Huhtamaki PPL Ltd.

(Formerly **The Paper Products Ltd.**)

Central Headquarters : L. B. S. Marg, Majiwade, Thane - 400 601. Maharashtra, India. Tel No.: +91 (22) 2173 5591 / 5551, Fax No: +91 (22) 2173 5599 / 5650

Reg & Corp. Off.: 12A-06, B-Wing, 13th Floor, Parinee Crescenzo, C-38/39, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, Maharashtra, India. Tel No: +91 (22) 6174 0400 Fax No: +91 (22) 6174 0401 / 2653 1310, CIN No: L21011MH1950FLC145537, Website: www.pplpack.com

30th May, 2016

The Department of Corporate Services
BSE Limited
P J Towers, Dalal Street,
MUMBAI – 400 001
Fax No.: (022) 2272 3121/3719/2037
corp.relations@bseindia.com
Ref: Security Code No.: 509820

Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051
Fax. No. (022) 26598237 / 8
cmlist@nseindia.com
Ref: PAPERPROD

Sub: Notice of Court Convened Meetings

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith soft copies of following Court Convened Meetings of Huhtamaki PPL Limited ("the Company") scheduled on Tuesday, 21st June, 2016:

1) Court Convened Meeting at 2.30 pm for:
   - Approval of Scheme of Arrangement with Webtech Labels Pvt Ltd; and
   - Reduction of Capital, pursuant to the said Scheme

2) Court Convened Meeting at 4.00 pm for:
   - Approval of Scheme of Arrangement with Positive Packaging Industries Ltd; and
   - Reduction of Capital, pursuant to the said Scheme

Kindly take the same on your records.

Thanking you,

Yours faithfully,
For Huhtamaki PPL Ltd.,

Huhtamaki PPL LTD.

D V Iyer
Company Secretary & Head – Legal

Huhtamaki–PPL

HUHTAMAKI PPL LIMITED

CIN - L21011MH1950FLC145537

Registered Office: Unit No. 12A-06, 13th Floor, Parinee Crescenzo, Plot Nos. C-38 & C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East) Mumbai – 400051.

Tel. : +91 - 22 - 6174 0400 **Fax :** +91 - 22 - 6174 0401

E-mail : dv.iyer@pplpack.com **Website :** www.pplpack.com

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

(IN RESPECT OF THE SCHEME OF AMALGAMATION AND ARRANGEMENT OF WEBTECH LABELS PRIVATE LIMITED WITH HUHTAMAKI PPL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS)

Day	**:**	**Tuesday**
Date	**:**	**June 21, 2016**
Time	**:**	**2:30 P.M.**
Venue	**:**	**Rama and Sundri Watumull Auditorium, K.C. College Building, Vidyasagar Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai – 400 020.**

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO. 322 OF 2016

In the matter of:

The Companies Act, 1956 and the Companies Act, 2013

And

In the matter of:

Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956 (including any statutory modification or re-enactment or amendment thereof)

And

In the matter of:

Huhtamaki PPL Limited (Formerly The Paper Products Limited), a company incorporated under the provisions of the Indian Companies Act, 1913 and having its registered office at Unit No.12A-06, 13th Floor, Parinee Crescenzo, Plot Nos. C-38 & C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East) Mumbai - 400051.

And

In the matter of:

The Scheme of Amalgamation and Arrangement of Webtech Labels Private Limited ("**Transferor Company**") with Huhtamaki PPL Limited (Formerly The Paper Products Limited), ("**Transferee Company**" or "**Applicant Company**").

Huhtamaki PPL Limited (Formerly The Paper Products Limited), a company incorporated under the provisions of the Indian Companies Act, 1913 and having its registered office at Unit No. 12A-06, 13th Floor, Parinee Crescenzo, Plot Nos. C-38 & C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East) Mumbai – 400051. … Applicant Company

NOTICE OF COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

To,

The Equity Shareholders of Huhtamaki PPL Limited ("**HPPL**" or "**Applicant Company**"):

TAKE NOTICE that by an Order made on April 22, 2016, in the abovementioned Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of the Applicant Company, be convened and held at Rama and Sundri Watumull Auditorium, K.C. College Building, Vidyasagar Principal K.M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai – 400 020, on Tuesday, June 21, 2016 at 2:30 p.m. for the purpose of considering and, if thought fit, approve with or without modification(s), the following Special Resolutions (i) under Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956 (including any statutory modification or re-enactment or amendment thereof) for approval of the proposed amalgamation and arrangement embodied in the Scheme of Amalgamation and Arrangement of Webtech Labels Private Limited with Huhtamaki PPL Limited and their respective shareholders ("**Scheme**") and (ii) the reduction of the Securities Premium of the Applicant Company, at the aforesaid meeting of the Equity Shareholders of the Applicant Company:

"**RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 read with Section 52 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and/ or Companies Act, 2013 and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with circular issued thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Hon'ble High Court of Judicature at Bombay, 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 High Court of Judicature at Bombay or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors (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 to exercise its powers including the powers conferred by this Resolution), the proposed amalgamation embodied in the Scheme of Amalgamation and Arrangement of Webtech Labels Private Limited ("**Transferor Company**") with Huhtamaki PPL Limited ("**Transferee Company**" or "**Applicant Company**") and their respective shareholders ("**Scheme**") placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT pursuant to the provisions of Section 52 of the Companies Act, 2013 read with Sections 100 to 104 of the Companies Act, 1956 and any other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, as applicable (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Articles of Association and relevant provisions of applicable laws, and subject to the approval of the High Court of Judicature at Bombay, consent of the members of the Company be and is hereby accorded to the reduction of the securities premium account of the Company by an amount up to INR 2,49,22,32,296/- (Indian Rupees Two Hundred Forty Nine Crore Twenty Two Lac Thirty Two Thousand Two Hundred and Ninety Six only), in accordance with and pursuant to the Scheme.

RESOLVED FURTHER THAT any of Directors of the Company and the Company Secretary, be and are hereby severally authorised to do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution including but not limited to:

(i) settling, finalising, executing and filing all necessary documents including the petition, affidavits, pleading and such other documents as may be required to be filed with the High Court of Judicature at Bombay or any other authority and such further deeds, documents and writings as may be necessary in this regard;

(ii) making applications to the relevant authorities or other persons for their approval to the said reduction, as may be required;

(iii) making such disclosures to governmental or regulatory authorities as may be required;

(iv) affixing the Common Seal of the Company, if any, in accordance with the provisions of the Articles of Association of the Company on any document in connection with the above resolutions, as may be required; and

(v) settling all questions, difficulties or doubts that may arise in connection with the reduction of capital as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT the Board of Directors (which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board of Directors to exercise its powers including the powers conferred by this Resolution) be and is hereby authorised to do all such acts, deeds, matters and things, as may be necessary, proper or expedient, for or in connection with or for giving effect to this resolution and to resolve all difficulties and to delegate the authority conferred by this resolution to such person or persons as the Board deems fit."

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company, will be held at Rama and Sundri Watumull Auditorium, K.C. College Building, Vidyasagar Principal K.M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai – 400 020, on Tuesday, June 21, 2016 at 2:30 p.m., at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at Unit No.12A-06, 13th Floor, Parinee Crescenzo, Plot Nos. C-38 & C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East) Mumbai - 400051 not later than 48 hours before the time of the aforesaid meeting.

TAKE FURTHER NOTICE that the Applicant Company has provided the facility of remote e-voting. Accordingly, you may also cast your vote electronically, i.e., through remote e-voting.

The Hon'ble High Court has appointed Mr. Suresh Gupta, Chairman of the Applicant Company, failing whom Mr. A Venkatrangan, Managing Director of the Applicant Company, failing whom Mr. Arunkumar Gandhi, Director of the Applicant Company, failing whom Mr. S K Palekar, Director of the Applicant Company, to be the Chairman for the abovementioned meeting.

A copy of the Explanatory Statement under Section 393 of the Companies Act, 1956, along with Section 100 of the Companies Act, 1956 read with Section 52 and Section 102 of the Companies Act, 2013, the Scheme of Amalgamation and Arrangement, the Form of Proxy and the Attendance Slip are enclosed.

Suresh Gupta
Chairman appointed for the meeting

Place: Mumbai
Date : 10th May, 2016
CIN : L21011MH1950FLC145537

Registered office:
Unit No. 12A-06, 13th Floor,
Parinee Crescenzo,
Plot Nos. C-38 & C-39, G Block,
Behind MCA, Bandra Kurla Complex,
Bandra (East) Mumbai – 400051.
Tel: +91 - 22 - 6174 0400 Fax: +91 - 22 - 6174 0401
E-mail: dv.iyer@pplpack.com Website: www.pplpack.com

Notes:

1. All alterations made in the Form of Proxy should be initialled.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative under Sections 112 and 113 of the Companies Act, 2013) at the Equity Shareholders' meeting. The Authorised Representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
3. The quorum of the meeting of the equity shareholders of the Applicant Company shall be as prescribed under the provisions of Section 103 of the Companies Act, 2013. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder as defined under Rule 19 of Chapter 7 of Companies Act, 2013.
4. In compliance with Regulation 44 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company shall provide the facility of remote e-voting.
5. The Applicant Company has engaged the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing remote e-voting facility to all its members. Equity shareholders desiring to exercise their vote by using e-voting facility are requested to carefully follow the instructions in the Notes under the Section 'Voting through electronic means' in this Notice.
6. Foreign Institutional Investors (FIIs) who are registered Equity Shareholder(s) of the Applicant Company would be required to deposit certified copies of Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
7. A registered equity shareholder or his proxy is requested to bring a copy of the notice to the meeting, and produce it at the entrance of the meeting venue, along with the attendance slip duly completed and signed.
8. Registered equity shareholders who hold shares in dematerialized form are requested to bring their Client ID and DP ID for easy identification.
9. Registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the register of members of the Applicant Company/list of beneficial owners as received from National Securities Depository Limited/Central Depository Services (India) Limited in respect of such joint holding, will be entitled to vote.
10. The Notice convening the aforesaid meeting will be published through advertisement in Free Press Journal (Mumbai edition) in English language and translation thereof in Navshakti (Mumbai edition) in Marathi language, having wide circulation in the district where the registered office of the Applicant Company is situated.
11. The Applicant Company has appointed Mr. S. N. Ananthasubramanian, Practicing Company Secretary (Membership No. 1774) or failing him Ms. Malti Kumar, Practicing Company Secretary (Membership No.15508) as the scrutinizer to conduct e-voting process and voting at the Meeting in a fair and transparent manner.
12. The e-voting period commences on June 16, 2016 (9:00 a.m. IST) and ends on June 20, 2016 (5:00 p.m. IST). During this period, members of the Applicant Company holding shares either in physical form or in dematerialized form, as on the relevant date, i.e. June 14, 2016, may cast their votes electronically. The e-voting module shall

be disabled by CDSL for voting on June 20, 2016 at 5:00 p.m. IST. Once the vote on the resolution is cast by a member, he or she will not be allowed to change it subsequently.

13. It is clarified that casting of votes by remote e-voting does not disentitle a member from attending the Court Convened Meeting.

Instructions for e-voting are as under:

The instructions for members for voting electronically are as under:-

i. Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

ii. The members should log on to the e-voting website www.evotingindia.com.

iii. Click on 'Shareholders'.

iv. Now enter your User ID

(a) For CDSL: 16 digits beneficiary ID,

(b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

(c) Members holding shares in Physical Form should enter Folio Number registered with the Applicant Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Applicant Company/Depository Participant are requested to use the sequence number which is printed on E-Voting Form indicated in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details Or Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Applicant Company records in order to login. • If both the details are not recorded with the depository or the Applicant Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then directly reach the Applicant Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for Huhtamaki PPL Limited.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.

xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Non – Individual Members and Custodians

- Non-Individual members (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

General Information on voting :

1. Any person, who acquires shares of the Company and becomes a member of the Company after 20th May, 2016 i.e. the date considered for dispatch of the notice and holding shares as of the cut-off date i.e. 14th June, 2016, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com.

2. The Chairman shall, at the Court Convened Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of "Ballot Paper/Polling Paper" for all those members who are present at the Meeting but who have not cast their votes by availing the remote e-voting facility. The members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting, but shall not be entitled to cast their vote again.

3. The consolidated results of remote e-voting and voting at the meeting declared along with the Scrutinizers Report shall be placed on the Company's website www.pplpack.com and on the website of CDSL within 2 (two) days of passing of the resolutions at the Court Convened Meeting and communicated to the stock exchange(s) where the shares of the Company are listed.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO. 322 OF 2016

In the matter of:

The Companies Act, 1956 and the Companies Act, 2013

And

In the matter of:

Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956 (including any statutory modification or re-enactment or amendment thereof)

And

In the matter of:

Huhtamaki PPL Limited (Formerly The Paper Products Limited), a company incorporated under the provisions of the Indian Companies Act, 1913 and having its registered office at Unit No.12A-06, 13th Floor, Parinee Crescenzo, Plot Nos. C-38 & C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East) Mumbai - 400051.

And

In the matter of:

The Scheme of Amalgamation and Arrangement of Webtech Labels Private Limited ("**Transferor Company**") with Huhtamaki PPL Limited (Formerly The Paper Products Limited), ("**Transferee Company**" or "**Applicant Company**").

Huhtamaki PPL Limited (Formerly The Paper Products Limited), a company incorporated under the provisions of the Indian Companies Act, 1913 and having its registered office at Unit No. 12A-06, 13th Floor, Parinee Crescenzo, Plot Nos. C-38 & C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East) Mumbai – 400051. … Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956, READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 ALONG WITH SECTION 100 OF THE COMPANIES ACT, 1956 READ WITH SECTION 52 AND SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF HUHTAMAKI PPL LIMITED

This is a statement accompanying the Notice convening the meeting of the Equity Shareholders of the Applicant Company, pursuant to an Order dated April 22, 2016 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove ("**Order**"), to be held at Rama and Sundri Watumull Auditorium, K.C. College Building, Vidyasagar Principal K.M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai – 400 020 on Tuesday, June 21, 2016 at 2:30 p.m., for the purpose of considering and, if thought fit, approving with or without modification(s), the amalgamation embodied in the Scheme of Amalgamation and Arrangement of Webtech Labels Private Limited with Huhtamaki PPL Limited ("**Scheme**"). The other definitions contained in the Scheme shall also apply to this Explanatory Statement.

1. In terms of the Order, the quorum for the Court Convened Meeting shall be as prescribed under the provisions of Section 103 of the Companies Act, 2013. Further in terms of the said Order, the High Court of Judicature at Bombay, has appointed Mr. Suresh Gupta, Chairman of Huhtamaki PPL Limited/ the Applicant Company, failing whom Mr. A Venkatrangan, Managing Director of Huhtamaki PPL Limited/ the Applicant Company, failing whom Mr. Arunkumar Gandhi, Director of Huhtamaki PPL Limited/ the Applicant Company, failing whom Mr. S K Palekar, Director of Huhtamaki PPL Limited/ the Applicant Company, as the Chairman for the purposes of the Court Convened Meeting or of any adjournment(s) thereof.

2. A copy of the Scheme setting out in detail terms and conditions of the amalgamation, *inter alia*, providing for amalgamation of Webtech Labels Private Limited with Huhtamaki PPL Limited; which has been duly approved by the Board of Directors of the Applicant Company at its meeting held on September 14, 2015, is enclosed as **Annexure 1**.

3. This statement explaining the terms of the Scheme is being furnished as required under Section 393 of the Companies Act, 1956, along with Section 100 of the Companies act, 1956 read with Section 52 and Section 102 of the Companies Act, 2013.

4. In accordance with the provisions of the Section 391 to 394 of Companies Act, 1956, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the members, or class of members, of the Applicant Company, as the case may be, present and voting at the Court Convened Meeting in person or by proxy, agree to the Scheme.

5. In terms of the Order dated April 22, 2016, passed by the High Court of Judicature at Bombay, in Company Summons for Direction No. 322 of 2016, if the entries in the books/registers of the Applicant Company in relation to the value of the shares are disputed, the Chairman shall determine the value for the purposes of the Court Convened Meeting and his decision in that behalf shall be final.

6. BACKGROUND OF THE COMPANIES:

6.1 Huhtamaki PPL Limited:

a. The Applicant Company was incorporated as "The Paper Products Ltd." on June 12, 1950 under the provisions of the Companies Act, 1913. By and under a fresh Certificate of Incorporation dated May 27, 2014, the name of the Applicant Company was changed from "The Paper Products Ltd." to "Huhtamaki PPL Limited". The aforesaid is evidenced by the Certificate of Incorporation from the Registrar of Companies, Maharashtra, bearing the corporate identity number of the Applicant Company, viz. No. L21011MH1950FLC145537.

b. The registered office of the Applicant Company is situated at Unit No. 12A-06, 13th Floor, Parinee Crescenzo, Plot Nos. C-38 & C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East) Mumbai – 400051.

c. The Capital Structure of the Applicant Company as on December 31, 2015 is as set out below:

Particulars	Amount in Rupees
Authorized Share Capital	
150,000,000 Equity Shares of Rs. 2/- each	300,000,000
700,000 Preference Shares of Rs. 100/- each being 12% redeemable cumulative preference shares	70,000,000
300,000 Unclassified Shares of Rs. 100/- each	30,000,000
Total	**400,000,000**
Issued, Subscribed and Paid Up Share Capital	
72,711,934 Equity Shares of Rs. 2/- each	145,423,868
Add: Amount received on 1,449 forfeited shares	8,750
Total	**14,54,32,618**

There has been no change in the issued, subscribed and paid up share capital of the Applicant Company.

d. The equity shares of the Applicant Company are listed on BSE Limited and National Stock Exchange of India Limited.

e. The main objects of the Applicant Company as set out in its Memorandum of Association, include the following:

"(*1) To carry on the business of manufacturers of and dealers in products, articles and packagings made from paper, board, pulp of all kinds, cellulose films, polyethylene, plastic films and metal foils and films of all kinds and other flexible or treated or laminated materials, including cardboard railway and other tickets, mill board, paper and cardboard boxes, wall and ceiling papers, toilet rolls and tapes, containers, drinking straws, bags, pouches, envelopes, sheets, rolls and all kinds of flexible packagings, and manufacturing, fabricating, printing, treating, waxing and laminating all kinds of packaging materials.*

(2) To carry on in India and/ or elsewhere the business of manufacturing, importing, exporting and dealing in all kinds of products of paper and board, industrial and all kinds of paper products such as cups, dishes, containers, artistic articles etc., and all other allied articles in all its branches and to transact and do all matters things incidental thereto or which may at any time hereafter be usual in connection with the trade or business of manufacturing products made of paper treated by chemical or any other process for all purposes.

"(28) To enter into partnership or into any arrangement for sharing profits, amalgamation, union of interest, co-operation, joint adventures, reciprocal concession or otherwise with any person, firm or company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company."

f. The Applicant Company is, *inter alia*, engaged in the business of consumer packaging which is manufactured, marketed and sold within India as well as for exports.

g. The Applicant Company holds 51% of the paid-up equity share capital of the Transferor Company.

6.2 Webtech Labels Private Limited:

a. The Transferor Company, i.e. Webtech Labels Private Limited was incorporated under the Companies Act, 1956, on August 22, 2012. The Transferor Company was issued a Certificate of Incorporation from the Registrar of Companies, Mumbai Maharashtra, bearing the corporate identity number of the Transferor Company, viz. No. U74120MH2012PTC234762.

b. The registered office of the Transferor Company is situated at 210, Shree Krishna Commercial Centre, 6, Udyog Nagar, Goregaon (West), Mumbai – 400062.

c. The Capital Structure of the Transferor Company as on December 31, 2015 is as set out below:

Particulars	Amount in Rupees
Authorized Share Capital	
50,000 Equity Shares of Rs. 10/- each	500,000
Total	**500,000**
Issued, Subscribed and Paid Up Share Capital	
20,408 Equity Shares of Rs. 10/- each	204,080
Total	**204,080**

d. The main objects of the Transferor Company as set out in its Memorandum of Association, include the following:

"*1. To carry on the business of manufacturers, importers, exporters, buyers, sellers in India or abroad or otherwise deal in labels, stickers, tags whether adhesive or not, whether printed or not, of all sizes, shapes and descriptions made from cloth, yarn, plastics, paper, rubber, metal or any other material either alone or jointly with each other or mixing with each other.*

2. To manufacture, produce, process, laminate, coat, siliconize, lacquer, print, set, cut, slit fabricate, roll, re-roll, rewind, produce, distribute, mix, procure, import, export or otherwise deal in all kind and size of paper, paper board, films of all kinds, vinyl, label, stocks, self-adhesive chemicals, lacquers, self-adhesive products, laminate products and allied products and items.

40. To amalgamate with any other company having objects altogether or in part similar to those of this company".

e. The Transferor Company is presently engaged in the business of manufacturing and selling of pressures sensitive labels.

7. BACKGROUND OF THE SCHEME

The Scheme provides for:

i. the amalgamation of the Transferor Company with the Transferee Company and issuance of equity shares by the Transferee Company to the shareholders of the Transferor Company as consideration for the amalgamation as set out in the Scheme;

ii. the extinguishment and annulment of the equity shares of the Transferor Company which are held by the Transferee Company;

iii. transfer of all the assets and liabilities of the Transferor Company to the Transferee Company; and

iv. dissolution of the Transferor Company without winding up and various other matters consequential to or otherwise connected with above in the manner provided for in the Scheme, pursuant to Sections 391 to 394 of the Companies Act, 1956, and other relevant provisions of the Companies Act, 1956.

