

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

| | | |
|---|--|---|
| 1 | Name of the company | KILPEST INDIA LTD, BHOPAL |
| 2 | Annual financial statements for the year ended | 31 st March 2014 |
| 3 | Type of Audit observation | No Qualification |
| 4 | Frequency of observation | Whether appeared first time / repetitive / Since how long period Nil |
| 5 | To be signed by – | |
| | <ul style="list-style-type: none"> Managing Director |  R.K.DUBEY MG.DIRECTOR |
| | <ul style="list-style-type: none"> Auditor of the company | For R.C. BAHETI & CO CHARTERED ACCOUNTANTS  (CA R.C.BAHETI) MEMBERSHIP No.10997 |
| | <ul style="list-style-type: none"> Audit Committee Chairman |  CA SHABBAR HUSAIN |

KILPEST INDIA LIMITED

BHOPAL

FORTY SECOND ANNUAL REPORT AND ACCOUNTS 2013-2014

| | |
|--|---|
| BOARD OF DIRECTORS | : MR. R.K. DUBEY CHAIRMAN & MANAGING DIRECTOR |
| | MR. D.K. DUBEY MR. N.K. DUBEY |
| | } WHOLETIME DIRECTORS |
| | CA. SHABBAR HUSAIN MR. R.K. CHOUBEY |
| | } INDEPENDENT DIRECTORS |
| BANKERS | : STATE BANK OF INDIA PANCHANAN BHAWAN BRANCH, T.T. NAGAR, BHOPAL (M.P.) |
| AUDITORS | : M/S R.C. BAHETI & CO. CHARTERED ACCOUNTANTS BHOPAL |
| REGISTERED OFFICE AND FACTORY | : 7-C, INDUSTRIAL AREA, GOVINDPURA, BHOPAL - 462 023 |
| LUCKNOW SALES DEPOT | : D-1207, HIMALAYA MARG, INDIRA NAGAR, LUCKNOW. |
| RAIPUR SALES DEPOT | : 71/12, GURUTEG BAHADUR NAGAR, OPP. NAYA GURUDWARA, RAVIGRAM, RAIPUR. |
| CUTTACK SALES DEPOT | : APCO MARKETING, FRIENDS COLONY, CUTTACK |
| REGISTRAR & TRANSFER AGENTS | : M/s. ADROIT CORPORATE SERVICES PVT. LTD. 19/20, JAFERBHOY INDUSTRIAL ESTATE, 1ST FLOOR, MAKWANA ROAD, MAROL NAKA, ANDHERI (E), MUMBAI - 400 059 |

KILPEST INDIA LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the FORTY SECOND ANNUAL GENERAL MEETING of KILPEST INDIA LIMITED, will be held at the Registered office of the Company at 7-C, Industrial Area, Govindpura, Bhopal 462 023 on Tuesday the 30th September, 2014 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of CA Shabbar Husain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri R.K.Choubey, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and fix their remuneration for the year ending on 31st March, 2015.

SPECIAL BUSINESS:

5. **REVISION OF REMUNERATION PAYABLE TO SHRI R.K. DUBEY, CHAIRMAN & MG. DIRECTOR.**

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

"RESOLVED THAT pursuant to the provisions of Section 197 & Schedule V Part II, Section I and all other applicable provisions if any, of the Companies Act, 2013, (including any amendment and/or re-enactment thereof the reappointment of Shri R.K.Dubey, Chairman & Mg. Director for a period of five years with effect from 1st May 2014 be and is hereby approved and that the terms and conditions of the remuneration payable to Mr. R.K. Dubey, Chairman & Mg. Director of the company be and is hereby revised with effect from 1st May 2014 as detailed in the explanatory statement attached hereto, subject to the overall ceiling of the total managerial remuneration for each year as provided under Section 197 of the Companies Act, 2013."

"RESOLVED FURTHER THAT the revised remuneration be payable for a period of five years from the aforesaid date of revision."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps as may be considered necessary, proper or expedient in order to give effect to the above resolution".

6. **REVISION OF REMUNERATION PAYABLE TO SHRI D.K.DUBEY, WHOLE-TIME DIRECTOR.**

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

"RESOLVED THAT pursuant to the provisions of Section 197 & Schedule V, Part II, Section I and all other applicable provisions if any, of the Companies Act, 2013 (including any amendment and/or re-enactment thereof the reappointment of Shri D.K. Dubey, Whole-time Director for a period of five years with effect from 1st May 2014 be and is hereby approved and that the terms and conditions of the remuneration payable to Shri D.K. Dubey Whole-time Director of the company be and is hereby revised with effect from 1st May 2014 as detailed in the explanatory statement attached hereto, subject to the overall ceiling of the total managerial remuneration for each

year as provided under Section 197 of the Companies Act, 2013."

"RESOLVED FURTHER THAT the revised remuneration be payable for a period of five years from the aforesaid date of revision."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps as may be considered necessary, proper or expedient in order to give effect to the above resolution".

7. REVISION OF REMUNERATION PAYABLE TO SHRI N.K. DUBEY, WHOLE- TIME DIRECTOR.

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

"RESOLVED THAT pursuant to the provisions of Section 197 & Schedule V, Part II, Section I and all other applicable provisions if any, of the Companies Act, 2013 (including any amendment and/or re-enactment thereof the reappointment of Shri N.K. Dubey, Whole-time Director for a period of five years with effect from 1st May 2014 be and is hereby approved and that the terms and conditions of the remuneration payable to Mr. N.K. Dubey Whole-time Director of the company be and is hereby revised with effect from 1st May 2014 as detailed in the explanatory statement attached hereto, subject to the overall ceiling of the total managerial remuneration for each year as provided under Section 197 of the Companies Act, 2013."

"RESOLVED FURTHER THAT the revised remuneration be payable for a period of five years from the aforesaid date of revision."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps as may be considered necessary, proper or expedient in order to give effect to the above resolution".

BY ORDER OF THE BOARD OF DIRECTORS

(R. K. DUBEY)

CHAIRMAN & MG. DIRECTOR

Place: Bhopal

Dated: 29th May 2014

Registered Office:

7-C, Industrial Area,

Govindpura, Bhopal-462 023.

CIN: L24211MP1972PLC001131

Ph: 91-755-2586536/2586537

Fax : 91-755-2580438 Website: www.kilpest.com

Email: kilpest@bsnl.in / kilpestbpl@yahoo.co.in dkdkilpest@yahoo.co.in

NOTES

- The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item 5, 6 & 7 set out above is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- The Register of Members and share transfer books of the company will remain closed from 21st September 2014 to 30th September, 2014 both days inclusive.
- Members are requested to notify immediately to the Company any change in their address.
- Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Company has engaged the Services of Central Depository Services (India) Limited (CDSL) for providing e-voting facilities. The e-voting rights of the Members / beneficial owners shall be reckoned in proportion to ordinary shares held by them in the Company as on 1st September 2014. The e-voting period will commence at 10.00 a.m. on 24th September, 2014 and will end at 6.00 p.m. on 26th September, 2014. The Company has appointed Mr. P.K.Rai, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. Detailed instructions for availing e-voting facility are being sent separately as a part of this notice.
- Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company or their respective Depository are requested to do so.
- To support the 'Green Initiative' the Members who have not registered their e-mail addresses are requested to register the same with M/s Adroit Corporate Services Pvt. Ltd / Depositories.

ANNEXURE TO THE NOTICE

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

ITEM 5, 6 & 7

The material provisions of the agreement to be entered into with Shri R.K.Dubey, Shri D.K. Dubey & Shri N.K. Dubey for their re-appointment / revision in the terms and conditions of appointment referred to in Resolution No. 5, 6 & 7 are as under:-

SALARY

ITEM NO. 5 Rs.65,000/- per Month (Shri R.K. Dubey)

ITEM NO. 6 Rs.60,000/- per Month (Shri D.K. Dubey)

ITEM NO. 7 Rs.60,000/- per Month (Shri N.K. Dubey)

Perquisites:

In addition to salary the following perquisites shall be paid subject to ceiling of the Annual Salary.

CATEGORY A.

1. **House Rent Allowance:**
House Rent Allowance as per Company Rules.
2. **Medical Reimbursement:**
Medical reimbursement for self and family, subject to a ceiling of one month's Basic Salary in a year.
3. **Leave Travel Concession:**
Leave travel concession for self and family, once in every year for travel anywhere in India. Family means the spouse, the dependent children and dependent parents.
4. **Club Fees:**
Annual Membership Fees, subject to a ceiling of one month's Basic Salary.
5. **Electricity and Gas:**
Electricity and Gas on actual.

CATEGORY B

The following perquisites shall also be paid to the Managing Director and Whole Time Directors and they will not be included in the computation of the ceiling on perquisites mentioned above.

1. Contribution to Provident Fund, Super Annuation Fund or Annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
3. Encashment of Leave at the rate of basic salary at the end of each Calendar Year.
4. Bonus payable as per Company Rules.

CATEGORY C

1. Free use of Company's Car with driver for company's business and free telephone facility at the residence. These will not be considered as perquisites.

The proposed Resolutions are within the limits as laid down in Schedule V (Part II) of the Companies Act, 2013.

Where during the tenure of the Whole Time Directors, if the company has no profits or its profits are inadequate then the remuneration payable to each Mg. Director and Whole Time Directors by way of salary and perquisites will be subject to the ceilings set out in Schedule V, Part II of the Companies Act, 2013.

The Board recommends that the Resolutions at item No. 5, 6 & 7 be passed.

The Draft Agreements between the company, Mg. Director and the Whole Time Directors are available for inspection by the members of the company at the Registered Office of the company during business hours on any working day.

Shri R.K.Dubey, Shri D.K.Dubey and Shri N.K. Dubey as the recipient of the remuneration, they may be deemed to be interested in the respective resolutions.

The above may be treated as an abstract of the Agreement between Shri R.K.Dubey, Shri D.K. Dubey, Shri N.K. Dubey and the Company. The same may also be treated to be the Memorandum of interest under Section 190 of the Companies Act, 2013.

KILPEST INDIA LIMITED

REPORT OF THE DIRECTORS

To

Dear Members,

Your Directors have pleasure in presenting their Forty Second Annual Report, together with the Audited Accounts for the year ended 31st March, 2014 as follows:

FINANCIAL RESULTS

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

(Rs. in Lakhs)

| | Year ended 31-03-2014 | Year ended 31-03-2013 |
|------------------------------|----------------------------------|----------------------------------|
| Sales Turnover | 2098.79 | 1955.57 |
| Profit before Depreciation | 66.71 | 97.41 |
| Less: Depreciation | 22.84 | 21.55 |
| Profit before Tax | 43.87 | 75.85 |
| Less: Provision for Taxation | 6.14 | 19.20 |
| Net Profit after Tax | 37.73 | 56.65 |

PERFORMANCE FOR THE YEAR 2013-2014

Although the top line sales grew by 7%, but the bottom line was adversely affected as the extensive expenses incurred on marketing efforts could not be fully reduced due to bad effect of incessant rains, which continued till March, which not only affected the Kharif Crop yield, but also damaged the Rabi crops.

Company to reduce its dependency on local markets highly vulnerable to monsoon, has been focusing on exports markets and the efforts are searing results with exports started to Afghanistan, Jordan and Nepal, apart from the existing Bangladesh Merchant. With inclusion of newer molecules, product improvement through R&D, hopefully company will give better results in coming years.

The JV is scaling up well with new PCR diagnostic parameters introduced on existing customers demand and with increasing customers in coming years your company will become a dominant player in the Indian Diagnostic & Biotech R&D Field.

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- The company has followed the applicable accounting standards in the preparation of the Annual Account for the year under review.
- 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, 2014 and its profit for the year ended on that date.

iii) The company has a proper and adequate system of internal control to ensure that all assets are safeguarded against losses and the system is capable of detecting frauds and other irregularities.

iv) The annual accounts placed before you have been prepared on a going concern basis.

DIVIDEND

Due to inadequate profit, your Directors regret their inability to recommend any Dividend for the year.

