Huhtamaki

Innovation
Progress
Sustainability

Annual Report 2022

Navigating this report

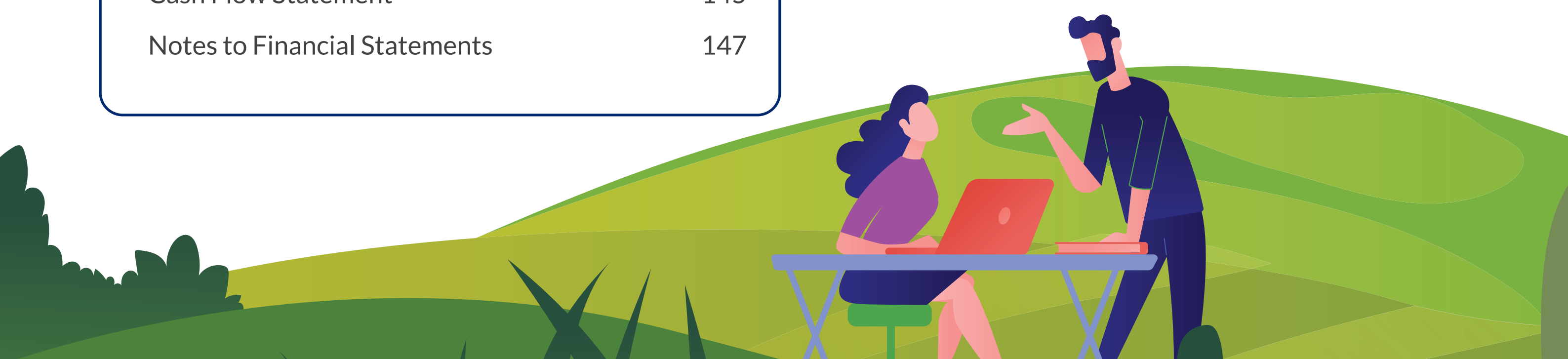
CORPORATE OVERVIEW

STATUTORY REPORT

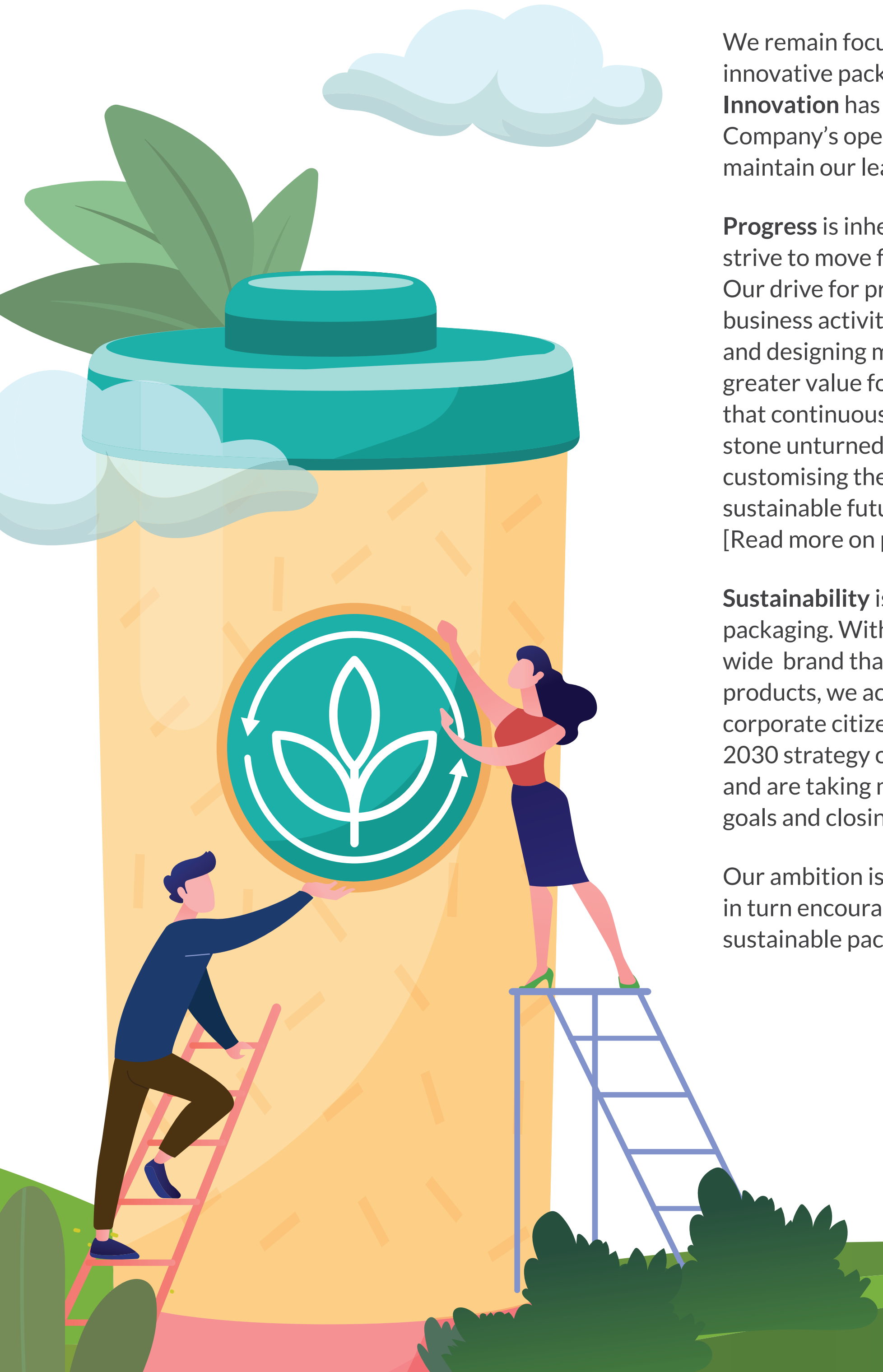
FINANCIAL STATEMENTS

UN SDGs impacted

Huhtamaki India is committed to contributing to the achievement of the United Nations Sustainable Development Goals (UN SDGs) through its processes, products, people and community welfare practices. Across the report, we have mentioned the SDGs that we contribute to through our business.



Innovation.
Progress.
Sustainability.



At Huhtamaki India Limited ('Huhtamaki India' or ' the Company), our commitment to excellence is reflected in our drive to make packaging attractive and meaningful for the end consumers, while protecting the products they love. We help enhance the brands that work with us by delivering reliable, responsible and innovative packaging solutions by embedding the core tenets of innovation, progress and sustainability in everything we do.

This year too, we continue to innovate responsibly, while marching toward our ambitions of sustainable growth.

We remain focused on developing and producing innovative packaging solutions for our customers. **Innovation** has always been at the forefront of our Company's operations and will continue to enable us to maintain our leading position. [Read more on page 30]

Progress is inherent in everything we do. We continuously strive to move forward and challenge the status quo. Our drive for progress is reflected in all aspects of our business activities – right from exploring new technologies and designing more functional packages to creating greater value for our stakeholders. Moreover, we believe that continuous learning is key to success – we leave no stone unturned in understanding our customers' needs, customising the best solutions for them and building a sustainable future for our Company and our stakeholders. [Read more on pages 18 - 22]

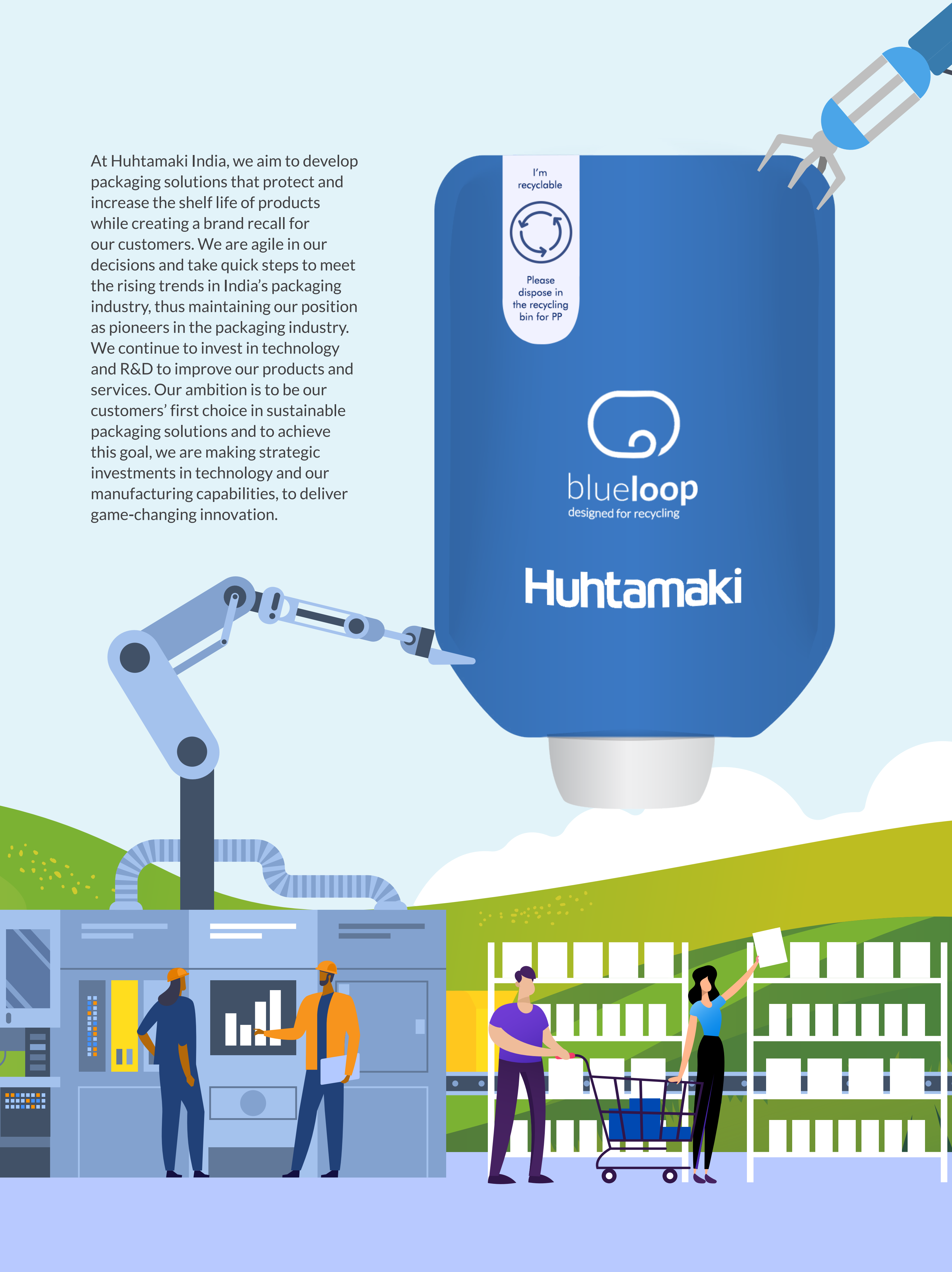
Sustainability is a vital part of our goal to deliver circular packaging. With 'Huhtamaki blueloop™', our enterprise-wide brand that covers our range of sustainable packaging products, we acknowledge our duties as a responsible corporate citizen. To this end, we have established our 2030 strategy of protecting food, people and the planet and are taking measurable steps toward achieving our goals and closing the loop. [Read more on pages 28 and 40]

Our ambition is to reimagine packaging for a better world, in turn encouraging our customers and end users to adopt sustainable packaging.

