



## **Axel Polymers Limited**

CIN: L25200GJ1992PLC017678

**Regd. Office:** 309, Mokshi, Sankarda - Savli Road, Ta. Savli, Vadodara – 391780 (Gujarat)

**Phone:** +91 – 2667 – 244395/ 244438, **Email Id:** [cs@axelindia.com](mailto:cs@axelindia.com) ,

**Website:** [www.axelindia.com](http://www.axelindia.com)

# **NCLT Convened Meeting of Unsecured Creditors**

<b>Day</b>	<b>Wednesday</b>
<b>Date</b>	<b>17<sup>th</sup> February, 2021</b>
<b>Time</b>	<b>2.30 P.M</b>
<b>Mode</b>	<b>Through Audio Visual Means</b>

MEETING OF UNSECURED CREDITORS

OF

AXEL POLYMERS LIMITED

(Convened pursuant to the order dated 18<sup>th</sup> December 2020 passed by Hon'ble National Company Law Tribunal, Ahmedabad Bench)

MEETING	
Day	Wednesday
Date	17 <sup>th</sup> February 2021
Time	2:30 PM
Mode	Through video conferencing / other audio-visual means.

E-VOTING	
Cut Off Date	Monday, 30 <sup>th</sup> November, 2020
Start Date and Time	Saturday, 13 <sup>th</sup> February, 2021 9.00 A. M.
End Date and Time	Tuesday, 16 <sup>th</sup> February, 2021 5.00 P.M.

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BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,  
AHMEDABAD BENCH  
CA (CAA) No.86/NCLT/AHM/2020

In the matter of the Companies Act, 2013;  
And  
In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder;  
And  
In the matter of Scheme of Amalgamation of Dhara Petrochemicals Private Limited with Axel Polymers Limited and their respective shareholders and creditors

Axel Polymers Limited, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at 309, Village Mokshi, Sankarda - Savli Road, Taluka Savli, Dist. Vadodara -391780, Gujarat, India.

..... Applicant/Transferee Company

**NOTICE CONVENING THE MEETING OF UNSECURED CREDITORS OF AXEL POLYMERS LIMITED, THE APPLICANT COMPANY, PURSUANT TO THE ORDER DATED 18<sup>th</sup> December, 2020 PASSED BY THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH**

To,  
The Unsecured Creditors of Axel Polymers Limited ("Applicant Company" or "APL" or "Transferee Company" or "Company")

**NOTICE** is hereby given that by an Order dated 18<sup>th</sup> December, 2020 ("Order"), the Ahmedabad Bench of the Hon'ble National Company Law Tribunal ("Hon'ble NCLT") has directed a meeting of Unsecured Creditors of the Applicant Company (hereinafter referred to as the "NCLT Convened Meeting" or "Meeting") to be held through video conferencing ("VC")/ other audio visual means ("OAVM") on Wednesday, the 17<sup>th</sup> day of February, 2021 at 2:30 p.m. (IST) for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Amalgamation of Dhara Petrochemicals Private Limited with Axel Polymers Limited and their respective shareholders and creditors ("Scheme of Amalgamation" or "Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the Act) and the rules made thereunder.

**NOTICE IS FURTHER** given that in pursuance of the Order and as directed therein, a Meeting of the Unsecured Creditors of the Applicant Company will be held through video conferencing ("VC")/ other audio visual means ("OAVM") on Wednesday, the 17<sup>th</sup> day of February, 2021 at 2:30 p.m. (IST) on which day, date, time the said Unsecured Creditor is requested to attend and consider, if thought fit, to pass with or without modification(s) the following Resolution with requisite majority:

**"RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, rules, circulars, notifications, if any, made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the regulations and guidelines issued by the Securities and Exchange Board of India (SEBI) from time to time, and the applicable provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the



Hon'ble NCLT and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ("Board")), which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) authorized by the Board to exercise its powers including the powers conferred by this resolution), the Scheme of Amalgamation of Dhara Petrochemicals Private Limited with Axel Polymers Limited and their respective shareholders and creditors ("Scheme of Amalgamation" or "Scheme"), placed before this meeting and initialled by the Chairman of the Meeting for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the amalgamation embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble NCLT or such other regulatory/statutory authorities while sanctioning the amalgamation embodied in the Scheme or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme or for any other such reason, as the Board may deem fit and proper."

**TAKE FURTHER NOTICE** that in compliance with the provisions of (i) Sections 230 to 232 read with Sections 108 and 110 of the Act; (ii) Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20, 22 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Secretarial Standards on General Meetings, the Applicant Company has provided the facility of e-voting including remote e-voting, so as to enable the Unsecured Creditors, to consider and approve the Scheme by way of the aforesaid resolution.

**TAKE FURTHER NOTICE** that National Securities Depository Limited ("NSDL") will be providing the facility for voting through remote e-voting, for participation in the Meeting through VC/OAVM and e-voting during the Meeting.

**TAKE FURTHER NOTICE** that since the physical attendance of Unsecured Creditors has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Unsecured Creditors under Section 105 of the Act 2013 will not be available for the said Meeting and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Act, authorized representatives of the Unsecured Creditors may be appointed for the purpose of voting through remote e-voting, for participation in the meeting through VC/OAVM and e-voting during the Meeting provided an authority letter/power of attorney by the Board of Directors or a certified copy of the resolution passed by its board of directors or other governing body authorizing such representative to attend and vote at the meeting through VC/ OAVM on its behalf along with the attested specimen signature of the duly Authorized Signatory(ies) who are authorized to vote is emailed to the Scrutinizer at [chi118\\_min@yahoo.com](mailto:chi118_min@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) not later than 48 (forty eight) hours before the time for holding the Meeting. Kindly refer Notes below for further details on the voting procedure.

**TAKE FURTHER NOTICE THAT** you may opt to exercise your votes only in one mode, i.e., by (a) remote e-voting; or (b) vote through e-voting system during the meeting through VC/ OAVM, as arranged by the Company. If you cast your vote by remote e-voting, as aforesaid, you will nevertheless be entitled to attend the Meeting and participate in the discussions in the Meeting but you will not be entitled to vote again during the Meeting through VC/ OAVM. If you do so, the votes so cast by you during the Meeting through VC/ OAVM shall be treated as invalid.

The voting rights of Unsecured Creditor shall be in proportion to their outstanding amount in the Company as on the close of business hours on Monday, 30<sup>th</sup> November, 2020 ("Cut-off Date").

**TAKE FURTHER NOTICE** that the Hon'ble NCLT has appointed Mr. A.B. Bodhanwala, Director of the Applicant Company and failing him, Mr. Gaurav Thanky, Managing Director of the Applicant Company, as the Chairman of the said Meeting including for any adjournment or adjournments thereof. The Hon'ble NCLT has further appointed Shri Chirag Shah, Company Secretary, as the scrutinizer at the said Meeting including conducting the remote e-voting for the Unsecured Creditors of APL. The abovementioned Scheme, if approved by the aforesaid meeting, will be subject to the subsequent approval of the Hon'ble NCLT and other applicable regulatory authorities.

Copies of the Scheme of Amalgamation and of the Statement under Section 230 and Section 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index are enclosed herewith. A copy of this notice and the accompanying documents are also placed on the website of the Company viz. [www.axelindia.com](http://www.axelindia.com) and will also be available on the website of the BSE Limited and also on the website of NSDL ([www.evoting.nsdl.com/](http://www.evoting.nsdl.com/)). A recorded transcript of the meeting shall also be made available on the website of the Company as soon as possible.

Unsecured Creditors opting to cast its vote by remote e-voting or voting during the Meeting through VC/ OAVM is requested to read the instructions in the Notes below carefully. In case of remote e-voting, the votes should be cast in the manner described in the instructions by 5.00 p.m. (IST) on Tuesday, 16<sup>th</sup> February, 2021. Responses received after the said time will be treated as invalid.

The results of the Meeting shall be announced by the Chairman on or before Friday, 19<sup>th</sup> February, 2021 upon receipt of Scrutinizer's report and the same shall be displayed on the website of the Company ([www.axelindia.com](http://www.axelindia.com)) and on the website of NSDL ([www.nsdl.com](http://www.nsdl.com)), being the agency appointed by the Applicant Company to provide the voting facility to Unsecured Creditors, as aforesaid.

In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be considered approved by the Unsecured Creditors only if the Scheme is approved by majority of persons representing three-fourth in value of the Unsecured Creditors, of the Applicant Company, voting in person through VC/OAVM or by remote e-voting

The abovementioned Scheme, if approved at the aforesaid Meeting, will be subject to the subsequent sanction of the Hon'ble NCLT.

The Explanatory Statement under Sections 230, 232 read with Section 102 of the Act, Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable rules, the Scheme and the other enclosures as indicated in the Index are enclosed.

Dated: 12<sup>th</sup> January 2021

**Mr. A. B. Bodhanwala**  
Director - CFO  
DIN: 00421362  
**Chairman appointed for the Meeting**

Axel Polymers Limited  
CIN: L25200GJ1992PLC017678  
Registered Office: 309, Village Mokshi,  
Sankarda-Savli Road, Taluka Savli, Dist.  
Vadodara - 391780, Gujarat, India

**Notes:**

1. Explanatory Statement pursuant to Section 102 of the Act, along with applicable rules thereunder and provisions of Sections 230 to 232 of the Act, setting out material facts forms part of this Notice.
2. In view of the outbreak of the COVID-19 pandemic, social distancing norms to be followed, the Meeting of the Company is being conducted through video conferencing (“VC”)/ other audio-visual means (“OAVM”), which does not require physical presence of Unsecured Creditors at a common venue. The deemed venue for the Meeting shall be the Registered Office of the Company.
3. Only registered Unsecured Creditor of the Company may attend (either in person or by authorised representative) at the said Meeting
4. Since the Meeting will be held through VC/OAVM, the Route Map is not annexed to this Notice.
5. Electronic copy of all the documents referred to the accompanying notice of the Meeting and the explanatory statement shall be available for inspection in the investor section of the website of the Company at [www.axelindia.com](http://www.axelindia.com).
6. NSDL will be providing facility for voting through remote e-voting, for participation in the Meeting through VC/OAVM and e-voting during the Meeting.
7. Hon’ble NCLT by its said Order has directed that a Meeting of the Unsecured Creditor of APL shall be held through video conferencing VC/ OAVM on Wednesday, the 17<sup>th</sup> day of February, 2021 at 2:30 p.m. (IST) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Unsecured Creditor would be entitled to vote in the said Meeting either through e-voting system during the meeting through VC/ OAVM or by remote e-voting during the period commencing from 9.00 A.M. (IST) on Saturday, 13<sup>th</sup> February, 2021 and ending at 5.00 P.M. (IST) on Tuesday, 16<sup>th</sup> February, 2021.
8. Unsecured Creditors may join the Meeting through VC/OAVM by following the procedure as mentioned below which shall be kept open for the Unsecured Creditors from 2:00 p.m. (IST) i.e.30 minutes before the time scheduled to start the Meeting and the Company may close the window for joining the VC/OAVM, 15 minutes after the scheduled time to start the Meeting.
9. The quorum of the meeting of the Unsecured Creditors of the Applicant Company shall be 5 Unsecured Creditors of the Applicant Company, present. Attendance of the Unsecured Creditors participating in the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under the Act. In case the quorum is not in place at the designated time, the Meeting shall be adjourned by half an hour and thereafter, the persons present for voting shall be deemed to constitute the quorum.
10. The recorded transcript of the VC/ OAVM shall be uploaded by the Company on its website, as soon as possible.
11. In accordance with the provisions of Sections 230 - 232 of the Act, the Scheme shall be acted upon only if a majority in number representing three fourth in value of the Unsecured Creditors of APL, voting either through remote e-voting or e-voting, agree to the Scheme.

12. Pursuant to directions of the Hon'ble NCLT and Rule 6(2) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 framed thereunder, the Notice of the Meeting together with the documents accompanying the same is being sent by electronic mode to the Unsecured Creditors
13. The voting by Unsecured Creditors through e-voting shall close at 5.00 p.m. on 16<sup>th</sup> February, 2021.
14. The notice convening the meeting will be published through advertisement in (i) Business Standard in the English language; and (ii) translation thereof in Loksatta in Gujarati language, having circulation in Ahmedabad.
15. The Resolution shall be deemed to be passed on the date of the Meeting i.e. 17<sup>th</sup> February 2021, subject to the receipt of requisite number of votes cast in favour of the Resolution.
16. APL has engaged the services of NSDL for facilitating e-voting for the said Meeting to be held on 17<sup>th</sup> February 2021. Unsecured Creditors desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned in Note 22 below.
17. The Hon'ble NCLT has appointed Mr. Chirag Shah (Membership No. F5545) as the Scrutinizer to conduct the e-voting process and remote e-voting in a fair and transparent manner.
18. The Scrutinizer will submit his report to the Chairman of the Meeting after completion of the scrutiny of the vote cast by Unsecured Creditors of APL through (i) e-voting process, or (iii) remote e-voting. The Scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results of votes cast through (i) e-voting process, and (ii) remote e-voting will be announced within 48 hours of the conclusion of the Meeting at the registered office of APL. The results, together with the Scrutinizer's reports, will be displayed at the registered office of APL, on the website of APL, [www.axelindia.com](http://www.axelindia.com), besides being communicated to the BSE Limited, where the equity shares of APL are listed.
19. Kindly note that Unsecured Creditors can opt only one mode for voting i.e. either e-voting or remote e-voting.
20. Voting through remote e-voting will commence at 9.00 a.m. on Saturday, 13<sup>th</sup> February, 2021 and will end at 5.00 p.m. on Tuesday, 16<sup>th</sup> February, 2021. The e-voting module shall be disabled by NSDL for voting on 16<sup>th</sup> February, 2021 at 5.00 p.m. Once the vote on the resolution is cast by the Unsecured Creditors, the Unsecured Creditor(s) will not be allowed to change it subsequently.
21. Any queries/grievances in relation to the e-voting may be addressed to Mr. Jigardan Gadhavi, Company Secretary of the Applicant Company at 309, Village Mokshi, Sankarda-Savli Road, Taluka Savli, Vadodara-391780, Gujarat, India, or through email to [cs@axelindia.com](mailto:cs@axelindia.com). Mr. Jigardan Gadhavi, Company Secretary of the Applicant Company can also be contacted at +91 8980029622 and +91 2667 244438.
22. General information and instructions relating to e-voting

The remote e-voting period begins on Saturday, 13<sup>th</sup> February, 2021 at 9: 00 A.M. and ends on Tuesday, 16<sup>th</sup> February, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

The Unsecured Creditors desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

## How do I vote electronically using NSDL e-Voting system?

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on **Step 1** is mentioned below:

### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details will be provided through your registered email id by NSDL.
5. Your password details are given below:
  - a) Visit the e-Voting website of NSDL via. <https://www.evoting.nsdl.com>, if you are using NSDL e-Voting system for the first time, then you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - b) How to retrieve your ‘initial password’?

Your ‘initial password’ is communicated to you on your email ID (registered with the Company). Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your PAN Card Number. The .pdf file contains your ‘User ID’ and your ‘initial password’.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Physical User Reset Password?” (If you are Unsecured Creditor(s) of the Company) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) If you are still unable to get the password by aforesaid option, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your User Id (Provided by NSDL through Email) your PAN, your name and your registered address.
  - c) Unsecured Creditor can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Unsecured Creditors.**

1. Institutional Unsecured Creditors (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [chi118\\_min@yahoo.com](mailto:chi118_min@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**THE INSTRUCTIONS FOR UNSECURED CREDITORS FOR e-VOTING ON THE DAY OF THE MEETING ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the Meeting is same as the instructions mentioned above for remote e-voting.
2. Only those Unsecured Creditors, who will be present in the Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Meeting.
3. Unsecured Creditors who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the Meeting shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR UNSECURED CREDITORS FOR ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:**

1. Unsecured Creditors will be provided with a facility to attend the Meeting through VC/OAVM through the NSDL e-Voting system. Unsecured Creditor may access the same at <https://www.evoting.nsdl.com>. under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the Unsecured Creditors who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further Unsecured Creditors can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Unsecured Creditors are encouraged to join the Meeting through Laptops for better experience.
3. Further Unsecured Creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Unsecured Creditors who would like to express their views/have questions may send their questions in advance mentioning their name, user id no., email id, mobile number at [cs@axelindia.com](mailto:cs@axelindia.com) The same will be replied by the company suitably.



**IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH  
COMPANY APPLICATION NO. CA (CAA) No.86/NCLT/AHM/2020**

**IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE  
COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER; AND  
IN THE MATTER OF SCHEME OF AMALGAMATION OF DHARA PETROCHEMICALS PRIVATE  
LIMITED WITH AXEL POLYMERS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND  
CREDITORS**

Axel Polymers Limited, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at 309, Village Mokshi, Sankarda - Savli Road, Taluka Savli, Dist. Vadodara -391780, Gujarat, India.

..... Applicant/Transferee Company

**EXPLANATORY STATEMENT UNDER SECTIONS 230 TO 232 AND SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. Pursuant to the Order dated 18<sup>th</sup> December 2020 passed by Hon'ble NCLT, in the Company Application Number CA (CAA) No.86/NCLT/AHM/2020 ("the Order"), Meeting of the Unsecured Creditors of APL is being convened through video conferencing ("VC")/other audio visual means ("OAVM") on Wednesday, the 17<sup>th</sup> day of February, 2021 at 2:30 p.m. (IST), for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Amalgamation of Dhara Petrochemicals Private Limited ("DPPL") with Axel Polymers Limited ("APL") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Act") and the rules made thereunder. A copy of the Scheme, which has been, inter alia, approved by the Audit Committee and the Board of Directors of APL at their meetings held on 21st August 2019 is enclosed herewith.

This statement explaining the terms of the Scheme of Amalgamation ("Scheme") is being furnished as required u/s 230(3) of the Act.

In terms of the said Order, the quorum for the said meeting for Unsecured Creditors shall be 5 Unsecured Creditors of the Company, present in the meeting, as prescribed by the Hon'ble NCLT.

2. In terms of the aforementioned Order, the quorum for the said Meeting shall be 5 Unsecured Creditors present in the meeting. Further, in terms of the Order of the Hon'ble NCLT, Mr. A.B. Bodhanwala, Director of the Applicant Company and failing him, Mr. Gaurav Thanky, Managing Director of the Applicant Company, as the Chairman of the said Meeting including any adjournment(s) thereof.
3. In accordance with the provisions of Sections 230 - 232 of the Act, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the Unsecured Creditors, of APL, voting either through remote e-voting or VC/OAVM, agree to the Scheme.
4. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").
5. APL is seeking the approval of its Unsecured Creditors to the Scheme by way of voting through remote e-voting or VC/OAVM. This notice will be deemed to be issued in accordance with the provisions of the Act



## 6. Background

### A. Details of Dhara Petrochemicals Private Limited (“DPPL”)/the Transferor Company:

- DPPL (CIN U23209GJ2009PTC104618) is a private limited company incorporated on 2<sup>nd</sup> July 2009 under Companies Act, 1956 in the name of Dhara Petrochemicals Private Limited. DPPL has its registered office at 38, Gautam Nagar Society, Race Course, Vadodara - 390007, Gujarat. PAN of DPPL is AADCD1831C
- DPPL is engaged in the business of manufacturing, refining, processing, buying, selling, importing, exporting and in any way dealing in petroleum and its products transformer oils, machine oils, Agricultural oils, petroleum oils, varnishes, paints including essential oils all types of petrochemicals including its intermediates and derivatives
- With effect from 5<sup>th</sup> October, 2018, the registered office of DPPL was shifted from Mumbai in the State of Maharashtra to 38, Gautam Nagar Society, Race Course, Vadodara - 390 007, Gujarat.
- The main objects of DPPL as set out in its Memorandum of Association is to carry on the business of manufacturing, refining, processing, buying, selling, importing, exporting and in any way dealing in petroleum and its products transformer oils, machine oils, Agricultural oils, petroleum oils, Varnishes, paints including essential oils all types of petrochemicals including its intermediates and derivatives.
- There has been no change in the name and object clause of DPPL during last five years
- Details of the capital structure of DPPL including authorized, issued, subscribed and paid up share capital as on 31<sup>st</sup> March 2020 are as set out below:

Particulars	Amount (INR)
<b><u>AUTHORISED SHARE CAPITAL</u></b>	
10,00,000 Equity Shares of INR 10/- each	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>
<b><u>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</u></b>	
4,68,000 Equity Shares of INR 10/- each fully paid	46,80,000
<b>Total</b>	<b>46,80,000</b>

As on date, there has been no change in the authorised, issued, subscribed and paid up share capital of DPPL

Note: Since DPPL will be merged with APL upon the Scheme made effective, DPPL will stand dissolved and hence, there would be no post amalgamation capital structure

- Details of Promoters and Promoter Group and Directors of DPPL, as on date of notice are as follows:

#### Promoter Group

Sr. No.	Shareholder's Name	Address
1	Gaurav Surendrakumar Thanky	A-1202 Panchsheel Heights, Mahaveer Nagar, Kandivali (W), Mumbai 400067
2	Dhara Gaurav Thanky	A-1202 Panchsheel Heights, Mahaveer Nagar, Kandivali (W), Mumbai 400067

3	Vatsalya S Thanky	A401, Blue Tulip, Blue Empire Complex, Off Mahavir Nagar, Opp. Shyam Satsang Bhavan Nagar, New Link Road, Kandivali West, Mumbai, 400067
4	Namrata P Joshi	B1006, Raj Residency, Mahavir Nagar, Mumbai - 400067

#### Directors

Sr. No.	Name of the Directors	Designation	Address	DIN
1.	Dhara Gaurav Thanky	Director	A-1202 Panchsheel Heights, Mahaveer Nagar, Kandivali (W), Mumbai 400 067	02565310
2.	Gaurav Surendrakumar Thanky	Director	A-1202 Panchsheel Heights, Mahaveer Nagar, Kandivali (W), Mumbai 400067	02565340

- The amount due to secured and unsecured creditors of DPPL as on 30<sup>th</sup> November 2020 is INR 15,13,79,522/- and INR 10,62,65,942/- respectively.
- E-mail address for all communications: [finance@dharaindustries.com](mailto:finance@dharaindustries.com)

#### B. Details of Axel Polymers Limited (“APL”)/ the Transferee Company:

- APL (CIN L25200GJ1992PLC017678) is public listed company incorporated on 21<sup>st</sup> May 1992 under the Companies Act, 1956 in the name of Axel Polymers Limited in the office of Registrar of Companies, Ahmedabad. APL has its registered office at 309, Village Mokshi, Sankarda-Savli Road, Taluka Savli, Vadodara-391780, Gujarat, India. PAN of APL is AACCA2271J
- The equity shares of APL are listed on the BSE Limited
- The main objects of APL, as per its Memorandum of Association is to carry on the business of manufacturing, trading, dealing, importing, exporting of compounds and alloys of all types of plastics, polymers and its derivatives, compositions, combinations for domestic, industrial, commercial and/or other purposes
- There has been no change in name, registered office and object clause of APL during the last five years
- Details of the capital structure of the company including authorized, issued, subscribed and paid up share capital as on 31<sup>st</sup> March 2020:

Particulars	Amount (INR)
<b><u>AUTHORISED SHARE CAPITAL</u></b>	
1,50,00,000 Equity Shares of INR 10/- each	15,00,00,000
<b>Total</b>	<b>15,00,00,000</b>
<b><u>ISSUED, SUBSCRIBED &amp; PAID-UP SHARE CAPITAL</u></b>	
43,00,000 Equity Shares of INR 10/- each fully paid	4,30,00,000
<b>Total</b>	<b>4,30,00,000</b>

As on date of this Notice, there has been no change in the authorised, issued, subscribed and paid up share capital of APL.

