

KILPEST INDIA LIMITED

BHOPAL

THIRTY NINETH ANNUAL REPORT AND ACCOUNTS 2010-2011

BOARD OF DIRECTORS	:	MR. R.K. DUBEY CHAIRMAN & MANAGING DIRECTOR
		MR. D.K. DUBEY } MR. N.K. DUBEY }
		CA. SHABBAR HUSAIN } MR. B.M. SAIHGAL } MR. K.N.DUBEY } MR. R.K.CHOUBEY }
		WHOLETIME DIRECTORS
		INDEPENDENT DIRECTORS
BANKERS	:	STATE BANK OF INDIA T.T. NAGAR, PANCHANAN BHAWAN, 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	:	71/12, 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 Ninth Annual Report, together with the Audited Accounts for the year ended 31st March, 2011 as follows:

FINANCIAL RESULTS

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

(Rs. in lakhs)

	Year ended 31-03-2011	Year ended 31-03-2010
Sales Turnover	2141.00	1910.47
Profit before Depreciation	136.00	86.96
Less: Depreciation	19.00	15.30
Profit before Tax	117.00	71.65
Less: Provision for Taxation	39.00	22.21
Net Profit after Tax	78.00	49.44

PERFORMANCE FOR THE YEAR 2010-2011

This year your company sales increased by 12%, EBDT was up by 56% & PBT by 58%. This was possible by company's focus on better margin products. Launch of newer products and increased focus on bio products (developed in in-house R&D). Company's export to Bangladesh remained static due to stiff competition from China. However, in 2011 more company's products are being registered by two new distributors based on good product performance in past and with this the exports should grow well this year, as now China is not glutting the market due to stricter pollution norms in their country.

BIOTECHNOLOGY JOINT VENTURE:

KILPEST LAUNCHED NOVEL BIOTECH INDO-SPANISH JV PROJECT AT BHOPAL (M.P.)

Hon'ble Minister of Health, Parliamentary Affairs Government of Madhya Pradesh Dr.Narottam Mishra along with Mr. Erik Rovina Mardones Commercial Counsellor Embassy of Spain & Mr.Adrian Gutierrez Chief Representative CDTI(Spain's National Innovation Agency ministry of Science & Technology), on 5-4-2011 inaugurated the novel biotech plant of Indo Spanish JV company **3B Blackbio Biotech India Ltd.**

Your Company a leading 38 yrs old agrochemical company in Central India has entered into a joint venture with two Spanish biotechnology companies M/S Biotools B&M Labs S.A(A leading

Spanish Biotechnology company founded in 1996 focused on research, development and manufacture of recombinant enzymes and other tools for molecular biology) and its spin-off company 2B Blackbio Biotech SL, Madrid (Rapidly growing Biotech company focused on Personalised medicine, nutrigenomics & pharmacogenomics, developing products based on technologies of Micro sequencing, Arrays & other molecular techniques, establishing the new joint venture company **3B Blackbio Biotech India Ltd.** The inauguration of the plant was also attended by numerous prestigious customers, Vendors, Clinicians, representatives of the city of Bhopal along with Mr. Pedro Franco de Sarabia (President & CEO of Biotools B&M Labs), Mr. R.K. Dubey (Chairman, M.D of M/s Kilpest India Ltd), Mr. Arturo Lasaosa (Board Member at Biotools B&M & 2B Blackbio S.L Spain) Mr. Michael Sohn (Managing Director of M/S 2 B Blackbio S.L, Spain), Dr. Vijay Ramnani M.D Microbiology, Ms. Gemma Garcia 3B Blackbio Biotech India Ltd) Mr. Dharendra Dubey & Mr. Nikhil Dubey (Directors of M/s Kilpest India Ltd & 3B Blackbio Biotech India Ltd),

The company has put up a most modern and state of art GMP compliant biotech plant in Industrial area, Govindpura, Bhopal. This is first novel plant of its kind in central India. The Researchers and Scientists have been duly trained in Spain and are further supported online from Madrid, Spain on day to day basis. This joint venture will manufacture **Molecular Biology Enzymes/Reagents** used widely in the Biotechnology field and will also make **Molecular Diagnostic kits** based on Spanish patented technology for various diseases like Tuberculosis diagnosis, 1st & 2nd line Drug Resistance Tuberculosis, Malaria (Pf Vivax/Pf. Falciparum), Dengue, HPV, HBV, HCV, Early Septicemia detection within 6 hrs through Universal Bacterial & Fungal Identification Kit, Diabetes (risk prediction & drug metabolism) etc. Further with target to lead the research and development of new tools in the field of personalized medicine, medical diagnostics, pharmacogenomics, as well as provide diagnostic tests to predict drug treatment effectiveness (Companion Diagnostics) and enter the field of nutrigenomics. **3B BlackBio Biotech India Ltd** will use and adapt a wide spectrum of technologies that include the most innovative microsequencing platforms, protein arrays and other molecular analysis solutions in the areas of metabolic disorders, oncology, cardiovascular diseases, microbiology, pharmacogenetics and wellness.

With the start of production in India these tests will become affordable to Indian population, although in the Developed Countries these tests are routine and basic tools of Diagnosis, but here due to high prices, these tests are out of reach of common man.

M/S Biotools B&M Labs has been already successfully transferred their patented Gelified Technology to Brazilian health system (through IBPM) in March 2010, enabling product development and solutions meeting the idiosyncrasies of epidemiology in Brazil in particular, and South America, in general. Also, it has been transferred to the recently inaugurated joint venture in India (3B BlackBio Biotech India. Ltd.), Biotools Products are popular in Spain and in more than 40 countries all over the world (Europe, Asia, America and Africa-Middle East) With a Subsidiary Commercial Office in Brazil (Biotools do Brasil Ltda.), and planning to set up a Representative Office in China.

2B Black Bio S.L., a biotechnological company dedicated to personalized medicine, has completed its second capital increase along with public support achieving more than 3 million Euros, which will allow the company to continue with the development of new diagnostic solutions as well as its international expansion. It is important to mention that Madrid is one of the leading European Regions for international biotech patent applications behind Berlin (Germany) and Zuid-Holland (The Netherlands) and above Paris and Copenhagen, This data shows that biotechnology is one of the most dynamic sectors in the Madrid economy.

The new Joint Venture will introduce in India an innovative site-directed microsequencing platform that combines ease of use and cost competitiveness, allowing the introduction of companion diagnostics to one of the biggest global Healthcare markets. These tools are also becoming essential for Pharma companies in order to show the efficiency of newly developed drugs(based on genetic biomarkers) and penetrate in that way markets in an easier way, as well as differentiating themselves from other competitors. It is expected that in the next 5 years most Healthcare systems will request companion diagnostic tests especially in oncology and metabolic disorders before prescription and treatment can be initiated.

The company is also launching a unique sample collection card Blacklight Card which can be used for collecting patient's sample (blood/saliva/sputum etc) from remote areas and can be sent through courier to the laboratory for analysis. The chemically treated matrix of the card kills the infectious bacteria and preserves its DNA on the card which is used to identify the disease. This prevents the patient from traveling and spreading the disease, also the patient is relieved from the journey stress. It is also very convenient for the laboratory, saving time and costs, because it solves DNA extraction step, allowing a direct amplification/ sequencing from the sample in the card.

Further for Tuberculosis: Detection by microscopy (most prevalent method) identifies only 50- 55% of the positive cases, the rest 45-50% go undetected, spreading the disease further in the ratio of 1:10 per year. By using the molecular technique (PCR), 97% of the samples are identified in the very initial stages, enabling timely treatment and controlling the spread of disease. Also during past few years the M.T.B Bacteria has made itself resistant to various Anti T.B drugs being used in the treatment, however with the M.T.B Drug Resistance test using Micro-sequencing we can detect the resistant mutated strain and give proper drug sensitivity for the 9 Anti TB Drugs recommending the right drug for patient treatment, thereby saving crucial time lost during improper treatment and the irreparable loss suffered by the patient.

For Septicemia: The current techniques available to diagnose septicemia based on culture require around 48-72 hours(most crucial hours) this delay can be life threatening to critical patients in I.C.C.U, Neo-natal and post- partum sepsis infection specially in remote places leading to high IMR/ NMR & MMR, in poor states. The Patented Sepsis kit reduces this time to 6 hours, by giving identification of the causative bacteria and also probable drug sensitivity which helps the clinician to start proper treatment at the earliest, saving lives.

Similarly with Malaria(Pf.Falcifarum/Pf.vivax), Dengue, Diabetes, and a variety of cancers can be accurately and timely diagnosed at very initial stage of the disease, thus saving time ,money and lives of our people.

Also the company will be launching its Prognostic kits to predict the possibility of precipitation of type-2 diabetes at an early stage due to genetic predisposition , pre warned the person can take corrective steps suggested by Clinician to avoid the Diabetes precipitation .And the Pharamacogenomic Diabetes kit helps in detection of Effective Drug Metabolism among Diabetics. A wellness kits is also being launched to predict Sport selection by Athletes by showing them where their genetic advantage lies ,to choose the right sport.

The Company will be focusing its Marketing plans during initial years in India and adjoining SAARC Countries. Total Project Investment outlay will touch 10 Crs, which will include service labs at Metro Cities also.

FORAY INTO DIGANOSTIC SERVICE

Kilpest India Ltd is pleased to inform that in continuation to its foray into Biotechnology - Medical Genomics, the company after doing extensive research, collaborative research with

M/s Biotoools B& M Labs S.A., Spain & M/s 2B Blackbio, S. L., Spain, who have 14 years experience in medical genomics - development of diagnostic kits, are launching their Diagnostic Services division named "DYGNOGENE". The company has tied up with leading Medical Microbiologist, Dr.V.K.Ramnani, MD(Micro), who has 20 years experience in this field, to head this venture.

To start with company will cater to the need of Doctors / Hospitals of whole of Madhya Pradesh / Chhattisgarh and will offer a wide range of "Advance molecular test" through its chain of franchisee & collection network. Thereafter, the company shall widen its net work across Pan India through franchisees net work, specially in metros with focus on critical care / pharmacogenomic / wellness. The company's Diagnostic labs "DYGNOGENE" has been set up with the latest technology / equipment in its existing campus at Industrial Area, Bhopal under guidance from M/s Biotoools B&M Spain and this would work as a forward integration to the JV started with M/s Biotoools B&M Spain. This lab will also offer its facilities under CRO model to Pharma industries, for companion diagnostics / pharmacogenomic.

The molecular diagnostic field which offer fast, accurate and reliable assays, forms the basis of diagnostics in the advanced countries and due to the positive edge, is having a CAGR of 25%, and in next five years will have a major share in IVD market replacing immunology based assays.

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, 2011 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

Looking into the better performance, it was decided to reward the shareholders, and accordingly dividend of 10% was proposed.

CURRENT LISTING

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

DIRECTORS

Shri N. K. Dubey & 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, 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 INDIA, T. T. Nagar Branch, Panchanan Bhawan, Bhopal for their support and co-operation.

For and on behalf of the Board
of Directors

Place : Bhopal

Dated : 31st May, 2011

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, 2011.

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 24⁰ 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

1. POWER AND FUEL CONSUMPTION

	Year ended 31-03-2011	Year ended 31-03-2010
1. Electricity		
(a) Purchased Units (KWH)	1,98,640	1,76,780
Total Amount (Rs.)	12,08,007	9,62,605
Average Rate/Unit (Rs.)	7.27	6.21
(b) Own Generator		
i) Through Diesel Generator		
Units (KWH)	1214	549
Units/Ltr. of Diesel	1.3	2.00
Cost/Unit (Rs.)	34.30	39.26
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

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 sweetner 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 sweetner 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.

