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15th

ANNUAL REPORT

2006 - 2007

Axel Polymers Limited



Axel Polymers Limited

NOTICE

Notice is hereby given that the **FIFTEENTH ANNUAL GENERAL MEETING** of the members of the Company shall be held at 9.00 A.M. on Saturday 22nd September 2007 at S. No. 309, Vill. Mokshi, Tal. Savli, Dist. Vadodara. to transact the following business

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Annual Accounts for the financial year ended on 31st March, 2007 and the Report of the Directors and Auditors thereon.
- To appoint Director in place of Dr. M.A.Bodhanwala who retires by rotation and being eligible, offer herself for reappointment.
- ~~To appoint Director in place of Shri B.K.Bodhanwala who retires by rotation and being eligible, offer himself for reappointment~~
- To consider and if thought fit, to pass the following Resolution with or without modification(s) as an Ordinary Resolution:

RESOLVED THAT M/s Manish Shah & Associates, 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.

Regd. Office:

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

Place: Mokshi

Dated: 01.08.2007

By Order of the Board of Directors

B.K.Bodhanwala
Chairman



Axel Polymers Limited

NOTES

- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member. Proxies in order to be effective must be received by the Company, not less than 48 hours before the commencement of the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 20.09.2007 to 22.09.2007 (both days inclusive).
- Members are requested to intimate the change in their address, if any.
- Relevancy of the Question and the order of speaking at the meeting will be decided by the Chairman.
- All documents referred to in the Notice are open for inspection at the Registered Office of the Company during Office hours on all working days except between 11.00 AM to 1.00 PM up to the date of Fifteenth Annual General Meeting.

Please bring the 15th Annual Report and Accounts (2006 – 2007)



Axel Polymers Limited

BOARD OF DIRECTORS

Mr. B.K.Bodhanwala	Chairman (Whole time - Executive)
Mr. A.B.Bodhanwala	Managing Director
Dr. M.A.Bodhanwala	Director (Non - Executive)
Mr. A.G.Thakore	Director (Independent – Non-Executive)
Mr. S.F.Ilavia	Director (Independent – Non-Executive)
Mr. B.B.Patel	Director (Independent – Non-Executive)

AUDITORS

MANISH SHAH & ASSOCIATES
Chartered Accountants

COMPANY SECRETARY

D.PATHAK & ASSOCIATES
Company Secretary

REGISTRARS

INTIME SPECTRUM REGISTRY Pvt. Ltd.
308, Jaldhara Complex, Opp. Manisha Society,
Off Old Padra Road, Vadodara 390 015

BANKERS

BANK OF BARODA

FOR AXEL POLYMERS LIMITED

DIRECTOR

REGISTERED OFFICE & WORKS

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



Axcel Polymers Limited

DIRECTORS REPORT

Dear Shareholder,

Your directors are pleased to present herewith the Fifteenth Annual Accounts of your Company for the financial year ended March 31, 2007.

PART I**FINANCIALS**

PARTICULARS	% Increase	2006-2007	2005 – 2006
Sales and other income	29.68	325147203	250724932
Profit before Interest, Depreciation & Tax	46.82	14686017	10003024
Interest & Finance charges		4632123	3624097
Depreciation		3912334	3164102
Profit before Tax	89.87	6103941	3214825
Cash Profit	54.33	10053894	6514459
Provision for Taxation : Deferred Tax Liability (see explanation)		5291180	2350947
Fringe benefit Tax		127000	120000
Net Profit		685761	743878

PERFORMANCE

Your Directors are pleased to state that during the year ended March 31, 2007 your Company has empathetically turned the corner after an unprecedented and long recessionary period. Your directors have to further state that in spite of the pressure on margins in domestic plastic compounding industry due to severe competition from global players, your Company managed to capture higher volumes from the market. The Global Polymer Industry took a turn in the positive direction and saw a bright future.