Subsequent to the sanction of the Scheme by Hon'ble NCLT, the authorized share capital of APL will stand increased to INR 16,00,00,000/-.

Post-amalgamation (expected) capital structure of APL (assuming the continuing capital structure as on 30th September 2020)

Particulars	Amount(INR)
<b><u>AUTHORISED SHARE CAPITAL</u></b>	
1,60,00,000 Equity Shares of INR 10/- each	16,00,00,000
<b>Total</b>	<b>16,00,00,000</b>
<b><u>ISSUED, SUBSCRIBED &amp; PAID-UP SHARE CAPITAL</u></b>	
85,16,680 shares of INR 10/- each fully paid	8,51,66,800
<b>Total</b>	<b>8,51,66,800</b>

- Details of Promoters and Promoter Group and Directors shareholders of APL as on date of notice are as follows:

#### Promoter Group

Sr. No	Shareholder's Name	Address
1	Aarasp B. Bodhanwala	12-Jeevanjyot Society, Lalbaug Road, Vadodara 390004, Gujarat
2	Gaurav S. Thanky	A-1202 Panchsheel Heights, Mahaveer Nagar, Kandivali (w), Mumbai 400067, Maharashtra
3	Minnie A. Bodhanwala	101, Gulmohar House, 3rd Road, TPS iv, Almeida Park Bandra (west) Mumbai-400050, Maharashtra
4	Patel Devendra Manji	Flat No 404, Shilpi Residency Plot No 40, Shrinagar Akota, Vadodara - 390007
5	Dhara Gaurav Thanky	A-1202 Panchsheel Heights, Mahaveer Nagar, Kandivali (w), Mumbai 400067, Maharashtra
6	Tinaz A. Bodhanwala	101, Gulmohar House, 3rd Road, TPS iv, Almeida Park Bandra (west) Mumbai-400050, Maharashtra
7	Balwant Gordhanbhai Patel	591 Pinner Road, Pinner, HA5 5R, UK
8	Mahendra kumar Patel	543 Harrow Road, W104RH U K, England, London.
9	Tehmi B. Bodhanwala	12-Jeevanjyot Society, Lalbaug Road, Vadodara 390004, Gujarat
10	Ram Trivedi	Transtamp Laminators, B/H Express Hotel, R.C.Dutt Road, Baroda
11	Devshi A. Kanbi	C/O K K Hirani, Nisant Chambers Behind G P O, Bhuj, Kutch - 370001
12	Ramji M. Kerai	C/O R S Hirani, Nisant Chambers Behind G P O, Bhuj, Kutch - 370001

13	Bejan K. Bodhanwala	12-Jeevanjyot Society, Lalbaug Road, Vadodara 390004, Gujarat
14	Jayraj M. Bhadrwanala	291 Tokyngton Ave, Wembley, MIDDX, U.K.
15	Navin Patel	13, Watford Road, Wembly, MIDEX, U.K.
16	Rameshchandra Sanghvi	Hirwa, Old Padra Road, Baroda.
17	Mukesh C. Patel	67, Shrinagar Society, B/H Dinersh Mills Baroda
18	Hemendra S. Patel	67, Shrinagar Society, B/H Dinersh Mills Baroda
19	A. J. Desai	67/350, Shree Nagar Society, Behind Dinesh Mill, Vadodara - 390020
20	Ishwarbhai D. Patel	At & Post: Tralsa, Dist: Bharuch - 392020
21	Kanubhai C. Patel	C/o Axel Polymers Limited
22	Vikrambhai H. Patel	67, Shrinagar Society, B/H Dinersh Mills Baroda
23	Jitesh R. Desai	67, Shrinagar Society, B/H Dinersh Mills Baroda
24	Hashmukhbhai M Patel	67, Shrinagar Society, B/H Dinersh Mills Baroda
25	Amita J Desai	67, Shrinagar Society, B/H Dinersh Mills Baroda
26	Ashwinbhai T. Patel	67, Shrinagar Society, B/H Dinersh Mills Baroda
27	Thakurbhai D. Patel	67, Shrinagar Society, B/H Dinersh Mills Baroda
28	Vatsalya S Thanky	A401, Blue Tulip, Blue Empire Complex, Off Mahavir Nagar, Opp. Shyam Satsang Bhavan Nagar, New Link Road, Kandivali West, Mumbai, 400067
29	Namrata P. Joshi	B1006, Raj Residency, Mahavir Nagar, Mumbai - 400067

#### Directors

Sr. No.	Name of the Directors	Designation	Address	DIN
1	Bejan Kavasji Bodhanwala	Whole Time Director	12-Jeevanjyot Society, Lalbaug Road, Vadodara-390 004, Gujarat	00421717
2	Aarasp Bejan Bodhanwala	CFO (KMP)	12-Jeevanjyot Society, Lalbaug Road, Vadodara 390 004, Gujarat	00421362
3	Minnie Aarasp Bodhanwala	Director	101, Gulmohar House, 3rd Road, Tps Iv, Almeida Park Bandra (West) Mumbai 400 050, Maharashtra	00422067
4	Gaurav Thanky	Managing Director	A-1202 Panchsheel Heights, Mahaveer Nagar, Kandivali (w), Mumbai 400 067, Maharashtra	02565340
5	Amitabh Thakore	Independent Director	B-301, Shiromani Flats, Satelite Road, Near Nehrunagar Circle, Ahmadabad 380 015, Gujarat	00016715
6	Amol Arvind Samant	Independent Director	D - 441, Vikasini CHS Limited, Behind YMCA Sector - 8B, CBD Belapur, Navi Mumbai - 400 615, Maharashtra	08442485

- As on 30 November 2020, APL has total amount due and payable to secured creditors amounting to INR 8,67,32,992/- (Rupees Eight Crore Sixty-Seven Lakhs Thirty Two Thousand Nine Hundred Ninety Two only) and INR 8,52,92,515 /- (Rupees Eight Crore Fifty Two Lakhs Ninety Two Thousand Five Hundred Fifteen Only) due and payable to unsecured creditors.

- E-mail address for all communications: [cs@axelindia.com](mailto:cs@axelindia.com)
7. Description of the Scheme - The Scheme *inter-alia* envisages:
    - a. Merger of DPPL into APL
    - b. Combination of the authorised capital of DPPL into that of APL
    - c. Alteration in the Objects Clause of APL
  8. Rationale and purpose of 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 APL
    - 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
  9. Relationships subsisting between DPPL and APL
 

Except being a company in which the KMP is interested, there exists no other relation between DPPL & APL
  10. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other government authorities required, received or pending for the proposed Scheme
    - The proposed Scheme was placed before the Audit Committee of APL at their meeting held on 21<sup>st</sup> August 2019. The Audit Committee took into account the valuation report of M/s. MSKA & Associates, Chartered Accountants dated 20<sup>th</sup> August 2019 and Fairness Opinion dated 20<sup>th</sup> August 2019 issued by Capital Square Advisors Private Limited, SEBI registered Category 1 Merchant Bankers. Based on the said reports, the Audit Committee recommended the Scheme to the Board of Directors of APL
    - The Board of Directors of DPPL & APL (after taking into account the aforesaid recommendation) approved the Scheme in the respective Board meetings held on 21<sup>st</sup> August 2019
    - Names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate in such resolution is mentioned below

**For DPPL**

Sr. No.	Name of the Directors	Designation	Voted in favour/ against/ abstain
1	Dhara Gaurav Thanky	Director	Favour
2	Gaurav Surendrakumar Thanky	Director	Favour

**For APL**

Sr. No.	Name of the Directors	Designation	Voted in favour/ against/ abstain
1	Bejan Kavasji Bodhanwala	Whole Time Director	Favour
2	Aarasp Bejan Bodhanwala	CFO	Favour
3	Minnie Aarasp Bodhanwala	Director	Favour
4	Gaurav Thanky	Managing Director	Favour
5	Amitabh Thakore	Independent Director	Not attended
6	Amol Arvind Samant	Independent Director	Favour
7	Jayendra Desai (upto 17.03.2020)	Independent Director	Favour

- The Valuation Report and Fairness Opinion are enclosed herewith as **Annexure 2 and 3** respectively.
- As the equity shares of APL are listed on BSE Limited, pursuant to SEBI Circular, APL received the Observation Letter from BSE Limited on 19<sup>th</sup> June 2020 and is enclosed herewith as **Annexure 4**. In terms of the Observation Letter, BSE Limited conveyed its' no adverse observations/no objection to the Scheme.
- As required by the SEBI Circular, APL has filed its Complaints Report with the BSE Limited on 9<sup>th</sup> December 2019 and is enclosed herewith as **Annexure 5**. The report filed by APL indicates that APL has received NIL complaints.
- Summary of Valuation Report including basis of valuation is enclosed herewith as **Annexure 6**.
- The Provisional financial statement of DPPL and Limited Review financial statement of APL for the period ended 30<sup>th</sup> September, 2020 are enclosed as **Annexures 10 and 12** respectively and the Audited Financial Summary of DPPL and Audited Financial Summary of APL for the year ended 31<sup>st</sup> March 2020 are enclosed as **Annexures 9 and 11 respectively**.
- Abridged prospectus including certificate of 23<sup>rd</sup> December 2020 confirming accuracy and adequacy of the information of DPPL contained therein, as required under the SEBI Circular is enclosed herewith as **Annexure 13**.
- The Scheme was filed by APL & DPPL with the Hon'ble NCLT on 4<sup>th</sup> December 2020, and the Hon'ble NCLT has given directions to convene Meetings(s) vide an Order dated 18<sup>th</sup> December 2020.

The Scheme is subject to approval by majority of persons representing three-fourth in value of the Shareholders including the public shareholders, secured creditors and unsecured creditors, of the Applicant Company, in terms of Sections 230-232 of the Act.

**11. Salient features /details /extract of the Scheme**

- **Appointed Date:** April 1, 2019 or such other date, directed by or stipulated by the Hon'ble NCLT, as may be applicable
- **Effective Date:** Effective Date means the last date on which the certified copies of the Order passed by the Ahmedabad Bench of NCLT sanctioning this Scheme is filed with the Registrar of Companies, Ahmedabad by DPPL and APL, as required under the provisions of the Act.
- With effect from the opening of business hours of the Appointed Date and subject to the provisions of this Scheme, the entire business of APL shall under the provisions of Sections 230 to 232 and other applicable provisions of the Act and pursuant to the order of the NCLT sanctioning this Scheme, be amalgamated with DPPL as a going concern
- Pursuant to the Scheme coming into effect and upon the entire businesses including the assets and liabilities of DPPL being transferred to and vested in APL, APL shall without any further application or deed, issue and allot fully paid up equity shares to every shareholder of Transferor Company whose names appear in the Register of Members of DPPL (or his/her

heirs, executors, administrators or successors-in title, as the case may be) on the Effective Date, equity shares in the following proportion:

*"901 (Nine Hundred and One only) Equity Shares of Rs. 10/- (Rupees ten only) each fully paid up of Transferee Company, for every 100 (Hundred only) Equity Share of Rs. 10/- (Rupees ten only) each fully paid up, held in Transferor Company*

- Upon the effectiveness of this Scheme, DPPL shall be dissolved without winding up, and the Board and any committees thereof, if any, of DPPL shall without any further act, instrument or deed, be and stand discharged

#### 12. Effects of the Scheme on various parties

- The Scheme envisages the amalgamation of DPPL with APL and their respective shareholders and creditors
- This Scheme shall not, in any manner, affect the rights of shareholders and creditors of DPPL or APL
- The Scheme is subject to approval of secured and unsecured creditors of DPPL in its meeting to be held on 18<sup>th</sup> February, 2021
- The Scheme is subject to approval of the Shareholders, secured creditors and unsecured creditors of APL, in its meeting to be held on 17<sup>th</sup> February 2021
- Under the Scheme, no rights of the staff and employees of any of the companies are being affected. The terms and conditions of service of the staff and employees of all the companies shall remain unchanged.
- The directors, key managerial personnel of both the companies and their relatives do not have any other interest in the Scheme except to the extent of their shareholding, if any. Further, none of the key managerial personnel, directors or their relatives are concerned or interested, financially or otherwise, in the Scheme.

#### 13. The details of the shareholding of Directors and KMP of APL, in both companies, as on 30<sup>th</sup> November, 2020 are as follows:

Sr. No	Name	Designation	No. of Equity Shares held in APL	No. of Equity Shares held in DPPL
1.	Bejan Kavasji Bodhanwala	Whole Time Director	100	-
2.	Aarasp Bejan Bodhanwala	CFO (KMP)	1,51,800	92,000
3.	Minnie Aarasp Bodhanwala	Director	1,20,100	-
4.	Gaurav Surendrakumar Thanky	Managing Director	2,23,867	3,67,000
5.	Amitabh Thakore	Independent Director	-	-
6.	Amol Arvind Samant	Independent Director	-	-

The details of the shareholding of Directors and KMP of DPPL in both the companies, as on 30<sup>th</sup> November, 2020 are as follows:

Sr. No	Name	Designation	Equity Shares held in APL	Equity Shares held in DPPL
1.	Dhara Gaurav Thanky	Director	1,59,501	7000
2.	Gaurav Surendrakumar Thanky	Director	2,23,867	3,67,000

#### 14. Pre & Post Shareholding Pattern

The expected pre- and post-shareholding pattern of APL and DPPL is as follows:

**For APL:**

Pre-amalgamation shareholding pattern of APL as on 30<sup>th</sup> September 2020

Sr. No	Category	No. of fully paid equity shares held	%
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu Undivided Family	1066668	24.81
(b)	Body Corporate	-	-
	Sub-total (A)(1)	<b>1066668</b>	<b>24.81</b>
(2)	Foreign	-	-
(a)	Bodies Corporate	-	-
	Sub-total (A)(2)	0	0
(B)	Public Shareholding		
(1)	Institutions		
(a)	Mutual Funds	15800	0.37
(b)	Foreign Portfolio Investors	-	-
(c)	Financial Institutions/Banks	4000	0.09
(d)	Insurance Companies / VCF / AIF	-	-
	Sub-Total (B)(1)	<b>19800</b>	<b>0.46</b>
(2)	Central Government/State Government/President of India	-	-
	Sub-Total (B)(2)	0	0
(3)	Non- Institutions		
(a)	i. Individual shareholders holding nominal share capital upto Rs. 2 lakhs	2376259	55.26
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	503243	11.70
(b)	NBFC Registered with RBI	-	-
(c)	Overseas Depositories (holding DRs)	-	-
(d)	Any Other	-	-
(e)	Non-resident Indian	167118	3.89
(f)	Clearing Members	1	0.00
(g)	Bodies Corporate	79713	1.85
(h)	HUF	87198	2.03
	Sub-Total (B)(2)	<b>3213532</b>	<b>74.73</b>
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	<b>3233332</b>	<b>75.19</b>
	Total Shareholding (A+B)	<b>4300000</b>	<b>100</b>

Post Amalgamation (expected) shareholding pattern of APL (assuming the continuing shareholding pattern as on 30<sup>th</sup> September 2020)

Sr. No	Category	No. of fully paid equity shares held	%
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu Undivided Family	5274338	61.93
(b)	Body Corporate	-	-
	Sub-total (A)(1)	<b>5274338</b>	<b>61.93</b>
(2)	Foreign		
(a)	Bodies Corporate	-	-



	Sub-total (A)(2)	0	0
(B)	Public Shareholding		
(1)	Institutions	-	-
(a)	Mutual Funds	15800	15800
(b)	Foreign Portfolio Investors	-	-
(c)	Financial Institutions/Banks	4000	4000
(d)	Insurance Companies / VCF / AIF	-	-
	Sub-Total (B)(1)	19800	0.23
(2)	Central Government/State Government/President of India	-	-
	Sub-Total (B)(2)	0	0
(3)	Non- Institutions		
(a)	i. Individual shareholders holding nominal share capital upto Rs. 2 lakhs	2367357	27.80
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	506005	5.94
(b)	NBFC Registered with RBI	-	-
(c)	Overseas Depositories (holding DRs)	-	-
(d)	Any Other	-	-
(e)	Non-resident Indian	167118	1.96
(f)	Clearing Members	1	0.00
(g)	Bodies Corporate	79713	0.94
(h)	HUF	87198	1.02
	Sub-Total (B)(2)	3222542	37.84
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	3242342	38.07
	Total Shareholding (A+B)	8516680	100

**For DPPL:**

Pre-amalgamation shareholding pattern of DPPL as on 30<sup>th</sup> September 2020

Sr. No	Category	No. of fully paid equity shares held	%
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu Undivided Family	3,75,000	80.14
(b)	Body Corporate	-	-
	Sub-total (A)(1)	3,75,000	80.14
(2)	Foreign		
(a)	Bodies Corporate	-	-
	Sub-total (A)(2)	0	0
	Total Promotor & Promoter Group Holding (A)=(A)(1) +(A)(2)	3,75,000	80.14
(B)	Public Shareholding		
(1)	Institutions		
	Sub-Total (B)(1)	0	0
(2)	Central Government/State Government/President of India	0	0
	Sub-Total (B)(2)	0	0
(3)	Non- Institutions		
(a)	i. Individual shareholders holding nominal share capital upto Rs. 2 lakhs	1,000	0.21
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	92,000	19.65
(b)	NBFC Registered with RBI	-	-

(c)	Overseas Depositories (holding DRs)	-	-
(d)	Any Other	-	-
	Sub-Total (B)(2)	93,000	19.86
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	93,000	19.86
	Total Shareholding (A+B)	4,68,000	100

Note: Since DPPL will be merged with APL on Scheme being effective, DPPL will stand dissolved, thus, there will be no post amalgamation shareholding pattern available

15. Unsecured Creditors of APL shall be eligible to attend and vote at the Meeting of the Unsecured Creditors of APL convened at the directions of the Hon'ble NCLT or cast their votes, using remote e-voting facility or VC/OAVM.
16. Disclosure about the effect of compromise or arrangement on the following parties:

Sr. No.	Particulars	Effect
1.	Key managerial personnel	No effect except equity shareholding in DPPL and APL respectively
2.	Directors	No effect except equity shareholding in DPPL and APL respectively
3.	Promoters	No effect except equity shareholding in DPPL and APL respectively
4.	Non-promoter members	No effect except equity shareholding in APL
5.	Creditors	No adverse effect
6.	Employees of the Company	No adverse effect

17. Disclosure about the effect of compromise or arrangement on material interests

Sr. No.	Particulars	Effect
1.	Key managerial personnel	No effect except equity shareholding in DPPL and APL respectively
2.	Directors	No effect except equity shareholding in DPPL and APL respectively

18. The rights and interests of the Shareholders, secured or unsecured creditors, non-promoter members and employees of APL and DPPL will not be prejudicially affected by the Scheme as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner.
19. Except to the extent of the shares held by the Directors stated in paragraph 13 above, none of the Directors of the companies or their respective relatives is in any way connected or interested in the resolution forming part of the Notice.
20. There is no likelihood that any secured or unsecured creditor of the companies concerned would lose or be prejudiced as a result of the Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the arrangement will not cast any additional burden on the shareholders or creditors of either company nor will it affect the interest of any of the shareholders or creditors.
21. There shall be no debt restructuring of DPPL & APL pursuant to the Scheme.
22. No investigation proceedings have been instituted or are pending under Sections 210 to 229 of the Act or the corresponding provisions of the Act of 1956, against any of the companies involved in the Scheme.
23. As directed by the Hon'ble NCLT, the Notice pursuant to Section 230(5) of the Act, in the prescribed format along with a copy of the Scheme, the Statement and the disclosures

provided herewith will be served within the prescribed time on the Statutory Authorities, as applicable.

