

Axel
POLYMERS LTD.



11th

ANNUAL REPORT
2002-2003



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POLYMERS LTD.

BOARD OF DIRECTORS

B.K.Bodhanwala	Chairman
A.B. Bodhanwala	Managing Director
Dr. M.A. Bodhanwala	Director
K. D. Patel	Director
D. M. Patel	Director

AUDITORS

M/s. Manish Shah & Associates
Chartered Accountants

BANKERS

Bank of Baroda

REGD. OFFICE & WORKS

S. No. 309 Village Mokshi,
Sankarada - Bhadarva Road,
Ta. : Savli. Dist. Baroda.
Gujarat - India



DIRECTORS' REPORT

To,
The Members

Your directors are pleased to present herewith the Eleventh Annual Report of your Company for the financial year ended March 31, 2003.

SUMMARY OF FINANCIAL RESULT

	2002-2003	2001-2002
Sales	85250343	50806309
Profit before Interest, Depreciation and Tax	5300011	1491049
Interest cost	2273451	493020
Depreciation	2576250	2461417
Profit before & after Tax	450310	-1463388

PERFORMANCE & PROSPECTS

Despite the depressed market situation and cash crunch in the economy on the national scene, your directors have put in their best efforts to sustain the adverse effects of the economic slow down. Your directors have to further state that during the current year the domestic plastic industry is facing severe competition from global players. In view of the same your directors have put their concentrated efforts on processing material on toll compounding basis.

Your directors are pleased to inform that your company has successfully negotiated and tied up with a global giant for manufacturing/processing various compounded grades. This has resulted in generating additional revenue to survive the depressed market conditions.

The company has further secured the renewal of annual contract with M/S Gujarat State Fertilizers & Chemicals Ltd. for processing of various compounded grades of Polyamide-6 for the consecutive ninth year. The company now has the advantage of secured working and your directors are confident of achieving the higher profitability in the years to come.

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

LISTING OF SECURITIES

The Securities of the company are listed on the recognized stock exchanges situated at Vadodara & Mumbai.



AUDITORS

M/S Manish Shah & Associates, Chartered Accountants, Baroda, the present Auditors retire at the conclusion of the ensuing Annual General Meeting but being eligible, offer themselves for reappointment. Your Directors recommend the appointment of M/S Manish Shah & Associates, Chartered Accountants, Vadodara as the Auditors.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri. K.D.Patel and Shri D.M.Patel retire by rotation at the ensuing Annual general Meeting of the Company and being eligible offers themselves for reappointment.

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, 2003, the applicable accounting standards have been followed along with proper explanations relating to material departures.

that 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.

that the Directors had 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.

PARTICULARS OF EMPLOYEES

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 under sec. 217(2-A) of the Companies Act 1956 read with the Companies (Particulars of employees) Rules 1975, has been given as under :

NAME	QUALIFICATION	EXPERIENCE	SALARY	PERQUISITES	TOTAL
A.B.Bodhanwala	B. Com, F.C.A.	15 Years	Rs. 420000	NIL	Rs. 420000

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.



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

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

<u>Power & Fuel Consumption (Electricity)</u>	<u>2002 – 2003</u>	<u>2001 — 2002</u>
Purchased - Quantity (units)	541095	458322
Amount (Rs.)	2714413	2471190
Rate / unit (Rs.)	5.02	5.39

During the year under review, your Directors have focused a concerted approach on the efficiency in Consumption of Power. This was possible with rationalizing the Rated Electrical Power of the Machineries and Utilities required. As a result, the per kg. Cost of Power in terms of production has substantially reduced.

The Company has not earned any Income on Revenue or Capital Account and the Company has not expended any amount in Foreign Currency during the year under review.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and cooperation received from Bank of Baroda, Government Authorities, Business Associates, and Share Holders during the year under review. 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.

For and on Behalf of the Board

Place: Mokshi
Dated: 04.08.2003

B.K.BODHANWALA
CHAIRMAN



Auditors' Report to Members of Axel Polymers Limited.

We have audited the attached Balance Sheet of Axel Polymers Ltd., as at 31st March 2003 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;



Axel
POLYMERS LTD.

- iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; except AS-15 in respect of Gratuity and Leave Encashment, which are accounted on cash basis.
- v. On the basis of written representations received from the directors, as on 31st March 2003, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. in our opinion and to the best of our information and according to the explanations given to us, the said accounts, *subject to note no. 5 of Notes to the Accounts regarding non provision of interest on term loan net of interest paid amounting to Rs. 28.76 lacs which has resulted in the profit for the year higher to that extent and the liability being lower by Rs. 155.62 lacs, and note no. 6 regarding treatment of sales, as a result of which the sales and purchases are higher by Rs. 704.57 lacs, and Inventories and Creditors are higher by Rs. 79.70 lacs and read with the Significant Accounting policies and Notes to the Accounts, the said accounts give the information required by the Companies Act, 1956. in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2003;
 - b. in the case of the Profit and Loss Account, of the profit for the year ended on that date. and
 - c. in case of cash flow statement, of the cash flows for the year ended on that day.

For MANISH SHAH & ASSOCIATES
Chartered Accountants

PLACE: BARODA
DATED: 04.08.2003

MANISH SHAH
Proprietor