



Creating Tomorrow

17th

**ANNUAL REPORT
2008 - 2009**

Axel Polymers Limited

ISO 9001:2000



Axel Polymers Limited

NOTICE

Notice is hereby given that the **SEVENTEENTH ANNUAL GENERAL MEETING** of the members of the Company shall be held at 9.00 A.M. on Saturday 26th September 2009 at S. No. 309, Vill. Mokshi, Tal. Savli, Dist. Vadodara. to transact the following business

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Annual Accounts for the financial year ended on 31st March, 2009 and the Report of the Directors and Auditors thereon.
2. To appoint Director in place of Dr. M.A. Bodhanwala who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint Director in place of Mr. B.K. Bodhanwala who retires by rotation and being eligible, offers himself for reappointment
4. To consider and if thought fit, to pass the following Resolution with or without modification(s) as an Ordinary Resolution:

RESOLVED THAT M/s Shah & Bhandari, Chartered Accountants, Vadodara, the retiring Auditors be and are hereby reappointed as the Auditors of the Company to hold office from the conclusion of this Annual general Meeting till the conclusion of the next Annual general Meeting of the Company, and the Board of Directors be and are hereby authorised to fix their remuneration for the said period.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following Resolution with or without modification(s) as an Ordinary Resolution:

RESOLVED THAT Mr. Ghanshyam M. Patel who was appointed as an Additional Director of the Company by the Board and whose term of office as an additional Director, pursuant to Section 260 of the Companies Act, 1956 expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member in Compliance of Section 257 of the Companies Act, 1956 proposing his candidature in the office of Director be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation.

Regd. Office:
S. No. 309, Village Mokshi
Taluka Savli, Dist. Vadodara
Place: Mokshi
Dated: 08.08.2009

By Order of the Board of Directors

B.K. Bodhanwala
Chairman



Axel Polymers Limited

NOTES

- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member. Proxies in order to be effective must be received by the Company, not less than 48 hours before the commencement of the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2009 to 26.09.2009 (both days inclusive).
- Members are requested to intimate the change in their address, if any.
- Relevancy of the Question and the order of speaking at the meeting will be decided by the Chairman.
- All documents referred to in the Notice are open for inspection at the Registered Office of the Company during Office hours on all working days except between 11.00 AM to 1.00 PM up to the date of Seventeenth Annual General Meeting.
- Please bring the 17th Annual Report and Accounts (2008 – 2009)

INFORMATION OF THE APPOINTEES

item no. 2

You are aware that the contributions made by Dr. M.A. Bodhanwala have made valuable contributions to the Company. She is liable by rotation and she has offered her reappointment as a Director. Your Directors in their meeting held on 08.08.2009 have approved the reappointment of Dr. M.A. Bodhanwala in accordance with the Provisions of the Companies Act, 1956.

item no. 3

Mr. B.K. Bodhanwala is a person with a vast experience of over 60 years at various levels of management. You are also aware that Mr. B.K. Bodhanwala has made valuable contributions to the Company. He has held the reigns of the Company since the year 2000. Ever since then, the Company has seen remarkable growth and higher prospects. He is liable to retire by rotation and he has offered his reappointment as a Director in light of the above, your Directors in their meeting held on 08.08.2009 have approved the reappointment of Mr. B.K. Bodhanwala in accordance with the Provisions of the Companies Act, 1956.

item no. 5

Mr. Ghanshyam Patel is a young businessman. He is Commerce Graduate from Baroda and is involved in many activities. His Business are Cinema Houses & Construction activities. He is a well known name in the society. Your Directors feel that his presence on the Board shall make a positive impact on the Company and its business. In view of the above, your Directors in their meeting held on 08.08.2009 have approved the reappointment of Mr. Ghanshyam Patel in accordance with the Provisions of the Companies Act, 1956.



BOARD OF DIRECTORS

Mr. B.K.Bodhanwala	Chairman (Whole time - Executive)
Mr. A.B.Bodhanwala	Managing Director
Dr. M.A.Bodhanwala	Director (Non - Executive)
Mr. A.G.Thakore	Director (Independent – Non-Executive)
Mr. B.B.Patel	Director (Independent – Non-Executive)
Mr. G.M.Patel	Director (Independent – Non-Executive)

AUDITORS

MANISH SHAH & ASSOCIATES
Chartered Accountants

COMPANY LAW ADVISOR

D.PATHAK & ASSOCIATES
Practicing Company Secretaries

REGISTRARS

LINK INTIME INDIA PVT. LTD.
308, Jaldhara Complex, Opp. Manisha Society,
Off Old Padra Road, Vadodara 390 015

BANKERS

BANK OF BARODA

FOR AXEL POLYMERS LIMITED

REGISTERED OFFICE & WORKS

MANAGING DIRECTOR

S. No.309, VILL. MOKSHI
SANKARDA - SAVLI ROAD
TALUKA SAVLI, DIST. VADODARA 391 780
GUJARAT INDIA



SECRETARIAL AUDIT

As directed by SEBI, Secretarial Audit is being carried out at the specified periodicity by the Statutory Auditors. The findings of the Audit were entirely satisfactory.