4. Expenditure on R&D	31-03-2011	31-03-2010
(a) Capital	81,05,772	21,03,492
(b) Recurring	22,13,857	33,62,525
(c) Total	<u>1,03,19,629</u>	<u>54,76,017</u>
(d) Total R&D expenditure as a percentage of total turnover	4.82%	2.85%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts, in brief, made towards technology absorption, adaptation and innovation :
 - : Innovations made in manufacturing processes.
 - : New Products launched
 - : Existing Products improved.
- Benefits derived as a result of the above efforts :
 - : Improved productivity and process efficiencies.
 - : Sales volume increased.
 - : Customer trust company's products.
 - : Brand image improved.
- There is no imported technology involved this year.

Total foreign exchange used

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2010-2011	2009-2010
1. Foreign Exchange Earnings	94,03,876	1, 10,19,007
2. Foreign Exchange Outgo	36,57,342	5,58,580

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

R. K. DUBEY

CHAIRMAN & MANAGING DIRECTOR

Place : Bhopal

Dated : 31st May, 2011

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	2	-	-
02.	Shri D.K. Dubey	Executive Director	2	1	-
03.	Shri N.K. Dubey	Executive Director	2	-	-
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 7th April 2010, 31st May 2010, 14th August 2010, 16th October 2010, 2nd December 2010, 20th January 2011, 12th February 2011. The Thirty eighth Annual General Meeting was held on 30th September, 2010.

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 30-09-2010
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	Yes
05.	Shri B.M. Saighal	3	No
06.	Shri K.N.Dubey	4	No
07.	Shri R.K.Choubey	4	No

(C) DETAILS OF REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED ON 31ST MARCH, 2011.

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. committee Meetings)	Salaries & Allowances etc.	Cont. to Provident & Superannuation Funds
01.	Shri R.K. Dubey	17,500	6,60,000	72,000
02.	Shri D.K. Dubey	17,500	4,80,000	55,008
03.	Shri N.K. Dubey	17,500	4,80,000	55,008
04.	CA Shabbar Husain	12,500	-	-
05.	Shri B.M. Saighal	7,500	-	-
06.	Shri K.N.Dubey	10000	-	-
07.	Shri R.K.Choubey	10000	-	-

(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.

The role, powers and functions of the audit Committee are as stated in clause No. 49 of the Listing Agreement and section 292A of the Companies Act, 1956. The Committee reviews the financial statements before they are placed before the Board. The audit committee has been constituted on 28th March, 2003 in compliance to clause No. 49 of the Listing Agreement. The Committee reviews the financial statements before they are placed before the Board. During the period under review four meetings of the committee were held i.e., 29th May 2010, 12th August 2010, 14th October 2010, 18th January, 2011 and all the Directors were present in all the four meetings.

(ii) Share Holders'/Investors' Grievance Committee

The following Directors are members of the Shareholders' Committee.

S.No.	Name of the Director
1.	CA Shabbar Husain
2.	Shri D.K. Dubey

Terms of Reference

The committee is charged with the responsibility to look into the redressal of the shareholders' complaints in respect of any matter including transfer of shares non-receipt of Annual Report, non-receipt of declared dividends, dematerialization of shares,

IPO refunds and complaints, approve issue of duplicates and renewed share certificate, etc. The Committee is authorized to delegate its powers to officers and employees of the Company and / or of the Company's Registrar and Share Transfer Agent. The delegates regularly attend to share transfer formalities at least once in every 15 days.

Compliance Officer

The Company has designated Mrs. Lilly George as its Compliance Officer.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review, were NIL. No request for dematerialization were pending for approval as on 31st March, 11.

(iii) Remuneration committee

The Committee is responsible for recommending to the Board of Directors to review and / or determine and recommend the remuneration package of the Executive Directors of the Company in accordance with the guidelines laid out by the statute and the Listing Agreement with the stock exchange.

The Company has one Executive Chairman and Two Executive Directors on the Board, whose appointment and remuneration is approved by the Shareholders of the Company on recommendation of the Board of Directors of the Company, duly recommended by the Remuneration Committee.

The Company's Remuneration Committee consists of three Independent Directors: -

<u>Name of Member</u>	<u>Status</u>
Shri B. M. Saihgal	Chairman
CA Shabbar Husain	Member
Shri R. K. Choubey	Member

The Remuneration Committee was constituted on 31st January 2008.

No meeting of the Remuneration Committee was required to be held during the financial year ending 31-03-11.

E. GENERAL BODY MEETING :

Particulars of the last Three Annual General Meeting (AGM) of the company have been held at the following places in the last three years:-

AGM	For the year	Venue	Date	Time
36 th	2007-2008	M/s Kilpest India Ltd., Regd. Office, 7-C, Industrial Area, Govindpura, BHOPAL-23.	30-09-2008	11.30 a.m.
37 th	2008-2009	-do-	30-09-2009	11.30 a.m.
38 th	2009-2010	-do-	30-09-2010	11.30 a.m.

F. DISCLOSURES REGARDING RE-APPOINTMENT OF DIRECTORS:

Pursuant to the provisions of Sections 255 and 256 of the Companies Act, 1956, Mr. N.K.Dubey & CA Shabbar Husain retire by rotation at the forthcoming Annual General Meeting.

G. DISCLOSURES:

- i) There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the company at large.

The Directors have disclosed their interest in relation to Interest Income to them & their relatives, the details were put in the Board meeting dated on 29.3.2010.

- ii) There is no non-compliance by the company or any penalties, structures imposed by the Stock Exchange, SEBI, or any other statutory authority on any matter related to capital markets, during the last three years/period.

- iii) Whistle Blower Policy

The Company has a whistle blower policy. Company affirm that it has not denied any personnel access to the audit committee and company has provided protection to "whistle blowers" from unfair termination and other unfair or prejudicial employment practices.

H. MEANS OF COMMUNICATIONS :

Financial Results

The quarterly unaudited financial results and annual audited financial results are published in Financial Express / Economic Times (Mumbai edition) and Swadesh / Business Bhaskar (Bhopal edition).

I. GENERAL SHAREHOLDERS INFORMATION:

- i) **Annual General Meeting :**

Day, date and time :

Friday, 30th Sept, 2011 at 11.30 am

Venue

7-C, Industrial Area, Govindpura, Bhopal – 462 023.

- ii) **Financial Calendar :**

The Company follows April-March financial year. The un audited financial results for first, second (half yearly) and third quarter are generally published in July/August, October and January respectively. Annual audited financial results are published in June.

iii) Date of Book Closure :

The Company's Register of Members and Share Transfer Books shall remain closed from 21st September 2011 to 30th September 2011 (both days inclusive).

iv) Share Transfer System :

In compliance of SEBI requirement, Share transfers are entertained, both under Demat Form and Physical Form.

Physical shares for transfer are duly transferred within a period of 15-20 days from the date of receipt the documents if found in order. The Shareholder's Committee of the Company meets regularly to review and approve transfer proposals. The total number of shares transferred in physical form during the period ended 31st March, 2011 - is 550200.

Registrar & Transfer Agents : M/s Adroit Corporate Services Pvt. Ltd., Mumbai

Demat ISIN Numbers in : INE994E01018
NSDL & CDSL

v) Investor Services – queries / complaints during the period ended 31st March, 2011

During the period from 1/4/2010 to 31/3/2011 no queries / complaints / requests were received by the Company from the shareholders and investors.

vi) Listing on Stock Exchanges:

The Shares of the Company are listed on the Stock Exchange at Mumbai.

Stock Codes : KILPEST 532067

Stock Exchanges : Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001.

Codes : BSE – 532067

vii) Stock Market Data (At BSE)

Month	High (Rs.)	Low (Rs.)
April 10	18.75	8.85
May 10	14.74	11.30
June 10	12.63	10.30
July 10	12.89	9.95
August 10	10.93	10.11
September 10	14.26	9.34
October 10	22.13	13.56
November 10	21.60	16.25
December 10	17.95	15.60
January 11	23.70	17.00
February 11	24.45	20.50
March 11	30.60	24.05

viii) Distribution of Share Holding (As on 31st March, 2011)

No. of Shares	Shareholders		Shares	
	Number	% of total Holders	Number	% to Total Capital
Upto - 500	1351	67.21	348594	5.77
501 - 1000	197	9.80	171918	2.85
1001 - 2000	124	6.17	199957	3.31
2001 - 3000	78	3.88	208168	3.45
3001 - 4000	38	1.89	140906	2.33
4001 - 5000	49	2.44	236846	3.92
5001 - 10000	77	3.83	609824	10.10
10001 & above	96	4.78	4121387	68.26
TOTAL	2010	100.00	6037600	100.00

ix) Dematerialisation of Shares as on 31 st March, 2011

Particulars	No.of Share holders	No.of Shares	% of Shares
No.of Shareholders in Physical Mode	765	1891530	31.33
No.of Shareholders in Electronic Mode	1245	4146070	68.67
Total	2010	6037600	100

	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2010-11	2009-10	2010-11	2009-10
Number of Shares Dematerialised	1138060	1504222	3008010	1387378
Number of Shares Rematerialised	NIL	NIL	NIL	NIL

x) Plant Location :

7-C, Industrial Area, Govindpura,
Bhopal - 462 023 (M.P.)

xi) Address for Correspondence for Shareholders :

REGD.OFFICE
Kilpest India Limited,
7-C, Industrial Area,
Govindpura,
BHOPAL - 462 023 (MP)

REGISTRAR & TRANSFER AGENT
M/s Adroit Corporate Services Pvt.Ltd,
19/20, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri (E), MUMBAI- 400 059

J. DECLARATION / CERTIFICATION

- a) CODE OF CONDUCT :** The Board has laid down a Code of Conduct applicable to all the Directors and Senior Managers of the Company. Necessary certification to this effect is appended to this Corporate Governance Report.
- b) CEO Certification :** As per requirements of Corporate Governance Code, the Managing Director and Chief Financial Officer have furnished the necessary Certificate to the Board of Directors with respect to financial statements and Cash Flow statements for the year ended 31st March 2011.

DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT

I, R.K.Dubey, Chairman & Managing Director of Kilpest India Ltd, do hereby declare that a formal Code of Conduct has been laid down by the Board of Directors of Kilpest India Ltd, which has been made applicable to all the Directors and Senior Managers of the Company. The Code of Conduct has been affirmed to by all the Directors and Senior Managers of the Company. The said code of conduct has been posted on the Website of the Company www.kilpest.com

Place : Bhopal

Date : 31st May, 2011

R. K. DUBEY

CHAIRMAN & MG. DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

(a) Industry structure and developments

Agrochemical Industry including exports is stated to be of 7500 Crores and is growing at 7-10%. Due to government thrust on Agriculture, and increase in prices of cotton, rice, wheat, farmers are having better realization and in turn using more agrochemicals / fertilizers for better yield. This augurs well for your company.

Biotechnology

The joint venture will manufacture **Molecular Biology Enzymes/Reagents** used widely in the Biotechnology field and will also make **Molecular Diagnostic kits** based on Spanish patented technology for various diseases like Tuberculosis diagnosis, 1st & 2nd line Drug Resistance Tuberculosis, Malaria (Pf Vivax/Pf. Falciparum), Dengue, HPV , HBV, HCV, the total Reagent & Kits market is around 1000 crores. The Reagents market is growing at 20-25% CAGR and the diagnostic kits market is growing at 25% CAGR. Your company with the Spanish collaboration should be able to tap this huge potential growing field.

(b) Out look & Opportunities

Last year company had acquired technology from National Research Development Corporation (NRDC), Govt. of India, New Delhi for Bt(i) Biolarvicide and applied for necessary CIB Registration, with growing awareness for environment protection and human health. Future holds only for safe Bio products. This Bio larvicide is used world over and has played a key role in eradicating mosquitoes from USA and other developed Countries. With above developments, the coming years should augur well for the company. This product although the launch is getting delayed due to governmental clearance, but this year it should be launched.

