

The background of the cover is a dark, textured image featuring a stylized globe with a grid pattern. Overlaid on the globe are several white circular icons: a straight upward arrow, a square with a diagonal line, and a circular arrow. A horizontal white band runs across the lower portion of the cover, containing the company name and report title. In the bottom right corner, there is a large circular logo containing a stylized upward-pointing arrow.

SEN PET (INDIA) LIMITED

ANNUAL REPORT 2009-2010

Board of Directors

Mr. Umasankar Chattopadhyay	Director
Mr. Supratik Sen Barat	Director
Mr. Jyotirmoy Kar Roy	Whole Time Director

Company Secretary

Mr. Manoj Kumar Bajoria

Auditors

M/s Mookherjee P. K. & Co.
Chartered Accountants
6B, Nepal Bhattacharya Street
Kolkata - 700 026

Registrars and Share Transfer Agents

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

Plant

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

Registered Office

85, S. N. Banerjee Road
Kolkata - 700 014
Phone : 2249-3871, 2883-0872
Fax : 2265-0747
email : systems@senglobal.com
Web : www.senglobal.com

C O N T E N T S

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NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Sen Pet (India) Limited (Formerly Elque Polyesters Ltd.) will be held at the registered office of the Company at 85, S .N. Banerjee Road, Kolkata- 700 014, on Wednesday, the 29th Day of September, 2010 at 11.30. a.m. to transact the following business :-

ORDINARY BUSINESS

1. To consider and adopt the audited Profit & Loss Account of the Company for the year ended 31st March, 2010, the Balance Sheet as on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Supratik Sen Barat who retires by rotation, and being eligible, offer himself for re-appointment.
3. To appoint Auditors and authorise the Board of Directors to fix their remuneration. In this connection, to consider and if thought fit, to pass the following resolution which will be proposed as Ordinary Resolution:

“RESOLVED THAT M/s N. Chatterjee & Associates, Chartered Accountants , be and hereby appointed as the Auditors of the Company to hold such office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be mutually agreed between the Board of Directors and the Auditors plus out of pocket expenses.”

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended, the company hereby approves the reappointment of Mr. Jyotirmoy Kar Roy as the Whole Time Director of the Company for a further period of five years with effect from 28.01.2010 to 27.01.2015 upon the terms and conditions set out in the Agreement dated 30.01.2010 placed before this meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary, subject to such approvals as may be required, the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. Jyotirmoy Kar Roy.”

By Order of the Board

Place : Kolkata

Date : 2nd September, 2010

Manoj Kumar Bajoria
Company Secretary

NOTE :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD IN CASE OF POLL. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
2. The register of members and share transfer books of the company will remain closed from 23.09.2010 to 29.09.2010 (both days inclusive).
3. M/s Mookherjee P.K. & Co., Chartered Accountants have expressed their desire to not seek re-appointment at the ensuing Annual General Meeting of the Company.
The Company has received a Special Notice from a Member proposing the name of M/s. N. Chatterjee & Associates, Chartered Accountants as Statutory Auditors for the financial year 2010-11. M/s. N. Chatterjee & Associates has also expressed their willingness to be appointed as Statutory Auditors of the Company and have given certificate of their eligibility under section 224(1B) of the Companies Act, 1956.
4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business under Item No. 4 of the Notice is annexed hereto.
5. 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.
6. Copies of Annual Reports will not be circulated at the meeting. Members are requested to bring their copies of Annual Report to the Meeting.
7. 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.
8. Members/ Proxy should bring the Attendance slip duly filled in for attending the meeting.
9. Details of directors seeking reappointment at the meeting are incorporated in the Corporate Governance Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4

By a resolution passed at its meeting held on 30th January, 2010, the Board of Directors had re-appointed Mr. Jyotirmoy Kar Roy as Whole Time Director of the Company for a further period of five years with effect from 28th January, 2010 to 27th January, 2015 on the terms and conditions agreed between the Board and Mr. Jyotirmoy Kar Roy.

The appointment of Whole Time Director is subject to the approval of the members pursuant to provisions of the Companies Act, 1956 read with Schedule XIII of the Act.

This explanation together with the proposed resolution is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

Hence the Board recommends the resolution as proposed in the notice for your approval in the interest of the Company.

None of the directors of the Company is in any way concerned or interested in the proposed Resolution.

By Order of the Board
For Sen Pet (India) Limited

Manoj Kumar Bajoria
Company Secretary

Place : Kolkata
Date : 2nd September, 2010

DIRECTORS' REPORT

To
The Members

Your directors have pleasure in presenting the Twentieth Annual Report together with the Audited Accounts for the period ended on 31st March, 2010.

