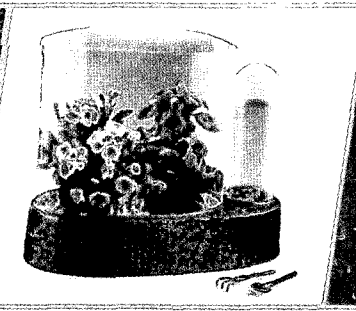
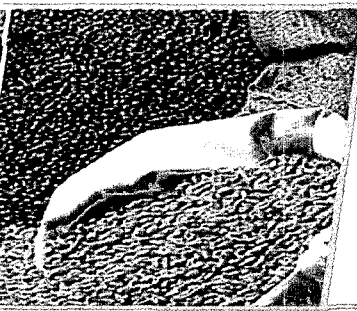
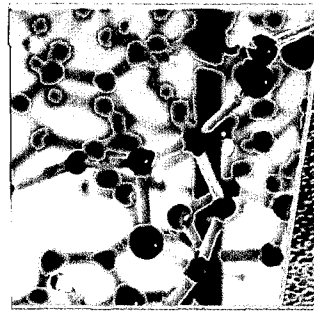


WE MAKE
SCIENCE
AMENABLE
TO LIFE



India's Leading Agri Bio-Tech Company



AN ISO 9001 : 2000 CERTIFIED COMPANY

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

▢ R & D

▢ QC

▢ FORMULATIONS

▢ PROCESS

▢ PRODUCTION

ANNUAL REPORT 2009

KILPEST INDIA LIMITED

BHOPAL

THIRTY SEVENTH ANNUAL REPORT AND ACCOUNTS 2008-2009

- BOARD OF DIRECTORS** : MR. R.K. DUBEY
CHAIRMAN & MANAGING DIRECTOR
- MR. D.K. DUBEY }
MR. N.K. DUBEY } WHOLETIME
DIRECTORS
- CA. SHABBAR HUSAIN }
MR. B.M. SAIHGAL } INDEPENDENT
MR. K.N.DUBEY } DIRECTORS
MR. R.K.CHOUBEY }
- BANKERS** : STATE BANK OF INDORE
T.T. NAGAR, BHOPAL
- AUDITORS** : M/S R.C. BAHETI & CO.
CHARTERED ACCOUNTANTS
BHOPAL
- REGISTERED OFFICE
AND FACTORY** : 7-C, INDUSTRIAL AREA,
GOVINDPURA,
BHOPAL - 462 023
- LUCKNOW SALES DEPOT** : D-1207, HIMALAYA MARG,
INDIRA NAGAR, LUCKNOW.
- RAIPUR SALES DEPOT** : 72/12, GURUTEG BAHADUR NAGAR,
OPP. NAYA GURUDWARA, RAVIGRAM, RAIPUR.
- BILASPUR SALES DEPOT** : SHUKLA MOTORS,
OPP. NATRAJ HOTEL, LINK ROAD, BILASPUR
- REGISTRAR & TRANSFER
AGENTS** : M/s. ADROIT CORPORATE SERVICES PVT. LTD.
19/20, JAFERBHOY INDUSTRIAL ESTATE,
1ST FLOOR, MAKWANA ROAD,
MAROL NAKA, ANDHERI (E),
MUMBAI - 400 059

KILPEST INDIA LIMITED

REPORT OF THE DIRECTORS

To

Dear Members,

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

FINANCIAL RESULTS

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

(Rs. in lakhs)

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

PERFORMANCE FOR THE YEAR 2008-2009

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

Export

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

FORAY INTO BIOTECHNOLOGY

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

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i) The company has followed the applicable accounting standards in the preparation of the Annual Account for the year under review.
- ii) The Directors have made judgements and estimates that are reasonable and prudent and have selected accounting policies and applied them consistently to give true and fair view of the state of affairs of the company as at 31st March, 2009 and its profit for the year ended on that date.
- iii) The company has a proper and adequate system of internal control to ensure that all assets are safeguarded against losses and the system is capable of detecting frauds and other irregularities.
- iv) The annual accounts placed before you have been prepared on a going concern basis.

RESEARCH & DEVELOPMENT

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

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

DIVIDEND

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

CURRENT LISTING

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

DIRECTORS

Shri B.M.Saihgale & Shri D.K. Dubey retire by-rotation at the forthcoming Annual General Meeting and are eligible for reappointment.

AUDITORS

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

COMPANY SECRETARY

As per the Companies (Amendment) Act, 2000, it is required, in case of your company, to obtain a certificate from a Company Secretary in whole-time practice regarding compliance of various secretarial matters as the paid-up capital of the company is more than Rs.10 lacs. Accordingly, the company has appointed M/s P.K. Rai & Associates, Practising Company Secretary as a Secretarial Auditor. The Secretarial Compliance Certificate given by M/s P.K. Rai & Associates, Bhopal is attached herewith which forms part of this report. The company had initiated the process of appointing a full time Company Secretary, and is looking for one.

PERSONNEL

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

SAFETY AND ENVIRONMENT

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

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

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

ACKNOWLEDGEMENTS

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

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

Sd/-

(R. K. DUBEY)

CHAIRMAN & MANAGING DIRECTOR

Place : Bhopal

Date : 30th June, 2009

STATEMENT UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

A. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken:

The company has further accelerated its efforts to conserve energy and has been able to achieve results this year also.