Pushing the boundaries of packaging with innovation

The world of packaging is ever-evolving – with new materials, innovative designs and superior technologies being developed to meet the changing needs of our customers and end-consumers alike.

At Huhtamaki India, we aim to develop packaging solutions that protect and increase the shelf life of products while creating a brand recall for our customers. We are agile in our decisions and take quick steps to meet the rising trends in India's packaging industry, thus maintaining our position as pioneers in the packaging industry. We continue to invest in technology and R&D to improve our products and services. Our ambition is to be our customers' first choice in sustainable packaging solutions and to achieve this goal, we are making strategic investments in technology and our manufacturing capabilities, to deliver game-changing innovation.



Huhtamaki India – Developing purposeful packaging

Huhtamaki India is a leading provider of primary consumer packaging and decorative labelling solutions in India. We are part of Huhtamaki Oyj, a global leader in sustainable packaging solutions with over a 100-year legacy and Nordic heritage.

Consistently growing since 1935, Huhtamaki India has been packing memorable experiences together with our customers and partners. Today, we are an integrated flexible packaging solutions company with a pan-India presence, backed by 15 manufacturing sites, one R&D centre and five offices.

Safety, sustainability and ethics are the three pillars of our foundation and play a key role in everything we do. Our skilled and experienced team of over 2,900 employees (including permanent workers) in India deploys the Huhtamaki values across business functions to deliver unique and specialised packaging solutions.

Huhtamaki Oyj – Delivering smart next-gen packaging

Huhtamaki is a global leader in sustainable packaging solutions, with a Nordic heritage spanning more than 100 years. With innovation and transformation at the core, the company is steadily pursuing its 2030 ambition of achieving carbon-neutral production and making all its solutions recyclable, reusable or compostable. Supporting the company in this endeavour is its team of nearly 19,000 passionate and skilled personnel spread across 37 countries and 116 locations.

Values

Our values reflect our commitment to our stakeholders, zeal for continuous product improvement and drive for sustainability. We are grounded in our values – **Care. Dare. Deliver.**

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.

A glimpse of our scale

Steady performance

₹ 29,829.2 Mn
Revenue

₹ 1,742.6 Mn
EBITDA

10
Awards won

Employee-first attitude

100%
Employees receive retirement benefits

2,900+
Employees (including permanent workers)

₹ 10.3 Mn
Invested in employee development

35,757
Total hours of employee training

Strong presence

15
Manufacturing facilities

70+
Countries we export to

Innovation prowess

1
R&D centre

13 members
R&D team

1
Patent filed in 2022

Global innovation and marketing team
Established in 2022

Responsible commitments

14,251 tCO_2e
Scope 1 GHG emissions

53,920 tCO_2e
Scope 2 GHG emissions

27,898 m^3
Water recycled

₹ 20.8 Mn
CSR spend

380
Beneficiaries

98.7%
Non-hazardous waste recycled

6
ISO 45001 certified factories

Huhtamaki

PORTFOLIO

Our innovative packaging solutions

Our packaging solutions, which are technologically innovative and creatively designed, draw consumer attention, ensure the brand's competitive advantage and maintain the quality of the products within – all this while reducing the impact on the environment.

We offer a variety of packaging solutions that cater to a range of markets.

Food packaging

Markets we cater to

Biscuits and snacks | Cereals | Confectionery | Dairy and baby food | Ice-cream | Ready meals | Soups and sauces

- High and moderate barrier pouches and roll-form laminates
- See-through packs, recyclable laminates and pouches
- Single-serve sachets, cold seal laminates, shaped pouches and twist wraps
- Lidding solutions and stand-up pouches
- Flow wraps, foil-based laminates for cone sleeves and flow wraps for ice-cream
- Retort pouches, microwaveable and retort lidding
- 3-side seal packs
- Thermoforming solutions

Beverages

Markets we cater to

Coffee | Tea | Juices and non-alcoholic drinks | Liquor and cocktails | Powdered beverages and nutrition drinks

- High-barrier solutions for single-serves and pocket shot pouches, shaped spouted pouches
- Moderate-barrier roll form laminates, stand-up pouches, 5 and 6-panel pouches
- Thermoforms, shaped spouted pouches, wrap-around labels
- Moderate and high-barrier laminates shaped spouted pouches, wet strength and pressure-sensitive labels, metalised paper labels
- Shaped spouted pouches, shrink sleeves
- Recyclable pouches and roll-form laminates

Healthcare

Markets we cater to

Liquids, balms, creams, gels or dermatology | Medical device | Transdermal patches and wound dressings | Solids and powdery products

- Primary packaging laminates
- Tube laminates
- Secondary flow wraps
- Premade pouches
- Sachets
- High-barrier laminates

Personal and home care

Markets we cater to

Soaps | Shampoos | Creams | Toothpaste | Cosmetics | Beauty care products

- High-barrier laminates
- Primary recyclable laminates
- Outer recyclable plastic & paper-based flow wraps
- Single-serve thermoforms and profile pouches
- Bottom's up pouch and unique spouted pouches
- Refill pouches
- Digitally printed laminates and pouches

Labels

Markets we cater to

Food | Beverage | Personal and homecare | Healthcare | Pharmaceuticals

- Heat transfer
- In-mould
- Pressure-sensitive labels
- Shrink sleeves
- Wrap-around
- Wet strength

Pet food

Markets we cater to

Dry pet food | Wet pet food

- Recyclable and biodegradable laminates and reclose pouches
- High-barrier laminates
- PE/PE barrier bulk bags
- Stand-up pouches
- Shaped pouches and shaped retort pouches
- 5 and 6-panel pouches
- Easy pour pouches
- Retort pouches (foil and non-foil structures)
- Single-serve stick packs and sachets
- Thermoform trays with lidding

Tube laminates

Markets we cater to

Beauty care | Oral care |
Others (food, non-food and pharmaceuticals)

- EVOH-based barrier laminates
- Polyester-based barrier laminates
- Metalised polyester-based laminates
- Aluminium barrier laminates of all thicknesses
- Double barrier laminates (aluminium and EVOH)

Other specialties

Markets we cater to

Digital printing solutions | Engraved cylinders | Promotions and security | Specialised pouches | Thermoforms | Other non-food

- High-quality (laser and electromechanical) engraved cylinders
- Pre-press services
- Point-of-sale banners
- Sticker in laminate
- Limited-edition packages
- Seasonal promotions
- Shaped pouches
- Stand-up pouches with zippers and spouts
- 5 and 6-panel pouches
- Biodegradable pouches

Strategic footprint

We make efficient, high-quality and sustainable solutions accessible to customers across India and the globe.

Our widespread reach

R&D Centre

- Khopoli (Maharashtra)

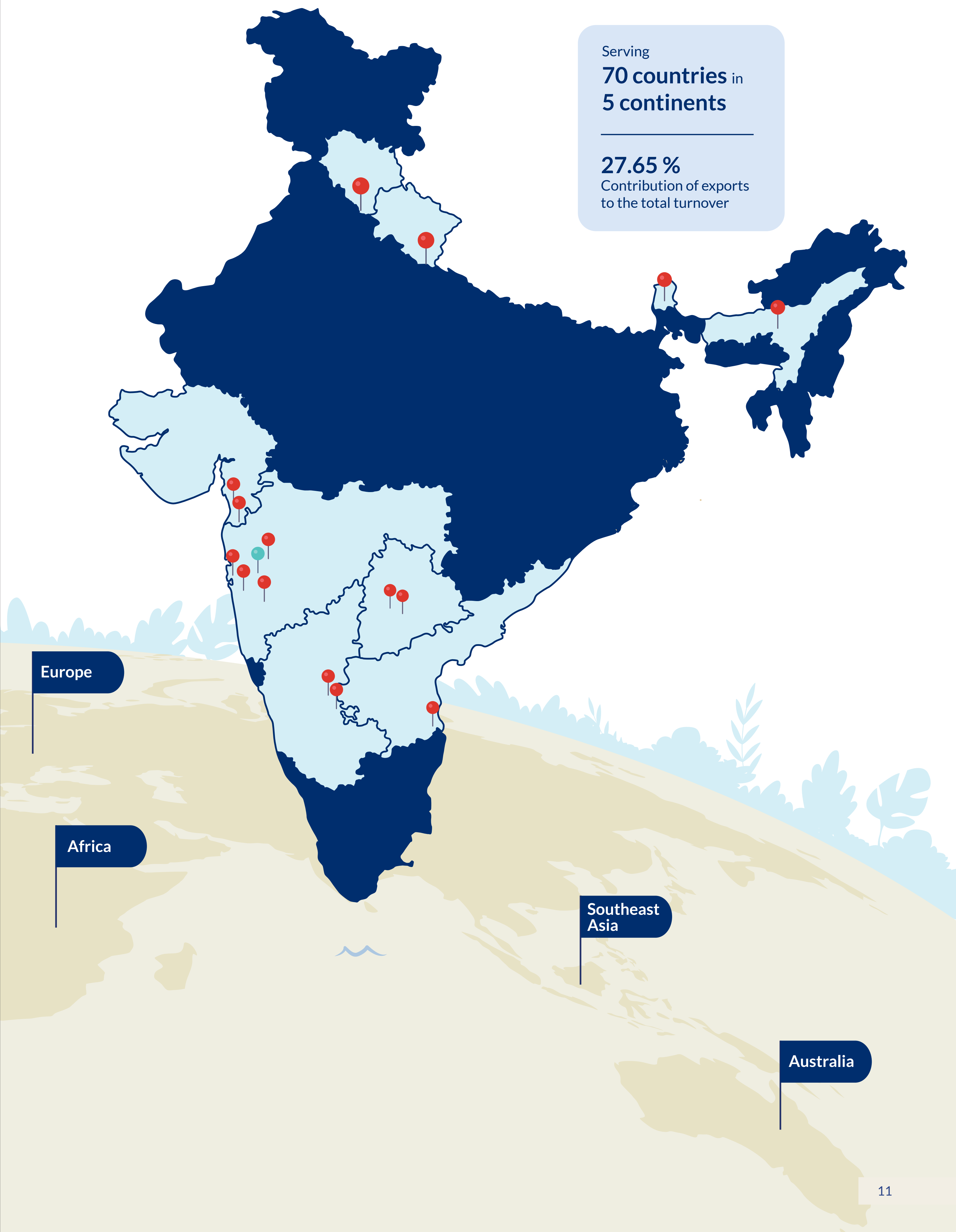
Export presence

Manufacturing units

- Taloja, Mahape, Khopoli and Ambernath (Maharashtra)
- Sri City (Andhra Pradesh)
- Silvassa and Daman (Dadra and Nagar Haveli and Daman and Diu)
- Guwahati (Assam)
- Gangtok (Sikkim)
- Rudrapur (Uttarakhand)
- Baddi (Himachal Pradesh)
- Bengaluru (2 plants in Karnataka)
- Hyderabad (2 plants in Telangana)

Serving
70 countries in
5 continents

27.65 %
Contribution of exports to the total turnover



BOARD OF DIRECTORS

Visionary leadership

Our experienced and diverse Board of Directors guide Huhtamaki India forward by charting a clear roadmap to deliver significant and sustainable long-term growth.

