

18

ANNUAL ACCOUNTS

2009 - 2010

AXEL POLYMERS LIMITED

ISO 9001:2008

REGISTERED OFFICE & WORKS

S. No 309, Vill. Mokshi, Sankarda – Savli Road Tal. Savli Dist. Vadodara 391 780

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. B.B.Patel	Director (Independent – Non-Executive)
Mr. G.M.Patel	Director (Independent – Non-Executive)

AUDITORS

SHAH & BHANDARI
Chartered Accountants

COMPANY LAW ADVISOR

D.PATHAK & ASSOCIATES
Company Secretary

REGISTRARS

LINK INTIME INDIA PVT LTD
308, Jaldhara Complex, Opp. Manisha Society,
Off Old Padra Road, Vadodara 390 015

BANKERS

BANK OF BARODA

REGISTERED OFFICE & WORKS

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

NOTICE

Notice is hereby given that the **EIGHTEENTH ANNUAL GENERAL MEETING** of the members of the Company shall be held at 9.00 A.M. on Saturday 25th September 2010 at S. No. 309, Vill. Mokshi, Tal. Savli, Dist. Vadodara. to transact the following business

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Annual Accounts for the financial year ended on 31st March, 2010 and the Report of the Directors and Auditors thereon.
2. To appoint Director in place of Mr. B.B.Patel who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Director in place of Mr. A.G.Thakore who retires by rotation and being eligible, offers himself for reappointment
4. To consider and if thought fit, to pass the following Resolution with or without modification(s) as an Ordinary Resolution:

RESOLVED THAT M/s Shah & Bhandari, Chartered Accountants, Vadodara, be and are hereby appointed 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

By Order of the Board of Directors

Place: Mokshi
Dated: 01.08.2010

B.K.Bodhanwala
Chairman

NOTES

- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself 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 23.09.2010 to 25.09.2010 (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 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 Eighteenth Annual General Meeting.
- Please bring the 18th Annual Report and Accounts (2009 – 2010)

INFORMATION OF THE APPOINTEES**Item no 2**

You are aware that the contributions made by Mr. B.B.Patel have been invaluable to the Company. He is liable to retire by rotation and he has offered his reappointment as a Director. Your Directors in their meeting held on 01.08.2010 have approved the reappointment of Mr. B.B.Patel in accordance with the Provisions of the Companies Act, 1956.

Item no 3

Mr. A.G.Thakore is a person with a vast experience of over 40 years at various levels of management. You are also aware that Mr. A.G.Thakore has made valuable contributions to the Company. Ever since his appointment, the Company has seen remarkable growth and higher prospects. He is liable to retire by rotation and he has offered his reappointment as a Director. In light of the above, your Directors in their meeting held on 01.08.2010 have approved the reappointment of Mr. A.G.Thakore in accordance with the Provisions of the Companies Act, 1956.

DIRECTORS REPORT

Dear Shareholder,

Your directors are pleased to present herewith the Eighteenth Annual Accounts of your Company for the financial year ended March 31, 2010.

PART I**FINANCIALS**

Rupees

PARTICULARS	2009-2010	2008 – 2009
Sales and other income	37374062	256400303
Expenditure	34297746	258615471
Depreciation & W/off	4594433	4458123
Profit before Interest, W/off & Depreciation	6235814	775988
Profit before Tax	-1518117	-6673291
(Short) / Excess Provision of Current Tax of earlier year	155775	0
Provision for Taxation :		
Current tax	0	0
Deferred Tax Liability / Asset	1925440	-3619491
Fringe benefit Tax	0	74896
Profit after Tax	563098	-3128696
Cash Profit after Tax	5157531	1329427

PERFORMANCE

Almost every business, every individual has been impacted in these times and your company is no exception to it. This is the time for us to show our strength and what we can achieve. We have worked harder and smarter now more than ever. The true spirit is founded on our enthusiasm, cost consciencness, willingness to assume responsibility and the Will to ensure that we succeed. Your company backed by a list of Multinationals and Indian Corporate Giants and remarkable processing talents was able to face those challenges by bolstering talent and cost effective plans across the company.

Your Directors have to state that during the year ended March 31, 2010 your Company has not been able to maintain its growth history. The World Economic Crisis and the slump in the global market had put the Industry in a very bad situation. Your directors have to further state that in spite of the slump in global market, the Indian scenario was a shade better. In these difficult times your Company managed to float and avert the crisis to the best ability of your Directors. Our main customers are related to the Automobile and Electrical Industry. Both these sectors were in the red since the global and the domestic market was low. There was panic in the Industry too. The company managed to control the overheads to offset the lower revenue, increase in prices of electricity & labour costs.