Some of the measures implemented are:

- (i) Planned production for maximum utilisation of services.
 - (ii) Stoppage of utilities when not required.
 - (iii) Installation of items / equipments which will consume less energy.
- (b) Additional investments and proposals being implemented for reduction of energy consumption:
- (i) Elimination of heat losses in air-conditioning areas.
- (c) Total energy consumption and energy consumption per unit of production as per FORM A hereunder:

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO CONSUMPTION OF ENERGY

1. POWER AND FUEL CONSUMPTION

	Year ended 31-03-2009	Year ended 31-03-2008
1. Electricity		
(a) Purchased Units (KWH)	1,34,770	1,41,550
Total Amount (Rs.)	9,10,220	8,55,042
Average Rate/Unit (Rs.)	6.75	6.04
(b) Own Generator		
i) Through Diesel Generator		
Units (KWH)	470	1156
Units/Ltr. of Diesel	1.60	1.78
Cost/Unit (Rs.)	24	19.48
ii) Through Steam Turbine/ Generator	NOT APPLICABLE	

2. Coal	NOT APPLICABLE
3. Fuel Furnace Oil + Light Diesel Oil	NOT APPLICABLE
Quantity (KL)	NOT APPLICABLE
Total Amount (Rs.)	NOT APPLICABLE
Average Rate/KL (Rs.)	NOT APPLICABLE
4. Others/Internal Generation	NOT APPLICABLE

II. CONSUMPTION PER UNIT OF PRODUCTION

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

B. TECHNOLOGY ABSORPTION

EFFORTS MADE IN TECHNOLOGY ABSORPTION

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO ABSORPTION

RESEARCH & DEVELOPMENT

- | | |
|---|---|
| 1. Specific areas in which R&D carried out by the company | <ul style="list-style-type: none"> a) Development of botanicals compounds as a biopesticide. b) Extraction of essential oils from botanicals and their use in development of i) Mosquito repellent cream ii) Stored pest repellent, iii) Antimicrobials. c) Development of large scale cultivation technology of Biocontrol agents through solid substrate fermentation. d) Extraction, isolation and purification of lycopene and development of its products. e) Mass production and development of lipid lowering powdered formulation based on mushroom. f) Mass production, concentration and harvesting of algal Biomass for development of nutritional supplements and biofertilizers. g) Mass production of humic acid & other organic nutrients. h) Submerged fermentation for development of amino acid based biofertilizers for economically important crops. i) Extraction, isolation and purification of natural plant based sweeteners. j) Alternative nitrogen sources for plants. k) Development of new formulations of pesticides. l) Development of new formulations of micronutrients. |
|---|---|

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

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2008-2009	2007-2008
1. Foreign Exchange Earnings	51,31,808	30,17,800
2. Foreign Exchange Outgo	–	50,41,734

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

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

Place : Bhopal

Dated : 30th June, 2009

REPORT ON CORPORATE GOVERNANCE

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

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

B. BOARD OF DIRECTORS

(i) Composition and category of Directors

S. No.	Name of Director	Category	NUMBER OF OTHER		
			Director-Ships	Committee Membership	Committee Chairmanship
01.	Shri R.K. Dubey	Chairman & Mg. Director Executive Director	1	-	-
02.	Shri D.K. Dubey	Executive Director	1	1	-
03.	Shri N.K. Dubey	Executive Director	-	-	-
04.	CA Shabbar Husain	Non Executive Independent Director	-	3	2
05.	Shri B.M. Saighal	Non Executive Independent Director	-	2	1
06.	Shri K.N.Dubey	Non Executive Independent Director	-	1	-
07.	Shri R.K.Choubey	Non Executive Independent Director	-	-	-

(ii) Meeting of the Board of Directors :-

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

Attendance of each Director at Board Meeting and Annual General Meeting (AGM) was as follows:-

S.No.	Name of Director	No. of Board Meetings attended	Attendance at AGM held on 29-09-2008
01.	Shri R.K. Dubey	7	Yes
02.	Shri D.K. Dubey	7	Yes
03.	Shri N.K. Dubey	7	Yes
04.	Shri Shabbar Husain	6	Yes
05.	Shri B.M. Saighal	6	No
06.	Shri K.N.Dubey	6	No
07.	Shri R.K.Choubey	6	No

(C) DETAILS OF REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED ON 31ST MARCH, 2009.

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 Non-Executive Directors and the remuneration paid to the Executive Directors are given below: -

S.No.	Name of Director	Sitting fees (Incl. committee Meetings)	Salaries & Allowances etc.	Cont. to Provident & Superannuation Funds
01.	Shri R.K. Dubey	17,500	4,65,000	48,600
02.	Shri D.K. Dubey	17,500	2,90,000	34,800
03.	Shri N.K. Dubey	17,500	2,72,000	29,040
04.	Shri Shabbar Husain	15,000	-	-
05.	Shri B.M. Saighal	15,000	-	-
06.	Shri K.N.Dubey	15,000	-	-
07.	Shri R.K.Choubey	15,000	-	-

(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 K.N. Dubey - Non-Executive Independent Director
- Shri B.M. Saighal - Non-Executive Independent Director

All the Members of the Committee are independent Directors. The Managing Director, Statutory Auditors and Internal Auditor attend the meetings of the Committee.

The role, powers and functions of the audit Committee are as stated in clause No. 49 of the Listing Agreement and section 292A of the Companies Act, 1956. The Committee reviews the financial statements before they are placed before the Board. The audit committee has been constituted on 28th March, 2003 in compliance to clause No. 49 of the Listing Agreement. The Committee reviews the financial statements before they are placed before the Board. During the period under review four meetings of the committee were held i.e., 28th June, 2008, 29th July 2008, 30th October 2008 & 29th January, 2009 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.	Shri 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, dematerialisation of shares, IPO refunds and complaints, approve issue of duplicates and renewed share certificate, etc. The Committee is authorised 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 requests for dematerialization were pending for approval as on 31st March, 2009.

(iii) Remuneration committee

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

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

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

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

The Remuneration Committee was constituted on 31st January 2008.

E. GENERAL BODY MEETING :

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

AGM	For the year	Venue	Date	Time
34th	2005-2006	M/s Kilpest India Ltd., Regd. Office, 7-C, Industrial Area, Govindpura, BHOPAL-23.	30-09-2006	11.30 a.m.
35th	2006-2007	-do-	29-09-2007	11.30 a.m.
36th	2007-2008	-do-	30-09-2008	11.30 a.m.

F. DISCLOSURES REGARDING RE-APPOINTMENT OF DIRECTORS:

Pursuant to the provisions of Sections 255 and 256 of the Companies Act, 1956, Mr.B.M.Saihgale & Mr. DK. Dubey retire by rotation at the forthcoming Annual General Meeting.