D A B C

Mr Murali Sivaraman

Chairman and Independent Director

- An accomplished business leader who has worked with global multinational companies, including Philips and Akzo Nobel (formerly ICI) in India, Singapore, China, Canada and the U.K.

Positions currently held

- Independent Director on the Boards of Bharat Forge Limited, ICICI Lombard General Insurance Company Limited and MedPlus Health Services Limited

Education

- Chartered Accountant, Cost and Works Accountant, PGDM – IIM Ahmedabad, Advanced Management Program – Harvard

Mr Ashok Kumar Barat

Independent Director

- An active contributor to public life and dialogue
- Held leadership positions in various Indian and multinational organisations, both in India and overseas – Hindustan Unilever Limited, RPG Group, Pepsi, Electrolux, Telstra and Heinz
- Held position as Managing Director and Chief Executive Officer of Forbes & Company Limited
- Advises companies on strategy, performance improvement and governance initiatives

Positions currently held

- Member, Managing Committee of ASSOCHAM
- Past President Council of EU Chambers of Commerce in India
- Certified Mediator empanelled with the Ministry of Corporate Affairs, Government of India
- Independent Director on the Board of Directors of prominent Companies, such as Bata India Limited, Birlasoft Limited, Mahindra Accelo Limited and Alembic Pharmaceuticals Limited
- Partner in MERX Business Advisors LLP and trustee of Tandarust Bharat Foundation

Education

- Fellow, Institute of Chartered Accountants of India
- Fellow, Institute of Company Secretaries of India
- Associate Member of the Institute of Chartered Accountants of England and Wales and CPA, Australia

A F

B C A F

Ms Seema Modi

Independent Director

- Was the first woman Managing Director of Heinz India Private Limited.
- Has over 30 years of experience in reputed organisations such as Heinz, Parle and Colgate.
- Was credited with driving consistent double-digit growth

Positions currently held

- Director – Commercial, Marketing, Supply Chain and Display at Trent Hypermarket Private Limited
- Non-executive Director on the Board of Directors of THPL Support Services Limited

Education

- Post-graduate in Organic Chemistry from Mumbai University
  MBA from Narsee Monjee Institute of Management Studies, Mumbai

Awards

- H. J. Heinz Chairman's Award 2010

Mr Marco Hilty

Non-executive Director

- Ex-Chief Commercial Officer, Rubicon Technologies LLC
- Held several leadership positions with Amcor in Switzerland and in the United States.
- Ex-Vice President, Amcor Flexibles in North America
- Served as Engagement Manager, McKinsey & Company in the United States and Switzerland

Positions currently held

- President, Flexible Packaging and Member of the Global Executive Team, Huhtamaki

D

Education

- Ph.D. in Business Administration, University of St. Gallen, Switzerland

BOARD COMMITTEES

A Audit Committee
B Stakeholder Relationship Committee
C Nomination and Remuneration Committee
D Corporate Social Responsibility Committee
E Share Transfer Committee
F Risk Management Committee

Chairperson Member

Mr Sami Pauni

Non-executive Director

- Heads the Global Functions of Legal, Compliance and Risk Management for the Huhtamaki Group

Positions currently held

- Executive Vice President, Corporate Affairs and Legal, Group
- Legal Counsel and member of the Global Executive Team of Huhtamäki Oyj
- Secretary of the Huhtamaki Board
- Member of the Market Practice Board of Securities Market Association in Finland
- Member of the Legal Affairs Committee of the Confederation of Finnish Industries EK

Education

- Master's degree in Law and Business Administration (MBA)

Mr Stefan Lotz

Non-executive Director

- Held leadership positions in multinational consumer goods and industrial companies in Singapore, Dubai, Hungary, London and Germany
- Ex-CFO, Perfetti van Melle
- Held senior finance positions in Europe for British American Tobacco (BAT)

Positions currently held

- Vice President Finance, Flexible Packaging

Education

- Master of Economics and Engineering, University of Europe for Applied Sciences
- Hamburg Strategic Leadership Program, IMD Business School

E

Mr Dhananjay Salunkhe
Managing Director

- A seasoned business leader with a track record of growing and building businesses in India
- Served as Ex-SBU Chief Executive, Packaging and Printing Business, ITC Limited
- Held leadership positions in 3M, PMP Auto, Sulzer India and GKN Sinter Metals

Education

- Master's degree in Business Management, SIBM, Pune, India
- Bachelor of Engineering (Production), KBP College of Engineering, Satara
- Lean Six Sigma Master Black Belt

Mr Jagdish Agarwal
Executive Director and Chief Financial Officer

- Held leadership positions in various Indian and multinational organisations, such as Owens Corning, Reliance Communications Limited and ICICI Bank Limited

Education

- Bachelor's degree in Commerce, Calcutta University
- Chartered Accountant, Institute of Chartered Accountants in India
- CMA, Institute of Cost Accountants of India

E

BOARD COMMITTEES

A Audit Committee
B Stakeholder Relationship Committee
C Nomination and Remuneration Committee
D Corporate Social Responsibility Committee
E Share Transfer Committee
F Risk Management Committee

Chairperson | Member

Motivated to deliver our best

The awards we win year after year validate our efforts and encourage us to continue exploring innovative packaging solutions that cater to the demands of all our stakeholders, including the planet. We believe, we have a long way to go in making a difference in the world – these recognitions act as stepping stones in that journey.

WORLDSTAR FOR PACKAGING

WPO

WORLD PACKAGING ORGANISATION

The **Worldstar 2022 award** for the **aluminium-free retortable easy peel lid** engineered with high-performance materials, offering a combination of retort compatibility and easy-peel functionality, adding more convenience to ready-to-eat foods

The **Worldstar 2022 award** for the **bottoms-up pouch for consumer convenience** which is an inverted standup pouch format for disruptive shelf-appeal with silicone dispensing valve enabling clean, mess-free and controlled pour

The **Worldstar 2022 award** for the **glow-in-the-dark festive chocolate pack,** an interactive pack with special inks, featuring a glow-in-the-dark concept through hidden or surprise messages on packs, for delivering exciting consumer experiences

The **Worldstar 2023 award** for **paper-based soap wrappers**, which eliminate the usage of conventional PET-based wrappers and provide environment-friendly alternatives

The **IFCA Star Awards 2022** for the **paper-based soap wrapper** which eliminates conventional PET-based wrapper with FSC-certified paper having a repulpability index of 80%, boosting recyclability and waste reduction

The **IFCA Star Awards 2022** for the **biodegradable barrier PE pouches for dry pet food**, which degrades naturally in open-air without the generation of microplastics, proving to be an efficient and sustainable alternative to existing PET/PE pouches

The **IFCA Star Awards 2022** for the **soft thermoformable lidding for wine cups**, which is a double peelable barrier lid for communion cups with wafer and wine, providing functionality and convenience with smooth peelability and easy access to elements without spillage

The **IFCA Star Awards 2022** for the **insulator pouch for online food deliveries**, a high-performance protection pouch enabling extended duration shipments for temperature-sensitive foods

The **Economic Times Polymers Awards 2022** for the **limited edition variable festive tea packs,** with beautiful storytelling and visual appeal, paying homage to the traditional elements associated with the festivities

The **DOW Packaging Innovation Awards 2021** for the **membrane pouch for shampoo colour** housing both colourant and developer separated by a membrane, addressing product stability and enhancing shelf life

Transforming India's flexible packaging industry

Dear Stakeholders,

I am delighted to be addressing you all as the Managing Director of Huhtamaki India Limited and with your support, I am confident that we will take this Company to great heights of success.

In FY2022, we made strategic progress toward our ambition of helping brands enhance their impressions through reliable, responsible, sustainable and innovative packaging solutions. Although uncertainties remain due to the dynamic macroeconomic environment and the lingering effects of the pandemic, we continued to strengthen our balance sheet during the year and establish benchmarks in flexible packaging and labelling solutions.

Revenue from operations increased by 13.6% to ₹ 29,829 million during the year and registered a CAGR of 6% over the last 5 years. In spite of flat volumes, the Company has been able to realise value for its product offering which was partly offset by a steep increase in raw material prices during the year. EBITDA (before exceptional items) stood at ₹ 1,742.6 million in 2022 against ₹ 1,184 million in 2021, representing a 47.2% increase. Profit after Tax (PAT) stood at ₹ 496.4 million in 2022 as against a loss of ₹ 226.9 million in 2021.

The industry faced its share of turmoil during the year. As the demand for affordable, safe and hygienic packaging increased, so did the challenges of lengthening supply chains, rising product-to-paper packaging ratio, an unprecedented rise in the price and hindered supply of our raw materials. Proactive planning and value engineering ensured our continued competitiveness, despite the cumulative rise in costs across our supply chain.

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.

On a steady path toward our goal

We are at the forefront of transforming the packaging industry in India and have been actively working on sustainable solutions that are both eco-friendly and cost-effective. During the year, we continued to focus on developing fully recyclable mono-material structures for flexible packaging under our blueloop™ brand. This is our enterprise-wide brand which comprises a range of sustainable packaging solutions and technologies and we are making strategic investments in our manufacturing capabilities to deliver game-changing innovation. We have also made investments in digital printing technology that enables us to offer personalised packaging solutions with minimal waste. Furthermore, we implemented recycling programmes for used packaging materials, which help in reducing the overall environmental impact of packaging. Our commitment to sustainability and innovation has stood us in good stead as a pioneer in the Indian packaging industry.

Taking a progressive stance, with a focus on sustainability

Our aim is to consistently provide our customers with dependable, responsible and cutting-edge packaging options. Equally, we work closely with our partners to mitigate and eliminate the negative impacts of packaging on the environment.

One of the initiatives undertaken by Huhtamaki India was to sponsor a trust (Huhtamaki Foundation) to recycle post-consumer multi-layered plastic waste that is difficult to recycle and would otherwise end up in landfills. The Foundation has been working to collect post-consumer waste from nearby cities like Pune and recycle it into either value-added products or granules that can be used as a substitute for virgin plastic. This step is part of Huhtamaki Foundation's #CloseTheLoop initiative to tackle post-consumer waste to deliver valuable secondary resource material.

To reduce our scope 1 emission, we shifted the operations of our Rudrapur factory from furnace oil to piped natural gas for heating of thermic oil, resulting in 75% lesser emissions and higher efficiency. As a result of switching to biomass fuel at Sricity, we were able to shift to 9.8% renewable energy for our primary energy needs. We reduced our absolute scope 1 GHG emissions by 8.9 % this year and this project contributed towards achieving this.

Sustainability is a fundamental aspect of our strategy and daily operations. We strive to conduct business in a financially, environmentally, and socially responsible manner.

With ethics and integrity

As a leader, integrity is my foremost priority. We must run our business in a transparent and honest manner and be accountable for our actions toward all our stakeholders. We have a robust corporate governance framework in place that inspires trust among everyone associated with us, thus enabling us to build a sustainable brand for tomorrow. We are also consistently improving our processes by implementing best-in-class standards and practices that guide our actions.

Focusing on the future

The Indian packaging industry is predicted to experience significant growth in the near future due to increased demand for packaged food and non-food items due to population growth, rising income levels, expansion of organised retail and rise in e-commerce. Moreover, with rising environmental awareness, the need for sustainable packaging is now crucial. We are, thus, committed to meeting the increasing demands of consumers and making positive changes to become the first choice in sustainable packaging.

