

19

ANNUAL ACCOUNTS

2010 - 2011

AXEL POLYMERS LIMITED

ISO 9001:2008

REGISTERED OFFICE & WORKS

S. No 309, Vill. Mokshi, Sankarda – Savli Road Tal. Savli Dist. Vadodara 391 780

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)

Mr. Soham Mehta Executive Director – SBU Polymers

AUDITORS

SHAH & BHANDARI
Chartered Accountants

COMPANY LAW ADVISOR

D.PATHAK & ASSOCIATES
Company Secretary

REGISTRARS

LINK INTIME INDIA PVT LTD
B102 & 103, Shangrila Complex, 1st Floor,
Opp. HDFC Bank, Nr. Radhakrishna Char Rasta,
Akota, Vadodara 390 020

BANKERS

BANK OF BARODA

REGISTERED OFFICE & WORKS

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

NOTICE

Notice is hereby given that the **NINETEENTH ANNUAL GENERAL MEETING** of the members of the Company shall be held at 9.00 A.M. on Saturday 24th September 2011 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, 2011 and the Report of the Directors and Auditors thereon.
2. To appoint Mr. Soham Mehta as a Director of the Company
3. To appoint Director in place of Dr. M.A.Bodhanwala who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint Director in place of Mr. B.K.Bodhanwala who retires by rotation and being eligible, offers himself for reappointment
5. 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.

6. To consider and if thought fit to pass with or without modification(s), the following Resolution as a Special Resolution:

RESOLVED THAT the approval, be and is , hereby accorded to the Revision in the Remuneration of Mr B.K. Bodhanwala as an Executive Chairman with effect from 01.10.2011 for his residual term in accordance with the Provisions of Sections 198, 269, 309 & 314 read with Schedule XIII of the Companies Act, 1956 at remuneration of Rs. 100000 per month and other perquisites and on such other terms and conditions as set out in the supplemental draft agreement to be entered into by the Company with Mr B.K. Bodhanwala as approved by the Remuneration Committee and the Board of Directors at its respective meeting held on 15.07.2011.

FURTHER RESOLVED THAT, in cases of no profit or inadequate profit in any financial year during the currency of his tenure; the remuneration as aforesaid will be paid as minimum remuneration

SPECIAL BUSINESS

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT" the approval, be and is, hereby accorded to the reappointment of Mr. A.B. Bodhanwala as a Managing Director with effect from 01.10.2011 for a term of three years ending on 30.09.2014 in accordance with provisions of section 198,269, 309 and 314 read with Schedule XIII of the Companies Act, 1956, at a Remuneration of Rs. 200000 (Rupees Two Lac only) per month and other perquisites and on such other terms and conditions at set out in the draft agreement to be entered into by the Company with Mr. A.B. Bodhanwala as approved by Remuneration Committee and the Board of Directors at its respective meeting held on 15.07.2011.

FURTHER RESOLVED THAT in case of no profit or inadequacy of profits in any financial year during the currency of his tenure, the remuneration as aforesaid will be paid as minimum remuneration.

FURTHER RESOLVED THAT Mr. A.B. Bodhanwala shall not be liable to retire by rotation from the Directorship of the Company so long as he continues to hold office of Managing Director pursuant to clause 161 of the "Articles of Association of the Company."

Regd. Office:
S. No. 309, Village Mokshi
Taluka Savli, Dist. Vadodara
Place: Mokshi
Dated: 15.07.2011

By Order of the Board of Directors

B.K. Bodhanwala
Chairman

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 22.09.2011 to 24.09.2011 (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 Nineteenth Annual General Meeting.
- Please bring the 19th Annual Report and Accounts (2010 – 2011)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 6:**

Keeping in view the improved performance of the Company and valuable contributions as well as responsibilities shouldered by Mr. B.K. Bodhanwala as Executive Chairman, your Directors at their Meeting held on 15.07.2011 have approved the amended Terms of Appointment of Mr. B.K. Bodhanwala as Executive Chairman with effect from 01.10.2011 as detailed below

Salary

Rs. 100000 (Rupees One Lac only) per month with such increase/decrease as the Board/Shareholders may from time to time sanction, subject to the limits, as amended, prescribed in Schedule XIII of the Companies Act, 1956.

Perquisites

- (i) EXPENSES: Reimbursement of expenses on Gas, Electricity, Water, House Furnishing etc. will be paid at actual.
- (ii) MEDICAL REIMBURSEMENT: Reimbursement of Medical Expenses actually incurred for self and family and Medical Premium for the health of self and family.
- (iii) LEAVE TRAVEL CONCESSION: For self and family to and from any place in India or abroad, once in a year in accordance with the rules of the Company.

However, aggregate monetary value of aforesaid perquisites in this part shall not exceed Rs. 1200000/- per annum.

Minimum Remuneration: notwithstanding anything contained, wherein in any financial year, during the currency of the tenure of Mr B.K. Bodhanwala as Executive Chairman of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above.

Supplemental Draft Agreement relating to revision in remuneration payable to Mr B.K. Bodhanwala as Executive Chairman will be available for inspection at Registered Office during 12.00 noon to 2.00 p.m. on every working days except Sundays, Saturdays and holidays till the date of Annual General Meeting.

Memorandum of interest: except, Mr B.K. Bodhanwala and his relatives' viz. Mr A.B. Bodhanwala and Dr M.A. Bodhanwala, no other Director shall be deemed to be interested or concerned in the said reappointment.

ITEM NO. 7:

As you are aware, by keeping in view improved performance of the Company and valuable contributions as well as responsibilities shouldered by Mr. A.B. Bodhanwala as a Managing Director, your Directors at their Meeting held on 15.07.2011 have approved the reappointment of Mr. A.B. Bodhanwala as a Managing Director with effect from 01.10.2011 for a period of three years expiring on 30.09.2014 in accordance with provisions of Section 198,269,309 and 314 read with Schedule XIII of the Companies Act, 1956, as approved by Remuneration Committee, subject to approval of members at their General Meeting.

Details of major terms and conditions of reappointment are as follows:

- Total Remuneration : Rs 200000/- (Rupees Two Lac only) per month.
- Basic Salary : Rs. 75000/- (Rupees Seventy Five Thousand only)
- Perquisite : As below

PART – A

- EXPENSES: Reimbursement of expenses on Gas, Electricity, Water, house furnishing etc. will be paid at actual.
- MEDICAL REIMBURSEMENT: Reimbursement of Medical Expenses actually incurred for self and family and Medical Premium for the health of self and family subject to a ceiling limit of Rs. 400000 lacs
- EDUCATIONAL EXPENSES: Reimbursement of School / College Fees and Travelling expenses from place of study to Home which is actually incurred. This shall be limited to 2 children only
- LEAVE TRAVEL CONCESSION: For self and family to and from any place in India or abroad, once in a year in accordance with the rules of the Company.
- CLUB FEES: Fee paid to Club, subject to a maximum of two clubs will be allowed, provided no admission or life membership fees shall be paid.
- PERSONAL ACCIDENT INSURANCE: Personal Accidental premium for self.
- WATCHMAN ETC: Free service of a sweeper, Gardener and a Watchman at the residence of the appointee.