CURRENT LISTING

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

DIRECTORS

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

AUDITORS

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

COMPANY SECRETARY

As per the Companies (Amendment) Act, 2000, it is required, in case of your company, to obtain a certificate from a Company Secretary in whole-time practice regarding compliance of various secretarial matters as the paid-up capital of the company is more than Rs.10 lacs. Accordingly, the company has appointed M/s P.K. Rai & Associates, 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, Relationship Manager RMME, Sales Hub, BHOPAL** for their support and co-operation.

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

Place : Bhopal
Dated : 29th May, 2014

**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, 2014

A. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken:
The Company has further accelerated its efforts to conserve energy and has been able to achieve results this year also. Some of the measures implemented are:
- (i) Planned production for maximum utilization of services.
 - (ii) Stoppage of utilities when not required.
 - (iii) Installation of items/ equipments which will consume less energy. Replacing all old bulbs with CFL.
- (b) Additional investments and proposals being implemented for reduction of energy consumption :
- (i) Elimination of heat losses in air- conditioning areas and all ac's kept at 24° C.
- (c) Total energy consumption and energy consumption per unit of production as per FORM A hereunder:

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO CONSUMPTION OF ENERGY

POWER AND FUEL CONSUMPTION

| | Year ended 31-03-2014 | Year ended 31-03-2013 |
|--------------------------------------|----------------------------------|----------------------------------|
| 1. Electricity | | |
| (a) Purchased Units (KWH) | 2,13,570 | 2,35,426 |
| Total Amount (Rs.) | 17,08,560 | 17,06,845 |
| Average Rate/Unit (Rs.) | 8.00 | 7.25 |
| (b) Own Generator | | |
| i) Through Diesel Generator | | |
| Units (KWH) | 580 | 1125 |
| Units/Ltr. of Diesel | 1.0 | 1.0 |
| Cost/Unit (Rs.) | 52.21 | 50.00 |
| ii) Through Steam Turbine/ Generator | — | — |
| 2. Coal | NOT APPLICABLE | |
| 3. Fuel Furnace Oil + Light | NOT APPLICABLE | |
| Diesel Oil | NOT APPLICABLE | |
| Quantity (KL) | NOT APPLICABLE | |
| Total Amount (Rs.) | NOT APPLICABLE | |
| Average Rate/KL (Rs.) | NOT APPLICABLE | |
| 4. Others/Internal Generation | NOT APPLICABLE | |

CONSUMPTION PER UNIT OF PRODUCTION

| | |
|------------------------------|---|
| Products (with details) Unit | Since the company manufactures several |
| Electricity Furnace Oil | formulations and having regard to the records and |
| Coal(specify quality) | and other books maintained by the company, it is |
| Others (Specify) | impracticable to apportion the utilities. |

TECHNOLOGY ABSORPTION

EFFORTS MADE IN TECHNOLOGY ABSORPTION

FORM B
FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO ABSORPTION

RESEARCH & DEVELOPMENT

1. Specific areas in which R&D carried out by the company:

- a) Standardization of new protocol for large scale cultivation of antagonistic fungus *Trichoderma viride* through solid state fermentation.
- b) Optimization of production of Gibberellic acid from *Fusarium moniliforme* through solid state fermentation.
- c) Production, isolation, purification and characterization of novel antifungal compounds from *Streptomyces* species.
- d) Production of miticidal compounds (avermectins) from *Streptomyces* species through submerged fermentation.
- e) Development of antifungal biocontrol agent *Bacillus subtilis* for management of fungal borne diseases of agriculturally important crops.
- f) Development of protocol for production of liquid protein hydrolysate plant growth stimulator and fertilizer.
- g) Development of new parameters PCR based rapid disease diagnosis methods and kits.
- h) Development of mosquito larvicidal formulation based on *Bacillus thuringiensis*.

2. Benefits derived as a result of the above R&D :

- a) New method for production of *Trichoderma viride* through solid state fermentation was adopted for cultivation as a result of which sales volume was increased.
- b) Method for production of Gibberellic acid from *Fusarium moniliforme* is standardized.
- c) Complete process for production and extraction of antifungal compounds from actinomycetes has been optimized.
- d) An effective antifungal formulation based on *Bacillus subtilis* is ready for commercial production.
- e) Production of Liquid protein hydrolysate was stated and presently being commercialized as Fytozyme.
- f) Mosquito larvicidal formulation based on *Bacillus thuringiensis* was standardized and application for license is applied to CIB.
- g) Chelated microfertilizer (Zinc-EDTA) has been development followed by field trials.
- h) PCR based disease diagnosis has already been started at our Research Center.

3. Future plan of action :

- a) Commercialization of Gibberellic acid based products for crops.
- b) Commercialization of *Bacillus subtilis* based fungal antagonistic formulation for crops.
- c) Commercialization of mosquito larvicidal formulation based on *Bacillus thuringiensis israelensis*.
- d) Establishment of joint venture with national and international companies for making rapid progress in biotechnology.

| | | |
|---|-------------------|-------------------|
| 4. Expenditure on R&D | 31-03-2014 | 31-03-2013 |
| (a) Capital | 2,07,664 | 4,78,033 |
| (b) Recurring | <u>23,83,839</u> | <u>20,95,973</u> |
| (c) Total | 20,87,490 | 25,74,006 |
| (d) Total R&D expenditure as a percentage of total turnover | 1.25% | 1.31% |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

2. 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.

3. There is no imported technology involved this year.

Total foreign exchange used

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

| | 2013-2014 | 2012-2013 |
|------------------------------|------------------|------------------|
| 1. Foreign Exchange Earnings | 2,08,23,769 | 1,01,85,838 |
| 2. Foreign Exchange Outgo | 1,16,42,135 | 87,81,806 |

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

Dated : 29th May, 2014
Place : Bhopal

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

REPORT ON CORPORATE GOVERNANCE

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

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

B. BOARD OF DIRECTORS

i) Composition and category of Directors

| S. No | Name of Director | Category | Number of Other | | |
|-------|-------------------|---|-----------------|----------------------|----------------------|
| | | | Directorship | Committee Membership | Committee Membership |
| 01 | Shri R.K.Dubey | Chairman & Mg. Director Executive Director | 1 | - | - |
| 02 | Shri D.K.Dubey | Executive Director | 1 | 1 | - |
| 03 | Shri N.K.Dubey | Executive Director | 1 | - | - |
| 04 | CA Shabbar Husain | Non Executive Independent Director | - | 3 | 2 |
| 05 | Shri B.M.Saighal | Non Executive Independent Director | - | 2 | 1 |
| 06 | Shri R.K.Choubey | Non Executive Independent Director | - | 1 | - |

(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, 8 Board Meetings were held; on 29th May 2013, 11th July 2013, 27th July 2013, 11th October 2013, 24th October 2013, 1st November 2013, and 3rd February 2014 and 18th February 2014. The Forty First Annual General Meeting was held on 30th September, 2013.

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 30-09-2013 |
|-------|-------------------|--------------------------------|--------------------------------------|
| 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 | 4 | No |
| 05. | Shri B.M. Saighal | 2 | No |
| 06. | Shri R.K.Choubey | 4 | No |

C DETAILS OF REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED ON 31ST MARCH, 2014.

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:-

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 |
| Shri Shabbar Husain | Member |
| Shri R.K.Choubey | Member |

The Remuneration Committee was constituted during the year on 31st January 2008.

No meeting of the Remuneration Committee was required to be held during the financial year ending 31-3-14.

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:-

| Annual General Meeting (AGM) | For the year | Venue | Date | Time |
|------------------------------|--------------|--|------------|------------|
| 39 th | 2010-2011 | M/s Kilpest India Ltd., Regd. Office, 7-C, Industrial Area, Govindpura, BHOPAL - 462023 | 30-09-2011 | 11.30 a.m. |
| 40 th | 2011-2012 | - do - | 29-09-2012 | 11.30 a.m. |
| 41 st | 2012-2013 | - do - | 30-09-2013 | 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, Shri R.K.Choubey & Shri Shabbar Husain retire by rotation at the forthcoming Annual General Meeting. The brief particulars to these Directors are as follows:

1.

| | |
|--|---------------------------------|
| i) Name of the Director | Shri R.K.Choubey |
| ii) Date of birth | 01-12-1937 |
| iii) Date of Appointment | 26-12-2005 |
| iv) Expertise in specific functional area | Retd. Sr. Agriculture Officer |
| v) List of other Directorships held in Public Limited Companies | Nil |
| vi) Chairman/Member of Committees of the Board of other Public Limited Companies in which he is a Director | Member - Remuneration Committee |
| vi) Shareholding in the Company | Nil |

2.

| | |
|--|---|
| i) Name of the Director | CAShabbar Husain |
| ii) Date of birth | 02-07-1953 |
| iii) Date of Appointment | 28-03-2003 |
| iv) Expertise in specific functional area | Chartered Accountant with vast experience in corporate auditing and financing. |
| v) List of other Directorships held in Public Limited Companies | Nil |
| vi) Chairman/Member of Committees of the Board of other Public Limited Companies in which he is a Director | Chairman Audit Committee Member Shareholders / Investor Grievance Committee & Remuneration Committee |
| vi) Shareholding in the Company | 2500 shares |

| S.No. | Name of Director | Sitting fees (Incl. committee Meetings) | Salaries & Allowances etc. | Cont. to Provident & Superannuation Funds |
|-------|-------------------|---|----------------------------|---|
| 01. | Shri R.K. Dubey | 21000 | 6,60,000 | 72,000 |
| 02. | Shri D.K. Dubey | 21000 | 5,50,000 | 63,408 |
| 03. | Shri N.K. Dubey | 21000 | 5,50,000 | 63,408 |
| 04. | CA Shabbar Husain | 15000 | | |
| 05. | Shri B.M. Saighal | 9000 | | |
| 06. | Shri R.K.Choubey | 12000 | | |

(D) COMMITTEES OF THE BOARD :

(i) Audit Committee

The following Directors are members of the Audit Committee:

| | | |
|---------------------|---|--|
| Shri Shabbar Husain | - | Chairman, Non-Executive, Independent Director (Chartered Accountant) |
| Shri B.M. Saighal | - | Non-Executive Independent Director |

All the Members of the Committee are independent Directors. The Managing Director, Statutory Auditors and Internal Auditors 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. 28th May 2013, 25th July 2013, 31st October 2013, 1st February 2014 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, 14.

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.

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 11th July 2013.

- 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 (Mumbai edition) and Swadesh (Bhopal edition).

I. GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting:

Day, date time and : Tuesday, 30th Sept, 2014 at 11.30 am
Venue : 7-C, Industrial Area, Govindpura, Bhopal- 462 023

ii) Financial Calendar:

The Company follows April-March financial year. The unaudited financial results for first, second (half yearly) and third quarter are generally published in July, 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 2014 to 30th September 2014 (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. No shares in physical form has been transferred during the period ended 31st March, 2014.

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, 2014

During the period from 1/4/2013 to 31/3/2014 no queries / complaints / requests were received by the Company from the shareholders and investors.

vi) Listing on Stock Exchanges:

The Shares of the Company is 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 2013 | 9.40 | 8.34 |
| May 2013 | 9.89 | 9.50 |
| June 2013 | 10.50 | 10.45 |
| July 2013 | 9.65 | 7.98 |
| August 2013 | 8.35 | 4.81 |
| September 2013 | 8.18 | 6.37 |
| October 2013 | 7.37 | 6.66 |
| November 2013 | 10.00 | 8.44 |
| December 2013 | 10.25 | 9.40 |
| January 2014 | 10.33 | 6.85 |
| February 2014 | 8.99 | 8.30 |
| March 2014 | 8.00 | 6.66 |

viii) Distribution of Share Holding (As on 31st March, 2014)

| No. of Shares | Shareholders | | Shares | |
|---------------|--------------|--------------------|---------|--------------------|
| | Number | % of total Holders | Number | % to Total Capital |
| UPTO 500 | 1192 | 67.88 | 263116 | 4.11 |
| 501 - 1000 | 193 | 10.99 | 168543 | 2.63 |
| 1001 - 2000 | 119 | 6.78 | 192605 | 3.01 |
| 2001 - 3000 | 59 | 3.36 | 156920 | 2.45 |
| 3001 - 4000 | 26 | 1.48 | 93832 | 1.46 |
| 4001 - 5000 | 38 | 2.16 | 180184 | 2.81 |
| 5001 - 10000 | 44 | 2.51 | 344240 | 5.37 |
| 10001 & Above | 85 | 4.84 | 5008660 | 78.16 |
| TOTAL | 1756 | 100.00 | 6408100 | 100.00 |

x) Dematerialisation of Shares as on 31st March, 2014

| Particulars | No. of Share Holders | No. of Shares | % of Shares |
|--|----------------------|---------------|-------------|
| No. of Shareholders in Physical Mode | 469 | 311400 | 4.86 |
| No. of Shareholders in Electronic Mode | 1287 | 6096700 | 95.14 |
| Total | 1756 | 6408100 | 100.00 |

| Particulars | National Securities Depository Limited (NSDL) | | Central Depository Services (I) Limited (CDSL) | |
|---------------------------------|---|---------|--|---------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| Number of Shares Dematerialized | 1608281 | 1711034 | 4488419 | 4381166 |
| Number of Shares Rematerialized | 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 | REGISTRAR & TRANSFER AGENT |
| Kilpest India Limited, | M/s Adroit Corporate Services Pvt.Ltd, |
| 7-C, Industrial Area, | 19/20, Jaferbhoy Industrial Estate, |
| Govindpura, | 1st Floor,Makwana Road, Marol Naka, |
| BHOPAL - 462 023 (MP) | 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 2014.

