



## Notice

Notice is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING** of the members of the Company will be held at 9.00 A.M. on Saturday, the 27th September 2014 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 Balance Sheet as at 31st March, 2014 and Profit & Loss Account for the year ended even date along with the Report of Auditors' and Directors' thereon.
2. 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

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

**"RESOLVED THAT** Mr. Gaurav S. Thanky who was appointed as an additional Director, pursuant to section 161 of the Companies Act, 2013, and holds office up to the date of this Annual General Meeting of the Company, be and is, hereby appointed as a Director of the Company liable to retire by rotation."

4. To appoint Mr. Amitabh G. Thakore (DIN:00016715) as an Independent Director pursuant to the Companies Act, 2013.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Clause 49 of the Listing Agreement, Mr. Amitabh G. Thakore (DIN:00016715) who was appointed as an Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 27th Annual General Meeting of the company in the calendar year 2019."

5. To appoint Mr. Bhupendra B. Patel (DIN: 02422171) as an Independent Director pursuant to the Companies Act, 2013.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Clause 49 of the Listing Agreement, Mr. Bhupendra B. Patel (DIN:02422171) who was appointed as an Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 27th Annual General Meeting of the company in the calendar year 2019."

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6. To appoint Mr. Prashant M. Walvekar (DIN: 02773745) as an Independent Director pursuant to the Companies Act, 2013.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Clause 49 of the Listing Agreement, Mr. Prashant M. Walvekar (DIN: 02773745) who was appointed as an Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 27th Annual General Meeting of the company in the calendar year 2019.”

7. To authorise the Board of Directors for exercising borrowing powers pursuant to section 180(1)(c) of the Companies Act, 2013.

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

**“RESOLVED THAT** pursuant to Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 consent of the Company, be and is, hereby accorded to the Board of Directors of the Company to borrow from time to time, for the purpose of the Company’s business, such sum or sums of money, as it in its absolute discretion thinks fit, notwithstanding that the monies so borrowed together with the monies already borrowed by the Company and remaining outstanding shall be in excess of the aggregate of the paid-up capital and reserves, but not exceeding Rs. 20 Crores (Rupees Twenty Crores).”

8. To authorize the Board of Directors to lease or otherwise dispose of the undertaking of the Company (other than sale).

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

**“RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company and subject to such other permissions, consents and approvals, if any, required from concerned authorities, bodies and agencies as well as subject to such conditions as may be prescribed by them and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’), the consent, authority and approval of the Company, be and is, hereby granted to the Board on arm’s length basis to lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company (other than sale) on such terms and conditions and with effect from such date as may be decided by the Board and to finalize and execute all such documents including lease agreements and such other documents as the Board may deem necessary or required and to do all such other acts, deeds, matters and things, which are incidental and consequential thereto or which may be considered necessary by the Board.”

Place: Mokshi

Dated: 31.05.201 4

By Order of the Board of Directors

B.K. Bodhanwala  
Chairman

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## 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 25.09.2014 (Thursday) to 27.09.2014 (Saturday) (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.
- Please bring the 21st Annual Report and Accounts (2013 – 2014)
- **E-voting:**

**The following important points should be noted by issuer companies and their RTA at the time of generating their EVSN:**

1. Kindly note that all new e-Voting instances will have to be registered on [www.evotingindia.com](http://www.evotingindia.com).
2. Companies should ensure that the total shareholding (number of shares) are mentioned correctly. RTAs should ensure that the start date and time, end date and time are mentioned correctly for a given EVSN.
3. Once the EVSN is verified by the RTA checker, modifications are not permitted.
4. The PAN number should be of 10 characters only and is a mandatory field. Any value below or greater than 10 characters will be rejected by the system.
5. In case of records not having PAN number in the ROM file, a PAN value using the first two characters of the first name field excluding any special characters and the remaining eight digits from the Sequence Number in the ROM file would have to be provided in the ROM file. The sequence number should be generated by the RTA. If the sequence number is less than eight digits the remaining digits should be padded with the relevant number of 0 (Zero) from the left.
6. The sequence number should be communicated, in the notice, to those shareholders whose PAN number is not available and has been provided by the company in the ROM file.
7. Adequate precaution should be taken to ensure that the correct sub-status has been recorded for each member id/ folio number for demat and physical shareholders.
8. In case Date of Birth (DOB) and Dividend Bank Details field is left blank in the ROM file, CDSL will populate the Folio Number/ demat account number in the Dividend Bank Details field. The same should be communicated in the notice to the shareholders.
9. CDSL will activate those EVSNs on receipt of the EVSN Activation Letter as given below:
  - a. Activation letter received between 10.00 am and 6.00 pm will be acted on the same business day.
  - b. Activation letter received after 6.00 pm will be acted on the next Business day.

We wish to highlight a few benefits of the system:

1. Companies can obtain the EVSN Activation Letter directly from the system after the RTA checker has verified the EVSN.
  2. Passwords can be self generated by the Demat Shareholders of the Company.
  3. Corporate shareholders can vote on multiple accounts through a single login.
  4. Requirement of quoting the EVSN number in the notice is done away with.
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5. After execution of the Finalise Voting option by the Scrutinizer, the company would be able to view the final voting report in their login. The e-voting instructions for intimation to shareholders are enclosed for review and implementation. In case of any queries kindly mail us on [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or on 18002005533.2

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 23rd September, 2014 at 9.00 a.m. and ends on 23rd September, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 24th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"><li>• Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT".
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant < AXEL POLYMERS LIMITED > on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders & Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate and Custodians respectively.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of item no. 5 to 7 is annexed hereto.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ITEM NO. 3:**

### **Appointment of Mr. GAURAV SURENDRAKUMAR THANKY as an Additional Director:**

Your Directors appointed Mr. GAURAV SURENDRAKUMAR THANKY as an Additional Director to hold office up to the ensuing Annual General Meeting. He has a bright academic career and rich experience of 16 years in the field of Base Polymers Imports Trading & Exports of Finished Products 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 161 of the Companies Act, 2013 has been received by the Company. No Director except Mr. Thanky, shall be deemed to be concerned or interested in the resolution.

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## ITEM NO. 4, 5 & 6:

### **Shri Amitabh G. Thakore, Shri Bhupendra B. Patel and Shri Prashant M. Walvekar are Independent Directors of the Company .**

Section 149 of the Companies Act, 2013 inter-alia stipulates that an independent director can hold office for a term upto five consecutive years on the Board of a Company and he shall not be included in the total numbers of directors liable to retirement by rotation.

