



Axel Polymers Limited

Notice

Notice is hereby given that the TWENTY FIRST ANNUAL GENERAL MEETING of the members of the Company will be held at 9.00 A.M. on Saturday, the 28th September 2013 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, 2013 and the Report of the Directors' and Auditors' thereon.
2. To appoint Director in place of Mr. B.K. Bodhanwala who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Director in place of Dr. M.A. Bodhanwala who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass the following Resolution with or without modification(s) as an Ordinary Resolution:

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

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. PATEL PRIYANK GHANSHYAMBHAI, who was appointed as an additional director of the Company pursuant to Clause 137 of Articles of Association read with section 260 of the Companies Act, 1956 to hold office up to the ensuing Annual General Meeting and in respect of whom requisite notice under Section 257 of Companies Act, 1956 has been received, be and is, hereby appointed as a Director liable to retire by rotation."

Regd. Office:
309, Mokshi, Sankarda-Savli Road
Tal. Savli, Dist. Vadodara 391 780

By Order of the Board of Directors

Place: Mokshi
Dated: 31.05.2013

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 AT THE MEETING 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 26.09.2013 to 28.09.2013 (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 between 11.00 AM to 1.00 PM up to the date of Annual General Meeting.



Axel Polymers Limited

- Please bring the 21st Annual Report and Accounts (2012 - 2013)
- Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 5 is annexed hereto

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

ITEM NO. 5:

Appointment of Mr. PATEL PRIYANK GHANSHYAMBHAI as a Retiring Director

Your Directors appointed Mr. PATEL PRIYANK GHANSHYAMBHAI as an Additional Director to hold office up to the ensuing Annual General Meeting. He has a bright academic career and rich experience of about 20 years in the field of Accounting, Marketing & Construction to his credit. Your Directors recommend and seek your approval by way of Ordinary resolution for his appointment as a Director liable to retire by rotation, for whom requisite notice u/s 257 of the Companies Act, 1956 has been received by the Company. No Director except Mr. Patel, shall be deemed to be concerned or interested in the resolution.

Regd. Office:
309, Mokshi, Sankarda-Savli Road
Tal. Savli, Dist. Vadodra 391 780

By Order of the Board of Directors

Place: Mokshi
Date: 21.05.2013

S. K. Bodhanwala
Chairman

Details of the Director seeking appointment/ reappointment; at the forthcoming Annual General Meeting, pursuant to Clause 49 of the Listing Agreement

Name	Mr. B. K. Bodhanwala	Dr. M. A. Bodhanwala	Mr. P. G. Patel
Date of Birth & Age	20.05.1928 85 years	13.01.1963 50 years	21.07.1988 25 years
Date of Appointment	21.05.1992	28.02.2002	22.09.2012
Qualifications	B. Com	BDS, MHA, QCI	B. Com MBA
No. of Shares held	40100	192500	NIL
Experience	55 years	18 years	2 years
Directorship in other public companies	Nil	Nil	Nil
Chairmanship/membership of committees	Nil	1	Nil

\$ Directorship in private companies, foreign companies and associates are excluded.

⊗ Represents Membership/Chairmanships of Audit Committee and Shareholders'/investors Grievance Committee only.



DIRECTOR'S REPORT



Dear Shareholder,
Your directors are pleased to present herewith the Twenty First Annual Accounts of your Company for the financial year ended March 31, 2013
PART I
FINANCIALS

PARTICULARS	2012-13	2011-2012
Gross Sales and other income	84642437	104288966
Excise Duty	8291304	9472551
Expenditure	75500959	94090909
Depreciation & W/off	4657923	4684949
Profit before Interest, W/off & Depreciation	8032348	11728415
Profit before Tax	-3807748	725506
(Short) / Excess Provision of Current tax of earlier year	0	0
Provision for Taxation :		
MAT	0	0
Deferred Tax Liability / Asset	0	97920
Prior Period Adjustment	181594	0
Profit after Tax	-3989342	627586

PERFORMANCE

As you are aware, we were in the business of Toll - Manufacturing Compounds, Blends & Alloys of Engineering & Specialty Polymers for the last 21 years. We launched our own Brand AXEL in 2012.

You will appreciate that financial year 2012-2013 was the 2nd full year of operations. Though we are in the business for the last 21 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 Gross Revenue of Rs. 846.42 lacs during the year. The Interest & Finance Costs for the year stood at Rs. 71.82 lacs which is nearly 8.80% of the Net Sales & Depreciation at Rs. 46.58 lacs. The RMC stood at Rs. 633.10; 77% of Gross Sales. With the above costs, the profit was totally wiped out; negative.

