Huhtamaki

April 12, 2024

Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Mumbai – 400001
Scrip Code - 509820

The Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza,
Bandra Kurla Complex
Bandra (East),
Mumbai 400 051
Symbol – HUHTAMAKI

Sub.: **Notice of 74th Annual General Meeting and Annual Report of the Company for the Financial Year 2023.**

Dear Sir / Madam,

The 74th Annual General Meeting ('AGM') of the members of the Company will be held on Thursday, May 09, 2024 at 2.30 p.m. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'). The Notice convening the AGM forms part of the Annual Report, which is enclosed herewith.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, we hereby submit, through e-filing mode, the 74th Annual Report of the Company for the financial year ended December 31, 2023 comprising of, inter-alia, Notice of the 74th AGM of the Company, Board's Report along with its annexes, Management Discussion & Analysis, Report on Corporate Governance, Business Responsibility and Sustainability Report, Independent Auditors' Report, Audited Financial Statements, including Cash Flow Statements on Standalone basis and relevant Notes attached thereto.

The Annual Report 2023 is also being uploaded on the Company's website at www.flexibles.huhtamaki.in

We request you to kindly note the same and acknowledge receipt.

Thanking you.

For Huhtamaki India Limited
ABHIJAAT A SINHA
Digitally signed by: ABHIJAAT A SINHA
DN: CN = ABHIJAAT A SINHA C = IN O = Personal
Date: 2024.04.12 10:42:52 +05'30'
Abhijaat Sinha
Company Secretary & Legal Counsel

Encl. As above

RESPONSIBLE BY CHOICE. FUTURE FIT BY DESIGN.

Huhtamaki

ANNUAL REPORT 2023

CONTENTS

RESPONSIBLE BY CHOICE. FUTURE FIT BY DESIGN.

At Huhtamaki India Limited (referred to as 'Huhtamaki India' or 'Company' subsequently), every decision we make is purposeful. Our journey goes beyond packaging – it is also about who we are and our role in protecting food, people and the planet. We prioritise meeting the present and future needs of our valued customers while upholding our commitment to environmental and social responsibility. We invest in research and development to innovate sustainable solutions like blueloop™, which not only offer superior protection at an affordable price but also support our customers' long-term goals.

Internally, we focus on achieving customer excellence, driving digital transformation, and enhancing operational efficiency to maintain our position as a leading supplier of sustainable packaging solutions. We continue to reduce our costs, optimise our network and invest in our talent. This enables us to adapt to an ever-changing market landscape and continue to remain relevant for our customers. Our short-term and long-term strategic actions are geared towards creating value for our customers, shareholders, employees and the planet.

At Huhtamaki India, our emphasis lies not only on 'what' we do but also on 'how' we deliver on our promises. Guided by our core values of Care, Dare and Deliver, we prioritise integrity and strive to make ethical decisions in everything we do.

2023 HIGHLIGHTS

↑ (y-o-y Growth)

₹2,101.8 Mn ↑ 20.6%
EBITDA (before exceptional items)

₹4,096.3 Mn ↑ 725.2%
Profit after tax

52,714
Total training hours

₹15 Mn
R&D spend

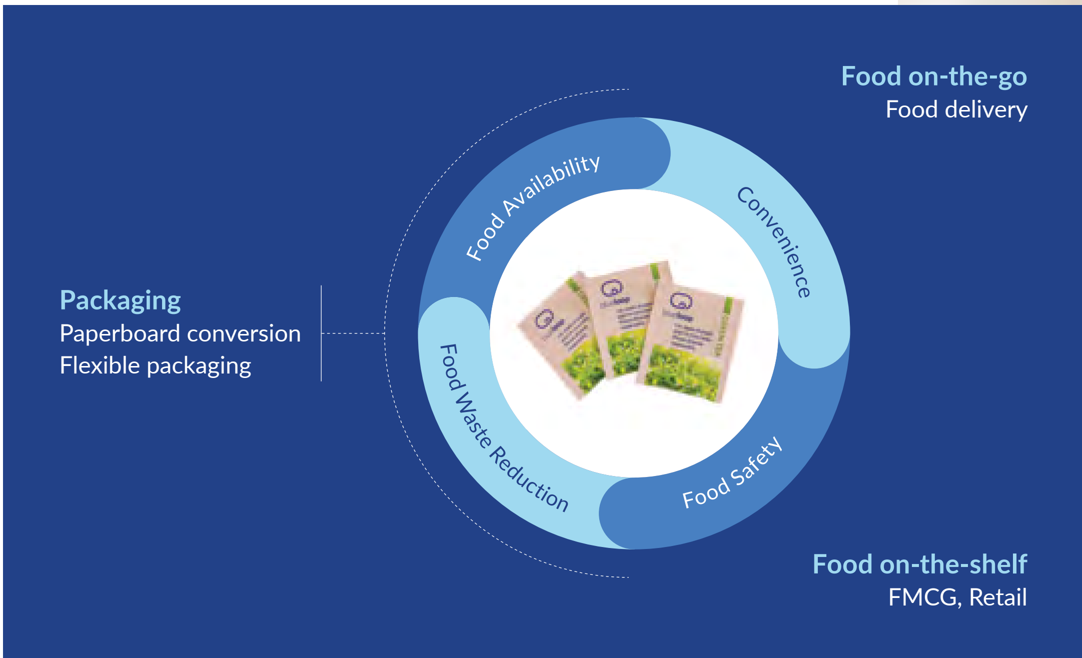
Huhtamaki India Limited is a flexible packaging Company renowned for its expertise in primary consumer packaging and decorative labelling solutions, touching the daily lives of people everywhere. The Company is a prominent subsidiary of the Finnish global packaging leader, Huhtamaki Oyj.

Envisioning transformation

At Huhtamaki India, we are guided by our century-old Nordic legacy. We make a concerted effort to protect food, people and the planet by deploying technology to drive innovative circular packaging solutions that are fit for a competitive market. Our product portfolio is designed to meet the everyday necessities of our consumers and the evolving demands of the industry in terms of sustainability.

We are committed to ensuring food safety and food availability for our customers by maintaining product quality for the entire lifecycle of the product and enhancing access to nutritious food. This, in turn, reduces food waste, safeguards the well-being of individuals and preserves the environmental integrity of our planet.

Our Company continues to leverage the expertise, knowledge and resources of Huhtamaki Oyj in terms of, *inter-alia*, the strong brand reputation of Huhtamaki in the market, access to a wide range of resources such as technology, financial capital, human resources, network of suppliers/customers, wealth of knowledge and expertise in the flexible packaging industry, which have helped Huhtamaki India further improve its performance.




blueloop
designed for recycling
I'm made of PE
and I'm recyclable.
Please dispose
responsibly.
Huhtamaki

PURPOSE

Protecting food, people and the planet

VALUES

CARE

We care for each other, our customers, partners and communities. We care for the future of our planet, embedding sustainability in everything we do.

DARE

We dare to innovate, grow and have an impact. We are a diverse and entrepreneurial team seeking new opportunities with our customers.

DELIVER

We commit and deliver solutions to our customers, with integrity and as a team. We are ambitious and strive for high performance.

HUHTAMAKI OYJ

Headquartered in Espoo, Finland, the parent Company, Huhtamaki Oyj, operates globally across 37 countries and 107 locations. Driven by a workforce of 17,910 employees, Huhtamaki Oyj is a leading global provider of sustainable packaging solutions for consumers around the world. The Company's innovative products protect on-the-go and on-the-shelf food and beverages and home and personal care products by ensuring hygiene and safety, driving accessibility and affordability, and helping prevent food waste.

Huhtamaki Oyj's operations are divided into three business segments:

- The Fibre and Foodservice business – high quality moulded fibre and paperboard packaging for fresh food and drinks across Europe, South Africa, Middle East, Asia and Oceania and South America.
- The North America business – a wide range of packaging for foodservice operators and branded consumer products with production units in the United States and Mexico.
- The Flexible Packaging business – light and innovative flexible packaging materials, serving global and local brands across Europe, Middle East and Africa, Asia and South America.

PORTFOLIO

Packaged to perfection

At Huhtamaki India, our business model epitomises broad market reach. Our product portfolio is diverse and tailored, ensuring that each offering is finely tuned to the specific needs of the market and the customers. This strategic focus on customisation and excellence is what sets our product range apart, affirming our leadership in the packaging industry.

FLEXIBLES

We provide lightweight, innovative flexible packaging solutions for a diverse array of products such as food and beverages, home and personal care, healthcare, industrial and many more.

LABELS

We specialise in decorative labels for a wide range of applications from food and beverages, personal care, pharmaceuticals and high-quality pressure sensitive labels, providing custom labelling solutions that enhance brand visibility and consumer engagement.

CYLINDERS

We lead in laser engraving, supplying top-quality engraved cylinders globally, complemented by advanced prepress services and cutting-edge technology.


#BEVERAGES
COFFEE BREAK
blueloop
Huhtamaki

PORTFOLIO

MARKET SEGMENTS

FOOD & BEVERAGES

We are dedicated to providing packaging solutions that ensure the safety, freshness and quality of food and beverage products.

CULINARY

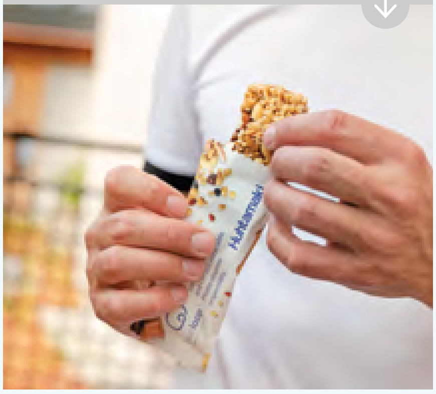
- Dry baby food
- Rice and pasta
- Stock cubes/Dry soup and bouillon
- Cereals
- Herbs and spices
- Flour, salt and sugar
- Canned grocery
- Liquid soup
- Ready meals
- Dressings
- Oils and vinegars
- Jams and spreads

FRESH FOOD

- Fresh produce
- Fresh and processed meat and fish

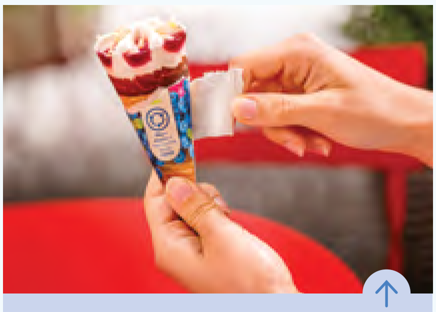
CONFECTIONERY

- Chocolate confectionery
- Sugar confectionery
- Chewing gum



DAIRY

- Cheese
- Dairy
- Yogurts
- Butter



FROZEN FOOD

- Ice cream
- Frozen food

PET FOOD

- Dry pet food
- Wet pet food
- Petcare

BREAD, SNACKS AND BISCUITS

- Baked goods
- Chips and nuts
- Cakes and biscuits

BEVERAGES

- Coffee
- Tea
- Powdered drinks
- Liquid drinks

HOME AND PERSONAL, HEALTHCARE, INDUSTRIAL

This segment focuses on delivering innovative and sustainable packaging solutions tailored to the home and personal care, healthcare and industrial sectors.

PERSONAL CARE

- Wipes and tissues
- Incontinence products
- Oral care (tubes)
- Skin care
- Beauty care
- Feminine care
- Baby care
- Gel and soap
- Shampoo
- Laundry and dishwashing

HEALTHCARE

- Devices
- Tags and labels
- Prescriptive
- OTC Pharma

INDUSTRIAL

- Automotive
- Agricultural
- Converters
- Solar
- Other industrial

The blueloop™ revolution

blueloop™ is Huhtamaki's enterprise-wide sustainability brand, aligned with our 2030 strategy to 'become the first choice in sustainable packaging solutions, driven by technology and operational excellence'.

The blueloop™ recyclable, sustainable, mono-material products ensure that 100% of our packaging is recyclable, compostable or reusable by 2030. These products enable us to strengthen our market position as they offer recyclability without compromising on product protection or affordability. Our blueloop™ strategy aims for "zero waste to landfills" and to minimise the impact of raw materials on biodiversity and ecosystems.

We are actively enhancing our innovation pipeline with blueloop™ solutions, conducting numerous successful tests with our leading customers. These efforts have shown promising results. Currently, multiple products are undergoing shelf-life testing using blueloop™ laminates. This pipeline positions us well to expand the deployment of these solutions.

As we concentrate on the blueloop™ initiative, we are refining our market entry strategy, targeting specific segments within both the food and non-food categories. Simultaneously, we are dedicating efforts to develop tailored solutions for certain segments using blueloop™ innovation, ensuring they are customised for both the product and the customer.

Our strategic approach involves an analysis of market segments and key players, alongside understanding customer needs and market trends.

27%

Sales under the blueloop™ umbrella, as of 2023

100%

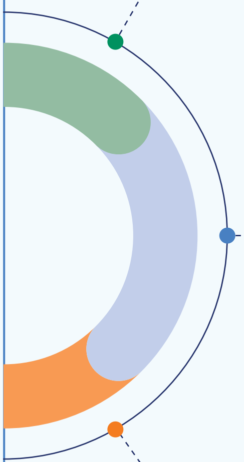
Sales ambition from blueloop™ products by 2030

VALUE PROPOSITION

The blueloop™ initiative combines affordability, adaptability and sustainability, offering an innovative range of packaging solutions crafted from mono-material components like polyethylene (PE), paper and polypropylene (PP). This carefully designed suite of products preserves the integrity of its contents, ensuring that quality is not compromised. Additionally, blueloop™ solutions can be combined with other innovations to elevate the visual and tactile aspects of packaging. They improve user experience by making recloseability and handling extremely easy.

At its core, blueloop™ embodies our vision for a sustainable future, guaranteeing packaging recyclability within the existing global recycling infrastructure. This paves the way for a circular economy.

POWER OF THREE



SUSTAINABLE

MATERIAL RECYCLABILITY
Highest level of mono-material content

CONTENT PROTECTION
Barrier at par or better than current structures

ADAPTABLE

PERFORMANCE
Plug & play solutions, easy to adapt on existing lines

CONVENIENCE
Innovative embedded functionalities for consumer convenience

DIFFERENTIATION
Differential pack formats with value added aesthetics, engagement, personalisation features

AFFORDABLE

SOURCE & TAX REDUCTION
Reduction of weight and layers, reduce impact of plastic tax and EPR fees

OPERATIONAL EFFICIENCY & 'GLOCAL' PRESENCE
State-of-art new equipment, vertical integration, product harmonisation, Lorikeet™ printing, at scale

MARKET OPPORTUNITY

The packaging industry in India is experiencing significant transformation, driven by rising consumption, a shift from loose to packaged food, heightened hygiene standards and growing demands for sustainable packaging solutions. Our long history of being a product leader - our own innovations combined with the ability to deploy global innovations in the Indian market - positions us strongly to grow in the market.

Consumers

Globally, there is a rising trend towards making planet-positive choices, with consumers seeking products that are affordable, hygienic, convenient and sustainable. In India, this consumer behaviour takes on unique characteristics. A significant portion of Indian consumers, primarily located at the bottom of the economic pyramid, prefers the consumption of products in small unit packages, reflecting their specific needs and purchasing power.

> The choice and the opportunity is to meet consumers expectations of sustainable products at affordable prices while maintaining product integrity - which is what Huhtamaki's blueloop™ products attempt to deliver.

Increasing integration of Indian packaging industry

The Indian packaging industry supply chain from concept to consumer is becoming increasingly integrated. This is driven by collaborations among material suppliers and technological innovators, and digital progress. The synergy is particularly relevant in the Indian context, where a rising middle-class population and a growing retail sector is fuelling a surge in packaging demand. Additionally, digitalisation is reshaping the packaging landscape, with a growing emphasis on connectivity, traceability and recycling.

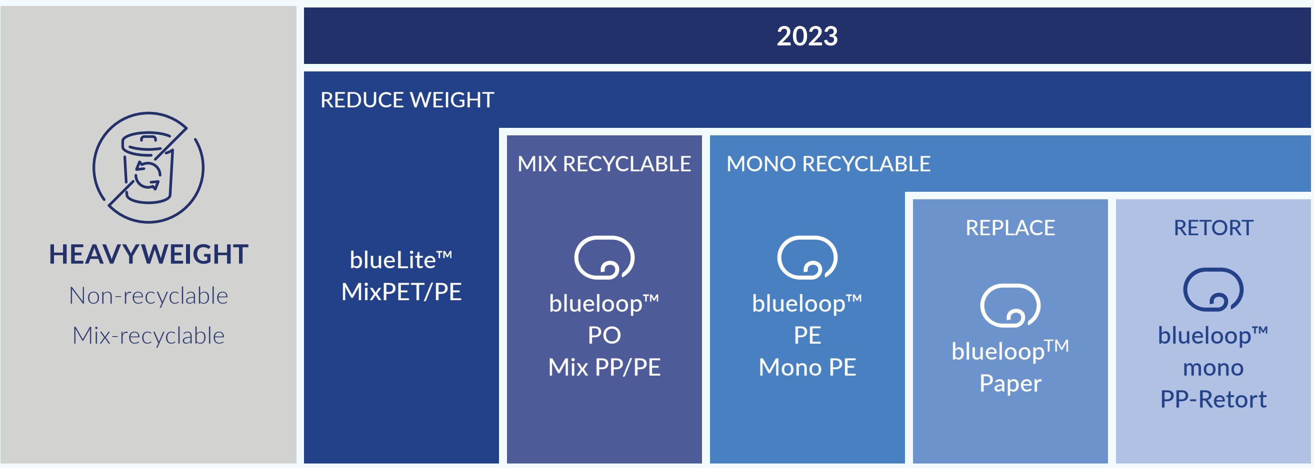
Customer shifts

Emerging markets like China, Southeast Asia, India and Africa (in the longer term) will play a key role in driving demand. Changes in what consumers want and regulatory requirements are making companies look for circular or reusable packaging options. Brands are on the lookout for partners who can help them lower their environmental impact with innovative, value-added packaging solutions that work across geographies.

Embracing sustainability

The push for sustainability is getting stronger across all industries, driven by new regulations aiming for reuse and recycling. This change presents new opportunities for the packaging industry to drive innovation end-to-end, from material technology to recycling and compostability.

ROADMAP



OUR RANGE OF MONO-MATERIAL SOLUTIONS

blueloop™ PE

blueloop™ PE is a groundbreaking solution range crafted with up to 95% mono-material content, specifically designed for recyclability. It delivers ultra-high barrier performance, rivalling aluminium-based solutions, thanks to our OmniLock™ PE technology. This innovation comes with the added advantage of reducing both the number and thickness of layers in the material structure, effectively minimising weight and material use. Affordably priced, it is apt for a wide array of flexible packaging applications. The range is available in superwhite, transparent or metallised options, catering to diverse packaging needs

blueloop™ PAPER

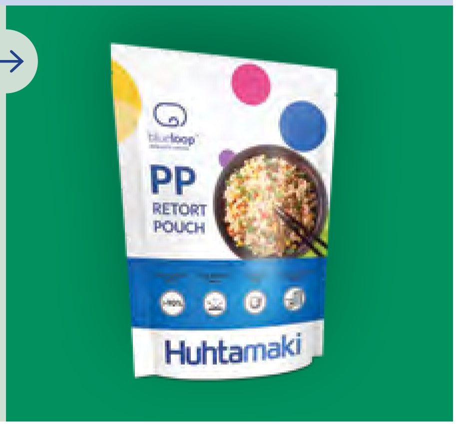
blueloop™ Paper is a fully recyclable mono-material paper solution designed for flexible packaging. It boasts an industry-leading 90% paper content while delivering ultra-high barrier performance comparable to aluminium-based options. This remarkable barrier efficiency is attained without the use of polymer films and lamination, ensuring our OmniLock™ Paper is recyclable in existing waste streams. Suited for a wide range of uses and packaging formats, it is ideal for dry food and beverages, confectionery, culinary products and snacks.

blueloop™ TUBE PORTFOLIO

The blueloop™ Tube portfolio presents recyclable mono-material solutions that incorporate recycled or bio-based content, marking a significant step towards sustainability in packaging. This product range is produced across Huhtamaki's group production facilities global production facilities, ensuring consistent quality and availability worldwide.

blueloop™ PP RETORT

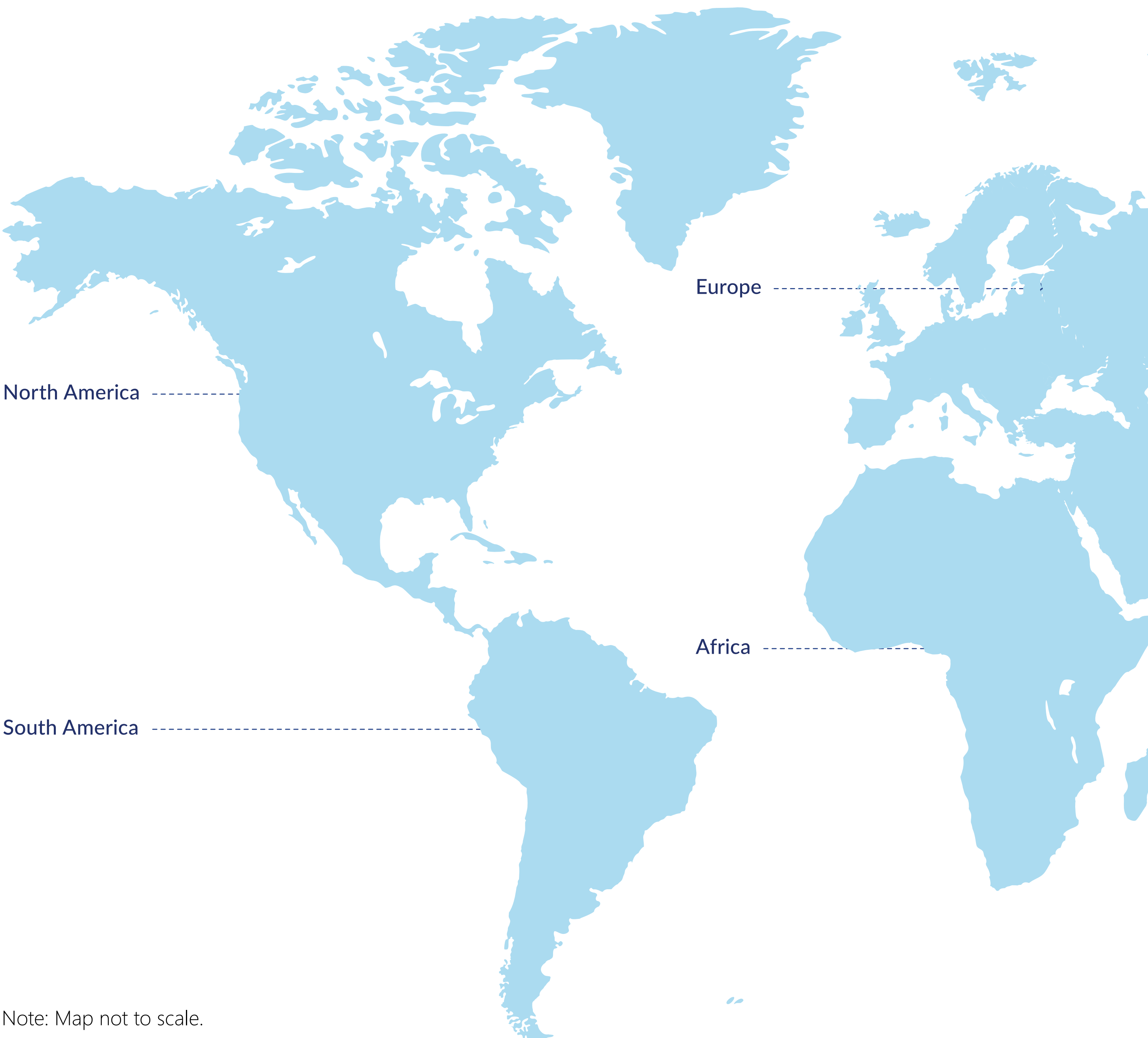
blueloop™ PP Retort is specifically designed for demanding applications requiring sterilisation, such as in food, pet care and healthcare sectors. Crafted with over 90% mono-material content, this range offers ultra-high barrier performance on par with traditional multi-layer solutions. Engineered for optimal processing performance, it stands out in the pet food industry, where our proven materials and processes have led to positive palatability assessments. This ensures efficiency and effectiveness across a variety of critical applications.



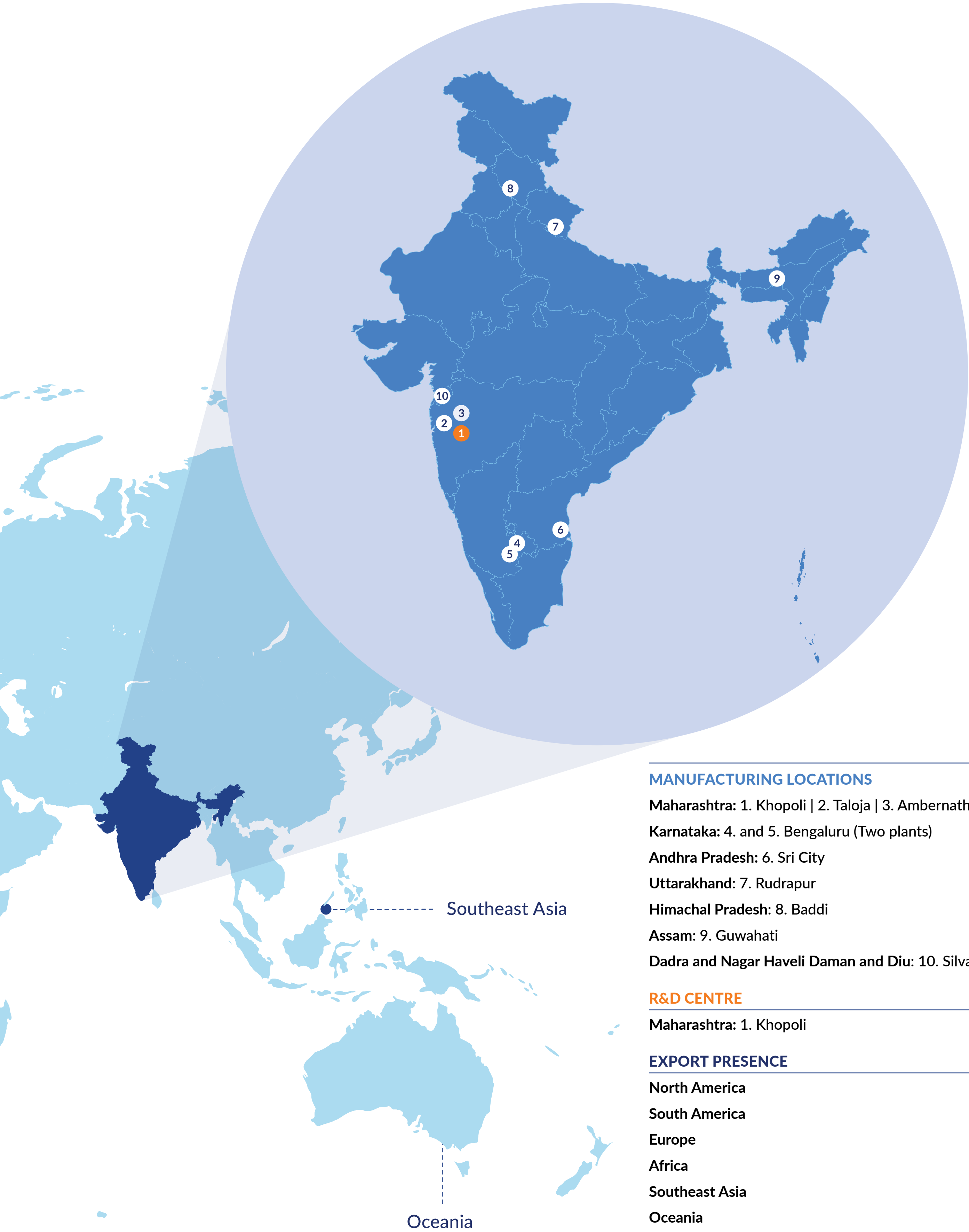
PRESENCE

Mapping our footprint

We aim to deliver impactful and accessible solutions across markets and geographies with an inimitable network of facilities and partnerships. We service 67 countries outside India across Europe, Africa, Oceania, Southeast Asia, North America and South America.



Note: Map not to scale.



MANUFACTURING LOCATIONS

Maharashtra: 1. Khopoli | 2. Taloja | 3. Ambernath

Karnataka: 4. and 5. Bengaluru (Two plants)

Andhra Pradesh: 6. Sri City

Uttarakhand: 7. Rudrapur

Himachal Pradesh: 8. Baddi

Assam: 9. Guwahati

Dadra and Nagar Haveli Daman and Diu: 10. Silvassa

R&D CENTRE

Maharashtra: 1. Khopoli

EXPORT PRESENCE

North America

South America

Europe

Africa

Southeast Asia

Oceania

Leading the way

MR. MURALI SIVARAMAN

Chairman and Independent Director

Mr. Murali Sivaraman is a distinguished business leader who has worked with global multinationals like Philips and Akzo Nobel (formerly ICI) across India, Singapore, China, Canada and the U.K. He presently holds the position of Independent Director on the Boards of Bharat Forge Limited, ICICI Lombard General Insurance Company Limited, MedPlus Health Services Limited, Welspun Living Limited and Pidilite Industries Limited. He is a Chartered Accountant, Cost and Works Accountant and holds a PGDM from IIM Ahmedabad, in addition to completing the Advanced Management Programme at Harvard.

MR. ASHOK KUMAR BARAT

Independent Director

Mr. Ashok Kumar Barat has held executive leadership roles in Hindustan Unilever, Pepsi, Telstra, Forbes & Company Limited, etc. He is presently an Independent Director on the Boards of Bata India Limited, Alembic Pharmaceuticals Limited, Mahindra Accelo Limited, Everest Industries Limited and JSW Paints Private Limited. He is a member of the Managing Committee of ASSOCHAM and a Certified Mediator. He is a Fellow of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India, Associate of the Institute of Chartered Accountants of England and Wales and CPA, Australia.

MS. SEEMA MODI

Independent Director

Ms. Seema Modi has been the first woman to serve as Managing Director at Heinz India Private Limited. With over three decades of experience at organisations like Heinz, Parle and Colgate, she has been instrumental in achieving consistent double-digit growth at these organisations. Currently, she holds the position of Director – Commercial, Marketing, Supply Chain and Display at Trent Hypermarket Private Limited. She is also the recipient of the prestigious H. J. Heinz Chairman's Award in 2010.

MR. MARCO HILTY

Non-executive Director

Mr. Marco Hilty, holding a Ph.D. in Management, joined the Global Executive Team (GET) on September 1, 2021. His career highlights include serving as Chief Commercial Officer at Rubicon Technologies LLC from 2018 to 2021 and holding various key positions at Amcor between 2007 and 2018, including Vice-president and General Manager of Amcor Flexibles North America. Prior to Amcor, he was an Engagement Manager at McKinsey & Company (2004-2007) and led his own firm, Hilty Business Consulting, from 2000 to 2004.

● Audit Committee ● Nomination and Remuneration Committee ● Corporate Social Responsibility Committee
● Stakeholders Relationship Committee ● Risk Management Committee ● Share Transfer Committee

MR. SAMI PAUNI

Non-executive Director

Mr. Sami Pauni, serving as Executive Vice-president of Corporate Affairs and Legal at Huhtamäki Oyj since 2006, has been a member of the Global Executive Team since February 12, 2015. He holds dual qualifications with an LL.M. and an EMBA. His extensive experience at Huhtamäki includes roles in legal and corporate affairs, notably as Group Vice-president, Legal and General Counsel. Prior to Huhtamaki, he worked at Roschier Attorneys Ltd. from 2001 to 2006.

MR. STEFAN LOTZ

Non-executive Director

Mr. Stefan Lotz has a wealth of experience in leadership roles in multinational consumer goods and industrial companies across Singapore, Dubai, Hungary, London and Germany, including a significant tenure as the CFO of Perfetti Van Melle and senior finance positions at British American Tobacco (BAT) in Europe. Currently, he serves as the Vice-president Finance of Flexible Packaging segment. He holds a master's degree in economics and engineering from the University of Europe for Applied Sciences.

MR. DHANANJAY SALUNKHE

Managing Director

Mr. Dhananjay Salunkhe has a proven track record of growing and building businesses across India. He has served as the former SBU Chief Executive of the Packaging and Printing Business at ITC Limited, along with leadership positions at 3M, Sulzer India and GKN Sinter Metals. He holds a master's degree in business management and a Bachelor of Engineering. Additionally, he holds a Lean Six Sigma Master Black Belt, the highest certification level in the Six Sigma competency hierarchy.

MR. JAGDISH AGARWAL

Executive Director and Chief Financial Officer

Mr. Jagdish Agarwal has worked in key leadership positions at leading Indian and multinational corporations like Owens Corning, Reliance Communications Limited and ICICI Bank Limited. He is a Chartered Accountant, a Certified Management Accountant and holds a bachelor's degree in commerce from Calcutta University. The blend of leadership experience and strong educational background positions him as a distinguished figure in the business world.

For a future-fit Huhtamaki India

Throughout the year, our focus was on actively seizing and generating opportunities while adhering to our core priorities – people, innovation, customer excellence, world-class operations, and stringent compliance."

DHANANJAY SALUNKHE
Managing Director

Dear Stakeholders,

Reflecting on 2023, the narrative of our journey intertwines with the evolving market expectations for sustainability, altering growth trajectories among regional and global players, coupled with the escalating challenge of price dynamics. Additionally, the impact of food inflation has been evident on consumer spending patterns and pricing strategies across the board. These multifaceted challenges have necessitated innovative approaches to maintain competitiveness and meet the dynamic needs of our customers.

In the face of these complexities, we have continued to demonstrate resilience and agility. We leveraged our diverse portfolio and organisational flexibility to deliver tangible results amid a volatile market environment. Our EBIT before exceptional items soared to ₹1,610 Million from ₹882 Million in 2022, marking an impressive 82.6% increase. At the same time, our net sales recorded a degrowth of 15% to ₹24,813 Million. This was attributed to lower volumes, strategic positioning, and portfolio optimisation.

Throughout the year, our focus was on actively seizing and generating opportunities while adhering to our core priorities – people, innovation, customer excellence, world-class operations, and stringent compliance. We accelerated our strategy execution in the areas of network optimisation, innovation, talent development, portfolio management and corporate governance.

Catalysing efficiency and excellence

As part of our initiatives to enhance operational efficiency and drive competitiveness, we undertook network optimisation activities which resulted in consolidation of three of our manufacturing sites at Daman, Hyderabad and Sikkim into larger plants. This was carefully planned and executed to enhance our commercial delivery through portfolio rationalisation and cost optimisation, focusing specifically on the product categories and market segments we serve.

This strategic move has led to structural cost reduction, improved capacity utilisation and an overall enhancement in operational efficiency for our core businesses. In addition, we monetised our land parcels at Thane and Ambernath to unlock value and generate cash flow.

Leading with innovation

In a market where differentiation is challenging and commoditisation rates are high, innovation is our key focus area. The blueloop™ programme represents this commitment to innovation within the packaging industry. These solutions are driven by the 'Power of 3' – adaptability, sustainability and affordability. They deliver value to our customers and lead the industry towards a sustainable future.

Our current progress with the blueloop™ products, servicing around 22% to 25% of our customers/markets, is just the beginning. We are targeting for this number to reach 100% by 2030. In order to drive adaptation of sustainable packaging solutions, like blueloop™, our commercial excellence team is dedicated to delivering attractive propositions to our customers and ensuring we stay ahead in the market.

Advancing competitiveness

A key element in driving our competitiveness is the World-Class Operations (WCO) framework designed for operational excellence and cross-functional transformation across our segments. Ours is a collective journey, engaging over 60% of our workforce in active improvement practices, thereby driving us towards the realisation of our Strategy 2030 goals.

Since the launch of Total Productive Manufacturing (TPM) in September 2020 at our flagship Khopoli site, we have seen significant advancements in operational metrics such as delivery performance, reduction in customer complaints and improvements in efficiency and waste management. We have also continued to invest in our human capital, recognising that the growth and productivity of our Company are inextricably linked to the well-being and development of our employees. This has been demonstrated through a 75% increase in employee training hours, compared to the previous year. Efforts have been undertaken to restructure our talent management processes and to create a work environment where creativity, collaboration and professional growth can thrive.

> Our new headquarters, Bellona, in Thane, Mumbai, demonstrate the importance of synergy and camaraderie. This strengthens our collective ability to innovate and achieve business objectives with greater cohesion and shared purpose.

Building towards greater transparency and compliance

While our commitment to strong corporate governance is in line with the letter and intent of the laws and regulations of the land, we believe that the spirit of good corporate governance goes beyond the statutory form. It is our firm belief that Corporate Governance can prove to be a key driver for sustainable growth and maximising value for all the stakeholders and protection of their interests. Our Company is committed to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning.

Our Company strives to follow the path of good corporate governance through a broad framework of processes, including robust oversight by the Board of Directors and its various committees. This helps us ensure that our business decisions align with the interests of the stakeholders and comply with statutory disclosures seeking to promote the best practices in the industry, while strictly following the policies on Code of Conduct, Prevention of Insider Trading and Whistle Blower Policy.

Moving above and beyond

Guided by our 2030 strategy, we are transitioning into 2024 with a strategic approach firmly rooted in productivity-led growth. We aim to leverage our operational efficiencies and innovative capabilities to bolster profitability. We recognise a spectrum of challenges on the horizon, from ensuring safety and sustainability to the critical task of refining our manufacturing processes and product lineup for greater coherence and impact.

Furthermore, we are also aware of the intricate dynamics shaping market demand and the reemergence of inflationary trends that create a nuanced financial landscape. We must also be prepared for more disruptions and volatility as the world grapples with inflation, increased carbon emissions, focus on data privacy, perceived risks of AI (Artificial Intelligence), and heightened geopolitics as 40 nations head to the polls.

Going forward, our focus areas include advancing topline growth, deepening our commitment to the blueloop™ initiative and safety, and fortifying our talent pipeline. This is aimed at adept management of the interplay between demand variances and inflation's return, ensuring our resilience and adaptability in a complex global environment.

Dhananjay Salunkhe
Managing Director

KEY PERFORMANCE INDICATORS

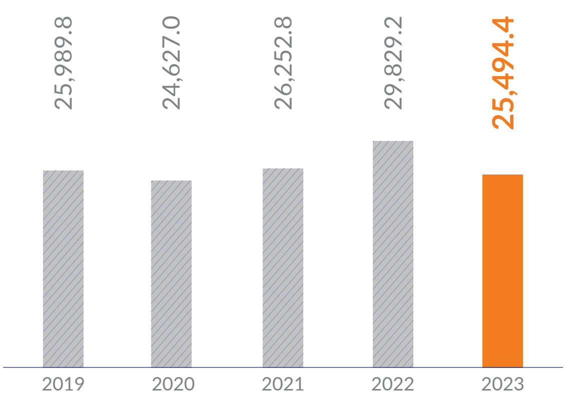
Sustained value generation

At Huhtamaki India, value generation happens in a sustained manner through scaling up of profitable core businesses, continuous innovations into sustainable packaging solutions and driving operational excellence in a highly competitive market.

PROFIT AND LOSS INDICATORS

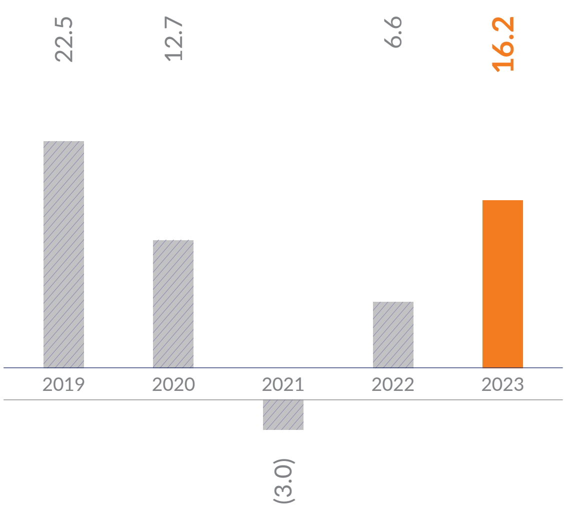
Revenue from operations

(₹ in Mn)



Earnings per share

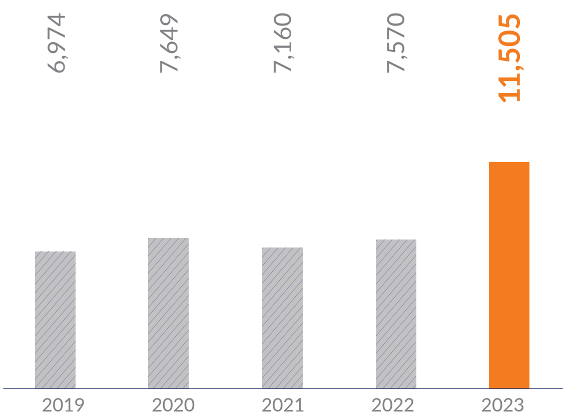
(₹)



BALANCE SHEET INDICATORS

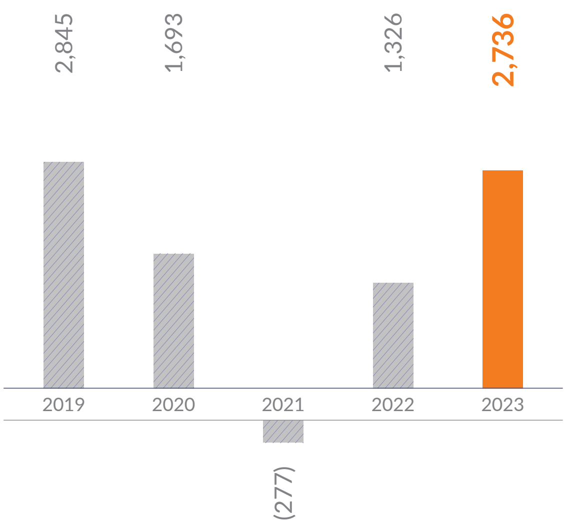
Net worth

(₹ in Mn)



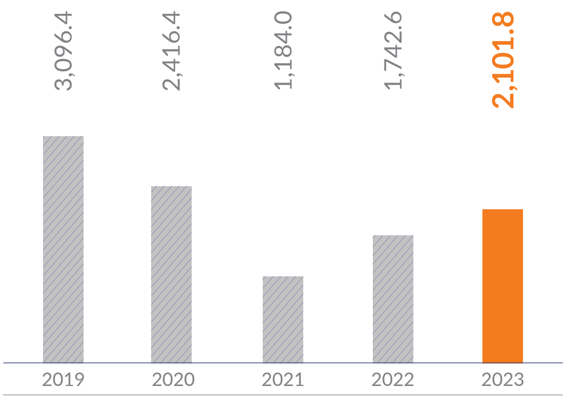
Operating cash flow

(₹ in Mn)



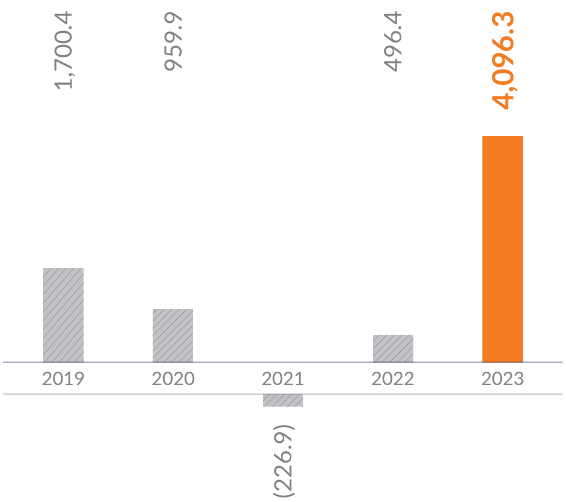
EBITDA

(₹ in Mn)

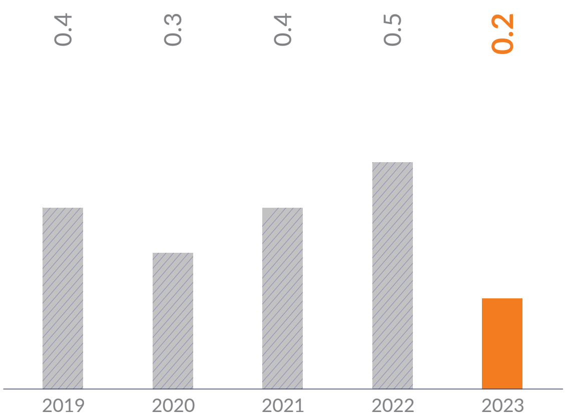


Profit after tax

(₹ in Mn)



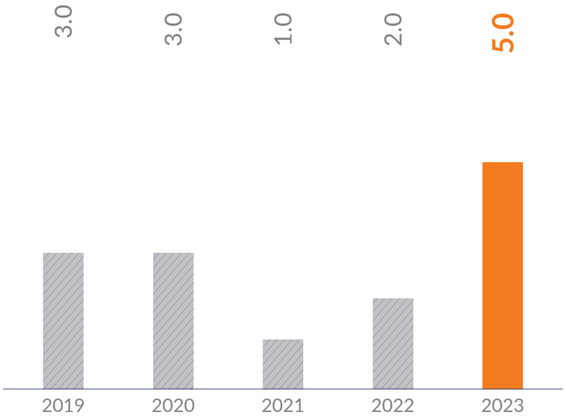
Debt-equity ratio



SHAREHOLDER INDICATORS

Dividend per share

(₹)



OUR 2030 STRATEGY

Driving innovation in a competitive world

Rapid urbanisation, changes in consumer demographics and increased preference for convenient, resealable packaging solutions that are long lasting and sustainable are catalysing a surge in demand for flexible packaging solutions that are innovative and competitive.

The core purpose of packaging for food and everyday necessities remains as important as ever: ensuring safe and affordable access to food and hygiene products for everyone, everywhere. Packaging solutions play a critical role in protecting and prolonging the shelf life of food across expansive supply chains thereby curbing food waste. This reduction in waste is particularly significant as food waste contributes to approximately 10% of global carbon emissions.

The growing market presents new opportunities for game-changing, circular packaging solutions on a global scale. Our 2030 strategy is aligned to this transformation. We continue to scale up our profitable core businesses, develop our blueloop™ sustainable innovative solutions in partnership with our customers, and drive world-class competitiveness across our global footprint. Our goal is to become the first choice in sustainable packaging solutions, driven by innovation and operational performance.

Our global transformation journey is powered by systematic development of selected strategic capabilities. We are committed to systematically improving safety to reach our target of zero accidents. We are driving customer excellence, delivering operational excellence, accelerating digital transformation, developing next-generation innovation and embedding sustainability in everything we do, generating value to our customers, shareholders, employees and the planet.

This strategy is replicated across geographies, including India, to drive lasting change in the packaging industry. The Huhtamaki India Transformation Plan maps to this strategy.

OUR PURPOSE
Protecting food, people and the planet

OUR BUSINESS PRIORITIES

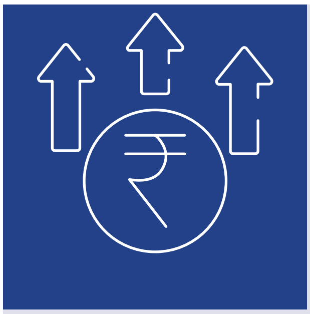
- Scale up profitable core businesses
- Develop blueloop™ sustainable innovation in partnership with our customers
- Drive world-class competitiveness

OUR STRATEGIC ENABLERS

- Innovation
- Safety
- Digitalisation
- Customer excellence
- Sustainability
- Operational excellence

BUSINESS PRIORITIES

We strive to achieve substantial growth within India by aligning our strategies and operations with these overarching goals.



Scale up profitable core businesses

In India, we are scaling up our profitable core businesses by concentrating on organic investments and exploring strategic acquisitions, while identifying key markets, product categories and structures. Our manufacturing and sales network plays a crucial role in this strategy, enabling us to support customer growth. Central to our efforts is the commitment to enhance our accessibility to our customers and suppliers, and drive customer excellence, product development and service delivery.

By maintaining a resolute focus on innovation, we have managed to create a diverse and resilient product portfolio that meets the varied needs of our customers in India. Furthermore, by embracing advanced digital integration, we are transforming our operations across production and customer service.

Strategic expansion and diversification

To amplify our core business and seize market volume, we are venturing into the dry detergent sector, aligning our offerings with competitive price points. Additionally, our sachet portfolio offers small unit packaging solutions. This strategic shift allows us to tap into broader markets, demonstrating our adaptability and commitment to growth.

Premium packaging for niche markets

We are embracing premiumisation within packaging, as demonstrated by our involvement with products like liquid detergent. By increasing our production capacity and investing in advanced machinery, we are poised to meet rising demand and penetrate niche market segments. This approach caters to the evolving needs of our customers and positions us strategically in the marketplace for sustained growth.

Develop our blueloop™ sustainable innovation in partnership with our customers

Sustainability has been embedded as a core strategy across our entire value chain, with a target for our products to be recyclable, compostable or reusable by 2030, incorporating 100% recycled or renewable materials. We have also pursued responsible sourcing, circular design and careful resource usage, setting goals for achieving 100% renewable energy by 2030. The blueloop™ products are driven by adaptability, sustainability and affordability, delivering value to our customers and leading the industry towards a sustainable future.

In April 2023, we launched three mono-material flexible packaging solutions, all optimised for recycling. We have also engaged our suppliers on Science Based Targets, improving our waste management processes and boosting renewable electricity usage. We have also partnered with our customers to develop circular products, driving the adoption of next-generation sustainable solutions.

blueloop™ mono-material solutions

Huhtamaki India's mono-material solutions represent a significant leap towards sustainability, simplifying packaging by reducing the complexity of structures and layers, which in turn guarantees recyclability after consumer use. Crafted from responsibly sourced materials, these solutions minimise environmental impact while ensuring our packaging meets the highest standards of sustainability and functionality.

Make in India

Another significant advancement is our development of recyclable laminates tailored for milk additives, malt beverages and dry pet food products. Additionally, fragrance release laminates for liquid detergents and high barrier recyclable laminates for crisps were also developed. Distributed to markets in Africa, South Asia, and North America, these products drive the global shift towards sustainable packaging.

Drive world-class competitiveness

We are driving competitiveness through the World-Class Operations (WCO) framework designed for operational excellence and cross-functional transformation across our segments. Since the launch of Total Productive Manufacturing (TPM) in September 2020 at our flagship Khopoli site, operational metrics, such as delivery performance, reduction in customer complaints and improvements in efficiency and waste management have seen significant improvements.

Strategic site consolidation

In 2023, we strategically consolidated one large and four smaller manufacturing sites, seamlessly transferring their production volumes to larger units.

Think Safe. Work Safe. Home Safe

In alignment with Huhtamaki's global commitment to safety, our operations in India deeply embed the "Think Safe. Work Safe. Home Safe" philosophy into our organisational culture. Recognising safety as a fundamental right to operate, we are dedicated to integrating world-class safety processes and practices across all our sites in India.

A ROADMAP FOR THE FUTURE

Huhtamaki India's transformation plan closely follows the parent Company's global commitment to promoting sustainability and driving the circular economy through cutting-edge, customer-centric innovations. This plan is structured around five core priorities, each reflecting an important pillar for holistic growth.


blueloop
I'm recyclable. Please dispose in the recycling bin.

PEOPLE

We aim to promote an ecosystem where our workforce thrives. Our philosophy revolves around ensuring Everyone Safe Home and cultivating HAPPY@Huhtamaki. The idea is to make every individual feel valued, respected and safe, while taking decisions with their well-being in mind. We understand that a sense of belongingness at work stems from feeling heard, being supported, and having the space to grow.

UN SDG linkage

As we chart our course towards 2030, the empowerment of our people is paramount. We are preparing them for the challenges of today and equipping them with the skills and mindset needed for the future.

Our journey begins with the mission to attract and retain the industry's finest minds, a challenge we meet by fostering an exceptional experience for both employees and candidates. This commitment to excellence extends into every aspect of our culture, especially our pursuit of world-class safety performance. Through our dedicated safety roadmap, we emphasise leadership, robust systems and a culture that prioritises the well-being of every team member.

Moreover, we are committed to developing the strategic competencies of our leaders and employees in critical areas such as safety, sustainability, innovation, digitalisation, customer excellence and world-class operations. Integral to this journey is our focus on succession planning and leadership development.

PEOPLE INITIATIVES

In order to improve our competitiveness and profitability, achieve excellence in quality and to create a safe, engaging, and inclusive workplace culture, we have undertaken a series of employee-focused initiatives.

Training and development

In the past year, we have witnessed a remarkable 75% increase in training hours. Additionally, our Leader's Imprint programme has engaged over 300 leaders, with the goal of establishing a unified leadership foundation throughout the organisation. This initiative fosters leadership skills and aligns our management approach across various levels, ensuring a cohesive and effective leadership structure.

Workplace diversity and inclusion

Our I-WIN initiative, aimed at nurturing diverse talent, has drawn over 250 participants to capability-building sessions and peer learning events. We have introduced innovative programmes such as "Between Us" and "Coffee Conversations," designed to strengthen the bond between employees and leaders. These initiatives facilitate open dialogue and foster a culture of mutual respect and understanding, enhancing the overall workplace environment.

Employee wellness initiatives

We have launched the Employee Assistance Programme to provide essential counselling services to support our team members through various challenges. Furthermore, our Quarterly Sampark programme has shone a light on the outstanding contributions of our workforce, recognising 261 employees across five distinct categories. This celebration of excellence highlights individual achievements and reinforces the value we place on every member of our team, fostering a culture of appreciation and recognition.

12
Monthly well-being webinars

96%
Engagement score

95%
Leadership index

52,714
Total training hours

INNOVATION

Innovation is at the heart of everything we do at Huhtamaki India, cutting across all our business areas - flexibles, labels and cylinders. We aim to create a holistic and sustainable lifecycle for the products – from design and production to usage and recycling. This approach of blending innovation and environmental consciousness is meant to create value for our consumers and the planet.

UN SDG linkage

OUR FOCUS AREAS

blueloop™ products

We build our portfolio of circular and innovative blueloop™ sustainable packaging solutions that are recyclable, compostable or reusable, have lower carbon footprint than the products they replace and are made from responsibly sourced materials.

READ MORE ON PAGE 10

Circularity

We are deeply involved in industry-wide collaborations to strengthen the recycling infrastructure for post-consumer waste. This commitment aims to reduce environmental impact by transforming waste into valuable resources for future use.