The Company has received a declaration each from Shri Amitabh G. Thakore, Shri Bhupendra B. Patel and Shri Prashant M. Walvekar to the effect that they meet the criteria of independence as prescribed both under Clause 49 of the Listing Agreement and under section 149(6) of the Companies Act 2013. They possess appropriate skills, experience and knowledge, inter-alia in the field of Finance, Banking & Polymers respectively. In the opinion of the Board, Shri Amitabh G. Thakore, Shri Bhupendra B. Patel and Shri Prashant M. Walvekar fulfill conditions for their appointment as an Independent Director as specified in the Act and the Listing Agreement. Shri Amitabh G. Thakore, Shri Bhupendra B. Patel and Shri Prashant M. Walvekar are independent of the Management.

Keeping in view their vast expertise and knowledge, it will be in the interest of the Company that Shri Amitabh G. Thakore, Shri Bhupendra B. Patel and Shri Prashant M. Walvekar are appointed as Independent Directors of the Company.

Brief resume of Shri Amitabh G. Thakore, Shri Bhupendra B. Patel and Shri Prashant M. Walvekar as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided below:

#### **BRIEF RESUME OF INDEPENDENT DIRECTORS SEEKING ELECTION/RE-ELECTION AT THIS ANNUAL GENERAL MEETING:**

Name	A. G. Thakore	B. B. Patel	P. M. Walvekar
Date of Birth	23.12.1944	28.12.1951	02.05.1967
Age	70	63	47
Date of Appointment	31.12.2005	31.12.2005	27.09.2014 AGM
Qualifications	MBA IIMA	M.COM	B.E. (Chem)
No. of Shares held	NIL	NIL	NIL
Experience in years	47	41	23
\$ Directorship in other public companies	NONE	NONE	NONE
@Chairmanship/membership of other committees	NONE	NONE	NONE

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

@ Represents Membership/Chairmanships of Audit Committee and shareholders'/Investors' Grievance Committee only

Documents referred in the resolutions will be available to the shareholders for inspection between 11.00 a.m. to 1 p.m. on all working days (except Saturdays and Sundays) at the registered office of the Company upto the date of the meeting.

Your Directors recommend and seek your approval to the resolutions as set out in item no. 4, 5 & 6 of the accompanying notice by way of Ordinary Resolution.

Neither any Director/Key Managerial Personnel nor their relatives, except Shri Amitabh G. Thakore, Shri Bhupendra B. Patel and Shri Prashant M. Walvekar in their respective resolution, shall be deemed to be concerned or interested financially or otherwise in the resolutions.

## ITEM NO. 7:

In terms of Section 180(1)(C) of the Companies Act, 2013, borrowing including existing borrowings apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the Company and its free reserves would require approval from the Shareholders of the Company by way of Special Resolution.



In order to meet the fund requirements of the Company for both short term as well long term, the Company may be required to borrow from time to time by way of loans or other securities. Hence it is proposed to authorize the Board of Directors of the Company to borrow up to Rs. 20 Crores including existing borrowing.

Your Directors recommend and seek your approval to the resolution as set out in item No.6 of the accompanying Notice by way of Special Resolution.

Neither any of the Directors/Key managerial Personnel nor their relatives shall be deemed to be interested or concerned, financially or otherwise in the resolution.

**ITEM NO.8:**

In order to secure borrowings of the Company made/ to be made, your Company may be required to hypothecate/mortgage the properties of the Company from time to time.

Your Company may also lease the existing property (ies) of the Company for revenue generation. Accordingly, it is proposed to authorise the Board of Directors to dispose of the whole or substantially whole of the undertaking(s) of the Company from time to time except sale.

Your Directors recommend and seek your approval to the resolution as set out in item no. 7 of the accompanying notice by way of Special Resolution.

Neither any of the Directors/Key Managerial personnel of the Company nor any of their relative(s) shall be deemed to be concerned or interested, financially or otherwise, in the resolution.

Place: Mokshi  
Dated: 31.05.2014

B.K.Bodhanwala  
Chairman

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Axel Polymers Limited







## **BOARD OF DIRECTORS**

Mr. B.K.Bodhanwala	Chairman - Emeritus
Mr. A.B.Bodhanwala	CMD
Mr. G.S.Thanky	CFO
Dr. M.A.Bodhanwala	Director (Non - Executive)
Mr. A.G.Thakore	Director (Independent - Non-Executive)
Mr. B.B.Patel	Director (Independent - Non-Executive)
Mr. P. M. Walvekar	Director (Independent - Non-Executive)

## **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 Twenty Second Annual Accounts of your Company for the financial year ended March 31, 2014.

**PART I**

**FINANCIALS**

Rupees

<b>PARTICULARS</b>	<b>2013-14</b>	<b>2012-2013</b>
Net Sales and Other Income	55854741	74558957
Total Expenditure	73688304	78548298
Interest	8720307	7182173
Depreciation & W/off	4542629	4657923
Profit before Interest, W/off & Depreciation	-4570627	7850754
<b>Profit before Tax</b>	<b>-17833563</b>	<b>-3989342</b>

**OPERATIONS**

As you are aware, we were in the business of Toll - Manufacturing Compounds, Blends & Alloys of Engineering & Specialty Polymers for the last 22 years. We launched our own Brand AXEL in 2011 - 2012.

You will appreciate that financial year 2013-2014 was the 3rd 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 Net Revenue of Rs. 558.55 lacs during the year. The Interest & Finance Costs for the year stood at Rs. 87.20 lacs which is nearly 15.62% of the Net Sales & Depreciation at Rs. 45.42 lacs. The RMC stood at Rs. 396.28; 71.27% of Sales. With the above costs, the profit was totally wiped out; negative.