KEY FACTORS AT A GLANCE

This year was our 2nd full year of Operations. The Sales for the year 2012 - 2013 was estimated at Rs. 1200 lacs. This estimated sale was projected at the beginning of the FY & based on the availability of resources. In all sectors, there is a shortfall in targets & beyond acceptable limits. Moreover, our business is mainly associated with Automobile & Infrastructure industry. Both were in low during the last year.

The main factors are:

- Our Industry is totally US Dollar driven. Our Base Polymers, Additives, Fillers, etc are totally imported. Thus any variation in the prices of the RE vis USD directly affects the cost as well as the availability.
- The industry as a whole has been passing through very tough times and the level of uncertainty is increasing day by day.
- Customers were wary of carrying additional Stocks in view of the volatile Market situation.
- Payment realisation was also an issue, since last 2 years

in brief,

The last F Y 2012-2013 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 volatile \$ started going upwards and downwards in the international markets.

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 vis USD in 2012 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 projected Net Profit which was in the range of 8-12% 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 12 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 & Inflation, **we 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 13.00%. 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....

BUSINESS PROSPECTS / PROJECTIONS 2013-2014

We are happy to inform you that this year has started very well.

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 higher sales volume in the current year. We need to focus on this and turn around the Company. Such opportunities do not always come your way.

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 transparency, 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, 2013, 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

Resignation

Mr. S.A.Mehta, who was appointed as Executive Director SBU Polymers, has resigned from the services of the Company. He has also tendered his Resignation which has been accepted by the Board and he is deemed to be relieved with effect from 31.01.2013.

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



Axel Polymers Limited

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 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 complaints 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 earned USD 28560 on Revenue 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.

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Axel Polymers Limited

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	2012 - 2013	2011 - 2012
Purchased	Quantity units	280659	486537
	Amount Rs.	2055052	3013075
	Rate/unit Rs.	7.32	6.19
Production	Quantity M.T.	629,445	1066
	Total Power Cost Rs.	2055052	3013075
	Power Cost per Kg. of Production Rs.	3.26	2.82

The Power cost per kg of Production has increased from Rs. 2.82 to 3.26 per kg due to increase in the rate of power as well as duty.

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: 31.05.2013

B.K.BODHANWALA
CHAIRMAN

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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 transparency, 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 31.03.2013.

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	CNE
Mr. B. B. Patel	Independent Non Executive	2	YES	NONE
Mr. G. M. Patel	Independent Non Executive	2	YES	NONE
Mr. P. G. Patel	Independent Non Executive	2	NO	NONE

There were 7 Board meetings held during the year 2012-2013 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 we 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 31.03.2013..

GENERAL BODY MEETINGS

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

Financial Year	Date of AGM	Location	Time
2011-2012	22.09.2012	Registered Office	9.00 AM
2010-2011	24.09.2011	Registered Office	9.00 AM
2009-2010	25.09.2010	Registered Office	9.00 AM

DISCLOSURES

During the year 2012-2013 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
21st
28.09.2013 at 9.00 A.M.
Date & Time:
S.No. 309, Vill. Mokshi, Tal Savli, Dist Vadodara
Venue :
The Company follows April - March financial year.
Financial Calendar
The Results of every Quarter are declared in the month following the Quarter as per the Listing Agreement.



Axel Polymers Limited

Book Closure date 26.09.2013 to 28.09.2013 (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 2213100 Equity Shares of the Company
 and liquidity have been Dematerialised as on 31.03.2013.
 Registrar & Transfer Agents LINKINTIME INDIA PRIVATE LIMITED
 B102 & 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 31.03.2013

SHAREHOLDING INAMOUNT	NO OF HOLDERS	% OF TOTAL	NO OF SHARES	% OF TOTAL
1-500	10748	93.5666	1649918	38.3702
501-1000	408	03.5518	343322	07.9842
1001-2000	166	01.4451	256917	05.9748
2001-3000	59	00.5136	151033	03.5124
3001-4000	21	00.1828	77072	01.7924
4001-5000	21	00.1828	101778	02.3669
5001-10000	23	00.2002	169783	03.9484
Above - 10001	41	00.3569	1550177	36.0506
TOTAL	11487	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:



Axel Polymers Limited

LINKINTIME 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 2012-2013.

A.B.Bocharwala
 Managing Director
 Dated: 31.05.2013



Shah & Bhandari
Chartered Accountants

Manish Shah
R. Govt. F.C.A.
Jogesh Bhandari
R. Govt. F.C.A., D. U. 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 31.03.2013 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 31.03.2013 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 31.03.2013.