#### 24. Inspection

In addition to the documents annexed hereto, the electronic copy of following documents will be available for inspection for the shareholders of APL in the investor section of the website of the Company at [www.axelindia.com](http://www.axelindia.com)

- Certified copy of the Order passed by the Hon'ble NCLT in Company Application no. CA (CAA) No.86/NCLT/AHM/2020 of 2020, dated 18th December 2020 directing APL to convene the Meeting
- Copy of the Scheme
- Copies of the Memorandum of Association and Articles of Association of APL
- Copies of the latest audited financial report of APL for the financial year ended 31st March 2020 and Limited review financial statement for the period ended 30th September 2020
- The certificates issued by Auditors of APL to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act
- All other documents displayed on the Company's website in terms of the SEBI Scheme Circular dated 10th March 2017
- Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the Scheme

**SCHEME OF AMALGAMATION  
OF  
DHARA PETROCHEMICALS PRIVATE LIMITED  
WITH  
AXEL POLYMERS LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013  
AND RULES FRAMED THEREUNDER**

**A. PREAMBLE**

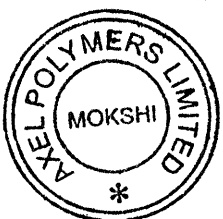
This Scheme of Amalgamation (“the Scheme”) is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the amalgamation of Dhara Petrochemicals Private Limited (“the Transferor Company”) with Axel Polymers Limited (“the Transferee Company”). The equity shares of Axel Polymers Limited are listed on the BSE Limited.

**B. BACKGROUND & DESCRIPTION OF THE COMPANIES**

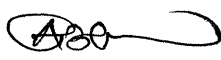
1. Dhara Petrochemicals Private Limited (“the Transferor Company” or “DPPL”) is a private limited company, having CIN U23209GJ2009PTC104618, incorporated under the provisions of the Companies Act, 1956 on July 2, 2009, having its registered office at 38, Gautam Nagar Society, Race Course, Vadodara, Gujarat- 390007, India. With effect from October 5, 2018, the registered office of DPPL has been shifted from the State of Maharashtra to the State of Gujarat. DPPL is engaged in the business of dealing in engineering polymers called nylon compounds, polycarbonate compounds, polyphenylene ether compounds, PBT compounds, polypropylene compounds, utility compounds, PPS, M S Resin, ABS resin, thermoplastic polyurethane etc.
2. Axel Polymers Limited (“the Transferee Company” or “APL”) is a public limited company having CIN L25200GJ1992PLC017678, incorporated under the provisions of the Companies Act, 1956 on May 21, 1992, having its registered office at 309, Village Mokshi, Sankarda-Savli Road, Taluka Savli, Dist. Vadodara 391780, Gujarat, India. APL is engaged in the business of manufacturing compounds, blends and alloys of engineering, specialty and commodity polymers.

**C. RATIONALE AND PURPOSE OF THE SCHEME**

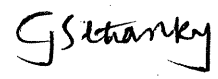
- C.1 DPPL and APL have been business partners for many years. The Board of Directors of DPPL and APL are of the opinion that the proposed amalgamation of DPPL with APL shall be advantageous to both, DPPL and APL in the following manner:
- i. The amalgamation will enable consolidation of the business 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.
  - ii. The amalgamation would bring more productive and optimum utilisation of various resources of the amalgamated company.
  - iii. 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.



For Axel Polymers Limited

  
Director

For Dhara Petrochemicals Private Limited

  
(Director)

- iv. 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.
  - v. The consolidation is also expected to attract investors and strategic partners which would enable further growth of the business.
- C.2 There is no likelihood of the interest of any shareholder or creditor of DPPL or APL being prejudiced in any manner as a result of the Scheme.

In view of the above, the Board of Directors of DPPL as well as APL have proposed the amalgamation of the entire undertaking and business of DPPL with APL in accordance with the terms of Scheme of Amalgamation

**D. PARTS OF THE SCHEME**

The Scheme is divided into following parts

PART I deals with definitions, interpretations and share capital

PART II deals with the amalgamation of DPPL with APL and matters incidental thereto

PART III deals with general terms and conditions that would be applicable to the Scheme

**E. TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961**


The provisions of this Scheme have been drawn up to comply with the conditions relating to “Amalgamation” as defined under section 2(1B) of the Income Tax Act, 1961. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of Section 2(1B) of the Income Tax Act, 1961, or a corresponding provision of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modifications will, however, not affect the other provisions of the Scheme.

**PART I- DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL**

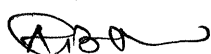
**1. DEFINITIONS**

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

- 1.1. “Act” or “the Act” means the Companies Act, 1956 and/or Companies Act, 2013 to the extent of the provisions notified and to the extent of its provisions in force and shall include any other statutory amendment or re-enactment or restatement and any rules, regulations, circulars or guidelines issued thereunder, as amended from time to time and shall include any statutory replacement or re-enactment thereof
- 1.2. “Applicable Laws” means any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or reenactment thereof for the time being in force
- 1.3. “Amalgamation” means the amalgamation of DPPL/the Transferor Company with APL/the Transferee Company in terms of the Scheme, in its present form or with any modification(s) as approved for sanction by the National Company Law Tribunal




- 1.4. **“Appointed Date”** means April 1, 2019 or such other date directed by or stipulated by the National Company Law Tribunal, as may be applicable
- 1.5. **“Appropriate Authority”** means and includes government or political subdivision thereof; any department, agency or instrumentality of any Government or political subdivision thereof; any court or arbitral tribunal and any regulatory authority of competent jurisdiction including any tax authorities, the Reserve Bank of India, Registrar of Companies, Securities and Exchange Board of India and National Company Law Tribunal
- 1.6. **“APL” or “the Transferee Company”** means Axel Polymers Limited, a public limited company having CIN L25200GJ1992PLC017678, incorporated under the Companies Act, 1956 on May 21, 1992 and having its registered office at 309, Village Mokshi, Sankarda-Savli Road, Taluka Savli, Dist. Vadodara 391780, Gujarat, India
- 1.7. **“Board” or “Board of Directors”** in relation to DPPL/the Transferor Company and/or APL/the Transferee Company as the case may be, means the board of directors of such company, and shall include a Committee of Directors or any person authorized by the Board of Directors or any person authorized by such Committee of Directors for the purposes of matters pertaining to the amalgamation under this Scheme or any other matter relating thereto
- 1.8. **“Companies”** shall mean DPPL/the Transferor Company and APL/the Transferee Company collectively
- 1.9. **“DPPL” or “the Transferor Company”** means Dhara Petrochemicals Private Limited, a private limited company having CIN U23209GJ2009PTC104618, incorporated under the Companies Act, 1956 on July 2, 2009 and having its registered office at 38, Gautam Nagar Society, Race Course, Vadodara, Gujarat-390007, India
- 1.10. **“Effective Date”** means the last date on which the certified copies of the Order passed by the Ahmedabad Bench of NCLT sanctioning this Scheme (defined hereinafter) is filed with the Registrar of Companies, Ahmedabad by DPPL/the Transferor Company and APL/the Transferee Company, as required under the provisions of the Act. Any references in this Scheme to the “date of coming into effect of this Scheme” or “effectiveness of the Scheme” or “Scheme taking effect” shall mean the Effective Date
- 1.11. **“Encumbrance”** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term “Encumbered” shall be construed accordingly
- 1.12. **“Governmental Authority”** means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India and shall include any other authority which supersedes the existing authority
- 1.13. **“IT Act”** means the Income-tax Act, 1961 including any statutory modifications, re-enactments or amendments thereto
- 1.14. **“LODR Regulations”** shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 1.15. **“National Company Law Tribunal” or “NCLT” or “Tribunal”** means the Ahmedabad Bench of the National Company Law Tribunal as constituted under the provisions of the Companies Act, 2013 having jurisdiction in relation to the Transferor Company and the Transferee Company



- 1.16. "New Equity Shares" means the New Equity Shares that shall be issued by APL to members of DPPL consequent upon the Scheme being sanctioned by the Tribunal
- 1.17. "ROC" means the Registrar of Companies, Ahmedabad, Gujarat
- 1.18. "Scheme" or "the Scheme" or "this Scheme" or "the Scheme of Amalgamation" means the Scheme of Amalgamation in its present form (along with any annexures, schedules etc., annexed / attached hereto) or with any modification(s) approved or directed under Clause 18 of this Scheme or any modifications approved or directed by National Company Law Tribunal and other relevant regulatory authorities as may be required under the Act, as applicable and under all other Applicable Laws
- 1.19. "SEBI" means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992
- 1.20. "SEBI Circular" means circular no CFD/DIL3/CIR/2017/21 issued on March 10, 2017, as amended in accordance with any subsequent circulars as issued by SEBI from time to time
- 1.21. "Stock Exchange" shall mean BSE Limited

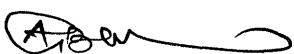
Capitalized terms used herein, which are not otherwise defined shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the rules, regulations made thereunder), the Depositories Act, 1996, the Income Tax Act, 1961 and other Applicable Laws, rules, regulations and bye-laws, as the case may be, including statutory modification or re-enactment thereof from time to time.

## 2. INTERPRETATION

- 2.1. References to statutory provisions shall be construed as references to the statutory provisions under laws of India unless otherwise specified, and in any event to those provisions as respectively amended, superseded or re-enacted or as their application is modified by any other provisions (whether made before or after the date of this Scheme) from time to time, to the extent in force;
- 2.2. References to clauses or sub-clause are to the clauses or sub-clauses of specific parts in which they appear of this Scheme;
- 2.3. The headings and sub-headings are for information only and shall not affect the construction or interpretation of this Scheme;
- 2.4. The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words used in this Scheme refers to this entire Scheme
- 2.5. The singular shall include the plural and vice versa; and reference to one gender shall include all genders;
- 2.6. Any phrase introduced by the terms "including", "include" or any similar expression shall be construed as illustrative and shall not limit the sense or scope of the word(s) preceding those terms
- 2.7. Any reference to a thing includes a part of that thing

## 3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal, unless otherwise specified in the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.



#### 4. CAPITAL STRUCTURE

- 4.1. The authorised, issued, subscribed and paid up share capital of DPPL as per audited financial statements as on March 31, 2019 is as under:

Particulars	Amount (INR)
<b><u>AUTHORISED SHARE CAPITAL</u></b>	
10,00,000 Equity Shares of INR 10/- each	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>
<b><u>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</u></b>	
4,68,000 Equity Shares of INR 10/- each fully paid	46,80,000
<b>Total</b>	<b>46,80,000</b>

Subsequent to March 31, 2019, there has been no change in its authorised, issued, subscribed and paid-up share capital of DPPL till the date of approval of this Scheme by the Board of the DPPL.

- 4.2. The authorised, issued, subscribed and paid up share capital of APL as per audited financial statements as on March 31, 2019 is as under:

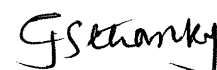
Particulars	Amount (INR)
<b><u>AUTHORISED SHARE CAPITAL</u></b>	
1,50,00,000 Equity Shares of INR 10/- each	15,00,00,000
<b>Total</b>	<b>15,00,00,000</b>
<b><u>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</u></b>	
43,00,000 shares of INR 10/- each fully paid	4,30,00,000
<b>Total</b>	<b>4,30,00,000</b>

Subsequent to March 31, 2019, there has been no change in its authorised, issued, subscribed and paid-up share capital of APL, till the date of approval of this Scheme by the Board of the APL. The equity shares of APL are listed on the Stock Exchange

#### PART II- AMALGAMATION OF DPPL WITH APL

#### 5. AMALGAMATION AND VESTING OF ASSETS AND LIABILITES OF DPPL WITH APL

- 5.1. With effect from the opening of business hours of the Appointed Date and subject to the provisions of this Scheme, the entire business of DPPL shall under the provisions of Sections 230 to 232 and other applicable provisions of the Act and pursuant to the order of the Tribunal sanctioning this Scheme, be amalgamated with APL as a going concern and all assets, liabilities, contracts, arrangements, employees, permits, licences, records, approvals, etc. of DPPL shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in APL, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, permits, licences, records, approvals, etc. of APL by virtue of, and in the manner provided in this Scheme.



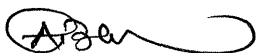


- 5.2. On and from the Appointed Date, all the profits, income, taxes (including advance tax, tax deducted at source and minimum alternate tax credit), costs, charges, expenditure or losses incurred, accruing or arising to DPPL shall, for all purposes, be treated and be deemed to be and accrued as the profits, income, taxes, minimum alternate tax credit, costs, charges, expenditure, as the case may be, of APL.
- 5.3. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of relevant laws, all consents, permissions, licenses, registrations, certificates, authorities (including for the operation of bank accounts), powers of attorneys, if any, given by, issued to or executed in favour of DPPL, and the rights and benefits under the same, in so far as they relate to DPPL, all quality certifications and approvals, patents and domain names, copyrights, brands, trade secrets, product registrations and other intellectual property and all other interests relating to the goods or services being dealt with by DPPL, shall without any further act or deed, be transferred and/or deemed to be transferred to and vested in APL under the same terms and conditions as were applicable to DPPL immediately prior to the Effective Date. In so far as the various incentives, sales tax, deferral benefits, subsidies (including applications for subsidies), available tax credits (including Minimum Alternate Tax credit, if any), rehabilitation schemes, grants, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person, or availed of or to be availed of by DPPL are concerned, the same shall, without any further act or deed, in so far as they relate to DPPL, shall be transferred and/or deemed to be transferred to or vest with and be available to APL on the same terms and conditions as were applicable immediately prior to the coming into effect of this Scheme. APL shall make applications to and obtain relevant approvals from the concerned Governmental Authorities and /or parties as may be necessary in this behalf and DPPL shall co-operate and provide the required support wherever required.
- 5.4. For the removal of doubt, it is clarified that to the extent there are inter-company loans, investments, deposits, obligation, balances or other outstanding, if any, as between DPPL and APL, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of APL for the reduction of such assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 5.5. In the event that the Board of Directors of DPPL and APL so jointly decide, the transfer and vesting of movable assets and other assets shall be effected as follows:
- a) all assets of DPPL that are movable in nature or are otherwise capable of being transferred by manual delivery or actual and/ or constructive delivery or endorsement and/ or delivery, shall be so transferred or delivered or endorsed, as the case may be, without the need to execute any separate instrument, by DPPL to APL, to the end and intent that the property and benefit therein passes to APL with effect from the Appointed Date. Such delivery and transfer shall be made on a date which shall be mutually agreed upon between DPPL and APL on or after the Effective Date;
  - b) in respect of any movable assets of DPPL, other than those referred to in Clause 5.5.a) above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties) investments in shares, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, DPPL shall if so required by APL, issue notices in such form as APL may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 and other applicable provisions of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of



APL, as the person entitled thereto, to the end and intent that the right of DPPL to recover or realize the same stands transferred to APL and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 5.6. In relation to the assets, if any, belonging to DPPL, which require separate documents of transfer, the DPPL and APL will execute necessary documents, as and when required.
- 5.7. In respect of such of the assets belonging to DPPL other than those referred to in Clause 5.5 and Clause 5.6, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and / or be deemed to be transferred to and stand vested in APL pursuant to Sections 230 to 232 and other applicable provisions of the Act.
- 5.8. Upon the Scheme coming into effect and with effect from the Appointed Date, and subject to the provisions of the Scheme, all debts, liabilities, duties and obligations (debentures, bonds, notes or other debt securities) of DPPL as on the Appointed Date whether provided for or not in the books of accounts of DPPL, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall, pursuant to the orders of the Tribunal or such other Governmental authority as may be applicable under the provisions of the Act, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, APL, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of APL on the same terms and conditions as were applicable to DPPL.
- 5.9. The transfer and vesting as provided in this Scheme shall not require consents of any third party or other person who is a party to any contract or arrangement in order to give effect to the provision of this clause.
- 5.10. On and from the Effective Date and till such time that the name of the bank accounts of DPPL has been replaced with that of APL, APL shall be entitled to maintain and operate the bank accounts of DPPL in the name of DPPL and for such time as may be determined to be necessary by APL. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of DPPL after the Effective Date shall be accepted by the bankers of APL and credited to the account of APL, if presented by APL.
- 5.11. Without prejudice to the foregoing provisions of Clause 5.1, DPPL and APL shall be entitled to execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the concerned ROC or filing of necessary applications, notices, intimations or letters with any appropriate authority or person, to give effect to the above provisions.
- 5.12. The resolutions, if any, as approved and passed from time to time, under the Act, by the Board or shareholders of DPPL, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of APL until the Board or the shareholders of APL, as applicable, passes resolution(s) which has the effect of modifying or changing aforesaid resolutions of DPPL
- 5.13. This Scheme shall not, in any manner, affect the rights of any of the creditors of DPPL or APL.



## 6. CONSIDERATION

6.1. Pursuant to the Scheme coming into effect and upon the entire businesses including the assets and liabilities of DPPL being transferred to and vested in APL, APL shall without any further application or deed, issue, allot and credit as fully paid-up, to every shareholder of DPPL whose names appear in the Register of Members of DPPL (or his/her heirs, executors, administrators or successors-in title, as the case may be) on the Effective Date, equity shares in the following proportion: -

"901 (Nine Hundred and One only) Equity Shares of Rs.10/- (Rupees ten only) each fully paid up of APL, for every 100 (Hundred only) Equity Share of Rs.10/- (Rupees ten only) each fully paid up, held in DPPL ("New Equity Shares")

6.2. The New Equity Shares to be issued and allotted as provided in Clause 6.1 above, shall be subject to the provisions of the Memorandum and Articles of Association of APL and shall rank pari-passu in all respects, including dividend, with the existing equity shares of APL including with respect to dividend, bonus entitlement, rights' shares entitlement, voting rights and other corporate and distribution benefits.

6.3. The New Equity Shares to be issued pursuant to Clause 6.1 above, by APL to the members of DPPL shall be issued only in dematerialised form. The New Equity Shares shall be issued to the equity shareholders of DPPL only after such shareholders provide details of their respective accounts with the depository participant and such other confirmations as may be required.

6.4. In case any equity shareholder holding shares in DPPL is such that the shareholder becomes entitled to a fraction of equity shares of APL, then APL shall not issue any fractional shares to such shareholder but round off the fraction to the nearest integer and allot equity shares accordingly.

6.5. The New Equity Shares allotted pursuant to this Scheme shall be listed on the Stock Exchange. However, they shall remain frozen in the Depositories System till listing/trading permission is given by the designated Stock Exchange.

6.6. Approval of this Scheme by the shareholders of APL under Section 230 to 232 of the Act shall be deemed to be the approval under Sections 13, 14, 42 and Section 62(1) (c) and other relevant and applicable provisions of the Act, for the issue and allotment of equity shares by APL to the shareholders of DPPL as provided in this Scheme.

6.7. The New Equity Shares issued by APL in terms of Clause 6.1 of this Scheme, will be listed on the Stock Exchange where the shares of APL are currently traded, subject to necessary approvals from the regulatory authorities and all necessary applications and compliance being made in this respect by APL.

## 7. ACCOUNTING TREATMENT IN THE BOOKS OF APL

7.1. Upon the Scheme becoming effective and with effect from the Appointed Date, APL shall account for the amalgamation of DPPL in its books of account in compliance with the Indian Accounting Standard - 103 on Business Combinations and any other relevant Indian Accounting Standard prescribed under Section 133 of the Act, as under:

a) With effect from the Appointed Date, all the assets and liabilities appearing in the books of accounts of DPPL shall stand transferred to and vested in APL pursuant to the Scheme and shall be recorded by APL at their respective book values

b) All reserves and surplus of DPPL, as on the Appointed Date, shall be transferred to and vested in APL at their existing carrying amounts and in the same form in which they appear in the books of DPPL

- c) All inter-party transactions and balances including advances, amount receivable or payable inter-se between DPPL and APL as appearing in their books of accounts, if any, shall stand cancelled without any further act, instrument or deed
- d) The difference, if any, of the value of assets over the value of liabilities and reserves transferred to APL as stated above and the face value of New Equity Shares issued by APL shall be adjusted in the Capital Reserve Account of APL
- e) If considered appropriate for the purpose of application of uniform accounting policies and method or for compliance with the applicable accounting standards, APL may make suitable adjustments to the accounting treatment and adjust the effect thereof in the manner determined by the Board of APL

## 8. TAXES, DUTIES, CESS

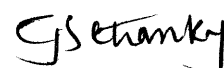
- 8.1. Upon the Scheme becoming effective, DPPL and APL are expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the IT Act, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, Goods & Service tax and to claim refunds and/or credit for taxes paid (including minimum alternate tax, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- 8.2. All tax assessment proceedings/ appeals of whatsoever nature by or against DPPL pending and/or arising at the Appointed Date and relating to DPPL shall be continued and/or enforced until the Effective Date by DPPL. In the event of DPPL failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by APL, at the cost of APL. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against APL in the same manner and to the same extent as would or might have been continued and enforced by or against DPPL.
- 8.3. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of DPPL with APL or anything contained in the Scheme.
- 8.4. Any tax liabilities under the IT Act, service tax laws excise duty laws, custom duty laws, central sales tax, applicable state value added tax laws, Goods and Service Tax, or other Applicable Laws/ regulations dealing with taxes/ duties/ levies of DPPL to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to APL.
- 8.5. Any refund, under the IT Act, service tax laws excise duty laws, custom duty laws, central sales tax, applicable state value added tax laws, Goods and Service Tax, or other Applicable Laws/ regulations dealing with taxes/ duties/ levies due to DPPL consequent to the assessment made on DPPL and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by APL upon this Scheme becoming effective.
- 8.6. The tax payments (including, without limitation, income tax, service tax, excise duty, custom duty, central sales tax, applicable state value added tax, Goods and Service Tax etc.) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by DPPL after the Appointed Date, shall be deemed to be paid by APL and shall, in all proceedings, be dealt with accordingly.
- 8.7. Further, any tax deducted at source by DPPL/APL on transactions with APL/DPPL, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by APL and shall, in all proceedings, be dealt with accordingly.



- 8.8. Obligation for deduction of tax at source on any payment made by or to be made by DPPL shall be made or deemed to have been made and duly complied with by APL, as the case maybe.
- 8.9. Without prejudice to the generality of the above, all benefits, entitlements, incentives, losses, credits (including, without limitation income tax, Minimum Alternate Tax Credit entitlement ('MAT Credit'), tax deducted at source, wealth tax, service tax, excise duty, custom duty, central sales tax, applicable state value added tax, CENVAT, Goods and Service Tax, registrations, etc.) to which DPPL is entitled to in terms of Applicable Laws, shall be available to and vest in APL, upon this Scheme coming into effect.
- 8.10. Upon coming into effect of this scheme, all tax compliances under any tax laws by DPPL on or after Appointed Date shall be deemed to be made by APL.