AWARD-WINNING INNOVATIONS

Our continuous efforts at improving our customer-centric offerings have elicited appreciation and awards from different quarters.

WORLDSTAR AWARD 2023

Transparent barrier snack packs

The clear barrier PE laminates have optimised snack packaging with enhanced visibility and superior barrier performance suitable for tropical climates. Simplified from 3 ply to 2 ply without requiring equipment changes, these laminates also feature eye-catching designs for standout shelf presence.

WORLDSTAR GLOBAL PACKAGING AWARDS

IFCA STAR AWARDS 2023

Pressure sensitive label with soft touch and spot gloss

This label has a premium matte and spot gloss effect for sensory appeal, protected by matte lamination and crafted with high-resolution printing.

Recyclable bulk bag with high drop resistance

Designed for 25 kg engineering polymers and master batches, this eco-friendly bulk bag contains over 90% PE, with a one-way valve for heat dissipation and a treated surface for easy handling.

SIES SOP STAR AWARD 2023

Freezable pouches for baked products

The freezable pouches, perfect for frozen pizzas and pastries, feature a specialised film for freezer durability, a PE sealant for freshness and puncture resistance and a matte lacquer finish for a premium appearance.

Shaped pouch with premium aesthetics for henna hair colour

This pouch elevates henna hair colour packaging through superior design, offering vivid visuals for retail impact and distinctive brand appeal with selective matte lacquer.

Premium five-panel pouch for pet food

A premium pet food pouch featuring a five-panel layout for high-end market positioning, combining sophisticated design, top-quality graphics and functionality with expanded branding space and registered gussets.

INDIASTAR AWARDS 2023

All-PP-based laminate for chocolates

It replaces conventional Met PET cold seal laminates with an all-PP-based high barrier laminate, designed for easy recycling.

Pressure sensitive label with tactile and security feature

It incorporates a watermark security feature using special coin-reactive inks for authenticity, providing a solution with both tactile appeal and anti-counterfeit protection.

Two layered pressure sensitive label

This dual-layered Polypropylene pressure-sensitive label features precise inline printing and die-cutting, easy-peel adhesion modification and a special varnish for layer separation.

CUSTOMER EXCELLENCE

At Huhtamaki India, customer care is paramount, as we navigate the complexities of evolving consumer behaviours and fierce competition both domestically and internationally. Our products stand out for their world-class quality, incorporating cutting-edge technology and material science to meet diverse needs. While we specialise in tangible products like laminates and pouches, our commitment goes beyond by providing exceptional service and a steady stream of innovative solutions.

UN SDG LINKAGE

Recognising the diverse sustainability targets our clients have set, we offer a comprehensive one-stop solution for both sustainable and conventional flexible packaging needs. This approach positions us as a versatile partner for all types of flexible packaging supplies. Our extensive capabilities and global reach enable us to support any customer with a wide array of projects from standard orders to special promotional endeavours across the globe.

Engagement with our customers is sustained through regular feedback, which informs our service improvements. We use customer scorecards to gauge our performance and invite direct comparisons with industry peers. This inclusive feedback mechanism, involving everyone from purchasers to line operators, helps us refine our offerings.

Moreover, our collaboration with clients' marketing and innovation teams aids in executing complex promotional activities. We are continuously enhancing our customer experience, tracking metrics like on-time delivery, complaints and product development. Participating in innovation days and exhibitions allows us to showcase our range, share sustainability solutions and foster connections with industry experts and potential clients.

KEY INITIATIVES

At Huhtamaki India, our **'Voice of the Customer' (VOC)** programme is integral to our operational ethos. We have established a comprehensive Customer Relationship Matrix that maps touchpoints across sales, R&D and executive-level interactions to ensure alignment with customer needs at every level. Our commitment to close customer engagement is maintained through regular reviews and a robust internal communication system. We pride ourselves on our ability to turn feedback into action, addressing customer pain points such as machine efficiency, lead time reduction, shelf-life optimisation and bespoke product development.

Our **one-stop shop approach** caters to all flexible packaging needs from sustainable solutions to security printing and promotions. This versatility is complemented by our strategic geographical presence, which places us closer to our customer base, minimising lead times and optimising service delivery. Our Global Account Management system, supported by a specialised global team, oversees key accounts from both commercial and technical standpoints, ensuring consistent and exceptional service.

In the **digital sphere**, we leverage cutting-edge technology to conduct test market campaigns, significantly reducing the time it takes to bring products to market. Our systems-based approach, powered by Oracle/ERP and CRM platforms like Salesforce, enables us to differentiate our offerings and drive customer service excellence, making Huhtamaki India a true leader in customer-centric innovation. 'Walk the talk' is more than a phrase for us; it's our way of working. We adhere strictly to regulations, documentation and compliance, ensuring our operations are transparent and dependable.

TESTIMONIALS

"We want to express our gratitude for the exceptional service provided by your Company. We truly value your efficient and gracious customer service and the professionalism of your business dealings with us. Your timely responses to our inquiries and concerns consistently meet our expectations."

- Associated Brands Industries

"We extend our heartfelt gratitude for your invaluable support and technical precision during the 2kg cream cheese trials. Your expertise has contributed to Mondelez's sustainability achievements. Your ability to pinpoint the root cause and identify effective solutions showcases remarkable technical prowess. We eagerly look forward to your continued collaboration on future sustainability initiatives at Mondelez. Thank you for your support."

- Mondelez

WORLD-CLASS OPERATIONS

World-Class Operations (WCO) at Huhtamaki represents a unified continuous improvement programme, embedding excellence across all manufacturing sites and business processes globally. Initiated as a cultural shift, WCO encourages every employee to enhance their scope of work and productivity, in tandem with the organisation's overarching business objectives. The approach is two-pronged: a top-driven commitment ensures strategic alignment, while a bottom-up culture empowers individual contributions.

UN SDG LINKAGE

TPM PILLARS

Safety	Focused Improvement	Autonomous Management	Supply Chain	Cost
Early Management	Business Process	Education & Training	Planned Maintenance	Quality Maintenance

CHANGE MANAGEMENT/FOUNDATION

Purpose of WCO: Optimise our operations' performance by fostering the continuous personal and professional development of our employees, thus making a significant impact on safety, quality, and productivity. Our vision is to inspire an idealistic future where our Company leads with excellence, supported by a mission focused on concrete deliverables that drive us closer to that dream.

HIGHLIGHTS OF WCO

Central to our operational philosophy is the commitment to quality. We have seen quality concerns plummet through the diligent implementation of WCO strategies. Our focus on delivery excellence has also paid dividends, evidenced by an improved Delivery in Full, On Time (DIFOT) rate across all sites.

2023 has been marked by a remarkable achievement in waste reduction. The stride towards sustainability is also mirrored in our operational advancements, notably in our Overall Equipment Effectiveness (OEE). Each of these milestones is a marker of progress towards operational excellence, environmental responsibility and customer satisfaction. With more than 1200 Kaizen projects completed - each serving as a pivotal step in improving cost efficiency and increasing productivity - our shared determination to surpass our operational objectives was reflected.

SUPPLY CHAIN DUE DILIGENCE

We are committed to ensuring our suppliers adhere to our Code of Conduct, continually enhancing our supply chain due diligence. Our process systematically screens major suppliers (top 80% of procurement spend) for risks, including human rights concerns, using our monitoring tool. This approach, integral to our WCO programme, continually refines our responsible sourcing practices.

KEY ELEMENTS FOR SUPPLY CHAIN DUE DILIGENCE PROCESS

COMPLIANCE

At Huhtamaki India, we stay true to our values – Care, Dare, Deliver – which form the core of our Company culture and ways of working. We always operate in compliance with applicable laws and regulations and are committed to ethical business conduct. We promote a culture in which our employees and business partners are encouraged to do the right thing and to raise concerns if they suspect or observe any instances of unethical behaviour or non-compliance.

UN SDG LINKAGE

ETHICS AND COMPLIANCE FRAMEWORK

Huhtamaki India's Ethics and Compliance programme focuses on its commitment to integrity and legal compliance across our global organisation. The programme supports Huhtamaki India in operating its business in compliance with applicable laws and regulations as well as fulfilling its commitment to ethical business conduct wherever the Company operates, while ensuring that adequate procedures are in place to prevent Huhtamaki India from participating in any possible non-compliant or unethical business activities.

All forms of corruption and bribery, including bribes, facilitation payments, kickbacks and any other forms of corrupt acts are strictly prohibited. The main purpose of our ethics and compliance work is to educate, enable, inspire and empower all our employees to make the right decisions and to foster an open and ethical company culture. We want to ensure that the decisions we make today, are well informed, sustainable and will withhold scrutiny now and in the future.

At Huhtamaki India, ethical decision–making applies to every part of our business, and we emphasise the importance of that commitment at every level, everywhere we operate. In addition, it clarifies expected behaviours and provides practical guidance to Huhtamaki India employees to further integrate ethics into our everyday business and ways of working.

By upholding rigorous standards of integrity and accountability, we strive to promote positive impacts and contribute to the well-being of society and the environment. Read our Corporate Governance Report on PAGE 67

HUHTAMAKI ETHICS AND COMPLIANCE FRAMEWORK

PREVENT → **TRACK** → **REACT**

What we do

- Assess and identify compliance risks and impacts
- Manage Code of Conduct. related policies, procedures and governance models
- Raise awareness. organise trainings, provide advice
- Monitor effectiveness of compliance programme
- Investigate violations. address concerns, ensure remediation

Our programme areas

Anti-corruption	Conflict of Interest	Code of Conduct	Data Privacy
Third-party Compliance	Trade-sanctions Compliance	Competition Compliance	Speak Up & Investigations

HUHTAMAKI RISK MANAGEMENT STRUCTURE

Our risk management structure is designed to identify, assess and mitigate potential risks, ensuring the resilience and sustainability of our operations. This framework enables us to navigate the complexities of the industry with strategic foresight.

ERM ORGANISATION

COMMUNICATION OF RISK RESULTS →

Board of Directors → **Risk Management Committee (RMC)** → **Chief Risk Officer (CRO)** → **Senior Executives**

Risk Management Committee (RMC):
- Chairman
- Members of Board
- Senior Executives

Chief Risk Officer (CRO):
- Internal Auditor

Senior Executives:
- CFO
- Head of Sales
- Head of Operations
- Head of Corporate Affairs and Legal
- Head of HR and OHS
- Head of Supply Chain
- Head of Innovation

← DETERMINING RISK APPETITE

COMMITMENT TO RESPONSIBLE BUSINESS

Huhtamaki India upholds the highest standards of corporate responsibility across all facets of our operations. This commitment is manifested through our focused efforts on ensuring Safety in the workplace, preserving the Environment through sustainable practices, and fostering positive impacts within the Communities we operate in. Each of these emphasise our pledge to meet and exceed our ethical, legal, and societal obligations.


Huhtamaki

SAFETY

Ensuring a safe workplace

At Huhtamaki India, we abide by "Think safe. Work safe. Home safe." This encapsulates our approach to ensuring the health and well-being of our employees and is ingrained in our daily operations. We believe in creating a culture where safety consciousness is second nature and every team member is empowered to contribute to a safe working environment. We prioritise the creation of a hazard-free workplace through safety protocols, regular risk assessments and an adherence to safety regulations.

MEASURES TAKEN

We have undertaken a series of initiatives to establish health and safety measures while regularly conducting several safety campaigns to promote awareness among employees.

EHS system

Established an Environment, Health and Safety (EHS) system that covers all business activities, emphasising risk assessment to identify and mitigate risks.

Training and awareness programmes

Conducted structured training and awareness programmes to enhance workplace safety knowledge and awareness.

SOSA reporting

Implemented near miss, Safety Observation Safety Actions (SOSA) reporting as leading indicators for proactive safety management.

1.2

Lost time injury frequency rate (LTIFR)

2.9

Total recordable injury frequency rate (TRIFR)

Performance tracking

Monitored leading and lagging indicators, including Lost Time Incident Frequency Rate (LTIFR) and Total Recordable Incident Frequency Rate (TRIFR), to assess safety performance.

WCO TPM safety pillar

Initiated the Safety Pillar Implementation under the World-Class Operations (WCO) and Total Productive Manufacturing (TPM) Initiative for a structured approach to safety, promoting sustained safety culture through involvement at all levels.

Awareness campaigns

Launched various safety campaigns throughout the year focusing on hand protection, machine guarding, hazard awareness and the correct use of tools.

Think Safe. Work Safe. Home Safe. campaign

Aimed at raising safety awareness, motivating employees to make safer decisions and fostering a culture of safety among colleagues.

R&R PROGRAMME

We have introduced the Huhtamaki Flexible Packaging Segment's Reward and Recognition (R&R) programme to recognise the safety efforts of our teams. The programme celebrates milestones such as the Zero Accident Club and acknowledges sites with significant accident-free records by awarding Bronze, Silver, Gold and Excellence Safety levels. The site also has the opportunity to create impact by donating to a local charity programme.

EMPOWERING MINDS: YourDOST

Designed as a digital platform for mental wellness, YourDOST offers our employees confidential access to a network of professional therapists, psychologists, counsellors, life coaches and career counsellors. This service facilitates private one-on-one counselling sessions, ensuring that every employee has the support they need to navigate life's challenges. By integrating YourDOST into our employee support system, we affirm our commitment to a physically safe, mentally resilient and empowered workforce.

55

In person counselling sessions

604

Employees reached through webinars

ENVIRONMENT

Protecting and preserving our world

Huhtamaki India aims to minimise the environmental impact of its operations with a concentrated effort on climate, water, waste, and energy management. We implement solutions to conserve water across all operations, prioritise waste reduction through circular initiatives and reduce energy consumption to lower the carbon footprint of our packaging solutions. Transitioning to 100% renewable energy is a key focus area for the upcoming years.

OUR 2030 SUSTAINABILITY AMBITIONS

100%
of products designed to be recyclable, compostable or reusable

>80%
Renewable or recycled materials

100%
of fibre from recycled or certified sources

>90%
of non-hazardous waste recycled or composted

100%
Renewable electricity

Carbon neutral production
and science-based emission target

ENVIRONMENT

WATER MANAGEMENT

Recognising India's water scarcity challenges, we work towards reducing freshwater consumption. Our commitment extends to safeguarding water ecosystems, particularly in areas facing water stress, through water management strategies. Here are the key initiatives we undertake:

Site-specific water risk assessments

In 2023, we conducted water scarcity risk assessments for all of our sites. This is not a regular activity, but was done in 2023.

Performance indicators and targets

We have established clear targets and performance indicators related to water use and conservation, enabling us to measure our progress and impact accurately. We have also introduced two new KPIs - solvent consumption intensity and water consumption intensity.

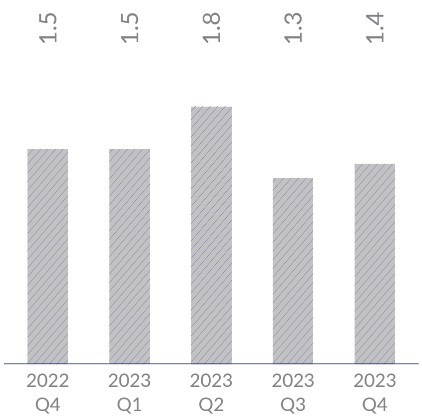
Zero Liquid Discharge (ZLD)

We are committed to achieving ZLD status at our factories, with four sites already having reached this milestone. This involves the elimination of liquid waste by treating and reusing water on-site.

Treatment and reuse

Sewage and effluent generated on-site are treated in our sewage and effluent treatment plants, maximising the internal consumption of treated water and ensuring that discharge meets all regulatory standards.

Relative water intake (m^3/STP)



WASTE MANAGEMENT

We understand the critical importance of waste management in preserving the environment and ensuring sustainable operations. While our products play a vital role in our customers' offerings, limitations in reclaiming or recycling these products, due to their integration within consumer goods, pose unique challenges. Nonetheless, we address these challenges head-on, guided by principles of responsibility and compliance with regulatory standards.

Post-consumer plastic collection

We actively collect post-consumer flexible packaging waste across communities for recycling or suitable end-of-life treatments to minimise environmental impact.

EPR targets

We meet EPR targets as mandated under the Plastic Waste Management Rules, ensuring responsible management of plastic waste.

Waste reduction targets

Each unit within Huhtamaki sets specific waste reduction targets, with action plans tracked throughout the year. Rigorous tracking, reporting and analysis protocols are implemented for all waste types on a monthly basis, ensuring transparency and accountability.

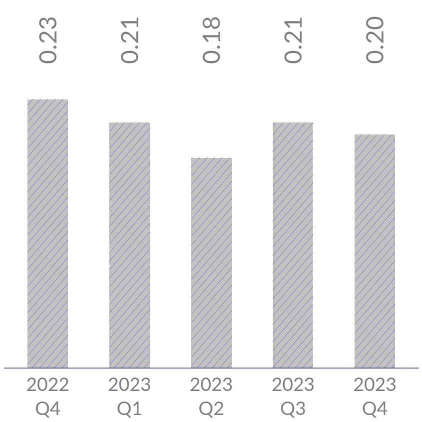
Huhtamaki Foundation recycling plant

We have established a recycling facility in Khopoli, Maharashtra, that converts post-consumer Multi-Layered Plastic (MLP) waste into reusable granules, thereby addressing the challenge of recycling materials traditionally considered non-recyclable.

Material optimisation projects

We have undertaken projects aimed at optimising material consumption to reduce waste generation at the source, particularly for hazardous waste.

Relative waste generation (m^3/STP)



ENERGY AND EMISSIONS MANAGEMENT

Energy efficiency and conservation is an important tenet of the sustainability and operations roadmap for the organisation. The approach adopted by our Company is to benchmark and map usage streams of energy, identify process modifications and new technologies to optimise consumption and improve year on year on the efficiency. In 2023, our Company also optimised its manufacturing footprint, which supported us in reducing the overall energy consumption of the Company. The organisation is also working on its 2030 ambition of 100% renewable energy usage thus leading to carbon neutral production (Scope 1 + 2).

Electricity consumption mapping at Sri City

At the Sri City plant, we have undertaken electricity consumption mapping, benchmarking, and implemented reduction strategies to enhance energy efficiency.

Independent power feeder at Rudrapur

The Rudrapur plant has seen the installation of an independent power feeder, improving reliability and power quality.

Air compressor optimisation

Air compressor optimisation has been carried out across multiple locations, significantly reducing energy consumption.

Demand load optimisation

We have also optimised demand loads at various plants to ensure energy is used more efficiently.

LED lighting implementation

The Ambernath plant has transitioned to LED lighting, contributing to substantial energy savings.

Rooftop solar installation

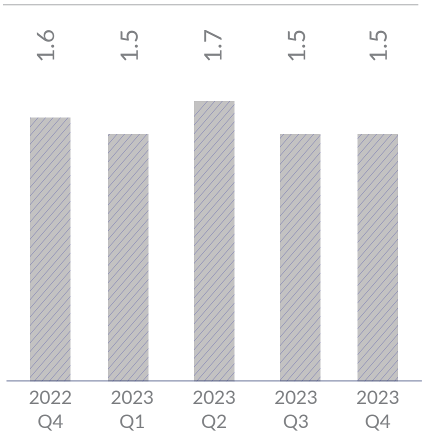
Our Silvassa, Guwahati and Taloja plants continue to harness solar energy through rooftop installations, furthering our commitment to renewable energy sources.

Renewable biomass at Sri City

The Sri City plant maintained its commitment to sustainability by utilising renewable biomass for its onsite fuel needs.

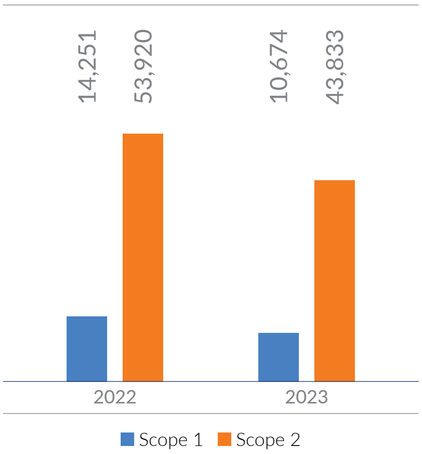
Energy efficiency

(MWh/STP)



Scope 1 and 2 emissions

(in tCO_2e)



Building harmonious ecosystems

Huhtamaki India's CSR Policy is founded on principles of inclusivity and support for marginalised groups, as well as society as a whole. We are dedicated to addressing issues such as hunger, poverty, and malnutrition, while also prioritising environmental protection and supporting our communities, stakeholders, and society. Aligned with our core values of Care, Dare, and Deliver, we aim to be good corporate citizens and have a positive impact on the communities in which we operate.

4,000+

CSR Beneficiaries

COMMUNITY EMPOWERMENT INITIATIVES

Huhtamaki India has initiated various community upliftment programs, contributing positively to societal welfare as part of its commitment to community well-being.

Enabling next-gen learners

We have launched impactful school support programs across various regions. In Taloja, we donated essentials like stationery to a local school, while in Sri City, we conducted safety awareness sessions for students. In Bengaluru, we provided water filters and school bags to improve daily learning conditions. Additionally, in Rudrapur and Baddi, we distributed stationery kits, and in Ambernath, we enhanced classroom infrastructure with new benches and tables. Similarly, Khopoli schools received essential stationery supplies. Through these efforts, we are dedicated to enriching educational environment and empowering future generations within these communities.

Building green landscapes

Our commitment to environmental stewardship is evident in our tree plantation drives across various regions. In Sri City, we focused on greening two school premises, while in Khopoli, we led a plantation drive at Ashram Shala. These activities aim to instil the values of sustainability in the younger generation, creating a sense of environmental responsibility within the community.

Removing barriers to safety

We advanced community health and safety in Rudrapur by hosting a Health Safety Awareness session for students, instilling a culture of well-being. Covering crucial topics, the initiative equipped students to tackle health and safety challenges, complemented by donating first aid kits to schools for immediate care. Our goal is to foster a community where health and safety principles are foundational, ensuring a safer tomorrow.

Bringing joy to old age homes

Our community support includes efforts to improve the lives of the elderly. In Rudrapur, we donated almirah cabinets to old age homes, improving storage and living conditions. Additionally, the CHQ team contributed televisions and washing machines to an old age home, providing practical help and enhancing leisure and social opportunities for the elderly. These donations reflect our commitment to adding comfort and convenience to their lives.

Ensuring energy-efficiency in schools

In Rudrapur, we ensured access to continuous power and clean drinking water by installing backup facilities and LED lights. In Baddi, we donated solar lights to a local society. Through these endeavours, Huhtamaki is committed to fostering hope, promoting health and sustainability in these communities.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 74th Annual Report of Huhtamaki India Limited ('Company') along with the Audited Statements of Accounts for the year ended December 31, 2023.

FINANCIAL HIGHLIGHTS

Your Company's financial performance during the year was as under:

(₹ in Million)

Particulars	2023	2022
Net Sales	24,813.2	29,165.0
Profit/(Loss) before Tax & Exceptional Item	1,305.1	559.3
Exceptional Item Income/(Expenses)	3,695.3	-
Profit/(Loss) after Exceptional items & before Tax	5,000.4	559.3
Less: Provision for Current Tax	803.8	172.9
Provision for Deferred Tax	100.3	(110.0)
Profit/(Loss) for the year	4,096.3	496.4
Opening balance of Retained Earnings	5,805.0	5,390.4
Other Comprehensive Income/(Loss) for the year	1.5	(6.3)
Dividend on Equity Shares for the year	(151.0)	(75.5)
Adjustment relating to prior periods	-	-
Closing balance of Retained Earnings	9,751.8	5,805.0

BUSINESS PERFORMANCE

The Company registered net sales of ₹24,813 Million, as compared to ₹29,165 Million for the previous year representing 15% decrease. Profit before Exceptional Items and Tax stood at ₹1,305 Million as compared to ₹559 Million for the previous year. While there has been an erosion in the topline during the year, partly due to strategic position taken and partly due to lower offtake in some specific categories, the Company has reported more than double the Profit before Exceptional Items and Taxes and delivered an impressive PBT. We accelerated the strategy execution with network optimisation, consolidation of Manufacturing footprint, Operational efficiency and Cost productivity initiatives to deliver better profitability.

The Company has reported an income of ₹3,695 Million (Net) categorised as Exceptional Income for the Year, primarily stemming from the divestment of Land and Building at two former manufacturing sites. This income was partially offset by costs incurred in implementing the Voluntary Retirement Scheme (VRS) for employees at the Khopoli and Hyderabad Plant, along with minor expenses related to the restructuring of manufacturing facilities.

The Company continues to focus on enhancing the efficiency of its manufacturing network, reducing operational wastage through World-Class Operations (WCO) initiatives and aims to optimise the efficiency of its sourcing and supply chain network, leveraging raw material procurement efficiencies. Simultaneously, the Company strategises to scale up its profitable core business while driving transformational projects. across the organisation.

DIVIDEND

Your Directors have recommended a dividend of ₹5/- per equity share of ₹2/- each (250%). This dividend is subject to the approval of the Members at the forthcoming annual general meeting and if approved, Members whose name appear on the register of Members on April 24, 2024 will be entitled to the dividend.

This would involve a total cash outflow of ₹377.6 Million.

The declaration of dividend is in accordance with the Company's Dividend Distribution Policy which is available on the Company's website and can be accessed at https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies/.

PUBLIC DEPOSITS

The Company did not invite or accept deposits covered under Chapter V of the Companies Act, 2013 and there are no deposits outstanding with the Company.

BORROWINGS

The Company continued to optimise borrowings during the year by focusing on cash flows and working capital management. During the year, the Company has availed Working Capital Demand Loan and issued Commercial Papers for funding Working Capital. The Company has repaid the entire short-term borrowing from proceeds received on account of sale of its land at Thane. Borrowings as of December 31, 2023, have reduced by ₹1,632 Million compared to December 31, 2022.

TRANSFER TO RESERVES

The Company is not required to transfer any amount to its reserves and accordingly no amount is transferred to reserves during the year under review.

SUBSIDIARY COMPANIES AND FINANCIAL STATEMENTS

The Company does not have a subsidiary and Form AOC-1 is not required to be provided. In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited financial statements, and related information of the Company are available on the website of the Company: www.flexibles.huhtamaki.in.

MANAGEMENT DISCUSSION AND ANALYSIS

A review of the performance and future outlook of the Company and its businesses, as well as the state of the affairs of the business, along with the financial and operational developments have been discussed in detail in the Management Discussion and Analysis Report, which forms part of the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to the provisions of Section 134 of the Companies Act, 2013 and the rules framed thereunder, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, forms part of this Report and is given at **Annexure 1**.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Stefan Lotz retires at the forthcoming Annual General Meeting by rotation and being eligible, has offered himself for re-appointment. Details of the proposed re-appointment have been provided in the Explanatory Statement to the Notice of the 74th Annual General Meeting of the Company pursuant to Section 102 of the Companies Act, 2013. The Board has recommended his re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015 and the same has been noted by the Board of Directors.

The Board of Directors are of the opinion that Mr. Murali Sivaraman, Ms. Seema Modi and Mr. Ashok Kumar Barat, Independent Directors of the Company meet the necessary criteria for continuing as Independent Directors of the Company, including having cleared the proficiency self-assessment test conducted by the Institute notified under sub-section (1) of Section 150 of the Act.

PERFORMANCE EVALUATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee follows a robust process for evaluation of the Board and the Committees, including each other and the Chair. Every member of the Board and Committees independently rates the performance of the Board, Committees, the other Directors and the Chair, against the criteria prescribed by the NRC and offers their feedback. The Corporate Governance Report, annexed to the Annual Report, details the process followed.

The Company has in place a policy for appointment and remuneration of Directors and Key Managerial Personnel, encompassing the criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act, and Part D of Schedule II of the Listing Regulations. The above policy along with the criteria for selection is available on the Company's website at https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies/.

MEETINGS OF THE BOARD

During the year, the Board met 6 (six) times. Particulars of attendance of directors at the said meetings are given in the Corporate Governance Report, which forms part of the Annual Report.

AUDITORS AND AUDITORS' REPORT

M/s. BSR & Co. LLP, Chartered Accountants, (Firm Registration No. 101248W/W-100022) were appointed as the statutory auditors of the Company for a term of five years from the conclusion of the 70th Annual General Meeting till the conclusion of the 75th Annual General Meeting.

The Auditors' Report to the Members on the Accounts of the Company for the year ended December 31, 2023, is a part of the Annual Report. The said Audit Report does not contain any qualification, reservation, or adverse remark.

There are no instances of fraud which are required to be reported by the auditors under Section 143(12) of the Act and rules framed thereunder, either to the Company or to the Central Government.

COST RECORDS AND COST AUDITORS

The Company is required to maintain the cost records as specified by the Central Government in terms of Section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are prepared and maintained by the Company.

On the recommendation of the Audit Committee, the Board of Directors appointed M/s. R. Nanabhoy & Co., Cost Accountants as the Cost Auditors of the Company for conducting the audit of the cost records maintained by the Company for the Financial year 2024. M/s. R. Nanabhoy & Co., have confirmed that they are free from any disqualifications as specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013. They have further confirmed their independent status.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, a resolution seeking members' approval for the ratification of remuneration payable to the Cost Auditors for the Financial Year 2024 forms part of the notice of the 74th Annual General Meeting of the Company and the same is recommended for your consideration and approval.

SECRETARIAL AUDIT & ANNUAL SECRETARIAL COMPLIANCE REPORT

The Board of Directors had appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries, to conduct Secretarial Audit for FY2023 pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report received from the Secretarial Auditors is annexed to this Report as **Annexure 2**. The said Audit Report does not contain any qualification, reservation, or adverse remark.

The Annual Secretarial Compliance Report issued in terms of Regulation 24A of the Listing Regulations forms part of the Annual Report and has been submitted to the stock exchanges within 60 days of the end of the financial year.

During the Year 2023, your Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India.

HUMAN RESOURCES AND PARTICULARS OF EMPLOYEES

People are our biggest asset and the Company is invested in the holistic development, health and well-being of our employees. The Company has been providing continuous skill upgradation and learning opportunities through structured training programmes, career discussions and individual development plans. A detailed note on Human Resources forms part of the Annual Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report as **Annexure 3**.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. In terms of Section 136 of the Companies Act, 2013 the Report and Accounts are being sent to the Members and others entitled thereto, excluding the aforesaid information. Any member interested in obtaining such information may write to the Company at investor.communication@huhtamaki.com and the same will be furnished on request.

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year under review:

a) all contracts/arrangements/transactions entered by the Company with related parties were in its ordinary course of business and on an arm's length basis;

b) contracts/arrangements/transactions were entered into with related parties in accordance with the Policy of the Company on Materiality of Related Party Transactions and on dealing with Related Party Transactions.

The Company has not entered into any contract/arrangement/transaction with related parties which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act, during the financial year ended December 31, 2023.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the requirements of Section 135 of the Act, the Company has constituted a 'Corporate Social Responsibility (CSR) Committee' and has also framed a CSR Policy. The details of the policy, composition of the Committee, CSR initiatives, CSR expenditure during the year etc., have been provided as **Annexure 4** to this report, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.

Your Company is committed to CSR and strongly believes that the business objectives of the Company must be in congruence with the legitimate development needs of the society in which it operates. During the year under review, the Company set off ₹10.9 Million and incurred additional expenses of ₹14.6 Million towards CSR activities.

The CSR projects of the Company are primarily focused in the areas of environmental sustainability, healthcare, promotion of education and skill development, social welfare and rural development and providing drinking water, sanitation facilities and hygiene.

ETHICAL BUSINESS PRACTICES AND GOVERNANCE

The Company lives by its values Care Dare Deliver – with integrity. The Company is committed to foster an atmosphere of openness and transparency and maintaining the highest ethical standards in everything it does. The Company sees compliant and ethical business conduct as responsible leadership and something that is relevant for all its employees and in every business transaction that the Company is involved.

Huhtamaki Ethics and Compliance programme focuses on Huhtamaki's commitment to integrity and legal compliance across the organisation. The programme serves as a toolkit supporting Huhtamaki in conducting its business in compliance with laws, regulations and ethical standards and ensuring that the Company has adequate procedures in place to prevent it from taking part in any unethical business activities.

RISK MANAGEMENT

Risk Management at Huhtamaki aims to identify potential events that may affect the achievement of Huhtamaki's objectives as outlined in its 2030 Strategy. Its purpose is to manage risks to a level that the Company is capable and prepared to accept so that there is reasonable assurance and predictability regarding the achievement of the Company's objectives. The aim is also to enable the efficient allocation of resources and risk management efforts.

The Company has formulated Risk Management Policy to review and control risk and has constituted a Risk Management Committee which oversees and monitors implementation of the Policy, validates the process of risk management and mitigation and periodically reviews and evaluates the Company's Risk Management Policy.

Recommendations/Observations of the Risk Management Committee are taken to the Board. The Committee and the Board review the Risk Assessment procedures periodically to ensure that risk including Information technology and Cyber Security risks are controlled/mitigated by the management.

In 2023, the management identified and assessed strategic, operational and financial risks and opportunities. Risk treatment actions were defined in order to reach acceptable risk levels at each stage. The risks were reviewed by the Risk Management Committee twice during the year and taken note of by the Board of Directors.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

Internal control is an essential part of the corporate governance and management of the Company. The Company has defined the operating principles for internal control. The Audit Committee monitors the effectiveness and efficiency of the internal control systems and the correctness of the financial reporting. The aim of internal control is to ensure reliability of financial reporting, effectiveness and efficiency of operations as well as compliance with laws and regulations. Control of financial reporting assures that financial statements are prepared in a reliable manner. The aim is also to ensure that all financial reports published and other financial information disclosed by the Company provide a fair view on the Company's financial situation. Control of operations is aimed at ensuring effectiveness and efficiency of operations and achievement of the Company's strategic and financial objectives. Control of compliance ensures that the Company follows applicable laws and regulations.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are given in the Management's Discussion and Analysis, which forms part of the Annual Report.

Internal audit: The objective of the internal audit is to improve the effectiveness of supervising obligation of the Board. Internal audit aims at ensuring that the Company's operations are efficient, information is adequate and reliable and that set policies and procedures are properly followed by the organisation.

The internal audit function reports to the Audit Committee. The Audit Committee approves the annual internal audit plan. Audit Committee has two meetings in a year dedicated exclusively to focus on internal audit observations, key findings, conclusions and recommendations for control improvements. The implementation of the action plan is followed up periodically by the line management and reviewed by Internal Audit function.

ANNUAL RETURN

As required under Section 92(3) of the Act, the Company has placed a copy of the annual return on its website and the same is available in the Investors Section on the Company's website at the link given below. The Annual Return for the year would be updated once the same is filed with the Registrar of Companies in due course.
https://www.huhtamaki.com/en-in/flexible-packaging/investors/financials/annual-reports/

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) and 134(5) of the Act, the Board of Directors of the Company confirms:

a) that in the preparation of the annual financial statements for the year ended December 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures if any;

b) that such accounting policies as mentioned in Note 2 of the Notes to the Accounts have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on December 31, 2023, and of the profit of the Company for the year ended on that date;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the annual financial statements have been prepared on a going concern basis;

e) that proper internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) that the proper systems to ensure compliance with the provisions of all applicable laws are in place and were operating effectively.

INSOLVENCY AND BANKRUPTCY CODE 2016

Neither any application has been made nor any proceeding is pending in respect of the Company under the provisions of Insolvency and Bankruptcy Code 2016.

OTHER DISCLOSURES/REPORTING

- The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise;
- The Company has not issued any shares (including sweat equity shares) to employees of the Company under any scheme;
- Neither the Executive Director nor the Whole-time Directors of the Company receive remuneration or commission from any of its subsidiaries;
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

APPRECIATION AND ACKNOWLEDGEMENT

The Board wishes to place on record its gratitude for the confidence reposed in the Company by our bankers, government authorities, customers, vendors and all shareholders. The Board further wishes to record its sincere appreciation for the significant contributions made by employees at all levels for their commitment, dedication and contribution towards the operations of the Company.

By Order of the Board
For **Huhtamaki India Limited**

Murali Sivaraman
Chairman
(DIN 01461231)
Date: March 22, 2024

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE – 1

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Pursuant to provisions of Section 134(3) (m) of the Act and Rule 8(3) of Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

Energy Efficiency and conservation is an important tenet of the sustainability and operations roadmap for the organisation. The approach adopted by the Company is to benchmark and map usage streams of energy, identify process modifications and new technologies to optimise consumption and improve year on year on the efficiency. In 2023, the Company also optimised its manufacturing footprint, which supported in reducing the overall energy consumption of the Company. The organisation is also working on its 2030 ambition of 100% renewable energy usage.

Some of the key initiatives for conserving energy during 2023 were:

- Electricity consumption mapping, benchmarking and reduction at Sri City factory.
- Independent power feeder at Rudrapur factory.
- Air compressor optimisation at multiple locations.
- Demand load optimisation at multiple factories.
- LED lights implementation at Ambernath factory.
- Silvassa, Guwahati, Taloja factories continued to generate rooftop solar.
- Sri City factory continued to use renewable Biomass for its onsite fuel requirements.

B. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

The Company continued its efforts to develop new products, technologies and new sustainable solutions for continuous growth. DSIR recognised, dedicated R&D Centre located at Khopoli, and experienced team is continuously working to have innovative products for healthy innovation pipeline.

As a subsidiary of Huhtamaki Oyj, the Company benefits from access to cutting-edge technology and tools, empowering it to advance the sustainable growth agenda outlined in the 2030 strategy. For instance, leveraging these resources, the Company is developing a range of recyclable solutions under the blueloop™ umbrella and new material structures to penetrate large pack product markets. The centralized IT services help in streamlining IT operations, cutting costs, scaling up and enhancing collaboration and efficiency. In addition, the technology/tools have helped the Company progress towards attainment of World Class Operations (WCO) across its plants in India. This has enabled the Company to enhance efficiencies in manufacturing processes, improve energy efficiency, and optimise solvent usage, among other benefits.

As a part of Huhtamaki Strategy 2030, our ambition is to be the first choice in sustainable packaging solutions, enabling well-being and convenience for people around the world. To achieve its ambitious plans, the Company has made investments and is ready to provide recyclable flexible packaging solutions. As part of Enterprise IT transformation, digitalization projects are expected to strengthen our operations, as well as enhance commercial and customer excellence. Your Company has also invested in dedicated recycling facility to recycle multilayer post-consumer flexible packaging materials and has also ensured its representation in various programmes and industries forum for public awareness on flexible packaging.

Huhtamaki's blueloop™ platform continued to ensure that our easy to recycle flexible packaging innovative solutions are meeting our customer requirements of recyclability. Your Company also ensures that the flexible packaging materials it produces, are food-safe and meeting FSSI and other global food safety standards.

Innovative packaging solutions are getting recognised at different national and international prestigious award platforms. A few winning entries which won accolades are Paper based soap wrapper, Coconut paste bottoms up pouch, Limited edition variable festive tea packs and membrane pouch for shampoo colour.

The Company has been recognised for its innovative efforts by several packaging organisations and was awarded with the following awards/recognitions:

Name of the Award	Products
WorldStar Award 2024	Transparent barrier snack packs
SIES SOP Star Award 2023	1. Freeze-able pouches for baked products 2. Shaped pouch with premium aesthetics for Henna hair colour 3. Premium five panel pouch for Pet food
IFCA Star Awards 2023 *(awarded in 2023)*	1. Pressure sensitive label with tactile grainy effect 2. Pressure sensitive label with soft touch & spot gloss 3. Recyclable bulk bag with high drop resistance
INDIASTAR 2022 *(awarded in April 2023)*	1. Pressure sensitive label with metallic & security feature 2. Pressure sensitive label with tactile & security feature 3. Two layered pressure sensitive label
WorldStar Awards 2023 *(awarded in 2023)*	1. Paper-based soap wrapper

Name of the Award	Products
SIES SOP Star Awards 2022 *(awarded in 2023)*	• All PP-based laminate for chocolates • Pressure-sensitive label with tactile and security features • Transparent barrier snack packs

The expenditure on R & D during the year under report is as below:

Particulars	Amount (₹ in Million)
Capital	0.0
Recurring	15.0
Total	**15.0**

C. RESEARCH AND DEVELOPMENT

Your Company's efforts are resulting in successful commercial acceptance for easy-to-recycle solutions on blueloop™ platform with various customers.

With various initiatives, the Company has ensured a strong innovation product pipeline which would help the Company to maintain its technological and innovation leadership position in the market.

D. FOREIGN EXCHANGE EARNINGS & OUTGO

a) Foreign exchange earnings from the exports of the Company's products & services amounted to ₹7621.1 Million.

b) The outflow of foreign exchange on account of import of raw materials, stores, spares, capital goods, expenses on travelling, commission on exports, and technical service charges amounted to ₹6232.9 Million.

By Order of the Board
For **Huhtamaki India Limited**

Murali Sivaraman
Chairman
(DIN 01461231)

ANNEXURE – 2

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Huhtamaki India Limited
CIN: L21011MH1950FLC145537
A-802, Crescenzo, C-38/39,
G – Block Bandra-Kurla Complex,
Bandra (East), Mumbai,
Maharashtra, India, 400 051.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Huhtamaki India Limited** (hereinafter called the Company) for the financial year ended **December 31, 2023**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **December 31, 2023**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **December 31, 2023** according to the provisions of:

i. The Companies Act, 2013 ('the Act'), and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable to the extent of Overseas Direct Investment and External Commercial Borrowings as there was no reportable event during the financial year under review**.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **- Not Applicable as there was no reportable event during the financial year under review;**

(d) The Securities and Exchange Board of India (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021 **- Not Applicable as the Company has not issued any shares/options to directors/employees under the said regulations during the financial year under review;**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 **- Not Applicable as the Company has not issued and listed debt securities during the financial year under review;**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **- Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **- Not Applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchanges during the financial year under review;** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **- Not applicable as the Company has not bought back/ proposed to buy-back its equity shares during the financial year under review;**

(i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not Applicable as the Company has not issued and listed debt securities during the financial year under review.**

vi. The Management has identified and confirmed the following law as specifically applicable to the Company:

(a) The Environment (Protection) Act, 1986 and Rules thereunder;

(b) The Manufacture, Storage and Import of Hazardous Chemicals Rules,1989;

(c) The Batteries (Management and Handling) Rules, 2001;

(d) The Petroleum Rules, 2002;

(e) The Environment Impact Assessment Notification, 2006;

(f) The Food Safety and Standards Act, 2006;

(g) The Legal Metrology Act, 2009, Rules and Regulations thereunder;

(h) The Food Safety and Standards (Licensing & Registration of Food Businesses) Regulations, 2011;

(i) The Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011;

(j) The Plastic Waste Management Rules, 2016;

(k) The Solid Waste Management Rules, 2016;

(l) The Bio-Medical Waste Management Rules, 2016;

(m) The E-Waste (Management) Rules, 2016;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) and Listing Agreement entered into with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

It may be noted, that the Director Identification Number of one of the Non-resident Directors (Mr. Marco Hilty-DIN: 09332097) has been de-activated due to a technical error. The Company is co-ordinating with MCA and is in the process of resolving the same.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors including Independent Directors and Woman Director. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act;
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent seven days in advance before the meeting. There exists system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions of the Board and Committee meeting were carried with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:

- As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the review period, the following event having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. above have taken place: -

- Shifting of Registered office within the local limit of the City with effect from April 1, 2023.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For **S. N. ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S.N. Viswanathan
Partner
ACS: 61955 | COP No.: 24335
ICSI UDIN: A061955E003620378

Date: March 22, 2024
Place: Thane

Annexure – A

To,
The Members,
Huhtamaki India Limited
CIN: L21011MH1950FLC145537
A-802, Crescenzo, C-38/39,
G – Block Bandra-Kurla Complex,
Bandra (East), Mumbai,
Maharashtra, India, 400 051.

Our Secretarial Audit Report for the financial year ended December 31, 2023 of even date is to be read along with this letter.

MANAGEMENT'S RESPONSIBILITY

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.

4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement

6. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

8. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

For **S. N. ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S.N. Viswanathan
Partner
ACS: 61955 | COP No.: 24335
ICSI UDIN: A061955E003620378

Date: March 22, 2024
Place: Thane

ANNUAL SECRETARIAL COMPLIANCE REPORT

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

To,
The Board of Directors,
Huhtamaki India Limited
CIN: L21011MH1950FLC145537
A-802, Crescenzo, C-38/39,
G – Block Bandra-Kurla Complex,
Bandra (East), Mumbai,
Maharashtra, India, 400 051.

Sir/Madam,

ANNUAL SECRETARIAL COMPLIANCE REPORT FOR THE FINANCIAL YEAR 2023

We have been engaged by **Huhtamaki India Limited** (hereinafter referred to as 'the Company') bearing CIN: **L21011MH1950FLC145537** whose equity shares, are listed on National Stock Exchange of India Limited (NSE) and/or BSE Limited (Security Code: INE275B01026) to conduct an audit in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) as amended, read with SEBI's Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 and to issue the Annual Secretarial Compliance Report thereon.

It is the responsibility of the Management of the Company to maintain records, devise proper systems to ensure compliance with provisions of all applicable SEBI Regulations and circulars/guidelines issued thereunder from time to time and to ensure that the systems are adequate and are operating effectively.

Our responsibility is to verify compliances by the Company with provisions of all applicable SEBI Regulations and circulars/guidelines issued thereunder from time to time and issue a report thereon.

Our audit was conducted in accordance with Guidance Note on Annual Secretarial Compliance Report issued by the Institute of Company Secretaries of India and in a manner which involved such examinations and verifications as considered necessary and adequate for the said purpose.

Annual Secretarial Compliance Report is enclosed.

S.N. Viswanathan
Partner
ACS: 61955 | COP No.: 24335

February 29, 2024 | Thane

Annual Secretarial Compliance Report of
Huhtamaki India Limited

For The Financial Year Ended December 31, 2023

We have examined:

(a) all the documents and records made available to us and explanations provided by **Huhtamaki India Limited** ('the listed entity');

(b) filings/submissions made by the listed entity to the stock exchanges;

(c) website of the listed entity;

(d) any other document/filing, as may be relevant, which has been relied upon to make this certification;

for the financial year ended December 31, 2023 ('review period'), in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ('SCRA'), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ('SEBI').

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**LODR**);

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not Applicable as there was no reportable event during the review period**;

(c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not Applicable as there was no reportable event during the review period**;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 – **Not Applicable as there was no reportable event during the review period**;

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- **Not Applicable as there was no reportable event during the review period**;

(g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;

Based on the above examination, we hereby report that, during the review period:

(a) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

(b) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matter specified in **Annexure – A** to the report.

(c) The listed entity has taken the actions specified in the report, to comply with the observations made in previous reports–**Not Applicable as no action was required to be taken as per previous Report**.

(d) The listed entity has complied with the provisions of Para 6 of Circular No. CIR/CFD/CMD1/114/2019 issued by SEBI on October 18, 2019 in terms of appointment of Statutory Auditors/Resignation of Statutory Auditors of Listed Entity- **No reportable event during the period under review**.

(e) In terms of the NSE Circular Ref No.: NSE/ CML/2023/30 dated April 10, 2023 and the BSE Circular No.: 20230410-41 dated April 10, 2023, and amendments therein, our affirmations, are annexed as **Annexure – B** to the report.

For **S. N. ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S.N. Viswanathan
Partner
ACS: 61955 | COP No.: 24335
ICSI UDIN: A061955E003509071

February 29, 2024 | Thane

ANNEXURE TO DIRECTORS' REPORT

Annexure – A

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Actions (Advisory/ Clarification/Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	Regulation 30 (2) Part A of Schedule III Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following: a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched; b) ...... c) .... d) ...... e) ...... f) .... g) .... h) financial results	Regulation 30 (2) Part A of Schedule III	Outcome of Board Meeting held on February 6, 2023 -Q4 /Yearly 2022 Audited Results. The Board Meeting concluded at 7.55 pm and the outcome was uploaded at 8.32 p.m. on NSE portal	None	None	The disclosure was made with a delay of 7 minutes.		The Company had uploaded the Outcome on BSE portal at 8.06 p.m.	The Company filed Outcome of the Board Meeting with BSE @ 8.06 p.m., while faced login issues with NSE portal (Technical glitch) and managed to upload the same @ 8.32 p.m.	None

Annexure – B

We hereby report that, during the review period, the compliance status of the listed entity is as given hereunder:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/Remarks by PCS
1.	**Secretarial Standard** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under Section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	None
2.	**Adoption and timely updation of the Policies** • All applicable policies under SEBI Regulations are adopted with the approval of the Board of Directors of the listed entities. • All the policies are in conformity with SEBI Regulations and have been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI.	Yes	None
3.	**Maintenance and disclosures on Website** • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website	Yes	None
4.	**Disqualification of Director** None of the Directors of the Company are disqualified under Section 164 of Companies Act, 2013, as confirmed by the listed entity.	Yes	None
5.	**Details related to Subsidiaries of listed entities have been examined w.r.t.,** a) Identification of material subsidiary companies b) Requirements with respect to disclosure of material as well as other subsidiaries	Not Applicable	The Company did not have a subsidiary during the year under review
6.	**Preservation of Documents** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal/archival of records is being carried out as per Policy of Preservation of Documents and Archival policy prescribed under SEBI Listing Regulations.	Yes	None
7.	**Performance Evaluation** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations	Yes	None
8.	**Related Party Transactions** a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions, or b) The Listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes.	None
9.	**Disclosure of events or information** The listed entity has provided all the required disclosure(s) under Regulation 30 read with Schedule III of SEBI Listing Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10.	**Prohibition of Insider Trading** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	None
11.	**Actions taken by SEBI or Stock Exchange(s), if any** No Actions taken against the Company/its promoters/directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder.	Yes	None
12.	**Additional Non-compliances, if any** No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Yes	None

For **S. N. ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S.N. Viswanathan
Partner
ACS: 61955 | COP No.: 24335
ICSI UDIN: A061955E003509071

February 29, 2024 | Thane

ANNEXURE – 3

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

I. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

(₹ in Million)

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year (FY)	% increase in Remuneration in the Financial Year 2023	Ratio of remuneration of each Director to median
1	Mr. Dhananjay Salunkhe Managing Director	33.2	7.0%	5.8:1
2.	Mr. Jagdish Agarwal Executive Director & CFO	18.8	7.0%	3.3:1
3.	Mr. Dakshinamurthy Iyer, Company Secretary	6.7	0.0%	1.2:1

Notes:

- The Managing Director and Executive Director & CFO of the Company are entitled to shares under the 'Share Ownership Plan' of Huhtamaki Oyj (the ultimate Holding Company) which entitles them to receive shares at nil cost. The scheme detailed above is assessed, managed and administered by the ultimate holding Company and the costs are charged by Huhtamaki Oyj to the Company upon vesting of shares to the employees. Further, as per Ind AS, the Company has recognised charge of ₹22.98 Million with respect to the mentioned plan and the same has not been considered in the remuneration mentioned above as no shares have vested during the year.
- Remuneration paid to Independent Directors consists only sitting fees and Commission for FY2023 in accordance with Section 197 (ii) of the Companies Act, 2013 details of which are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for remuneration of Independent Directors are therefore not considered for the above purpose.

1. The percentage increase in median remuneration of employees of the Company during the financial year was 10.00%.
2. The number of permanent employees on the rolls of Company as on December 31, 2023, were 2,463.
3. Average percentage increase made in the salaries of employees other than managerial personnel in the financial year is 10.00%.
4. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

By Order of the Board
For **Huhtamaki India Limited**

Murali Sivaraman
Chairman
(DIN 01461231)

ANNEXURE – 4

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2023.

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes –

   The Company through its CSR policy intends to –

   - Strive for economic development that positively impacts society at large with minimal resource footprint; and
   - Embrace responsibility for the Company's actions and encourage a positive impact through its activities to alleviate hunger, poverty and malnutrition; to protect the environment; and to support communities, stakeholders and society.

   In accordance with the requirements under the Companies Act, 2013 and the rules/regulations framed thereunder and circulars/clarifications issued thereunder (collectively, 'Applicable Law'), Huhtamaki India's CSR activities, amongst others, will focus on 5 thrust areas:

Focus areas	**Focus area Implementation strategy**	**Modes of Implementation**
HUNGER, POVERTY, MALNUTRITION AND HEALTH	Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.	Work directly or with non-profit organisations at infrastructure and/or operational level to support meal or nutrition-related programmes in schools and other institutions across India. Work with medical and health-related organisations for projects in preventive healthcare, short-term and long-term care and treatments.
EDUCATION	Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies, this also includes skilling and reskilling initiatives for those who are in need.	Partner directly or with non-profit organisations, primary, secondary and higher educational institutions including schools, colleges, and universities to encourage efforts in a wide range of areas including training, provision of funding for continued education, skilling and re-skilling initiatives, offline and online education, research, infrastructure development and capacity building.
RURAL DEVELOPMENT PROJECTS	Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.	Rural Development Work with non-governmental organisations (NGOs) and local administrations to achieve community development goals. Partner directly or with governments and NGOs to support projects related to development and improvement of infrastructure and essential amenities, livelihood and skilling initiatives, training and education, and rehabilitating disaster-affected victims in rural areas.
GENDER EQUALITY AND EMPOWERMENT OF WOMEN	Promoting gender equality and empowering women; Supporting NGOs in setting up homes, hostels and daycare centres for women and orphans; setting up old age homes and other similar facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.	Work directly or with NGOs to reach out to underprivileged and socially disadvantaged persons including women and children towards the cause of gender equality and empowerment. Projects include awareness activities, trainings, support for livelihood-related efforts, infrastructure development, and operational needs.
ENVIRONMENTAL SUSTAINABILITY	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining the quality of soil, air and water.	Work with NGOs on safeguarding the environment, including protection of flora and fauna, promoting climate action, renewable energy, natural resource conservation as well as promoting resource efficiencies across energy, water and waste management. Projects can include interventions in the areas of water and wastewater management (watershed management, lake rejuvenation, etc.), rural electrification, waste to energy (household biogas), avoidance or replacement of firewood for cooking with efficient alternatives, forestry, amongst others.

