own Generator		
i) Through Diesel Generator		
Units (KWH)	470	1156
Units/Ltr. of Diesel	1.60	1.78
Cost/Unit (Rs.)	24	19.48
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
Electricity Furnace Oil	formulations and having regard to the records and
Coal (specify quality)	other books maintained by the company, it is
Others (Specify)	impracticable to apportion the utilities.

## B. TECHNOLOGY ABSORPTION

### EFFORTS MADE IN TECHNOLOGY ABSORPTION

### FORM B

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

#### RESEARCH & DEVELOPMENT

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

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

4. Expenditure on R&D	31-03-2009	31-03-2008
(a) Capital	16,30,776	14,31,144
(b) Recurring	17,41,884	5,25,240
(c) Total	33,72,660	19,56,384
(d) Total R&D expenditure as a percentage of total turnover	2.14%	1.00%

## TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts, in brief, made towards technology absorption, adaptation and innovation : Innovations made in manufacturing processes.
- Benefits derived as a result of the above efforts : Improved productivity and process efficiencies.
- There is no imported technology involved. Total foreign exchange used.



**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

	<b>2008-2009</b>	<b>2007-2008</b>
1. Foreign Exchange Earnings	51,31,808	30,17,800
2. Foreign Exchange Outgo	—	50,41,734

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

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

Place : Bhopal

Dated : 30<sup>th</sup> June, 2009



## 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	-	3	2
05.	Shri B.M. Saighal	Non Executive Independent Director	-	2	1
06.	Shri K.N.Dubey	Non Executive Independent Director	-	1	-
07.	Shri R.K.Choubey	Non Executive Independent Director	-	-	-

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

The Board of directors provide the strategic direction and thrust to the operations of the company. During the period under review, 7 Board Meetings were held; on 30th April, 2008, 30th June, 2008, 31st July 2008, 20th August, 2008, 31st October 2008, 4th November, 2008 & 31st January 2009. The Thirty sixth Annual General Meeting was held on 30th September, 2008.