



Creating Tomorrow

20th

ANNUAL REPORT

2011-2012

Axel Polymers Limited

ISO 9001:2008



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
B 102 & 103, Shangrila Complex, 1st Floor,
Opp. HDFC Bank, Nr. Radhakrishna Char Rasta,
Akota, Vadodara 390 020

BANKERS

BANK OF BARODA

REGISTERED OFFICE & WORKS

309, MOKSHI, SANKARDA - SAVLI ROAD
TALUKA SAVLI, DIST. VADODARA 391780
GUJARAT INDIA



DIRECTORS REPORT

Dear Shareholder,

Your directors are pleased to present herewith the Twentieth Annual Accounts of your Company for the financial year ended March 31, 2012.

PART I

FINANCIALS

Rupees

PARTICULARS	2011-12	2010-2011
Sales and other income	107796708	33845686
Expenditure	97598651	28797530
Depreciation & W/off	4684949	4585764
Profit before Interest, W/off & Depreciation	11728415	8716890
Profit before Tax	725506	462391
(Short) / Excess Provision of Current Tax of earlier year	0	0
Provision for Taxation :		
MAT	0	0
Deferred Tax Liability / Asset	97920	-138175
Profit after Tax	627586	600566

PERFORMANCE

We were in the business of Toll - Manufacturing Compounds, Blends & Alloys of Engineering & Specialty Polymers for the last 20 years. We launched our own Brand AXEL in 2011.

You will appreciate that financial year 2011-2012 was the 1st full year of operations. Though we are in the business for the last 20 years, we were new entrants to the market. Our Profile was completely different than our past. We were well known to the market for our Brand Image as AXEL.

The performance analysis for the year; we achieved a Revenue of Rs. 1078 lacs during the year with a PBIDT at Rs. 117.73 lacs. The Interest & Finance Costs for the year stood at Rs. 63.18 lacs which is nearly 5.97% of the Sales & Depreciation at Rs. 46.84 lacs. The RMC stood at Rs. 704.68; 74% of Gross Sales. With the above costs, the profit was very negligible. In view of the same, the wholetime Directors have foregone their increase in Salary prior to the same becoming due during the year.



The year had begun with a good note though with stiff competition coming from imports. And the course was set for the healthy competitive environment during the year. However, with the new brand, AXEL moved forward slowly, but firmly to ensure continually enhancing the market share. Axel opened up markets in North, West and Southern Indian markets and was supported with exports to South African customer.

KEY FACTORS AT A GLANCE

- The last F Y 2011-2012 was a classic example of Economic and Financial Turmoil; India and International. The Economic Scenario in the USA influenced the other economies and was mainly responsible for the crisis. Mid-year, in August; while things were looking to pick up, the prices of Crude Oil became volatile and started going upwards in the international markets. European Economic Crisis was more intense in the second half of 2012; Greece, Italy and Spain fuelling the existing crisis.
- Thus we were hit two-fold; one due to the rise in Crude prices, the RM Costs went up and second rise in price of USD again increased the RM Costs.
- All our Base Raw Materials are Petrochemical-based and any change in the price of Crude will directly affect the Input Raw Material prices Thus costs of Input Raw Materials started rising up.
- The Input Costs of all our Base Raw Material as well as Additives etc are Dollar driven; any change in the price of USD will directly affect the Input Raw Material prices Thus costs of Input Raw Materials started rising up. This affected the Raw Material Costs
- The Rupee v/s USD in August 2011 v/s current rate; an increase of more than 25% in the value of USD. In other words, the Rupee depreciated by 25%.
- The Average Raw Material Costs directly went up by 25% without a corresponding increase in Average Sales Price.
- The projected Net Profit which was in the range of 8-10% was wiped out with this increase in Raw Material Costs. However, the Company tried to save and cut down on other expenses to partly offset the increased RM Costs.
- As a result of this volatility of prices of USD, the availability of Raw Material was also affected. The terms were more or less payments against deliveries.
- No Economy or Industry; in India or elsewhere can take a price rise of 25% in a span of almost 10 months. It was due to our ability and farsightedness that we could at least keep ourselves afloat.
- In addition to the increase in RM Costs, Labour & Electricity Costs have also shot up.
- Cost of Finance also went upwards by nearly 18%. With Bank rates going up, the cost of borrowed money also went upwards from 11.00% to 15.00 % - this added further pressure on bottom line. In fact when the Industries are in bad shape, Banks and Financial Institutions have performed much better in this financial year.
- Nothing good to report by anyone; the sentiment was low and overall industry started to face drop in sales numbers; Sales of Automotive were at the all time



lowest and new orders were not being released from car makers. However, spreading the business basket to other industry, Axel could ensure sales to grow, but the bigger concern was drop in bottom line numbers...