## 9. CONTRACTS, DEEDS, ETC.

- 9.1. For avoidance of doubt and without prejudice to the generality of Clause 5 above, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, subject to the provisions hereof, without any further act of the parties; all contracts, deeds, bonds, agreements, indemnities, insurance policies, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, permits, rights, entitlements, licenses for the purpose of carrying on the business of DPPL, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to DPPL, or to the benefit of which DPPL may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by endorsement, delivery or by operation of law pursuant to the order of the appropriate authority sanctioning the Scheme, and on this Scheme becoming effective be deemed to be contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of APL. Such properties and rights described hereinabove shall stand vested in APL and shall be deemed to be the property and become the property by operation of law as an integral part of APL. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against APL and shall be the legal and enforceable rights and interests of APL, which can be enforced and acted upon as fully and effectually as if it were DPPL.
- 9.2. Upon this Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties, shall be deemed to have been entered into and stand assigned, vested and novated to APL by operation of law and APL shall be deemed to be DPPL substituted party or beneficiary or obligor thereto. It being always understood that APL shall be the successor in interest of DPPL. In relation to the same, any procedural requirements required to be fulfilled solely by DPPL (and not by any of its successors), shall be fulfilled by APL as if it were the duly constituted attorney of DPPL. To the extent that DPPL is required prior to the Effective Date to enter into and / or issue and / or execute such deeds, writings or confirmations, APL shall be entitled to act for and on behalf of and in the name of DPPL and to carry out or perform all such formalities or compliances referred to above on the part of DPPL.
- 9.3. APL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which DPPL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. APL shall be deemed to be authorised to execute any such writings on behalf and in the name of DPPL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of DPPL.



## 10. LEGAL PROCEEDINGS

- 10.1. If any suit, appeal, petition, complaint, application or other legal proceedings of whatsoever nature (hereinafter referred to as the "Proceedings") by or against DPPL is pending as on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of DPPL with APL or by anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against APL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against DPPL in the absence of this Scheme.
- 10.2. On and from the Effective Date, APL shall, if required, initiate any legal proceedings in relation to the present and past business, undertakings, properties and assets of DPPL.

## 11. EMPLOYEES


- 11.1. On the Scheme becoming effective, all employees, whether temporary or permanent employees and including all employees on probation, trainees and interns of DPPL in service on the Effective Date, shall be deemed to have become employees of APL with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with APL shall not be less favorable than those applicable to them with reference to DPPL on the Effective Date. It is hereby clarified that the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which the employees of DPPL are members shall be transferred to such provident fund, gratuity fund and superannuation fund of APL or to be established and caused to be recognized by the Appropriate Authorities, by APL.
- 11.2. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees of DPPL would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of DPPL.
- 11.3. Upon transfer of the aforesaid funds to the respective funds of APL, the existing trusts created for such funds by DPPL shall stand dissolved and no further act or deed shall be required to this effect. It is further clarified that the services of the employees of DPPL will be treated as having been continuous, uninterrupted and taken into account for the purpose of the said fund or funds.

## 12. SAVING OF CONCLUDED TRANSACTION

The transfer of the entire business, properties, assets and liabilities of DPPL to APL and the continuance of all contracts or proceedings by or against DPPL shall not affect any transaction, contracts or proceedings already concluded by DPPL on or after the Appointed Date till the Effective Date, to the end and intent that APL accepts and adopts all acts, deeds, matters and things done and / or executed by DPPL in regard thereto, as if done or executed on behalf of APL.

## 13. CONDUCT OF BUSINESS BY DPPL TILL EFFECTIVE DATE

- 13.1. Unless otherwise stated herein, from the Appointed Date till the Effective Date:
- a) DPPL shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall continue to hold and stand possessed of all the assets, properties and liabilities for and on account of and in trust for APL. DPPL hereby undertakes to hold the assets, properties and liabilities with utmost prudence until the Effective Date.
  - b) Any assets realized by DPPL during the period between Appointed Date and upto the Effective Date shall be held in trust and shall be transferred to or taken over by, as the case may be, APL upon coming into effect of this Scheme



- c) DPPL shall carry on its businesses and activities with reasonable diligence, business prudence and in the same manner as carried before and shall not, without the prior written consent of APL, alienate charge, mortgage, encumber or otherwise deal with or dispose-off its business or any part thereof in any manner whatsoever
- d) DPPL shall not vary the terms and conditions of the employment of its employees, without the prior consent of APL
- e) DPPL shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which APL may require to carry on the business of DPPL and to give effect to the Scheme.

13.2. APL shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which APL may require to carry on the business of DPPL and to give effect to the Scheme.

#### 14. AMENDMENT IN MEMORANDUM AND ARTICLES OF ASSOCIATION

##### 14.1. COMBINATION AND ENHANCEMENT OF AUTHORISED SHARE CAPITAL

14.1.1. Upon this Scheme becoming effective, the authorised share capital of APL shall automatically stand increased without any further act, instrument or deed on the part of APL including payment of stamp duty and fees payable to ROC, by the authorised share capital of DPPL as on the Effective Date. The authorised share capital of APL stands increased to INR 16,00,00,000/- (Rupees Sixteen Crores Only) divided into 1,60,00,000 (One Crore Sixty Lakhs) equity shares of INR 10/- each and the Memorandum of Association and Articles of Association of APL (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of APL to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14 and 61 of the Act and Sections 230 to 232 of the Act and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorised capital of DPPL shall be utilized and applied to the increased authorised share capital of APL and there would be no requirement for any further payment of stamp duty and / or fee by APL for increase in the authorised share capital to that extent.

14.1.2. It is clarified that the approval of the shareholders of APL to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association of APL as may be required under the Act, and Clause V of the Memorandum of Association of APL shall stand substituted by virtue of the Scheme to read as follows:

*"V. The authorized share capital of the Company is INR 16,00,00,000/- (Rupees Sixteen Crores Only) divided into 1,60,00,000 (One Crore Sixty Lakhs) equity shares of INR 10/- each."*

##### 14.2. ALTERATION OF OBJECT CLAUSE OF APL

14.2.1. Upon the Scheme becoming effective and subject to requisite filing with the ROC, the Object Clause of APL shall stand altered to the extent as produced below and the consent of the shareholders of APL to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13 of the Companies Act, 2013 other applicable provisions of the Act would be required to be separately passed, as the case may be.



14.2.2. It is clarified that the approval of the shareholders of APL to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association of APL as may be required under the Act, and Clause III of the Memorandum of Association of APL shall be suitably amended to add the following Clauses after the existing Clause III(A)(1) by virtue of the Scheme and necessary filings with the ROC to read as follows:

“

2. To carry on in India or elsewhere the business to manufacture, process, alter, convert, commercialize, control, compound, design, develop, research, distribute, formulate, derive, discover, manipulate, prepare, produce, promote, supervise, supply, import, export, buy, sell, trade, turn to account or otherwise deal in all respects as also to act as agent, broker, wholesaler, retailer, stockists, trader or otherwise in any capacity or otherwise to deal in all varieties, characteristics, descriptions, applications and uses of synthetic, natural or blended polymer, polymer intermediaries, raw materials, derivatives, mixtures, compounds, auxiliary products, by-products and other allied materials and to do all incidental acts and things necessary for the attainment of above objects.
3. To carry on in India or elsewhere the business to manufacture, process, produce, formulate, mix, dye, concentrate, compound, segregate, pack, repack, add, remove, heat, grade, design, develop, distribute, display, melt, improve, mould, blow, extrude, draw, derive, discover, fabricate, treat, work, manipulate, prepare, promote, supervise, supply, import, export, acquire, barter, store, forward, buy, sell, market or otherwise deal in all respects as also to act as agent, sub-agent, broker, representative, collaborator or otherwise in any capacity or otherwise to deal in all varieties, characteristics, descriptions, applications, colours and uses of plastic including by-products, formulations, intermediates, residues, mixtures & blends of polymers, resins and other allied chemicals and to do all incidental acts and things necessary for the attainment of foregoing objects.
4. To carry on in India or elsewhere the business to manufacture, refine, process, buy, sell, resale, acquire, transport, store, forward, distribute, dispose, market, provide, procure, supply, treat, import, export, formulate, mix, segregate, pack, re-pack, add, remove, heat, freeze, distillate, sterilize, improve, or otherwise deal in all respects as also to act as agent, sub-agent, broker, representative, collaborator, stockist or otherwise in any capacity or otherwise deal in all types, descriptions, characteristics and uses of petrochemicals including petroleum and its downstream products, transformer oils, machine oils, agricultural oils, petroleum oils, varnishes, paints, essential oils, and other allied products, their intermediaries and raw materials and to do all incidental acts and things necessary for the attainment of above objects. ”

14.3. It has been stated that APL would make all necessary filings with the ROC and such other authorities as may be required, with respect to all the amendments as mentioned under clauses 14.1 and 14.2

#### **15. LISTING OF NEW EQUITY SHARES**

15.1. APL shall, in accordance with the provisions of Applicable Laws including in particular the LODR Regulations and other circulars, notifications and rules issued by SEBI from time to time, after the sanction of the Scheme by NCLT, Ahmedabad Bench take the appropriate/ necessary steps to get the New Equity Shares listed on the Stock Exchange.

15.2. Post listing of the New Equity Shares of APL on the Stock Exchange, it shall comply with the requirement of maintaining the prescribed public shareholding in APL

*G. S. Shanky*



**16. DISSOLUTION OF DPPL**

Upon the effectiveness of this Scheme, DPPL shall be dissolved without winding up, and the Board and any committees thereof, if any, of DPPL shall without any further act, instrument or deed be and stand discharged.

**PART III- GENERAL TERMS AND CONDITIONS**

**17. APPLICATION TO THE NCLT**

DPPL and APL shall, with all reasonable dispatch, make and file all applications / petitions to the NCLT where the registered office of DPPL and APL are situated or with any other appropriate authority, under Sections 230 to 232 and other applicable provisions of the Act for sanctioning this Scheme; or for dispensing the holding of such meetings and for further orders and bringing this Scheme into effect and for dissolution of DPPL without being wound up.

**18. MODIFICATIONS / AMENDMENTS TO THE SCHEME**

18.1. Subject to the approval of Tribunal, DPPL and APL by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may consent, on behalf of all persons concerned, from time to time, to any modifications or amendments of the Scheme or to any conditions or limitations that the Tribunal or any other Government Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Tribunal or such other Government Authority, whether in pursuance of a change in law or otherwise. DPPL and APL by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

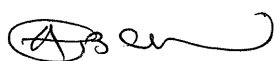
18.2. For the purpose of giving effect to this Scheme or to any modification or amendments thereof or additions thereto, the delegate(s) and/ or Directors of DPPL and APL may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

**19. CONDITIONALITY OF THE SCHEME**

19.1. The Scheme is conditional upon and subject to the following:

- a. The requisite consent, approval, permission from the Stock Exchange under Regulation 37 of LODR Regulations which by law or otherwise may be necessary for implementation of the Scheme in compliance with the provisions of SEBI Circular. The Stock Exchange vide letter dated 19 June 2020 has issued its observation letter regarding the Scheme wherein it has warned APL about non-disclosure of immediate relatives of the promoter in the 'Promoter' category, in the shareholding pattern filed. The said categorization of relatives of the promoter has been rectified in subsequent filings made by APL with the Stock Exchange.
- b. Approval of the Scheme by the requisite majority of the respective shareholders, creditors and such class of persons of DPPL and APL, as may be directed by the NCLT and the requisite orders of the NCLT sanctioning the Scheme in exercise of the powers vested in it under the Act
- c. Approval of public shareholders of APL through e-voting in terms of Para 9 of Annexure I of the SEBI Circular, provided that the same shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by them against the Scheme
- d. Sanctions and orders under the provisions of Sections 230 to 232 and other applicable provisions of the Act being obtained by DPPL and APL from the Ahmedabad Bench of NCLT

**For Axel Polymers Limited**

  
**Director**



- e. All other regulatory sanctions and approvals in relation to amalgamation of DPPL with APL which by law may be necessary, being obtained
- f. Certified / authenticated copies of final order of the NCLT, Ahmedabad Bench sanctioning this Scheme, being filed with the ROC

**20. EFFECT OF NON-RECEIPT OF APPROVALS**

- 20.1 In the event of any of the said approvals or conditions referred to in Clause 19 of this Scheme above not being obtained and/ or complied with and/or satisfied and/or Scheme not being sanctioned by the Tribunal and/or order or orders not being passed as aforesaid by December 31, 2020 or such other date as may be mutually agreed upon by the respective Board of Directors of DPPL and APL (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect.
- 20.2 In the event of revocation under Clause 20.1 of this Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter se to DPPL and APL or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. The Board of Directors of DPPL and APL shall be entitled to withdraw this Scheme prior to the Effective Date. The Board of Directors of DPPL and APL shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on DPPL and APL.
- 20.3 If any part of this Scheme hereof is invalid, ruled illegal by any Tribunal of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of DPPL and APL that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to DPPL and /or APL, then in such case DPPL and /or APL shall attempt to bring about a modification in the Scheme, as will best preserve for DPPL and APL the benefits and obligations of the Scheme, including but not limited to such part.

**21. COSTS, CHARGES AND EXPENSES**

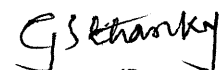
All costs, charges, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by APL. In the event of the Scheme not being implemented, each party shall bear its respective costs, charges and expenses.



For Axel Polymers Limited

  
Director

For Dhara Petrochemicals Private Limited

  
(Director)

August 20, 2019

To

The Board of Directors  
Axel Polymers Limited  
309, Village Mokshi,  
Sankarda-Savli Road, Taluka Savli,  
Vadodara, Gujarat - 391780  
India

The Board of Directors  
Dhara Petrochemicals Private Limited  
38, Gautam Nagar Society,  
Race Course,  
Vadodara, Gujarat- 390007  
India

Dear Sir(s)/ Madam(s),

**Sub: Recommendation of share exchange ratio for the proposed amalgamation of Dhara Petrochemicals Private Limited into Axel Polymers Limited.**

We, MSKA & Associates, Chartered Accountants ('MSKA' or 'We' or 'Us'), have been appointed vide letter dated August 01, 2019 to recommend the share exchange ratio for the amalgamation of Dhara Petrochemicals Private Limited ('DPPL') into Axel Polymers Limited ('Axel') (collectively referred as 'the Companies'). We are pleased to present herewith our report on the same.

The cut-off date for the present valuation exercise has been considered as June 30, 2019 ('Valuation Date'). A summary of the analysis is presented in the accompanying report, as well as description of the methodology and procedure we used, and the factors we considered in formulating our opinion.

We believe that our analysis must be considered as a whole. Selecting portions of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. This letter should be read in conjunction with the attached report.

Thanking you,

For MSKA & Associates  
Chartered Accountants  
F.R.N. 105047W



M. No. 103085  
Rajesh Thakkar  
Partner  
Place: Mumbai  
UDIN: 19103085AAAADU6279



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## 1. Brief Background of the Companies

### Axel Polymers Limited ('Axel')

- 1.1. Axel Polymers Limited is a public limited company having CIN L25200GJ1992PLC017678, incorporated under the provisions of the Companies Act, 1956 on May 21, 1992, having its registered office at 309, Village Mokshi, Sankarda-Savli Road, Taluka Savli, Dist. Vadodara 391780, Gujarat, India. Axel is engaged in the business of manufacturing compounds, blends and alloys of engineering, specialty and commodity polymers. Axel is listed on BSE Limited ("BSE").
- 1.2. The authorised, issued, subscribed and paid-up equity share capital of Axel as at June 30, 2019 is as under:

Share Capital	Amount (INR Mn)
<b>Authorised Share Capital</b>	
15,000,000 fully paid up equity shares of INR 10 each	150.0
<b>Issued, Subscribed and Paid Up Share Capital</b>	
4,300,000 fully paid up equity shares of INR 10 each	43.0

- 1.3. The summarized shareholding pattern of Axel as on the Valuation Date is as follows:

Issued Share Capital	Number of Shares	% Stake
Promoters	1,066,668	24.8%
Non-Promoters	3,233,332	75.2%
<b>Total</b>	<b>4,300,000</b>	

### Dhara Petrochemicals Private Limited ('DPPL')

- 1.4. Dhara Petrochemicals Private Limited is a private limited company, having CIN U23209GJ2009PTC104618, incorporated under the provisions of the Companies Act, 1956 on July 2, 2009, having its registered office at 38, Gautam Nagar Society, Race Course, Vadodara, Gujarat-390007, India. With effect from October 5, 2018, the registered office of DPPL has been shifted from the State of Maharashtra to the State of Gujarat. DPPL is engaged in the business of dealing in engineering polymers called nylon compounds, polycarbonate compounds, polyphenylene ether compounds, PBT compounds, polypropylene compounds, utility compounds, PPS, M S Resin, ABS resin, thermoplastic polyurethane etc.
- 1.5. The authorised, issued, subscribed and paid-up equity share capital of DPPL as at June 30, 2019 is as under:

Share Capital	Amount (INR Mn)
<b>Authorised Share Capital</b>	
1,000,000 fully paid up equity shares of INR 10 each	10.0
<b>Issued, Subscribed and Paid Up Share Capital</b>	
468,000 fully paid up equity shares of INR 10 each	4.7



1.6. We have been informed by the management and representatives of the Companies that there has been no change in the above respective shareholding pattern of the Companies till the date of issuance of this report.

## **2. Purpose of Valuation**

- 2.1. We understand that the management of the Companies intend to amalgamate DPPL with Axel ('Proposed Transaction' or 'Proposed Amalgamation') through a scheme of amalgamation of Dhara Petrochemicals Private Limited with Axel Polymers Limited and their respective shareholders and creditors under the provisions of Section 230 to 232 of the Companies Act, 2013 ('the Scheme').
- 2.2. In this regard, we have been appointed to determine the share swap ratio for the Proposed Transaction.

## **3. Exclusions and Limitations**

- 3.1. This Report and the information contained herein are absolutely confidential and are intended for the use of management of the Companies for providing select information and only in connection with the purpose mentioned above or for sharing with statutory or regulatory authorities. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued without our written consent. In the event, the Companies or their management or their representatives intends to extend the use of this Report beyond the purpose mentioned earlier in the Report, with or without our consent, we will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report.
- 3.2. The recommendation contained herein is not intended to represent value at any time other than the Valuation Date.
- 3.3. This Report is subject to the laws of India.
- 3.4. The fee for this engagement is not contingent upon the outcome of the Report.
- 3.5. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by us during the course of our work. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Companies or any of its subsidiaries or associated companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to us.
- 3.6. In rendering this Report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.

- 3.7. This Report is based on the information received from the sources mentioned herein and discussions with the representatives of the Companies. We have assumed that no information has been withheld that could have influenced the purpose of our Report.
- 3.8. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Companies. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our Report.
- 3.9. For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by us.
- 3.10. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our Report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 3.11. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to us or used by us up to, the date of this Report. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and we shall not be obliged to update, revise or reaffirm this Report if the information provided to us changes.
- 3.12. We have arrived at a relative value based on our analysis. Any transaction price may however be significantly different and would depend on the negotiating ability and motivations of the respective buyers and sellers in the transaction.
- 3.13. Our scope is limited to recommendation of share swap ratio. The Report should not be construed as, our opinion or certifying the compliance of the Proposed Transaction with the provisions of any law including the Companies Act 2013, Foreign Exchange Management Act, 1999, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from Proposed Transaction.
- 3.14. The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operation unless otherwise stated and that the Companies will be managed in competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, litigation and other contingent liabilities that are not recorded in the financial statements of the Companies.
- 3.15. This Report does not look into the business/commercial reasons behind the Proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of

- the Proposed Transaction as compared with any other alternative business transaction or any other alternatives, whether or not such alternatives could be achieved or are available.
- 3.16. Further this Report does not in any manner addresses the prices at which the equity shares of Axel will trade following the announcement of the Proposed Transaction and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting to be held in connection with the Proposed Transaction.
- 3.17. No investigation/inspection of the Companies' claim to the title of assets has been made for the purpose of this Report and the same has assumed to be valid. No consideration has been given to liens or encumbrances against such assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of legal nature.
- 3.18. Recommendation of the share swap ratio is specific to the purpose as mentioned above. It may not be valid for any other purpose. Also, it may not be valid if done on behalf of any other entity.
- 3.19. The determination of a share swap ratio is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different opinion.
- 3.20. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this Report.
- 3.21. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations taking into consideration the economic, social and market patterns existing at that point in time but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 3.22. In the particular circumstances of this case, our liability, if any (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, howsoever the loss or damage caused, shall be limited to the amount of fees actually received by us from the Companies, as laid out in the engagement letter, for such valuation work.
- 3.23. We owe responsibility to only the Boards of Directors of the Companies and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies. In no event shall we be liable for any loss,



damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

3.24. We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

#### **4. Sources of Information**

4.1. For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by the management/ representatives of the Companies:

- Audited financial statements of the Companies for Financial Year ('FY') 2017-18;
- Audited financial statements of Axel for FY 2018-19;
- Provisional financial statements of DPPL for FY 2018-19;
- Limited Review unaudited financial statements of Axel for three months period ended June 30, 2019 submitted to BSE;
- Extract of Balance Sheet of Axel as on June 30, 2019;
- Provisional financial statements of DPPL for three months period ended June 30, 2019;
- Latest shareholding pattern as on the Valuation Date of the Companies;
- Draft computation of income tax for Axel and DPPL for the Assessment Year 2019-20;
- List of contingent liabilities of the Companies and its current status;
- Other relevant data and information provided to us by the representatives of DPPL and Axel either in written or oral form or in form of soft copy of the Companies;
- Information provided by leading database sources (proprietary databases subscribed by us or our network firm), market research reports and other published data (including on NSE and BSE); and
- Draft scheme of arrangement for the Proposed Transaction.

