

# Huhtamaki PPL Ltd.

(Formerly The Paper Products Ltd.)

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14<sup>th</sup> September, 2015

The Department of Corporate Services  
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MUMBAI – 400 001  
Fax No.: (022) 2272 3121/3719/2037  
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Listing Department  
National Stock Exchange Of India Limited  
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## **Sub.: Outcome of Board Meeting held on 14<sup>th</sup> September, 2015 – Huhtamaki PPL Limited.**

Dear Sir,

In terms of Clause 36 of the Listing Agreement, please take note that the Board at its Meeting held on Monday, 14<sup>th</sup> September, 2015 considered and approved the following :

1. **Merger of Company's subsidiary, Webtech Labels Private Limited (WLPL) with the Company:**
  - i. The Board approved the merger of the Company's subsidiary, Webtech Labels Private Limited ("WLPL") with the Company by way of a Scheme of Arrangement ("Scheme"). The Scheme will be implemented subject to the approval of the shareholders of the Company, and the applicable regulatory authorities including the Stock Exchanges and the Hon'ble Bombay High Court. The appointed date for the merger is 1st April, 2015;
  - ii. The transaction does not fall within purview of Related Party Transactions;
  - iii. HPPL is in the business of manufacture and sale of flexible packaging material. WLPL is carrying on the business mainly of manufacture and sale of Pressure Sensitive Labels. The business carried on by WLPL is synergistic with that of HPPL;
  - iv. The Merger of WLPL and HPPL would result in a more effective business strategy for HPPL and in greater efficiencies. 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; and
  - v. The shares issued pursuant to the Scheme will comprise 3.72% of the post-merger shareholding of HPPL, and as per the share exchange ratio recommended by M/s Deloitte Haskins & Sells, Chartered Accountants and found to be fair by the Independent Merchant Banker, PL Capital Markets Private Limited, 281 (Two Hundred Eighty One) equity shares of the Company will be issued in exchange for every 1 (One) equity share of WLPL. The shares held by HPPL in WLPL, amounting to 51% of the share capital of WLPL, will stand cancelled. No additional shares will be issued to the promoters of HPPL as part of the Scheme.



## Huhtamaki-PPL

### **2. Merger of Company's wholly – owned subsidiary Positive Packaging Industries Limited (PPIL) with the Company**

- i. The Board approved the merger of the Company's wholly-owned subsidiary, Positive Packaging Industries Limited ("PPIL") with the Company by way of a Scheme of Arrangement ("Scheme"). The Scheme will be implemented subject to the approval of the shareholders of the Company, the applicable regulatory authorities including the Stock Exchanges and the Hon'ble Bombay High Court. The appointed date for the merger is closing of business hours of 30th January, 2015;
- ii. The transaction does not fall within purview of Related Party Transactions;
- iii. HPPL is in the business of manufacture and sale of flexible packaging material, PPIL is engaged in the business of manufacture and sale of flexible packaging material. The business of HPPL and PPIL can be carried out more efficiently under one amalgamated entity;
- iv. As PPIL is a wholly owned subsidiary of HPPL, a consolidation of PPIL and HPPL by way of amalgamation eliminates a multi-layered structure and result in administrative and operational rationalization, organizational efficiencies, reduction in overheads and other expenses and optimal utilization of various resources; and
- v. In consideration of the amalgamation, no shares of HPPL would be issued, as PPIL is a wholly owned subsidiary of HPPL and all the shares held by HPPL in PPIL would be cancelled. The fairness opinion on the scheme has been issued by an Independent Merchant Banker, PL Capital Markets Private Limited.

### **3. Huhtamaki PPL Employee Phantom Stock Scheme, 2015:**

The Board has subject to approval of shareholders, approved Huhtamaki PPL Employee Phantom Stock Scheme, 2015, to provide Stock Appreciation Rights (SAR) to Managing Director or any other employee of Huhtamaki PPL Limited, as identified by the Board.

Kindly take the same on your records.

Thanking you,

Yours faithfully,  
For Huhtamaki PPL Ltd.

  
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