**ECONOMIC SCENE UPTO 2013**

The Economy is limping since last 3 years. The overall Global Scenario is quiet dejecting on all fronts. The 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 Raw Materials are Petrochemical-based and any change in the price of Crude will directly affect the Selling Prices
- The Input Costs of all our Raw Material Additives etc are Dollar driven; any change in the price of USD will directly affect the Raw Material prices Thus costs of Raw Materials started rising up. This affected the Selling Prices.
- The Rupee v/s USD in mid - 2011 stood at Rs. 44.15 which reached Rs. 58.45 in 2012 and going further up to Rs. 64.15 in 2013; to touch Rs. 70.38 in the 1st quarter of 2014. It is only since last 1 month that the USD is hovering between Rs. 59.00 to Rs. 61.00.
- Thus there was an increase of more than 33% in the value of USD in this period. In other words, the Rupee depreciated by 33%.
- The Average Raw Material Costs directly went up by 33% without a corresponding increase in Average Sales Price.
- 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 one wanted to take any risks on the exchange prices.
- The Working Capital limits were shrunk by 33%; since the fund requirement for RM Purchases rose by 33%.
- This 33% shrinkage in Working Capital was partly offset / funded by increase in Creditors & Unsecured Loans from Directors and partly by drop in Sales.
- The terms of Purchases which were Credit turned to Cash Payments / Sight LCs, due to volatility of Currency. Thus the Creditors level rose to offset the shrinkage and has adversely affected the Current ratio. This further affected our operations.
- Due to the financial crunch all over the business environment, our payments started delaying. In spite of the adverse atmosphere, we were able to manage our finances to the best of our ability.
- It is pertinent to note that the cost of Finance also went upwards by nearly 16%. With Bank rates going up, the cost of borrowed money also went upwards from 12.25% to 14.25 % - this added further pressure on bottom line. In facts when the Industries are in bad shape, Banks and Financial Institutions have performed much better in these financial years; which are on Official records.

Banks were pressing hard for recoveries and account was overdue from April onwards. Our credit limits were also not available for utilisation; due to overdues. Whatever payments were credited, were being adjusted against Bank dues. Thus to at least run our business, whenever possible, we had kept high cash balances as a security; mainly to meet and counter any eventuality where even meeting our routine expenses were at stake. 100 families survive on our business....



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. However, spreading the business basket to other industry, DPPL 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.

### **INDIAN ECONOMY IN 2014**

The World at the macro level; India's economic growth remained weak also during 2014. The estimated growth of the Indian Economy was 4.76% in 2014, marginally higher than 4.57 in 2013.

The Agricultural Sector was marginally healthy, but slowdown / stagnation continued in the Infrastructure & Manufacturing sectors that suffered from low demand, lack lustre sentiments, and Political Instability in terms of Policy Matters.

This is the first time since last 2 decades that pressures on India's manufacturing sector had surfaced. The Services Sector is expected to grow at the constant levels of around 6%. Investors were wary with India's Political, Financial and weak Micro Economic Fundamentals.

Persistently increasing inflation and external vulnerabilities prompted the RBI to act by tightening liquidity, relaxing limits on FDI and ECBs, encouraging non-resident Indian remittances etc.

India's external vulnerabilities fell significantly in the second half of 2014, helped by drastic policy actions to shrink the deficit on current account and strengthen FDI and Capital Inflows.

The Interim Budget presented by the government for FY15, reflected continued steps taken for fiscal stability, with a fall in the fiscal deficit from 4.9% 2013 to 4.6% in 2014 and to 4.1% in 2015.

Against the backdrop of a slowdown in the domestic economy and tepid global recovery, the growth of Indian Manufacturing sector too remained under pressure in 2014.

### **BUSINESS PROSPECTS / PROJECTIONS 2014-2015**

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

## **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, 2014, 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 G.M.Patel, who was appointed as Independent Director, has resigned from the Board of the Company. He has tendered his Resignation which has been accepted by the Board meeting held on 31.05.2014 and he is deemed to be relieved with effect from 31.05.2014.
- Mr P.G.Patel, who was appointed as Independent Director, has resigned from the Board of the Company. He has tendered his Resignation which has been accepted by the Board meeting held on 31.05.2014 and he is deemed to be relieved with effect from 31.05.2014.

### **Appointment**

- In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr G.S.Thanky is appointed as Additional Director. His Appointment has been made in the Board meeting held on 31.05.2014. Your Directors recommend his appointment
- In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr P.M.Walvekar is appointed as an Independent Director. Your Directors recommend his appointment
- In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. A. G. Thakore retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment. Your Directors recommend her reappointment
- In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. B. B. Patel retires 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 amounts 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.

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

<b>Power &amp; Fuel Consumption -</b>	<b>Electricity</b>	<b>2013 – 2014</b>	<b>2012 – 2013</b>
Purchased	Quantity units	283371	280659
Amount	Rs.	2165899	2055052
Rate / unit	Rs.	7.64	7.32
Production	Quantity M.T.	607.651	662.227
Total Power Cost	Rs.	2165899	2055052
Power Cost per Kg. of Production	<b>Rs.</b>	<b>3.56</b>	<b>3.10</b>



The Power cost per kg of Production has increased from Rs. 3.10 to 3.56 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

B.K.BODHANWALA

Dated: 31.05.2014

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 31.03.2014.

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	5	YES	NONE
Mr. A.B.Bodhanwala	Managing Director	5	YES	NONE
Dr. M.A.Bodhanwala	Director Non-Executive	5	YES	NONE
Mr. A.G.Thakore	Independent Non Executive	1	NO	NONE
Mr. B.B.Patel	Independent Non Executive	2	YES	NONE
Mr. G.M. Patel**	Independent Non Executive	1	YES	NONE
Mr. P. G. Patel**	Independent Non Executive	0	NO	NONE

\*\* Resigned on 31-5-2014

There were 5 Board meetings held during the year 2013-2014 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 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 31.03.2014.

## GENERAL BODY MEETINGS

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

Financial Year	Date of AGM	Location	Time
2012-2013	28.09.2013	Registered Office	9.00 AM
2011-2012	22.09.2012	Registered Office	9.00 AM
2010-2011	24.09.2011	Registered Office	9.00 AM

## DISCLOSURES

During the year 2013-2014 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 22nd

Date & Time: 27.09.2014 at 9.00 A.M.

Venue : 309, Mokshi, Sankarda-Savli Road, 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	25.09.2014 to 27.09.2014 (both days inclusive)
Dividend payment date	N.A.
Listing on Stock Exchanges	Mumbai, Vadodara, Ahmedabad and Madras
Stock Code	513642 on BSE
Demat International Security Identification Number (ISIN)	INE197C01012
Dematerialisation of Shares and liquidity	2217800 Equity Shares of the Company have been Dematerialised as on 31.03.2014.
Registrar & Transfer Agents	LINK INTIME 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 31.03.2014

SHAREHOLDING	NO OF HOLDERS	% OF TOTAL	NO OF SHARES	% OF TOTAL
1 – 500	10705	93.5343	1642499	38.1977
501 – 1000	410	3.5824	343540	07.9893
1001 – 2000	169	1.4766	262277	06.0995
2001 – 3000	56	0.4893	144076	03.3506
3001 – 4000	22	0.1922	80933	01.8822
4001 – 5000	19	0.1660	93304	02.1699
5001 – 10000	20	0.1747	146612	03.4096
Above - 10001	44	0.3844	1586759	36.9014
<b>TOTAL</b>	<b>11445</b>	<b>100.000</b>	<b>4300000</b>	<b>100.000</b>

Plant Location 309, Mokshi, Sankarda-Savli Road, 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,  
B 102 & 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 2013 – 2014.