In 2011, more of company's products are being registered in Bangladesh by two new distributors based on good product performance in past and with this the exports should grow well this year, as now China is not glutting the market due to stricter pollution norms in their country.

The company has put up a most modern and state of art GMP compliant biotech plant in Industrial area, Govindpura, Bhopal. This is first novel plant of its kind in central India. The Researchers and Scientists have been duly trained in Spain and are further supported online from Madrid, Spain on day to day basis. This joint venture will manufacture **Molecular Biology Enzymes/Reagents** used widely in the Biotechnology field and will also make **Molecular Diagnostic kits** based on Spanish patented technology for various diseases like Tuberculosis diagnosis, 1st & 2nd line Drug Resistance Tuberculosis, Malaria (Pf Vivax/Pf. Falciparum), Dengue, HPV , HBV, HCV.

Further, the company is pleased to inform that in continuation to its foray into Biotechnology - Medical Genomics, the company after doing extensive research, collaborative research with M/s Biotoools B& M Spain & M/s 2B Blackbio, S.L., Spain, who have 14 years experience in medical genomics – development of diagnostic kits, are launching their Diagnostic Services division named “DYGNOGENE”.

The molecular diagnostic field which offer fast, accurate and reliable assays, forms the basis of diagnostics in the advanced countries and due to the positive edge, is having a CAGR of 25%, and in next five years will have a major share in IVD market replacing immunology based assays.

(c) Segment-wise or product-wise performance

The company has only one business segment of agrochemicals this year.

(d) Risk and concerns

With effort to focus on Public health business & institutional sales / irrigated areas and to increase the product range, the company is making all efforts to ward off the ill effect of monsoon, which is the main risk. Company is also diversifying into bio-products which have better margins and is focusing on more exports. Company has diversified into Biotechnology and put up joint venture, which will manufacture **Molecular Biology Enzymes/Reagents** used widely in the Biotechnology field and will also make **Molecular Diagnostic kits** based on Spanish patented technology for various diseases like Tuberculosis diagnosis, 1st & 2nd line Drug Resistance Tuberculosis, Malaria (Pf Vivax/Pf. Falciparum), Dengue, HPV, HBV, HCV, the total Reagent & Kits market is around 1000 crores. The Reagents market is growing at 20-25% CAGR and the diagnostic kits market is growing at 25% CAGR. Your company with the Spanish collaboration should be able to tap this huge potential growing field. With this diversification the risk of agrochemical business will be further reduced.

(e) Internal control Systems and their adequacy:

The company has an elaborate system of internal controls to ensure optimal utilization of company's resources and protection thereof, facilitating accurate and speedy compilation of accounts and management information reports and compliance with laws and regulations. The company has a well defined organization structure, authority levels and internal guidelines and rules for conducting business transactions. The internal Auditors' and company's internal audit department conduct regular audits to ensure adequacy of internal control system, adherence to management instruction and compliance with laws and regulations of the country as well as to suggest improvements.

(f) Discussion on financial performance with respect to operational performance

This year your company sales increased by 12%, EBDT was up by 56% & PBT by 58%. This was possible by company's focus on better margin products. Launch of newer products and increased focus on bio products (developed in in-house R&D). Company's export to Bangladesh remained static due to stiff competition from China.

(g) Human Resources

The Company firmly believes that Human Resources and knowledge capital are vital for business success and creating value for stakeholders. The Company recognizes the fact that people drive business success, strengthening its efforts to build leadership at all levels. The industrial relations at both the units have remained quite cordial with total dedicated efforts from employees.

The total number of employees as on 31st March, 2011 was 53.

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

Date : 31st May, 2011

Place : Bhopal

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of,
Kilpest India Limited,

We have examined the compliance of conditions of Corporate Governance by Kilpest India Ltd. for the period ended 31st March 2011 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the period ended 31st March, 2011, no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For R.C. BAHETI & CO.
Chartered Accountants

(R.C. BAHETI)
Partner
Firm Registration No. : 403034C
Membership No. : 010997

Place: Bhopal
Date : 31st May, 2011

COMPLIANCE CERTIFICATE

Registration No. 10-1131

Share Capital: Rs 15,00,00,000/-

To,
The Members
Kilpest India Limited.
7-C, Industrial Area
Govindpura, Bhopal

We have examined the registers, records, books and papers of **M/s Kilpest India Limited** (the company) 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 on **31st March 2011** (financial year). 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 of the Act and the rules made there under 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, being a public Limited company, comments is not required.
4. The Board of directors duly met 7 times respectively on 07/04/2010, 31/05/2010, 14/08/2010, 16/10/2010, 02/12/2010, 20/01/2011 and 12/02/2011 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 has closed its Register of Members or Debenture holders during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March 2010 was held on 30.09.2010, after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One extra ordinary general meeting was held during the financial year.
8. The company has not advanced loans to its directors /persons or firms or companies referred to under section 295 of the Act.

9. The company has duly complied with the provisions of section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or the Central Government.
12. The company has not issued duplicate share certificates during the financial year.
13. The Company has:
 - (i) There was no allotment of securities during the financial year.
 - (ii) The company has propose to declare a dividend during the financial year.
 - (iii) The company has required to Post dividend warrants to member of the company as dividend declare during the financial year.
 - (iv) not transferred, any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years, to Investor Education and Protection Fund, as there was no such amount.
 - (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have duly made.
15. The appointment of Managing Director has been made in compliance with the provisions of the Act.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act, during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder
19. The company has not issued any Shares or other securities during the financial year .
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited deposits including any unsecured loans falling within the purview of section 58A during the financial year.

24. The Company has complied with the provisions of section 293(1)(d) of the Act.
25. The Company has not made loans or advance or guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to Situation of the company's registered office from one State to another during the year under scrutiny.
27. The company has not altered the provision of the Memorandum with respect to the object of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The company has altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has altered its Articles of Association during the financial year,
31. There was/were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. As informed and explained to us the Company has been generally regular in depositing provident fund & E.S.I dues with the appropriate authorities.

Place: Bhopal

Date: 31/05/2011

For P. K. Rai & Associates
Practicing Company Secretary

AVADHESH PARASHAR
C. P. No. - 9065

Annexure A

Registers as maintained by the Company: -

Statutory Registers:

- (a) Register of Members under Section 150.
- (b) Register of charge U/s 143 Copies of Instrument Creating Charges U/s 136.
- (c) Registers and Returns under Section 163.
- (d) Minutes Book of Meetings.
- (e) Register of contracts, Companies and Firms in which Directors are interested, maintained under section 301.
- (f) Register of Directors, Managing Directors, Manager and Secretary under Section 303
- (g) Register of Director's Shareholdings under Section 307
- (h) Books of Account u/s 209.

Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March 2011.

S. No.	Form No. / Return	Filed under Section	Date of Filing	Whether Filed within the prescribed time Yes / No	If delay in filing whether requisite additional fee paid Yes / No
1.	Annual Return (Schedule V)	159	21/10/2010	Yes	No
2.	Balance sheet (Schedule -VI)	220	16/10/2010	Yes	No
3.	Form 66	383 (a)	16/10/2010	Yes	No
4.	Form 8		09/03/2011	Yes	No
5.	Form 8		29/03/2011	Yes	No
6.	Form 23		10/01/2011	No	Yes
7.	Form 5		10/01/2011	Yes	No

Auditors' Report

To the Members of Kilpest India Limited,

1. We have audited the attached Balance Sheet of KILPEST INDIA LIMITED as at 31st March, 2011, the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in Paragraph 3 above :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the branch;
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section 3(C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of Sub section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion, and to the best of our information, and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) in the case of the Balance Sheet, of the state of affairs of the Company, as on 31st March, 2011.
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For R.C. BAHETI & CO.,
Chartered Accountants,**

**(R.C. BAHETI)
PARTNER**

Place: Bhopal
Date : 31st May, 2011

Firm Registration No. : 403034C
Membership No. : 010997

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (3) of our report of even date)

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A major portion of fixed assets has been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.
- ii) (a) The inventory of finished goods and raw and packing materials and stores and spare parts have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification, between the physical stocks and the book records were not material.
- iii) (a) The company has taken unsecured loans from the parties covered in the register maintained under Section 301 of the Companies Act, 1956. There are seven parties covered in the register maintained under Section 301 of the Companies Act, 1956, from whom the company has taken loans. The maximum amount involved during the year and the year end balance of the loans taken from such parties was Rs. 91.43 Lakhs. The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) In respect of loans taken from parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (i) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under Section 301 of the companies Act, 1956 are not prima facies prejudicial to the interest of the company.
 - (ii) The company is regular in payment of principal amounts as stipulated and is also regular in payment of interest.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedure, commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

- v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party during the year have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time where such market prices are available.
- vi) The Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under are applicable.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
- ix) (a) According to the information and explanations given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Customs Duty, Excise Duty, and Cess were in arrears, as at 31st March, 2011 for a period more than six months from the date they became payable.
(c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute.
- x) The company does not have any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions and bank.
- xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.

- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- xv) In our opinion the company has not given any guarantee for loan taken by others from bank or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xvi) In our opinion, the term loan has been applied for the purpose for which it was raised.
- xvii) According to the information and explanations given to us and on an overall examinations of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term assets. No long term funds have been used to finance short term assets.
- xviii) According to the information and explanations given to us, during the period covered by our audit report, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) In our opinion, the company has not issued debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xx) During the period covered by our audit report, the company has not raised any money by public issues.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For R.C. BAHETI & CO.
Chartered Accountants

(R.C. BAHETI)
PARTNER

Firm Registration No. : 403034C
Membership No. : 010997

Place : Bhopal
Date : 31st May, 2011

KILPEST INDIA LIMITED, BHOPAL

BALANCE SHEET AS ON 31ST MARCH, 2011

	Schedule	As at 31st March, 2011		As at 31st March, 2010	
I. SOURCES OF FUNDS					
1. SHAREHOLDERS FUNDS					
a. CAPITAL	A	6,29,58,000		5,90,08,000	
b. RESERVES & SURPLUS	B	<u>2,10,74,035</u>	8,40,32,035	<u>1,83,13,147</u>	7,73,21,147
2. LOAN FUNDS					
a. SECURED LOANS	C	2,40,34,918		1,41,36,149	
b. UNSECURED LOANS		<u>1,09,43,428</u>	3,49,78,346	<u>1,21,95,747</u>	2,63,31,896
3. DEFERRED TAX LIABILITY (NET)			52,29,784		36,75,784
TOTAL			12,42,40,165		10,73,28,827
II APPLICATION OF FUNDS					
1. FIXED ASSETS					
a. GROSS BLOCK	D	4,93,91,321		4,06,18,230	
b. LESS : DEPRECIATION		<u>1,59,28,262</u>		<u>1,39,85,148</u>	
c. NET BLOCK			3,34,63,059		2,66,33,082
2. INVESTMENTS					
	E		5,10,100		100
3. CURRENT ASSETS AND LOANS AND ADVANCES					
a. INVENTORIES	F	3,56,12,432		3,06,58,147	
b. SUNDRY DEBTORS		10,08,42,271		8,53,26,713	
c. CASH & BANK BALANCES		32,98,175		50,25,670	
d. LOANS & ADVANCES		<u>1,39,76,534</u>		<u>34,11,813</u>	
		15,37,29,412		12,44,22,343	

	Schedule	As at 31st March, 2011	As at 31st March, 2010
4. LESS :CURRENT LIABILITIES AND PROVISIONS	G		
a. CURRENT LIABILITIES	5,41,55,356	4,26,24,698	
b. PROVISIONS	93,07,050	11,02,000	
	<u>6,34,62,406</u>	<u>4,37,26,698</u>	
NET CURRENT ASSETS		9,02,67,006	8,06,95,645
TOTAL		12,42,40,165	10,73,28,827

Significant Accounting Policies and Notes to Accounts : Schedule "O"

Balance Sheet Abstract and Company's General Business Profile : Schedule "P"

The Schedules referred to above form an integral part of the Balance Sheet.