G. DISCLOSURES:

- i) There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the company at large.
- 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 normally published in Sandhya Prakash & Financial Express (Mumbai Edition).

I. GENERAL SHAREHOLDERS INFORMATION:

i) Annual General Meeting :

Day, date and time :

Wednesday 30th September, 2009 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 2009 to 30th September 2009 (both days inclusive).

iv) Share Transfer System :

In Compliance of SEBI requirement, Share transfer 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 of documents, if found in order. The Shareholder's Committee of the Company meets regularly to review and approve transfer proposals. The total number of share transferred in physical form during the period ended 31st March, 2009 – 192600..

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, 2009

During the period from 01/04/2008 to 31/03/2009 no queries / complaints / request were received by the company from the shareholders and investors.

vi) Listing on Stock Exchanges:

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

Stock Codes : KILPEST 532067

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

Codes : BSE – 532067

vii) Stock Market Data (At BSE)

Month	High (Rs.)	Low (Rs.)
April 08	27.30	15.90
May 08	30.05	19.50
June 08	26.95	18.40
July 08	22.20	15.05
August 08	23.30	16.15
September 08	23.90	18.10
October 08	18.40	12.10
November 08	11.50	7.57
December 08	13.73	7.56
January 09	14.29	10.95
February 09	11.81	9.70
March 09	12.01	8.58

viii) Distribution of Share Holding (As on 31st March, 09)

No. of Shares	Shareholders		Shares	
	Number	% of total Holders	Number	% to Total Capital
Upto - 500	1130	68.48	361508	5.99
501 - 1000	128	7.36	110688	1.83
1001 - 2000	99	5.69	165465	2.74
2001 - 3000	103	5.92	265581	4.40
3001 - 4000	56	3.22	207041	3.43
4001 - 5000	62	3.57	301093	4.99
5001 - 10000	73	4.20	601174	9.96
10001 & above	88	5.06	4025050	66.67
TOTAL	1739	100.00	6037600	100.00

ix) Dematerialisation of Shares as on 31 st March, 2009

Particulars	No. of Share holders	No. of Shares	% of Shares
No. of Shareholders in Physical Mode	1060	3151500	52.20
No. of Shareholders in Electronic Mode	679	2886100	47.80
Total	1739	6037600	100

	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2008-09	2007-08	2008-09	2007-08
Number of Shares Dematerialised	1327995	1424239	1558145	1399361
Number of Shares Rematerialised	NIL	NIL	NIL	NIL

x) Plant Location :

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

xi) Address for Correspondence for Shareholders :

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

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

J. DECLARATION / CERTIFICATION

- a) **CODE OF CONDUCT :** The Board has laid down a Code of Conduct applicable to all the Directors and Senior Managers of the Company. Necessary certification to this effect is appended to this Corporate Governance Report.
- b) **CEO Certification :** As per requirements of Corporate Governance Code, the Managing Director and Chief Financial Officer have furnished the necessary Certificate to the Board of Directors with respect to financial statements and Cash Flow statements for the year ended 31st March 2009.

DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT

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

Place : Bhopal

Date : 30th June 2009

R. K. DUBEY

CHAIRMAN & MG.DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

(a) Industry structure and developments

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

(b) Outlook & Opportunities

Company is trying its best to increase its area of operation by focusing at irrigated areas and more at Rabi crops, also company is adding new products to its profile to improve the margin, company is also making efforts to take institutional sales for public health etc., with more efforts the outlook for the year looks positive.

Export Market

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

FORAY INTO BIOTECHNOLOGY

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

(c) Segment-wise or product-wise performance

The company has only one business segment of agrochemicals.

(d) Risk and Concerns

With above effort to focus on Public health business & institutional sales / irrigated areas and to increase the product range, the company is making all efforts to ward of the ill effect of monsoon, which is the main risk. Company is also diversifying into bio-products which have better margins and is focusing on more exports.

(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 of financial performance with respect to operational performance

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

(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, 2009 was 60

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

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

Place : Bhopal

Date : 30th June, 2009

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of,
Kilpest India Limited,

We have examined the compliance of conditions of Corporate Governance by Kilpest India Ltd. for the period ended 31st March 2009 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, 2009, no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company.

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

For R.C. BAHETI & CO.
Chartered Accountants

(R.C. BAHETI)
Partner

Place: Bhopal
Dated: 30th June, 2009

COMPLIANCE CERTIFICATE

Registration No. 10-1131

Share Capital: Rs 70000000/-

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 2009 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a public Limited company, comments is not required.
4. The Board of directors duly met 7 times respectively on 30/04/2008, 30/06/2008, 31/07/2008, 20/08/2008, 31/10/2008, 04/11/2008 and 31/01/2009 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 2008 was held on 30.09.2008, 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 issued duplicate share certificates during the financial year.
13. The Company has:
 - (i) There was no allotment of securities during the financial year.
 - (ii) The company has deposited amount in a separate Bank Account as dividend was declared during the financial year.
 - (iii) The company has Post dividend warrants to member of the company as dividend was declared 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 issued Nil Shares or other securities during the financial year and complied with the provisions of the Act.
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 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.

Place: Bhopal

Date: 28/7/2009

For P.K.Rai & Associates
Practicing Company Secretary

P. K. RAI
C. P. No. - 3779

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.

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 2009.