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 31.05.2013

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 consciousness, 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 2012-2013 was the 2nd full year of operations. Though we are in the business for the last 20 years, we were new entrants to the market for 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 Gross Revenue of Rs. 846.42 lacs during the year. The Interest & Finance Costs for the year stood at Rs. 71.82 lacs which is nearly 8.80% of the Sales & Depreciation at Rs. 46.58 lacs. The RMC stood at Rs. 633.10; 77% of Gross Sales. With the above costs, the profit was totally wiped out.

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 2012-2013 was 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 volatile \$ started going upwards and downwards in the international markets.

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 2012 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 8-12% 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 12 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.

BUSINESS PROSPECTS / PROJECTIONS 2013-2014

We are happy to inform you that this year has started very well. We have already made Sales of Rs. 92.28 lacs. We have confirmed Orders for Rs. 101.28 lacs to be delivered by month end. Further there are other regular Orders too.

We are one of the oldest Companies in the field of Engineering Polymers. With the launch of our 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 higher sales volume in the current year. 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.

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 lacs
Compounds of Engineering Polymers	MT	629,445	733.28

Outlook

We are one of the oldest Companies in the field of Engineering Polymers. With the launch of our 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 higher sales volume in the current year. 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 2013, 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.

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.

The performance analysis for the year, we achieved a Gross Revenue of Rs. 846.42 lacs during the year. The Interest & Finance Costs for the year stood at Rs. 71.82 lacs which is nearly 8.80% of the Net Sales & Depreciation at Rs. 46.58 lacs. The RMC stood at Rs. 633.10; 77% of Gross Sales. With the above costs, the profit was totally wiped out.

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
Munish Shah
B.Com., F.C.A.
Vijesh Bhandari
B.Com., F.C.A., D.S.A. (ICAI)



INDEPENDENT AUDITOR'S REPORT

To the Members of
AXEL POLYMERS LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given



to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 44-1A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place:- VADODARA
DATE: 31-05-2013

(YOGESH BHANDARI)
PARTNER
Membership No. 046255

For SHAH & BHANDARI
Chartered Accountants
FRN: 118852W



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 any 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 (a) to (d) of the Order are not applicable.
- (b) 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. 125.19 lacs (P.Y.93.99 lacs) & year-end balance is Rs. 121.60 lacs (P.Y.101.58 lacs)
- (c) 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.
- (d) 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. 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.



Axel Polymers Limited



Axel Polymers Limited

- (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 generally 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 31.03.2013 for a period of more than six months from the date they became payable except tax deducted at source amounting to Rs.2.74 Lacs which is outstanding more than six months.
- 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.

Place: Baroda
Date: 31.05.2013

Yogesh Bhandari
Partner
M.No.46255

For Shah & Bhandari
Chartered Accountants
FRN: 118852W



Axel Polymers Limited

BALANCE SHEET AS AT 31.03.2013

Amount Rs.

PARTICULARS	Schedule	As At 31-03-2013	As At 31-03-2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	43,000,000	43,000,000
(b) Reserves and Surplus	2.2	(15,250,729)	(11,261,387)
(2) Non-Current Liabilities			
(a) Long-term borrowings	2.3	17,668,051	21,658,826
(b) Other Long term liabilities	2.4	4,300,000	0
(c) Long term provisions	2.5	518,319	516,997
(3) Current Liabilities			
(a) Short-term borrowings	2.6	37,108,880	33,635,813
(b) Trade payables	2.7	27,550,207	22,312,855
(c) Other current liabilities	2.8	6,016,687	6,085,875
(d) Short-term provisions	2.9	1,446,782	981,726
Total		<u>122,358,017</u>	<u>116,930,705</u>
II. Assets			
(1) Non-current assets			
(a) Fixed assets	2.10	40,747,132	45,294,050
(i) Tangible Assets		2,955,000	2,955,000
(ii) Capital work-in-progress		782,212	782,212
(b) Deferred Tax Asset	2.11	782,212	782,212
(b) Long term loans and advances	2.12	2,912,342	2,912,342
(2) Current assets			
(a) Inventories	2.13	31,762,161	22,703,958
(b) Trade receivables	2.14	27,138,697	26,140,805
(c) Cash and cash equivalents	2.15	7,262,403	6,739,843
(d) Short-term loans and advances	2.16	6,398,823	7,446,107
(e) Other Current Asset	2.17	2,399,247	1,956,388
Total		<u>122,358,017</u>	<u>116,930,705</u>

As per Report of even date attached
FOR SHAH & BHANDARI
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

YOGESH BHANDARI
Partner
M. No. : 46255
PLACE : Vadodara
DATED : 31.05.2013

B.K.BODHANWALA
Chairman

A.B.BODHANWALA
Managing Director



Axel Polymers Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2013

Amount Rs.