Our key focus areas in the coming years

- Our financial and non-financial performance, especially considering the continued impact on the market and supply chains due to geopolitical and other macroeconomic conditions
- A strong balance sheet
- Portfolio optimisation and expansion with cutting-edge sustainable packaging solutions
- Compliance and ethical conduct
- People – their safety and skill upgradation
- Long-term sustainability

As I take on the reins as the Managing Director of Huhtamaki India, I would like to thank the whole team for your support and hard work – it is a pleasure to see the passion and commitment you bring. Finally, everything that we do is for our customers – thank you for challenging us to go beyond each time. I would also like to take this oppurtunity to express my gratitude to our bankers, government authorities, all our business partners and shareholders for their support and confidence in us.

With the continued oversight of the Board, I am confident that Huhtamaki India will scale new heights and generate unparalleled value for all its stakeholders.

Best wishes,

Dhananjay Salunkhe

Huhtamaki

LETTER FROM THE PRESIDENT OF FLEXIBLE PACKAGING

Delivering increased sustainability, one package at a time

Dear Stakeholders,

With our customers' sustainability agendas becoming increasingly ambitious, we will be in a key position to help drive progress towards a greener, cleaner world. Huhtamaki Oyj and Huhtamaki India have been striving to go a step beyond to truly make a difference – to make our packaging sustainable in the true sense. Right from driving innovation in recyclable, mono-material flexible packaging to satisfying our customers' demand for smart packaging embedded with traceability, we are taking judicious steps to meet our 2030 sustainability strategy.

The Huhtamaki Group – Driving a business founded on sustainability

We are driven by our ambition of being the first choice of sustainable packaging solutions worldwide and by the larger purpose of safeguarding food, people and the planet.

Leveraging our innovation and manufacturing strengths, we develop packaging solutions that cater to our purpose and enable well-being and convenience for people all over the world.

With 100 years in the industry and operations in close to 37 countries, Huhtamaki Oyj has been working relentlessly to deliver smart next-generation packaging. With 76 manufacturing sites and a diverse team of nearly 19,000 people globally, Huhtamaki customises solutions for brands to help them deliver packaging convenience, personalisation and eco-friendliness.

Adapting to the macroeconomic trends

The rapidly evolving living standards, increasing disposable incomes and the rise in the volume of the middle-class population are driving demand for high-quality products, which, in turn, is creating major opportunities for us.

Huhtamaki India's state-of-the-art packaging solutions serve diverse segments such as food, beverages, pet food, tube laminates, healthcare and personal care among other specialties. These solutions help the brands we supply to in building a competitive edge and raise the accessibility of the products for consumers. Our clientele is vast and spread across the globe with a specific focus on Europe, the Middle East, Africa, Asia, Oceania and South America. Our judicious decision-making and innovation strength empower us to address the myriad needs of all our customers.

2022 – A year of progressing against all odds

While the demand for flexible packaging throughout 2022 was consistent, we also faced persistent competition in different regions. Moreover, there was a rise in the cost of production, including raw materials, transportation and energy prices. Despite this, Huhtamaki India's reported net sales have increased by 13.6% and EBITDA has gone up by 47.2%.

In 2021, Huhtamaki Oyj acquired Elif, a major supplier of sustainable flexible packaging. The acquisition has contributed favorably to the financial performance of the segment.
By leveraging our scale, strengthening our capabilities and improving our competitiveness, Elif is playing a vital role in driving our growth and the 2030 strategy.

During 2022, we continued to navigate our roadmap for accelerating sales, building production capacity and developing recyclable mono-material flexible packaging under our blueloop™ brand. We have a number of exciting innovations in the pipeline that will help us deliver on our major customers' commitments to have 100% recyclable packaging by the year 2025. This target is ambitious and we are focused on fully supporting our customers in the journey.

An exciting example of our pledge to innovation would be the recent launch by the Huhtamaki group of a first-to-market sustainable innovation for the global pharmaceutical and healthcare industry. We believe this recyclable Push Tab® blister lid – a 100% mono-PET blister completely free of aluminum and PVC – will bolster the pharmaceutical packaging industry. It is designed to meet the stringent safety requirements and the needs of existing blister packaging lines in the highly regulated pharmaceutical and healthcare industry.

Huhtamaki India is also leveraging its strong innovation strengths to develop packaging solutions that are fit-for-purpose, sustainable and fulfil customer needs. Recent innovations launched by Huhtamaki India include plastic-free soap wrappers and recyclable packaging for coffee and health drinks. This offering is designed with FSC-certified paper and has a repulpability index of 80%, boosting recyclability and waste reduction.

Leading the way with sustainability and innovation

To summarise, in 2022 we continued to push industrial boundaries globally and in India in the areas of sustainability and innovation. I would like to sincerely thank our team members for exceeding expectations and allowing us to progress continuously. While the geopolitical situation continues to challenge us, I am convinced that with their passionate and dedicated approach to creating high-performing, sustainable packaging, team Huhtamaki India is poised to reach new heights of achievement.

I am also grateful to our investors and shareholders for supporting, trusting and motivating us to do better. With the Huhtamaki values embedded deep within our operations, we are well on our way to advancing the packaging industry.

Best wishes,

Marco Hilty

KEY PERFORMANCE INDICATORS

A year of resilience and unwavering focus

Huhtamaki India overcame challenging external business obstacles in FY2022 with renewed vigour and demonstrated robust strength. Our performance reflects our diligence, dedication and determination to do what is best for our stakeholders.

REVENUE FROM OPERATIONS
(₹ in million)

FY22	29,829.2
FY21	26.252.8
FY20	24,627.0
FY19	25,989.8
FY18	23,690.7

↑ 6.0% CAGR

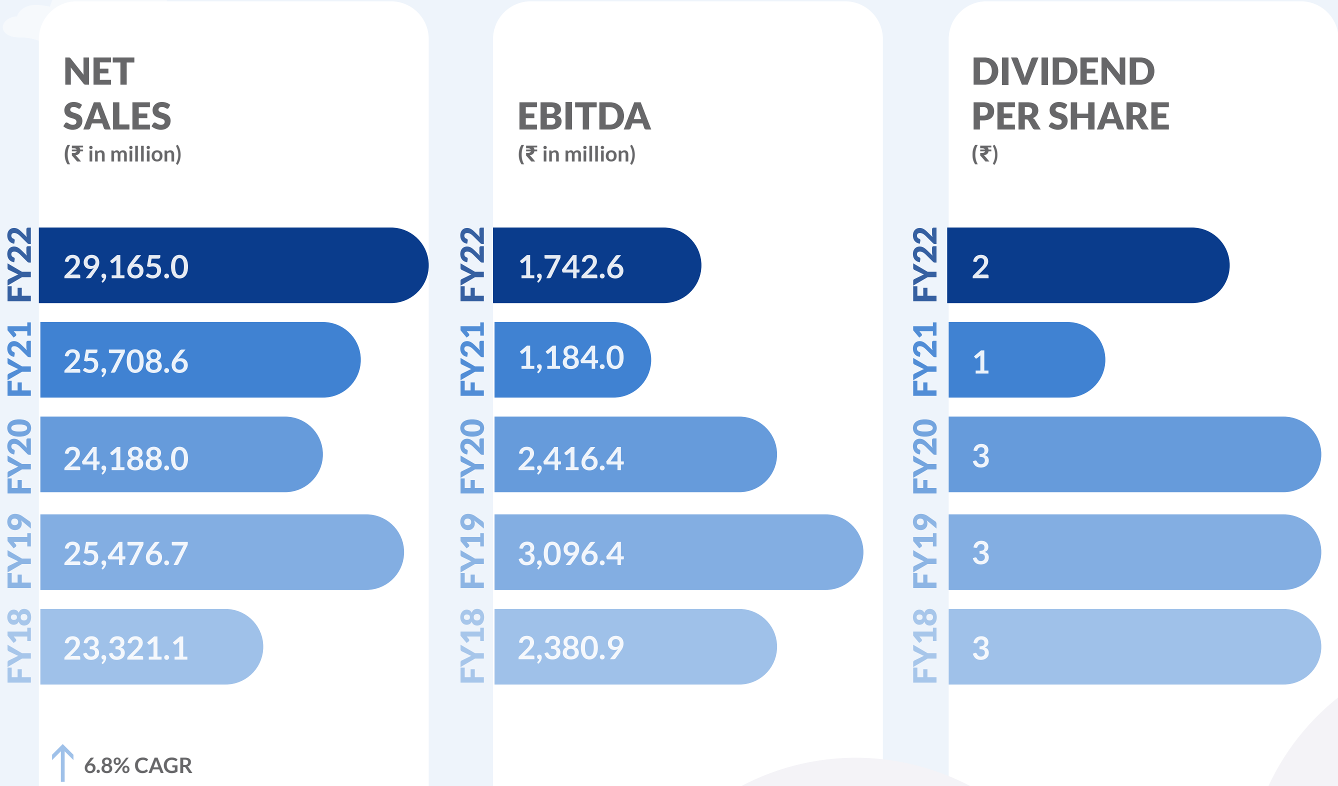
PROFIT AFTER TAX
(₹ in million)

FY22	496.4
FY21	(226.9)
FY20	959.9
FY19	1,700.4
FY18	348.8

EARNINGS PER SHARE
(₹)

FY22	6.57
FY21	(3.0)
FY20	12.7
FY19	22.5
FY18	4.6

Our efforts are focused on understanding and monitoring the market trends, observing the advancements in sustainability and regulations, and taking regular feedback from stakeholders. To ensure we are ready to leverage opportunities, exceed stakeholder expectations and safeguard the business from risks, we conducted a thorough materiality assessment. Read more about how we prioritised our material matter on page 96 of the Business Responsibility and Sustainability Report (BRSR).



Growing sustainably

Acting responsibly

We seek to create value by challenging the norm. We, therefore, remain committed to developing positively impacting solutions that elevate the brand images of our customers.

As a part of our sustainability roadmap, we aim to design all our products to be recyclable by 2030. Our commitment is absolute and we have dedicated ourselves to leaving a positive impact on the world. Pivoting toward a circular economy, we use qualitative and quantitative data to strategically reduce and reuse waste. Driven by innovation toward sustainability, our solutions are positioned to create a groundbreaking impact in the world of packaging.

Our 2030 Strategy

Packaging creates value by securing hygiene, food availability and food safety for consumers around the globe. With an increasing focus on the future of the planet, packaging also plays an instrumental role in reducing food waste, which today still remains the largest environmental impact from food systems on climate change by far. Thanks to today's digital breakthroughs, packaging also offers solutions, including the traceability of products and, increasingly, circularity. Our customers, consumers, communities, and the planet need our sustainable packaging solutions more than ever before.

Our objective is to further expand our company globally and continue to develop innovative and transformative sustainable packaging with uncompromised quality. Our ambition is to be the first choice in sustainable packaging solutions.

We will continue to grow by scaling up our core businesses, expanding in emerging markets, developing sustainable solutions and food delivery packaging, and focusing on long-term innovation and venturing. Through this, we will become the most reliable solutions-focused partner for our customers.

We will become more competitive by digitalising all our operations, running our manufacturing more efficiently, and simplifying the way we work globally to achieve world-class operational performance.

We will continue to develop, grow and nurture our talent by building strategic capabilities and a high-performance culture based on our values Care, Dare and Deliver.