S. No.	Form No. / Return	Filed under Section	Date of Filing	Whether Filed within the prescribed time Yes / No	If delay in filing whether requisite additional fee paid Yes / No
1.	Annual Return (Schedule V)	159	23/12/2008	No	Yes
2.	Balance sheet (Schedule -VI)	220	26/10/2008	Yes	No
3.	Form23		29/10/2008	Yes	No
4	25C		23/12/2008	No	Yes.
5	25C		24/12/2008	No	Yes
6	25C		24/12/2008	No	Yes
7	Form 8		28/04/2008	Yes	No
8	Form 8		17/09/2008	Yes	No
9	Form 8		19/11/2008	Yes	No

Auditors' Report

To the Members of Kilpest India Limited,

1. We have audited the attached Balance Sheet of KILPEST INDIA LIMITED as at 31st March, 2009, the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in Paragraph 3 above :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the branch;
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section 3(C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of Sub section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion, and to the best of our information, and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) in the case of the Balance Sheet, of the state of affairs of the Company, as on 31st March, 2009.
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place: Bhopal
Dated: 30th June, 2009

**(R.C. BAHETI)
PARTNER
MEMBERSHIP NO. 10997**

ANNEXURE TO THE AUDITORS' REPORT

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

- i)
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) A major portion of fixed assets has been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.
- ii)
 - (a) The inventory of finished goods and raw and packing materials and stores and spare parts have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification, between the physical stocks and the book records were not material.
- iii)
 - (a) The company has taken unsecured loans from the parties covered in the register maintained under Section 301 of the Companies Act, 1956. There are eight parties covered in the register maintained under Section 301 of the Companies Act, 1956, from whom the company has taken loans. The maximum amount involved during the year and the year end balance of the loans taken from such parties was Rs. 125.37 Lakhs. The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) In respect of loans taken from parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (i) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under Section 301 of the companies Act, 1956 are not prima facies prejudicial to the interest of the company.
 - (ii) The company is regular in payment of principal amounts as stipulated and is also regular in payment of interest.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedure, commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

- v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party during the year have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time where such market prices are available.
- vi) The Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under are applicable.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
- ix) (a) According to the information and explanations given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Customs Duty, Excise Duty, and Cess were in arrears, as at 31st March, 2009 for a period more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute.
- x) The company does not have any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution and bank.
- xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.

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

For R.C. BAHETI & CO.
Chartered Accountants

(R.C. BAHETI)
PARTNER
MEMBERSHIP NO: 10997

Place : Bhopal

Dated : 30th June, 2009

KILPEST INDIA LIMITED, BHOPAL

BALANCE SHEET AS ON 31ST MARCH, 2009

	Schedule	As at 31st March, 2009		As at 31st March, 2008
I. SOURCES OF FUNDS				
1. SHAREHOLDERS FUNDS				
a. CAPITAL	A	5,90,08,000		5,82,64,500
b. RESERVES & SURPLUS	B	<u>1,33,73,658</u>	7,23,81,658	<u>1,07,79,795</u> 6,90,44,295
2. LOAN FUNDS				
a. SECURED LOANS	C	1,68,08,589		1,62,09,634
b. UNSECURED LOANS		<u>1,44,36,495</u>	3,12,45,084	<u>1,42,98,024</u> 3,05,07,658
3. DEFERRED TAX LIABILITY NET			25,56,446	15,70,446
TOTAL			10,61,83,188	10,11,22,399
II APPLICATION OF FUNDS				
1. FIXED ASSETS				
a. GROSS BLOCK		3,20,95,894		2,90,80,339
b. LESS : DEPRECIATION		<u>1,24,54,781</u>		<u>1,10,80,303</u>
c. NET BLOCK			1,96,41,113	1,80,00,036
2. INVESTMENTS			100	100
(Non-Trade-Long Term (At Cost))				
Unquoted				
1 Equity Share of Rs.100/- fully paid-up in Govindpura Audhogik. Kshetra Pradushan Nivaran Kendra (Previous year 1 Equity Share)				
3. CURRENT ASSETS AND LOANS AND ADVANCES				
a. INVENTORIES		3,69,86,853		3,09,68,198
b. SUNDRY DEBTORS		7,19,73,422		7,34,11,384
c. CASH & BANK BALANCES		18,35,830		19,12,084
d. LOANS & ADVANCES		24,74,298		46,20,139
		<u>11,32,70,403</u>		<u>11,09,11,805</u>

	Schedule	As at 31st March, 2009	As at 31st March, 2008
4. LESS :CURRENT LIABILITIES AND PROVISIONS			
a. CURRENT LIABILITIES		2,60,73,428	2,68,89,542
b. PROVISIONS		6,55,000	9,00,000
		<u>2,67,28,428</u>	<u>2,77,89,542</u>
NET CURRENT ASSETS		8,65,41,975	8,31,22,263
TOTAL		10,61,83,188	10,11,22,399

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

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

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

As per our annexed report of even date

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

For R.C. Baheti & Co.
Chartered Accountants

(D.K. DUBEY)
Whole Time Director

(R.C. BAHETI)
Partner

(N.K. DUBEY)
Whole Time Director

Place : Bhopal

Dated : 30th June, 2009

KILPEST INDIA LIMITED, BHOPAL

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	Schedule	For the year ended 31st March, 2009	For the year ended 31st March, 2008
I. INCOME			
SALES	G	15,13,22,243	13,82,15,342
INCREASE /DECREASE IN STOCK OF FINISHED GOODS	H	(4,42,747)	11,18,186
TOTAL		15,08,79,496	13,93,33,528
II. EXPENDITURE			
MATERIALS CONSUMED			
(a) Raw Materials	I	9,73,53,338	8,63,55,533
(b) Packing Materials	J	1,18,18,866	1,39,93,689
MANUFACTURING EXPENSES	K	18,69,503	21,57,052
TAXES ON SALES		52,48,683	48,54,972
EXPENDITURE ON PERSONNEL	L	70,01,681	56,65,176
ADMINISTRATIVE, SELLING AND GENERAL EXPENDITURE	M	1,76,27,053	1,76,06,101
INTEREST		42,28,848	41,35,023
DEPRECIATION		13,74,478	11,38,358
TOTAL		14,65,22,450	13,59,05,904
III. PROFIT			
PROFIT BEFORE INCOME TAX		43,57,046	34,27,624
LESS : PROVISION FOR INCOME TAX/FBT			
CURRENT	6,55,000		9,00,000
DEFERRED	<u>9,86,000</u>	<u>16,41,000</u>	<u>(2,77,587)</u> <u>6,22,413</u>
NET PROFIT AFTER TAX		<u>27,16,046</u>	<u>28,05,211</u>
LESS : INCOME TAX FOR EARLIER YEAR WRITTEN OFF		<u>1,22,183</u>	<u>4,19,754</u>
		<u>25,93,863</u>	<u>23,85,457</u>
ADD: BALANCE OF PROFIT BROUGHT FORWARD FROM PREVIOUS YEAR		1,01,28,941	77,43,484
Balance carried to Balance Sheet		1,27,22,804	1,01,28,941

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

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

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

As per our annexed report of even date.