However, aggregate monetary value of aforesaid perquisites in this part shall not exceed Rs. 2400000/- per annum.

PART – B

- Company's contribution towards Provident Fund subject to a ceiling of 12% of the Basic Salary as mentioned above.
- Company's contribution towards superannuation fund, if any, subject to a ceiling of 15% of the Gross Salary.
- Gratuity: Payable at a rate not exceeding one half month's salary for each completed year of service as per rules of the Company.
- Leave: On full pay and allowances as per rules of the Company, but not more than one month's leave for every eleven months of services. Leave not availed of shall be allowed to be carried forward and to be encashed at the end of the tenure.

PART – C

- Car: Free use of Company's car with driver for Company's business.
- Telephone: Free telephone facility at residence and cell phone.
- Entertainment Expenses: Reimbursement of entertainment expenses actually incurred.

Minimum Remuneration: notwithstanding anything contained, wherein in any financial year, during the currency of the tenure of Mr. A.B. Bodhanwala as a Managing Director of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above.

Draft Agreement relating to appointment of and remuneration payable to Mr. A.B. Bodhanwala as a Managing Director will be available for inspection at Registered Office during 12.00 noon to 2.00 p.m. on every working days except Sundays, Saturdays and holidays till the date of Annual General Meeting.

Memorandum of interest: except, Mr. A.B. Bodhanwala and his relatives' viz. Mr. B.K. Bodhanwala and Dr. M.A. Bodhanwala no other Director shall be deemed to be interested or concerned in the said reappointment.

Statement in compliance with clause no. iv of sub paragraph B, paragraph-1, Section – II, of Part II of Schedule XIII of the Companies Act, 1956.

GENERAL INFORMATION

(i)	Nature of Industry Industry	Thermoplastic Compounding
(ii)	Date or expected date of Commencement of Commercial production of Company	Existing.
(iii)	Financial performance based on given indicators (2010-11) :	
	a. Gross Turnover	: Rs. 338.46
	b. Gross Profit	: Rs. 164.99
	c. Net Profit	: Rs. 6.01
	d. Effective Capital	: Rs. 475.90
	e. Managerial Remuneration	: Rs. 19.20

INFORMATION ABOUT THE APPOINTEES

Mr. A.B. Bodhanwala

a.	Background	Mr A.B.Bodhanwala the appointee is Chartered Accountant having experience of over 24 years.
b.	Past Remuneration	Rs. 125000 per month + other benefits as per explanatory statement
c.	Recognition or Awards	None
d.	Job Profile & his suitability inception	The appointee has made valuable contributions to the development of the Company since inception
e.	Remuneration proposed	Rs. 200000 per month + other benefits not exceeding Rs. 2400000/- p.a. and other perks as detailed in Part B & C of this statement.
f.	Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any	Relative of Mr. B.K.Bodhanwala, Executive Chairman & Dr. M.A. Bodhanwala, Non-executive Director

Mr. B.K. Bodhanwala

a.	Background	Mr B.K. Bodhanwala the appointee is a Graduate having a wide experience of over 60 years at Various levels of management
b.	Past Remuneration	Rs. 35000 per month + other benefits as per explanatory statement
c.	Recognition or Awards	None
d.	Job Profile & his suitability inception	The appointee has made valuable contributions to the development of the Company since inception
e.	Remuneration proposed	Rs. 100000 per month + other benefits not exceeding Rs. 1200000/- p.a. and other perks As detailed in Part B & C of this statement
f.	Pecuniary relationship directly or indirectly with the Company or relationship managerial personnel, if any	Relative of Mr. A.B. Bodhanwala, Managing Director & Dr. M.A. Bodhanwala, Non-executive Director

OTHER INFORMATION

Reason of Loss / inadequate profits:

The losses reflected in the Annual Accounts, majority are related to Depreciation provided in the Books as per the Provisions of Company Law. Moreover, as per the revised Provisions of Section 43B of the Income tax Act, 1961, the Bank Interest can be claimed only on payment.

Steps taken or proposed to be taken for improvement:

The Company has taken all necessary steps to address to the Book Losses like increasing the productivity, controlling the overheads, adding new business / customers etc which will have positive results very shortly.

Regd. Office:

**S. No. 309, Village Mokshi
Taluka Savli, Dist. Vadodara**

**Place: Mokshi
Dated: 15.07.2011**

By Order of the Board of Directors

**B.K.Bodhanwala
Chairman**

ADDENDUM TO THE NOTICE OF 19TH ANNUAL GENERAL MEETING

Notice is hereby given in continuation of and in modification of notice dtd. 15th July, 2011 for convening Nineteenth Annual General Meeting of the members of the Company at 9.00 a.m. on Saturday the 24th September, 2011 at . No. 309, Vill. Mokshi, Tal. Savli, Dist. Vadodara, that following business will also be transacted at the aforesaid meeting.

SPECIAL BUSINESS

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

“**RESOLVED THAT** Mr. Soham Mehta, for whom requisite notice u/s 257 of the Companies Act, 1956, has been received, be and is, hereby appointed as a Director liable to retire by rotation.”

b. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“**RESOLVED THAT** the approval, be and is, hereby accorded to the appointment of Mr. Soham Mehta as an Executive Director with effect from 01.10.2011 for a term of one year ending on 30.09.2012 in accordance with provisions of section 198, 269, 309 and 314 read with Schedule XIII of the Companies Act, 1956, at a Remuneration of Rs. 100000 (Rupees One Lac only) per month and other perquisites and on such other terms and conditions as set out in the draft agreement to be entered into by the Company with Mr. Soham Mehta as approved by Remuneration Committee and the Board of Directors at its respective meeting held on 15.07.2011.”

