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16th

**ANNUAL REPORT
2007 - 2008**

Axel Polymers Limited

ISO 9001:2000



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 LAW ADVISOR

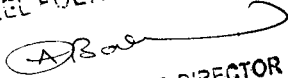
D.PATHAK & ASSOCIATES
Practicing Company Secretaries

REGISTRARS

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

BANKERS

BANK OF BARODA

FOR AXEL POLYMERS LIMITED

MANAGING DIRECTOR

REGISTERED OFFICE & WORKS

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



Axel Polymers Limited

DIRECTORS REPORT

Dear Shareholder,

Your directors are pleased to present here with the Sixteenth Annual Accounts of your Company for the financial year ended March 31, 2008.

PART I

FINANCIALS

PARTICULARS	% Increase	2007-2008	2006 - 2007
Sales and other income	32	428603123	325147203
Expenditure	31	414096708	315093309
Depreciation & W/Off		4251800	3949953
Profit before Interest W/Off, & Depreciation	23	18126037	14686017
Profit before Tax	68	10254616	6103941
Provision for Taxation :			
Current Tax		818449	0
Deferred Tax Liability		-2839152	5291180
Fringe benefit Tax		143000	127000
Profit after Tax		12132319	685761
Adjustments		222583	0
Net Profit		11909736	685761
Cash Profit		16161536	4635714
E P S		2.77	0.16
Cash E P S		3.76	2.16

PERFORMANCE

Your Directors are pleased to state that during the year ended March 31, 2008 your Company has maintained its growth history. Your directors have to further state that in spite of the pressure on margins in domestic plastic compounding industry, your Company managed to capture higher volumes from the market. This was possible due to increase in total productivity, man & machine. The company managed to control the overheads to offset the increase in prices of electricity & labour costs.

The Polymer Industry was growing upward. New applications are developed and commercialised. As a result, the business of Toll Compounding of Engineering Polymers in India has seen an upward growth. Demand for products have also increased due to the over all economic & industrial growth.

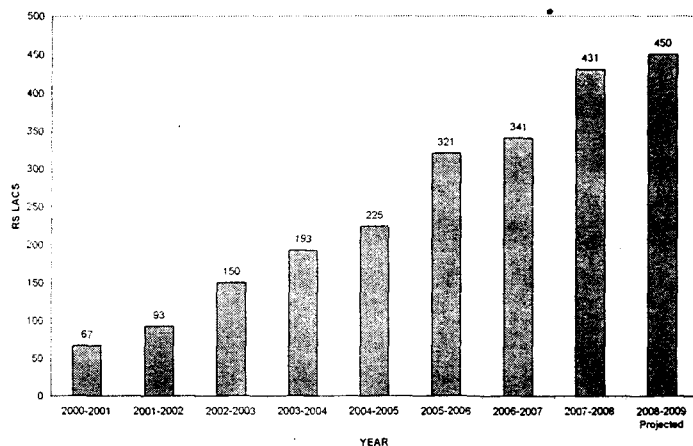
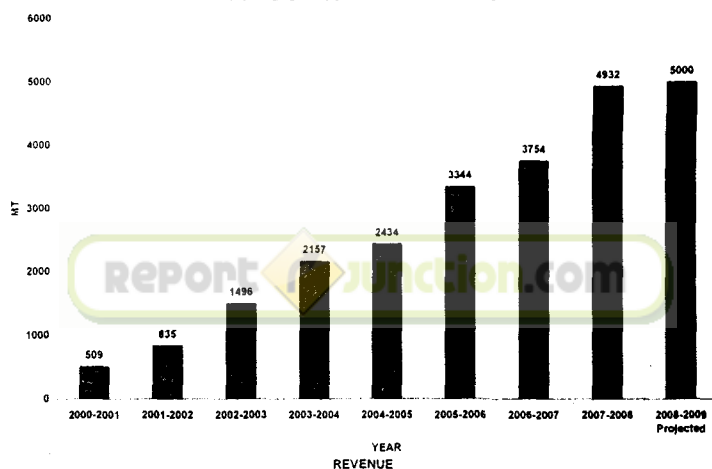


Axel Polymers Limited

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

Our production and revenues have increased during the current year. There was 30% growth in production. It can be attributed to expansion of capacity, judicious management & host of other factors. 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.