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

For R.C. Baheti & Co.
Chartered Accountants

(D.K. DUBEY)
Whole Time Director

(R.C. BAHETI)
Partner

(N.K. DUBEY)
Whole Time Director

Place : Bhopal

Dated : 30th June, 2009

KILPEST INDIA LIMITED, BHOPAL

Schedules annexed to and forming part of the Balance Sheet as on 31st March, 2009

SCHEDULE 'A'	As at 31st March, 2009	As at 31st March, 2008
CAPITAL		
Authorised		
70,00,000 Equity Shares (Previous year 70,00,000 Equity Shares) of Rs.10/- each	<u>7,00,00,000</u>	<u>7,00,00,000</u>
Issued		
64,00,000 Equity Shares (Previous Year 64,00,000 Equity Shares) of Rs.10/- each.	<u>6,40,00,000</u>	<u>6,40,00,000</u>
Subscribed and Paid-up		
60,37,600 Equity shares (Previous year 60,37,600 Equity Shares) of Rs.10/- each.	6,03,76,000	6,03,76,000
Less: Calls in Arrears	13,68,000	21,11,500
Out of above, 7,50,000 Bonus Shares of Rs.10/- each were allotted during the year 1994-95 by capitalisation of Revaluation Reserve and General Reserve.		
Total	5,90,08,000	5,82,64,500
SCHEDULE 'B'		
RESERVES AND SURPLUS		
General Reserve		
Balance as per last year	6,50,854	6,50,854
Profit and Loss account		
Balance of Profit & Loss Account	1,27,22,804	1,01,28,941
Total	1,33,73,658	1,07,79,795

KILPEST INDIA LIMITED, BHOPAL

Schedules to Balance Sheet contd...

SCHEDULE 'C'	As at 31st March, 2009	As at 31st March, 2008
SECURED LOANS		
Bank Overdrafts		
From State Bank of Indore	1,68,08,589	1,62,09,634
Secured by hypothecation of inventories and book debts and further secured by first charge on Land and Building both present and future and Hypothecation of Machineries		
Total	1,68,08,589	1,62,09,634

KILPEST INDIA LIMITED, BHOPAL

SCHEDULE - D

FIXED ASSETS

(Annexed to and forming part of the Balance Sheet as on 31st March 2009)

S. No.	PARTICULARS	DEPRECIATION							NET BLOCK		
		Gross Block as on 1-4-2008	Additions during the year	Sale/Transfers during the year	Total Assets as on 31-3-2009	Total Depreciation upto 31-3-2008	Provided for the year	Adjustments	Total Depreciation upto 31-3-2009	As on 31-3-2009	As on 31-3-2008
01.	Leasehold Land	15,40,000	--	--	15,40,000	--	--	--	--	15,40,000	15,40,000
02.	Free hold Land	3,68,105	--	--	3,68,105	--	--	--	--	3,68,105	3,68,105
03.	Factory Building	35,54,811	--	--	35,54,811	17,11,150	1,18,731	--	18,29,881	17,24,930	18,43,661
04.	Office Building	5,93,290	--	--	5,93,290	1,45,065	9,671	--	1,54,736	4,38,554	4,48,225
05.	R & D Building	77,22,903	5,47,751	--	82,70,654	9,47,134	1,30,347	--	10,77,481	71,93,173	67,75,769
06.	R & D Equipment	2,67,904	6,19,657	--	8,87,561	12,725	42,159	--	54,884	8,32,677	2,55,179
07.	Plant & Machinery	56,65,795	1,73,775	--	58,39,570	32,65,863	2,77,380	--	35,43,243	22,96,327	23,99,932
09.	Pollution Control Equip.	--	7,40,000	--	7,40,000	--	69,358	--	69,358	6,70,642	--
10.	Electrical Installation	3,21,006	--	--	3,21,006	2,22,765	15,248	--	2,38,013	82,993	98,241
19.	Laboratory Equipment	32,28,219	--	--	32,28,219	18,69,700	1,53,340	--	20,23,040	12,05,179	13,58,519
12.	Air-Conditioners & Refrigerators	3,79,290	69,800	--	4,49,090	1,52,531	19,674	--	1,72,205	2,76,885	2,26,759
13.	Generator	5,60,960	--	--	5,60,960	3,22,778	26,646	--	3,49,424	2,11,536	2,38,182
14.	Vehicles	31,62,211	2,48,900	--	34,11,111	12,53,967	3,12,233	--	15,66,200	18,44,911	19,08,244
13.	Office Equipment & Machinery	4,82,423	--	--	4,82,423	2,34,916	22,915	--	2,57,831	2,24,592	2,47,507
15.	Computers	6,00,009	40,550	--	6,40,559	4,51,913	1,00,548	--	5,52,461	88,098	1,48,096
16.	Furniture & Fixture	6,33,413	8,600	--	6,42,013	4,89,796	40,367	--	5,30,163	1,11,850	1,43,617
17.	R&D Furniture & Fixture	--	4,63,368	--	4,63,368	--	29,331	--	29,331	4,34,037	--
18.	Tube well	--	1,03,154	--	1,03,154	--	6,530	--	6,530	96,624	--
Totals		2,90,80,339	30,15,555	--	3,20,95,894	1,10,80,303	13,74,478	--	1,24,54,781	1,96,41,113	1,80,00,036
Figures for the previous year		2,76,65,234	24,12,124	9,97,019	2,90,80,339	1,04,08,520	11,38,358	4,66,575	1,10,80,303	1,80,00,036	1,72,56,714

KILPEST INDIA LIMITED, BHOPAL

Schedules to Balance Sheet contd...