FUTURE GROWTH OPPORTUNITIES - DIVERSIFICATION

The current business scenario of Toll Compounding of Engineering Polymers is still quite good; however the returns are disproportionate. We are one of the oldest Companies in the field of Engineering Polymers. Our Processing facilities and capabilities are state-of-the-art; so as to produce Quality material.

Thus as a business decision, we have identified 2 lines of activity.

Engineering Polymers

Mosquito Bed Nets – ITNs & Untreated

You will be happy to note that on a detailed analysis, all the relevant factors are in our favour thus justifying our decision.

With this proposed line of business activity, your Directors are hopeful and optimistic of generating additional revenues at a higher rate than the existing line of activity. Moreover, the demand for this product will never be in slump due to the sheer size of the Market. Moreover, the domestic Market itself is quite large.

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 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 9001-2008** 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, 2010, 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

M/s 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

Reappointment

- In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. B.B.Patel retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment. Your Directors recommend his reappointment
- In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. A.G.Thakore retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment. Your Directors recommend his reappointment

FIXED DEPOSITS

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

DIVIDEND

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

INSURANCE

All the Assets of the Company are adequately insured against Fire, Floods, Riots and natural calamities. The sum insured are adequate as per the current norms.

TAXATION

Pursuant to the provisions of Sec. 43B of the Income Tax Act, 1961 the Company is required to provide for Deferred Tax Liability. As per the revised provisions of Sec. 43B, the deferred tax liability for the year has reduced and the same is 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 Income on Revenue or Capital 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:

Power & Fuel Consumption - Electricity		2009 – 2010	2008 – 2009
Purchased	Quantity units	697669	611336
	Amount Rs.	4017053	3579270
	Rate / unit Rs.	5.76	5.85
Production	Quantity M.T.	1801.561	1786.031
	Total Power Cost Rs.	4031048	3579720
	Power Cost per Kg. of Production Rs.	2.24	2.00

The Power cost per kg of Production has increased from Rs. **2.00 to Rs. 2.24** due to increase in Basic Rate per unit of Power.

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
Dated: 01.08.2010

B.K.BODHANWALA
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 31.03.2010.

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

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

NAME	CATEGORY	BOARD MEETINGS ATTENDED	WHETHER ATTENDED LAST AGM	OTHER DIRECTORSHIP
Mr. B.K.Bodhanwala	Chairman Executive	7	YES	NONE
Mr. A.B.Bodhanwala	Managing Director	7	YES	NONE
Dr. M.A.Bodhanwala	Director Non-Executive	7	YES	NONE
Mr. A.G.Thakore	Independent Non Executive	3	NO	ONE
Mr. B.B.Patel	Independent Non Executive	2	YES	NONE
Mr. G.M. Patel	Independent Non Executive	1	YES	NONE

There were 7 Board meetings held during the year 2009-2010 and the gap between two Meetings did not exceed 4 months.

AUDIT COMMITTEE

The Audit Committee in constituted in line with the provisions of Clause 49 of the Listing Agreement read with Sec 292 A of the Companies Act. The terms of reference confirm to the requirements of Sec. 292A of the Companies Act.

The Composition of the Audit Committee comprises of

NAME	CATEGORY	MEETINGS HELD & ATTENDED
Mr. B.B.Patel	Chairman	4
Mr. A.B.Bodhanwala	Member	4

The Statutory Auditors of the Company and the internal auditor are invited to attend the above Meetings. Committee discusses with the statutory auditors on the Limited Review of the quarterly and Half yearly Unaudited results, audit plan for the year, matters pertaining to compliance of accounting standards and other related matters.

INVESTOR GRIEVANCE COMMITTEE

The Investors' Grievance Committee has been constituted and functioning. Mr. B.B.Patel was the Chairman & Dr. M A Bodhanwala was member. The Committee deals with all Transfers, transmissions etc. as required from time to time and all matters pertaining to Investors' complaints. When the Shares are lodged for transfer in excess of 10000 shares, the Company 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 31.03.2010.

GENERAL BODY MEETINGS

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

2008-2009	26.09.2009	Registered Office	9.00 AM
2007-2008	27.09.2008	Registered office	9.00 AM
2006-2007	22.09.2007	Registered office	9.00 AM

DISCLOSURES

During the year 2009-2010 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	18 th
Date & Time:	25.09.2010 at 9.00 A.M.
Venue :	S.No. 309. Vill. Mokshi, 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	23.09.2010 to 25.09.2010 (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	1869300 Equity Shares of the Company have been Dematerialised as on 31.03.2010.
Registrar & Transfer Agents	LINK INTIME INDIA PRIVATE LIMITED 308, Jaldhara Complex, Opp. Manisha Society, Off Old Padra Road, Vadodara 390 015
ADR'S / GDR's / Warrants	The Company has not issued any GDR'S / ADR'S / Warrants or any convertible instruments.