TWELFTH ANNUAL REPORT

2001-2002

ELQUE POLYESTERS LIMITED

BOARD OF DIRECTORS

Mr. Abhijit Sen	Chairman Cum Managing Director
Mr. Satyajit Mitra	Director
Mr. Supratik Sen Barat	Director
Mr. Umasankar Chattopadhyay	Director
Mr. Vinod N Thacker	Director

REGISTERED OFFICE

85, S.N. Banerjee Road
Kolkata - 700 014

AUDITORS

M/s. M. Chatterjee & Co.
Chartered Accountants
8/2, Kiran Sankar Ray Road
Kolkata - 700 001

PLANT

Plot No. 51 - 56, Sector - II
Falta Export Processing Zone
24 Parganas (S), West Bengal

BANKERS

State Bank of India
UTI Bank Ltd.

Contents

Notice

Notice is hereby given that the Twelfth Annual General Meeting of the members of [illegible] POLYESTERS LTD. will be held on Saturday the 28th September, 2002 at 11.30 a.m. at the [illegible] [illegible] 11, [illegible] Street, Kolkata 700 [illegible] to transact the following business

ORDINARY BUSINESS

1. To consider and adopt the audited accounts for the year ended 31st March 2002 together with the Directors and Auditors Report thereon.
2. To appoint a Director in place of Mr. [illegible] who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution.

"RESOLVED THAT Mr. [illegible] who was appointed as Director [illegible] of the Company [illegible] and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company."

5. To consider and if thought fit, to pass with or without modification the following resolution as a special resolution.

"RESOLVED THAT the Equity Shares of the Company be delisted from [illegible] Stock Exchange in accordance with the relevant laws, or [illegible] of SEBI Guidelines [illegible] and subject to compliance with such conditions and modifications as may be [illegible] by any authority while granting such approval, permission or sanction [illegible] of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee thereof or any Managing/Executive Director for the time being exercising the powers conferred on the Board or any officers of the Company [illegible] by the Company for such purpose or purposes) be and is hereby authorised to seek [illegible], to take all necessary steps in this regard as it may in its absolute discretion deem necessary and to settle any questions, difficulties, doubts that may arise with regard to the delisting of the Shares and to execute all such deeds, documents, writings as may be necessary, desirable or expedient and for the purpose to delegate the authority to the Managing Director or Company Secretary or any person whom the Managing Director may consider suitable to do various acts, deeds and things required to be done in this behalf."

By Order of Board

Place : Kolkata
Date : 16th August, 2002

[illegible] Singhania
Company Secretary

Notes

1. 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. The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the time of the meeting.
2. The Register of members and share transfer books of the Company will remain closed from 19th September, 2002 to 24th September, 2002 (both days inclusive) for the purpose of Annual General Meeting.

3. Shareholders desiring any information in respect of the Accounts of the Company are requested to write to the Registered Office of the Company at 85, S. N. Banerjee Road, Kolkata - 700 014 well in advance to enable the management to keep the information ready.

4. Copies of Annual Reports will not be circulated at the meeting. Members are requested to bring their copies of Annual Report to the meeting.

5. Members are requested to intimate the Company about their change in address, if any, including pin code and quoting the correct Folio Number and also notify [illegible] change in their address to ensure proper delivery of mail.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4

Mr. Vinod N Thacker was appointed as an Additional Director of the Company w.e.f. [illegible] January, 2005 by the Board of Directors under provisions of Section 260, 262, 264 and 284(6) of the Act and in terms of Article 190(a) and (b) of the Articles of Association of the Company, in the casual vacancy arising out of the resignation of Mr. [illegible]. Mr. Thacker holds the office upto the date of the forthcoming Annual General Meeting of the Company. A notice has been received from a shareholder under Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. Thacker as a candidate for the office of Director liable to retire by rotation. Mr. Thacker is a renowned industrialist, engaged in the field of manufacturing [illegible] and also a Managing Director of [illegible] Limited, a company [illegible] and is also a Director in many other Companies. The Directors consider that Mr. Thacker's services will be valuable to the Company and that it is in the interest of the Company. Accordingly, the aforesaid resolution has been recommended by the Board of Directors as an ordinary resolution.

Mr. Vinod N Thacker is interested in the resolution as it concerns him.