8. RATIONALE OF THE SCHEME

i. The Transferor Company is in the business of manufacturing items that are similar and synergistic to those manufactured and dealt with by the Transferee Company. Upon the Scheme coming into effect, the synergistic benefits arising from the amalgamation of the Transferor Company and the Transferee Company would result in an even more effective business strategy for the Transferee Company and in greater efficiency, cost management, centralization of resources and technologies and cost effectiveness in the functioning and operation of the Transferee Company. Further, the Scheme will result in the entire undertaking of the Transferor Company transferring to the Transferee Company, thereby resulting in

the shareholders of the Transferee Company and the Transferor Company having participation in, and benefiting from, the growth and prospects of the combined business operations of the Transferee Company and the Transferor Company.

ii. The Scheme will assist in achieving higher long term financial returns than would have been achieved by the Transferor Company and the Transferee Company as separate entities, as the Scheme will make available assets, financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of the Transferor Company and the Transferee Company leading to synergistic benefits, enhancement of future business potential, increased global competitiveness, cost reduction and efficiencies, productivity gains and logistical advantages, thereby contributing to significant future growth and enhancement of shareholder value.

iii. Cost saving by reduction of administrative and other overhead costs, avoidance of duplication and pooling of managerial skills. It would enable focused management attention towards the business and enable better growth in the same.

iv. The Scheme will result in rationalization and standardization of the business processes, economies of scale and consolidation of opportunities offered by the Scheme which will contribute to make the Transferee Company, pursuant to the sanctioning of the Scheme, more profitable, thereby further enhancing the overall shareholder value. Pursuant to the sanctioning of the Scheme, the Transferor Company will stand dissolved, consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit requirements, tax filings, company law requirements, etc. and therefore reduction in administrative costs.

9. SALIENT FEATURES OF THE SCHEME:

The salient features of the Scheme, *inter alia*, are as under:

i. Upon coming into effect of the Scheme and with effect from the Appointed Date (as defined in the Scheme), the Undertaking (as defined in the Scheme) of the Transferor Company shall, pursuant to the sanction of the Scheme by the High Court(s) and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 be and stand transferred to and vested in and/ or deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, deed, instrument, matter so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme, more particularly provided in Clause 4 of the Scheme.

ii. The Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified in Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.

iii. all memoranda of understanding, contracts (including but not limited to customer contracts, service contracts and supplier contracts), schemes, assurances, licences, insurance policies, guarantees, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which either of the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto, without prejudicing, affecting or impairing any of the rights, entitlements, obligations and liabilities of any of the parties to such agreements (including the Transferee Company, as applicable, pursuant to this Scheme). It is clarified that upon the coming into effect of this Scheme, the shareholders agreement amongst the shareholders of the Transferor

Company shall cease to have effect and the Transferee Company shall have no surviving obligations under or pursuant to such agreements, and the shareholders of the Transferor Company who shall become shareholders of the Transferee Company by virtue of this Scheme shall not control the management and affairs of the Transferee Company and shall not be classified as promoters of the Transferee Company, as provided in Clause 8 of the Scheme.

iv. All suits, appeals, petitions, complaints, applications or other legal proceedings of whatsoever nature by or against the Transferor Company pending on the Effective Date may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme, as provided under Clause 9 of the Scheme.

v. Upon the Scheme becoming effective, all equity shares held by the Transferee Company in the Transferor Company i.e., 10,408 equity shares of Rs. 10/- each constituting 51% of the total paid-up share capital of the Transferor Company shall automatically get cancelled without any further application, act or deed and there shall be no obligation in that behalf.

vi. As far as consideration for the balance shareholding of 49% held by the remaining shareholders in the Transferor Company is concerned, after giving effect to Clause 6.2 of the Scheme and upon the Scheme becoming effective, and upon the Undertaking being transferred to and vested in the Transferee Company, and without any further application, act or deed, the Transferee Company shall issue and allot, in the ratio of 281:1, 281 equity shares of face value of Rs. 2/- (Rupees two only) each fully paid up in the Transferee Company for every 1 equity share of the face value of Rs. 10/- (Rupees Ten only) each fully paid up held in the Transferor Company, to the remaining equity shareholders of the Transferor Company, whose names are recorded in the Register of Members of the Transferor Company as on the Record Date. The new Equity Shares allotted and issued pursuant to Clause 6.1 of the Scheme shall be listed and/or admitted to trading on the relevant Stock Exchanges, where the equity shares of the Transferee Company are listed and/or admitted to trading as on the Effective Date (as defined under the Scheme); subject to the Transferee Company obtaining the requisite approvals from all the relevant regulatory authorities pertaining to their listing.

vii. The new Equity Shares to be issued and allotted pursuant to Clause 6.1 of the Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank *pari passu* in all respects with the equity shares of the Transferee Company after the Effective Date including in respect of dividend, bonus, right shares, voting rights and other corporate benefits.

viii. The Transferor Company shall conduct its business and activities for and on account of and in trust for the Transferee Company with effect from the Appointed Date up to and including the Effective Date of the Scheme, in terms of Clause 7 of the Scheme.

ix. All the permanent employees of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall on the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date, in terms of Clause 10 of the Scheme.

x. On the Scheme becoming effective, the balance standing to the credit of securities premium account as on Appointed Date in the books of the Transferee Company (including securities premium pursuant to amalgamation) shall be reduced to give effect to adjustment as set out in Clause 11(g) of the Scheme.

xi. Upon the Scheme coming into effect, the Transferor Company shall be dissolved without being wound up.

xii. The Scheme is conditional upon and subject to the approvals and/or sanctions laid down in Clause 19 of the Scheme.

Please note that the features set out above are only the salient features of the Scheme. The members are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

10. BOARD MEETING, VALUATION REPORT AND FAIRNESS OPINION

i. The proposal for the Amalgamation was placed before the Audit Committee of the Applicant Company at its meeting held on 14th September, 2015. The Audit Committee of the Applicant Company took into account the recommendations on the Share Exchange Ratio by Deloitte Haskins & Sells, Chartered Accountants and the Fairness Opinion provided by PL Capital Markets Private Limited acting as the independent fairness opinion provider. The Fairness Opinion provided by PL Capital Markets Private Limited notes that in consideration of the amalgamation of the Transferor Company with the Applicant Company pursuant to the Scheme, in the ratio of 281:1, 281 equity shares of face value of Rs. 2/- (Rupees two only) each fully paid up in the Transferee Company for every 1 equity share of the face value of Rs. 10/- (Rupees Ten only) each fully paid up held in the Transferor Company shall be issued and allotted to the equity shareholders of the Transferor Company. A copy of the aforementioned Fairness Opinion is enclosed herewith. It further states that, as of such date, and based upon and subject to various exemptions, limitations and considerations set forth in such written opinion the Share Exchange Ratio is fair to the Equity Shareholders of the Applicant Company. The shares held by the Applicant Company in the Transferor Company shall get extinguished. On the basis of the aforesaid evaluations and its own independent judgment, the Audit Committee has recommended the Scheme including the Share Exchange Ratio to the Board of Directors of the applicant company.

ii. The Board of Directors of the Applicant Company has taken into account the independent recommendations of the Audit Committee, the recommendations of the Share Exchange Ratio provided by Deloitte Haskins & Sells, Chartered Accountants and the Fairness Opinion provided by PL Capital Markets Private Limited in relation to the Share Exchange Ratio.

iii. Based on the aforesaid advice/opinion and on the basis of independent judgment and evaluation, the Board of Directors of the Applicant Company has come to the conclusion that the Share Exchange Ratio is fair and reasonable and has approved the same at its meeting held on September 14, 2015.

11. CAPITAL STRUCTURE PRE AND POST AMALGAMATION

i. Pre and Post Amalgamation capital structure of the Transferee Company is as follows:

Sr.	Particulars	Pre-Amalgamation as on December 31, 2015		Post-Amalgamation	
		No. of Shares	Amount (In Rs.)	No. of Shares	Amount (In Rs.)
A.	**Authorized Share Capital**				
	Equity Shares of Rs. 2/- each	150,000,000	300,000,000	150,000,000	300,000,000
	Preference Shares of Rs. 100/- each being 12% redeemable cumulative preference shares	700,000	70,000,000	700,000	70,000,000
	Unclassified Shares of Rs. 100/- each	300,000	30,000,000	300,000	30,000,000
	Total Authorized Share Capital	**151,000,000**	**400,000,000**	**151,000,000**	**400,000,000**
B	**Issued, Subscribed & Paid Up Share Capital**				
	Equity Shares of Rs. 2/- each	72,711,934	145,423,868	75,521,934	151,043,868
	Add: Amount received on forfeited shares	1,449	8,750	1,449	8,750
	Total Issued, Subscribed & Paid Up Share Capital	**72,713,383**	**14,54,32,618**	75,523,383	151,052,618

12. PRE AND POST AMALGAMATION SHAREHOLDING PATTERN

Pursuant to Clause 24(h) of the Listing Agreement with the stock exchanges, the Pre-Amalgamation and the Post-Amalgamation (expected) shareholding pattern of the Transferee Company and Pre-Amalgamation shareholding pattern of the Transferor Company is given below:

Category Code	Category of Shareholder	Transferee Company Pre-Amalgamation		Transferee Company Post-Amalgamation	
		Total No. of Shares	As a percentage of total capital	Total No. of Shares	As a percentage of total capital
(A)	**Shareholding of Promoter and Promoter Group**				
1.	Indian				
a.	Individuals/ Hindu Undivided Family	0	0	0	0
b.	Central Government/ State Governments	0	0	0	0
c.	Bodies Corporate	0	0	0	0
d.	Financial Institutions/ Banks	0	0	0	0
e.	Any Other (Specify)	0	0	0	0
	Sub-Total (A) 1	**0**	**0**	**0**	**0**
2.	Foreign				
a.	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0
b.	Bodies Corporate	50003997	68.77	50003997	66.21
c.	Institutions	0	0	0	0
d.	Qualified Foreign Investor	0	0	0	0
e.	Any other (Specify)	0	0	0	0
	Sub-Total (A) 2	**50003997**	**68.77**	**50003997**	**66.21**
	Total Shareholding of Promoter and Promoter Group (A) = (A) 1 + (A) 2	**50003997**	**68.77**	**50003997**	**66.21**
(B)	**Public Shareholding**				
1.	Institutions				
i.	Mutual Funds/ UTI	4352586	5.99	4352586	5.76
ii.	Financial Institutions/ Banks	17752	0.02	17752	0.02
iii.	Central Government/ State Governments	0	0	0	0
iv.	Venture Capital Funds	0	0	0	0
v.	Insurance Companies	0	0	0	0
vi.	Foreign Institutional Investors	367224	0.51	367224	0.49
vii.	Foreign Venture Capital Investors	0	0	0	0

Category Code	Category of Shareholder	Transferee Company Pre-Amalgamation		Transferee Company Post-Amalgamation	
		Total No. of Shares	As a percentage of total capital	Total No. of Shares	As a percentage of total capital
viii.	Qualified Foreign Investor	0	0	0	0
ix.	Any other (Specify)	0	0	0	0
	Sub-Total (B) 1	**4737562**	**6.52**	**4737562**	**6.27**
2.	Non-Institutions				
a.	Bodies Corporate	3191775	4.39	3191775	4.23
b.	Individuals				
i.	Individual shareholders holding nominal share capital up to Rs. 1 Lakh	10758838	14.80	10786938	14.28
ii.	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	3468624	4.77	6250524	8.28
c.	Qualified Foreign Investor	0	0	0	0
d.	Any other (Specify)				
i.	Non-Resident (Non-Rep)	96897	0.13	96897	0.13
ii.	Non-Resident (Rep)	452804	0.62	452804	0.60
iii.	Foreign National	637	0	637	0
iv.	Overseas Corporate Bodies	0	0	0	0
v.	Foreign Bodies	0	0	0	0
vi.	Trust	800	0	800	0.00
vii.	Clearing Member/ House	0	0	0	0
viii.	Non Resident Indians	0	0	0	0
	Sub-Total (B) 2	**17970375**	**24.71**	**20780375**	**27.52**
	Total Public Shareholding (B) = (B) 1 + (B) 2	**22707937**	**31.23**	**25517937**	**33.79**
	Total A+B	**72711934**	**100.00**	**75521934**	**100.00**

Pre-Amalgamation shareholding pattern of the Transferor Company as on December 31, 2015:

Sr. No.	Name of the Shareholder	No. of Shares held	% to Paid-up Capital
1.	Amar B. Chhajed	5918	29%
2.	Rahul B. Chhajed	100	0%
3.	Seema R. Chhajed	1941	10%
4.	Jitesh B. Chhajed	2041	10%

Sr. No.	Name of the Shareholder	No. of Shares held	% to Paid-up Capital
5.	Huhtamaki PPL Limited	10404	51%
6.	Huhtavefa B. V.	1	0%
7.	Huhtamaki Finance B. V.	1	0%
8.	Huhtamaki Finance Company I B. V.	1	0%
9.	Huhtamaki Beheer XI B. V.	1	0%
TOTAL		**20408**	**100%**

On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and without any further act by the parties to the Scheme.

13. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. Mr. Suresh Gupta and Mr. A. Venkatrangan are common Directors in the Applicant Company and the Transferor Company.

b. Mr. Amar Chhajed, Managing Director and Key Managerial Personnel (KMP) along with his relatives holds 10,000 equity shares of Rs.10/- each amounting to 49% shareholding of the Transferor Company, The shareholding of the present Directors and KMPs of the Applicant Company and the Transferor Company, as on December 31, 2015, is as under:

SHAREHOLDING OF DIRECTORS AND KMP OF APPLICANT COMPANY

Sr. No.	Name of Director	Designation	Shares held in Transferor Company	Shares held in Transferee Company
1.	A. Venkatrangan	Managing Director	-	5,000

SHAREHOLDING OF DIRECTORS AND KMP OF TRANSFEROR COMPANY

Sr. No.	Name of Director	Designation	Shares held in Transferor Company	Shares held in Transferee Company
1.	Amar Chhajed	Managing Director	5,918	-

14. APPROVALS

i. Pursuant to the circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India ("**SEBI Circular**") read with Clause 24(f) of the Listing Agreement, the Applicant Company had filed necessary applications before the stock exchanges seeking their no-objection to the Scheme. The Applicant Company received Observation Letters dated January 28, 2016 from BSE Limited and dated January 27, 2016 from the National Stock Exchange of India Limited conveying their no-objection to the Scheme. Copies of the aforesaid observation letters are enclosed herewith.

ii. As required by the SEBI Circular, the Applicant Company has filed the Complaints Report (indicating NIL complaint) with BSE Limited and National Stock Exchange of India Limited on 31st October, 2015. After filing of the Complaints Report, the Applicant Company has received NIL complaints. A copy of the aforementioned Complaints Report is enclosed herewith.

15. GENERAL

i. The Scheme is not prejudicial to the interests of the members of the Applicant Company. Pursuant to this Scheme becoming effective, the Transferor Company will stand dissolved without winding up. By virtue of this Scheme becoming effective there would be no change in control of the Applicant Company or in the constitution of its Board of Directors.

ii. The financial position of the Applicant Company will not be adversely affected by this Scheme. Further, the rights and interests of the shareholders and creditors (secured and unsecured) of either of the companies will not be prejudicially affected by this Scheme as the Applicant Company, post this Scheme, will be able to meet its liabilities as they arise in the ordinary course of business.

iii. The latest audited accounts for the year ended December 31, 2015 of the Applicant Company indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of the concerned companies would lose or be prejudiced as a result of this 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 amalgamation 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.

iv. There are no winding up proceedings pending against the Applicant Company as of date.

v. No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 in respect of the Applicant Company.

vi. Inspection of the following documents may be had by the Equity Shareholders of the Applicant Company at the Registered Office of the Applicant Company on any working day (except Saturdays) prior to the date of the meeting between 11:00 am and 1:00 pm:

a) Authenticated Copy of the Order dated April 22, 2016 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 322 of 2016 directing the convening of the meeting of the Equity Shareholders of the Applicant Company;

b) Copy of the Company Summons for Directions No. 322 of 2016;

c) Memorandum and Articles of Association of the Transferor Company and Transferee Company;

d) Audited Financial Statements of the Transferor Company and Transferee Company for last three financial years;

e) Register of Director's Shareholdings of the Transferee Company;

f) Copies of the Observation Letters dated January 28, 2016 received from BSE Limited and dated January 27, 2016 from the National Stock Exchange of India Limited;

g) Copy of the Complaints Report dated 31st October, 2015 filed with BSE Limited and National Stock Exchange of India Limited;

h) Valuation Report dated September 14, 2015 of Deloitte Haskins & Sells, Chartered Accountants; and

i) Fairness Opinion dated September 14, 2015 issued by PL Capital Markets Private Limited.

vii. This statement may be treated as an Explanatory Statement pursuant to Section 393 of the Companies Act, 1956 read with Section 102 of the Companies Act, 2013.

viii. A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (except Saturdays) prior to the date of the meeting, from the Registered Office of the Applicant Company situated at Unit No. 12A-06, 13th Floor, Parinee Crescenzo, Plot Nos. C-38 & C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East) Mumbai – 400051, Maharashtra and/or at the Advocate appearing for the Applicant Company having its office at Veritas Legal, Forbes Building, 1st Floor, Charanjit Rai Marg, Fort, Mumbai – 400 001, Maharashtra.

Item No. 2:

1. UTILIZATION OF SECURITIES PREMIUM ACCOUNT

i. Pursuant to the Scheme, the difference between the share capital of the Transferor Company and investment in Transferor Company recorded in the books of Transferee Company and the amount recorded as share capital issued as per Clause 11 (d) of the Scheme, in case of excess shall be credited in the Capital Reserve Account of the Transferee Company and in case of shortfall it shall be debited to the amalgamation adjustment reserve account of the Transferee Company. All such adjustments against the securities premium account of the Company shall be effected in accordance with provisions of Sections 391 to 394 of the Companies Act, 1956, read with Section 52 of the Companies Act, 2013 and Sections 100 to 103 of the Companies Act, 1956 and any other applicable provisions of law. Members should note that the adjustment as aforesaid in the securities premium account of the Company would also be included in the consolidated financial statements.

ii. For giving effect to the above provisions for adjustment in the securities premium account, approval of the shareholders by way of a special resolution is required for reduction of the securities premium account of the Company by an amount up to INR 2,49,22,32,296/- (Indian Rupees Two Hundred Forty Nine Crore Twenty Two Lac Thirty Two Thousand Two Hundred and Ninety Six only), in terms of Section 52 of the Companies Act, 2013 and Sections 100 to 103 of the Companies Act, 1956, before the Company files a petition to obtain the sanction of the High Court of Judicature at Bombay.

iii. The proposed restructuring will not cause any prejudice either to the shareholders or to the creditors of the Company. For the sake of clarity, it is specified that the reduction in the securities premium account shall be effected as an integral part of the Scheme and does not involve either the diminution of the liability in respect of the unpaid share capital or payment to any shareholder of any unpaid share capital. Further, the proposed restructuring would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in ordinary course of business.

Suresh Gupta
Chairman appointed for the meeting

Place: Mumbai
Date : 10th May, 2016
CIN : L21011MH1950FLC145537

Registered office:
Unit No. 12A-06, 13th Floor,
Parinee Crescenzo,
Plot Nos. C-38 & C-39, G Block,
Behind MCA, Bandra Kurla Complex,
Bandra (East) Mumbai – 400051.
Tel: +91 - 22 - 6174 0400 Fax: +91 - 22 - 6174 0401
E-mail: dv.iyer@pplpack.com Website: www.pplpack.com

ANNEXURE 1

SCHEME OF AMALGAMATION AND ARRANGEMENT

UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 READ WITH SECTION 52 OF THE COMPANIES ACT, 2013 AND SECTIONS 100 TO 104 OF THE COMPANIES ACT, 1956 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956 AND COMPANIES ACT, 2013

BETWEEN

WEBTECH LABELS PRIVATE LIMITED ("WLPL")

AND

HUHTAMAKI PPL LIMITED ("HPPL")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

SCHEME OF AMALGAMATION AND ARRANGEMENT

This Scheme of Amalgamation and Arrangement (the "**Scheme**") is presented under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 (including any statutory modifications or re-enactments or amendments thereof) read with Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 for the amalgamation of Webtech Labels Private Limited with Huhtamaki PPL Limited (Formerly The Paper Products Limited).

A. Description of Companies

Huhtamaki PPL Limited

(a) Huhtamaki PPL Limited ("**HPPL**") is a company incorporated under the provisions of the laws of India and has its registered office at Unit No. 12A-06, 13th Floor, Parinee Crescenzo, Plot No. C-38/C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East), Mumbai - 400051. HPPL is a company listed on the BSE Limited (**"BSE"**) & National Stock Exchange of India Limited (**"NSE"**) and its CIN is L21011MH1950FLC145537. HPPL was originally incorporated as The Paper Products Limited on 12th June, 1950 and changed its name to Huhtamaki PPL Limited in 2014. A fresh Certificate of Incorporation of HPPL was issued on 27th May, 2014. HPPL's main business is manufacture and sale of flexible packaging material, Packaging Machines and other Products which are to become inputs into finished packaging materials.

Webtech Labels Private Limited

(a) Webtech Labels Private Limited ("**WLPL**") is a company incorporated under the provisions of the laws of India and has its registered office at 210, Shree Krishna Commercial Centre, 6, Udyog Nagar, Goregaon (West), Mumbai 400062. WLPL was incorporated on 22nd August, 2012 and its CIN is U74120MH2012PTC234762. WLPL is a subsidiary of HPPL, and is a joint venture between HPPL and Chhajed family. WLPL is carrying on the business mainly of manufacture and sale of Pressure Sensitive Labels and other allied products and items.

B. Rationale and Purpose of the Scheme

The amalgamation of WLPL with HPPL would *inter alia* have the following benefits:

(a) WLPL is in the business of manufacturing items which are similar and synergistic to those manufactured and dealt with by HPPL. Upon the Scheme coming into effect, the synergistic benefits arising from the amalgamation of WLPL and HPPL would result in an even more effective business strategy for HPPL and in greater efficiency, cost management, centralization of resources and technologies and cost effectiveness in the functioning and operation of HPPL. Further, the Scheme will result in the entire undertaking of WLPL transferring to HPPL, thereby resulting in the shareholders of HPPL and WLPL having participation in, and benefiting from, the growth and prospects of the combined business operations of HPPL and WLPL.

(b) The Scheme (as defined hereinafter) will assist in achieving higher long term financial returns than would have been achieved by WLPL and HPPL as separate entities, as the Scheme will make available assets, financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of WLPL and HPPL leading to synergistic benefits, enhancement of future business potential, increased global competitiveness, cost reduction and efficiencies, productivity gains and logistical advantages, thereby contributing to significant future growth and enhancement of shareholder value.