2. The Composition of the CSR Committee is as under –

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR attended during the year
1.	Mr. Murali Sivaraman	Chairman & Independent Director	2	2
2.	Mr. Sami Pauni	Non-executive Director & Member	2	2
3.	Mr. Marco Hilty	Non-executive Director & Member	2	2

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

   Composition of CSR committee: https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies/

   CSR Policy: https://www.huhtamaki.com/globalassets/flexible-packaging/india/investors-india/corporate-governance--policies/policies/hil_csr-policy.pdf

4. Executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 if applicable. The requirement of undertaking Impact Assessment of CSR Projects is NOT APPLICABLE to the Company.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No	Financial Year	Amount available for set-off from preceding financial years (₹ in Million)	Amount required to be setoff for the financial year, if any (₹ in Million)
1.	2021	32.4	10.9
2.	2022	10.6	0.0

6. (a) Average net profit of the Company as per sub-section (5) of Section 135: ₹546.5 Million
   (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹10.9 Million
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
   (d) Amount required to be set off for the financial year, if any: ₹10.9 Million
   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Nil

7. (a) CSR Amount Spent or unspent for the Financial Year

Sr. No.	Name of Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project	Amount allocated for the project (₹ in Million)	Amount spent in the current financial year (₹ in Million)	Amount transferred to Unspent CSR Account for the project as per Section 135	Amount spent: Direct or through implementing agency
1.	• Installation of solar light at Ashramshala Varavane • Providing school uniform, school bags and water filter to Govt Primary Schools, • Providing adult diapers to old age home to Samajik Vikas Kendra – Social, Health Drive & Plantation	Promotion of Education & Promotion of Healthcare	Yes	Khopoli, Maharashtra	0.8	0.6	Nil	Direct
2.	• Providing Stationery kit and Water coolers to Govt. Primary School • Solar Lights to nearby Village	Promotion of Education & Environment Sustainability	Yes	Baddi, Himachal Pradesh	0.3	0.2	Nil	Direct

Sr. No.	Name of Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project	Amount allocated for the project (₹ in Million)	Amount spent in the current financial year (₹ in Million)	Amount transferred to Unspent CSR Account for the project as per Section 135	Amount spent: Direct or through implementing agency
3.	• Providing Stationery kit and Water cooler to TMC School, • Providing TVs & Washing Machines to Smit old age Home and Care Foundation, Kalher & Tree Plantation	Promotion of Education & Promotion of Healthcare	Yes	Thane, Maharashtra	0.4	0.3	Nil	Agency (Rotary Club)
4.	• Providing School Bags and Water Cooler to Govt. School, Jigani • Upgradation to Old age home	Promotion of Education & Promotion of Healthcare	Yes	Bengaluru, Karnataka	0.2	0.1	Nil	Direct
5.	• Providing Benches and Tables to Zilla Parishad School • Providing Water Filters to Govt School	Promotion of Education & Environment Sustainability	Yes	Ambernath, Maharashtra	0.2	0.1	Nil	Direct
6.	• Providing Stationery kits, First Aid kits. • Providing Power back up facility through Inverter & Battery Installation and LED tube lights to Govt. Primary School and, Solar Light in Village, • Upgradation of old age home	Promotion of Education & Environment Sustainability	Yes	Rudrapur, Uttarakhand	0.3	0.1	Nil	Direct
7.	• Plantation supply to Govt. School, • Safety awareness programme for ZP High School, Madhanapalem Village • Health Drive & Plantation in Madhanapalem village • Upgradation of old age home	Promotion of Education, Environment Sustainability & Promotion of Healthcare	Yes	Sri City, Andhra Pradesh	0.2	0.1	Nil	Direct
8.	• Providing First Aid Boxes, Stationery kits and sports uniforms to Govt. Primary School	Promotion of Education	Yes	Taloja, Maharashtra	0.1	0.1	Nil	Direct
9.	• Safety awareness, School Upgrade • Visits to Old Age homes and conducting Health Drive, Plantations • Sports material to schools, Solar light and Water filter for clean water to Govt Schools and village	Promotion of Education, Environment Sustainability & Promotion of Healthcare	Yes	Silvassa, UT	0.5	0.0	Nil	Direct
10.	Development Centre Contribution to Huhtamaki Foundation for Sustainability	Environment Sustainability	Yes	Khopoli, Maharashtra	13.0	13.0	Nil	Direct
	Total				**15.8**	**14.6**		

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹14.6 Million

(e) CSR amount spent or unspent for the Financial Year

Total Amount Spent for the Financial Year 2023 (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
₹14.6 Million	NA	NA	NA	NA	NA

(f) Excess amount for set-off, if any: Nil

Sr. No.	Particulars	Amount (in Million)
i)	Two percent of average net profit of the Company as per Section 135(5)	10.9
ii)	Total amount spent for the Financial Year*	25.5
iii)	Excess amount spent for the financial year [(ii)-(i)]	14.6
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	14.6

* Represents amount set off ₹10.9 Million and actual spend during the year ₹14.6 Million.

8. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: Not Applicable

9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

   If Yes, enter the number of Capital assets created/acquired: Not applicable

   Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

10. Specify the reason(s), if the Company has failed to spend 2% of the average net profit as per sub-section (5) of Section 135: Not applicable

By Order of the Board
For **Huhtamaki India Limited**

Mr. Murali Sivaraman,
Chairman

Mr. Dhananjay Salunkhe
Managing Director

CORPORATE GOVERNANCE REPORT

[Pursuant to requirements of Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The corporate governance framework at Huhtamaki India Limited ('HIL' or 'Company') is founded on the principles of transparency, disclosure and conducting business with integrity and fairness. Everything we do is built on our values: Care Dare Deliver. We value integrity and we want to do what is right, wherever we are in the organisation.

Huhtamaki believes that ethical practices make good business sense and our business practices are in keeping with this spirit of maintaining the highest level of ethical standards. The implementation of HIL's Code of Conduct, Whistle-Blowing Policy, Code for Prohibition of Insider Trading and such other policies exemplify this spirit of good ethics.

The Company complies with the requirements of Corporate Governance as stipulated under Regulation 34 read along with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Directors present the Company's Report on Corporate Governance for the year ended December 31, 2023.

1. BOARD OF DIRECTORS

As on December 31, 2023, the Board comprised of 8 (Eight) Directors including 3 (Three) Independent Directors, 3 (Three) Non-executive Directors and 2 (Two) Executive Directors. The Chairman of the Board is a Non-executive Independent Director and more than one-third of the Board members were Independent Directors. The Independent Directors do not have any material pecuniary relationship or transactions with the Company, Promoters or Management, which may affect their judgement in any manner. The Directors are eminently qualified and experienced professionals in business, finance, marketing and corporate management.

The policy formulation, evaluation of performance and the control function vest with the Board, while the Board Committees oversee operational issues. The Board meets at least once in a quarter to consider amongst other matters, the quarterly performance of the Company and financial results. Directors attending the meetings actively participate in the deliberations at these meetings.

The composition of the Board, shares held by the members, their attendance at Board Meetings and at the last Annual General Meeting (AGM) held during the year under review is given below:

Sr. No.	Name of the Director	Category	No. of shares held in the Company	No. of Board Meetings held during the FY2023	No. of Board Meetings attended	Attendance at last AGM
1	Mr. Murali Sivaraman	Non-executive, Independent	Nil	6	6	Yes
2	Ms. Seema Modi	Non-executive, Independent	Nil	6	6	Yes
3	Mr. Ashok Kumar Barat	Non-executive, Independent	Nil	6	6	Yes
4	Mr. Sami Pauni	Non-executive	Nil	6	6	Yes
5	Mr. Marco Hilty	Non-executive	Nil	6	6	Yes
6	Mr. Stefan Lotz	Non-executive	Nil	6	6	Yes
7	Mr. Dhananjay Salunkhe	Executive	Nil	6	6	Yes
8	Mr. Jagdish Agarwal	Executive	Nil	6	6	Yes

A. INTER SE RELATIONSHIP AMONG THE DIRECTORS

None of the Directors of the Company are *inter se* related to each other.

B. RESIGNATION OF INDEPENDENT DIRECTORS AND REASONS THEREOF

During the year 2023, none of the Independent Directors resigned from the Company's Board.

C. BOARD MEETINGS

During the Financial year 2023, 6 (Six) Board Meetings were held, i.e. on, February 6, 2023, March 17, 2023, April 25, 2023, July 17, 2023, October 17, 2023 and November 2, 2023, with time gap not exceeding 120 days between any two such meetings. The Annual General Meeting of the Company was held on May 11, 2023.

D. DIRECTORSHIP AND COMMITTEE MEMBERSHIP/CHAIRMANSHIP

Directorships and Committee Memberships/Chairmanships in other Indian public limited companies are given below:

Name of the Director	As on December 31, 2023			
	Other Directorship(s)[1]	Committee positions in other Companies (excluding HIL)[2]		
		Member	Chairman	Total
Mr. Murali Sivaraman	4	1	1	2
Ms. Seema Modi	1	Nil	Nil	Nil
Mr. Ashok Kumar Barat	4	1	3	4
Mr. Marco Hilty	Nil	Nil	Nil	Nil
Mr. Sami Pauni	Nil	Nil	Nil	Nil
Mr. Stefan Lotz	Nil	Nil	Nil	Nil
Mr. Dhananjay Salunkhe	Nil	Nil	Nil	Nil
Mr. Jagdish Agarwal	Nil	Nil	Nil	Nil

[1] The number of Directorships excludes Directorships of private limited companies, foreign companies and companies licensed under Section 8 of the Companies Act, 2013.

[2] Committee includes only Audit Committee and Stakeholders Relationship Committee of public limited companies (excluding foreign companies and Section 8 companies) in terms of Regulation 26 of the Listing Regulations.

E. DIRECTORSHIP IN LISTED COMPANIES

Sr. No.	Name of the Director	Name of the Company (as on December 31, 2023)
1	Mr. Murali Sivaraman	1. Bharat Forge Limited 2. ICICI Lombard General Insurance Company Limited 3. MedPlus Health Services Limited 4. Welspun Living Limited
2.	Ms. Seema Modi	Nil
3.	Mr. Ashok Kumar Barat	1. Bata India Limited 2. Birlasoft Limited* 3. Alembic Pharmaceuticals Limited

* Ceased to be an Independent Director w.e.f. January 22, 2024.

F. INFORMATION PROVIDED TO THE BOARD

The annual calendar of the Board and Committee Meetings is agreed upon at the beginning of the year. The agenda is circulated in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to deliberate on relevant points and arrive at an informed decision. All relevant information related to the working of the Company, including the information required under Part A Schedule II of SEBI Listing Regulations, 2015 is made available to the Board. In addition to matters which require to be placed before the Board for its noting and/or approval, information is also provided on various other significant matters.

During the year, the Board periodically reviewed reports placed by the management with respect to compliance with various laws applicable to the Company. The Internal Auditor also reviewed the compliance status and reported to the Audit Committee.

G. APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

a) APPOINTMENT/RE-APPOINTMENT OF DIRECTORS DURING FY2023

Pursuant to the Articles of Association of the Company, at every Annual General Meeting of the Company, one-third of the directors, whose office is subject to retirement, are liable to retire.

Mr. Stefan Lotz (DIN: 09511913) being the longest serving director shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

b) BRIEF RESUME OF THE ABOVE-MENTIONED DIRECTOR

Mr. Stefan Lotz holds a Master of Economics and Engineering from the University of Europe for Applied Sciences in Hamburg. He also successfully completed a Strategic Leadership Programme from IMD Business School. Mr. Stefan Lotz is presently working as VP – Finance, Flexible Packaging with the Huhtamaki Group, having worked in Asia as CFO for Perfetti van Melle, the largest global confectionary manufacturer and also held various senior finance roles in Europe for British American Tobacco (BAT). He is a proficient business professional with more than 20 years of experience in financial management and strategy. He held considerable leadership roles in multinational consumer goods and industrial companies in Singapore, Dubai, Hungary, London and Germany.

2. COMMITTEES OF THE BOARD

The Board has constituted various Committees, viz. Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee, Risk Management Committee and Share Transfer Committee.

A. AUDIT COMMITTEE

The Audit Committee comprises of three Independent Directors and one Non-executive Director, all of whom are financially literate and possess accounting and/or financial management expertise. The composition of the Audit Committee and the attendance of Directors at its meetings are given hereunder:

Name and designation of the Director	Qualifications	Meetings attended/ held during FY2023
Mr. Ashok Kumar Barat – Chairman, Independent Director	Member of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India and CPA (Australia).	7/7
Mr. Murali Sivaraman – Member, Independent Director	Member of the Institute of Chartered Accountants of India, Institute of Cost Accountants of India, MBA from Indian Institute of Management, Ahmedabad and Advanced Management Programme from Harvard	7/7
Ms. Seema Modi – Member, Independent Director	Master's degree in Chemistry and MBA	7/7
Mr. Sami Pauni – Member, Non-executive Director	Master's degree in Law and Business Administration (MBA)	7/7

During the Year 2023, 7 (Seven) Audit Committee meetings were held on February 6, 2023, March 30, 2023, April 25, 2023, May 26, 2023, July 17, 2023, October 17, 2023 and November 2, 2023, with time gap not exceeding 120 days between any two such meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held in 2023 for addressing Shareholders' queries. The Executive Director, CFO, the Statutory Auditors and the Internal Auditor are invited by the Committee to attend the Audit Committee meetings. Business Heads are also invited to attend the meetings, as and when required. The minutes of the Audit Committee meetings are placed before the Board. The Compliance Officer of the Company acts as Secretary to the Audit Committee.

The Audit Committee is governed by the terms of reference, which are in compliance with the regulatory requirements mandated by the Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations.

(i) TERMS OF REFERENCE

The terms of reference of the Audit Committee include review of financial statements and statutory auditors' report thereon, discussion of any related issues with the Internal & Statutory Auditors and the management of the Company, approval or any subsequent modification of arrangements/ transactions of the Company with related parties, evaluation of internal financial controls, evaluation of risk management system, review of Company's financial reporting processes and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.

In additional to the quarterly meetings for review of the financial statements, the Audit Committee meets twice in a year to specifically discuss internal audit processes, observations and internal controls.

The Audit Committee mandatorily reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Management letters/letters of internal control weakness issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
- Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations;
  - Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of two Independent Directors and one Non-executive Director. The composition of the Committee and their attendance at the meeting(s) for the Financial year 2023 is given hereunder:

Name of the Director	Meetings attended/ held during FY2023
Ms. Seema Modi – Chairperson, Independent Director	3/3
Mr. Murali Sivaraman – Member, Independent Director	3/3
Mr. Sami Pauni – Member, Non-executive Director	3/3

During the year 3 (Three) meetings of Nomination and Remuneration Committee were held on February 6, 2023, March 17, 2023 and November 2, 2023.

(i) TERMS OF REFERENCE

The terms of reference of the Nomination and Remuneration Committee are in accordance with Regulation 19 read with Part D of Schedule II of the Listing Regulations and Section 178 of Companies Act, 2013 and include:

1. Formulation of the remuneration policy, for the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons for Board and senior management position; and
5. Recommend to the board, all remuneration, in whatever form, payable to senior management.

(ii) PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

The Nomination and Remuneration Committee laid down detailed criteria for evaluation of the Board, Committees of the Board and each Director. The criteria for evaluation comprised of questions on Board and Committee Composition and Quality, Board and Committee Meetings and Procedures, Board Strategy and Risk Management, Evaluation of Risks, Governance and Compliance, Stakeholder Value, Corporate Social Responsibility, Grievance Redressal for Investors, Conflict of Interest, Corporate Culture and Values, Knowledge and Competence of Directors, Availability, Participation, Integrity and Independence of Directors, in addition to a set of criteria for evaluation of the Chair. Members were encouraged to provide feedback on the strengths of the Board, areas of development to make the Board more effective and what they believed, should occupy the Board's time and attention.

Every Director rated the performance of the Board, Committees, the other Directors and the Chair, against the criteria prescribed by the NRC and offered their feedback. A meeting of the Independent Directors was held on January 20, 2024, to review, *inter-alia*, the performance of non-independent Directors, the Board and Committees as a whole and to review the performance of the Chair. This was followed by a meeting of the NRC on January 24, 2024 and meeting of the Board of Directors on February 6, 2024 with participation of all the directors to discuss feedback and areas of development for the Board/Committee/Directors and the Company.

(iii) SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED IN THE CONTEXT OF THE BUSINESS

In terms of requirement of Listing Regulations, the Board has identified the following skills/expertise/competencies of the Directors as given below:

Skills	Murali Sivaraman	Ashok Kumar Barat	Seema Modi	Sami Pauni	Dhananjay Salunkhe	Jagdish Agarwal	Marco Hilty	Stefan Lotz
Knowledge on Company's Business and Major Risk	√	√	√	√	√	√	√	√
Knowledge on Business Strategy, Sales & Marketing	√	√	√	√	√	√	√	√
Knowledge on Financial Control & Risk Management	√	√	√	√	√	√	√	√
Understanding of socio-political economic & Regulatory Environment	√	√	√	√	√	√	√	√
Knowledge of Industry in which the Company Operates	√	√	√	√	√	√	√	√
Knowledge on Corporate Social Responsibility	√	√	√	√	√	√	√	√

(iv) REMUNERATION TO EXECUTIVE DIRECTORS

The remuneration paid to Executive Directors in FY2023 was as under:

(Amount in ₹)

Name of the Director	Salary	HRA	Perquisites	Total
Mr. Dhananjay Salunkhe	25,737,453	5,176,002	3,318,490	34,231,945
Mr. Jagdish Agarwal	11,158,312	2,962,443	2,381,726	16,502,491

Notes:

1. Perquisites/Others include Company's contribution to provident fund, leave travel allowance, Gratuity & Leave Encashments Benefits as per Actuarial Valuation and monetary value of perquisites as per Income Tax Rules.

2. The Managing Director and Executive Director & CFO of the Company are entitled to receive shares under the 'Share Ownership Plan' of Huhtamaki Oyj (the ultimate Holding Company) which entitles them to receive shares at nil cost. The scheme detailed above is assessed, managed and administered by the ultimate holding Company and the costs are charged by Huhtamaki OyJ to the Company upon vesting of the shares to the employees. Further, as per Ind AS, the Company has recognised charge of ₹22.98 Million with respect to the mentioned plan and the same has not been considered in the remuneration mentioned above as no shares have vested during the year.

3. Company obtained approval of shareholders by postal ballot on August 24, 2022 for payment of such remuneration to the Executive Directors, as set out in the postal ballot notice, as minimum remuneration, for a period of three years, in case of inadequacy of profits, notwithstanding that the remuneration may be in excess of the limits prescribed under Section 197 and/or Schedule V of the Companies Act, 2013.

TERMS OF APPOINTMENT

Name of Director	Mr. Jagdish Agarwal	Mr. Dhananjay Salunkhe
Date of contract	May 26, 2022	August 12, 2022
Term of Contract	Three years w.e.f. May 26, 2022	Three Years w.e.f. August 12, 2022
Notice Period	90 days	90 days
Severance fees	Salary and other emoluments for a period of 90 days in lieu of notice.	Salary and other emoluments for a period of 90 days in lieu of notice.

(v) REMUNERATION TO NON-EXECUTIVE INDEPENDENT DIRECTORS

Non-executive Independent Directors are paid sitting fees for attending Board/Committee Meeting as approved by the Board within the limits prescribed under the Companies Act, 2013. Details of Sitting Fees paid to the Non-executive Independent Directors during the year 2023 are as follows:

(Amount in ₹)

Name of the Director	Board Meetings	Committee Meetings	Total
Mr. Murali Sivaraman	600,000	950,000	1,550,000
Ms. Seema Modi	600,000	1,050,000	1,650,000
Mr. Ashok Kumar Barat	600,000	800,000	1,400,000
Total	**1,800,000**	**2,800,000**	**4,600,000**

Commission to Non-executive Independent Directors of the Company for FY2023 is as under:

Name of the Director	Proposed Amount (in ₹)
Mr. Murali Sivaraman	3,200,000
Ms. Seema Modi	2,700,000
Mr. Ashok Kumar Barat	2,700,000
Total	**8,600,000**

The Board approved the payment of the aforesaid Commission to Independent Directors in view of their diversified experience and expertise, knowledge, valuable time, objective view, independent judgement and invaluable contribution to the Company during the year. The commission proposed to be paid is within the limits prescribed under Section 197 of the Companies Act, 2013.

The Company has not granted any stock options to its Non-executive Directors. None of the Non-executive Directors are holding any shares in the Company.

C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee comprises of 3 members. The Chairman of the Committee is the Non-executive Independent Director of the Company.

Name	Meetings attended/ held during FY2023
Mr. Murali Sivaraman – Chairman, Independent Director	2/2
Mr. Sami Pauni – Member, Non-executive Director	2/2
Mr. Marco Hilty – Member, Non-executive Director	2/2

The Meetings of Corporate Social Responsibility Committee were held on March 17, 2023 and November 2, 2023.

(i) TERMS OF REFERENCE

The Committee is responsible for formulating and recommending to the Board of Directors:

- The Corporate Social Responsibility (CSR) Policy,
- Monitoring its implementation, and
- Monitoring the amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR projects.

The details of the CSR policy, CSR initiatives and activities undertaken during the year are given in the Annual Report on CSR activities in Annexure 5 to the Board's Report.

The CSR Policy, as revised in 2023 and the Annual Action Plan for 2023 can also be accessed from following URLs as well:

CSR Policy: https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies/

CSR Projects as on December 31, 2023:

https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies/

D.

The Board has constituted a Stakeholders' Relationship Committee to attend and redress the stakeholders' grievances and maintain harmonious relations with all stakeholders of the Company. The Committee comprises of two Independent Directors and one Non-executive Director. The composition of the Committee and attendance details of the members are given hereunder:

Name and designation of the Director	Meetings attended/ held during FY2023
Ms. Seema Modi – Chairperson, Independent Director	2/2
Mr. Murali Sivaraman – Member, Independent Director	2/2
Mr. Sami Pauni – Member, Non-executive Director	2/2

The Stakeholders Relationship Committee met twice during the year on March 17, 2023 and November 2, 2023.

The role of Stakeholders' Relationship Committee, *inter-alia*, includes resolving the grievances and responding to all requests of members of the Company expeditiously and evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company.

The Company has attended to all the Investors' grievances/queries/information/requests, except for the cases where the Company was constrained due to pending legal proceedings or Court/statutory orders. The Company/RTA endeavours to reply to all letters/complaints received from shareholders within a week of receipt of the same.

The status of complaints, if any, is also reported to the Board. The Compliance Officer along with the Registrar and Share Transfer Agent of the Company address general queries of the shareholders to their satisfaction. Mr. D. V. Iyer, Company Secretary was the Compliance Officer of the Company as on December 31, 2023.

DETAILS OF STAKEHOLDERS GRIEVANCES RECEIVED DURING 2023

Nature of Complaint	Opening	Received	Replied/ Resolved	Pending
Non-receipt of Dividend	0	0	0	0
Non-receipt of Share Certificate after transfer/ Exchange/sub-divided/consolidated/Annual Report	0	7	7	0
Others	0	0	0	0
Total	**0**	**7**	**7**	**0**

E. SHARE TRANSFER

The Board of Directors have delegated the powers to approve requests for transfer of shares to a Share Transfer Committee. The Share Transfer Committee comprises of Mr. Dhananjay Salunkhe and Mr. Jagdish Agarwal.

Share Transfer System: In terms of amended Regulation 40 of SEBI Listing Regulations w.e.f. April 1, 2019, transfer of securities are permissible only in electronic form. The shares of the Company being in compulsory dematerialised form, are transferable through the depository system. However, requests for Transmission/ Transposition/Amalgamation are processed in physical form. Requests for Transmission/Transposition/ Amalgamation are approved and processed if technically found to be in order and complete in all respects on a regular basis. Further, with effect from January 24, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. transmission/transposition of securities, issue of duplicate share certificates, exchange/sub-division/splitting/consolidation of securities. Also, vide its Circular dated January 25, 2022, SEBI has clarified that listed entities/RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request. Shareholders are required to lodge the Letter of Confirmation with the Depository Participant with whom they maintain their demat account to receive the credit of shares for the service request lodged.

F. RISK MANAGEMENT COMMITTEE

The Risk Management Committee was constituted on February 17, 2020.

The Risk Management Committee comprises of two Independent Directors and one Non-executive Director. The composition of the Committee and their attendance at the meeting(s) for the Financial year 2023 is given hereunder:

Name of the Director	Meetings attended/ held during FY2023
Mr. Ashok Kumar Barat, Chairman	2/2
Ms. Seema Modi, Member	2/2
Mr. Sami Pauni, Member	1/2

During the year 2 (Two) meetings of Risk Management Committee were held on February 15, 2023 and August 11, 2023.

The terms of reference of the Committee are in line with the requirements of Regulation 21 of the Listing Regulations and include the following:

(i) TERMS OF REFERENCE

- To formulate a detailed Risk Management Policy,
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company,
- To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems,
- To keep the Board of Directors informed about the nature and contents of its discussions, recommendations and actions to be taken,
- To review the appointment, removal, and terms of remuneration of the Chief Risk Officer, and
- To coordinate its activities with other Committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the Board of Directors.

3. INDEPENDENT DIRECTORS

One meeting of Independent Directors as required under Regulation 25 of the Listing Regulations was held for evaluation of performance of the Board, Committees and the Directors on January 20, 2024. All the Independent Directors participated in the meeting.

The Independent Directors of your Company fulfil the conditions as specified in SEBI Listing Regulations and the Companies Act, 2013 and are independent of the management. None of the Directors of your Company are related to each other. None of the Directors of your Company holds any shares in the Company. In line with the amended SEBI Listing Regulations, the Company has obtained a certificate from Mr. S. N. Ananthasubramanian, Company Secretary in practice, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority and the certificate is annexed as Annexure A to this Report.

4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has in place an Induction Programme for new directors joining the Board, to familiarise them about the packaging industry, the Company, products, market, competition, opportunities, threats and challenges, risks, long and short-term strategy and such other matters necessary for the directors to familiarise themselves for effectively executing their role on the Board and/or Committees thereof. In addition, at every quarterly meeting, the Executive Directors present to the Board, *inter-alia*, the Company's performance during the quarter, current business environment, key customers and suppliers, recent trends in the market and its impact on the Company, competition landscape, opportunities and threats, risks that may impact the Company, its innovation pipeline and future plans, to give the Directors a holistic view of the Company vis-à-vis the external and internal environment. In addition to the quarterly meetings, the Board meets twice a year, once for a strategy meeting in the second quarter to focus on performance to date and course correction, if any, to be taken by the Company to achieve its objectives and then in the last quarter to focus on the outlook for the succeeding year.

As part of the Familiarisation Programme, the Independent Directors travel to a plant to experience operations first-hand and interact with employees on the ground to get a better understanding of the manufacturing process, efficiencies, opportunities and challenges, innovation pipeline, sustainability initiatives, etc.

During the year, the Independent Directors along with the Executive Directors visited the Company's Silvassa Plant and familiarised themselves with the nuances on Safety, Products, Manufacturing Process, Productivity, TPM, Capacity utilisation, Blue Loop investments, etc. The Factory Manager along with his leadership team gave a brief overview of the plant and its achievements, pursuits, challenges, innovations, milestones, etc., during their interaction with the Independent Directors. The Independent Directors interacted formally and informally with employees to get first-hand information about, *inter-alia*, the initiatives on the ground, challenges, strengths, capability and areas of improvement.

The details of the Company's Familiarisation Programme for Directors have been placed on the website of the Company and can be accessed from following URL: https://www.huhtamaki.com/globalassetsflexible-packaging/india/investors-india/corporate-governance--policies/policies/details-of-familiarisation-programe-2023.pdf

5. MANAGEMENT

A. DISCLOSURE BY MANAGEMENT

As on December 31, 2023, the Company is in full compliance with the mandatory requirements as contained in the Listing Regulations.

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and interested Directors neither participate in the discussion nor do they vote on such matters.

B. DIRECTOR/CFO CERTIFICATION

A certificate to the Board in terms of Schedule II Part B of the Listing Regulations was taken on record by the Board at its meeting held on February 6, 2024. A copy of this certificate is provided as Annexure A to this report.

C. DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

As required under Regulation 17 of the Listing Regulations, the Company has laid down Code of Conduct for Directors and Senior Management Personnel of the Company. The same has been posted on the Company's website and can be accessed at: https://www.huhtamaki.com/globalassets/flexible-packaging/india/investors-india/corporate-governance--policies/policies/hil--updated-code-of-conduct-2022.pdf

The Company has received affirmation of compliance from Directors and Senior Managerial Personnel of the Company for the financial year ended December 31, 2023. A declaration to this effect signed by the Managing Director of the Company is provided as Annexure B to this report.

D. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year, there were no materially significant related party transactions which could have potential conflict with the interests of the Company at large.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is available on the Company's website and can be accessed at https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies/

Members may refer to Note 47 of the Financial Statements which sets out related party disclosures pursuant to Ind AS.

E. PREVENTION OF INSIDER TRADING REGULATIONS

The Company has notified and adopted the HIL Code of Conduct for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information made pursuant to SEBI (Prohibition of Insider Trading)

Regulations, 2015 (PIT). Further, the Company has implemented a software for monitoring the Compliance under PIT. The Compliance Officer is responsible for the purpose of these Regulations. The said HIL Code of Conduct for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information is published on the website of the Company and can be accessed at: https://www.huhtamaki.com/globalassets/flexible-packaging/india/investors-india/corporate-governance--policies/policies/hil--code-of-conduct-for-prevention-of-insider-trading.pdf

F. DETAILS OF CAPITAL MARKET-RELATED NON-COMPLIANCE, IF ANY

There has been no non-compliance by the Company of any legal requirements during the last three years; nor has there been any penalty, strictures imposed on the Company by any stock exchange, SEBI or any statutory authority on any matter related to capital markets pertaining to the said period.

6. WHISTLE-BLOWER POLICY/VIGIL MECHANISM

In keeping with the Company's values, the Company promotes a speak-up culture and encourages everyone to raise their concerns and to report any suspected or observed violations of the Company's Code of Conduct, any other policy or law and regulation. In effect this means that if any employee has concerns about potential misconduct by colleagues, managers, suppliers, customers, other business partners, or about how we conduct business within the Company, the employee is expected to report the potential violation. An employee may report a potential violation to anyone listed in the Whistle-Blower Policy, including a web-based tool operated by an external provider and managed by Huhtamaki Ethics and Compliance.

The Whistle-blower Policy can be accessed on the Company's website at https://www.huhtamaki.com/globalassets/flexible-packaging/india/investors-india/corporate-governance--policies/policies/hil--updated-whistle-blowing-policy.pdf

During FY2023, training sessions were conducted for employees across locations, physically and/or virtually, in addition to e-learning modules that were mandatory for every employee, with special focus on potential conflict of interest, anti-bribery and anti-corruption. Focus on compliance and doing business with integrity was a high priority for the Company in FY2023 with the tone being set at the top and reiterated multiple times during the year. The CoCo mascot was used to strongly deliver the message of compliance.

During the year, the Company received 4 complaints under Whistle-Blower/Vigil mechanism and as of date, investigations into 3 complaints have been concluded. Investigation on 1 complaint is ongoing. None of the complaints have any material impact on the Company and do not warrant a disclosure. There was 1 complaint carried over from the previous year which was being investigated as of December 2023 and since then completed. The Company believes in the highest standards of governance and has been proactive and swift in dealing with whistle-blower complaints. The Audit Committee of the Board oversees the functioning of this policy. No personnel have been denied access to the Audit Committee to seek redressal of his/her grievances.

7. MATERIAL SUBSIDIARY POLICY

As on date, the Company does not have any subsidiary Company. The Company has adopted Policy for determination of Material Subsidiary and the same has been posted on the Company's website and can be accessed at: https://www.huhtamaki.com/globalassets/flexible-packaging/india/investors-india/corporate-governance--policies/policies/hil---policy-for-determining-material-susbidaries.pdf

8. PAYMENT OF FEES TO STATUTORY AUDITORS

The details of total fees for all the services paid by the Company to its Statutory Auditors, B S R & Co. LLP for FY2023, are as follows:

(All amounts ₹ in Million, unless otherwise stated)

Particulars	December 31, 2023	December 31, 2022
As auditor		
Statutory audit fees	16.4	16.1
Others		
Fees for other audit related services	3.0	3.0
Fees for certification	-	-
Reimbursement of out-of-pocket expenses	4.0	3.9
	23.4	**23.0**

9. ADOPTION/NON-ADOPTION OF NON-MANDATORY REQUIREMENTS OF REGULATION 27 READ WITH PART E OF SCHEDULE II OF THE LISTING REGULATIONS

- The Company has a Non-executive Chairman and does not maintain a separate office for him.
- The Company does not send Half-yearly financial performance to each household of shareholders, as it is displayed on Company's website.
- The Audit qualifications, if any, are displayed in the financial reports of the Company. There are no audit qualifications for the year under review.
- The internal auditor of the Company Mr. Manish Idnani presents his report and observations to the Audit Committee on a regular basis.
- The Company has separated the post of Managing Director and Chairman.

10. GENERAL BODY MEETINGS

A. ANNUAL GENERAL MEETINGS –

The details of last three Annual General Meetings held and details of special resolutions passed at the AGMs are given below:

Year	Date	Time	Location	Special Resolutions passed
2020	29/06/2021	11.00 a.m.	Video Conferencing/Other Audio-Visual Means	Nil
2021	12/05/2022	2.00 p.m.	Video Conferencing/Other Audio-Visual Means	• Alteration in Articles of Association • Ratification of Remuneration of Mr. Sudip Mall (DIN: 01681697) as Managing Director • Ratification of Remuneration of Mr. Ranjeev Lodha (DIN: 07478890) as Executive Director & Chief Financial Officer.
2022	11/05/2023	2.00 p.m.	Video Conferencing/Other Audio-Visual Means	• Re-Appointment of Mr. Murali Sivaraman (DIN: 01461231) as an Independent Director.

B. EGM/COURT CONVENED MEETING: During the financial year under review, no extra ordinary general meeting or court convened meeting was held.

C. POSTAL BALLOT: During the financial year under review, no postal ballot was conducted.

As of now, there is no proposal to pass any resolution through postal ballot. Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time and all shareholders will be informed of such resolutions and the procedure for postal ballot appropriately.

11. MEANS OF COMMUNICATION

The Company has promptly reported to all the Stock Exchanges where the securities of the Company are listed, all material information including declaration of quarterly/half-yearly and annual financial results in the prescribed formats and through press releases, etc.

The financial results and other statutory information are communicated to the shareholders by way of advertisement in 'Business Standard', English newspaper having nationwide circulation and 'Sakal' Marathi newspaper (local language), as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The results are also made available on the Company's website and can be accessed at: https://www.huhtamaki.com/en-in/flexible-packaging/investors/financials/quarterly-results/.

The Official press releases, Company information, Annual Reports, the extracts of media coverage and presentations made to investors or analysts are displayed on the Company's website as well as websites of the stock exchanges. As the financial results are published in leading newspapers as well as hosted on the Company's website, the results are not sent to the households of the individual shareholders.

12. GENERAL SHAREHOLDER INFORMATION

A. NEXT ANNUAL GENERAL MEETING

Day & Date	Time	Venue
Thursday, May 9, 2024	2.30 p.m.	By Video Conference and Audio Visual means

B. FINANCIAL CALENDAR

Financial Year: Calendar Year (January 1 to December 31)

Schedule of the Board Meetings for declaration of Financial Results (tentative and subject to change):

Quarter ended/ending	Date of Board Meetings
March, 2024	April, 2024
June, 2024	July, 2024
September, 2024	October, 2024
December, 2024	February, 2025

C. RECORD DATE

The Record date has been fixed as April 24, 2024 for the purpose of determining the shareholders entitled to dividend, once approved.

D. DIVIDEND PAYMENT DATE

Dividend at the rate of ₹5/- per share has been recommended by the Board and is subject to the approval of shareholders at the ensuing AGM, the same will be paid on or before June 8, 2024, to:

(i) All those beneficial owners holding shares in electronic form, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end of the day on Wednesday, April 24, 2024; and

(ii) All those shareholders holding shares in physical form, after giving effect to all the valid share Transmission/Transposition/Amalgamation request lodged with the Company on or before the closing hours on Wednesday, April 24, 2024.

E. DIVIDEND HISTORY OF THE COMPANY

Year	AGM Date	Dividend Rate ₹ (%)
2020	29/06/2021	₹3.0 (150%)
2021	12/05/2022	₹1.0 (50%)
2022	11/05/2023	₹2.0 (100%)

F. CREDIT RATINGS

Sr. No.	Instrument	Rating Agency	Ratings Assigned as on February 1, 2024	Ratings Assigned as on February 1, 2023
1	Long-Term Bank Facilities	CRISIL Limited	CRISIL A+/Stable (Reaffirmed)	CRISIL A+/ Stable
2	Short-Term Bank Facilities	CRISIL Limited	CRISIL A1+ (Reaffirmed)	CRISIL A1+

G. LISTING

The Company's shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The details of the same are as follows:

Stock Exchange	Type of Security listed	Scrip Code/ Symbol
BSE Limited (BSE) P J Tower, Dalal Street, Mumbai – 400 001	Equity	509820
The National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	Equity	HUHTAMAKI

The ISIN of Company's equity shares is **INE275B01026**

Annual Listing fees for 12 months ended March 31, 2024, have been paid to BSE and NSE.

H. COMPANY IDENTIFICATION NUMBER (CIN)

L21011MH1950FLC145537.

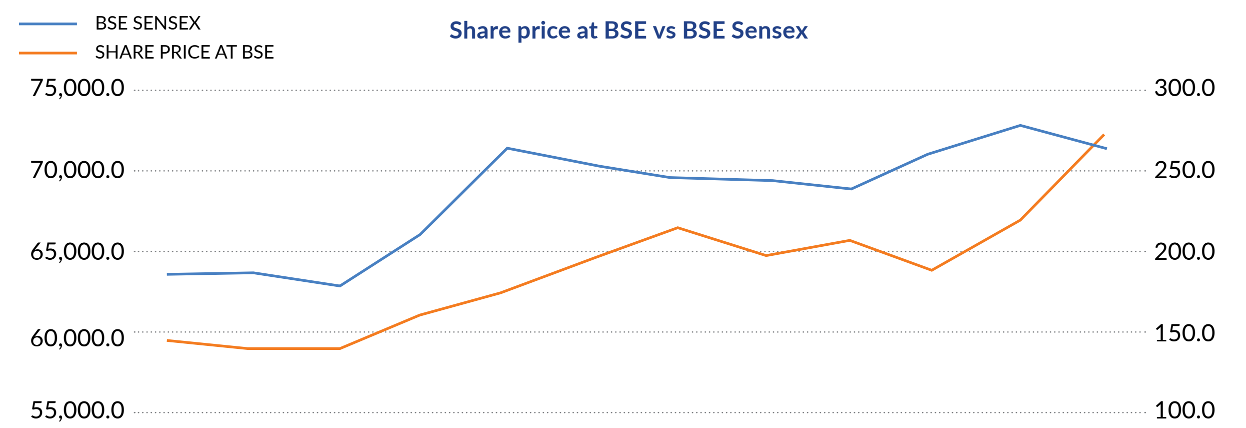
I. STOCK DATA

The table herein below gives the monthly high and low prices and volume of the Company's shares traded at the BSE and NSE during the period January 2023 to December 2023:

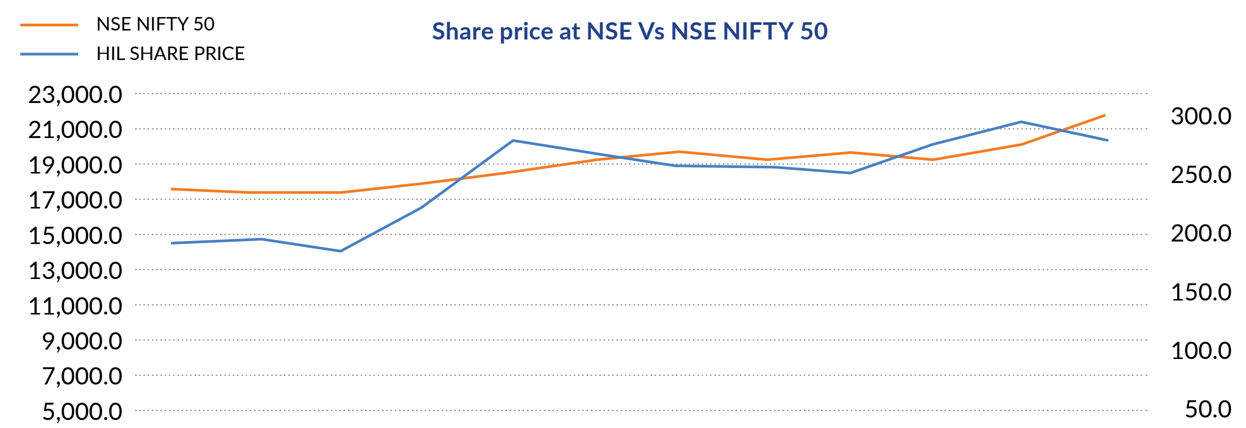
Month & Year	BSE			NSE		
	High (₹/share)	Low (₹/share)	Volume (No. of Shares)	High (₹/share)	Low (₹/share)	Volume (No. of Shares)
Jan-23	208.0	191.0	66,669	207.0	191.0	1,070,447
Feb-23	213.5	192.8	101,559	214.7	194.3	1,896,555
Mar-23	205.0	186.0	69,794	205.0	187.5	826,370
Apr-23	239.7	189.8	219,318	239.9	189.0	2,781,097
May-23	300.0	221.6	389,710	298.0	221.1	5,198,371
Jun-23	291.8	260.2	280,411	292.0	262.2	2,590,318
Jul-23	297.8	258.0	278,898	298.0	257.9	3,452,148
Aug-23	268.0	243.9	92,753	269.1	244.1	1,664,093
Sep-23	280.0	248.0	125,597	280.7	249.0	1,641,577
Oct-23	323.4	251.0	439,443	323.7	251.1	8,770,083
Nov-23	319.8	270.7	336,730	319.7	270.8	4,500,344
Dec-23	304.7	281.7	105,534	305.0	281.3	1,820,247

Note: Volume is the total monthly volume of trade (in numbers) in shares of the Company on respective exchanges.

The chart herein below shows the comparison of the Company's share price movement vis-à-vis the movement of the BSE Sensex:



	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
BSE SENSEX	59,549.9	58,962.1	58,991.5	61,112.4	62,662.2	64,718.6	66,527.7	64,831.4	65,828.4	63,874.9	66,988.4	72,240.3
SHARE PRICE AT BSE	196.5	197.7	189.8	227.5	284.8	273.0	264.0	262.6	256.6	282.1	301.4	286.6



	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
NSE NIFTY 50	17,662.2	17,304.0	17,359.8	18,065.0	18,534.4	19,189.1	19,753.8	19,253.8	19,638.3	19,079.6	20,133.2	21,731.4
HIL SHARE PRICE	196.5	197.6	189.5	228.2	285.2	273.1	263.9	262.8	257.3	282.0	301.6	286.9

J. DISTRIBUTION OF SHAREHOLDINGS

Following is the distribution pattern of shareholding of the Company as on December 31, 2023:

DISTRIBUTION OF SHAREHOLDINGS BY OWNERSHIP

Sr. No.	Category	No. of Shareholders	No. of Shares	% of Total Holding
1	Indian Promotors	0	0	0.0
2	Foreign Promotors – Huhtavefa B.V.	1	51,153,997	67.7
3	Foreign Institutional Investors/Foreign Portfolio Investors (Corporate) - I & II	42	673,910	0.9
4	NRI's & OCB's/Foreign Nationals	617	1,038,593	1.4
5	Clearing Members/Bodies Corporate/LLP/BC-NBFC/Alternate Investment Fund	257	3,430,282	4.5
6	Banks/Financial Institutions	2	5,330	0.0
7	Insurance Companies	0	0	0.0
8	Mutual Funds	4	105,997	0.1
9	Key Managerial Personnel/HUF/Office Bearers/Resident Individuals	26,257	18,806,549	24.9
10	Trust	0	0	0.0
11	IEPF	1	307,276	0.4
	Total	**27,181**	**75,521,934**	**100.0**

DISTRIBUTION OF SHAREHOLDINGS BY NUMBER OF SHARES HELD

Quantity of shares	Shareholders		Total Number of Shares	%
From - To	Number	%		
Up to – 500	23,290	85.7	2,200,725	2.9
501 – 1000	1,742	6.4	1,404,498	1.9
1001 – 2000	958	3.5	1,448,030	1.9
2001 – 3000	379	1.4	966,629	1.3
3001 – 4000	174	0.6	614,162	0.8
4001 – 5000	153	0.6	717,673	1.0
5001 – 10000	241	0.9	1,783,598	2.4
10001 and above	244	0.9	66,386,619	87.9
Total	**27,181**	**100.0**	**75,521,934**	**100.0**

K. LIST OF TOP TEN SHAREHOLDERS

Following is the List of Top Ten Shareholders (other than Promoters) of the Company as on December 31, 2023:

Sr. No.	Name of Shareholder	No. of Shares Held	% of Total Shareholding
1	Seetha Kumari	4,725,129	6.3
2	Shree Capital Services Limited	925,900	1.2
3	Quest Smart Alpha – Sector Rotation	746,735	1.0
4	Investor Education And Protection Fund Authority Ministry of Corporate Affairs	307,276	0.4
5	Sandhya G Parikh	268,000	0.4
6	Deepak Khimji Chheda	265,000	0.4
7	Nisarg Ajaykumar Vakharia	238,400	0.3
8	Ram Krishan Khandelwal	216,463	0.3
9	Nitin Tandon	185,000	0.2
10	Sankaranarayanan Sangameswaran	180,000	0.2
	Total	**8,057,903**	**10.67**

L. PLEDGE OF SHARES

No pledge has been created over the Equity Shares held by the Promoters and/or Promoter Group Shareholders as on December 31, 2023.

M. DEMATERIALISATION OF SHARES

As on December 31, 2023, 99.63% of the Company's shares including all the shares held by the Promoters and/or Promoter Group Shareholders were held in electronic form and the Company's shares can only be traded in compulsory demat segment in the stock exchanges where they are listed.

The table below gives the breakup of shares in physical and demat form as on December 31, 2023:

Mode of Holding	Number of Shareholders	Number of shares	Percentage
Physical	513	277,383	0.4
Dematerialised	26,668	75,244,551	99.6
Total	**27,181**	**75,521,934**	**100.0**

The report of the Practicing Company Secretary on the Reconciliation of Share Capital of the Company as required by SEBI is obtained every quarter and furnished to the Stock Exchanges. The report is also placed before the Board and Stakeholders Relationship Committee and taken note of by them as required under the applicable law.

N. OUTSTANDING GDRS/WARRANTS/ CONVERTIBLE INSTRUMENTS AND THEIR IMPACT ON EQUITY

The Company has not issued any ADR, GDR or Warrants and there are no Convertible instruments outstanding and hence there is no likely impact on equity.

O. COMMODITY PRICE RISKS/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

During the year 2023, the Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company enters into forward contracts for hedging foreign exchange exposure against exports and imports. There are no materially uncovered exchange rate risks in the context of the Company's imports and exports. The details of foreign exchange exposures as on December 31, 2023 are disclosed in Note No. 50 to the financial statements.

P. DETAILS OF UTILISATION OF FUNDS

During the year under report, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

Q. ELECTRONIC CLEARANCE SCHEME (ECS) FOR DIVIDEND

To avoid risk of loss/interception of dividend warrants in postal transit and/or fraudulent encashment, shareholders are requested to avail of the ECS facility where dividends are directly credited in electronic form to their respective bank accounts. This also ensures faster credit of dividend. Shareholders who desire receipt of their dividend through ECS can obtain the form from the Registrar & Transfer agent of the Company.

Shareholders may also submit their bank details to Registrar and Transfer Agent. This will enable the Company to incorporate this information on dividend warrants to minimise the risk of fraudulent encashment.

R. TRANSFER OF 'UNDERLYING SHARES' INTO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) (IN CASES WHERE UNCLAIMED DIVIDENDS HAVE BEEN TRANSFERRED TO IEPF FOR A CONSECUTIVE PERIOD OF SEVEN YEARS)

In terms of Section 125(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government. During the year, the Company has transferred 13,989 Equity Shares of ₹2/- each fully paid up to IEPF Account.

As required under the said Rules, the Company has published a Notice in the newspapers inviting the Members attention to the aforesaid Rules. The Company has also sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPF Account, pursuant to the said Rules to take immediate action in the matter.

S. DEALING WITH SECURITIES WHICH HAVE REMAINED UNCLAIMED

Regulation 39(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI 'Manner of dealing with Unclaimed Shares', which came into effect from December 1, 2015, has directed Companies to dematerialise such shares which have been returned as 'Undelivered' by the postal authorities and hold these shares in an 'Unclaimed Suspense Account' to be opened with either one of the Depositories viz. NSDL or CDSL. All corporate benefits on such shares viz. bonus shares, dividends etc. shall be credited to the unclaimed suspense account as applicable for a period of seven years and will thereafter be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Companies Act, 2013. The Members are requested to note the same and take action for claiming the shares.

T. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is an equal opportunity provider and continuously strives to build a work culture which promotes the respect and dignity of all employees across the organisation. The Company provides a safe and healthy environment for employees and has zero tolerance to harassment of any nature. In order to provide employees with a safe working environment and also in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated a well-defined policy on prevention, prohibition and redressal of complaints relating to sexual harassment of employees at workplace. The Company has extended the scope of the policy to not just its women employees, but also to employees of any gender. Thus, this Policy is applicable to all complaints of sexual harassment made by anyone against an employee of the organisation.

The said policy has been uploaded on the website of Company for information of all employees. As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, the Company has constituted an Internal Committee (IC). The Company conducts awareness programmes at its units to sensitise employees of acceptable behaviour and conduct at the workplace.

During the year, the Company received two complaints of harassment as envisaged in the POSH Act, as per following details:

Sr. No.	Details	Complaints/ Remarks
1	Number of Complaints of sexual harassment received in the year	2
2	Number of complaints disposed of during the year	1
3	Number of cases pending for more than ninety days	1
4.	Nature of action taken by employer	One POSH complaint closed
5	Number of Complaints pending as on end of the FY2023	1*

* The investigation has been completed but there is a delay in closure due to requirement for additional statements and documents from both parties. The recommendations are expected to be issued by April 15, 2024.

U. ADDRESS FOR CORRESPONDENCE WITH THE COMPANY

All correspondence may please be addressed to the Registrar & Transfer Agent, Link Intime India Private Limited (erstwhile TSR Consultants Private Limited) at the address given below.

In case any shareholder is not satisfied with the response or does not get a response within reasonable period from the Registrar & Transfer Agent, they may approach the Compliance Officer at the Registered Office of the Company or e0mail their queries/grievances to investor.communication@huhtamaki.com

Registered Office:

Huhtamaki India Limited
A-802, 8th Floor,
Crescenzo, G Block,
Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400 051

Corporate Office & Proposed New Registered Office (subject to shareholders' approval at the AGM)

7th Floor,
Bellona, The Walk,
Hiranandani Estate,
Ghodbunder Road,
Thane West – 400 607
Tel.: +91 22 61740100
Website: https://www.flexibles.huhtamaki.in/
E-mail: investor.communication@huhtamaki.com

Registrar and Transfer Agent (RTA)

Link Intime India Private Limited.
(erstwhile TSR Consultants Pvt. Ltd.)
Address: C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083.
E-mail: csg-unit@tcplindia.co.in
Tel.: (0) 810 811 8484
Fax No.: +91-22-6656 8494
Website: https//www.tcplindia.co.in

V. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

As required under Schedule V Part E of the Listing Regulations the Auditor's Certificate regarding the compliance of provisions of the Corporate Governance norms is attached with this report.

W. COMPLIANCE ON CORPORATE GOVERNANCE REQUIREMENTS

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations as detailed below:

Sr. No.	Particulars	Regulation	Compliance Status as on December 31, 2023 Yes/No/N.A.
1	Board of Directors	17	YES
2	Maximum Number of Directorships	17A	YES
3	Audit Committee	18	YES
4	Nomination and Remuneration Committee	19	YES
5	Stakeholders' Relationship and Grievance Committee	20	YES
6	Risk Management Committee	21	YES
7	Vigil Mechanism	22	YES
8	Related Party Transactions	23	YES
9	Subsidiaries of the Company	24	N. A
10	Secretarial Audit report	24A	YES
11	Obligations with respect to Independent Directors	25	YES
12	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	YES
13	Other Corporate Governance requirements	27	YES
14	Website	46(2)(b) to (i)	YES

X. COMPLIANCE OFFICER

Mr. D. V. Iyer, Company Secretary, was the Compliance Officer of the Company till March 6, 2024. W.e.f. March 22, 2024, Mr. Abhijaat Sinha who is appointed as the Company Secretary, is the Compliance Officer of the Company.

Y. PLANT LOCATIONS

Plants:	The location/details of the Company's Plants are given in the Corporate Information section of the Annual Report and are also available on the Company's website.

Annexure – A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Huhtamaki India Limited
A-802, Crescenzo, C-38/39,
G-Block, Bandra-Kurla Complex,
Mumbai – 400 051

We have examined the following documents:

i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');

ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')

as submitted by the Directors of Huhtamaki India Limited ('the Company') bearing CIN: L21011MH1950FLC145537 and having its registered office at A-802, Crescenzo, C-38/39, G-Block, Bandra-Kurla Complex, Mumbai - 400 051, to the Board of Directors of the Company ('the Board') for the Financial Year December 31, 2023 and Financial Year December 31, 2024 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these, based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that for the Financial Year ended December 31, 2023, none of the Directors on the Board of the Company, as listed hereunder have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
01	Mr. Murali Sivaraman	0146 1231	01/01/2019	-
02	Mr. Sami Pauni	0811 2919	18/02/2019	-
03	Ms. Seema Modi	0532 7073	01/01/2020	-
04	Mr. Ashok Kumar Barat	0049 2930	01/04/2020	-
05	Mr. Marco Hilty	0933 2097	24/09/2021	-
06	Mr. Stefan Lotz	0951 1913	18/02/2022	-
07	Mr. Jagdish Agarwal	0962 0815	26/05/2022	-
08	Mr. Dhananjay Salunkhe	0968 3886	12/08/2022	-

It may be noted that the Director Identification Number of one of the Non-resident Directors (Mr. Marco Hilty- DIN 09332097) has been de-activated due to a technical error. The Company is co-ordinating with MCA and is in the process of resolving the same.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended December 31, 2023.

