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ANNUAL REPORT 2015

AN ISO 9001 : 2008 CERTIFIED COMPANY

KILPEST INDIA LIMITED

BHOPAL

CIN : L24211MP1972PLC001131

FORTY THIRD ANNUAL REPORT AND ACCOUNTS 2014-2015

BOARD OF DIRECTORS	: MR. R.K. DUBEY CHAIRMAN & MANAGING DIRECTOR
	MR. D.K. DUBEY MR. N.K. DUBEY
	} WHOLETIME DIRECTORS
	SMT. MITHALA DUBEY ADDL. DIRECTOR
	CA. SHABBAR HUSAIN MR. R.K. CHOUBEY
	} INDEPENDENT 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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the FORTY THIRD 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 Wednesday the 30th September, 2015 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, 2015 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 Mr. D. K. Dubey who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. N. K. Dubey who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and fix their remuneration for the year ending on 31st March, 2016.

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass with or without modification(s) the following resolution as an ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 149 (1) (a) of the Companies Act, 2013 and the Listing agreement with BSE, Smt. Mithala Dubey - who is having DIN No. 3597415, be and is hereby appointed as an Additional Director on the Board of Directors of the Company to hold the office for a term up to five consecutive years commencing from 27th March 2015.

BY ORDER OF THE BOARD OF DIRECTORS

(R. K. DUBEY)

CHAIRMAN & MG. DIRECTOR

Place: Bhopal
Dated: 29th May 2015

Registered Office:
7-C, Industrial Area,
Govindpura, Bhopal-462 023.
CIN: L24211MP1972PLC001131
Ph: 91-755-2586536 / 2586537
Fax : 91-755-2580438 Website: www.kilpest.com
Email: kilpest@bsnl.in / kilpestbpl@yahoo.co.in dkdkilpest@yahoo.co.in

NOTES

- The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item 5 set out above is annexed hereto.
- 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 OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- The Register of Members and share transfer books of the company will remain closed from 21st September 2015 to 30th September, 2015 both days inclusive.
- Members are requested to notify immediately to the Company any change in their address.
- Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode of those Members who have registered their e-mail address with the Company or their respective Depository are requested to do so, with M/s Adroit Corporate Services Pvt. Ltd / Depositories.
- E-voting :
- In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Clause 35B Listing Agreement, your company is pleased to offer E-voting facility to the Members of the Company to exercise their right to vote by electronic means in respect of items contained in the notice. The Company has engaged the Services of Central Depository Services (India) Limited (CDSL) for providing e-voting facilities. E-voting is optional and a member may physically vote at the Annual General Meeting at their Discretion.
- The Company has appointed Mr. P. K. Rai, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast.
- The E-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for E-voting. Once the vote on a resolution is cast by any member, he/she shall not be allowed to change it subsequently.
- Commencement of E-voting Sunday, 27th September 2015, 10.00 a.m.
- End of E-voting Tuesday, 29th September 2015, 6.00 a.m.
- The cut-off date for the purpose of E-voting is Friday, 25th September, 2015. The voting rights of members shall be in proportion to their equity shareholding in the paid up equity share capital of the company as on cut-off date.

The instructions for shareholders voting electronically are as under :

- (I) The voting period begins on 27/09/2015 at 10:00 a.m. and ends on 29/09/2015 at 6:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 25/09/2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) Shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on “Shareholders” tab.
- (v) Now Enter your User ID
 (a) For CDSL : 16 digits beneficiary ID
 (b) For NSDL : 8 Character DP ID followed by 8 Digits Client ID.
 (c) Members holding shares in Physical Form should enter Folio Number registered with the company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and has logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of sequence number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000 01 in the PAN field.
Dividend Bank Details Or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both details are not recorded with the depository or company please enter the member id / folio number in the Dividend bank details fields as mentioned in instruction (v)

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding share in physical form, the details can be used for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <KILPEST INDIA LTD> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non-Individual Shareholders and Custodians.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be mailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk, evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website and shall also be communicated to BSE Limited where the shares of the Company are listed.

ANNEXURE TO THE NOTICE

(Explanatory Statement pursuant to Section 102 of the Companies Act, 2013)

ITEM 5

The Board of Directors of the Company had appointed a Woman Director Smt. Mithala Dubey - promoter of the company, as an Additional Director with effect from 27th March 2015. She is wife of Shri R. K. Dubey - Chairman and Mg. Director and mother of Mr. Dharendra Dubey and Mr. Nikhil Dubey - Whole Time Directors. In accordance with the provisions of section 161 of the Companies Act, 2013 Smt. Mithala Dubey shall hold the office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as Additional Director for a term up to 5 years.