Dated: 31.05.2014

A. B. Bodhanwala  
Managing Director



**Shah & Bhandari**  
Chartered Accountants

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

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



## **Annexure II**

### **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

Under Clause 49 of the Listing Agreement

To

The Members

Axel Polymers Limited

We have examined the Compliance of the conditions of Corporate Governance by Axel Polymers Limited during the year ended 31.03.2014 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 31.03.2014 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 31.03.2014.

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**

YOGESH BHANDARI

Place Vadodara

Dated 31.05.2014

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 22 years. We launched our own Brand AXEL in 2011 - 2012.

You will appreciate that financial year 2013-2014 was the 3rd 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 Net Revenue of Rs. 558.55 lacs during the year. The Interest & Finance Costs for the year stood at Rs. 87.20 lacs which is nearly 15.62% of the Net Sales & Depreciation at Rs. 45.42 lacs. The RMC stood at Rs. 396.28; 71.27% of Sales. With the above costs, the profit was totally wiped out; negative.

### **KEY FACTORS AT A GLANCE**

This year was our 3rd full year of Operations. The Sales for the year 2013 – 2014 was estimated at Rs. 1000 lacs. This estimated sale was projected at the beginning of the FY & based on the availability of timely finances. In all sectors, there is a shortfall in targets & Projections and we are no exception. It is an accepted fact that the Industry scenario is still not congenial and stable. Our Industry is totally Dollar driven. The volatility in Dollar is 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 US Dollar driven. Our Base Polymers, Additives, Fillers, etc are imported. Thus any variation in the prices of the RE v/s 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 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 2012-13 v/s current rates; an increase of more than 15% in the value of USD. In other words, the Rupee depreciated by 15%.
- The Average Raw Material Costs directly went up by 15% 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.
- 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.

Banks were pressing hard for recoveries and account was overdue from April onwards. Our credit limits were also not available for utilisation; due to overdues. Whatever payments were credited, were being adjusted against Bank dues. Thus to at least run our business, whenever possible, we had kept high cash balances as a security; mainly to meet and counter any eventuality where even meeting our routine expenses were at stake. 100 families survive on our business....

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...

## 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	626.035	555.95

### **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 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.

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

The performance analysis for the year; we achieved a Net Revenue of Rs. 558.55 lacs during the year. The Interest & Finance Costs for the year stood at Rs. 87.20 lacs which is nearly 15.62% of the Net Sales & Depreciation at Rs. 45.42 lacs. The RMC stood at Rs. 396.28; 71.27% of Sales. With the above costs, the profit was totally wiped out; negative.

The Company has paid all the Financial Commitments to Bank within the stipulated period as per the Audit Report. The production costs in absolute terms, increased during the current year.

### **Human Resources**

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

### **CAUTIONARY STATEMENT**

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



**Shah & Bhandari**  
Chartered Accountants

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

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



## 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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then 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") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect to Section 133 of the companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

### **Opinion**

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Emphasis of the Matter**

Without qualifying our opinion; we invite the attention that Company is carrying high Cash balance during the year. Cash verification was carried at Baroda and Rs. 26.27 lacs was available; which was in conformity with books; however cash balance at other location was not available for verification.

Our opinion is not qualified in respect of these matters.

### **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) 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) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of Companies Act, 2013
  - f) Since the Central Government has not issued any notification as to the



rate at which the cess is to be paid under section 441A 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.

**For Shah & Bhandari**  
**Chartered Accountants**  
**FRN: 118852W**

Place: Vadodara  
Date : 31.05.2014

Yogesh Bhandari  
Partner  
M.No. 046255



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 which affects the going concern of the company.
- 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. 111.56 Lacs(P.Y.125.19 Lacs) and year-end balance is Rs. 111.33 Lacs(P.Y.105.18 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. 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 31.03.2014 for a period of more than six months from the date they became payable .
10. The accumulated losses of the company exceed 50% of its net worth at the end of the Financial year. The Company has incurred cash losses in the current year however no cash loss was incurred in 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 defaulted in repayment of its Loan and Interest to the bank. Estimated unpaid overdue interest and instalments to banks as at March 31, 2014 aggregated to Rs. 30.23 lacs.
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, no new term loans were availed during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The company has not made any 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

(YOGESH BHANDARI)  
PARTNER

Place:- VADODARA

DATE :31-05-2014

Membership No. 046255



**BALANCE SHEET AS AT 31.03.2014**

Amount Rs.

PARTICULARS	Schedule	As At	
		31-03-2014	31-03-2013
<b>I. EQUITY AND LIABILITIES</b>			
1. Shareholder's Funds			
(a) Share Capital	2.1	4,30,00,000	4,30,00,000
(b) Reserves and Surplus	2.2	(3,30,84,291)	(1,52,50,729)
<b>2. Non-Current Liabilities</b>			
(a) Long-term borrowings	2.3	1,49,49,970	1,71,99,760
(b) Other Long term Liabilities	2.4	1,23,00,000	43,00,000
(C) Long term provisions	2.5	6,07,983	5,18,139
<b>3. Current Liabilities</b>			
(a) Short-term borrowings	2.5	2,96,20,387	3,71,08,880
(b) Trade payables	2.6	2,47,56,055	2,75,50,207
(c) Other current liabilities	2.7	68,62,352	64,84,978
(d) Short-term provisions	2.8	6,92,630	14,46,782
<b>Total</b>		<b><u>9,97,05,087</u></b>	<b><u>12,23,58,017</u></b>
<b>II Assets</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible Assets	2.10	3,72,40,677	4,07,47,132
(ii) Capital work-in-progress		29,55,000	29,55,000
(b) Deferred Tax Asset	2.11	7,82,212	7,82,212
(C) Long term loans and advances	2.12	26,75,035	29,12,342
<b>2. Current assets</b>			
(a) Inventories	2.13	1,79,23,693	3,17,62,161
(b) Trade receivables	2.14	2,41,75,923	2,71,38,697
(c) Cash and cash equivalents	2.15	94,22,771	72,62,403
(d) Short-term loans and advances	2.16	21,51,416	63,98,823
(e) Other Current Asset	2.17	23,78,359	23,99,247
		<b><u>9,97,05,087</u></b>	<b><u>12,23,58,017</u></b>