Protecting food, people and the planet

Our ambition is to be the first choice in sustainable packaging solutions, enabling wellbeing and convenience for people around the world

Growing our business

Improving our competitiveness

Developing our talent

Embedding sustainability in everything we do

Driven by digital technologies and data

Our values Care, Dare and Deliver help us to make a difference, where it matters

Huhtamaki

2022 SUSTAINABILITY HIGHLIGHTS

Strengthening our sustainability initiatives

The Huhtamaki Foundation is a charitable trust focusing on environment conservation and drives initiatives to recycle post-consumer waste. Through its #CloseTheLoop initiative, the Foundation aims to address the problem of waste handling through circularity, thus minimising the negative impact of waste on society and the environment.

Innovation

Developed new products

Soap wrapper without plastic

Recyclable packaging for health drinks and coffee packaging

Confectionery packaging with single-use plastic using mono-material

Read more on page 30

People

1,157 employees
Benefitted from our Learning and Development initiatives

2,900+ employees
Under our insurance coverage

Read more on page 34

Environment

1.5%
Reduction in specific waste to landfill over 2021

5,000 saplings planted
At Kalyani Riverbank and schools in Rudrapur

2.28 tonne
Of scope 1 and 2 emissions per Rupee turnover compared to 2.64 tonnes in FY2021

Read more on page 40

Communities

160 underprivileged girls
Empowered through our collaboration with Need Base India, a Bengaluru NGO

₹ 20.8 Mn
CSR spend

Read more on page 42

New solutions for a more sustainable world

At Huhtamaki India, we leverage our innovation capabilities, manufacturing strength and know-how to continuously develop solutions that reimagine the world of flexible packaging. We cater to the evolving needs and demands of our customers and offer customised solutions that are not only attractive but also increase the products' shelf life and keep them safe.

Our innovation programme New Applications, Structures and Products (NASP) fosters growth and innovation through support in two areas:

- Development of new products to cater to the needs of customers, using advanced technology and processes
- Creation of customised, cost-effective solutions based on customer input, while maintaining performance standards

UN SDGs impacted

Game-changing innovations

The work we do in the field of innovation stems from our ambition to meet the needs of today and pave the way for a better world tomorrow. Thus, circularity forms an inextricable element of our innovation capability.

Innovating in 2022

During the year, we leveraged our innovation prowess to develop two state-of-the-art solutions.

We introduced a new plastic-free soap wrapper that received the highly-regarded World Star Global Packaging Award. These paper-based soap wrappers replace the traditional, non-recyclable PET/paper/hotmelt wrappers with an environmentally-friendly alternative. This has greatly benefitted our brand partners by allowing them to switch to a recyclable, monolayer structure for their soap bars. Our wrapper is made with FSC-certified paper and has a repulpability index of 80%, which promotes recycling and waste reduction.

We also introduced a variety of packaging options, including recyclable materials for health drinks, coffee and confectionery items, as well as single-use plastic packaging using mono-materials. These types of packaging options are more environmentally friendly than traditional options. Besides serving their primary purpose of convenience, perseverance and accessibility, these solutions will also help us ensure material positivity.

Leading the way with our R&D projects

We prioritise both internal innovation and customer-driven ideas and have a thorough process in place for both, which includes 7 essential stages, from concept to commercialisation. We closely monitor the progress of these ideas before deciding to proceed to the next stage.

R&D in 2022

To stay relevant as a packaging manufacturer who prioritises sustainability, the need to innovate is vital today. Our R&D centre in Khopoli, Maharashtra supports us in our innovation ambitions. This R&D center is recognised by the Department of Science and Industrial Research.

Building a green portfolio

We aspire to be the first choice in sustainable packaging solutions and we have already covered significant ground to get there. One significant step towards this endeavour is blueloop™, an enterprise-wide sustainable brand that covers a range of sustainable packaging products.

What is blueloop™?

blueloop™ is our endeavour to redesign the future of sustainable packaging by embedding circularity in our solutions. This promise of sustainability is part of our 2030 strategy. While blueloop™ was initiated to make flexible packaging solutions circular, it has evolved and expanded to include innovative products designed for circularity across our different technologies in Huhtamaki India. Our blueloop™ products are recyclable in existing waste streams.

Through the blueloop™ programme, we will further strengthen our capabilities to supply our customers with fully recyclable, mono-material structures for flexible packaging. This is in line with our major customers' commitments to have 100% of their packaging recyclable by the year 2030.

We are working towards growth by utilising our strategic manufacturing locations, investing in growth opportunities and expanding our portfolio. Additionally, our strong partnerships with important global and local customers empower us to aim for profitable growth.

Digitalisation

Digitalisation is an integrated part of our 2030 strategy and a key enabler of our growth and productivity ambition. It is about creating value by transforming the way we work, from the factory shop floor to the way we interact with customers.

Under digitalisation, the three focus areas derived from our 2030 strategy are:

- Making business easy for our customers
- Driving performance improvements across the value chain
- Enabling new business models

During 2022, we went live with our Huhtamaki India B2B e-commerce solution, which received great customer feedback. Automated customer transactions and analytics-driven customer quotations are other exciting areas in the making. We have initiatives enabling data-driven decision-making across the company and acceleration of world-class operations through digitalisation.

Technology platforms are a vital part of our digitalisation strategy to enable us to scale advantages and ensure data harmonisation while allowing local flexibility. During 2022, we went live with our first Oracle Fusion cloud installation and we will continue to scale our Microsoft Azure data and analytics cloud capabilities. We also added other platform capabilities such as commercial analytics and e-commerce. In addition, the Company continues to leverage upon the technology platforms deployed by Huhtamaki Oyj for running various business applications pertaining to employee processes, IT security, support services and others. They enable users to run processes smoothly without worrying about the technology. They also facilitate the technical teams to rapidly extend, enhance or upgrade application software, increasing the speed of business.

We will continue working closely with our customers and technology vendors in adding both customer and stakeholder value while becoming a more digitally integrated organisation.

Manufacturing excellence

We are committed to developing customised, high-quality flexible packaging and labelling solutions that shape our sustainable future. To aid our commitment, we have established state-of-the-art manufacturing facilities, equipped with advanced technologies and supported by operational excellence. We are also focusing on improving our competitive advantage that will aid our ambition of becoming the first choice in sustainable food packaging.

World-class operations

Developing world-class operations, innovative products, a play-to-win approach, commercial excellence and scale is crucial to building a sustainable and profitable business. It brings all our existing improvement programmes and tools such as WCM (World Class Management), Lean, Six Sigma and TPM (Total Productive Manufacturing) under one roof. Leveraging experience of other Huhtamaki facilities around the globe has helped Huhtamaki India to mirror World Class Manufacturing facilities in India and embark on the TPM journey.

The WCM programme is a vehicle to drive cross-segment, cross-functional transformation in the context of our 2030 strategy. Its objectives are to raise performance and build strategic capabilities across our Company and implement high-impact, transformative initiatives over the short, medium and long term. The programme provides structure to achieve sustainable results and transparency to ensure the right prioritisation and timely decision-making.

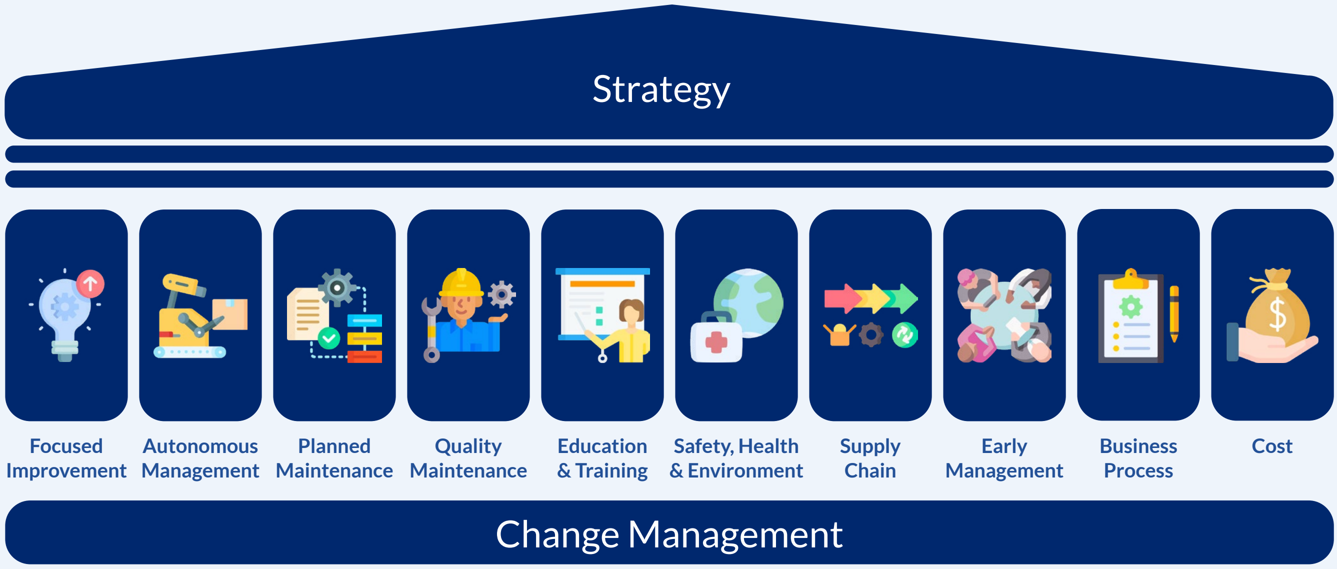
The programme empowers us to make use of the best of everything we have had so far, in an organised and streamlined manner.

Total Productive Manufacturing (TPM)

In September 2020, we reconfigured our plants and deployed TPM, as a launch pad towards world-class operations and our 2030 strategy. We piloted this initiative in Khopoli, one of our flagship sites of Flexibles division.

Vision

- High-performance culture
- Zero-loss mindset
- Operator-centric approach
- Outstanding results



Focus of TPM

2020

- Enabled operators to manage equipment autonomously, identify abnormalities and restore them, and with time, become capable to maintain the machine through skill upgradation
- Offered Performance Control System (PCS) through which self-managed teams can reduce and control the process and losses

2021

- Focused on planned maintenance, autonomous management and quality maintenance

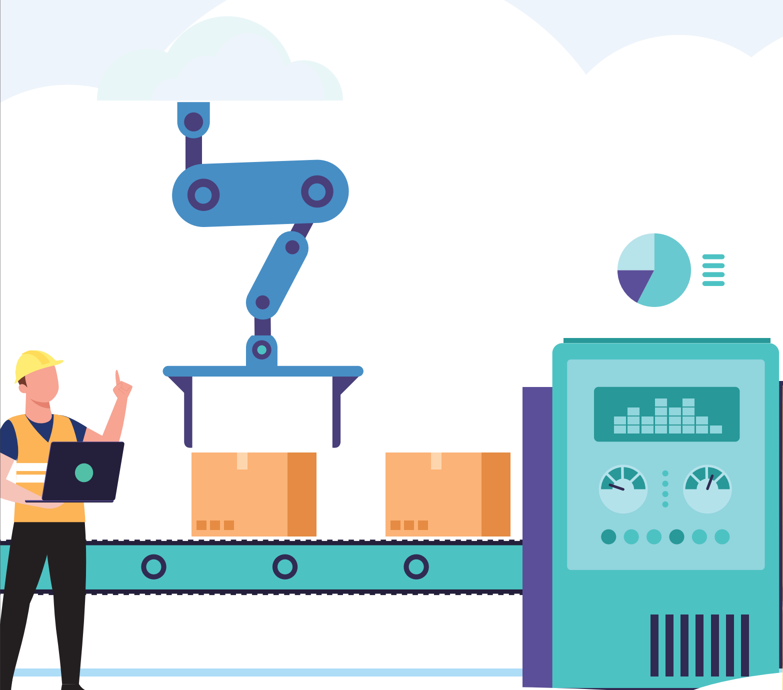
2022

- Focused on education and training

5 sites
Launch of TPM

Over 45% of the workforce
In these sites are actively engaged in TPM

Today, TPM is successfully shaping our manufacturing culture by empowering employees on a journey of continuous improvement, aligned with our values of Care, Dare and Deliver.