FURTHER RESOLVED THAT in case of no profit or inadequacy of profits in any financial year during the currency of his tenure, the remuneration as aforesaid will be paid as minimum remuneration

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

By Order of the Board of Directors

Place: Mokshi
Dated: 15.07.2011

B.K. Bodhanwala
Chairman

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

ITEM NO. 1 & 2:

Your Company has changed the business model and have formed 3 SBUs. The Company has launched its own Brand of Polymer Grades in the market. It is necessary that a senior person should head this SBU. Mr. Soham Mehta is a polymer Graduate having a vast experience of over 20 years in this industry. Keeping in view the objective of the Company and the responsibilities which Mr. Soham Mehta will shoulder as Executive Director, SBU (Polymers), Your Directors at their Meeting held on 15.07.2011 have approved the Terms of Appointment of Mr. Soham Mehta as an Executive Director with effect from 01.10.2011 for a period of one year ending on 30.09.2012, on a monthly salary of Rs. 1,00,000 per month with such increase/ decrease as the Board / Shareholders may sanction from time to time, subject to the limits, as amended, prescribed in Schedule XIII of the Companies Act, 1956.

Your Directors solicit your approval to the resolution 5 & 8 appearing in the accompanying notice as Ordinary Resolution and Special Resolution respectively. Draft Agreement relating to the appointment of and remuneration payable to Mr. Soham Mehta as Executive Director will be available for inspection at the Registered Office during 12.00 noon to 2.00 p.m. on every working days except Saturdays, Sundays and holidays till the date of Annual General Meeting.

Memorandum of Interest: Except, Mr. Soham Mehta himself, no other Director shall be deemed to be interested or concerned in the said appointment.

Information about appointee in compliance Clause no IV of Sub Paragraph B, Paragraph 1, Section II of Part II of Schedule XIII of the Company Act, 1956

Mr. Soham Mehta

- | | |
|---|--|
| a. Background | Mr Soham Mehta the appointee is a Graduate having experience of over 20 years. |
| b. Past Remuneration | N.A. since employment elsewhere |
| c. Recognition or Awards | N.A. since employment elsewhere |
| d. Remuneration proposed | Rs. 100000 per month all inclusive |
| e. Job Profile & his suitability | The appointee being Polymer Graduate |
| f. Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any | N.A. |

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

By Order of the Board of Directors

Place: Mokshi
Dated: 15.07.2011

B.K. Bodhanwala
Chairman

D I R E C T O R S R E P O R T

Dear Shareholder,

Your directors are pleased to present herewith the Nineteenth Annual Accounts of your Company for the financial year ended March 31, 2011.

PART I

FINANCIALS

PARTICULARS	2010-2011	2009-2010
Sales and other income	33845686	36711388
Expenditure	28797530	34297746
Depreciation & W/off	4585764	4594433
Profit before Interest, W/off & Depreciation	8716890	5573141
Profit before Tax	462391	-2180790
(Short) / Excess Provision of Current Tax of earlier year	0	155775
Provision for Taxation :		
MAT	0	662674
Deferred Tax Liability / Asset	138175	1925440
Profit after Tax	600566	563098
Cash Profit after Tax	5186330	5157531

Rupees

PERFORMANCE

Your Directors have to state that during the year ended March 31, 2011 your Company has not been able to maintain its growth history. The slump in the global market had put all the Industries in low gear. 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.

Your Company has diversified and have evolved a new Business Model. Now it has 3 SBUs:

- SBU Toll Manufacturing Existing business
- SBU Polymers Launch of own Grades / Brand of Engineering Polymers
- SBU Repellents Mosquito Bed Nets

Your Directors are extremely pleased to inform you that the Company has launched its own Brand of Polymer Compounds in January 2011; the last quarter of 2010-2011. You are aware that the Company has been associated with the Compounding Industry since almost 2 decades. We are known to all the major consumers in the field of Engineering Plastic Compounds. Thus, the launch of Grades / market penetration was extremely good and the response received from the new customers was welcome. We being new to the customers, there were certain aspects which were required to be dealt very cautiously.

However, with our experience and expertise and also presence in the Compounding Industry for over 18 years, made things fall into place with lesser difficulties.

FUTURE GROWTH OPPORTUNITIES WITH DIVERSIFICATION

The current business of Toll Compounding of Engineering Polymers is still good; however the returns are disproportionate. We are one of the oldest Companies in the field of Engineering Polymers.

With the launch of own Brand of Polymer Compounds your Directors are confident and optimistic of generating additional revenues at a higher rate than the existing line of activity. Moreover, the demand for this product will never be in slump due to the sheer size of the Market. Moreover, the domestic Market itself is quite large. The last quarter; January – March 2011 was only indicative of the performance. The year 2011-2012 will be the 1st full year of operations. 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.

PART II

CORPORATE GOVERNANCE

Your Company has maintained highest standards of Corporate Governance since its inception, even before any guidelines were mandated. Your 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.

Your Board has implemented the necessary actions as per the Report annexed herewith (Annexure I). The Auditors have examined the Compliance and have certified the same as required by Clauses of the Listing Agreement. The Certificate is also annexed herewith (Annexure II)

Management Discussion and Analysis Report covering a wide range of issues relating to outlook, performance & prospects is annexed herewith (Annexure III).

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 9001-2008** 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, 2011, 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

Shah & Bhandari, Chartered Accountants, Baroda, the present Auditors retire at the conclusion of the ensuing Annual General Meeting. Being eligible, they have offered themselves for reappointment.

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 accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, your Directors have appointed Shri Soham A. Mehta as Director. Your Directors recommend his appointment for the consideration of the Shareholders.

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, offers 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, offers himself for reappointment. Your Directors recommend his reappointment

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. The sum insured are adequate as per the current norms.

TAXATION

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 been duly adjusted in the Profit & Loss Account.

COMPLIANCES

The Company is generally regular in making all Statutory Compliances.

INVESTOR RELATIONS

All Investor complains received during the year have been suitably disposed off. There were no Investor grievances pending as at date.

PARTICULARS OF EMPLOYEES

The Industrial relations in the Plant and Office continues to be cordial, harmonious and peaceful.

Your directors like to place on record their appreciation of contribution made by the employees at all levels, their steadfastness, solidarity, co-operation and support have made it possible for the company to grow. Employees continue to remain our major asset, in our continuing endeavour in the pursuit for excellence.

Information required under Section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of employees) Rules 1975, has not been given as the same is not applicable.

FOREIGN EXCHANGE EARNING

The Company has not earned any Income on Revenue or Capital Account during the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING & OUTGO

During the year, your Directors have focused their approach on the efficiency in Consumption of Power.

The particulars prescribed under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are as under:

Power & Fuel Consumption - Electricity		2010 – 2011	2009 – 2010
Purchased	Quantity units	632013	697669
	Amount Rs.	3616817	4017053
	Rate / unit Rs.	5.72	5.76
Production	Quantity M.T.	1825.521	1801.561
	Total Power Cost Rs.	3616817	4017053
Power Cost per Kg. of Production Rs.		1.98	2.24

The Power cost per kg of Production has decreased from Rs. **2.24 to Rs. 1.98 per kg** due to more efficient utilisation of Power. It is pertinent to note that the base rate of power per unit has increased during the year, but the rate per kg has fallen.