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

R.K.DUBEY

Place : Bhopal
Date : 29th May, 2014

CHAIRMAN & MG.DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

(a) Industry structure and developments

Agrochemical

The Industry continues to grow in size, due to increase in use of Agro chemicals by farmers due to awareness, increase in farm gate prices of produce and also government schemes emphasis to farmers to increase yield per acre, and due to intensive farming of Pest prone crops like cotton, Chili, Paddy, Soyabean etc..

Also now India is becoming an aggressive player in export market second to China, and exports are continuously growing to adjoining Countries, middle east etc.

However, due to global warming and changing weather, erratic monsoon the industry trend becomes uncertain at times.

Biotechnology JV

Life Sciences market has been growing at a reasonable pace. But now, with more emphasis on research by Govt. and also private companies, the molecular research market shall continue to expand, as we are way below the desired R&D expenditure in percentage terms vis-à-vis developed countries, However, due to budget constrains Orders are often delayed to year end..

For Molecular Diagnostic Market its in the nascent stage in India and lot needs to be done to put molecular diagnosis in the routine diagnostic protocol, like awareness, development of infrastructure etc. Currently, the molecular diagnostic market is dominated by Pharma multinationals and highly metro centric. But with launch of cheaper indigenous kits and setting up of new PCR diagnostic centers in smaller towns, the reach to people will increase along with awareness, which will spark huge growth potential in coming years.

(b) Outlook & Opportunities

Industry offer good opportunity for growth, due to increase in use of Agro chemicals by farmers due to reasons cited above. and due to intensive farming of Pest prone crops like cotton, Chili, Paddy, Soyabean etc..

Good export potential to adjoining countries exists, which has to be tapped and company is continuously getting new products registered in these countries to encash this opportunity.

Life Sciences market offer good opportunity with increased emphasis on research by Govt. and also private companies, the molecular research market shall continue to expand, as we are way below the desired R&D expenditure in percentage terms vis-à-vis developed countries.

For Molecular Diagnostic Market it is in the nascent stage in India and lot needs to be done to put molecular diagnosis in the routine diagnostic protocol, like awareness, development of infrastructure etc. Currently, the molecular diagnostic market is dominated by Pharma multinationals and highly metro centric. But with launch of cheaper indigenous kits and putting of new PCR diagnostic centers in smaller towns, the reach to people will increase along with awareness, which will spark huge growth potential in coming year.

(c) Segment-wise or product-wise performance

Segment wise performance is not applicable as total revenue from any other segment apart from Agrochemical is not more than 10% this year.

(d) Risk and concerns

The Industry is depended on monsoon and pest attack. With global warming weather pattern is becoming unpredictable.

Agrochemical sector is monsoon dependent, but as your company is covering a wide geographic area and multiple crop products this vagary is warded off to quite a lot extent.

To some extent the ill effect can be ward off by focusing on irrigated areas, institutional business / warehousing corporation / public health program / exports.

Development of Molecular diagnostic market / Life Sciences is a slow process, as it requires investments to create new set ups / convince existing customers with free samples to switch there supplier and brand establishing by word of mouth. Thus, one need to survive for a long time period in this market to reap the rewards.

(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

Although the top line sales grew by 7%, but the bottom line was adversely affected as the extensive expenses incurred on marketing efforts, could not be fully reduced due to bad effect of incessant rains, which continued till March, which not only affected the Kharif Crop yield, but also damaged the Rabi crops.

Company to reduce its dependency on local markets highly vulnerable to monsoon, has been focusing on exports markets and the efforts are searing results with exports started to Afghanistan, Jordan and Nepal, apart from the existing Bangladesh Merchant. With inclusion of newer molecules, product improvement through R&D, hopefully company will give better results in coming years.

Company is growing its market to adjoining areas to current markets to increase its sales.

(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, 2014 were 57.

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

**Place: Bhopal
Date : 29TH May, 2014**

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Kilpest India Limited,

We have examined the compliance of conditions of Corporate Governance by Kilpest India Ltd for the period ended 31st March, 2014 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, 2014, 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.

Place : Bhopal
Dated : 29th May, 2014

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

**(CA R.C. BAHETI)
PARTNER
Firm Registration no. 403034C
Membership No. 10997**

.....

COMPLIANCE CERTIFICATE

Registration No. 10-001131

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 2014** (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 8 times respectively on 29/05/2013, 11/07/2013, 27/07/2013, 11/10/2013, 24/10/2013, 01/11/2013, 03/02/2014, and 18/02/2014 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 2013 was held on 30.09.2013, 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. No 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 any shares during the financial year.
 - (ii) The company has not declare a dividend during the financial year.
 - (iii) The company has not 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 equity Shares 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 not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
 30. The company has not 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.

For P.K.Rai & Associates
Practicing Company Secretary

Place: Bhopal
Date: 29/05/2014

(P.K.Rai)
C.P.NO.-3779

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 2014

| S.No. | Form No./ Return Filed For | Filed Under Section | Date of filing | Whether filed within prescribed Time Yes/No. | If delay in filing whether requisite additional fee paid |
|-------|----------------------------------|---------------------------|----------------|--|--|
| 1 | Form 17 | -- | 01/03/2014 | Yes | No |
| 2 | Form 17 | -- | 01/03/2014 | Yes | No |
| 3 | Form 8 | -- | 01/03/2014 | Yes | No |
| 4 | Form 8 | | 29/07/2013 | Yes | No |
| 5 | Form 23AC | 220 | 17/01/2014 | Yes | No |
| 6 | Form 23 ACA | 220 | 17/01/2014 | Yes | No |
| 7 | Form 20B | 159 | 16/11/2013 | Yes | No |

P.K RAI & ASSOCIATES
PRACTISING COMPANY SECRETARIES

FS/159 ZONE II M.P NAGAR
BHOPAL (M.P) Ph-2761172

Date: 29/05/2014

Dear Shareholders,

Sub: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars on April 21, 2011 inter-alia stating that a company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode.

To take part in the Green Initiative, we propose to send documents such as Notices, Annual Report etc. through electronic mode to the e-mail address, which are made available to us by the Depositories and also which are registered and / or otherwise available with the Company's Registrar and Share Transfer Agents, Adroit Corporate Services Pvt. Ltd. from time to time.

We earnestly request you to register your email id with your Depository Participants, or when you desire to have the above documents at any alternative e-mail address, then you may accordingly register / update your email-id with your Depository Participant (for shares held in electronic form) or with the Company's Registrar and Share Transfer Agents at adroits@vsnl.net.

Further, in case email address of any member has not been registered then the service of documents etc. will be effected by other mode of service as provided under Section 53 of the Companies Act, 1956.

We are sure that you would appreciate the "Green Initiative" taken by MCA and your Company's desire to participate in such initiatives. It will not only be step to a Greener Earth but also be a faster mode of communication and there will be no chance of loss in postal transit.

Thank you for co-operating with us, as always,

(P.K. Rai)
Company Secretary

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (5) 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.
 - (c) According to the information given to us and in our opinion, the company has not disposed substantial portion of its fixed assests which will affect the company as a going concern.
- 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 crmtjes covered in the register maintained under Section 301 of the Companies Act, 1956. There are(seveivparties 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. 180 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 facie 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 provision of Sections 58 A 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.
- viii) 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, investor education and protection fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess’ and other material statutory dues applicable to it. The particulars of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute are as under:

| Act | Assessment Year | Amount (Rs.) | Appeals |
|---------------------|-----------------|--------------|--------------|
| Income Tax Act 1961 | 2005-06 | 13,29,660/- | CIT - Bhopal |
| Income Tax Act 1961 | 2007-08 | 10,78,240/- | CIT - Bhopal |

- x) The company does not have any accumulated losses as of 31st March 2014. 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 bank.
- xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security byway of pledge of shares, debentures and other securities. Therefore, the provisions of clause 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 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 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 have been applied for the purpose for which these were raised.
- xvii) According to the information and explanations given to us and on an overall examination 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**

**(CA R.C. BAHETI)
PARTNER
Firm Registration no. 403034C
Membership No. 10997**

Place : Bhopal
Dated: 29 May, 2014

INDEPENDENT AUDITORS' REPORT

To the Members of Kilpest India Limited,

1. Report on the Financial Statements

We have audited the accompanying financial statements of Kilpest India Limited and its subsidiary, which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
2. in the case of Profit & Loss Account, of profit for the year ended 31st March, 2013 and
3. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 2(27)(3) of the Act, we report that:
 - (i) 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.
 - (ii) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- (iii) The Balance Sheet and the Statement of Profit & Loss dealt with by this Report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account are prepared in compliance with mandatory Accounting Standards referred to in Section 211(3 C) of the Companies Act, 1956.
- (v) As per representations received from directors and taken on record by the Board of Directors, we report that, in our opinion, none of the directors of the company is prima facie disqualified as on 31st March, 2014 from being appointed as a director under the provisions of Section 274 (1) (g) of the Companies Act, 1956.

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

**(CA R.C. BAHETI)
PARTNER
Firm Registration no. 403034C
Membership No. 10997**

Place : Bhopal
Dated : 29th May, 2014

Balance Sheet as at 31st March, 2014

| Particulars | Schedule | As at 31st March 2014 | As at 31st March 2013 |
|---------------------------------|----------|--------------------------|--------------------------|
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS FUNDS | | | |
| a. Share Capital | A | 6,38,10,500 | 6,38,10,500 |
| b. Reserves and Surplus | B | 4,25,06,088 | 3,80,31,425 |
| | | | |
| Non-current liabilities | | | |
| a. Long term borrowings | C | 2,26,63,133 | 1,40,36,531 |
| b. Deferred tax liabilities | | 65,57,784 | 65,57,784 |
| c. Other long term Liabilities | | -- | -- |
| d. Long-term provisions | | -- | -- |
| | | 2,92,20,917 | 2,05,94,315 |
| Current liabilities | | | |
| a. Short term borrowings | D | 4,16,68,187 | 4,25,75,969 |
| b. Trade payables | E | 6,05,54,131 | 5,91,16,365 |
| c. Other current liabilities | F | 21,17,912 | 22,91,269 |
| d. Short term provisions | G | 8,75,000 | 14,50,000 |
| | | 10,52,15,230 | 10,54,33,603 |
| TOTAL | | 24,07,52,735 | 22,78,69,843 |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | H | 3,02,43,552 | 3,09,53,538 |
| (ii) Intangible assets | | -- | -- |
| (iii) Capital work -in-progress | | -- | -- |
| (b) Non-current investments | I | 15,10,100 | 5,10,100 |
| (c) Long term loans & advances | J | 1,41,76,667 | 1,51,47,687 |
| | | 4,59,30,319 | 4,66,11,325 |
| Current assets | | | |
| (a) Current investments | | -- | -- |
| (b) Inventories | K | 3,67,81,350 | 3,94,54,615 |
| (c) Trade receivables | L | 12,47,01,954 | 11,91,16,765 |
| (d) Cash & cash equivalents | M | 34,74,725 | 11,73,369 |
| (e) Short-term loans & advances | N | 2,98,64,387 | 2,15,13,769 |
| (f) other current assets | | -- | -- |
| | | 19,48,22,416 | 18,12,58,518 |
| TOTAL | | 24,07,52,735 | 22,78,69,843 |

Summary of Significant Accounting Policies "S"

The accompanying notes are integral parts of the financial Statement.