To sum up our woes; we were hit from all possible sides. In spite of the adverse situations on all fronts, we were able to sustain and keep afloat. It is important to survive in such crisis rather than prosper. With hard work and focused attention, success & prosperity is assured.

BUSINESS PROSPECTS / PROJECTIONS 2012-2013

“All times good or bad are never to stay for long.....”

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. The demand for this product will never be in slump due to the sheer size of the Domestic Market.

The New Year started with positive note; people started getting over the increased costs. The required / requested price rise was also coming from some sectors; to start with. Marketing Strategy and efforts to cater to diverse industrial applications were showing results and sales are growing from early parts of the year itself, newer opportunities are showing positive signs and contracted sales opportunities are offered.

Thus the scenario has changed dramatically for us. In times of such economic slowdown, good opportunity will provide us an excellent platform. We are confident to attain much higher sales volume. We need to focus on this and turn around the Company. Such opportunities do not always come your way only. We are lucky to have this opportunity in our lap.

As against the last year ended March 2012, the current year has begun with a good note. India has emerged as an Automobile Hub of the World. Practically all Auto manufacturers have made India as a base for their South Eastern Market. These manufacturers need quality material at competitive prices. Electrical Industry is also a big market. Particularly the CFL fittings are the most growing market. This is due to the fact that the Government has decided to phase out the regular Bulbs and replace them with CFLs. Govt is also providing subsidies for this project in every state. You will appreciate the fact that we have been growing at a conservative pace.

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, 2012, 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 Mr. Priyank G. Patel 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, Mr. A.G.Thakore retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment. Your Directors recommend his reappointment
- In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. B.B. Patel 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	2011-2012	2010-2011
Purchased	Quantity units	486537	632013
	Amount Rs.	3013075	3616817
	Rate / unit Rs.	6.19	5.72
Production	Quantity M.T.	1066	1825
	Total Power Cost Rs.	3013075	3616817
	Power Cost per Kg. of Production Rs.	2.82	1.98

The Power cost per kg of Production has increased from Rs. 1.98 to Rs. 2.82 per kg due to increase in the rate of power as well as duty. 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.

ACKNOWLEDGMENT

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: 16.08.2012

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 31.03.2012.

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	7	YES	NONE
Mr. A.B.Bodhanwala	Managing Director	7	YES	NONE
Dr. M.A.Bodhanwala	Director Non-Executive	7	YES	NONE
Mr. A.G.Thakore	Independent Non Executive	3	NO	ONE
Mr. B.B.Patel	Independent Non Executive	2	YES	NONE
Mr. G.M. Patel	Independent Non Executive	2	YES	NONE
Mr. S.A. Mehta	Executive Director (SBU)	3	YES	NONE

There were 7 Board meetings held during the year 2011-2012 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 conform 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. MA 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 31.03.2012.

GENERAL BODY MEETINGS

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

Financial Year	Date of AGM	Location	Time
2010-2011	24.09.2011	Registered Office	9.00 AM
2009-2010	25.09.2010	Registered Office	9.00 AM
2008-2009	26.09.2009	Registered Office	9.00 AM

DISCLOSURES

During the year 2011-2012 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 20th
Date & Time: 22.09.2012 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 20.09.2012 to 22.09.2012 (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	2096100 Equity Shares of the Company have been and liquidity Dematerialised as on 31.03.2012.
Registrar & Transfer Agents	LINK INTIME INDIA PRIVATE LIMITED B-102 & 103, Shangrila Complex, 1ST 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 31.03.2012

Shareholding In Amount	No Of Holders	% Of Total	No Of Shares	% Of Total
1 – 500	10842	93.3931	1669832	38.8333
501 – 1000	426	03.6696	359837	08.3683
1001 – 2000	177	01.5247	278317	06.4725
2001 – 3000	57	00.4910	145078	03.3739
3001 – 4000	23	00.1981	83230	01.9356
4001 – 5000	21	00.1809	102604	02.3861
5001 – 10000	24	00.2067	176195	04.0976
Above - 10001	39	00.3559	1484907	34.5327
TOTAL	11609	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, B102 & 103, Shangrila Complex, 1ST Floor, Opp. HDFC Bank, Nr. Radhakrishna Char Rasta, Akota, Vadodara 390 020 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 2011 – 2012.

Dated:16.08.2012

A.B.Bodhanwala
Managing Director



Annexure II

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

Under Clause 49 of the Listing Agreement

To

The Members

We have examined the Compliance of the conditions of Corporate Governance by Axel Polymers Limited during the year ended 31.03.2012 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 31.03.2012 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 31.03.2012.

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 : 16.08.2012

YOGESH BHANDARI
Partner



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 consciencness, 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.