Item No. 5

The Equity Shares of the Company are presently listed on the Stock Exchanges at Calcutta (the regional Stock Exchange), Mumbai and Ahmedabad Stock Exchange. It has been observed that there is no trading of our securities in the Ahmedabad Stock Exchange since the last four to five years. Since the last few years the volume of trading of the Company's shares at Ahmedabad is [illegible] which does not justify payment of considerable amount by way of listing fees and other expenses the Company is incurring. The Board of Directors of the Company at their meeting held on [illegible] 2002 have therefore decided to get the shares delisted from the abovementioned Ahmedabad Stock Exchange, in accordance with the applicable laws, rules and regulations as required under the Listing Agreement entered by the Company with the Stock Exchanges. The company seeks your approval by way of a special Resolution for delisting the shares of the Company from the said Stock Exchange at Ahmedabad. The investors in this region will not suffer due to delisting since the introduction of screen based trading on the Calcutta and Mumbai Stock Exchanges, trading in shares can easily be done from all over the country with the recently formed Inter-Connected Stock Exchange. They will have ready access to the National Market for securities. The proposed delisting is in the interest of the Company and the Board recommends the Resolution for acceptance by the members. The shares will continue to be listed in Calcutta & Mumbai Stock Exchange.

None of the Directors is concerned and/or interested in the resolution, except as shareholders in general.

Directors' Report To The Members

Your Directors have pleasure in presenting the [illegible] Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

	2001-2002	2000-2001
	(Rs. in '000)	(Rs. in '000)
Turnover	918009	931090
Profit/(Loss) before Interest and Depreciation	163560	(22574)
Interest	1126	18789
Depreciation	74564	74040
Loss/(Gain) on Exchange Fluctuation	(2)	156
Miscellaneous Expenses Written Off	3651	3515
Net Profit/(Loss) before tax	84221	(119074)
Provision for Tax - Deferred Tax	11423	
Net Profit/(Loss) after Tax	72798	(119074)
Add: Brought forward from previous year	(897003)	(777929)
Balance Transferred to Balance Sheet	(824205)	(897003)

REVIEW OF OPERATION

There has been steady growth in demand worldwide with an average growth rate of approximately 10%. However in India the demand had increased from 70,000 tons in the financial year 2000-2001 to 85,000 tons in the financial year and the projections indicate that the demand will reach about 1,00,000 tons in the forthcoming years.

This indicates a demand growth of approximately 15% as compared to the world average. The Per Capita consumption in the developed countries i.e. in USA & Europe is more than 1.5 kgs per person as compared to less than 0.1kg in India. Although it would take several years to reach the levels in the developed countries, we believe that the growth will be constant for years to come.

Your Company produced 30623 MT out of which it has sold 10154 MT of PET Resin in the overseas market, resulting in a turnover of Rs. 91.80 crores against Rs. 93.11 crores in the previous year. Your Company earned a cash profit of Rs. 16.79 crores and a net profit of Rs. 7.28 crores against a net loss of Rs. 11.91 crores in the previous year.

INTERNATIONAL MARKET

Your Company's "SENPET" brand PET Resin which was reintroduced in the international market during the period under review and "SENPET" was widely acclaimed because of its superior quality. Approximately 10,000 MT was exported mainly to the Eastern Europe and USA and we are also receiving a lot of repeat orders both from overseas and domestic market. However due to Anti-dumping duty still prevailing in Europe, applicable on PET Resin of Indian origin among also others, it was not possible to enter the other countries in the European market. However, the stable customer base could be retained as a result of which the Company benefited in the form of earning foreign currency.

DOMESTIC MARKET

[illegible]

[illegible]

[illegible]

INDUSTRY DEVELOPMENT & OUTLOOK

[illegible]

[illegible] Company [illegible] capacity to 125 tons for Day [illegible].

INTERNAL CONTROL SYSTEMS

Your Company [illegible] authorised, recorded and reported correctly.

SEGMENT WISE REPORTING

Your Company [illegible] only in one business segment that is PET Resin.

SIFI STATUS

[illegible] the Company has reached a One Time Settlement with IDBI and [illegible] achieve the same.

DEPOSITORY SYSTEM

Your Company's shares have been in compulsory demat form with CDSL with effect from 1st October, 2001. [illegible] of the Company.

CORPORATE GOVERNANCE

As per the [illegible] of the Listing Agreement a separate report on Corporate Governance is furnished as a part of the Annual Report [illegible] Auditor's Certificate regarding the compliance of the conditions of the Corporate Governance.

DIRECTORS

Mr. [illegible] Thomas [illegible] was appointed [illegible] Director [illegible] the conclusion of the next Annual General Meeting in [illegible] the casual vacancy caused by the resignation of Mr. [illegible]

In accordance with the Articles of Association of your Company Mr. Subrata Sen [illegible] retiring by rotation being eligible offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) which was introduced by the Companies (Amendment) Act, 2000 your Directors confirm that

- in the preparation of the Annual Accounts the applicable accounting standards have been followed except for Accounting Standard [illegible] (AS [illegible])
- The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2000 and of the Profit of the Company for the year ended 31st March 2000
- The Directors have taken proper and sufficient care of the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- The Directors have prepared the Annual Accounts on a going concern basis.

