Summary of the Proposed Combination under Regulation 13 (1B) of the Competition Commission of India (Procedure in regard to the transaction of business relating to Combinations) Regulations 2011

1. The proposed transaction relates to the merger of Webtech Labels Private Limited ("**WLPL**") into Huhtamaki PPL Limited ("**HPPL**"), (the "**Parties**") hereinafter defined as the **Proposed Combination**.

2. Both Parties belong to the Huhtamaki Group. HPPL owns 51% of the equity share capital of WLPL. The Proposed Combination is in the nature of an intra-group re-structuring which creates no change in the functioning of the companies or increase or decrease in market share, and accordingly is highly unlikely to lead to any appreciable adverse effect on competition ("**AAEC**") in India.

3. HPPL is a listed company and has two subsidiaries *viz.* Positive Packaging Industries Limited ("**Positive**"), which it wholly acquired in January 2015, and WLPL. The Huhtamaki Group, whose parent company, Huhtamäki Oyj, is headquartered in Espoo, Finland, acquired a majority shareholding in HPPL in 1999.

4. HPPL is involved in the business of consumer packaging and supplies flexible packaging, labelling technologies, and specialized cartons, supported by its packaging machines division. HPPL supplies packaging solutions to customers

operating in various segments, including fast-moving consumer goods, agriculture, pharmaceuticals, healthcare and engineering.

5. WLPL is a joint venture between HPPL and the Chhajed family ("**JV Partners**"). 51% of the share capital of WLPL is held by HPPL, and 49% by the JV Partners. WLPL's primary business is manufacturing pressure sensitive labels. It prints self-adhesive labels and supplies labeling solutions to customers operating in various segments such as pharmaceuticals, agro-chemicals, lubricant-oil, cosmetics and healthcare

6. The Parties are involved in the business of providing flexible packaging and labelling solutions including pressure sensitive labels to customers across various segments. The overlapping products between the Parties are limited to pressure sensitive labels. Different varieties of pressure sensitive labels have similar physical characteristics and end uses and are generally substitutable with each other; price is the only significant differentiator. Lastly, the CCI has, in a similar case[1], treated the market for 'pressure sensitive labels' as a distinct product market.

7. The Parties respectfully submit that, consistent with past decisions[2], the definition of the relevant market should not be taken as being a determinative market for

---

[1] The order of the CCI may be accessed at http://www.cci.gov.in/May2011/OrderOfCommission/Combination Orders/C-2014-07-193.pdf

[2] Combination Registration Number C-2011/10/07 available at http://www.cci.gov.in/May2011/OrderOfCommission/CombinationOrders/SMI27Dec2011.pdf; Combination Registration Number C-2015/01/241 available at http://cci.gov.in/May2011/OrderOfCommission/CombinationOrders/C-2015-01-241.pdf;

antitrust purposes. Irrespective of the manner in which the markets are defined, the Proposed Combination does not cause nor is likely to cause an AAEC in any of the potential relevant markets in India. So, the Parties submit that the definition of the relevant market in the present case be left open. However, the relevant product market may if necessary be defined as the *market for Pressure sensitive labels*.

8. The relevant geographic market for the products in question need not be defined because the Proposed Combination does not cause an AAEC in India. However, if necessary the relevant geographical market should be at least India-wide.

9. So, the relevant market for Proposed Combination may be taken as *the market for Pressure sensitive labels in India.*