As per Report of even date attached

**FOR SHAH & BHANDARI**  
Chartered Accountants

**FOR AND ON BEHALF OF THE BOARD**  
Axel Polymers Limited

YOGESH BHANDARI  
Partner  
M. No. : 46255  
PLACE : Vadodara  
DATED : 31.05.2014

B.K.BODHANWALA  
Chairman

A.B.BODHANWALA  
Managing Director

PLACE : Vadodara  
DATED : 31.05.2014





STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2014			Amount Rs.
PARTICULARS	Schedule	As At 31-03-2014	As At 31-03-2013
I Revenue from operations (Gross)	2.18	6,06,40,361	8,16,19,142
Less: Excise Duty		<u>50,45,305</u>	<u>82,91,304</u>
Revenue from operations (Net)		5,55,95,056	7,33,27,838
II Other Income	2.19	<u>2,59,685</u>	<u>12,31,119</u>
<b>III. Total Revenue (I +II)</b>		<b><u>5,58,54,741.35</u></b>	<b><u>7,45,58,957</u></b>
IV Expenses			
Cost of Material consumed	2.20	3,96,28,674	6,33,10,862
Changes in inventories of finished goods, work-in-progress	2.21	1,05,17,280	(95,61,945)
Employee benefit expense	2.22	62,41,810	63,82,761
Financial costs	2.23	87,20,307	71,82,173
Depreciation and amortization expense	2.24	45,42,629	46,57,923
Other expenses	2.25	40,37,604	65,76,524
	<b>Total Expenses</b>	<b><u>7,36,88,304</u></b>	<b><u>7,85,48,298</u></b>
<b>V. Profit before tax (III - IV)</b>		<b><u>(1,78,33,563)</u></b>	<b><u>(39,89,342)</u></b>
<b>VI. Tax expense</b>			
(1) Current tax			-
(2) Deferred tax		-	-
<b>VII. Profit/(Loss) for the year</b>		<b><u>(1,78,33,563)</u></b>	<b><u>(39,89,342)</u></b>
<b>VIII. Earning per equity share (Face value of Rs. 10/-)</b>			
Basic & Diluted		-4.15	-0.93
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**  
**Axel Polymers Limited**

YOGESH BHANDARI  
Partner  
M. No. : 46255  
PLACE : Vadodara  
DATED : 31.05.2014

B.K.BODHANWALA  
Chairman

A.B.BODHANWALA  
Managing Director

PLACE : Vadodara  
DATED : 31.05.2014



**NOTE TO FINANCIAL STATEMENTS**

PARTICULARS	Amount Rs.			
	31-03-2014	31-03-2013		
<b>Note : 2.1 Share Capital</b>				
AUTHORISED SHARE CAPITAL :				
50,00,000 Equity Shares of Rs 10/- each (P.Y.50,00,000 Equity Shares ofRs 10/- each)	<u>5,00,00,000</u>	<u>5,00,00,000</u>		
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)	<u>4,30,00,000</u>	<u>4,30,00,000</u>		
	<u>4,30,00,000</u>	<u>4,30,00,000</u>		
Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:				
<b>Equity Shares with voting rights</b>	No.of Shares	Amount Rs.	No.of Shares	Amount Rs.
Opening Balance	4300000	4,30,00,000	43,00,000	4,30,00,000
Add:Fresh Issue	0	0	0	0
Closing Balance	4300000	4,30,00,000	43,00,000	4,30,00,000
<b>Shareholders holding exceeding 5% shares</b>	No.of Shares		No.of Shares	
A.B.Bodhanwala	227300	5.29	227300	5.29
<b>Note : 2.2 Reserve &amp; Surplus</b>				
<b>Capital Investment Subsidy</b> (From Government of Gujarat)		25,00,000		25,00,000
<b>Profit &amp; Loss account</b>				
As at Commencement of the Year	(1,77,50,729)		(1,37,61,387)	
Add : Transferred from Profit & Loss Account	(1,78,33,563)	(3,55,84,291)	(39,89,342)	(1,77,50,729)
As at end of the Year		<u>(3,30,84,291)</u>		<u>(1,52,50,729)</u>
<b>Note :2.3 Long-Term Borrowings</b>				
<b>A) Secured Loans</b>				
<b>Long Term Loans - From Banks</b>				
Rupee Term Loan		29,85,100		55,08,317
Terms: Refer Note no.2.27(1)				
<b>B) Unsecured Loans</b>				
<b>Long Term Loans - Others</b>				
From Directors and Related Parties		1,19,64,870		1,16,91,443
(Terms: Repayment is not stipulated, repayable after 12 months and Rate of Interest is Rs.12%)		<u>1,49,49,970</u>		<u>1,71,99,760</u>
<b>Note : 2.4 Other Long Term Liabilities</b>				
In Intercorporate deposit		<u>1,23,00,000</u>		<u>43,00,000</u>
		<u>1,23,00,000</u>		<u>43,00,000</u>
<b>Note : 2.5 Long Term Provisions</b>				
For Gratuity		<u>6,07,983</u>		<u>518,139</u>
		<u>6,07,983</u>		<u>518,139</u>



Note 2.10 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	
	01.4.2013			31-3-2014	OF	01.04.2013	Addition	Deduction	31.3.2014	31.3.2014	31.3.2014	31.3.2013	
FREE HOLD LAND	2081986	905300	0	2987286	0	0			0	2987286	2081986		
BUILDING	3453850	0	0	3453850	2	989073	56298		1045371	2408479	2464777		
FACTORY BUILDING	17870259	40000	0	17910259	3	5223674	597862		5821536	12088723	12646585		
PLANT & MACHINERY	61652088	13327	0	61665415	5	44353061	3255414		47608475	14056939	17299027		
ELECTRICAL INSTALLATIONS	2591898	6500	0	2598398	5	1662331	123380		1785711	812687	929568		
LABORATORY EQUIPMENTS	2584154	7500	0	2591654	5	565945	123003		688948	1902706	2018209		
FURNITURE & FIXTURES	1482616	0	0	1482616	6	678595	93849		772444	710172	804021		
DATA PROCESSING MACHINES	1390015	13250	0	1403265	16	1093358	96789		1196147	207118	290657		
OFFICE EQUIPMENTS	1092980	50300	0	1143280	5	409316	53498		462814	680466	683664		
VEHICLES	2283563	0	0	2283563	10	754926	142535	0	897461	1386102	1528637		
<b>GRAND TOTAL</b>	<b>96483409</b>	<b>1036177</b>	<b>0</b>	<b>97519586</b>		<b>55736279</b>	<b>4542629</b>	<b>0</b>	<b>60278908</b>	<b>37240677</b>	<b>40747132</b>		
Previous Year Figures	97038922	777887	1333400	96483409		51744871	4657923	666517	557366277	40747132	45294050		