(c) Cost saving by reduction of administrative and other overhead costs, avoidance of duplication and pooling of managerial skills. It would enable focused management attention towards the business and enable better growth in the same.

(d) The Scheme will result in rationalization and standardization of the business processes, economies of scale and consolidation of opportunities offered by the Scheme which will contribute to make HPPL, pursuant to the sanctioning of the Scheme, more profitable, thereby further enhancing the overall shareholder value. Pursuant to the sanctioning of the Scheme, WLPL will stand dissolved, consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit requirements, tax filings, company law requirements, etc. and therefore reduction in administrative costs.

In view of the aforesaid, the Board of the Transferor Company/ WLPL and the Board of the Transferee Company/ HPPL have approved the Scheme of Amalgamation between WLPL, i.e. the Transferor Company and HPPL, i.e. the Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Boards of both the companies have formulated this Scheme of Amalgamation pursuant to the provisions of Sections 391 to 394 read with Sections 100 to 104 of the Companies Act 1956 (including any statutory modifications or re-enactments or amendments thereof) read with Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013.

1. DEFINITIONS

1.1. In this Scheme, unless repugnant to or inconsistent with the subject or context thereof, the following expressions shall have the following meanings:

1.1.1. **"Act"** means the Companies Act, 1956 and/or the Companies Act, 2013 as in force from time to time; it being clarified that as on the date of approval of this Scheme by the Board of Directors of WLPL and HPPL, Sections 100 to 104 and Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Upon such provisions (and any other applicable provisions) standing re-enacted by enforcement of provisions of the Companies Act, 2013, such references shall, unless a different intention appears, be construed as references to the provisions so re-enacted;

1.1.2. **"Appointed Date"** means 1st April 2015, or such other date as directed by or imposed by the High Court, as may be applicable;

1.1.3. **"Board of Directors"** or **"Board"** means the board of directors of WLPL or HPPL, as the case may be, and shall include a duly constituted committee thereof;

1.1.4. **"Effective Date"** means the date on which the certified copies of the Order(s) of the Court sanctioning the Scheme, are filed with the Registrar of Companies

Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" shall be construed to be a reference to the Effective Date.

1.1.5. **"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;

1.1.6. **"High Court"** means the High Court of Judicature at Bombay or the National Company Law Tribunal, as applicable;

1.1.7. **"HPPL"** means and refers to Huhtamaki PPL Limited, which is a company incorporated under the provisions of the laws of India having its registered office at Unit No. 12A-06, 13th Floor, Parinee Crescenzo, Plot No. C-38/C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 incorporated as The Paper Products Limited on 12th June, 1950 with CIN L21011MH1950FLC145537;

1.1.8. **"MAT Credit"** means Minimum Alternate Tax Credit;

1.1.9. **"Record Date**" shall mean and refer to the date to be fixed by the Board of the Transferee Company for the purpose of determining the equity shareholders (members) of the Transferor Company to whom fully paid up equity shares of the Transferee Company will be allotted pursuant to this Scheme.

1.1.10. **"Scheme"** or **"the Scheme"** or **"this Scheme"** or **"Scheme of Amalgamation"** means this Scheme of Amalgamation and Arrangement in its present form or with any modification(s) made under Clause 17 of this Scheme or any modifications approved or directed by the High Court or any other Government Authority;

1.1.11. **"Transferor Company"** shall mean and refer to WLPL;

1.1.12. **"Transferee Company"** shall mean and refer to HPPL;

1.1.13. **"Undertaking"** shall mean the entire business and the whole of each of the undertaking of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees including, but not in any way limited to, the following:

(a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company including without being limited to, factories, land, structures, buildings, godowns, warehouses, infrastructure, plant and machinery, stocks, raw materials, computers, equipment, buildings and structures, offices, residential and other premises, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, depots, deposits, stocks of fuel, assets, investments of all kinds including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases including but not limited to lease rights of the Transferor Company, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the office and/or residential properties including for the employees or other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets including but not limited to software, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), tax holiday benefit, incentives, exemptions, credits (including tax credits), Minimum Alternate Tax Credit entitlement (**"MAT Credit"**) (whether recognized in the books or not), tax losses, easements, privileges,

liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad.

(b) All agreements, rights, contracts, entitlements, statutory licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements to the extent provided herein, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations.

(c) All intellectual property rights, records, files, papers, computer programmes, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Company's business activities and operations.

(d) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.

(e) Right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or Scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.

(f) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Company only as are vested in the Transferee Company by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become effective.

(g) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment.

1.1.14. **"WLPL"** means and refers to Webtech Labels Private Limited, which is a company incorporated under the provisions of the laws of India and has its registered office at 210, Shree Krishna Commercial Centre, 6, Udyog Nagar, Goregaon (West), Mumbai 400062. WLPL was incorporated on 22nd August, 2012 and its CIN is U74120MH2012PTC234762.

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be.

2. DATE OF TAKING EFFECT

The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date. The amalgamation of Transferor Company/ WLPL with the Transferee Company/ HPPL shall be in accordance with Section 2(1B) of the Income-Tax Act, 1961.

3. SHARE CAPITAL

3.1. The share capital structure of the Transferee Company as per the last audited accounts for the year ended as on December 31, 2014 is as under:

Particulars	**Amount in Rupees**
Authorized Share Capital	
150,000,000 Equity Shares of Rs. 2/- each	300,000,000
700,000 - 12% Redeemable Cumulative Preference Shares of Rs. 100/- each	70,000,000
300,000 Unclassified Shares of Rs. 100/- each	30,000,000
Total	**400,000,000**
Issued, Subscribed and Paid Up Share Capital	
72,711,934 *Equity Shares of Rs. 2/- each fully paid up*	*14,54,23,868*
Add: Amount received on 1,449 forfeited shares	*8,750*
Total	**14,54,32,618**

Subsequent to December 31, 2014, and up to the date of approval of this Scheme by the Board of Transferee Company, there has been no change in the share capital of the Transferee Company.

3.2. The share capital structure of the Transferor Company as per the latest audited balance sheet as on December 31, 2014 is as under:

Particulars	**Amount in Rupees**
Authorized Share Capital	
50,000 Equity Shares of Rs. 10/- each	500,000
Total	**500,000**
Issued, Subscribed and Paid Up Share Capital	
20,408 Equity Shares of Rs. 10/- each	204,080
Total	**204,080**

Subsequent to December 31, 2014, and up to the date of approval of this Scheme by the Board of the Transferor Company, there has been no change in the share capital of the Transferor Company.

4. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY

4.1. Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the entire business and whole of the Undertaking of the Transferor Company as a going concern including but not limited to all the debts, liabilities, duties and obligations of the Transferor Company of every description and also including, without limitation, all the movables and immovable properties and assets of the Transferor Company comprising amongst others all freehold and leasehold land, all freehold and leasehold buildings, investments, vehicles, furniture and fixtures, computers, office equipment, permits, licenses, authorisations, if any, rights and benefits of all agreements and all

other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and liabilities of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by WLPL or HPPL and HPPL shall not be obliged to create any further or additional security therefore after the Effective Date or otherwise.

4.2. All the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date. Such delivery and transfer shall be made on a date mutually agreed upon between the Transferor Company and the Transferee Company.

4.3. In respect of any assets of the Transferor Company including actionable claims, sundry debtors, outstanding loans, income tax refunds, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company shall if so required by the Transferee Company, and the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Court having sanctioned this Scheme between the Transferor Company and the Transferee Company under Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956, the relevant debt, loan, income tax refunds, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

4.4. The transfer of assets and liabilities pursuant to above and the continuance of proceedings by the Transferee Company pursuant to Clause 9 shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in regard thereto, as if done and executed by the Transferee Company on behalf of itself.

4.5. With effect from the Appointed Date, all debts, liabilities, including contingent liabilities, duties and obligations of the Transferor Company, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall, pursuant to the Orders of the High Court or such other competent authority as may be applicable and other applicable provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

4.6. Upon the Scheme coming into effect and with effect from the Appointed Date, in respect of the debts, liabilities, duties and obligations of the Transferor Company, it is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen (though the Transferee Company may, if it deems appropriate, give notice to the debtors that the debts stand transferred to and vested in the Transferee Company). It is further clarified that the Transferee Company shall honour all liabilities and

obligations arising on account of all written commitment / open purchase orders issued by the Transferor Company.

4.7. The Transferee Company may at any time after the coming into effect of the Scheme and with effect from the Appointed Date, if so required under the provisions of any law for the time being in force or otherwise at its discretion, execute deeds of confirmation, in favour of secured creditors of the Transferor Company or in favour of any other party as directed by the Transferor Company with regard to any contract or arrangement to which the Transferor Company is a party or any other writings that may be necessary to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such confirmation in writing on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on behalf of the Transferor Company.

4.8. All taxes (including but not limited to income tax, sales tax, excise duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the operations and/or the profits of the business after the Appointed Date shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

4.9. All the profits or income, taxes (including advance tax, tax deducted at source and MAT Credit) or any costs, charges, expenditure accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purposes be treated and deemed to be and accrue from the Appointed Date as the profits or income, taxes (including tax losses, MAT Credit), costs, charges, expenditure or losses of the Transferee Company, as the case may be.

4.10. 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, consents, permissions, licenses, registrations, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same shall, in so far as they relate to the Transferor Company and 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 the Transferor Company, shall without any further act or deed be transferred to and vested in the Transferee Company under the same terms and conditions as were applicable to the Transferor Company immediately prior to the coming into effect of this Scheme. In so far as the various incentives, sales tax, deferral benefits, subsidies (including applications for subsidies), available tax credits (including MAT 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 the Transferor Company are concerned, the same shall, without any further act or deed, in so far as they relate to the Transferor Company, vest with and be available to the Transferee Company on the same terms and conditions as were applicable immediately prior to the coming into effect of this Scheme.

4.11. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

4.12. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date and till such times the name of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain banks accounts in the name of Transferor Company by the Transferee Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.

4.13. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.

5. DISSOLUTION OF THE TRANSFEROR COMPANY

5.1. On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up.

5.2. On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the appropriate Registrar of Companies. The Transferor Company and the Transferee Company shall make necessary filings in this regard.

6. CONSIDERATION

6.1. Simultaneous with the coming into effect of this Scheme, and in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of this Scheme, and subject to the provisions of this Scheme, and without any further application, act, instrument or deed, equity shares of Rs. 2/- (Rupees two only) each, credited as fully paid up, in the ratio of 281:1, 281 equity shares of face value of Rs. 2/- (Rupees two only) each fully paid up in the Transferee Company for every 1 equity share of the face value of Rs. 10/- (Rupees Ten only) each fully paid up held in the Transferor Company shall be issued and allotted to the equity shareholders of the Transferor Company whose names are recorded in the Register of Members of the Transferor Company as on the Record Date. Fractional entitlement of shares, if any , will be rounded off to the nearest integer.

6.2. The issuance/ allotment of the shares referred to in clause 6.1 hereinabove shall not be carried out in respect of the share capital held by the Transferee Company in the Transferor Company, as the Transferor Company is a subsidiary of the Transferee Company. The issued, subscribed and the paid-up share capital of the Transferor Company held by the Transferee Company shall stand cancelled without any special resolution, application, act, instrument and/ or deed under the Companies Act, 1956 and/ or any other provision of the Companies Act, 2013.

6.3. With regard to the issuance of equity shares under Clause 6.1, the Transferee Company shall not be required to carry out any procedures/ make any offer under Section 62 of the Companies Act, 2013 and/ or the Rules applicable thereto.

6.4. The equity shares issued and allotted by the Transferee Company in terms of Clause 6.1 herein above shall be subject to the provisions of the Articles of Association of the Transferee Company and shall rank *pari passu* in all respects and shall have the same rights attached to them as the then existing equity

shares of the Transferee Company, including, in respect of dividends, if any, that may be declared by the Transferee Company, on or after the Effective Date.

6.5. The equity shares of the Transferee Company issued in terms of Clause 6.1 herein above shall be listed and admitted to trading on the relevant stock exchanges, where the equity shares of the Transferee Company are presently listed or admitted to trading, in accordance with applicable law.

7. CONDUCT OF BUSINESS

7.1. With effect from the Appointed Date and up to and including the Effective Date:-

7.2. The Transferor Company shall carry on, in trust, its business and activities in the ordinary course with reasonable diligence and business prudence, including making applications for approvals, licenses, permits and registrations required for the running of the business of the Transferor Company and shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other Liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its subsidiaries or group companies or any third party; or sell, transfer, alienate, charge, mortgage or encumber or deal with the whole or part of the business to be transferred pursuant to the Scheme, save and except in each case in the following circumstances:

7.2.1. if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court;

7.2.2. if the same is provided in this Scheme; or

7.2.3. if written consent of the Transferee Company has been obtained.

7.3. The Transferor Company and the Transferee Company shall not make any change in their respective capital structure either by any increase (by issue of equity shares or shares on a rights basis, bonus shares, convertible debentures or any other form of convertible securities or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner which may, in any way, affect or have the potential of affecting this Scheme except under any of the following circumstances:

7.3.1. by mutual consent of the respective Board of the Transferor Company and the Transferee Company; or

7.3.2. as may be provided under this Scheme.

7.4. The Transferor Company shall not, without the prior consent in writing of the Board of the Transferee Company, undertake any new business.

7.5. The Transferor Company shall not change any employee salary structure or any benefit, perks or schemes made available to the employees of the Transferor Company employed for the conduct of its business activities.

8. CONTRACTS, DEEDS OTHER INSTRUMENTS

8.1. Upon the coming into effect of this Scheme and subject to the provisions of the Scheme and without any further act of the parties, all memoranda of understanding, contracts (including but not limited to customer contracts, service contracts and supplier contracts), schemes, assurances, licences, insurance policies, guarantees, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which either of the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto, without prejudicing, affecting or impairing any of the rights, entitlements, obligations and liabilities of any of the parties to such

agreements (including the Transferee Company, as applicable, pursuant to this Scheme). It is clarified that upon the coming into effect of this Scheme, the shareholders agreement amongst the shareholders of the Transferor Company shall cease to have effect and the Transferee Company shall have no surviving obligations under or pursuant to such agreements, and the shareholders of the Transferor Company who shall become shareholders of the Transferee Company by virtue of this Scheme shall not control the management and affairs of the Transferee Company and shall not be classified as promoters of the Transferee Company. It is clarified that such shareholders of the Transferor Company who have become shareholders of the Transferee Company pursuant to this Scheme may enter into any agreements for the transfer of shares amongst themselves and the promoters of the Transferee Company, subject to the provisions of applicable laws.

8.2. The Transferee Company shall, if so required or becomes necessary, upon the coming into effect of this Scheme enter into and/ or issue and/or execute deeds, writings or confirmations to give effect to the provisions of this Scheme and to the extent that the Transferor Company is required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company, as the case may be.

8.3. As a consequence of the merger of the Transferor Company into the Transferee Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Transferor Company to the Transferee Company, whether pertaining to any licence, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be effected and carried out by all concerned authorities.

9. LEGAL PROCEEDINGS

If any legal proceedings including but not limited to suits, summary suits, class action lawsuits, indigent petitions, appeal, or other proceedings of whatever nature (hereinafter called "the proceedings") by or against the Transferor Company, in India as well as outside India are pending as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the entire businesses and Undertakings of the Transferor Company, or of anything contained in the Scheme, but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Transferor Company, if the Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company.

10. STAFF, WORKMEN, AND EMPLOYEES

10.1. All the permanent employees of the Transferor Company who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date. Services of the employees of the Transferor Company shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account.

10.2. On and from the Effective Date, the services of the employees of the Transferor Company will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.

10.3. It is provided that as far as the provident fund, gratuity fund and pension and/ or superannuation fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of

the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company in respect of the employees transferred with the entire businesses and Undertaking of the Transferor Company for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds or trusts shall become those of the Transferee Company. The trustees including the Board of Directors of the Transferor Company and the Transferee Company or through any committee/ person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.

11. ACCOUNTING TREATMENT ON MERGER

On the Scheme becoming effective, the Transferee Company shall account for amalgamation of the Transferor Company with the Transferee Company in its books of account with effect from the Appointed Date as under:

a. The Transferee Company shall follow the 'pooling of interest method' of accounting for the amalgamation as per Accounting Standard – 14 prescribed by Companies (Accounting Standards) Rules, 2006.

b. All Assets & Liabilities, including Reserves, of the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form.

c. The equity shares held by the Transferee Company in the Transferor Company will stand cancelled and there shall be no further obligation in that behalf.

d. The shares to be issued to the shareholders of the Transferor Company pursuant to Clause 6.1 shall be issued and recorded at face value and accordingly the aggregate face value of the shares to be issued shall be credited to the Transferee Company's share capital account.

e. The inter-corporate deposits / loans and advances / balance outstanding between the Transferor Company and the Transferee Company will stand cancelled and there shall be no further obligation in that behalf.

f. The difference between the share capital of the Transferor Company and investment in Transferor Company recorded in the books of Transferee Company and the amount recorded as share capital issued as per (d) above, in case of excess shall be credited in the Capital Reserve Account of the Transferee Company and in case of shortfall it shall be debited to the amalgamation adjustment reserve account of the Transferee Company.

g. The balance in the amalgamation adjustment reserve account as per (f) above, if any, shall be adjusted in the books of Transferee Company as under:

   (i) Firstly, out of the amount available in the securities premium account of Transferee Company (including securities premium of the Transferor Company transferred to Transferee Company pursuant to the Scheme); and

   (ii) Secondly, out of amount available in General Reserves of Transferee Company (including General Reserve of the Transferor Company transferred to Transferee Company pursuant to the Scheme); and

   (iii) Thirdly, out of amount available in the Profit and Loss account of Transferee Company (including Profit and Loss Account of the Transferor Company transferred to Transferee Company pursuant to the Scheme)

11.1. In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the reserves

of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

12. UTILIZATION OF SECURITIES PREMIUM ACCOUNT ON MERGER

12.1. On the Scheme becoming effective, the balance standing to the credit of securities premium account as on Appointed Date in the books of the Transferee Company (including securities premium pursuant to amalgamation) shall be reduced to give effect to adjustment mentioned in Clause 11(g) hereinabove.

12.2. The re-organisation of securities premium of the Transferee Company as aforesaid shall be effected as an integral part of and in terms of this Scheme and shall constitute sufficient compliance in terms of Sections 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. However, the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the re-organization.

12.3. Transferee Company will be exempt from adding the words "and reduced" to its name as the last words under section 102 of the Act.

13. SAVING OF CONCLUDED TRANSACTIONS

13.1. Subject to the terms of this Scheme, the transfer and vesting of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

14. CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH LAW

14.1. The clauses of this Scheme pertaining to amalgamation of the Transferor Company with the Transferee Company has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-tax Act, 1961, 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 and other relevant provisions of the Income-tax Act, 1961.

14.2. On or after the Effective Date, the Transferee Company is expressly permitted to revise (as may be required), its financial statements and returns along with prescribed forms, filings and annexures under the Income-Tax Act, 1961 (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), Wealth-Tax Act, 1957, service tax law, VAT law and other tax laws, and to claim refunds and/or credits for taxes paid (including tax on book profits), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme.

14.3. As and from the Effective Date, all tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

14.4. Further, all tax proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

14.5. Any tax liabilities under the Income-tax Act, 1961, Wealth-tax Act, 1957, Customs Act 1962, Central Excise Act 1944, Central Sales Tax Act, 1956, Service Tax laws, applicable State Value Added Tax laws or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company 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 or stand transferred to the Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

14.6. Any refund under the Income-tax Act, 1961, Wealth-tax Act, 1957, Customs Act 1962, Central Excise Act 1944, Central Sales Tax Act, 1956, Service Tax laws, applicable State Value Added Tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company due to the Transferor Company consequent to the assessment made on the Transferor Company 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 the Transferee Company.

14.7. All taxes including income-tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, etc. paid or payable by the Transferor Company in respect of the operations and/ or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Company / the Transferee Company on payables to the Transferee Company / the Transferor Company which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

14.8. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the Income-tax Act, 1961, Wealth-tax Act, 1957, service tax laws, customs law, excise law, central sales tax, state value added tax or other applicable laws / regulations dealing with taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.

14.9. Without prejudice to the generality of the above, all benefits, incentives, losses, accumulated losses, credits (including, without limitation income tax, service tax, applicable state value added tax etc.) to which the Transferor Company are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company on and after the Appointed Date.

15. DIVIDENDS

15.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date. Any declaration or payment of dividend by the Transferor Company shall be subject to the prior approval of the Board of Directors of the Transferee Company and the Transferor Company and in accordance with the applicable laws.

15.2. For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividends, if any, declared by the Transferee Company prior to the Effective Date.

15.3. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of the Transferee Company, subject to such approval of the shareholders, as may be required.

16. APPLICATIONS/PETITIONS TO THE HIGH COURT AND APPROVALS

16.1. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make and file all applications under Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956 (including any statutory modification or re-enactment or amendment thereof) and other applicable provisions of the Act to the High Court, for sanction of this Scheme and for the dissolution of the Transferor Company.

16.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertakings of the Transferor Company and to carry on the business of the Transferor Company.

17. MODIFICATIONS/AMENDMENTS TO THE SCHEME

17.1. The Transferor Company and the Transferee Company 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 make and/or consent to any modifications/amendments to the Scheme, or to any conditions or limitations that the High Court or any other Government Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the High Court or such other Government Authority, whether in pursuance of a change in law or otherwise. The Transferor Company and the Transferee Company 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.

17.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferor Company and/ or the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulties 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.

18. VALIDITY OF EXISTING RESOLUTIONS, ETC

Upon the coming into effect of the Scheme, the resolutions (whether passed by the Board or the Shareholders) of the Transferor Company as shall be considered necessary by the Board of Directors of the Transferee Company which are validly subsisting be considered as resolutions of the Transferee Company. If any such resolutions have any monetary or borrowing limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company.

19. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

19.1. The Scheme is conditional upon and subject to:

19.1.1. approval of the Scheme by the requisite majority of each class of the respective members and creditors of the Transferor Company and the Transferee Company as may be directed by the High Court;

19.1.2. sanctions and orders under the provisions of Section 391 read with Section 394 and Sections 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 being obtained by the Transferor Company and the Transferee Company from the High Court; and

19.1.3. the certified copies of the orders of the High Court sanctioning this Scheme being filed with the appropriate Registrar of Companies.

This Scheme, although to come into operation from the Appointed Date, shall not become effective until the last of the following dates, namely, that on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in this Clause is obtained or passed (**"Effective Date"**).

20. EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS

20.1. In the event of any of the said sanctions and approvals referred to in clause 19 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Hon'ble High Court and/or order or orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company 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 in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on all/any of the companies.

20.2. If any part of this Scheme hereof is invalid, ruled illegal by the High Court, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company 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 the Transferor Company and/ or the Transferee Company, then in such case the Transferor Company and/ or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part.

21. COSTS AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred by the Transferor Company and the Transferee Company in carrying out and implementing this Scheme and matters incidentals thereto, shall be respectively borne by the Transferor Company and the Transferee Company, till the Effective Date.

ANNEXURE 2

Prabhudas Lilladher
POWERING YOUR FINANCIAL GROWTH

Private and Confidential

September 14, 2015

The Board of Directors,
HUHTAMAKI PPL LIMITED,
Unit No. 12A-06, 13th Floor,
Parinee Crescenzo,
Plot No. C-38/C-39, G Block,
Behind MCA, Bandra Kurla Complex,
Bandra (East),
Mumbai - 400051

Dear Sirs,

Fairness Opinion on the proposed amalgamation of Webtech Labels Private Limited with Huhtamaki PPL Limited pursuant to the Scheme of Arrangement under sections 391-394 read with sections 100-104 of the Companies Act, 1956

OUR ENGAGEMENT

We refer to our engagement letter dated August 31, 2015 ("Engagement Letter") whereby Huhtamaki PPL Limited ("HPPL" or "the Company") has requested PL Capital Markets Private Limited ("PLCM") to provide a fairness opinion to HPPL on the share exchange ratio recommended by Deloitte Haskins & Sells ("Valuers") vide their report dated September 14, 2015 ("Valuation Report") in relation to the proposed scheme of amalgamation and arrangement between HPPL, Webtech Labels Private Limited ("WLPL") and their respective shareholders and creditors ("Scheme of Arrangement") pursuant to which, *inter alia*, WLPL will merge with HPPL and only HPPL will be the surviving entity upon the effectiveness and applicability of the Scheme of Arrangement. The terms and conditions for the merger are more fully set forth in the Scheme of Arrangement to be filed by HPPL and WLPL with the appropriate High Courts in India and the Stock Exchanges. The said Scheme of Arrangement is in accordance with the provisions of the listing agreement of HPPL with the BSE Limited and the National Stock Exchange of India Limited ("Stock Exchanges"), and of SEBI circular number CIR/ CFD/ DIL/ 5/2013 dated February 4, 2013 read with SEBI circular number CIR/CFD/DIL/8/2013 dated May 21, 2013 ("SEBI Circulars") and Sections 391 to 394 read with Sections 100 to 104 of the Companies Act 1956 (including any statutory modifications or re-enactments or amendments thereof) read with Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013, to the extent notified and applicable ("the Act") in the manner provided in the Scheme of Arrangement and in compliance with the provisions of the Income Tax Act, 1961.

DESCRIPTION OF COMPANIES WHICH ARE PARTIES TO THE SCHEME OF ARRANGEMENT

Huhtamaki PPL Limited

HPPL is a company incorporated under the provisions of the laws of India and has its registered office at Unit No. 12A-06, 13th Floor, Parinee Crescenzo, Plot No. C-38/C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East), Mumbai - 400051. HPPL is a company listed on the Stock Exchanges and its CIN is L21011MH1950FLC145537. HPPL was originally incorporated as The Paper Products Limited on 12th June, 1950 and changed its name to Huhtamaki PPL Limited in 2014. A fresh Certificate of Incorporation of HPPL was issued on 27th May, 2014. HPPL's main business is manufacture and sale of flexible packaging material, Package Protection and Decoration products consisting of Shrink Sleeves, Heat Transfer Labels, Pressure Sensitive Labels, Metallised Paper Label, Wrap Arounds, Specialised Cartons, Packaging Machine Division and other Products which are to become inputs into finished packaging materials.

Webtech Labels Private Limited

WLPL is a company incorporated under the provisions of the laws of India and has its registered office at 210, Shree Krishna Commercial Centre, 6, Udyog Nagar, Goregaon (West), Mumbai 400062. WLPL was incorporated on 22nd August, 2012 and its CIN is U74120MH2012PTC234762. WLPL is a subsidiary of HPPL, and is a joint venture between HPPL and Chhajed family. WLPL is carrying on the business mainly of manufacture and sale of Pressure Sensitive Labels and other allied products and items.

MAIN TERMS OF THE SCHEME OF ARRANGEMENT

As per the draft scheme of amalgamation and arrangement, we understand that:

(i) Upon coming into effect of the Scheme of Arrangement and with effect from the Appointed Date (defined in the Scheme of Arrangement to mean April 1, 2015, or such other date as directed by or imposed by the High Court, as may be applicable) and subject to the provisions of this Scheme of Arrangement, the entire business and whole of the undertaking of WLPL as a going concern including but not limited to all the debts, liabilities, duties and obligations of WLPL of every description and also including, without limitation, all the movables and immovable properties and assets of WLPL comprising amongst others all freehold and leasehold land, all freehold and leasehold buildings, investments, vehicles, furniture and fixtures, computers, office equipment, permits, licenses, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in HPPL as a going concern so as to become the assets and liabilities of HPPL.

Provided always that the Scheme of Arrangement shall not operate to enlarge the security for any loan, deposit or facility availed of by WLPL or HPPL and HPPL shall not be obliged to create any further or additional security therefore after the Effective Date or otherwise (defined in the Scheme of Arrangement to mean the date on which the certified copies of the Order(s) of the Court sanctioning the Scheme of Arrangement, are filed with the Registrar of Companies.

(ii) Simultaneous with the coming into effect of this Scheme of Arrangement, and in consideration of the transfer of and vesting of the Undertaking of WLPL in HPPL in terms of this Scheme of Arrangement, and subject to the provisions of this Scheme of Arrangement, and without any further application, act, instrument or deed, equity shares of Rs. 2/- (Rupees two only) each, credited as fully paid up, in the ratio of 281 (Two hundred and eighty one only) equity shares of the face value of Rs. 2/- (Rupees two only) each in HPPL for every 1 (One) equity share of the face value of Rs. 10/- (Rupees Ten only) each held in WLPL shall be issued and allotted to the equity shareholders of WLPL whose names are recorded in the Register of Members of WLPL as on the Record Date. Fractional entitlement of shares, if any , will be rounded off to the nearest integer. The ratio in which equity shares of HPPL are to be issued and allotted to the shareholders of WLPL is referred to as the "Share Exchange Ratio".

(iii) The issuance/ allotment of the shares referred to in the Share Exchange Ratio hereinabove shall not be carried out in respect of the share capital held by HPPL in WLPL, as WLPL is a subsidiary of HPPL. The issued, subscribed and the paid-up share capital of WLPL held by HPPL shall stand cancelled without any special resolution, application, act, instrument and/ or deed under the Companies Act, 1956 and/ or any other provision of the Companies Act, 2013.

(iv) The equity shares issued and allotted by HPPL in terms of the Share Exchange Ratio herein above shall be subject to the provisions of the Articles of Association of HPPL and shall rank *pari passu* in all respects and shall have the same rights attached to them as the then existing

equity shares of HPPL, including, in respect of dividends, if any, that may be declared by HPPL, on or after the Effective Date.

(v) The equity shares of HPPL issued in terms of the Share Exchange Ratio herein above shall be listed and admitted to trading on the Stock Exchanges, where the equity shares of HPPL are presently listed or admitted to trading, in accordance with applicable law.

(vi) Although the Scheme of Arrangement will come into operation from the Appointed Date, it shall not become effective until the last of the consents, approvals, permissions, resolutions and orders as mentioned in Clause 20 of the Scheme of Arrangement is obtained or passed ("**Effective Date**").

(vii) On the Scheme of Arrangement becoming effective, WLPL shall stand dissolved without being wound up.
On and with effect from the Effective Date, the name of WLPL shall be struck off from the records of the appropriate Registrar of Companies.

SCOPE AND PURPOSE OF THIS OPINION

The management of HPPL has by its Engagement Letter requested PLCM to submit an independent opinion to the Board of Directors of the company on the fairness of the Share Exchange Ratio ("Fairness Opinion") as recommended by the Valuers. The scope of this Fairness Opinion includes commenting on the fairness of the Share Exchange Ratio recommended by the Valuer and not on the value *per se* of each company, and not on the fairness of the amalgamation or of the Scheme of Arrangement or on the economic rationale of the amalgamation or of the Scheme of Arrangement.

This Fairness Opinion is submitted to the Board of Directors of HPPL. This Fairness Opinion has been issued as per the requirements of the Stock Exchanges and of SEBI circular number CIR/ CFD/ DIL/ 5/2013 dated February 4, 2013 read with SEBI circular number CIR/CFD/DIL/8/2013 dated May 21, 2013 ("SEBI Circulars"). This Fairness Opinion is subject to the scope, assumptions, exclusions, limitations and disclaimers as detailed hereunder. The Fairness Opinion is to be read in totality, not in parts, and along with the relevant documents referred to herein. This Fairness Opinion is issued only for the purpose of facilitating the Scheme of Arrangement in terms of the listing agreement of HPPL with the Stock Exchanges and the SEBI Circulars; and subject to that specifically permitted under the Engagement Letter and herein should not be used for any other purpose.

The Company has represented to PLCM that based on the exemption from registration under section 3(a)(10) of the United States Securities Act, 1933, the securities to be issued pursuant to the amalgamation of WLPL with HPPL will be exempt from registration under the U.S. Securities Act or under the securities law of any state or other jurisdiction of the United States.

SOURCES OF INFORMATION

For the above said examination and for arriving at the opinion set forth below, we have:

- Held discussions with the Valuer and perused the Valuation Report;
- Reviewed the current shareholding pattern of the two Companies;
- Reviewed certain internal financial and operating information with respect to the business operations and prospects of HPPL and WLPL prepared by the Management of the respective companies
- Discussed the past and current business, operations, financial condition and prospects of HPPL and WLPL with members of the senior management of HPPL and WLPL.
- Reviewed the draft scheme of amalgamation and arrangement between HPPL & WLPL;
- Reviewed publicly available relevant financial information related to the Companies; and
- Reviewed relevant current and historical market prices and trading volumes of equity shares of HPPL on the Stock Exchanges.

LIMITATIONS AND DISCLAIMERS

In forming an opinion and in preparing this report, PLCM has relied upon and assumed, without independent verification, the accuracy and completeness of all information provided or otherwise made available to us by HPPL and WLPL as also all information available in public domain. PLCM is not aware nor has reason to believe that the information is otherwise unreliable in any material aspect. Our report is subject to the scope of limitations stated in the Report and hence the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

We have not conducted an audit, due diligence or certification of the historical statements of HPPL or of WLPL. Accordingly we do not express an opinion on the accuracy of any financial information referred to in this report. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification, nor have we made any independent valuation or appraisal of the properties, facilities, assets and liabilities of HPPL and of WLPL, and neither accept any responsibility thereof nor express any opinion with respect thereto.

We have not reviewed any internal management information systems of either HPPL or of WLPL. We are not experts in the evaluation of contingent liabilities, litigation or other actual or threatened claims. We are not legal, taxation or actuarial advisors and accordingly our opinion should not be construed as certifying the compliance with the provisions of any law including company and taxation laws or any legal, accounting or taxation implications or issues related to the Scheme of Arrangement.

We have assumed that the Scheme of Arrangement will be approved by all the necessary regulatory authorities and that the Scheme of Arrangement will be consummated substantially in accordance with the terms set forth in the draft Scheme of Arrangement provided to us.

The Management of HPPL and of WLPL have confirmed that there are no contingent liabilities or circumstances, other than those disclosed to us in the information provided, that could materially affect the business or financial prospects of either of these Companies. The Management of HPPL and WLPL have confirmed that there is no other material information other than already provided which is necessary for the purposes of this Fairness Opinion.

Our Fairness Opinion is based on financial, economic market and other business conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that the opinion is necessarily based on the information available to us. It should be understood that subsequent developments may affect our views and that we do not have any obligation to update, revise or reaffirm the views expressed in this report. Nothing contained within the report is or should be relied upon as a promise or representation as to the future. While the information available with us is believed to be correct and reliable, PLCM does not make any representations or warranties, express or implied, as to the accuracy or completeness of such information. In arriving at our opinion , we were not authorised to solicit and did not solicit, interest from any other party with respect to the merger or any aspect of the proposed arrangement.

The Prabhudas Lilladher Group is engaged in securities trading, securities brokerage and investment activities, providing investment banking services and providing investment advisory and capital market related services. In such ordinary business activities, any member of the Prabhudas Lilladher Group may be buyers, sellers or investors in the equity shares of HPPL being a listed entity.

We have in the past provided, and may currently or in the future provide, investment banking services to HPPL that are unrelated to the proposed Scheme of Arrangement, for which services we have received or may receive customary fees.

We express no opinion nor make any recommendation as to the underlying decision of either HPPL or of WPLPL to effect the Scheme of Arrangement or as to how the equity shareholders or the

creditors of either of these companies should vote at their respective meetings held in connection with the Scheme of Arrangement.

We do not express any opinion and accordingly accept no responsibility on any other terms of the Scheme of Arrangement apart from that which is relevant to the Fairness opinion. We express no opinion and accordingly accept no responsibility as to the price at which the equity shares of HPPL will trade following the announcement or of the effectiveness of the Scheme of Arrangement. We do not express any opinion for the value of the shares of HPPL or of WLPL or their financial performance following the announcement or consummation of the Scheme of Arrangement. We do not express any opinion on the sufficiency of the methodology applied/ procedures employed by the Valuer in determining the Share Exchange ratio.

Shareholders of HPPL and of WLPL should make their independent assessment and evaluation of the economic benefits as also the overall impact of the Scheme of Arrangement for arriving at their decision.

CONCLUSION

Based on our examination of the Valuation Report, such other information provided to us by HPPL and WLPL, and our independent analysis and evaluation of such information and subject to the foregoing and to the best of our knowledge and belief, we are of the opinion that the Share Exchange Ratio of 281 (Two hundred and eighty one only) equity shares of the face value of Rs. 2/- (Rupees two only) each in HPPL for every 1 (One) equity share of the face value of Rs. 10/- (Rupees Ten only) each held in WLPL, as proposed in the Valuation Report, is fair from a financial point of view, to the equity shareholders of HPPL.

USE OF THE FAIRNESS OPINION

The Fairness Opinion is submitted to the Board of Directors of HPPL, and is also for the use of the Audit Committee of HPPL, as also for the purpose of submission to the Stock Exchanges and applicable regulatory authorities in India. The Fairness Opinion may be submitted to the Stock Exchanges in India or to SEBI in terms of the SEBI Circulars and may be disclosed on the websites of HPPL and the Stock Exchanges. This Fairness Opinion shall not, otherwise than as permitted under the Engagement letter and under this Fairness Opinion, be disclosed or referred to publicly or to any other third party without the prior written consent of PLCM. HPPL may provide a copy of the Fairness Opinion if requested by any regulatory authority in India subject to HPPL writing to PLCM upon receipt of such request from a regulatory authority. This Fairness Opinion should not be used for any other purpose except as mentioned above.

Yours faithfully,

For PL CAPITAL MARKETS PVT. LTD.

PL CAPITAL MARKETS PVT. LTD.

D J KALYANIWALA
VICE PRESIDENT – INVESTMENT BANKING

ANNEXURE 3

Huhtamaki PPL Ltd.

(Formerly **The Paper Products Ltd.**)

Central Headquarters : L. B. S. Marg, Majiwade, Thane - 400 601. Maharashtra, India. Tel No.: +91 (22) 2173 5591 / 5551, Fax No: +91 (22) 2173 5599 / 5650

Reg & Corp. Off.: 12A-06, B-Wing, 13th Floor, Parinee Crescenzo, C-38/39, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, Maharashtra, India. Tel No: +91 (22) 6174 0400 Fax No: +91 (22) 6174 0401 / 2653 1310, CIN No: L21011MH1950FLC145537, Website: www.pplpack.com

31st October, 2015

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Re: Our Application under Clause 24(f) of the Listing Agreement

Re: Scheme of Arrangement Between Webtech Labels Private Limited and Huhtamaki PPL Limited and their respective Shareholders and Creditors under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of Companies Act, 1956 and Companies Act, 2013 ("the Scheme")

Sub: Complaints Report

Dear Sir/ Madam

With reference to our application under Clause 24 (f) of Listing Agreement for Scheme of Arrangement between Webtech Labels Private Limited and Huhtamaki PPL Limited and pursuant to the requirement of Securities and Exchange Board of India circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, we have enclosed herewith Complaints Report in the prescribed format.

The Complaint's Report shall be uploaded on our website www.pplpack.com.

We request you to take the above on your records and acknowledge receipt.

Thanking you.

Yours faithfully,
For HUHTAMAKI PPL LIMITED

Huhtamaki PPL LTD.

D V Iyer
Company Secretary & Compliance Officer

Encl: As above

ANNEXURE III

Complaints Report

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	Nil
5.	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Nil	Nil	Nil

For Huhtamaki PPL Limited

D V Iyer
Company Secretary & Head- Legal

Date: 31st October, 2015

Huhtamaki PPL Ltd.

(Formerly **The Paper Products Ltd.**)

Central Headquarters : L. B. S. Marg, Majiwade, Thane - 400 601. Maharashtra, India. Tel No.: +91 (22) 2173 5591 / 5551, Fax No: +91 (22) 2173 5599 / 5650

Reg & Corp. Off.: 12A-06, B-Wing, 13th Floor, Parinee Crescenzo, C-38/39, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, Maharashtra, India. Tel No: +91 (22) 6174 0400 Fax No: +91 (22) 6174 0401 / 2653 1310, CIN No: L21011MH1950FLC145537, Website: www.pplpack.com

31st October, 2015

To,
The Secretary,
National Stock Exchange of India Limited,
"Exchange Plaza", 5th Floor, Listing Department
Plot No. C/1, G Block, Bandra Kurla Complex
Bandra, East
Mumbai – 400 051

Re: Our Application under Clause 24(f) of the Listing Agreement

Re: Scheme of Arrangement Between Webtech Labels Private Limited and Huhtamaki PPL Limited and their respective Shareholders and Creditors under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of Companies Act, 1956 and Companies Act, 2013 ("the Scheme")

Sub: Complaints Report

Dear Sir/ Madam

With reference to our application under Clause 24 (f) of Listing Agreement for Scheme of Arrangement between Webtech Labels Private Limited and Huhtamaki PPL Limited and pursuant to the requirement of Securities and Exchange Board of India circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, we have enclosed herewith Complaints Report in the prescribed format.

The Complaint's Report shall be uploaded on our website www.pplpack.com.

We request you to take the above on your records and acknowledge receipt.

Thanking you.

Yours faithfully,
For HUHTAMAKI PPL LIMITED

Huhtamaki PPL LTD.

D V Iyer
Company Secretary & Compliance Officer

Encl: As above

Complaints Report (Annexure - I)

Part A

Sr. No.	Particulars	Number
1	Number of complaints received directly	Nil
2	Number of complaints forwarded by Stock exchanges	Nil
3	Total Number of complaints/comments received (1+2)	Nil
4	Number of complaints resolved	Nil
5	Number of complaints pending	Nil

Part B

Sr. No.	Name of Complainant	Date of Complaint	Status Resolved / Pending)
1	Nil	Nil	Nil
2	Nil	Nil	Nil
3	Nil	Nil	Nil

For Huhtamaki PPL Limited

D.V Iyer
Company Secretary & Head- Legal
Date: 31st October, 2015

ANNEXURE 4

DCS/AMAL/ND/24(f)/278/2015-16
January 28, 2016

The Company Secretary
Huhtamaki PPL Limited
12A-06, B-wing, 13th Floor,
Parinee CRESCENZO, C-38/39 G-Block,
Bandra Kurla Complex, Mumbai 400051

Subject: Observation letter regarding the Draft Scheme of Arrangement between Webtech Labels Private Limited and Huhtamaki PPL Limited.

We are in receipt of Draft Scheme of Arrangement between Webtech Labels Private Limited and Huhtamaki PPL Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated January 27, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"Company to ensure that additional information, if any, submitted by the Company, after filling the scheme with the stock exchange, from the date of receipt of this letter is displayed on the website of the listed company"***
- ***"Company shall duly comply with various provisions of the Circulars."***

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.

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 High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

a. Copy of the High Court approved Scheme;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
e. Status of compliance with the Observation Letter/s of the stock exchanges;
f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
g. Complaints Report as per Annexure II of this Circular.
h. Any other document/disclosure as informed by the Exchange.

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.

Yours faithfully,

Nitin Pujari
Manager

ANNEXURE 5

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/58974

January 27, 2016

The Company Secretary
Huhtamaki PPL Limited
12A-06, B wing 13th floor
Parine CRESCENZO C-38/39 G Block
Bandra Kurla Complex
Mumbai - 400051

Kind Attn.: Mr. Dakshinamurthy Iyer

Dear Sir,

Sub.: Observation Letter for draft Scheme of Amalgamation and Arrangement between Webtech Labels Private Limited ["WLPL"] ("Transferor Company") and Huhtamaki PPL Limited ["HPPL"] ("Transferee Company") and their respective shareholders and creditors.

This has reference to captioned scheme submitted to NSE vide your letter dated September 22, 2015.

Based on our letter Ref: NSE/LIST/49796 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated January 27, 2016, has given following comments on the draft Scheme of Arrangement:

"a. The company shall ensure that additional information, if any, submitted by the company, after filing the scheme with the stock exchange, is displayed from the date of receipt of this letter on the websites of the listed company.
b. The company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections 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.