For and behalf of the Board Directors

(R.K.DUBEY)
Chairman & Mg. Director(D.K.DUBEY)
Whole Time Director(N.K.DUBEY)
Whole Time Director

Place :-Bhopal

Date : 29th May, 2014

As Per our annexed report of even date

For R.C. Baheti & Co.
Chartered Accountants(R.C.BAHETI)
PartnerFirm Registration No.: 403034C
Membership No.:010997

KILPEST INDIA LIMITED**FORTY SECOND ANNUAL REPORT 2013-2014****Profit & Loss Statement for the year ended 31st March 2014**

| Particulars | Schedule | For the year ended 31 st March 2014 | For the year ended 31 st March 2013 |
|---|----------|---|---|
| CONTINUING OPERATIONS | | | |
| Revenue | | | |
| Revenue From Operations (Gross) | | 23,24,09,431 | 21,67,78,888 |
| Less:-Excise Duty | | (2,25,30,020) | (2,12,21,391) |
| Revenue From Operation (Net) | | 20,98,79,411 | 19,55,57,497 |
| Other Income | | 6,74,557 | 11,96,207 |
| TOTAL REVENUE | | 21,05,53,968 | 19,67,53,704 |
| EXPENSES: | | | |
| Cost of material and components consumed | O | 14,53,67,092 | 12,27,62,783 |
| Changes in inventories of Finished Goods | P | 20,31,396 | 25,39,944 |
| Employee benefit expenses | Q | 1,68,73,168 | 1,45,12,064 |
| Finance cost | | 64,09,412 | 58,13,854 |
| Depreciation | | 22,83,683 | 21,55,894 |
| Other Expenses | R | 3,32,02,454 | 4,13,84,019 |
| TOTAL EXPENSES | | 20,61,67,205 | 18,91,68,558 |
| Profit Before Exceptional & Extraordinary items & Tax | | 43,86,763 | 75,85,146 |
| Exceptional items | | -- | -- |
| Profit Before Extraordinary items & Tax | | 43,86,763 | 75,85,146 |
| Extraordinary items | | -- | -- |
| Profit Before Tax | | 43,86,763 | 75,85,146 |
| Less:- Provisional For Income Tax | | | |
| Current tax | | (6,14,000) | (14,50,000) |
| Deferred tax charge | | -- | (4,68,000) |
| Profit for the Period | | 37,72,763 | 56,67,046 |
| Add:-Balance Of Profit Brought forward From Previous Year | | 3,12,92,915 | 2,56,25,869 |
| BALANCE CARRIED TO BALANCE SHEET | | 3,50,65,678 | 3,12,93,915 |

Summary of Significant Accounting Policies "S"

The accompanying notes are integral parts of the financial Statement.

For and behalf of the Board Directors

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

(D.K.DUBEY)
Whole Time Director

(N.K.DUBEY)
Whole Time Director

Place :-Bhopal

Date : 29th May, 2014

As Per our annexed report of even date

For R.C. Baheti & Co.
Chartered Accountants

(R.C.BAHETI)
Partner

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

Cash flow statement for the financial year 2013-2014

| Particulars | 2013-2014 | 2012-2013 |
|--|--------------------|--------------------|
| (A). Cash flow from operating activities:- | | |
| Net profit before tax & extra ordinary items. | 43,86,763 | 75,85,146 |
| Adjustment for: | | |
| Depreciation | 22,83,683 | 21,55,894 |
| Interest paid | 64,09,412 | 58,13,854 |
| Operating profit before working capital changes | 1,30,79,858 | 1,55,54,894 |
| Adjustment for: | | |
| Inventories | 26,73,265 | 14,76,435 |
| Trade & other receivables | (1,39,35,907) | (1,90,71,052) |
| Trade payables & other liabilities | 12,64,409 | (34,54,483) |
| Cash generated from operations | 30,81,625 | (54,94,206) |
| Income tax paid | (11,89,000) | (18,20,000) |
| Net Cash Used/ Available From Operating Activities(a) | 18,92,625 | (73,14,206) |
| (B). Cash Flow From Investing Activities:- | | |
| Purchase/ Sale of Fixed assets | (15,73,697) | 3,67,994 |
| Acquisition of investment | (10,00,000) | — |
| Increase in long term loans & advances | 9,71,020 | (7,21,549) |
| Net Cash Used in Investing Activities-(b) | (16,02,677) | (3,53,555) |
| (C). Cash flow from financing activities:- | | |
| Increase in share capital | — | (10,70,000) |
| Share premium account | — | 29,01,006 |
| Share application money | — | (14,63,625) |
| Increase in bank borrowings | 14,66,983 | 18,55,460 |
| Proceeds from other borrowings | 62,51,837 | 10,28,985 |
| Interest paid | (64,09,412) | (58,13,854) |
| Equity Dividend & Corporate Dividend Tax Paid | — | — |
| Credit Linked Subsidy Received | 7,02,000 | 2,35,000 |
| Net Cash From Financing Activities-(c) | 20,11,408 | (23,27,028) |
| Net increase/decrease in cash & cash equivalent a+b+c | 23,01,356 | (99,94,789) |
| Cash & cash equivalents as at 1st April 2013 opening balance | 11,73,369 | 1,11,68,158 |
| Cash & Cash Equivalents as at 31st March 2014 Closing Balance | 34,74,725 | 11,73,369 |

Note: - (i) Figures in brackets are outflows.

(ii) Previous year figures have been regrouped wherever necessary.

(R.K.DUBEY)
Chairman & Mg. Director(D.K.DUBEY)
Whole Time Director(N.K.DUBEY)
Whole Time Director

As Per our annexed report of even date

For R.C. Baheti & Co.
Chartered Accountants(R.C.BAHETI)
PartnerPlace :-Bhopal
Date : 29th May, 2014Firm Registration No.403034 C
Membership No.:010997

Schedules annexed to and forming part of the Balance sheet as on 31st March 2014

| Particulars | As at 31 st March 2014 | As at 31 st March 2013 |
|---|--------------------------------------|--------------------------------------|
| <u>Schedule "A"</u> | | |
| <u>CAPITAL</u> | | |
| <u>AUTHORIZED SHARE CAPITAL</u> | | |
| 1,50,00,000 Equity share (1,50,00,000 Equity share of Rs.10 each) | <u>15,00,00,000</u> | <u>15,00,00,000</u> |
| <u>Issued Subscribed & Paid-up</u> | 6,40,81,000 | 6,40,81,000 |
| 64,08,100 Equity shares equity shares) of Rs.10/-each | | |
| Less:-Calls in Arrears | 2,70,500 | 2,70,500 |
| Out of above , 7,50,000 bonus share of Rs.10/- each were allotted during the year 1994-95 by capitalization of Revaluation Reserve and general reserve. | | |
| TOTAL | 6,38,10,500 | 6,38,10,500 |
| <u>SCHEDULE "B"</u> | | |
| <u>RESERVES AND SURPLUS</u> | | |
| Share Premium Account | | |
| Balance as per last year | 58,52,556 | 29,51,550 |
| Add:-during the year | <u>—</u> | <u>29,01,006</u> |
| | 58,52,556 | 58,52,556 |
| <u>CAPITAL RESERVE</u> | | |
| Credit linked capital subsidy | | |
| Balance as per year | 2,35,000 | 2,35,000 |
| Add:- Received during the year | <u>7,02,000</u> | <u>—</u> |
| | 9,37,000 | 2,35,000 |
| <u>GENERAL RESERVE</u> | | |
| Balance as per last year | 6,50,854 | 6,50,854 |
| <u>PROFIT & LOSS ACCOUNT</u> | | |
| Balance of Profit & Loss Account | 3,50,65,678 | 3,12,93,015 |
| TOTAL | 4,25,06,088 | 3,80,31,425 |
| <u>SCHEDULE 'C'</u> | | |
| <u>LONG TERM BORROWINGS</u> | | |
| (a) Term Loans | | |
| (i) Term loan from state bank of India secured against certain item of plant and machinery | — | 11,25,235 |
| (ii) Stand by line of credit from State Bank of India secured against plant and machinery and Book Debit | 35,00,000 | |
| (b) Deposit (un-secured) | | |
| (i) From Directors | 1,73,85,399 | 1,15,61,097 |
| (ii) From Other | 17,77,734 | 1,29,11,296 |
| TOTAL | 2,26,63,133 | 1,40,36,531 |

| Particulars | As at 31st March 2014 | As at 31st March 2013 |
|---|--------------------------|--------------------------|
| <u>SCHEDULE 'D'</u> <u>SHORT TERM BORROWINGS</u> | | |
| (A) Loans Repayable on Demand | | |
| (i) From bank | 4,16,68,187 | 4,25,75,969 |
| Cash Credit from State Bank of India secured by hypothecation of inventories & book debts and further secured by first charge on land & building both present and future and hypothecation of machineries | | |
| TOTAL | 4,16,68,187 | 4,25,75,969 |
| <u>SCHEDULE 'E'</u> <u>TRADE PAYABLE</u> | | |
| (I) Sundry creditors for goods supplied/services | 6,05,54,131 | 5,91,16,365 |
| TOTAL | 6,05,54,131 | 5,91,16,365 |
| <u>SCHEDULE 'F'</u> <u>OTHER CURRENT LIABILITIES</u> | | |
| Unpaid/Unclaimed Dividend | 3,150 | 3,150 |
| Taxes payable | 89,331 | 2,59,315 |
| Trade deposit | 13,51,636 | 11,50,000 |
| Income tax deducted at source | 96,898 | 92,702 |
| Other outstanding liabilities | 5,76,897 | 7,86,102 |
| TOTAL | 21,17,912 | 22,91,269 |
| <u>SCHEDULE 'G'</u> <u>SHORT TERM PROVISIONS</u> | | |
| (I) Provision for income tax | 8,75,000 | 14,50,000 |
| (ii) Proposed Dividend | — | — |
| (iii) Tax on Proposed Dividend | — | — |
| TOTAL | 8,75,000 | 14,50,000 |
| <u>SCHEDULE 'I'</u> <u>NON-CURRENT INVESTMENTS</u> | | |
| (I) SUBSIDIARY- UNQUOTED | 15,10,000 | 5,10,000 |
| 1,51,000 Equity Share (Previous Year 51,000 EquityShare) of Rs.10/- Each -fully Paid-up in 3B BLACKBIO BIOTECH INDIA LIMITED,BHOPAL | | |
| (II) OTHER –UNQUOTED | 100 | 100 |
| One Equity Share (Previous Year One Equity Share) of Rs.10/- Each -fully Paid-up in GOVINDPURA AUDYOGIK KSHETRA PRADUSHAN NIVARAN KENDRA, BHOPAL | | |
| TOTAL | 15,10,100 | 5,10,100 |

