

**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

[Signature]
Director

For Dhara Petrochemicals Private Limited

[Signature]
(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

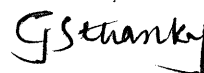
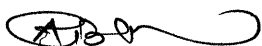
The provisions of this Scheme have been drawn up to comply with the conditions relating to "Amalgamation" as defined under section 2(1B) of the Income Tax Act, 1961. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 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

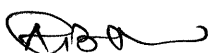
1. DEFINITIONS

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, preemptive 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

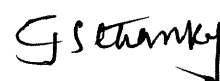
Capitalized terms used herein, which are not otherwise defined shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the 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)
<u>AUTHORISED SHARE CAPITAL</u>	
10,00,000 Equity Shares of INR 10/- each	1,00,00,000
Total	1,00,00,000
<u>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</u>	
4,68,000 Equity Shares of INR 10/- each fully paid	46,80,000
Total	46,80,000

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

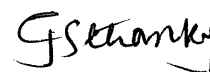
Subsequent to March 31, 2019, there has been no change in its authorised, issued, subscribed and paid-up share capital of APL, till the date of approval of this Scheme by the Board of the APL. The equity shares of APL are listed on the Stock Exchange

PART II- AMALGAMATION OF DPPL WITH APL

5. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES 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.

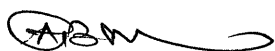


6. CONSIDERATION

- 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 Shankar

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:
- 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.
 - 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
 - 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
 - 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



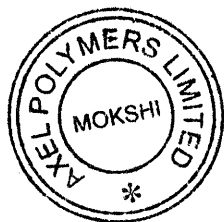
- e. All other regulatory sanctions and approvals in relation to amalgamation of DPPL with APL which by law may be necessary, being obtained
- f. Certified / authenticated copies of final order of the NCLT, Ahmedabad Bench sanctioning this Scheme, being filed with the ROC

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

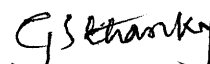
All costs, charges, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall 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)