Performance Analysis

As you are aware, we were in the business of Toll - Manufacturing Compounds, Blends & Alloys of Engineering & Specialty Polymers for the last 20 years. We launched our own Brand AXEL in 2011. You will appreciate that financial year 2011-2012 was the 1st full year of operations. Though we are in the business for the last 20 years, we were new entrants to the market. Our Profile was completely different than our past. We were well known to the market for our Brand Image as AXEL.

The performance analysis for the year; we achieved a Revenue of Rs. 1078 lacs during the year with a PBIDT at Rs. 117.73 lacs. The Interest & Finance Costs for the year stood at Rs. 63.18 lacs which is nearly 5.97% of the Sales & Depreciation at Rs. 46.84 lacs. The RMC stood at Rs. 704.68; 74% of Gross Sales. With the above costs, the profit was very negligible.

The year began with a good note though with stiff competition coming from imports. And the course was set for the healthy competitive environment during the year. However, with the new brand, AXEL moved forward slowly, but firmly to ensure continually enhancing the market share. Axel opened up markets in North, West and Southern Indian markets and was supported with exports to South African customer.

Key factors at a glance

The last F Y 2011-2012 was a classic example of Economic and Financial Turmoil; India and International. The Economic Scenario in the USA influenced the other economies and was mainly responsible for the crisis. Mid-year, in August; while things were looking to pick up, the prices of Crude Oil became volatile and started going upwards in the international markets. European Economic Crisis was more intense in the second half of 2012; Greece, Italy and Spain fuelling the existing crisis.

- Thus we were hit two-fold; one due to the rise in Crude prices, the RM Costs went up and second rise in price of USD again increased the RM Costs.
- All our Base Raw Materials are Petrochemical-based and any change in the price of Crude will directly affect the Input Raw Material prices Thus costs of Input Raw Materials started rising up.
- The Input Costs of all our Base Raw Material as well as Additives etc are Dollar driven; any change in the price of USD will directly affect the Input Raw Material



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- The Rs v/s USD in August 2011 vis-a-vis current rate; an increase of more than 25% in the value of USD. In other words, the Rupee depreciated by 25%.
- The Average Raw Material Costs directly went up by 25% without a corresponding increase in Average Sales Price.
- The Profit which was anticipated in the range of 8-10% was wiped out with this increase in Raw Material Costs. However, the Company tried to save and cut down on other expenses to partly offset the increased RM Costs.
- No Economy or Industry; in India or elsewhere can take a price rise of 25% in a span of almost 10 months. It was due to our ability and farsightedness that we could at least keep ourselves afloat.
- In addition to the increase in RM Costs, Labour cost and the Electricity charges have also been going up.
- Cost of Finance also went upwards by nearly 15%. With Bank rates going up, the cost of borrowed money also went upwards from 12.25% to 15.00 % - this added further pressure on bottom line.
- Nothing good to report by anyone; the sentiment was low and overall industry started to face drop in sales numbers; Sales of Automotive were at the all time lowest. However, spreading the business basket to other industry,

To sum up our woes; we were hit from all possible sides. In spite of the adverse situations on all fronts, we were able to sustain and keep afloat. It is important to survive in such crisis rather than prosper. With hard work and focused attention, success & prosperity is assured.

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.



Segment wise / Product wise performance

Class of Goods	Unit	Sales Qty	Value Rs
Compounds of Engineering Polymers	M.T.	1066.191	105701646
Others Nos	NIL	NIL	

Outlook

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. The demand for this product will never be in slump due to the sheer size of the Domestic Market.

The New Year started with positive note; people started getting over the increased costs. The required / requested price rise was also coming from some sectors; to start with. Marketing Strategy and efforts to cater to diverse industrial applications were showing results and sales are growing from early parts of the year itself, newer opportunities are showing positive signs and contracted sales opportunities are offered.

In times of such economic slowdown, good opportunity will provide us an excellent platform. We are confident to attain much higher sales volume. We need to focus on this and turn around the Company. Such opportunities do not always come your way only. We are lucky to have this opportunity in our lap.

As against the last year ended March 2012, the current year has begun with a good note. India has emerged as an Automobile Hub of the World. Practically all Auto manufacturers have made India as a base for their South Eastern Market. These manufacturers need quality material at competitive prices. Electrical Industry is also a big market. Giants like Havells, Areva, Phillips Electricals, Orpat, Ajanta etc are one the few large customers consuming 150 MT each per month. Particularly the CFL fittings are the most growing market. This is due to the fact that the Government has decided to phase out the regular Bulbs and replace them with CFLs. Govt is also providing subsidies for this project in every state. You will appreciate the fact that we have been growing at a conservative pace.

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.

