



Axel Polymers Limited

Regd. Office & Works : 309, Mokshi, Sankarda-Savli Road, Tal. Savli,
Dist. Vadodara - 391780, India. • Telefax : +91-2667-244395, 244438
info@axelindia.com • www.axelindia.com • CIN : L 25200GJ1992PLC017678

21.08.2019

To,
Department of Corporate Service
BSE Limited P.J Tower,
Dalal Street, Mumbai- 400001

Scrip Code:513642

Dear Sir/Madam,

Sub: Outcome of the meeting of Board of Directors held on 21st August 2019 & disclosure under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

The Board of Directors of the Company in its meeting held on 21st August, 2019, after recommendation of the Audit Committee of the Company, have considered and approved the draft Scheme of Amalgamation of Dhara Petrochemicals Private Limited with Axel Polymers Limited and their respective shareholders and creditors ("the Scheme") pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules framed thereunder.

The Scheme is subject to the requisite approval of the Securities and Exchange Board of India ("SEBI"), the BSE Ltd., shareholders and creditors of DPPL and APL and the sanction of the National Company Law Tribunal ("NCLT"), Ahmedabad Bench and such other statutory and regulatory authority(ies) as may be applicable.

The Scheme shall be effective from April 1, 2019 or such other date directed by or stipulated by the NCLT ("Appointed Date").


Pursuant to Regulation 30 and Schedule III of the Listing Regulations read with the SEBI Circular issued thereunder, the information required is enclosed in Annexure I herewith.

The meeting of the Board of Directors commenced at 10.00 AM and concluded at 2.20 PM

We request you to take the same on record and oblige.

Thanking you,

Yours faithfully,
For Axel Polymers Limited


Jigardan Gadhvi
Company Secretary



Encl: Annexure I

Annexure I

Disclosure in terms of Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

a) Name of the entities forming part of the amalgamation/merger, details in brief such as, size, turnover etc.

Name of the Entity	Transferor/ Transferee	Listed/ Unlisted	Rs. In Lacs		
			Turnover (31.03.2019)	Net Worth (31.03.2019)	Total Assets (31.03.2019)
Axel Polymers Limited	Transferee Company	Listed on BSE Limited	Rs. 2437.40	Rs. 193.17	Rs. 1454.45
Dhara Petrochemicals Private Limited	Transferor Company	Unlisted	Rs. 5255.41	Rs. 522.62	Rs. 2785.28

b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"

- Yes, it is at arm's length. APL and DPPL are disclosed as a related party in the annual report of DPPL and APL respectively
- Accordingly, the said amalgamation of DPPL with APL would be regarded as related party transaction
- Further, the Ministry of Corporate Affairs vide its general circular bearing number 30/2014 dated July 17, 2014 ("MCA Circular") has clarified that transactions arising, inter alia, out of amalgamation will not attract the requirement of Section 188 of Companies Act, 2013 since the Scheme is being undertaken in terms of Sections 230 to 232 of the 2013 Act, the provisions of Section 188 of the 2013 Act and related disclosures/approvals required thereunder, would not be attracted as per the MCA Circular
- The share exchange ratio for the Scheme has been recommended pursuant to the valuation report issued by MSKA & Associates, Chartered Accountants. Capital Square Advisors Private Limited, SEBI registered merchant banker, has provided a fairness opinion on the share exchange ratio recommended by the Valuers

c) Area of the business of the entities

Name of the Entity	Area of Business
Axel Polymers Limited	APL is engaged in the business of manufacturing compounds, blends and alloys of engineering, specialty and commodity polymers & their derivatives.
Dhara Petrochemicals Private Limited	DPPL is engaged in the business of exporting, importing, trading in engineering polymers & Polymer compounds like PA-6/66 compounds, PC compounds, PPE compounds, PBT compounds, PP compounds, utility compounds, PPS, M S Resin, ABS resin, thermoplastic polyurethane etc.



d) Rationale for the Scheme:

- The amalgamation will enable consolidation of the business and operations of DPPL with APL which will provide significant impetus to growth by permitting pooling of resources, enable synergies, reduce operational costs, achieve economies of scale, increase operational efficiencies and greater focus and provide expansion opportunities in a consolidated and compliant manner.
- The amalgamation would bring more productive and optimum utilisation of various resources of the amalgamated company.
- The proposed amalgamation will lead to a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by DPPL and APL and also avoid duplication of administrative functions and eliminate multiple record-keeping.
- The amalgamation will lead to combination of funds of the companies. This would strengthen the financial position and ability to raise resources for conducting business.
- The consolidation is also expected to attract investors and strategic partners which would enable further growth of the business.

e) In case of cash consideration – amount or otherwise share exchange ratio:

There shall not be any cash consideration in the proposed Scheme of Amalgamation

In consideration of the amalgamation, basis the valuation report and the fairness opinion, APL shall issue and allot shares in the following manner: -

For every 100 (one hundred only) equity shares of face value of INR 10/- (Rupees ten only) each held in DPPL as on the Effective Date, the equity shareholders of DPPL shall be issued 901 (nine hundred one only) equity shares of face value INR 10/- (Rupees Ten only) each credited as fully paid up in the Company (APL)”

f) Brief details of change in shareholding pattern (if any) of listed entity (i.e APL)

Particulars	Pre- Amalgamation (% shareholding)	Post- Amalgamation (% shareholding)
Promoter	25%	62%
Public	75%	38%
Total	100%	100%

Note: The above shareholding has been calculated on the basis of the shareholding pattern of APL and DPPL as on 30.06.2019. The actual shareholding depends upon the shareholding pattern as on the Effective Date and may vary to that extent