INSURANCE

All the assets of your Company including the Plant & Machinery, [illegible] Equipments etc. have been adequately insured.

AUDITORS

M/s. [illegible] Chatterjee & Co., Chartered Accountants, the Statutory Auditors of your Company, retire at the end of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

Information as required 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, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given at Annexure - A forming part of this Report.

HUMAN RESOURCE DEVELOPMENT

Your Company have a strong focus on organisational excellence, which requires improving performance continually in every area and level of organisation. Your Company has been making a continuous endeavour to achieve the same.

Your directors wish to place on record their appreciation for the valuable contribution made by the employees who through their competence and hard work have enabled your Company to achieve this result.

Information as required under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in Annexure - B forming part of the Report.

ACKNOWLEDGEMENT

The Directors take this opportunity to express their sincere appreciation for the assistance and co-operation received during the year from the Industrial Development Bank of India, State Bank of India, [illegible] Bank Limited, SBI Home Finance Limited, West Bengal Industrial Development Corporation, Development Commissioner of FEPZ, Customs, Excise and other Statutory authorities. The Directors [illegible] place on record their sincere appreciation of the services rendered by the employees of the Company.

For and on behalf of the Board

Place : Kolkata
Date : 19th June 2000

Abhijit Sen
Chairman Cum Managing Director

ANNEXURE - A

INFORMATION UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

1. CONSERVATION OF ENERGY

A Energy conservation measures taken
   1) Installation of capacitor banks for improvement of power factor
   2) Use of low power (TTW) lamps for lighting
   3) Adequate and quality insulation of hot and cold lines
   4) Installation of energy efficient pumps and [illegible] of gear boxes to reduce transmission losses
   5) Installation of variable speed A/C Drives and PLC Inverter System

B Additional investments and proposals, if any, being implemented for reduction of consumption of energy
   1) [illegible] on pipe lines to minimise heat losses from the surface
   2) Conducting energy audit
   3) Conducting [illegible] survey to identify the [illegible] in the plant

C Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods

Consumption of energy per unit of production has come down marginally due to measures adopted in energy conservation undertaken as stated above.

D Total energy consumption and energy consumption per unit of production

Power and Fuel Consumption	Current Year	Previous Year
a) Electricity		
a) Purchased	Nil	Nil
b) Own Generation		
Units	1,03,99,536 KWH	40,77,735 KWH
Total amount	Rs. 4,49,08,945	1,71,21,354
Average Rate	Rs. 4.25	Rs. 4.91
b) Coal	Nil	Nil
c) Furnace Oil		
Quantity	327 KL	1455 KL
Total amount	Rs. 3,09,89,518	Rs. 1,38,99,044
Average Rate	Rs. 9466	Rs. 9,808
d) Diesel Oil		
Quantity	9943	1259
Total amount	Rs. 4,52,69,825	Rs. 1,85,81,410
Average Rate	Rs. 15308	Rs. 14971
E Consumption per MT of production		
Electricity (Units)	475 KWH	669 KWH
Furnace Oil (KL)	.16	0.23
Diesel Oil (KL)	0.13	0.20
Coal (MT)	Nil	Nil

2 TECHNOLOGY ABSORPTION

a) The Company's Research and Development [illegible]

b) The Company's [illegible] with the [illegible] of the Company's [illegible]

c) Development of quality [illegible]

3 FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company has earned Foreign Exchange worth Rs. [illegible] lacs through exports to [illegible] Middle East and Asian Countries [illegible] The Company has used foreign Exchange of Rs. [illegible] lacs for import of raw materials.

ANNEXURE - B

Particulars of Employees Pursuant to Section 217(2A) of the Companies Act, 1956 forming part of the Directors' Report for the year ended 31st March, 2008

Name & Age (Years)	Designation / Nature of Duties	Remuneration (Rs. in Lacs)	Qualification & Experience	Date of Commencement of Employment	Last Employment
Mr. Andrea [illegible] (40)	General Manager (International Business)	94,00,000	[illegible]	[illegible] 1999	Sumitomo Corpn., Germany
Mr. [illegible] (55)	Vice President Operation	15,00,000	M.S. (Chemical Engineer, USA)	[illegible] 2000	[illegible]

Notes :

- Nature of employment is contractual.
- Remuneration Shown above is computed and all inclusive
- Designation represents the nature of duties performed
- Employee concerned is not related to any Director of the Company

For and on behalf of the Board

Place : Kolkata

Date : 19th June, 2008

Abhijit Sen
Chairman cum
Managing Director