FIXED ASSETS- TANGIBLE

Schedules annexed to and forming part of the balance Sheet as on 31st March 2014

| | | GROSS BLOCK | | | | | DEPRECIATION | | | NET BLOCK | |
|--------|----------------------------------|------------------------------|--------------------------|---------------------------------|------------------------------|-----------------------------------|-----------------------|-----------------------------------|-----------------|-----------------|--|
| S. No. | Particulars | Gross. Block As on 01-4-2013 | Addition during the year | Sale/ Transfers During the Year | Total Assets As on 31-3-2014 | Total Depreciation Upto 31-3-2013 | Provided For the Year | Total Depreciation Upto 31-3-2014 | As on 31-3-2014 | As on 31-3-2013 | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | |
| 1 | Leasehold Land | 15,40,000 | — | — | 15,40,000 | — | — | — | 15,40,000 | 15,40,000 | |
| 2 | Free hold Land | 31,61,695 | — | 71,045 | 31,90,656 | — | — | — | 31,90,656 | 31,61,695 | |
| 3 | Factory Building | 35,54,811 | — | — | 35,54,811 | 23,04,805 | 1,18,713 | 24,23,536 | 11,31,275 | 12,50,006 | |
| 4 | Office Building | 5,93,290 | — | — | 5,93,290 | 1,93,420 | 9,671 | 2,03,091 | 3,90,199 | 3,99,870 | |
| 5 | R & D Building | 1,04,15,331 | — | — | 1,04,15,331 | 17,22,597 | 1,69,770 | 18,92,367 | 85,22,964 | 86,92,734 | |
| 6 | R & D Equipment | 1,06,64,649 | 88,984 | — | 1,06,64,649 | 16,47,894 | 5,10,798 | 21,58,692 | 85,94,941 | 90,16,755 | |
| 7 | Plant & Machinery | 76,83,788 | 6,59,998 | — | 76,83,788 | 49,61,404 | 3,96,330 | 53,57,734 | 29,86,052 | 27,22,384 | |
| 8 | Pollution Control Equipment | 7,40,405 | — | — | 7,40,405 | 2,09,958 | 35,169 | 2,45,127 | 4,95,278 | 5,30,447 | |
| 9 | Equipment Installations | 4,76,770 | 29,600 | — | 4,76,770 | 3,19,823 | 24,053 | 3,43,876 | 1,62,494 | 1,56,947 | |
| 10 | Laboratory Equipments | 32,35,819 | 5,990 | — | 32,35,819 | 26,37,122 | 1,53,986 | 27,91,108 | 4,50,701 | 5,98,697 | |
| 11 | Air-Conditioners & Refrigerators | 5,20,975 | 25,400 | — | 5,20,975 | 2,66,920 | 25,953 | 2,92,873 | 2,53,502 | 2,54,055 | |
| 12 | Generator | 5,88,960 | — | — | 5,88,960 | 4,61,328 | 27,976 | 4,89,304 | 99,656 | 1,27,632 | |
| 13 | Vehicles | 42,81,927 | 7,21,140 | 85,000 | 42,81,927 | 30,30,489 | 4,67,216 | 34,97,705 | 14,20,362 | 12,51,438 | |
| 14 | Office Equipments & Machinery | 5,91,188 | 79,950 | — | 5,91,188 | 3,66,151 | 28,081 | 3,94,232 | 1,96,956 | 2,25,037 | |
| 15 | Computers | 10,93,749 | — | — | 10,93,749 | 9,34,949 | 1,90,257 | 11,25,206 | 48,493 | 1,58,800 | |
| 16 | Furniture & fixtures | 8,11,483 | 1,18,680 | — | 8,11,483 | 7,20,900 | 51,367 | 7,72,267 | 39,216 | 90,583 | |
| 17 | R & D Furniture & fixtures | 7,81,787 | — | — | 7,81,787 | 1,99,562 | 57,000 | 2,56,562 | 64,3905 | 5,82,225 | |
| 18 | Tubewell | 1,35,136 | — | — | 1,35,136 | 34,674 | 6,419 | 41,093 | 94,043 | 1,00,462 | |
| 19 | R & D Computer | 51,800 | — | — | 51,800 | 8,397 | 8,397 | 16,794 | 35,006 | 43,403 | |
| 20 | CCTV | 52,880 | — | — | 52,880 | 2,512 | 2,512 | 5,024 | 47,856 | 50,368 | |
| | TOTAL | 5,09,76,443 | 17,29,742 | 1,56,045 | 5,25,50,140 | 2,00,22,905 | 22,83,683 | 2,23,06,588 | 3,02,43,552 | 3,09,53,538 | |
| | Figure for the Previous year | 5,13,44,437 | 11,37,806 | 15,05,800 | 5,09,76,443 | 1,78,67,011 | 21,55,894 | 2,00,22,905 | 3,09,53,538 | 3,34,77,426 | |

| Particulars | As at 31st March 2014 | As at 31st March 2013 |
|--|--------------------------|--------------------------|
| <u>SCHEDULE 'J'</u> <u>LONG TERM LOANS AND ADVANCES</u> | | |
| (I) Deposits unsecured ,considered goods | 1,41,76,667 | 1,51,47,687 |
| TOTAL | 1,41,76,667 | 1,51,47,687 |
| <u>SCHEDULE 'K'</u> <u>INVENTORIES</u> | | |
| (At cost except otherwise stated-as valued, verified and certified by the Management) | | |
| (i) Raw Materials | 1,44,95,683 | 1,61,42,564 |
| (ii) Packing Materials | 64,80,633 | 56,60,569 |
| (iii) Miscellaneous Stock | 7,91,812 | 6,06,864 |
| (iv) Finished Goods | 1,50,13,222 | 1,70,44,618 |
| (At cost or market price whichever is lower) | | |
| TOTAL | 3,67,81,350 | 3,94,54,615 |
| <u>SCHEDULE 'L'</u> <u>TRADE RECEIVABLES</u> | | |
| (A) Trade receivables outstanding for a period less than six months from the date they are due for Payment | | |
| (i) Secured, considered goods | — | — |
| (ii) Unsecured, considered goods | 7,93,85,297 | 7,78,99,633 |
| (ii) Doubtful | — | — |
| Less:- Allowance for bad and Doubtful Debts | — | — |
| | <u>7,93,85,297</u> | <u>7,78,99,633</u> |
| (B) Trade receivables outstanding for a period exceeding six months from the date they are due for Payment | | |
| (i) Secured, considered goods | — | — |
| (ii) Unsecured, considered goods | 4,53,16,657 | 4,12,17,132 |
| (ii) Doubtful | — | — |
| Less:- Allowance for bad and Doubtful Debts | — | — |
| | <u>4,53,16,657</u> | <u>4,12,17,132</u> |
| TOTAL | 12,47,01,954 | 11,91,16,765 |
| <u>SCHEDULE 'M'</u> <u>CASH AND CASH EQUIVALENTS</u> | | |
| (A) Balance with banks: | | |
| (I) Earmarked Bank Balances | | |
| Unpaid dividend | 10,720 | 10,720 |
| (I) Bank Balances held as margin money or as security against | | |
| (i) Letter of Credits | 3,15,000 | — |
| (ii) Other Commitments | 8,93,039 | 11,646 |
| (III) Other Bank Balances | | |
| (i) Other including balances in current account | 13,99,875 | 8,78,307 |
| (B) Cash on hand | 8,56,091 | 2,72,696 |
| TOTAL | 34,74,725 | 11,73,369 |

| Particulars | As at 31st March 2014 | As at 31st March 2013 |
|---|--------------------------|--------------------------|
| <u>SCHEDULE 'N'</u> | | |
| <u>SHORT TERM LOANS & ADVANCES</u> | | |
| (A) Unsecured, considered good | | |
| (I) Advance Income tax | 4,52,320 | 7,39,000 |
| (ii) Balances with Excise & sales tax Authorities | 12,934 | 35,487 |
| (iii) Others | 2,93,99,133 | 2,07,39,282 |
| (Advances for goods purchase, prepaid expenses & other trade advances) | | |
| TOTAL | 2,98,64,387 | 2,15,13,769 |
| <u>SCHEDULE 'O'</u> | | |
| <u>COST OF MATERIALS CONSUMED</u> | | |
| (A) Chemicals & other raw materials | 12,00,96,942 | 10,11,54,978 |
| (B) Soapstone & other raw materials | 43,12,290 | 21,60,132 |
| (A) Packing material consumed | 2,09,57,860 | 1,94,47,673 |
| TOTAL | 14,53,67,092 | 12,27,62,783 |
| <u>SCHEDULE 'P'</u> | | |
| <u>CHANGES IN INVENTORIES OF FINISHED GOODS</u> | | |
| (Increase)/ decrease in inventories: | | |
| Inventories at the end of the year | | |
| Finished goods | 1,50,13,222 | 1,70,44,618 |
| Inventories at the beginning of the year | | |
| Finished goods | 1,70,44,618 | 1,95,84,562 |
| TOTAL | (20,31,396) | (25,39,944) |
| <u>SCHEDULE 'Q'</u> | | |
| <u>EMPLOYEE BENEFITS EXPENSES</u> | | |
| Salary and wages | 1,55,23,499 | 1,28,66,674 |
| Contribution to Provident & other funds | 13,49,669 | 16,45,490 |
| TOTAL | 1,68,73,168 | 1,45,12,164 |

| Particulars | As at 31st March 2014 | As at 31st March 2013 |
|--|--------------------------|--------------------------|
| <u>SCHEDULE 'R'</u> | | |
| <u>OTHER EXPENSES</u> | | |
| Power , fuel & water | 18,97,883 | 17,49,522 |
| Repairs to : | | |
| Buildings | 76,052 | 1,50,116 |
| Plant & Machinery | 1,35,245 | 1,32,185 |
| Others | 52,826 | 3,19,346 |
| Insurance | 1,18,674 | 1,41,318 |
| Rent | 48,000 | 1,27,200 |
| Rates, Taxes & Duties | 7,29,632 | 10,49,941 |
| Auditors, remuneration | 47,865 | 47,865 |
| Carriage outward | 59,33,926 | 49,72,639 |
| R&D Expenses | | |
| Salary & other allowances | 19,24,800 | 18,73,018 |
| Consumption of stores | 46,226 | 39,181 |
| Other expenses | 4,12,813 | 1,83,774 |
| Legal & Professional Fess | 3,05,338 | 4,40,539 |
| Selling, Distribution & Sales Promotion Expenses | 69,18,013 | 81,07,470 |
| Miscellaneous expenses | 1,45,55,161 | 2,20,49,905 |
| TOTAL | 3,32,02,454 | 4,13,84,019 |

KILPEST INDIA LIMITED, BHOPAL

Schedule 'S'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES :

1. General

1. Basis for Preparation of accounts :

The accounts have been prepared to comply in all material aspect with applicable Accounting Principles in India, the applicable Accounting Standards notified under Section 211 (3C) of the Companies Act 1956 and the relevant provisions thereof. Financial Statements are prepared based on historical cost and on the basis of a going concern. The Company follows the mercantile system of Accounting and recognizes income and expenditure on an accrual basis.

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. 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.

4. 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.

5. 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.

6. Investments :-

Investments classified as Long Term Investments are stated at cost.

7. Contingent Liabilities :-

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

8. 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.

9. Deferred Tax is accounted for by computing the tax effect of timing difference which arise during the year and reverse 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 provisions 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 the Income Tax Act, 1961.
4. Amount held in margin accounts with State Bank of India, T.T. Nagar Branch, Bhopal is Rs. 12,42,039 (Previous year Rs. 85,779).
5. Contingent Liabilities :
- | | 2013-2014 | 2012-2013 |
|---|-----------|-----------|
| I) Guarantees given on behalf of the Company by Company's bankers | 34,78,389 | 11,46,528 |
| ii) Income Tax Matter Under Appeal. | 24,07,900 | 36,08,050 |
| iii) Letters of Credit for purchase of raw materials | 10,45,630 | — |
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 | Rs.2,07,664 (Previous Year Rs. 4,78,033) |
| b) Revenue Expen | Rs. 23,83,839 (Previous Year Rs. 20,95,973) |

| 8. DIRECTORS' REMUNERATION | 2013-2014 | 2012-2013 |
|----------------------------|------------------|------------------|
| Remuneration | 18,60,000 | 17,60,000 |
| Other benefits | 1,57,440 | 2,25,490 |
| Sitting fees | 1,24,000 | 63,000 |
| | <u>20,87,490</u> | <u>20,48,490</u> |

9 (A) Break-up of Major Raw Materials Consumed :

| Particulars | 2013-2014 | 2012-2013 |
|-----------------------------------|---------------------|---------------------|
| Raw Materials | | |
| Chemical & Other raw materials | 12,00,96,942 | |
| Soap stone & other raw materials | 43,12,290 | |
| Components, packing material etc. | 2,09,57,860 | |
| TOTAL | 14,53,67,092 | 12,27,62,783 |

(B) Break-up of Sales

| Particulars | 2013-2014 | 2012-2013 |
|--|---------------------|---------------------|
| (a) Pesticides & Micro Fertilizer / Bio Fertilizer | 20,98,79,411 | 19,55,57,497 |
| TOTAL | 20,98,79,411 | 19,55,57,497 |

(C) Break-up of closing & Opening value of inventories

| Particulars | Closing Inventory | | Opening Inventory | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 2013-2014 | 2012-2013 | 2013-2014 | 2012-2013 |
| (a) Pesticides & Micro-Fertilizer/ Bio- Fertilizer | 1,50,13,222 | 1,70,44,618 | 1,70,44,618 | 1,95,84,562 |
| TOTAL | 1,50,13,222 | 1,70,44,618 | 1,70,44,618 | 1,95,84,562 |

(D) Earnings in Foreign Exchange :

| Particulars | 2013-2014 | 2012-2013 |
|-----------------------------|-------------|-------------|
| On account of Export Sale 1 | | |
| a) at FOB Basis | 1,84,12,021 | 1,01,85,838 |
| b) at CIF Basis | -- | -- |

Note : Rs, 24,11,748 Goods Export to Nepal Amount Received in Indian Rupees.