ISO CERTIFICATION

Company has maintained the ISO 9001-2000 Certification.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 217(2AA) of the Companies act, 1956, it is hereby confirmed that:

In the preparation of the annual accounts for the financial year ended March 31, 2009, the applicable accounting standards have been followed along with proper explanations relating to material departures.

The Directors have selected such accounting policies and applied them consistently and made judgements 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 for the year under review.

The Directors have taken sufficient and proper 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.

The Directors had prepared the Annual Accounts on a going concern basis.

AUDITORS

M/s Manish Shah & Associates, Chartered Accountants, Baroda, the present Auditors retire at the conclusion of the ensuing Annual General Meeting. However they have expressed their inability to continue as Auditors due to their other pre-occupation. The Company has received their letter of resignation.

Your Directors' have proposed to appoint M/s Shah & Bhandari, Chartered Accountants having their office at Vadodara. The Audit Committee of the Board has recommended their reappointment. The necessary Resolution is being placed before the Shareholders for approval.

AUDITORS' REPORT

With reference to the Auditors' Report, the Notes to the Account are self explanatory and therefore do not call for any further comments under section 217 (3) of the Companies Act, 1956.



DIRECTORS

Appointment

In compliance of amended Clause 49 of the Listing Agreement with the Stock Exchanges, your Directors have appointed Mr. G M Patel as Additional Independent Director - non-executive at their meeting held on 08.08.2009 whose terms of Office expires at this Annual General Meeting. Your Directors recommend his appointment.

Reappointment

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Dr. M. A. Bodhanwala retire by rotation at the ensuing Annual general Meeting of the Company and being eligible, offer herself for reappointment. Your Directors recommend her reappointment.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. B.K. Bodhanwala retire by rotation at the ensuing Annual general Meeting of the Company and being eligible, offer himself for reappointment. Your Directors recommend his reappointment.

Resignation

Mr. S.F. Ilavia, who has been on our Board since 3 years has tendered his resignation due to his other pre-occupations, in December 2008. Your Directors have accepted his resignation.

FIXED DEPOSITS

The company did not invite / accept / renew any fixed deposits during the year under review.

DIVIDEND

Your Directors do not recommend any Dividend in the current year in view of brought forward losses.

INSURANCE

All the Assets of the Company are adequately insured against Fire, Floods, Riots and natural calamities.

TAXATION

DEFERRED TAX

Pursuant to the provisions of Sec. 43B of the Income Tax Act, 1961 the Company is required to provide for Deferred Tax Liability. As per the revised provisions of Sec. 43B, the deferred tax liability for the year has reduced and the same is adjusted in the Profit & Loss Account.



Annexure I

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement

Since inception your Company has been committed to the practice of good corporate governance, pursuant to Clause 49 of the Listing agreement. A detailed report on compliance by the Company is given below :

COMPANY'S PHILOSOPHY

The Company believes that good corporate governance practices enable the management to direct and control the affairs of the Company in an efficient manner and to achieve the goal of achieving excellence aimed at maximising value for all shareholders and understands the right to information of its shareholders with respect to the performance of the Company.

Company will continue to focus its resources, strengths and strategies to achieve its vision of widening its customer base, while upholding the core values of transparencies, integrity, honesty and accountability, which are fundamentals.

BOARD OF DIRECTORS

Existing Composition of the Board of Directors of the Company comprise of a fair number of professionally competent and acclaimed Directors as on 31.03.2009.

None of the Directors on the Board is a member of more than 10 Committees or Chairperson of more than 5 Committees, as specified in Clause 49.

The details of the Directors on Board, their attendance at Board meetings held during the year and the last AGM is as under:

NAME	CATEGORY	BOARD MEETINGS ATTENDED	WHETHER ATTENDED LAST AGM	OTHER DIRECTORSHIP
Mr. B.K.Bodhanwala	Chairman Executive	8	YES	NONE
Mr. A.B.Bodhanwala	Managing Director	8	YES	NONE
Dr. M.A.Bodhanwala	Director Non-Executive	8	YES	NONE
Mr. A.G.Thakore	Independent Non Executive	5	YES	ONE
Mr. B.B.Patel	Independent Non Executive	6	YES	NONE
Mr. S.F.Illavia *	Independent Non Executive	1	NO	NONE
Mr. G.M.Patel #	Independent Non Executive	1	NO	NONE

* Resigned on 27.12.2008

Appointed on 21.03.2009



11. Based on our audit procedures and on the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of its dues to the banks. The company has not issued any debentures.
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.
13. The clause (xiii) of the order is not applicable to the company, as the company is not a chit fund company or nidhi / mutual benefit fund/ society.
14. According to the information and explanations given to us the company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. The company has not made any allotment of shares hence clause (xviii) of the order is not applicable.
19. The company has not issued any debentures hence clause (xix) of the order is not applicable.
20. The company has not raised any money by public issues hence clause (xx) of the order is not applicable.
21. To the best of our knowledge and belief and according to information and explanation given to us no fraud on or by the company has been noticed or reported during the year under report.

For MANISH SHAH & ASSOCIATES
Chartered Accountants

Place Vadodara
Dated 08.08.2009

MANISH SHAH
Proprietor



Axel Polymers Limited

BALANCE SHEET AS AT 31st MARCH 2009

(Amount Rs.)