PARTICULARS	Amount Rs.	
	31-3-2014	31-3-2013
<b>Note : 2.6 Short Term Borrowings</b>		
A) Secured Loans		
Loan repayable on demand from Banks		
Loan repayable on demand from Banks		
Cash Credit	2,96,20,387	3,71,08,880
(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.)		
	<u>2,96,20,387</u>	<u>3,71,08,880</u>
<b>Note : 2.7 Trade Payable</b>		
Trade payables for goods & services	2,47,56,055	2,75,50,207
	<u>2,47,56,055</u>	<u>2,75,50,207</u>
<b>Note : 2.8 Other Current Liabilites</b>		
Current Maturities of Long term debt	54,06,000	54,06,000
Balance due to Government Authorities	9,86,008	6,10,687
Other current libilities	4,70,344	4,68,291
	<u>68,62,352</u>	<u>64,84,978</u>
<b>Note : 2.9 Short-Term Provisions</b>		
For Expenses	3,07,150	6,03,166
For Excise Duty on Closing Stock	3,85,480	8,43,616
	<u>6,92,630</u>	<u>14,46,782</u>
<b>Note : 2.11 Deferred Tax Asset</b>		
Deferred Tax Asset on account of:		
Expense on payment basis & Business Loss	0	68,22,084
Less:Deferred Tax Liability on account of :		
Difference between book and tax written down values of fixed assets	0	60,39,872
	<u>7,82,212</u>	<u>7,82,212</u>



PARTICULARS	Amount Rs.	
	31-3-2014	31-3-2013
<b>Note:2.12 Long-Term Loans &amp; Advances</b>		
Unsecured Advances, Considered good		
Deposits	15,59,535	15,63,493
Balance due with revenue authorities	11,15,501	13,48,849
	<u>26,75,035</u>	<u>29,12,342</u>
<b>Note : 2.13 Inventories</b>		
(At lower of Cost or Net Realisable Value)		
Raw Material	1,02,18,304	1,35,39,492
Work in Progress	20,83,139	84,35,678
Finished Goods	35,04,250	76,68,991
Consumables	21,18,000	21,18,000
	<u>1,79,23,693</u>	<u>3,17,62,161</u>
<b>Note : 2.14 Trade Receivables</b>		
<b>Unsecured considered Good</b>		
Trade receivable outstanding for a period exceeding six months from the date they become due for Payment	1,31,72,517	2,257,014
Others	1,10,03,406	24,881,683
	<u>2,41,75,923</u>	<u>27,138,697</u>
<b>Note : 2.15 Cash &amp; Cash Equivalent</b>		
<b>Cash &amp; Cash Equivalent</b>		
Cash in Hand	84,31,879	46,35,354
Cheques on hand	14,50,600	12,279
Balance with Banks in current account	(4,59,708)	(18,93,230)
<b>Other Bank Balance In Fixed Deposits</b>	-	45,08,000
(held as Margin Money )	<u>94,22,771</u>	<u>72,62,403</u>
<b>Note : 2.16 Short Term Loans &amp; Advances</b>		
<b>Unsecured, Considered Good</b>		
Advance to Staff and Others	18,24,088	59,45,399
Balance with government authorities	2,82,204	3,83,773
Prepaid Expenses	45,124	69,651
	<u>21,51,416</u>	<u>63,98,823</u>
<b>Note: 2.17 Other Current Assets</b>		
<b>Unsecured, Considered Good</b>		
Interest receivable	23,78,359	23,99,247
	<u>23,78,359</u>	<u>23,99,247</u>



PARTICULARS	Amount Rs.			
	31-3-2014	31-3-2013		
<b>Note : 2.18 Revenue from Operation</b>				
Sale of Products	5,72,19,761	7,48,79,996		
Sale of Services	34,20,600	67,39,146		
Less : Excise Duty	50,45,305	82,91,304		
	5,55,95,056	7,33,27,838		
	<u>5,55,95,056</u>	<u>7,33,27,838</u>		
<b>Sales of Major Items</b>				
Sales of PA-6	2,42,59,923	3,77,15,204		
Sales of PBT/PET	45,72,992	1,33,74,136		
Sales of PC	72,88,872	35,99,475		
Sales of PP	94,42,536	49,15,317		
Sales of Other Products	1,16,55,438	1,52,75,864		
	<u>5,72,19,761</u>	<u>7,48,79,996</u>		
<b>Note :2.19 Other Incomes</b>				
Interest Income	2,00,961	6,91,357		
Miscellaneous Income	58,724	5,39,762		
	<u>2,59,685</u>	<u>12,31,119</u>		
<b>Note: 2. 20 Cost of Materials Consumed</b>				
<b>A) Raw Material Consumed</b>				
Opening Stock	1,35,39,492	1,42,00,457		
Purchases	3,63,07,486	6,26,49,897		
	4,98,46,978	7,68,50,354		
Less : Closing Stock	1,02,18,304	1,35,39,492		
Raw Material Consumed	<u>3,96,28,674</u>	<u>6,33,10,862</u>		
<b>Details of Imported and Indigenous RMC &amp; %</b>				
	Amount Rs.	Percentage(%)	Amount Rs.	Percentage(%)
Imported	0	0	51,37,899	8
Indigenous	3,63,07,486	100	5,75,11,998	92
<b>Total...</b>	<b><u>3,63,07,486</u></b>	<b><u>100</u></b>	<b><u>6,26,49,897</u></b>	<b><u>100</u></b>
<b>Major items of Raw material consumption</b>				
Polyamide -6/66	1,23,82,357		2,31,98,662	
Polycarbonate	24,78,089		70,89,148	
Other Polymers	75,33,424		97,30,567	
Propylene	32,10,328		19,44,537	
PBT	15,80,211		58,86,297	
Others	1,24,44,265		1,54,61,651	
	<u>3,96,28,674</u>		<u>6,33,10,862</u>	