(E) Expenditure in Foreign Currency:

| Particulars | 2013-2014 | 2012-2013 |
|---|-------------|-----------|
| 1. Traveling Expenses | -- | -- |
| 2. Other Expenses | -- | -- |
| 3. CIF Value of Imports of raw materials, components and finished goods | 1,16,42,135 | 87,81,806 |
| 4. Imports of Capital Goods | --- | --- |

(F) Value of Raw materials, Stores, Spare Parts and Components consumed:-

1. Raw Materials:-

| Particulars | 2013-2014 | | 2012-2013 | |
|----------------|--------------|------|--------------|------|
| | Amount | % | Amount | % |
| i) Imported | 1,16,42,135 | 9.4 | 87,81,806 | 8.5 |
| ii) Indigenous | 11,27,67,097 | 90.6 | 9,45,33,304 | 91.5 |
| Total | 12,44,09,232 | 100 | 10,33,15,110 | 100 |

2. Stores, Spare Parts and Components

| Particulars | 2013-2014 | | 2012-2013 | |
|----------------|-------------|-----|-------------|-----|
| | Amount | % | Amount | % |
| i) Imported | — | — | — | — |
| ii) Indigenous | 2,09,57,860 | 100 | 1,88,49,462 | 100 |
| Total | 2,09,57,860 | 100 | 1,88,49,462 | 100 |

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, 2014 :-

(A) Relationships:

(i) Key Management Personnel & Relatives:-

- Shri Ram Kuber Dubey, C & MD
- Shri Dharendra Dubey, Whole-time Director
- Shri Nikhil Dubey, Whole-time Director
- Smt. Mithala Dubey
- Smt. Anamika Dubey
- Smt. Madhulika Dubey

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

(a) M/s Ram Kumar Dhirendra 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 | | | |
| | 2013-14 | 2012-2013 | 2013-14 | 2012-2013 |
| (I) Interest Paid | 1,52,306 | 1,65,937 | – | – |
| (ii) Salary & other benefits | 22,33,418 | 21,46,334 | – | – |
| (iii) Outstanding payable as on 31st March, 2014 | 1,82,32,877 | 1,13,23,717 | 7,776 | 7,776 |

12. Statement showing calculation of Earnings PerShare as per AS-20 issued by The Institute of Chartered Accountants of India :-

| Particulars | 2013-2014 | 2012-2013 |
|--|-----------|-----------|
| Profit after Tax | 37,72,763 | 56,67,146 |
| Weighted average number of Equity Shares of Rs.10/- each | 63,81,050 | 63,81,050 |
| Earnings Per Share (Re) | 0.59 | 0.89 |

As per our annexed report of even date

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

(D.K. DUBEY)
Whole Time Director

(N.K. DUBEY)
Whole Time Director

For R.C. Baheti & Co.
Chartered Accountants

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

Place : Bhopal

Dated : 29th May, 2014

INDEPENDENT AUDITORS' REPORT

To the Members of Kilpest India Limited,

1. Report on the Financial Statements

We have audited the accompanying financial statements of Kilpest India Limited and its subsidiary, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 and its subsidiary as at 31st March; 2014.
- (ii) in the case of Profit & Loss Account, of profit for the year ended 31st March, 2014 and
- (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

- 1. 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.
- 2. As required by section 2.27(3) of the Act, we report that :
 - (i) 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.

- (ii) In our opinion proper books of account as required by law have been kept : by the Company so far as appears from our examination of those books.
- (iii) The Balance Sheet and the Statement of Profit & Loss dealt with by this Report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account are prepared in compliance with mandatory Accounting Standards referred to in Section 211(3 C) of the Companies Act, 1956.
- (v) As per representations received from directors and taken on record by the Board of Directors, we report that, in our opinion, none of the directors of the company is prima facie disqualified as on 31st March, 2014 from being appointed as a director under the provisions of Section 274(1)(g) of the Companies Act, 1956.
- (vi) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section prescribing the manner in which such cess is to be paid, we are not in a position to make any comments

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

Place : Bhopal
Dated : 29th May, 2014

**(CA R.C. BAHETI)
PARTNER
Firm Registration no. 403034C
Membership No. 10997**

Consolidated Balance Sheet as at 31st March, 2014

| Particulars | Schedule | As at 31st March, 2014 | As at 31st March, 2013 |
|---------------------------------|------------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS FUNDS | | | |
| a. Share Capital | A | 6,38,10,500 | 6,38,10,500 |
| b. Reserves and Surplus | B | 3,58,28,642 | 3,35,05,480 |
| | | <u>9,96,39,142</u> | <u>9,73,15,980</u> |
| Share Application money | | | |
| Pending Allotment | | | |
| Minority interest | | (16,76,886) | (38,58,458) |
| Non-current liabilities | | | |
| a. Long term borrowing | C | 2,49,57,468 | 1,53,82,607 |
| b. Deferred tax liabilities | | 65,57,784 | 65,57,784 |
| c. Other long term liabilities | | -- | -- |
| d. Long-term provision | | -- | -- |
| | | <u>3,15,15,252</u> | <u>2,19,40,391</u> |
| Current liabilities | | | |
| a. Short term borrowings | D | 4,39,23,457 | 4,45,28,285 |
| b. Trade payables | E | 6,54,15,095 | 6,38,46,820 |
| c. Other current liabilities | F | 23,88,698 | 28,18,706 |
| d. Short term provisions | G | 8,75,000 | 14,50,000 |
| | | <u>11,26,02,250</u> | <u>11,26,43,811</u> |
| TOTAL | | 24,20,79,758 | 22,80,41,724 |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | H-1 | 3,09,54,756 | 3,18,48,398 |
| (ii) Intangible assets | H-2 | 75,48,063 | 75,48,063 |
| (iii) Capital work -in-progress | | -- | -- |
| (b) Non-current investments | I | 100 | 100 |
| (c) long term loans & advances | J | 5,30,468 | 5,20,005 |
| | | <u>3,90,33,387</u> | <u>3,99,16,566</u> |
| Current assets | | | |
| (a) Current investments | | -- | -- |
| (b) Inventories | K | 4,14,07,498 | 4,33,09,564 |
| (c) Trade receivables | L | 12,79,41,736 | 12,17,43,506 |
| (d) Cash & cash equivalents | M | 36,40,258 | 11,92,893 |
| (e) Short-term loans & advances | N | 3,00,56,879 | 2,18,79,195 |
| (f) Other current assets | | -- | -- |
| | | <u>20,30,46,371</u> | <u>18,81,25,158</u> |
| TOTAL | | 24,20,79,758 | 22,80,41,724 |

Summary of Significant Accounting Policies "S"

The accompanying notes are integral parts of the financial Statement.
For and behalf of the Board Directors

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

(D.K.DUBEY)
Whole Time Director

(N.K.DUBEY)
Whole Time Director

Place :-Bhopal
Date : 29th May, 2014

As Per our annexed report of even date

For R.C.Baheti & Co.
Chartered Accountants

(R.C.BAHETI)
Partner

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

KILPEST INDIA LIMITED**FORTY SECOND ANNUAL REPORT 2013-2014****Consolidated Profit & Loss Statement for the year ended 31st march 2014**

| Particulars | Schedule | For The Year ended 31st March 2014 | For The Year ended 31st March 2013 |
|---|----------|---------------------------------------|---------------------------------------|
| I . INCOME | | | |
| Revenue From Operations (Gross) | | 24,17,57,070 | 22,34,96,545 |
| Less:-Excise Duty | | (2,25,30,020) | (2,12,21,391) |
| Revenue From Operation (Net) | | 21,92,27,150 | 20,22,75,154 |
| Other Income | | 7,39,607 | 11,96,207 |
| TOTAL | | 21,99,66,657 | 20,34,71,361 |
| EXPENSES: | | | |
| Cost of material and components consumed | O | 14,90,96,061 | 12,48,66,701 |
| Changes in inventories of Finished Goods | P | 20,31,396 | 25,39,944 |
| Employee benefit expenses | Q | 2,01,00,783 | 1,78,76,399 |
| Finance cost | | 69,22,275 | 61,78,879 |
| Depreciation | | 24,80,910 | 21,55,894 |
| Other Expenses | R | 3,49,05,095 | 4,38,89,712 |
| TOTAL EXPENSES | | 21,55,36,520 | 19,75,07,529 |
| Profit Before Exceptional & Extraordinary items & Tax | | 44,30,137 | 59,63,832 |
| Exceptional items | | -- | -- |
| Profit Before Extraordinary items & Tax | | 44,30,137 | 59,63,832 |
| Extraordinary items | | -- | -- |
| Profit Before Tax | | 44,30,137 | 59,63,832 |
| Tax expenses | | | |
| Current tax | | (6,27,403) | (14,50,000) |
| Deferred tax charge | | -- | (4,68,000) |
| Profit for the Period | | 38,02,734 | 40,45,832 |
| Add:-Balance Of Profit Brought forward From Previous Year | | 2,24,18,612 | 1,83,72,780 |
| BALANCE CARRIED TO BALANCE SHEET | | 2,62,21,346 | 2,24,18,612 |

Summary of Significant Accounting Policies "S"

The accompanying notes are integral parts of the financial Statement.

For and behalf of the Board Directors

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

(D.K.DUBEY)
Whole Time Director

(N.K.DUBEY)
Whole Time Director

Place :-Bhopal
Date : 29th May, 2014

As Per our annexed report of even date

For R.C. Baheti & Co.
Chartered Accountants

(R.C.BAHETI)
Partner

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

KILPEST INDIA LIMITED**FORTY SECOND ANNUAL REPORT 2013-2014****Consolidated cash flow statement for the financial year 2013-14**

| Particulars | 2013-2014 | 2012-2013 |
|--|----------------------|--------------------|
| (A).Cash flow from operating activities: | | |
| Net profit before tax & extra ordinary items. | 38,02,734 | 59,63,832 |
| Adjustment for: | | |
| Depreciation | 24,80,910 | 21,55,894 |
| Interest paid | 69,22,275 | 61,78,879 |
| Operating profit before working capital changes | 1,32,05,919 | 1,42,98,605 |
| Adjustment for: | | |
| Inventories | 19,02,066 | 3,03,456 |
| Trade & other receivable | (1,35,00,914) | |
| Trade payable & other liabilities | 11,38,267 | (18,32,591) |
| Cash generated from operations | (1,04,60,581) | (67,62,697) |
| Income tax paid | (14,50,000) | (18,20,000) |
| Net cash used/available from | (1,19,10,581) | (85,82,697) |
| (B).Cash Flow From Investing Activities:- | | |
| Purchase of Fixed assets | (15,87,268) | |
| Increase in long term loans & advances | (10,463) | (23,405) |
| net cash used in investing activities-b | (15,97,731) | 3,13,589 |
| (C).cash flow from financing activities:- | | |
| Increase in share capital | — | (10,70,000) |
| Share premium account | — | |
| Share application money allotment | — | |
| Increase in bank borrowing | 17,69,937 | 14,86,415 |
| Proceeds from other borrowings | 72,00,096 | |
| Interest paid | (69,22,275) | |
| Equity Dividend & Corporate Dividend tax Paid | — | — |
| Credit Linked Subsidy Received | 702000 | 2,35,000 |
| Net cash from financing activities-(c) | 27,49,758 | (17,15,022) |
| Net increase/decrease in cash & cash equivalent a+b+c | 24,47,365 | (99,84,130) |
| Cash & cash equivalents as at 1st April 2013 opening balance | 11,92,893 | 1,11,77,023 |
| Cash & Cash equivalents as at 31st march 2014 closing balance | 36,40,258 | 11,92,893 |

Note:- (i) Figures in brackets are outflows.