As per our annexed report of even date

(R.K. DUBEY)
Chairman & Mg. Director

For R.C. Baheti & Co.
Chartered Accountants

(D.K. DUBEY)
Whole Time Director

(R.C. BAHETI)
Partner
Firm Registration No. : 403034C
Membership No. : 010997

(N.K. DUBEY)
Whole Time Director

Place : Bhopal

Dated: 31st May, 2011

KILPEST INDIA LIMITED, BHOPAL

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule	For the year ended 31st March, 2011	For the year ended 31st March, 2010
I. INCOME			
SALES	H	21,41,18,424	19,10,47,489
INCREASE /DECREASE IN STOCK OF FINISHED GOODS	I	15,36,866	(3,88,618)
OTHER INCOMES		3,35,811	2,70,540
TOTAL		21,59,91,101	19,09,29,411
II. EXPENDITURE			
MATERIALS CONSUMED			
(a) Raw Materials	J	12,49,07,502	11,63,22,782
(b) Packing Materials	K	1,98,83,879	1,32,84,276
MANUFACTURING EXPENSES	L	22,45,962	27,64,888
TAXES ON SALES		84,56,319	79,45,356
EXPENDITURE ON PERSONNEL	M	95,12,419	80,40,367
ADMINISTRATIVE, SELLING AND GENERAL EXPENDITURE	N	3,30,38,545	3,02,36,535
INTEREST		43,12,673	36,39,115
DEPRECIATION		19,43,114	15,30,367
TOTAL		20,43,00,413	18,37,63,686
III. PROFIT			
PROFIT BEFORE INCOME TAX		1,16,90,688	71,65,725
LESS : PROVISION FOR INCOME TAX			
CURRENT	23,30,000		1102,000
DEFERRED	<u>15,54,000</u>	<u>38,84,000</u>	<u>22,21,338</u>
		78,06,688	49,44,387
LESS : INCOME TAX FOR EARLIER YEAR WRITTEN OFF		<u>---</u>	<u>4,898</u>
		78,06,688	49,39,489
LESS : PROPOSED DIVIDEND	59,83,300		
TAX ON DIVIDEND	<u>9,93,750</u>	<u>69,77,050</u>	<u>---</u>
		8,29,638	49,39,489
ADD: BALANCE OF PROFIT BROUGHT FORWARD FROM PREVIOUS YEAR		1,76,62,293	1,27,22,804
Balance carried to Balance Sheet		1,84,91,931	1,76,62,293

Significant Accounting Policies and Notes to Accounts : Schedule "O"

Balance She

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The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our annexed report of even date.

(R.K. DUBEY)
Chairman & Mg. Director

For R.C. Baheti & Co.
Chartered Accountants

(D.K. DUBEY)
Whole Time Director

(R.C. BAHETI)
Partner
Firm Registration No. : 403034C
Membership No. : 010997

(N.K. DUBEY)
Whole Time Director

Place : Bhopal

Dated: 31st May, 2011

KILPEST INDIA LIMITED, BHOPAL

Schedules annexed to and forming part of the Balance Sheet as on 31st March, 2011

SCHEDULE 'A'	As at 31st March, 2011	As at 31st March, 2010
CAPITAL		
Authorised		
1,50,00,000 Equity Shares (Previous year 70,00,000 Equity Shares) of Rs.10/- each	15,00,00,000	7,00,00,000
Issued Subscribed & Paid-up		
60,37,600 Equity Shares (Previous Year 60,37,600 Equity Shares) of Rs.10/- each Rs. 10/- Called-up	6,03,76,000	6,03,76,000
12,50,000 (Warrents Converted into Equity shares) (Previous year NIL Equity Shares) of Rs.10/- each & premium Rs. 6.18 Total Rs. 16.18	31,25,000	---
	6,35,01,000	6,03,76,000
Less: Calls in Arrears	5,43,000	13,68,000
Out of above, 7,50,000 Bonus Shares of Rs.10/- each were allotted during the year 1994-95 by capitalisation of Revaluation Reserve and General Reserve.		
Total	6,29,58,000	5,90,08,000
SCHEDULE 'B'		
RESERVES AND SURPLUS		
Share Premium Account	19,31,250	----
General Reserve		
Balance as per last year	6,50,854	6,50,854
Profit and Loss account		
Balance of Profit & Loss Account	1,84,91,931	1,76,62,293
Total	2,10,74,035	1,83,13,147

KILPEST INDIA LIMITED, BHOPAL

Schedules to Balance Sheet contd...

SCHEDULE 'C'	As at 31st March, 2011	As at 31st March, 2010
SECURED LOANS		
Bank Overdrafts		
From State Bank of India	2,40,34,918	1,41,36,149
Secured by hypothecation of inventories and book debts and further secured by first charge on Land and Building both present and future and Hypothecation of Machineries		
Total	2,40,34,918	1,41,36,149

SCHEDULE 'E'

INVESTMENT

NON-TRADE LONG TERM (AT COST)

SUBSIDIARY UNQUOTED

(A) 51,000 Equity Shares of Rs. 10/- each Fully Paid-up in 3B BLACK BIO BIO-TECH INDIA LIMITED, BHOPAL (Previous Year Nil)	5,10,000	---
(B) One Equity share of Rs. 100/- each fully Paid-up in GOVINDPURA AUDHOGIK KSHETRA PRADUSHAN NIVARAN KENDRA, BHOPAL (Previous Year 1 Equity share)	100	100
Total	5,10,100	100

KILPEST INDIA LIMITED, BHOPAL

SCHEDULE - D

FIXED ASSETS

(Annexed to and forming part of the Balance Sheet as on 31st March 2011)

DEPRECIATION											NET BLOCK	
S. No.	PARTICULARS	GrossBlock as on 1-4-2010	Additions during the year	Sale/Transfers during the year	Total Assets as on 31-3-2011	Total Dep- reciation upto 31-3-2010	Provided for the year	Adjust ments	Total Depreciation upto 31-3-2011	As on 31-3-2011	As on 31-3-2010	
01.	Leasehold Land	15,40,000	—	—	15,40,000	—	—	—	—	15,40,000	15,40,000	
02.	Free hold Land	49,35,755	—	—	49,35,755	—	—	—	—	49,35,755	49,35,755	
03.	Factory Building	35,54,811	—	—	35,54,811	19,48,612	1,18,731	—	20,67,343	14,87,468	16,06,199	
04.	Office Building	5,93,290	—	—	5,93,290	1,64,407	9,671	—	1,74,078	4,19,212	4,28,883	
05.	R & D Building	87,73,590	9,05,697	—	96,79,287	12,20,491	1,57,772	—	13,78,263	83,01,024	75,53,099	
06.	R & D Equipment	26,65,772	70,88,056	—	97,53,828	1,68,976	4,96,557	—	6,65,533	90,88,295	24,96,796	
07.	Plant & Machinery	71,76,781	2,48,441	—	74,25,222	38,84,140	3,54,598	—	42,38,738	31,86,484	32,92,641	
08.	Pollution Control Equip.	7,40,000	—	—	7,40,000	1,04,508	35,150	—	1,39,658	6,00,342	6,35,492	
09.	Electrical Installations	3,57,416	53,932	—	4,11,348	2,54,990	19,539	—	2,74,529	1,36,819	1,02,426	
10.	Laboratory Equipments	32,28,219	—	—	32,28,219	21,76,380	1,53,340	—	23,29,720	8,98,499	10,51,839	
11.	Air-Conditioners & Refrigerators	4,62,990	26,080	—	4,89,070	1,94,197	23,231	—	2,17,428	2,71,642	2,68,793	
12.	Generator	5,88,960	—	—	5,88,960	3,77,400	27,976	—	4,05,376	1,83,584	2,11,560	
13.	Vehicles	34,93,061	1,51,316	—	36,44,377	18,98,041	3,46,216	—	22,44,257	14,00,120	15,95,020	
14.	Office Equipments & Machinery	5,07,023	76,470	—	5,83,493	2,81,915	28,089	—	3,10,004	2,73,489	2,25,108	
15.	Computers	6,67,709	71,250	—	7,38,959	6,60,697	78,262	—	7,38,959	—	7,012	
16.	Furniture & Fixture	6,80,158	39,830	—	7,19,988	5,73,217	45,575	—	6,18,792	1,01,196	1,06,941	
17	R&D Furniture & Fixture	5,49,541	1,12,019	—	6,61,560	64,117	41,877	—	1,05,994	5,55,566	4,85,424	
18.	Tube well	1,03,154	—	—	1,03,154	13,060	6,530	—	19,590	83,564	90,094	
Total		4,06,18,230	87,73,091	—	4,93,91,321	1,39,85,148	19,43,114	—	1,59,28,262	3,34,63,059	2,66,33,082	
Figures for the previous year		3,20,95,894	85,22,236	—	4,06,18,230	1,24,54,781	15,30,367	—	1,39,85,148	2,66,33,082	1,96,41,113	

KILPEST INDIA LIMITED, BHOPAL

Schedules to Balance Sheet contd...

SCHEDULE 'F'	As at 31st March 2011		As at 31st March 2010	
CURRENT ASSETS AND LOANS AND ADVANCES				
(A) CURRENT ASSETS				
Inventories (At cost except otherwise stated) (As valued,verified and certified by the Management)				
Raw Materials	1,62,87,522		1,36,44,057	
Packing Materials	60,09,780		51,53,687	
Finished Goods	1,27,12,580		1,11,75,714	
(At cost or market price whichever is lower)				
Miscellaneous Stock	<u>6,02,550</u>	3,56,12,432	<u>6,84,689</u>	3,06,58,147
(B) SUNDRY DEBTORS (UNSECURED)				
Considered good	6,37,84,251		5,61,76,056	
Over six months,				
Considered good	<u>3,70,58,020</u>	10,08,42,271	<u>2,91,50,657</u>	8,53,26,713
(C) CASH & BANK BALANCES				
Cash in Hand	18,97,165		10,48,238	
Balances with Scheduled Banks				
On Current Accounts	2,70,913		2,48,325	
On Saving Accounts	4,398		4,398	
On Deposit Accounts	<u>11,25,699</u>	32,98,175	<u>37,24,709</u>	50,25,670
(D) LOANS AND ADVANCES (Unsecured, considered good)				
Advances recoverable in cash or in kind or for value to be received.				
	1,11,14,848		17,44,231	
Prepaid Expenses	43,486		95,432	
Security Deposits	12,59,701		10,55,835	
Income Tax Payment	<u>15,58,499</u>	1,39,76,534	<u>5,16,315</u>	34,11,813
Total		15,37,29,412		12,44,22,343

KILPEST INDIA LIMITED, BHOPAL

Schedules to Balance Sheet contd...