SCHEDULE 'E'	As at 31st March 2009	As at 31st March 2008
CURRENT ASSETS AND LOANS AND ADVANCES		
(A) CURRENT ASSETS		
Inventories (At cost except otherwise stated) (As valued, verified and certified by the Management)		
Raw Materials	2,07,29,894	1,41,18,083
Packing Materials	39,57,506	42,10,196
Finished Goods	1,15,64,332	1,20,07,079
(At cost or market price whichever is lower)		
Miscellaneous Stock	<u>7,35,121</u>	<u>6,32,840</u>
	3,69,86,853	3,09,68,198
(B) SUNDRY DEBTORS (UNSECURED)		
Over six months:		
Considered good	2,18,91,613	2,47,35,713
Other debts, considered good	<u>5,00,81,809</u>	<u>4,86,75,671</u>
	7,19,73,422	7,34,11,384
(C) CASH & BANK BALANCES		
Cash in Hand	11,58,546	2,33,204
Balances with Scheduled Banks		
On Current Accounts	1,51,736	3,18,405
On Saving Accounts	4,398	4,398
On Deposit Accounts	<u>5,21,150</u>	<u>13,56,077</u>
	18,35,830	19,12,084
(D) LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received.	12,89,779	36,00,605
Prepaid Expenses	80,410	74,803
Security Deposits	7,33,752	7,16,752
Income Tax Payment	<u>3,70,357</u>	<u>2,27,979</u>
	24,74,298	46,20,139
Totals	11,32,70,403	11,09,11,805

KILPEST INDIA LIMITED, BHOPAL

Schedules to Balance Sheet contd...

SCHEDULE 'F'	As at 31st March 2009	As at 31st March 2008
CURRENT LIABILITIES AND PROVISIONS		
(A) Current Liabilities		
Sundry Creditors	2,42,04,730	2,50,47,345
Security Deposits from Customers	10,60,000	10,80,000
Taxes on Sales/Entry Tax payable	91,178	37,135
Income Tax Deducted at Source	2,77,481	3,12,292
Other outstanding liabilities	4,36,889	4,09,620
Unclaimed Dividend	<u>3,150</u>	<u>3,150</u>
	2,60,73,428	2,68,89,542
(B) Provisions		
For Taxation	6,55,000	9,00,000
Totals	2,67,28,428	2,77,89,542

Schedules annexed to and forming part of the Profit and Loss Account for the Year ended 31st March, 2009

SCHEDULE 'G'	For the year ended 31st March 2009	For the year ended 31st March 2008
SALES		
At Bhopal	11,18,99,260	9,66,96,741
At Raipur Depot	3,10,72,784	2,34,79,103
At Bilaspur Depot	20,78,910	34,89,616
At Lucknow Depot	43,74,236	54,15,032
At Indore Depot	<u>81,74,720</u>	<u>1,47,90,984</u>
	15,75,99,910	14,38,71,476
Less: Excise Duty	62,77,667	56,56,134
	15,13,22,243	13,82,15,342

KILPEST INDIA LIMITED, BHOPAL

Schedules annexed to and forming part of the Profit
and Loss Account for the Year ended 31st March, 2009

SCHEDULE `H`	For the year ended 31st March 2009	For the year ended 31st March 2008
INCREASE/DECREASE IN STOCK OF FINISHED GOODS		
Closing Stock	1,15,64,332	1,20,07,079
Less: Opening Stock	<u>1,20,07,079</u>	<u>1,08,88,893</u>
	<u><u>(4,42,747)</u></u>	<u><u>11,18,186</u></u>

Schedules to Profit And Loss Account contd ...

SCHEDULE `I`	For the year ended 31st March 2009	For the year ended 31st March 2008
RAW MATERIALS CONSUMED		
1. Chemicals and Other Raw Materials		
Opening Stock	1,32,11,863	99,62,507
Purchases	<u>9,96,16,664</u>	<u>8,57,28,513</u>
	11,28,28,527	9,56,91,020
Less Closing Stock :	<u>1,95,52,989</u>	<u>9,32,75,538</u>
	8,24,79,157	
2. Soapstone and other Raw Materials		
Opening Stock	9,06,220	10,55,449
Purchases	<u>43,48,485</u>	<u>37,27,147</u>
	52,54,705	47,82,596
Less : Closing Stock	<u>11,76,905</u>	<u>9,06,220</u>
	<u><u>40,77,800</u></u>	<u><u>38,76,376</u></u>
	<u><u>9,73,53,338</u></u>	<u><u>8,63,55,533</u></u>

KILPEST INDIA LIMITED, BHOPAL

Schedules to Profit And Loss Account contd ...

SCHEDULE `J`	For the year ended 31st March 2009		For the year ended 31st March 2008	
--------------	---------------------------------------	--	---------------------------------------	--

PACKING MATERIALS CONSUMED

Opening Stock	42,10,196		33,80,487	
Purchase	<u>1,15,66,176</u>		<u>1,48,23,398</u>	
	1,57,76,372		1,82,03,885	
Less : Closing Stock	<u>39,57,506</u>	1,18,18,866	<u>42,10,196</u>	1,39,93,689
		<u><u>1,18,18,866</u></u>		<u><u>1,39,93,689</u></u>

SCHEDULE `K` MANUFACTURING EXPENSES

Power Charges		9,10,220		8,55,042
Laboratory Expenses		2,91,205		2,15,655
Carriage Inward		28,409		49,810
Factory & Stacking Expenses		1,69,693		3,61,034
Loading & Unloading Expenses		39,183		
Consumption of Stores and Spare Parts		3,67,164		6,28,694
Repairs to Plant & Machinery		30,700		15,451
Generator Running & Maintenance		32,929		31,366
		<u>18,69,503</u>		<u>21,57,052</u>

SCHEDULE `L` EXPENDITURE ON PERSONNEL

1. Factory Staff				
Salaries, Wages and Bonus	32,36,726		26,76,907	
Contribution to Provident and Gratuity Funds	<u>3,35,176</u>	35,71,902	<u>1,52,786</u>	28,29,693
2. Office Staff				
Salary & Bouns	32,01,557		26,16,791	
Contribution to Provident and Gratuity Funds	<u>2,28,222</u>	34,29,779	<u>2,18,692</u>	28,35,483
		<u><u>70,01,681</u></u>		<u><u>56,65,176</u></u>

KILPEST INDIA LIMITED, BHOPAL

Schedules to Profit And Loss Account contd ...