The company has received a declaration of independence from Smt. Mithala Dubey. In the opinion of the Board, Smt. Mithala Dubey fulfills the conditions specified in the Companies Act, 2013 and the Equity Listing Agreement, for appointment as Additional Director of the Company. A copy of the draft Letter of Appointment of Additional Director is available for inspection at the Registered office of the the Company during business hours on any working day.

None of the Directors or Key Managerial Personnel and their relatives, except Smt. Mithala Dubey are concerned or interested (financially or otherwise) in the Resolution. The Board commends the Ordinary Resolution set out at Item no. 5 for approval of the Members.

KILPEST INDIA LIMITED

REPORT OF THE DIRECTORS

To

Dear Members,

Your Directors have pleasure in presenting their Forty Third Annual Report, together with the Audited Accounts for the year ended 31st March, 2015 as follows:

FINANCIAL RESULTS

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

	(Rs. in Lakhs)	
	Year ended 31-03-2015	Year ended 31-03-2014
Sales Turnover (Less : Excise)	1791.41	2098.79
Profit before Depreciation	56.05	66.71
Less: Depreciation	27.64	22.84
Profit before Tax	28.42	43.87
Less: Provision for Taxation	6.14	6.14
Net Profit after Tax	22.28	37.73

PERFORMANCE FOR THE YEAR 2014-2015

This year due to less than average rainfall and falling agri-commodity prices the sales were lower at 19.58 Crs, as compared to 23.24 Crs, and like wise the PBT at 28.42 lacs Vs 43.87 lacs.

To ward off the risk of monsoon and dropping agri-products prices company has been increasing efforts on Exports and the result will be seen in future.

The Export registrations are being undertaken in Egypt, Sudan apart from increasing customer base in Bangladesh. These efforts shall show result in current year. Company is also increasing its market area in other States apart from its main stay at Central India.

The JV is scaling up well, it's a bit slow initially, as it is very strongly R&D driven, however the JV has made a wide range of diagnostic kits ranging from infectious diseases to oncology, which are being accepted by big names customers in diagnostic market. In times to come this JV would become a market leader in the molecular diagnostic sector. And these collective efforts will improve company's top line and bottom line in coming times.

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.
- 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, 2015 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 D. K. Dubey & Shri N. 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 Audit Report 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 134 of the Companies Act, 2013.

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 134 of the Companies Act, 2013 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, Relationship Manager RMME, Sales Hub, BHOPAL** for their support and co-operation.

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

Place : Bhopal
Dated : 29th May, 2015

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

STATEMENT UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 2 OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 ARE GIVEN AS UNDER.

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 utilization of services.
 - (ii) Stoppage of utilities when not required.
 - (iii) 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

POWER AND FUEL CONSUMPTION

	Year ended 31-03-2015	Year ended 31-03-2014
1. Electricity		
(a) Purchased Units (KWH)	2,31,290	2,13,570
Total Amount (Rs.)	19,08,5142	17,08,560
Average Rate/Unit (Rs.)	8.25	8.00
(b) Own Generator		
i) Through Diesel Generator		
Units (KWH)	187	580
Units/Ltr. of Diesel	1.0	1.0
Cost/Unit (Rs.)	63.51	52.21
ii) Through Steam Turbine/ Generator	—	—
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	

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.

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) Development of antifungal biocontrol agent *Bacillus subtilis* for management of fungal borne diseases of agriculturally important crops.
- f) Production of liquid protein hydrolysate plant growth stimulator and fertilizer.
- g) Development of new parameters PCR based rapid disease diagnosis methods and kits.
- h) 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) An effective antifungal formulation based on *Bacillus subtilis* is ready for commercial production.
- e) Production of Liquid protein hydrolysate was stated and presently being commercialized as *Fytozyme*.
- f) Mosquito larvicidal formulation based on *Bacillus thuringiensis* was standardized.
- g) Chelated microfertilizer (Zinc-EDTA) has been development followed by field trials.
- h) 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) Commercialization of *Bacillus subtilis* based fungal antagonistic formulation for crops.
- c) Commercialization of mosquito larvicidal formulation based on *Bacillus thuringiensis israelensis*.
- d) Establishment of joint venture with national and international companies for making rapid progress in biotechnology.

4. Expenditure on R&D	31-03-2015	31-03-2014
(a) Capital		
(b) Recurring	40,000	2,07,664
(c) Total	<u>21,86,587</u>	<u>23,83,839</u>
(d) Total R&D expenditure as a percentage of total turnover	22,26,587	25,91,503
	1.24%	1.25%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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