The validity of this "Observation Letter" shall be six months from January 27, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

d. Status of compliance with the Observation Letter/s of the stock exchanges;
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S.: Checklist of all the further issues is available on website of the exchange at the following URL http://www.nseindia.com/content/equities/eq_checklist.htm"

This Document is Digitally Signed

NSE

Signer : Patel Kamlesh Naginbhai
Date: Wed, Jan 27, 2016 16:10:43 GMT+05:30
Location: NSE

www.sapprints.com

Huhtamaki–PPL

HUHTAMAKI PPL LIMITED

CIN - L21011MH1950FLC145537

Registered Office: Unit No. 12A-06, 13th Floor, Parinee Crescenzo, Plot Nos. C-38 & C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East) Mumbai – 400051.

Tel. : +91 - 22 - 6174 0400 **Fax :** +91 - 22 - 6174 0401

E-mail : dv.iyer@pplpack.com **Website :** www.pplpack.com

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

(IN RESPECT OF THE SCHEME OF AMALGAMATION AND ARRANGEMENT OF POSITIVE PACKAGING INDUSTRIES LIMITED WITH HUHTAMAKI PPL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS)

Day	**:**	**Tuesday**
Date	**:**	**June 21, 2016**
Time	**:**	**4.00 P.M.**
Venue	**:**	**Rama and Sundri Watumull Auditorium, K.C. College Building, Vidyasagar Principal K. M. Kundani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020.**

SR. NO.	CONTENTS	PAGE NO.
Court Convened Meeting of the Equity Shareholders - at 4.00 PM.		
1.	Notice of Court Convened Meeting of the Equity Shareholders of Huhtamaki PPL Limited under the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 along with Section 100 of the Companies Act, 1956 read with Section 52 and Section 102 of the Companies Act, 2013 and any amendments thereto or re-enactments thereof.	2
2.	Explanatory Statement under Section 393 of the Companies Act, 1956 read with Section 102 of the Companies Act, 2013 along with Section 100 of the Companies Act, 1956 read with Section 52 and Section 102 of the Companies Act, 2013.	9
3.	**Annexure 1** Scheme of Arrangement between Huhtamaki PPL Limited with Positive Packaging Industries Limited and their respective shareholders under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013.	21
4.	**Annexure 2** Fairness Opinion dated September 14, 2015 issued by PL Capital Markets Private Limited to the Board of Directors of the Company.	34
5.	**Annexure 3** Complaints Report dated 5th November, 2015 filed with BSE Limited and National Stock Exchange of India Limited.	40
6.	**Annexure 4** Observation letter dated 28th January, 2016 issued by BSE Limited.	44
7.	**Annexure 5** Observation letter dated 27th January, 2016 issued by National Stock Exchange of India Limited.	46
Attached separately (in loose leaf form)		
1.	Form of Proxy and Attendance Slip for the Court Convened Meeting.	

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO. 329 OF 2016

IN THE MATTER of the Companies Act, 1956 and the Companies Act, 2013;

AND

IN THE MATTER of Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013;

AND

IN THE MATTER of Huhtamaki PPL Limited;

AND

IN THE MATTER of Scheme of Arrangement of Positive Packaging Industries Limited and Huhtamaki PPL Limited (formerly known as The Paper Products Limited) and their respective shareholders and creditors.

Huhtamaki PPL Limited (formerly known as The Paper Products Limited) a company incorporated under the provisions of the Companies Act, 1913 and having its registered office at 12A-06, 'B' Wing, 13th Floor, Parinee Crescenzo, C-38/39, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051) … Applicant

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF HUHTAMAKI PPL LIMITED, *THE APPLICANT COMPANY*

To ,

The Equity Shareholders of
Huhtamaki PPL Limited ('HPPL' or 'the Applicant Company'):

TAKE NOTICE that by an Order made on the 22nd day of April, 2016 in the above Company Summons for Direction ("**said Order**"), the Hon'ble Bombay High Court has directed that a meeting of the Equity Shareholders of the Applicant Company be convened and held at Rama and Sundri Watumull Auditorium, K.C. College Building, Vidyasagar Principal KM Kundani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai-400020 on Tuesday, 21st June 2016 at 4.00 p.m. for the purpose of considering, and, if thought fit, approving with or without modification(s),the proposed Scheme of Arrangement between the Applicant and Positive Packaging Industries Limited and their respective shareholders and creditors. In the said meeting the following business will be transacted:

i) Scheme of Arrangement between the Company and Positive Packaging Industries Limited

To consider and, if thought fit, to pass with or without modifications(s), the following by way of Special Resolution:

"***RESOLVED THAT*** *pursuant to the provisions of Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013) and other applicable provisions, if any, of the Companies Act, 1956 and / or Companies Act, 2013 and subject to the approval of the Hon'ble Bombay High Court 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 Bombay High Court or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors (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 to exercise its powers including the powers conferred by this Resolution), the proposed Scheme of Arrangement between Huhtamaki PPL Limited And Positive Packaging Industries Limited and their respective shareholders and the creditors ("**Scheme**") placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.*

RESOLVED FURTHER THAT *the Board (which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board of Directors to exercise its powers including the powers conferred by this Resolution) be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements 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 Bombay High Court while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."*

(ii) **Reduction of Share Capital of the Company pursuant to the Scheme of Arrangement between the Company and Positive Packaging Industries Limited**

To consider and, if thought fit, to pass with or without modifications(s), the following by way of a **special resolution**:

"***RESOLVED THAT*** *pursuant to the provisions of Sections 391 to 394 of Companies Act, 1956, read with Section 100 to 103 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 1956 and / or the Companies Act, 2013, as applicable (including any statutory modification(s) or re-enactment thereof, for the time being in force) and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with circular issued thereunder (including any statutory*

*modification(s) or re-enactment thereof, for the time being in force) and the Articles of Association and relevant provisions of applicable laws, and subject to the approval of the High Court of Judicature at Bombay and the Securities and Exchange Board of India to the Scheme of Arrangement between Positive Packaging Industries Limited ("**Transferor Company**") with Huhtamaki PPL Limited ("**Transferee Company**" or "**Applicant Company**") and their respective shareholders and creditors under Section 391 to 394, read with Sections 100 to 103 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 1956 and / or the Companies Act, 2013, as applicable, (the "**Scheme**"), consent of the members of the Company be and is hereby accorded to the utilization of the securities premium account of the Company (including securities premium lying in the books of Positive Packaging Industries Limited) by an amount up to INR 3,95,14,84,841/- (Indian Rupees Three Hundred and Ninety-Five Crores fourteen lakhs eighty four thousand eight hundred and forty one only), towards the adjustment of difference between the share capital of the Transferor Company and the investment by the Transferee Company in the Transferor Company (in accordance with Clause 18 of the Scheme), pursuant to the Scheme.*

***RESOLVED FURTHER THAT** any of the Directors of the Company and the Company Secretary, be and are hereby severally authorised to do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution including but not limited to:*

i. settling, finalising, executing and filing all necessary documents including the petition, affidavits, pleading and such other documents as may be required to be filed with the High Court of Judicature at Bombay or any other authority and such further deeds, documents and writings as may be necessary in this regard;

ii. making applications to the relevant authorities or other persons for their approval to the said reduction, as may be required;

iii. making such disclosures to governmental or regulatory authorities as may be required;

iv. affixing the Common Seal of the Company, if any, in accordance with the provisions of the Articles of Association of the Company on any document in connection with the above resolution, as may be required; and

v. settling all questions, difficulties or doubts that may arise in connection with the reduction of capital as it may, in its absolute discretion, deem fit.

***RESOLVED FURTHER THAT** the Board of Directors (which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board of Directors to exercise its powers including the powers conferred by this Resolution) be and is hereby authorised to do all such acts, deeds, matters and things, as may be necessary, proper or expedient, for or in connection with or for giving effect to this resolution and to resolve all difficulties and to delegate the authority conferred by this resolution to such person or persons as the Board deems fit."*

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company, will be held at Rama and Sundri Watumull Auditorium, K.C. College Building, Vidyasagar Principal KM Kundani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai-400020 on Tuesday, 21st June, 2016 at 4.00 p.m., at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that the Applicant Company has provided the facility of remote e-voting. Accordingly, you may also cast your vote electronically, i.e., through remote e-voting.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at 12A-06, 'B' Wing, 13th floor, Parinee Crescenzo, C-38/39, 'G' Block, Bandra Kurla Complex,

Bandra (East), Mumbai - 400051 not later than 48 hours before the time of the aforesaid meeting. The Hon'ble Bombay High Court has appointed Mr. Suresh Gupta, Chairman of the Applicant Company, failing whom Mr. A Venkatrangan, Managing Director of the Applicant Company, failing whom Mr. Arunkumar Gandhi, Director of the Applicant Company, failing whom Mr. S K Palekar, Director of the Applicant Company to be the Chairman of the said meeting.

A copy of the Scheme, the Explanatory Statement under Section 393 of the Companies Act, 1956, along with Section 100 of the Companies Act, 1956 read with Section 52 and Section 102 of the Companies Act, 2013, Fairness Opinion, Observation letters issued by Stock Exchanges, Complaints Report, Form of Proxy and Attendance Slip are enclosed.

Suresh Gupta
Chairman appointed for the meeting

Place: Mumbai
Date : 10th May, 2016
CIN : L21011MH1950FLC145537

Registered office:
Unit No. 12A-06, 13th Floor,
Parinee Crescenzo, Plot Nos. C-38 & C-39, G Block,
Behind MCA, Bandra Kurla Complex,
Bandra (East) Mumbai – 400051.
Tel: +91 - 22 - 6174 0400 Fax: +91 - 22 - 6174 0401
E-mail: dv.iyer@pplpack.com Website: www.pplpack.com

Notes:

1. All alterations made in the Form of Proxy should be initialled.

2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative under Sections 112 and 113 of the Companies Act, 2013) at the Equity Shareholders' meeting. The Authorised Representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.

3. The quorum of the meeting of the equity shareholders of the Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder' as defined under Rule 19 of Chapter 7 of Companies Act 2013.

4. In compliance with Regulation 44 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company shall provide the facility of remote e-voting. Accordingly, the Applicant Company has engaged the services of Central Depository Services (India) Limited ("**CDSL**") for the purpose of providing remote e-voting facility to all its members. Equity shareholders desiring to exercise their vote by using e-voting facility are requested to carefully follow the instructions in the Notes under the Section 'Voting through electronic means' in this Notice.

5. Foreign Institutional Investors (FIIs) who are registered Equity Shareholder(s) of the Applicant Company would be required to deposit certified copies of Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.

6. A registered equity shareholder or his proxy is requested to bring a copy of the notice to the meeting, and produce it at the entrance of the meeting venue, along with the attendance slip duly completed and signed.

7. Registered equity shareholders who hold shares in dematerialized form are requested to bring their Client ID and DP ID for easy identification.

8. Registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the register of members of the Applicant Company/list of beneficial owners as received from National Securities Depository Limited/Central Depository Services (India) Limited in respect of such joint holding, will be entitled to vote.

9. The Notice convening the aforesaid meeting will be published through advertisement in Free Press Journal (Mumbai edition) in English language and translation thereof in Navshakti (Mumbai edition) in Marathi language, having wide circulation in the district where the registered office of the Applicant Company is situated.

10. The Applicant Company has appointed Mr. S. N. Ananthasubramanian, Practicing Company Secretary (Membership No. 1774) or failing him Ms. Malti Kumar, Practicing Company Secretary (Membership No.15508) , as the scrutinizer to conduct e-voting process and voting at the Meeting in a fair and transparent manner.

11. The e-voting period commences on June 17, 2016 (9:00 a.m. IST) and ends on June 20, 2016 (5:00 p.m. IST). During this period, members of the Applicant Company holding shares either in physical form or in dematerialized form, as on the relevant date, i.e. June 14, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting on June 20, 2016 at 5:00 p.m. IST. Once the vote on the resolution is cast by a member, he or she will not be allowed to change it subsequently.

12. It is clarified that casting of votes by remote e-voting does not disentitle a member from attending the Court Convened Meeting.

13. Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

Instructions for e-voting are as under:

The instructions for members for voting electronically are as under:

(i) The members should log on to the e-voting website www.evotingindia.com.

(ii) Click on Shareholder - Login.

(iii) Enter your User ID:

  (a) For CDSL: 16 digits beneficiary ID,

  (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

  (c) Members holding shares in Physical Form should enter Folio Number registered with the Applicant Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	• Enter your 10digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Applicant Company/Depository Participant are requested to use the sequence number which is printed on E-Voting Form indicated in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **Or Date of Birth (DOB)**	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Applicant Company records in order to login. • If both the details are not recorded with the depository or the Applicant Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Applicant Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for Huhtamaki PPL Limited.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Non – Individual Members and Custodians

- Non-Individual members (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("**FAQs**") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

General Information on voting :

1. Any person, who acquires shares of the Company and becomes a member of the Company after 20th May, 2016 i.e. the date considered for dispatch of the notice and holding shares as of the cut-off date i.e. 14th June, 2016, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com.
2. The Chairman shall, at the Court Convened Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of "Polling Paper" for all those members who are present at the Meeting but who have not cast their votes by availing the remote e-voting facility. The members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting, but shall not be entitled to cast their vote again.
3. The consolidated results of remote e-voting and voting at the meeting declared along with the Scrutinizers Report shall be placed on the Company's website www.pplpack.com and on the website of CDSL within 2 (two) days of passing of the resolutions at the Court Convened Meeting and communicated to the stock exchange(s) where the shares of the Company are listed.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO. 329 OF 2016

IN THE MATTER of the Companies Act, 1956 and the Companies Act, 2013;

AND

IN THE MATTER of Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013;

AND

IN THE MATTER of Huhtamaki PPL Limited;

AND

IN THE MATTER of Scheme of Arrangement of Positive Packaging Industries Limited and Huhtamaki PPL Limited (formerly known as The Paper Products Limited) and their respective shareholders and creditors.

Huhtamaki PPL Limited (formerly known as The Paper Products Limited) a company incorporated under the provisions of the Companies Act, 1913 and having its registered office at 12A-06, 'B' Wing, 13th Floor, Parinee Crescenzo, C-38/39, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051) … Applicant

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 ALONG WITH SECTION 100 OF THE COMPANIES ACT, 1956 READ WITH SECTION 52 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF HUHTAMAKI PPL LIMITED

In this statement Huhtamaki PPL Limited is referred to as the "Applicant Company" and Positive Packaging Industries Limited is referred to as the "Transferor Company". The other definitions contained in the enclosed Scheme of Arrangement ("Scheme") will apply to this Explanatory Statement. The following statement as required under Section 393 of the Companies Act, 1956 sets forth the details of the proposed Scheme, its effects and, in particular any material interests of the directors and key managerial personnel in their capacity as members.

This is a statement accompanying the Notice convening the meeting of the Equity Shareholders of the Applicant Company, pursuant to an Order dated 22nd April, 2016 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, to be held at Rama and Sundri Watumull Auditorium, K.C. College Building, Vidyasagar Principal KM Kundani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai-400020 on Tuesday, 21st June, 2016 at 4.00 p.m., for the purpose of considering and, if thought fit, approving with or without modification(s), the amalgamation of Positive Packaging Industries Limited with Huhtamaki PPL Limited and the reduction of share capital of Huhtamaki PPL Limited embodied in the Scheme of Arrangement of Positive Packaging Industries Limited with Huhtamaki PPL Limited ("Scheme"). A copy of the Scheme setting out in detail, the terms and conditions of the Scheme is attached to this Explanatory Statement.

Item No. 1:

1. Further, as required under Clause 5.16(b) of SEBI Circular bearing No. CIR/CFD/DIL/8/2013 dated 21st May, 2013 the Applicant Company has furnished an undertaking dated 14th September, 2015 certified by the Auditor, SRBC & Co LLP and duly approved by the Board of the Company stating non-applicability of Para 5.16(a).
2. This statement explaining the terms of the Scheme is being furnished as required under Section 393 of the Companies Act, 1956, read with Section 102 of the Companies Act, 2013.
3. In accordance with the provisions of the Section 391 to 394 of Companies Act, 1956, the Scheme shall be acted upon only if a majority in number representing three fourths in value of the members, or class of members, of the Applicant Company, as the case may be, present and voting at the Court Convened Meeting in person or by proxy, agree to the Scheme.
4. In terms of the Order dated 22 April, 2016, passed by the High Court of Judicature at Bombay, in Company Summons for Direction No. 329 of 2016, if the entries in the books/registers of the Applicant Company in relation to the value of the shares are disputed, the Chairman shall determine the value for the purposes of the Court Convened Meeting and his decision in that behalf shall be final.
5. **Background of the Companies**

    5.1 The background of **Huhtamaki PPL Limited** is as under:

    a. The Applicant Company was incorporated as "The Paper Products Ltd." on 12 June 1950 under the Companies Act, 1913. By and under a fresh Certificate of Incorporation dated 27 May 2014, the name of the Applicant Company was changed from "The Paper Products Ltd." to "Huhtamaki PPL Limited". The aforesaid is evidenced by the Certificate of Incorporation from the Registrar of Companies, Maharashtra, bearing the corporate identity number of the Applicant Company, viz. No. L21011MH1950FLC145537.

    b. The registered office of the Applicant Company is situated at Unit No. 12A-06, 13th Floor, Parinee Crescenzo, Plot Nos. C-38 & C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East) Mumbai – 400051.

c. The Capital Structure of the Applicant Company as on 31 December 2015 is as set out below:

Particulars	Amount in Rupees
Authorized Share Capital	
150,000,000 Equity Shares of Rs. 2/- each	300,000,000
700,000 Preference Shares of Rs. 100/- each being 12% redeemable cumulative preference shares	70,000,000
300,000 Unclassified Shares of Rs. 100/- each	30,000,000
Total	**400,000,000**
Issued, Subscribed and Paid Up Share Capital	
72,711,934 Equity Shares of Rs. 2/- each	145,423,868
Add: Amount received on 1,449 forfeited shares	8,750
Total	**14,54,32,618**

There has been no change in the issued, subscribed and paid up share capital of the Applicant Company.

d. The equity shares of the Applicant Company are listed on BSE Limited and National Stock Exchange of India Limited.

e. The main objects of the Applicant Company as set out in its Memorandum of Association, include the following:

"*(a) To carry on the business of manufacturers of and dealers in products, articles and packagings made from paper, board, pulp of all kinds, cellulose films, polyethylene, plastic films and metal foils and films of all kinds and other flexible or treated or laminated materials, including cardboard railway and other tickets, mill board, paper and cardboard boxes, wall and ceiling papers, toilet rolls and tapes, containers, drinking straws, bags, pouches, envelopes, sheets, rolls, and all kinds of flexible packagings, and manufacturing, fabricating, printing, treating, waxing and laminating all kinds of packaging materials.*

(b) To carry on in India and/or elsewhere the business of manufacturing, importing, exporting and dealing in all kinds of products of paper and board, industrial and all kinds of paper products such as cups, dishes, containers, artistic articles etc., and all other allied articles in all its branches and to transact and do all matters things incidental thereto or which may at any time hereafter be usual in connection with the trade of business of manufacturing products made of paper treated by chemical or any other process for all purposes.

(c) To carry on the business of manufacturers of and dealers in all kinds and classes of paper board and pulp including writing paper, printing paper, Newspaper, absorbent paper, Newsprinting, wrapping paper, tissue paper, cover paper, blotting paper, filter paper, antique paper, ivory finish paper, coated paper, art paper, baryta paper, bank or bond paper, badami or brown or buff paper, bible paper, cartridge paper, cloth lined paper, azure laid and wove paper, cream laid and wove paper, grease-proof paper, gummed paper, handmade paper, parchment, drawing paper, kraft paper, imitation kraft paper, manilla paper, envelope paper, tracing paper, vellum paper waterproof paper, etc., paste board, fibre board, card board, vulcanized board, straw board, pulp board, leather board, imitation leather board, mill board, grey board, jacquard board, glazed board, corrugated board, box board, post cards and book binding cloths etc., etc. soda pulp, mechanical pulp, sulphite pulp etc.,

(d) To carry on the business of manufacturers of and dealers in all kinds of articles in the manufacture of which in any form Paper Board or pulp is used and to carry on the business of

stationers, printers, lithographers, stereotypers, electrotypers, photographic printers, photo lithographers, engravers, die-sinkers, envelope manufacturers, book-binders, account book manufacturers, machine rulers, numerical printers, paper bag makers, box makers, container and carton manufacturers, type founders, photographers, manufacturers and dealers in carbon paper, senstised paper, chemically treated paper litmus-paper, photogenic paper, glass paper, emery paper etc. railway and other tickets, ribbons, ink, pencils, fountain pens, stamps, playing, visiting, calendar, festive, complimentary and fancy cards and valentines, designers, draftsmen, ink manufacturers, advertising agents, bookseller, publishers, cabinet makers, manufacturers of dolls, articles and moldings from papier-mâché, celluloid, Bakelite etc., manufacturers of asbestos sheets, titles and boards and dealers in or manufacturers of any other articles or things of a character, similar or analogous to the foregoing, or any of them or connected therewith.

(e) To promote any other printing or publishing business, or to purchase or acquire any printing or publishing concern or any rights or interests therein, for the publication of any printed matter in any language whatsoever.

f. The Applicant Company is, *inter alia*, engaged in the business of consumer packaging which is manufactured, marketed and sold within India as well as for exports.

g. The Applicant Company holds 100% of the paid-up equity share capital of the Transferor Company.