ACKNOWLEDGEMENT

Your Directors would like to express their gratitude & appreciation for the assistance and co-operation received from Government Authorities, Business Associates, and Share Holders during the year under review.

We are extremely thankful to Bank of Baroda for granting us Working Capital facilities; without which we would not have been able to launch our own Brand of Polymer Compounds.

Your directors wish to place on record the deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success. The Company believes that the Employees are its biggest assets.

For and on Behalf of the Board

Place: Mokshi
Dated: 15.07.2011

B.K.BODHANWALA
CHAIRMAN

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 31.03.2011.

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	4	NO	ONE
Mr. B.B.Patel	Independent Non Executive	2	YES	NONE
Mr. G.M. Patel	Independent Non Executive	2	YES	NONE

There were 8 Board meetings held during the year 2010-2011 and the gap between two Meetings did not exceed 4 months.

AUDIT COMMITTEE

The Audit Committee in 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.

The Composition of the Audit Committee comprises of

NAME	CATEGORY	MEETINGS HELD & ATTENDED
Mr. B.B.Patel	Chairman	4
Mr. A.B.Bodhanwala	Member	4

The Statutory Auditors of the Company and the internal auditor 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 was the Chairman & Dr. M A Bodhanwala was member. 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 may send 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 31.03.2011.

GENERAL BODY MEETINGS

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

Financial Year	Date of AGM	Location	Time
2009-2010	25.09.2010	Registered Office	9.00 AM
2008-2009	26.09.2009	Registered Office	9.00 AM
2007-2008	27.09.2008	Registered office	9.00 AM

DISCLOSURES

During the year 2010-2011 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.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting Date & Time:	19 th 24.09.2011 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	22.09.2011 to 24.09.2011 (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	1930770 Equity Shares of the Company have been Dematerialised as on 31.03.2011.
Registrar & Transfer Agents	LINK INTIME INDIA PRIVATE LIMITED B102 & 103, Shangrila Complex, 1 ST Floor, Opp. HDFC Bank, Nr. Radhakrishna Char Rasta, Akota, Vadodara 390 020
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 31.03.2011

SHAREHOLDING IN AMOUNT	NO OF HOLDERS	% OF TOTAL	NO OF SHARES	% OF TOTAL
1 – 500	10918	93.3641	1683315	39.1469
501 – 1000	433	03.7028	366545	08.5243
1001 – 2000	178	01.5221	276278	06.4251
2001 – 3000	55	00.4703	140251	03.2617
3001 – 4000	25	00.2138	90498	02.1046
4001 – 5000	19	00.1625	92900	02.1605
5001 – 10000	24	00.2052	177641	04.1312
Above - 10001	42	00.3592	1472572	34.2459
TOTAL	11694	100.000	4300000	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 PRIVATE LIMITED,
308, Jaldhara Complex, Opp. Manisha Society,
Off Old Padra Road, Vadodara 390 015

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 Accounts 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 2010 – 2011.

Dated: 15.07.2011

A.B.Bodhanwala
Managing Director



Shah & Bhandari
Chartered Accountants

Manish Shah
B.Com., F.C.A.

Yogesh Bhandari
B.Com., F.C.A., D.I.S.A. (ICAI)



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 31.03.2011 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 31.03.2011 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 31.03.2011.

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 SHAH & BHANDARI
Chartered Accountants
FRN: 118852W

Place Vadodara
Dated 15.07.2011

YOGESH BHANDARI

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 what we are made up of. We must work harder and smarter, delight our customers now more than ever. The true spirit is founded on our enthusiasm, on our constant will to renew, on our cost conscienceness, on our willingness to assume responsibility and to ensure that we succeed. Your company backed by a list of Multinational and Indian Corporate Giants and remarkable processing talents was able to face those challenges by bolstering talent and cost effective plans across the company.

Your Directors have to state that during the year ended March 31, 2011 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 low gear. 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.

Your Company has diversified and have evolved a new Business Model. Now it has 3 SBUs:

- | | | |
|-------|--------------------|--|
| • SBU | Toll Manufacturing | Existing business |
| • SBU | Polymers | Launch of own Grades of Engineering Polymers |
| • SBU | Repellents | Mosquito Bed Nets |

Your Directors are extremely pleased to inform you that the Company has launched its own Brand of Polymer Compounds in January 2011; the last quarter of 2010-2011. You are aware that the Company has been associated with the Compounding Industry since almost 2 decades. We are known to all the major consumers in the field of Engineering Plastic Compounds. Thus, the launch of Grades / market penetration was extremely good and the response received from the new customers was welcome. We being new to the customers, there were certain aspects which were required to be dealt very cautiously.

However, with our experience and expertise and also presence in the Compounding Industry for over 18 years, made things fall into place with lesser difficulties.

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 Company has launched its own Brand of Polymer Compounds in the last quarter of 2010-2011. The market penetration was extremely good and the response received from the new customers was welcome. We being new to the customers, there were certain aspects which were required to be dealt very cautiously. However, with our presence in the Compounding Industry for nearly 2 decades, made things fall into place with lesser difficulties.

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.

Diversification

The current business scenario of Toll Compounding of Engineering Polymers is still quite good; we are one of the oldest Companies in the field of Engineering Polymers. Our Processing facilities and capabilities are state-of-the-art; so as to produce Quality material. Your Company has diversified and have evolved a new Business Model. Now it has 3 SBUs:

- SBU Toll Manufacturing Existing business
- SBU Polymers Launch of own Grades of Engineering Polymers
- SBU Repellents Mosquito Bed Nets

Your Directors are extremely pleased to inform you that the Company has launched its own Brand of Polymer Compounds in January 2011; the last quarter of 2010-2011. You are aware that the Company has been associated with the Compounding Industry since almost 2 decades. We are known to all the major consumers in the field of Engineering Plastic Compounds. Thus, the launch of Grades / market penetration was extremely good and the response received from the new customers was welcome. We being new to the customers, there were certain aspects which were required to be dealt very cautiously.

However, with our experience and expertise and also presence in the Compounding Industry for over 18 years, made things fall into place with lesser difficulties.

With this new line of business activity, your Directors are hopeful and optimistic of generating additional revenues at a higher rate than the existing line of activity. Moreover, the demand for this product will never be in slump due to the sheer size of the Market. Moreover, the domestic Market itself is quite large.

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 diversified into Manufacturing of ITNs & Untreated Mosquito Bed Nets.