PARTICULARS	Schedule	As At 31-03-2013	As At 31-03-2012
I Revenue from operations (Gross)			
Revenue from operations (Net)	2.18	81,619,142	102,161,591
Less: Excise Duty		8,291,304	9,472,551
Revenue from operations (Net)		73,327,838	92,689,040
II Other Income	2.19	3,023,295	2,127,375
III. Total Revenue (I +II)		<u>76,351,133</u>	<u>94,816,415</u>
IV Expenses			
Cost of Material consumed	2.20	63,310,862	70,467,687
Changes in inventories of finished goods, work-in-progress	2.21	(9,561,945)	(4,033,521)
Employee benefit expense	2.22	6,382,761	6,859,617
Financial costs	2.23	7,182,173	6,317,960
Depreciation and amortization expense	2.24	4,657,923	4,684,949
Other expenses	2.25	8,368,701	9,794,216
Total Expenses		<u>80,340,475</u>	<u>94,090,909</u>
V. Profit before tax (III - IV)		<u>(3,989,342)</u>	<u>725,506</u>
VI. Tax expense			
(1) Current tax		0	0
(2) Deferred tax		0	97,920
VII. Profit/(Loss) for the year		<u>(3,989,342)</u>	<u>627,586</u>
VIII. Earning per equity share (Face value of Rs. 10/-)			
Basic & Diluted		-0.93	0.15
No. of Shares C.Y.& P.Y.4300000	1		
Significant Accounting Policies	2		
Notes to Financial Statements			

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 : 31.05.2013

B.K.BODHANWALA
Chairman

A.B.BODHANWALA
Managing Director



NOTE TO FINANCIAL STATEMENTS

PARTICULARS 31-03-2013 Amount Rs. 31-03-2012

Note : 2.1 Share Capital

AUTHORISED SHARE CAPITAL :

50,00,000 Equity Shares of Rs.10/- each
(PY:50,00,000 Equity Shares of Rs.10/- each) 5,00,00,000 5,00,00,000

ISSUED ,SUBSCRIBED & PAID UP CAPITAL :

43,00,000 Equity Shares of Rs. 10 each fully paid up
(PY: 43,00,000 Equity Shares of Rs.10/-each) 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

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

Shareholders holding exceeding 5% shares

A. B. Bodhanwala	227300	No. of Shares 227300	Amount Rs. 5.29	No. of Shares 227300	Amount Rs. 5.29
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Note : 2.2 Reserve & Surplus

Capital Investment Subsidy (From Government of Gujarat)

Profit & Loss account

As at Commencement of the Year (13,761,387) (1,43,88,973)

Add : Transferred from Profit & Loss Account (3,989,342) 627,586

As at end of the Year (17,750,729) (13,761,387)

Note : 2.3 Long-Term Borrowings (15,250,729) (11,261,387)

A) Secured Loans

Long Term Loans - From Banks

Rupree Term Loan

Terms: Refer Note no.2.27(1) 5,508,317 11,500,691

B) Unsecured Loans

Long Term Loans - Others

From Directors and Related Parties 12,159,734 10,158,135

(Terms: Repayment is not stipulated, repayable after 12 months and Rate of Interest is Rs.12%) 17,668,051 21,656,826

Note : 2.4 Other Long Term Liabilities 4,300,000 0

In Intercompany deposit 4,300,000 0

Note : 2.5 Long Term Provisions For Gratuity 518,139 5,16,997

518,139 5,16,997

Note 2.10 FIXED ASSETS											
PARTICULARS	GROSS BLOCK					Rate OF DEP.	DEPRECIATION			NET BLOCK	
	AS ON 01.4.2012	ADD.	DED.	AS ON 31-3-2013	OF DEP.		FOR THE YEAR		AS ON 31.3.2013	AS ON 31.3.2013	AS ON 31.3.2012
							Addition	Deduction			
FREE HOLD LAND	2081986	0	0	2081986	0	0	0	0	0	2081986	2081986
P.Y.	1814225	267761	0	2081986	0	0	0	0	0	2081986	1814225
BUILDING	3453850	0	0	3453850	2	932775	56298		989073	2464777	2521075
P.Y.	3453850	0	0	3453850	2	876477	56298		932775	2521075	2577373
FACTORY BUILDING	17571849	298410	0	17870259	3	4633376	590298		5223674	12646585	12938472
P.Y.	17531799	40050	0	17571849	3	4047671	585705		4633376	12938472	13484128
PLANT & MACHINERY	61636637	15451	0	61652088	5	41098130	3254931		44353061	17299027	20538508
P.Y.	61482276	154359	0	61636637	5	37846173	3251957		41098130	20538507	23636105
ELECTRICAL INSTALLATIONS	2462810	129068	0	2591898	5	1543677	118654		1662331	929568	919133
P.Y.	2462810	0	0	2462810	5	1426694	116983		1543677	919133	1036116
LABORATORY EQUIPMENTS	2584154	0	0	2584154	5	443198	122747		565945	2018209	2140956
P.Y.	1693210	890944	0	2584154	5	337346	105852		443198	2140956	1355864
FURNITURE & FIXTURES	1365683	116933	0	1482616	6	589246	89349		678595	804021	776436
P.Y.	1307368	58315	0	1365683	6	505602	83644		589246	776436	801766
DATA PROCESSING MACHINES	1235985	154030	0	1390015	16	1013144	86214		1099358	290657	222841
P.Y.	1059667	176318	0	1235985	16	954371	58773		1013144	222841	105296
OFFICE EQUIPMENTS	1029005	63975	0	1092980	5	359115	50201		409316	683664	669890
P.Y.	994315	34690	0	1029005	5	310662	48453		359115	669890	683653
VEHICLES	3616963	0	1333400	2283563	10	1132210	289233	666517	754926	1528657	2484753
P.Y.	4493690	367387	1244114	3616963	10	1330235	377285	575309	1132211	2484752	3163455
GRAND TOTAL	97038922	777887	1333400	96483409	57	51744871	4657923	666517	55736277	40747132	45294050
Previous Year Figures	96293212	1989824	1244114	97038922	57	47635231	4684950	575309	51744872	45294050	48657978