5.2 The background of **Positive Packaging Industries Limited** is as under:

a. The Transferor Company was incorporated on 10th May 1994 under the provisions of the Companies Act, 1956 in the name of "Positive Packaging Industries Private Limited". On 27th September 2002, the name of the Transferor Company was changed to "Enpac (India) Private Limited". Thereafter, on 08th June 2005, the Transferor Company's name was changed back to "Positive Packaging Industries Private Limited". On 09th June 2005, the name of the Transferor Company was changed to "Positive Packaging Industries Limited". The aforesaid is evidenced by the Certificate of Incorporation from the Registrar of Companies, Maharashtra bearing the corporate identity number of the Transferor Company, viz. U74952MH1994FLC078296.

b. The registered office of the Transferor Company is situated at 12A-06, 'B' Wing, 13th Floor, Parinee Crescenzo, C-38/39, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

c. The Capital Structure of the Transferor Company as on 31st December 2015 is as set out below:

Particulars	**Amount in Rupees**
Authorized Share Capital	
5,08,00,000 Equity Shares of Rs. 10/- each	50,80,00,000
2,200,000 Preference Shares of Rs. 100/- each	22,00,00,000
Total	**72,80,00,000**
Issued, Subscribed and Paid Up Share Capital	
4,48,33,562 Equity Shares of Rs. 10/- each	44,83,35,620
Total	**44,83,35,620**

d. The main objects of the Applicant Company as set out in its Memorandum of Association, include the following:

"1. To carry on the business as manufacturers, producers, processors, convertors and dealers of all varieties of packaging, flexible packaging, rigid packaging from materials such as paper, paper board, cellulose, aluminium, plastic, laminated, separated or combined with other materials."

e. The Transferor Company is presently, *inter alia*, engaged in the business of manufacture of packaging material.

6. **Background of the Scheme**

The Scheme provides for:

(i) the amalgamation of the Transferor Company with the Applicant Company and issuance of equity shares by the Applicant Company to the shareholders of the Transferor Company as consideration for the amalgamation as set out in the Scheme;

(ii) the extinguishment and annulment of the equity shares of the Transferor Company which are held by the Applicant Company;

(iii) transfer of all the assets and liabilities of the Transferor Company to the Applicant Company; and

(iv) dissolution of the Transferor Company without winding up and various other matters consequential to or otherwise connected with above in the manner provided for in the Scheme, pursuant to Sections 391 to 394 of the Companies Act, 1956, and other relevant provisions of the Companies Act, 1956.

7. **Rationale of the Scheme**

The background and circumstances which justify the said arrangement are, *inter alia*, as follows:

7.1 The Applicant Company had acquired the entire paid-up equity share capital of the Transferor Company on 30th January, 2015 from its erstwhile promoters / shareholders. With a view to expand the business operations and carry on business activities in the larger interest of Applicant Company, the management was considering acquiring businesses. In this regard, with a view to acquire the business operations of Transferor Company, Applicant Company was required to acquire the entire shareholding of Transferor Company. This was in line with its strategy of capital expansion and inorganic growth. Applicant Company successfully completed the acquisition of 100% shares of Transferor Company, post necessary approvals, as the first step, on 30 January 2015.

7.2 The Applicant Company and the Transferor Company are in the business of providing packaging solutions which can be carried out more efficiently under one amalgamated entity.

7.3 The Transferor Company is a wholly owned subsidiary of the Applicant Company. A consolidation of the Transferor Company and the Applicant Company by way of amalgamation would therefore lead to a more efficient utilization of capital for enhanced development and growth of the consolidated business in one entity.

7.4 The proposed arrangement will result in administrative and operational rationalization, organizational efficiencies, reduction in overheads, administrative and operational costs and other expenses and optimal utilization of various resources. It will prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. Consequently, the Applicant Company will offer a strong financial structure to all creditors including the creditors of the Transferor Company and achieve better cash flows. The synergies created by the arrangement would increase operational efficiency and integrate business functions.

7.5 Greater integration and flexibility for Applicant Company and strengthening position in the industry, in terms of the asset base, revenues, product and service range;

7.6 The proposed arrangement will eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities. The Scheme envisages transfer of the entire undertaking of the Transferor Company to the Applicant Company and aims at unlocking a better value for the public shareholders of the Applicant Company.

7.7 The Scheme also envisages internal reorganization of capital of the Applicant Company which will enable the Applicant Company to right size its balance sheet.

8. **Salient Features of the Scheme**

The salient features of the Scheme, *inter alia*, are as under:

(i) Upon coming into effect of the Scheme and with effect from the Appointed Date (as defined in the Scheme), the Transferor Company shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 be and stand amalgamated with the Applicant Company, by virtue of and in the manner provided in the Scheme.

(ii) The Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified in Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.

(iii) all memoranda of understanding, contracts (including but not limited to customer contracts, service contracts and supplier contracts), schemes, assurances, licences, insurance policies, guarantees, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which either of the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Applicant Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Applicant Company had been a party or beneficiary or obligee or obligor thereto, without prejudicing, affecting or impairing any of the rights, entitlements, obligations and liabilities of any of the parties to such agreements (including the Applicant Company, as applicable, pursuant to this Scheme).

(iv) All suits, appeals, petitions, complaints, applications or other legal proceedings of whatsoever nature by or against the Transferor Company pending on the Effective Date may be continued and enforced by or against the Applicant Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme, as provided under Clause 8 of the Scheme.

(v) Upon the Scheme becoming effective, all equity shares held by the Applicant Company in the Transferor Company i.e., 44,833,562 equity shares of Rs. 10 each constituting 100% of the total paid-up share capital of the Transferor Company (held by the Applicant Company in its own name and six shares, one share each are held by foreign body Corporates, who hold the shares as nominees of the Applicant Company) shall automatically get cancelled without any further application, act or deed and there shall be no obligation in that behalf. As the Transferor Company is wholly owned by the Applicant Company there shall be no issue of shares by the Applicant Company in this regard.

(vi) The Transferor Company shall conduct its business and activities for and on account of and in trust for the Applicant Company with effect from the Appointed Date up to and including the Effective Date of the Scheme, in terms of Clause 13 of the Scheme.

(vii) All the permanent employees of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall on the Effective Date become and be engaged as the employees of the Applicant Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date, in terms of Clause 11 of the Scheme.

(viii) On the Scheme becoming effective, the balance standing to the credit of securities premium account as on Appointed Date in the books of the Applicant Company (including securities premium pursuant to amalgamation) shall be reduced to give effect to adjustment as set out in Clause 12 of the Scheme.

(ix) Upon the Scheme coming into effect, the Transferor Company shall be dissolved without being wound up.

(x) The Scheme is conditional upon and subject to the approvals and/or sanctions laid down in Clause 22 of the Scheme.

Please note that the features set out above are only the salient features of the Scheme. The members are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

9. **Board Meeting, Valuation Report And Fairness Opinion**

(i) The Scheme was placed before the Boards of Directors of the Transferor and Applicant Companies on 14 September 2015, wherein the certificate dated 14th September, 2015 issued by SRBC & Co LLP and Fairness Opinion issued by PL Capital Markets Pvt. Ltd., Merchant Banker, was also placed before the respective Boards. A copy of the aforementioned Fairness Opinion is enclosed herewith.

(ii) As the Transferor Company is a wholly owned subsidiary of the Applicant Company, valuation report from an independent chartered accountant is not required in terms of para 4 of the SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21 May 2013.

(iii) The Board of Directors of the Applicant Company have taken into account the independent recommendations of the Audit Committee, the certificate dated 14th September, 2015 issued by SRBC & Co LLP, Chartered Accountants and the Fairness Opinion provided by PL Capital Markets Pvt. Ltd. in relation to the Scheme.

(iv) The Board of Directors of the Transferor and Applicant Companies have after due deliberations and considering various factors and based on and relying upon the aforesaid expert advice and on the basis of their independent evaluation and judgment, come to the conclusion that the Scheme is fair and reasonable to the shareholders of the Transferor and Applicant Companies and have approved the Scheme.

10. **Capital Structure Pre and Post Scheme**

10.1 The Pre-Scheme and Post- Scheme capital structure of the Applicant Company shall be as follows:

(i) Pre and Post Scheme Capital Structure of the Applicant Company is as follows:

Sr	Particulars	Pre-Scheme as on December 31, 2015		Post-Scheme	
		No. of Shares	Amount (In Rs.)	No. of Shares	Amount (In Rs.)
A.	**Authorized Share Capital**				
	Equity Shares of Rs. 2/- each	150,000,000	300,000,000	404,000,000	808,000,000
	Preference Shares of Rs. 100/- each being 12% redeemable cumulative preference shares	700,000	70,000,000	2900,000	290,000,000
	Unclassified Shares of Rs. 100/- each	300,000	30,000,000	300,000	30,000,000
	Total Authorized Share Capital	**-**	**400,000,000**	-	**1128,000,000**
B	**Issued, Subscribed & Paid Up Share Capital**				
	Equity Shares of Rs. 2/- each	72,711,934	145,423,868	72,711,934	145,423,868
	Add: Amount received on forfeited shares	1,449	8,750	1,449	8,750
	Total Issued, Subscribed & Paid Up Share Capital	**72,713,383**	**14,54,32,618**	**72,713,383**	**14,54,32,618**

(ii) Pre And Post Scheme Shareholding Pattern

Pursuant to Clause 24(h) of the Listing Agreement with the stock exchanges, the Pre-Scheme and the Post-Scheme (expected) shareholding pattern of the Applicant Company and Pre-Scheme shareholding pattern of the Transferor Company is given below:

Category Code	Category of Shareholder	Applicant Company Pre-Scheme		Applicant Company Post-Scheme	
		Total No. of Shares	As a percentage of total capital	Total No. of Shares	As a percentage of total capital
(A)	**Shareholding of Promoter and Promoter Group**				
1.	Indian	0	0	0	0
a.	Individuals/ Hindu Undivided Family	0	0	0	0
b.	Central Government/ State Governments	0	0	0	0
c.	Bodies Corporate	0	0	0	0
d.	Financial Institutions/ Banks	0	0	0	0
e.	Any Other (Specify)	0	0	0	0
	Sub-Total (A) 1	0	0	0	0
2.	Foreign	0	0	0	0
a.	Individuals (Non-Resident Individuals/ Foreign Individuals)	50003997	68.77	50003997	68.77
b.	Bodies Corporate	0	0	0	0
c.	Institutions	0	0	0	0
d.	Qualified Foreign Investor	0	0	0	0
e.	Any other (Specify)	0	0	0	0
	Sub-Total (A) 2	**50003997**	**68.77**	**50003997**	**68.77**
	Total Shareholding of Promoter and Promoter Group (A) = (A) 1 + (A) 2	**50003997**	**68.77**	**50003997**	**68.77**
(B)	**Public Shareholding**				
1.	Institutions				
i.	Mutual Funds/ UTI	4352586	5.99	4352586	5.99
ii.	Financial Institutions/ Banks	17752	0.02	17752	0.02
iii.	Central Government/ State Governments	0	0	0	0
iv.	Venture Capital Funds	0	0	0	0
v.	Insurance Companies	0	0	0	0
vi.	Foreign Institutional Investors	367224	0.51	367224	0.51

Category Code	Category of Shareholder	Applicant Company Pre-Scheme		Applicant Company Post-Scheme	
		Total No. of Shares	As a percentage of total capital	Total No. of Shares	As a percentage of total capital
vii.	Foreign Venture Capital Investors	0	0	0	0
viii.	Qualified Foreign Investor	0	0	0	0
ix.	Any other (Specify)	0	0	0	0
	Sub-Total (B) 1	**4737562**	**6.52**	**4737562**	**6.52**
2.	Non-Institutions				
a.	Bodies Corporate	3191775	4.39	3191775	4.39
b.	Individuals				
i.	Individual shareholders holding nominal share capital up to Rs. 1 Lakh	10758838	14.80	10758838	14.80
ii.	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	3468624	4.77	3468624	4.77
c.	Qualified Foreign Investor	0	0	0	0
d.	Any other (Specify)				
i.	Non-Resident (Non-Rep)	96897	0.13	96897	0.13
ii.	Non-Resident (Rep)	452804	0.62	452804	0.62
iii.	Foreign National	637	0	637	0
iv.	Overseas Corporate Bodies	0	0	0	0
v.	Foreign Bodies	0	0	0	0
vi.	Trust	800	0	800	0
vii.	Clearing Member/ House	0	0	0	0
viii.	Non Resident Indians	0	0	0	0
	Sub-Total (B) 2	**17970375**	**24.71**	**17970375**	**24.71**
	Total Public Shareholding (B) = (B) 1 + (B) 2	**22707937**	**31.23**	**22707937**	**31.23**
	Total A+B	**72711934**	**100.00**	**72711934**	**100.00**

(iii) Pre-Scheme shareholding pattern of the Transferor Company as on 31 December 2015:

Sr. No.	Name of the Shareholder	No. of Shares held	% to Paid-up Capital
1.	Huhtamaki PPL Limited	44,833,556	99.99%
2.	Huhtavefa B.V.	1	0.000002%
3.	Huhtamaki Finance B.V.	1	0.000002%
4.	Huhtamaki Finance Company I B.V.	1	0.000002%

Sr. No.	Name of the Shareholder	No. of Shares held	% to Paid-up Capital
5.	Huhtamaki Finance Company II B.V.	1	0.000002%
6.	Huhtamaki Beheer V B.V.	1	0.000002%
7.	Huhtamaki Beheer XI B.V.	1	0.000002%
TOTAL		**44,833,562**	**100%**

On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and without any further act by the parties to the Scheme.

11. **EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**:

a. The common Directors in the Applicant Company and the Transferor : Company are Mr. Suresh Gupta, Mr. A. Venkatrangan, Mr. Arunkumar Gandhi, Mr. S. K. Palekar and Ms. Sukanya Kripalu.

b. None of the Directors or Key Managerial Personnel (KMPs) of the Applicant Company and the Transferor Company, or their relatives, have any material interest in the Scheme. The shareholding of the present Directors and KMPs of the Applicant Company and the Transferor Company, as on 31 December 2015, is as under:

(i) **Shareholding of Directors and KMP of Applicant Company :**

Sr. No.	Name of Director	Designation	Shares held in Transferor Company	Shares held in Applicant Company
1.	A. Venkatrangan	Managing Director	-	5000

(ii) **Shareholding of Directors and KMP of Transferor Company**

Sr. No.	Name of Director	Designation	Shares held in Transferor Company	Shares held in Applicant Company
1.	-	-	-	-

12. **Approvals**

(i) Pursuant to the circular number CIR/CFD/DIL/5/2013 dated 04 February 2013 read with circular number CIR/CFD/DIL/8/2013 dated 21 May 2013, both issued by the Securities and Exchange Board of India ("**SEBI Circular**") read with Clause 24(f) of the Listing Agreement, the Applicant Company had filed necessary applications before the stock exchanges seeking their no-objection to the Scheme. The Applicant Company received Observation Letters dated 28th January, 2016 from BSE Limited and dated 27th January, 2016 from the National Stock Exchange of India Limited conveying their no-objection to the Scheme. Copies of the aforesaid observation letters are enclosed herewith.

(ii) As required by the SEBI Circular, the Applicant Company has filed the Complaints Report (indicating NIL complaint) with BSE Limited and National Stock Exchange of India Limited on 5th November, 2015. After filing of the Complaints Report, the Applicant Company has received NIL complaints. A copy of the aforementioned Complaints Report is enclosed herewith.

13. **General**

(i) The Scheme is not prejudicial to the interests of the members of the Applicant Company. Pursuant to this Scheme becoming effective, the Transferor Company will stand dissolved without winding up. By virtue of this Scheme becoming effective there would be no change in control of the Applicant Company or in the constitution of its Board of Directors.

(ii) The financial position of the Applicant Company will not be adversely affected by this Scheme. Further, the rights and interests of the shareholders and creditors (secured and unsecured) of either of the companies

will not be prejudicially affected by this Scheme as the Applicant Company, post this Scheme, will be able to meet its liabilities as they arise in the ordinary course of business.

(iii) The latest audited accounts for the year ended 31 December 2015 of the Applicant Company indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of the concerned companies would lose or be prejudiced as a result of this 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 Scheme 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.

(iv) There are no winding up proceedings pending against the Applicant Company as of date.

(v) No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 in respect of the Applicant Company.

(vi) Inspection of the following documents may be had by the Equity Shareholders of the Applicant Company at the Registered Office of the Applicant Company on any working day (except Saturdays) prior to the date of the meeting between 11:00 am and 1:00 pm:

a. Authenticated Copy of the Order dated 22 April 2016 of the Hon'ble Bombay High Court passed in Company Summons for Direction No. 329 of 2016 directing the convening of the meeting of the Equity Shareholders of the Applicant Company;

b. Copy of the Company Summons for Directions No. 329 of 2016;

c. Memorandum and Articles of Association of the Transferor Company and Applicant Company;

d. Audited Financial Statements of the Transferor Company and Applicant Company for last three financial years;

e. Register of Director's Shareholdings of the Applicant Company;

f. Copies of the Observation Letters dated 28th January, 2016 received from BSE Limited and dated 27th January, 2016 from the National Stock Exchange of India Limited;

g. Copy of the Complaints Report dated 5th November, 2015 filed with BSE Limited and National Stock Exchange of India Limited;

h. Certificate dated 14th September, 2015 issued by SRBC & Co LLP

i. Fairness Opinion dated 14th September, 2015 issued by PL Capital Markets Pvt. Ltd.

vii. This statement may be treated as an Explanatory Statement pursuant to Section 393 of the Companies Act, 1956 read with section 102 of the Companies Act, 2013.

viii. A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (except Saturdays) prior to the date of the meeting, from the Registered Office of the Applicant Company situated at Unit No. 12A-06, 13th Floor, Parinee Crescenzo, Plot Nos. C-38 & C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East) Mumbai – 400051, Maharashtra and/ or at the Advocate appearing for the Applicant Company having its office at Desai & Diwanji, 2nd Floor, Lentin Chambers, Dalal Street, Fort, Mumbai – 400 001, Maharashtra.

Item No. 2:

1. Pursuant to the Scheme, the difference between the share capital of the Transferor Company and investment in Transferor Company recorded in the books of Transferee Company and the amount recorded as share capital issued as per Clause 18 of the Scheme, in case of excess shall be credited in the Capital Reserve Account of the Transferee Company and in case of shortfall it shall be debited to the amalgamation adjustment reserve account

of the Transferee Company. All such adjustments against the securities premium account of the Company shall be effected in accordance with provisions of Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956, read with Section 52 of the Companies Act, 2013 and any other applicable provisions of law. Members should note that the adjustment as aforesaid in the securities premium account of the Company would also be included in the consolidated financial statements.

2. As per Section 52(1) of the Companies Act, 2013, utilization of the Securities Premium Account for purposes other than those specified in Section 52(2) shall require compliance with the provisions of Sections 100 to 104 of the Companies Act, 1956.

3. The proposed utilization of Securities Premium Account of the Company for the aforementioned purposes, would be deemed to be a capital reduction and accordingly approval of the shareholders of the Company by way of a special resolution is being sought pursuant to provisions of Section 52 of the Companies Act, 2013 read with Sections 100 to 104 of the Companies Act, 1956 for reduction of the securities premium account (*including securities premium lying in the books of Positive Packaging Industries Limited*) by an amount up to INR 3,95,14,84,841/- (Indian Rupees Three Hundred and Ninety-Five Crores fourteen lakhs eighty four thousand eight hundred and forty one only), in terms of Section 52 of the Companies Act, 2013 and Sections 100 to 103 of the Companies Act, 1956, before the Company files a petition to obtain the sanction of the High Court of Judicature at Bombay.

4. The utilization of the Securities Premium Account of the Company, shall be effected as an integral part of this Scheme itself in accordance with the provisions of Section 52 of the Companies Act, 2013 read with Sections 100 to 104 of the Companies Act, 1956, however, as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Companies Act, 1956 are not applicable. Therefore, any order under Section 102 of the Companies Act, 1956 confirming the reduction shall not be required.

5. The Board of Directors have approved the above proposal of utilization of Securities Premium Account in the best interests of the Company and its shareholders and therefore recommend the same for approval by the shareholders.

Suresh Gupta
Chairman appointed for the meeting

Place: Mumbai
Date : 10th May, 2016
CIN : L21011MH1950FLC145537

Registered office:
Unit No. 12A-06, 13th Floor,
Parinee Crescenzo, Plot Nos. C-38 & C-39, G Block,
Behind MCA, Bandra Kurla Complex,
Bandra (East) Mumbai – 400051.
Tel: +91 - 22 - 6174 0400 Fax: +91 - 22 - 6174 0401
E-mail: dv.iyer@pplpack.com Website: www.pplpack.com

ANNEXURE 1

SCHEME OF ARRANGEMENT

BETWEEN

POSITIVE PACKAGING INDUSTRIES LIMITED

AND

HUHTAMAKI PPL LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 100 TO 103 OF THE COMPANIES ACT, 1956 AND SECTION 52 OF THE COMPANIES ACT 2013 AND OTHER APPLICABLE PROVISIONS OF COMPANIES ACT, 1956 AND COMPANIES ACT, 2013.

PREAMBLE

This Scheme of Arrangement is presented under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 for *inter alia* amalgamation of Positive Packaging Industries Limited, a company incorporated and registered under the provisions of the Companies Act, 1956 having its registered office at 12A-06, 'B' Wing, 13th Floor, Parinee Crescenzo, C-38/39, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, India with Huhtamaki PPL Limited, a company incorporated and registered under the provisions of the Companies Act, 1956, having its registered office at 12A-06, 'B' Wing, 13th Floor, Parinee Crescenzo, C-38/39, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, India. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

The Scheme has been formulated and presented under Sections 391 to 394 and 100 to 103 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013. Upon the relevant Sections of the Companies Act, 2013, i.e. Sections 230 to 240 and Section 66, pertaining to schemes of arrangement, compromise or reconstruction of companies, being notified by the Ministry of Corporate Affairs ("**MCA**"), the Scheme shall be deemed to have been formulated and presented under Sections 230 to 240 and Section 66 of the Companies Act, 2013.

1. **DEFINITIONS**

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

1.1. "**Act**" or "**the Act**" means the Companies Act, 1956 or the Companies Act, 2013, as may be applicable, or any modifications or re-enactment thereof from time to time;

1.2. "**Appointed Date**" means closing of business hours of 30th January, 2015 or such other date(s) as the High Court of Judicature at Bombay or such other competent authority may approve / fix;

1.3. "**Effective Date**" means the date on which the certified copies of the Order(s) of the Court sanctioning the Scheme, are filed with the Registrar of Companies,. Any references in the Scheme to the words "date of coming into effect of the Scheme" or "upon the Scheme becoming effective" or "Scheme coming into effect" shall mean the "Effective Date".

