



India's Leading Agri Bio-Tech Company

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**A TRADITION OF QUALITY SINCE 40 YEARS**



**AN ISO 9001 : 2008 CERTIFIED COMPANY**

**ANNUAL  
REPORT  
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: 29<sup>th</sup> 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

<b>BOARD OF DIRECTORS</b>	: 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. R.K. CHOUBEY
	}
	INDEPENDENT DIRECTORS
<b>BANKERS</b>	: STATE BANK OF INDIA PANCHANAN BHAWAN BRANCH, T.T. NAGAR, BHOPAL (M.P.)
<b>AUDITORS</b>	: M/S R.C. BAHETI & CO. CHARTERED ACCOUNTANTS BHOPAL
<b>REGISTERED OFFICE AND FACTORY</b>	: 7-C, INDUSTRIAL AREA, GOVINDPURA, BHOPAL - 462 023
<b>LUCKNOW SALES DEPOT</b>	: D-1207, HIMALAYA MARG, INDIRA NAGAR, LUCKNOW.
<b>RAIPUR SALES DEPOT</b>	: 71/12, GURUTEG BAHADUR NAGAR, OPP. NAYA GURUDWARA, RAVIGRAM, RAIPUR.
<b>CUTTACK SALES DEPOT</b>	: APCO MARKETING, FRIENDS COLONY, CUTTACK
<b>REGISTRAR &amp; TRANSFER AGENTS</b>	: 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:

- 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 : 29<sup>th</sup> 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**

	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
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. <b>Coal</b>	NOT APPLICABLE	
3. <b>Fuel Furnace Oil + Light</b>	NOT APPLICABLE	
Diesel Oil	NOT APPLICABLE	
Quantity (KL)	NOT APPLICABLE	
Total Amount (Rs.)	NOT APPLICABLE	
Average Rate/KL (Rs.)	NOT APPLICABLE	
4. <b>Others/ Internal Generation</b>	NOT APPLICABLE	

**II CONSUMPTION PER UNIT OF PRODUCTION**

Products (with details) Unit	Since the company manufactures several
Electricity Furnace Oil	formulations and having regard to the records and
Coal (specify quality)	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 Fytozyme.
- 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.

<b>4. Expenditure on R&amp;D</b>	<b>31-03-2013</b>	<b>31-03-2012</b>
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



- |  |   |   |
|--|---|---|
|  | : | Existing Products improved.                     |
| 2. Benefits derived as a result                        | : | Improved productivity and process efficiencies. |
| of the above efforts                                   | : | 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><b>2012-2013</b></u>	<u><b>2011-2012</b></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 : 29<sup>th</sup> 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 7<sup>th</sup> May 2012, 31<sup>st</sup> May 2012, 26<sup>th</sup> July 2012, 4<sup>th</sup> August 2012, 29<sup>th</sup> October 2012, 29<sup>th</sup> November 2012 and 31<sup>st</sup> 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:-