PARTICULARS	SCHEDULE	ASAT 31-3-2009	ASAT 31-3-2008
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
Share Capital	1	43000000	43000000
Reserve & Surplus	2	2500000	2500000
LOAN FUNDS			
Secured Loans	3	27399389	30332305
Unsecured Loans	4	3161398	2280688
DEFERRED TAX LIABILITY		1183484	4802975
TOTAL...		<u>77244271</u>	<u>82915968</u>
APPLICATION OF FUNDS			
FIXED ASSETS	5		
a. Gross Block		96245117	94308134
b. Less : Depreciation		38455035	34702708
c. Net Block		<u>57790082</u>	<u>59605426</u>
CURRENT ASSETS			
LOANS & ADVANCES			
a. Sundry Debtors	6	2272229	7718073
b. Cash & Bank Balances	7	1884525	494545
c. Loans & Advances	8	3023120	3866276
d. Deposits & Other Current Assets	9	1920736	3525837
		9100610	15604731
LESS: CURRENT LIABILITIES AND PROVISIONS	10	5199060	4718131
NET CURRENT ASSETS		<u>3901550</u>	<u>10886600</u>
MISCELLANEOUS EXPENDITURE	11	15552638	12423942
(to the extent not written off or adjusted)			
TOTAL...		<u>77244271</u>	<u>82915968</u>
NOTES TO THE ACCOUNTS	15		
As per our Report of even date			

**FOR MANISH SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF THE BOARD

MANISH SHAH
PROPRIETOR

B.K.BODHANWALA
CHAIRMAN

A.B.BODHANWALA
MANAGING DIRECTOR

PLACE : BARODA
DATED : 08.08.2009

PLACE : MOKSHI
DATED : 08.08.2009



Axel Polymers Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009 (Amount Rs.)

PARTICULARS	SCHEDULE	AS AT 31-3-2009	AS AT 31-3-2008
INCOME			
a. Sales		256212524	428383518
b. Other Income	12	187779	219606
TOTAL...		<u>256400303</u>	<u>428603124</u>
EXPENDITURE			
a. Raw Material Consumed		241758694	385271673
b. Employees Cost		5717259	6376933
c. Manufacturing Expenses	13	4891928	11177340
d. Administrative & Other Expenses	14	3256433	7651141
e. Interest & Finance Charges		2991156	3619621
f. Write off of Miscellaneous Expenditure		0	37618
g. Depreciation	5	4458123	4214182
		<u>263073594</u>	<u>418348508</u>
3. Profit / Loss before Tax		-6673291	10254616
4. Provision for Taxation			
- Current Tax		0	818449
- Deffered Tax		-3619491	-2839152
- Fringe Benefit Tax		74896	143000
5. Profit / Loss after Tax		-3128696	12132319
6. Add / Less : Prior Period Adjustments		0	222583
7. Net Profit / Loss after Adjustments		-3128696	11909736
8. Balance brought forward from Previous Year		-12423942	-24333678
9. Balance carried to Balance Sheet		<u>-15552638</u>	<u>-12423942</u>

NOTES TO THE ACCOUNTS 15
As per our Report of even date

FOR MANISH SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

MANISH SHAH
PROPRIETOR

B.K.BODHANWALA
CHAIRMAN

A.B.BODHANWALA
MANAGING DIRECTOR

PLACE : BARODA
DATED : 08.08.2009

PLACE : MOKSHI
DATED : 08.08.2009



Axel Polymers Limited

SCHEDULES ANNEXED TO AND FORMING PART OF
BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount Rs.)

PARTICULARS	31-3-2009	31-3-2008
-------------	-----------	-----------

SCHEDULE : 1 SHARE CAPITAL

Authorised Capital		
50,00,000 Equity Shares of Rs.10/-Each	<u>50000000</u>	<u>50000000</u>
Issued, Subscribed & Paidup Capital		
43,00,000 Equity Shares of Rs.10/-each		
Fully Paidup.	43000000	43000000
	<u>43000000</u>	<u>43000000</u>

SCHEDULE : 2 RESERVES & SURPLUS

Capital Investment Subsidy (from Government of Gujarat)	2500000	2500000
	<u>2500000</u>	<u>2500000</u>

SCHEDULE : 3 SECURED LOAN

From Scheduled Bank

Term Loan	13476529	15580545
(Secured against hypothecation of Fixed Assets Personal Guarantee & Properties of Directors)		

Working Capital Term Loan	13922860	14751760
(Secured against hypothecation of Stock, Book Debts Current Assets , Personal Guarantees & Properties of Directors)		

<u>27399389</u>	<u>30332305</u>
-----------------	-----------------

SCHEDULE : 4 UNSECURED LOAN

From Directors	2442714	1280688
From Others	718684	1000000
	<u>3161398</u>	<u>2280688</u>