We achieved a Revenue of Rs. 1078 lacs during the year with a PBIDT at Rs. 117.73 lacs. The Interest & Finance Costs for the year stood at Rs. 63.18 lacs which is nearly 5.97% of the Sales & Depreciation at Rs. 46.84 lacs. The RMC stood at Rs. 704.68; 74% of Gross Sales. With the above costs, the profit was very negligible.

The Company has posted Net Profit of Rs. 6.28 lacs. 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.



AUDITOR'S REPORT

The Members of
AXEL POLYMERS LIMITED

We have audited the attached Balance Sheet of AXEL POLYMERS LIMITED as at 31.03.2012 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) 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.
- (ii) 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.
- (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- (iv) 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.
- (v) On the basis of written representations received from the directors, as on 31.03.2012 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31.03.2012 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present 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, 2012;
- (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 Accountants
FRN: 118852W

Place: Vadodara
Date: 16/08/2012

(Yogesh Bhandari)
Partner
M.No46255



ANNEXURE TO THE AUDITOR'S REPORT

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

- 1 (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets; however the same remains to be updated.
- (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 ant substantial part of its fixed assets during the year.
- 2 (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. As informed to us, 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.
- 3 (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence, Clause (03) (a) to (d) of the Order are not applicable.
- (e) The company has taken unsecured loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance is Rs.99.01 Lacs (P.Y.95.46 Lacs) and year-end balance is Rs.108.58 Lacs (P.Y.89.89 Lacs)
- (f) In our opinion and information given to us the rate of interest and other terms and conditions of loans taken by the company, secured or unsecured, are not prima facie prejudicial to the interest of the company.
- (g) As per information given and explanation given to us, the payment of interest is regular and there is no stipulation as regards to repayment of principal.
4. 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.
5. (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, the transactions made in pursuance of contracts or arrangements referred to in (a) above and exceeding the value of Rs 5.00 lacs with the parties during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits 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.
7. In our opinion and as informed to us, the company has an internal audit system commensurate with its size and nature of its business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1) (b) of the Companies Act, 1956; hence clause (viii) of the order is not applicable.
9. (a) The company is not regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, service tax, 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 31.03.2012 for a period of more than six months from the date they became payable except tax deducted at source amounting to Rs.3.81 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.
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 of similar nature and hence maintenance of documents and records relating to such items are not applicable.
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. The clause (xiv) of the order is not applicable to the company as 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.
18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956. 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

Place: Vadodara
Date: 16/08/2012

(Yogesh Bhandari)
Partner
M.No46255



BALANCE SHEET AS AT 31.03.2011

Amount Rs.

PARTICULARS	Schedule	As At	
		31-03-2012	31-03-2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	4,30,00,000	4,30,00,000
(b) Reserves and Surplus	2.2	(1,12,61,387)	(1,18,88,973)
(2) Non-Current Liabilities			
(a) Long-term borrowings	2.3	2,16,58,826	2,65,48,718
(b) Long term provisions	2.4	5,16,997	3,17,804
(3) Current Liabilities			
(a) Short-term borrowings	2.5	3,36,35,813	1,04,75,097
(b) Trade payables	2.6	2,23,12,855	1,49,25,973
(c) Other current liabilities	2.7	60,85,875	57,01,192
(d) Short-term provisions	2.8	9,81,726	6,53,589
Total		<u>11,69,30,705</u>	<u>8,97,33,400</u>
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	2.9	4,52,94,050	4,86,57,978
(ii) Capital work-in-progress		29,55,000	29,55,000
(b) Deferred Tax Asset	2.10	7,82,212	8,80,131
(b) Long term loans and advances	2.11	22,26,167	28,33,624
(2) Current assets			
(a) Inventories	2.12	2,27,03,958	1,11,31,727
(b) Trade receivables	2.13	2,61,40,805	1,36,56,060
(c) Cash and cash equivalents	2.14	67,39,843	35,63,272
(d) Short-term loans and advances	2.15	81,32,283	59,38,220
(e) Other Current Asset	2.16	19,56,389	1,17,388
		<u>11,69,30,705</u>	<u>8,97,33,400</u>
Significant Accounting Policies	1		
Notes to Financial Statements	2		