Axel Polymers Limited



Axel Polymers Limited

PARTICULARS	31-3-2013	31-3-2012	Amount Rs.
Note : 2.6 Short Term Borrowings			
A) Secured Loans			
Loan repayable on demand from Banks			
Cash Credit	37,108,880	29,548,951	
(Secured by Hypothecation of Stock, Book-debts & Equitable Mortgage of Land & Building, Plant & Machinery & Personal Guarantee of Directors and carries interest rate @ 14.25% p.a.)			
B) Unsecured Loan			
Other Loans from Banks	0	4,086,862	
Foreign Currency Loan(Buyers'Credit)			
(Loan carries interest @ LIBOR plus 200BPS, repayable on their respective due dates within next 6 months.)	<u>37,108,880</u>	<u>33,635,813</u>	
Note : 2.7 Trade Payable			
Trade payables for goods & services	27,550,207	22,312,855	
	<u>27,550,207</u>	<u>22,312,855</u>	
Note : 2.8 Other Current Liabilities			
Current Maturities of Long term debt	54,06,000	5,406,000	
Balance due to Government Authorities	610,687	679,875	
	<u>6,016,687</u>	<u>6,085,875</u>	
Note : 2.9 Short-Term Provisions			
For Expenses	603,166	436,584	
For Excise Duty on closing stock	843,616	545,142	
	<u>1,446,782</u>	<u>981,726</u>	
Note : 2.11 Deferred Tax Asset			
Deferred Tax Asset on account of:			
Expense on payment basis & Business Loss	6822084	6822084	
Less:Deferred Tax Liability on account of:			
Difference between book and tax written down values of fixed assets	6039872	6039872	
	<u>782,212</u>	<u>782,212</u>	

PARTICULARS	31-3-2013	31-3-2012	Amount Rs.
Note: 2.12 Long-Term Loans & Advances			
B) Unsecured Advances			
Considered Good	1,563,493	1,563,493	
Deposits	1,348,849	1,348,849	
Advance Tax & Others	<u>2,912,342</u>	<u>2,912,342</u>	
Note : 2.13 Inventories			
(At lower of Cost or Net Realisable Value)			
Raw Material	13,539,492	14,200,457	
Work in Progress	8,435,678	1,587,048	
Consumables	2,118,000	1,960,777	
Finished Goods	7,668,991	4,955,676	
	<u>31,762,161</u>	<u>22,703,958</u>	
Note : 2.14 Trade Receivables			
Unsecured considered Good			
Trade receivable outstanding for a period > six months from the date they become due for Payment	2,257,014	2,322,372	
Others	24,881,683	23,818,433	
	<u>27,138,697</u>	<u>26,140,805</u>	
Note : 2.15 Cash & Cash Equivalent			
Cash in Hand	4,635,354	2,575,684	
Cheques on Hand	12,279	0	
Balance with Banks			
In current account	(1,893,230)	1,291,259	
In Fixed Deposits	4,508,000	2,872,900	
(field as Margin Money having original maturity of less than 12 months)	<u>7,262,403</u>	<u>6,739,843</u>	
Note : 2.16 Short Term Loans & Advances			
Unsecured, Considered Good			
Advance to Staff and Others	5,945,399	6,838,167	
Balance with government authorities	383,773	512,427	
Prepaid Expenses	69,651	95,513	
	<u>6,398,823</u>	<u>7,446,107</u>	
Note: 2.17 Other Current Assets			
Unsecured, Considered Good			
Interest receivable	2,399,247	1,956,388	
	<u>2,399,247</u>	<u>1,956,388</u>	