Creating an inclusive and engaging workplace

At Huhtamaki India, we are dedicated to upholding ethical standards and adhering to the national and international regulations that govern human rights in the workplace. Our commitment extends to every level of our organisation, including our plants, where we take great care to ensure that our operations are free from child labour, forced labour, discrimination and sexual harassment. We are dedicated to creating a workplace culture that is safe, fair and inclusive for all of our employees and partners.

UN SDGs impacted

We have built a culture of transparency, hard work and fairness and are proud of it. Our employees freely voice their opinion on certain strategic decisions and we reward breakthrough ideas. We consider it our responsibility to provide our people with a safe, diverse and inclusive work environment that promotes productivity and commitment.

Together with our passionate workforce, we continue maintaining strong business performance and taking steps to create a future-ready business.

Training and development

As part of our 2030 strategy, we want to build a high-performance work culture by investing in the continuous development of our people, attracting the right talent and growing our strategic capabilities. Our core values of Care, Dare and Deliver reflect in our approach to employee development. We believe that every individual has unique talent and development needs and the learning framework is aligned to match the needs and our Company's strategy.

The Global Week of Learning was launched in June and provided a spectrum of online and on-site learning opportunities for all employees around a set agenda. A monthly learning offering reinforced our commitment to employee development with courses on digital upskilling, professional development, leadership development, technical training and employee wellness.

In 2022, we delivered a total of 35,757 training hours with an average of 12.30 training hours per employee.

Aligned with our agenda of Diversity, Equity and Inclusion, we launched the I-WIN platform to mentor female colleagues and provide career guidance. More than 200 women employees participated in I-WIN sessions in the first year of its launch and gained from each other's experience. The Skill Matrix project at Khopoli was kicked off to evaluate and assess the skills of the Printing team at the Khopoli plant and create a path of continuous learning. Programmes on mental and emotional well-being are offered on a monthly basis. Additionally, all Huhtamaki India employees and their family members can avail of the Employee Assistance Program (EAP) services.

65% employees
Underwent EHS training

Diversity, Equity and Inclusion

Huhtamaki's Diversity, Equity and Inclusion (DE&I) policy ensures that all employees are held to the same ethical standards and encourage a culture of open communication, where employees feel comfortable speaking up about their concerns. Our goal is to transform into a more equitable, diverse and inclusive organisation and build a brand that reflects our DEI efforts.

Health and safety

We have a comprehensive health and safety policy that is implemented at all levels, with new employees receiving site and job-specific training. Proactive measures such as reporting near-miss incidents, audits and awareness campaigns are regularly conducted to involve employees and contract workers in the health and safety programme. The line management is responsible for the daily implementation of health and safety measures through daily checks, toolbox discussions and standard operating procedures.

In 2022, as the pandemic continued to linger, we made further improvements to our insurance coverage. We now provide health insurance, accident insurance, maternity and paternity benefits to all our employees. Arrangements were made for Covid-19 booster doses to be administered to all of them, as well. Additionally, we implemented a policy of allowing employees to work from home if they were experiencing symptoms of a cold or fever. Regular medical check-ups were also maintained, with annual and half-yearly check-ups being conducted in our factories.

Empowering Minds: YourDOST - Digital platform for mental wellness

Our platform 'YourDOST' provides digital counselling and emotional support to promote mental wellness. It connects users with professional therapists, psychologists, counsellors, life coaches, and career counsellors for confidential one-on-one sessions.

56%
Of the 347 employees were women

181
In-person counselling sessions

26
Helpline sessions

155
Online sessions

347 employees
Reached through webinars

The experts at YourDOST assist individuals in enhancing:

- Coping skills for stress, anxiety, and pressure from various sources.
- Objectives-focused approach
- Personal relationships
- Work-life balance
- Self-confidence

Encouraging our people to give back to society

In line with our purpose of protecting food, people and the planet, we are committed to being a good corporate citizen by positively impacting the communities we operate in. Every year, we actively encourage our employees to donate their time to make a difference.

Our employees also donated essentials such as blankets, soaps, lentils, milk powder and cereals to those affected by the 2022 Assam floods that caused immense distress in the state. The flood relief materials were handed over to Mr. Chinmoy Nath, ACS, Deputy Chief Executive Officer, ASDMA, at the Disaster Management Assam (Assam State Disaster Management Authority) office by our Guwahati team. The donation has helped rehabilitate over 75 families in the various wards across Goreswar and Tamulpur districts.

Our employees celebrated Christmas in 2022 by donating books, clothes, stationery items and groceries to girls from Divya Prabha Home, a home for distressed girls in Thane. The girls were delighted to receive the gifts and left our employees motivated to continue contributing to society.

Our employees also spend time in orphanages and old age homes, interacting with the members and providing support and companionship.

Celebrating festivals

At Huhtamaki India, our corporate philosophy embraces the principle of inclusive cultural celebrations. Throughout the year, we strategically organised office festivities to commemorate significant occasions such as Navratri, Diwali, and Christmas. Our valued employees and their respective families actively engaged in these events, demonstrating exceptional zeal in the festivities and associated recreational activities.

Employee testimonials

Gautam Ahuja

Senior Regional Sales Manager – Flexible Packaging, Huhtamaki India

"In December 1994, after a rigorous yet mesmerising selection process, I began my journey at Huhtamaki India as a Junior Sales Executive. Our hunger to work creatively enabled us to develop exciting innovations. Today, I am grateful to Huhtamaki India for providing me with the opportunities to grow, gain global exposure and meet amazing co-workers from different countries."

Syed Sadia Mudassir

Assistant Superintendent – CMD, Flexible Packaging, Huhtamaki India

"Eight years ago, I started my thrilling journey with Huhtamaki India as a fresher operating on slitting machines and honestly, I was amazed by how the organisation recognises talent over gender while deploying every job role. Since then, I progressed through different roles and currently handle the press segment, where I work on different designing softwares and interact with customers. I am proud to be working on some of the industry's most iconic grooming brands."

Huhtamaki

ENVIRONMENT

Contributing to a cleaner, greener world

At Huhtamaki India, we are striving to conserve our planet's limited resources and participate in the fight against climate change. We strictly comply with all relevant environmental laws, regulations and guidelines in India. Monthly audits are conducted to confirm adherence to the law. Through their recyclable nature, our products will enable circularity in packaging.

UN SDGs impacted

Key environment conservation initiatives undertaken during the year

- Conversion to PNG at Rudrapur
- Biomass usage at Sricity
- ZLD programme at Taloja
- Solar panels at Silvassa and Guwahati

Energy management

At Huhtamaki India, we are working on two key fronts to manage energy: reducing and optimising our energy consumption and increasing the mix of renewable energy in our total energy consumption. Our manufacturing units are implementing various projects to reduce both fuel and electricity consumption. Some initiatives include:

- Adopting cleaner and more efficient PNG fuel at the Rudrapur factory instead of diesel
- Implementing energy-saving technologies such as variable frequency drives (VFDs) for ventilation and cooling systems, motion sensors for air curtains and lights at the Hyderabad factory
- Improving the efficiency of the use of compressed air at the Hyderabad facility through closed-loop compressed air systems
- Installing a waste heat recovery system at Silvassa Factory
- Benchmarking and optimising electricity consumption at Sricity factory

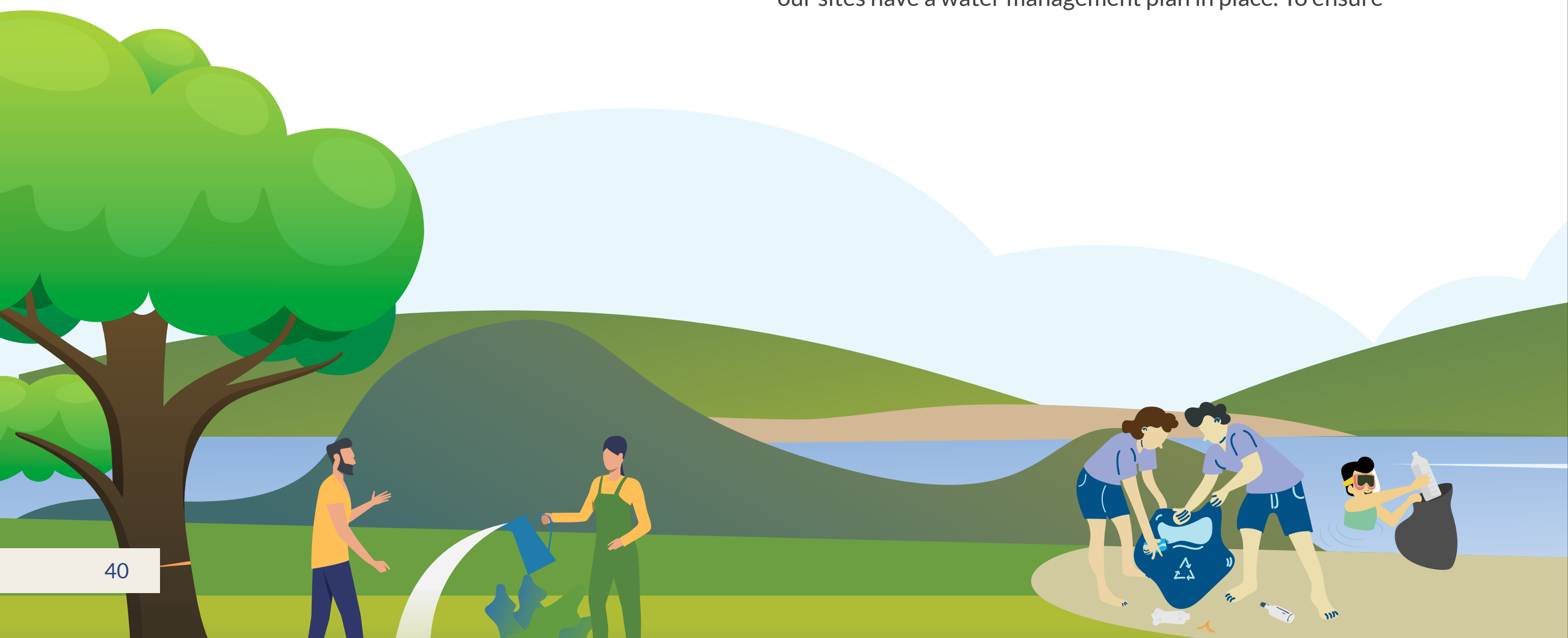
Emission reduction

Our goal is to achieve carbon-neutral production for scope 1 and 2 emissions by 2030. To accomplish this, we have various projects underway across our locations that focus on reducing energy consumption and GHG emissions and increasing the use of renewable energy sources.