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

PLACE : Vadodara

DATED : 16.08.2012

B.K.BODHANWALA

Chairman

A.B.BODHANWALA

Managing Director

PLACE : Vadodara

DATED : 16.08.2012



Profit & Loss Account For The Year Ended 31.03.2011		Amount Rs.	
PARTICULARS	Schedule	As At 31-03-2012	As At 31-03-2011
I Revenue from operations (Gross)	2.17	10,56,69,333	3,17,54,461
Less: Excise Duty		94,72,551	13,99,136
Revenue from operations (Net)		9,61,96,782	3,03,55,325
II Other Income	2.18	21,27,375	9,81,157
III. Total Revenue (I +II)		<u>9,83,24,157</u>	<u>3,13,36,482</u>
IV Expenses			
Cost of Material consumed	2.19	7,04,67,687	1,24,06,038
Changes in inventories of finished goods, work-in-progress	2.20	(40,33,521)	(25,09,203)
Employee benefit expense	2.21	68,59,617	50,31,277
Financial costs	2.22	63,17,960	36,68,735
Depreciation and amortization expense	2.9	46,84,949	45,85,764
Other expenses	2.23	1,33,01,958	76,91,481
Total Expenses		<u>9,75,98,651</u>	<u>3,08,74,091</u>
V. Profit before tax (III - IV)		7,25,506	4,62,392
VI. Tax expense			
(1) Current tax		0	0
(2) Deferred tax		97,920	(1,38,175)
VII. Profit/(Loss) for the year		<u>6,27,586</u>	<u>6,00,567</u>
VIII. Earning per equity share (Face value of Rs. 10/-)			
Basic & Diluted		0.15	0.14
No.of Shares C.Y.& P.Y.4300000			
Significant Accounting Policies	1		
Notes to Financial Statements	2		

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
PLACE : Vadodara
DATED : 16.08.2012

B.K.BODHANWALA
Chairman

A.B.BODHANWALA
Managing Director

PLACE : Vadodara
DATED : 16.08.2012



Schedules Annexed to & Forming Part of Balance Sheet And Profit & Loss Account

PARTICULARS	Amount Rs.	
	31-03-2012	31-03-2011

Note : 2.1 Share Capital

AUTHORISED SHARE CAPITAL :

50,00,000 Equity Shares of Rs 10/- each

(P.Y.50,00,000 Equity Shares ofRs 10/- each)

5,00,00,000

5,00,00,000

ISSUED ,SUBSCRIBED & PAID UP CAPITAL :

43,00,000 EquityShares of Rs. 10 each fully paid up

(P.Y. 43,00,000 Equity Shares of Rs.10/-each)

4,30,00,000

4,30,00,000

4,30,00,000

4,30,00,000

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Equity Shares with voting rights	No.of Shares	Amount Rs.	No.of Shares	Amount Rs.
Opening Balance	4300000	4,30,00,000	4300000	43000000
Add:Fresh Issue	0	0	0	0
Closing Balance	4300000	4,30,00,000	4300000	43000000

Shareholders holding

exceeding 5% shares

A.B.Bodhanwala

No.of Shares
227300

5.29

No.of Shares
227300

5.29

Note : 2.2 Reserve & Surplus

Capital Investment Subsidy

(From Government of Gujarat)

25,00,000

25,00,000

Profit & Loss account

As at Commencement of the Year

(1,43,88,973)

(1,49,89,540)

Add : Transferred from Profit &

Loss Account

6,27,586

-1,37,61,387

6,00,567

(1,43,88,973)

As at end of the Year

-1,12,61,387

(1,18,88,973)

Note :2.3 Long-Term Borrowings

A) Secured Loans

Long Term Loans - From Banks

Rupee Term Loan

1,15,00,691

1,69,06,691

Terms: Refer Note no.2.27(1)

B) Unsecured Loans

Long Term Loans - Others

From Directors and Related Parties

1,01,58,135

96,42,027

(Terms: Repayment is not stipulated,repayable after 12 months and Rate of Interest is Rs.12%)

2,16,58,826

2,65,48,718

Note : 2.4 Long Term Provisions

For Gratuity

5,16,997

3,17,804

5,16,997

3,17,804



Note 2.9 FIXED ASSETS													
PARTICULARS	GROSS BLOCK				Rate	DEPRECIATION				NET BLOCK			
	AS ON	ADD.	DED.	AS ON		AS ON	FOR THE YEAR	AS ON	AS ON	AS ON	AS ON	AS ON	
	01.4.2011				OF	ADDITION	DEDUCTION	31.3.2012	31.3.2012	31.3.2012	31.3.2012	31.3.2011	
FREE HOLD LAND	1814225	267761	0	2081986	0			0	0	2081986	1814225		
BUILDING	3453850	0	0	3453850	2	56298		932775	932775	2521075	2577373		
FACTORY BUILDING	17531799	40050	0	17571849	3	568705		4633376	4633376	12938472	13484127		
PLANT & MACHINERY	61482278	154359	0	61636637	5	3251957		41098130	41098130	20538508	23636105		
ELECTRICAL INSTALLATIONS	2462810	0	0	2462810	5	116983		1543677	1543677	919133	1036116		
LABORATORY EQUIPMENTS	1693210	890944	0	2584154	5	105852		443198	443198	2140956	1355863		
FURNITURE & FIXTURES	1307368	58315	0	1365683	6	83644		589246	589246	776436	801765		
DATA PROCESSING MACHINES	1059667	176318	0	1235985	16	58773		1013144	1013144	222841	105296		
OFFICE EQUIPMENTS	994315	34690	0	1029005	5	48453		359115	359115	669890	683653		
VEHICLES	4493690	367387	1244114	3616963	10	377284	575309	1132210	1132210	2484753	3163455		
GRAND TOTAL	96293212	1989823	1244114	97038921	57	4684949	575309	51744871	51744871	45294050	48657978		
Previous Year Figures	94439463	1853749	0	96293212		4585764	0	47635231	47635231	48657978	51389995		



Amount Rs.