Axel Polymers Limited



Axel Polymers Limited

PARTICULARS	31-3-2013	31-3-2012
Note : 2.18 Revenue from Operation		
Sale of Products	74,879,996	94,687,144
Sale of Services	6,739,146	7,474,447
Less : Excise Duty	8,291,304	9,472,551
	<u>73,327,838</u>	<u>92,689,040</u>
	<u>73,327,838</u>	<u>92,689,040</u>

Sales of Major Items		
Sales of PA-6	37,715,204	28,414,562
Sales of PBT/PET	13,374,136	11,586,897
Sales of PC	3,599,475	15,378,716
Sales of PP	4,915,317	8,410,224
Sales of Other Products	15,275,864	30,896,745
	<u>74,879,996</u>	<u>94,687,144</u>

Note : 2.19 Other Incomes		
Interest Income	691,357	1,974,690
Miscellaneous Income	2,331,938	152,685
	<u>3,023,295</u>	<u>2,127,375</u>

Note : 2.20 Cost of Materials Consumed		
A) Raw Material Consumed		
Opening Stock	14,200,457	7,797,539
Purchases	62,649,897	76,870,605
Less : Closing Stock	76,850,354	84,668,144
Raw Material Consumed	13,539,492	14,200,457
Details of Imported and Indigenous RMC & %		
Imported	Amt. Rs. 5,137,899	% 8
Indigenous	Amt. Rs. 57,511,998	% 92
Total...	<u>62,649,897</u>	<u>100</u>

Major Items of Raw material consumption		
Polyamide -6/66	23,198,662	20,708,218
Polycarbonate	7,089,148	10,769,481
Other Polymers	9,730,567	9,795,695
Propylene	1,944,537	4,362,424
PBT	5,886,297	6,201,866
Others	15,461,651	18,630,003
	<u>63,310,862</u>	<u>70,467,687</u>

Note : 2.21 Increase/(Decrease) in Stocks		
Closing Stock of : Finished Goods of Compounds of Engg. Polymers	7,668,991	4,955,676
Work In Progress	8,435,678	1,587,048
Total (A)	<u>16,104,669</u>	<u>6,542,724</u>

PARTICULARS	31-3-2013	31-3-2012
Note : 2.22 Employees benefits		
Opening Stock of : Finished Goods of Compounds of Engg. Polymers	4,955,676	2,296,584
Work in Progress	1,587,048	212,619
Total (B)	<u>6,542,724</u>	<u>2,509,203</u>
Increase/(Decrease) in Stock (A-B)	9,561,945	4,033,521
Note : 2.23 Financial Cost		
Interest to Bank	6,116,207	4,944,318
Interest to Others	114,668	547,693
Others	951,298	825,949
	<u>7,182,173</u>	<u>6,317,960</u>

Note : 2.24 Other Expenses		
Manufacturing Expenses	2,055,054	3,012,978
Power & Fuel	44,987	181,983
Repairs & Maintenance to Plant & Machinery	164,916	237,407
Factory Expense		
Administrative & Others Expenses		
Clearing, Forwarding & Freight	1,408,769	2,826,321
Consumption of Store & Spares	273,388	110,178
Excise Expenses on Closing Stock	843,616	545,142
Foreign Exchange Fluctuation	389,333	41,440
Donation	0	20,000
Insurance Charges	140,782	159,410
Payment to Auditor:		
For Audit Fee	112,360	112,360
Rates & Taxes	18,073	28,556
Repairs & Maintenance		
Building	9,550	0
Others	179,379	211,930
Miscellaneous Expenses	2,738,044	2,306,511
	<u>836,8701</u>	<u>9,794,216</u>



CASH FLOW STATEMENT AS AT 31.03.2013

PARTICULARS	As at 31.3.2013	As at 31.03.2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items (including Prior period adjustments)	-3989342	725506
Adjusted for depreciation and w/off misc. expenses	4657923	4684949
Loss on sale of Fixed Asset	608	
Operating Profit before working capital changes	669169	5410455
Adjustment for (increase) decrease in Operating assets		
Inventories	-9058203	-11572231
Receivables	-997892	-12484745
Other Current Assets	604425	-4033065
Other Non Current Assets	0	607457
Adjustment for (increase) decrease in Operating Liabilities		
Trade Payables & Provisions	5633219	8099702
Long term Liabilities & Provisions	4301142	199193
NET CASH GENERATED FROM OPERATIONS	1151880	-13773234
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-777887	-1989823
Sale of Assets (Including Profit)	666275	668805
NET CASH USED IN INVESTING ACTIVITIES	-111612	-1321018
C CASH FLOWS FROM FINANCIAL ACTIVITIES		
Proceeds from long term borrowings	-3990775	-4889892
Proceeds from short term borrowings	3473067	23160714
NET CASH USED IN FINANCING ACTIVITIES	-517708	18270822
Net increase/decrease in Cash and equivalents	522560	3,176,570
Opening balance of Cash and Cash equivalents	6739843	3563273
Closing balance of Cash and Cash equivalents	7262403	6739843
Cash and cash Equivalents include		
Cash in hand	4635354	2575684
Balance with Scheduled Bank		
- In Current Account	-1880951	1291259
- In Deposit Account	4508000	2872900