Our Guwahati, Silvassa, Daman and Taloja sites have implemented rooftop solar panels for electricity supply. Our Sri City factory has shifted to renewable biomass for its primary energy needs. At our Rudrapur factory, we have shifted to a cleaner PNG fuel for our primary energy needs, which reduced the site's scope 1 emissions by 20%.

Water recycling and conservation

We recognise the importance of water conservation and aim to improve our water footprint year by year. We are working towards reaching zero-liquid discharge at our sites, with four of our facilities already operating at that level. Ten of our sites have a water management plan in place. To ensure



efficient use of treated water, the sewage water and effluent produced on-site is processed in a sewage treatment plant or effluent treatment plant and treated water is reused for suitable applications. Rigorous testing is performed on the treated water output to guarantee compliance with discharge standards.

Beach cleanup

As part of the World Clean Up Day, Huhtamaki India partnered with Khushiyaan Foundation to clean up the litter at Mumbai's Dadar beach. On September 17, 2022, our employees spent time removing garbage and plastic waste from the beach and also learned about plastic recycling and the circular economy.

35 kg
Post-consumer waste per volunteer was collected

Waste reduction and disposal

We take a vigilant approach to monitoring waste output in all our facilities and we have a comprehensive programme in place to minimise and properly dispose waste in a manner that aligns with both environmental standards and legal requirements. All hazardous and non-hazardous waste types are carefully tracked, recorded and reviewed each month.

98.7%
Of our non-hazardous waste is recycled

0.1%
Waste goes to landfills

Each facility sets specific goals for waste reduction and progress towards these goals is consistently monitored.

Efforts are made to reduce hazardous waste at its source through material consumption optimisation projects. The disposal of waste is always in compliance with local regulations.

Sustainable sourcing

Our supplier network consists of global key suppliers and a large network of local partners close to our manufacturing units. Being part of Huhtamaki Oyj has helped Huhtamaki India tap into our global supplier base and leverage scale and optimise sourcing costs while ensuring continuity of supplies. 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 want 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 Person lists and negative media is a critical component in responsible procurement. The screening process will continue as long as the supplier remains active for Huhtamaki India. 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 given questions to determine the likelihood of corruption and legal compliance. Potential high-risk suppliers are asked additional questions on sanctions, ethics and compliance.

We have implemented the NAVEX system to assess and evaluate our suppliers based on their performance on Environmental, Social, and Governance (ESG) criteria. Suppliers who receive poor scores on ESG parameters are flagged for further investigation and if they are unable to provide satisfactory responses to our inquiries, they may be placed on a blacklist.

We are committed to sourcing materials sustainably and currently, 45% of our materials are obtained from sustainable sources.

Taking action for a positive impact

At Huhtamaki India, we are committed to addressing issues that are important to our communities. Our social initiatives deeply reflect our value of Care and our focus on community empowerment. Through our CSR policy, we target the five core areas of community development:

Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water

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Promoting education and livelihood enhancement projects for all and offering monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc.

Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages

UN SDGs impacted

Promoting gender equality and empowering women, orphans and the elderly

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Promoting environmental sustainability

Our community empowerment initiatives

- Distributed Akshay Patra's School Safety Box in Daman
- Educated and protected underprivileged girls from trafficking in Bangalore in collaboration with Need Base India
- Provided solar lamps to two Gram Panchayat Schools in the Raigad district
- Distributed school bags, stationery kits, tracksuits and winterwear (jackets, socks, shoes) to students at the local primary school in Baddi
- Distributed school books, bags and uniforms and undertook classroom repair at schools in Sri City
- Set up a library in a higher secondary school at Dapada in Silvassa
- Distributed old laptops and desktops to schools in Taloja
- Funded toilet renovation in schools
- Provided RO water purifier to rural schools in the Raigad district to ensure access to clean drinking water for children in Taloja
- Set up school hand-wash and drinking water stations in several schools in Mahape
- Undertook water and sanitisation projects in municipal schools in Sikkim and Guwahati

Our aspiration for the years to come

In the years to come, we will contribute towards promoting gender equality and empowering women. In addition, we plan to support NGOs in setting up homes, hostels and daycare centres for women and orphans and old age homes and other similar facilities for senior citizens. We will also adopt measures for reducing inequalities faced by socially and economically backward groups.

Additionally, we will focus on the following areas:

- Be a 'neighbour of choice' in the areas we operate and build a brand value for Huhtamaki India
- Create awareness among employees of our initiatives and garner support for the communities we operate in
- Instil in employees a sharing and caring mindset through various events and encourage active participation
- Support women through self-help groups that promote a sustainable livelihood
- Partner with organisations for skill development
- Ensure CSR spending is measurable, tangible, accounted and monitored accurately

Building a safe and secure business

At Huhtamaki India, we work with integrity and transparency. With a focus on our values of Care, Dare and Deliver, we have developed stringent policies and processes to do business responsibly. We believe that good governance means good business. Hence, we go the extra mile in ensuring fair and judicious decision-making, accountability and ethical behaviour.

Our visionary leadership plays a vital role in overseeing our strategies and priorities, while also regularly monitoring the emerging trends, risks and opportunities. This empowers us to build a future-ready business.

Ethical and responsible

For Huhtamaki India, good governance translates into good business. It forms a basis for how we work and how we are organised. It is important both internally and externally and applies to every one of us. Internally, it starts with and 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.

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

Commitment to ethics and compliance

UN SDG impacted

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

The Huhtamaki Ethics and Compliance programme focuses on Huhtamaki's commitment to integrity and legal compliance across the organisation. The main purpose of our compliance work is to enable and inspire all our employees to make the right decisions and to foster an open, ethical company culture. Please refer to the Section on 'Ethical Business Practices and Governance' on page 52 of the Directors' Report.

Code of Conduct and Whistle Blowing Policy

Huhtamaki India updated and reintroduced its Code of Conduct and Whistle Blowing Policy in FY2022. The Code of Conduct is the core element of our Ethics and Compliance programme and the basis for everything we do. The Code is a set of ethical guidelines that outline the expected behaviour of all employees and defines how we treat each other, do business and engage with our stakeholders. It also explains how we conduct our business in an ethical and responsible manner to earn the trust of our customers and other stakeholders.

The Code of Conduct for Huhtamaki Suppliers sets out the ethical business practice requirements we expect from our suppliers and other business partners. The Code for suppliers covers areas such as business ethics, social responsibility but also environmental commitments and expectations toward our suppliers.

Both the Huhtamaki Code of Conduct and our Code for suppliers are available to all employees on our intranet and are also publicly available *here.*

Huhtamaki India promotes a speak-up culture and encourages everyone to raise concerns and to report any suspected or observed violations of the Company's Code of Conduct, any other policy or law and regulation. 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 encouraged to report the violation. An employee may report a potential violation to anyone listed in the WhistleBlower Policy, which includes a web-based tool operated by an external service provider and managed by Huhtamaki Ethics and Compliance. Please refer to the Section on Vigil Mechanism / Whistleblower Policy on page 53 of the Directors' Report. The Whistleblower Policy can be accessed on the Company's website at https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies/

We encourage early detection of potential misconduct. We consider that trust, commitment to non-retaliation, and a clear process for handling the Code of Conduct investigations and possible violations are the foundations for building an open culture where our personnel feel comfortable raising concerns.

In Huhtamaki India, our Code of Conduct mascot – CoCo – spreads awareness and guides our teams on the Whistleblower Policy and on using the Speak Up platform effectively [Read more in 'Fostering a culture of open discussion']. This initiative was a part of our campaign '#DoRight – The Huhtamaki Way!' and we believe it has helped us make ethics an integral part of our operations.

Preventing corruption

We have zero tolerance for corruption and bribes. Anti-bribery and corruption provisions are an integral part of the Huhtamaki Code of Conduct with which all our employees are expected to comply. In line with the Code of Conduct, we do not award donations to political parties or political activities, religious organisations, authorities or local administrations. Our annual Code of Conduct training covers anti-corruption topics with practical guidance and examples for ethical decision-making for all Huhtamaki India employees. These provisions are also included in the Code of Conduct for Huhtamaki Suppliers.

Code of Conduct training

We strive to ensure that all our employees and business partners understand what ethical business conduct means and know how they should respond to any ethical dilemmas that may arise. Communications and training are a crucial part of our compliance work. All Huhtamaki India employees are required to complete the Code of Conduct online training annually. The Code of Conduct e-learning focuses on Huhtamaki India's commitment to integrity and it provides us with the guidance and principles to adhere to the highest standards of legal compliance and ethical conduct across the organisation. We aim to ensure that all our new employees receive the same training as part of their onboarding process within their first month of employment. Our Code of Conduct online training is available in 26 languages.

95%
Employees completed the training in 2022

In addition to our Code of Conduct online training, in-depth e-learning course on anti-trust and competition compliance is mandatory for employees who are interacting with third parties like customers or suppliers. All line managers are asked to confirm as part of the year-end review process that their team members have completed all mandatory Ethics and Compliance trainings, including the Code of Conduct e-learning. In addition to the mandatory e-learning module, employees across locations are physically or virtually trained on various aspects of the Code of Conduct during the year.

Supply chain due diligence

As a responsible company, we want to ensure that our suppliers meet the environmental, social and governance expectations we set out in our Code of Conduct for Huhtamaki Suppliers. Over the past years, we have focused on improving our supply chain due diligence system.

Our supply chain due diligence process has been built to identify risks in the supply chain. All key suppliers, corresponding to approximately the top 80% in terms of procurement spend, are systematically screened in the Group's supplier monitoring tool against for example sanctions lists, watch lists and negative media, helping Huhtamaki to identify and address risks related to human rights in the supply chain.