As a result, the business Toll Compounding of Engineering Polymers in India has seen an upward growth. Demand for products have increased due to the over all economic & industrial growth.

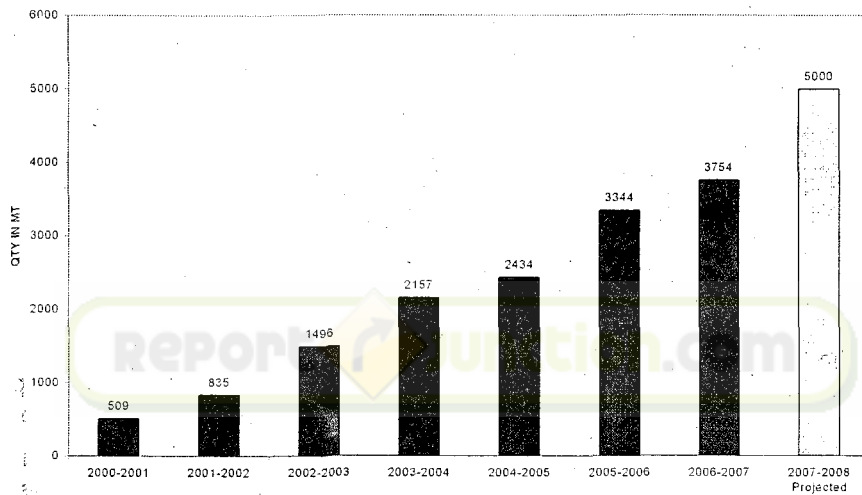
Your Directors are extremely pleased to inform you that the Company has continued to maintain the status of THE LARGEST TOLL COMPOUNDER IN INDIA.



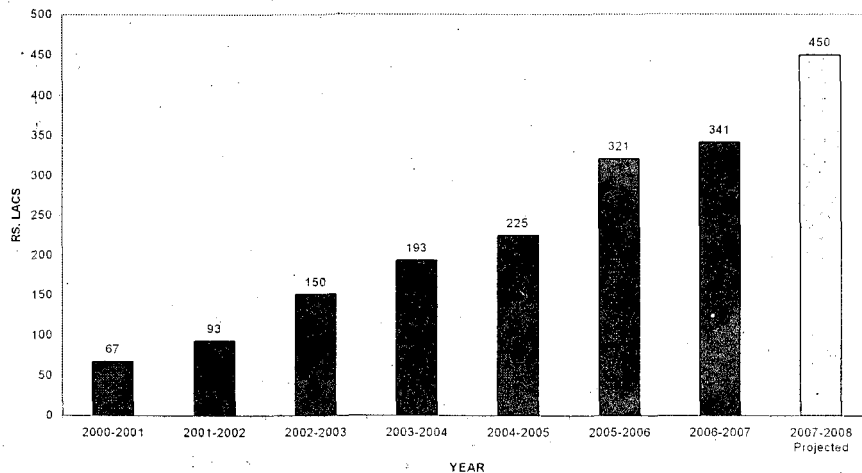
Axel Polymers Limited

Our production and revenues have increased during the current year. It can be attributed to expansion of capacity, judicious management & host of other factors. Having stabilised the expanded production capacity, full benefits of increased production will accrue from 2007-08 onwards. There has been an all round growth in the performance of the company. This along with various positive measures undertaken by the management has resulted in substantial improvement in the health of the company.

