

INDEPENDENT AUDITORS' REPORT

To the Members of
SEN PET (INDIA) LIMITED
(Formerly known as *Elque Polyesters Limited*)

Report on the Financial Statements

We have audited the accompanying financial statements of **SEN PET (INDIA) LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;



(b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's 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 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - 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 account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, subject to
 - (i) Non revaluation of Foreign Currency Liability as per Accounting Standard 11, Accounting for the effect in changes of Foreign Currency Rates,
 - (ii) Determination of Employee Benefits on accrual basis as per Accounting Standard 15, Employee Benefits and consequential disclosure thereof in the Notes of Accounts
 - e) On the basis of written representations received from the Directors as on March 31, 2013 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub - section (1) of Section 274 of the Companies Act, 1956;

Further to our comments in para. d supra we draw reference to

- (a) Point No. 5 of Note no. 22, regarding interest, further interest on interest and liquidated damages on Term Loans/ Working Capital Loans advanced by various Banks and Financial Institutions for the current year, the quantum of which is unascertainable.
- (b) Subject to point no.3, 4, 6, 14, 16 and 17 of Note no.22, we reserve our comments on the going concern assumption adopted by the company.

Date : May 28, 2013

Place : Kolkata

For Basu Das & Basu
(Firm Registration No.311038E)
Chartered Accountants



Amal Kumar Das
Partner
Membership No.050109

Annexure: 1

Annexure to Independent Auditors' Report referred to in Paragraph 3 of our report of even date

On the basis of the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, in our opinion we further report that:

1. In respect of its Fixed Assets:

- a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets of the Company have been physically verified at reasonable intervals during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) The company has not disposed of a substantial part of the fixed assets during the year so as to affect its going concern status.

2. In respect of its Inventories:

- a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.
- b) In our opinion, the procedure of physical verification of inventories as followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventories.

3. In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:

- a) The Company has paid off an interest free loan to one party during the year and that was ₹ 32.48/-Lacs. In our opinion the rate of interest and other terms and conditions of the loans taken by the Company, are not prima facie prejudicial to the interest of the Company.



- b) The Company has not granted any loan during the year to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods are in vogue. Further, on the basis of our examination and according to the information and explanations made available to us, we have neither come across nor have been informed of the continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In respect of the contracts or arrangements referred to in section 301 of the Companies Act, 1956:
- a) In our opinion, particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register, required to be maintained under that section.
 - b) In our opinion, the transactions made in pursuance to such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public pursuant to the provisions envisaged under the Companies (Acceptance of Deposits) Rules, 1975, consequently, compliance under the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 does not arise. Therefore, the provision of clause (vi) of paragraph 4 of the order are not applicable to the Company
7. In our opinion, the Company has an internal audit system commensurate with the size of the company and the nature of its business.
8. The Central Government has not prescribed maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956 for any of its services.
9. The company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Central Sales Tax, West Bengal Value Added Tax, Wealth Tax, Customs Duty and other material statutory dues with the appropriate authorities during the period under review, and no undisputed



amount payable in respect of the aforesaid statutory liability were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable. The matter relating to exemption on payment of E.S.I. is pending with the Hon'ble High Court at Kolkata. (Vide point no. 6 of Note no. 22). Estimated liability as decided by the management is amounting to ₹ 38.02 lacs (approximately).

10. According to the information and explanations given to us, details of disputed statutory dues have not been deposited as on 31st March, 2013 on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of Due	Amount (₹ in Lacs)	Period for Which the matter relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	2734.79	1996 to 2005	With Commissioner of Customs and CESTAT
The West Bengal Sales Tax Act, 1994 and Central Sales Tax Act, 1956	Sales Tax	839.01	2001-2003	With Supreme Court of India.
The West Bengal Sales Tax Act, 1994 and Central Sales Tax Act, 1956	Sales Tax	620.00	2002-2003	Asst. Commissioner, Commercial Taxes, South Circle Kolkata.
The West Bengal Sales Tax Act, 1994 and Central Sales Tax Act 1956	Sales Tax	939.61	2003-04	Asst. Commissioner, Commercial Taxes, South Circle Kolkata.
The West Bengal Sales Tax Act, 1994 and Central Sales Tax Act 1956	Sales Tax	18.63	2004-05	West Bengal Commercial Taxes Appellate & Revisional Board.



VAT Act, 2003 & CST Act,1956	Sales Tax	58.80	2005-06	West Bengal Commercial Taxes Appellate & Revisional Board.
VAT Act, 2003 & CST Act,1956	Sales Tax	65.76	2009-10	Asst. Commissioner, Commercial Taxes, South Circle Kolkata.