PARTICULARS	31-3-2012	31-3-2011
Note : 2.5 Short Term Borrowings		
A) Secured Loans		
Loan repayable on demand from Banks		
Cash Credit	2,95,48,951	1,04,75,097
(Secured by Hypothication of Stock, Book-debts & Equitable Mortgage of Land & Building, Plant & Machinery & Personal Gaurantee of Directors and carries interest rate @ 14.25% p.a.)		
B)Unsecured Loan		
Other Loans fom Banks		
Foreign Currency Loan(Buyers'Credit)	40,86,862	
(Loan carries interest @ LIBOR plus 200BPS, repayable on their respective due dates within next 6 months.)		
	<u>3,36,35,813</u>	<u>1,04,75,097</u>
Note : 2.6 Trade Payable		
Trade payables	2,23,12,855	1,49,25,973
	<u>2,23,12,855</u>	<u>1,49,25,973</u>
Note : 2.7 Other Current Liabilites		
Current Maturities of Long term debt	54,06,000	50,19,504
Balance due to Government Authorities	6,79,875	6,81,688
	<u>60,85,875</u>	<u>57,01,192</u>
Note : 2.8 Short-Term Provisions		
For Expenses	4,36,584	4,66,696
For Excise Duty	5,45,142	1,86,893
	<u>9,81,726</u>	<u>6,53,589</u>
Note : 2.10 Deferred Tax Asset		
Deferred Tax Asset on account of:		
Expense on payment basis & Business Loss	6822084	74,79,195
Less:Deferred Tax Liability on account of :		
Difference between book and tax written down values of fixed assets	6039872	65,99,064
	7,82,212	8,80,131
Net Deferred Tax Liability	<u>7,82,212</u>	<u>8,80,131</u>



PARTICULARS	Amount Rs.	
	31-3-2012	31-3-2011
Note:2.11 Long-Term Loans & Advances		
B) Unsecured Advances		
Considered Good		
Deposits	15,63,493	15,63,493
Advance Tax & Others	6,62,674	12,70,130
	<u>22,26,167</u>	<u>28,33,623</u>
Note : 2.12 Inventories		
(At lower of Cost or Net Realisable Value)		
Raw Material	1,42,00,457	77,97,539
Consumables	19,60,777	8,24,985
Finished Goods	49,55,676	22,96,584
Work in Progress	15,87,048	2,12,619
	<u>2,27,03,958</u>	<u>1,11,31,727</u>
Note : 2.13 Trade Receivables		
Unsecured considered Good		
Debtors outstanding for a period exceeding six months from the date they become due	23,22,372	3,62,100
Others	2,38,18,433	1,32,93,960
	<u>2,61,40,805</u>	<u>1,36,56,060</u>
Note : 2.14 Cash & Cash Equivalent		
Cash in Hand	25,75,684	16,68,503
Balance with Banks	12,91,259	3,77,008
Fixed Deposits incl. Interest (held as Margin Money having original maturity of less than 12 months)	28,72,900	15,17,761
	<u>67,39,843</u>	<u>35,63,272</u>
Note : 2.15 Short Term Loans & Advances		
Unsecured, Considered Good		
Advance to Staff and Others	68,38,169	49,37,994
Balance with government authorities	11,98,603	9,41,802
Prepaid Expenses	95,513	58,424
	<u>81,32,283</u>	<u>59,38,220</u>
Note: 2.16 Other Current Assets		
Unsecured, Considered Good		
Interest receivable	19,56,388	1,17,388
	<u>19,56,388</u>	<u>1,17,388</u>



Amount Rs.