For **S. N. ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Viswanathan
Partner
ACS: 61955 I COP No.: 24335
ICSI UDIN: A061955E003619806

Date: March 22, 2024
Place: Thane

Annexure – B

CEO AND CFO CERTIFICATION AS PER REGULATION 17 PART B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Board of Directors,
Huhtamaki India Limited

We, the undersigned, in our capacity as Managing Director and Chief Financial Officer of **Huhtamaki India Limited** ('the Company'), to the best of our knowledge and belief, certify that;

a) We have reviewed financial statements and the cash flow statement for the year ended December 31, 2023 and that to the best of our knowledge and belief, we certify that:

    (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) We further state that to the best of our knowledge and belief, there were no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct;

c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;

d) We have indicated, wherever applicable, to the Auditors and the Audit Committee-

    (i) significant changes, if any, in internal controls over financial reporting during the year;

    (ii) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

    (iii) instances of significant/material fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mr. Dhananjay Salunkhe
Managing Director
(DIN: 09683886)

Mr. Jagdish Agarwal
Executive Director & CFO
(DIN: 09620815)

Mumbai, February 6, 2024

Annexure – C

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Members of

Huhtamaki India Limited

DECLARATION

As required under Regulation 17 read with Schedule V (D) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, I hereby declare that all the Board members and Senior Management Personnel of the Company have complied with the Code of Conduct of the Company for the year ended December 31, 2023.

For **Huhtamaki India Ltd.**
Mr. Dhananjay Salunkhe
Managing Director

Mumbai
February 6, 2024

INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members of
Huhtamaki India Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 8 February 2024.

2. We have examined the compliance of conditions of Corporate Governance by Huhtamaki India Limited ("the Company"), for the year ended December 31, 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C,D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

MANAGEMENT'S RESPONSIBILITY

3. The compliance of conditions of Corporate Governance as stipulated under the Listing Regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended December 31, 2023.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

RESTRICTION ON USE

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirements of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No.: 105149
UDIN: 24105149BKEXCD9934

Date: March 22, 2024
Place: Mumbai


Huhta

ABOUT HUHTAMAKI INDIA LIMITED

Huhtamaki India Limited (Huhtamaki India) is India's leading manufacturer of flexible consumer packaging and labelling solutions. Backed by the parentage of Huhtamaki Oyj - with a rich Nordic heritage and an established legacy of over 100 years - we are at the forefront of leveraging innovation and our packaging solutions expertise to emerge as the one-stop shop for all packaging needs.

Our ambition is to be the first choice for sustainable packaging solutions. We strive to earn this position every day with our leading innovative products that ensure hygiene and safety. We believe in protecting food, people and the planet, and enable affordability and accessibility to food and everyday necessities for people around the world.

ECONOMIC OVERVIEW

Global economy

Over the year 2023, the global economic landscape showed signs of stabilisation. This stability was catalysed by a fast-recovering US economy and the resilience of large emerging markets. The other factors facilitating this revival were the faster-than-expected decline in inflation to 6.9% in 2023. This was largely due to the easing of supply-side issues and stringent monetary policies. Inflation is set to further reduce to 5.8% in 2024 and 4.4% in 2025, signalling a turn towards more stable global economic conditions.

The receding threat of a global recession was accompanied by a combination of favourable factors that have collectively facilitated global growth - the resilience of labour markets, an uptick in household consumption demand and the vigour of emerging economies. The strength of the job market also played an important role in creating a conducive environment for growth. There was a noticeable relaxation in labour markets and wage growth remained moderate, providing consumers with greater financial stability and boosting discretionary spending. However, the period also saw challenges such as high borrowing costs and increasing government debts in some advanced and emerging market economies.

Global GDP growth

(in %)

Country/Region	2023	2024 (P)
World	3.1	3.1
Advanced Economies (AEs)	1.6	1.5
Emerging Markets and Developing Economies (EMDEs)	4.1	4.1
United States	2.5	2.1
Euro area	0.5	0.9
United Kingdom	0.5	0.6
China	5.2	4.6
India	6.7	6.5
Russia	3.0	2.6

Source: World Economic Outlook, January 2024, IMF
Note: P stands for projected

Outlook

The near-term global economic landscape is characterised by an array of risks and potential uplifts. The intensifying geopolitical situation in certain regions can have major repercussions for the global economy. At the same time, multiple countries have tightened monetary policies to tame inflation, thus denting the demand for consumer and business products.

According to the International Monetary Fund (IMF), global growth is projected at 3.1% in 2024 and is expected to slightly increase to 3.2% in 2025. Advanced economies are expected to experience a slight dip in growth this year, followed by a rise in 2025, driven by the recovery in the euro area and a moderate growth in the United States. The US, in particular, is projected to see a slight decrease in growth rates, from 2.5% in 2023 to 2.1% in 2024, influenced by the delayed effects of monetary and fiscal policies. The euro area, recovering from low growth, is anticipated to see a rise from 0.5% in 2023 to 1.7% in 2025.

Emerging markets and developing economies are expected to maintain a steady growth in 2024 and 2025, as per IMF. In Asia, China's growth is projected at 4.6% in 2024 and 4.1% in 2025, while India's remain robust at 6.5% for both years. Latin America is forecasted to see growth fluctuations with a slight decline in 2024 followed by an increase in 2025. The Middle East and Central Asia, as well as sub-Saharan Africa, are projected to experience growth recovery in the coming years. World trade is expected to maintain a steady pace of 3.3% in 2024 and 3.6% in 2025. This reflects the resilience of global trade despite restrictions and geopolitical fragmentation.

Inflation is set to further reduce to 5.8% in 2024 and 4.4% in 2025, signalling a turn towards more stable global economic conditions.

Source: World Economic Outlook, January 2024, IMF

Indian economy

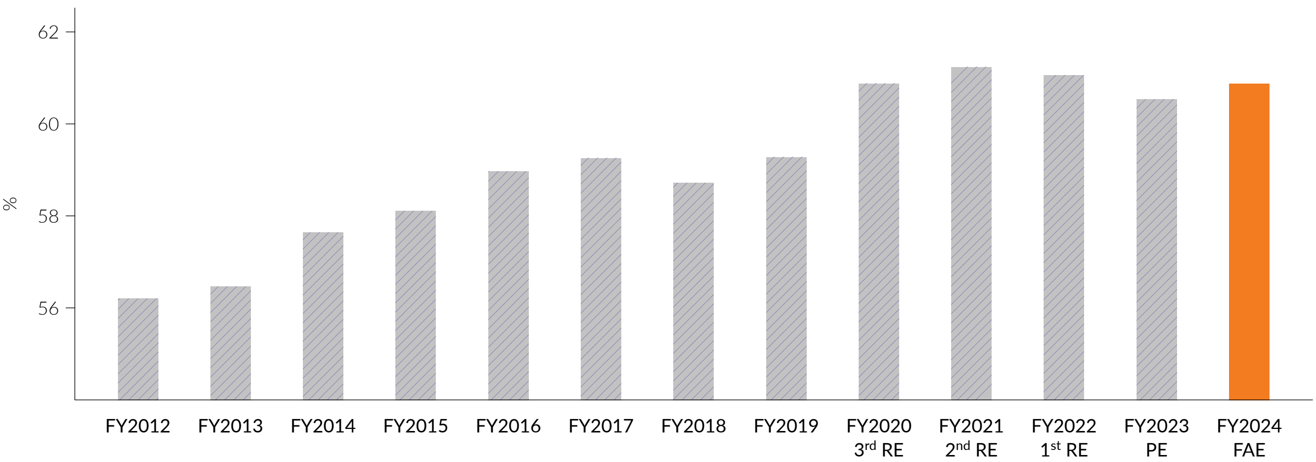
India has emerged as the 5th largest global economy, with its GDP estimated at $3.7 Trillion in FY2024. As the fastest growing major economy in the world in a challenging environment, the country's strength lies in domestic consumption, driven by favourable demographics and rising disposable income. A combination of factors including government reforms, significant investments in building physical and digital infrastructure, and boosting manufacturing through the 'Make in India' initiative and production-linked incentive scheme (PLI) have catalysed its growth, resilience and self-reliance.

According to a report by the National Statistical Office (NSO), based on the First Advance Estimates of National Income, India's real GDP is likely to grow at 7.3% for FY2024. This rise in growth is backed by a broad-based strengthening of the industrial sectors, particularly manufacturing, and buoyed by easing input costs and surging profitability. Manufacturing PMI remains above the 50-mark threshold, driven by a healthy growth in steel, cement and automobile manufacturing, among others. At the same time, infrastructure, real estate and construction sectors recorded impressive growth.

In addition, inflation had eased in the third quarter of FY2024 to a four-month low of 4.9%. The Reserve Bank of India's (RBI) hawkish stance on inflation without jeopardising growth, has led to a stability in the interest rate environment, creating space for long-term investment and spending. Even though there was a surge in prices for commodities like cereals, fruits, vegetables, pulses and spices, the food and beverage sector adapted well to the inflation challenge. This was evident in increased household consumption and consumer confidence.

In terms of the big picture, the Indian economy is navigating three major trends: the end of hyper-globalisation in manufacturing; the impact of Artificial Intelligence on services, trade and employment; and the imperative of energy transition amidst the need for economic growth. The government's response to these challenges includes a shift towards onshoring and friend-shoring of production, balancing the effect of AI on cost competitiveness in digital services and exceeding non-fossil fuel power generation targets while sustaining economic growth.

Share of private final consumption expenditure in GDP



Source: NSO, MOSPI | Note: RE stands for Revised Estimates, PE for Provisional Estimates and FAE for First Advance Estimates

Outlook

The Indian economy is expected to sustain real GDP growth above 7% over the next few years. With inflation likely to gradually align with targets by 2025, the economy will likely benefit from eased monetary policies. The public policy emphasis on infrastructure is set to drive gross fixed capital formation. Additionally, a boost in rural demand, supported by government initiatives like the PM Garib Kalyan Anna Yojana will further fuel consumption.

Manufacturing enterprises will be critical in fostering functional ecosystems – creating jobs, enhancing income generation and developing opportunities for consumption and infrastructure investments. By streamlining policy reforms and cultivating vertical markets, India is enhancing its participation in global value chains.

The rise in foreign direct investment (FDI) inflows, coupled with the expansion of digital infrastructure, has created a strong foundation for top-tier global tech and e-commerce companies to enter India. This is expected to reshape the retail consumer market landscape in the coming decade. With continued reforms in key areas like skilling, health, energy security, MSMEs and gender balance in the workforce, India remains on course to become a $7 Trillion economy by 2030.

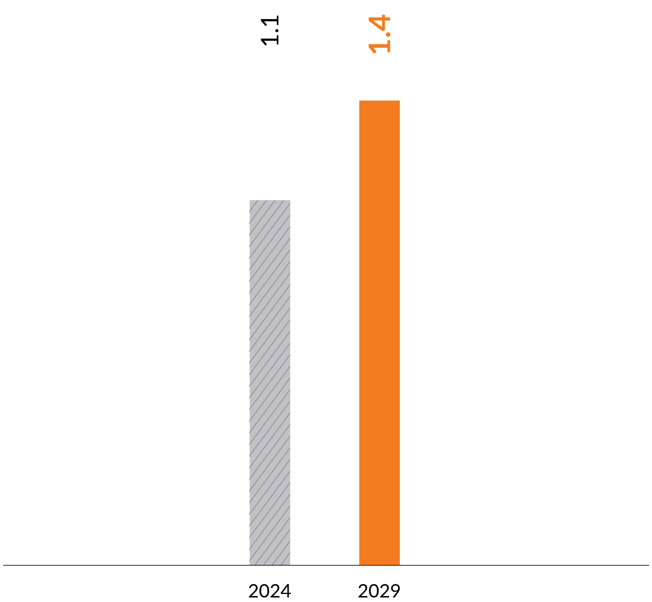
INDUSTRY OVERVIEW

Global packaging industry

The global packaging industry has grown rapidly over the last few decades. The significant factors governing the global packaging market are changing consumer preferences, technology breakthroughs, environmental concerns and a rapidly growing e-commerce market. Further, the provisions of Extended Producer Responsibility (EPR) have made producers legally and financially responsible for mitigating the environmental impacts of their products and packaging. This has led to the evolution of high quality, convenient, and sustainable packaging materials and processes.

The packaging industry is estimated to be worth $1.1 Trillion in 2024 and is expected to grow to $1.4 Trillion by 2029, according to Mordor Intelligence. Between 2024 to 2029, the industry is expected to grow at a CAGR of 3.9%.

Packaging market ($ in Trillion)



CAGR ↑ 3.9%

Source: Mordor Intelligence

Growth drivers

Rapid urbanisation

In developing nations like India and Brazil, the demand for packaged goods is growing due to rapid urbanisation and rising income levels. The World Bank reports that urban population growth for these nations is substantially faster than the global average, which raises the demand for packaged goods.

Change in consumer demographics

The global demand for easy-to-transport packaging solutions is driven by shifting consumer demographics - an increasing share of working professionals and a growing middle class. As per the OECD, the number of middle-class individuals worldwide is expected to reach 4.9 Billion by 2030 from 1.8 Billion in 2009.

Prevalence of sustainability concerns

Stakeholders are progressively exerting pressure on businesses to embrace environmentally friendly practices. 73% of global consumers say they would change their consumption habits to lessen their impact on the environment, according to a Nielsen report.

Enterprises are allocating resources towards recycling infrastructure and creating materials with lower ecological footprints. Biodegradable and recyclable materials are being adopted by the industry at an increasing rate.

Innovation and product development

Personalised and smart packaging solutions are now a reality, thanks to technological advancements. The use of IoT to improve customer engagement and traceability is becoming increasingly common. With a CAGR of 6.2%, the size of the global smart packaging market is predicted to increase from $25.7 Billion in 2023 to $46.9 Billion by 2033 according to a research report published by Spherical Insights & Consulting.

- The use of Radio Frequency Identification (RFID) for electronic tagging and tracking is also increasing, especially as RFID costs decrease.
- Stand-up pouches are becoming popular as they offer the benefits of portability, resealability and the ability to stand upright on shelves for better visibility and space utilisation. They are much lighter than glass bottles and cans.

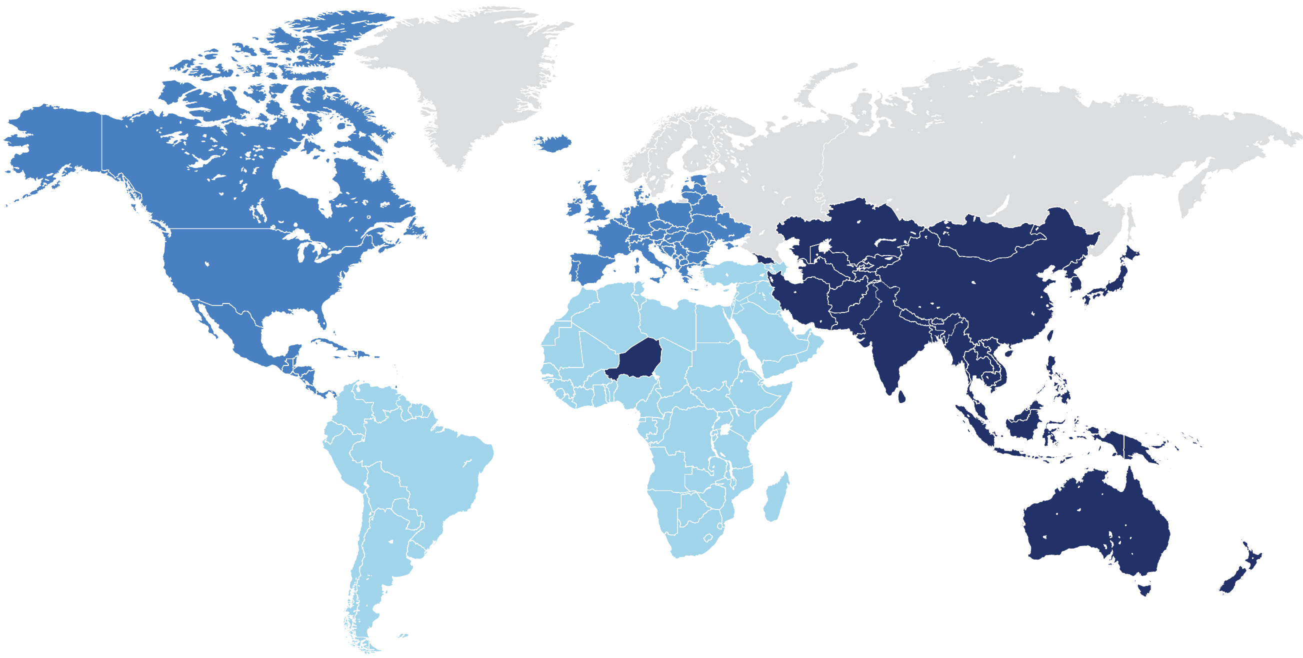
Increased demand for flexible packaging

- With over 60% of the market share in the food packaging industry, flexible packaging is transforming the industry landscape. This change is spurred by the consumer preference for convenient, resealable and long-lasting packaging as well as the adaptability and effectiveness of these solutions. The global market for flexible packaging is projected to grow from $160.8 Billion in 2020 to $200.5 Billion by 2025, at a CAGR of 4.5% between 2020 and 2025.
- More adaptable and sustainable substrate options are replacing traditional rigid formats in the packaging industry. For instance, high-barrier films minimise food waste and provide a longer shelf life. Compared to more conventional rigid pack formats like glass jars and metal tins, high-barrier films are more economical and possess better barrier qualities.

Market size by region

With their sizeable food and beverage markets, nations like China and India are driving demand for the packaging industry – making Asia-Pacific a significant growth region. At the same time, recyclable and sustainable packaging options have become the subject of significant policy changes. The industry is being shaped by sustainability initiatives and regulatory changes as businesses place a greater emphasis on planet-friendly packaging options.

Global packaging market - growth rate by region (2022-27)

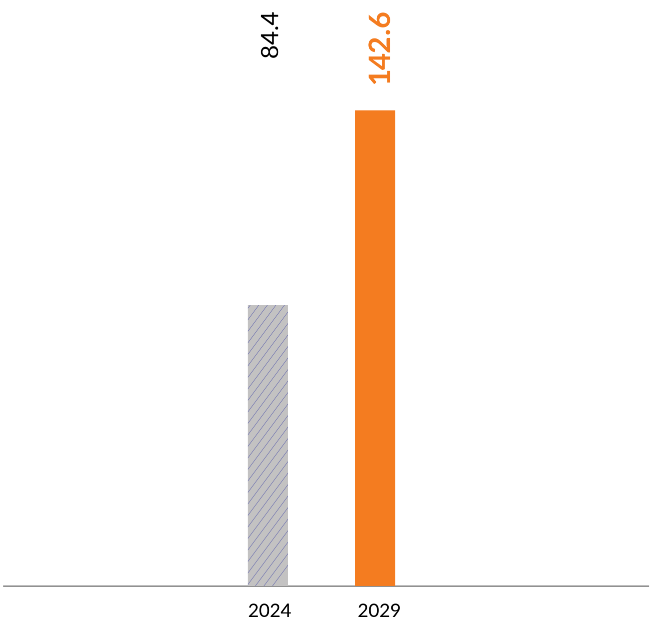


Indian packaging industry

The Indian packaging industry is being shaped by a host of growth drivers. With an estimated market size of $84.4 Billion in 2024, it is projected to reach $142.6 Billion by 2029, growing at a CAGR of 11.0% during the forecast period (2024-2029).

Packaging market

($ in Trillion)



CAGR ↑ 11.0%

Source: Mordor Intelligence

Growth drivers

Rising disposable income and consumer demand

- Increased disposable income of India's large and growing middle class is boosting consumption. Consumers are also willing to spend more on products that offer additional value, including better packaging.
- Indian consumers are also focusing more on health and hygiene, post-pandemic. This awareness has created a demand for packaging that ensures product integrity, safety and extended shelf life.

Multinational investment

Multinational corporations are progressively investing in sectors like food, beverages, cosmetics, toiletries and pharmaceuticals in India. These investments are contributing to the growth of organised retail, which, in turn, supports the packaging industry.

Rise of e-commerce

E-commerce and online food services industry require packaging solutions that can withstand the rigours of transportation, enhance the unboxing experience and maintain the quality and hygiene of the contents.

India's leadership in the pharmaceutical industry

India has emerged as a global leader in the pharmaceutical industry. The industry demands highly regulated and safe packaging. This is because packaging plays an important role in ensuring the efficacy and safety of pharmaceutical products during storage and transportation.

India's flexible packaging industry

The flexible packaging industry is expected to grow at a CAGR of 12.7% from 2023 to 2028. The industry is projected to increase by $15.57 Billion during the forecast period.

Growth drivers

Growing retail sector

The retail sector is developing rapidly in tier-1 and tier-2 cities, leading to a growing demand for flexible packaging. The food and grocery retail market is a major driver for flexible packaging in India. Nearly 70% of total retail sales in this sector necessitate reliable and quality packaging solutions.

Industry-wide collaborations

The industry is witnessing collaborations and partnerships with the goal of developing new materials and recycling technologies. These collaborations span the entire value chain, involving material suppliers, packaging manufacturers, brand owners and recycling companies.

Ease of transport

High logistics costs in India are prompting a shift towards more cost-effective packaging solutions. Flexible packaging involves lower transportation and storage costs compared to rigid packaging, thus becoming the preferred choice for businesses.

Customisation

The demand for digitally printed packaging is increasing as it offers design freedom, customisation, flexibility, and faster turnaround times, especially for smaller batch sizes.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of end-use industries

Food and beverage industry

The FMCG market is India's fourth-largest sector and one of the main drivers of the economy. The food and beverage (F&B) industry, a major component of the FMCG sector is the principal consumer of packaging solutions. The F&B industry is witnessing a shift toward creative packaging solutions, effected by a change in consumer preferences and rising demands for sustainable and convenient options. As the F&B industry grows, so would the food packaging market. According to All India Food Processors Association, food packaging is growing by 14.8% annually and expected to reach $86 Billion in 2029.

Pharmaceutical industry

The need for safe and compliant packaging is being driven by an expanding healthcare industry as well as increased public awareness of health issues. The Indian pharmaceutical packaging market was valued at $1,434.1 Million in 2020 and is projected to reach $3,027.14 Million by 2030 at a CAGR of 7.5% from 2021 to 2030, according to Research and Markets.

Personal care and cosmetics industry

With higher disposable income and changing consumer lifestyles, there's a heightened demand for personal care and cosmetic products. India's beauty and personal care market is projected to touch $30 Billion by 2027, accounting for about 5% of the global market, according to a report launched by Redseer Strategy Consultants along with Peak XV. This necessitates high-quality and sophisticated packaging.

E-commerce

The e-commerce sector has seen rapid expansion since the pandemic, catalysing a need for durable and sustainable packaging to ensure product safety. Indian e-commerce is expected to grow at a CAGR of 27% to reach $163 Billion by 2026, as per India Brand Equity Foundation (IBEF). The packaging industry will hugely benefit from this growth, especially in the areas of logistics and shipment packaging solutions.

COMPANY OVERVIEW

Operational overview

In 2023, Huhtamaki India reported revenue from operations (net of GST) of ₹25,494.4 Million as against ₹29,829.2 Million in 2022. The EBITDA (before exceptional items) of 2023 was ₹2,101.8 Million as against ₹1,742.6 Million in 2022. The average return on equity for 2023 is 43.0% compared to 6.7% in 2022. Our market capitalisation as on December 31, 2023, stood at ₹21,644.6 Million.

Revenue from operations

Revenue from operations decreased by 14.5% in 2023 against 2022.

Revenue from operations (₹ in Million)

Year	Turnover
2019	25,989.8
2020	24,627.0
2021	26,252.8
2022	29,829.2
2023	25,494.4

Note: The erosion in the topline during 2023 is partly due to strategic position taken and partly due to lower offtake in some specific categories

EBITDA and PAT

Operating profit (EBITDA) before exceptional items witnessed a 20.6% increase in 2023 as against 2022. This is majorly on account of network optimisation by consolidating the manufacturing footprint, operational efficiency resulting in cost optimisation, overhead reduction and stability in input prices. Profit after tax stood at ₹4,096.3 Million in 2023 as against ₹496.4 Million in 2022 driven majorly by exceptional income of ₹3,695.3 Million.

EPS and dividend

The EPS for 2023 (excluding exceptional items) is ₹16.3 as against ₹6.6 in 2022. We have proposed a dividend of ₹5 per equity share of face value of ₹2 each for the year 2023.

Reserves and surplus, capital expenditure and fixed assets

At the end of the 2023, reserves and surplus were at ₹11,353.5 Million as against ₹7,418.5 Million at the end of 2022. Our fixed assets at the end of 2023 were at ₹6,143.4 Million as against ₹5,138.3 Million at the end of 2022. Capital expenditure during 2023 was ₹1,413.9 Million.

Debt working and capital returns

Gross debt as of December 31, 2023 was ₹2,029.5 Million compared to ₹3,661.5 Million as of December 31, 2022, a decrease of 44.6% y-o-y.

Debt working and capital returns (₹ in Million)

Particulars	Year	
	2022	2023
Inventory	2,979.9	2,698.9
Debtors	6,587.0	5,510.0
Current liabilities	7,393.0	5,851.5
Loans and advances	1,138.2	764.3
Cash flow from operations	1,326.5	2,735.8
Return on equity (RoE) (%)	6.7%	43.0%
Return on capital employed (RoCE) (%)	7.9%	11.9%

Key financial ratios

Name of ratio	2022	2023	Explanation for significant change (above 25%)
Current ratio	1.4	2.2	The current ratio has improved in current year primarily due to reduction in current borrowings and increase in bank balance and investments.
Debt-equity ratio	0.5	0.2	The ratios have improved due to reduction in total borrowings.
Debt service coverage ratio	7.3	1.1	
Net profit ratio (in %)	1.7%	16.1%	The ratios have improved primarily on account of exceptional income during the year.
Operating profit ratio	3.0%	20.8%	
Return on net worth	6.7%	43.0%	

Risk management

Huhtamaki India employs a structured approach towards risk management that is central to our strategic and operational planning. The Risk Committee operates under a robust risk management framework and is guided by Huhtamaki Group Enterprise Risk Management (ERM) Policy. Regular meetings conducted periodically, enable the committee to review and discuss key risks, potential impacts and the implementation of mitigation strategies.

Understanding and addressing key risks

Huhtamaki India recognises the dynamic nature of the business environment, which presents both significant risks and opportunities. Our future growth hinges on our agility in predicting and responding to changes and our commitment to innovation, particularly in developing sustainable packaging solutions.

Regulatory risks: The evolving regulatory landscape, especially concerning ban on materials and recycled content requirements, poses a challenge. Huhtamaki India's strategy involves leading an evidence-based discourse on packaging's value in promoting hygiene, food safety and waste reduction. Early tracking of regulatory changes enables us to align our product development and commercialisation efforts accordingly.

Competitive and customer-related risks: Shifts in the competitive environment and reliance on major customers are critical considerations. Our ability to adapt to changing consumer preferences and technological shifts is pivotal. Engaging in active dialogues with customers and fostering cross-functional collaborations are key to managing these risks while capturing growth opportunities.

Technological and operational risks: The risk of technological obsolescence and operational inefficiencies is mitigated through continuous monitoring of long-term needs, investment in research and development, intellectual property protection and strategic partnerships.

Macro-level risks: Economic volatility and geopolitical tensions are monitored closely and continuously. The recent geopolitical events, such as the Ukraine conflict and the resulting economic implications, highlight the importance of vigilance and adaptability in our operations.

Human resource risks: Talent availability is crucial for our success. We employ a comprehensive strategy for talent reviews, succession planning and career development initiatives to attract and retain top talent.

Operational and financial risks: Managing price volatility and cost escalations in raw materials and energy is critical. Our risk management strategy includes diverse supplier networks, contractual safeguards and continuous monitoring of market trends to mitigate these risks effectively.

Cybersecurity and compliance risks: Protecting our IT infrastructure against cyber threats and ensuring compliance with applicable laws and regulations are paramount. Continuous improvement programs, disaster recovery planning and compliance training form the backbone of our risk mitigation efforts in these areas.

ESG risks: Our approach involves continuous assessment and mitigation of risks related to regulatory changes, environmental impact and social accountability. By integrating ESG considerations into our operational and strategic planning, we strive to minimise negative impacts while enhancing our corporate reputation and ensuring long-term sustainability and compliance.

Focus areas for FY2024

As we prepare for the upcoming financial year, Huhtamaki India will be guided by five core priorities that are integral to our vision of leading with innovation and sustainability in the flexible packaging industry.

People

Everyone Safe Home, Happy @Huhtamaki - Ensuring the safety and well-being of our team members is paramount. We are committed to creating an environment where everyone feels secure and valued, fostering a culture of happiness and inclusion within the workplace.

Innovation

First-to-Market Sustainable Products - We aim to be the first-to-market products that meet and exceed environmental and consumer expectations. This is exemplified through the blueloop™ initiative that focuses on developing sustainable packaging solutions.

Customer Excellence

'Where to Play', 'Play to Win' - Strategic market positioning and customer engagement are at the heart of our approach. By understanding where our strengths lie, we will concentrate our efforts in sectors where we can deliver maximum value, ensuring a competitive edge and fostering long-term partnerships.

World-class Operations

Productive, Agile, Cost-effective - Operational efficiency is key to our success. We are focusing on enhancing our productivity, agility and cost-effectiveness to remain competitive in the global market. This involves streamlining our processes, adopting innovative technologies and continuously improving our operations.

Compliance

Adherence to legal, regulatory and ethical standards is non-negotiable. Compliance ensures that all our actions and decisions are guided by a commitment to doing business responsibly and sustainably.

People

In 2023, Huhtamaki India's people strategy was centred on creating a high-performance culture through continuous personal and professional development. Embracing our core values of Care, Dare and Deliver, we prioritised innovative training programmes, leadership development and talent inclusion.

Our approach was focused on skill enhancement and the overall well-being and engagement of our employees. We leveraged digital transformation in HR processes to enhance efficiency and employee experience. This was reflected in our strong engagement scores and reduced attrition rates, demonstrating our dedication to creating a supportive, inclusive and dynamic work environment. Read more on PAGE 28.

INTERNAL CONTROLS

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance by recording and providing reliable financial and operational information, in compliance with applicable accounting standards and relevant statutes. It has led to the safeguarding of assets from unauthorised use, execution of transactions with proper authorisation, and ensuring compliance with corporate policies.

The Audit Committee deliberated with the members of the management, considered the laid-down systems and met internal and statutory auditors to ascertain their views on the internal financial control systems. The Audit Committee reviewed the control systems and found them to be adequate and effective. The Committee keeps the Board of Directors informed about their concerns, if any, on the financial control systems. However, the Company recognises that no matter how the internal control framework is, it has inherent limitations. Periodic audits and reviews ensure that such systems are updated at regular intervals. The Company has an independent internal audit function with well-established risk management processes both at the business and corporate levels. The scope and authority of the internal audit function are derived from the Internal Audit Charter approved by the Audit Committee.

The Company has engaged a reputable external firm to support the Internal Auditor in carrying out the internal audit reviews. Reviews are conducted on an ongoing basis through a comprehensive risk-based audit plan, approved by the Audit Committee at the beginning of each year.

The Audit Committee meets on a periodic basis to review and discuss the internal audit reports and follow-up action plans, considering the audit issues and compliance with the audit plan. The Chairperson of the Audit Committee has periodic meetings with the Internal Auditor to discuss any key concerns.

CAUTIONARY STATEMENT

The report contains forward-looking statements that may be identified by their use of words such as 'plans,' 'expects,' 'will,' 'anticipates,' 'intends,' 'projects,' 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

SECTION A: GENERAL DISCLOSURES

This is the second edition of our BRSR disclosure, pertaining to the fiscal year 2023, in which we endeavoured to disclose non-financial disclosures required by SEBI. The report offers all of our stakeholders a comprehensive perspective and insight into our Company's impact on the economy, the environment, and society, which can be used to showcase our commitment to sustainable development. To suit the needs of our investors and other stakeholders, our report continues to move towards increased transparency as well as our strategic approaches to create value for our stakeholders while managing risks in the external environment.

1. Details of the listed entity

Corporate Identity Number (CIN) of the Listed Entity	L21011MH1950FLC145537
Name of the Listed Entity	Huhtamaki India Limited
Year of incorporation	June 12, 1950
Registered office address	A-802, Crescenzo, C-38/39, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
Corporate address	7th Floor, Bellona, At the Walk – Hiranandani Estate, Ghodbunder Road, Thane (West) – 400 607
E-mail	investor.communication@huhtamaki.com
Telephone	+91 (022) 6174 0100
Website	www.flexibles.huhtamaki.in.
Financial year for which reporting is being done	January 1, 2023, to December 31, 2023
Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE), BSE Limited (BSE)
Paid-up Capital	₹151.1 Million
Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Abhijaat Sinha +91 (022) 6174 0100 E-mail ID: abhijaat.sinha@huhtamaki.com Company Secretary & Legal Counsel
Reporting boundary	Disclosures made in this report are on a standalone basis and pertain to Huhtamaki India Limited. The Company does not have any subsidiary or associate companies.

2. Products/services

Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% of turnover of the entity (FY23)
1	Manufacturing and sale of flexible packaging material	We are committed to helping businesses enhance their first impressions by offering trustworthy, ethical, and innovative packaging solutions. Over the course of eight decades, we have built a strong position as a pioneer in flexible packaging and labelling solutions in India by utilising modern technology. Under the Blueloop brand, we provide recyclable mono-material packaging solutions made of Paper, Polyethylene (PE) or Poly Propylene (PP). Whether a customer wants recyclable high-barrier applications, clever apertures, or a unique finish, we offer creative solutions for every requirement. We offer a range of package designs and formats.	98.6%

3. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Flexible Packaging Material and allied Products	32009	98.6%

4. Number of locations where plants and/ or operations/ offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Total 10 • Taloja, Khopoli, Ambernath (Three plants in Maharashtra) • Sri City (Andhra Pradesh) • Silvassa (Dadra and Nagar Haveli) • Guwahati (Assam) • Rudrapur (Uttarakhand) • Baddi (Himachal Pradesh) • Bengaluru (Two plants in Karnataka)	• Offices in Bandra-Kurla Complex (Mumbai) and Thane • 1 R&D Centre in Khopoli (Maharashtra) • Delhi office • Kolkata office	15
International	Zero	1 office in the United Kingdom	1

5. Markets served by the entity:

a) Number of locations:

Locations	Number
National (No. of States and Union Territories)	28 Indian states along with 8 Union Territories.
International (No. of Countries)	We service 67 countries outside India across Europe, Africa, Oceania, Southeast Asia, Australia, North America and South America. We are one of the few packaging manufacturers in India that supply to Central and South America.

b) What is the contribution of exports as a percentage of the total turnover of the entity?

30.05% is the contribution of exports to the total turnover of our entity.

c) A brief on types of customers:

We manufacture state-of-the-art packaging for different products while maintaining high-quality standards. We offer light, innovative and increasingly sustainable flexible packaging materials, pouches and labels. We mainly serve the FMCG segment across the world. 80% of our supplies are used in food packaging and the balance in other categories, including home care, personal care, cosmetics, industrial and more.

6. Employees

Details as at the end of financial year:

a) Employees and workers (including differently-abled):

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	1009	888	88.0%	121	12%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total employees (D + E)**	**1009**	**888**	**88.0%**	**121**	**12%**
WORKERS						
4.	Permanent (F)	1454	1445	99.4%	9	0.6%
5.	Other than Permanent (G)	396	396	100%	0	0%
6.	**Total workers (F + G)**	**1850**	**1841**	**99.5%**	**9**	**0.5%**

b) Differently-abled employees and workers:

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY-ABLED EMPLOYEES/WORKERS						
1.	Permanent (D)	We do not have any differently-abled employees or workers currently under our employment. Huhtamaki is an equal opportunity employer, and we do not believe in discrimination on the basis of race, colour, religion, sexual preferences, physical or mental disability, age or otherwise. We are dedicated to providing a safe, engaging and high-performance culture which represents the diversity of the country, and we invest in fostering an environment where everyone enjoys physical and psychological safety, and where diversity and inclusion are promoted through day-to-day behaviours and embedded into all our policies and practices. We aim to attract and develop a workforce that nurtures an inclusive workplace where everyone, despite their differences, are respected and valued, where people are treated equitably, and where everyone feels a sense of belonging. We are also working towards creating inclusive new workplaces to meet the specific requirements and preferences of differently-abled employees.				
2.	Other than Permanent (E)					
3.	**Total differently-abled employees (D + E)**					
4.	Permanent (F)					
5.	Other than permanent (G)					
6.	**Total differently-abled workers (F + G)**					

7. Participation/ inclusion/ representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.5%
Key Management Personnel	3	0	0

8. Turnover rate for permanent employees and workers:

	FY2023			FY2022			FY2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.7%	27.3%	14.5%	11.8%	14.0%	12.0%	18.2%	29.0%	19.7%
Permanent Workers	8.0%	44.4%	8.3%	8.7%	8.4%	8.7%	12.9%	31.0%	13.0%

9. Holding, subsidiary and associate companies (including joint ventures):

(a) Names of holding/ subsidiary/ associate companies/ joint ventures

Holding Company – Huhtavefa B V

We do not have any subsidiary/ associate companies/ joint ventures.

10. CSR details

(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No) – Yes

(ii) Turnover (in ₹) – ₹24,813.2 Million

(iii) Net worth (in ₹) – ₹11,504.6 Million

11. Transparency and disclosures compliances:

Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY2023		FY2022	
		Number of complaints/ queries filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	Yes	0	0	0	0
Investors (Other than shareholders)	Our Company has a dedicated e-mail ID: investor.communication@huhtamaki.com for redressal of investors/ shareholders grievances. For speedy redressal of any shareholder grievances/ requests pertaining to shares, dividends, etc, the details of Registrar & Share Transfer Agents (RTA) is available on our website: https://www.huhtamaki.com/en-in/flexible-packaging/investors/investors-service-department-contact/	10	0	12	0
Shareholders		7	0	3	0
Employees and Workers		2	1	2	0
Customers (Quality complaints)		715	42	755	0
Value Chain Partners		0	0	0	0
Others (Please specify)		0	0	0	0

TSR Consultants Private Limited (TCPL), the Company's Registrar and Share Transfer Agent (RTA) has merged with Link Intime India Private Limited pursuant to Order by the National Company Law Tribunal and consequently the RTA activities of the Company is now carried out by Link Intime, effective December 22, 2023.

12. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Globally, we regularly update our materiality assessment to ensure that our sustainability aspirations include the most important concerns for us and our stakeholders. We continue to address the material issues in cross-functional teams, constantly seeking ways to enhance our policies and procedures in order to attain world-class performance in these areas. To ensure that our sustainability work focuses on the most important issues, we constantly monitor the most recent developments and trends in sustainability and the changes in regulations and feedback from stakeholders. We also update our materiality assessment on a regular basis. In 2023, we globally refreshed our double materiality assessment and the same would be published in next year's Global report. The following materiality assessment describes the risk and opportunity matrix from a more India-specific point of view, basis the assessment done in FY2023.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Product safety	Risk	Since our primary customers are from the pharmaceutical and FMCG sectors, packaging material plays a critical role in maintaining the composition of medicines and food quality, shelf life, and safety during shipment, and any critical shortcoming in product safety or quality could negatively impact our Company's reputation, resulting in an impact on sales.	We employ stringent quality control methods in all of our production activities, as well as formal testing processes for new products and materials. Quality and hygiene management systems, such as ISO 9001 and BRCGS, provide a strong foundation for ensuring consistency in product safety.	We primarily offer our packaging solutions to B2B clients, where any decline in sales owing to a loss of reputation can result in significant revenue losses as the business coming from them is mostly bulk and recurring purchases. Also, any additional expenses to replace and resolve client complaints will be borne by us.
2	Materials management	Risk and opportunity	Material management is an important aspect of the packaging industry since it can lead to a high chance of product damage during shipping and distribution, resulting in significant financial and reputation loss. Furthermore, if proper packing material is not used, it might result in the accumulation of hazardous waste in the environment.	As part of our innovation process, we are focused on sustainable packaging solutions to meet socioeconomic demands.	The right packaging solution not only extends the shelf life of the products and keeps them safe for consumption but also helps to develop the brand image of our Company and reduce the environmental impact.
3	Energy	Risk and opportunity	Improving energy efficiency throughout our activities is a key component of our Energy Strategy. This is extremely critical given our high-growth goals; we must always develop methods to produce more effectively in order to offset the emissions caused by increased output. Increasing the percentage of renewable power is another important tool for combatting our emissions.	Our Company's environmental strategy and activities toward energy efficiency are driving tremendous improvement in energy reduction. The objective is to ensure that everyone in the organisation understands our environmental obligations by designing and implementing a global energy plan to enhance energy efficiency, transition to low-carbon fuels, and raise the global proportion of renewable power.	Shifting more towards renewable energy in the manufacturing of packaging solutions can lower maintenance costs and requirements. It also helps in a cleaner and greener environment, thus contributing to a sustainable ecosystem.
4	Climate and emissions	Risk	Extreme environmental changes can harm any organisation due to the disruption of raw material procurement, the production process, and the supply chain. Government regulations and norms on climate and emissions can also have a huge impact on business.	We have started identifying and evaluating climate change risks as part of our due diligence procedures and taking necessary mitigating and adapting action. Our climate goals are ratified by the Science Based Targets Initiative. This will also aid in the transition to a carbon-neutral society. Our goal is to achieve carbon-neutral production by 2030.	Climate change can have both direct and indirect impacts on our Company. Direct impact may include physical damage and loss of essential resources, and indirect impact may include supply chain disruption, rising costs in different phases of production and other adverse impacts.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Transition to a circular economy	Risk and opportunity	Most flexible packaging in India currently is intended for single-use and is discarded rather than reused or recycled. Packaging consumes numerous resources, including energy, water, chemicals, petroleum, minerals, wood, and textiles. Its production frequently produces air pollutants such as greenhouse gases, heavy metals and particulates, as well as hazardous wastewater and/or sludge.	We are ensuring our products are recyclable, compostable, or reusable and minimising our environmental footprint across the value chain by focusing on designing for circularity and promoting sustainable end-of-use packaging. Our Blueloop programme was initiated to ensure that all our packaging solutions are recyclable, reusable or compostable by 2030. Our innovation and research efforts are strongly focused on delivering packaging solutions that adhere to this design philosophy. We are also compliant with the plastic waste management rules in India and are ensuring that we meet our Extended Producers Responsibility (EPR) targets.	Packaging waste accounts for a large portion of landfill waste, which contributes to climate change and air pollution and can endanger ecosystems and species adversely. There is no quantifiable financial implication, however, it does have an impact on our overall business operation.
6	Waste and recycling				
7	Water	Risk	We value water as a precious natural resource that is essential for food, people, and the environment and in Huhtamaki, water is essential as it is utilised in manufacturing activities. Recognising the human right to water and sanitation, we concentrate on controlling and reducing our effect on water resources.	In our water management strategies, we emphasise controlling and reducing our impacts on water resources. We safeguard water ecosystems, especially in water-stress areas. The plans include alignment with the Huhtamaki strategy, site-specific water risk assessments, targets connected with performance indicators, and control and monitoring metrics that permit follow-up and detection of issues. The global sustainability unit is driving this strategic endeavour by assisting local stakeholders in undertaking water resource analysis and management. We have initiated our focus to achieve zero liquid discharge status at our factories. Four of our sites have already achieved ZLD status.	Water scarcity can disrupt manufacturing activities and water storage and transfer infrastructure can incur substantial amounts of costs to the Company.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Human rights	Opportunity	Businesses that respect human rights exhibit their dedication to developing long-term, mutually beneficial relationships with people who affect or are influenced by their activities, such as consumers, communities, workers, and investors.	We reviewed our existing policies and processes, as well as conducted a worldwide evaluation of our possible human rights risks and implications.	Huhtamaki India conforms to the Programme on Responsible Sourcing under the AIM-PROGRESS consortium. Under this, the process of verification/audit of compliance is called SEDEX (SUPPLIERS ETHICAL DATA EXCHANGE) and the Model Responsible Sourcing Audit is called SMETA (SEDEX Members Ethical Trade Audit). The scope of SMETA audit are (a) Business Integrity (b) Health & Safety (c) Labour (d) Environment. There is a prescribed audit checklist for the audit, where the auditors will look for compliance to applicable local law and/or the customer specific requirement, whichever is stricter. This certification can be done using the services of approved certifying agencies. There are few customers who have their own model, which is similar to SMETA. For those customers, applicable conversion of report is done by the certification body engaged. SMETA audit does not lead to any certification and Individual customers are expected to review the audit report of the site and provide a compliance validity. Minimum compliance is for 1 year, and maximum can be 3 years. As a good practice, Huhtamaki India ensures that all its packaging and label manufacturing sites undergo SMETA audit at least once a year. Except for the Ambernath unit, which got commissioned very recently, all plants have gone through the requisite audit in the last one year and put in due diligence for closure of the findings. At a global level, as a pilot project, Huhtamaki has conducted its first human rights impact assessment at one of our sites. The findings of both the global review and the local-level evaluation will help us increase our human rights due diligence and expand other aspects of social sustainability throughout the organisation.
9	Diversity and equal opportunity	Opportunity	We seek to foster an inclusive and diverse workplace. To achieve that we aim to attract, develop, and retain the finest talent in a conducive work environment by imparting appropriate training programmes, by modifying polices and by embracing the differences.	We celebrate diversity and promote equality by being inclusive of all.	We believe that diverse teams, in terms of gender, ethnicity, and characteristics, bring fresh views, greater creativity and innovation to the table. Diversity in teams increases performance, efficient decision-making, and effective collaboration.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Employee attraction and retention	Opportunity	When it comes to talent, hiring the right people and putting in place the necessary measures to allow them to flourish are critical to building a productive, high-performing culture. By adhering to our principles of Care, Dare and Deliver, we all become the driving force behind putting our plan into action.	We strive to provide employment experience in which employees feel protected, appreciated, and included, as well as an atmosphere in which they can make their distinctive contribution.	Developing our diverse talent is a key component of our 2030 Strategy and it is the key to our future success. Talent development is the process through which we improve our workers' talents and capacities so that they may thrive in their positions.
11	Employee training	Opportunity	At Huhtamaki, we believe that learning is the foundation of superior performance and employees should carve their own path by determining where they want to go in their careers. We help them by offering organised learning, on-the-job training, opportunities to learn from others and various training and development programmes.	We provide continuous skill development and learning opportunities through organised training programmes, career conversations, and individual development programmes for high performance and career progression.	Training and development help in attracting and retaining top personnel, increasing employee satisfaction and morale, increasing productivity, and increasing profits.
12	Labour retention	Opportunity	We believe that labour relations are essential in manufacturing focused business. We have followed principles set out by the International Labour Organisation.	Good labour relations translate in overall productivity and leads to higher work satisfaction levels.	Our various projects focus on improving efficiency of manufacturing network, labour productivity and reduce wastages from operations to boost the long-term competitiveness of our Company.
13	Occupational health and safety	Risk	It is vital to provide a safe working environment in order to minimise absenteeism and boost employee morale. Risks related to incidents that potentially compromise health and safety can impose various threats to human lives associated with our Company.	Huhtamaki places a high priority on Occupational Health and Safety (OHS). We are developing a safe work culture to integrate safety across the Company. Our objective is to create a mindset along with training targeted towards the aim that no one is affected, and everyone returns home safely at the end of the day. Machine safety has always been a top priority for our Company.	Working days are lost owing to work-related illness and injury, which impedes our product production and supply.
14	Supply chain and responsible sourcing	Risk	The supply chain is extremely important in the packaging sector, and any interruption in this may expose our Company to different types of risks. Since the majority of our clients manufacture and use our packaging material for their products and commodities that are fast moving and essential, the stock must be replenished and supplied to retailers within the stipulated time to meet the growing demands of customers.	Our enhanced supply chain due diligence methodology is designed to detect supply chain risks and covers all ethical, social, and environmental standards. All-important suppliers, accounting for the top 80% of procurement expenditure, are now systematically screened in the Group's supplier monitoring tool against sanctions lists, watch lists, and unfavourable media, assisting Huhtamaki in identifying and addressing issues in the supply chain.	Supply chain interruptions caused by the pandemic and other unprecedented challenges can result in unusual input cost inflation in raw resources, freight, energy, and labour.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
15	Customer satisfaction	Opportunity	We customise our packaging solutions to the client's product specifications and requirements, and we feel that this allows us to better understand their demands and offer our products to them, lowering the primary expense of major modifications or wasteful manufacturing.	We commit to and offer solutions to our customers with honesty and as a team. And are ambitious for going above and beyond in terms of performance for customer satisfaction.	Customer satisfaction leads to increased customer retention, higher lifetime value, and a more positive brand reputation.
16	Anti-corruption and ethics	Opportunity	The Huhtamaki Ethics and Compliance programme focuses on Huhtamaki's commitment to ethics and legal compliance. The programme is a toolbox that assists Huhtamaki in operating its business in accordance with laws, rules, and ethical principles, as well as ensuring that the Company has proper processes in place to prevent Huhtamaki from engaging in unethical business practices.	At Huhtamaki, we believe that strong ethics make excellent business sense, and our business operations reflect this commitment to upholding the highest ethical standards.	The significant advantage of an ethical code is that it will build an environment of trust, ethical behaviour, integrity, and excellence amongst the Company, its employees and all the stakeholders

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Huhtamaki's goal in this section is to highlight how the NGRBC Principle and its Core Elements have been adopted through the structures, policies, and procedures that have been put in place.

S. No.	Principle Description
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) *[UN SDG: 16.6]*	Y	Y	Y	Y	Y	Y	N	Y	Partially
b) Has the policy been approved by the Board? (Yes/No) *[UN SDG: 16.6]*	The Board has approved and signed all mandatory policies required by Indian laws and regulations. Other operational internal policies are authorised and signed by the management and the Managing Director/Director.								
c) Web-link of the Policies, if available *[UN SDG: 16.6]*	The web-link for the policies is https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies/								
2. Whether the entity has translated the policy into procedures. (Yes/No) *[UN SDG: 5.5, 16.7]*	Y	Y	Y	Y	Y	Y	N	Y	Partially
3. Do the enlisted policies extend to your value chain partners? (Yes/No) *[UN SDG: 12.2, 12.4, 12.5, 12.8]*	We are dedicated to ensuring that our supply chain abides by the Huhtamaki Code of Conduct for Suppliers and that we engage with responsible suppliers in all of our global operations. It serves as the cornerstone for our supply chain due diligence and the compliances and ethical conduct we expect from our suppliers on social and environmental parameters. The NAVEX Risk Rate tool tracks the number of significant suppliers who have acknowledged the Code. Huhtamaki's suppliers are also responsible for the compliance of their subcontractors. If their own Code of Conduct meets the standards of Huhtamaki, we may accept it as a substitute.								

4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fair trade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.

Principle 1 Principle 2 Principle 3 Principle 4 Principle 5 Principle 6 Principle 7 Principle 8 Principle 9	We have the below mentioned national and international codes/certifications/labels/ standards: 1. Principle 1 and 5: SMETA 2. Principle 3: ISO 45001 3. Principle 6: Forest Stewardship Council, ISO 14001 In 2023, we also initiated the ISCC+ certification process for our Khopoli factory 4. Principle 9: ISO 9001, ISO 22000, BRCGS Packaging, US FDA, HALAL We have not mapped our operations to any other codes/certifications/labels/standards than the ones mentioned above.
5. Specific commitments, goals and targets set by the entity with defined timelines, if any. *[UN SDG: 5.5, 12.2, 12.4, 12.5]*	Huhtamaki India has identified targets with respect to renewable electricity and carbon neutrality, water, waste, product recyclability, material use in terms of product, etc. In 2023, internal targets to reduce solvent usage intensity were also developed.
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	We intend to reach carbon neutral production by 2030, our absolute Scope 1+Scope 2 emissions in 2023 were 54,507 tonnes which was a 20% absolute reduction vs. 2022. We are recycling 98.6% of our non-hazardous waste against our target of 90%. 10% of our material usage is from renewable or recycled sources. Our Health & Safety Lost Time Frequency Rate for 2023 was 1.24.

Governance, leadership, and oversight

7. Managing Director's statement

A detailed summary of our Managing Director's statement on sustainability goals, commitments and our contribution till now is available in our Annual Integrated Report for the FY2023.

[UN SDG: 5.5, 16.7]

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies. *[UN SDG: 12.2]*	Managing Director of Huhtamaki India Limited
9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes/ No). If yes, provide details. *[UN SDG: 12.2]*	The Corporate Social Responsibility Committee of the Board is currently responsible for decision-making on ESG-related matters. Recommendations from the CSR Committee are considered by the Board of Directors of Huhtamaki.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow-up action	Yes, we continuously track and update our policies as per the national guidelines and in alignment to the global Group policies.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	All of our policies are as per the requirements under NGRBC guidelines. We are compliant with all legal requirements.																	

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.									
	The accreditation process includes ongoing periodic assessments as well as internal and external audits of the Quality, Safety & Health, Human Rights and Environmental Policies. Through an internal audit procedure, the effectiveness of other policies is routinely assessed. The various Committees and the Board regularly examine all Company policies.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	The questions mentioned here are not applicable to Principle 1, Principle 2, Principle 3, Principle 4, Principle 5, Principle 6, Principle 8 as Huhtamaki's policy considers and covers them.								
The entity is not at a stage where it or in a position to formulate and implement the policies on specified principles (Yes/No)	We are dedicated to developing policies in the next years around Principle 7 since we understand that we must contribute to making crucial decisions in the best interests of the public by addressing their concerns.								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	We do not have a standalone policy addressing Principle 9, but we do have a structure in place to ensure that customer complaints are received and resolved promptly. To secure sensitive customer information, we have data privacy and cybersecurity system in place. We have developed our website to disseminate pertinent information about our products and services to customers and other stakeholders.								
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Our ethical and transparency framework reflects how we treat our stakeholders including employees, customers, communities, and the environment. It builds trust and provides employees with a sense of pride that they work for a Company that is committed to the highest ethical standards. We have created Global Huhtamaki Working Conditions Requirements on ethics, employment, and occupational health and safety procedures, to which all employees must conform. The Huhtamaki Ethics and Compliance programmes focuses on Huhtamaki's commitment to ethics and legal compliance. The programme is a toolbox that assists Huhtamaki in operating its business in accordance with laws, rules, and ethical principles, as well as ensuring that it has proper processes in place to prevent Huhtamaki from engaging in unethical business practices.