#### **5. Procedures Adopted**

5.1. In connection with this exercise, we have adopted the following procedures:

- Requested and received financial and qualitative information;
- Obtained data available in public domain;
- Undertook industry analysis such as researching publicly available market data including economic factors and industry trends that may impact the valuation. Further, analysis of key trends and comparable companies was undertaken.
- Discussion (physical/over call) with the management to understand the business and fundamental factors that could affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.

- Selection of internationally accepted valuation methodology/(ies) as considered appropriate by us. Our valuation, and this report, is based on the premise of going concern value. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this Report.
- Determination of share swap ratio.

## 6. Valuation Approaches

- 6.1. The Proposed Amalgamation scheme contemplates the merger of the Companies pursuant to the scheme of Amalgamation under sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013. Arriving at the share exchange ratio for the Proposed Amalgamation would require determining the relative values of each company. These values are to be determined independently but on a relative basis, and without considering the effect of the Proposed Amalgamation.
- 6.2. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made certain assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.
- 6.3. The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment in an independent and bona fide manner based on our previous experience of assignments of a similar nature.
- 6.4. It may be noted that the Institute of Chartered Accountants of India ('ICAI') on June 10, 2018 has issued the ICAI Valuation Standards ('IVS'). IVS 301 on Business Valuations deals with valuation of a business or business ownership interest (i.e. it includes valuation of equity shares). We have given due cognizance to the same in carrying out the valuation exercise.
- 6.5. The cut-off date for the current valuation exercise has been considered as June 30, 2019 and market factors have been considered till August 19, 2019.
- 6.6. There are the following three valuation approaches which are internationally accepted and provided in the IVS:
  - (a) "Market" Approach
  - (b) "Cost" Approach
  - (c) "Income" Approach

### Market Approach

Under the Market Approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market Approach generally reflects the investors' perception about the true worth of the company.

#### **Market Price ("MP") Method**

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

#### **Comparable Companies Multiples ("CCM") Method**

This valuation approach is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

#### **Comparable Transactions Multiples ("CTM") Method**

The valuation is undertaken on the basis of multiples derived from valuations of similar transactions in the industry in the near history. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. This valuation approach is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

### Cost Approach

The Cost Approach, also known as the Asset-based Approach, involves methods of determining a company's value by analyzing the market value of a company's assets.

#### **Net Asset Value ("NAV") Method**

The Net Asset Value ("NAV") method under cost approach, consider the assets and liabilities, including intangible assets and contingent liabilities. The net assets, after reducing the dues to the preference shareholders, if any, represent the value of the company or firm.

This valuation approach is used where the business requires reasonable amount of capital expenditure and working capital.

### Income Approach

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The



Discounted Cash Flow (DCF) Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

#### **Discounted Cash Flow (“DCF”) Method**

Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The Free Cash Flows to Firm (“FCFF”) represent the cash available for distribution to the owners as well as lenders of the business and the Free Cash Flows to Equity (“FCFE”) represent the cash available for distribution to the owners of the business. The free cash flows to firm are discounted by the Weighted Average Cost of Capital (“WACC”) and the free cash flows to equity are discounted by the Cost of Equity (“Ke”). The WACC or Ke, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of the future cash flows as it considers risk of the firm.

The perpetuity (terminal) value is calculated based on the business's potential for further growth beyond the explicit forecast period. The “Constant Growth Model” is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business's future operations. The Business/Enterprise Value (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

## **7. Conclusion on Valuation Approach**

- 7.1. In order to consider reasonable methods for the valuation exercise, we have referred to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (‘SEBI ICDR Regulations’) as amended from time to time and the specific information/explanations available of the Companies. We have considered the following respective methods for the valuation of the companies for the Proposed Amalgamation:

**Axel:** Discounted Cash Flow Method under the Income Approach has been considered since its value lies in the future earning potential. The shares of Axel are not frequently traded on BSE Ltd as per the definition provided in SEBI ICDR Regulations, hence we have not considered market price approach for valuation. We have not used Comparable Companies Multiple method considering the specialized nature of the business of Axel and paucity of comparable companies. We have not used CTM method for valuation of Axel due to paucity of comparable transactions. We have not considered valuation as per Cost Approach for arriving at the equity value of Axel, since its value lies in its overall business model rather than its asset base. In light of the above, we have used the Discounted Cash Flow Method for the valuation of Axel.

**DPPL:** Discounted Cash Flow Method under the Income Approach has been considered since its value lies in the future earning potential. DPPL is not listed on any stock exchange, hence market price method is not considered. Comparable Companies Multiple method could not be used for valuation of DPPL due to lack of appropriate listed comparable companies in India. We have not used CTM method for valuation of DPPL due to paucity of comparable transactions. We have not considered valuation as per Cost Approach for arriving at the equity value of DPPL, since its value lies in its overall business model rather than its asset base. In light of the above, we have used the Discounted Cash Flow Method for the valuation of DPPL.

#### Basis of Share Exchange Ratio

- 7.2. The basis of the share exchange ratio for the Proposed Amalgamation would have to be determined after taking into consideration all the factors and methods mentioned hereinabove. Though different values have been arrived at under each of the above methods, for the purposes of recommending the share exchange ratio, it is necessary to arrive at a final value for the shares of each company. It is, however, important to note that in doing so, we are not attempting to arrive at the absolute values of the Companies, but at their relative values to facilitate the determination of the share exchange ratio.
- 7.3. The share exchange ratio has been arrived at on the basis of a relative equity valuation of the Companies based on the various approaches/methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.
- 7.4. The equity shares of the listed company i.e. Axel in the Proposed Transaction is infrequently traded as per the provisions of SEBI ICDR Regulations on a recognized stock exchange (i.e. BSE) during the twelve calendar months preceding the Report date.
- 7.5. Attention may also be drawn to Regulation 158 of the SEBI ICDR Regulations which specifies that issue of equity shares to shareholders of an unlisted entity pursuant to a National Company Law Tribunal approved scheme shall conform with the pricing provisions of preferential issue specified under Regulation 165 of the ICDR Regulations. Further it may be noted that Regulation 165 specifies that the price determined by the issuer for infrequently traded listed shares shall take into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies. In the Proposed Amalgamation inter-alia, DPPL (an unlisted entity) is proposed to be amalgamated with Axel (listed entity). We have accordingly, given due cognizance to the applicable SEBI ICDR Regulations while arriving at the value of Axel.
- 7.6. We have independently applied methods discussed above, as considered appropriate, and arrived at their assessment of value per share of the Companies. To arrive at the consensus on the fair



equity share exchange ratio for the Proposed Amalgamation, rounding off have been done in the values.

## 8. Major factors that were considered during the valuation

- 8.1. The equity shares of Axel are not frequently traded;
- 8.2. Key operating/ financial parameters of the Companies; and
- 8.3. Business plan of the Companies;

## 9. Conclusion

- 9.1. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Honorable Supreme Court of India in the case reported in 176 ITR 417 as under:

*"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."*

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9.2. In the light of the above, and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion the fair equity share exchange ratio in the event of merger of DPPL into Axel would be as follows (recommendation):

Valuation Approach	Valuation Method	Axel		DPPL	
		Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Market Approach	MP Method	12.5	0%	NA	NA
Market Approach	CCM Method	NA	NA	NA	NA
Cost Approach	NAV Method	5.3	0%	98.3	0%
Income Approach	DCF Method	21.5	100%	193.4	100%
<b>Relative Value Per Share</b>		<b>21.5</b>	<b>100%</b>	<b>193.4</b>	<b>100%</b>
<b>Exchange Ratio (Rounded Off)</b>		<b>901</b>		<b>100</b>	

**Recommendation:**

901 (Nine Hundred and One) equity shares of INR 10/- each fully paid up of Axel Polymers Limited to be issued for every 100 (One Hundred) equity shares of INR 10/- each fully paid up of Dhara Petrochemicals Private Limited.

For MSKA & Associates  
Chartered Accountants  
F.R.N. 105047W



M. No. 103085  
Rajesh Thakkar  
Partner  
Place: Mumbai  
UDIN: 19103085AAAADU6279





STRICTLY PRIVATE & CONFIDENTIAL

Date: 20/08/2019

To,

The Board of Directors, Dhara Petrochemicals Private Limited 38, Gautam Nagar Society, Race Course, Vadodara-390007, Gujarat, India	The Board of Directors, Axel Polymers Limited 309, Village Mokshi, Sankarda-Savli Road, Taluka Savli, Dist. Vadodara-391780, Gujarat, India
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**Sub: Fairness Opinion on the valuation carried out by M/s. MSKA & Associates, (Chartered Accountants)**

**Re: Proposed Amalgamation of Dhara Petrochemicals Private Limited (DPPL) (Hereinafter referred to as the "Transferor Companies") and Axel Polymers Limited (APL), (Hereinafter referred to as the "Transferee Company")**

Dear Sir(s),

We, Capital Square Advisors Private Limited (CSAPL), refer to our engagement letter which has been accepted by you on August 10, 2019, whereby you have appointed us as an Independent Merchant Banker for furnishing Fairness Opinion on the basis of valuation carried out by M/s. MSKA & Associates, Chartered Accountants, vide its valuation report dated August 20, 2019, in terms of the Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the propose amalgamation of Dhara Petrochemicals Private Limited (DPPL) (Hereinafter referred to as the "Transferor Companies") and Axel Polymers Limited (APL), (Hereinafter referred to as the "Transferee Company") pursuant to Scheme of Amalgamation under Section 230-232 of the Companies Act, 2013 (Hereinafter referred to as the "Proposed Transaction").

**PURPOSE OF VALUATION UNDERTAKEN BY THE VALUER**

- We have been informed that the Board of Directors of the Company have considered and approved a proposal for Amalgamation of Dhara Petrochemicals Private Limited (DPPL) (Hereinafter referred to as the "Transferor Companies") and Axel Polymers Limited (APL), (Hereinafter referred to as the "Transferee Company") pursuant to Scheme of Amalgamation under Section 230-232 of the Companies Act, 2013 (Hereinafter referred to as the "Proposed Transaction").
- In this regard, M/s. MSKA & Associates, Chartered Accountants (hereinafter referred to as "Valuer") was appointed by the Company to carry out the valuation with a view to recommend a swap ratio for exchange of shares.
- The information contained herein and our report is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approval as per the requirement.



**CAPITAL SQUARE ADVISORS PRIVATE LIMITED**



## 1. SOURCES OF INFORMATION

For the purposes of fairness opinion, we have relied upon the following sources of information:

- Certified Valuation report dated August 20, 2019 issued by M/s. MSKA & Associates (Chartered Accountants).
- Audited Financial Statements of Transferor Companies and Transferee Company for the financial year 2018-19.
- Scheme of Amalgamation under Section 230-232 of the Companies Act, 2013
- Shareholding Pattern of Transferor Companies and Transferee Company.
- Such other information and explanations as we have required and which have been provided by the Company & M/s. MSKA & Associates, Chartered Accountants.

## 2. BACKGROUND INFORMATION OF TRANSFEROR COMPANIES AND TRANSFEE COMPANY

- Dhara Petrochemicals Private Limited ("the Transferor Company" or "DPPL") is a private limited company, having CIN U23209GJ2009PTC104618, incorporated under the provisions of the Companies Act, 1956 on July 2, 2009, having its registered office at 38, Gautam Nagar Society, Race Course, Vadodara, Gujarat- 390007, India. With effect from October 5, 2018, the registered office of DPPL has been shifted from the State of Maharashtra to the State of Gujarat. DPPL is engaged in the business of dealing in engineering polymers called nylon compounds, polycarbonate compounds, polyphenylene ether compounds, PBT compounds, polypropylene compounds, utility compounds, PPS, M S Resin, ABS resin, thermoplastic polyurethane etc.

The Details of Capital Structure of DPPL as on 31st March, 2019 is as follows:

Authorized Capital	Amount (INR)
10,00,000 Equity Shares of Rs. 10/- each	1,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
4,68,000 Equity Shares of Rs. 10/- each	46,80,000

- Axel Polymers Limited ("the Transferee Company" or "APL") is a public limited company having CIN L25200GJ1992PLC017678, incorporated under the provisions of the Companies Act, 1956 on May 21, 1992, having its registered office at 309, Village Mokshi, Sankarda-Savli Road, Taluka Savli, Dist. Vadodara 391780, Gujarat, India. APL is engaged in the business of manufacturing compounds, blends and alloys of engineering, specialty and commodity polymers.

The Details of Capital Structure of APL as on 31st March, 2019 is as follows:

Authorized Capital	Amount (INR)
1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000



### CAPITAL SQUARE ADVISORS PRIVATE LIMITED



Issued, Subscribed and Paid-up Capital	Amount (INR)
43,00,000 Equity Shares of Rs. 10/- each	4,30,00,000

(\*Source: Company Management)

### 3. VALUATION METHODOLOGY ADOPTED BY THE VALUER

For the purposes of valuation, the Valuer has adopted the 3 approaches; which is relevant for Company are as follows:

- "Market Approach"
- "Cost Approach"
- "Income Approach"

### 4. FINDINGS OF CAPITAL SQUARE ADVISORS PRIVATE LTD ("CASPL")

We have gone through the valuation report dated August 20, 2019 of M/s MSKA & Associates Chartered Accountants (holding FRN No. 105047W), having their office at Floor No 3, Enterprise Centre, Nehru Road, Near Domestic Airport, Ville Parle East, Mumbai -400099 for the purpose of ascertaining the reasonableness of the valuation as done by them. We have taken into consideration the fairness on the various methodologies as considered by M/s MSKA & Associates, Chartered Accountants for the said valuation.

### 5. COMMENT ON THE VALUATION

#### Market Approach

Under the Market Approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market Approach generally reflects the investors' perception about the true worth of the company.

#### Market Price ("MP") Method

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

#### Comparable Companies Multiples ("CCM") Method

This valuation approach is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

#### Comparable Transactions Multiples ("CTM") Method

The valuation is undertaken on the basis of multiples derived from valuations of similar transactions in the industry in the near history. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. This valuation approach is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

#### Cost Approach

The Cost Approach, also known as the Asset-based Approach, involves methods of determining a company's value by analysing the market value of a company's assets.





#### **Net Asset Value ("NAV") Method**

The Net Asset Value ("NAV") method under cost approach, consider the assets and liabilities, including intangible assets and contingent liabilities. The net assets, after reducing the dues to the preference shareholders, if any, represent the value of the company or firm. This valuation approach is used where the business requires reasonable amount of capital expenditure and working capital.

#### **Income Approach**

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow (DCF) Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

#### **Discounted Cash Flow ("DCF") Method**

Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The Free Cash Flows to Firm ("FCFF") represent the cash available for distribution to the owners as well as lenders of the business and the Free Cash Flows to Equity ("FCFE") represent the cash available for distribution to the owners of the business. The free cash flows to firm are discounted by the Weighted Average Cost of Capital ("WACC") and the free cash flows to equity are discounted by the Cost of Equity ("Ke"). The WACC or Ke, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of the future cash flows as it considers risk of the firm.

The perpetuity (terminal) value is calculated based on the business's potential for further growth beyond the explicit forecast period. The "Constant Growth Model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business's future operations. The Business/Enterprise Value (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

As the shares of Axel are not frequently traded on BSE Ltd as per the definition provided in SEBI (SAST) 2011 Regulations, market price approach for valuation has not been considered. Comparable Companies Multiple method has also not considered due to specialized nature of the business of Axel. Similarly Comparable Transactions Multiples method has not been used due to paucity of comparable transactions. Since its value lies in its overall business model rather than its asset base, Cost Approach (NAV) Method has not been used.

In the light of the above, Discounted Cash Flow Method for the valuation of Axel. Discounted Cash Flow Method under the Income Approach has been considered for DPPL since its value lies in the future earning potential.

#### **6. RECOMMENDATION OF SHARE EXCHANGE RATIO**

The share exchange ratio has been arrived at on the basis of a relative equity valuation of the Companies based on the various approaches/methods explained herein earlier.

**As stated in the valuation report, the Valuer has recommended the following share swap ratio:**

901 (Nine Hundred and One) equity shares of INR 10/- each fully paid up of Axel to be issued for every 100 (One Hundred) equity shares of INR 10/- each fully paid up of DPPL.

Based on the information including Valuation Report and the propose Scheme of Amalgamation we are of the opinion that, the Share Exchange Ratio as recommended by M/s MSKA & Associates, Chartered Accountants is fair and reasonable.





## 7. EXCLUSIONS AND LIMITATIONS

For the purpose of our opinion we have relied upon the information provided to us and have not carried out any audit *and due diligence of* any independent verification of such information.

## 8. DISCLAIMER CLAUSE

Our scope of work did not include the following:-

Carrying out a market survey / financial feasibility for the Business of Transferor Companies and Transferee Company Financial and Legal due diligence of Transferor Companies and Transferee Company

We hereby declare that we have no direct or indirect interest in the Company / assets valued. Our work did not constitute an audit in accordance with Generally Accepted Auditing Standards, an examination of internal controls or other attestation or review services. Accordingly, we do not express an opinion on the information presented.

It may be noted that this Fairness Opinion is expressed solely with reference to requirements under Regulation 37 of LODR and the purpose and scope of this assignment is restricted to opine about fairness of valuation already done by the valuer.

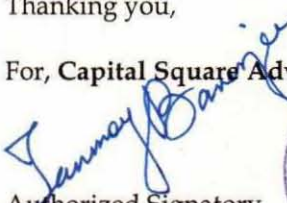
The management of DPPL and APL or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this opinion available to any party other than those required by statute for carrying out the limited purpose of this opinion. This opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified in this opinion, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.

We have been engaged by the respective companies to issue a Fairness Opinion and will receive a fixed fee for rendering this Fairness Opinion, which is independent of the happening or otherwise of the proposed activities.

The Fairness Opinion Report is only a free and fair opinion and does not constitute a commitment by CASPL to underwrite, subscribe for or place of securities or to extend or arrange credit or to provide any other services.

Thanking you,

For, Capital Square Advisors Private Limited

  
Authorized Signatory  
Place: MUMBAI



DCS/AMAL/JR/R37/1737/2020-21

“E-Letter”

June 19, 2020

The Company Secretary,  
**Axel Polymers Ltd.**  
S N 309 Village Mokshi, Tal Savli,  
Vadodara, Gujarat, 391780

Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement among Dhara Petrochemicals Private Limited with Axel Polymers Limited and their respective shareholders and creditors.**

We are in receipt of Draft Scheme of Arrangement among Dhara Petrochemicals Private Limited with Axel Polymers Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its E-mail dated June 19, 2020 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “It is noted that Mr. Vatsalya S. Thanky and Ms. Namrata P. Joshi are respectively brother and sister of Gaurav Thanky, a promoter of the company. Hence, they, being immediate relative of a promoter, are part of promoter group of the company. However, they were not classified as part of promoter group in the shareholding pattern filed by the company. In this regard, BSE issued a warning to the Company on April 30, 2020. The Company shall ensure that this information is included in the draft Scheme and brought to the notice of Hon’ble National Company Law Tribunal (NCLT).”
- “Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circular.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars

**BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India**  
**T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com**  
**Corporate Identity Number: L67120MH2005PLC155188**

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

**Nitinkumar Pujari**  
**Senior Manager**



09.12.2019

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

Scrip code: 513642

Scrip Name: AXELPOLY

ISIN: INE197C01012

**COMPLAINTS REPORT** with respect to application made under Regulations 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("the SEBI Circular") for the proposed Scheme of Amalgamation of Dhara Petrochemicals Private Limited with Axel Polymers Limited ("the Scheme")

**Period for Complaints Report: 15<sup>th</sup> November, 2019 to 6<sup>th</sup> December, 2019**


**Part A**

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable	Not Applicable	Not Applicable

For Axel Polymers Limited

  
Jigardan Gadhavi  
Company Secretary  
Membership Number: A 52215



Date: 9<sup>th</sup> December, 2019



### Summary of Valuation Report including basis of valuation

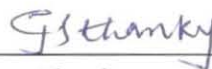
1. Axel Polymers Limited ("APL/Transferee Company") and Dhara Petrochemicals Private Limited ("DPPL/Transferor Company") (collectively referred to as "Companies") engaged Independent Chartered Accountant, M/S MSKA & Associates ("Valuer") as an Independent Valuer for issuing Valuation Report for recommending the Share Exchange Ratio for the proposed amalgamation between the Companies.
2. Valuation report dated 20th August 2019 was issued by M/s. MSKA & Associates, Chartered Accountants describing inter-alia the computation of and the methodology adopted by them in arriving at the fair ratio of exchange.
3. Valuer adopted combination of Net Asset Value method, Discounted Cash Flow method and Market Value to arrive at the fair value of the equity shares to be issued to the shareholders of DPPL pursuant to the Scheme of Amalgamation.
4. APL has appointed Capital Square Advisors Private Limited, a SEBI Registered Category I Merchant Banker, to provide an independent opinion to the Board of Directors of the Companies on the fairness of the Share Exchange Ratio recommended by the Valuer.
5. Fairness Opinion dated 20th August 2019 was issued by Capital Square Advisors Private Limited explaining the rationale for its opinion as to the fairness of the share exchange ratio as mentioned in the Scheme.

For Axel Polymers Limited



A. B. Bodhanwala  
Director - CFO  
DIN No. 00421362

For Dhara Petrochemicals Private Limited



Gaurav Thanky  
Director  
DIN No. 02565340

Date: 21.08.2019



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF DHARA PETROCHEMICALS PRIVATE LIMITED AT ITS MEETING HELD ON WEDNESDAY, 21<sup>st</sup> AUGUST 2019 EXPLAINING THE EFFECT OF THE SCHEME OF AMALGAMATION ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL AND PROMOTER SHAREHOLDERS:

**1. Background**

- 1.1. The proposed Scheme of Amalgamation ("the Scheme") of Dhara Petrochemicals Private Limited ('DPPL') with Axel Polymers Limited ('APL') and their respective of shareholders and creditors was approved by the Board of Directors of Dhara Petrochemicals Private Limited ('Board') vide resolution dated 21st August 2019.
- 1.2. Section 232(2)(c) of the Companies Act, 2013 requires Directors to adopt a report explaining the effect of Scheme on the class of shareholders, Key Managerial Personnel (KMPs), promoters and non-promoters of the Company laying out in particular the share exchange ratio and same is required to be circulated to the shareholders and creditors along with Notice convening the meeting.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.4. The following documents were placed before the Board:
  - Draft Scheme duly initialled by the Director for the purpose of identification;
  - Valuation report dated 20th August 2019 ("Valuation Report") issued by MSKA & Associates, independent Chartered Accountants;

**2. Effect of the Scheme on Equity Shareholders (promoter shareholders), Employees and KMPs of Dhara Petrochemicals Private Limited**

- 2.1. Upon the Scheme becoming effective, the entire businesses including the assets and liabilities of DPPL will be transferred to and vested in APL. In consideration, APL shall without any further application or deed, issue, allot and credit as fully paid-up equity shares, to every shareholder of DPPL, in the following proportion.