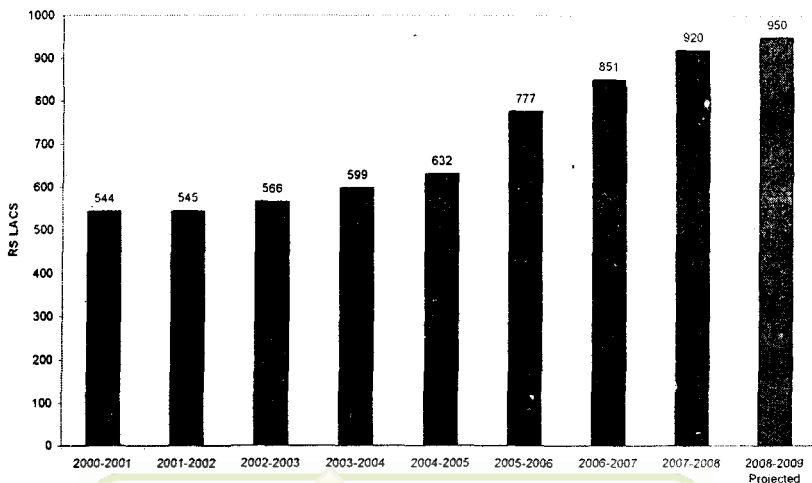
PRODUCTION AT A GLANCE





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.

Your Directors are also exploring the possibilities of Exports to under developed countries. For this, your Company will need to diversify in to Molding Sector. This is no doubt a forward integration.

PART II

CORPORATE GOVERNANCE

Your Company has maintained highest standards of Corporate Governance since its inception, even before any guidelines were mandated. Your Company



Axel Polymers Limited

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 9001-2000 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, 2008, 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.



Axel Polymers Limited

The Directors had prepared the Annual Accounts on a going concern basis.

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, Mr. A.G. Thakore and Mr. B. B. Patel retire by rotation at the ensuing Annual general Meeting of the Company and being eligible, offer themselves for reappointment. Your Directors recommend their 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.

TAXATION

DEFERRED TAX

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 reduced and the same is



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adjusted in the Profit & Loss Account.

CURRENT TAX

During the current year the Company has made a provision for Minimum Alternate Tax on book profit, amounting to Rs. 818449

FRINGE BENEFIT TAX

The Company has made provision of Fringe Benefit Tax as per the provisions of the Income tax, 1961 amounting to Rs. 143000.

COMPLIANCES

The Company is regular in making all statutory Compliances. The revocation of suspension of trading of company's scrips, on Bombay Stock Exchange has been approved by the BSE. The necessary fees for revocation are already paid. The trading should resume shortly.

INVESTOR RELATIONS

All Investor complaints received during the year have been suitably disposed off. There were no Investor grievances pending as at date.

PARTICULARS OF EMPLOYEES

The Industrial relations in the Plant and Office continues to be cordial, harmonious and peaceful.

Your directors like to place on record their appreciation of contribution made by the employees at all levels, their steadfastness, solidarity, co-operation and support have made it possible for the company to grow. Employees continue to remain our major asset, in our continuing endeavour in the pursuit for excellence.

Information required under Section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of employees) Rules 1975, has not been given as the same is not applicable.

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:



Axel Polymers Limited

Power & Fuel Consumption - Electricity		2007 – 2008	2006 – 2007
Purchased	Quantity units	1506036	1295926
	Amount Rs.	7189042	6204312
	Rate / unit Rs.	4.77	4.79
Production	Quantity M.T.	4931.784	3803.013
	Total Power Cost Rs.	7189042	6204312
	Power Cost per Kg. of Production Rs.	1.46	1.63

The Power cost per kg of Production has decreased from Rs. 1.63 to Rs. 1.46 due to efficient use of Power.

FOREIGN EXCHANGE EARNINGS

The Company has not earned any Income on Revenue or Capital Account during the year.

ACKNOWLEDGEMENT

Your Directors would like to express their gratitude & appreciation for the assistance and co-operation 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. The company believes that the Employees are its biggest assets.

For and on Behalf of the Board

Place: Mokshi

B.K.BODHANWALA

Dated: 08.08.2008

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 31.03.2008.

None of the Directors on the Board is a member of more than 10 Committees or Chairperson of more than 5 Committees, as specified in Clause 49.

The details of the Directors on Board, their attendance at Board meetings held during the year and the last AGM is as under:

NAME	CATEGORY	BOARD MEETINGS ATTENDED	WHETHER ATTENDED LAST AGM	OTHER DIRECTORSHIP
Mr. B.K.Bodhanwala	Chairman Executive	7	YES	NONE
Mr. A.B.Bodhanwala	Managing Director	7	YES	NONE
Dr. M.A.Bodhanwala	Director Non-Executive	7	YES	NONE
Mr. A.G.Thakore	Independent Non Executive	7	NO	ONE
Mr. S.F.Ilavia	Independent Non Executive	1	NO	NONE
Mr. B.B.Patel	Independent Non Executive	6	YES	NONE