Essential indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the fiscal year: *[UN SDG: 16.3, 16.7]*

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% Age of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	As part of the Familiarisation Programme, the Independent Directors travel to a plant to experience operations first-hand and interact with employees on the ground for a better understanding of the manufacturing process, efficiencies, opportunities and challenges, innovation pipeline, sustainability initiatives, etc. During the year, the Independent Directors along with the Executive Directors visited the Company's Silvassa Plant and familiarised themselves with the nuances on Safety, Products, Manufacturing Process, Productivity, TPM, Capacity Utilisation, Blueloop investments, etc. The Factory Manager along with his leadership team gave a brief overview of the plant and its achievements, pursuits, challenges, innovations and milestones in their interaction with the Independent Directors. The Independent Directors interacted formally and informally with employees to get first-hand information about the initiatives on the ground, challenges, strengths, capabilities, and areas of improvement. At the meetings of the Board of Directors and Committees thereof, the members discuss the following topics viz. business performance, operating plans, budgets, operational performance and measures, sales forecast and targets, customers and their expectations, technological innovation, research and development and opportunities etc. The Committees deliberate in detail the Company's Risk Management Strategy & Mitigation Plans, Related Party Transactions, Internal Finance Controls, Corporate Social Responsibility, cybersecurity, etc. at regular intervals. **Total interactions by MD (Managing Director) and CFO are:** Board: 6 times Audit Committee: 7 times NRC: 3 times Risk Management Committee, CSR Committee and the Stakeholders Relationship Committee: 2 times each Training sessions on Company's Code of Conduct and Anti-Bribery and Anti-Corruption Policy, Cyber Security, Prevention of Sexual Harassment at Workplaces, Prevention of Insider Trading, Enterprise Risk Management		100%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% Age of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	1161	The training modules have been designed with the core values of Care, Dare and Deliver at the forefront. The training modules have been designed with the core values of Care, Dare and Deliver at the forefront.	100%
Workers	1639	**Human rights** training encompasses topics such as the Code of Conduct and Prevention of Sexual Harassment. **Professional and digital skills training** includes major courses such as Microsoft Excel, Microsoft Power Point, Critical Thinking and Business Communication. **Leadership development training programmes** include sessions on Leader's Imprint, Feedback, and Development Conversations. **Employee wellness** comprises of monthly courses on themes such as nutrition, stress management, yoga, fitness conditioning, building resilience, establishing workplace connections, and the Balance Act. **Occupational health and safety training** includes fire safety, first aid, chemical and machinery handling, on-site emergency response, and women's safety as the major topics. **Specific trainings on sustainability, legal & compliance, quality, maintenance, supply chain** were conducted throughout the year.	100%

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	There were no material fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year.				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	There were no fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year.			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Since there were no fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year no appeals/ revisions were filed.	NA

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:**

[UN SDG: 16.5]

Yes, our Company's Code of Conduct includes an anti-corruption and anti-bribery policy, which has been disseminated to our employees and workers through e-learning modules and face-to-face training sessions to raise their awareness and assist them in evaluating scenarios and making responsible decisions.

The Huhtamaki Code of Conduct is the core element of Huhtamaki's Global Ethics and Compliance programme. The Code works as a compass, helping the Group to navigate and use consistent legal and ethical judgement in its daily work. Anti-bribery and corruption provisions are an integral part of the Code. In addition, these provisions are included in the Code of Conduct for Huhtamaki Suppliers. The Global Ethics and Compliance function oversees the implementation of the Company's Ethics and Compliance programme by advising and supporting conduct of business with high integrity and in compliance with laws and regulations, including anti-bribery and corruption provisions.

Huhtamaki strongly believes that conducting business with integrity is the right thing to do and is also its license to operate. The structured Ethics and Compliance programme also helps Huhtamaki to answer to the growing interest of external stakeholders on ethics and compliance matters, and to the needs of Huhtamaki's global organisation by establishing a standard, structured approach to handle ethics and compliance matters across all Huhtamaki units globally.

Please click here to access the policies:

https://www.huhtamaki.com/en/sustainability/reports-and-policies/

https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies/

5. **Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

[UN SDG: 16.5]

	FY2023	FY2022
Directors	We have zero cases where any law enforcement agency has taken disciplinary action against Directors/ KMPs/ employees/ workers on charges of bribery/ corruption. Our senior leadership upholds the highest level of honesty and integrity and instils the same in other levels of management because anti-corruption and anti-bribery are critical for not only protecting the Company's reputation but also the wider interests of all shareholders and has a positive impact on sustainable development.	
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest:**

[UN SDG: 16.6]

	FY2023		FY2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors.	We have recorded zero complaints with respect to conflict of interest of Directors and KMPs. Employees at Huhtamaki are required to avoid conflicts of interest, which may develop when an employee has a personal interest or is involved in an activity that may interfere with such individual's ability to perform tasks objectively, impartially, and effectively. To avoid any form of conflict of interest, we promote the finest standards of ethics and compliance and are diligent in detecting and mitigating any such instances promptly.			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs.				

Please click here to view Corporate Governance Policy of Huhtamaki

7. **Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:**

[UN SDG: 16.5]

As there were no instances of corruption or conflicts of interest as above, no corrective action was taken on matters pertaining to fines/penalty/activity taken by regulators/law enforcement agencies/judicial institutions, and we hope to retain this stance by raising awareness of the conditions in which conflicts might develop, by strengthening capabilities to avoid conflict of interest through training, and ensuring effective processes to handle such situations.

Leadership indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

   [UN SDG: 16.7]

   The Code of Conduct for Huhtamaki Suppliers is the foundation for our supply chain due diligence and sets out what we expect our suppliers to comply with. It covers topics related to business ethics, as well as social and environmental responsibility. The number of key suppliers who have acknowledged the Code is monitored through the NAVEX RiskRate tool. For other suppliers, monitoring is done at the unit level. Our suppliers are also responsible for their subcontractors' compliance with the requirements. We also provide suppliers with the opportunity to share their own Code of Conduct with us. If their own Code of Conduct fulfils the requirements of Huhtamaki, it is possible for us to accept it as a substitute. Our suppliers and workers in the value chain can report any violations of the Code of Conduct for Huhtamaki Suppliers or other Huhtamaki policies via Huhtamaki's global whistleblowing system, the Huhtamaki Speak Up channel.

2. **Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

   All Directors are obligated to disclose to the Board their nature/conflict of interest during their onboarding and any subsequent modifications have to be intimated timely. Transactions or any matters concerned with the Board members must be authorised by the audit committee. In such instances, the interested Directors abstain themselves from the meeting. We also have a policy on 'Related Party Transactions' and a 'Code of Conduct' in place, both of which apply to our Board members.

   Web-link: https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies/

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Huhtamaki as an organisation is making significant investments in innovation and research because we believe it will allow us to develop cutting-edge products that will not only be sustainable but will also provide value to our customers and satisfy the demands of their end consumers. We are willing to support the local vendors, vulnerable groups, and other supply chain partners who can assist us in meeting our strategic goals and long-term sustainable aspirations as supporting them since doing so would imply contributing to the economy's overall success.

Essential indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY2023	FY2022	Details of improvements in environmental and social impacts
R&D	₹15.0 Million	(Total) 12.1 Million ₹/Specific techs amount required	The investments help in the manufacturing of mono-material laminates which are recyclable in the Indian ecosystem, thus enabling circularity in flexible packaging.
Capex	0.0	(Total) 19.6 Million/ Specific techs amount required	Note: While we invested in manufacturing capabilities for sustainable packaging solutions in 2023, the investments are under installation and will be capitalised in 2024. Hence, the amount shows a nil figure for the year.

2. **Does the entity have procedures in place for sustainable sourcing? (Yes/No) b) If yes, what percentage of inputs were sourced sustainably?**

   [UN SDG: 5.2, 8.8, 16.1]

   Our supplier network consists of global key suppliers and a large network of local partners close to our manufacturing units. Responsible sourcing is based on close cooperation, and it includes developing and utilising new supplier screening tools and processes as well as aligning with third-party verifications and standards. As a responsible Company, we aim to ensure that our suppliers meet the environmental, social and governance expectations we set out in our Code of Conduct for Huhtamaki Suppliers.

The Code of Conduct for Huhtamaki Suppliers is the foundation for our supply chain due diligence and sets out what we expect our suppliers to comply with. It covers topics related to business ethics, as well as social and environmental responsibility.

The NAVEX Risk Rate tool, which screens all important suppliers against sanction lists, watchlists, Politically Exposed Persons lists, and negative media, is a critical component in responsible procurement. The screening process will continue as long as the supplier remains an active strategic supplier for Huhtamaki. If there are any matches in the above-mentioned lists, Risk Rate will immediately notify us with more case information. During the onboarding process, suppliers are also handed a questionnaire based on their initial risk assessment. All suppliers are required to declare conformity with the Huhtamaki Suppliers Code of Conduct. Medium-risk suppliers are evaluated to determine the likelihood of corruption and legal compliance. Potential high-risk suppliers are evaluated on sanctions, ethics, and compliance.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:**

   [UN SDG: 3.9, 6.3, 6.6, 8.4, 11.6, 12.4]

   Since our product forms an integral part of our customer's product, we are not able to reclaim or recycle the products. However, as per the EPR targets, we are collecting post-consumer used plastics and recycling or implementing end of life treatment as applicable.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Yes, EPR is applicable to our activities, and we are compliant with the Plastic Waste Management Rules Requirements regarding the same.

Leadership indicators

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

   [UN SDG: 12.4]

   Huhtamaki India Ltd. does not currently perform Life Cycle Assessments (LCA) for any of its goods or services, but we hope to establish these capabilities in India in the upcoming years. Our global headquarters has started the LCA process, and over the next few years, we look to learn and replicate it to our operations as Huhtamaki India Limited.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   [UN SDG: 3.9, 6.3, 8.4, 11.6, 12.4]

   This question is not applicable as per the above-mentioned statement.

3. **Percentage of recycled or reused input material to total material (by value) used in production.**

   (For manufacturing industry) or providing services (for service industry).
   [UN SDG: 8.4, 12.2, 12.5]

   Huhtamaki is working to develop the value chain for incorporating recycled content into its packaging solutions. Packaging solutions with inclusion of recycled content is a key focus area for Huhtamaki India and capabilities towards the same are being implemented.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of:**
   [UN SDG: 8.4, 12.2, 12.5]

	FY2023			FY2022		
	Re-Used	Recycled	Safely disposed	Re-Used	Recycled	Safely disposed
Plastics (Including packaging)	Huhtamaki India is currently not using any reclaimed material in their products.					
E-waste	NA					
Hazardous waste	NA					
Other waste	NA					

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category:**
[UN SDG: 8.4, 12.2, 12.5]

As per the regulations, we are currently recycling 100% of our EPR targets by recycling and end of life treatments as applicable.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Employee satisfaction is paramount to us because it leads to increased levels of engagement, productivity, morale, and lower turnover. Employees are an organisation's most valuable asset since they not only serve as a link with the customers but also greatly contribute to the organisation's success. Employees feedback is acknowledged in our organisation, and their perspective is essential to us. To maintain their satisfaction, we give industry-leading benefits to our entire workforce. Our Speak Up channel and other redressal mechanisms enable workers to report issues from wherever in the organisation and allows them to be addressed rapidly and effectively.

Essential indicators

1. a) **Details of measures for the well-being of employees:**
[UN SDG: 3.2, 5.4, 8.5, 8.6]

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	888	888	100%	888	100%	0	0%	888	100%	0	0%
Female	121	121	100%	121	100%	121	100%	0	0%	0	0%
Total	**1009**	**1009**	**100%**	**1009**	**100%**	**121**	**100%**	**888**	**100%**	**0**	**0%**

b) **Details of measures for the well-being of workers:**

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	1445	1445	100%	1445	100%	0	-	0	0	0	0
Female	9	9	-	9	-	9	-	0	0	0	0
Other than permanent workers											
Male	396	396	100%	396	100%	9	0%	0	0%	0	0%
Female	We currently have not employed any female contractual workers										
Total	**1850**	**1850**	**100%**	**1850**	**100%**	**9**	**-**	**0**	**0%**	**0**	**0%**

2. **Details of retirement benefits:**

Benefits	FY2023			FY2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/ N/ NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/ N/ NA)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	As per the ESIC Act	As per the ESIC Act	Y	As per the ESIC Act	As per the ESIC Act	Y
Others – please specify	We currently do not offer any other benefits apart from those mentioned above.					

3. **Accessibility of workplaces:**

Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard?

At our Airoli office, we provide designated restrooms and other facilities for employees with disabilities. In the future, we plan to design our new workplaces to meet the specific needs of differently-abled employees. Our new corporate office in Thane, Mumbai are built for access support for people with disabilities. The office is also equipped with accessible washrooms.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, we have a global equal employment opportunities policy which is also extended to our India operations. All employees' distinct characteristics and opinions are valued. Everyone is treated and given equal opportunities for employment regardless of race, colour, religion, gender, sexual orientation, national origin, age, disability, veteran, married or domestic partner status, citizenship, familial affiliation, or any other comparable feature.

Link: https://www.huhtamaki.com/en/sustainability/reports-and-policies/code-of-conduct/

5. **Return to Work and Retention rates of permanent employees and workers that took parental leave:**

[UN SDG: 5.1, 5.4, 8.5, 8.6]

Gender	Permanent employees		Permanent workers	
	Return to Work rate	Retention rate	Return to Work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**100%**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

[UN SDG :16.6]

	(If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, we have a procedure in place for handling employee and worker issues. We have established an internal committee where women may report violations of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 (the "Act") and its Rules. The committee makes sure that there are fewer violations and a safer workplace. Employees can report any action they believe to be illegal, dishonest, unethical, or otherwise improper under our whistleblower policy.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

[UN SDG: 8.8]

Category	FY2023			FY2022		
	Total employees/ workers in respective category	No. of employees/ workers in respective category, who are part of association(s) or Union	% (B/A)	Total employees/ workers in respective category	No. of employees/ workers in respective category, who are part of association(s) or Union	% (D/C)
	(A)	(B)		(C)	(D)	
Total Permanent Employees	**1009**	**0**	**0%**	**1223**	**0**	**0%**
Male	888	0	0%	1066	0	0%
Female	121	0	0%	157	0	0%
Total Permanent Workers	**1454**	**440**	**30%**	**1683**	**547**	**32.5%**
Male	1445	440	30%	1671	547	32.7%
Female	9	0	0%	12	0	0%

8. Details of training given to employees and workers:

[UN SDG: 4.3, 5.1, 8.2, 8.5, 10.3]

Category	FY2023					FY2022				
	Total	On Health and safety measures		On Skill upgradation		Total	On Health and safety measures		On Skill upgradation	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	(D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent employees and workers										
Male	2333	1887	80.9%	2111	90.5%	2756	1822	66.1%	1882	68.3%
Female	130	78	60.0%	120	92.3%	171	55	32.2%	115	67.3%
Total	**2463**	**1965**	**79.8%**	**2231**	**90.6%**	**2927**	**1877**	**64.1%**	**1997**	**68.2%**
Contractual employees and workers										
Male	We do not differentiate between contractual and permanent workers when it comes to health & safety management. All our contractual workers undergo job relevant trainings on Health & Safety.									
Female										
Total										

9. Details of performance and career development reviews of employees and worker:

[UN SDG: 4.3, 5.1, 8.5, 10.3]

Category	FY2023			FY2022		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	888	888	100%	1066	1066	100%
Female	121	121	100%	157	157	100%
Total	**1009**	**1009**	**100%**	**1223**	**1223**	**100%**
Workers						
Male	1445	1445	100%	1671	1671	100%
Female	9	9	100%	12	12	100%
Total	**1454**	**1454**	**100%**	**1683**	**1683**	**100%**

10. Health and safety management system:

[UN SDG: 3.3, 3.5, 3.8, 8.8, 16.7]

a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, what is the coverage of such a system?

Yes. We have an occupational health and safety management system that has been implemented and covers all our permanent and contractual employees and workers.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

All units undertake hazard identification and risk assessment programmes each year to ensure mitigation of risks on the respective sites. The risk assessments are done for both routine as well as non-routine activities. Additionally, learnings and input on implementation of controls on specific risks are also taken from the global locations and teams and implemented as applicable. Training is conducted for employees periodically on the procedure and process to be followed for risk assessments so as to ensure the accuracy of the same. The risk assessments are driven by the site leadership team and the action plan to mitigate risks is monitored by them.

c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes, near-miss reporting, unsafe acts and unsafe conditions reporting is a formalised process at all units and workers are encouraged to report any hazards or risks. The closure of these identified risks is also monitored monthly and reviewed centrally.

d) Do the employees/workers of the entity have access to non-occupational medical and healthcare services?

Yes, our Company conducts periodic health checkups for all its employees and even for the new employees. We provide health insurance for all our permanent employees. A support system for mental health and psychological welfare has been set up and employees are encouraged to avail themselves of the same if required.

11. Details of safety related incidents, in the following format:

[UN SDG: 3.3, 3.4, 3.6, 3.9, 8.8, 16.1]

Safety Incident/Number	Category	FY2023	FY2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.2	0.0
	Workers	1.3	1.0
Total recordable work-related injuries	Employees	13	0
	Workers	10	16
No. of fatalities	Employees	0	0
	Workers	0	1 (contractual worker – not on the Company's payroll)
High-consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace:

[UN SDG: 3.6, 8.8, 16.1]

Our business has a thorough health and safety policy that is implemented at all organisational levels. Our Company is dedicated to implementing and minimising strict controls over all pertinent health and safety issues. As part of the induction process, which is repeated frequently, all new employees get site- and job-specific health and safety training. The unit head of each location and their leadership team are in charge of the health and safety management programme. Performance is assessed at the national level by the Managing Director and Head of Operations. Examining both leading and lagging indications, as well as applying lessons learned from accidents to all sites. The implementation of proactive measures, such as reporting and closing near-miss incidents, identifying opportunities for safety improvement, audits, leadership walks, and so on. To involve employees and workers, important awareness campaigns on crucial subjects including hand safety, fire safety, working at heights, and process safety are held each month. Through daily checks, toolbox discussions, and standard operating procedures, line management oversees the daily implementation of health and safety measures. Additionally, our business places a strong emphasis on making sure that all contract workers are fully included in health and safety programmes.

13. Number of complaints on the following made by employees and workers:

[UN SDG: 16.6]

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	We have received zero (0) complaints from employees and workers on working conditions and health and safety. We are continually revising our health and safety regulations in response to changing work requirements and upgrading the technologies we use to ensure that health and safety remains a top priority for us.					
Health and safety						

14. Assessments for the year:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	90% of the plants
Working conditions	90% of the plants

Nine of our factories are certified for ISO 45001 and are audited as per their requirements by third party agencies. We work on an annual auditing principle. Additionally, our manufacturing units are audited for health and safety management requirements under the Factories Act.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions:

[UN SDG: 8.8]

Every safety-related occurrence is given a root cause analysis, and the information gathered is analysed. After that, the necessary corrective and preventative actions are implemented in the affected area, and then they are deployed in all other relevant units. Investigations are conducted into all incidents that have taken place inside the group globally, and any lessons learned are put into practice. For instance, the implementation of a gap analysis and mitigation programme that covered work at height at each site was spurred by Huhtamaki's global sites. Action plans are developed in these circumstances, and closure is followed until it is complete.

Leadership indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N):**

   [UN SDG: 5.4, 8.5]

   Yes, our Company extends life insurance or any compensatory package in the event of death of Employees/Workers.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   Respective sites conduct due diligence to ensure that statutory dues are paid by relevant value chain partners. Evidence regarding actual transfer of dues is collected and timely payment of dues is ensured. Our internal audits also check on this aspect on a sample basis, and if any concern is identified, the same is addressed immediately.

3. **Provide the number of employees/ workers having suffered high consequence work related injury/ ill-health/ fatalities (as reported in Q11 of Essential indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.**

	Total No. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2023	FY2022	FY2023	FY2022
Employees	0	0	0	0
Workers	0	1 (contractual worker)	0	0

4. **Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   [UN SDG: 4.3, 8.5, 10.3]

   We undertake case specific-assistance programmes for the management of career endings occurred through either termination or retirement.

5. **Details on assessment of value chain partners:**

   [UN SDG: 5.2, 8.8, 16.1]

   A key element of Huhtamaki's due diligence processes is the use of the NAVEX RiskRate tool. All key suppliers are screened in RiskRate against sanction lists, watchlists, Politically Exposed Persons lists and adverse media. The screening continues for as long as the supplier is an active key supplier for Huhtamaki. If there are any matches in the above-mentioned lists, RiskRate will automatically alert us with more case details.

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners:**

   [UN SDG: 3.6, 8.8, 16.1]

   Based on the suppliers' initial profile risk level, they are also sent a questionnaire. All suppliers are asked to acknowledge compliance with the updated Code of Conduct for Huhtamaki Suppliers. Medium-risk suppliers are asked questions that help assess the risk of corruption and compliance with law. Possible high-risk suppliers receive additional questions on sanctions as well as ethics and compliance. We have defined risk scorings for the questions, and if necessary, each questionnaire answer is checked individually to determine whether further actions or explanations are required from the supplier. Both the screening results and the answers to the questionnaire are combined in the final risk rating of the supplier. This final risk rating also uses a three-level system: low, medium or high risk. We have defined internal processes for the review and approval of the results, which vary depending on the risk level.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

For Huhtamaki, primary stakeholders include the government, shareholders, consumers, suppliers, investors, and communities who are seeking to learn more about our sustainability performance in various areas. It has become vital for us to continue recording and disclosing both quantitative and qualitative indicators to exhibit transparency and communicate clearly with all of them and address the sustainability issues that are critical to the business's performance. Collaboration and co-creation with stakeholders are essential to accomplish our sustainability goals. Stakeholder dialogue not only helps us match our objectives and activities with the expectations of diverse stakeholder groups, but it also provides us with valuable information about the probable risks and possibilities associated with our operations.

Essential indicators

1. Describe the processes for identifying key stakeholder groups of the entity:

[UN SDG: 16.7]

To identify stakeholders and communicate with them, we employ a variety of tools and techniques, including both structured and ad hoc methods. In our materiality assessments, for instance, we use surveys like the global employee engagement survey and the stakeholder survey.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

[UN SDG: 16.7]

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and regulatory authorities	No	E-mail, website, postal communication, panel meetings, conferences, facility visits, industry associations.	Periodically or event-based	Advocacy, Compliance assurance, thought leadership, preparing representation on policy matters as may be needed
NGOs	No	E-mails, community meetings	Periodically as required	To understand community's social and other needs, partnering to deliver impact through various CSR activities
Academia	No	E-mails, official meetings	No defined periodicity	Performance and talent management, build a safe and inclusive working culture, communicate vision and strategy of the Company, seek feedback
Employees	No	E-mails, notice boards, meetings, town-halls, internal websites, digital tools, Employee engagement surveys, Appraisals, Reward & recognition programmes, grievance mechanism	Weekly, monthly, quarterly, half yearly, annually	Performance and talent management, build a safe and inclusive working culture, communicate vision and strategy of our Company, seek feedback
Customers	No	E-mails, official meetings, website	Periodically, Event Based	To understand customer needs, ensure prompt service to the customers, seeking feedback, addressing concerns or grievances if any
Suppliers	No	E-mails, official meetings, website, digital applications, supplier checks, supplier visits	Periodically, Event Based	Ensure business continuity, ensure material quality, confirmation on supplier code of conduct
Local community	Yes	Through CSR initiatives	Periodically	To understand the needs of the local community, support the communities on social needs
Investors	No	Website, financial reports, investor calls, Stock Exchange, newspaper publication, and grievance redressal mechanisms	Quarterly, half yearly, annually, event based	Communicate financial results/ material occurrences
Shareholders	No	Shareholder meetings, quarterly calls, website, financial reports, investor calls, Stock Exchange, newspaper publication, and grievance redressal mechanisms	Quarterly, half yearly, annually, event based	Communicate financial results/ material occurrences, as well as a grievance redressal process

Leadership indicators

3. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how feedback from such consultations is provided to the Board:**

   [UN SDG: 16.7]

   Huhtamaki is aware of the importance of discussion of ESG topics between our stakeholders and the Board. Matters relating to ESG are discussed at meetings of the Corporate Social Responsibility Committee. Our Company aims to improve the rigour and focus on ESG-related matters in the coming years.

4. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the input received from stakeholders on these topics were incorporated into the policies and activities of the entity.**

   At Huhtamaki, we have a broad level of understanding of our stakeholders' expectation in terms of identifying and managing the social and environmental performance of our Company. It is considered as an important part of our agenda while communicating with the different key stakeholders of our Company, which highly influences our policies and procedures to ensure our business operations are in alignment with the Company's vision, mission and stakeholders' expectations.

5. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   We did not have any instances where in any concern was raised by any vulnerable/marginalised stakeholders. As part of our CSR initiatives, we engage with various vulnerable/marginalised groups and our social initiatives are aimed at creating a positive impact in the lives of the people from said stakeholder groups.

   [UN SDG: 16.7]

Principle 5: Businesses should respect and promote human rights

Our foremost priority is to provide a healthy, safe, and inclusive working environment for our employees. We promote and extend human right policies and benefits to not only our employees but also to our value chain partners. We are dedicated to constant development and have begun taking steps to effectively incorporate human rights into our operations and to establish a structure for managing human rights in a more systematic manner.

Our social responsibility efforts are focused on providing decent working conditions throughout all of our worldwide businesses, protecting human rights of all our stakeholders, and guaranteeing fair employment practices for everyone, everywhere. We invest in talent development and incorporate diversity and inclusion into how we work. We are dedicated to being excellent corporate citizens who have a positive influence on the communities in which we operate.

Essential indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

   [UN SDG: 4.3, 8.5, 8.8, 10.3, 16.5, 16.7]

Category	FY2023			FY2022		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1009	959	95%	1223	1064	87%
Other than permanent	-	-	-	-	-	-
Total employees	**1009**	**959**	**95%**	**1223**	**1064**	**87%**
Workers						
Permanent	1454	1323	91%	1683	1495	89%
Other than permanent	396	0	-	555	0	-
Total workers	**1850**	**1323**	**78%**	**2238**	**1495**	**67%**

2. Details of minimum wages paid to employees and workers, in the following format:

[UN SDG: 1.2, 5.1, 8.5, 10.3]

Category	FY2023					FY2022				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1890	-	-	1890	100%	1223	-	-	1223	100%
Total employees	1890	-	-	1890	100%	1223	-	-	1223	100%
Workers										
Permanent	440	-	-	440	100%	1683	-	-	1683	100%
Total workers	440	-	-	440	100%	1683	-	-	1683	100%

3. Details of remuneration/ salary/ wages, in the following format:

[UN SDG: 16.7]

(Amount in ₹)

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	2	44,25,000	1	43,50,000
Key Managerial Personnel	3	162,91,272	0	0
Employees other than BoD and KMP	1890	5,76,528	130	8,39,712
Workers	440	5,22,516	0	0

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Huhtamaki's dedication to human rights is reflected in the Global Human Rights Policy, which takes into account the United Nations International Bill of Human Rights as well as the UN Guiding Principles on Business and Human Rights.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues:

[UN SDG: 16.6]

We have internal guidelines to address grievances related to human rights. Our Code of Ethics and Behaviour Policy defines the set of behaviours and actions that our employees and other stakeholders should abide by so as to ensure compliance with regulatory requirements, ethical standards as well as avoid any human rights violations. Policy On Prevention, Prohibition And Redressal Of Sexual Harassment Of Women At Workplace has been instated to strictly monitor and address any concerns regarding sexual harassment of women.

6. Number of Complaints on the following made by employees and workers:

[UN SDG: 5.1, 5.2, 8.7, 8.8, 16.2, 16.6]

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	1*		1	0	Apart from 1 case of sexual harassment filed, there were no other cases pertaining to discrimination, child labour, forced labour, involuntary labour, wages or other human rights issues
Discrimination at workplace	0	0		0	0	
Child labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

* The investigation has been completed but there is a delay in closure due to requirement for additional statements and documents from both parties. The recommendations are expected to be issued by April 15, 2024.

There were two cases of sexual harassment that was filed during the year which were addressed by the internal complaints committee. One of the cases was successfully resolved while one is pending for resolution. We are working on strengthening the mechanisms and policies to prevent such incidents in the future.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

[UN SDG: 16.6]

Any form of workplace violence is prohibited at Huhtamaki. The use of threats or intimidation is also prohibited. No employee may use or carry firearms or other weapons while on Huhtamaki property or while conducting business on Huhtamaki's behalf in order to help promote a safe work environment for all employees. Huhtamaki does not tolerate any form of harassment, including sexual, racial, or any other hostile, inconsiderate, abusive, or undignified behaviour.

In compliance with the terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 (the "Act") and Rules made thereunder, we have adopted an anti-sexual harassment policy, which is gender agnostic, and the Company has established an internal complaints committee. Our Company runs awareness campaigns in each of its divisions to teach staff members how to treat their coworkers with dignity.

To report actual or suspected frauds and violations of the Code of Conduct and/or Ethics Policy, a whistleblower may do so through a variety of ways. The Whistleblower Policy lays down a thorough procedure for reporting, processing, and investigating fraudulent activity and provides the necessary protection to employees who disclose such fraudulent operations or unethical behaviour. No employee has been prevented from bringing their concerns before the Audit Committee. Any alleged violation may be reported by an employee, amongst others, to the India Investigation Lead by e-mailing IndiaInvestigationLead@huhtamaki.com. A letter marked "Confidential" may also be sent by an employee to the India Investigation Lead at the Company's registered office.

To highlight the value of ethics and compliance in the workplace, Huhtamaki India has launched an awareness campaign dubbed #DoRight – The Huhtamaki Way! The campaign's aim is to inform and instruct employees on the business' whistleblower policy, how to use the Speak Up platform more efficiently, and, most importantly, how to #DoRight – The Huhtamaki Way! The campaign's mascot, CoCo, delivers a series of messages during the campaign.

Our Code of Conduct which is applicable to every employee mandates that complete protection be given to a Whistle-Blower against any unfair practice like retaliation, threat or intimidation or termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behaviour or the like including any direct or indirect use of authority to obstruct the whistleblower's right to continue to perform their duties/functions including making further Protected Disclosure. The policy also clearly states that retaliation against an employee reporting any form of harassment is strictly prohibited.

Link to policies:

https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

[UN SDG: 5.2, 8.8, 16.1, 16.7]

Yes. Various elements of human rights aspects are incorporated into our business agreements and contracts. We have global human rights policies that demonstrate Huhtamaki's commitment to human rights as outlined in the United Nations International Bill of Human Rights, as well as the UN Guiding Principles on Business and Human Rights due diligence process built to identify and mitigate risks in the supply chain.

9. Assessments of the year:

[UN SDG: 5.2, 8.7, 16.2]

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	All our factories get audited as per SMETA audit protocols, which focus on areas such as forced labour, human rights, wages, discrimination etc. At Huhtamaki, we adhere to the national and international regulations that govern Human rights issues at the workplace, which are extended at the plant level as well.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

No significant risk or concern was identified in the audits.

Leadership indicators

11. Details of a business process being modified/introduced due to addressing human rights grievances/complaints.

[UN SDG: 16.6]

No such modifications have been implemented as we had no cases that required modification.

12. Details of the scope and coverage of any Human rights due diligence conducted

Not applicable. However, we adhere to the highest level of Human Rights standards at work.

13. Is the premise/office of the entity accessible to differently-abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

At our Airoli office, we provide designated restrooms and other facilities for employees with disabilities. In the future, we plan to design our new workplaces to meet the specific needs of differently-abled employees. Our administrative office building in Mumbai is being built for access support for people with disabilities. The office is also equipped with accessible washrooms.

14. Details on assessment of value chain partners:

[UN SDG: 5.2, 8.7, 8.8, 16.1]

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	Our Code of Conduct for Suppliers covers topics related to business ethics, as well as social and environmental responsibility. A key element of Huhtamaki's due diligence processes is the use of the NAVEX RiskRate tool. All key suppliers are screened in RiskRate against sanction lists, watchlists, Politically Exposed Persons lists and adverse media. The screening continues for as long as the supplier is an active key supplier for Huhtamaki. If there are any matches in the above-mentioned lists, RiskRate will automatically alert us with more case details. Based on the suppliers' initial profile risk level, they are also sent a questionnaire. All suppliers are asked to acknowledge compliance with the updated Code of Conduct for Huhtamaki Suppliers. Medium risk suppliers are evaluated to assess that help assess the risk of corruption and compliance with law. Possible high-risk suppliers are evaluated on sanctions as well as ethics and compliance. We have defined risk scorings for the questions, and if necessary, each questionnaire answer is checked individually to determine whether further actions or explanations are required from the supplier. Both the screening results and the answers to the questionnaire are combined in the final risk rating of the supplier. This final risk rating also uses a three-level system: low, medium or high risk. We have defined internal processes for the review and approval of the results, which vary, depending on the risk level.
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

15. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

[UN SDG: 5.2, 8.7, 8.8, 16.1]

There have been no significant risks or concerns as mentioned earlier. Where there were concerns, appropriate preventive and corrective actions were taken.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

With a growing emphasis on the welfare of the planet, packaging also plays an important role in decreasing food waste, which is still by far the most significant environmental impact of food systems on climate change. We updated the Huhtamaki Group Environmental Policy to reflect our commitment to protecting food, people, and the environment via sustainable packaging solutions. The policy's objective is to ensure that everyone in the organisation understands our environmental obligations. It addresses climate and energy; water and effluent; sustainable forestry and biodiversity; waste, circular design, and chemicals. Through innovation, we intend to raise awareness and build the infrastructure needed to recycle and eradicate packaging waste in the environment, which will not only benefit all the stakeholders but also the ecosystem at large.

Essential indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

   [UN SDG: 7.2, 7.3, 8.4, 12.2, 13.1]

Parameter	FY2023	FY2022
Total electricity consumption (A) in MJ	245,898,685.2	272,559,704.4
Total fuel consumption (B) in MJ	183,288,878.1	213,645,216.4
Energy consumption through other sources (C) in MJ	0	0
Total energy consumption (A+B+C) (in MJ)	429,187,563.3	486,204,920.8
Energy intensity per rupee of turnover (MJ/ ₹Millions)	16,733	16,205

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

As a part of our global reporting, we undergo third party assurance for our environmental reporting every year.

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   [UN SDG: 7.2, 8.4, 12.2, 13.2]

   Huhtamaki has not identified any of their sites or facilities as designated consumers and hence we are not qualified for Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. **Provide details of the following disclosures related to water, in the following format:**

   [UN SDG: 6.3, 6.4, 12.4]

Parameter	FY2023	FY2022
Water withdrawal by source (in kilolitres)		
(i) Surface water	30	787
(ii) Groundwater	79,375	64,021
(iii) Third party water (Municipal water supplies)	66,585	102,338
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in KL) (i + ii + iii + iv + v)	**145,990**	**167,146**
Total volume of water consumption (in KL)	**145,990**	**167,146**
Water intensity per rupee of turnover (KL/ ₹Millions)	**5.7**	**5.6**

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   [UN SDG: 6.3, 6.4, 6.A, 12.4]

   Yes, we work towards Zero Liquid Discharge mechanisms at relevant sites, and 4 of our factories already operate at that level. To maximise the internal consumption of treated water, sewage generated on site is treated in a sewage treatment plant or an effluent treatment plant. To ensure adherence to standards for discharge, tests are performed on the treated water's output.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**
   [UN SDG: 3.9, 12.4, 14.3, 15.2]

Parameter	Please specify unit	FY2023	FY2022
NOx	KG	1,007.2	1,173.4
SOx	KG	704.6	821.4
Particulate matter (PM)	We will setup the required mechanisms to record particulate matter, Persistent organic pollutants, Volatile Organic Compounds, hazardous air pollutants and Others – Ozone Depleting Substances in the coming years.		
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – Ozone Depleting Substances (HCFC – 22 or R-22)			

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:**

[UN SDG: 3.9, 12.4, 13.1, 14.3, 15.2]

Parameter	Unit	FY2023	FY2022
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	MT CO_2 e	10,674	14,251
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	MT CO_2 e	43,833	53,920
Total Scope 1 and Scope 2 emissions per rupee of turnover	(Tonnes/₹ Millions)	**2.1**	**2.3**

7. **Does the entity have any project related to reducing Greenhouse Gas emission? If yes, then provide details:**

[UN SDG: 3.9, 7.2, 12.4, 13.1, 14.3, 15.2]

By the year 2030, we intend to have achieved carbon-neutral production for Scope 1 and Scope 2 emissions. We are working on several projects throughout the locations to reduce energy use and the resulting GHG emissions while increasing the proportion of renewable energy. For instance, Sri City's factory uses biofuel. Implementing rooftop solar three facilities, securing independent feeder at Rudrapur factory and reducing electricity consumption across all sites.

8. **Provide details related to waste management by the entity, in the following format:**

[UN SDG: 3.9, 6.6, 8.4, 11.2, 11.6, 12.4, 15.1]

Parameter	FY2023	FY2022
Total waste generated (in metric tonnes)		
Plastic waste *(A)*	8,129	9,857
E-waste *(B)*	2.8	4.1
Bio-medical waste *(C)*	0	0
Construction and demolition waste *(D)*	NA	NA
Battery waste *(E)*	0.4	6.9
Radioactive waste *(F)*	0	0
Other Hazardous waste. Please specify, if any. (Chemical, chemical storage drums) *(G)*	1,075.8	1,276.0
Other Non-hazardous waste generated *(H)*. (majorly includes Paper waste, stationary waste, organic waste)	5,832	8,081
Total (A+B + C + D + E + F + G + H)	**15,040**	**19,926**
Total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	14,769	19,590
(ii) Re-used	0	0.14
(iii) Other recovery operations	0	27.86
Total	**14,769**	**19,118**
Total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	256	89
(ii) Landfilling	15	19
(iii) Other disposal operations	0	0
Total	**271**	**108**

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:**

[UN SDG: 3.9, 6.3, 6.6, 8.4, 11.6, 12.4]

We closely monitor the waste generated in each of our units. We have a strong programme in place to reduce and then treat the waste generated in an environmentally friendly and legally compliant manner. All hazardous and non-hazardous wastes are tracked, reported, and analysed monthly. Specific targets for waste reduction are taken at each unit and the action plan is tracked through the year.

Our Company has declared 2030 ambitions on recycling of hazardous waste and reduction in landfilling and we are is maintaining a robust performance on these targets. For hazardous waste, material consumption optimisation projects are undertaken to reduce waste at source. The generated waste is treated as per local regulatory requirements.

10. If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

[UN SDG: 6.6, 14.2, 15.1, 15.5]

No, Huhtamaki does not operate in any ecologically sensitive areas as identified by government bodies.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

[UN SDG: 6.3, 6.A, 12.4]

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
No, we have not conducted an environmental impact assessment for any projects.					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Yes, we abide by all applicable environmental laws, rules, and directives in India. To verify our adherence to the law, we use an internal tool called LEXCARE. Monthly compliance audits are conducted. We additionally receive accreditation from external labs.				

Leadership indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

[UN SDG: 7.2, 7.3, 8.4, 12.2, 13.1]

Parameter	FY2023	FY2022
From renewable sources:		
Total energy consumed from renewable sources (A+B+C) in MJ	**24,569,995.6**	**26,557,752.0**
From non-renewable sources		
Total energy consumed from non-renewable sources (D+E+F) in MJ	**404,617,568.7**	**459,631,933.0**

2. Provide the following details related to water discharged:
[UN SDG: 6.3]

Parameter	FY2023	FY2022
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water	10,772	2,845
- No treatment	0	0
- With treatment – please specify level of treatment	10,772	2,845
(ii) To Groundwater	42,150	38,021
- No treatment	0	0
- With treatment – please specify level of treatment	42,150	38,021
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**52,922**	**40,866**

3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

(i) Name of the area:

(ii) Nature of operations:

(iii) Water withdrawal, consumption, and discharge in the following format:

[UN SDG: 6.3]

Parameter	FY2023	FY2022
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not applicable as we do not have any plants/facility in water stressed areas as mentioned by government bodies	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater/desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover *(Water consumed/turnover)*		
Water intensity *(optional)* – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into surface water	Not applicable as we do not have any plants/facility in water stressed areas as mentioned by government bodies	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

[UN SDG: 3.9, 12.4, 13.1, 14.3, 15.2]

Huhtamaki India measures the Scope 1 and 2 emissions, but we have not started measuring our Scope 3 emission yet. However, we are aiming to measure our Scope 3 emissions in future. At present, we are streamlining our Scope 1 and 2, while also identifying the various avenues of Scope 3 emissions that will help us measure it going forward.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

[UN SDG: 6.6, 14.2, 15.1, 15.5]

We do not have any offices/ plants/ operation facilities in ecologically sensitive areas as mentioned by government authorities. None the less, we have planned to undertake Biodiversity Risk Assessment based on the TNFD guidelines in the next two years.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

[UN SDG: 8.4, 11.6, 12.2, 12.4]

In our 2030 ambitions, we have committed to carbon-neutral production (Scope 1 and 2). While on one hand, we are working to switch to renewable energy, on the other hand, we are taking actions to optimise and reduce our energy consumption, thus mitigating GHG emissions at source. When it comes to energy conservation, even small initiatives taken across the operations bring in a lot of benefits. All our manufacturing units are undertaking various projects for both fuel and electricity consumption reduction. A few examples include electricity consumption mapping, benchmarking and reduction at Sri City factory; independent power feeder at Rudrapur factory, and air compressor optimisation and demand load optimisation at various factories.

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/web-link.**

We have a policy in place at the global level which is also applicable to our Indian operations as well.

Link: https://www.huhtamaki.com/en/investors/corporate-governance/risk-management/

8. **Disclose any significant adverse impact to the environment arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

At Huhtamaki, we are aware and mindful of our actions, especially in terms of any adverse impact that may occur due to our value chain operations. At present we have not identified any significant adverse impacts caused due to this. However, going forward we are aiming to initiate the process of monitoring any such significant impacts as per the global standards.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

We constantly monitor our value chain partners and assess their awareness and involvement in actual/potential negative environmental impacts. However, we do not have an official assessment practice for our value chain partners.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Huhtamaki as an organisation is committed to build a capacity in the coming years to do the best for the largest number of people and markets, we operate in. We wish to engage in public policy advocacy to promote awareness of our Company's mission, mobilise our people, and get favourable attention from all our stakeholders.

We conduct our business in the most ethical way possible, with the goal of not only reducing gender disparities but also of being a fair and inclusive workplace. We want to make the best use of our technology and invest the most in research and innovation to make our manufacturing activities more sustainable and combat various challenges related to climate, emissions, water, and biodiversity.

Essential indicators

1. a) **Number of affiliations with trade and industry chambers/associations**

The major affiliations with trade and industry chambers/associations are with Indian Flexible Packaging and Folding Carton Manufactures Association (IFCA), Flexible Packaging Industrial and Trader Association, Bombay Chamber of Commerce and Industry (BCCI), FINCHAM, India Plastic Pact, The Council of EU Chambers of Commerce in India, and We Care.

b) **List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.**

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Indian Flexible Packaging and Folding Carton Manufactures Association (IFCA)	National
2	Flexible Packaging Industrial and Trader Association	National
3	Bombay Chamber of Commerce and Industry (BCCI)	National
4	FINCHAM	International
5	Confederation of India Industries (CII)	National
6	India Plastic Pact	National
7	The Council of EU Chambers of Commerce in India	International
8	Resource Efficiency Circular Economy Industrial Coalition (RECEIC) – Founding member	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

[UN SDG: 16.3]

No corrective action taken or underway on any issues based on adverse orders from regulatory authorities as there were Zero (0) cases related to anti-competitive conduct. The Global Ethics and Compliance function manages our Company's Ethics and Compliance programme's execution by advising and supporting the conduct of business with high integrity and in compliance with laws and regulations.

Leadership indicators

1. **Details of public policy positions advocated by the entity.**

[UN SDG: 16.5]

We do not have a policy on public advocacy yet. However, as per NGRBC guidelines we shall soon be devising a policy on this. We do take part in advocating and participate in public advocacy initiatives through industry associations such as India Plastics Pact and We care.

Principle 8: Businesses should promote inclusive growth and equitable development

Decades of globalisation and technical progress have resulted in rapid economic development, but the advantages have been disproportionately distributed. Huhtamaki seeks to tackle this disparity, which has intensified not just economic and social insecurity but also global concerns. We are focusing extensively on embedding inclusive growth into key business decisions and are also striving to provide a framework for our Company and investors.

Essential indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

[UN SDG: 1.4, 2.3, 9.1, 9.4, 11.2]

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link
We are currently not undertaking any social impact assessments for India operations.					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

[UN SDG: 1.4, 2.3, 9.1, 11.2]

S. No.	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% Of PAFs covered by R&R	Amounts paid to PAFs in the FY (in ₹)
We do not have any operations/facilities/plants/offices that include land acquisition from affected/ displaced landowners, hence we do not have any projects that involve Rehabilitation and Resettlement (R&R).						

3. **Describe the mechanisms to receive and redress grievances of the community.**

Community stakeholders may use any of the available channels of communication to raise grievances, if any. Concerns received from community stakeholders are immediately responded on and resolved satisfactorily. Complaints received from the said stakeholders are placed before the respective Committees that are responsible for monitoring and reviewing the mitigation of any such concerns.

[UN SDG: 1.4, 2.3, 9.1, 9.4, 16.6]

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**
[UN SDG: 8.3]

	FY2023	FY2022
Directly sourced from MSMEs/small producers	3.4%	3.0%
Sourced directly from within the district and neighbouring districts	We do not have visibility on the exact supplier units which are used to supply material to our premises and hence it is difficult to exactly comment on this.	

Leadership indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential indicators above):**
[UN SDG: 1.4, 2.3]
Not applicable as per the above statement.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**
[UN SDG: 1.4, 2.3]

S. No.	State	Aspirational District	Amount spent (in ₹)
We have not undertaken any CSR projects in designated aspirational districts as identified by government bodies			

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)**
No, currently we do not have a preferential procurement policy to give preference to purchase from suppliers comprising marginalised/vulnerable groups.

(b) **From which marginalised/vulnerable groups do you procure?**
Currently, we are not procuring our raw materials from people belonging to marginalised/vulnerable groups as defined by NGBRC.

(c) **What percentage of total procurement (by value) does it constitute?**
[UN SDG: 8.3, 11.2]
Not applicable as stated in Clause 2 (b)

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**
[UN SDG: 8.1, 9.1, 9.5]
We do not have any Intellectual Property Rights owned or acquired by us based on traditional knowledge.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**
Not applicable as per the statement above.

6. Details of beneficiaries of CSR Projects:

[UN SDG: 1.4, 2.3]

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1.	Cylinders Taloja Plant donated first aid kits, stationery kits and sports uniform to neighbouring government school for raising awareness on safety and helping in school upgrade.	180	90%
2.	Provided power backup facility through inverter installation, LED tube lights and stationery kits for 155 students in a government school at Rudrapur.	235	100%
3.	Installed water filter in a government school and distributed stationery kits to 400 students in a neighbouring government school at Baddi. Donated 13 solar lights to the society.	400	100%
4.	Khopoli plant has organised various activities under social initiatives like tree plantation at Ashram Shala, distribution of stationery kits, first aid kits. Society upgrade through solar light implementation and providing water filters to the government school.	982	100%
5.	Distribution of school benches and teacher tables to a neighbouring government school done at Ambernath, Maharashtra.	44	100%
6.	Distribution of stationery materials and arranged safety awareness session at Sri City. Additionally, tree plantation was done in two schools	670	100%
7.	Donated water filters and school bags among the students of a government school at Bengaluru.	600	100%
8.	Distribution of almirah cabinets to old age homes for the purpose of keeping their personal belongings at Rudrapur, Uttarakhand. Also donated shoes, first aid kit, water dispenser, water bottle – SS, lunchbox and conducted an awareness session for students health and safety.	NA	NA
9.	The Corporate team donated 2 television sets and 2 washing machines to an old age home. Also, donated water filters and stationery kits to the PMC School in Thane.	1,050	100%
10.	In 2022, Huhtamaki India had set up a recycling plant in Khopoli, Maharashtra with the aim to recycle post-consumer use Multi-layered Plastic (MLP) packaging waste. Post-consumer MLP waste collected from the city of Pune is cleaned, segregated and recycled to form granules which can be then used to manufacture value added items. MLP waste is thought to be non-recyclable and ends up in landfills and garbage dumps because of lack of financial feasibility of MLP recycling. This one-of-its-kind initiative has been implemented to start a transparent and ethical recycling setup enabling circularity for Multi layered plastics. In 2023, Huhtamaki continued operations of this MLP recycling plant through CSR funding.	NA	NA

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

At Huhtamaki, we understand that client satisfaction is the clearest path to success. We have launched various transformational sustainable packaging solutions globally to meet the rising demand for sustainable packaging solutions from our customers and their consumers. We strive for excellence and collaboration within our business divisions and functions to bring the best to our customers as we demonstrate that shared values with the customers leads to more goals being achieved on the sustainability.

Essential indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:

[UN SDG: 16.6]

We bifurcate the customer complaints we receive into two categories – (a) Online Rejection, which is a small quantity of defect typically at the end or beginning of the coil (b) Complaint, which is a deviation from Specification and or stated/implied condition (including packing condition, documentation requirement, etc). Huhtamaki India has NCMS (non-conformance management System) portal where the complaints are logged in. As a first point of contact, the sales team receives the information from the customer. Based on the details received, the sales team decides whether to record the same under Online Rejection or Complaint.

1. **Online Rejection** – Typically this is registered for a period of time over many invoices. There may be multiple reasons for these rejections. Once the same is registered into NCMS portal, the same reaches to the Quality Control (QC) head. On verification the QC head accepts or rejects the same.

2. **Customer Complaint** – Typically this is registered against a specific invoice. At times, there may be few consecutive invoices. Once the sales representative registers the same, the same is delivered to QC head, who checks it for its genuineness. At times, the plant representative visits the customer's site to understand the real issue. Based on the initial interaction, the QC head accepts or rejects the compliant. If accepted, the response to customer, thorough the sales representative, is communicated within 15 working days. The response includes a through Root Cause Analysis, Corrective Action(s), and Preventive actions(a). The QC head of the plant is responsible for assigning the identified Corrective Action(s), and Preventive Action(s) to various colleagues. Closure of these actions are confirmed to QC head. Then, upon verification of the supplies (post-closure of all actions), the Quality Assurance head closes the complaint.

2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Since we are into manufacturing tailor made packaging solutions for our customers, who in turn use our products for packing their products, it is their discretion to include information about environmental and social parameters, safe and responsible usage, and recycling or disposal methods as per the nature of their product and its specifications.
Safe and responsible usage	
Recycling and/or safe disposal	

[UN SDG: 12.8]

3. Number of consumer complaints in respect of the following:

	FY2023		Remarks	FY2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	We have not received any customer complaints in any of the categories mentioned. We aspire to be the most reliable solutions-focused partner for our clients by exceeding their expectations in areas such as sustainability, digitalisation, and personalisation. We stand at 100% digitisation of all customer transactions worldwide, which drives us to strengthen our robust framework of consumer data protection and cybersecurity on a regular basis.					
Advertising						
Cybersecurity						
Delivery of essential services						
Restrictive trade practices						
Unfair trade practices						
Other						

[UN SDG: 16.3, 16.10]

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	We design and create customised solutions for our customers; hence we have no record of forced or voluntary recalls due to safety concerns.	
Forced recalls		

[UN SDG: 16.3]

5. Does the entity have a framework/policy on cybersecurity and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

[UN SDG: 16.3, 16.10]

Yes. One of the most important aspects in business growth is customer retention. Maintaining brand loyalty and reputation through a strong cybersecurity position is paramount for customers today. Our strong policies on data privacy and cybersecurity ensures protection against internal and external threats.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cybersecurity and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services.

We have appointed a global security manager who is a one-point contact and who oversees, develops, and executes a consistent approach for collecting security incident reports, evaluating them, and successfully communicating them to leadership. We aim to increase security awareness by installing relevant solutions, disseminating security information, and delivering training on various issues to our workforce. For instance, to avoid the theft of personal and sensitive information, the team deploys phishing detection and e-mail security solutions.

Leadership indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web-link, if available).

Our website outlines details about our products and services and the weblink for the same is as follows:

https://www.huhtamaki.com/en-in/flexible-packaging/contact-us/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

[UN SDG: 12.8, 16.3]

We develop packaging solutions for our customers based on their product specifications and requirements, and we demonstrate usage and safety risks before they are used. Any questions or concerns are addressed by key account managers as and when they arise.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

We have been extremely proactive in notifying customers of any possibility of disruption/discontinuation of vital services, and we have an appropriate framework in place to do so. Increased interruptions from man-made and natural disasters endanger corporate operations. Following any such interruptions, we ensure recovery and availability of corporate applications and infrastructure has our continued service delivery. Also, when such an incident occurs, e-mailers are immediately sent to consumers by their individual account managers.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/ Not Applicable) If yes, provide details in brief.

[UN SDG: 12.8,16.3]

Our Company follows all applicable product labelling requirements and displays pertinent information as required by law and per the customer's specifications/instructions. We manufacture/supply packaging materials that are customised as per customer requirements; hence product information rules do not apply to Huhtamaki. However, the marking and labelling requirements under the Plastic Waste Management Rules are applicable to the packaging solutions manufactured by us and we comply with them in alignment with our respective customers.

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company's Innovation Programme (NASP) promotes growth and new product development by assisting our customers in two areas:

1. New product development based on incremental ideas upgraded technology and processes, engaging with our customers frequently and using their valuable inputs.

2. Based on customer feedback, our NASP Team is always developing cost-cutting solutions without jeopardising performance.

6. Provide the following information relating to data breaches:

[UN SDG: 16.3]

a) Number of instances of data breaches along-with impact

In 2023, the number of security incidents resulting in actual data breaches confined to the India business is 1.

We have a robust data privacy policy. We consider data privacy implications during all projects' design phases. We are committed towards demonstrating compliance with data protection principles and document all processing activities under its responsibility for the safety of all our stakeholders.

b) Percentage of data breaches involving personally identifiable information of customers

We had 1 instance of data breach involving personally identifiable customer information. We at Huhtamaki handle customer personal data with the highest safety and security, ensuring that the data is used in a lawful, fair, and transparent way for processing and exclusively for intended legitimate purposes. Personal data retention periods are determined in the Group Record Retention Schedule and other record retention criteria used by the Group. Appropriate technological and organisational safeguards are put in place to ensure the confidentiality, integrity, and availability of personal data. These measures must cover the whole lifespan of personal data and provide a degree of security commensurate with the risks posed by the processing and type of personal data.

INDEPENDENT AUDITORS' REPORT

To the Members of Huhtamaki India Limited Report on the Audit of the Financial Statements.