(ii) Previous year figures have been regrouped wherever necessary.

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

(D.K.DUBEY)
Whole Time Director

(N.K.DUBEY)
Whole Time Director

As Per our annexed report of even date

For R.C. Baheti & Co.
Chartered Accountants

(R.C.BAHETI)
Partner

Place :-Bhopal
Date : 29th May,2014

Firm Registration No.403034 C
Membership No.:010997

KILPEST INDIA LIMITED**FORTY SECOND ANNUAL REPORT 2013-2014**

Schedules annexed to and forming part of the consolidated Balance Sheet as on 31st March, 2014

| Particulars | As at 31st March 2014 | As at 31st March 2013 |
|---|----------------------------|----------------------------|
| <u>Schedule 'A'</u> | | |
| <u>CAPITAL</u> | | |
| <u>Authorized Share Capital</u> | | |
| 1,50,00,000 Equity share (1,50,00,000 Equity share of Rs.10 each) | <u>15,00,00,000</u> | <u>15,00,00,000</u> |
| <u>Issued Subscribed & Paid-up</u> | | |
| 64,08,100 Equity shares (previous year 64,08,100 equity shares) of Rs.10/-each | 6,40,81,000 | 6,40,81,000 |
| Less:-Calls in Arrears | 2,70,500 | 2,70,500 |
| Out of above , 7,50,000 bonus share of Rs.10/- each were allotted during the year 1994-95 by capitalization of Revaluation Reserve and general reserve. | | |
| TOTAL | 6,38,10,500 | 6,38,10,500 |
| <u>SCHEDULE "B"</u> | | |
| <u>RESERVE AND SURPLUS</u> | | |
| share premium Account | 58,52,556 | 29,51,550 |
| Balance as per last year | — | <u>29,01,006</u> |
| Add :- during the year | 58,52,556 | 58,52,556 |
| <u>CAPITAL RESERVE</u> | | |
| Balance as per last year | 2,35,000 | 2,35,000 |
| Received during the year | <u>7,02,000</u> | — |
| <u>GENERAL RESERVE</u> | | |
| Balance as per last year | 6,50,854 | 6,50,854 |
| <u>PROFIT & LOSS ACCOUNT</u> | | |
| Balance of profit & loss account | 2,62,21,346 | 2,24,18,612 |
| Add :- Minority interest in net loss of subsidiary 3B BlackBio Biotech India limited | <u>21,66,881</u> | <u>43,48,458</u> |
| TOTAL | 3,58,28,642 | 3,35,05,480 |
| <u>SCHEDULE 'C'</u> | | |
| <u>LONG TERM BORROWINGS</u> | | |
| (a) Term Loans | | |
| (i) Term loan from state bank of India secured against certain item of plant and machinery | — | 11,25,234 |
| (ii) Stand by line of credit from State Bank of India secured against plant and machinery and Book Debit | 35,00,000 | |
| (b) Deposit (un-secured) | | |
| (i) From Directors | 1,96,79,734 | 1,29,07,173 |
| (ii) From Other | <u>17,77,734</u> | <u>13,50,199</u> |
| TOTAL | 2,49,57,468 | 1,53,82,607 |

| Particulars | As at 31st March 2014 | As at 31st March 2013 |
|---|--------------------------|--------------------------|
| <u>SCHEDULE 'D'</u> <u>SHORT TERM BORROWING</u> | | |
| (A) Loan repayable on demand | | |
| (i) From Bank | 4,16,68,187 | |
| (a) Cash Credit from State Bank of India secured by hypothecation of inventories & book debts and further secured by first charge on land building both present and future and hypothecation of machineries | | |
| (b) Cash Credit from State Bank of India secured by hypothecation of inventories and book debts | 22,55,270 | |
| TOTAL | 4,39,23,457 | |
| <u>SCHEDULE 'E'</u> <u>TRADE PAYABLES</u> | | |
| (I) Sundry creditors for goods supplied/service | 6,54,15,095 | 6,38,46,820 |
| TOTAL | 6,54,15,095 | |
| <u>SCHEDULE 'F'</u> <u>OTHER CURRENT LIABILITIES</u> | | |
| Unpaid/ Unclaimed Dividend | 3,150 | |
| Taxes payable | 2,53,926 | |
| Trade deposit | 13,51,636 | |
| Income tax deducted at source | 106,791 | |
| other outstanding liabilities | 6,73,195 | |
| TOTAL | 23,88,698 | |
| <u>SCHEDULE 'G'</u> <u>SHORT TERM PROVISIONS</u> | | |
| (I) Provision for income tax | 875000 | |
| (ii) Proposed Dividend | -- | |
| (iii) Tax on Proposed Dividend | -- | |
| TOTAL | 875000 | |
| <u>SCHEDULE 'I'</u> <u>NON-CURRENT INVESTMENTS</u> | | |
| (I) OTHER –UNQUOTED | 100 | |
| One Equity Share (Previous Year One Equity Share) of Rs.10/- Each -fully Paid-up in GOVINDPURA AUDYOGIK KSHETRA PRADUSHAN NIVARAN KENDRA BHOPAL | | |
| TOTAL | 100 | |

KILPEST INDIA LIMITED**FORTY SECOND ANNUAL REPORT 2013-2014**
SCHEDULE 'H-1'**FIXED ASSETS- TANGIBLE**Schedules annexed to and forming part of the consolidated balance sheet 31st March 2014

| | | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|--------|-------------------------------|-----------------------------|--------------------------|---------------------------------|------------------------------|-----------------------------------|-----------------------|-----------------------------------|--------------------|--------------------|--|
| S. No. | Particulars | Gross. Block As on 1-4-2013 | Addition during the year | Sale/ Transfers During the Year | Total Assets As on 31-3-2014 | Total Depreciation Upto 31-3-2013 | Provided For the Year | Total Depreciation Upto 31-3-2014 | As on 31-3-2014 | AS ON 31-3-2013 | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | |
| 1 | Leasehold Land | 15,40,000 | - | -- | 15,40,000 | - | - | - | 15,40,000 | 15,40,000 | |
| 2 | Free hold Land | 31,61,695 | - | 71,045 | 30,90,650 | - | - | - | 31,90,656 | 31,61,695 | |
| 3 | Factory Building | 35,54,811 | - | - | 35,54,811 | 23,04,805 | 1,18,713 | 24,23,536 | 11,31,275 | 12,50,006 | |
| 4 | Office Building | 5,93,290 | - | - | 5,93,290 | 1,93,420 | 9,671 | 2,03,091 | 3,90,199 | 3,99,870 | |
| 5 | R & D Building | 1,04,15,331 | - | - | 1,04,15,331 | 17,22,597 | 1,69,770 | 18,92,367 | 85,22,964 | 86,92,734 | |
| 6 | R & D Equipment | 1,06,64,649 | 88,984 | - | 1,07,53,633 | 16,47,894 | 5,10,798 | 21,58,692 | 85,94,941 | 90,16,755 | |
| 7 | Plant & Machinery | 76,83,788 | 6,59,988 | - | 83,43,786 | 49,61,404 | 3,96,330 | 53,57,734 | 29,86,052 | 27,22,384 | |
| 8 | Pollution Control Equipment | 7,40,405 | - | - | 7,40,405 | 2,09,958 | 35,169 | 2,45,127 | 4,95,278 | 5,30,447 | |
| 9 | Electric Installations | 4,76,770 | 29,600 | - | 5,06,370 | 3,19,823 | 24,053 | 3,43,876 | 1,62,494 | 1,56,947 | |
| 10 | Laboratory Equipments | 3,23,57,819 | 5,990 | -- | 31,41,809 | 26,37,122 | 1,53,986 | 27,91,108 | 4,50,701 | 5,98,697 | |
| 11 | Air-Conditioners | 5,20,975 | 25,400 | -- | 5,46,375 | 2,66,920 | 25,953 | 2,92,873 | 2,53,502 | 2,54,055 | |
| 12 | Generator | 5,88,960 | - | -- | 5,88,960 | 4,61,328 | 27,976 | 4,89,304 | 99,656 | 1,27,632 | |
| 13 | Vehicles | 42,81,927 | 7,21,140 | 85,000 | 49,18,067 | 30,30,489 | 4,67,216 | 34,97,705 | 14,20,362 | 12,51,438 | |
| 14 | Office Equipments & Machinery | 5,91,188 | - | - | 5,91,188 | 3,66,151 | 28,081 | 3,94,232 | 1,96,956 | 2,25,037 | |
| 15 | Computers | 10,93,749 | 79,950 | - | 11,73,699 | 9,34,949 | 1,90,257 | 11,25,206 | 48,493 | 1,58,800 | |
| 16 | Furniture & fixtures | 8,11,483 | - | - | 8,11,483 | 7,20,900 | 51,367 | 7,72,267 | 39,216 | 90,583 | |
| 17 | R & D Furniture & fixtures | 7,81,787 | 1,18,680 | - | 9,00,467 | 1,99,562 | 57,000 | 2,56,562 | 64,3905 | 5,82,225 | |
| 18 | Tube well | 1,35,136 | - | - | 1,35,136 | 34,674 | 6,419 | 41,093 | 94,043 | 1,00,462 | |
| 19 | R & D Computers | 51,800 | - | - | 51,800 | 8,397 | 8,397 | 16,794 | 35,006 | 43,403 | |
| 20 | CCTV | 52,880 | - | - | 52,880 | 2,512 | 2,512 | 5,024 | 47,856 | 50,368 | |
| 21 | Electrical Installations | 45,439 | 621 | - | 46,060 | - | 6,407 | 6,407 | 39,653 | 45,439 | |
| 22 | Equipment | 4,37,811 | - | - | 4,37,811 | - | 60,900 | 60,900 | 3,76,911 | 4,37,811 | |
| 23 | Furniture & Fixtures | 1,82,210 | - | - | 1,82,210 | - | 32,980 | 32,980 | 1,49,230 | 1,82,210 | |
| 24 | Computers | 2,29,400 | 12,950 | - | - | - | 96,940 | 96,940 | 1,45,410 | 2,29,400 | |
| | TOTAL | 5,18,71,303 | 17,43,313 | 1,56,045 | 5,34,58,571 | 2,00,22,905 | 24,80,910 | 2,25,03,815 | 3,09,54,756 | 3,18,48,398 | |
| | Figure for the Previous year | 5,22,08,297 | 11,68,806 | 15,05,800 | 5,18,71,303 | 1,78,67,011 | 21,55,894 | 2,00,22,905 | 3,18,48,398 | 3,39,15,237 | |

