

# **FOURTEENTH ANNUAL REPORT 2003 - 2004**



## **ELQUE POLYESTERS LIMITED**

**BOARD OF DIRECTORS**

Mr. Abhijit Sen	Chairman Cum Managing Director
Mr. Umasankar Chattopadhyay	Director
Mr. Supratik Sen Barat	Director

**PLANT**

Plot No. 51 - 56, Sector - II, Falta  
Mouza - Simulberia, P.O. : Bisira  
24 Parganas (S), West Bengal

**AUDITORS**

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

**REGISTRARS AND SHARE TRANSFER AGENTS**

S. K. Computers  
34/1A, Sudhir Chatterjee Street  
Kolkata-700 006

**BANKERS**

State Bank of India  
UTI Bank Ltd.

**REGISTERED OFFICE**

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



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ELQUE POLYESTERS LIMITED

**NOTICE**

Notice is hereby given that the Fourteenth Annual General Meeting of the members of ELQUE POLYESTERS LTD. will be held on Wednesday, the 29th September, 2004 at 11.30 a.m. at the Registered Office of the company at 85, S. N. Banerjee Road, Kolkata-700 014 to transact the following business :

**ORDINARY BUSINESS :**

1. To consider and adopt the audited accounts for the year ended 31st March, 2004 together with the Directors' and Auditor's Report thereon.
2. To Appoint a Director in place of Mr. Supratik Sen Barat who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

By Order of the Board

Place : Kolkata  
Date : 8th June, 2004

**S. Sinha**  
Company Secretary



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 23rd September 2004 to 29th September 2004 (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 mangement 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 of address, if any, including pin code and quoting the correct Folio Number and also notify mistakes, if any, in their address to ensure proper delivery of mail.

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present their Fourteenth Annual Report along with the Audited Accounts of the Company for the period ended 31st March 2004.

**FINANCIAL RESULTS**

	2003-2004 (Rs. in 000)	2002-2003 (Rs. in 000)
Turnover	1181016	939031
Profit / (Loss) before interest and depreciation	(43643)	47804
Interest	—	169
Depreciation	74756	74709
Miscellaneous Expenses Written Off	1735	1421
Net Profit / (Loss) before tax	(120134)	(28495)
Provision for Tax - Deferred Tax	—	(2315)
Net Profit / (Loss) after Tax	(120134)	(9552)
Add : Brought forward from previous year	(833760)	(824208)
Balance Transferred to Balance Sheet	(953894)	(833760)

**OPERATIONS & MARKET**

The demand for PET Resin has increased Worldwide and the same trend has been witnessed in India, as well. However, more manufacturing capacities continue to be built in Asia and the Subcontinent, which has considerably depressed the prices.

Cost of all inputs, including energy cost, has been going up steadily over the past few years. The adverse and un-remunerative market conditions coupled with extremely competitive environment have resulted in a downward trend in the sale prices, leading to losses.

The European Union had imposed antidumping duty in 2002 on PET Resin manufactured in Asia. USA has also started antidumping measures against India, Indonesia, Thailand and Taiwan. With the joining of other CIS countries in the European Union recently, the export markets have further shrunk.

In spite of all odds, your company has been able to increase production and produced 25010 MT of PET Resin as compared to 22493 MT in the previous financial year. Out of this, it has sold 16,032 MT in the overseas market. The company achieved a turnover of Rs. 11810.16 lacs during the year under review against Rs. 9390.31 lacs in the previous financial year. Owing to the reasons cited above, your company, incurred cash losses to the tune of Rs. 436.43 lacs.

**INTERNAL CONTROL SYSTEMS**

Your Company has already implemented the internal control systems in order to safeguard all assets against loss from unauthorised use and that all transactions are authorised, recorded and reported correctly.

**SEGMENT WISE REPORTING**

Your Company operates only in one business segment i.e. PET Resin.

**BIFR STATUS**

The company continues to remain under the purview of BIFR.

**DEPOSITORY SYSTEM**

Your Company's shares have been in compulsorily dematerialised form with CDSL since 19th October, 2001. In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialisation of the Company's shares.

**CORPORATE GOVERNANCE**

As per the Clause 49 of the Listing Agreement, a separate report on Corporate Governance is furnished as a part of the Annual Report along with the Auditor's Certificate regarding the compliance of the conditions of Corporate Governance.