1.4. "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this Scheme of Arrangement presented under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 in its present form or with any modification(s) made under clause 21 of this Scheme or any modifications approved or directed by the High Court of Judicature at Bombay;

1.5. "**Transferee Company**" means Huhtamaki PPL Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 12A-06, 'B' Wing, 13th Floor, Parinee Crescenzo, C-38/39, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, India; and

1.6. "**Transferor Company**" means Positive Packaging Industries Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 12A-06, 'B' Wing, 13th Floor, Parinee Crescenzo, C-38/39, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, India.

2. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

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

3. **NATURE OF BUSINESS**

3.1. **Nature of Business of the Transferor Company**

The Transferor Company is, *inter alia*, engaged in manufacture and sale of flexible packaging material, cylinders required for printing of packaging material and other products which are to become inputs into finished packaging materials.

3.2. **Nature of Business of the Transferee Company**

The Transferee Company is, *inter alia*, engaged in manufacture and sale of flexible packaging material, packaging machines and other products which are to become inputs into finished packaging materials.

4. **CAPITAL STRUCTURE**

4.1. As on 31st August 2015, the share capital of the Transferor Company is as under

Particulars	**Amount (In Rupees)**
Authorized Capital	
Equity Shares	
5,08,00,000 Equity shares of Rs. 10/- each	50,80,00,000
2,200,000 Preference shares of Rs.100/-each	22,00,00,000
Total	**72,80,00,000**
Issued, Subscribed and Paid-up Capital	
Equity Shares	
4,48,33,562 equity shares of Rs. 10/- each.	44,83,35,620
Total	**44,83,35,620**

4.2. As on 31st August 2015, the share capital of the Transferee Company is as under:

Particulars	**Amount (In Rupees)**
Authorized Capital	
Equity Shares	
15,00,00,000 equity shares of Rs. 2/- each	30,00,00,000
Preference shares	
7,00,000 12% redeemable cumulative preference shares of Rs. 100/- each	7,00,00,000
3,00,000 unclassified shares of Rs. 100/- each	3,00,00,000
Total	**40,00,00,000**
Issued, Subscribed and Paid-up Capital	
Equity Shares	
7,27,11,934 equity shares of Rs. 2/- each fully paid up	14,54,23,868
Add: Amount received on 1,449 forfeited shares	8,750
Total	**14,54,32,618**

Since the dates mentioned above, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company and the Transferee Company.

5. **BACKGROUND AND RATIONALE FOR THE SCHEME**

The background and circumstances which justify the said arrangement are, *inter alia*, as follows:

5.1 The Transferee Company had acquired the entire paid-up equity share capital of the Transferor Company on 30th January, 2015 from its erstwhile promoters / shareholders.

5.2 With a view to expand the business operations and carry on business activities in the larger interest of Transferee Company, the management was considering acquiring businesses. In this regard, with a view to acquire the business operations of Transferor Company, Transferee Company was required to acquire the entire shareholding of Transferor Company. This was in line with its strategy of capital expansion and inorganic growth. Transferee Company successfully completed the acquisition of 100% shares of Transferor Company, post necessary approvals, as the first step, on 30th January, 2015.

5.3 Even when the acquisition was in progress, it was always envisaged to integrate business of Transferor Company with Transferee Company to achieve various benefits including, inter-alia, business synergies, unified platform for growth etc. Accordingly, the integration of business takeover of Transferor Company with Transferee Company would help achieve the below objectives

5.4 The Transferee Company and the Transferor Company are in the business of providing packaging solutions which can be carried out more efficiently under one amalgamated entity.

5.5 The Transferor Company is a wholly owned subsidiary of the Transferee Company. A consolidation of the Transferor Company and the Transferee Company by way of amalgamation would therefore lead to a more efficient utilization of capital for enhanced development and growth of the consolidated business in one entity.

5.6 The proposed arrangement will result in administrative and operational rationalization, organizational efficiencies, reduction in overheads, administrative and operational costs and other expenses and optimal utilization of various resources. It will prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. Consequently, the Transferee Company will offer a strong financial structure to all creditors including the creditors of the Transferor Company and achieve better cash flows. The synergies created by the arrangement would increase operational efficiency and integrate business functions.

5.7 Greater integration and flexibility for Transferee Company and strengthening position in the industry, in terms of the asset base, revenues, product and service range;

5.8 The proposed arrangement will eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities. The Transferor Company is a wholly owned subsidiary of the Transferee Company and all the shares of the Transferor Company are presently held by the Transferee Company in its own name and six shares, one share each are held by foreign body Corporates, who hold the shares as nominees of the Transferee Company. The Scheme envisages transfer of the entire undertaking of the Transferor Company to the Transferee Company and aims at unlocking a better value for the public shareholders of the Transferee Company. Accordingly, the Scheme is not prejudicial to the interest of the shareholders of the Transferee Company. The Scheme does not affect the rights and interests of the shareholders or the creditors of the Transferee Company. The shareholding and other rights of the members of the Transferee Company will remain unaffected as no new shares are being issued by the Transferee Company to the shareholders of the Transferor Company.

5.9 The Scheme also envisages internal reorganization of capital of the Transferee Company wherein *inter alia* the Securities Premium Account would be utilized in terms of clause 18(f) of the Scheme. The Scheme will enable the Transferee Company to right size its balance sheet. The reorganization of capital does not involve diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital. The shareholding and other rights of members of the Transferee Company will thus remain unaffected.

5.10 The creditors of the Transferor Company will not be affected by the Scheme since the assets of the Transferor and Transferee Companies (taken together) are more than the liabilities of the Transferor and Transferee Companies (taken together). Further even the creditors of the Transferee Company will not be affected by the Scheme since the assets of the Transferor Company are more than the liabilities of the Transferor Company. Further post the arrangement, the assets of the Transferee Company shall be greater than its liabilities.

6. **AMALGAMATION OF COMPANIES**

6.1. Upon coming into effect of this Scheme and with effect from the Appointed Date, the Transferor Company shall stand amalgamated with the Transferee Company, as provided in the Scheme, and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act, all the assets, unbilled revenues, debts, outstanding, credits, liabilities, duties and obligations whatsoever concerning the Transferor Company as on the Appointed Date shall, accordingly, stand transferred to and vested in and/ or be deemed to be and stand transferred to and vested in the Transferee Company, as under.

6.1.1 In respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery, they shall be physically handed over by manual delivery or endorsement and delivery, the same may be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company to the end and intent that the ownership and property therein passes to the Transferee Company with effect from the Appointed Date on such handing over in pursuance of the provisions of Section 394 of the Act.

6.1.2 In respect of such of the assets belonging to the Transferor Company other than those referred to in sub-clause 6.1.1 above, 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 the Transferee Company pursuant to the provisions of Section 394 of the Act with effect from the Appointed Date.

6.1.3 In relation to the assets belonging to the Transferor Company, which require separate documents of transfer, the parties will execute the necessary documents, as and when required.

6.1.4 The transfer and vesting of all the assets of the Transferor Company, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/or encumbrances shall be confined only to the relative assets of the Transferor Company or part thereof on or over which they are subsisting on transfer to and vesting of such assets in the Transferee Company and no such charges, mortgages, and/or encumbrances shall be enlarged or extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to any assets of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security thereof.

6.1.5 In respect of the debts, liabilities, duties and obligations of the Transferor Company, it is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen.

6.2. For the removal of doubt, it is clarified that to the extent that there are inter-company loans, deposits, obligations, balances or other outstanding as between the Transferor Company and the Transferee Company, 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 accounts and records of the Transferee Company 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.

6.3. On and from the Effective Date, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

6.4. With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or obligee thereto.

6.5. With effect from the Appointed Date, any statutory licenses, permissions, approvals and/or consents held by the Transferor Company as required to carry on its operations shall stand vested in, or transferred to, the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in, and become available to, the Transferee Company upon the Scheme coming into effect.

6.6. All registrations, benefits, incentives, exemptions, etc. of any nature whatsoever, which the Transferor Company is eligible for and / or which are actually availed by the Transferor Company will be transferred to the Transferee Company upon the Transferee Company intimating the concerned authority or undertaking the necessary actions for the transfer and / or the Board of Directors of the Transferee Company will be authorized to seek approval or enter into agreement with the concerned authority and /or undertake such other activity as is necessary for being eligible for such registrations, benefits, incentives, exemptions, etc. as were availed by the Transferor Company.

7. **COMPLIANCE WITH TAX LAWS**

7.1. The provisions of this Scheme as they relate to amalgamation of the Transferor Company into the Transferee Company 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 any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, 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 modification will, however, not affect the other parts of the Scheme.

7.2. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, credit for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any other credits and / or set off of all amounts paid by the Transferor Company or the Transferee Company under the relevant laws relating to Income Tax, Value Added Tax, Service Tax, Central Sales Tax or any other tax, as may be required consequent to the implementation of the Scheme.

7.3. As and from the Effective Date, all tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies.

Further, all tax proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

7.4. Any tax liabilities under the Income-tax Act, 1961, Wealth-tax Act, 1957, Customs Act 1962, Central Excise Act 1944, Central Sales Tax Act, 1956, Service Tax laws, applicable State Value Added Tax laws, foreign tax credit or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company 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 or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred or to the account of the Transferee Company.

7.5. Any refund under the Income-tax Act, 1961, Wealth-tax Act, 1957, Customs Act 1962, Central Excise Act 1944, Central Sales Tax Act, 1956, Service Tax laws, applicable State Value Added Tax laws, any foreign tax credit or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company due to Transferor Company consequent to the assessment made on Transferor Company 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 the Transferee Company.

7.6. All taxes including income-tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, etc. paid or payable by the Transferor Company in respect of the operations and / or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

7.7. Further, any tax deducted at source by the Transferor Company / Transferee Company on transactions with the Transferee Company / Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

7.8. Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by the Transferor Company shall be made or deemed to be made and duly complied with the Transferee Company.

7.9. Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternative tax whether recognized or not, tax deducted at source, foreign tax credit, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon the Scheme coming into effect.

7.10. Upon the coming into effect of this Scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

8. **LEGAL PROCEEDINGS**

If any suits, actions and proceedings of whatsoever nature (hereinafter referred to as the "**Proceedings**") by or against the Transferor Company are pending on the Effective Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme.

9. **CONTRACTS AND DEEDS**

9.1. All contracts, deeds, bonds, agreements, arrangements, incentives, licenses, engagements, approvals and registrations and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.

9.2. The Transferee Company shall, if and to the extent required by law, enter into and/or issue and/or execute deeds, writings or confirmations, to give formal effect to the provisions of this clause and to the extent that the Transferor Company is required, prior to the Effective Date, to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company.

10. **SAVING OF CONCLUDED TRANSACTIONS**

The transfer of the assets and liabilities of the Transferor Company under clause 6 above, the continuance of Proceedings under clause 8 above and the effectiveness of contracts and deeds under clause 9 above, shall not affect any transaction or Proceedings already concluded by the Transferor Company on or before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

11. **EMPLOYEES**

11.1. All the employees of the Transferor Company in service on the Effective Date shall, on and from the Effective Date, become the employees of the Transferee Company on terms and conditions not less favourable as applicable to them on the Effective Date.

11.2. On and from the Effective Date, the services of the employees of the Transferor Company will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of the various Funds (as defined herein below).

11.3. With regard to provident fund and gratuity fund or any other special funds or schemes created or existing for the benefit of such employees (hereinafter referred to as the "**said Funds**") of the Transferor Company, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the administration or operation of such schemes or funds in relation to the obligations to make contributions to the said Funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company. In the event that trustees are constituted as holders of any securities, trust funds or trust monies, in relation to any provident fund trust, gratuity trust, superannuation trust, welfare trust, or any other such trust existing for the benefit of the employees of the respective Transferor Company, such funds shall be transferred by such trustees of the trusts of the Transferor Company, to separate trusts and the trustees of the Transferee Company if set up for the same purpose and object and shall be deemed to be a transfer of trust property from one set of trustees to another set of trustees in accordance with the provisions of the relevant labour laws, Indian Trusts Act, 1882, the Income Tax Act, 1961 and relevant stamp legislations, as applicable. In such a case, appropriate deeds of trusts and/or documents for transfer of trust properties shall be executed upon the sanction of the Scheme in accordance with the terms hereof by the trustees of such trusts in favour of the trusts of the Transferee Company so as to continue the benefits of the employees. For this purpose, the trusts created by the Transferor Company shall be transferred/merged with the respective trust(s) of the Transferee Company and/or continued by the Transferee Company, if permitted by law, failing which the Transferee Company shall establish similar trusts ensuring that there is continuity in this regard. The Trustees, including the Board of Directors of the Transferee Company, shall be entitled to adopt such course of action in this regard, as may be advised, provided however that there shall be no discontinuation or breakage in the service of the employees of the Transferor Company. Notwithstanding the above, the Board of Directors of the Transferee Company, if it deems fit and subject to applicable law, shall be entitled to retain separate trusts / schemes within the Transferee Company for each of the erstwhile trusts / schemes of the Transferor Company.

12. **REDUCTION OF THE CAPITAL CONSEQUENT ON UTILIZATION OF THE TRANSFEREE COMPANY'S SECURITIES PREMIUM ACCOUNT**

12.1 On the Scheme becoming effective, the balance standing to the credit of securities premium account as on Appointed Date in the books of the Transferee Company (including securities premium pursuant to amalgamation) shall be reduced to give effect to adjustment mentioned in Clause 18(f) hereinbelow.

12.2 The re-organisation of securities premium of the Transferee Company as aforesaid shall be effected as an integral part of and in terms of this Scheme and shall constitute sufficient compliance in terms of Sections 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. However, the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the re-organization.

12.3 Transferee Company will be exempt from adding the words "and reduced" to its name as the last words under section 102 of the Act.

13. **CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

With effect from the Appointed Date and up to and including the Effective Date:

13.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

13.2. The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not (without the prior written consent of the Transferee Company) alienate, create any charge, mortgage, encumber or otherwise deal with or dispose of the assets or any part thereof (except in the ordinary course of business).

13.3. All the profits or income, taxes (including advance tax, tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company from the Appointed Date shall for all purposes be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.

13.4 On and after the Appointed Date and until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise.

14. **DIVIDENDS**

14.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

14.2. Subject to the provisions of the Scheme, the profits of the Transferor Company, for the period beginning from the Appointed Date, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit, post the Effective Date.

14.3. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Transferor Company and the Transferee Company, subject to such approval of the shareholders, as may be required.

15. **AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY**

15.1. Upon coming into effect of the Scheme, the authorized share capital of the Transferor Company shall be deemed to be added to the authorized share capital of the Transferee Company and the authorized share capital of the Transferee Company shall be re-classified (in terms of clause 15.2 below) without any further act, deed or procedure, formalities or payment of any stamp duty and registration fees..

15.2. Upon coming into effect of the Scheme Clause V of the Memorandum of Association and Article 5 of the Articles of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

(a) Clause no. V of the Memorandum of Association of the Transferee Company shall, without any further act, deed or instrument, be substituted by the following clause

"The Authorized Share Capital of the Company shall be Rs. 1,12,80,00,000 (Rupees one hundred and twelve crores and eighty lakhs only) divided into 40,40,00,000 (Forty crores and Forty lacs) equity shares of Rs. 2 each, 29,00,000 (Twenty Nine lacs) preference shares of Rs. 100 each, and 3,00,000 (three lakh) unclassified shares of Rs. 100 each. The Company has power from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being and to classify and reclassify such shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions, in such manner and by such persons as may for the time being, be permitted under the provisions of the Articles of Association of the Company or legislative provisions for the time being in force on that behalf.

The Company has power from time to time to increase or reduce its capital and issue any shares in the original as Ordinary, Deferred or Preference shares or any one or more of them and to attach any such class or classes or such shares (existing or new) such preference, deferred, qualified or other such rights, privileges, conditions or restrictions whether in regard to the dividend, voting, return of capital, distribution of assets or otherwise howsoever in other shares of the Company as far as necessary to give effect to the same and to subdivide or convert any shares (existing or new) and upon such sub-division or consolidation of any shares, to apportion the right to participate in the profits in any manner; Provided that if and whenever the capital of the Company is divided into shares of various classes with any preferential or special rights attached thereto such rights shall not (except where the terms of issue thereof otherwise provide) be vaned, modified, affected, or dealt with in any manner otherwise than in accordance with the Articles of Association of this Company or the legislative provision for the time being in force in that behalf."

(b) Article 5 of the Articles of Association of the Transferee Company shall, without any further act, deed or instrument, be substituted by the following clause:

"The Authorized Share Capital of the Company shall be Rs. 1,12,80,00,000 (Rupees one hundred and twelve crores and eighty lakhs only) divided into 40,40,00,000 (Forty crores and Forty lacs) equity shares of Rs. 2 each, 29,00,000 (Twenty Nine lacs) preference shares of Rs. 100 each, and 3,00,000 (three lakh) unclassified shares of Rs. 100 each. The Company has power from time to time to increase, reduce, or modify the Capital and to divide all or any of the shares in the Capital of the Company, for the time being and to classify and reclassify such shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions, in such manner and may for the time being, be permitted under the provisions of the Articles of Association of the Company or legislative provisions for the time being in force in that behalf."

15.3. It shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Sections 13, 14, 61 and other applicable provisions (to the extent notified and in effect) of the Companies Act, 2013 for the purpose of amendment of the Memorandum of Association and Articles of Association of the Transferee Company as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Sections 13, 14 and 61 of the Companies Act, 2013 for amendment of the Memorandum of Association and Articles of Association of the Transferee Company as above.

16. **CONSIDERATION**

The Transferor Company is wholly owned by the Transferee Company and therefore there shall be no issue of shares by the Transferee Company in this regard.

17. **DISSOLUTION OF THE TRANSFEROR COMPANY**

17.1. On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and without any further act by the parties.

17.2. On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the relevant Registrar of Companies. The Transferee Company shall make necessary filings in this regard.

18. **ACCOUNTING TREATMENT**

On the Scheme becoming effective, the Transferee Company shall account for amalgamation of the Transferor Company with the Transferee Company in its books of account with effect from the Appointed Date as under:

(a) The Transferee Company shall follow the 'pooling of interest method' of accounting for the amalgamation as per Accounting Standard – 14 prescribed by Companies (Accounting Standards) Rules, 2006.

(b) All Assets & Liabilities, including Reserves, of the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form.

(c) The equity shares held by the Transferee Company in the Transferor Company will stand cancelled and there shall be no further obligation in that behalf.

(d) The inter-corporate deposits / loans and advances / balance outstanding between the Transferor Company and the Transferee Company will stand cancelled and there shall be no further obligation in that behalf.

(e) The difference between the share capital of the Transferor Company and investment in Transferor Company recorded in the books of Transferee Company, in case of excess shall be credited in the Capital Reserve Account of the Transferee Company and in case of shortfall it shall be debited to the amalgamation adjustment reserve account of the Transferee Company.

(f) The balance in the amalgamation adjustment reserve account as per (e) above, if any, shall be adjusted in the books of Transferee Company as under:

(i) Firstly, out of amount available in Capital Redemption Reserve of Transferee Company (including Capital Redemption Reserve of the Transferor Company transferred to Transferee Company pursuant to the Scheme); and

(ii) Secondly, out of the amount available in the securities premium account of Transferee Company (including securities premium of the Transferor Company transferred to Transferee Company pursuant to the Scheme); and

(iii) Thirdly, out of amount available in General Reserves of Transferee Company (including General Reserve of the Transferor Company transferred to Transferee Company pursuant to the Scheme); and

(iv) Fourthly, out of amount available in the Profit and Loss account of Transferee Company (including Profit and Loss Account of the Transferor Company transferred to Transferee Company pursuant to the Scheme)

(g) In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

19. **APPLICATIONS TO THE HIGH COURT**

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications to the Hon'ble High Court of Judicature at Bombay, for sanctioning this Scheme for an order or orders thereof for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

20. **VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of the Transferee Company which are validly subsisting be considered as resolutions of the Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company.

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

21.1. The Transferor Company and the Transferee Company 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 make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Company and the Transferee Company 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.

21.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the authorized person(s) of the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question or 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.

22. **SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS**

The Scheme is conditional upon and subject to:

22.1 Approval of the Scheme by the requisite majority of the respective members and such class of persons of the Transferor Company and the Transferee Company as may be directed by the Hon'ble High Court of Judicature at Bombay.

22.2 Sanctions and Orders under the provisions of Section 391 read with Sections 394 and Sections 100 to 103 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 being obtained by the Transferor Company and the Transferee Company from the Hon'ble High Court of Judicature at Bombay.

22.3 All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

23. **COSTS**

All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or Court's order including this Scheme or in relation to or in connection with negotiations leading up to the Scheme

and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Transferee Company.

24. **REVOCATION OF THE SCHEME**

In the event of any of the said sanctions and approvals referred to in clause 22 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Hon'ble High Court of Judicature at Bombay and/or order or orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferor Company and the Transferee Company 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 in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on all/any of the companies.