SCHEDULE 'G'	As at 31st March 2011		As at 31st March 2010	
CURRENT LIABILITIES AND PROVISIONS				
(A) Current Liabilities				
Sundry Creditors	5,17,37,866		4,06,27,226	
Security Deposits from Customers	11,35,000		10,90,000	
Taxes on Sales/Entry Tax payable	55,900		1,17,086	
Income Tax Deducted at Source	5,21,356		2,42,541	
Other outstanding liabilities	7,02,084		5,44,695	
Unclaimed Dividend	3,150	5,41,55,356	3,150	4,26,24,698
(B) Provisions				
Provision for Income Tax	23,30,000		11,02,00	
Proposed Dividend	59,83,300		--	
Tax on Proposed Dividend	9,93,750	93,07,050	--	11,02,000
Total	6,34,62,406		4,37,26,698	

Schedules annexed to and forming part of the Profit and Loss Account for the Year ended 31st March, 2011

SCHEDULE 'H'	For the year ended 31st March 2011	For the year ended 31st March 2010
SALES		
At Bhopal	16,73,32,454	15,81,89,262
At Raipur Depot	3,21,86,381	1,94,76,766
At Bilaspur Depot	38,66,492	32,11,021
At Lucknow Depot	89,84,338	68,83,296
At Indore Depot	1,99,85,383	1,69,84,069
	23,23,55,048	20,47,44,414
Less: Excise Duty	1,82,36,624	1,36,96,925
	21,41,18,424	19,10,47,489

KILPEST INDIA LIMITED, BHOPAL

SCHEDULE 'I'	For the year ended 31st March 2011	For the year ended 31st March 2010
INCREASE/DECREASE IN STOCK OF FINISHED GOODS		
Closing Stock	1,27,12,580	1,11,75,714
Less: Opening Stock	1,11,75,714	1,15,64,332
	<u>15,36,866</u>	<u>(3,88,618)</u>

SCHEDULE 'J'

RAW MATERIALS CONSUMED

1. Chemicals and Other Raw Materials

Opening Stock	1,21,89,526		1,95,52,989	
Purchases	11,99,25,379		10,16,15,899	
	<u>13,21,14,905</u>		<u>12,11,68,888</u>	
Less Closing Stock	<u>1,53,64,515</u>	11,67,50,390	<u>1,21,89,526</u>	10,89,79,362

2. Soapstone and other Raw Materials

Opening Stock	11,54,531		11,76,905	
Purchases	<u>79,25,588</u>		<u>76,21,046</u>	
	90,80,119		87,97,951	
Less : Closing Stock	<u>9,23,007</u>	81,57,112	<u>14,54,531</u>	73,43,420
		<u>12,49,07,502</u>		<u>11,63,22,782</u>

KILPEST INDIA LIMITED, BHOPAL

Schedules to Profit And Loss Account contd ...

SCHEDULE 'K'	For the year ended 31st March 2011		For the year ended 31st March 2010	
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PACKING MATERIALS CONSUMED

Opening Stock	51,53,687		39,57,506	
Purchase	<u>2,07,39,972</u>		<u>1,44,80,457</u>	
	2,58,93,659		1,84,37,963	
Less : Closing Stock	<u>60,09,780</u>	1,98,83,879	<u>51,53,687</u>	1,32,84,276
		<u>1,98,83,879</u>		<u>1,32,84,276</u>

SCHEDULE 'L' MANUFACTURING EXPENSES

Power Charges	12,08,007		9,62,605	
Laboratory Expenses	53,103		1,83,676	
Carriage Inward	21,745		44,942	
Factory & Stacking Expenses	-----		2,51,550	
Loading & Unloading Expenses	18,960		3,94,214	
Consumption of Stores and Spare Parts	7,97,451		8,93,159	
Repairs to Plant & Machinery	86,495		1,810	
Generator Running & Maintenance	60,201		32,932	
	<u>22,45,962</u>		<u>27,64,888</u>	

SCHEDULE 'M' EXPENDITURE ON PERSONNEL

1. Factory Staff				
Salaries, Wages and Bonus	51,33,664		38,36,200	
Contribution to Provident and Gratuity Funds	<u>2,51,589</u>	53,85,253	<u>1,62,883</u>	39,99,083
2. Office Staff				
Salary & Bouns	37,84,519		37,15,693	
Contribution to Provident and Gratuity Funds	<u>3,42,647</u>	41,27,166	<u>3,25,591</u>	40,41,284
		<u>95,12,419</u>		<u>80,40,367</u>

KILPEST INDIA LIMITED, BHOPAL

Schedules to Profit And Loss Account contd ...

SCHEDULE 'N'	For the year ended 31st March 2011		For the year ended 31st March 2010	
ADMINISTRATIVE SELLING AND GENERAL EXPENDITURE				
Advertisement & Publicity		9,77,082		6,73,022
AUDIT FEE				
For Audit	20,000		20,000	
For Other Services	<u>20,000</u>	40,000	<u>5,000</u>	25,000
Bank Commission & Charges		4,76,552		5,98,443
Bad Debts written off		-----		38,57,642
Building & General Maintenance		7,40,507		1,24,469
Commission on Sales		37,70,584		27,25,765
Directors Remuneration & Sitting Fee		18,94,516		13,01,140
Insurance		2,84,084		2,00,515
Legal & Professional Fee		4,40,900		4,90,186
Miscellaneous Expenses		97,27,863		75,42,237
Outward Freight & Forwarding Expenses		62,51,509		46,96,174
Rent		1,04,776		51,600
Rates, Taxes & Fees		13,45,426		6,28,669
R & D Expenses				
Salary & Bonus	13,99,841		4,69,004	
Consumption of Store	2,67,135		11,50,890	
Others	<u>5,46,881</u>	22,13,857	<u>14,42,631</u>	30,62,525
Travelling & Conveyance		26,14,936		25,01,122
Telephones,Fax,Postage & Telegrams		6,36,322		4,65,656
Vehicle Maintenance & Hire Charges		3,52,314		2,15,617
Workmen & Staff Welfare Expenses		11,67,317		10,76,753
		<u>3,30,38,545</u>		<u>3,02,36,535</u>

KILPEST INDIA LIMITED, BHOPAL

Schedule 'O'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES :

1. General

Accounting Convention

The financial statements are prepared under the historical cost convention on accrual basis and comply with Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

2. Revenue Recognition

Sales comprise sale of goods inclusive of Excise Duty and VAT/Central Sales Tax and are net of allowances for discounts, rate differences and leakages.

3. Excise Duty :

Liability for Excise Duty on Finished Goods is accounted as and when they are cleared from the factory premises after taking credit of Cenvat benefit available. No provision is made in the accounts for the goods manufactured and lying in factory premises.

4. Fixed Assets :

In order to relate them more closely to current replacement values, all the fixed assets acquired up to 31st March, 1993 were revalued as on that date and are accordingly carried at revalued figures. Fixed assets acquired after 31st March, 1993 are stated at cost inclusive of freight, taxes and incidental expenses related thereto.

5. Depreciation :

- i) Depreciation has been calculated on straight line method at the rates provided in Schedule XIV to the Companies Act, 1956.
- ii) Depreciation on additions during the year has been provided for full year.

6. Inventories :-

- i) Finished products produced by the Company are carried at lower of cost or market value.
- ii) Raw materials, Packing Materials and Stores and Spare Parts are carried at cost.
- iii) Cost is arrived at mainly on a 'First in first out' basis and is inclusive of freight and expenses incurred.

7. Investments :-

Investments classified as Long Term Investments are stated at cost.

8. Contingent Liabilities :-

Contingent liabilities are not provided for and are disclosed by way of notes.

9. Employees' Retirement Benefits.

i) Company's contributions to Provident Fund are charged to Profit & Loss Account.

ii) Gratuity is accounted for as and when the same is paid.

10. Deferred Tax is accounted for by computing the tax effect of timing difference which arise during the year and reverse in subsequent periods.

B. NOTES TO ACCOUNTS :

1. Previous year figures have been recast and regrouped wherever necessary.

2. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

3. The provision for Income Tax has been made as per the provisions of Section 115JB of the Income Tax Act, 1961.

4. Amount held in margin accounts with State Bank of Indore, T.T. Nagar Branch, Bhopal is Rs. 1,25,699 (previous year Rs.21,84,709).

5. Contingent Liabilities : **2010-2011** **2009-2010**

i) Guarantees given on behalf of the Company by Company's bankers	12,56,502	17,40,097
-------------------------------------------------------------------	-----------	-----------

ii) Letters of Credit for purchase of Raw Materials	----	55,14,290
-----------------------------------------------------	------	-----------

6. Amount payable to SSI Units exceeding Rs. One Lakh beyond a period of 30 days could not be mentioned as necessary information from all the parties are yet to be received.

7. Expenditure on Scientific Research :-

a) Capital Expenditure	81,05,772 (Previous Year Rs.23,60,320)
------------------------	----------------------------------------

b) Revenue Expenditure	22,13,857 (Previous Year Rs. 30,62,525)
------------------------	-----------------------------------------

8. DIRECTORS' REMUNERATION	2010-2011	2009-10
Remuneration	16,20,000	10,62,000
Other benefits	1,82,016	1,16,640
Sitting fees	92,500	1,22,500

9. Additional information pursuant to the provisions of Part-II of Schedule-VI to the Companies Act, 1956:

A. Licenced and Installed Capacity & Actual Production:

	Units	2010-2011	2009-2010
a) Licenced Capacity as registered with the Directorate of Small Scale Industries, Bhopal.		(Per Annum)	(Per Annum)
i) Pesticides:			
1. Dust, WDPs and Granules	MTs	18,550	18,550
2. Liquids	LTs	18,00,000	18,00,000
ii) Micro-fertilizers			
1. Granules	MTs	2,200	2,200
2. Liquids	LTs	55,000	55,000
b) Installed/Assessed Capacity as Certified by the NSIC, Government of India, Bhopal			
i) Pesticides:			
1. Dust, WDPs and Granules	MTs	6,600	6,600
2. Liquids	LTs	7,20,000	7,20,000
ii) Micro-fertilizers			
1. Granules	MTs	2,200	2,200
2. Liquids	LTs	55,000	55,000
c) Actual Production:			
i) Pesticides:			
1. Dust, WDPs and Granules	MTs	3518.01	3809.764
2. Liquids	LTs	4,51,632	3,23,569
ii) Micro-fertilizers / Bio Fertilizers			
1. Granules	MTs	981.991	672.503
2. Liquids	LTs	1,06,981	90,780

B. Opening and Closing Stock of Goods Produced:

		OPENING STOCK				CLOSING STOCK			
		2010-2011		2009-2010		2010-2011		2009-2010	
Class of Goods	Unit	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
i) Pesticides									
1. Dusts, WDPs, & Granules	MTs	120.745	26,78,096	79.012	20,24,949	116.472	33,09,617	120.745	26,78,096
2. Liquids	LTs	14,996	41,76,552	11,566	36,06,895	24,663	60,67,808	14,996	41,76,552
ii) Micro-Fertilizers / Bio Fertilizers									
1. Granules	MTs	69.784	34,91,350	92.789	46,42,308	41.667	21,71,910	69.784	34,91,350
2. Liquids	LTs	10,734	8,29,716	16,691	12,90,180	10,425	11,63,245	10,734	8,29,716
		1,11,75,714		1,15,64,332		1,27,12,580		1,11,75,714	

C. Particulars in respect of Purchases and Sales :-

Class of Goods	Unit	Purchases				Sales			
		2010-2011		2009-2010		2010-2011		2009-2010	
		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
i) Pesticides									
1. Dusts, WDPs, & Granules	MTs	—	—	—	—	3522.289	6,12,36,676	3768.031	8,39,23,564
2. Liquids	LTs	—	—	—	—	4,41,964	10,76,43,168	3,20,137	8,04,57,151
ii) Micro-Fertilizers / Bio Fertilizers									
1. Granules	MTs	—	—	—	—	1010.108	3,28,24,285	695.508	1,67,81,585
2. Liquids	LTs	—	—	—	—	1,07,290	1,24,14,295	96,737	98,85,189
							21,41,18,424	19,10,47,489	

D. Details of Raw Materials consumed :

Class of Goods	Unit	2010-2011		2009-2010	
		Quantity	Amount	Quantity	Amount
1. Chemicals	MTs	1222.890	11,67,50,390	1393.020	10,89,79,362
2. Soapstones	MTs	1591.055	81,57,112	3556.679	73,43,420
		12,49,07,502		11,63,22,782	

E. Value of Raw materials, Stores, Spare Parts and Components consumed:-**1. Raw Materials:-**

	2010-2011		2009-2010	
	Amount	%	Amount	%
i) Imported	36,57,342	3	----	----
ii) Indigeneous	12,12,50,160	97	11,63,22,782	100
	12,49,07,502	100	11,63,22,782	100

2. Stores, Spare Parts and Components

i) Imported	--	--	--	--
ii) Indigeneous	2,06,81,330	100	1,41,77,435	100
	2,06,81,330	100	1,41,77,435	100

F. Earnings in Foreign Exchange:

	2010-11	2009-10
On account of Export Sale	94,03,876	1,10,19,007

G. Value of Imports on C.I.F. Basis

	2009-10	2009-10
1. Capital Goods	--	5,58,580
2. Raw Materials	36,57,342	--
3. Stores, Spare Parts & Components	--	--

10. The AS-17 issued by The Institute of Chartered Accountants of India, regarding Segment Reporting is not applicable as the Company is formulating only agro-chemical based products.