Class of Goods	Unit	Sales Qty	Value Rs
Compounds Blends & Alloys of Engineering Polymers	M.T.	1814.842	30869223
Others	NOS	30600	885238

Outlook

The Company has maintained the status of THE LARGEST TOLL COMPOUNDER OF ENGINEERING POLYMERS IN INDIA.

However, the Company has launched its own Brand of Polymer Compounds in the last quarter of 2010-2011. The market penetration was extremely good and the response received from the new customers was welcome. We being new to the customers, there were certain aspects which were required to be dealt very cautiously. However, with our presence in the Compounding Industry for over 18 years, made things fall into place with lesser difficulties.

With this new line of business activity, your Directors are hopeful and optimistic of generating additional revenues at a higher rate than the existing line of activity. Moreover, the demand for this product will never be in slump due to the sheer size of the Market. There is a huge gap between supply and demand; there are very few players in the market. Moreover, the domestic Market itself is quite large.

Risk Management

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 – 2008** 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 marginally decreased during the current year. There has been an all round slump in the Global market. This has adversely affected our production in the current year.

During the current year, the Company generated Total Income of Rs. 33845686 This includes Toll Compounding Revenue of Rs.16435147. The Company has posted a **Net Profit after Tax of Rs. 600566**. The Company has paid all the 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.

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.



Shah & Bhandari
Chartered Accountants

Manish Shah
B.Com., F.C.A.

Yogesh Bhandari
B.Com., F.C.A., D.I.S.A. (ICAI)



AUDITOR'S REPORT

The Members of
AXEL POLYMERS LIMITED

We have audited the attached Balance Sheet of AXEL POLYMERS LIMITED as at 31.03.2011 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. NIL (P.Y. 184.96 lacs) (Refer note 8 Schedule 16.B). However, it has no impact on profit 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) and (v) 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 31.03.2011 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31.03.2011 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), (v) and (vi) stated 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, 2011;
 - (b) In the case of Profit & Loss Account, of the Profit 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 SHAH & BHANDARI
Chartered Accountant
FRN: 118852W

Place: Vadodara
Date: 15/07/2011

(Yogesh Bhandari)
Partner
M.No46255

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 has taken loan 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.95.46 lacs and the year-end balance of loans taken from such parties was Rs.89.89 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 & services. 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 not 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 31.03.2011 for a period of more than six months from the date they became payable except tax deducted at source amounting to Rs.6.82 lacs which is outstanding more than six month.
10. The accumulated losses of the company do not exceed 50% of its net worth during the year. Moreover the Company has not incurred any cash losses in the current year as well as in the immediately preceding financial year.
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 and an overall examination of the Balance Sheet of the Company no new term loans are availed during the year.
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.
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 SHAH & BHANDARI
Chartered Accountants
FRN: 118852W

(Yogesh Bhandari)
Partner
M. No:46255

Place: Vadodara
Date:15/07/2011

AXEL POLYMERS LIMITED

BALANCE SHEET AS AT 31.03.2011

P A R T I C U L A R S	SCHEDULE	Amount Rs.	
		AS AT 31.03.2011	AS AT 31.03.2010
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
Share Capital	1	43000000	43000000
Reserve & Surplus	2	2500000	2500000
LOAN FUNDS			
Secured Loans	3	32401292	27618716
Unsecured Loans	4	9660280	3913678
TOTAL...		<u>87561572</u>	<u>77032394</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
a. Gross Block	5	99248211	97394463
b. Less : Depreciation		47635232	43049468
c. Net Block		<u>51612979</u>	<u>54344995</u>
DEFERRED TAX ASSETS			
		880131	741956
CURRENT ASSETS LOANS & ADVANCES			
a. Inventory	6	11131727	474985
b. Sundry Debtors	7	13656060	4985906
c. Cash & Bank Balances	8	3563272	1125550
d. Loans & Advances	9	8982933	4827727
		<u>37333993</u>	<u>11414169</u>
LESS: CURRENT LIABILITIES AND PROVISIONS			
a. Current Liabilities	10	14925973	2766340
b. Provisions		1728531	1691926
		<u>16654504</u>	<u>4458266</u>
NET CURRENT ASSETS			
		<u>20679489</u>	<u>6955903</u>
MISCELLANEOUS EXPENDITURE			
Profit & Loss A/c		14388973	14989540
TOTAL...		<u>87561572</u>	<u>77032394</u>
NOTES TO THE ACCOUNTS	16		
As per our Report of even date			
FOR SHAH & BHANDARI		FOR AND ON BEHALF OF THE BOARD	
CHARTERED ACCOUNTANTS			
YOGESH BHANDARI		B.K.BODHANWALA	A.B.BODHANWALA
PARTNER		CHAIRMAN	MANAGING DIRECTOR
PLACE : BARODA	DATED : 15.07.2011	PLACE : BARODA	DATED : 15.07.2011

AXEL POLYMERS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

Amount Rs.

P A R T I C U L A R S	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010
1. INCOME			
a. Gross Sales		31754461	36556644
Less : Excise Duty		1399136	0
		<u>30355325</u>	<u>36556644</u>
b. Other Income	11	981157	154744
c. Increase / (Decrease) in Stock	12	2509203	0
TOTAL...		<u>33845686</u>	<u>36711388</u>
2. EXPENDITURE			
a. Raw Material Consumed	13	12406038	18496032
b. Employee Cost		5031277	4887938
c. Manufacturing Expenses	14	4940571	5649794
d. Administrative & Other Expenses	15	2750910	2104484
e. Interest & Finance Charges		3668735	3159498
g. Depreciation	5	4585764	4594433
		<u>33383294</u>	<u>38892179</u>
3. Profit / Loss before Tax		462391	-2180790
4. Short / (Excess) Provision of of earlier year		0	-155775
5. Provision for Taxation			
- Current Tax		0	0
- Deffered Tax		-138175	-1925440
- MAT		0	-662674
6. Profit / Loss after Tax		600566	563099
7. Balance brought forward from Previous Year		-14989540	-15552638
8. Balance carried to Balance Sheet		<u>-14388973</u>	<u>-14989540</u>

NOTES TO THE ACCOUNTS

16

As per our Report of even date

FOR SHAH & BHANDARI
 CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

YOGESH BHANDARI
 PARTNER

B.K.BODHANWALA
 CHAIRMAN

A.B.BODHANWALA
 MANAGING DIRECTOR

PLACE : BARODA

DATED : 15.07.2011

PLACE : MOKSHI

DATED : 15.07.2011

AXEL POLYMERS LIMITED

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

Amount Rs

P A R T I C U L A R S

31.03.2011

31.03.2010

SCHEDULE : 1 SHARE CAPITAL

Authorised Capital

50,00,000 Equity Shares of Rs.10/-Each

50000000

50000000

Issued, Subscribed & Paidup Capital

43,00,000 Equity Shares of Rs.10/-each
Fully Paidup.