SCHEDULE : 5 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	AS ON	ADDITION/	AS ON	AS ON	FOR THE YEAR		AS ON	AS ON	AS ON
	1-4-2008	DEDUCTION	31-3-2009	1-4-2008	ADD.	DED.	31-3-2009	31-3-2009	31-3-2008
FREE HOLD LAND	1814225	0	1814225	0			0	1814225	1814225
BUILDING	3453850	0	3453850	707584	56298		763881	2689969	2746266
FACTORY BUILDING	13564754	3928433	17493187	2348316	530246		2878562	14614625	11216438
PLANT & MACHINERY	59799061	357098	60156159	28236422	3166461		31402883	28753276	31562639
ELECTRICAL INSTALLATIONS	2350537	44762	2395299	1082809	113153		1195962	1199337	1267729
LABORATORY EQUIPMENTS	1149069	0	1149069	172948	54580		227528	921541	976121
FURNITURE & FIXTURES	966391	300359	1266750	280809	61225		342033	924716	685582
DATA PROCESSING MACHINES	812611	135793	948404	741427	80758		822185	126219	71184
OFFICE EQUIPMENTS	854336	30290	884626	180536	41711		222246	662379	673800
VEHICLES	5458301	-1729752	3728549	951859	353692	705797	599754	3128795	4506442
TOTAL ...	90223134	3066983	93290117	34702708	4458123	705797	38455035	54835083	55520426
CAPITAL W.I.P. / ADVANCES	4085000	-1130000	2955000					2955000	4085000
GRAND TOTAL	94308134	1936983	96245117	34702708	4458123	705797	38455035	57790082	59605426
Previous Year Figures	85109921	9198213	94308134	32488527	4214182	0	36702709	59605426	0



Axel Polymers Limited

(Amount Rs.)

PARTICULARS	31-3-2009	31-3-2008
SCHEDULE : 6 SUNDRY DEBTORS (Unsecured, considered good)		
Over Six Months	0	0
Others	2272229	7718073
	<u>2272229</u>	<u>7718073</u>
SCHEDULE : 7 CASH & BANK BALANCES		
Balance in Cash and at Bank	1884525	494545
	<u>1884525</u>	<u>494545</u>
SCHEDULE : 8 LOANS AND ADVANCES (Unsecured, considered good, recoverable in cash or kind or for value to be received)		
Pre-paid Expenses	43567	94237
Tax Deducted at Source	1335340	1770739
Others	1644214	2001300
	<u>3023120</u>	<u>3866276</u>
SCHEDULE : 9 DEPOSITS & OTHER CURRENT ASSETS		
Deposit with GEB	1543593	1543593
Deposit with Govt. Bodies & Others	9443	1618544
Balance with Excise Authority	367700	363700
	<u>1920736</u>	<u>3525837</u>
SCHEDULE : 10 CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors for Goods and Services	1883079	2597624
Provision for Expenses	<u>3315981</u>	<u>2120507</u>
	<u>5199060</u>	<u>4718131</u>



Axel Polymers Limited

(Amount Rs.)

PARTICULARS	31-3-2009	31-3-2008
-------------	-----------	-----------

SCHEDULE : 11 MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Deferred Revenue Expenses	0	37168
Less: Write off 1/ 5 during the year	0	37168
	<u>0</u>	<u>0</u>
Profit & Loss Account	15552638	12423942
TOTAL	<u>15552638</u>	<u>12423942</u>

SCHEDULE : 12 OTHER INCOME

Interest	172840	144606
Other Income	14939	75000
	<u>187779</u>	<u>219606</u>

SCHEDULE : 13 MANUFACTURING EXPENSES

Spares,Stores & Consumables	1044234	2762047
Power & Fuel	3570493	7241153
Repairs & Maintenance to Machinery	103661	455355
Others	173541	718785
	<u>4891928</u>	<u>11177340</u>

SCHEDULE : 14 ADMINISTRATIVE & OTHER EXPENSES

Advertisement & Sales Promotion	221948	106104
Auditors Remuneration	110300	151686
Corporate Expenses	345143	378338
Insurance	178873	223685
Legal & Professional	560342	668771
Loss on Sale of Assets	513955	0
Office	99475	171911
Others	212580	172458
Provision for Bad & Doubtful Debts	0	3615536
Rent,Rates & Taxes	22330	61669
Repairs & Maintainance	141123	472509
Security	198965	276079
Telephone	207065	159926
Travelling & Conveyance	181588	856603
Vehicle	262746	335865
	<u>3256433</u>	<u>7651141</u>



SCHEDULE 15 NOTES TO THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTIONS

Financial statements are prepared in accordance with the generally accepted accounting principles in India under historical cost conventions on an accrual basis except bonus, Retirement benefits to employees, which are accounted on cash basis.

2. PRELIMINARY EXPENSES

Preliminary expenses are amortized over a period of five years

3. FIXED ASSETS

a. Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises of purchase price and directly attributable cost of bringing the asset to it's present condition for intended use and pre-operative expenditure allocated to it's respected assets less CENVAT credit taken.

b. Capital Assets under erection / installation (including advances) are reflected in Balance Sheet under "Capital Work in progress".

4. DEPRECIATION

Depreciation on fixed assets is provided on straight-line method at the rates prescribed in schedule XIV of the Companies Act, 1956.

5. INVENTORIES

Inventories are valued at cost or net realisable value whichever is lower; cost is ascertained on following basis.

a) Raw Material:

Raw material, stores, spares and consumables valued on FIFO basis.

b) Semi-Finished Goods/ Finished Goods

They are valued on Absorption Costing Method. The value of finished goods include excise duty.

c) Cost includes taxes and duties and is net of credit availed under Cenvat schemes.