SCHEDULE 'M'	For the year ended 31st March 2009		For the year ended 31st March 2008
ADMINISTRATIVE SELLING AND GENERAL EXPENDITURE			
Advertisement & Publicity		5,04,962	4,66,453
AUDIT FEE			
For Audit	15,000		15,000
For Other Services	5,000	20,000	5,000
Bank Commission & Charges		5,37,644	6,99,518
Building & General Maintenance		45,976	60,083
Commission on Sales		11,26,695	15,65,571
Directors Remuneration & Sitting Fee		12,57,460	7,18,240
Insurance		2,29,753	2,43,004
Legal & Professional Fee		3,09,894	4,01,074
Miscellaneous Expenses		44,77,477	47,88,908
Outward Freight & Forwarding Expenses		31,39,302	41,28,183
Rent		59,100	45,600
Rates, Taxes & Fees		6,08,768	8,08,815
R & D Expenses			
Consumption Store	6,84,517		45,320
Salary & Bonus	8,82,247		4,79,920
Others	1,75,120	17,41,884	5,25,240
Travelling & Conveyance		20,54,919	16,81,944
Telephones, Fax, Postage & Telegrams		4,74,349	4,85,695
Vehicle Maintenance & Hire Charges		2,93,985	2,47,179
Workmen & Staff Welfare Expenses		7,44,885	7,20,594
		1,76,27,053	1,76,06,101

KILPEST INDIA LIMITED, BHOPAL

Schedule `N'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES :

1. General

Accounting Convention

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

2. Revenue Recognition

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

3. Excise Duty :

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

4. Fixed Assets :

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

5. Depreciation :

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

6. Inventories :-

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

7. Investments :-

Investments classified as Long Term Investments are stated at cost.

8. Contingent Liabilities :-

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

9. Employees' Retirement Benefits.

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

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

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

B. NOTES TO ACCOUNTS :

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

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

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

4. Amount held in margin accounts with State Bank of Indore, T.T. Nagar Branch, Bhopal is Rs.5,21,150 (previous year Rs.13,56,077).

5. Contingent Liabilities :	2008-2009	2007-2008
i) Guarantees given on behalf of the Company by Company's bankers	52,10,870	27,69,920
ii) Letters of Credit for purchase of Raw Materials	---	35,95,155

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	16,30,776 (Previous Year Rs.14,31,144)
b) Revenue Expenditure	17,41,884 (Previous Year Rs 5,25,240)

8. DIRECTORS' REMUNERATION	2008-2009	2007-08
Remuneration	10,27,000	6,42,000
Other benefits	1,12,440	66,240
Sitting fees	1,12,500	10,000

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

A. Licenced and Installed Capacity & Actual Production:

	Units	2008-2009	2007-2008
a) Licenced Capacity as registered with the Directorate of Small Scale Industries, Bhopal.		(Per Annum)	(Per Annum)
i) Pesticides:			
1. Dust, WDPs and Granules	MTs	18,550	18,550
2. Liquids	LTs	18,00,000	18,00,000
ii) Micro-fertilizers			
1. Granules	MTs	2,200	2,200
2. Liquids	LTs	55,000	55,000
b) Installed/Assessed Capacity as Certified by the NSIC, Government of India, Bhopal			
i) Pesticides:			
1. Dust, WDPs and Granules	MTs	6,600	6,600
2. Liquids	LTs	7,20,000	7,20,000
ii) Micro-fertilizers			
1. Granules	MTs	2,200	2,200
2. Liquids	LTs	55,000	55,000
c) Actual Production:			
i) Pesticides:			
1. Dust, WDPs and Granules	MTs	2452.390	2758.986
2. Liquids	LTs	2,35,422	2,54,139
ii) Micro-fertilizers / Bio Fertilizers			
1. Granules	MTs	777.532	859.533
2. Liquids	LTs	86,812	1,17,137

B. Opening and Closing Stock of Goods Produced:

Class of Goods	Unit	OPENING STOCK				CLOSING STOCK			
		2008-2009		2007-2008		2008-2009		2007-2008	
		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
i) Pesticides									
1. Dusts, WDPs, & Granules	MTs	73,614	16,26,027	126,145	39,17,082	79,012	20,24,949	73,614	16,26,027
2. Liquids	LTs	12,540	36,70,068	10,780	34,53,928	11,566	36,06,895	12,540	36,70,068
ii) Micro-Fertilizers / Bio Fertilizers									
1. Granules	MTs	48,108	22,83,640	21,721	4,64,766	92,789	46,42,308	48,108	22,83,640
2. Liquids	LTs	35,614	44,27,344	32,070	30,53,117	16,691	12,90,180	35,614	44,27,344
		1,20,07,079		1,08,88,893		1,15,64,332		1,20,07,079	

C. Particulars in respect of Purchases and Sales :-

Class of Goods	Unit	Purchases				Sales			
		2008-2009		2007-2008		2008-2009		2007-2008	
		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
i) Pesticides									
1. Dusts, WDPs, & Granules	MTs	-	-	-	-	2446,992	6,88,64,488	2811,517	4,97,19,463
2. Liquids	LTs	-	-	-	-	2,36,396	5,79,17,020	2,52,379	6,09,96,683
ii) Micro-Fertilizers / Bio Fertilizers									
1. Granules	MTs	-	-	-	-	732,851	1,40,08,850	833,146	1,71,79,070
2. Liquids	LTs	-	-	-	-	1,05,735	1,05,31,885	1,13,593	1,03,20,126
		15,13,22,243		13,82,15,342					

D. Details of Raw Materials consumed :

Class of Goods	Unit	2008-2009		2007-2008	
		Quantity	Amount	Quantity	Amount
1. Chemicals	MTs	1337,991	9,32,75,538	1684,145	8,24,79,157
2. Soapstones	MTs	2253,168	40,77,800	2332,355	38,76,376
		9,73,53,338		8,63,55,533	