The company has incurred cash losses in the current financial year amounting to ₹ 107.92 Lacs (cash loss of ₹ 105.59 lacs in the FY 2011-12). The company had been referred to BIFR in the year 2000 as its net worth had been eroded.

11. The company has made defaults in the repayment of dues to the financial institutions and banks during the year under review, the amount and period of default is not ascertainable at this stage.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities consequently the requirements of this provision are not applicable to the company.
13. The company is not a chit fund company and as such the requirements of clause (xiii) of paragraph 4 of the order are not applicable to the Company.
14. The company does not deal in the trading of shares, securities, debentures and other investments, consequently the requirements of clause (xiv) of paragraph 4 of the order are not applicable to the Company.
15. The company has not given any guarantees for loans taken by others from bank or financial institutions, consequently the requirements of clause (xv) of paragraph 4 of the order are not applicable to the Company.
16. The company has not availed of any term loans during the year under reference; consequently, utilization thereof for the purposes for which the loans were primarily obtained is not applicable to the company.
17. The company has not raised any long term or short term funds during the year under review consequently the requirement for utilization thereof for the purposes specified for such funds does not arise.



18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures during the year under review; consequently the clause (xix) of paragraph 4 of the order is not applicable to the Company.
20. The company has not made any public issues during the year under review, consequently the provisions of the clause (xx) of paragraph 4 of the order is not applicable to the company.
21. According to the information and explanations made available to us, based on the audit procedures performed and as certified by the management it appears that no material frauds on or by the company have been noticed or reported during the year under review.

Date : May 28, 2013

Place : Kolkata

For Basu Das & Basu
(Firm Registration No.311038E)
Chartered Accountants



Amal Kumar Das
Partner

Membership No.050109

SEN PET (INDIA) LIMITED
(FORMERLY ELQUE POLYESTERS LTD.)

Registered Office :

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

NOTICE OF 23rd ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-third 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 Tuesday, the 27th Day of August, 2013 at 11.30. AM to transact the following business: -

ORDINARY BUSINESS

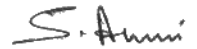
1. To consider and adopt the audited Profit & Loss Account of the Company for the year ended March 31, 2013, the Balance Sheet as on that date and the Reports of the Board of Directors and Auditors thereon.

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.

" RESOLVED THAT M/s Basu Das & Basu, 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."

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



Shakeel Ansari

Company Secretary

Place : Kolkata

Date: May 28, 2013

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 August 21, 2013 to August 27, 2013 (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 reappointment at the meeting are incorporated in the Corporate Governance Report.

Directors' Report

Dear Members

Your directors have pleasure in presenting the Twenty-Third Annual Report together with the Audited Accounts for the period ended on March 31, 2013.

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)

Year Ended March 31, 2013	₹ 000'	
	2013	2012
Turnover	20,915	13,558
Other Income	168	366
Excess Liability written back	0	0
Variation in Stock	0	-5,310
Total Expenditure	31,875	19,174
Profit/(Loss) before Interest, Depreciation, Impairment of Fixed Assets, Misc. expenses and prior period items	-10,792	-10,560
Interest	0	0
Depreciation	33,772	34,410
Provision for doubtful debts & prior period expenses	0	0
Net Profit/(Loss) Before Tax	-44,564	-44,970
Fringe Benefit Tax	0	0
Net Profit/(Loss) after Tax	-44,564	-44,970
Add: Balance brought forward from previous year	-1,930,756	-1,885,786
Balance Carried forward to Balance Sheet	-1,975,320	-1,930,756

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

As the demand for PET Resin is increasing worldwide, the management of the company is putting all its effort to reopen its plant during the current financial year. However, with an increase in manufacturing capacities in various countries, profit margin of PET is likely to remain under pressure. The power requirement of your Company was 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.

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 audit systems.

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, therefore, no provision of interest and consequential charges has been made in the book of accounts in respect of the outstanding loans from banks & financial institutions based on various legal opinions obtained by the company.

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. Umasankar Chattopadhyay retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his reappointment.

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 March 31, 2013, 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 loss 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, 2013 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. Basu Das & Basu, 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.

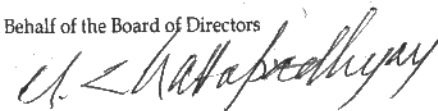
Acknowledgment

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.

Place: Kolkata

Date : May 28, 2013

On Behalf of the Board of Directors



Umasankar Chattopadhyay
Director