OPINION

We have audited the financial statements of Huhtamaki India Limited (the "Company") which comprise the balance sheet as at December 31, 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, in which is incorporated financial information from one branch in London, United Kingdom (hereafter referred as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the **Auditors' Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Timing of revenue recognition	
See Note 3(i) to accounting policies and note 33 to financial statements	
The key audit matter	**How the matter was addressed in our audit**
Revenue from sale of goods is recognised when control is transferred to the customers. The Company uses a variety of delivery terms and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised at a time which is different from the transfer of control for sales transactions occurring during the year. In view of above, ascertainment of timing of revenue recognition has been identified as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures, among others, in this area to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of Company's accounting policy for revenue recognition as per the relevant accounting standard. • Evaluated the design and implementation of key internal financial controls and processes including relevant information technology systems in relation to the timing of revenue recognition for a sample of transactions with special reference to controls over revenue recognised throughout the year and at the year end. • Tested the operating effectiveness of such controls for a sample of transactions for revenue recognised throughout the year and at the year end. • Tested sample revenue transactions by using statistical sampling in order to examine whether revenue has been recognised in the correct period taking into account the relevant underlying documentation and records. • Assessed the adequacy of disclosures in the financial statements in accordance with the requirements of Ind-AS 115 – Revenue from Contracts with Customers, to the extent applicable.

Tax litigations – Provisions and Contingencies	
See Note 3(o) to accounting policies and note 44 to financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company is subject to a number of ongoing litigations relating to direct tax (including transfer pricing arrangements) and indirect tax matters. Assessment of the outcome of ongoing litigations and consequentially whether or not any provision and/or disclosures are required is inherently uncertain and involves significant judgement since it requires interpretation of the applicable tax legislations and decisions previously passed by authorities. Also, as at the year end, the amounts involved are significant. In view of the above we have identified ongoing litigations relating to direct tax (including transfer pricing arrangements) and indirect tax matters as a key audit matter.	In view of the significance of the matter we applied the following audit procedures, among others, in this area to obtain sufficient appropriate audit evidence: • Evaluated the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions and disclosure of contingent liabilities. • Obtained information from the Company's internal tax and legal team regarding the status of ongoing litigations. • Evaluated management's judgement regarding the expected resolution of matters with various tax authorities, based on third-party opinions and the use of past experience, where available, with the tax authorities. • Involved our subject matter experts for evaluating the Company's assessment of the possible outcome of the matters and analysing and verifying the appropriateness of the assumptions used in estimation of provisions based on their knowledge and experience of the application of the relevant legislation by the relevant authorities and related correspondence with the authorities. • Assessed the adequacy of provision for ongoing litigations by verifying the appropriateness of assumptions used and estimates made by the management in light of the decisions previously made by the authorities in similar circumstances and by comparing the estimates of prior year with the actual outcome. • Assessed the adequacy of Company's disclosures in respect of ongoing litigations as per the relevant accounting standards.

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take the necessary steps as required by applicable under the applicable laws and regulations.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on December 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has disclosed the impact of pending litigations as at December 31, 2023 on its financial position in its financial statements - Refer Note 44 to the financial statements.

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 52(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 52(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e) The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 22 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for financial period starting April 1, 2023, accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable to the Company for the current financial period starting January 1, 2023.

C. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid and or payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid and or payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No.: 105149
ICAI UDIN: 24105149BKEXBZ7157

Place: Mumbai
Date: February 6, 2024

ANNEXURE A

to the Independent Auditors' Report on the Financial Statements of Huhtamaki India Limited for the year ended December 31, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Amount in ₹ Million)	Held in the name of	Whether promoter, director or their relative or employee	Period held – (in years)	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land at Silvassa	13.4	Huhtamaki PPL Limited	No	27	Held in the previous name of the Company
Freehold Land at Baddi	14.0	Huhtamaki PPL Limited	No	5	Held in the previous name of the Company
Freehold Building at Delhi	1.0	Paper Products Limited	No	42	Held in the previous name of the Company
Leasehold Land at Daman	19.3	Huhtamaki PPL Limited	No	5	Held in the previous name of the Company
Leasehold Land at Bangalore	163.2	Huhtamaki PPL Limited	No	5	Held in the previous name of the Company

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in Mutual funds and granted interest free unsecured loans to other parties (employees) in respect of which the requisite information is as below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has made investment in the Mutual Funds and provided interest free unsecured loans to other parties (employees) as below:

Particulars	Investments (Amount in ₹ Million)	Loans (Amount in ₹ Million)
Aggregate amount during the year	1,000.0	2.7
Balance outstanding as at balance sheet date	797.3	4.8

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the investments made and interest free unsecured loans granted are, *prima facie*, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of interest free unsecured loans given, in our opinion the repayment of principal has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") to that extent are not applicable to the Company. The Company has complied with the provisions of Section 186 of the Act in respect of interest free unsecured loans given to other parties (employees) and investments made by the Company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods by it and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective July 1, 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Profession Tax for the state of Maharashtra and Andhra Pradesh.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at December 31, 2023 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount in ₹ Million)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
The Customs Act, 1962	Duty of Customs	5.8	FY 2014	May 30, 2023	Not Applicable	No Payment has been made till the date of issue of this report
The Customs Act, 1962	Duty of Customs	2.7	FY 2013	May 30, 2023	Not Applicable	No Payment has been made till the date of issue of this report

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount Demanded/ Disputed (₹ in Million)	Amount paid under protest (₹ in Million)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Central Sales Tax	1.7	-	2015-16	Deputy Commissioner
The Central Sales Tax Act, 1956	Central Sales Tax	110.7	-	2016-2018	Joint Commissioner
The Central Sales Tax Act, 1956	Central Sales Tax	0.7	0.2	2010-2012	Sales Tax tribunal
The Telangana Value added Tax Act, 2005	Value Added Tax	4.6	1.1	2005-2008	Sales Tax tribunal
Customs Act, 1962	Customs Duty	0.9	-	2014-15	Additional Commissioner
Customs Act, 1962	Customs Duty	0.5	0.5	2007-2013	Assistant Commissioner
Customs Act, 1962	Customs Duty	0.3	-	2012-13	CESTAT
Customs Act, 1962	Customs Duty	0.7	0.3	2010-2016	Deputy Commissioner
Customs Act, 1962	Customs Duty	4.5	0.7	2004-2008	Joint Commissioner
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	0.6	0.2	2017-18	Additional Commissioner
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	13.1	4.6	2011-2017	High Court
Central Excise Act, 1944	Excise Duty	0.6	-	2017-18	Assistant Commissioner
Central Excise Act, 1944	Excise Duty	189.6	5.0	2001-2020	CESTAT
Central Excise Act, 1944	Excise Duty	1.0	0.4	2005-2020	Commissioner
Central Excise Act, 1944	Excise Duty	0.2	-	1998-99	Deputy Commissioner
Central Excise Act, 1944	Excise Duty	3.0	2.8	2001-08	High Court
Central Excise Act, 1944	Excise Duty	0.0	-	2009-10	Joint Secretary, Ministry of finance
Goods and Services Tax Act, 2017	Goods and Service Tax	14.9	-	2017-2019	Assistant Commissioner
Goods and Services Tax Act, 2017	Goods and Service Tax	14.9	2.2	2020-2022	Deputy Commissioner
Goods and Services Tax Act, 2017	Goods and Service Tax	0.2	0.2	2017-2020	Joint Commissioner
Finance Act, 1994 - Service Tax	Service Tax	0.5	-	2005-06	Assistant Commissioner
Finance Act, 1994 - Service Tax	Service Tax	45.5	1.5	2010-2017	CESTAT
Finance Act, 1994 - Service Tax	Service Tax	4.2	-	2015-2017	Deputy Commissioner
Finance Act, 1994 - Service Tax	Service Tax	0.2	0.0	2011-2014	Range Superintendent
Income-tax Act, 1961	Income Tax	0.5	-	2008-09	High Court
Income-tax Act, 1961	Income Tax	336.0	429.9	2009-10 2012-13 2013-14 2014-15 2015-16 2017-18 2021-22	CIT(A)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended December 31, 2023. Accordingly, clause 3(ix)(e) of the order is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended December 31, 2023. Accordingly, clause 3(ix)(f) of the order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no material fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle-blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No.: 105149
ICAI UDIN: 24105149BKEXBZ7157

Place: Mumbai
Date: February 6, 2024

ANNEXURE B

to the Independent Auditors' Report on the financial statements of Huhtamaki India Limited for the year ended December 31, 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Huhtamaki India Limited ("the Company") as of December 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at December 31, 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No.: 105149
ICAI UDIN: 24105149BKEXBZ7157

Place: Mumbai
Date: February 6, 2024

BALANCE SHEET
as at December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

Particulars	Notes	As at December 31, 2023	As at December 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,442.3	3,462.9
Capital work-in-progress	4	1,311.2	350.3
Right-of-use assets	4	717.6	647.6
Goodwill	5	623.8	623.8
Other intangible assets	5	48.5	53.7
Financial assets			
- Investments*	6	0.0	0.0
- Loans	7	3.1	0.6
- Other financial assets	8	131.7	130.1
Deferred tax assets (Net)	9	181.5	284.1
Other tax assets (Net)	10	791.5	744.6
Other Non-current assets	11	151.7	585.9
Total Non-current assets (A)		**7,402.9**	**6,883.6**
Current assets			
Inventories	12	2,698.9	2,979.9
Financial assets			
- Investments	13	797.3	-
- Trade receivables	14	5,510.0	6,587.0
- Cash and cash equivalents	15	1,444.8	425.3
- Bank balances other than cash and cash equivalents mentioned above	16	1,675.6	6.5
- Loans	17	4.7	8.4
- Other financial assets	18	36.8	10.0
Other current assets	19	436.3	403.2
Assets held for sale	20	2.3	202.7
Total current assets (B)		**12,606.7**	**10,623.0**
Total assets (A+B)		**20,009.6**	**17,506.6**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	21	151.1	151.1
Other equity	22	11,353.5	7,418.5
Total equity (A)		**11,504.6**	**7,569.6**
Non-current liabilities			
Financial liabilities			
- Borrowings	23	2,000.0	2,000.0
- Lease liabilities	24	469.9	398.2
- Other financial liabilities	24	9.3	5.4
Provisions	25	30.3	59.5
Other Non-current liabilities	26	144.0	80.9
Non-current Liabilities (B)		**2,653.5**	**2,544.0**
Current liabilities			
Financial liabilities			
- Borrowings	27	29.5	1,661.5
- Lease liabilities	29	46.3	37.8
- Trade payables	28		
Total outstanding dues of micro enterprises and small enterprises		157.2	145.4
Total outstanding dues of creditors other than micro enterprises and small enterprises		4,517.6	4,634.1
- Other financial liabilities	29	330.4	268.3
Other current liabilities	30	344.6	207.0
Provisions	31	259.8	261.1
Current tax liabilities (Net)	32	166.1	177.8
Total current liabilities (C)		**5,851.5**	**7,393.0**
Total liabilities (B+C)		**8,505.0**	**9,937.0**
Total equity and liabilities (A+B+C)		**20,009.6**	**17,506.6**

* Amount less than ₹50,000

Basis of preparation, measurement and significant accounting policies 2 & 3

The accompanying notes 1 to 56 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of Huhtamaki India Limited
CIN - L21011MH1950FLC145537

Murali Sivaraman
Chairman
DIN: 01461231

Dhananjay Salunkhe
Managing Director
DIN: 09683886

Aniruddha Godbole
Partner
Membership No. 105149

Jagdish Agarwal
Executive Director & Chief Financial Officer
DIN: 09620815

D. V. Iyer
Company Secretary
Membership No. 13004

Mumbai
Date: February 6, 2024

Mumbai
Date: February 6, 2024

STATEMENT OF PROFIT AND LOSS

for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

Particulars	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from operations	33	25,494.4	29,829.2
Other income	34	154.7	172.3
Total income		**25,649.1**	**30,001.5**
Expenses			
Cost of materials consumed	35	17,202.2	21,679.0
Changes in inventories of finished goods and work-in-progress	36	164.9	158.4
Employee benefit expenses	37	2,554.7	2,535.9
Finance costs	38	305.2	322.8
Depreciation and amortisation expense	39	491.5	860.5
Other expenses	40	3,625.5	3,885.6
Total expenses		**24,344.0**	**29,442.2**
Profit before exceptional items and tax		**1,305.1**	**559.3**
Exceptional items – (net)	41	3,695.3	-
Profit before tax		**5,000.4**	**559.3**
Tax expenses			
Current tax			
- Charge for the current year	9	1,055.9	172.9
- (Credits) related to previous periods	9	(252.1)	-
Total		**803.8**	**172.9**
Deferred tax charge/(credit)	9	100.3	(110.0)
Profit for the year (A)		**4,096.3**	**496.4**
Other comprehensive income/(losses)			
Items that will not be reclassified subsequently to profit or loss in subsequent years			
Remeasurement of defined benefit liability	45	2.0	(8.4)
Income tax relating to Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	9	(0.5)	2.1
		1.5	**(6.3)**
Items that will be reclassified subsequently to profit or loss in subsequent years			
Fair value of cash flow hedges through other comprehensive income	22	6.7	(4.8)
Income tax relating to Items that will be reclassified to profit or loss in subsequent years			
Fair value of cash flow hedges through other comprehensive income	9	(1.7)	1.2
		5.0	**(3.6)**
Other comprehensive income/(Losses) for the year, net of tax (B)		**6.5**	**(9.9)**
Total comprehensive income for the year (A+B)		**4,102.8**	**486.5**
Earnings per equity share including exceptional item	43		
Basic and diluted (Face value of ₹ 2 each)		54.2	6.6
Earnings per equity share excluding exceptional item and tax thereon			
Basic and diluted (Face value of ₹ 2 each)		16.3	6.6

Basis of preparation, measurement and significant accounting policies 2 & 3

The accompanying notes 1 to 56 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of Huhtamaki India Limited
CIN - L21011MH1950FLC145537

Murali Sivaraman
Chairman
DIN: 01461231

Dhananjay Salunkhe
Managing Director
DIN: 09683886

Aniruddha Godbole
Partner
Membership No. 105149

Jagdish Agarwal
Executive Director & Chief Financial Officer
DIN: 09620815

D. V. Iyer
Company Secretary
Membership No. 13004

Mumbai
Date: February 6, 2024

Mumbai
Date: February 6, 2024

STATEMENT OF CHANGES IN EQUITY
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

A. EQUITY SHARE CAPITAL:

Equity shares of ₹2 each Issued, subscribed and fully paid	Note No.	In Nos.	Amount
At January 1, 2022	**21**	75,521,934	151.1
Changes in equity share capital during the year		-	-
At December 31, 2022	21	**75,521,934**	**151.1**
Changes in equity share capital during the year		-	-
At December 31, 2023	**21**	**75,521,934**	**151.1**

B. OTHER EQUITY:

Particulars	Reserves and surplus			Items of other comprehensive income	Total other equity
	Share options outstanding account	General reserve	Retained earnings	Cash flow hedges through OCI	
As at January 1, 2022	**50.9**	**1,554.4**	**5,390.4**	**-**	**6,995.7**
Profit for the year	-	-	496.4	-	496.4
Other comprehensive (loss) for the year, net of tax	-	-	(6.3)	(3.6)	(9.9)
Total comprehensive income for the year (net of tax)	**-**	**-**	**490.1**	**(3.6)**	**486.5**
Dividend on equity shares for the year (Refer Note 22)	-	-	(75.5)	-	(75.5)
Recognition of share-based payments (Refer Note 46)	11.8	-	-	-	11.8
As at December 31, 2022	**62.7**	**1,554.4**	**5,805.0**	**(3.6)**	**7,418.5**
Profit for the year	-	-	4,096.3	-	4,096.3
Other comprehensive (loss) for the year, net of tax	-	-	1.5	5.0	6.5
Total comprehensive income for the year (net of tax)	**-**	**-**	**4,097.8**	**5.0**	**4,102.8**
Dividend on equity shares for the year (Refer Note 22)	-	-	(151.0)	-	(151.0)
Balance transferred to trade payable (Refer Note 46)	(16.8)	-	-	-	(16.8)
As at December 31, 2023	**45.9**	**1,554.4**	**9,751.8**	**1.4**	**11,353.5**

Refer Note 22 for nature and purpose of reserves
Refer Note 2 & 3 – Basis of preparation, measurement and significant accounting policies

The accompanying notes 1 to 56 are an integral part of these financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Huhtamaki India Limited
CIN - L21011MH1950FLC145537

Murali Sivaraman
Chairman
DIN: 01461231

Dhananjay Salunkhe
Managing Director
DIN: 09683886

Aniruddha Godbole
Partner
Membership No. 105149

Jagdish Agarwal
Executive Director & Chief Financial Officer
DIN: 09620815

D. V. Iyer
Company Secretary
Membership No. 13004

Mumbai
Date: February 6, 2024

Mumbai
Date: February 6, 2024

STATEMENT OF CASH FLOWS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

Particulars	December 31, 2023	December 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	5,000.4	559.3
Adjustments for		
Depreciation and amortisation	533.5	860.5
Unrealised foreign exchange loss/(gain) (net)	11.4	(43.5)
Interest income	(38.4)	(4.5)
Finance cost	295.1	315.7
Net interest on net defined benefit liability	10.1	7.1
(Reversal)/charge of impairment loss on trade receivables	(23.4)	0.6
Inventory provision	21.7	100.3
Bad debts written-off	60.5	9.6
Provision for indirect tax	37.3	23.0
(Profit) on sale/fair value on current Investments (Net)	(7.3)	(0.4)
Property, plant and equipment written-off	4.0	3.2
Mark-to-market (gain)/loss on derivative financial instruments	(8.6)	25.8
(Gain) /loss on modification of lease including exceptional item	(70.5)	6.5
Group stock option arrangement	-	11.8
Liabilities no longer required written back	(14.0)	(79.2)
(Profit) on sale of property, plant & equipment (net)	(4,036.8)	(43.6)
Cash generated from operations before working capital changes	**1,775.0**	**1,752.2**
Working capital adjustments		
Adjustments for		
Decrease/(increase) in trade receivables	1,050.7	(237.9)
Decrease in inventories	259.3	394.8
(Increase)/decrease in non-current and current financial assets	(13.6)	1.8
(Increase)/decrease in non-current and current assets	(28.5)	486.3
(Decrease) in trade payables	(130.2)	(898.6)
Increase/(decrease) in other non-current and current financial liabilities	23.1	(12.8)
Increase in other non-current and current liabilities	141.2	2.5
(Decrease) in non-current and current provisions	(75.9)	(30.0)
Cash used in operations	**3,001.1**	**1,458.3**
Taxes paid (net of refunds)	(265.3)	(131.8)
Net cash flows generated from in operating activities – A	**2,735.8**	**1,326.5**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, capital work-in-progress and capital advances	(949.2)	(964.9)
Proceeds from sale of property, plant and equipment	37.8	53.2
Proceeds on account of asset held for sale (net of selling expenses) (Refer Note 20)	4,287.3	-
Advance received against sale of land (Refer Note 20)	59.5	-
Tax on proceed from sale of asset held for sale (Refer Note 3 below)	(597.1)	-
Purchase of current investments	(1,000.0)	(545.0)
Sale of current investments	210.0	551.6
(Investment)/ proceeds in/ from deposits with Bank	(1,670.8)	4.2
Interest Received	20.5	5.1
Net cash flows generated from/(used in) Investing activities – B	**398.0**	**(895.8)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid other than lease	(262.4)	(278.0)
Interest paid on lease liabilities	(35.8)	(38.7)
Principal payment of lease liabilities	(33.9)	(65.3)
Proceeds of short-term borrowings	12,093.4	44,800.8
(Repayment) of short-term borrowings	(13,724.3)	(44,657.0)
Dividends paid	(151.8)	(77.6)
Net cash flows (used in) financing activities – C	**(2,114.8)**	**(315.8)**
Net increase in cash and cash equivalents – (A+B+C)	**1,019.0**	**114.9**
Add: Cash and cash equivalents at the beginning of the year (Refer Note 4 below)	425.3	313.4
Exchange difference on translation foreign currency cash and cash equivalents	0.5	(3.0)
Cash and cash equivalents at the end of the year (Refer Note 15)	**1,444.8**	**425.3**

STATEMENT OF CASH FLOWS
for the year ended December 31, 2023

Notes:

1. Reconciliation of liabilities arising from financing activities:

Non-current

Particulars	December 31, 2023	December 31, 2022
Opening	**2,398.2**	**2,550.1**
Net addition in current year for lease liabilities	152.0	58.3
Net (deletion) in current year for lease liabilities	(37.9)	(157.3)
Interest expense on lease liabilities	35.8	38.7
Interest paid on lease liabilities	(35.8)	(38.7)
Payment of lease liabilities	(33.9)	(65.3)
Transfer to current – lease liabilities	(8.5)	12.4
Closing	**2,469.9**	**2,398.2**

Current

Particulars	December 31, 2023	December 31, 2022
Opening	**1,699.3**	**1,572.4**
Changes from financing cash flows	(1,630.9)	143.8
Transfer from non-current – lease liabilities	8.5	(12.4)
Other changes	(1.1)	(4.5)
Closing	**75.8**	**1,699.3**

2. The Company has used profit before tax as the starting point for presenting operating cash flows using the indirect method.
3. The tax (advance tax) paid during the year is based on quarterly instalments paid till December 31, 2023 and will be actualised in the last quarter of the tax financial year 2023-24.

Basis of Preparation, Measurement and Significant Accounting Policies 2 & 3

The accompanying notes 1 to 56 are an integral part of these financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Huhtamaki India Limited
CIN - L21011MH1950FLC145537

Murali Sivaraman
Chairman
DIN: 01461231

Dhananjay Salunkhe
Managing Director
DIN: 09683886

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai
Date: February 6, 2024

Jagdish Agarwal
Executive Director & Chief Financial Officer
DIN: 09620815

D. V. Iyer
Company Secretary
Membership No. 13004

Mumbai
Date: February 6, 2024

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

1. Corporate information

Huhtamaki India Limited ('the Company') is a public limited Company domiciled in India with its registered office located at A-802, Crescenzo, C-38/39, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 and having manufacturing locations spread across the country. The Company is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The principal activity of the Company is the manufacture and sale of packaging material.

2. Basis of Preparation, Measurement and Significant Accounting Policies

A. Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of Companies Act, 2013.

The financial statements are presented in Indian Rupees ("₹") which is also the Company's functional currency. All the amounts are rounded to the nearest million and one decimal thereof, unless otherwise indicated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

An asset is treated as current when it is
(a) Expected to be realised or intended to be sold or consumed in normal operating cycle:
(b) Held primarily for the purpose of trading;
(c) Expected to be realised within twelve months after the reporting period; or
(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when
(a) It is expected to be settled in normal operating cycle;
(b) It is held primarily for the purpose of trading;
(c) It is due to be settled within twelve months after the reporting period; or
(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The financial statements for the year ended December 31, 2023 were approved in accordance with a resolution by the Board of Directors and authorised for issue on February 6, 2024.

B. Basis of Measurement

The financial statements have been prepared under the historical cost convention, except for the following items:.

Items	Remeasurement basis
Current Investments	Fair Value
Certain financial assets and liabilities	Fair Value
Share based payment arrangements	Fair value
Net defined benefit (asset)/liability	Fair Value of plan assets less present value of defined benefit obligations

The accounting policies adopted are the same as those which were applied for the previous financial year.

C. Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 33 – Revenue Recognition and Rebates and Discounts

Note 4C and 44B – Lease term, determination of ROU assets and liabilities; incremental borrowing rate

(All amounts ₹ in Million, unless otherwise stated)

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- Measurement of defined benefit obligations – Refer Note 45
- Measurement and likelihood of occurrence of provisions and contingencies – Refer Note 44
- Recognition of deferred tax assets – Refer Note 9
- Impairment of Intangibles – Refer Note 5
- Measurement of Share Based Payments – Refer Note 46
- Measurement of Fair values – Refer Note 49
- Measurement of useful lives for property, plant and equipment and intangible assets – Refer accounting policy on Depreciation below – point 3 c.
- Valuation of Inventories and amortisation – point 3 h.

Recognition and estimation of tax expense – point 3 k.

D. Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated March 31, 2023, has made the following amendments to Ind AS which are effective January 1, 2024:

(a) Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.

(b) Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.

(c) Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its financial statements.

3. Significant accounting policies

a) Property, plant and equipment – Owned assets

- All items of Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost of Property, plant and equipment comprises of purchase price, non-refundable taxes and duties and any directly attributable cost of bringing each asset to its working condition for the intended use. Financing costs relating to borrowed funds attributable to the acquisition of qualifying property, plant and equipment i.e. asset that necessarily takes a substantial period of time to get ready for its intended use, up to the completion of construction or acquisition of such property, plant and equipment are included in the gross book value of the asset. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, plant and equipment.
- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.
- Gains or losses arising on disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.
- Capital work-in-progress includes the cost of property, plant and equipment that are not ready to use at the balance sheet date.
- Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-current Assets".

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

b) Goodwill and Other Intangible assets

- Intangible assets purchased are initially measured at cost. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use.
- Intangible assets acquired in a business combination are recognised at fair value at the acquisition date.
- Following, initial recognition, intangible assets with finite lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.
- Goodwill acquired in a business combination is recognised at fair value at the acquisition date. Subsequently, it is carried at cost less accumulated impairment losses, if any.
- Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.
- Gains or losses arising on disposal of Intangible assets are recognised in the Statement of Profit and Loss.

c) Depreciation and amortisation:

Property, plant and equipment

Up to December 31, 2022

Buildings are depreciated on written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013, which coincide with management estimate of useful life. Other property, plant and equipment are depreciated on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except those specified below:

Following assets are depreciated at the useful lives different from those prescribed in Schedule II to the Companies Act, 2013 based on technical evaluation of estimated useful lives done by the management.

Assets	Method of Depreciation	Useful life
Plant & Machinery	Straight-Line Method	10 years
Computers excluding Laptops Motor Vehicles	Straight-Line Method	4 years
Motor Vehicles	Straight-Line Method	5 years
Cellphones and Photocopiers	Straight-Line Method	3 years
Air-conditioning Equipment used in manufacturing process	Straight-Line Method	10 years

Freehold land is not depreciated.
Leasehold improvements are amortised over the period of lease.
Depreciation Rates in respect of Property, plant and equipment depreciated as per useful lives prescribed in Schedule II are as follows:

Assets	Method of Depreciation	Useful life
Buildings	Written Down Value Method	40 years
Laptops	Straight-Line Method	3 years
Office Equipment	Straight-Line Method	5 years
Furniture and Fixtures	Straight-Line Method	10 years
Electrical Fittings	Straight-Line Method	10 years

Depreciation on additions/deletions to property, plant and equipment is provided prorata from the month of addition/ before the month of deletion.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

(All amounts ₹ in Million, unless otherwise stated)

For the year ended December 31, 2023:

Effective January 1, 2023, the Company has revised the useful life of certain Property, Plant and Equipment (PPE) based on technical evaluation conducted by management to reflect a realistic useful life of the assets. Accordingly, change in useful life of PPE is being applied prospectively in accordance with Ind AS 8 - Accounting policies, change in accounting Estimates and Errors. In addition, the Company has revised the method of charging depreciation on Building from Written Down Value Method to Straight-Line Method. Had the Company continued with the previous estimated useful life for PPE and Written Down Value Method for charging depreciation on Buildings, charge for depreciation year ended December 31, 2023 would have been higher by ₹273.3 Million and consequentially deferred tax charge on the same would have been lower by ₹68.8 Million for year ended December 31, 2023.

Depreciation Rates in respect of Property, plant and equipment depreciated as per useful lives followed by the Company and prescribed in Schedule II are as follows:

		Useful Life	
Asset	**Method of Depreciation**	**Company follows**	**As per Schedule II**
Buildings	Straight-Line Method	40	30
Plant and Machinery	Straight-Line Method	15	15
Computers	Straight-Line Method	3	3
Laptops	Straight-Line Method	3	3
Motor Vehicles	Straight-Line Method	5	8
Office Equipment	Straight-Line Method	4	5
Furniture and Fixtures	Straight-Line Method	8	10
Electrical Fittings	Straight-Line Method	12	10

Depreciation on additions/deletions to property, plant and equipment is provided prorata from the month of addition/ before the month of deletion.

Assets costing ₹50,000 or less are fully depreciated in the year of purchase.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Accelerated Depreciation is charged in case of assets forming part of a restructuring project basis planned remaining useful life of assets.

Freehold land is not depreciated.

Leasehold improvements are amortised over the period of lease.

Intangible Assets

- ERP software is amortised over a period of 60 months commencing from the month in which software is put to use.
- Specialised software is amortised over a period of 36 months commencing from the month in which such expenditure is incurred.
- Corporate club membership fees paid are amortised over the period of use, viz. 10 years.
- Non-compete fees paid are amortised over the period of restriction, viz. 5 years.
- Customer List is amortised over a period of 7 years.
- Goodwill is not amortised but is tested for impairment annually.

d) Financial instruments

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in:

- Financial asset at amortised cost
- Financial asset at fair value through profit or loss (FVTPL)
- Financial asset at fair value through other comprehensive income (FVTOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial asset at amortised cost

An instrument is measured at the amortised cost if (i) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and (ii) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables. All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial asset (Debt Instruments) at fair value through profit or loss

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of Profit and loss.

Impairment of financial assets

Expected credit losses (ECL) are recognised for all financial assets subsequent to initial recognition other than financials assets in FVTPL category. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to lifetime expected losses i.e. expected cash shortfall. The impairment losses and reversals are recognised in Statement of Profit and Loss.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt instruments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified, at initial recognition at fair value through profit or loss, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

(All amounts ₹ in Million, unless otherwise stated)

Derecognition

A financial asset/financial liability (or, where applicable, a part of a financial asset or financial liability or part of a group of similar financial assets or financial liability) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass- through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

e) Derivative financial instruments

The Company uses derivative financial instruments to hedge its foreign currency.

Derivatives are measured at fair value. The treatment of changes in the value of derivative depends on their use as explained below:

(i) **Cash flow hedges:** Derivatives are held to hedge the uncertainty in timing or amount of future forecast cash flows. Such derivatives are classified as being part of cash flow hedge relationships. For an effective hedge, gains and losses from changes in the fair value of derivatives are recognised in other comprehensive income. Any ineffective elements of the hedge are recognised in the Statement of profit and loss. If the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the statement of profit and loss at the same time as the related cash flow. When a derivative no longer qualifies for hedge accounting, any cumulative gain or loss remains in equity until the related cash flow occurs. When the cash flow takes place, the cumulative gain or loss is taken to the statement of profit and loss. If the hedged cash flow is no longer expected to occur, the cumulative gain or loss is taken to the statement of profit and loss immediately.

(ii) **Derivatives for which hedge accounting is not applied:** Derivative financial instruments for which hedge accounting is not applied are initially recognised at fair value on the date on which a derivative contract is entered and are subsequently measured at FVTPL.

f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

g) Foreign Currency Transactions

- The Company's financial statements are presented in ₹ which is also the functional currency. Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the month end rate. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss for the year.
- Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end are translated at the year end at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.
- Non-monetary foreign currency items are carried at historical cost, determined using exchange rate at the date of initial recognition.

h) Inventories

- Inventories are valued at lower of cost and net realisable value. Cost is determined on the Weighted Average Cost Method.
- Raw materials, Components, Stores and Spares held for use in production of Inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- The cost of manufactured Inventories and Work-in-process is the direct cost of manufacture plus appropriate allocated overheads.
- The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.
- The comparison of cost and net realisable value is made on an item by item basis.
- Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount so written-down is adjusted in terms of policy as stated above. Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

i) Revenue Recognition

According to Ind AS 115, revenue is measured at the amount of consideration the Company expects to receive in exchange for the goods or services when control of the products or services and the benefits obtainable from them are transferred to the customer. Revenue is recognised using the following five step model specified in Ind AS 115:

Step 1: Identify contracts with customers.
Step 2: Identify performance obligations contained in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligation.
Step 5: Recognise revenue when a performance obligation is satisfied.

The performance obligations arising from sale of products with the Company's customers are satisfied at a point in time. Payment terms are generally agreed upon individually with customers. Sales of products are recognised when control of the products has transferred based on the agreed terms. Revenue is net of sales returns and allowances, discounts, volume rebates and any taxes or duties collected on behalf of government such as goods and service tax, etc.

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Certain contracts of sale include volume rebates that give rise to variable consideration. This includes establishing an accrual at year end, particularly in arrangements with varying terms which are based on annual contracts or shorter-term arrangements.

Dividend & Interest Income

Dividend income is recognised when the Company's right to receive the payment is established by the reporting date.

Interest income is recognised using the effective interest rate (EIR) method.

j) Retirement and Other Employee benefits

(i) Short-term employee benefits

All short-term employee benefits such as salaries, incentives, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the Statement of Profit and Loss account.

(ii) Retirement Benefits

(a) Defined Contribution Plans:

The Company has defined contribution plans for post-employment benefits in the form of provident fund, employees' state insurance, labour welfare fund, superannuation scheme etc. which is administered through Government of India. Provident fund is classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as and when employee renders related service.

(b) Defined Benefit Plans:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the defined benefit schemes are calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plans are determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans are based on the market yields on Government securities as at the balance sheet date.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding charge or credit to OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

(c) Pension Plan:

The liability towards pension is based on actuarial valuation carried out by an independent Actuary using Projected unit credit Method. Principal assumptions are in line with those used for Gratuity, as applicable.

(iii) Long-term employee benefits

(a) Compensated absences:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are considered as long-term employee benefit for measurement purposes and are determined on the basis of valuations, as at balance sheet date, carried out by an independent actuary using Projected Unit Credit Method, The benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the leave encashment as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(b) Long service awards:

Long Service awards are other long-term benefits scheme. The present value of the obligation under this long-term benefit is determined based on actuarial valuation using Projected Unit Credit Method.

(c) Voluntary Retirement Scheme (VRS):

Voluntary retirement benefits arising from restructuring, are recognised in the statement of profit and loss. The Company recognises VRS benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; or (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

k) Taxation

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to an item to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax

The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if there is legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which they can be used.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

(All amounts ₹ in Million, unless otherwise stated)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Uncertain Tax position

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

l) Leases

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

m) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. After impairment, depreciation is provided on their revised carrying amount of the asset over its remaining useful life.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation NOTE 21: SHARE CAPITAL on or amortisation, if no impairment loss had been recognised.

n) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

o) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

p) Share-based payments

Measurement and disclosure of the employee share-based payment plans is done in accordance with Ind AS 102, Share-Based Payment.

Equity Settled Transactions

Up to December 31, 2022

The Ultimate Holding Company ('Huhtamaki Oyj') offers Share based compensation programme for senior executives of the Company.

Shares mentioned above are issued by Huhtamaki Oyj and the cost of such shares is not recharged to the Company. However, the Company recognises these share-based payment transactions of Huhtamaki Oyj in accordance with the requirement of paragraph 43 A and 43 B of Ind AS 102 Share Based Payments. As required under para 43 B of Ind AS 102, since the Company receives the services of the employees to whom the shares have been granted by Huhtamaki Oyj and the Company has no obligation to settle the same, the Company accounts for these services as an equity settled share-based payment transaction.

(All amounts ₹ in Million, unless otherwise stated)

For the year ended December 31, 2023

The Ultimate Holding Company ('Huhtamaki Oyj') offers Share based compensation programme for senior executives of the Company. Shares mentioned above are issued by Huhtamaki Oyj and has no impact on the Company's share capital.

During the current year, Huhtamaki Oyj recharged the Company, the cost of acquiring such shares for settlement to the employees for ESOP plans vested during the year. Management expects that Huhtamaki Oyj will continue to recharge the Company for shares to be vested in future and hence the Company has accounted for the same as liability.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

q) Research Expenditure

Research expenditure of a revenue nature is charged off in the year in which it is incurred and expenditure of a capital nature is capitalised to fixed assets.

Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

r) Earnings Per Share (EPS)

Basic EPS is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti-dilutive.

s) Cash and Cash Equivalents

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

t) Business Combinations

Business Combinations are accounted for using Ind AS 103 Business Combination. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control. Under acquisition method, acquisition related costs are recognised in the Statement of Profit and Loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their respective fair value at the acquisition date, except certain assets and liabilities required to be measured as per applicable standards. Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, is recognised as Capital reserve.

Business Combinations arising from transfer of interests in entities that are under common control are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value, no adjustment are made to reflect fair values, or recognise any new assets or liabilities. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

u) Borrowing costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalised as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

v) Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The CODM assesses the financial performance (i.e. Net profit after tax) and position of the Company and makes strategic decisions. The Company has only one business segment, which is consumer packaging and company generates revenue majorly from domestic sales. Accordingly, the amounts appearing in these financial statements relate to this one business segment. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company.

w) Asset held for sale

Non-current assets are classified as 'held for sale' when all the following criteria are met:

a) decision has been made to sell,

b) the assets are available for immediate sale in its present condition,

c) the assets are being actively marketed and

d) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

A. Property, plant and equipment

(All amounts ₹ in Million, unless otherwise stated)

Particulars	Freehold land*	Leasehold improvements	Buildings*	Plant and machinery**	Computers and laptops	Motor Vehicles	Furniture and fixtures	Office equipment	Total
Gross carrying amount									
At January 1, 2022	**83.0**	**18.7**	**1,425.3**	**6,445.5**	**149.4**	**12.6**	**145.5**	**75.3**	**8,355.3**
Additions	-	-	249.5	289.2	16.9	-	22.0	19.3	596.9
Disposals/adjustments	-	-	2.1	310.5	27.1	1.9	2.3	1.7	345.6
Asset held for sale	27.7	-	212.6	64.0	1.7	-	10.3	8.4	324.7
At December 31, 2022	**55.3**	**18.7**	**1,460.1**	**6,360.2**	**137.5**	**10.7**	**154.9**	**84.5**	**8,281.9**
Additions	-	45.8	50.4	275.7	34.5	-	26.8	19.8	453.0
Disposals/adjustments	-	2.5	38.0	168.8	19.6	4.5	45.4	16.3	295.1
At December 31, 2023	**55.3**	**62.0**	**1,472.5**	**6,467.1**	**152.4**	**6.2**	**136.3**	**88.0**	**8,439.8**
Accumulated depreciation									
At January 1, 2022	**-**	**4.2**	**583.3**	**3,739.0**	**116.1**	**11.5**	**79.2**	**61.2**	**4,594.5**
Additions	-	3.9	87.8	607.5	22.7	0.8	13.3	9.8	745.8
Disposals/adjustments	-	-	1.3	298.9	27.0	1.7	2.2	1.7	332.8
Asset held for sale	-	-	111.1	58.0	1.7	-	9.5	8.2	188.5
At December 31, 2022	**-**	**8.1**	**558.7**	**3,989.6**	**110.1**	**10.6**	**80.8**	**61.1**	**4,819.0**
Additions (Refer Note below)	-	4.8	29.4	346.5	26.2	0.1	23.1	15.9	446.0
Disposals/adjustments#	-	2.5	32.5	155.6	19.6	4.5	37.4	15.4	267.5
At December 31, 2023	**-**	**10.4**	**555.6**	**4,180.5**	**116.7**	**6.2**	**66.5**	**61.6**	**4,997.5**
Net carrying amount									
At December 31, 2023	**55.3**	**51.6**	**916.9**	**2,286.6**	**35.7**	**0.0**	**69.8**	**26.4**	**3,442.3**
At December 31, 2022	55.3	10.6	901.4	2,370.6	27.4	0.1	74.1	23.4	3,462.9

Depreciation on Plant & Machinery includes accelerated depreciation of ₹ 41.9 Million. (Refer Note 41)

* The immovable properties disclosed above comprise properties where the title deeds have been transferred from the former name of the Company i.e. Huhtamaki PPL Limited to Huhtamaki India Limited as well as those where the Company has made applications to the respective authorities intimating the name change from Huhtamaki PPL Limited to Huhtamaki India Limited.

** Includes Electrical fittings and Air conditioning equipments.

Effective January 1, 2023, the Company has revised the useful life of certain Property, Plant and Equipment (PPE) based on technical evaluation conducted by management to reflect a realistic useful life of the assets. Accordingly, change in useful life of PPE is being applied prospectively in accordance with Ind AS 8 – Accounting policies, change in accounting Estimates and Errors. In addition, the Company has revised the method of charging depreciation on Building from Written Down Value Method to Straight-Line Method. Had the Company continued with the previous estimated useful life for PPE and Written Down Value Method for charging depreciation on Buildings, charge for depreciation year ended December 31, 2023 would have been higher by ₹ 273.3 Million and consequentially deferred tax charge on the same would have been lower by ₹ 68.8 Million for year ended December 31, 2023.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

Note 4: Property, Plant and Equipment (Continued)

Details as on December 31, 2023

Relevant line item in the Balance Sheet	Description of property	Gross carrying value	Title deed held in the name of	Whether title deed holder is promoter/Director or their employee or their relatives	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Freehold land at Silvassa	13.4	Huhtamaki PPL Limited	No	27	Held in the previous name of the Company
Property, plant and equipment	Freehold land at Baddi	14.0	Huhtamaki PPL Limited	No	5	Held in the previous name of the Company
Property, plant and equipment	Freehold building at Delhi	1.0	Huhtamaki PPL Limited	No	42	Held in the previous name of the Company

Details as on December 31, 2022

Relevant line item in the Balance Sheet	Description of property	Gross carrying value	Title deed held in the name of	Whether title deed holder is promoter/Director or their employee or their relatives	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Freehold land at Silvassa	13.4	Huhtamaki PPL Limited	No	26	Held in the previous name of the Company
Property, plant and equipment	Freehold land at Baddi	14.0	Huhtamaki PPL Limited	No	4	Held in the previous name of the Company
Property, plant and equipment	Freehold building at Delhi	1.0	Huhtamaki PPL Limited	No	41	Held in the previous name of the Company
Property, plant and equipment	Freehold land at Khopoli	17.7	Huhtamaki PPL Limited	No	7	Held in the previous name of the Company
Property, plant and equipment	Freehold land at Thane	27.7	Huhtamaki PPL Limited	No	62	Held in the previous name of the Company

B. Capital work-in-progress

Particulars	Amount
As at January 1, 2022	**429.1**
Additions during the year	523.3
Less: transferred to Asset held for sale	(5.2)
Less: Capitalised during the year	(596.9)
At December 31, 2022	**350.3**
Additions during the year	1,413.9
Less: Capitalised during the year	(453.0)
At December 31, 2023	**1,311.2**

For contractual commitments with respect to Property, plant and equipment refer note 44 B(ii).

(All amounts ₹ in Million, unless otherwise stated)

Note 4: Property, Plant and Equipment (Continued)

Ageing of Capital work-in-progress as on December 31, 2023

Capital work-in-progress/Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,210.4	36.6	29.8	34.4	1,311.2
Projects temporarily suspended	-	-	-	-	-
Total	**1,210.4**	**36.6**	**29.8**	**34.4**	**1,311.2**

Capital work-in-progress/intangible assets under development

	Total
Projects which have exceeded their original timeline	314.3
Projects which have exceeded their original budget	-
Projects which have exceeded their original budget and original timeline	870.9

Details of Capital work-in-progress whose completion is overdue as compared to its original timelines as at December 31, 2023

Capital work-in-progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Under Progress:					
Project at Silvassa factory	272.4	-	-	-	272.4
Project at Khopoli factory	3.1	-	-	-	3.1
Project at Lables-Ambernath	1.3	-	-	-	1.3
Project at Rudrapur factory	4.9	-	-	-	4.9
Project at Taloja Cylinder factory	15.2	-	-	-	15.2
Project at Sri City factory	10.5	-	-	-	10.5
Project at Corporate Office	3.9	-	-	-	3.9
Project at Bangalore Cylinder factory	0.8	-	-	-	0.8
Project at Guwahati factory	2.2	-	-	-	2.2
Total (A)	**314.3**	**-**	**-**	**-**	**314.3**
Temporarily suspended	-	-	-	-	-
Total (B)	-	-	-	-	-
Total (A + B)	**314.3**	**-**	**-**	**-**	**314.3**

Details of Capital work-in-progress which have exceeded its original cost as at December 31, 2023

Capital work-in-progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Under Progress:					
Project at Silvassa factory	826.1	-	-	-	826.1
Project at Khopoli factory	44.3	-	-	-	44.3
Project at Rudrapur factory	0.5	-	-	-	0.5
Total (A)	**870.9**	**-**	**-**	**-**	**870.9**
Temporarily suspended	-	-	-	-	-
Total (B)	-	-	-	-	-
Total (A + B)	**870.9**	**-**	**-**	**-**	**870.9**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

Note 4: Property, Plant and Equipment (Continued)

Ageing of Capital work-in-progress as on December 31, 2022

Capital work-in-progress/Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	253.9	50.7	39.4	6.3	350.3
Projects temporarily suspended	-	-	-	-	-
Total	**253.9**	**50.7**	**39.4**	**6.3**	**350.3**

Capital work-in-progress/intangible assets under development

	Total
Projects which have exceeded their original timeline	338.2
Projects which have exceeded their original budget	-
Projects which have exceeded their original budget and original timeline	3.5

Details of Capital work-in-progress whose completion is overdue as compared to its original timelines as at December 31, 2022

Capital work-in-progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Under Progress:					
Project at Silvassa factory	167.5	-	-	-	167.5
Project at Khopoli factory	78.5	-	-	-	78.5
Project at Mahape factory	76.5	-	-	-	76.5
Project at Hyderabad factory	5.6	-	-	-	5.6
Project at Rudrapur factory	5.0	-	-	-	5.0
Project at Hyderabad Labels factory	2.3	-	-	-	2.3
Project at Taloja Cylinder factory	1.8	-	-	-	1.8
Project at Sri City factory	1.0	-	-	-	1.0
Total (A)	**338.2**	**-**	**-**	**-**	**338.2**
Temporarily suspended	-	-	-	-	-
Total (B)	-	-	-	-	-
Total (A + B)	**338.2**	**-**	**-**	**-**	**338.2**

Details of Capital work-in-progress which have exceeded its original cost as at December 31, 2022

Capital work-in-progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Under Progress:					
Project at Silvassa factory	3.5	-	-	-	3.5
Total (A)	**3.5**	**-**	**-**	**-**	**3.5**
Temporarily suspended	-	-	-	-	-
Total (B)	-	-	-	-	-
Total (A + B)	**3.5**	**-**	**-**	**-**	**3.5**

(All amounts ₹ in Million, unless otherwise stated)

Note 4: Property, Plant and Equipment (Continued)

C. Right-of-use assets

Particulars	Leasehold land	Buildings	Plant and machinery	Others	Total
Gross carrying amount					
At January 1, 2022	**335.8**	**625.6**	**42.4**	**7.4**	**1,011.2**
Additions	-	55.7	-	3.5	59.2
Disposals	-	191.1	-	1.7	192.8
Asset held for sale	66.0	-	-	-	66.0
At December 31, 2022	**269.8**	**490.2**	**42.4**	**9.2**	**811.6**
Additions	-	158.4	-	-	158.4
Disposals	-	107.6	-	5.8	113.4
At December 31, 2023	**269.8**	**541.0**	**42.4**	**3.4**	**856.6**
Accumulated depreciation					
At January 1, 2022	**6.7**	**101.2**	**14.9**	**1.4**	**124.2**
Additions	2.7	56.1	8.5	2.0	69.3
Disposals	-	24.2	-	0.6	24.8
Asset held for sale	4.7	-	-	-	4.7
At December 31, 2022	**4.7**	**133.1**	**23.4**	**2.8**	**164.0**
Additions	1.4	46.1	8.4	0.9	56.8
Disposals	-	79.5	-	2.3	81.8
At December 31, 2023	**6.1**	**99.7**	**31.8**	**1.4**	**139.0**
Net carrying amount					
At December 31, 2023	**263.7**	**441.3**	**10.6**	**2.0**	**717.6**
At December 31, 2022	265.1	357.1	19.0	6.4	647.6

Amounts recognised in statement of profit and loss:

Particulars	December 31, 2023	December 31, 2022
Interest on Lease Liabilities	35.8	38.7
Expenses relating to short-term leases and low value assets	19.0	26.2

Amounts recognised in statement of cash flows:

Particulars	December 31, 2023	December 31, 2022
Total cash outflow for lease liability	(33.9)	(65.3)
Total cash outflow for Interest on leases	(35.8)	(38.7)

During the year, the Company has paid ₹0.0 Million (December 31,2022 ₹20.8 Million) towards early termination of a lease which has been charged off to Statement of Profit and Loss.

Future Lease liability:

Particulars	December 31, 2023	December 31, 2022
Less than one year	46.3	37.8
Later than one year and not later than five years	242.0	140.2
Later than five years	227.9	258.0

Details as on December 31, 2023

Relevant Line item in the Balance Sheet	Description of property	Gross carrying value	Lease agreement held in the name of	Whether Lease agreement holder is promoter/Director or their employee or their relatives	Property held since which date	Existing lease agreement expiry date	Reason for not being held in the name of the Company
ROU Assets	Leasehold Land, Bengaluru Plant **Refer Note 44 B (iv)**	163.2	Huhtamaki PPL Limited	No	30/01/2015	06/02/2025	Delay in compliance of certain conditions attached to agreement. The Company is now in process of complying with condition.
ROU Assets	Leasehold Land, Daman	19.3	Huhtamaki PPL Limited	No	01/06/2018	08/11/2065	Held in the previous name of the Company

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

Details as on December 31, 2022

Relevant Line item in the Balance Sheet	Description of Property	Gross Carrying Value	Lease agreement held in the name of	Whether Lease agreement holder is promoter/Director or their employee or their relatives	Property held since which date	Existing lease agreement expiry date	Reason for not being held in the name of the Company
ROU Assets	Garden Area, Sikkim Plant	1.2	Huhtamaki PPL Limited	No	01/04/2019	31/03/2021	Delay in renewal of agreement as landlord deceased. The Company is in the process of renewal of agreement with legal heirs
ROU Assets	Leasehold Land, Bengaluru Plant **Refer Note 44 B (iv)**	163.2	Huhtamaki PPL Limited	No	30/01/2015	09/04/2021	Delay in compliance of certain conditions attached to agreement. The Company is now in process of complying with condition.
ROU Assets	Leasehold Land, Daman	19.3	Huhtamaki PPL Limited	No	01/06/2018	08/11/2065	Held in the previous name of the Company
ROU Assets	Leasehold Land, Ambernath	66.0	Huhtamaki PPL Limited	No	01/04/2017	31/07/2058	Held in the previous name of the Company

NOTE 5: INTANGIBLE ASSETS

Particulars	Goodwill	Other intangible assets				
		Non-compete fees	Computer - software	Club membership	Customer list	Total
At January 1, 2022	**623.8**	**51.0**	**142.9**	**2.6**	**116.8**	**313.3**
Additions	-	-	0.5	-	-	0.5
Disposals	-	-	7.9	2.6	-	10.5
Asset held for sale	-	-	0.3	-	-	0.3
At December 31, 2022	**623.8**	**51.0**	**135.2**	**-**	**116.8**	**303.0**
Additions	-	-	25.9	-	-	25.9
Disposals	-	-	4.2	-	-	4.2
At December 31, 2023	**623.8**	**51.0**	**156.9**	**-**	**116.8**	**324.7**
Accumulated Amortisation						
At January 1, 2022	**-**	**40.8**	**111.4**	**2.6**	**59.9**	**214.7**
Additions	-	7.2	21.5	-	16.7	45.4
Disposals	-	-	7.9	2.6	-	10.5
Asset held for sale	-	-	0.3	-	-	0.3
At December 31, 2022	**-**	**48.0**	**124.7**	**-**	**76.6**	**249.3**
Additions		3.0	11.0	-	16.6	30.6
Disposals	-	-	3.7	-	-	3.7
At December 31, 2023	**-**	**51.0**	**132.0**	**-**	**93.2**	**276.2**
Net carrying amount						
At December 31, 2023	**623.8**	**0.0**	**24.9**	**-**	**23.6**	**48.5**
At December 31, 2022	623.8	3.0	10.5	-	40.2	53.7

Goodwill of ₹623.8 Million pertains to below merger/acquisitions:

(a) Merger of Webtech Labels Private Limited in 2015 with Huhtamaki India Limited – ₹96.9 Million

(b) Acquisition of Business of Ajanta Packaging in 2018 – ₹467.1 Million

(c) Acquisition of Business of Mohan Mutha Polytech Private Limited, Sri City in 2020 – ₹59.8 Million

(All amounts ₹ in Million, unless otherwise stated)

Considering the nature of business and operations of the Company, the Management has identified the whole entity as single Cash Generating unit (CGU) for the purpose of impairment testing. Based on the impairment analysis performed, the management has not identified any indicators of impairment were identified for the years ended December 31, 2023 and 2022. Following key assumptions were considered while performing impairment testing:

a) Long-term sustainable growth rates – 5% (Previous Year: 5%)

b) Weighted Average Cost of Capital % before Tax (discount rate) – 11% (Previous Year: 11%)

The recoverable amount is based on fair value less costs to sell, estimated using discounted cash flows. The fair value measurement has been categorised as Level 3 fair value.

The Projections cover a period of five years, which is considered to be an appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates used to estimate future performance are based on past performance and current developments. Value in use has been determined by discounting the future cash flows generated from the continuing use. A sensitivity analysis around the base assumptions has been performed and it has been concluded that no reasonable changes in key assumptions would cause the recoverable amount to be less than the carrying value.

The Company did not identify any impairment charge in respect of intangible assets during the year December 31, 2023 (December 31, 2022 ₹ Nil).

NOTE 6: NON-CURRENT INVESTMENTS

Particulars	December 31, 2023	December 31, 2022
Investments at fair value through profit & loss (fully paid)		
Unquoted equity shares		
100 Equity shares (December 31, 2022 - 100) of ₹25 each fully paid up in Shamrao Vithal Co-operative Bank Ltd.*	0.0	0.0
	0.0	**0.0**

* Amount less than ₹50,000.