PRODUCTION



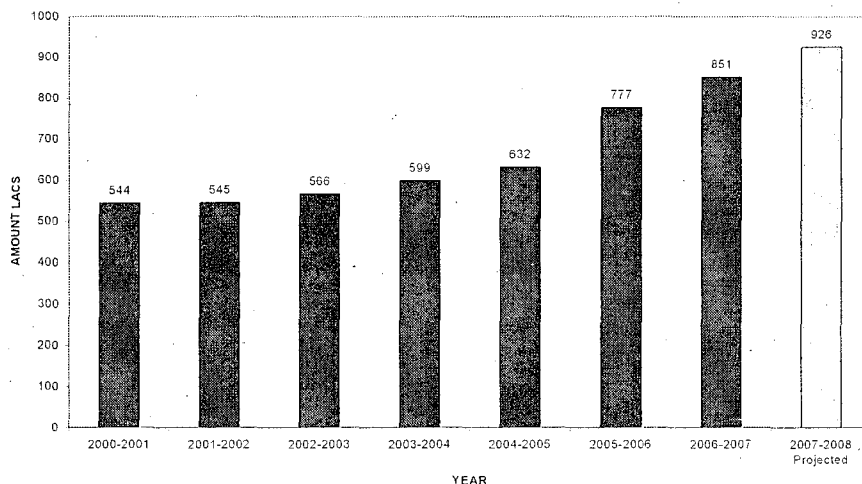
REVENUE





Axel Polymers Limited

ASSETS



FUTURE GROWTH OPPORTUNITIES

India is moving forward to meet with destiny, to become an economic super power. Sustained domestic growth will bring improvement in all facets of life.

World markets continued to recognise the competitiveness of Indian products and services. As a result, outsourcing of services from high cost economies to Indian Companies are increasing at a rapid pace. This will in turn accelerate the pace of the domestic markets too.

The existing expanded scale of our operations, future developments, low overheads and qualities of products matching with International Standards are our inherent strengths. This in turn continues to give us unparalleled platform to be more competitive. We are focused to deliver superior values to customers, ensuring International qualities for all the products and services.

PART II

CORPORATE GOVERNANCE

Your Company has maintained highest standards of Corporate Governance since its inception, even before any guidelines were mandated. Your Company believes that good corporate governance practices enable the management to direct and control the affairs of the Company in an efficient manner and to achieve the goal of achieving excellence aimed at maximising value for all shareholders and



Axel Polymers Limited

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 obtained the ISO 9001-2000 Certification. This has added another feather in our cap.

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, 2007, 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.



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AUDITORS

M/s Manish Shah & Associates, Chartered Accountants, Baroda, the present Auditors retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received their conformation

The Audit Committee of the Board has recommended their reappointment. The necessary Resolution is being placed before the Shareholders for approval.

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

Reappointment

- In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Dr. M.A.Bodhanwala retire by rotation at the ensuing Annual general Meeting of the Company and being eligible, offers herself for reappointment. Your Directors recommend her reappointment
- In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri B.K.Bodhanwala retire by rotation at the ensuing Annual general Meeting of the Company and being eligible, offers himself for reappointment. Your Directors recommend his reappointment

FIXED DEPOSITS

The company did not invite / accept / renew any fixed deposits during the year under review.

DIVIDEND

Your Directors do not recommend any Dividend in the current year in view of brought forward losses.

INSURANCE

All the Assets of the Company are adequately insured against Fire, Floods, Riots and natural calamities.

DEFERRED TAX LIABILITY

Pursuant to the revised Provisions of Sec. 43B of the Income Tax Act, 1961, the Deferred Tax Liability has arisen. Companies are required to provide the Deferred



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Tax Liability in the relevant year on account of unabsorbed Depreciation.

COMPLIANCES

The Company is regular in making all the statutory compliances. The Company has taken appropriate steps for lifting the suspension of trading in Scrips at the BSE.

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 continue to be cordial, harmoni 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.

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

During the year under review, your Directors have focused a concerted approach on the efficiency in Consumption of Power.

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

Power & Fuel Consumption		Electricity	2006 – 2007	2005 – 2006
Purchased	Quantity	units	1295926	1170141
	Amount	Rs.	6204312	5307724
	Rate / unit	Rs.	4.79	4.54
Production	Quantity	M.T.	3783.054	3440.830
	Total Power Cost	Rs.	6204312	5307724
	Power Cost per Kg. of Production	Rs.	1.64	1.54