*"901 (Nine Hundred and One only) Equity Shares of Rs. 10/- (Rupees ten only) each fully paid up of APL, for every 100 (Hundred only) Equity Shares of Rs. 10/- (Rupees ten only) each fully paid up, held in DPPL"*

- 2.2. Upon the Scheme coming into effect and with effect from the Appointed Date, and subject to the provisions of the Scheme, all debts, liabilities, duties and obligations (debentures, bonds, notes or other debt securities) of DPPL as on the Appointed Date whether provided for or not in the books of accounts of DPPL, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall, pursuant to the orders of the Tribunal or such other Governmental authority as may be applicable under the provisions of the Act, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, APL, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of APL on the same terms and conditions as were applicable to DPPL.

*G. Shanky*



- 2.3. Under the Scheme, there is no arrangement with the creditor (either secured or unsecured) of DPPL. No compromise is offered under the Scheme to any of the creditors of APL. Under the Scheme, the liability of the creditors of APL is neither being reduced nor being distinguished.
- 2.4. On the Scheme becoming effective, all employees, whether temporary or permanent employees and including all employees on probation, trainees and interns of DPPL in service on the Effective Date, shall be deemed to have become employees of APL with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with APL shall not be less favourable than those applicable to them with reference to DPPL on the Effective Date.
- 2.5. As on date, DPPL has not issued any debentures and therefore, the effect of the Scheme on Debenture Holder and Debenture Trustee does not arise.
- 2.6. As on date, DPPL has no outstanding Public Deposits and therefore, the effect of the Scheme on any such Public Depositor or Deposit Trustee does not arise.
- 2.7. The Directors of DPPL may be deemed to be concerned and / or interested in the Scheme only to the extent of their shareholding in the companies forming part of the Scheme, and / or to the extent the said Directors are common Directors in the said companies, and / or to the extent the KMP is holding shares in the said companies and / or to the extent said Director(s) and / or KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the said companies.
3. No special valuation difficulties were reported by the valuers.

By Order of the Board  
For Dhara Petrochemicals Private Limited

  
Gaurav Thanky  
Director  
DIN: 02565340





**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF AXEL POLYMERS LIMITED AT ITS MEETING HELD ON WEDNESDAY ,21<sup>st</sup> AUGUST 2019 EXPLAINING THE EFFECT OF THE SCHEME OF AMALGAMATION ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTERS SHAREHOLDERS:**

**1. Background**

- 1.1. The proposed Scheme of Amalgamation (“the Scheme”) of Dhara Petrochemicals Private Limited (‘DPPL’) with Axel Polymers Limited (‘APL’) and their respective of shareholders and creditors was approved by the Board of Directors of Axel Polymers Limited (‘Board’) vide resolution dated 21<sup>st</sup> August 2019.
- 1.2. Section 232(2)(c) of the Companies Act, 2013 requires Directors to adopt a report explaining the effect of Scheme on the class of shareholders, Key Managerial Personnel (KMPs), promoters and non-promoters of the Company laying out in particular the share exchange ratio and same is required to be circulated to the shareholders and creditors along with Notice convening the meeting.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.4. The following documents were placed before the Board:
  - Draft Scheme duly initialled by the Company Secretary for the purpose of identification
  - Valuation report dated 20th August 2019 (“Valuation Report”) issued by M/s. MSKA & Associates, Independent Chartered Accountants
  - Fairness opinion dated 20th August 2019 issued by Capital Square Advisors Private Limited, SEBI Registered Category-I Merchant Banker
  - Audit Committee Report dated 21<sup>st</sup> August 2019

**2. Effect of the Scheme on Equity Shareholders (promoter shareholders and non-promoter shareholders), Employees and KMPs of Axel Polymers Limited**

- 2.1. Upon the Scheme becoming effective, the entire businesses including the assets and liabilities of DPPL will be transferred to and vested in APL. In consideration, APL shall without any further application or deed, issue, allot and credit as fully paid-up equity shares, to every shareholder of DPPL, in the following proportion.

*“901 (Nine Hundred and One only) Equity Shares of Rs.10/- (Rupees ten only) each fully paid up of APL, for every 100 (Hundred only) Equity Shares of Rs.10/- (Rupees ten only) each fully paid up, held in DPPL”*

- 2.2. Upon the Scheme coming into effect and with effect from the Appointed Date, and subject to the provisions of the Scheme, all debts, liabilities, duties and obligations (debentures, bonds, notes or other debt securities) of DPPL as on the Appointed Date whether provided for or not in the books of accounts of DPPL, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall, pursuant to the orders of the Tribunal or such other Governmental authority as may be applicable under the provisions of the Act, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, APL, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of APL on the same terms and conditions as were applicable to DPPL.



- 2.3. Under the Scheme, there is no arrangement with the creditor (either secured or unsecured) of APL. No compromise is offered under the Scheme to any of the creditors of APL. Under the Scheme, the liability of the creditors of APL is neither being reduced nor being distinguished.
  - 2.4. On the Scheme becoming effective, all employees, whether temporary or permanent employees and including all employees on probation, trainees and interns of DPPL in service on the Effective Date, shall be deemed to have become employees of APL with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with APL shall not be less favourable than those applicable to them with reference to DPPL on the Effective Date.
  - 2.5. As on date, APL has not issued any debentures and therefore, the effect of the Scheme on Debenture Holder and Debenture Trustee does not arise.
  - 2.6. As on date, APL has no outstanding Public Deposits and therefore, the effect of the Scheme on any such Public Depositor or Deposit Trustee does not arise.
  - 2.7. The Directors and KPM of APL may be deemed to be concerned and / or interested in the Scheme only to the extent of their shareholding in the companies forming part of the Scheme, and / or to the extent the said Directors are common Directors in the said companies, and / or to the extent the KMP is holding shares in the said companies and / or to the extent said Director(s) and / or KPM are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the said companies.
3. No special valuation difficulties were reported by the valuers.

By Order of the Board  
For Axel Polymers Limited

  
A.B. Bodhanwala  
Director  
DIN: 00421362



**DHARA PETROCHEMICALS PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2020**

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' fund</b>		
Share capital	46,80,000	46,80,000
Reserves and surplus	5,07,64,379	4,75,75,962
	5,54,44,379	5,22,55,962
<b>Non-current liabilities:</b>		
Long term borrowings	1,69,07,795	38,23,096
	1,69,07,795	38,23,096
<b>Current liabilities:</b>		
Short Term Borrowings	13,96,45,214	14,99,03,620
Trade payables	5,95,07,821	6,68,42,049
Other current liabilities	80,00,505	48,83,248
Deferred Tax Liabilities	-	-
Short term provisions	6,91,744	8,19,770
	20,78,45,284	22,24,48,687
<b>TOTAL</b>	<b>28,01,97,458</b>	<b>27,85,27,745</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed Assets:		
- Tangible assets	41,11,452	7,22,994
Non Current Investments	11,372	11,372
Deferred Tax Assets	1,97,082	1,58,275
Long Term Loans And Advances	1,51,88,770	1,51,88,770
Other Non Current Assets	-	-
	1,95,08,675	1,60,81,411
<b>Current assets</b>		
Inventories	7,93,57,681	6,64,90,967
Trade receivables	12,83,38,175	14,14,53,339
Cash and cash equivalents	1,10,24,022	1,32,82,833
Short Term Loans And Advances	4,19,68,905	4,10,25,601
Other Current Assets	-	1,93,595
	26,06,88,783	26,24,46,335
<b>TOTAL</b>	<b>28,01,97,458</b>	<b>27,85,27,746</b>

As per our report of even date attached.

**For Haresh P. Kothari**

Chartered Accountant

*Sd/-*

**Haresh Kothari**

Proprietor

Membership No: 040549

Place: Mumbai

Date: 31st October, 2020

For and on behalf of the Board

**For Dhara Petrochemicals Private Limited**

*Sd/-*

**Gaurav Thanky**

Director

DIN: 02565340

*Sd/-*

**Dhara Thanky**

Director

DIN: 02565310

**DHARA PETROCHEMICALS PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED**  
**31ST MARCH, 2020**

PARTICULARS	For the year ended 31.03.2020	For the year ended 31.03.2019
Revenue from Operations	42,65,42,213	52,55,40,923
Other Income	38,67,056	13,37,879
<b>Total Revenue</b>	<b>43,04,09,269</b>	<b>52,68,78,802</b>
<b>Expenses:</b>		
Purchases	37,46,95,492	47,20,40,273
Changes in Inventory	(1,28,66,714)	(1,08,61,533)
Directors Remuneration	1,24,81,500	87,01,000
Employee Benefits Expense	1,19,78,553	1,20,34,242
Finance costs	1,96,79,799	1,78,44,231
Depreciation and amortization expense	7,04,139	2,68,181
Other Expenses	1,91,63,045	1,93,92,613
<b>Total Expenses</b>	<b>42,58,35,815</b>	<b>51,94,19,007</b>
Profit before exceptional and extraordinary items and tax	45,73,454	74,59,795
Exceptional Items	-	-
Profit before extraordinary items and tax	45,73,454	74,59,795
<u>Extraordinary Items</u>	-	-
Profit before tax	45,73,454	74,59,795
Tax expense:		
Current Tax	12,29,527	19,46,459
Deferred Tax	38,806	(21,615)
Income Tax of earlier year	2,00,560	1,81,860
<u>Add</u> :Prior Period Adjustments	6,243	-
Profit (Loss) for the period from continuing operations	31,88,417	53,09,861
Profit (Loss) from discontinuing operations	-	-
Tax expense of discontinuing operations	-	-
Profit (Loss) from discontinuing operations (after tax)	-	-
<b>Profit (Loss) for the period</b>	<b>31,88,417</b>	<b>53,09,861</b>
<b>EARNINGS PER SHARE (Rs.)</b>		
Basic & Diluted (Not Annualised)	6.81	11.35

As per our report of even date attached.

**For Haresh P. Kothari**  
Chartered Accountant

*Sd/-*

**Haresh Kothari**

Proprietor

Membership No: 040549

Place: Mumbai

Date: 31st October, 2020

For and on behalf of the Board

**For Dhara Petrochemicals Private Limited**

*Sd/-*

**Gaurav Thanky**

Director

DIN: 02565340

*Sd/-*

**Dhara Thanky**

Director

DIN: 02565310

**DHARA PETROCHEMICALS PRIVATE LIMITED**

<b>Share Capital</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Authorised Capital Equity Shares of Rs. 10/- each	1,00,00,000	1,00,00,000
Issued, subscribed, called up & paid up capital FULLY PAID UP: Equity Shares of Rs. 10/- each fully paid	46,80,000	46,80,000
<b>TOTAL</b>	<b>46,80,000</b>	<b>46,80,000</b>

<b>Reconciliation of number of Shares</b>		
<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Number of Equity Shares at the beginning	4,68,000	4,68,000
Add: Number of Shares Issued	-	-
Number of Equity Shares at the end	4,68,000	4,68,000

<b>Reserves &amp; Surplus</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
a) Share Premium	2,44,00,000	2,44,00,000
b) Profit & Loss Account		
Opening Balance	2,31,75,962	1,78,66,101
Add: Net Profit (loss) transfred from P&L A/c	31,88,417	53,09,861
Closing Balance	2,63,64,379	2,31,75,962
<b>TOTAL</b>	<b>5,07,64,379</b>	<b>4,75,75,962</b>

As per our report of even date attached.  
**For Haresh P. Kothari**  
Chartered Accountant

*Sd/-*  
**Haresh Kothari**  
Proprietor  
Membership No: 040549

Place: Mumbai  
Date: 31st October, 2020

For and on behalf of the Board  
**For Dhara Petrochemicals Private Limited**

*Sd/-*  
**Gaurav Thanky**  
Director  
DIN: 02565340

*Sd/-*  
**Dhara Thanky**  
Director  
DIN: 02565310



**DHARA PETROCHEMICALS PRIVATE LIMITED**  
**PROVISIONAL BALANCE SHEET AS AT 30TH SEPTEMBER, 2020**

PARTICULARS	For the Period ended 30.09.2020	For the year ended 31.03.2020
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' fund</b>		
Share capital	46,80,000	46,80,000
Reserves and surplus	5,09,81,783	5,07,54,306
	5,56,61,783	5,54,34,306
<b>Non-current liabilities:</b>		
Long term borrowings	3,82,23,653	1,69,07,795
	3,82,23,653	1,69,07,795
<b>Current liabilities:</b>		
Short Term Borrowings	13,17,62,679	13,96,45,214
Trade payables	8,64,58,917	5,95,07,821
Other current liabilities	80,24,557	80,00,505
Deferred Tax Liabilities	-	-
Short term provisions	7,47,235	7,47,235
	22,69,93,388	20,79,00,775
<b>TOTAL</b>	<b>32,08,78,824</b>	<b>28,02,42,876</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed Assets:		
- Tangible assets	56,48,515	41,11,452
Non Current Investments	11,372	11,372
Deferred Tax Assets	1,97,082	1,97,082
Long Term Loans And Advances	1,71,88,770	1,51,88,770
Other Non Current Assets	24,472	-
	2,30,70,211	1,95,08,675
<b>Current assets</b>		
Inventories	9,12,42,597	7,93,57,680
Trade receivables	15,78,35,960	12,83,38,175
Cash and cash equivalents	55,88,731	1,10,24,022
Short Term Loans And Advances	4,31,07,394	4,20,14,324
Other Current Assets	33,931	-
	29,78,08,613	26,07,34,201
<b>TOTAL</b>	<b>32,08,78,824</b>	<b>28,02,42,877</b>

For and on behalf of the Board  
**For Dhara Petrochemicals Private Limited**

Sd/-  
**Gaurav Thanky**  
Director  
DIN: 02565340

Sd/-  
**Dhara Thanky**  
Director  
DIN: 02565310



**DHARA PETROCHEMICALS PRIVATE LIMITED**  
**STATEMENT OF PROVISIONAL PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED**  
**30TH SEPTEMBER, 2020**

PARTICULARS	For the Period ended 30.09.2020	For the year ended 31.03.2020
Revenue from Operations	16,67,12,185	42,65,42,213
Other Income	5,96,409	38,53,445
<b>Total Revenue</b>	<b>16,73,08,594</b>	<b>43,03,95,658</b>
<b>Expenses:</b>		
Purchases	15,33,72,937	37,46,95,492
Changes in Inventory	(1,18,84,916)	(1,28,66,714)
Directors Remuneration	39,25,360	1,24,81,500
Employee Benefits Expense	25,90,278	1,19,78,553
Finance costs	1,05,76,385	1,96,79,799
Depreciation and amortization expense	3,00,000	7,04,139
Other Expenses	81,53,672	1,91,63,045
<b>Total Expenses</b>	<b>16,70,33,717</b>	<b>42,58,35,815</b>
Profit before exceptional and extraordinary items and tax	2,74,877	45,59,844
Exceptional Items	-	-
Profit before extraordinary items and tax	2,74,877	45,59,844
<u>Extraordinary Items</u>	-	-
Profit before tax	2,74,877	45,59,844
Tax expense:		
Current Tax	-	12,25,988
Deferred Tax	-	38,806
Income Tax of earlier year	-	2,00,560
<u>Add</u> :Prior Period Adjustments	(47,400)	6,243
Profit (Loss) for the period from continuing operations	2,27,477	31,78,345
Profit (Loss) from discontinuing operations	-	-
Tax expense of discontinuing operations	-	-
Profit (Loss) from discontinuing operations (after tax)	-	-
<b>Profit (Loss) for the period</b>	<b>2,27,477</b>	<b>31,78,345</b>
<b>EARNINGS PER SHARE (Rs.)</b>		
Basic & Diluted (Not Annualised)	0.49	6.79

For and on behalf of the Board  
**For Dhara Petrochemicals Private Limited**

*Sd/-*  
**Gaurav Thanky**  
Director  
DIN: 02565340

*Sd/-*  
**Dhara Thanky**  
Director  
DIN: 02565310

**DHARA PETROCHEMICALS PRIVATE LIMITED**

<b>Share Capital</b>	<b>For the Period ended 30.09.2020</b>	<b>For the year ended 31.03.2020</b>
Authorised Capital Equity Shares of Rs. 10/- each	1,00,00,000	1,00,00,000
Issued, subscribed, called up & paid up capital FULLY PAID UP: Equity Shares of Rs. 10/- each fully paid	46,80,000	46,80,000
<b>TOTAL</b>	<b>46,80,000</b>	<b>46,80,000</b>

<b>Reconciliation of number of Shares</b>		
<b>Particulars</b>	<b>For the Period ended 30.09.2020</b>	<b>For the year ended 31.03.2020</b>
Number of Equity Shares at the beginning	4,68,000	4,68,000
Add: Number of Shares Issued	-	-
Number of Equity Shares at the end	4,68,000	4,68,000

<b>Reserves &amp; Surplus</b>	<b>For the Period ended 30.09.2020</b>	<b>For the year ended 31.03.2020</b>
a) Share Premium	2,44,00,000	2,44,00,000
b) Profit & Loss Account		
Opening Balance	2,63,54,306	2,31,75,962
Add: Net Profit (loss) transfred from P&L A/c	2,27,477	31,78,344
Closing Balance	2,65,81,783	2,63,54,306
<b>TOTAL</b>	<b>5,09,81,783</b>	<b>5,07,54,306</b>

For and on behalf of the Board  
**For Dhara Petrochemicals Private Limited**

*Sd/-*  
**Gaurav Thanky**  
Director  
DIN: 02565340

*Sd/-*  
**Dhara Thanky**  
Director  
DIN: 02565310

**AXEL POLYMERS LIMITED**  
**Balance Sheet as at 31st March, 2020**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, Plant and Equipment	3,65,83,195	3,86,09,495
(b) Financial Assets		
(i) Trade Receivables	44,51,639	56,07,393
(ii) Loans	-	-
(iii) Other Financial Assets	18,46,124	18,46,124
(c) Advance Income Tax Assets (Net)	14,59,799	6,75,416
(d) Deferred Tax Assets (Net)	29,08,498	26,56,967
(e) Other non-current assets	29,55,000	29,55,000
	<b>5,02,04,254</b>	<b>5,23,50,394</b>
<b>Current assets</b>		
(a) Inventories	8,69,70,080	7,23,72,335
(b) Financial Assets		
(i) Trade Receivables	2,10,03,433	1,75,56,870
(ii) Cash and cash equivalents	2,01,278	1,66,264
(iii) Loans	7,501	1,16,716
(iv) Other Financial Assets	35,33,061	13,82,270
(c) Advance Income Tax Assets (Net)	7,38,987	7,84,383
(d) Other current assets	4,08,454	7,16,076
	<b>11,28,62,794</b>	<b>9,30,94,914</b>
<b>Total</b>	<b>16,30,67,048</b>	<b>14,54,45,309</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	4,30,00,000	4,30,00,000
Other Equity	(2,31,10,192)	(2,36,82,748)
	<b>1,98,89,808</b>	<b>1,93,17,252</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	45,58,607	56,17,013
(ii) Other Financial Liabilities	3,57,64,000	3,57,64,000
(b) Provisions	17,04,215	6,99,291
<b>Total A</b>	<b>4,20,26,822</b>	<b>4,20,80,304</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	6,99,83,980	6,99,27,969
(ii) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprise;	24,23,959	8,00,068
and		
(B) total outstanding dues of creditors other than micro enterprises	2,70,25,900	91,95,886
and small enterprise		
(iii) Other Financial liabilities	4,16,226	10,36,921
(b) Other current liabilities	7,94,572	19,41,162
(c) Provisions	5,05,781	11,45,748
<b>Total B</b>	<b>10,11,50,418</b>	<b>8,40,47,754</b>
<b>Total Liabilities(A+B)</b>	<b>14,31,77,240</b>	<b>12,61,28,058</b>
<b>Total Equity and Liabilities</b>	<b>16,30,67,048</b>	<b>14,54,45,310</b>

As per our Report of even date attached

**For Mukund & Rohit**  
**Chartered Accountants**  
**Registration No. 113375W**

Sd/-  
**Rohit Kothari**  
**Partner**  
**Membership No: 038908**  
**UDIN: 20038908AAAAAD4758**