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

1. Raw Materials:-

	2008-2009		2007-2008	
	Amount	%	Amount	%
i) Imported	24,65,875	2.53	36,68,401	4.25
ii) Indigeneous	9,48,87,463	97.47	8,26,87,132	95.75
	9,73,53,338	100.00	8,63,55,533	100.00
2. Stores, Spare Parts and Components				
i) Imported	--	--	--	--
ii) Indigeneous	1,21,86,030	100.00	1,46,22,377	100.00
	1,21,86,030	100.00	1,46,22,377	100.00

F. Earnings in Foreign Exchange:

	<u>2008-09</u>	<u>2007-08</u>
On account of Export Sale	51,31,808	30,17,800

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

	<u>2008-09</u>	<u>2007-08</u>
1. Capital Goods	--	--
2. Raw Materials	--	50,41,734
3. Stores, Spare Parts & Components	--	--

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

11. Related Party Disclosures as per AS-18, issued by The Institute of Chartered Accountants of India, for the year ended on 31st March, 2009:-

(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) Prof. Ram Kumar Dubey
- (f) Smt. Anamika Dubey
- (g) 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		A (ii) above	
	2008-09	2007-08	2008-09	2007-08
(i) Interest Paid	14,47,690	15,91,724	2,18,285	2,35,266
(ii) Salary & other benefits	11,97,460	7,14,240	-	-
(iii) Outstanding payable as on 31st March, 2009	1,08,43,314	1,10,52,054	16,93,751	15,81,275

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

	2008-2009	2007-2008
Profit after Tax	25,93,863	23,85,457
Weighted average number of Equity Shares of Rs.10/- each	59,00,800	58,26,450
Earnings Per Share (Re)	0.44	0.41

SCHEDULE `O`

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details			
Registration No.	1131 of 1972	State Code	10
Balance Sheet	31-03-2009		
II. Capital Raised during the year			
Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
III. Position of Mobilisation and Deployment of Funds (Amount Rs)			
Total Liabilities	13,29,11,616	Total Assets	13,29,11,616
Sources of Funds			
Paid-up Capital	5,90,08,000	Reserves & Surplus	1,33,73,658
Secured Loans	1,68,08,589	Unsecured Loans	1,44,36,495
Other Liabilities	25,56,446		
Application of Funds			
Net fixed assets	1,96,41,113	Investments	100
Net Current Assets	8,65,41,975	Misc.Expenditure	---
Accumulated Losses	Nil		
IV. Performance of Company (Amount Rs)			
Turnover	15,13,22,243	Total Expenditure	14,69,65,197
Profit Before Tax	43,57,046	Profit after Tax	25,93,863
Earning per share	0.44	Dividend	Nil
V. Generic Names of Three Principal Products of Company			
(as per monetary terms)			
Item Code (ITC Code)		NA	
Product Description		PESTICIDES	
Item Code (ITC Code)		NA	
Product Description		MICRO FERTILIZERS	

Signatures to Schedules `A` to `O`

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

(N.K. DUBEY)
Whole Time Director

Place : Bhopal
Dated : 30th June, 2009

KILPEST INDIA LIMITED, BHOPAL

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2008-2009

	2008-2009	2007-2008
A. Cash Flow from Operating Activities:		
Net Profit Before Tax and Extra ordinary items.	43,57,046	34,27,624
Adjustment for:		
Depreciation	13,74,478	11,38,358
Loss on sale of Cars	—	1,97,594
Interest paid	42,28,848	41,35,023
Operating Profit before Working Capital changes	99,60,372	88,98,599
Adjustment for :		
Inventories	(60,18,655)	(52,82,884)
Trade and other Receivables	35,83,803	(1,22,34,250)
Trade payables and other liabilities	(10,61,114)	1,04,08,576
Cash generated from operations	64,64,406	17,90,041
Income Tax Payments	(7,77,183)	(13,19,754)
Net cash used/available from Operating Activities - A	56,87,223	4,70,287
B. Cash Flow from Investing Activities:-		
Purchase/Sale of Fixed Assets	(30,15,555)	(20,79,274)
Net cash used in Investing Activities - B	(30,15,555)	(20,79,274)

C. Cash Flow from Financing Activities:-

Increase in Share Capital	7,43,500	26,88,000
Working Capital Limits	5,98,955	22,76,516
Proceeds from other Borrowings	1,38,471	17,33,777
Interest paid	(42,28,848)	(41,35,023)
Net Cash from Financing Activities - C	(27,47,922)	25,63,270
Net Increase/Decrease in Cash and	(76,254)	9,54,283
Cash and Cash equivalents as at 1st April, 2008 - Opening Balance	19,12,084	9,57,801
Cash and Cash equivalents as at 31st March, 2009 - Closing Balance.	18,35,830	19,12,084

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

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

Place : Bhopal

Dated : 30th June, 2009

AUDITORS' REPORT

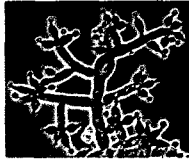
We have examined the attached Cash Flow Statement of Kilpest India Limited, Bhopal for the year ended 31st March, 2009. The statement has been prepared by the company in accordance with the listing requirements with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our report of 30th June, 2009 to the members of the company.

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

**R.C. BAHETI
PARTNER
M. No. 10997**

Place : Bhopal

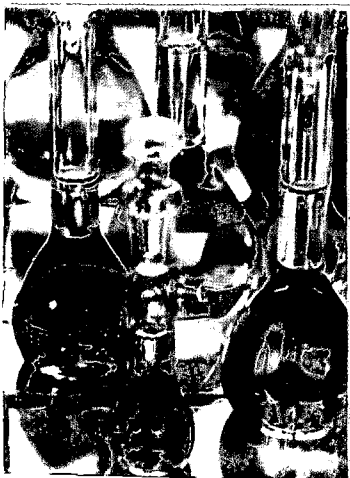
Dated : 30th June, 2009



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