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 : 31.05.2013

B.K.BODHANWALA
Chairman

A.B.BODHANWALA
Managing Director

PLACE : Vadodara
DATED : 31.05.2013



NOTE 1

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Use of estimates

The preparation of financial statement requires management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the period.

1.3 System of Accounting:

- i. The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.
- ii. Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.
- iii. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognised prospectively in current and future periods.

1.4 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 weighted average method, except in case of slow moving and obsolete material, at lower of cost or estimated realisable value.

ii. Work-in-progress and finished goods are valued at the lower of cost or estimated realisable value.

iii. Scrap is valued at estimated realisable value.

1.5 Cash and Cash Equivalents:

The cash flow statements is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statement" and presents the cash flow by Operating, Investing & Financing activities of the company.

Cash and Cash Equivalents for the purpose of Cash Flow Statement comprise cash at bank and in hand and Short term investment with the Original Maturity of 3 months or less.

1.6 Fixed assets and depreciation

Fixed assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

Depreciation on fixed assets is provided on the straight line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a written down value, commencing from the date the asset is available to the Company for its use.

1.7 Revenue recognition

- a) Revenue from sale of goods is recognised when significant risks and rewards of ownership have been passed to the buyer and when the effective control of the seller as the owner is lost. Revenues are recorded at invoice value, net of value added tax, returns and trade discounts.
- b) Interest income is recognised on time proportion basis.
- c) Dividend income is recognised when the right to receive payment is established.

1.8 Foreign currency transactions

Exchange differences

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates.

- (1) Exchange differences arising on settlement of transactions and translation of monetary items other than those covered by (2) below are recognized as income or expense in the year in which they arise. Exchange differences considered as borrowing cost are capitalized to the extent these relate to the acquisition / construction of qualifying assets and the balance amount is recognized in the Profit and Loss Statement.
- (2) Exchange differences relating to long term foreign currency monetary assets / liabilities are accounted for with effect from April 1, 2007 in the following manner:
 - Differences relating to borrowings attributable to the acquisition of the Depreciable capital asset are added to / deducted from the cost of such capital Assets.

1.9 Employee Benefits

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 LIC's Group Gratuity policy. Gratuity liability as determined on actuarial basis by the independent valuer is charged to Profit and Loss Account.

1.10 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be capitalised as part of the cost of that asset. The amount of borrowing costs eligible for capitalisation should be determined in accordance with this Standard. Other borrowing costs should be recognised as an expense in the period in which they are incurred

To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation on that asset should be determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings.

1.11 Segment disclosures:

The company operates in a single business segment, i.e. of manufacturing of compounds, blends & alloys of Engineering Polymers, and also no geographical segments as company operates only in India. Accordingly, no separate disclosures required by AS-17 for primary business segment and geographical segment.

**1.12 Lease:-
Finance Leases**

Assets acquired under lease where the company has substantially all the risk and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of lease at lower of the fair value and present value of minimum lease payments. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Operating Leases

Assets acquired as leases where a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating lease. Operating lease charges are recognised in the Profit and Loss account on a straight line basis over the lease term.

1.13 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with the Accounting Standard – 20, Earning per Share, prescribed by the Companies (Accounting Standard) Rules 2006. Basic Earning per Share is computed by dividing the net profit of loss for the year by the weighted average number of Equity Share outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity share.

1.14 Taxes on Income

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.

1.15 Impairment of Assets:-

The Company tests for impairments at the close of the accounting period if and only if there are indications that suggest a possible reduction in the recoverable value of an asset. If the recoverable value amount of an Asset, i.e. the net realisable value or the economic value in use of a cash generating unit, is lower than the carrying amount of the Asset, the difference is provided for as impairment. However, if subsequently the position reverses and the recoverable amount become higher than the then carrying value the provision to the extent of the then difference is reversed, but not higher than the amount provided for.