**Place: Vadodara**  
**Date: 30.06.2020**

**For & on behalf of the Board**  
**Axel Polymers Limited**

Sd/-  
**B.K. Bodhanwala**  
**Chairman**

Sd/-  
**A.B. Bodhanwala**  
**Director & CFO**

Sd/-  
**Gaurav Thanky**  
**Managing Director**

Sd/-  
**Jigardan Gadhvi**  
**Company Secretary**

**Place: Vadodara**  
**Date: 30.06.2020**

**AXEL POLYMERS LIMITED**

**Statement of Profit and Loss for the year ended 31st March, 2020**

	<b>Particulars</b>	<b>As At 31st March, 2020</b>	<b>As At 31st March, 2019</b>
I	Revenue from operations	22,89,84,409	24,37,39,905
II	Other Income	2,10,638	1,89,017
<b>III</b>	<b>Total Income (I+II)</b>	<b>22,91,95,047</b>	<b>24,39,28,922</b>
IV	<b>EXPENSES</b>		
	Cost of materials consumed	16,52,83,682	18,60,93,393
	Changes in inventory of finished goods & work-in-progress	72,37,795	(53,62,812)
	Employee Benefits Expense	1,98,76,560	1,84,74,470
	Finance Costs	97,47,996	91,39,501
	Depreciation and Amortization Expense	36,33,930	33,33,802
	Other Expenses	2,26,27,180	2,79,01,782
	<b>Total Expenses (IV)</b>	<b>22,84,07,143</b>	<b>23,95,80,135</b>
V	<b>Profit Before Exceptional items and Tax (III-IV)</b>	<b>7,87,904</b>	<b>43,48,787</b>
VI	Exceptional Items		
<b>VII</b>	<b>Profit Before Tax (V-VI)</b>	<b>7,87,904</b>	<b>43,48,787</b>
<b>VIII</b>	<b>Tax Expense:</b>		
	(a) Current Tax	1,03,616	8,80,519
	(b) Minimum alternate tax credit entitlement	(1,03,616)	(12,12,082)
	(C) Deferred Tax	(1,47,915)	-
<b>IX</b>	<b>Profit for the Year (VII-VIII)</b>	<b>9,35,819</b>	<b>46,80,350</b>
<b>X</b>	<b>Other Comprehensive Income (OCI)</b>		
	(A) Items that will not be reclassified subsequently to profit or loss		
	(i) Re-measurement of the Defined Benefit Plans	3,63,263	(4,330)
	(ii) Deferred Tax Impact on above Ind As adjustment		
	<b>Total of Other Comprehensive Income (OCI) (X)</b>	<b>3,63,263</b>	<b>(4,330)</b>
<b>XI</b>	<b>Total Comprehensive Income for the Year (IX+X)</b>	<b>5,72,556</b>	<b>46,84,680</b>
<b>XII</b>	<b>Earnings Per Equity Share :</b>		
	Basic (in Rs.)	0.22	1.09
	Diluted (in Rs.)	0.22	1.09

**As per our Report of even date attached**

**For Mukund & Rohit  
Chartered Accountants  
Registration No. 113375W**

Sd/-  
**Rohit Kothari  
Partner  
Membership No: 038908  
UDIN: 20038908AAAAAD4758**

**Place: Vadodara  
Date: 30.06.2020**

**For & on behalf of the Board  
Axel Polymers Limited**

Sd/-  
**B.K. Bodhanwala  
Chairman**

Sd/-  
**A.B. Bodhanwala  
Director & CFO**

Sd/-  
**Gaurav Thanky  
Managing Director**

Sd/-  
**Jigardan Gadhvi  
Company Secretary**

<b>AXEL POLYMERS LIMITED</b>			
<b>Cash Flow Statement As At 31.03.2020</b>			
		<b>Amount(₹)</b>	
<b>Particulars</b>		<b>As At 31st March, 2020</b>	<b>As At 31st March, 2019</b>
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax and extra ordinary items (Including Prior period adjustments)	7,87,904	43,48,787
	Adjustments For:		
	Depreciation	36,33,930	33,33,802
	(Gain)/Loss on sale of Fixed Assets	-	-
	Interest expense	97,47,996	91,39,501
	Interest income	(2,10,638)	(1,89,017)
	Operating Profit before working capital changes	1,39,59,192	1,66,33,072
	Adjustment for (increase)/decrease in Operating assets		
	Inventories	(1,45,97,745)	(44,98,492)
	Trade Receivables	(34,46,563)	95,56,961
	Non current trade receivables	11,55,754	31,34,158
	Loans current as well as non current	1,09,216	14,21,159
	Other Financial Asset-non current	-	-
	Advance Income Tax Asset-non current	(7,84,383)	64,260
	Other Financial Asset-current	(21,50,791)	10,05,014
	Advance Income Tax Assets (Net)-current	45,397	(3,42,539)
	Other current Asset	3,07,622	2,10,843
	Other non current Asset	-	-
	Provisions Current as well as non current	1,694	3,99,801
	Trade Payables-current	1,94,53,905	(16,76,938)
	Other Financial Liability - current	(6,20,695)	2,54,212
	Other Financial Liability - non current	-	(1,21,11,000)
	Other current Liabilities	(11,46,590)	7,15,502
	Cash Generated From Operations	1,22,86,012	1,47,66,013
	Direct Tax Paid	(1,03,616)	(8,80,519)
	Net Cash From Operating Activities	1,21,82,396	1,38,85,494
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(16,07,628)	(59,62,936)
	Sale of Assets ( Including Profit/loss)	-	-
	Interest Income	2,10,637	1,89,017
	Change in Bank Margin Money/FD Originally matured more than 3 months		
	Net Cash From Investing Activities	(13,96,991)	(57,73,919)
<b>C</b>	<b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>		
	Proceeds from long term borrowings	56,011	8,68,562
	Proceeds from short term borrowings	(10,58,407)	1,51,534
	Finance Cost	(97,47,996)	(91,39,501)
	Net Cash From Financing Activities	(1,07,50,392)	(81,19,404)
	Net increase/decrease in Cash and equivalents (A)+(B)+(C)	35,013	(7,829)
	Opening balance of Cash and Cash equivalents	1,66,264	1,74,092
	Closing balance of Cash and Cash equivalents	2,01,278	1,66,264
	Cash and cash Equivalents include		
	Cash in hand	1,56,441	1,41,263
	Balance with Scheduled Bank		
	- In Current Account	44,837	25,001
	- In Deposit Account		-
	(held as Margin Money having original maturity of less than 12 months)		
		2,01,278	1,66,264
<b>Note :-</b>			
1 The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS - 7 "Statement of Cash Flows"			
2 Figures of the previous year have been regrouped / reclassified wherever necessary.			
3 Figures for provision derived after adjustment for Other Comprehensive Income (OCI).			
<b>For Mukund &amp; Rohit</b> Chartered Accountants Registration No. 113375W		<b>For &amp; on behalf of the Board</b> Axel Polymers Limited	
Sd/- <b>Rohit Kothari</b> Partner Membership No: 038908 UDIN: 20038908AAAAAD4758		Sd/- <b>B.K. Bodhanwala</b> Chairman	Sd/- <b>Gaurav Thanky</b> Managing Director
		Sd/- <b>A.B. Bodhanwala</b> Director & CFO	Sd/- <b>Jigardan Gadhvi</b> Company Secretary
<b>Place: Vadodara</b> <b>Date: 30.06.2020</b>			<b>Place: Vadodara</b> <b>Date: 30.06.2020</b>

<b>AXEL POLYMERS LIMITED</b>			
<b>Statement of Changes in Equity for the year ended on 31st March, 2020</b>			
<b>Equity Share Capital</b>			
	<b>Particulars</b>	<b>Amount(₹)</b>	
Balance as on 1st April, 2018		4,30,00,000	
Changes during the year		-	
Balance as on 31st March,2019		4,30,00,000	
Changes during the year		-	
Balance as on 31st March,2020		4,30,00,000	
<b>Other Equity</b>			
	<b>Particulars</b>	<b>Reserves and Surplus</b>	
		<b>Retained Earnings</b>	<b>OCI</b>
			<b>Total</b>
Balance as at 31st March, 2018		(2,84,54,692)	87,264
Profit for the Year		46,80,350	-
Other Comprehensive Income for the Year (net of Tax)		-	4,330
Total Comprehensive Income for the Year		46,80,350	4,330
Balance as at 31st March, 2019		(2,37,74,342)	91,594
Profit for the Year		935818.89	-
Other Comprehensive Income for the Year (net of Tax)		-	(3,63,263)
Total Comprehensive Income for the Year		9,35,819	(3,63,263)
Balance as at 31st March, 2020		(2,28,38,523)	(2,71,669)
<b>For Mukund &amp; Rohit</b>		<b>For &amp; on behalf of the Board</b>	
<b>Chartered Accountants</b>		<b>Axel Polymers Limited</b>	
<b>Registration No. 113375W</b>		Sd/-	Sd/-
		<b>B.K. Bodhanwala</b>	<b>Gaurav Thanky</b>
		<b>Chairman</b>	<b>Managing Director</b>
Sd/-		Sd/-	Sd/-
<b>Rohit Kothari</b>		<b>A.B. Bodhanwala</b>	<b>Jigardan Gadhvi</b>
<b>Partner</b>		<b>Director &amp; CFO</b>	<b>Company Secretary</b>
<b>Membership No: 038908</b>			
<b>UDIN: 20038908AAAAAD4758</b>			
<b>Place: Vadodara</b>			<b>Place: Vadodara</b>
<b>Date: 30.06.2020</b>			<b>Date: 30.06.2020</b>



**AXEL POLYMERS LIMITED**  
**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30.09.2020**

Rs. In Lacs							
No	Description	30.09.2020 (Unaudited)	30.06.2020 (Unaudited)	30.09.2019 (Unaudited)	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
Period		3 months			6 months		12 months
1	<b>Income</b>						
a	Revenue from Operations	598.77	212.93	529.26	811.69	1073.64	2289.84
b	Other Income	0.08	0.06	0.26	0.14	0.26	2.11
	<b>Total Revenue (Net)</b>	<b>598.85</b>	<b>212.99</b>	<b>529.52</b>	<b>811.84</b>	<b>1073.90</b>	<b>2291.95</b>
2	<b>Expenses</b>						
a	Cost of Material consumed	431.38	170.77	378.18	602.15	766.17	1652.84
b	Excise duty on sale of goods	0.00	0.00	0.00	0.00	0.00	0.00
c	Purchase of stock in trade	0.00	0.00	0.00	0.00	0.00	0.00
d	Changes in Inventories of FG, WIP & Stock in trade	16.01	2.85	31.47	18.86	2.81	72.38
e	Employee benefits expense	43.56	32.54	53.81	76.10	101.72	198.77
f	Depreciation & Amortisation of expenses	9.00	9.00	9.00	18.00	17.00	36.34
g	Finance Cost	29.94	27.53	28.32	57.47	51.14	97.48
h	Other expenses	52.34	27.23	58.97	79.57	131.37	226.27
	<b>Total Expenses (Net)</b>	<b>582.23</b>	<b>269.92</b>	<b>559.76</b>	<b>852.14</b>	<b>1070.22</b>	<b>2284.07</b>
3	Profit/Loss from operations before exceptional and extraordinary	16.62	-56.92	-30.24	-40.30	3.68	7.88
4	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
5	Profit before extraordinary items and tax(3-4)	16.62	-56.92	-30.24	-40.30	3.68	7.88
6	Extraordinary Items	0.00	0.00	0.00	0.00	0.00	0.00
7	Profit/Loss before tax	16.62	-56.92	-30.24	-40.30	3.68	7.88
8	Tax expense	0.00	0.00	0.00	0.00	0.00	-1.48
9	Profit/Loss for the period from continuing operations(7-8)	16.62	-56.92	-30.24	-40.30	3.68	9.36
10	Profit/Loss for the period from discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00
11	Tax expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00
12	Profit/Loss for the period from discontinuing operations(10-11)	0.00	0.00	0.00	0.00	0.00	0.00
13	<b>Other comprehensive Income (Net of Tax)</b>	0.00	0.00	0.00	0.00	0.00	0.00
a	- Items that will not be reclassified to profit or loss:	-0.23	-0.32	-0.04	-0.55	-0.09	3.63
	- income tax liability to items that will not be reclassified to profit &	0.00	0.00	-0.01	0.00	-0.02	0.00
14	Total Comprehensive Income for the period (9+12+13)	16.39	-57.24	-30.28	-40.86	3.58	5.73
15	Paid up Equity Share Capital of F.V. Rs 10	430.00	430.00	430.00	430.00	430.00	430.00
16	Basic & Diluted EPS (Not annualised)	0.39	-1.32	-0.70	-0.94	0.09	0.22

**NOTES:**

01. The above Results were reviewed and recommended by the Audit Committee and approved by the Board of Directors in their meeting held on 11.11.2020
02. As per requirement of regulation 33 of the Securities and Exchange Board of India, the above Unaudited Standalone Financial Results of the Company are posted on Company's website www.axelindia.com as well as on the stock exchanges' websites www.bseindia.com.
03. The above financial results are in accordance with the Indian Accounting Standards, the (ind As) as prescribed under section 133 of the companies act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016.
04. The Operations of the Company are limited to one segment.
05. Consequent to the nationwide lockdown announced by the Government of India, the Company's Plant and offices were shut down from March 23, 2020 onwards. Since the gradual easing of the lockdown and in line with the various directions of the Governments, the Company's plant have commenced operations in a phased manner, in line with the market demands. The COVID – 19 crisis has caused significant disturbance and slowdown of the economic activities. However, the impact assessment of Covid-19 is a continuing process given the uncertainty associated with its nature and durations. The impact of COVID-19 on the Company's Financial Statements may be differ from that estimates as at the date of approve of these financial statements. The Company will continue to monitor any materials changes as the situation evolves.
06. Previous period figures have been regrouped and reclassified wherever necessary.

Place: Mokshi  
Date: 11.11.2020

**For and behalf of Board of Directors**  
**AXEL POLYMERS LIMITED**

Sd/-  
**A. B. Bodhanwala**  
Director - CFO  
DIN: 00421362

**AXEL POLYMERS LIMITED**  
**STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 30.09.2020**

	Particulars	As at 30.09.2020 Unaudited	As at 31.03.2020 Audited
<b>I</b>	<b>ASSETS</b>		
<b>(1)</b>	<b>Non-current Assets</b>		
	(a) Property, plant and equipment	3,48,83,574	3,65,83,195
	(b) Capital work-in-progress	-	-
	(c) Financial Assets	-	-
	(i) Trade Receivables, Non-Current	44,44,559	44,51,639
	(ii) Loans, Non-Current	-	-
	(iii) Other Financial Assets	18,46,124	18,46,124
	(d) Advance Income Tax Assets (Net)	14,59,799	14,59,799
	(e) Deferred Tax Assets (Net)	29,08,498	29,08,498
	(f) Other Non-Current Assets	29,55,000	29,55,000
	<b>Total Non-Current Assets</b>	<b>4,84,97,553</b>	<b>5,02,04,254</b>
<b>(2)</b>	<b>Current Assets</b>		
	(a) Inventories	9,51,19,343	8,69,70,080
	(b) Financial Assets		
	(i) Trade Receivables,	3,78,96,720	2,10,03,433
	(ii) Cash and Cash Equivalents	20,46,631	2,01,278
	(iii) Bank Balance Other than Cash and Cash Equivalents	-	-
	(iv) Loans	-	7,501
	(v) Other Financial Assets	20,532	35,33,061
	(c) Current Tax Assets (Net)	8,97,351	7,38,987
	(d) Other Current Assets	10,000	4,08,454
	<b>Total Current Assets</b>	<b>13,59,90,578</b>	<b>11,28,62,794</b>
<b>(3)</b>	Non-current assets classified as held for sale	-	-
	Regulatory deferral account debit balances and related deferred tax Assets	-	-
	<b>Total Assets</b>	<b>18,44,88,131</b>	<b>16,30,67,048</b>
<b>II</b>	<b>Equity and Liabilities</b>		
<b>(1)</b>	<b>Equity</b>		
	Equity share capital	4,30,00,000	4,30,00,000
	Other equity	(2,70,85,474)	(2,31,10,192)
	<b>Total equity</b>	<b>1,59,14,526</b>	<b>1,98,89,808</b>
<b>(2)</b>	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	40,40,639	45,58,607
	(ii) Trade payables	-	-
	(iii) Other financial liabilities	3,57,64,000	3,57,64,000
	(b) Provisions	16,58,154	17,04,215
	<b>Total non-current liabilities</b>	<b>4,14,62,793</b>	<b>4,20,26,822</b>
	<b>Current liabilities</b>		
	(a) Financial liabilities	1,88,47,278	-
	(i) Borrowings	6,46,44,061	6,99,83,980
	(ii) Trade payables	3,99,41,305	2,94,49,859
	(iii) Other financial liabilities	26,93,713	4,16,226
	(b) Other current liabilities	(93,240)	7,94,572
	(c) Provisions	10,77,695	5,05,781
	<b>Total current liabilities</b>	<b>12,71,10,812</b>	<b>10,11,50,418</b>
	<b>Total liabilities</b>	<b>16,85,73,605</b>	<b>14,31,77,240</b>
	<b>Total equity and liabilities</b>	<b>18,44,88,131</b>	<b>16,30,67,048</b>

For and behalf of Board of Directors  
**FOR AXEL POLYMERS LIMITED**

Place: Mokshi  
Date: 11.11.2020

Sd/-  
**A. B. Bodhanwala**  
Director - CFO  
DIN: 00421362

AXEL POLYMERS LIMITED		Cash Flow Statement As At 30.09.2020		Amount(')
Particulars		As At 30th Sept '2020	As At 31st March 2020	
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Net Profit before tax and extra ordinary items (Including Prior period adjustments)	(40,30,479)	7,87,904	
	<b>Adjustments For:</b>			
	Depreciation	18,00,000	36,33,930	
	(Gain)/Loss on sale of Fixed Assets		-	
	Interest expense	57,46,606	97,47,996	
	Interest income	(8,546)	(2,10,638)	
	Forex Gain/ Loss	(1,221)	-	
	Provisions Created		-	
	<b>Operating Profit before working capital changes</b>	<b>35,06,360</b>	<b>1,39,59,193</b>	
	<b>Adjustment for (increase)/decrease in Operating assets</b>			
	Inventories	(81,49,263)	(1,45,97,745)	
	Trade Receivables	(1,68,93,287)	(34,46,562)	
	Non current trade receivables	7,080	11,55,754	
	Loans current as well as non current	7,501	1,09,216	
	Other Financial Asset-non current	0	-	
	Advance Income Tax Asset-non current	(0)	(7,84,383)	
	Deferred Tax Assets (Net)			
	Other Financial Asset-current	35,12,529	(21,50,791)	
	Advance Income Tax Assets (Net)-current	(1,58,364)	45,397	
	Other current Asset	3,98,454	3,07,622	
	Other non current Asset	-	-	
	Provisions Current as well as non current	5,81,048	1,694	
	Trade Payables-current	1,04,92,667	1,94,53,905	
	Other Financial Liability - current	22,77,487	(6,20,695)	
	Other Financial Liability - non current	-	-	
	Other current Liabilities	(8,87,812)	(11,46,590)	
	<b>Cash Generated From Operations</b>	<b>(53,05,600)</b>	<b>1,22,86,014</b>	
	Direct Tax Paid	-	(1,03,616)	
	<b>Net Cash From Operating Activities</b>	<b>(A) (53,05,600)</b>	<b>1,21,82,398</b>	
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Purchase of Fixed Assets	(1,00,379)	(16,07,629)	
	Sale of Assets ( Including Profit/loss)		-	
	Matured Fixed Deposits			
	Interest Income	8,546	2,10,637	
	Change in Bank Margin Money/FD Originally matured more than 3 months			
	<b>Net Cash From Investing Activities</b>	<b>(B) (91,833)</b>	<b>(13,96,992)</b>	
<b>C</b>	<b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>			
	Proceeds from long term borrowings	(5,17,968)	56,011	
	Proceeds from short term borrowings	1,35,07,359	(10,58,407)	
	Finance Cost	(57,46,606)	(97,47,996)	
	<b>Net Cash From Financing Activities</b>	<b>(C) 72,42,786</b>	<b>(1,07,50,392)</b>	
	<b>Net increase/decrease in Cash and equivalents (A)+(B)+(C)</b>	<b>(D) 18,45,353</b>	<b>35,014</b>	
	Opening balance of Cash and Cash equivalents	(E) 2,01,278	1,66,264	
	<b>Closing balance of Cash and Cash equivalents</b>	<b>(D) +(E) 20,46,631</b>	<b>2,01,278</b>	
	<b>Cash and cash Equivalents include</b>			
	Cash in hand	2,29,565	1,56,441	
	Balance with Scheduled Bank			
	- In Current Account	18,17,067	44,837	
	- In Deposit Account			
	(held as Margin Money having original maturity of less than 12 months)			
		<b>20,46,631</b>	<b>2,01,278</b>	

Note :-

1. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind As - 7 "Statement of Cash Flows"
2. Figures of the previous year have been regrouped / reclassified wherever necessary.
3. Figures for provision derived after adjustment for Other Comprehensive Income (OCI).

For and behalf of Board of Directors  
FOR AXEL POLYMERS LIMITED

Place: Mokshi  
Date: 11.11.2020

Sd/-  
A.B.Bodhanwala  
Director - CFO  
DIN: 00421362



## Mukund & Rohit Chartered Accountants

No.8, 2nd Floor, Tower E, Avishkar, Old Padra Road,  
Vadodara - 390 007, Gujarat - India  
P : +91 265 2357845, 2310448, 2313515  
E : office@mukundrohit.com

### LIMITED REVIEW REPORT

To,  
The Board of Directors,  
Axel Polymers Limited  
309, Mokshi, Sankarda – Savli Road,  
Taluka : Savli, Vadodara - 391780

We have reviewed the accompanying statement of Unaudited Financial Results of **Axel Polymers Limited** for the Quarter ended September 30, 2020. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standard (Ind AS), as prescribed under section 133 of the Companies Act, 2013 read with relevant Rules and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016/ dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We have not audited or reviewed the financial results and other information for the quarter ended September 30, 2020 which have been presented solely based on the financial information compiled by the management.