PARTICULARS	31-3-2014	31-3-2013	Amount Rs.
<b>Note : 2.21 Increase/(Decrease) in Stocks</b>			
Closing Stock of :			
Finished Goods of Compounds of Engg.Polymers	35,04,250	76,68,991	
Work in Progress	20,83,139	84,35,678	
<b>Total (A)</b>	<b><u>55,87,389</u></b>	<b><u>1,61,04,669</u></b>	
Opening Stock of :			
Finished Goods of Compounds of Engg.Polymers	76,68,991	49,55,676	
Work in Progress	84,35,678	15,87,048	
<b>Total (B)</b>	<b><u>1,61,04,669</u></b>	<b><u>65,42,724</u></b>	
Increase/(Decrease) in Stock (A-B)	-1,05,17,280	95,61,945	
<b>Note : 2.22 Employees benefits</b>			
Salary, Wages, Allowances & other Benefits	59,99,312	61,43,612	
Gratuity	89,844	1,142	
P. F. Contribution	1,22,081	2,10,273	
Staff Welfare Expenses	30,573	27,734	
	<u>62,41,810</u>	<u>63,82,761</u>	
<b>Note : 2.23 Financial Cost</b>			
Interest to Bank	70,06,298	61,16,207	
Interest to Others	4,36,866	1,14,668	
Others	12,77,144	9,51,298	
	<u>87,20,307</u>	<u>71,82,173</u>	
<b>Note : 2.24 Other Expenses</b>			
<b>Manufacturing Expenses</b>			
Power & Fuel	21,66,402	20,55,054	
Repairs & Maintainance to Plant & Machinery	1,62,129	44,987	
Factory Expense	3,37,165	1,64,916	
<b>Administrative &amp; Others Expenses</b>			
Clearing, Forwarding & Freight	10,01,220	14,08,769	
Consumption of Store & Spares	1,09,113	2,73,388	
Excise Expenses on Closing Stock	3,85,480	8,43,616	
Foreign Exchange Fluctuation	-	3,89,333	
Insurance Charges	1,37,678	1,40,782	
Prior Period expenses	2,85,000	1,81,594	
Payment to Auditor:			
For Audit Fee	1,12,360	1,12,360	
Rates & Taxes	18,548	18,073	
Repairs & Maintenance			
Building	0	9,550	
Others	1,25,316	1,69,829	1,79,379
Miscallaneuos Expenses	(8,02,807)	9,45,867	
	<u>40,37,604</u>	<u>67,58,118</u>	



CASH FLOW STATEMENT AS AT 31.03.2014

PARTICULARS	As at 31.3.2014	As at 31.03.2013
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extra ordinary items (Including Prior period adjustments)	-1,78,33,563	-39,89,342
Adjusted for depreciation and w/off misc. expenses	45,42,629	46,57,923
loss on sale of Fixed Assets	0	608
<b>Operating Profit before working capital changes</b>	<b>-1,32,90,934</b>	<b>6,69,189</b>
<b>Adjustment for (increase)/decrease in Operating assets</b>		
Inventories	1,38,38,468	-90,58,203
Trade Receivables	29,62,774	-9,97,892
Other Current Assets	42,68,295	6,04,425
Other Non Current Assets	2,37,307	0
<b>Adjustment for (increase)/decrease in Operating Liabilities</b>		
Trade Payables & Provisions	-31,70,929	56,33,219
Long term Liabilities & Provisions	80,89,844	43,01,142
<b>NET CASH GENERATED FROM OPERATIONS</b>	<b>12934825</b>	<b>1151880</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-1036179	-777887
Sale of Assets ( Including Profit)	0	666275
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-1036179</b>	<b>-111612</b>
<b>C CASH FLOWS FROM FINANCIAL ACTIVITIES</b>		
Proceeds from long term borrowings	-22,49,790	-39,90,775
Proceeds from short term borrowings	-7488493	3473067
<b>NET CASH FROM/USED IN FINANCING ACTIVITIES</b>	<b>-9738283</b>	<b>-517708</b>
Net increase/decrease in Cash and equivalents	2160363	522560
Opening balance of Cash and Cash equivalents	7262403	6739843
Closing balance of Cash and Cash equivalents	9422766	7262403
<b>Cash and cash Equivalents include</b>		
Cash in hand	84,31,879	46,35,354
Balance with Scheduled Bank		
- In Current Account	9,90,892	-18,80,951
- In Deposit Account	0	45,08,000
(held as Margin Money having original maturity of less than 12 months)		

As per our Report of even date

**FOR SHAH & BHANDARI**  
Chartered Accountants

**FOR AND ON BEHALF OF THE BOARD**  
**Axel Polymers Limited**

YOGESH BHANDARI  
Partner  
M. No. : 46255  
PLACE : Vadodara  
DATED : 31.05.2014

B.K.BODHANWALA  
Chairman

A.B.BODHANWALA  
Managing Director

PLACE : Vadodara  
DATED : 31.05.2014





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

**1.3 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. Inventories are valued at Lower of Cost or net realizable value.

**1.4. 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.

**1.5. 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.

**1.6. 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 and excise.
- b) Interest income is recognized on time proportion basis.
- c) Dividend income is recognised when the right to receive payment is established.

**1.7 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.

## 1.8. 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.

## 1.9. 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.

## 1.10. 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.

## 1.11. 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.

## 1.12. 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 or 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.

## 1.13. 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.

**1.14. 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.

**1.15. 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. The Term Loans are secured against

Particulars	Security
Demand Loan @ 15.75%	- First Charge on all Fixed Assets
WCTL @ 10.50%	- Equitable Mortgage of
FITL I @ 9.50%	Company's property at Moxi
FITL II @ 9.50%	Residential property at Gautamnagar Society
	Residential property at Jeevan Jyot Society
	- Personal Guarantees of Directors

- 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. Balances of sundry Receivables, Payables, Loan and Advances are subject to confirmation and Cash in hand balances are verified by the Management of the company
- 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 31.03.2014 are as under:

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



**Transactions with Key Personnel during the year:**

Rs. In lacs

Particulars	Nature of Payment	31.03.2014	31.03.2013
A.B.Bodhanwala	Managerial Remuneration	15.00	15.00
	Loan received	-	100.91
	Loan repaid	-	87.37
	Guarantees given	569.74	569.74
	Interest	4.76	
B.K. Bodhanwala	Managerial Remuneration	4.176	4.20
	Loan received	-	4.17
	Loan Repaid	0.50	-
	Guarantee Given	569.74	569.74
	Interest	2.66	
M.A. Bodhanwala	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. EXPENDITURE/ EARNINGS IN FOREIGN CURRENCY : NIL (P.Y. Nil)
7. The disclosure as required under AS 15 regarding Gratuity Plan is as under

<b>Table showing changes in present value of obligation on</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Present value of obligation at beginning of year	600807	592839
Interest cost	48065	47427
Current Service cost	74647	85715
Benefit paid	-39150	0
Actuarial (gain) / loss on obligation	-28751	-125174
Present value of obligation at end of year	655618	600807
<b>Table showing changes in the fair value of plan assets on</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Fair value of Plan Asset at beginning of year	82668	75842
Expected Return on Plan Asset	4117	6826
Contributions	5165	0
Benefit paid	-39150	0
Actuarial gain / loss on Plan Asset	NIL	NIL
Fair value of Plan Asset at end of year	52800	82668
<b>Table showing fair value of plan assets</b>		
Fair Value of Plan Assets at beginning of year	82662	75842
Actual return on Plan Assets	4117	6826
Contributions	5165	0