6. REVENUE RECOGNITION:

a) Sales are inclusive of Excise Duty and are recognised at the time of dispatch of material to the customers from the plant.

b) Where material received for processing from customers under



AUDITOR'S REPORT

The Members of
AXEL POLYMERS LIMITED

We have audited the attached Balance Sheet of AXEL POLYMERS LIMITED as at 31.03.2009 and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 give in the Annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) *The Company has treated material received for Toll Compounding, as purchase & sale, as a result of which sale and purchase are higher by Rs. 2417.59 lacs (Refer note 5 Schedule 15.B). However, it has no impact on loss for the year.*
- (ii) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (iii) In our opinion, *subject to our observation in paragraphs (i) above*, proper books of Accounts, as required by Law, have been kept by the Company so far as appears from our examination of those books.
- (iv) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
- (v) In our opinion, *subject to our observation in paragraphs (I) above* the Balance Sheet and Profit & Loss Account dealt with by this report comply in all material respect with the applicable accounting standards issued by the Institute of Chartered Accountants of India referred to in section 211 (3C) of the Companies Act, 1956.



- (vi) On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2009 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vii) In our opinion and to the best of our information and according to the explanations given to us, subject to our observations in paragraph (i) above the said accounts give the information required by the Companies Act, 1956, 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 Balance Sheet, of the State of affairs of the Company as at 31st March, 2009;
 - (b) In the case of Profit & 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.

For MANISH SHAH & ASSOCIATES
Chartered Accountants

Place Vadodara
Dated 08.08.2009

MANISH SHAH
Proprietor



ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

01. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets are physically verified by the management at the year-end, which in our opinion, is reasonable, looking to the size of the company and its nature of business, and no material discrepancies were noticed on such verification.
- (c) The company has not disposed off any substantial part of its fixed assets during the year.
02. (a) As explained to us, Inventories has been physically verified during the year and at the year end.
- (b) In our opinion the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records were not Material, however, the same have been properly dealt with in the books of account.
03. (a) The company had taken loans from 3 parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.33.99 lacs and the year-end balance of loans taken from such parties was Rs.24.43 lacs.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (c) There is no stipulation as regards to repayment of principal; company has been regular in the payment of interest.
- (d) There is no overdue amount of loans taken from other parties listed in the register maintained under section 301 of the Companies Act, 1956.



04. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
05. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956. Hence clause (v)(b) of the order is not applicable.
06. The Company has not accepted any deposits during the year from the public, within the meaning of the provisions of Section 58A & 58AA of the Companies Act, 1956 and rules made there under. Hence, clause (vi) of the order is not applicable.
07. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
08. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956. Hence clause (viii) of the order is not applicable.
09. (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, custom duty, excise duty and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, sales tax, customs duty, excise duty, as at 31.03.2009 for a period of more than six months from the date they became payable.
10. The accumulated losses of the company does not exceed 50% of its net worth during the year. Moreover the Company has incurred cash losses in the current year, however there was no cash loss in the immediately preceding financial year.



There were 8 Board meetings held during the year 2008-2009 and the gap between two Meetings did not exceed 4 months.

AUDIT COMMITTEE

The Audit Committee is constituted in line with the provisions of Clause 49 of the Listing Agreement read with Sec 292 A of the Companies Act. The terms of reference confirm to the requirements of Sec. 292A of the Companies Act as well as the clause 49 of the Listing Agreement.

The Composition of the Audit Committee comprises of

NAME	CATEGORY	MEETINGS HELD & ATTENDED
Mr. B.B.Patel	Chairman	4
Mr. S.F.IIavia * Resigned on 27.12.2008	Member	0
Mr. A.B.Bodhanwala	Member	4

The Statutory Auditors of the Company and the internal auditors are invited to attend the above Meetings. Committee discusses with the statutory auditors on the Limited Review of the quarterly and Half yearly Unaudited results, audit plan for the year, matters pertaining to compliance of accounting standards and other related matters.

INVESTOR GRIEVANCE COMMITTEE

The Investors' Grievance Committee has been constituted and functioning, Mr. B.B.Patel is the Chairman & Dr. M. A. Bodhanwala are members. The Committee deals with all Transfers, transmissions etc. as required from time to time and all matters pertaining to Investors' complaints. When the Shares are lodged for transfer in excess of 10000 shares, the Company sends the same for confirmation of the transferor and only after the Company is fully satisfied, the same are transferred.

The Committee reviews the performance of the Registrars and Transfer Agents (RTA) and their system of dealing with the investors.

There were no complaints pending for disposal as at 31.03.2009.

GENERAL BODY MEETINGS

The location and time of the last three general meetings held were as under:



2007-2008	27.09.2008	Registered office	9.00 AM
2006-2007	22.09.2007	Registered office	9.00 AM
2005-2006	23.09.2006	Registered office	9.00 AM

DISCLOSURES

During the year 2008-2009 there are no materially significant related party transactions, which are considered to have potential conflict with the interest of the Company at large. The necessary disclosures regarding the transactions are given in Notes to the Accounts.