43000000

43000000

43000000

43000000

SCHEDULE : 2 RESERVES & SURPLUSCapital Investment Subsidy
(from Government of Gujarat)

2500000

2500000

2500000

2500000

SCHEDULE : 3 SECURED LOAN**From Bank**

Cash Credit

10475097

0

(Secured against hypothecation of Stock, Book Debts
Current Assets , Personal Guarantees & Properties of
Directors)

Term Loan

10783707

13594004

(Secured against hypothecation of Fixed Assets
Personal Guarantee & Properties of Directors)

Working Capital Term Loan

11142488

14024712

(Secured against hypothecation of Stock, Book Debts
Current Assets , Personal Guarantees & Properties of
Directors)

32401292

27618716

SCHEDULE : 4 UNSECURED LOAN

From Directors

8988665

3520168

Others

671615

393510

9660280

3913678

SCHEDULE: 5 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS ON	ADDI- TIONS / DEDUC- TIONS	AS ON	AS ON	FOR THE YEAR		AS ON	AS ON	
	01.04.2010		31.03.2011	01.04.2010	ADDITIONS	DEDU.	31.03.2011	31.03.2011	31.03.2010
FREE HOLD LAND	1814225	0	1814225	0			0	1814225	1814225
BUILDING	3453850	0	3453850	820179	56298		876477	2577373	2633671
FACTORY BUILDING	17499799	32000	17531799	3462899	584772		4047671	13484127	14036899
PLANT & MACHINERY	61183296	298982	61482278	34607609	3238564		37846173	23636105	26575687
ELECTRICAL INSTALLATIONS	2448388	14422	2462810	1309942	116752		1426694	1036116	1138446
LABORATORY EQUIPMENTS	1149069	544141	1693210	282108	55238		337346	1355863	866961
FURNITURE & FIXTURES	1294948	12420	1307368	423085	82517		505602	801765	871862
DATA PROCESSING MACHINES	948404	111263	1059667	924459	29912		954371	105296	23945
OFFICE EQUIPMENTS	918936	75379	994315	265220	45442		310662	683653	653716
VEHICLES	3728549	765141	4493690	953966	376269		1330235	3163455	2774583
TOTAL ...	94439463	1853747	96293211	43049468	4585764	0.00	47635232	48657979	51389995
CAPITAL W.I.P. / ADVANCES	2955000	0	2955000					2955000	2955000.0
GRAND TOTAL	97394463	1853747	99248211	43049468	4585764	0	47635232	51612979	54344995
Previous Year Figures	96245117	1149346	97394463	38455035	4594433	0	43049468	54344995	0

AXEL POLYMERS LIMITED

Amount Rs

P A R T I C U L A R S

31.03.2011

31.03.2010

SCHEDULE : 6 INVENTORY

Raw Material	7797539	250000
Finished Goods	2296584	0
Work In Progress	212619	0
Spares & Stores	824985	224985
	<u>11131727</u>	<u>474985</u>

SCHEDULE : 7 SUNDRY DEBTORS

(Unsecured, considered good)

Over Six Months	362100	377271
Others	13293960	4608635
	<u>13656060</u>	<u>4985906</u>

SCHEDULE : 8 CASH & BANK BALANCE

Cash on Hand	1668503	650648
Balance In Current Account	377009	474902
Balance In Deposit Account	1517761	0
	<u>3563272</u>	<u>1125550</u>

SCHEDULE : 9 LOANS AND ADVANCES

(unsecured, considered good, recoverable in cash or kind or for value to be received)

Balance with Govt. Authority	2211931	1423307
Deposit with M G V C L	1196293	1196293
Others	5574709	2208127
	<u>8982933</u>	<u>4827727</u>

SCHEDULE : 10 CURRENT LIABILITIES & PROVISIONS

Creditors for Raw Material	13061564	4113
Others	1864409	2762227
Provision for Expenses	1728531	1691926
	<u>16654504</u>	<u>4458266</u>

AXEL POLYMERS LIMITED

Amount Rs

PARTICULARS

31.03.2011

31.03.2010

SCHEDULE : 11 OTHER INCOME

Discount & Kasar	31504	6155
Interest (Including IT Refund)	156463	148589
Misc. Income	793190	0
	<u>981157</u>	<u>154744</u>

SCHEDULE : 12 INCREASE / (DECREASE) IN STOCK

Finished Goods	2296584	0
Work In Progress	212619	0
	<u>2509203</u>	<u>0</u>

SCHEDULE : 13 RAW MATERIAL CONSUMED

Opening Stock	250000	0
Add : Purchases	19953577	18746032
Less: Closing Stock	<u>7797539</u>	<u>250000</u>
	<u>12406038</u>	<u>18496032</u>

SCHEDULE : 14 MANUFACTURING EXPENSES

Spares, Stores & Consumables	227213	565057
Power & Fuel	3616819	4017053
Repairs & Maintenance to Plant & Machinery	96668	108139
Others	259381	959545
Excise Duty	186893	0
Vat 4%	339011	0
Vat 1%	84759	0
CST	129827	0
	<u>4940571</u>	<u>5649794</u>

SCHEDULE : 15 ADMINISTRATIVE & OTHER EXPENSES

Advertisement & Sales Promotion	69965	204398
Auditors' Remuneration	110300	110300
Corporate Expenses	263439	291634
Freight Outward	67995	30242
Insurance	104742	121731
Legal & Professional Expenses	475128	291345
Loss on Foreign Exchange	3100	0
Office Expenses	20732	97147
Other Expenses	280941	188538
Rent,Rates & Taxes	24081	4230
Repairs & Maintainance	208508	122590
Security Expenses	283196	11783
Telephone Expense	157766	184019
Travelling & Conveyance Expenses	188384	118374
Vehicle Expense	492631	328153
	<u>2750910</u>	<u>2104484</u>

SCHEDULE 16 NOTES TO THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTIONS

These Financial statements are prepared under historical cost conventions on accrual basis in accordance with the Generally Accepted Accounting principles in India and Accounting Standard (AS) as notified under (Accounting Standard) Rules, 2006 except accounting of Bonus which is accounted as cash basis.

2. FIXED ASSETS & DEPRECIATION / AMORTISATION

- a Fixed Assets are stated at historical cost (net of Cenvat credit) less accumulated depreciation / amortization thereon and impairment losses if any. Depreciation is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956.
- b Capital Assets under erection / installation (including advances) are reflected in Balance Sheet under "Capital Work in progress".