NOTE 7: LONG-TERM LOANS

Particulars	December 31, 2023	December 31, 2022
(Unsecured, considered good unless otherwise stated)		
At amortised cost		
Loans and advances to employees (Refer Note below)	3.1	0.6
	3.1	**0.6**

a) In line with Circular No. 04/2015 issued by Ministry of Corporate Affairs dated 10/03/2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

b) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

NOTE 8: OTHER FINANCIAL ASSETS

Particulars	December 31, 2023	December 31, 2022
(Unsecured, considered good unless otherwise stated)		
At amortised cost		
Security Deposits	129.3	129.4
Earmarked balance with banks		
Margin Money deposits (refer note below)	0.5	0.5
Bank Deposits with maturity of more than 12 months	1.9	0.2
	131.7	**130.1**

Margin Money deposits pertains to deposit given to a Bank for Bank Guarantee issued for EPCG Licences.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

NOTE 9: INCOME TAXES

A. Components of income tax (credit)/expense

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
I. Tax expense recognised in the statement of profit and loss		
Current tax		
- Current Year	1,055.9	172.9
- Credits related to previous years	(252.1)	-
Total (A)	**803.8**	**172.9**
Deferred tax charge/(credit)		
- Origination and reversal of temporary differences	100.3	(110.0)
Total (B)	**100.3**	**(110.0)**
Total (A+B)	**904.1**	**62.9**
II. Tax on other comprehensive income		
Deferred tax		
Remeasurement of defined benefit liability	0.5	(2.1)
Fair value of cash flow hedges through other comprehensive income	1.7	(1.2)
Total	**2.2**	**(3.3)**

B. Reconciliation of effective tax rate

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Statutory income tax rate	**25.2%**	**25.2%**
Differences due to:		
- Prior year tax adjustment	(5.0%)	0.0%
- Impact of DTA on Land held for sale	0.0%	(17.8%)
- Impact of lower tax rate on capital gains	(1.9%)	0.0%
- Others (mainly includes expenses on account of permanent disallowance)	(0.1%)	3.9%
Net effective tax rate	**18.1%**	**11.2%**

C. Movement in deferred tax assets and liabilities

I. Movement during the year ended December 31, 2022	As at January 1, 2022	Credit/(charge) in the statement of profit and loss	Credit/(charge) in Other comprehensive income	Classification to Non-current tax asset	As at December 31, 2022
Deferred tax assets/(liabilities)					
Expenses allowable for tax purposes when paid	17.7	3.8	-	-	21.5
Allowance for impairment loss - Trade receivables	30.8	0.3	-	-	31.1
Remeasurement on defined benefit plans	40.7	(3.4)	2.1	-	39.4
Fair value of cash flow hedges	-	-	1.2	-	1.2
Depreciation of property plant and equipments and amortisation of Intangibles	158.7	25.4	-	-	184.1
Voluntary retirement scheme	62.4	(15.6)	-	-	46.8
Asset held for sale	-	99.4	-	-	99.4
Total deferred tax assets (A)	**310.3**	**110.0**	**3.3**	**-**	**423.6**
Amortisation of goodwill	(139.5)	-	-	-	(139.5)
Total deferred tax liabilities (B)	**(139.5)**	**-**	**-**	**-**	**(139.5)**
Net deferred tax assets/(liabilities) (A+B)	**170.8**	**110.0**	**3.3**	**-**	**284.1**

(All amounts ₹ in Million, unless otherwise stated)

II. Movement during the year ended December 31, 2023	As at January 1, 2023	Credit/(charge) in the statement of profit and loss	Credit/(charge) in Other comprehensive income	Classification to Non-current tax asset	As at December 31, 2023
Deferred tax assets/(liabilities)					
Expenses allowable for tax purposes when paid	21.5	0.1	-	-	21.6
Allowance for impairment loss – Trade receivables	31.1	(5.9)	-	-	25.2
Remeasurement on defined benefit plans	39.4	12.7	(0.5)	-	51.6
Fair value of cash flow hedges	1.2	-	(1.7)	-	(0.5)
Depreciation of property plant and equipments and amortisation of Intangibles	184.1	(61.9)	-	-	122.2
MTM on investment	-	(1.5)	-	-	(1.5)
Voluntary retirement scheme	46.8	49.0	-	-	95.8
Asset held for sale	99.4	(92.8)	-	-	6.6
Total deferred tax assets (A)	**423.6**	**(100.3)**	**(2.2)**	**-**	**321.0**
Amortisation of goodwill	(139.5)	-	-	-	(139.5)
Total deferred tax liabilities (B)	**(139.5)**	**-**	**-**	**-**	**(139.5)**
Net deferred tax assets/(liabilities) (A+B)	**284.1**	**(100.3)**	**(2.2)**	**-**	**181.5**

NOTE 10: OTHER TAX ASSETS (NET)

Particulars	December 31, 2023	December 31, 2022
Advance income tax (Net of provision)	791.5	744.6
	791.5	**744.6**

Provision for tax as on December 31, 2023 ₹4,092.2 Million (December 31, 2022 - ₹4,432.6 Million)

NOTE 11: OTHER NON-CURRENT ASSETS

Particulars	December 31, 2023	December 31, 2022
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	31.5	34.0
Balances with Customs, Excise, Sales Tax and GST Authorities etc.	41.0	35.3
Less: Provision towards tax assets	(7.8)	-
Capital advances	87.0	516.6
	151.7	**585.9**

Company has not given any advances to Directors or other Officers of the Company or any of them either severally or jointly with any other persons or advances to firms of private companies respectively in which any Director is a partner or a Director or a Member.

NOTE 12: INVENTORIES

(Valued at lower of cost and net realisable value)

Particulars	December 31, 2023	December 31, 2022
Raw materials and components	1,527.4	1,606.3
Work-in-progress	325.0	357.1
Finished goods	573.7	706.5
Stores and spares	161.9	180.2
Loose tools	110.9	129.8
	2,698.9	**2,979.9**
Goods in transit (included in above)		
Raw materials and components	4.5	88.9
Finished goods	191.3	323.5

The amount of write down of inventories to net realisable value and other provisions which is recognised in Statement of Profit and Loss as an expense amounts to ₹21.7 Million (December 31, 2022 - ₹100.3 Million).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

NOTE 13: CURRENT INVESTMENTS

Particulars	December 31, 2023	December 31, 2022
At fair value through statement of profit and loss		
Investment in Mutual Funds (Quoted)	797.3	-
Aggregate book value and market value of quoted investments	**797.3**	**-**

As at December 31, 2023 there is no impairment in value of investment.

Refer Note 49 for fair value measurement.

NOTE 14: TRADE RECEIVABLES

Particulars	December 31, 2023	December 31, 2022
(Unsecured, considered good unless otherwise stated)		
At amortised cost		
Considered good	5,510.0	6,587.0
Considered to have significant increase in credit risk	-	-
Considered credit impaired	100.2	123.6
Less: Allowance for credit impaired	(100.2)	(123.6)
	5,510.0	**6,587.0**
The movement in change in allowance for expected credit loss and credit impairment		
Balance as at beginning of the year	123.6	122.3
Change in allowance for expected credit loss and credit impairment	37.1	10.9
Trade receivables written-off during the year	(60.5)	(9.6)
Balance as at end of the year	**100.2**	**123.6**

Refer Note 50 for information about credit risk and market risk of trade receivables.

Refer Note 47 for information about receivables from related party.

Balance outstanding from related parties as at December 31, 2023 is ₹469.7 Million (December 31, 2022: ₹575.1 Million). (Refer Note 47)

There are no debts due by Directors or Officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is a Partner or a Director or a Member.

Ageing for Trade receivables from the due date of payment for each of the category as at December 31, 2023

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	4,744.6	743.9	15.0	3.4	3.3	1.3	5,511.5
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	0.5	0.9	9.2	88.1	98.7
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total (A)	**4,744.6**	**743.9**	**15.5**	**4.3**	**12.5**	**89.4**	**5,610.2**
Allowance for expected credit loss							1.5
Allowances for credit impairment							98.7
Total (B)							**100.2**
Total (A - B)							**5,510.0**

(All amounts ₹ in Million, unless otherwise stated)

Ageing for Trade receivables from the due date of payment for each of the category as at December 31, 2022

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	5,243.3	1,283.2	47.4	10.4	1.8	0.9	6,587.0
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	2.9	15.6	10.7	94.4	123.6
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total (A)	**5,243.3**	**1,283.2**	**50.3**	**26.0**	**12.5**	**95.3**	**6,710.6**
Allowances for credit impairment							123.6
Total (B)	**-**	**-**	**-**	**-**	**-**	**-**	**123.6**
Total (A - B)	**-**	**-**	**-**	**-**	**-**	**-**	**6,587.0**

There are no unbilled receivables as at December 31, 2023 and December 31, 2022

NOTE 15: CASH AND CASH EQUIVALENTS

Particulars	December 31, 2023	December 31, 2022
Balances with banks		
In current accounts	1,417.1	362.8
Deposits with original maturity of less than three months	27.7	62.5
	1,444.8	**425.3**

NOTE 16: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	December 31, 2023	December 31, 2022
Deposits with maturity of more than 3 months but less than 12 months	1,671.1	1.2
Earmarked Balance with Banks in Unpaid Dividend Accounts	4.5	5.3
	1,675.6	**6.5**

NOTE 17: LOANS

Particulars	December 31, 2023	December 31, 2022
(Unsecured, considered good unless otherwise stated)		
At amortised cost		
Loans and advances to employees	4.7	8.4
	4.7	**8.4**

a) In line with Circular No. 04/2015 issued by Ministry of Corporate Affairs dated 10/03/2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

b) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

NOTE 18: OTHER FINANCIAL ASSETS

Particulars	December 31, 2023	December 31, 2022
(Unsecured, considered good unless otherwise stated)		
Claims recoverable	0.7	3.5
Interest receivable	18.8	0.9
Security deposits	6.9	5.6
Forward contracts (Fair value through profit and loss)	10.4	-
	36.8	**10.0**

There are no Claim Recoverable, Interest Receivable and Security Deposit Recoverable from Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person. Also, refer Note 49 for fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

NOTE 19: OTHER CURRENT ASSETS

Particulars	December 31, 2023	December 31, 2022
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	64.3	59.8
Balances with Customs, Excise, Sales Tax, GST Authorities etc.	255.7	169.3
Less: Provision towards GST input credit	(12.7)	-
Export benefit receivables	114.4	112.9
Advances other than capital advance	14.6	61.2
	436.3	**403.2**

Company has not given any advances to Directors or other Officers of the Company or any of them either severally or jointly with any other persons or advances to firms of private companies respectively in which any Director is a partner or a Director or a Member.

NOTE 20: ASSETS HELD FOR SALE

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

Particulars	December 31, 2023	December 31, 2022
Groups of assets held for sale		
Property, Plant and Equipment (Refer Note 4 A)		
Freehold land	2.3	27.7
Buildings	-	101.5
Plant and machinery	-	6.0
Furniture and fixtures	-	0.8
Office equipments	-	0.2
CWIP transferred to assets held for sale (Refer Note 4 B)	-	5.2
Right-of-use assets (Refer Note 4 C)		
Leasehold land	-	61.3
	2.3	**202.7**

For movement in Assets held for sale: refer movement schedule below:

Particulars	
As at January 1, 2023	202.7
Less: Assets sold during the year	
Freehold land	25.4
Leasehold land	61.3
Building	101.5
Plant and machinery	6.0
Furniture and fixtures	0.8
Office equipments	0.2
Asset sold which was CWIP transferred to assets held for sale	5.2
At December 31, 2023	**2.3**

The Board of Directors approved the sale of the Company's land at Thane in favour of Sparkle Two Mall Developers Private Limited, for a consideration of ₹4,290.0 Million. The Company has executed four conveyance deeds and has received ₹4,009.0 Million under two conveyance deeds. Profits accruing and to be reported as Exceptional item in respect of these two conveyance deeds amounts to ₹3,916.0 Million and consequently Capital Gains Tax on the same is ₹836.0 Million. Out of an amount of ₹281.0 Million due under the other two conveyance deeds, an amount of ₹59.5 Million has been received and has disclosed this advance under the head "Other Current Liabilities" in Note 30. and the balance is receivable subject to satisfaction of conditions precedent.

(All amounts ₹ in Million, unless otherwise stated)

The Board of Directors approved for assignment of the leasehold rights of the Company in the Land situated at Ambernath, Maharashtra, the Company has executed a Deed of Assignment in favour of FSPL Specialities Private Limited (formerly known as Fineotex Specialities Private Limited), for a consideration of ₹300.0 Million. Profits accruing and to be reported as Exceptional item amounts to ₹170.9 Million and consequently Capital Gain tax reversal on the same is ₹16.7 Million.

Total gain from both the properties is ₹4,086.9 Million Government Grants and net Capital Gain tax/charge on same is ₹819.5 Million. (Refer Note 41)

NOTE 21: SHARE CAPITAL

Particulars	December 31, 2023	December 31, 2022
A. Authorised		
404,000,000 (December 31, 2022: 404,000,000) equity shares, ₹2 each	808.0	808.0
2,900,000 (December 31, 2022: 2,900,000) preference shares, ₹100 each	290.0	290.0
300,000 (December 31, 2022: 300,000) unclassified shares, ₹100 each	30.0	30.0
	1,128.0	**1,128.0**
B. Issued, subscribed and paid-up		
75,521,934 (December 31, 2022: 75,521,934) equity shares of ₹2 each fully paid-up *	151.1	151.1
	151.1	**151.1**

* The above amount includes amount received on Forfeited shares - ₹0.009 Million. (December 31, 2022: ₹0.009 Million)

C. Reconciliation of the shares outstanding at the beginning and at the end of the year.

Particulars	December 31, 2023		December 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the beginning of the year*	75,521,934	151.1	75,521,934	151.1
Shares issued during the year	-	-	-	-
At the end of the year*	75,521,934	151.1	75,521,934	151.1

* The above amount includes amount received on Forfeited shares - ₹0.009 Million. (December 31, 2022: ₹0.009 Million)

D. Terms/rights attached to equity shares:

The Company has only one class of Issued, Subscribed and Paid-up Equity Capital having a par value of ₹2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

E. Shares held by the Holding Company:

Out of equity shares issued by the Company, shares held by its Holding Company are as follows :

Particulars	December 31, 2023	December 31, 2022
51,153,997 shares (December 31, 2022: 51,153,997) held by Huhtavefa B.V., Netherlands, the Holding Company	102.3	102.3

F. Details of shareholders holding more than 5% shares in the Company:

Particulars	December 31, 2023	December 31, 2022
Huhtavefa B.V., Netherlands, the Holding Company - No. of Shares	51,153,997	51,153,997
Huhtavefa B.V., Netherlands, the Holding Company - % holding	67.7%	67.7%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

G. Details of shareholdings by the promoter's of the Company

Promoter Name	December 31, 2023		December 31, 2022		% change in the year
	Number of Shares	% of total shares	Number of Shares	% of total shares	
Huhtavefa B.V., Netherlands	51,153,997	67.7%	51,153,997	67.7%	0.0%
Total Promoter's shares outstanding	**51,153,997**	**67.7%**	**51,153,997**	**67.7%**	**0.0%**
Total Huhtamaki India Limited shares outstanding	**75,521,934**		**75,521,934**		

Promoter Name	December 31, 2022		December 31, 2021		% change in the year
	Number of Shares	% of total shares	Number of Shares	% of total shares	
Huhtavefa B.V., Netherlands	51,153,997	67.7%	50,553,997	66.9%	0.8%
Total Promoter's shares outstanding	**51,153,997**	**67.7%**	**50,553,997**	**66.9%**	**0.8%**
Total Huhtamaki India Limited shares outstanding	**75,521,934**		**75,521,934**		

H. During the previous five years, Company has neither issued any bonus shares nor any shares that have been allotted as fully paid up pursuant to contract without payment being received in cash and have not bought back any of its shares.

NOTE 22: OTHER EQUITY

Particulars	December 31, 2023	December 31, 2022
Share options outstanding account	45.9	62.7
General reserve	1,554.4	1,554.4
Retained earnings	9,751.8	5,805.0
Items of other comprehensive income		
- Fair value of cash flow hedges through OCI	1.4	(3.6)
	11,353.5	**7,418.5**

Nature and purpose of reserves

i. Share options outstanding account

This relate to shares of the Ultimate Parent Company, granted by the Ultimate Parent Company to specific employees of the Company under its Employee Share arrangement. Further information about Share-based payments to employees is given at Note 46.

Particulars	December 31, 2023	December 31, 2022
Balance at the beginning of the year	62.7	50.9
Recognition of share-based payments	-	11.8
Balance in share options outstanding account transferred to trade payable (Refer Note 46)	(16.8)	-
	45.9	**62.7**

ii. General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the Statement of Profit and Loss. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

Particulars	December 31, 2023	December 31, 2022
Balance at the beginning of the year	1,554.4	1,554.4
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
	1,554.4	**1,554.4**

iii. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve and dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the Company.

(All amounts ₹ in Million, unless otherwise stated)

Particulars	December 31, 2023	December 31, 2022
Balance at the beginning of the year	5,805.0	5,390.4
Add: Profit for the year	4,096.3	496.4
Add: Other comprehensive income /(Losses) for the year, net of tax	1.5	(6.3)
Less: Dividend on equity shares during the year	(151.0)	(75.5)
	9,751.8	**5,805.0**

iv. Items of other comprehensive income

Fair value of cash flow hedges through other comprehensive income: The effective portion of the fair value change of the cash flow hedges measured at fair value through other comprehensive income is recognised in Cash flow hedges through Other Comprehensive Income. Upon derecognition, if the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the standalone statement of profit and loss at the same time as the related cash flow.

Particulars	December 31, 2023	December 31, 2022
Balance at the beginning of the year	(3.6)	-
Gain/(loss) recognised on cash flow hedges	17.7	(4.8)
Income tax relating to gain/(loss) recognised on cash flow hedges	(4.5)	1.2
(Gain)/loss reclassified to profit or loss	(11.0)	-
Income tax relating to (gain)/loss reclassified to profit or loss	2.8	-
	1.4	**(3.6)**

Distribution made and proposed

Particulars	December 31, 2023	December 31, 2022
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on December 31, 2022: ₹2.0 per share (December 31, 2021: ₹1.0 per share)	151.0	151.0
	151.0	**151.0**
Proposed dividends on equity shares:		
Final dividend for the year ended on December 31, 2023: ₹5.0 per share (December 31, 2022: ₹2.0 per share)	377.6	151.0
	377.6	**151.0**
Payout ratio	**9.2**	**30.4**

The Board of Directors have recommended a dividend of ₹5.0 per share (December 31, 2022 - ₹2.0 per share) for the year 2023. The same is subject to approval by the shareholders at the ensuing Annual General Meeting of the Company.

NOTE 23: NON-CURRENT BORROWINGS

Particulars	Non-current	
	December 31, 2023	December 31, 2022
Unsecured		
External commercial borrowings (Refer Note a)	2,000.0	2,000.0
Total unsecured borrowings	**2,000.0**	**2,000.0**
Total borrowings	**2,000.0**	**2,000.0**

a) The Company has availed External Commercial Borrowings from Huhtamaki Finance Company V B.V., Netherlands (fellow subsidiary) through issuance of Rupee Denominated Bonds in two tranches. This loan is carrying an interest @6.5% p.a. and is due for repayment on December 15, 2025 (first tranche of ₹1,000.0 Million) and February 9, 2026 (second tranche of ₹1,000.0 Million).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

NOTE 24: NON-CURRENT FINANCIAL LIABILITIES

A: Leases liabilities

Particulars	December 31, 2023	December 31, 2022
Lease liabilities (Refer Note 4c)	469.9	398.2
	469.9	**398.2**

B: Other Non-current financial liabilities

Particulars	December 31, 2023	December 31, 2022
At fair value through statement of profit and loss		
Employee benefits payable	9.3	5.4
	9.3	**5.4**

NOTE 25: NON-CURRENT PROVISIONS

Particulars	December 31, 2023	December 31, 2022
Provision for employee benefits (Refer Note 45)		
- Gratuity	16.1	45.1
- Long-term service award	13.5	13.6
- Pension	0.7	0.8
	30.3	**59.5**

NOTE 26: OTHER NON-CURRENT LIABILITIES

Particulars	December 31, 2023	December 31, 2022
Deferred Government Grants	144.0	80.9
	144.0	**80.9**

Deferred Government Grants relates to accrual of customs duty availed on import of Plant and equipment under EPCG scheme. The obligation towards export commitment to avail the grant shall be fulfilled by the Company.

NOTE 27: CURRENT BORROWINGS

At amortised cost

Particulars	December 31, 2023	December 31, 2022
Unsecured loans		
Working capital demand loans (Refer Note a)	-	900.0
Commercial paper (Unlisted) (Refer Note b)	-	343.7
Cash credit (Refer Note c)	-	387.2
Interest accrued but not due on borrowing (Refer Note d)	29.5	30.6
	29.5	**1,661.5**

a) Working capital demand loans from Banks are unsecured and short-term in nature ranging between repayable within 7 to 90 days and carrying interest rates ranging from 6.5% p.a. to 8.2% p.a. (December 31, 2022: 3.7% p.a. to 7.5% p.a.). These loans have been fully repaid during the year.

b) Commercial Papers are unsecured, unlisted and short-term in nature ranging between 30 to 180 days and carrying interest rates ranging from 4.5% p.a. to 7.6% p.a. (December 31, 2022: 4.5% p.a. to 7.4% p.a.) These Commercial Papers are fully settled during the year.

c) Cash Credit facility availed from a bank is unsecured and short-term in nature ranging between repayable on demand and within 12 months carrying interest rates ranging from 4.3% p.a to 7.8% p.a. (December 31, 2022: 4.3% p.a. to 7.5% p.a.) The Cash Credit Facility has been fully repaid during the year.

d) Interest accrued but not due includes ₹29.5 Million to be paid to Huhtamaki Finance Co. (V.B.V) in regard to External Commercial Borrowing. (December 31, 2022: ₹29.5 Million) (Refer Note 47).

(All amounts ₹ in Million, unless otherwise stated)

NOTE 28: TRADE PAYABLES

Particulars	December 31, 2023	December 31, 2022
Total outstanding dues of micro enterprises and small enterprises	157.2	145.4
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,517.6	4,634.1
	4,674.8	**4,779.5**

Balance outstanding to related parties as at December 31, 2023 is ₹612.5 Million (December 31, 2022: ₹536.8 Million). (Refer Note 47)

Refer Note 50 for information about liquidity and market risk of trade payables.

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006.

The principal amount and the interest due thereon remaining unpaid to any supplier registered under the MSMED Act as at the end of the year.		
- Principal amount	157.2	145.4
- Interest amount	2.2	0.5
The interest paid by the buyer in terms of Sections 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payments made beyond the appointed date during each account year.	7.4	2.9
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	5.0	3.2
The amount of interest accrued and remaining unpaid at the end of each accounting year.	7.2	3.7
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small/micro enterprise.	5.0	5.2

Note: Identification of micro and small enterprises is basis intimation received from vendors

Ageing for trade payables from the due date of payment for each of the category as at December 31, 2023

Particulars	Not Due*	Outstanding for following periods from due date of payment				Total
		Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed dues - MSME	133.4	22.4	1.0	0.3	-	157.1
Undisputed dues - Others	4,115.9	303.7	58.9	8.6	19.6	4,506.7
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-				11.0	11.0
	4,249.3	**326.1**	**59.9**	**8.9**	**30.6**	**4,674.8**

* Includes unbilled amount of ₹596.4 Million.

Ageing for trade payables from the due date of payment for each of the category as at December 31, 2022

Particulars	Not Due*	Outstanding for following periods from due date of payment				Total
		Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed dues - MSME	139.8	5.6	-	-	-	145.4
Undisputed dues - Others	4,146.0	451.9	12.4	6.9	6.3	4,623.5
Disputed dues - MSME	-					-
Disputed dues - Others	-				10.6	10.6
	4,285.8	**457.5**	**12.4**	**6.9**	**16.9**	**4,779.5**

* Includes unbilled amount of ₹954.4 Million.

NOTE 29: OTHER CURRENT FINANCIAL LIABILITIES

A: Lease liabilities

Particulars	December 31, 2023	December 31, 2022
Lease liabilities (Refer Note 4c)	46.3	37.8
	46.3	**37.8**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

B: Other financial liabilities

Particulars	December 31, 2023	December 31, 2022
At amortised cost		
Employee benefits payable	208.0	173.5
Interest accrued but not due	2.2	4.0
Interest accrued and due	5.0	5.2
Retention money payable (Refer Note a)	29.8	29.8
Creditors for capital goods		
- Micro enterprises and small enterprises	27.5	11.0
- Other than micro and small enterprises	53.4	8.9
Unclaimed dividend (Refer Note b)	4.5	5.3
Provision for mark to market losses on derivative contracts	-	30.6
	330.4	**268.3**

a) Retention Money represents: ₹29.8 Million (December 31, 2022: ₹29.8 Million), being money payable to erstwhile shareholders of Positive Packaging Industries Limited for purchase of shares.

b) There is no amount due and outstanding to be credited to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as on December 31, 2023 (December 31, 2022 ₹ Nil Million).

NOTE 30: OTHER CURRENT LIABILITIES

Particulars	December 31, 2023	December 31, 2022
Advance from customers	43.0	50.3
Employee statutory liabilities payable	21.8	22.3
Taxes payable (GST, VAT, Plastic Packaging Tax etc)	132.5	53.4
Tax deducted at source payable	79.5	61.4
Deferred - Government grants (Refer Note a)	8.3	19.6
Advance received against sale of land	59.5	-
	344.6	**207.0**

a) Deferred - Government Grants relates to accrual of customs duty availed on import of Plant and equipment under EPCG scheme. The obligation towards export commitment to avail the grant shall be fulfilled by the Company.

NOTE 31: PROVISIONS

Particulars	December 31, 2023	December 31, 2022
Provision for employee benefits (Refer Note 45)		
- Gratuity	33.0	59.2
- Compensated absences	141.7	142.1
Provision for litigations	85.1	59.8
	259.8	**261.1**

For movement in Provision for Litigation refer movement schedule below:

As at January 1, 2022	**49.0**
Arising during the year	23.0
Unused amounts reversed/utilised during the year	(12.2)
At December 31, 2022	**59.8**
Arising during the year	61.5
Unused amounts reversed/utilised during the year	(36.2)
At December 31, 2023	**85.1**

Provision for litigation represents provision made by the Company in respect of disputed Tax matters. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the utilisation of provision and cash outflows, if any, pending resolution.

(All amounts ₹ in Million, unless otherwise stated)

NOTE 32: CURRENT TAX LIABILITIES (NET)

Particulars	December 31, 2023	December 31, 2022
Current tax liabilities (Net of advance tax)	166.1	177.8
	166.1	**177.8**

Advance tax amount ₹ 2,050.8 Million for 2023 ((December 31, 2022 - ₹ 934.3 Million).

NOTE 33: REVENUE FROM OPERATIONS

Particulars	December 31, 2023	December 31, 2022
Revenue from contracts with customers		
Sale of products (Refer Note (a) below)	24,697.9	29,022.1
Rendering of services	115.3	142.9
Sub-total:	**24,813.2**	**29,165.0**
Other operating revenue		
- Scrap sales	314.5	396.3
- Compensation received for Loss of Profits	5.3	12.2
- Government grant (Refer Note (b) below)	9.3	27.0
- Government grant – Export benefits	193.7	109.7
- Income from manpower services	158.4	119.0
	25,494.4	**29,829.2**

a) Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

Particulars	December 31, 2023	December 31, 2022
Revenue as per contracted price	25,126.0	29,434.0
Less: Price and other adjustments relating to rebates	312.8	269.0
Total	**24,813.2**	**29,165.0**

The contract liabilities relate to the advance received from customers towards future supply for which revenue is recognised at a point in time.

Contract liabilities as at December 31, 2023 is ₹43.0 Million (December 31, 2022: ₹50.3 Million) (Refer Note 30)

Contract liabilities

Particulars	December 31, 2023	December 31, 2022
Contract liabilities		
Opening balance	50.3	91.8
Closing balance	43.0	50.3
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	50.3	91.8
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods.	-	-

Revenue from geographical segment

Particulars	December 31, 2023	December 31, 2022
In India	17,356.4	21,099.9
Outside India#	7,456.8	8,065.1
Total	**24,813.2**	**29,165.0**

Refer Note 48 for details of countries where revenue is more than 10% of total export sales.

b) The Company has recognised a Government grant relating to benefit received from Export Promotion Capital Goods (EPCG) Scheme. The grant received is to compensate for the import cost of the asset and based on the terms and conditions of the grant, it can be reasonably concluded that conditions relating to export of goods are subsidiary conditions, accordingly grant is recognised in profit or loss over the life of the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

NOTE 34: OTHER INCOME

Particulars	December 31, 2023	December 31, 2022
Interest Income on		
- Bank deposits	18.4	0.4
- Others (including Income-tax refund)	20.0	4.1
Gain on financial instruments at fair value through profit or loss (Refer Note a)	8.6	-
Gain on current investments measured at fair value through profit and loss (Refer Note b)	6.0	-
Net gain on sale/fair value changes of current investments (Refer Note b)	1.3	0.4
Profit on sale of property, plant and equipment (Net)	13.8	43.6
Foreign exchange gain (Net)	35.2	9.8
Insurance claim received	3.8	11.7
Liabilities no longer required written back	14.0	79.2
Gain/loss on modification of lease	6.6	-
Other non-operating income	27.0	23.1
	154.7	**172.3**

a) Gain on financial instruments at fair value through profit or loss relates to foreign exchange forward contracts that are not designated for hedge accounting.

b) Net Gain on sale of current investment of ₹1.3 Million (December 31, 2022: ₹0.4 Million) and gain/(loss) towards diminution in fair value of current investment is ₹6.0 Million (December 31, 2022: ₹(0.0) Million).

NOTE 35: COST OF MATERIALS CONSUMED

Particulars	December 31, 2023	December 31, 2022
Inventory of raw materials and components at the beginning of the year	1,606.3	1,921.4
Add: Purchases during the year	17,123.3	21,363.9
Less: Inventory of raw materials and components at the end of the year	(1,527.4)	(1,606.3)
	17,202.2	**21,679.0**

NOTE 36: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	December 31, 2023	December 31, 2022
Inventories at the end of the year		
Work-in-progress	325.0	357.1
Finished goods	573.7	706.5
	898.7	**1,063.6**
Inventories at the beginning of the year		
Work-in-progress	357.1	413.4
Finished goods	706.5	808.6
	1,063.6	**1,222.0**
Net change in inventories	**164.9**	**158.4**

NOTE 37: EMPLOYEE BENEFIT EXPENSE

Particulars	December 31, 2023	December 31, 2022
Salaries, wages and bonus	2,212.7	2,206.4
Contribution to provident and other funds (Refer Note 45)	113.1	116.1
Defined benefit plan expense (Refer Note 45)	49.5	31.5
Staff welfare expense	160.3	170.1
Group share purchase arrangement (Refer Note 46)	19.1	11.8
	2,554.7	**2,535.9**

(All amounts ₹ in Million, unless otherwise stated)

NOTE 38: FINANCE COSTS

Particulars	December 31, 2023	December 31, 2022
Interest		
- To Banks	88.0	133.0
- To Others	144.9	140.2
- On Taxes	24.2	-
- On Lease liabilities	35.8	38.7
Other borrowing cost - Corporate guarantee commission	2.2	3.8
Net Interest on net defined benefit liability (Refer Note 45)	10.1	7.1
	305.2	**322.8**

NOTE 39: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	December 31, 2023	December 31, 2022
Depreciation of property, plant and equipment (Refer Note 4)	404.1	745.8
Depreciation of Right-of-use assets (Refer Note 4 c)	56.8	69.3
Amortisation of Intangible assets (Refer Note 5)	30.6	45.4
	491.5	**860.5**

NOTE 40: OTHER EXPENSES

Particulars	December 31, 2023	December 31, 2022
Consumption of stores and consumables	141.8	168.1
Power and fuel	876.4	908.2
Repairs to building	23.3	44.5
Repairs to machinery	302.3	388.4
Other repairs	66.5	61.1
Sub-contracting expenses	74.4	90.3
Contract labour costs	240.1	297.2
Insurance	80.6	73.6
Rent (Refer Note 44 B)	19.0	26.2
Rates and taxes	83.4	40.4
Travelling and conveyance	75.3	77.2
Legal and professional charges	127.8	101.1
Commission - Directors (Refer Note 47)	8.6	8.0
Communication costs	25.8	22.1
Payments to auditors (Refer Note a)	23.4	23.0
Printing and stationery	14.8	18.8
Cost for centralised services (Refer Note 47)	469.6	261.7
Software expenses including cost for information technology services (Refer Note 47)	163.6	231.1
Commission on sales	58.6	67.0
Freight and forwarding expenses	398.9	604.6
Corporate social responsibility expenses (Refer Note b)	22.7	20.8
Property, plant and equipment written-off	4.0	3.2
Bank charges	6.6	6.7
Charge of impairment loss on trade receivables	(23.4)	0.6
Bad debts written-off	60.5	9.6
Loss on financial instruments at fair value through Profit or Loss	-	25.8
Miscellaneous expenses	280.9	306.3
	3,625.5	**3,885.6**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

a) Payments to the auditor:

Particulars	December 31, 2023	December 31, 2022
As auditor		
Statutory audit fees	16.4	16.1
Others		
Fees for other audit related services	3.0	3.0
Fees for certification	-	-
Reimbursement of out-of-pocket expenses	4.0	3.9
	23.4	**23.0**

b) Details of CSR expenditure:

The CSR activities of the Company includes any or all of the sectors/activities as prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. The Company periodically reviews the sectors/activities relating to the CSR expenditure and if necessary makes changes to those sectors/activities.

The Company has incurred and paid ₹22.7 Million (Previous Year: ₹20.8 Million) towards Corporate Social Responsibility activities. Further, no amount has been spent on construction/acquisition of an asset of the Company.

Particulars	December 31, 2023	December 31, 2022
(i) Construction/acquisition of any asset	-	-
(ii) For purpose other than (i) above	22.7	20.8
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	Not Applicable	Not Applicable
Total	**22.7**	**20.8**

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year 2023 is ₹10.9 Million (Previous Year: ₹20.2 Million) i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

(vi) Nature of CSR activities include

- Promotion of healthcare activities which include providing covid care equipments, protection kit to frontline worker, sanitation system to houses, toilet modification, safe drinking water, oxygen concentrators, distribution of battery operated hand sprayers and hydrochloride liquid, supply of medical oxygen cylinders and pipelines, free vaccination camps.
- Promotion of Education activities which include making library setup, school building repairs, distribution of school bags, shoes.
- Environment sustainability activities which include green cover through plantation.
- Communication and societal development which include distribution of Ration bags.

(vii) Above includes a contribution of ₹21.2 Million (2022: ₹20.2 Million) to Huhtamaki Foundation which is a Trust registered under Maharashtra Public Trust Act, 1950. The primary Objective of the Trust is to work in the area of environmental sustainability and recyclability. The Actual payment towards CSR spend done during the current year is ₹14.6 Million (2022: ₹10.6 Million) of which contribution made to Huhtamaki Foundation trust is ₹13.0 Million (2022: ₹10.0 Million).

(viii) The Company does not wish to carry forward excess amount of ₹11.8 Million spent during earlier years (previous year: ₹0.6 Million) against amount required to be spent under Section 135 of the Companies Act, 2013 for the year 2023 is ₹10.9 Million (Previous Year: ₹20.2 Million).

(ix) The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

(All amounts ₹ in Million, unless otherwise stated)

NOTE 41: EXCEPTIONAL ITEM

Particulars	December 31, 2023	December 31, 2022
Profit on disposal of assets held for sale (Refer Note 20)	4,086.9	
Total exceptional income (A)	**4,086.9**	**-**
Consolidation of plants (Refer Note a)	(21.4)	-
VRS (Refer Note b)	(341.0)	-
Others (Refer Note c)	(29.2)	
Total exceptional expenditure (B)	**(391.6)**	**-**
Exceptional items (net) (A+B)	**3,695.3**	**-**

a) With the objective to achieve economies of scale, optimise production processes and reduce overall operating expenses, the Company, during the previous quarter ended June 30, 2023, relocated its Labels manufacturing capacities at three sites to other existing Label manufacturing sites. Pursuant thereto, the Company has charged accelerated depreciation of ₹12.8 Million in respect of property plant and equipment that are not useable at other locations. Further, the Company has paid ₹6.6 Million towards settlement package for the employees in the above three locations and disposal cost of ₹2.0 Million. The aforementioned expenses, which aggregate to ₹21.4 Million have been disclosed as an "Exceptional Item".

b) Consequent to circular resolution dated October 31, 2023, the Company announced a Voluntary Retirement Scheme (VRS) for its eligible employees at the Hyderabad plant and approved by the Board of Directors of the Company on the same date. In response to the scheme, 93 employees opted for the VRS which involved a pay-out cost of ₹287.5 Million. Also the Company rolled out a Voluntary Retirement Scheme (VRS) for certain category of its employees working at its Khopoli Plant. Pursuant thereto, 39 employees opted for Voluntary Retirement involving a pay-out of approximately ₹53.5 Million to the employees. The results for the year ended December 31, 2023 include the impact of the VRS schemes and same has been disclosed as "Exceptional Item".

c) The Company has stopped production at the Hyderabad plant with no material impact to the business and the Company has charged accelerated depreciation of ₹29.2 Million in respect of property plant and equipment that are not useable at other locations.

NOTE 42: RESEARCH AND DEVELOPMENT EXPENSES

Particulars	December 31, 2023	December 31, 2022
The details of expenses incurred on in-house research and development activities during the year as certified by the management are as follows :		
Total Revenue expenditure*	15.0	12.1
Total Research and development expenses	**15.0**	**12.1**

* Revenue Expenditure of ₹15.0 Million has been grouped under various expense heads of the Financial Statements (December 31, 2022: ₹12.1 Million).

NOTE 43: EARNINGS PER SHARE (EPS)

Particulars	December 31, 2023	December 31, 2022
Profit after tax including exceptional item (at ₹ Million)	4,096.3	496.4
Profit after tax excluding exceptional item (at ₹ Million)	401.0	496.4
Tax on exceptional item (at ₹ Million)	827.6	-
Profit after tax excluding exceptional item and tax thereon (at ₹ Million)	1,228.6	496.4
Weighted average number of equity shares (Nos.) *	75,521,934	75,521,934
Basic and diluted earnings per equity share including exceptional item (in ₹)	54.24	6.57
Basic and diluted earnings per equity share excluding exceptional Item (in ₹)	16.27	6.57
Nominal value of share (in ₹)	2.0	2.0

* Closing balance of equity share is equal to weighted average equity shares.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

NOTE 44: CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent Liabilities

Claims against the Company not acknowledged as debts

Particulars	December 31, 2023	December 31, 2022
a) Excise duty		
Matters in appeal – Duty	90.4	116.4
Matters in appeal – Penalties	89.2	113.8
Show cause notices – Duty	-	0.8
Interest	-	0.6
b) Service tax		
Matters in appeal – Tax	42.4	38.4
Matters in appeal – Penalties	7.6	8.2
Show cause notices – Duty	-	4.9
c) Customs duty		
Matters in appeal – Duty	0.6	0.1
Matters in appeal – Penalties	2.1	2.1
Show cause notices – Custom	-	0.8
d) GST		
Matters in appeal – Tax	0.5	0.2
Matters in appeal – Penalties	2.3	2.2
Show cause notices – GST	-	0.1
e) Income tax demands in appeal	11.3	16.7
f) Sales tax demands in appeal	6.3	7.3
g)) Others	7.2	7.2

Notes:

i. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

ii. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

iii. In February 2019, the Honourable Supreme Court of India in its judgement opined on the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and therefore has currently not considered any probable obligations for past periods.

B. Commitments

i. Lease commitments

Rent expenses incurred on short-term lease commitment for the years ₹19.0 Million (December 31, 2022: ₹26.2 Million).

Lease Commitments are the future cash out flows from the lease contracts on an undiscounted basis which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets and leases with term less than twelve months.

Future lease commitments in respect of non-cancellable operating leases are as follows:-

Particulars	December 31, 2023	December 31, 2022
Not later than one year	7.3	3.7
Later than one year and not later than five years	-	-
Later than five years	-	-

(All amounts ₹ in Million, unless otherwise stated)

ii. Capital commitments

Particulars	December 31, 2023	December 31, 2022
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	231.0	452.1

iii. Export obligation

Particulars	December 31, 2023	December 31, 2022
Customs duty on Capital goods imported under Export Promotion Capital Goods Scheme, against which export obligation is to be fulfilled (Refer Note below)	3,055.7	1,784.0

Note: Out of the total export obligation of ₹3,055.7 Million, (December 31, 2022 ₹1,784.0 Million) the Company has completed exports obligation of ₹88.7 Million.(December 31, 2022 ₹812.8 Million). However, the Export obligation discharge certificate is awaited.

iv. The Company had entered into Lease-cum-Sale Agreement with Karnataka Industrial Area Development Board ("KIADB") on October 29, 2010. As per this agreement land of 40,473 sq mtr was allotted to the Company. The Company was required to complete civil constructions works, erect machineries and commence production within 24 months from the date of October 14, 2010 ensuring minimum 50% utilisation of land for manufacturing of flexible packaging material.

The Company had applied for extension of deadline from time to time and paid the fees to concerned authorities. All payment including charges for delay has been paid and or provided and last extension application filed by the Company has been approved by KIADB and extension of two years have been granted (up to February 2025). The Board of the Company has approved capital expenditure plan which will ensure the compliance of minimum utilisation of land specified in this agreement.

NOTE 45: EMPLOYEE BENEFIT PLAN

I. Defined benefit plans

Description of the plan

The Company has a defined benefit gratuity plan (funded). Gratuity is payable to all eligible employees of the Company on superannuation, death and resignation, in terms of the provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial.

Governance

The Fund is in the form of a Company managed Trust (Refer Note 47). The Trustees of the Trust are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Investment strategy

The Company's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plans expose the Company to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk. The Company has allocated assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Company of the benefits provided.

A. Balance sheet

The assets, liabilities and surplus/(deficit) position of the defined benefit plan at the Balance Sheet date were:

Particulars	December 31, 2023	December 31, 2022
Present value of obligation	380.4	411.3
Fair value of plan assets	331.3	307.0
(Asset)/Liability recognised in Balance sheet	**49.1**	**104.3**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

B. Movements in present value of obligation and fair value of plan assets

Particulars	Gratuity		
	Plan Obligation	Plan Assets	Total
As at December 31, 2021	**395.3**	**293.7**	**101.6**
Current service cost	31.5	-	31.5
Interest cost	27.7	-	27.7
Return on Plan Assets	-	20.6	(20.6)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(22.6)	-	(22.6)
Actuarial (gain)/loss arising from experience adjustments	23.7	(7.3)	31.0
Employer contributions	-	44.0	(44.0)
Benefits Paid	(44.3)	(44.0)	(0.3)
As at December 31, 2022	**411.3**	**307.0**	**104.3**
Current service cost	49.5	-	49.5
Interest cost	48.3	-	48.3
Return on Plan Assets	-	38.2	(38.2)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	0.8	-	0.8
Actuarial (gain)/loss arising from experience adjustments	(16.7)	(13.9)	(2.8)
Employer contributions	-	112.3	(112.3)
Benefits Paid	(112.8)	(112.3)	(0.5)
As at December 31, 2023	**380.4**	**331.3**	**49.1**

C. Statement of Profit and loss

Particulars	Gratuity	
	December 31, 2023	December 31, 2022
Current service cost	49.5	31.5
Finance cost		
Interest cost	48.3	27.7
Interest income	(38.2)	(20.6)
Net impact on profit (before tax)	**59.6**	**38.6**
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	0.8	(22.6)
Actuarial (gain)/loss arising from experience adjustments	(2.8)	31.0
Net impact on total comprehensive income (before tax)	**57.6**	**47.0**

D. Assets

Particulars	Gratuity	
	December 31, 2023	December 31, 2022
The fair value of plan assets at the Balance sheet date for the defined benefit plan is as follows:		
Investment value in Unit Linked Plans	237.9	218.7
Investment value in Non-unit Linked Plans	56.4	52.5
Investment value in Special Deposit Scheme of Bank of Baroda	11.3	11.8
Insurer managed funds	25.7	24.0
Total	**331.3**	**307.0**

The Plan does not invest directly in any property occupied by the Company or any financial securities issued by the Company.

E. Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

(All amounts ₹ in Million, unless otherwise stated)

Particulars	December 31, 2023	December 31, 2022
Expected return on plan assets	7.5%	7.6%
Discount rate	7.5%	7.6%
Future salary increases	6.0%	6.0%
Average expected future service	14 years	14 years

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

F. Demographic assumptions

Mortality in Service: Indian Assured Lives Mortality 2012-14 (Urban)

Attrition rate:

Service Specific	December 31, 2023	December 31, 2022
0- 2 years	20.5%	20.5%
3- 4 years	18.5%	18.5%
5- 9 years	5.5%	5.5%
10 years and above	2.0%	2.0%

G. Sensitivity analysis

A quantitative sensitivity analysis for significant assumption as at December 31, 2023 is as shown below:

Assumptions	Discount rate		Future salary increase		Employee turnover	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligation	(35.8)	41.9	42.2	(36.5)	5.2	(5.6)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

H. Expected Employer Contribution for the next year is ₹32.3 Million (December 31, 2022: ₹76.9 Million).

I. The average duration of the defined benefit obligation at the end of reporting period is 12 years (December 31, 2022: 11 years).

J. Gratuity is a defined benefit plan and entity is exposed to the following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset liability matching risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

II. Defined contribution plans

The Company's contribution for Provident Fund, employees' state insurance, labour welfare fund, superannuation scheme etc. a aggregating ₹111.2 Million (2022: ₹113.1 Million) has been recognised in the Profit or Loss under the head 'Employee Benefits Expense'.

III. Compensated absences (Long-term employment benefit)

The liability towards compensated absences for the year ended December 31, 2023 based on actuarial valuation carried out by an independent Actuary using Projected Accrued Benefit Method aggregating to ₹141.7 Million (December 31, 2022: ₹142.1 Million). Principal assumptions are in line with those used for Gratuity, as applicable.

IV. Service award:

The Company recognises and celebrates those employees who have invested in building a long-term relationship under common service award policy for specified group of employees of specific locations of the Company. The liability towards service awards for the year ended December 31, 2023 based on actuarial valuation carried out by an independent actuary resulted in liability of ₹13.5 Million (December 31, 2022: ₹13.6 Million).

V. Pension:

The liability towards pension for the year ended December 31, 2023 based on actuarial valuation carried out by an independent Actuary using Projected unit credit Method aggregating to ₹0.7 Million (December 31, 2022: ₹0.8 Million). Principal assumptions are in line with those used for Gratuity, as applicable.

Particulars	
As at January 1, 2021	**1.1**
Less: Pension payment during the year	(0.2)
As at December 31, 2021	**0.9**
Less: Pension payment during the year	(0.1)
As at December 31, 2022	**0.8**
Less: Pension payment during the year	(0.1)
As at December 31, 2023	**0.7**

NOTE 46: SHARE-BASED PAYMENTS

a) Performance share plans

On March 12, 2010 the Board of Directors of the Parent Company decided on establishing a Performance Share Arrangement to form a part of the long-term incentive and retention programme for the key personnel of the Parent Company and its subsidiaries. The Performance Share Arrangement offers a possibility to earn the Parent Company shares as remuneration for achieving established targets. The arrangement includes annually commencing three-year performance share plans. A possible reward shall be paid during the calendar year following each three-year plan. Commencement of each three-year plan will be separately decided by the Board of Directors of Parent Company.

Participants to the plan shall hold at least 50% of the shares received until he/she holds shares received from the Performance Share Plans corresponding in aggregate to the value of his/her 6 months base salary. The aforementioned ownership requirements apply until termination of employment or service.

Restricted share plan 2021–2023

The Restricted Share Plan 2021–2023 commenced in year 2021 and the possible reward will be based on continuous employment. The reward, if any, will be paid during 2024.

Restricted share plan 2022–2024

The Restricted Share Plan 2022–2024 commenced in year 2022 and the possible reward will be based on continuous employment. The reward, if any, will be paid during 2025.

Performance share plan 2023–2025

The Performance Share Plan 2023–2025 commenced in year 2023 and the possible reward will be based on the Group's Earnings Per Share (EPS) in 2025. The reward, if any, will be paid during 2026.

(All amounts ₹ in Million, unless otherwise stated)

Performance share plan 2022–2024

The Performance Share Plan 2022–2024 commenced in year 2022 and the possible reward will be based on the Group's Earnings Per Share (EPS) in 2024. The reward, if any, will be paid during 2025.

Performance share plan 2021–2023

The Performance Share Plan 2021–2023 commenced in year 2021 and the possible reward will be based on the Group's Earnings Per Share (EPS) in 2023. The reward, if any, will be paid during 2024.

Performance share plan 2020–2022

The Performance Share Plan 2020–2022 commenced in year 2020 and the possible reward will be based on the Group's Earnings Per Share (EPS) in 2022. The reward, if any, will be paid during 2023.

Performance share plan 2019–2021

The Performance Share Plan 2019–2021 commenced in year 2019 and the possible reward will be based on the Group's Earnings Per Share (EPS) in 2021 and since employees holding shares resigned during the year 2021, the shares were forfeited.

In the previous year ended December 31, 2022, the Company had recognised employee stock option costs using equity method. During the current year, Huhtamaki Oyj recharged the Company the cost of acquiring such shares for settlement to the employees. Consequent to this, the Company has recognised the compensation cost for ESOP plans vested during the year and to be vested as liability of ₹19.1 Million. As at December 31, 2023, an amount of ₹31.1 Million continues to be recognised as liability (including ₹16.8 Million transferred from Share Options Outstanding Account as at January 1, 2023) payable to Huhtamaki Oyj.