Benefits paid	-39150	0
Fair Value of Plan Assets at end of period	52800	82668
Fund Status	-602618	-518139
Excess actual / estimated return on plan asset	NIL	NIL
<b>Actuarial Gain / Loss recognized</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Actuarial (gain) / loss on obligation	28751	125174
Actuarial (gain) / loss for the year-plan asset	NIL	NIL
Actuarial (gain) / loss for the year	-28751	-125174
Actuarial (gain) / loss recognised in the year	-28751	-125174
Present value of obligation at end of year	655618	600807
Fair value of Plan asset as at end of the year	52800	82668
Funded Status	-602818	-518139
Net Asset / (Liability) recognised In Balance Sheet	-602818	-518139
<b>Expenses Recognised in statement of Profit and loss</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Current Service cost	74647	85175
Interest cost	48065	47427
Expected return on plan asset	-4117	-6826
Net Actuarial (gain) / loss recognised in the year	-28751	-125174
Expense recognised in Statement of Profit & Loss	89844	1142
<b>ASSUMPTIONS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Discount Rate	8.00%	8.00%
Salary Escalation	7.00%	7.00%

**8. CIF VALUE OF IMPORTS**

PARTICULARS	2013-14	2012-13
CIF Value of Imports	NIL	51.38
Capital Goods Purchase	NIL	-
Material Purchase	NIL	626.50
Stores & Spares Purchase	NIL	4.31

As per our Report of even date

**FOR SHAH & BHANDARI**  
Chartered Accountants

**FOR AND ON BEHALF OF THE BOARD**  
**Axel Polymers Limited**

YOGESH BHANDARI  
Partner  
M. No. : 46255  
PLACE : Vadodara  
DATED : 31.05.2014

B.K.BODHANWALA  
Chairman

A.B.BODHANWALA  
Managing Director

PLACE : Vadodara  
DATED : 31.05.2014





**AXEL POLYMERS LIMITED**  
**CIN: L25200GJ1992PLC017678**

**Registered office :** 309, Mokshi, Sankarda- Savli Road, Tal Savli, Dist Vadodara  
**Telephone no.:** 02667-244395 • **Email address :** abb@axelindia.com

**ATTENDANCE SLIP**

Shareholder/ Proxy Holder	DP ID	Client ID	Folio No.	No. of Shares held

Annual General Meeting- 2014

At Regd. Off.: 309, Mokshi, Sankarda- Savli Road, Tal. Savli, Dist Vadodara

I hereby record my presence at the 22nd Annual General Meeting held at 09.00 a.m.  
on 27th September, 2014

\_\_\_\_\_  
Members'/Proxy Signature

- Notes:**
1. Please bring this attendance slip to the meeting and handover at the entrance duly filled in.
  2. Members are requested to bring copy of Annual Report with them.







**FORM NO. MGT-11  
PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN : L25200GJ1992PLC017678  
Name of the company : AXEL POLYMERS LIMITED  
Registered office : 309, Mokshi, Sankarda-Savli Road, Tal Savli, Vadodara  
Telephone no. : 02667-244395  
Email address : abb@axelindia.com

Name of the member (s) :	
Registered Address :	
E-mail Id :	
Folio No/ Client Id :	
DP ID :	

I/We, being the holder(s) of ..... shares of the above named company, hereby appoint

1. Name : .....
  - Address :
  - E-mail Id :
  - Signature : ....., or failing him
- 
2. Name : .....
  - Address :
  - E-mail Id :
  - Signature : ....., or failing him
- 
1. Name : .....
  - Address :
  - E-mail Id :
  - Signature : ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **22nd Annual General Meeting** of the Company, to be held on Saturday, the 27th September, 2014 at 9.00 a.m. at 309, Mokshi, Sankarda-Savli Road, Tal. Savli, Dist. Vadodara and at any adjournment thereof in respect of such Resolutions as are indicated below:

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No.	Item	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
<b>Ordinary Business:</b>				
1.	Adoption of Directors' Report, Audited Financial Statements for the year ended on 31st March, 2014 and Auditors Report thereon			
2.	Appointment of Statutory Auditors and fixation of their remuneration.			
<b>Special Business:</b>				
3.	Appointment of Mr. Gaurav S. Thanky as Director			
4.	Appointment of Mr. Amitabh G. Thakore as Independent Director.			
5.	Appointment of Bhupendra B. Patel as Independent Director.			
6.	Appointment of Prashant M. Walvekar as Independent Director.			
7.	Authority to the Board of Directors for exercising Borrowing Powers.			
8.	Authority to the Board of Directors to lease or otherwise dispose of the undertaking of the Company (other than sale)			

Signed this..... day of..... 20.....

Affix  
Revenue  
Stamp

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

**Note :** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



**Form No: MGT-12  
POLLING PAPER**

*[Pursuant to Section 109(5) of the Companies Act, 2013 and rules 21 (1) (c) of the Companies (Management and Administration) Rules, 2014]*

CIN : L25200GJ1992PLC017678  
Name of the company : AXEL POLYMERS LIMITED  
Registered office : 309, Mokshi, Sankarda-Savli Road, Tal Savli, Vadodara

**BALLOT PAPER**

No.	Particulars	Details
1.	Name of the First Named shareholder ( In Block Letters)	
2.	Postal Address	
3.	Registered Folio No./ * Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution below by recording my assent or dissent to the said resolution in the following manner:

No.	Item	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1.	Ordinary Business: Adoption of Directors' Report, Audited Financial Statements for the year ended on 31st March, 2014 and Auditors Report thereon			
2.	Appointment of Statutory Auditors and fixation of their remuneration.			
	<b>Special Business:</b>			
3.	Appointment of Mr. Gaurav S. Thanky as Director			
4.	Appointment of Mr. Amitabh G. Thakore as Independent Director.			
5.	Appointment of Bhupendra B. Patel as Independent Director.			
6.	Appointment of Prashant M. Walvekar as Independent Director.			
7.	Authority to the Board of Directors for exercising Borrowing Powers.			
8.	Authority to the Board of Directors to lease or otherwise dispose of the undertaking of the Company (other than sale)			

Place:

Date:

\_\_\_\_\_  
(Signature of Shareholder)