3. INVENTORIES

Cost of Inventories have been computed to include all cost of Purchases, Cost of Conversion and other costs incurred in bringing the inventories to their present location and condition.

- i. Raw materials and components, stores and spares are valued at Cost. The costs are ascertained using the First in First out (FIFO).
- ii. Work-in-progress and finished goods are valued at the lower of Cost or Net Realizable Value.
- iii. Scrap is valued at Net Realizable Value.

4. REVENUE RECOGNITION:

- a) Sales of products and services are recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods. Sales are inclusive of Excise Duty but excluding sales tax / Value Added Tax. Revenue from job charges is recognized on dispatch of material and in accordance with terms of job work.
- b) Interest incomes are recognised on time proportion basis.
- c) Where material received for processing from customers under arrangement to dispatch the end product, its invoice value to be treated as sales and the equivalent amount to be treated as purchases

5. 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.

6. BENEFITS TO EMPLOYEE

- The Company's contribution in respect of provident fund is charged to Profit and Loss Account each year.
- With respect to gratuity liability, Company contributes to Life Insurance Corporation of India (LIC) under Group Gratuity policy. Provision for the year in respect of Gratuity is made on the basis of actuarial valuation as at the end of the year. Gratuity liability so determined is charged to Profit and Loss Account..
- Retirement benefits are expensed to revenue as incurred.
- Contribution to Provident Fund is made in accordance with the Rules of the Fund.
- Leave encashment is provided in the year in which it has accrued.

7. TAXES ON INCOME

- a. Provision for taxation comprises of Current Tax and Deferred Tax .Current tax has provision has been made the basis of reliefs and deduction available under Income Tax Act, 1961.Deferred tax resulting from “timing differences” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognized and carried forward only to the extent the assets can be realized in future. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance sheet date.
- b. Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to company& the asset can be measured reliably.

8. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provision is recognized only when there is a present obligation as a result of past events and when reliable estimates of the amount of the obligation can be made. Contingent liability is disclosed for:-

- (I) Possible Obligations which will be confirmed only by future events not wholly within the control of the company or
- (II) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or reliable estimates of the amount of the obligation cannot be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

9. USE OF ESTIMATES

The presentation of Financial Statements in conformity with the generally accepted principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the period. Difference between the actual result and estimates are recognized in the period in which reason are known / materialized.

The preparation of financial statements requires management of the Company to make estimates & assumptions that affect the reported balances of Assets & Liabilities and disclosure of contingent liabilities at the date of financial statements and reported amounts of revenues and expenses during the period.

10. SEGMENT DISCLOSURES

The company operates in a single business segment, i.e. of manufacturing of compounds, blends & alloys of Engineering Polymers. Further, the company currently operates only India and does not have operations outside India. Accordingly, no separate disclosures for primary business segment and geographical segment are required to be given.

11. IMPAIRMENT OF ASSETS

The company assesses at each Balance Sheet date, whether there is any indication that asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs, is less than its carrying amount, the carrying amount is adjusted to the amount of recoverable amount.

12. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

13. LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lesser are charged against profits as per the terms of the lease agreement over the lease period.

B. NOTES TO THE ACCOUNTS:

- 1 In the opinion of the Board, Stock in trade and Loans & Advances forming part of Current Assets are approximately of the value stated, if realised in the ordinary course of business.
2. The balances of Sundry Debtors, Sundry Creditors and Loans & Advances secured & unsecured are subject to confirmation.
3. As per the accounting policy 1.5.b followed by the company during the year, the company has treated the value of the material processed as sales amounting to Rs. NIL (P.Y. Rs. 184.96 lacs.) and equivalent value as Consumption of Material. Hence it has no impact on the loss for the year.
4. In view of Accounting Standard (AS) 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has worked out Deferred Tax Liability are as under:

Components of Deferred Tax (Assets / Liabilities)	31.03.2011	31.03.2010
Deferred Tax Liability related to Fixed Assets	21356193	22132050
Less:		
Deferred Tax Assets		
Brought forward Losses & unabsorbed Depreciation	11131179	9582425
Expenses allowable on payment basis u/s 43B	13073335	14950778
Net Difference	(2848321)	(2401153)
Net Deferred Tax Liability / (Asset)	(880131)	(741956)

Deferred tax asset arising on account of unabsorbed depreciation and business losses has been recognized in profit and loss account during the year.

5. Some of the Vehicles are registered in the name of Directors and Employee of the company.
6. The company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium enterprise development Act 2006 and hence disclosures, if any relating to amounts unpaid as at year end together with interest payable as required under the said Act have not been given.
7. The Company has treated Material received for Toll Compounding as Purchases and Sales amounting to Rs. NIL (P.Y. Rs. 184.96 lacs). This is undertaken on "**Cenvat Duty Paid Basis**" under the Company's Excise Registration Licence. There is no impact on the loss for the year.
8. Disclosure of related party transaction as required by Accounting Standard – 18 issued by the Institute of Chartered Accountants of India:

Key Management Personnel and their relatives as on 31.03.2011 are as under:

Mr B.K.Bodhanwala Chairman Mr A.B.Bodhanwala Managing Director Dr M.A.Bodhanwala Director

Transactions with Key Personnel during the year: Rs. In lacs

Transaction during the year	A.B. Bodhanwala	B.K. Bodhanwala	M.A. Bodhanwala	Total
Interest on Loan	5.14	1.30	0.38	6.82
Managerial Remuneration	15.00	4.20	0.00	19.20
Loans Received	60.36	7.86	5.38	73.60
Loans Repaid	12.76	0.13	4.04	16.93
Guarantees given on behalf of the Company for loans taken & other liabilities.	324.01			324.01

There are no Associate Concerns and there is no transaction with Relatives.