FINANCIAL RESULTS (Rs. in thousand)

	For the period 1st April, 09 to 31st March, 10	For the period 1st April, 08 to 31st March, 09
Turnover	201948	—
Other Income	18380	4885
Excess Liability written back	—	—
Variation in Stock	32097	—
Total Expenditure	(287411)	(11888)
Profit/(Loss) before Interest, Depreciation, Impairment of Fixed Assets, Misc. expenses and prior period items	(34986)	(7003)
Interest	—	—
Depreciation	35487	35135
Provision for doubtful debts	694	928
Net Profit/(Loss) Before Tax	(71167)	(43066)
Fringe Benefit Tax	—	28
Net Profit/(Loss) after Tax	(71167)	(43094)
Add: Balance brought forward from previous year	(1739271)	(1696177)
Balance Carried forward to Balance Sheet	(1810438)	(1739271)

REVIEW OF OPERATIONS

Your Directors take the pleasure of informing you that the Company had restarted the operation of its plant at Falta from the month of May 2009. In spite of tough competition the Turnover of the Company in the first quarter of 2009-2010 was Rs. 21268 thousands. Due to high cost of furnace oil, the plant was again shut down from August 2009. Your company is trying to tap alternate sources of energy for restart of operations of the plant which will result in low cost of production and increased profitability.

The Indian PET industry is growing at a steady rate which is higher than the average growth rate in other industrial sectors of our economy and your directors are confident of better results in 2010-2011 financial year.

Your Company is expected to operate at full capacity in the next ensuing fiscal year and hope to make proper utilization of its resources to reap in profit to make a turnaround.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and developments

The Company is engaged in the manufacturing of bottle grade PET Resin. The product is basically used for downstream manufacturing of PET bottles which are normally used in the bottled drinks, beverage, liquor and pharmaceutical sector.

Opportunities and Threats

Due to its strength, transparency and lightweight PET bottle industry is growing day by day which provides ample opportunity and scope for our Company.

The main threats to our industry are the volatility of prices of raw materials such as PTA and MEG mainly due to unstable PX-ACP in Asian commodity trading. This problem is further complicated with the increase in production capacity of PET resin within the country and abroad.

Prospects and Future outlook

The demand for PET Resin has increased worldwide. However, with an increase in manufacturing capacities in various countries, profit margin of PET is likely to remain under pressure.

The power requirement if your Company is presently being met through HFO based Generator. However, due to increase in prices of furnace oil, your Company is planning to run the unit on grid power for which discussions with the West Bengal State Electricity Distribution Company Limited is going on, we hope to get the grid power connection very soon, which will have direct impact on the bottom-line of your Company through cost reduction. Further areas of cost reduction are being identified and techno economic viability is under consideration for a Coal based captive power plant. This will enable the Company to reduce the Power and Fuel cost even further. The Company is focusing on the following to expand the bottom-line.

- Products/services, which are at the higher end of the value chain.
- Increasing market share in both domestic and international market.
- Identifying new areas so as to increase the product portfolio.

Internal Control System

The Company has adequate system of internal controls and checks and balances to ensure that its assets are safeguarded and protected against loss from unauthorised use. The strength of these systems is continuously being monitored by the internal auditors.

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 dematerialized from 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 dematerialization of the Company's shares.

Corporate Governance

As per clause 49 of the Listing Agreement, a separate report on

Corporate Governance is furnished as a part of the Annual Report along with the Auditors Certificate regarding the compliance of the Conditions of Corporate Governance.

Corporate Social responsibility

Your Company recognized that its operations has a wide effect on the society and therefore give appropriate attention to the fulfillment of its corporate responsibilities.

Directors

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956, Mr. Supratik Sen Barat retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

Director's Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the Annual Accounts for the financial year ended 31st March, 2010, the applicable accounting standards except AS15 had been followed along with proper explanation relating to material departures. The Company had shut down the plant since August, 2009.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the Company for the year under review.
- (iii) that the Directors had taken proper and sufficient care to the extent possible 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.
- (iv) that the Directors had prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis, subject to the fact that there has been adverse market condition during the relevant accounting year and the Company had to shut down the plant since August, 2009.

Compliance of Sec. 274 (1) (g) of the Companies Act, 1956, as amended

The Companies (Amendment) Act, 2000 had introduced clause (f) to sub section (3) of Section 227 in terms of which the auditors are required to state in their Report whether any Director is disqualified from being appointed as Director in terms of clause (g) to sub section (1) of Section 274 of the Act.

The Board has the pleasure to inform that none of the Directors of your Company is disqualified under section 274 (1) (g) of the Companies Act, 1956 and necessary declaration regarding this has been obtained from all the Directors.

Conservation of Energy , Technology Absorption etc.

