

Sen Pet (India) Ltd.

Annual Report
2010-11

Board of Directors

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

Company Secretary

Ms. Amrita Kanjilal

Auditors

M/s N. Chatterjee & Associates
Chartered Accountants
5/1, Clive Row, 2nd Floor
Kolkata - 700 001

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

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NOTICE

Notice is hereby given that the Twenty-first 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 Thursday, the 29th Day of September, 2011 at 11.30. AM to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the audited Profit & Loss Account of the Company for the year ended March 31, 2011, 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. Umasankar Chattopadhyay who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors and authorise the Board of Directors to fix their remuneration.

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

Place : Kolkata
Date : August 12, 2011

Amrita Kanjilal
Company Secretary

NOTES :

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 September 23, 2011 to September 29, 2011 (both days inclusive).
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 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.
6. Members/Proxy should bring the Attendance slip duly filled in for attending the meeting.
7. Details of directors seeking re-appointment at the meeting are incorporated in the Corporate Governance Report.

DIRECTORS' REPORT

To
The Members

Your directors have pleasure in presenting the Twenty-first Annual Report together with the Audited Accounts for the period ended on March 31, 2011.

Financial Performance Summary

Following table gives the financial highlights of your Company on a standalone basis according to the Indian Generally Accepted Accounting Principles (GAAP)

	₹ '000	
Year Ended March 31, 2011	2011	2010
Turnover	37,820	201,948
Other Income	663	18,380
Excess Liability written back	—	—
Variation in Stock	-24,956	32,097
Total Expenditure	-54,088	-287,411
Profit/(Loss) before Interest, Depreciation, Impairment of Fixed Assets, Misc. expenses and prior period items	-40,561	-34,986
Interest	—	—
Depreciation	34,766	35,487
Provision for doubtful debts & prior period expenses	—	694
Net Profit/(Loss) Before Tax	-75,326	-71,167
Fringe Benefit Tax	—	—
Net Profit/(Loss) After Tax	-75,326	-71,167
Add : Balance brought forward from previous year	-1,810,438	-1,739,271
Balance carried forward to Balance Sheet	-1,885,764	-1,810,438

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.

- 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 October 19, 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. Umashankar Chattopadhyay 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 :

- that in the preparation of the Annual Accounts for the financial year ended March 31, 2011, the applicable accounting standards except AS-15 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 March 31, 2011 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 auditors of the Company M/s. N. Chatterjee & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting, and being eligible offer themselves for re-appointment. They have also confirmed that their appointment, if made, would be within the prescribed limit under Section 224 (1B) of the Companies Act, 1956. The Board recommends their re-appointment.

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 : August 12, 2011

Umasankar Chattopadhyay
Director

ANNEXURE – A

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

A) Energy Conservation :

A. Various Conservation Measures Taken :

- (i) Use of low power lamps for lighting
- (ii) Adequate and quality insulation of hot and cold lines.
- (iii) 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 :

- (i) Conducting energy audit.
- (ii) 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 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 amounts	Nil	Nil
Average Rate	Nil	Nil
(ii) Coal	Nil	NIL
(ii) Furnace Oil		
Quantity	Nil	1,240 KL
Total Amount	Nil	₹ 2,90,30,431.43
Average Rate	Nil	₹ 23,411.64
(iii) Diesel Oil		
Quantity	Nil	76 KL
Total Amount	Nil	₹ 25,77,606.04
Average Rate	Nil	₹ 33,915.87

E. Consumption per MT of production

Consumption	Current Year	Previous Year
Electric (units)	Nil	Nil
Diesel Oil (KL)	Nil	62.156 KL
Coal (MT)	Nil	Nil

B) Technology Absorption :

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

C) Foreign Exchange Earnings and Outgo :

The details of Foreign Exchange used and earned by the Company during the year are as under.

	₹ '000
Earnings in Foreign Exchange	Nil
Expenditure in Foreign Exchange	Nil