SCHEDULE 'H-2'**FIXED ASSETS- INTANGIBLE**Schedules annexed to and forming part of the consolidated balance sheet as on 31st March 2014

| | | | | | | | | | | |
|---|------------------------------|------------------|--|--|------------------|--|--|--|------------------|------------------|
| 1 | Technology Fees | 75,48,063 | | | 75,48,063 | | | | 75,48,063 | 75,48,063 |
| | TOTAL | 75,48,063 | | | 75,48,063 | | | | 75,48,063 | 75,48,063 |
| | Figure for the Previous year | 75,48,063 | | | 75,48,063 | | | | 75,48,063 | 75,48,063 |

| Particulars | As at 31st March 2014 | As at 31st March 2013 |
|--|--------------------------|--------------------------|
| <u>SCHEDULE 'J'</u> <u>LONG TERM LOAN AND ADVANCES</u> | | |
| (I) Deposit-unsecured, considered goods | 5,30,468 | 5,20,005 |
| TOTAL | 5,30,468 | |
| <u>SCHEDULE 'K'</u> <u>INVENTORIES</u> | | |
| (At cost except otherwise stated-as valued, verified and certified by the Management) | | |
| (i) Raw Materials | 1,91,21,831 | |
| (ii) Packing Materials | 64,80,633 | |
| (iii) Miscellaneous Stock | 7,91,812 | 6,06,864 |
| (iv) Finished Goods | 1,50,13,222 | 2,08,99,567 |
| (At cost or market price whichever is lower) | | |
| TOTAL | 4,14,07,498 | |
| <u>SCHEDULE 'L'</u> <u>TRADE RECEIVABLES</u> | | |
| (A) Trade receivables outstanding for a period less than six months from the date they are due for payment | | |
| (i) Secured, considered goods | — | — |
| (ii) Unsecured, considered goods | 8,22,22,525 | 8,05,26,374 |
| (ii) Doubtful | — | — |
| Less:- Allowance for bad and Doubtful Debts | — | — |
| | 8,22,22,525 | 8,05,26,374 |
| (B) Trade receivables outstanding for a period exceeding six months from the date they are due for Payment | | |
| (i) Secured, considered goods | — | — |
| (ii) Unsecured, considered goods | 4,57,19,211 | 4,12,17,132 |
| (ii) Doubtful | — | — |
| Less:- Allowance for bad and Doubtful Debts | — | — |
| | 4,57,19,211 | 4,12,17,132 |
| TOTAL | 12,79,41,736 | 12,17,43,506 |
| <u>SCHEDULE 'M'</u> <u>CASH AND CASH EQUIVALENTS</u> | | |
| (A) Balance with banks: | | |
| (I) Earmarked Bank Balances | | |
| Unpaid dividend bank account | 10,720 | |
| (II) Bank Balances held as margin money or as security against | | |
| (i) Letter of Credit | 3,15,000 | — |
| (ii) Other Commitments | 9,13,039 | |
| (III) Other Bank Balances | | |
| (i) Other including balances in current account | 15,15,,910 | 8,78,307 |
| (B) Cash on hand | 8,85,589 | |
| TOTAL | 36,40,258 | 11,92,893 |

Schedules annexed to and forming part of the consolidated Balance Sheet as on 31st March, 2014

| Particulars | As at 31st March 2014 | As at 31st March 2013 |
|---|--------------------------|--------------------------|
| <u>SCHEDULE 'N'</u> | | |
| <u>SHORT - TERM LOAN AND ADVANCES</u> | | |
| Unsecured , considered goods | | |
| - Advances Income Tax | 4,57,504 | 7,44,184 |
| - Balances with Excise and Sales Tax Authorities | 12,934 | 3,95,729 |
| - Other : | 2,95,86,441 | 2,07,39,282 |
| (Advance for goods purchase prepaid expenses & other trade advances) | | |
| TOTAL | 3,00,56,879 | |
| <u>SCHEDULE 'O'</u> | | |
| <u>COST OF MATERIALS CONSUMED</u> | | |
| Chemicals & other raw materials | 12,00,96,942 | 10,11,54,978 |
| Soapstone & other raw materials | 43,12,290 | 21,60,132 |
| Stores & other materials | 2,46,86,829 | 2,15,51,591 |
| TOTAL | 14,90,96,061 | 12,48,66,701 |
| <u>SCHEDULE 'P'</u> | | |
| <u>CHANGES IN INVENTORIES OF FINISHED GOODS</u> | | |
| (Increase) / decrease in inventories: | | |
| Inventories at the end of the year | | |
| Finished goods | 1,50,13,222 | 1,70,44,618 |
| Inventories at the beginning of the year | | |
| Finished goods | 1,70,44,618 | 1,95,84,562 |
| TOTAL | (20,31,396) | (25,39,944) |
| <u>SCHEDULE 'Q'</u> | | |
| <u>EMPLOYEE BENEFITS EXPENSES</u> | | |
| Salary and wages | 1,87,51,114 | 1,64,56,399 |
| Contribution to Provident & other funds | 13,49,669 | 14,20,000 |
| TOTAL | 2,01,00,783 | 1,78,76,399 |

| Particulars | As at 31st March 2014 | As at 31st March 2013 |
|--|--------------------------|--------------------------|
| <u>SCHEDULE 'R'</u> | | |
| <u>OTHER EXPENSES</u> | | |
| Power , fuel & water | 18,97,883 | 17,49,522 |
| Repairs to : | | |
| Buildings | 76,052 | 1,50,116 |
| Plant & Machinery | 2,03,827 | 1,32,185 |
| Others | 57,580 | 3,19,346 |
| Insurance | 1,29,664 | 1,41,318 |
| Rent | 48,000 | 1,27,200 |
| Rates, Taxes & Duties | 7,33,432 | 10,49,941 |
| Director Remuneration & sitting fees | | |
| Auditors, remuneration | 64,719 | 47,865 |
| Carriage outward | 61,91,559 | 49,72,639 |
| R&D Expenses | | |
| Salary & other allowances | 19,24,800 | 18,73,018 |
| Consumption of stores | 46,226 | 39,181 |
| Other expenses | 4,12,813 | 1,83,774 |
| Legal & Professional Fess | 3,23,552 | 4,40,539 |
| Selling, Distribution & Sales Promotion Expenses | 73,45,436 | |
| Miscellaneous expenses | 44,49,542 | 2,20,49,905 |
| TOTAL | 3,49,05,095 | 438,89,712 |

KILPEST INDIA LIMITED, BHOPAL
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON
THE CONSOLIDATED ACCOUNTS
Schedule 'S'

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 the parent company holds 75.5% 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 2014.
- 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 eliminating intra group balances and intra group transactions and unrealized profit if any as per Accounting Standard (AS-21) Consolidated Financial Statements.
- 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 after deducting the amount of net loss attributable to minority.

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 are in conformity with the generally accepted accounting principles which 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. Foreign Currency Transactions

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

5. 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.

6. Depreciation / Amortization:

- 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 have been provided on assets related to subsidiary.

7. 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.

8. Investments :-

Investments classified as Long Term Investments are stated at cost.

C. 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 the Income Tax Act, 1961.
- 4. Amount held in margin accounts with State Bank of India, T. T. Nagar Branch, Bhopal is Rs. 12,42,039 (previous year Rs. 85,779).

| | | |
|---|------------------|------------------|
| 5. Contingent Liabilities: | 2013-2014 | 2012-2013 |
| i) Guarantees given on behalf of the Company by Company's bankers | 34,78,389 | 11,46,528 |
| ii) Income Tax Matter Under Appeal. | 24,07,900 | 36,08,050 |
| iii) Letter of credit for Purchase of Raw Material | 10,45,630 | -- |

- 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 Rs. 2,07,664 (Previous Year Rs. 4,78,033)
- b) Revenue Expenditure Rs. 23,83,839 (Previous Year Rs. 20,95,973)

| | | |
|---------------------------|------------------|------------------|
| 8. DIRECTORS'REMUNERATION | 2013-2014 | 2012-2013 |
| Remuneration | 18,60,000 | 17,60,000 |
| Other benefits | 1,57,440 | 2,25,490 |
| Sitting fees | 1,24,000 | 63,000 |

- 9. 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

10. Related Party Disclosures as per AS-18, issued by The Institute of Chartered Accountants of India, for the year ended on 31 st March, 2014:-

(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 | |
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| (i) Interest Paid | 1,52,306 | 1,95,937 | -- | — |
| (ii) Salary & other benefits | 22,33,418 | 21,46,334 | -- | — |
| (iii) Outstanding payable as on 31st March, 2014 | 1,82,32,877 | 1,13,23,717 | 7,776 | 7,776 |

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

| Particulars | 2013-2014 | 2012-2013 |
|--|-----------|-----------|
| Profit after Tax | 37,72,763 | 56,67,146 |
| Weighted average number of Equity Shares of Rs.10/- each | 63,81,050 | 63,81,050 |
| Earnings Per Share (Re) | 0.59 | 0.89 |

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

Place: Bhopal
Dated: 29 May, 2014

(N.K. DUBEY)
Whole Time Director

**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 : 31.03.2014
3. Date from which it became Subsidiary : 12.11.2010
4. (a) Number of shares held by Kilpest India Ltd. : 1,51,000 equity shares of Rs. 107-
(Holding Company) the financial year of the
Subsidiary)
(b) Extent of share holding interest of Holding Company : 75.5%
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 2014 : (66,77,546)
(ii) For the previous year : (45,25,946)
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 31 March 2014 : NIL
(ii) For the previous year : NIL
7. Material changes between the end of the Financial Year : N.A.
of the Subsidiary and the Holding Company's financial
year.

(R.K.DUBEY)
Managing Director

For R.C. Baheti & Co.
Chartered Accountants

(D.K. DUBEY)
Director

(R.C. BAHETI)
Partner

(N.K. DUBEY)
Director

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

Place : Bhopal
Dated: 29 May, 2014

Place : Bhopal
Dated: 29 May, 2014

KILPEST INDIA LIMITED

CIN: L24211MP1972PLC001131

Registered Office : 7-C, Industrial Area, Govindpura, Bhopal-462 023

Phone: 91-755-2586536/2586537, Fax:91-755-2580438 Website: www.kilpest.com

Email: kilpest@bsnl.in / kilpestbpl@yahoo.co.in / dkdkilpest@yahoo.co.in

42nd Annual General Meeting

ATTENDANCE SLIP

| | | |
|----|---|---|
| 1. | Name(s) of Member(s) Including joint holders, if any | : |
| 2. | Registered address of the Sole/ First named member | : |
| 3. | No. of Shares held | : |
| 4. | DP ID No.& Client ID No./ Registered Folio No. | : |

1. I hereby record my presence at the 42nd ANNUAL GENERAL MEETING of the Company held on Tuesday, the 30th September, 2014.
2. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

Signature of the Shareholder/Proxy present.....

Note : Please cut here and bring the above attendance slip to the meeting.

ELECTRONIC VOTING

Your e-voting user ID and password are provided below:

| E-voting Event Number (EVEN) | User ID | Password |
|------------------------------|---------|----------|
| | | |

Note: The voting period starts from 10.00 a.m. Wednesday, 24th September, 2014 and will end at 6.00 p.m. on Friday 26th September, 2014.

Thereafter, the voting module shall be disabled by CDSL.
Kindly refer to the e-voting instructions on the reverse of this page.

INSTRUCTIONS ON ELECTRONIC VOTING

(A) In case of members receiving e-mail:

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

| For Members holding shares in Demat Form and Physical Form | |
|--|--|
| PAN* | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB | <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p> |
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field. |

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

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- ● Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - ● They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - ● After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - ● The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ● They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins **at 10.00 a.m. Wednesday, the 24th September 2014 and ends on at 6.00 p. m. Friday, the 26th September 2014**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 1, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

KILPEST INDIA LIMITED

CIN: L24211MP1972PLC001131

Registered Office : 7-C, Industrial Area, Govindpura, Bhopal-462 023

Phone: 91-755-2586536/2586537, Fax:91-755-2580438 Website: www.kilpest.com

Email: kilpest@bsnl.in / kilpestbpl@yahoo.co.in / dkdkilpest@yahoo.co.in

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.]

| |
|---|
| Name of the Member(s): _____ |
| Registered address: _____ _____ |
| E-mail ID: _____ Folio No. / DP ID and Client ID: _____ |

I/We, being the Member(s) _____ of shares of the above named Company, hereby appoint

1. Name: _____ E-mail ID: _____
Address: _____ or, failing him/her
Signature:
2. Name: _____ E-mail ID: _____
Address: _____
Signature:

as my/our Proxy to attend and vote for me/us and on my/our behalf at the 42nd Annual General Meeting of the Company to be held on Tuesday, 30th September, 2014 at 11.00 a.m. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

| Resolution No. | Description | For* | Against* |
|----------------|--|------|----------|
| 1 | Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2014. | | |
| 2 | Re-election of the following persons as Director : <ul style="list-style-type: none">CA Shabbar HusainMr. R. K. Choubey | | |
| 3 | Appointment of M/s. R. C. Baheti & Co., as Statutory Auditors of the Company and to fix their remuneration for the financial year ending 31st March, 2015. | | |
| 4 | Revision of remuneration payable to Shri R. K. Dubey, Chairman & Mg. Director. | | |
| 5 | Revision of remuneration payable to Mr. D. K. Dubey, Whole Time Director. | | |
| 6 | Revision of remuneration payable to Mr. N. K. Dubey, Whole Time Director. | | |

Signed this _____ day of _____ 2014.

Affix
Signature _____ Revenue _____
Stamp

Notes :

- Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company.
- This form of Proxy, to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.