11. Related Party Disclosures as per AS-18, issued by The Institute of Chartered Accountants of India, for the year ended on 31st March, 2011:-

(A) Relationships :**(i) Key Management Personnel & Relatives:-**

- (a) Shri Ram Kuber Dubey, C & MD
- (b) Shri Dharendra Dubey, Whole-time Director
- (c) Shri Nikhil Dubey, Whole-time Director
- (d) Smt. Mithala Dubey
- (e) Smt. Anamika Dubey
- (f) Smt. Madhulika Dubey

- (ii) Enterprises over which key management personnel and/ or their relatives have significant influence:

(a) M/s Ram Kumar Dharendra Kumar HUF.

(B) Transactions during the year with related parties in normal course of business and balances at the end of the financial year	In relation to Item No.			
	A (i) above		A (ii) above	
	2010-11	2009-10	2010-11	2009-10
(i) Interest Paid	11,65,679	12,39,642	2,32,419	2,32,419
(ii) Salary & other benefits	18,94,516	13,02,622	-	-
(iii) Outstanding payable as on 31st March, 2011	89,39,988	85,49,178	2,02,939	18,62,230

12. Statement showing calculation of Earning Per Share as per AS-20 issued by The Institute of Chartered Accountants of India :-

	2010-2011	2009-2010
Profit after Tax	78,06,688	49,39,489
Weighted average number of Equity Shares of Rs.10/- each	59,83,300	59,00,800
Earnings Per Share (Re)	1.30	0.84

SCHEDULE 'P'

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. (CIN)	1131 of 1972	State Code	10
Balance Sheet	31-03-2011		

II. Capital Raised during the year

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilisation and Deployment of Funds (Amount Rs)

Total Liabilities	18,77,02,571	Total Assets	18,77,02,571
-------------------	--------------	--------------	--------------

Sources of Funds

Paid-up Capital	6,29,58,000	Reserves & Surplus	2,10,74,035
Secured Loans	2,40,34,918	Unsecured Loans	1,09,43,428
Other Liabilities	52,29,784		

Application of Funds

Net fixed assets	3,34,63,059	Investments	5,10,100
Net Current Assets	9,02,67,006	Misc. Expenditure	---
Accumulated Losses	Nil		

IV. Performance of Company (Amount Rs)

Turnover	21,44,54,235	Total Expenditure	20,27,63,547
Profit Before Tax	1,16,90,688	Profit after Tax	78,06,688
Earning per share	1.30	Dividend	---

V. Generic Names of Three Principal Products of Company

(as per monetary terms)

Item Code (ITC Code)	NA
Product Description	PESTICIDES
Item Code (ITC Code)	NA
Product Description	MICRO FERTILIZERS

Signatures to Schedules 'A' to 'P'

As per our annexed Report of even date.

(R.K. DUBEY)
Chairman & Mg. Director

For R.C. Baheti & Co.
Chartered Accountants

(D.K. DUBEY)
Whole Time Director

(R.C. BAHETI)
Partner

Firm Registration No. : 403034C
Membership No. : 010997

(N.K. DUBEY)
Whole Time Director

Place : Bhopal

Dated : 31st May, 2011

KILPEST INDIA LIMITED, BHOPAL

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2010-2011

	2010-2011	2009-2010
A. Cash Flow from Operating Activities:		
Net Profit Before Tax and Extra ordinary items.	1,16,90,688	71,65,725
Adjustment for:		
Depreciation	19,43,114	15,30,367
Interest paid	<u>43,12,673</u>	<u>36,39,115</u>
Operating Profit before Working Capital changes	1,79,46,475	1,23,35,207
Adjustment for :		
Inventories	(49,54,285)	63,28,706
Trade and other Receivables	(2,60,80,279)	(1,42,90,806)
Trade payables and other liabilities	<u>1,97,35,708</u>	<u>1,69,98,270</u>
Cash generated from operations	66,47,619	2,13,71,377
Income Tax Paid	(23,30,000)	(11,06,898)
Net cash used/available from Operating Activities - A	<u>43,17,619</u>	<u>2,02,64,479</u>
B. Cash Flow from Investing Activities:-		
Purchase of Fixed Assets	(87,73,091)	(85,22,336)
Acquation of investment	(5,10,000)	---
Net cash used in Investing Activities - B	<u>(92,83,091)</u>	<u>(85,22,336)</u>

C. Cash Flow from Financing Activities:-

Increase in Share Capital	39,50,000	----
Share Premium Account	19,31,250	
Working Capital Limits	98,98,769	(26,72,440)
Proceeds from other Borrowings	(12,52,319)	(22,40,748)
Interest paid	(43,12,673)	(36,39,115)
Equity dividend & Corporate Divident Tax Paid	(69,77,050)	----
Net Cash from Financing Activities - C	<u>32,37,977</u>	<u>(85,52,303)</u>
Net Increase/Decrease in Cash and Cash equivalents A+B-C 45	(17,27,495)	31,89,840
Cash and Cash equivalents as at 1st April, 2010 - Opening Balance	50,25,670	18,35,830
Cash and Cash equivalents as at 31st March, 2011 - Closing Balance.	32,98,175	50,25,670

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

R.K. DUBEY
CHAIRMAN & MANAGING DIRECTOR

Place : Bhopal
Dated : 31st May, 2011

AUDITORS' REPORT

We have examined the attached Cash Flow Statement of Kilpest India Limited, Bhopal for the year ended 31st March, 2011. The statement has been prepared by the company in accordance with the listing requirements with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our report of 31st May, 2011 to the members of the company.

FOR R.C. BAHETI & CO.,
CHARTERED ACCOUNTANTS

R.C. BAHETI
PARTNER
Firm Registration No. : 403034C
Membership No. : 010997

Place : Bhopal
Dated : 31st May, 2011

Consolidated Financial Statements

Auditor's Report

**To the Board of Director of
Kilpest India Limited**

1. We have audited the attached consolidated Balance Sheet of Kilpest India Limited and Its Subsidiary M/s 3B BlackBio Biotech India Limited as at 31st March 2011 and consolidated P & L A/c and Consolidated Cash Flow Statement for the year ended on that date.
2. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and notified under sub-section (3C) of Section 211 of the Companies Act, 1956.
4. On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of Kilpest India Limited and its subsidiary 3B BlackBio Biotech India Limited, we are of the opinion that
 - a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Kilpest India Limited and its subsidiary 3B BlackBio Biotech India Limited as at 31st March, 2011;
 - b) The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Kilpest India Limited and its subsidiary 3B BlackBio Biotech India Limited for the year then ended; and
 - c) The Consolidated Cash Flow Statement gives a true and fair view of the cash flows of Kilpest India Limited and its subsidiary 3B BlackBio Biotech India Limited for the year then ended.

For R.C. Baheti & Co.
Chartered Accountants

(R.C. BAHETI)

Partner

Firm Registration No. : 403034C

Membership No. : 1099

Place : Bhopal
Dated: 31st May, 2011

KILPEST INDIA LIMITED, BHOPAL

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2011

	Schedule		As at 31st March, 2011
I. SOURCES OF FUNDS			
1. SHAREHOLDERS FUNDS			
a. CAPITAL	A	6,29,58,000	
b. RESERVES & SURPLUS	B	<u>2,10,74,035</u>	8,40,32,035
2. MINORITY INTEREST			4,90,000
3. LOAN FUNDS			
a. SECURED LOANS	C	2,40,34,918	
b. UNSECURED LOANS		1,09,43,428	3,49,78,346
4. DEFERRED TAX LIABILITY (NET)			52,29,784
TOTAL			12,47,30,165

II APPLICATION OF FUNDS

1. FIXED ASSETS	D		
<u>TANGIBLE ASSETS</u>			
a. GROSS BLOCK		4,97,39,190	
b. LESS : DEPRECIATION		<u>1,59,28,262</u>	
c. NET BLOCK		3,38,10,928	
<u>INTANGIBLE ASSETS</u>			
a. GROSS BLOCK		31,58,063	
b. LESS : DEPRECIATION		<u>----</u>	
c. NET BLOCK		31,58,063	3,69,68,991
Pre-Operative and Project Expenses			6,12,226
2. INVESTMENTS	E		100

3. CURRENT ASSETS AND LOANS AND ADVANCES F

a. INVENTORIES	3,64,87,613
b. SUNDRY DEBTORS	10,08,42,271
c. CASH & BANK BALANCES	35,14,955
d. LOANS & ADVANCES	1,02,87,344
	<u>15,11,32,183</u>

4. LESS :CURRENT LIABILITIES AND PROVISIONS G

a. CURRENT LIABILITIES	5,47,53,449
b. PROVISIONS	93,07,050
	<u>6,40,60,499</u>

NTE CURRENT ASSETS 8,70,71,684

5. MISCELLANEOUS EXPENDITURE
(To the extent not written off or adjusted)
Preliminary Expenses

77,164

TOTAL	12,47,30,165
--------------	---------------------

Significant Accounting Policies and Notes to Accounts : Schedule 'O'

The Schedules referred to above form an integral part of the Balance Sheet.

As per our annexed report of even date

(R.K. DUBEY)
Chairman & Mg. Director

For R.C. Baheti & Co.
Chartered Accountants

(D.K. DUBEY)
Whole Time Director

(R.C. BAHETI)
Partner
Firm Registration No. : 403034C
Membership No. : 010997

(N.K. DUBEY)
Whole Time Director

Place : Bhopal
Dated: 31st May, 2011

Place : Bhopal
Dated: 31st May, 2011

KILPEST INDIA LIMITED, BHOPAL

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule	For the year ended 31st March, 2011
I. INCOME		
SALES	H	21,41,18,424
INCREASE /DECREASE IN STOCK OF FINISHED GOODS	I	15,36,866
OTHER INCOMES		3,35,811
TOTAL		21,59,91,101
II. EXPENDITURE		
MATERIALS CONSUMED		
(a) Raw Materials	J	12,49,07,502
(b) Packing Materials	K	1,98,83,879
MANUFACTURING EXPENSES	L	22,45,962
TAXES ON SALES		84,56,319
EXPENDITURE ON PERSONNEL	M	95,12,419
ADMINISTRATIVE, SELLING AND GENERAL EXPENDITURE	N	3,30,38,545
INTEREST		43,12,673
DEPRECIATION		19,43,114
TOTAL		20,43,00,413
III. PROFIT		
PROFIT BEFORE INCOME TAX		1,16,90,688
LESS: PROVISION FOR INCOME TAX:		
CURRENT	23,30,000	
DEFERRED	<u>15,54,000</u>	<u>38,84,000</u>
		78,06,688
LESS: PROPOSED DIVIDEND	59,83,300	
TAX ON DIVIDEND	<u>9,93,750</u>	<u>69,77,050</u>
		8,29,638
ADD: BALANCE OF PROFIT BROUGHT FORWARD FROM PREVIOUS YEAR		1,76,62,293
BALANCE CARRIED TO BALANCE SHEET		1,84,91,931

Significant Accounting Policies and Notes to Accounts : Schedule 'O'

The Schedules referred to above form an integral part of the Balance Sheet.