9. Some Vehicles are registered in the name of the Directors and Employees of the company.
10. Previous year's figures have been regrouped, rearranged or recast wherever necessary.
11. Earnings Foreign Currency: Rs. Nil (Previous Year Rs Nil)
Expenditure in Foreign Currency Rs. Nil (Previous year Rs. Nil)
12. Paise have been rounded off to the nearest rupee.
13. The disclosure as required under AS 15 regarding Gratuity Plan is as under:

Table showing changes in present value of obligation As on	31.03.2011
Present value of obligation at beginning of year	420475
Interest cost	33638
Current Service cost	77672
Benefit paid	-45173
Actuarial (gain) / loss on obligation	-34620
Present value of obligation at end of year	451992
Table showing changes in the fair value of plan assets As on	31.03.2011
Fair value of Plan Asset at beginning of year	166266
Expected Return on Plan Asset	13095
Contributions	0
Benefit paid	-45173
Actuarial gain / loss on Plan Asset	NIL
Fair value of Plan Asset at end of year	134188
Table showing fair value of plan assets	
Fair Value of Plan Assets at beginning of year	166266
Actual return on Plan Assets	13095
Contributions	0
Benefits paid	-45173
Fair Value of Plan Assets at end of period	134188
Fund Status	-317804
Excess actual / estimated return on plan asset	NIL
(Actual rate of return = Estimated rate of return as ARD falls on 31 st March)	
Actuarial Gain / Loss recognized	31.03.2011
Actuarial (gain) / loss on obligation	34620
Actuarial (gain) / loss for the year-plan asset	NIL
Actuarial (gain) / loss for the year	-34620
Actuarial (gain) / loss recognised in the year	-34620
The amounts to be recognized in the balance sheet and statement of profit and loss	
Present value of obligation at end of year	451992
Fair value of Plan asset as at end of the year	134188
Funded Status	-317804
Net Asset / (Liability) recognised In Balance Sheet	317804
Expenses Recognised in statement of Profit and loss	
Current Service cost	77672
Interest cost	33638
Expected return on plan asset	-13095
Net Actuarial (gain) / loss recognised in the year	-34620
Expense recognised in Statement of Profit & Loss	63595
ASSUMPTIONS	31.03.2011
Discount Rate	8.00%
Salary Escalation	7.00%

14. Additional information pursuant to provisions of Schedule VI of Companies Act, 1956 is given hereunder.

C. INFORMATION PURSUANT TO PROVISIONS OF PART II:

1. Particulars of Capacity, Production, Turnover & Stock

Class of Goods	Unit	** Production	*Turnover		Opening Stock		Closing Stock	
		Qty.	Qty.	Value	Qty.	Value	Qty.	Value
Compounds Blends & Alloys of Engineering Polymers (Including Scrap)	M.T.	** 1827.609	* 1814.842	30869223	0.116	0.000	12.883	2296584
Others				885238				
TOTAL				31754461				
Previous Year	M.T.	1801.561	1801.561	36556644	0.000	0.000	0.000	0.000

1	Licensed Capacity	Not Applicable		
		Unit	2010-2011	2009-2010
2	Installed Capacity - as certified by management	MTPA	5000.000	5000.000
**	Includes Job work	MTPA	1706.400	1685.127
*	Includes Job work	MTPA	1706.400	1685.127
		Rs. Lacs	164.352	180.606

2. Raw Material Consumed
(Refer Note: 1.5(b) of Schedule 15)

Description	Units	Consumption		Opening Stock		Closing Stock	
		Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
Polyamide, Additives & Others	M.T.	#124.645	12406038	2.999	250000	73.394	7797539
Previous year	M.T.	#1202.056	18496032	NIL	NIL	2.999	250000

excluding packing material

3. Consumption of Raw Material & Consumable Stores is 100% indigenous only.

As per our report of even date

FOR SHAH & BHANDARI
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

YOGESH BHANDARI
PARTNER
M.No:46255

B.K. BODHANWALA A.B. BODHANWALA
CHAIRMAN MANAGING DIRECTOR

PLACE: BARODA
DATED: 15.07.2011

PLACE: MOKSHI
DATED: 15.07.2011

AXEL POLYMERS LIMITEDADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI
TO THE COMPANIES ACT 1956**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I Registration Details :**

CIN No.	U25200GJ1992PLC017678
State Code	GJ
Balance Sheet Date	31.03.2011

II Capital Raised during the year

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

III Position of Mobilisation and Deployment of Funds (AMOUNT IN '000)

Total Liabilities	87562
Total Assets	87562

Sources of Funds:

Paid-up Capital	43000
Reserves & Surplus	2500
Secured Loans	32401
Unsecured Loans	9660
Deferred Tax Liability	0

Application of Funds:

Net Fixed Assets	51613
Investments	NIL
Deffered Tax Assets	880
Net Current Assets	20679
Miscellaneous Expenditure	0
Accumulated Losses	14389

IV Performance of Company:

Turnover	33846
Total Expenditure	33383
Profit/(Loss) Before Tax	462
Profit/(Loss) After Tax	601
Earning per Share in Rs.	0.14
Dividend Rate %	NIL

V Generic Names of Three Principal Products/**Services of Company (as per monetary terms):****Item Code No.****Product Description**

3908 10 10	Compounds of Polyamide 6 / 66
3907 91 50	Compounds of Polyester
3902 90 00	Compounds of Polypropylene
3907 40 00	Compounds of Polycarbonate
3903 30 00	Compounds of SAN
3903 90 90	Compounds of ABS

FOR AND ON BEHALF OF THE BOARDB.K.BODHANWALA
CHAIRMANA.B.BODHANWALA
MANAGING DIRECTOR

15.07.2011

PLACE: MOKSHI

CASH FLOW STATEMENT AS AT 31.03.2011

Rupees in '000

PARTICULARS	As at 31.03.2011	As at 31.03.2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items (Including Prior period adjustments)	462	-2181
Adjusted for depreciation and w/off misc. expenses	4586	4594
Interest Income	0	0
Dividend Received	0	0
Operating Profit before working capital changes	5048	2414
Inventories	-10657	-475
Rreceivables	-8670	-2714
Other Current Assets	-4155	132
Trade Payables	12196	-756
CASH GENERATED FROM OPERATIONS	-6238	-1400
Interest paid	0	0
Direct Taxes	0	818
NET CASH FROM ACTIVITIES	-6238	-581
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-1854	-1149
Purchase of Investments		
Sale of Assets (Including Profit)	0	0
Interest/Dividend Income	0	0
NET CASH USED IN INVESTING ACTIVITIES	-1854	-1149
C CASH FLOWS FROM FINANCIAL ACTIVITIES		
Proceeds from long term borrowings	4783	219
Subsidy	0	0
Proceeds from short term borrowings	5747	752
Dividend Paid	0	0
NET CASH USED IN FINANCING ACTIVITIES	10529	972
Net increase/decrease in Cash and equivalents	2438	-759
Opening balance of Cash and Cash equivalents	1126	1885
Closing balance of Cash and Cash equivalents	3563	1126
Cash and cash Equivalents include		
Cash in hand	1669	651
Balance with Scheduled Bank		
- In Current Account	377	475
- In Deposit Account	1518	0

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

FOR SHAH & BHANDARI
CHARTERED ACCOUNTANTS
FRN: 118852W

YOGESH BHANDARI
 PARTNER

A.B.BODHANWALA
 MANAGING DIRECTOR

PLACE: BARODA DATED : 15.07.2011

PLACE: MOKSHI

DATED: 15.07.2011