**DIRECTORS**

In accordance with the Articles of Association of your Company, Mr. Supratik Sen Barat retires by rotation and being eligible offers himself for reappointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. In the preparation of the annual accounts the applicable accounting standards have been followed except for Accounting Standard 9 and 15 (AS 9 & 15).
2. 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 at the end of the financial year and of the profit or loss of the company for that year.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on going concern basis.

**INSURANCE**

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

**AUDITORS**

M/s. M. Chatterjee & Co., Chartered Accountants, the Statutory Auditors, retire at the end of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

**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 in Annexure - A forming part of this Report.

**HUMAN RESOURCE DEVELOPMENT**

Your Company firmly believes that success of the Company comes from good human resources and aims to remain lean and dynamic in a continuously challenging environment.

Employee relations continued to be satisfactory. 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 meet the challenges faced.

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 this 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, UTI Bank Limited, SBI Home Finance Limited, West Bengal Industrial Development Corporation, Development Commissioner of SEZ, Customs, Excise and other statutory authorities.

For and on behalf of the Board

Place : Kolkata  
Date : 8th June, 2004

**Abhijit Sen**  
Chairman Cum Managing Director

## ELQUE POLYESTERS LIMITED

## 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. Various Conservation measures taken :

- 1) Installation of capacitor banks for improvement of power factor.
- 2) Use of low power (17W) lamps for lighting.
- 3) Adequate and quality insulation of hot and cold lines.
- 4) Installation of energy efficient pumps and elimination 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) Optimum insulation thickness on pipe lines to minimise heat losses from the surface.
- 2) Conducting energy audit.
- 3) Conducting illumination surveys to identify the existing lux levels in the plant.

## C. Impact of measures of (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 related to 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
i) Electricity		
a) Purchased	Nil	Nil
b) Own Generation		
Units	8540551.00	9488982 KWH
Total amount	Rs. 45652599.00	Rs. 4,41,15,649
Average Rate	Rs. 5.34	Rs. 4.65
ii) Coal	Nil	Nil
iii) Furnace Oil		
Quantity	3301.70 KL	3136.73 KL
Total amount	Rs. 37708407.07	Rs. 3,45,58,908.00
Average Rate	Rs. 11420.90	Rs. 11,017.50
iv) Diesel Oil		
Quantity	Rs. 2627.91 KL	2767.67 KL
Total amount	Rs. 4,97,50,399.44	Rs. 45471480
Average Rate	Rs. 18931.54	Rs. 16429
E. Consumption per MT of production		
Electricity (units)	341 KWH	422 KWH
Furnace Oil (KL)	0.132	0.139
Diesel Oil (KL)	0.105	0.123
Coal (MT)	Nil	Nil

## 2. Technology Absorption

- i) The Company's Research and Development activities have been strengthened by procurement and installation of latest and sophisticated instruments to create a world class centre of excellence.
- ii) The Company's local technical development remained closely synchronised with the development works undertaken by our Collaborators.
- iii) The Company obtained ISO 9001 : 2000 Quality Management system certification from Det Norske Veritas of Netherlands

## 3. Foreign Exchange Earnings and Outgo

During the year under review, the Company has earned Foreign Exchange worth Rs. 6152.78 Lacs through exports to Europe, African, America C.I.S., Middle East and Asian countries including exports through merch1324.90 Lacs.

## 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, 2004

Name & Age (Years)	Designation/ Nature of Duties	Remuneration (Rs. in Lacs)	Qualification & Experience	Date of Commencement of Employment	Last Employment
Ms. Andrea Petra Lugg (42)	Chief Executive	27,50,000	M.A. (Phil.)	2.1.1999	Sumitomo Corpn., Germany

## NOTES :

- # Nature of employment is contractual.
- # Remuneration Shown above is consolidated and all inclusive.
- # Designation represents the nature of duties performed.
- # Employee concerned is not related to any Director of the Company.
- # Employed for part of the year.

For and on behalf of the Board

Place : Kolkata

Date : 8th June, 2004

**Abhijit Sen**

Chairman Cum Managing Director

## CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as incorporated in Clause 49 of the Listing Agreement is set out below :-

## A. MANDATORY REQUIREMENTS

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :-

Your Company firmly believes good corporate governance contemplates that corporate action balances the interest of all the stake holders of the Company and society at large. Such practices are founded upon the core values of transparency, empowerment, accountability and fair play. The Company makes its best endeavours to uphold and nurture these core values in all aspects of its operations.