The Company has taken appropriate steps for lifting the suspension of trading in Scrips at Bombay Stock Exchange.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	17 th
Date & Time:	26.09.2009 at 9.00 A.M.
Venue :	S.No. 309, Vill. Mokshi, Tal Savli, Dist Vadodara
Financial Calendar	The Company follows April – March financial year. The Results of every Quarter are declared in the month following the Quarter as per the Listing Agreement.
Book Closure date	24.09.2009 to 26.09.2009 (both days inclusive)
Dividend payment date	N.A.
Listing on Stock Exchanges	Mumbai, Vadodara, Ahmedabad and Madras.
Stock Code	513642 on BSE
Demat International Security Identification Number (ISIN)	INE197C01012
Dematerialisation of Shares and liquidity	1845900 Equity Shares of the Company have been Dematerialised as on 31.03.2009.



Axel Polymers Limited

Registrar & Transfer Agents

LINK INTIME INDIA PVT. LTD.

308, Jaldhara Complex, Opp.
Manisha Society, Off Old Padra
Road, Vadodara 390 015

ADR'S / GDR'S / Warrants

The Company has not issued any
GDR'S / ADR'S / Warrants or any
convertible instruments

Details of Share holding as on 31.03.2009

HOLDING IN AMOUNT	NO OF HOLDERS	% OF TOTAL	AMOUNT RS	% OF TOTAL
0001 – 5000	11246	93.732	17487030	40.668
5001 – 10000	425	03.542	3578980	08.323
10001 – 20000	172	01.434	2720440	06.327
20001 – 30000	59	00.492	1509890	03.511
30001 – 40000	20	00.167	729000	01.695
40001 – 50000	14	00.117	689000	01.602
50001 – 100000	23	00.191	1731810	04.027
Above 100001	39	00.325	14553850	33.847
TOTAL	11998	100.000	43000000	100.000

Plant Location

S.No. 309, Vill. Mokshi, Tal Savli, Dist.
Vadodara

Address for correspondence

Shareholders may correspond on all
matters relating to shares of the
Company with the Registrars and
Share Transfer Agents at the below
address:

LINK INTIME INDIA PVT. LTD.

308, Jaldhara Complex, Opp.
Manisha Society, Off Old
Padra Road, Vadodara - 15



Shareholders will have to correspond with the respective Depository Participant for Shares held in Demat mode.

MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results of the respective period are available in the BSE web site. The Annual Reports are sent to all Shareholders individually at the address as per Company's records. During the current year, the Company is in the process of displaying the details on its web site.

NON-MANDATORY REQUIREMENTS

Postal Ballot

The Company adheres to the Companies Act 1956 requirements. The Company had no occasion to use the postal ballot so far

ANNUAL DECLARATION BY MANAGING DIRECTOR

Pursuant to Clause 49(I)(D)(ii) of the Listing Agreement

As the Chief Executive Officer of Axel Polymers Limited and as required by Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board members and senior Management personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the financial year 2008 – 2009.

A.B.Bodhanwala

Managing Director

Dated: 08.08.2009



Annexure II

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

Under Clause 49 of the Listing Agreement

To

The Members
Axel Polymers Limited

We have examined the Compliance of the conditions of Corporate Governance by Axel Polymers Limited during the year ended 31.03.2009 with the relevant records and documents maintained by the Company, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance of conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

On the basis of our review and according to the information and explanations given to us, we certify that the Company has for the year ended 31.03.2009 complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that, based on the information received from the company's registrars and share transfer agents and as per record maintained by the Investor Grievance Committee, no investor grievance is pending as on 31.03.2009.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MANISH SHAH & ASSOCIATES
Chartered Accountants

Place Vadodara
Dated 08.08.2009

MANISH SHAH
Proprietor



Annexure III

MANAGEMENT DISCUSSIONS AND ANALYSIS

Industry Structure & Developments

These are challenging times across the world. Almost every business, every individual is being impacted in these times and your company is no exception to it. This is the time for us to show our strength and what we can achieve. We have worked harder and smarter now more than ever. The true spirit is founded on our enthusiasm, cost consciousness, willingness to assume responsibility and the will to ensure that we succeed. Your company backed by a list of Multinationals and Indian Corporate Giants and remarkable processing talents was able to face those challenges by bolstering talent and cost effective plans across the company.

You Directors have to state that during the year ended March 31, 2009 your company has not been able to maintain its growth history. The World Economic Crisis and the slump in the global market had put the Industry in a very bad situation. Your directors have to further state that in spite of the slump in global market, the Indian scenario was a shade better. In these difficult times your Company managed to float and avert the crisis to the best ability of your Directors. Our main customers are related to the Automobile and Electrical Industry. Both these sectors were in the red since the global and the domestic market was low. There was panic in the Industry too. The company managed to control the overheads to offset the lower revenue, increase in prices of electricity & labour costs.

The existing expanded scale of our operations, future developments, low overheads and qualities of products matching with International Standards are our inherent strengths. This in turn continues to give us unparalleled platform to be more competitive. We continue to focus to deliver superior values to customers, ensuring International qualities for all the products and services

Opportunities & Threats

Compared to the Global crisis, the effect on India was less pronounced. The main factor is the domestic consumption in India is sufficiently large. Sustained domestic growth will bring improvement in all facets of life.