Place: Vadodara  
Date: 11.11.2020

For, Mukund & Rohit  
Chartered Accountants  
Registration No. 113375W

Vinay Sehgal  
Partner  
M. No. 109802  
UDIN : 20109802AAABBE9091



**Date: December 23, 2020**

**To**  
**The Board of Directors**  
**Dhara Petrochemicals Private Limited**  
38, Gautam Nagar Society,  
Race Course, Vadodara -390007,  
Gujarat, India

Dear Sir,

**Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to the Dhara Petrochemicals Private Limited in the Abridged Prospectus in compliance with SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 for the purpose of Scheme of Amalgamation between Dhara Petrochemicals Private Limited ('DPPL' or 'Transferor Company' or 'Company') and Axel Polymers Limited ('APL' or 'Transferee Company') and their respective shareholders and creditors, pursuant to Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and rules framed thereunder ('Scheme').**

We, M/s Kunvarji Finstock Private Limited ("**KFPL**" or "**Kunvarji**" or "**We**" or "**us**"), a Category I Merchant Banker registered with SEBI, having registration no. MB/INM000012564 have been appointed by Board of Directors (**the "Board"**) of Dhara Petrochemicals Private Limited for the purpose of certifying the adequacy and accuracy of disclosure of information provided in its Abridged Prospectus in connection with the Scheme of Amalgamation between Dhara Petrochemicals Private Limited and Axel Polymers Limited

**1. Scope and Purpose of this Certificate:**

SEBI vide Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("**SEBI Circular**") inter alia prescribed that the listed entity (in the present case "**APL**") shall include the applicable information pertaining to the unlisted entity involved in the scheme (in the present certificate, "**DPPL**") in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**"), in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders while seeking approval of the scheme. SEBI Circular further prescribes that the accuracy and adequacy of such disclosures shall be certified by a SEBI Registered Merchant Banker after following the due diligence process.

This certificate is being issued in compliance of above mentioned requirement under the SEBI Circular.

This certificate is restricted to meet the above mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.



## **2. Certification:**

We state and confirm as follows:

- 1) We have examined various documents and other materials made available to us by the management of DPPL and APL in connection with finalization of Abridged Prospectus dated December 23, 2020 pertaining information related to DPPL which will be circulated to the members of both the companies i.e. DPPL and APL at the time of seeking their consent to the Scheme of Amalgamation between Dhara Petrochemicals Private Limited and Axel Polymers Limited as a part of explanatory statement to the notice.
- 2) On the basis of such examination and the discussion with the management of DPPL and APL, we confirm that:
  - A. The information contained in the Abridged Prospectus is in conformity with the relevant documents, materials and other papers related to DPPL.
  - B. The Abridged Prospectus contains applicable information pertaining to DPPL as required in terms of SEBI Circular which, in our view is fair, adequate and accurate to enable the members to make an informed decision on the Scheme of Amalgamation.

## **3. Disclaimer:**

Our scope of work did not include the following:-

- An audit of the financial statements of DPPL.
- Carrying out a market survey / financial feasibility for the Business of DPPL.
- Financial and Legal due diligence of DPPL.

It may be noted that in carrying out our work, we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of DPPL and APL.

We do not assume any obligation to update, revise or reaffirm this certificate because of events or transactions occurring subsequent to the date of this certificate.

We understand that the management of DPPL and APL during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our Certificate. The fee for our services is not contingent upon the result of the Scheme of Amalgamation.

The management of DPPL & APL or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this certificate available to any party other than those required by statute for carrying out the limited purpose of this certificate.

Our certificate is not, nor should it be constructed as our opinion or certification of the compliance of the Scheme of Amalgamation with the provision of any law including Companies Act, taxation laws, capital market laws and related laws.

We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in the Company or any of its related parties (holding companies/subsidiaries/associates etc.)

KFPL, its Directors and employees will not be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

**Yours faithfully,**

**For, Kunvarji Finstock Private Limited**

ATUL  
MANHARLA  
L CHOKSHI

Digitally signed by  
ATUL MANHARLAL  
CHOKSHI  
Date: 2020.12.23  
15:55:22 +05'30'

**Mr. Atul Chokshi**  
**Director (DIN: 00929553)**

**Date: December 23, 2020**  
**Place: Ahmedabad**

## ABRIDGED PROSPECTUS

(AS PROVIDED IN PART E OF SCHEDULE VI OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS, 2018)

This Document contains information pertaining to the unlisted Company, **Dhara Petrochemicals Private Limited**, which is a party to the Scheme of Amalgamation proposed to be made between Dhara Petrochemicals Private Limited (**'DPPL' or 'Transferor Company' or 'Company'**) and Axel Polymers Limited (**'APL' or 'Transferee Company'**) and their respective shareholders and creditors, pursuant to Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and rules framed thereunder (**'Scheme'**).

This Abridged Prospectus has been prepared pursuant to paragraph I.A.3 (a) of Annexure I of the Securities and Exchange Board of India ("**SEBI**") circular bearing number CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended) ("**SEBI Circular**") and Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. You are also encouraged to read the Scheme available on the website of the Transferee Company ([www.axelindia.com](http://www.axelindia.com)) and other documents as mentioned under the title "Any Other Important Information of DPPL and APL" on page 8 of Abridged prospectus shall be available for inspection at APL's Registered Office situated at S No. 309, Village Mokshi, Sankarda - Savli Road, Taluka Savli, Vadodara -391780, Gujarat, India during working hours on all working days from the date of this Abridged Prospectus till the amalgamation.

**THIS ABRIDGED PROSPECTUS CONTAINS 9 (NINE) PAGES.  
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

### **DHARA PETROCHEMICALS PRIVATE LIMITED**

**Registered Office:** 38, Gautam Nagar Society, Race Course, Vadodara -390007,  
Gujarat, India.

**Corporate Office:** 8 Mahaveer Industrial Estate, Ramchandra Lane Extension, Kanchpada, Malad (W),  
Mumbai - 400064.

**Telephone:** 022-28445671; **Email:** [info@धारaindustries.com](mailto:info@धारaindustries.com);

**Website:** [www.dharapetrochemicals.com](http://www.dharapetrochemicals.com)

**CIN:** U23209GJ2009PTC104618

**Contact Person:** Mr. Gaurav S. Thanky

### **PROMOTERS OF DHARA PETROCHEMICALS PRIVATE LIMITED**

Mr. Gaurav Surendrakumar Thanky, Mrs. Dhara Gaurav Thanky, Mr. Vatsalya Thanky and Mrs. Namrata Joshi are the Promoters of Dhara Petrochemicals Private Limited.

### **SCHEME DETAILS, LISTING AND PROCEDURE**

The Scheme is presented pursuant to the provisions of Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and rules framed thereunder and other applicable Laws, for the amalgamation of DPPL with APL, on a going concern basis.

The Scheme is divided into three parts namely, PART I (Definitions, Interpretations and Share capital), PART II (Amalgamation of DPPL with APL) and PART III (General terms and Conditions).

The Scheme provides for the amalgamation of Transferor Company into and with the Transferee Company, in consideration for which the shareholders of the Transferor Company will be allotted equity shares of the Transferee Company in proportion to their respective shareholding in the Transferor Company. The equity shares of APL are listed on the BSE Limited.

The valuation report dated August 20, 2019 was issued by MSKA & Associates, Chartered Accountants which recommend a fair equity share exchange ratio in relation to the Scheme. Further, since the Transferee Company is a listed company it has also obtained an independent fairness opinion dated August 20, 2019 issued by Capital Square Advisors Private Limited, a merchant banker registered with SEBI.

Upon the Scheme becoming effective and upon the entire businesses including the assets and liabilities of DPPL being transferred to and vested in APL, APL shall without any further application or deed, issue, allot and credit as fully paid-up, to every shareholder of DPPL whose names appear in the Register of Members of DPPL (or his/her heirs, executors, administrators or successors-in title, as the case may be) on the Effective Date, equity shares in the following proportion : -

**"901 (Nine Hundred and One only) Equity Shares of Rs.10/- (Rupees ten only) each fully paid up of APL, for every 100 (Hundred only) Equity Share of Rs.10/- (Rupees ten only) each fully paid up, held in DPPL ("New Equity Shares").**

**Such equity shares (issued by the Transferee Company to the relevant equity shareholders of the Transferor Company) will be listed and admitted for trading on the Stock Exchanges.**

Upon the Scheme becoming effective, the entire business of DPPL shall be amalgamated with APL as a going concern and all assets, liabilities, contracts, arrangements, employees, permits, licences, records, approvals, etc. of DPPL shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in APL, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, permits, licences, records, approvals, etc. of APL by virtue of, and in the manner provided in this Scheme.

The Scheme also, inter-alia, provides for: (i) amendment of Clause V of the Memorandum of Association of the Transferee Company; (ii) amendment of the Articles of Association of the Transferee Company and (iii) alteration of object clause of the Transferee Company in the manner set out in the Scheme.

#### **PROCEDURE**

The procedure with respect to public issue/offer would not be applicable as the Scheme does not involve issue of any equity shares to public at large. The issue of equity shares of the Transferee Company is only to the shareholders of the Transferor Company, in accordance with the Scheme. Hence, the procedure with respect to GID (General Information Document) is not applicable.

#### **ELIGIBILITY FOR THE ISSUE**

Whether the company is compulsorily required to allot at least 75% of the net public offer to public, to qualified institutional buyers – **Not Applicable.**

#### **INDICATIVE TIMELINE**

The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to public at large. The time frame cannot be established with absolute certainty, as the Scheme is subject to approvals from regulatory authorities, including the National Company Law Tribunal, Ahmedabad Bench at Ahmedabad ('NCLT').

## GENERAL RISKS

Shareholders are advised to read the risk factors carefully before taking an investment decision in relation to the scheme. For taking an investment decision, shareholders must rely on their own examination of Transferee Company and the scheme including the risks involved. The equity shares being issued under the scheme have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Abridged Prospectus. Specific attention of the readers is invited to the section titled "Scheme Details, Listing and Procedure" and "Risk Factors" on pages 1 and 8 respectively of this Abridged Prospectus.

## PRICE INFORMATION OF LEAD MANAGER

**Not Applicable.** Since the proposed issue is not to public shareholders but to the shareholders of the Transferor Company, pursuant to the Scheme.

### MERCHANT BANKER



**KUNVARJI FINSTOCK PRIVATE LIMITED**  
Block B, First Floor, Siddhi Vinayak Towers, Off S.G Highway Road, Mouje Makarba, Ahmedabad- 380051  
**CIN:** U65910GJ1986PTC008979  
**Contact Person:** Ms. Trusha Thakkar  
**Tel No.:** +91 79 6666 9000 | **F:** +91 79 2970 2196  
**Email:** trusha.thakkar@kunvarji.com  
**SEBI Reg. No. :** MB/INM000012564

### STATUTORY AUDITOR OF DPPL

**Hitesh C Shah & Co.**  
**Chartered Accountants**  
**Proprietor**

**Address:** E/203, Pushp Classic Mody Park, Iraniwadi X Road No.3, Kandivali (West), Mumbai - 400067

**Contact Person:** Hitesh Shah

**Tel No.:** 9819761013

**Email:** hiteshshah\_2008@yahoo.co.in

**Membership No.:** 049387

**Syndicate Members:** Not Applicable  
**Credit Rating Agencies:** Not Applicable  
**Debenture Trustee:** Not Applicable  
**Self - Certified Syndicated Banks:** Not Applicable

**Registrar:** Not Applicable  
**Non-Syndicate Registered Brokers:** Not Applicable

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## 1. PROMOTERS OF DHARA PETROCHEMICALS PRIVATE LIMITED

Mr. Gaurav Surendrakumar Thanky, Mrs. Dhara Gaurav Thanky, Mr. Vatsalya Thanky and Mrs. Namrata Joshi are the Promoters of Dhara Petrochemicals Private Limited. The Dhara Petrochemicals Private Limited is a private company incorporated on 2<sup>nd</sup> day of July, 2009 under the provisions of the companies Act, 1956 with the Registrar of companies, Maharashtra, Mumbai.

### Details of the Promoters of Dhara Petrochemicals Private Limited:

Sr. No.	Name	Qualification	Experience including current / past position held in other firms
1.	Mr. Gaurav Surendrakumar Thanky	D.P.E (Engineering in Plastics)	<p>Mr. Gaurav Surendrakumar Thanky, Founder and Chairman of Dhara Petrochemicals Private Limited, started his career as an entrepreneur in 2000. Mr. Gaurav Thanky is also Partner in V.R Industries and the managing director in Axel Polymers Ltd, a listed company since October 2017.</p> <p>He is an Engineer by Profession, having 2 decades of experience in the plastic industry. He has launched 7 products under his own brand i.e. “Thermoplastic Compounds, Blends &amp; Alloys” and developed prospective clients across various sectors for deeper market penetration.</p>
2.	Mrs. Dhara Gaurav Thanky	M.A.	<p>Mrs. Dhara Gaurav Thanky is a business woman and Started her professional carrier in plastic industry since 2009 as a director in Dhara Petrochemicals Private Limited. Mrs. Dhara Thanky is also Partner in V.R Industries. She is about 10 years of experience in the plastic industry and currently handling current affairs and P.R.O. of the Company.</p> <p>She had completed Masters in English literature, minors in Psychology and Sociology and IATA with distinction. She is also actively working for the betterment of society by participating in various philanthropic activities.</p>
3.	Mr. Vatsalya Thanky	B.E (Electronics & Telecommunication)	<p>He is a qualified engineer and into a service since last 20 years. By virtue of acquisition of shares of DPPL and being a related party of the Primary Promoters, he is classified under the promoter group of the company.</p>
4.	Mrs. Namrata Joshi	B.Com	<p>She is a qualified commerce graduate and actively participates in social and philanthropic activities. By virtue of acquisition of shares of DPPL and being a related party of the Primary Promoters, she is classified under the promoter group of the company</p>



## 2. BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

The Transferor Company was incorporated on 2<sup>nd</sup> day of July, 2009 as “**Dhara Petrochemicals Private Limited**”, a private limited company, with the Registrar of companies, Maharashtra, Mumbai having Corporate Identity Number: U23209MH2009PTC193764, under the provisions of the companies Act, 1956. The Transferor company had thereafter by passing special resolution, altered the provisions of its Memorandum of Association with respect to the place of registered office by changing it from the State of Maharashtra to the State of Gujarat and such alteration having been confirmed by an order of Regional Director bearing the date 16/08/2018 with effect from October 5, 2018. The new Corporate Identity Number of the company is U23209GJ2009PTC104618. The registered office is currently situated at 38, Gautam Nagar Society, Race Course, Vadodara, Gujarat - 390007, India.

The Transferor company is engaged in the business of dealing in engineering polymers called nylon compounds, polycarbonate compounds, polyphenylene ether compounds, PBT compounds, polypropylene compounds, utility compounds, PPS, M S Resin, ABS resin, thermoplastic polyurethane etc.

## 3. BOARD OF DIRECTORS

Sr. No.	Name	DIN	Designation	Experience including current / past position held in other firms
1.	Mr. Gaurav Surendrakumar Thanky	02565340	Director	<p>Mr. Gaurav Surendrakumar Thanky, Founder and Chairman of Dhara Petrochemicals Private Limited, started his career as an entrepreneur in 2000. Mr. Gaurav Thanky is also Partner in V.R Industries and the Managing Director in Axel Polymers Ltd, a listed company since October 2017.</p> <p>He is an engineer by profession, having 2 decades of experience in the plastic industry. He has launched 7 products under his own brand i.e. “Thermoplastic Compounds, Blends &amp; Alloys” and developed prospective clients across various sectors for deeper market penetration.</p>
2.	Mrs. Dhara Gaurav Thanky	02565310	Director	<p>Mrs. Dhara Gaurav Thanky is a business woman and Started her professional carrier in plastic industry since 2009 as a director in Dhara Petrochemicals Private Limited. Mrs. Dhara Thanky is also Partner in V.R Industries. She is about 10 years of experience in the plastic industry and currently handling current affairs and P.R.O. of the Company.</p> <p>She had completed Masters in English literature, minors in Psychology and Sociology and IATA with distinction. She is also actively working for the betterment of society by participating in various philanthropic activities.</p>

#### 4. OBJECTS/RATIONALE OF THE SCHEME

The rationale for, and the benefits of, the amalgamation of the Transferor Company into and with the Transferee Company are, inter alia, as follows:

- i. The Transferor Company and the Transferee Company have been business partners for many years, the Board of Directors of DPPL and APL are of the opinion 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.
- ii. The amalgamation would bring more productive and optimum utilization of various resources of the amalgamated company.
- iii. 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.
- iv. 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.
- v. The consolidation is also expected to attract investors and strategic partners which would enable further growth of the business.
- vi. There is no likelihood of the interest of any shareholder or creditor of DPPL or APL being prejudiced in any manner as a result of the Scheme.

In view of the above, the Board of Directors of DPPL as well as APL have proposed the amalgamation of the entire undertaking and business of DPPL with APL in accordance with the terms of Scheme of Amalgamation.

The Scheme is in the interest of the both companies and their respective shareholders and creditors.

**Details of means of finance:** Not applicable.

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years :** Not applicable.

**Name of monitoring agency, if any:** Since there is no issue of equity shares to the public at large pursuant to the Scheme of, the appointment of a monitoring agency is not required.

**Terms of issuance of convertible security, if any:** Not applicable.

## 5. SHAREHOLDING PATTERN OF DPPL PRIOR TO THE SCHEME (PRE – MERGER)

Sr. No.	Category	Number of Equity Shareholders	Pre –Scheme		Post –Scheme	
			Number of Equity Shares Held	% Holding	Number of Equity Shares Held	% Holding
1.	Promoter & Promoter Group	4	3,75,000	80.14	<b>Not Applicable</b> – Upon the Scheme becoming effective, the Transferor Company shall, without any requirement of any further act, instrument or deed, stand dissolved without being wound up, in accordance with the Companies Act, 2013. Hence, there will be no Post-Scheme shareholding pattern for the Transferor Company.	
2.	Other than Promoters, Directors	3	93,000	19.86		
<b>Total</b>		<b>7</b>	<b>4,68,000</b>	<b>100.00</b>		

## 6. AUDITED FINANCIALS

### DHARA PETROCHEMICALS PRIVATE LIMITED – STANDALONE

(All amounts in Rs. unless otherwise stated)

Sr. No.	Particulars	For the Six months period ended September 30, 2020	FY 19-20	FY 18-19	FY 17-18	FY 16-17	FY 15-16
1	Total Income from operations (Net)	16,67,12,185	42,65,42,213	52,55,40,923	60,56,04,338	60,15,66,500	41,54,74,549
2	Net Profit/(Loss) before Tax and Extraordinary Items	2,74,877	45,73,454	74,59,795	87,93,365	39,36,046	36,05,636
3	Net Profit/(Loss) after Tax and Extraordinary Items	2,27,477	31,88,417	53,09,861	60,43,158	27,17,971	23,43,426
4	Equity Share Capital	46,80,000	46,80,000	46,80,000	46,80,000	46,80,000	30,80,000
5	Reserves and Surplus	5,09,81,783	5,07,64,379	4,75,75,963	4,22,66,101	3,62,22,943	2,10,22,798
6	Net Worth	5,56,61,783	5,54,44,379	5,22,55,963	4,69,46,101	4,09,02,943	2,41,02,798

7	Basic Earnings per share (Rs.)	0.49*	6.81	11.35	12.91	8.82	7.61
8	Diluted Earnings per Share (Rs.)	0.49*	6.81	11.35	12.91	8.82	7.61
9	Return on Net Worth (%)	0.41*	5.75%	10.16	12.87	6.64	9.72
10	Net Asset Value per share	118.94	118.47	111.66	100.31	87.40	78.26

\*Not Annualized

**Notes:**

1. The above financials data is prepared by the company as per the Indian GAAP.
2. Net worth (item 6) has been calculated by adding the balance of Equity Share Capital (item 4) and Reserve and Surplus/ Other Equity (item 5)
3. Return on Net worth (%) (item 9) has been calculated by applying the following formula: Net Profit/(Loss) after Tax and Extraordinary Items (item 3) divided by Net Worth (item 6) and multiplied by 100.
4. Net Asset Value per share (item 10) has been calculated by adding the balances of Equity Share Capital (item 4) and Reserves and Surplus (item 5) and dividing the same by the number of shares outstanding.

## 7. INTERNAL RISK FACTORS

Implementation of the Scheme completely depends upon the approval of the regulatory authorities. Any modification / revision by the competent authorities may delay the completion of the process.

## 8. SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

**A. Total number of outstanding litigations against and by DPPL and amount involved:**

Type of Cases	Number of cases	Amount involved (Rs. in Lakhs)
Civil and Economic Matters	8	93.39
Criminal Matters	-	-
Labor Claims, Winding up petitions or closure	-	-
Overseas Litigation matters	-	-
SEBI or other regulatory matters	-	-
Security Matters	-	-
Statutory Obligations	-	-

**B. Brief details of Top 5 material outstanding litigations against the Company and amount involved:**  
NIL.

**C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any:** NIL

**D. Brief details of outstanding criminal proceedings against Promoters:** NIL

## 9. ANY OTHER IMPORTANT INFORMATION OF DPPL AND APL

- **Authority for the issue** – The Scheme was approved by the Board of Directors of DPPL and APL on August 21, 2019 and also approved by the Stock Exchanges and SEBI on June 19, 2020. The Scheme is subject to approvals from Shareholders, National Company Law Tribunal, Regional Director & Registrar of Companies.
- **Expert Opinion obtained, if any** –
  1. Equity Share Exchange Ratio Report issued by MSKA & Associates, Chartered Accountants &
  2. Fairness Opinion issued by Capital Square Advisors Private Limited, a merchant banker registered with SEBI.
- **Material Contracts and Documents for Inspection:**
  1. Memorandum & Articles of Association of the Company;
  2. Financial Statements of the Company;
  3. Latest Shareholding Pattern of the Company;
  4. Scheme of Amalgamation;
  5. Valuation report recommending fair equity share exchange ratio;
  6. Fairness Opinion taken pursuant to the Scheme.

## 10. DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956 & Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this abridged prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements with respect to us in this Abridged Prospectus are true & correct.

**For, Dhara Petrochemicals Private Limited**

Gaurav  
Surendra  
Thanky

Digitally signed by Gaurav Surendra  
Thanky  
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**Mr. Gaurav S. Thanky**  
**Director (DIN: 02565340)**

**Date: [21-12-2020]**

**Place: Vadodara**



**Axel Polymers Limited**

CIN: L25200GJ1992PLC017678

**Regd. Office:** 309, Mokshi, Sankarda - Savli Road, Ta. Savli, Vadodara – 391780 (Gujarat)

**Phone:** +91 – 2667 – 244395/ 244438, **Email Id:** [cs@axelindia.com](mailto:cs@axelindia.com) ,

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