ANNEXURE 2

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Prabhudas Lilladher
POWERING YOUR FINANCIAL GROWTH

Private and Confidential

September 14, 2015

The Board of Directors,
HUHTAMAKI PPL LIMITED,
Unit No. 12A-06, 13th Floor,
Parinee Crescenzo,
Plot No. C-38/C-39, G Block,
Behind MCA, Bandra Kurla Complex,
Bandra (East),
Mumbai - 400051

Dear Sirs,

Fairness Opinion on the proposed amalgamation of Positive Packaging Industries Limited with Huhtamaki PPL Limited pursuant to the Scheme of Arrangement under sections 391-394 read with sections 100-103 of the Companies Act, 1956

OUR ENGAGEMENT

We refer to our engagement letter dated August 31, 2015 ("Engagement Letter") whereby Huhtamaki PPL Limited ("HPPL" or "the Company") has requested PL Capital Markets Private Limited ("PLCM") to provide a fairness opinion (Fairness Opinion") on the proposed Scheme of Arrangement between HPPL, Positive Packaging Industries Limited ("PPIL") and their respective shareholders ("Scheme of Arrangement") pursuant to which, *inter alia*, PPIL will merge with HPPL and only HPPL will be the surviving entity upon the effectiveness and applicability of the Scheme of Arrangement. The terms and conditions for the merger are more fully set forth in the Scheme of Arrangement to be filed by HPPL and PPIL with the appropriate High Courts in India and the Stock Exchanges. The said Scheme of Arrangement is in accordance with the provisions of the listing agreement of HPPL with the BSE Limited and the National Stock Exchange of India Limited ("Stock Exchanges"), and of SEBI circular number CIR/ CFD/ DIL/ 5/2013 dated February 4, 2013 read with SEBI circular number CIR/CFD/DIL/8/2013 dated May 21, 2013 ("SEBI Circulars") and Sections 391 to 394 read with Sections 100 to 103 of the Companies Act 1956 (including any statutory modifications or re-enactments or amendments thereof) and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013, to the extent notified and applicable ("the Act") in the manner provided in the Scheme of Arrangement. Upon the relevant Sections of the Companies Act, 2013, i.e. Sections 230 to 240 and Section 66, pertaining to schemes of arrangement, compromise or reconstruction of companies, being notified by the Ministry of Corporate Affairs, the Scheme shall be deemed to have been formulated and presented under Sections 230 to 240 and Section 66 of the Companies Act, 2013

DESCRIPTION OF COMPANIES WHICH ARE PARTIES TO THE SCHEME OF ARRANGEMENT

Huhtamaki PPL Limited

HPPL is a company incorporated under the provisions of the laws of India and has its registered office at Unit No. 12A-06, 13th Floor, Parinee Crescenzo, Plot No. C-38/C-39, G Block, Behind MCA, Bandra Kurla Complex, Bandra (East), Mumbai - 400051. HPPL is a company listed on the Stock Exchanges and its CIN is L21011MH1950FLC145537. HPPL was originally incorporated as The Paper Products Limited on 12th June, 1950 and changed its name to Huhtamaki PPL Limited in 2014. A fresh Certificate of Incorporation of HPPL was issued on 27th May, 2014. HPPL's main business is manufacture and sale of flexible packaging material, Package Protection and Decoration products consisting of Shrink Sleeves, Heat Transfer Labels, Pressure Sensitive Labels, Metallised Paper Label, Wrap Arounds, Specialised Cartons, Packaging Machine Division and other Products which are to become inputs into finished packaging materials.

Positive Packaging Industries Limited

Positive Packaging Industries Limited, is a company incorporated under the Companies Act, 1956 and having its registered office at 12A-06, 'B' Wing, 13th Floor, Parinee Crescenzo, C-38/39, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. PPIL is a wholly-owned subsidiary of HPPL. PPIL is engaged in manufacture and sale of flexible packaging material.

BACKGROUND AND RATIONALE FOR THE SCHEME

The background and circumstances which justify the said arrangement as noted in the Scheme of Arrangement are, *inter alia*, as follows:

i. HPPL had acquired the entire paid-up equity share capital of PPIL on January 30, 2015 from its erstwhile promoters / shareholders.

ii. With a view to expand the business operations and carry on business activities in the larger interest of HPPL, the management was considering acquiring businesses. In this regard, with a view to acquire the business operations of PPIL, HPPL was required to acquire the entire shareholding of PPIL. This was in line with its strategy of capital expansion and inorganic growth. HPPL successfully completed the acquisition of 100% shares of PPIL, post necessary approvals, as the first step, on January 30, 2015.

iii. Even when the acquisition was in progress, it was always envisaged to integrate business of PPIL with HPPL to achieve various benefits including, inter-alia, business synergies, unified platform for growth etc. Accordingly, the integration of business takeover of PPIL with HPPL would help achieve the below objectives

iv. HPPL and PPIL are in the business of providing packaging solutions which can be carried out more efficiently under one amalgamated entity.

v. PPIL is a wholly owned subsidiary of HPPL. A consolidation of PPIL and HPPL by way of amalgamation would therefore lead to a more efficient utilization of capital for enhanced development and growth of the consolidated business in one entity.

vi. The proposed arrangement will result in administrative and operational rationalization, organizational efficiencies, reduction in overheads, administrative and operational costs and other expenses and optimal utilization of various resources. It will prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. Consequently, HPPL will offer a strong financial structure to all creditors including the creditors of PPIL and achieve better cash flows. The synergies created by the arrangement would increase operational efficiency and integrate business functions.

vii. Greater integration and flexibility for HPPL and strengthening position in the industry, in terms of the asset base, revenues, product and service range;

viii. The proposed arrangement will eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities. PPIL is a wholly owned subsidiary of HPPL and all the shares of PPIL are presently held by HPPL in its own name and six shares, one share each are held by foreign body Corporates, who hold the shares as nominees of HPPL. The Scheme envisages transfer of the entire undertaking of PPIL to HPPL and aims at unlocking a better value for the public shareholders of HPPL. Accordingly, the Scheme is not prejudicial to the interest of the shareholders of PPIL. The Scheme does not affect the rights and interests of the shareholders or the creditors of HPPL. The shareholding and other

rights of the members of HPPL will remain unaffected as no new shares are being issued by HPPL to the shareholders of PPIL.

ix. The Scheme also envisages internal reorganization of capital of HPPL wherein *inter alia* the Securities Premium Account would be utilized in terms of clause 18(e) of the Scheme. The Scheme will enable HPPL to right size its balance sheet. The reorganization of capital does not involve diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital. The shareholding and other rights of members of HPPL will thus remain unaffected.

x. The creditors of PPIL will not be affected by the Scheme since the assets of PPIL and HPPL (taken together) are more than the liabilities of PPIL and HPPL (taken together). Further even the creditors of HPPL will not be affected by the Scheme since the assets of PPIL are more than the liabilities of PPIL. Further post the arrangement, the assets of HPPL shall be greater than its liabilities.

MAIN TERMS OF THE SCHEME OF ARRANGEMENT

As per the draft Scheme of Arrangement, we understand that :

(i) Upon coming into effect of this Scheme of Arrangement and with effect from the Appointed Date (defined in the Scheme of Arrangement to mean closing of business hours of January 30, 2015 or such other date(s) as the High Court of Judicature at Bombay or such other competent authority may approve / fix), PPIL shall stand amalgamated with HPPL, as provided in the Scheme of Arrangement, and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act, all the assets, unbilled revenues, debts, outstanding, credits, liabilities, duties and obligations whatsoever concerning PPIL as on the Appointed Date shall, accordingly, stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in HPPL.

(ii) The transfer and vesting of all the assets of PPIL, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/or encumbrances shall be confined only to the relative assets of PPIL or part thereof on or over which they are subsisting on transfer to and vesting of such assets in HPPL and no such charges, mortgages, and/or encumbrances shall be enlarged or extend over or apply to any other asset(s) of HPPL. Any reference in any security documents or arrangements (to which PPIL is a party) to any assets of PPIL shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of HPPL and HPPL shall not be obliged to create any further or additional security thereof.

(iii) For the removal of doubt, it is clarified that to the extent that there are inter-company loans, deposits, obligations, balances or other outstanding as between PPIL and HPPL, 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 accounts and records of HPPL 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.

(iv) With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to PPIL and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of HPPL and may be enforced fully and effectually as if, instead of PPIL, HPPL had been a beneficiary or obligee thereto.

(v) PPIL is wholly owned by HPPL and therefore there shall be no issue of shares by HPPL in this regard.

(vi) On the Scheme of Arrangement becoming effective, PPIL shall be dissolved without

being wound up and without any further act by the parties. On and with effect from the Effective Date (defined in the Scheme of Arrangement to mean the date on which the certified copies of the Order(s) of the Court sanctioning the Scheme of Arrangement, are filed with the Registrar of Companies), the name of PPIL shall be struck off from the records of the relevant Registrar of Companies. HPPL shall make necessary filings in this regard.

(vii) The Scheme of Arrangement also envisages internal reorganization of capital of HPPL wherein *inter alia* the Securities Premium Account (including securities premium of PPIL transferred to HPPL pursuant to the Scheme of Arrangement) would be utilized in terms of clause 18(f) of the Scheme of Arrangement. The Scheme will enable HPPL to right size its balance sheet. The reorganization of capital does not involve diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital. The shareholding and other rights of members of HPPL will thus remain unaffected.

SCOPE OF THIS OPINION

We understand that the Board of Directors of HPPL and PPIL are proposing to accord consent to a Scheme of Arrangement between HPPL, PPIL and its respective shareholders involving

(a) amalgamation of PPIL with HPPL and

(b) reduction of capital of HPPL on account of reduction of the balance standing to the credit of the Securities Premium account (in terms of the Scheme of Arrangement), with effect from the Appointed Date or such other date as may be approved by the Court or such other competent authority may approve / fix.

The said Scheme of Arrangement is under the provisions of Sections 391 to 394 read with Sections 100 to 104 and other applicable provisions of the Act. PPIL is a wholly owned subsidiary of HPPL and HPPL along with nominee shareholders hold all the shares issued by PPIL, and therefore there shall be no issue of shares by HPPL on the said amalgamation.

In this connection, the management of HPPL has by its Engagement Letter requested PLCM to submit an independent opinion to the Board of Directors of the company on the fairness of the Scheme of Arrangement as per the requirements of the Stock Exchanges and of SEBI Circulars.

The scope of this Fairness Opinion is commenting only on the fairness of the Scheme of Arrangement.

This Fairness Opinion is subject to the scope, assumptions, exclusions, limitations and disclaimers as detailed hereunder. The Fairness Opinion is to be read in totality, not in parts, and along with the relevant documents referred to herein. This Fairness Opinion is issued only for the purpose of facilitating the Scheme of Arrangement in terms of the listing agreement of HPPL with the Stock Exchanges and the SEBI Circulars; and subject to that specifically permitted under the Engagement Letter and herein should not be used for any other purpose.

SOURCES OF INFORMATION

For the above said examination and for arriving at the opinion set forth below, we have:

- Reviewed relevant business and financial information, including Audited Accounts of both companies for the last three respective accounting years, provided by both the companies;
- Reviewed the draft Scheme of Arrangement between HPPL & PPIL; and
- Other relevant information regarding HPPL and PPIL.

LIMITATIONS AND DISCLAIMERS

In forming an opinion and in preparing this report, PLCM has relied upon and assumed, without independent verification, the accuracy and completeness of all information provided or otherwise

made available to us by HPPL and PPIL as also all information available in public domain. PLCM is not aware nor has reason to believe that the information is otherwise unreliable in any material aspect. Our report is subject to the scope of limitations stated in the Report and hence the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

We have not conducted an audit, due diligence or certification of the historical statements of HPPL or of PPIL. Accordingly we do not express an opinion on the accuracy of any financial information referred to in this report. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification, nor have we made any independent valuation or appraisal of the properties, facilities, assets and liabilities of HPPL and of PPIL, and neither accept any responsibility thereof nor express any opinion with respect thereto.

We have not reviewed any internal management information systems of either HPPL or of PPIL. We are not experts in the evaluation of contingent liabilities, litigation or other actual or threatened claims. We are not legal, taxation or actuarial advisors and accordingly our opinion should not be construed as certifying the compliance with the provisions of any law including company and taxation laws or any legal, accounting or taxation implications or issues related to the Scheme of Arrangement.

We have assumed that the Scheme of Arrangement will be approved by all the necessary regulatory authorities and that the Scheme of Arrangement will be consummated substantially in accordance with the terms set forth in the draft Scheme of Arrangement provided to us.

The Management of HPPL and of PPIL have confirmed that there are no contingent liabilities or circumstances, other than those disclosed to us in the information provided, that could materially affect the business or financial prospects of either of these Companies. The Management of HPPL and PPIL have confirmed that there is no other material information other than already provided which is necessary for the purposes of this Fairness Opinion.

Our Fairness Opinion is based on financial, economic market and other business conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that the opinion is necessarily based on the information available to us. It should be understood that subsequent developments may affect our views and that we do not have any obligation to update, revise or reaffirm the views expressed in this report. Nothing contained within the report is or should be relied upon as a promise or representation as to the future. While the information available with us is believed to be correct and reliable, PLCM does not make any representations or warranties, express or implied, as to the accuracy or completeness of such information. In arriving at our opinion , we were not authorised to solicit and did not solicit, interest from any other party with respect to the merger or any aspect of the proposed arrangement.

The Prabhudas Lilladher Group is engaged in securities trading, securities brokerage and investment activities, providing investment banking services and providing investment advisory and capital market related services. In such ordinary business activities, any member of the Prabhudas Lilladher Group may be buyers, sellers or investors in the equity shares of HPPL being a listed entity.

We have in the past provided, and may currently or in the future provide, investment banking services to HPPL that are unrelated to the proposed Scheme of Arrangement, for which services we have received or may receive customary fees.

We express no opinion nor make any recommendation as to the underlying decision of either HPPL or of PPIL to effect the Scheme of Arrangement or as to how the equity shareholders or the creditors (if a meeting of creditors is called) of either of these companies should vote at their respective meetings held in connection with the Scheme of Arrangement.

We do not express any opinion and accordingly accept no responsibility on any other terms of the Scheme of Arrangement apart from that which is relevant to the Fairness Opinion. We express no opinion and accordingly accept no responsibility as to the price at which the equity shares of HPPL will trade following the announcement or of the effectiveness of the Scheme of Arrangement. We do

not express any opinion for the value of the shares of HPPL or of PPIL or their financial performance following the announcement or consummation of the Scheme of Arrangement. We do not express any opinion on the sufficiency of the methodology applied/ procedures employed by the Valuer in determining the Share Exchange ratio.

Shareholders of HPPL and of PPIL should make their independent assessment and evaluation of the economic benefits as also the overall impact of the Scheme of Arrangement for arriving at their decision.

VALUATION REPORT

In the proposed Scheme of Arrangement, the entire equity share capital of PPIL held by HPPL along with the nominee shareholders shall stand cancelled and there shall not be any change in the shareholding pattern of HPPL. As per the provisions of SEBI Circular number CIR/ CFD/ DIL/ 5/2013 dated February 4, 2013 read with SEBI circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, a valuation report from an Independent Chartered Accountant is not required in cases where there is no change in the shareholding pattern of the listed company.

Based on the above stated matter, HPPL has not obtained any valuation report from an Independent Chartered Accountant for the Scheme of Amalgamation.

CONCLUSION

Based on our examination of the Scheme of Arrangement, such other information provided to us by HPPL and PPIL, and our independent analysis and evaluation of such information and subject to the foregoing and to the best of our knowledge and belief, we are of the opinion that the Scheme of Arrangement for HPPL and PPIL, as proposed, is fair to the equity shareholders of HPPL.

USE OF THE FAIRNESS OPINION

The Fairness Opinion is submitted to the Board of Directors of HPPL, and is also for the use of the Audit Committee of HPPL, as also for the purpose of submission to the Stock Exchanges and applicable regulatory authorities in India. The Fairness Opinion may be submitted to the Stock Exchanges in India or to SEBI in terms of the SEBI Circulars and may be disclosed on the websites of HPPL and the Stock Exchanges. This Fairness Opinion shall not, otherwise than as permitted under the Engagement letter and under this Fairness Opinion, be disclosed or referred to publicly or to any other third party without the prior written consent of PLCM. HPPL may provide a copy of the Fairness Opinion if requested by any regulatory authority in India subject to HPPL writing to PLCM upon receipt of such request from a regulatory authority. This Fairness Opinion should not be used for any other purpose except as mentioned above.

Yours faithfully,
For PL CAPITAL MARKETS PVT. LTD.

PL CAPITAL MARKETS PVT. LTD.

D J KALYANIWALA
VICE PRESIDENT – INVESTMENT BANKING

ANNEXURE 3

Huhtamaki PPL Ltd.

(Formerly **The Paper Products Ltd.**)

Central Headquarters : L. B. S. Marg, Majiwade, Thane - 400 601. Maharashtra, India. Tel No.: +91 (22) 2173 5591 / 5551, Fax No: +91 (22) 2173 5599 / 5650

Reg & Corp. Off.: 12A-06, B-Wing, 13th Floor, Parinee Crescenzo, C-38/39, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, Maharashtra, India
Tel No: +91 (22) 6174 0400 Fax No: +91 (22) 6174 0401 / 2653 1310, CIN No: L21011MH1950FLC145537, Website: www.pplpack.com

5th November, 2015

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Re: Our Application under Clause 24(f) of the Listing Agreement

Re: Scheme of Arrangement Between Positive Packaging Industries Limited and Huhtamaki PPL Limited and their respective Shareholders and Creditors under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of Companies Act, 1956 and Companies Act, 2013 ("the Scheme")

Sub: Complaints Report

Dear Sir/ Madam

With reference to our application under Clause 24 (f) of Listing Agreement for Scheme of Arrangement between Positive Packaging Industries Limited and Huhtamaki PPL Limited and pursuant to the requirement of Securities and Exchange Board of India circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, we have enclosed herewith Complaints Report in the prescribed format.

The Complaint's Report shall be uploaded on our website www.pplpack.com.

We request you to take the above on your records and acknowledge receipt.

Thanking you.

Yours faithfully,
For HUHTAMAKI PPL LIMITED

Huhtamaki PPL LTD.

D V Iyer
Company Secretary & Compliance Officer

Encl: As above

ANNEXURE III

Complaints Report:

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	Nil
5.	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Nil	Nil	Nil

For Huhtamaki PPL Limited

D V Iyer
Company Secretary & Head – Legal

Date : 5th November, 2015

Huhtamaki PPL Ltd.

(Formerly **The Paper Products Ltd.**)

Central Headquarters : L. B. S. Marg, Majiwade, Thane - 400 601. Maharashtra, India. Tel No.: +91 (22) 2173 5591 / 5551, Fax No: +91 (22) 2173 5599 / 5650

Reg & Corp. Off.: 12A-06, B-Wing, 13th Floor, Parinee Crescenzo, C-38/39, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, Maharashtra, India. Tel No: +91 (22) 6174 0400 Fax No: +91 (22) 6174 0401 / 2653 1310, CIN No: L21011MH1950FLC145537, Website: www.pplpack.com

5th November, 2015

To,
The Secretary,
National Stock Exchange of India Limited,
"Exchange Plaza", 5th Floor, Listing Department
Plot No. C/1, G Block, Bandra Kurla Complex
Bandra, East
Mumbai – 400 051

Re: Our Application under Clause 24(f) of the Listing Agreement

Re: Scheme of Arrangement Between Positive Packaging Industries Limited and Huhtamaki PPL Limited and their respective Shareholders and Creditors under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of Companies Act, 1956 and Companies Act, 2013 ("the Scheme")

Sub: Complaints Report

Dear Sir/ Madam

With reference to our application under Clause 24 (f) of Listing Agreement for Scheme of Arrangement between Positive Packaging Industries Limited and Huhtamaki PPL Limited and pursuant to the requirement of Securities and Exchange Board of India circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, we have enclosed herewith Complaints Report in the prescribed format.

The Complaint's Report shall be uploaded on our website www.pplpack.com.

We request you to take the above on your records and acknowledge receipt.

Thanking you.

Yours faithfully,
For HUHTAMAKI PPL LIMITED

D V Iyer
Company Secretary & Compliance Officer

Encl: As above

Huhtamaki-PPL

Complaints Reports (Annexure - I)
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	Nil
5	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1	Nil	Nil	Nil

For Huhtamaki PPL Limited

Huhtamaki PPL LTD.

D V Iyer
Company Secretary & Head- Legal
Date: 5th November, 2015

ANNEXURE 4

DCS/AMAL/ND/24(f)/279/2015-16
January 28, 2016

The Company Secretary
Huhtamaki PPL Limited
12A-06, B-wing, 13th Floor,
Parinee CRESCENZO, C-38/39 G-Block,
Bandra Kurla Complex, Mumbai 400051

Subject: Observation letter regarding the Draft Scheme of Arrangement between Positive Packaging Industries Limited and Huhtamaki PPL Limited.

We are in receipt of Draft Scheme of Arrangement between Positive Packaging Industries Limited and Huhtamaki PPL Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated January 27, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"Company to ensure that additional information, if any, submitted by the Company, after filling the scheme with the stock exchange, from the date of receipt of this letter is displayed on the website of the listed company"***
- ***"Company shall duly comply with various provisions of the Circulars."***

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.

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 High Court.

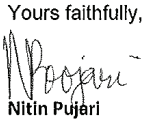
Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

a. Copy of the High Court approved Scheme;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
e. Status of compliance with the Observation Letter/s of the stock exchanges;
f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
g. Complaints Report as per Annexure II of this Circular.
h. Any other document/disclosure as informed by the Exchange.

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.

Yours faithfully,



Nitin Pujari
Manager

ANNEXURE 5

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/58976

January 27, 2016

The Company Secretary
Huhtamaki PPL Limited
12A-06, B wing 13th floor
Parine CRESCENZO C-38/39 G Block
Bandra Kurla Complex
Mumbai - 400051

Kind Attn.: Mr. Dakshinamurthy Iyer

Dear Sir,

Sub.: Observation Letter for draft Scheme of Arrangement between Positive Packaging Industries Limited [PPIL] ("Transferor Company") and Huhtamaki PPL Limited [HPPL] ("Transferee Company")

This has reference to captioned scheme submitted to NSE vide your letter dated September 22, 2015.

Based on our letter Ref: NSE/LIST/49798 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated January 27, 2016, has given following comments on the draft Scheme of Arrangement:

"a. The company shall ensure that additional information, if any, submitted by the company, after filing the scheme with the stock exchange, is displayed from the date of receipt of this letter on the websites of the listed company.
b. The company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections 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.

The validity of this "Observation Letter" shall be six months from January 27, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

d. Status of compliance with the Observation Letter/s of the stock exchanges;
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S.: Checklist of all the further issues is available on website of the exchange at the following URL http://www.nseindia.com/content/equities/eq_checklist.htm"

This Document is Digitally Signed

NSE

Signer : Patel Kamlesh Naginbhai
Date: Wed, Jan 27, 2016 18:08:40 GMT+05:30
Location: NSE

www.sapprints.com