World markets continued to remain in the slump but do recognise the competitiveness of Indian products and services. This will in turn accelerate the pace of the domestic markets too in future.



The existing expanded scale of our operations, future developments, low overheads, and qualities of products matching with International Standards are our inherent strengths. This in turn continues to give us unparalleled platform to be more competitive. We are focused to deliver superior values to customers, ensuring International qualities for all the products and services.

Segment wise / Product wise performance

The Company has only one segment and the product wise performance is indicated in the Notes to the Accounts.

Outlook

The company is negotiating for a strategic tie up with two more Corporates for increasing the prospects and growing faster. Your Directors are extremely pleased to inform you that the Company has maintained the status of THE LARGEST TOLL COMPOUNDER IN INDIA.

There is a general slowdown in the business since June 2008 due to the Global Crisis in the Industry. The US and the European Markets are in the red. However, your Company will tide over this situation shortly mainly due to its inherent strengths.

Risk Management

Toll compounding business in the Polymer Industry has a certain specific set of risk characteristics, which needs to be carefully evaluated and mitigated. In order to effectively manage the same, the Company has evolved proactive Risk Management System, which is adhered to. The risk management covers the entire process from capital investment, competitors' activities, new entrants etc. Continual reforms and emphasis on technological developments shall reduce the exposure to risk.

Internal Control Systems

There are adequate internal control systems operating in the Company, which are commensurate with the size and operations of the Company. The Audit Committee supervises the checks and controls exercised, and reports any suggestions or deviations on a continuing basis. The authority and responsibility of every employee is defined, thus leaving no scope for any deviation.



Further, during the current year the Company has maintained ISO 9001 – 2000 Certification. This has further improved the efficiency and the responsibility of the employees.

Financial performance vis-à-vis Operational performance

Our production and revenues have substantially decreased during the current year. There has been an all round slump in the global market. This has adversely affected our production during the current year.

During the current year, the Company generated Total Sales of Rs. 2562.12 lacs. This includes Toll Compounding Revenue of Rs. 144.67 lacs. The Company has paid all the Statutory Dues, Financial Commitments to Bank within the stipulated period as per the Audit Report. The production costs in absolute terms, increased during the current year.

Human Resources

The focus is on the capability development, performance management and employee engagement. This is expected to improve the cost competitiveness through greater levels of employee participation, commitment and involvement and involvement.

CAUTIONARY STATEMENT

Statement in this management analysis detailing the Company's objectives, projections, estimates, expectations, or predictions may be "forward looking" statements within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that may influence your company's operations include Global and domestic supply and demand conditions affecting selling prices, input availability and prices, changes in Government policies, regulations, tax regimes, economic development within and outside the country and other allied factors. The Company assumes no responsibility to publicly amend, modify or revise the forward looking statement on the basis of subsequent developments, information or events.



arrangement to dispatch the end product, its invoice value to be treated as sales and the equivalent amount to be treated as purchases.

- c) Revenue from other Toll Compounding process are recognised on dispatch of material and in accordance with terms of agreement with customers.
- d) Interest Income is recognised on time proportion basis.

7. CENVAT CREDIT

- a) Cenvat credit available on material (inputs) is adjusted against consumption and to the extent credit not recouped in payment of excise duty on the goods dispatched, is shown as Cenvat Credit Receivable in "Loans and Advances".
- b) The capital goods are stated at cost less Cenvat credit available on capital goods, the unutilised Modvat Credit is shown under Cenvat Credit Receivable in "Loans and Advances".

8. Deferred Revenue Expenses:

Expenditure, the benefits of which accrue in future is amortised over a period of five years.

9. Foreign Currency Transactions:

All the foreign currency transactions are recorded at the rates prevailing on the date of transaction. Exchange differences other than related to fixed assets are recognised in the profit and loss account. Current assets and liabilities as on balance sheet date are converted at the exchange rates prevailing on that date. Exchange difference relating to Fixed assets are adjusted to carrying cost of fixed assets.

10. Benefits to Employees

Retirement benefit costs are charged to revenue as incurred.

Contribution to the provident is made in accordance with the rules of the funds.

The company participates in a group gratuity cum life assurance scheme administered by the Life Insurance Corporation of India (LIC). Provision for the year in respect of gratuity is made on the basis of actuarial valuation as at the end of the year.

Leave encashment is provided in the year in which it has accrued.

11. Taxes on Income

- a) Income taxes are accounted for in accordance with the Accounting



under:

Mr. B.K.Bodhanwala

Chairman

Mr. A.B.Bodhanwala

Managing Director

Dr. M.A.Bodhanwala

Director

Transactions with Key Personnel and their relatives during the year:

Nature of payment excluding reimbursement	Receipts Rs. In lacs	Payments Rs. In lacs
Loans and Advances	23.02	13.54
Interest Credit	2.39	0.25
Total	25.41	13.79
Remuneration	0.00	19.20