As per our annexed report of even date

(R.K. DUBEY)
Chairman & Mg. Director

For R.C. Baheti & Co.
Chartered Accountants

(D.K. DUBEY)
Whole Time Director

(R.C. BAHETI)
Partner
Firm Registration No. : 403034C
Membership No. : 010997

(N.K. DUBEY)
Whole Time Director

Place : Bhopal
Dated: 31st May, 2011

Place : Bhopal
Dated: 31st May, 2011

KILPEST INDIA LIMITED, BHOPAL

Schedules forming part of the Consolidated Balance Sheet as on 31st March, 2011

SCHEDULE 'A'	For the year ended 31st March, 2011
CAPITAL	
Authorised	
1,50,00,000 Equity Shares (Previous year 70,00,000 Equity Shares) of Rs.10/- each Issued Subscribed and Paid-up	<u>15,00,00,000</u>
60,37,600 Equity Shares (Previous Year 60,37,600 Equity Shares) of Rs.10/- each Rs.10/- called-up	6,03,76,000
12,50,000 (Warrants converted into Equity Shares) (Previous year NIL Equity Shares) Of Rs.10/- each & premium Rs.6.18 Total Rs. 16.18	<u>31,25,000</u> 6,35,01,000
Less: Calls in Arrears	5,43,000
Out of above, 7,50,000 Bonus Shares of Rs.10/- each were allotted during the year 1994-95 by capitalization of Revaluation Reserve and General Reserve.	
Total	6,29,58,000
SCHEDULE 'B'	
RESERVES AND SURPLUS	
Share Premium Account	19,31,250
General Reserve	
Balance as per last year	6,50,854
Profit and Loss account	
Balance of Profit & Loss Account	1,84,91,931
Total	2,10,74,035

KILPEST INDIA LIMITED, BHOPAL

Schedules forming part of the Consolidated Balance Sheet as on 31st March, 2011

SCHEDULE 'C'	For the year ended 31st March, 2011
SECURED LOANS	
Bank Overdrafts	
From State Bank of India	2,40,34,918
Secured by hypothecation of inventories and book debts and further secured by first charge on Land and Building both present and future and Hypothecation of Machineries	
Total	2,40,34,918

SCHEDULE 'E'	
INVESTMENT	
NON-TRADE LONG TERM (AT COST)	
(A) One Equity share of Rs.100/- each fully Paid -up in Govindpura Audhogik Kshetra Pradushan Nivaran Kendra, Bhopal (Previous year 1 Equity Share)	100
Total	100

KILPEST INDIA LIMITED, BHOPAL

SCHEDULE - D

FIXED ASSETS

(Annexed to and forming part of the Balance Sheet as on 31st March 2011)

TANGIBLE ASSETS

GROSS BLOCK						DEPRECIATION				NET BLOCK	
No.	PARTICULARS	Gross Block as on 1-4-2010	Additions during the year	Sale/ Transfers during the year	Total Assets as on 31-3-2011	Total Depreciation upto 31-3-2010	Provided for the Year	Adjust- ment	Total Depreciation upto 31-3-2011	As on 31-3-2011	As on 31-3-2010
01.	Leasehold Land	15,40,00	---	---	15,40,000	---	---	---	---	15,40,000	15,40,000
02.	Free hold Land	49,35,755	---	---	49,35,755	---	---	---	---	49,35,755	49,35,750
03.	Factory Building	35,54,811	---	---	35,54,811	19,48,612	1,18,731	---	20,67,343	14,87,468	16,06,199
04.	Office Building	5,93,290	---	---	5,93,290	1,64,407	9,671	---	1,74,078	4,19,212	4,28,880
05.	R & D Building	87,73,590	9,05,697	---	96,79,287	12,20,491	1,57,772	---	13,78,263	83,01,024	75,53,099
06.	R & D Equipment	26,65,772	70,88,056	---	97,53,828	1,68,976	4,96,557	---	6,65,533	90,88,295	24,96,790
07.	Plant & Machinery	71,76,781	2,48,441	---	74,25,222	38,84,140	3,54,598	---	42,38,738	31,86,484	32,92,642
08.	Pollution Control Equip.	7,40,000	---	---	7,40,000	1,04,508	35,150	---	1,39,658	6,00,342	6,35,492
09.	Electrical Installations	3,57,416	99,371	---	4,56,787	2,54,990	19,539	---	2,74,529	1,82,258	1,02,426
10.	Laboratory Equipments	32,28,219	---	---	32,28,219	21,76,380	1,53,340	---	23,29,720	8,98,499	10,51,839
11.	Air-Conditioners & Refrigerators	4,62,990	26,080	---	4,89,070	1,94,197	23,231	---	2,17,428	2,71,642	2,68,790
12.	Generator	5,88,960	---	---	5,88,960	3,77,400	27,976	---	4,05,376	1,83,584	2,11,560
13.	Vehicles	34,93,061	1,51,316	---	36,44,377	18,98,041	3,46,216	---	22,44,257	14,00,120	15,95,020
14.	Office Equipments & Machinery	5,07,023	76,470	---	5,83,493	2,81,915	28,089	---	3,10,004	2,73,489	2,25,108
15.	Computers	6,67,709	1,01,650	---	7,69,359	6,60,697	78,262	---	7,38,959	30,400	7,011
16.	Furniture & Fixture	6,80,158	2,22,040	---	9,02,198	5,73,217	45,575	---	6,18,792	2,83,406	1,06,941
17.	R&D Furniture & Fixture	5,49,541	1,12,019	---	6,61,560	64,117	41,877	---	1,05,994	5,55,566	4,85,424
18.	Tube well	1,03,154	---	---	1,03,154	13,060	6,530	---	19,590	83,564	90,094
19.	Equipments	---	49,320	---	49,320	---	---	---	---	49,320	---
20.	Software Development	---	40,500	---	40,500	---	---	---	---	40,500	---
	Total	4,06,18,230	91,20,960	---	4,97,39,190	1,39,85,148	19,43,114	---	1,59,28,262	3,38,10,928	2,66,33,000
	Figure for the Previous year	3,20,95,894	85,22,236	---	4,06,18,230	1,24,54,781	15,30,367	---	1,39,85,148	2,66,33,082	1,96,41,100

INTANGIBLE ASSETS

GROSS BLOCK			AMORTISATION					NET BLOCK			
No.	PARTICULARS	Gross Block as on 1-4-2010	Additions during the year	Sale/ Transfers during the year	Total Assets as on 31-3-2011	Total Depreciation upto 31-3-2010	Provided for the Year	Adjust- ment	Total Depreciation upto 31-3-2011	As on 31-3-2011	As on 31-3-2010
01.	Technology Fees	---	31,58,063	---	31,58,063	---	---	---	---	31,58,063	---

KILPEST INDIA LIMITED, BHOPAL

Schedules forming part of the Consolidated Balance Sheet as on 31st March, 2011

SCHEDULE 'F'

For the year
ended 31st
March, 2011

CURRENT ASSETS AND LOANS AND ADVANCES

(A) CURRENT ASSETS

Inventories (At cost except otherwise stated)
(As valued, verified and
certified by the Management)

Raw Materials	1,71,62,703	
Packing Materials	60,09,780	
Finished Goods	1,27,12,580	
(At cost or market price whichever is lower)		
Miscellaneous Stock	<u>6,02,550</u>	3,64,87,613

(B) SUNDRY DEBTORS (UNSECURED)

Considered good	6,37,84,251	
Over six months, considered good	<u>3,70,58,020</u>	10,08,42,271

(C) CASH & BANK BALANCES

Cash in Hand	19,05,794	
Balance with Scheduled Banks		
On Current Accounts	4,79,064	
On Saving Accounts	4,398	
On Deposit Accounts	<u>11,25,699</u>	35,14,955

(D) LOANS AND ADVANCES (Unsecured, considered good)

Advances recoverable in cash or in kind or for value to be received	74,24,900	
Prepaid Expenses	44,244	
Security Deposits	12,59,701	
Income Tax Payment	<u>15,58,499</u>	1,02,87,344

Total

15,11,32,183

KILPEST INDIA LIMITED, BHOPAL

Schedules forming part of the Consolidated Balance Sheet as on 31st March, 2011

SCHEDULE 'G'		For the year ended 31st March, 2011
CURRENT LIABILITIES AND PROVISIONS		
(A). Current Liabilities		
Sundry Creditors	5,23,35,959	
Security Deposits from Customers	11,35,000	
Taxes on Sales/Entry Tax payable	55,900	
Income Tax Deducted at Source	5,21,356	
Other outstanding liabilities	7,02,084	
Unclaimed Dividend	<u>3,150</u>	5,47,53,449
(B) Provisions		
Provision for Income Tax	23,30,000	
Proposed Dividend	59,83,300	
Tax on Proposed Dividend	<u>9,93,750</u>	93,07,050
Total		6,40,60,499

Schedules forming part of the Consolidated Profit and Loss Account for the Year ending 31st March 2011

SCHEDULE 'H '	As at 31st March, 2011
SALES	
At Bhopal	16,73,32,454
At Raipur Depot	3,21,86,381
At Bilaspur Depot	38,66,492
At Lucknow Depot	89,84,338
At Indore Depot	<u>1,99,85,383</u>
	23,23,55,048
Less: Excise Duty	1,82,36,624
Total	21,41,18,424

KILPEST INDIA LIMITED, BHOPAL

Schedules forming part of the Consolidated Balance Sheet as on 31st March, 2011

SCHEDULE 'I'	For the year ended 31st March, 2011
INCREASE/DECREASE IN STOCK OF FINISHED GOODS	
Closing Stock	1,27,12,580
Less: Opening Stock	1,11,75,714
	<u>15,36,866</u>

SCHEDULE 'J'	
RAW MATERIALS CONSUMED	
1. Chemicals and Other Raw Materials	
Opening Stock	1,21,89,526
Purchases	<u>11,99,25,379</u>
	13,21,14,905
Less: Closing Stock	<u>1,53,64,515</u> 11,67,50,390
2. Soapstone and other Raw Materials	
Opening stock	11,54,531
Purchases	<u>79,25,588</u>
	90,80,119
Less: Closing Stock	<u>9,23,007</u> 81,57,112
	<u>12,49,07,502</u>

SCHEDULE 'K'	
PACKING MATERIALS CONSUMED	
Opening Stock	51,53,687
Purchases	<u>2,07,39,972</u>
	2,58,93,659
Less: Closing Stock	60,09,780 1,98,83,879
Total	<u>1,98,83,879</u>

KILPEST INDIA LIMITED, BHOPAL

Schedules forming part of the Consolidated Balance Sheet as on 31st March, 2011

SCHEDULE `L'		For the year ended 31st March, 2011
MANUFACTURING EXPENSES		
Power Charges		12,08,007
Laboratory Expenses		53,103
Carriage Inward		21,745
Loading & Unloading Expenses		18,960
Consumption of Stores and Spare Parts		7,97,451
Repairs to Plant & Machinery		86,495
Generator Running & Maintenance		60,201
		<u>22,45,962</u>
SCHEDULE `M'		
EXPENDITURE ON PERSONNEL		
1. Factory Staff	51,33,664	
Salaries, Wages and Bonus		
Contribution to Provident And Gratuity Funds	<u>2,51,589</u>	53,85,253
2. Office Staff		
Salary & Bonus	37,84,519	
Contribution to Provident And Gratuity Funds	<u>3,42,647</u>	41,27,166
Total		95,12,419