1.16 Provisions, Contingent Liabilities and 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.

2.25 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 discloses, 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. 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	31.03.2013	31.03.2012
A.B. Bodhanwala		
Nature of Payment		
Managerial Remuneration	15.00	15.00
Interest on Loan	-	3.69
Loan received	100.91	51.88
Loan repaid	87.37	36.86
Guarantees given	569.74	569.74
B.K. Bodhanwala		
Managerial Remuneration	4.20	4.20
Interest on Loan	-	1.78
Loan received	4.17	12.61
Loan Repaid	-	7.17
Guarantee Given	569.74	569.74
M.A. Bodhanwala		
Interest on Loan	-	-
Loan received	-	3.12
Loan Repaid	-	1.78
Guarantee Given	569.74	569.74

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. CIF VALUE OF IMPORTS

PARTICULARS	2012-13	2011-12
CIF Value of Imports	51.38	49.09
Capital Goods Purchase	-	0.32
Material Purchase	626.50	768.71
Stores & Spares Purchase	4.31	12.46

7. EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS

2012-13

2011-12

Foreign Travelling

NIL

NIL

8. EARNINGS IN FOREIGN CURRENCY Rs. 1.49 lacs

(PKY: 75 lacs)

9. The disclosure as required under AS 15 regarding Gratuity Plan is as under:

Table showing changes in present value of obligation on

	31.03.2013	31.03.2012
Present value of obligation at beginning of year	592839	451992
Interest cost	47427	36159
Current Service cost	85715	70386
Benefit paid	0	-69231
Actuarial (gain) / loss on obligation	-125174	103533
Present value of obligation at end of year	600807	592839

Table showing changes in the fair value of plan assets on

	31.03.2013	31.03.2012
Fair value of Plan Asset at beginning of year	75842	134188
Expected Return on Plan Asset	6826	10885
Contributions	0	0
Benefit paid	0	-69231
Actuarial gain / loss on Plan Asset	NIL	NIL
Fair value of Plan Asset at end of year	82668	75842

Table showing fair value of plan assets

	31.03.2013	31.03.2012
Fair Value of Plan Assets at beginning of year	75842	134188
Actual return on Plan Assets	6826	10885
Contributions	0	0
Benefits paid	0	-69231
Fair Value of Plan Assets at end of period	82668	75842
Fund Status:	518139	516997
Excess actual / estimated return on plan asset	NIL	NIL

(Actual rate of return = Estimated rate of return as ARD falls on 31st March)

Actuarial Gain / Loss recognized

	31.03.2013	31.03.2012
Actuarial (gain) / loss on obligation	125174	-103533
Actuarial (gain) / loss for the year-plan asset	NIL	NIL
Actuarial (gain) / loss for the year	-125174	103533
Actuarial (gain) / loss recognised in the year	-125174	103533

The amounts to be recognized in the balance sheet and statement of profit and loss



Axel Polymers Limited

Present value of obligation at end of year	600807	592839
Fair value of Plan asset as at end of the year	82668	75842
Funded Status	-518139	-516997
Net Asset / (Liability) recognised in Balance Sheet	-518139	516997
Expenses Recognised in statement of Profit and loss		
Current Service cost	85175	70386
Interest cost	47427	36159
Expected return on plan asset	-6826	-10885
Net Actuarial (gain) / loss recognised in the year	-125174	103333
Expense recognised in Statement of Profit & Loss	1142	199193

ASSUMPTIONS		
Discount Rate	8.00%	8.00%
Salary Escalation	7.00%	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. : 48255
PLACE : Vadodara
DATED : 31.05.2013

B.K.BODHANWALA
Chairman

A.B.BODHANWALA
Managing Director
PLACE : Vadodara
DATED : 31.05.2013



Axel Polymers Lim

ATTENDANCE SLIP

S. No. 309, Vill. M.
Sankarda-Savli F
Tal. Savli, Dist. Vadd

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 **21st ANNUAL GENERAL MEETING** of the Company on **Saturday the 28th September 2013** at S. No. 309, Vill. Mokshi, Sankarda - Bhadarva Tal. Savli, Dist. Vadodara.

SIGNATURE OF THE SHAREHOLDER / PRG

PROXY

Axel Polymers Limi
S. No. 309, Vill. Mok
Sankarda-Savli R
Tal. Savli, Dist. Vadod

Regd. Folio No. :
I/We
of
a member / members of **AXEL POLYMERS LIMITED** hereby appo befor

as my / our Proxy to vote for me / us and on my / our behalf at the 21st Annual General Meetin
of the Company to be held on Saturday 28th September 2013 and at any adjournment there

Signed this day of 2013



Affix
Revenue
Stamp

NOTE :

The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
Shareholders are requested to bring their copy of the Annual Report as copies of the Report w not be distributed at the Meeting.