PARTICULARS	31-3-2012	31-3-2011
Note : 2.17 Revenue from Operation		
Sale of Products	9,81,94,886	1,67,09,188
Sale of Services	74,74,447	1,64,44,412
Less : Excise Duty	94,72,551	13,99,139
	<u>9,61,96,782</u>	<u>3,17,54,461</u>
	<u>9,61,96,782</u>	<u>3,17,54,461</u>
Sales of PA-6/66	2,95,94,552	41,08,117
Sales of PBT/PET	1,15,72,448	31,91,913
Sales of PC	1,62,60,169	37,91,022
Sales of PP	92,90,619	25,33,964
Sales of Other Products	2,20,04,547	16,85,033
	<u>8,87,22,335</u>	<u>1,53,10,049</u>
Note : 2.18 Other Incomes		
Interest Income	19,74,690	74,997
Miscellaneous Income	1,52,685	9,06,160
	<u>21,27,375</u>	<u>9,81,157</u>
Note: 2.19 Cost of Materials Consumed		
A) Raw Material Consumed		
Opening Stock	77,97,539	2,50,000
Purchases	7,68,70,605	1,99,53,577
	8,46,68,144	2,02,03,577
Less : Closing Stock	1,42,00,457	77,97,539
Raw Material Consumed	<u>7,04,67,687</u>	<u>1,24,06,038</u>
Details of Imported and Indigenous RMC & %	Amt. Rs. %	Amt. Rs. %
Imported	4908584 6	0 0
Indigenous	71962021 94	1,99,53,577 100
Total...	<u>76870605 100</u>	<u>1,99,53,577 100</u>
Major items of Raw material consumption		
Polyamide -6/66	20708218	3176152
Polycarbonate	10769481	2256219
Other Polymers	9795695	809709
Propylene	4362424	1535961
PBT	6201866	2286102
Others	18630003	2341895
Note : 2.20 Increase/(Decrease)in Stocks		
Closing Stock of :		
Finished Goods of Compounds of Engg.Polymers	49,55,676	22,96,584
Work in Progress	15,87,048	2,12,619
Total (A)	<u>65,42,724</u>	<u>25,09,203</u>



PARTICULARS	Amount Rs.	
	31-3-2012	31-3-2011
Opening Stock of :		
Finished Goods of Compounds of Engg.Polymers	22,96,584	0
Work in Progress	2,12,619	0
Total (B)	<u>25,09,203</u>	<u>0</u>
Increase/(Decrease) in Stock (A-B)	40,33,521	25,09,203
Note : 2.21 Employees benefits		
Salary, Wages, Allowances & other Benefits	63,96,159	47,03,077
Gratuity	2,07,836	72,662
P. F. Contribution	2,42,804	1,97,232
Staff Welfare Expenses	12,818	58,306
	<u>68,59,617</u>	<u>50,31,277</u>
Note : 2.22 Financial Cost		
Interest to Bank	49,44,318	28,87,966
Interest to Others	5,47,693	6,81,719
Others	8,25,949	99,050
	<u>63,17,960</u>	<u>36,68,735</u>
Note : 2.23 Other Expenses		
Manufacturing Expenses		
Power & Fuel	30,12,978	36,16,819
Repairs & Maintainance to Plant & Machinery	1,81,983	96,668
Factory Expense	2,37,407	2,59,381
Administrative & Others Expenses		
Clearing, Forwarding & Freight	28,26,321	0
Consumption of Store & Spares	1,10,178	2,27,213
Foreign Exchange Fluctuation	41,440	0
Donation	20,000	0
Insurance Charges	1,59,410	1,04,742
Payment to Auditor:		
For Audit Fee	112360	1,10,300
Rent	0	24,081
Rates & Taxes	28,556	7,40,490
Repairs & Maintenance		
Building	0	2,08,508
Others	211930	0
	<u>2,11,930</u>	<u>2,08,508</u>
Vat & Sales Tax	35,07,742	0
Miscallaneuos Expenses	28,51,653	23,03,279
	<u>1,33,01,958</u>	<u>76,91,481</u>



CASH FLOW STATEMENT AS AT 31.03.2012

PARTICULARS	As at 31.3.2012	As at 31.03.2011
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items (Including Prior period adjustments)	725506	462391
Adjusted for depreciation and w/off misc. expenses	4684949	4585764
Operating Profit before working capital changes	5410455	5048155
Inventories	-11572231	-10656742
Rreceivables	-12484745	-8670154
Other Current Assets	-3425608	-4155206
Trade Payables & Provisions	8298895	12196238
CASH GENERATED FROM OPERATIONS	-13773234	-6237708
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-1989823	-1853747
Sale of Assets (Including Profit)	668805	0
NET CASH USED IN INVESTING ACTIVITIES	-1321018	-1853747
C CASH FLOWS FROM FINANCIAL ACTIVITIES		
Proceeds from long term borrowings	-4889892	4782576
Proceeds from short term borrowings	23160714	5746602
NET CASH USED IN FINANCING ACTIVITIES	18270822	10529178
Net increase/decrease in Cash and equivalents	3176570	2437723
Opening balance of Cash and Cash equivalents	3563273	1126000
Closing balance of Cash and Cash equivalents	6739843	3563723
Cash and cash Equivalents include		
Cash in hand	2575684	1668503
Balance with Scheduled Bank		
- In Current Account	1291259	377009
- In Deposit Account	2872900	1517761

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

PLACE : Vadodara

DATED : 16.08.2012

B.K.BODHANWALA

Chairman

A.B.BODHANWALA

Managing Director

PLACE : Vadodara

DATED : 16.08.2012



NOTE 1

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.