Details of shares granted under various plans

Particulars	Performance share plan				Restricted share plan	
	20-22 Plan	21-23 Plan	22-24 Plan	23-25 Plan	21-23 Plan	22-24 Plan
Maximum number of shares eligible	20,500	10,000	12,000	11,000	1,000	1,000
Outstanding as at January 1, 2022	**3,000**	**4,000**	**-**	**-**	**-**	**-**
Granted during the year	1,000	4,000	12,000	-	-	-
Forfeited during the year	1,000	1,000	1,000	-	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding as at December 31, 2022	**3,000**	**7,000**	**11,000**	**-**	**-**	**-**
Granted during the year	-	-	-	11,000	1,000	1,000
Forfeited during the year	1,902	-	-	-	-	-
Exercised during the year	1,098	-	-	-	-	-
Outstanding as at December 31, 2023	**-**	**7,000**	**11,000**	**11,000**	**1,000**	**1,000**
Vesting period	3 years	2.6 years	2.7 years	2.6 years	0.7 years	1.7 years
Grant date	01/01/2020	14/05/2021	31/05/2022	31/05/2023	26/05/2023	26/05/2023
Exercise price	Nil	Nil	Nil	Nil	Nil	Nil
Fair value on the date of grant (in Euro)	41.73	39.18	35.86	30.58	30.58	30.58
Fair value on the date of grant (in ₹) as on December 31, 2023	**3,532.6**	**3,316.8**	**3,035.7**	**2,588.7**	**2,588.7**	**2,588.7**
Fair value on the date of grant (in ₹) as on December 31, 2022	3,532.6	3,316.8	3,035.7	-	-	-

There have been no cancellations or modification to the plans.

b) The expense recognised for employee services during the year is shown in the following table:

Particulars	December 31, 2023	December 31, 2022
Equity settled performance share plans	19.1	11.8

c) Details of Liabilities/Equity arising from Company's cash settled and equity settled share-based payment transactions respectively:

Particulars	December 31, 2023	December 31, 2022
Opening Balance – Other Equity – Equity settled	62.7	50.9
Add: Expense recognised during the year	-	11.8
Less: Balance in share options outstanding account transferred to trade payable	(16.8)	-
Closing Balance – Other Equity – Equity settled	45.9	62.7

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

NOTE 47: RELATED PARTY TRANSACTIONS

a) Enterprises exercising control

Ultimate Parent Company	Huhtamaki Oyj., Finland
Holding Company	Huhtavefa B.V., Netherlands

b) Other Related Parties with whom transactions have taken place during the year:

Fellow Subsidiaries
- Huhtamaki Australia Ltd., Australia
- Huhtamaki B.V.
- Huhtamaki Foodservice Packaging India Pvt. Ltd., India
- Huhtamaki (Thailand) Ltd., Thailand
- Huhtamaki Flexible Packaging Middle East LLC, United Arab Emirates
- Positive Packaging United (M.E.) FZCO, United Arab Emirates
- Huhtamaki Flexible Packaging South Africa (Pty.) Limited, South Africa
- Huhtamaki Flexible Packaging Kenya Limited, Kenya
- Huhtamaki Mexicana S.A. De C.V., Mexico
- Huhtamaki (UK) Ltd, United Kingdom
- Huhtamaki Flexible Packaging Egypt LLC, Egypt
- Huhtamaki Finance Company V B.V., Netherlands
- Huhtamaki BCP Ltd., United Kingdom
- Huhtamaki Flexible Packaging Germany GMBH & Co. KG, Germany
- Huhtamaki Philippines Inc., Philippines
- Huhtamaki Singapore Pte. Ltd.
- Elif Plastik Ambalaj San.Ve Tic.A.S.
- Huhtamaki Flexible Packaging Czech A.S.
- Huhtamaki AG
- Huhtamaki (Vietnam) Ltd.

c) Key Managerial Personnel

Mr. Murali Sivaraman, Non-executive Independent Chairman
Mr. Dhananjay Salunkhe, Managing Director w.e.f. August 11, 2022
Mr. Jagdish Agarwal, Chief Financial Officer w.e.f. January 5, 2022 and Executive Director & Chief Financial Officer w.e.f. May 26, 2022

Non-executive Independent Directors
Ms. Seema Modi
Mr. Ashok Kumar Barat
Non-executive Directors
Mr. Sami Pauni
Mr. Marco Hilty
Mr. Stefan Lotz w.e.f. February 18, 2022

d) Post Employment Benefit Plans

Huhtamaki PPL Limited Employees Gratuity Fund Trust
Positive Packaging Industries Limited Employees Group Gratuity Assurance Scheme

e) Details of transactions with related parties that have taken place during the year:

	Particulars	December 31, 2023	December 31, 2022
1.	**Ultimate Parent Company**		
	- Huhtamaki Oyj., Finland		
a)	Software and Expense Reimbursements Charge	133.9	115.1
b)	Cost for Information Technology Services	41.1	117.0
c)	Cost for Centralised Services	469.6	261.7
d)	Expense Reimbursements - Charge	17.6	36.8
e)	Expense Reimbursements - Recovery	2.8	18.0
f)	Sale of Services	158.4	119.3
g)	Guarantee Fee	2.2	3.8
h)	Due to Ultimate Parent Company	593.3	532.6
i)	Due from Ultimate Parent Company	55.0	39.2

^ The Company has entered into a Licence Agreement and a Service Agreement with Huhtamaki Oyj for payment of royalty towards use of Trademark and receiving centralised services, respectively w.e.f. September 1, 2019. These costs are computed based on arms' length principles and is subject to Advance Pricing Agreement with the appropriate tax authorities. However, during the current year and previous year, there is no royalty payable as per the terms of the agreement.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

Particulars		December 31, 2023	December 31, 2022
2.	**Holding Company**		
	Dividend Paid		
	- Huhtavefa B.V., Netherlands	102.3	51.2
3.	**Fellow Subsidiaries**		
	Interest accrued on ECB		
	- Huhtamaki Finance Company V B.V.	130.0	130.0
	Sale of Goods and Services		
	- Huhtamaki Australia Ltd.	43.8	44.0
	- Huhtamaki BCP Ltd.	43.8	58.5
	- Huhtamaki Flexible Packaging South Africa (Pty) Limited	900.6	862.7
	- Positive Packaging United (M.E.) FZCO	0.0	1.9
	- Huhtamaki Flexible Packaging Middle East LLC.	24.3	22.4
	- Huhtamaki Flexible Packaging Germany GmbH & Co. KG.	0.9	1.5
	- Huhtamaki Mexicana S.A. De C.V.	256.7	326.2
	- Huhtamaki Thailand	152.6	147.6
	- Huhtamaki Foodservice Packaging India Pvt. Ltd.	-	0.2
	- Huhtamaki Flexible Packaging Egypt LLC	-	104.3
	- Huhtamaki Philippines Inc.	213.6	175.6
	- Huhtamaki B.V.	2.4	5.2
	- Huhtamaki Flexible Packaging Kenya Limited	-	0.0
	- Elif Plastik Ambalaj San.Ve Tic.A.S.	4.9	0.3
	- Huhtamaki Flexible Packaging Czech A.S.	-	0.2
	- Huhtamaki AG	83.7	-
	- Huhtamaki (Vietnam) Ltd.	0.1	-
	Commission Expenses on Sales		
	- Huhtamaki Flexible Packaging South Africa (Pty.) Limited	-	0.1
	- Huhtamaki Flexible Packaging Kenya Ltd.	0.2	0.9
	Purchase of Goods		
	- Huhtamaki BCP Ltd.	-	4.3
	- Huhtamaki Flexible Packaging Germany GmbH & Co. KG.	2.0	42.7
	- Huhtamaki B.V.	0.3	0.8
	- Elif Plastik Ambalaj San.Ve Tic.A.S.	34.9	-
	- Huhtamaki AG	1.3	-
	Expense Reimbursements - Recovery		
	- Positive Packaging United (M.E.) FZCO	-	0.5
	- Huhtamaki Flexible Packaging Germany GMBH & Co. KG.	1.1	-
	- Huhtamaki Singapore Pte Ltd	2.0	-
	Expense Reimbursements - Charge		
	- Huhtamaki Mexicana S.A. De C.V.	7.0	5.8
	- Huhtamaki Foodservice Packaging India Pvt. Ltd.	1.4	1.4
	- Huhtamaki Flexible Packaging Kenya Ltd.	-	-
	- Huhtamaki Flexible Packaging Germany GMBH & Co. KG	-	0.9
	Balances due to		
	- Huhtamaki Finance Company V B.V.	2,029.5	2,029.5
	- Huhtamaki Flexible Packaging Kenya Limited	-	0.2
	- Huhtamaki Mexicana S.A. De C.V.	1.7	1.7
	- Huhtamaki Flexible Packaging South Africa (Pty) Limited	-	1.9
	- Huhtamaki B.V.	0.1	-
	- Huhtamaki BCP Ltd.	0.1	0.1
	- Huhtamaki Foodservice Packaging India Pvt. Ltd.	-	0.3
	- Huhtamaki Philippines Inc.	2.9	-
	- Elif Plastik Ambalaj San. VE Tic.A.S.	14.1	-
	- Huhtamaki AG	0.3	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

Particulars	December 31, 2023	December 31, 2022
Balances due from		
- Huhtamaki Australia Ltd.	17.0	10.7
- Elif Plastik Ambalaj San. VE Tic.A.S.	-	0.1
- Huhtamaki B.V.	2.1	3.3
- Huhtamaki BCP Ltd.	-	15.9
- Huhtamaki Flexible Packaging South Africa (Pty) Limited	189.8	187.6
- Huhtamaki (Thailand) Ltd.	13.6	-
- Huhtamaki Flexible Packaging Middle East LLC	6.8	-
- Huhtamaki Mexicana S.A. De C.V.	124.0	233.6
- Huhtamaki Flexible Packaging Egypt LLC	-	58.1
- Huhtamaki Philippines Inc.	-	26.1
- Huhtamaki Flexible Packaging Czech A.S.	-	0.2
- Huhtamaki Foodservice Packaging India Pvt. Ltd.	-	0.3
- Huhtamaki AG	61.3	-
- Huhtamaki (Vietnam) Ltd.	0.1	-

4. Huhtamaki Oyj has given a Corporate Guarantee to Standard Chartered Bank as security in respect of Fund and Non-fund based facilities of ₹1,026.5 Million availed by the Company. (December 31, 2022: ₹1,026.5 Million)

5. Huhtamaki Oyj has given a Corporate Guarantee to JP Morgan as security in respect of Fund based facilities of ₹1,500.0 Million availed by the Company. (December 31, 2022: ₹1,500.0 Million)

6. Huhtamaki Oyj has given a Corporate Guarantee to Kotak Mahindra Bank as security in respect of Fund and Non-fund based facilities of ₹500.0 Million availed by the Company. (December 31, 2022: ₹500.0 Million)

Particulars		December 31, 2023	December 31, 2022
7.	**Details of Contribution to Post Employment Benefit Plans**		
	- Huhtamaki PPL Limited Employees Gratuity Fund Trust	81.9	27.2
	- Positive Packaging Industries Limited Employees Group Gratuity Assurance Scheme	30.5	16.8
8.	**Compensation of Key Management Personnel**		
	Short-term Employee Benefits	48.8	29.7
	Post-Employment Benefits	2.0	1.2
	Share-Based Payment Transactions **	23.0	10.0
	Sitting fees to Independent Directors	4.6	4.9
	Commission to Independent Directors***	8.6	8.0
	Total Compensation Paid to Key Management Personnel	**87.0**	**53.8**

** Key managerial personnel are eligible for share-based payments of the Ultimate Holding Company.

*** Amount of commission remains outstanding as on December 31, each year.

9. Terms and Conditions:

i) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.

ii) All related party transactions entered during the year were in ordinary course of business and on arms length basis, which has been approved by the Audit Committee.

iii) The Company has not recorded any impairment of receivables related to amounts owed by related parties.

NOTE 48: SEGMENT INFORMATION

Based on the guiding principles given in IND AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely Consumer Packaging. Accordingly, disclosure requirements of IND AS 108 are not applicable.

i. Revenue from Geographic Segments

Particulars	December 31, 2023	December 31, 2022
India	17,356.4	21,099.9
Outside India	7,456.8	8,065.1
Total	**24,813.2**	**29,165.0**

(All amounts ₹ in Million, unless otherwise stated)

The Company's business in South Africa and United Kingdom represented 18.6% and 13.0% respectively, (December 31, 2022: South Africa and United Kingdom represented 15.3% and 12.1% respectively), of its net revenues during the year ended December 31, 2023. No other country individually comprised 10% or more of the Company's net revenues during these periods.

ii. Entire Non-current Assets of the Company are situated in India

iii. Major customer

Revenue from a major customer of the Company is ₹2,213.6 Million (December 31,2022: ₹3,189.4 Million) which is 8.9% (December 31, 2022: 11.1% of the Company's total revenue.

NOTE 49: FINANCIAL INSTRUMENTS

A. Accounting classifications and fair values

The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	Note No.	As at December 31, 2023		As at December 31, 2022	
		Carrying values	Fair values	Carrying values	Fair values
Financial assets measured at amortised cost					
i. Trade receivables	14	5,510.0	5,510.0	6,587.0	6,587.0
ii. Cash and cash equivalents	15	1,444.8	1,444.8	425.3	425.3
iii. Bank balances other than cash and cash equivalents	16	1,675.6	1,675.6	6.5	6.5
iv. Loans (Current and Non-current)	7 and 17	7.8	7.8	9.0	9.0
v. Other Financial assets (Current and Non-current)	8 and 18	158.1	158.1	140.1	140.1
Financial assets measured at fair value through profit and loss					
i. Current investments	13	797.3	797.3	-	-
ii. Other Financial assets - Derivative assets (Current)	18	10.4	10.4	-	-
Financial liabilities measured at amortised cost					
i. Term Loan	23	-	-	-	-
ii. Working capital demand loan	27	-	-	900.0	900.0
iii. Sales tax deferral loans (Current and Non-current)	23	-	-	-	-
iv. External commercial borrowings	23	2,000.0	2,000.0	2,000.0	2,000.0
v. Commercial paper	27	-	-	343.7	343.7
vi. Cash credit	27	-	-	387.2	387.2
vii. Interest accrued but not due on borrowing	27	29.5	29.5	30.6	30.6
viii. Lease Liabilities (Current and Non-current)	24 and 29	516.2	516.2	436.0	436.0
ix. Other financial liabilities (Current and Non-current)	24 and 29	339.7	339.7	243.1	243.1
x. Other financial liabilities - Derivative liability (Current)	29	-	-	30.6	30.6
xi. Trade payable	28	4,674.8	4,674.8	4,779.5	4,779.5

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, Loans, Other Financial Assets, Trade Payables, Other Financial Liabilities at carrying value since, their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

B. Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended December 31, 2022.

Financial assets and liabilities measured at fair value as at Balance sheet date:

1. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance sheet date.

2. The fair values of the forward contracts used for expected future sale has been determined using forward pricing, which employ the use of market observable inputs (closing rates of foreign currency).

3. Derivatives are held to hedge the uncertainty in timing or amount of future forecast cash flows. Such derivatives are classified as being part of cash flow hedge relationships. For an effective hedge, gains and losses from changes in the fair

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

value of derivatives are recognised in other comprehensive income. Any ineffective elements of the hedge are recognised in the consolidated statement of profit and loss.

If the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the consolidated statement of profit and loss at the same time as the related cash flow. When a derivative no longer qualifies for hedge accounting, any cumulative gain or loss remains in equity until the related cash flow occurs. When the cash flow takes place, the cumulative gain or loss is taken to the consolidated statement of profit and loss. If the hedged cash flow is no longer expected to occur, the cumulative gain or loss is taken to the consolidated statement of profit and loss immediately.

4. Derivative financial instruments for which hedge accounting is not applied are initially recognised at fair value on the date on which a derivative contract is entered and are subsequently measured at FVTPL.

5. For financial liabilities that are measured at fair value under Level 3, the carrying amounts are equal to the fair values.

C. Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data

For assets and liabilities which are measured and disclosed at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

Quantitative disclosures for Fair value measurement hierarchy for assets/liabilities as at December 31, 2023

Particulars	Level 1	Level 2	Level 3	Total
Assets at Fair value				
Current Investments	797.3	-	-	797.3
Derivatives - Forward exchange contracts	-	10.4	-	10.4

Quantitative disclosures for Fair value measurement hierarchy for assets/liabilities as at December 31, 2022

Particulars	Level 1	Level 2	Level 3	Total
Liabilities for which fair value has been disclosed				
Derivatives - Forward exchange contracts	-	30.6	-	30.6

There have been no transfers between Level 1 and Level 2 during the period

NOTE 50: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, current investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor controls, periodically review changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of Directors and Audit Committee of the Company.

(All amounts ₹ in Million, unless otherwise stated)

A. Management of liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout most of the year ended December 31, 2023 and December 31, 2022. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in other highly marketable debt investments to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities. The Company has access to undrawn borrowing facilities from banks for ₹6,877.8 Million (Previous Year: ₹5,181.0 Million) as on December 31, 2023.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Particulars	Carrying amount	Undiscounted		
		Less than one year	More than one year	Total
As at December 31, 2023				
Financial assets				
Investments (Non-current)	0.0	-	0.0	0.0
Loans (Non-current)	3.1	-	3.1	3.1
Other financial assets (Non-current)	131.7	-	131.7	131.7
Investments (Current)	797.3	797.3	-	797.3
Trade receivables	5,510.0	5,510.0	-	5,510.0
Cash and equivalents	1,444.8	1,444.8	-	1,444.8
Bank balances other than cash and cash equivalents	1,675.6	1,675.6	-	1,675.6
Loans (Current)	4.7	4.7	-	4.7
Other financial assets (Current)	36.8	36.8	-	36.8
Total	**9,604.0**	**9,469.2**	**134.8**	**9,604.0**
Financial liabilities				
Borrowings (Long-term)	2,000.0	-	2,296.7	2,296.7
Lease liabilities (Non-current)	469.9	-	680.0	680.0
Other financial liabilities (Non-current)	9.3	-	9.3	9.3
Borrowings (Current)	29.5	29.5	-	29.5
Trade payables	4,674.8	4,674.8	-	4,674.8
Lease liabilities (Current)	46.3	46.3	-	46.3
Other financial liabilities (Current)	330.4	330.4	-	330.4
Total	**7,560.2**	**5,081.0**	**2,986.0**	**8,067.0**
As at December 31, 2022				
Financial assets				
Investments (Non-current)	0.0	-	0.0	0.0
Loans (Non-current)	0.6	-	0.6	0.6
Other financial assets (Non-current)	130.1	-	130.1	130.1
Trade receivables	6,587.0	6,587.0	-	6,587.0
Cash and cash equivalents	425.3	425.3	-	425.3
Bank balances other than cash and cash equivalents	6.5	6.5	-	6.5
Loans (Current)	8.4	8.4	-	8.4
Other financial assets (Current)	10.0	10.0	-	10.0
Total	**7,167.9**	**7,037.2**	**130.7**	**7,167.9**
Financial liabilities				
Borrowings (Long-term)	2,000.0	-	2,426.7	2,426.7
Lease liabilities (Non-current)	398.2	-	615.4	615.4
Other financial liabilities (Non-current)	5.4	-	5.4	5.4
Borrowings (Current)	1,661.5	1,661.5	-	1,661.5
Trade payables	4,779.5	4,779.5	-	4,779.5
Lease liabilities (Current)	37.8	37.8	-	37.8
Other financial liabilities (Current)	268.3	268.3	-	268.3
Total	**9,150.7**	**6,747.1**	**3,047.5**	**9,794.6**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

B. Management of market risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

1. Currency risk
2. Price risk
3. Interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

i. Currency risk

The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material and property, plant and equipment. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.

The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. The aim of the Company's approach to management of currency risk is to leave the Company with no material residual risk.

a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period is as follows:

Particulars	Currency	December 31, 2023	December 31, 2022
Derivative instruments outstanding			
Forward Exchange contracts for the foreign exchange exposures of receivables on account of export	USD	11.1	11.9
Forward Exchange contracts for the foreign exchange exposures of receivables on account of export	GBP	0.8	0.7
Forward Exchange contracts for the foreign exchange exposures of payable on account of Imports	EUR	6.4	4.6
Foreign exchange exposures			
On account of export of goods.	USD	21.1	23.5
	EUR	0.5	1.1
	GBP	1.6	2.5
	AED	0.0	1.1
	CAD	0.3	0.6
	ZAR	0.0	0.0
	JPY	-	0.0
On account of revenue imports and capital imports creditors.	USD	9.6	10.2
	EUR	7.4	6.5
	JPY	0.0	2.4
	GBP	-	0.0
	CAD	0.0	0.0
	CHF	0.0	0.0
Cash and bank balance in foreign currency	USD	5.9	3.5
	GBP	0.2	0.0
Derivatives taken to cover forecast exposures		-	-
Forward Exchange contracts taken for the forecast exports receivables on account of export of goods & services.	USD	8.0	14.0
Forward Exchange contracts taken for the forecast capital imports.	EUR	-	3.0

(All amounts ₹ in Million, unless otherwise stated)

Total unhedged exposure as on respective reporting dates:

Foreign Currency in Million

Particulars	December 31, 2023	December 31, 2022
Currency		
On account of receivables		
USD	6.3	4.9
GBP	1.0	1.8
AED	0.0	1.1
AUD	-	-
CAD	0.3	0.6
ZAR	0.0	0.0
On account of payables		
EUR	0.6	0.9
JPY	0.0	2.4
CHF	0.0	0.0

b) Sensitivity

The sensitivity of profit or loss to changes in exchange rates by 5% (holding all other variables constant) arises mainly from foreign currency denominated financial instruments.

Particulars	December 31, 2023		December 31, 2022	
	Increase in profit	Decrease in profit	Increase in profit	Decrease in profit
Currency				
USD	26.4	(26.4)	20.4	(20.4)
EUR	2.5	(2.5)	3.8	(3.8)
GBP	5.3	(5.3)	9.1	(9.1)
AED	0.0	(0.0)	1.2	(1.2)
AUD	-	-	-	-
CAD	0.9	(0.9)	1.7	(1.7)
JPY	0.0	(0.0)	0.1	(0.1)
CHF	0.0	(0.0)	0.1	(0.1)

The Company's exposure to foreign currency changes for all other currencies is not material.

c) Hedge accounting

The Company holds the following instruments to hedge exposures to changes in foreign currency

Foreign currency risk	Maturity analysis		
	1-6 months	6-12 months	More than 1 year
Foreign exchange forward contracts			
Net exposure (loss)/ gain (₹ Mn)	-	(4.9)	-
Average USD: ₹ forward contract rate	-	83.3	-
As at December 31, 2022			
Foreign exchange forward contracts			
Net exposure (loss)/ gain (₹ Mn)	-	6.7	-
Average USD: ₹ forward contract rate	83.8	84.5	-
As at December 31, 2023			

The amounts at the reporting date relating to items designated as hedged items are as follows:

Foreign currency risk	Change in value used for calculating hedge ineffectiveness	Effective portion of cash flow hedges	Costs of hedging	Balances remaining in equity head 'effective portion of cash flow hedges' from hedging relationships for which hedge accounting is no longer applied
December 31, 2022				
Foreign currency risk				
Highly probable forecast cash flows – receivable (USD) against ₹	(0.1)	(4.8)	-	-
December 31, 2023				
Foreign currency risk				
Highly probable forecast cash flows – receivable (USD) against ₹	(0.1)	1.9	-	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

Foreign currency risk		Carrying amount		During the year ended December 31, 2022		
	Nominal amount (USD in Million)	Assets	Liabilities	Changes in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Cost of hedging recognised in OCI
December 31, 2022						
USD - ₹	7.2	-	4.9	(4.8)	(0.1)	-
December 31, 2023						
USD - ₹	7.2	1.8	-	1.9	(0.1)	-

The following table provides reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

Particulars	Effective portion of cash flow hedges	Cost of hedging
Balance as at January 1, 2022		
Cash flow hedges		
Changes in fair value:		
Highly probable forecast cash flows – Trade receivables	(4.8)	-
Amount reclassified to profit or loss – Highly probable forecast cash flows – Trade receivables	-	-
Amount included in the cost of non-financial items	-	
Tax on movements in relevant items of OCI during the year	1.2	-
Tax on relevant items of OCI during the year reclassified to profit or loss	-	-
Balance as on December 31, 2022	**(3.6)**	**-**
Changes in fair value:		
Highly probable forecast cash flows – Trade receivables	17.7	-
Amount reclassified to profit or loss – Highly probable forecast cash flows – Trade receivables	(11.0)	-
Amount included in the cost of non-financial items	-	
Tax on movements in relevant items of OCI during the year	(4.5)	-
Tax on relevant items of OCI during the year reclassified to profit or loss	2.8	-
Balance as on December 31, 2023	**1.4**	-

ii) Price risk:

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds.

At December 31, 2023, the investments in debt mutual funds amounts to ₹797.3 Million (December 31, 2022: ₹ Nil). These are exposed to price risk.

A 1% increase in prices would have led to approximately an additional ₹7.96 Million gain in the Statement of Profit and Loss (2022: ₹ Nil gain). A 1% decrease in prices would have led to an equal but opposite effect.

iii) Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. To hedge interest rate risk, a mix of variable and fixed instruments is judiciously applied for financing the Company's requirement.

a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the year are as follows:

Particulars	December 31, 2023	December 31, 2022
Floating rate borrowings	-	387.2
Total borrowings	**-**	**387.2**

(All amounts ₹ in Million, unless otherwise stated)

b) Sensitivity

The sensitivity of profit or loss to changes in interest rates is as follows:-

Particulars	December 31, 2023	December 31, 2022
Interest rates increase by 100 basis points* – Decrease in Profit	-	(3.87)
Interest rates decrease by 100 basis points* – Increase in Profit	-	3.87

* Holding all other variables constant.

C) Management of credit risk

Trade receivables

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. Further majority of the Company's customers are Companies with strong financial stability. All trade receivables are reviewed and assessed for default on a quarterly basis, through detailed review with the business teams. A trade receivable without a significant financing component is initially measured at the transaction price.

Credit to be given to a customer is assessed based on credit quality of the customer and individual credit limits are defined in accordance with this assessment.

Our historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets.

Refer Note 3 Accounting policies – 3(d) on financial instruments

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, liquid mutual funds and derivative instrument. The Company has set counter-parties limits based on multiple factors including financial position, credit rating, etc. The Company's maximum exposure to credit risk as at December 31, 2023, December 31, 2022 is the carrying value of each class of financial assets.

There is no major change as compared to previous year w.r.t. to risk management and policies.

NOTE 51: ACCOUNTING RATIOS

No.	Name of Ratio	Numerator	Denominator	December 31, 2023	December 31, 2022	% Variance
1	Current ratio (in times)	Current assets	Current liabilities	2.2	1.4	53%
2	Debt - Equity ratio (in times)	Total debt	Equity	0.2	0.5	-64%
3	Debt Service coverage ratio (in times)	Earnings available for debt service	Total debt service	1.1	7.3	-85%
4	Return on equity (in %)	Net profit	Average shareholder equity	43.0%	6.7%	537%
5	Inventory turnover ratio (in times)	Sale of goods and services	Average inventory	8.7	9.0	-3%
6	Trade receivables turnover ratio (in times)	Sale of goods and services	Average accounts receivables	4.1	4.5	-9%
7	Trade payables turnover ratio (in times)	Net purchases and other expenses	Average trade payables	4.4	4.8	-9%
8	Net capital turnover ratio (in times)	Revenue from Operation	Working capital	3.8	9.9	-62%
9	Net profit ratio (in %)	Net profit	Revenue from operation	16.1%	1.7%	866%
10	Return on capital employed (in %)	Earning before interest and taxes	Capital employed	11.9%	7.9%	51%
11	Return on investment (in %)	Income earned on investment	Average investment for the period	5.5%	1.6%	244%

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

Reason for variation:

Current ratio (in times): The current ratio is healthier at 2.2 in current year as against 1.4 in previous year primarily due to reduction in current borrowings and increase in bank balance and investments.

Debt - Equity ratio (in times): Debt equity ratio is healthier at 0.2 in current year as against 0.5 in previous year primarily due to reduction in total borrowings.

Debt Service Coverage Ratio (times): The debt service coverage ratio is healthier at 1.1 in current year as against 7.3 in previous year primarily due to reduction in total borrowings.

Return on equity (%): Return on Equity in the current year has improved from 6.7% in previous year to 43.0% in current year on the base of higher profit and on account of exceptional item (Refer Note 41).

Net capital turnover ratio (in times): Net capital turnover ratio has reduced from 9.9 in previous year to 3.8 in current year due to reduction in revenue from operation and reduction in current borrowings and increase in bank balance and investments.

Net profit ratio (in %): The net profit margin (including exceptional items) has improved from 1.7% in the previous year to 16.1% in current year on the base of higher profit and on account of exceptional item (Refer Note 41).

Return on capital employed (in %): Return on capital employed has improved from 7.9% in the previous year to 11.9% in the current year on the base of higher profit for the year.

Return on investment (in %): Return on investment in current year has improved from 1.6% to 5.5% due to higher yield from investment.

Definitions:

(a) Earning for available for debt service = Profit before exceptional items and tax + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.

(b) Debt service = Interest & Lease Payments + Net Principal Repayments

(c) Average inventory = (Opening inventory balance + Closing inventory balance)/2

(d) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance)/2

(e) Average trade payables = (Opening trade payables balance + Closing trade payables balance)/2

(f) Working capital = Current assets – Current liabilities.

(g) Earning before interest and taxes = Profit before exceptional items and tax + Finance costs – Other Income

(h) Capital employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

(i) Return on investment = Income earned on Investment/Average investment for the period

NOTE 52: OTHER REGULATORY REQUIREMENT

a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(All amounts ₹ in Million, unless otherwise stated)

NOTE 53: CAPITAL MANAGEMENT

The Company's capital management objective is to ensure that a sound capital base is maintained to support long-term business growth and optimise shareholders value. Capital includes equity share capital and other equity reserves.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using the debt-equity ratio, which is net debt divided by total equity. Net debt is computed as the sum total of all outstanding balances of loans and borrowings net of cash and cash equivalents, bank balance other than cash and cash equivalents and investment in liquid mutual funds.

Particulars	December 31, 2023	December 31, 2022
Borrowings	2,029.5	3,661.5
Investments in liquid mutual funds	(797.3)	-
Cash and cash equivalents	(1,444.8)	(425.3)
Bank balance other than cash and cash equivalents	(1,675.6)	(6.5)
Net debt	**(1,888.2)**	**3,229.7**
Equity share capital	151.1	151.1
Other equity	11,353.5	7,418.5
Total equity	**11,504.6**	**7,569.6**
Debt - equity ratio	**(0.2)**	**0.4**

Debt equity ratio - Net debt divided by total equity

Total debt = Long-term borrowing + Short-term borrowing

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets the defined financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023 and December 31, 2022.

NOTE 54: DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

NOTE 55:

During the current and previous year, the Company has received whistle blowing complaints regarding possible irregularities and potential non-adherence to the Policies of the Company in certain locations, pursuant to which the Company undertook detailed and thorough reviews of these complaints, identified root causes and took corrective, remedial and preventive actions, basis which these matters are now closed. Basis these diligent investigations, the Management assessed and concluded that there are no material adverse findings and there is no material impact on the financial statements for the respective reporting periods. The Company is committed to upholding the highest standards of corporate governance and to strengthen the compliance and control environment wherever deemed necessary.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

(All amounts ₹ in Million, unless otherwise stated)

NOTE 56

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Registration of charges or satisfaction with Registrar of Companies

(d) Relating to borrowed funds:

  i. Wilful defaulter

  ii. Utilisation of borrowed funds & share premium

  iii. Borrowings obtained on the basis of security of current assets

  iv. Discrepancy in utilisation of borrowings

  v. Compliance with scheme of arrangement.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Huhtamaki India Limited
CIN - L21011MH1950FLC145537

Murali Sivaraman
Chairman
DIN: 01461231

Dhananjay Salunkhe
Managing Director
DIN: 09683886

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai
Date: February 6, 2024

Jagdish Agarwal
Executive Director & Chief Financial Officer
DIN: 09620815

D. V. Iyer
Company Secretary
Membership No. 13004

Mumbai
Date: February 6, 2024

NOTICE OF THE SEVENTY FOURTH ANNUAL GENERAL MEETING

Notice is hereby given that the 74th Annual General Meeting (AGM) of the Members of **Huhtamaki India Limited** will be held on **Thursday, May 9, 2024 at 2.30 p.m.** (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"). The venue of the meeting shall be deemed to be the registered office of the Company.

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended December 31, 2023, including the Balance Sheet as at December 31, 2023, the statement of Profit and Loss for the year ended on that date along with the reports of the Board of Directors and of Auditors thereon.

2. To declare dividend on equity shares for the financial year ended December 31, 2023.

3. To appoint a director in place of Mr. Stefan Lotz (DIN: 09511913), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year 2024.**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148(3) of Companies Act, 2013 and other applicable provisions, if any, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), the Company hereby ratifies the remuneration of ₹8,50,000/- (Rupees Eight lakhs fifty thousand only) (plus applicable taxes and out of pocket expenses, if any), as approved by the Board of Directors, payable to M/s. R. Nanabhoy & Co., Cost Accountants, for conducting audit of the cost records of the Company for year ending December 31, 2024".

5. **Payment of commission / remuneration to Independent Directors.**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V to the Act, and the rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, and further based on the recommendation of the Board of Directors, consent of the members be and is hereby accorded for payment of commission / remuneration to the Non-executive Independent Directors of the Company (in addition to the sitting fees paid for attending the meetings of the Board or the Committee thereof) for each of the three financial years commencing from January 1, 2024, in such amounts or proportions and in such manner and in all respects as may be decided and directed by the Board of Directors, notwithstanding that the remuneration may exceed the limits prescribed under Section 197 of the Act.

   RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any of the three financial years commencing from January 1, 2024, during the term of office of the Non-executive Independent Directors, the Company will pay such Directors of the Company in respect of such financial year(s) in which such inadequacy or loss arises, the remuneration, in accordance with the provisions of Section 197(3) subject to the limits prescribed under Schedule V to the Act.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be necessary and expedient to give effect to the aforesaid resolution".

6. **Shifting of Registered Office of the Company.**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 12 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for shifting the Registered Office of the Company from A - 802, Crescenzo, C-38/39, G" Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 to 7th Floor, Bellona, The Walk, Hiranandani Estate, Ghodbunder Road, Thane West – 400 607 within the jurisdiction of Kasarvadavli Police Station, with effect from May 09, 2024.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be necessary and expedient to give effect to the aforesaid resolution".

By Order of the Board
For **Huhtamaki India Limited**

Abhijaat Sinha
Company Secretary & Legal Counsel
(ACS 13519)

Place: Mumbai
Date: March 22, 2024

Registered Office:
A - 802, Crescenzo, C-38/39, G" Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

NOTES:

- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), setting out material facts concerning the business under Item Nos. 4 to 6 of the accompanying Notice, is annexed hereto and forms part of this Notice. The Board of Directors of the Company at its meeting held on March 22, 2024 considered that the special business under Item Nos. 4 to 6, being considered unavoidable, be transacted at the 74^{th} AGM of the Company.

- The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020 and 10/2022 dated May 5, 2020 and December 28, 2022, respectively, read with General Circular No. 09/2023 dated September 25, 2023 and other circulars issued in this respect ("MCA Circulars") has permitted, inter-alia, holding of the AGM through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before September 30, 2024, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations"). In compliance with these Circulars, provisions of the Act and the Listing Regulations, the 74^{th} AGM of the Company shall be conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 74^{th} AGM shall be the Registered Office of the Company.

- In terms of the MCA Circulars, physical attendance of members has been dispensed with and therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 74^{th} AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members, who are Bodies Corporate / Institutional shareholders, may attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body resolution / authorisation etc., authorising their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting. The said resolution / authorisation shall be sent to the Company by e-mail on its registered e-mail address to investor.communication@huhtamaki.com with a copy marked to evoting@nsdl.co.in.

- Since the AGM is being held through VC/ OAVM facility, the Route Map is not required to be annexed in this Notice.

- Members may join the AGM through VC/ OAVM facility, by following the procedure as mentioned in the notice and the facility for participation shall be kept open for the members from 2.15 p.m. i.e. 15 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/ OAVM facility 30 minutes after the scheduled time to start the AGM.

- Members may note that the VC/ OAVM facility provided by NSDL, allows participation of 1000 members on a first-come-first-served basis. The large members (i.e. members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on first-come-first-served basis.

- Attendance of the members participating in the AGM through VC/ OAVM facility using their login credentials shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

- Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars, as amended, the Company is providing remote e-Voting facility to its members in respect of the business to be transacted at the 74^{th} AGM and facility for those members participating in the 74^{th} AGM to cast vote through e-Voting system during the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency and NSDL will be providing facility for voting through remote e-Voting, for participation in the 74^{th} AGM through VC/ OAVM facility and e-Voting during the AGM. Members may note that NSDL may use third party service provider for providing participation of the members through VC/ OAVM facility.

- In terms of the MCA Circulars, the Notice convening the 74^{th} AGM and Annual Report for the financial year 2023, will be available on the website of the Company at www.flexibles.huhtamaki.in, on the website of BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also on the website of National Securities Depositories Limited ("NSDL") at www.evoting.nsdl.com.

- Electronic copy of the Annual Report for the financial year 2023 is being sent to all the members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.

  In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2023 and Notice convening the 74th AGM of the Company, may send request to the Company's e-mail address at investor.communication@huhtamaki.com mentioning the folio no./ DP ID and Client ID.

- The details required under Regulation 36(3) of the SEBI Listing Regulations, 2015 and Secretarial Standards on General Meetings (SS- 2) issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at this AGM form part of the Notice.

- Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and/or send their questions at least 2 days in advance i.e. on or before 3.00 p.m. on Tuesday, May 7, 2024 by mentioning their name, demat account number/ folio number, email id, mobile number at email: investor.communication@huhtamaki.com to enable the Company to reply suitably during the AGM. The Chairman will endeavour to respond to the same at the AGM. Queries received after this time and date may not be responded to, at the AGM. Further, the Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

- The dividend for the financial year ended December 31, 2023, as recommended by the Board, if approved at the AGM, will be paid within 30 days of declaration, to those members whose name appears in the Register of members of the Company as on Wednesday, April 24, 2024, which will be the record date for determining the shareholders who are entitled to receive dividend on equity shares.

- Members can submit details with the Company for receiving dividend directly in their bank accounts through Electronic Clearing Services (ECS) by writing an email to investor.communciation@huhtamaki.com or csg-unit@tcplindia.co.in.

- Members are requested to note that pursuant to a scheme of amalgamation approved by the National Company Law Tribunal, Company's R & T Agents M/s. TSR Consultants Private Limited has merged into Link Intime India Pvt. Ltd. effective December 22, 2023. The team servicing the Company and its shareholders shall remain unchanged.

- All correspondence for shares held in physical form relating to transmission of shares, loss of share certificates, issue of duplicate shares, change of address, dividend mandates, etc. quoting their folio numbers should be sent to the Registrar & Transfer Agents (R&T Agents) only, at their following address:

  Link Intime India Pvt. Ltd. (TSR Consultants Private Limited, now merged with Link Intime)
  (Unit: Huhtamaki India Limited)

  C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,
  Vikhroli West, Mumbai – 400 083
  Tel 91 22 810 811 8484 Fax 91 22 6656 8494
  Website: https://www.tcplindia.co.in
  E-mail: csg-unit@tcplindia.co.in

- Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at prescribed rates. The shareholders are requested to update their valid PAN linked with Aadhaar and the R&T Agents/Company (in case of shares held in physical mode).

  A Resident individual shareholder who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/ 15H, to avail the benefit of non-deduction of tax at source by email to investor.communication@huhtamaki.com. The shareholders are requested to note that in case their PAN is not registered, tax shall be deducted at higher rate of 20%.

  Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits etc., may send the requisite documents by email to investor.communication@huhtamaki.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11.59 P.M. IST on or before Wednesday, April 24, 2024.

- **Unclaimed/Unpaid Dividend & Shares**

  Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of 7 years is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the unclaimed dividends upto the financial year 2015 have already been transferred to IEPF. The unclaimed dividend for the year 2016 and all subsequent years must be claimed as early as possible, failing which it would be transferred to IEPF as per the (tentative) dates mentioned herein below.

Financial Year	Date of Declaration of Dividend	Tentative date for transfer to IEPF
2016	June 15, 2017	July 17, 2024
2017	May 11, 2018	June 7, 2025
2018	May 14, 2019	May 25, 2026
2019	June 30, 2020	July 1, 2027
2020	June 29, 2021	July 1, 2028
2021	May 12, 2022	June 11, 2029
2022	May 11, 2023	June 10, 2030

Further, pursuant to the provisions of the amended IEPF Rules read with Section 124(5) and Section 124(6) of the Companies Act, 2013, all shares on which dividend has not been encashed or claimed for seven consecutive years or more shall be transferred to demat account of IEPF Authority. It may be noted that all corporate benefits on such shares viz Bonus shares, split of shares and dividend shall be credited to the IEPF. It may be noted that once the unclaimed dividend/share is transferred to the IEPF as above, no claim shall lie in respect thereof with the Company.

The members/ claimant whose shares and unclaimed dividend have been transferred to IEPF and are desirous to claim the same are requested to submit their KYC along with self attested copies of the supporting documents to RTA and seek the procedure for obtaining Entitlement Letter. On completion of required documentation by the Claimant, RTA shall issue Entitlement Letter. Shareholders/ Claimant should thereafter make an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee as decided by the Authority from time to time. Post making the online application the shareholder shall send at the Company's Registered Office the duly signed Form IEPF- 5 along with requisite documents to the Nodal Officer at the Company's Registered Office for verification of the claim and payment/transfer of the shares by IEPF Authority.

- The Member/Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules and amendments thereto.

- The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 are available for inspection in electronic mode. Members who wish to inspect the documents are requested to send an email to investor.communication@huhtamaki.com mentioning their name, folio no. / client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the email.

- Members holding shares in dematerialised form:

  (a) may contact their Depository Participant(s) for recording nomination in respect of their shares;

  (b) are requested to intimate all changes pertaining to their bank details, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their DP only. Changes intimated to the DP will then be automatically reflected in the Company's records.

  (c) Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may therefore give instructions regarding bank accounts in which they wish to receive dividend, to their Depository Participants;

  (d) Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. Further, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form w.e.f January 24, 2022. SEBI, vide its circular dated January 25, 2022 has clarified that listed companies, with immediate effect, shall issue the securities in dematerialised form only while processing investor service request pertaining to issuance of duplicate share certificate, exchange of securities, endorsement, subdivision/consolidation of share certificates etc. In view of this as also to eliminate all risk associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to dematerialised form. Members can contact the Company or Registrar & Share Transfer Agent, M/s. Link Intime India Pvt. Ltd. (earlier TSR Consultants Private Limited) for assistance in this regard. Members holding shares in physical form are requested to notify immediately any change in their address/mandate/bank details to the Company or to the office of the Registrar & Share Transfer Agent, M/s. Link Intime India Pvt. Ltd. (earlier M/s TSR Consultants Private Limited) quoting their folio number.

OTHER INFORMATION

Members of the Company had approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors at the Seventieth AGM of the Company, which is valid till Seventy Fifth AGM of the Company. In accordance with the Act, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Company has appointed Ms. Malati Kumar, Practicing Company Secretary (COP 10980) or failing her Mr. S. N. Viswanathan, Practicing Company Secretary (COP 24335) of S. N. ANANTHASUBRAMANIAN & CO., Company Secretaries, ICSI Unique Code: P1991MH040400 as Scrutiniser to scrutinise the voting and remote e-voting process and the voting at the Meeting in a fair and transparent manner. The members desiring to vote through remote e-voting are requested to refer to the detailed procedure given below. Members whose email ids are not registered with the depositories are requested to refer the instructions provided at serial no. 21 for procuring user id and password and registration of email ids for e-voting for the resolutions.

The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company at www.flexibles.huhtamaki.in and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of Results by the Chairman or a person authorised by him. The Results shall also be forwarded to the BSE Limited and National Stock Exchange of India Limited.

The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details), specimen signature and nomination details by holders of securities. Effective from January 1, 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. SEBI has extended the timeline for providing choice of nomination in demat accounts till June 30, 2024.

Mandatory Payment of Dividend in electronic mode effective April 1, 2024

SEBI, vide its circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 1, 2024, upon their furnishing all the aforesaid details in entirety.

In case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend/ interest etc. shall be paid only through electronic mode with effect from April 1, 2024 upon furnishing all the aforesaid details in entirety.

If a security holder updates the PAN, Choice of Nomination, Contact Details including Mobile Number, Bank Account Details and Specimen Signature after April 1,2024, then the security holder would receive all the dividends/ interest etc declared during that period (from April 1, 2024 till date of updation).

In your interest, we therefore request you to kindly update the KYC details at the earliest to enable the Company to pay the proposed dividend to you after receipt of shareholders approval.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER

The remote e-voting period begins on Monday, May 6, 2024 at 09:00 A.M. and ends on Wednesday, May 8, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. May 2, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being May 2, 2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

   Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

   i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorized to vote, to the Registrar & Share Transfer Agent, M/s Link Intime India Private Limited by e-mail to csg-unit@tcplindia.co.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022-2499 7000 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor.communication@huhtamaki.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor.communication@huhtamaki.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER

1. The procedure for e-Voting on the day of the EGM/ AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/ OAVM" placed under "Join meeting" menu against Company name. You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

EXPLANATORY STATEMENT

The following explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, sets out all material facts relating to the special business mentioned in the accompanying notice of the AGM.

Item No. 4:

Ratification of remuneration payable to the Cost Auditors of the Company for the Financial Year 2024 (Ordinary Resolution)

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors of the Company, based on the recommendations of the Audit Committee, approved the appointment of M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration No. 7464), as Cost Auditors to conduct audit of cost records of the Company for year ending December 31, 2024 at a remuneration of ₹850,000/- (Rupees Eight lakhs fifty thousand only) plus applicable Goods and Service Tax and out of pocket expenses.

In accordance with the provisions of Section 148 (3) of the Act read with Rule 14(a)(ii) of the Rules, the remuneration payable to Cost Auditor needs to be ratified by the members of the Company.

Accordingly, consent of the members is being sought by way of an Ordinary Resolution as set out at Item no. 4 of the Notice for ratification for the remuneration payable to the Cost Auditors.

None of the Directors, Promoters and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary resolution set out at Item No. 4 of the Notice for approval of the members.

Item No.5:

Payment of commission / remuneration to Independent Directors (Special Resolution)

In terms of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (as amended), the Board shall recommend all fees or compensation, if any, to be paid to non-executive directors, including Non-Executive Independent Directors and shall require approval of shareholders in general meeting. The said requirement does not apply to payment of sitting fees to non-executive directors, if made within the prescribed limits of the Companies Act, 2013.

The Company's Non-executive Independent Directors are leading professionals and bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as business and strategy skills, strong leadership and management experience, governance, industry and sector knowledge, financial and risk management, global business/ international expertise, philanthropy etc.. They have helped in shaping and steering the long-term strategy and make invaluable contributions towards the same.

The members had approved payment of commission to Non-executive Independent Directors (in addition to the sitting fees paid for attending the meetings of the Board or the Committee thereof) on June 12, 2017 and thereafter, in partial modification of the said approval, on May 12, 2022, the members approved the payment of commission for each of the three financial years commencing from January 1, 2021, in such proportion and manner as the Board of Directors may deem fit, notwithstanding that the remuneration may exceed the limits prescribed under Section 197, subject to limits specified in Schedule V to the Act. The validity of the aforesaid approval has expired.

Pursuant to provisions of Sections 149, 197 and any other relevant provisions of the Act, Listing Regulations and the Nomination & Remuneration Policy of the Company and taking into account the increased participation of the directors in Board and Committee meetings, roles and responsibilities of the directors, the Board of Directors, at its meeting held on February 6, 2024, has recommended the proposal for payment of remuneration to Non-executive Independent Directors of the Company, by way of commission or otherwise, for a period of 3 (three) years effective from the financial year 2024, in such proportion and manner as the Board of Directors may deem fit, notwithstanding that the remuneration may exceed the limits prescribed under Section 197 of the Act.

Further, in the event of loss or inadequacy of profits in any of the three financial years commencing from January 1, 2024, during the term of office of the Non-executive Independent Directors, it is proposed that the Company will pay such Directors of the Company in respect of such financial year(s) in which such inadequacy or loss arises, the remuneration, in accordance with the provisions of Section 197(3) subject to the limits prescribed under Schedule V to the Act. The payment of such remuneration shall be in addition to the sitting fees for attending Board/Committee meetings.

Accordingly, it is proposed to seek approval of the shareholders for payment of commission to Independent Directors by way of a special resolution.

Except for Independent Directors to whom the resolution relates and their relatives (to the extent of their shareholding interest in the Company), none of the other Directors, Promoters and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the members.

Disclosure as required under Section II of Part II of Schedule V to the Companies Act, 2013 and the corresponding rules are given in Annexure 1-B.

Item No.6:

Shifting of registered office of the Company (Special Resolution)

Presently, the Company's Registered Office is located at A - 802, Crescenzo, C-38/39, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. With a view to consolidate its offices at multiple locations into one location in Thane and to enable its employees to work from one office, the Board of Directors at its meeting held on March 22, 2024 approved the shifting of the Registered Office of the Company from the aforesaid location to its corporate office at '7th Floor, Bellona, The Walk, Hiranandani Estate, Ghodbunder Road, Thane West – 400 607 Maharashtra' subject to the approval of the members of the Company.

As per provisions of Section 12 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, shifting of Registered Office of the Company outside the local limits but within the same State requires approval of the Members by way of Special Resolution. Though Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014 requires the Company to pass the resolution for shifting of registered office outside the local limits of any city, town or village through Postal Ballot, as per the Companies (Amendment) Act, 2017, any item of business required to be transacted by means of postal ballot, may be transacted at a general meeting by a Company which is required to provide the facility to members to vote by electronic means. As the Company has more than 1,000 shareholders the Company is providing facility to the members to vote electronically at the Annual General Meeting.

None of the Directors, Promoters and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the members.

By Order of the Board
For **Huhtamaki India Limited**

Abhijaat Sinha
Company Secretary & Legal Counsel
(ACS 13519)

Place: Mumbai
Date: March 22, 2024

Registered Office:
A - 802, Crescenzo, C-38/39, G" Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

NOTICE OF THE SEVENTY FOURTH ANNUAL GENERAL MEETING

ANNEXURE 1 – A

Profile of the Director being appointed/re-appointed as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 –

Name of Director	Mr. Stefan Lotz (DIN: 09511913)
Date of Birth and age	09/02/1973 51 years
Nationality	German
Date of Appointment & designation	18/02/2022 Non-executive Director
Terms and Conditions of appointment / reappointment including remuneration, if any	Re-appointment as a Non-executive, Non-independent Director under Section 152(6) of Companies Act, 2013
Remuneration/ Variation in Remuneration/ details of remuneration last drawn.	The Director is not entitled to any remuneration or sitting fees.
No. of Board meetings attended during the year	6
Qualification	Master of Economics and Engineering from the University of Europe for Applied Sciences in Hamburg. Completed Strategic Leadership Programme from IMD Business School.
Expertise in specific field	Mr. Stefan Lotz is a proficient business professional with more than 20 years of experience in financial management and strategy. He held considerable leadership roles in multinational consumer goods and industrial companies in Singapore, Dubai, Hungary, London and Germany. Recently he joined Huhtamaki as VP Finance Flexible Packaging after working many years in Asia as a CFO for Perfetti van Melle, the largest global confectionary manufacturer. Prior to this, he held various senior finance roles in Europe for British American Tobacco (BAT).
Name of other Companies in which he holds Directorship*	Nil
Name of Listed Companies in which he holds Directorship	Nil
Names of listed entities from which the person has resigned in the past three years	Nil
Name of other companies in which he holds Chairmanship/ Membership of Committees of Board$	Nil
No. of Shares held in Huhtamaki India Ltd.	Nil
***Inter se* relationship with other Directors and Key Managerial Personnel**	Nil

Note: *excludes directorships held in private limited companies which are not subsidiaries or holding companies of public limited companies, unlimited companies, foreign companies and Companies formed under Section 8 of the Companies Act, 2013.

$ includes Chairmanship/ membership of the Audit Committee and Stakeholders Relationship Committee of only public limited companies, whether listed or not.

ANNEXURE 1 – B(i)

STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V TO THE COMPANIES ACT, 2013 (AS AMENDED)

I.	**General Information:**
1.	Nature of Industry
	A member of Huhtamaki Oyj, the Company offers a wide portfolio of packaging solutions that include flexible packaging in a variety of pouching solutions, labelling technologies, shrink sleeve solutions, tube laminates, promotional, holographic and security solutions, cylinders and specialised films for high-barrier packaging.
2.	Date or expected date of commencement of commercial production: June 11, 1951
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
4.	Financial performance based on given indicators:

(Amt. in ₹ Mn)

Particulars	**FY2023**
Revenue from Operations	25,494.4
Profit / (Loss) before tax	5,000.4
Tax expenses	904.1
Net Profit / (Loss)	4,096.3
Earnings per Equity Share (Face Value ₹ 2/- each)	54.2

5.	Foreign investments or collaborations, if any: The Company is step down subsidiary of Huhtamaki Oyj, Finland based MNC which holds 67.73% equity shares through its subsidiary Huhtavefa BV.
II	**Information about the appointee:**
1	Background details: please refer Annexure **1-B(ii)**
2	Past remuneration

Sr. No.	**Name of Director**	**Remuneration paid in FY2023 (₹ In Mn)**
i)	Mr. Murali Sivaraman	3.2
ii)	Ms. Seema Modi	2.7
iii)	Mr. Ashok Barat	2.7

3	Recognition or awards: please refer Annexure **1-B(ii)**
4	Job profile and suitability: please refer Annexure **1-B(ii)**
5	Remuneration proposed: The remuneration for Non-executive Independent Directors may be decided by the Board, considering the financial performance of the Company and provisions of Schedule V, in the event of inadequacy of profits in any financial year.
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):
	The remuneration of the Independent Directors is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and nature of its business. The remuneration of the Independent Directors will be determined by the Board after perusal of the industry benchmarks in general, remuneration prevalent in the industry, profile and responsibilities of the aforesaid Independent Directors and other relevant factors, including the financial performance and the legal provisions, in the event of inadequacy of profits in any financial year.
7	Pecuniary relationship directly or indirectly with the Company, or relation with the managerial personnel, if any:
	Besides receiving remuneration as stated hereinbefore, the said Directors do not have any pecuniary relationship with the Company. Their relatives, to the extent of their shareholding, if any, in the Company may deemed to be interested in the proposed resolutions. Further, the said directors are not related to each other or any other directors or key managerial personnel of the Company.
III	**Other Information:**

1	Reasons of loss or inadequate profits	Not applicable, as the Company has posted a net profit after tax of ₹ 4,096.3 Million for the financial year 2023.
	Steps taken or proposed to be taken for improvement	
	Expected increase in productivity and profits in measurable terms	The Company is seeking approval in terms of Part II of Schedule V as a matter of abundant caution so that minimum remuneration can be paid to Non-executive Independent Directors in case on inadequacy of profits.

IV.	Disclosures
	The Corporate Governance Report is annexed to the Board's Report which forms part of this Annual Report. The Company paid remuneration to Independent Directors by way of sitting fees and commission on the net profits in the past years. Non-executive Non-independent Directors of the Company do not accept any sitting fees / commission. Remuneration to Directors is paid within the limits as approved by the members of the Company, from time to time.
	Please refer point no. 5 of this Annexure for details of remuneration proposed to be paid to the Directors for FY2023.

By Order of the Board
For **Huhtamaki India Limited**

Abhijaat Sinha
Company Secretary & Legal Counsel
(ACS 13519)

Place: Mumbai
Date: March 22, 2024

Registered Office:
A - 802, Crescenzo, C-38/39, G" Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

ANNEXURE 1 – B(ii)

INFORMATION RELATING TO NON-EXECUTIVE INDEPENDENT DIRECTORS IN RESPECT OF APPROVAL OF THEIR COMMISSION / REMUNERATION AT THE 74TH ANNUAL GENERAL MEETING

Name	Mr. Murali Sivaraman	Ms. Seema Modi	Mr. Ashok Kumar Barat
Category of Director/ Designation	Non-executive - Independent Director, Chairman	Non-executive – Independent Director	Non-executive – Independent Director
DIN	01461231	05327073	00492930
Date of Birth / Age	21/04/1961 63 years	09/02/1965 59 years	05/12/1956 67 years
Profile / Background Details, Recognition or awards	Mr. Murali Sivaraman is an accomplished business leader who has worked for most of his career with global multinational companies including Philips and Akzo Nobel in India, Singapore, China, Canada and the UK. His last position was President of Growth Markets for Philips Lighting (Now called Signify) based out of Singapore. Previous positions held within Philips were - CEO for Domestic Appliances based in Shanghai and Vice Chairman/Managing Director for Philips India. He has relocated to Mumbai and was the Non-executive Chairman of Signify Innovations India Limited. He is presently Independent Director of Bharat Forge Limited, ICICI Lombard General Insurance Company Limited, Welspun Living Limited, Pidilite Industries Limited* and MedPlus Health Service Limited	Ms. Seema Modi is presently the Director – Commercial, Marketing, Supply Chain and Display at Trent Hypermarket Private Limited. She has over 31 years' experience in reputed organisations such as Heinz, Parle and Colgate. Ms. Modi has also worked as the Marketing Director at a global level with Heinz ASEAN and Heinz ABC (Indonesia) and was the first woman Managing Director for Heinz India Private Limited. During her stint with Heinz, she won many awards for driving growth, the most notable one being H.J. Heinz Chairman's Award 2010 for driving consistent double-digit growth.	Mr Ashok Kumar Barat has held executive leadership roles in Hindustan Unilever, Pepsi, Telstra, Forbes & Company Limited etc. He is presently an Independent Director on the Boards of Bata India Limited, Alembic Pharmaceuticals Limited, Mahindra Accelo Limited, Everest Industries Limited* and JSW Paints Private Limited. He is a member of the Managing Committee of ASSOCHAM and a Certified Mediator. He is a Fellow of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India, Associate of the Institute of Chartered Accountants of England and Wales and CPA, Australia.
Qualifications	Chartered Accountant, Cost Accountant, MBA from the Indian Institute of Management, Ahmedabad, India and has also completed an Advanced Management Programme from Harvard	Post-graduate in Organic Chemistry from Mumbai University and MBA from Narsee Monjee Institute of Management Studies, Mumbai.	A Fellow Member of the Institute of Chartered Accountants of India, Fellow Member of the Institute of Company Secretaries of India Associate of the Institute of Chartered Accountants of England & Wales and CPA, Australia.
Date of first appointment on the Board	01/01/2019	01/01/2020	01/04/2020

* Appointed post December 31, 2023.

Notes: Please refer Annexure 1 – B(i) to the Notice and the Report on Corporate Governance, which is a part of this Annual Report, for other information about the directors as required under Clause 1.2.5 of the Secretarial Standard – 2 (Revised) as issued by the Institute of Company Secretaries of India and Schedule V to the Companies Act, 2013.

NOTES

Huhtamaki India Limited
https://www.huhtamaki.com/en-in/flexible-packaging/
A - 802, Crescenzo, C-38/39, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051
Tel No.: +91 22 6174 0100