KILPEST INDIA LIMITED, BHOPAL

Schedules forming part of the Consolidated Balance Sheet as on 31st March, 2011

SCHEDULE 'N'		For the year ended 31st March, 2011
ADMINISTRATIVE SELLING AND GENERAL EXPENDITURE		
Advertisement & Publicity		9,77,082
Audit Fee		
For Audit	20,000	
For Other Services	<u>20,000</u>	40,000
Bank Commission & Charges		4,76,552
Building & General Maintenance		7,40,507
Commission on Sales		37,70,584
Directors Remuneration & Sitting Fee		18,94,516
Insurance		2,84,084
Legal & Professional Fee		4,40,900
Miscellaneous Expenses		97,27,863
Outward Freight & Forwarding Expenses		62,51,559
Rent		1,04,776
Rates, Taxes & Fees		13,45,426
R & D Expenses		
Salary and Bonus	13,99,841	
Consumption of Store	2,67,135	
Others Expenses	<u>5,46,881</u>	22,13,857
Travelling & Conveyance		26,14,936
Telephones, Fax, Postage & Telegrams		6,36,322
Vehicle Maintenance & Hire Charges		3,52,314
Workmen & Staff Welfare Expenses		11,67,317
Total		3,30,38,545

KILPEST INDIA LIMITED, BHOPAL

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON THE CONSOLIDATED ACCOUNTS

Schedule O

Notes on Consolidated Accounts

A. BASIS OF CONSOLIDATION

The consolidated financial statements relate to Kilpest India Limited and its subsidiary company 3B Blackbio Biotech India Limited in which its parent company holds 51% voting right.

a) Basis of Accounting

- i) The financial statement of subsidiary company used in consolidation are drawn upto same reporting date as of the company, i.e. for the year ended 31st March 2011.
- ii) The financial statements of the group have been prepared in accordance with the applicable accounting standards in India and generally accepted accounting policies.

b) Principles of Consolidation

The consolidated financial statements have been prepared on the following basis :

- i) The financial statement of the company and its subsidiary have been consolidated on line-by line basis adding together the book value of like items of assets, liabilities after eliminationg intra group balances and intra group transactions and unrealized profit if any as per Accounting Standard (AS-21) Consolidated Financial Statement.
- ii) The consolidated financial statements are presented, in the same format as that adopted by the company for its separate financial statements.
- iii) Minority interest in the net assets of subsidiary consists of the amount of equity attributable to minority at the date on which investment in subsidiary is made.

B. SIGNIFICANT ACCOUNTING POLICIES :

1. General

Accounting Convention

The financial statements are prepared under the historical cost convention on accrual basis and comply with Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

2. Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on the management's evaluation of relevant facts and circumstances as on date of financial statements. The actual outcome may diverge from these estimates.

3. Revenue Recognition

Sales comprise sale of goods inclusive of Excise Duty and VAT/Central Sales Tax and are net of allowances for discounts, rate differences and leakages.

4. Excise Duty :

Liability for Excise Duty on Finished Goods is accounted as and when they are cleared from the factory premises after taking credit of Cenvat benefit available. No provision is made in the accounts for the goods manufactured and lying in factory premises.

5. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on that date of transaction

6. Fixed Assets :

In order to relate them more closely to current replacement values, all the fixed assets acquired up to 31st March, 1993 were revalued as on that date and are accordingly carried at revalued figures. Fixed assets tangible / intangible acquired after 31st March, 1993 are stated at cost inclusive of freight, taxes and incidental expenses related thereto.

7. Depreciation / Amortisation :

- i) Depreciation has been calculated on straight line method at the rates provided in Schedule XIV to the Companies Act, 1956.
- ii) Depreciation on additions during the year has been provided for full year.
- iii) No depreciation / Amortisation has been provided on assets related to subsidiary as commercial production has not been Started.

8. Inventories :-

- i) Finished products produced by the Company are carried at lower of cost or market value.
- ii) Raw materials, Packing Materials and Stores and Spare Parts are carried at cost.
- iii) Cost is arrived at mainly on a 'First in first out' basis and is inclusive of freight and expenses incurred.

9. Investments :-

Investments classified as Long Term Investments are stated at cost.

10. Treatment of expenditure during Pre-operative period

Expenditure during pre-operative period is shown under the head Pre-operative and Project Expenses and same will be allocated to revenue on starting of commercial production.

11. Miscellaneous Expenditure

Expenses related to formation of company and other legal expenses are amortized over a period of five year from the date of commencement of commercial production.

C. NOTES TO ACCOUNTS :

1. Figures related to previous year have not been given since this is first year of consolidation.
2. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.
3. Company has entered into a license agreement on 28-12-2010 with M/s Bitools, Biotechnological & Medical Laboratories, S.A., Spain and M/s 2B Blackbio, S.L, Spain for providing technology, knowhow and right to manufacture, market, distribute and sell the products on payment of technology fees. Technology fees payable up to March 31st, 2011 is €1,00,000 against which company has paid €50,000 converted into Indian Currency Rs.31,58,063/-. Company has not accounted for remaining liability on account of technology fees and interest @3% (annual basis considered) amounting to Rs.23,250/-
4. The provision for Income Tax has been made as per the provisions of Section 115JB of the Income Tax Act,1961.
5. Amount held in margin accounts with State Bank of Indore, T.T. Nagar Branch, Bhopal is Rs. 1,25,699 (previous year Rs.21,84,709).
6.

Contingent Liabilities :	2010-2011	2009-2010
i) Guarantees given on behalf of the Company by Company's bankers	12,56,502	17,40,097
ii) Letters of Credit for purchase of Raw Materials	----	55,14,290
7. Amount payable to SSI Units exceeding Rs. One Lakh beyond a period of 30 days could not be mentioned as necessary information from all the parties are yet to be received.
8. Expenditure on Scientific Research :-
 - a) Capital Expenditure 81,05,772 (Previous Year Rs.23,60,320)
 - b) Revenue Expenditure 22,13,857 (Previous Year Rs. 30,62,525)
9.

DIRECTORS' REMUNERATION	2010-2011	2009-10
Remuneration	16,20,000	10,62,000
Other benefits	1,82,016	1,16,640
Sitting fees	92,500	1,22,500
10. The AS-17 issued by The Institute of Chartered Accountants of India, regarding Segment Reporting is not applicable as the Company is formulating only agro-chemical based products.

11. Related Party Disclosures as per AS-18, issued by The Institute of Chartered Accountants of India, for the year ended on 31st March, 2011:-

(A) Relationships :

(i) Key Management Personnel & Relatives:-

- (a) Shri Ram Kuber Dubey, C & MD
- (b) Shri Dharendra Dubey, Whole-time Director
- (c) Shri Nikhil Dubey, Whole-time Director
- (d) Smt. Mithala Dubey
- (e) Smt. Anamika Dubey
- (f) Smt. Madhulika Dubey

(ii) Enterprises over which key management personnel and/ or their relatives have significant influence:

- (a) M/s Ram Kumar Dharendra Kumar HUF.

(B) Transactions during the year with related parties in normal course of business and balances at the end of the financial year	In relation to Item No.			
	A (i) above		A (ii) above	
	2010-11	2009-10	2010-11	2009-10
(i) Interest Paid	11,65,679	12,39,642	2,32,419	2,32,419
(ii) Salary & other benefits	18,94,516	13,02,622	-	-
(iii) Outstanding payable as on 31st March, 2011	89,39,988	85,49,178	2,02,939	18,62,230

12. Statement showing calculation of Earning Per Share as per AS-20 issued by The Institute of Chartered Accountants of India :-

	2010-2011	2009-2010
Profit after Tax	78,06,688	49,39,489
Weighted average number of Equity Shares of Rs.10/- each	59,83,300	59,00,800
Earnings Per Share (Re)	1.30	0.84

**Statement pursuant to Section 212 of the Companies Act, 1956,
relating to Subsidiary Companies**

1. Name of the Subsidiary : 3B BlackBio Biotech India Ltd.
2. Financial year of the subsidiary company ended on : 31.03.2011
3. Date from which it became Subsidiary : 12.11.2010
4. (a) Number of shares held by Kilpest India Ltd. (Holding Company) the financial year of the Subsidiary : 51,000 equity shares of Rs. 10/-
- (b) Extent of share holding interest of Holding Company: 51%
at the end of financial year of the subsidiary
5. The Net aggregate amount of the Subsidiary's Profit/(Losses) so far as it concerns the members of the Holding Company not dealt with the Holding Company's accounts.
 - (i) For the financial year ended 31st March 2011 : NIL
 - (ii) For the previous year : N.A.
6. The Net aggregate amount of the Profit of the Subsidiary which has been dealt with in the accounts of the Holding Company.
 - (i) For the financial year ended 31st March 2011 : NIL
 - (ii) For the previous year : N.A.
7. Material changes between the end of the Financial Year of the Subsidiary and the Holding Company's financial year. : N.A.

(R.K. DUBEY)
Managing Director

For R.C. Baheti & Co.
Chartered Accountants

(D.K. DUBEY)
Director

(R.C. BAHETI)
Partner

Firm Registration No. : 403034C
Membership No. : 010997

(N.K. DUBEY)
Director

Place : Bhopal
Dated : 31st May, 2011

Place : Bhopal
Dated : 31st May, 2011

KILPEST INDIA LIMITED, BHOPAL

CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2010-2011

PARTICULARS	AMOUNT(Rs.)
A. Cash Flow from Operating Activities:	
Net Profit before Tax and Extraordinary items	1,16,90,688
Adjustment for:	
Depreciation	19,43,114
Pre-Operative and Project Expenses	(6,12,226)
Preliminary Expenses	(77,164)
Interest paid	43,12,673
Operating Profit before Working Capital changes	1,72,57,085
Adjustment for:	
Inventories	(58,29,466)
Trade and other Receivables	(2,61,82,976)
Trade payables and other liabilities	2,03,33,801
Cash generated from operations	55,78,444
Income Tax Paid	(23,30,000)
Net cash used / available from Operating Activities-A	32,48,444
B. Cash Flow from Investing Activities:	
Purchase of Fixed Assets	(1,22,79,023)
Investment in Subsidiaries	(5,10,000)
Net cash used in Investing Activities-B	(1,27,89,023)
C. Cash Flow from Financing Activities:	
Increase in Share Capital	49,50,000
Share Premium Account	19,31,250
Working Capital Limits	98,98,769
Repayment of borrowings	(12,52,319)
Proceeds from borrowings	37,91,887
Interest paid	(43,12,673)
Equity dividend & Corporate Dividend Tax Paid	(69,77,050)
Net cash flow from Financing Activities-C	80,29,864

Net Increase / Decrease in Cash and Cash equivalents A+B+C (15,10,715)

Cash and cash equivalents as at 1st April,2010-Opening Balance 50,25,670

Cash and cash equivalents as at 31st March, 2011 35,14,955

Closing Balance

Notes : Cash Flow Statement has been prepared under the indirect method as set out in AS-3.
Previous year figures have not been given as this is first year of Consolidation.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

R.K.DUBEY
Chairman and Managing Director

Place: Bhopal
Dated: 31st May,2011

FOR R.C.BAHETI & CO.
CHARTERED ACCOUNTANTS

R.C.BAHETI
PARTNER
Firm Regd No.-403034C
Membership No.010997

Place: Bhopal
Dated:31st May,2011