Information as required under section 271 (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 Earning and Outgo is given in Annexure-A forming Part of this report.

Human Resources

The Company firmly believes that human resources and knowledge capital are vital for business success and creating value for stakeholders. The Industrial Relations during the year under review was cordial.

Employee Particulars

None of the employees of the company have received remuneration in excess of the limit prescribed under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975.

Auditors

The existing Statutory Auditors of the Company, M/s Mookherjee P.K. & Co., Chartered Accountants, retire at the ensuing Annual General Meeting of the Company, and have expressed their desire to not seek re-appointment at the Annual General Meeting. The Company has received a Special Notice from a Member proposing the name of M/s. N. Chatterjee & Associates, Chartered Accountants as Statutory Auditors for the financial year 2010-11. M/s. N. Chatterjee & Associates have also expressed their willingness to be appointed as Statutory Auditors of the Company and have given certificate of their eligibility under section 224(1B) of the Companies Act, 1956 and being eligible offer themselves for reappointment. They have also confirmed that their appointment if made would be within the prescribed limit under Section 224 (1B) of the Companies Act, 1956.

Auditors' Observation

The observations made by the Auditors have been fully explained in the Notes on Accounts.

Acknowledgment

Your directors wish to place on record their sincere appreciation to all employees for their individual and collective contribution towards the growth and development of the company. The directors also thank the Shareholders, Bankers, Statutory Authorities and Business Associates for the confidence reposed by them in the Company.

On behalf of the Board of Directors

Place : Kolkata
Date : 9th August, 2010

Umasankar Chattopadhyay
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. VARIOUS CONSERVATION MEASURES TAKEN :

- Use of low power lamps for lighting.
- Adequate and quality insulation of hot and cold lines.
- Use of variable speed A/c Drivers and PLC inverter.

B. Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

- Conducting energy audit.
- Conducting illumination surveys to identify the existing luz 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 aforesaid measures undertaken.

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	Nil	Nil
Total Amount	Nil	Nil
Average Rate	Nil	Nil

Power and Fuel Consumption	Current Year	Previous Year
(ii) Coal	Nil	Nil
(iii) Furnace Oil		
Quantity	1240KL	Nil
Total Amount	2,90,30,431.43	Nil
Average Rate	23,411.64	Nil
(iv) Diesel Oil		
Quantity	76KL	Nil
Total Amount	25,77,606.04	Nil
Average Rate	33,915.87	Nil
E. Consumption per MT of production	Current Year	Previous Year
Electric (units)	Nil	Nil
Furnace Oil (KL)	1256.822KL	Nil
Diesel Oil (KL)	62.156KL	Nil
Coal (MT)	Nil	Nil

2. Technology Absorption :

The Company's local technical development remained closely synchronised with the development works undertaken by our Collaborators.

Foreign Exchange Earnings and Outgo :

The details of Foreign Exchange used and earned by the company during the year are as under :

	(Rs. 000')
(a) Earnings in Foreign Exchange :	14146
(b) Expenditure in Foreign Exchange :	193068

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.

2. Board of Directors :

Composition and Category :

The present strength of the Board of Directors is three. All of them are independent Directors.

The Composition of the Board of Directors and also the number of other directorship and Committees of which they are members/ Chairpersons are as under :

Name of the Director	Category	No. of other Directorships	No. of membership of other Board/ Committees	No. of other Board/ Committees for which Chairperson
Mr. Umasankar Chattopadhyay	Non Executive Independent Director	1	2	2
Mr. Supratik Sen Barat	Non Executive Independent Director	1	2	Nil
Mr. Jyotirmoy Kar Roy	Independent Director	Nil	2	Nil

Particulars of the Directors to be appointed/re-appointed at the ensuing Annual General Meeting pursuant to revised Clause 49 of the Listing Agreement :

Name of the Director	Shri Supratik Sen Barat
Date of Birth	28th July, 1947
Date of Appointment	24th October, 1998
Qualification	LLM
Expertise in specific functional area	Mr. Sen Barat is an Advocate and has more than 35 years of experience in Corporate and allied laws.
Directorship of other companies *	1
Chairman/Membership in the Committees	Member of the Audit Committee Member of the Share Transfer Committee
Shareholding in Equity Shares of the Company and % of holding	-

During the period ended on 31st March, 2010, four Board Meetings were held on 30th April, 2009, 31st July, 2009, 31st October, 2009 and 30th January, 2010. The attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM) is as under :

Name of the Director	No. of Board meetings attended	Attendance at Last AGM held on 19.09.2009
Mr. Umasankar Chattopadhyay	4	Yes
Mr. Supratik Sen Barat	4	Yes
Mr. Jyotirmoy Kar Roy	4	Yes