2. NOTES TO THE ACCOUNTS:

1. Some of the Vehicles are registered in the name of Directors and Employee of the company.
2. 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.
3. During the year, the wholetime Directors have foregone their increase in Salary prior to the same becoming due.
4. 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 31.03.2012 are as under:

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

Particulars	Nature of Payment	31.03.2012	31.03.2011
A.B. Bodhanwala	Managerial Remuneration	15.00	15.00
	Interest on Loan	3.69	5.14
	Loan received	51.06	60.36
	Loan repaid	38.87	12.76
	Guarantees given	569.74	619.56
B.K. Bodhanwala	Managerial Remuneration	4.20	4.20
	Interest on Loan	1.78	1.30
	Loan received	12.61	7.86
	Loan Repaid	7.17	0.13
	Guarantee Given	569.74	619.56
M.A. Bodhanwala	Interest on Loan	-	0.38
	Loan received	3.12	5.38
	Loan Repaid	1.78	4.04
	Guarantee Given	569.74	619.56



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

5. Previous year's figures have been regrouped, rearranged or recast wherever necessary.
6. Earnings Foreign Currency: Rs. 2.05 lacs (Previous Year Rs Nil)
Expenditure in Foreign Currency Rs. 3.48 lacs (Previous year Rs. Nil)
- 2 The disclosure as required under AS 15 regarding Gratuity Plan is as under:

Table showing changes in present value of obligation As on	31.03.2012
Present value of obligation at beginning of year	451992
Interest cost	36159
Current Service cost	70386
Benefit paid	-69231
Actuarial (gain) / loss on obligation	103533
Present value of obligation at end of year	592839
Table showing changes in the fair value of plan assets As on	31.03.2012
Fair value of Plan Asset at beginning of year	134188
Expected Return on Plan Asset	10885
Contributions	0
Benefit paid	-69231
Actuarial gain / loss on Plan Asset	NIL
Fair value of Plan Asset at end of year	75842
Table showing fair value of plan assets	
Fair Value of Plan Assets at beginning of year	134188
Actual return on Plan Assets	10885
Contributions	0
Benefits paid	-69231
Fair Value of Plan Assets at end of period	75842
Fund Status	-516997
Excess actual / estimated return on plan asset	NIL
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)	
Actuarial Gain / Loss recognized	31.03.2012
Actuarial (gain) / loss on obligation	-103533
Actuarial (gain) / loss for the year-plan asset	NIL
Actuarial (gain) / loss for the year	103533
Actuarial (gain) / loss recognised in the year	103533
The amounts to be recognized in the balance sheet and statement of profit and loss	
Present value of obligation at end of year	592839
Fair value of Plan asset as at end of the year	75842
Funded Status	-516997



Net Asset / (Liability) recognised In Balance Sheet	516997
Expenses Recognised in statement of Profit and loss	
Current Service cost	70386
Interest cost	36159
Expected return on plan asset	-10885
Net Actuarial (gain) / loss recognised in the year	103533
Expense recognised in Statement of Profit & Loss	199193
ASSUMPTIONS	
	31.03.2012
Discount Rate	8.00%
Salary Escalation	7.00%

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
PLACE : Vadodara
DATED : 16.08.2012

B.K.BODHANWALA
Chairman

A.B.BODHANWALA
Managing Director

PLACE : Vadodara
DATED : 16.08.2012



ATTENDANCE SLIP

S. No. 309, Vill. Mokshi,
Sankarda-Savli Road
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 **20th ANNUAL GENERAL MEETING** of the Company held, on **Saturday the 22th September 2012** at S. No. 309, Vill. Mokshi, Sankarda - Bhadarva Rd., Tal. Savli, Dist, Vadodara.

SIGNATURE OF THE SHAREHOLDER / PROXY

PROXY

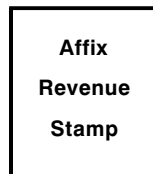
Axel Polymers Limited
S. No. 309, Vill. Mokshi,
Sankarda-Savli Road
Tal. Savli, Dist. Vadodara.

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 20th Annual General Meeting of the Company to be held on Saturday 22th September 2012 and at any adjournment thereof.

Signed this day of 2012



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.

If undelivered please return to :

Axel Polymers Limited

S. No.309, Vill. Mokshi

Sankarda - Savli Road

Taluka Savli, Dist. Vadodara-391 780

Gujarat, India.