8. There are no amounts overdue and remaining unpaid to SME on account of principal and / or interest as at the close of the year. This disclosure is based on the information available with the company regarding the status of the suppliers as defined under the Micro, Small & Medium Enterprise Development Act 2006.
9. Some Vehicles are registered in the name of the Directors of the company.
10. Directors Remuneration Rs. 19.20 lacs (P.Y. 19.20 lacs)
11. Earnings in Foreign Currency : Rs. Nil (Previous Year Rs. Nil)
Expenditure in Foreign Currency: Rs. Nil (Previous Year Rs. Nil)
12. Previous year's figures have been regrouped, rearranged or recast wherever necessary.
13. Paise have been rounded off to the nearest rupee.
14. The disclosure as required under AS-15 regarding Gratuity Plan is as under:



31.03.2009

Present value of obligation at beginning of year	369377
Interest cost	29550
Service cost	75922
Benefit paid	-23361
Actuarial gain/loss on obligation	4466
Present value of obligation at end of year	455684

Fair value of Plan Asset at beginning of year	210617
Expected Return on Plan Asset	17946
Contributions	13908
Benefit paid	-23631
Actuarial gain / loss on Plan Asset	NIL
Fair value of Plan Asset at end of year	218840

Fair Value of Plan Assets at beginning of year	210617
Actual return on Plan Assets	17946
Contributions	13908
Benefits paid	-23631
Fair Value of Plan Assets at end of period	218840
Fund Status	-236844
Excess actual / estimated return on plan asset	<u>NIL</u>

Actuarial gain/loss on obligation	-4466
Actuarial gain/loss for the year-plan asset	NIL
Actuarial gain/loss on obligation	4466
Actuarial gain/loss recognised during year	4466

Present value of obligation at end of year	455684
Fair value of Plan asset as at year end	218840
Funded Status	-236844
Net Asset/Liability recognised In Balance Sheet	236844

Service cost	78922
Interest cost	29550
Expected return on plan asset	-17946
Net Actuarial gain/loss recognised during year	4466
Expense recognised in Profit & Loss Account	91992

ASSUMPTIONS	
Discount Rate	8.00%
Increase in compensation level	7.00%



Axel Polymers Limited

CASH FLOW STATEMENT AS AT 31.03.2007

(Rupees in '000)

P A R T I C U L A R S	AS AT	AS AT
	31-3-2009	31-3-2008
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items (Including Prior period adjustments)	-6673	10032
Adjusted for depreciation and w/off misc. expenses	4458	4252
Interest Income	0	0
Dividend Received	0	0
Operating Profit before working capital changes	-2215	14284
Receivables	5446	431
Inventories	0	0
Other Current Assets	2448	-1536
Trade Payables	481	1743
CASH GENERATED FROM OPERATIONS	6160	14922
Interest paid	0	0
Direct Taxes	3544	1878
NET CASH FROM ACTIVITIES	9704	16800
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-1937	-9198
Purchase of Investments	0	0
Sale of Assets (Including Profit)	-706	0
Others	0	0
Interest/Dividend Income	0	0
NET CASH USED IN INVESTING ACTIVITIES	-2643	-9198
C CASH FLOWS FROM FINANCIAL ACTIVITIES		
Proceeds from long term borrowings	-6552	-10823
Subsidy	0	0
Proceeds from short term borrowings	881	1507
Dividend Paid	0	0
NET CASH USED IN FINANCING ACTIVITIES	-5671	-9317
Net increase/decrease in Cash and equivalents	1390	-1715
Opening balance of Cash and Cash equivalents	495	2209
Closing balance of Cash and Cash equivalents	1885	495

As per our report of even date

FOR MANISH SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

MANISH SHAH
PROPRIETOR

B.K. BODHANWALA
CHAIRMAN
FOR AXEL POLYMERS LIMITED

A.B. BODHANWALA
MANAGING DIRECTOR

PLACE: BARODA
DATED: 08.08.2009

PLACE: MOKSHI
DATED: 08.08.2009



Axel Polymers Limited

ATTENDANCE SLIP

S. No. 309, Vill. Mokshi,
Sankarda-Bhadarva Rd.,
Tal. Savli, Dist. Vadodara.

Please complete this attendance slip and hand it over at the entrance of the meeting Hall.

Regd. Folio No. :

NAME OF THE SHAREHOLDER / PROXY

ADDRESS

NO. OF SHARES HELD

I hereby record my presence at the **17th ANNUAL GENERAL MEETING** of the Company held, on **Saturday the 26th September 2009** at S. No. 309, Vill. Mokshi, Sankarda - Bhadarva Rd., Tal. Savli, Dist. Vadodara.

SIGNATURE OF THE SHAREHOLDER / PROXY

PROXY

Axel Polymers Limited
S. No. 309, Vill. Mokshi,
Sankarda-Bhadarva Rd.,
Ta. : Savli, Dist. Vadodara.

Regd. Folio No. :

I/We
of being
a member / members of **AXEL POLYMERS LIMITED** hereby appoint
..... of

as my / our Proxy to vote for me / us and on my / our behalf at the 17th Annual General Meeting of the Company to be held on Saturday 26th September 2009 and at any adjournment thereof.

Signed this day of 2009

Affix
Revenue
Stamp

NOTE :

The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

Shareholders are requested to bring their copy of the Annual Report as copies of the Report will not be distributed at the Meeting.

Printed Matter

If undelivered please return to :

Axel Polymers Limited

S. NO. 309, Vill. Mokshi,
Sankarda-Savli Road,

Ta. : Savli, Dist. Vadodara.