

**NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, MUMBAI
TRANSFER COMPANY SCHEME PETITION NO. 171 OF 2017
CONNECTED WITH
HIGH COURT COMPANY SUMMONS FOR DIRECTION NO. 321 of 2016
Webtech Labels Pvt. Ltd. ...Petitioner Company
AND
TRANSFER COMPANY SCHEME PETITION NO. 172 OF 2017
CONNECTED WITH
HIGH COURT COMPANY SUMMONS FOR DIRECTION NO. 322 of 2016
Huhtamaki PPL Limited ...Petitioner Company**

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:

The Scheme of Amalgamation
and Arrangement for
amalgamation of Webtech Labels

Private Limited (“**Transferor Company**” or “**Petitioner**”) with Huhtamaki PPL Limited (formerly the Paper Products Limited), (“**Transferee Company**”).

CALLED FOR HEARING

Mr Sayantan Banerjee a/w Mr Joran Diwan instructed by Veritas Legal,
Advocates for the Petitioner Companies

Mr S Ramakanta, Joint Director for Regional Director

CORAM: Shri B.S.V Prakash Kumar, Member (J)

Shri V. Nallasenapathy, Member (T)

Date: February 22, 2017

MINUTES OF ORDER

1. Heard Learned Counsel for parties. No objector has come before this Hon’ble Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petition.
2. The sanction of this Hon’ble Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013 read with Section 52 of the Companies Act, 2013 to a Scheme of Amalgamation and Arrangement for amalgamation of Webtech Labels Private Limited with Huhtamaki PPL Limited (formerly the Paper Products Limited).
3. The Learned Counsel for the Petitioner Companies further states that the Board of Directors of the Petitioner Companies have passed respective resolutions for approval of the composite Scheme of Amalgamation and Arrangement which are annexed to the respective Company Scheme Petitions filed by the Petitioner Companies.

4. The Learned Counsel for the Petitioner Companies states that the Petitioner Companies have complied with all the directions passed in the Company Summons for Direction and that both the Company Scheme Petitions have been filed in consonance with the order passed in the respective Company Summons for Direction.
5. The Learned Counsel for the Petitioner Companies states that they have complied with all the requirements as per the directions of the Hon'ble Bombay High Court and they have filed affidavit of compliance in the Court. Moreover, the Petitioner Companies undertake to comply with all the statutory requirement, if any, as required under the Companies Act, 1956 and/or the Companies Act, 2013 and the rules made thereunder whichever is applicable. The undertaking is accepted.
6. The Learned Counsel for the Petitioner Companies submits that in Transfer Company Scheme Petition No. 172 of 2017 it is stated that the Scheme includes reduction of Share Capital by utilizing Securities Premium Account, which shall be effected as an integral part of the Scheme and that the same does not involve either diminution of liability in respect of unpaid share capital or payments to any shareholder of any paid-up share capital. The Petitioner Company had undertaken to pass a Special Resolution at the Court convened meeting of its Equity Shareholders prior to the admission of the Transfer Company Scheme Petition No. 172 of 2017. The Petitioner Company in Transfer Company Scheme Petition No. 172 of 2017 has filed a copy of the special resolution dated June 21, 2016 passed at the Court convened meeting approving the utilization of the Securities Premium Account at Exhibit "Q". In view of the above the procedure prescribed under Section 101(2) of the Companies Act, 1956 is dispensed with. A copy of Form of Minutes is also annexed at Exhibit "R" to the Transfer Company Scheme Petition No. 172 of 2017.

7. The Regional Director has filed his Report dated February 8, 2017 on February 9, 2017, *inter alia*, stating therein that save and except for what is stated in paragraphs IV (a) & (b) of the said Affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph IV of the Report the Regional Director has stated that:

“The observations of the Regional Directors on the proposed Scheme to be considered by the Hon’ble NCLT are as under:-

- (a) In addition to compliance of AS-14 (IND AS-103) the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS -8)etc.*
- (b) The tax implication if any arising out of the scheme is subject to final decision of Income Tax Authorities. The approval of the scheme by the this Hon’ble Tribunal may not deter the Income Tax Authorities to scrutinize the tax return filed by the Transferee Company after giving effect to the Scheme. The decision of the Income Tax Authority is binding on the Petitioner Companies.”*

8. So far as the observation made by the Regional Director in paragraph IV sub-paragraph (a) of the Report of the Regional Director is concerned, the Petitioner Companies through its Counsel undertake that in addition to the compliance of AS-14 (IND AS-103), the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme and to comply with other applicable Accounting Standard such as AS-5 (IND AS-8) etc.
9. So far as the observation made by the Regional Director in paragraph IV sub-paragraph (b) of the Report of the Regional Director is concerned, the Petitioner Companies through its Counsel undertake

that the Petitioner Companies are bound to comply with all the applicable provisions of the Income Tax Act and all tax issues arising out of the Scheme will be met and answered in accordance with law.

10. Mr S Ramakanta, Joint Director in the Office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, for the Regional Director states that they are satisfied with the undertakings given by the Learned Counsel appearing for the Petitioner Companies. The undertakings given by the Petitioner Companies above are accepted.
11. The Official Liquidator has filed his report dated February 8, 2017 in the Transfer Company Scheme Petition Nos. 171 of 2017 stating therein that the affairs of the Transferor Company have been conducted in a proper manner and that the Transferor Company therein may be ordered to be dissolved by this Hon'ble Tribunal.
12. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
13. Since all the requisite statutory compliances have been fulfilled, the Transfer Company Scheme Petition Nos. 172 of 2017 is made absolute in terms of prayer clauses (a) to (k); and Transfer Company Scheme Petition Nos. 171 of 2017 is made absolute in terms of prayer clauses (a) to (j).
14. The Petitioner Companies are directed to file a copy of the Scheme of Amalgamation with the concerned Registrar of Companies, electronically, along with E-Form 21 or INC 28 in addition to physical copy as per the relevant provisions of the Companies Act, 1956 and/or the Companies Act, 2013.
15. The Petitioner Companies in all Petitions to pay costs of Rs. 25,000/- each to the Regional Director, Western Region, Mumbai and to the

Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the order.

16. All concerned regulatory authorities to act on a copy of this order along with Scheme duly authenticated by the Deputy Director, National Company Law Tribunal, Mumbai.

Sd/-

B.S.V Prakash Kumar, Member (J)

Sd/-

V. Nallasenapathy, Member (T)