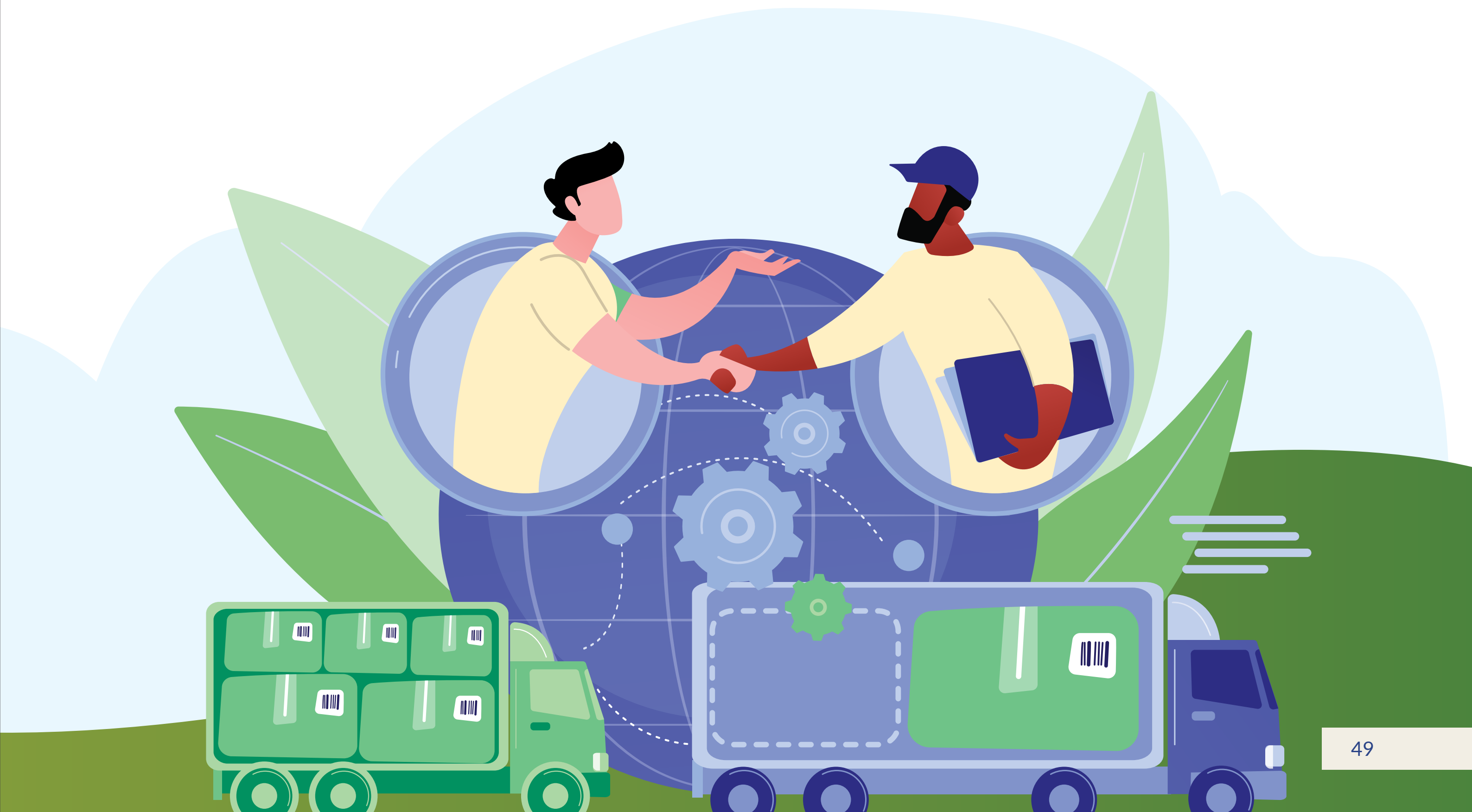
Responsible sourcing is integrated in the World Class Management (WCM) programme to further develop our ways of working in responsible sourcing.

Three key elements of our supply chain due diligence

Code of Conduct for Huhtamaki Suppliers

Third party corporate responsibility audits, utilising Sedex tools

Screenings and questionnaires, targeted to key suppliers through NAVEX RiskRate



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 73rd Annual Report of Huhtamaki India Limited along with the Audited Statements of Accounts for the year ended December 31, 2022.

FINANCIAL HIGHLIGHTS:

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

(All amounts ₹ in Million, unless otherwise stated)

Particulars	2022	2021
Net Sales	29,165.0	25,708.6
Profit/(Loss) before Tax & Exceptional Item	559.3	(5.9)
Exceptional Item (Expenses)	-	309.8
Profit/(Loss) after Exceptional items & before Tax	559.3	(315.7)
Less: Provision for Current Tax	172.9	(58.2)
Provision for Deferred Tax	(110.0)	(30.6)
Profit/(Loss) for the year	496.4	(226.9)
Opening balance of Retained Earnings	5,390.4	5,881.4
Other Comprehensive Income/(Loss) for the year	(6.3)	(24.4)
Dividend on Equity Shares for the year	(75.5)	(226.6)
Adjustment relating to prior periods	-	(13.1)
Closing balance of Retained Earnings	5,805.0	5,390.4

PERFORMANCE:

The Company registered net sales of ₹29,165 Million, as compared to ₹25,708.6 Million for the previous year representing a 13.6% growth year on year. Profit before exceptional items and tax stood at ₹559 Million as compared to ₹(5.9) Million for the previous year. Performance during the year was impacted due to the steep increase in raw material prices from Q2 though the inflationary pressure eased towards end of the year.

The Company continues to focus on 'Project Parivartan' initiatives towards cost optimization, stronger price realization and better quality of growth, to turnaround its performance. Project Parivartan focuses on improving efficiency of manufacturing network, overall manufacturing productivity and reducing wastages from operations to boost the long-term competitiveness of the Company. Project Parivartan has helped improve the Company's performance during the year and the Company will continue to focus its efforts on the Project until it reaches the expected levels.

DIVIDEND:

Your Directors are pleased to recommend a dividend of ₹2/- (Rupees Two only) per equity share (100%) having face value of ₹2/- each, for the year ended December 31, 2022. The said dividend will absorb an amount of ₹151 Million.

The Dividend Distribution Policy of the Company is annexed to this Report as Annexure 1.

FIXED 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 optimize 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 Commercial Papers for funding Working Capital. The Company has also repaid ₹500 Million Term Loan to BNP Paribas on the due date. Borrowings as of December 31, 2022 are in line with that as of December 31, 2021 with an increase of ₹144 Million in short term borrowings.

SUBSIDIARY COMPANIES AND FINANCIAL STATEMENTS:

Form AOC-1 is not being provided since the Company does not have a subsidiary. 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.

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 2.

CORPORATE GOVERNANCE REPORT:

The Report on Corporate Governance and the Certificate of the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Para C of Schedule V of the Listing Regulations, 2015, are enclosed as a separate section and forms part of this Report. A declaration signed by the Managing Director in regard to compliance with the Code of Conduct by the members of the Board and Senior Management Personnel also forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed review of the operations, performance and future outlook of the Company and its businesses are given in the Management Discussion and Analysis and forms a part of this Report.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

Mr Dhananjay Salunkhe was appointed as Managing Director of the Company for a period of three consecutive years with effect from August 12, 2022. The appointment and remuneration payable to Mr Dhananjay Salunkhe were approved by the shareholders vide Postal Ballot on August 24, 2022.

Mr Jagdish Agarwal, was appointed as the Chief Financial Officer (CFO) from January 5, 2022 and additionally as Whole-time Director for a period of three consecutive years with effect from May 26, 2022. The appointment and remuneration payable to Mr Jagdish Agarwal were approved by the shareholders vide Postal Ballot on August 24, 2022.

Mr Marco Hilty retires at the forthcoming Annual General Meeting by rotation and being eligible, has offered himself for re-appointment. Details of the proposed re-appointment has been provided in the Explanatory Statement of the Notice of the 73rd Annual General Meeting of the Company pursuant to Section 102 of the Companies Act, 2013. The Board based on the recommendation of the Nomination and Remuneration Committee, have recommended his re-appointment.

Mr Murali Sivaraman's term as an Independent Director of the Company is scheduled to end on December 31, 2023. Mr Sivaraman is a seasoned professional and an accomplished business leader with several decades of experience of leading multinational companies across geographies. Mr Sivaraman has held the Chair since the time of his appointment. The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, propose the re-appointment of Mr Sivaraman as Director (Non-Executive Independent Chairman) with effect from January 1, 2024 for a second term of 5 years, to the members for their approval.

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 who were appointed on January 1, 2019, January 1, 2020, and April 1, 2020, respectively, 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.

EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND DIRECTORS:

The Nomination and Remuneration Committee followed 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 rated the performance of the Board, Committees, the other Directors and the Chair, against the criteria prescribed by the NRC and offered their feedback. The Corporate Governance Report, annexed to this 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, appended as Annexure 3 to the Directors' Report. The above policy along with the criteria for selection is available on the Company's website at https://www.huhtamaki.com/en-in/flexiblepackaging/investors/corporate-governance-and-policies/policies/

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR):

SEBI, vide Notification No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, replaced 'Business Responsibility Report' with 'Business Responsibility and Sustainability Report' and has mandated companies to submit the BRSR for FY2023 onwards. Although not mandatory this year, as a good corporate governance practice, the Company is pleased to present its first Business Responsibility and Sustainability Report (BRSR) for FY2022, which is a part of this Annual Report.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company has formulated a Familiarisation Programme for Independent Directors to appraise them of their roles, rights, responsibilities, nature of the Industry, Company's strategy, business plan, operations, markets, products, etc. The details of the Company's Familiarisation Programme are available on the Company's website - web link: https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies/

During the year, as part of the Familiarization Program, the Independent Directors visited Huhtamaki Oyj, headquartered in Espoo, Finland The Independent Directors met members of the Supervisory Board, the President and Chief Executive Officer, members of the Global Executive Team and the Flexible Segment Leadership Team to familiarize themselves with Huhtamaki Group's vision, mission and strategy, opportunities and challenges, sustainability initiatives and expectations, operations, markets, competitive landscape, white spaces and products and governance. The Independent Directors visited one of Huhtamaki's largest and sophisticated flexible packaging manufacturing plants at Ronsberg, Germany and a Fibre and Foodservices plant at Hameenlinna, Finland to familiarize themselves with the operations, innovation, customers, competition, market, best practices as regards safety, efficiency, wastage, sustainability and other manufacturing best practices. The Program offered an opportunity to the Independent Directors to get a deep insight into the flexible packaging industry, Huhtamaki's business, products, market and competitive landscape, manufacturing practices, opportunity and threats. The Program will help the Independent Directors guide the Company to drive its long-term and short-term strategy in a responsible, sustainable, ethical and competitive way, to achieve its targets.

MEETINGS OF THE BOARD:

During the year, the Board met eight times. Particulars of attendance of directors at the said meetings are given in the Corporate Governance Report, which forms part of this Report.

AUDITORS AND AUDITORS' REPORT:

The Auditors' Report to the Members on the Accounts of the Company for the year ended December 31, 2022 is a part of the Annual Report. The said Audit Report does not contain any qualification, reservation, or adverse remark.

For FY2022, the Auditors did not report any matter under Section 143(12) of the Act and hence no disclosures are made under Section 134(3)(ca) of the Act.

COST ACCOUNTS AND COST AUDITORS:

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 to conduct the Cost Audit for the Financial year 2023. Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, members of the Company are required to approve the remuneration to be paid to the Cost Auditors. Accordingly, the proposal for approval of remuneration to be paid to the Cost Auditors for the Financial Year 2023, is being placed before the members. 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.

SECRETARIAL AUDITOR:

The Board of Directors had appointed M/s. S.N. Ananthasubramanian & Co., Company Secretaries, to conduct Secretarial Audit for FY2022 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 in the prescribed format is annexed as Annexure 4 to this Report.

ANNUAL SECRETARIAL COMPLIANCE REPORT:

The Company has undertaken an audit for the financial year 2022 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder.

During the Year 2022, your Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India and Annual Secretarial Compliance Report in prescribed format is annexed as Annexure 5 to this Report.

The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

PARTICULARS OF EMPLOYEES:

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 6.

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 @ investor.communication@huhtamaki.com and the same will be furnished on request.

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

Your Company has formulated a policy on related party transactions which is also available on Company's website at https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies/.

This policy deals with the review and approval of related party transactions. The Board of Directors of the Company have set out the criteria for obtaining omnibus approval from the Audit Committee within the overall framework of the policy on related party transactions. Based on such authority granted by the Board to the Audit Committee, the Company obtained prior omnibus approval for related party transactions which are repetitive in nature, entered in the ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Hence, there were no transactions that were required to be reported in Form AOC 2 as required under Section 134(3)(h) of the Companies Act, 2013. However, members may refer to Notes to the financial statement which sets out related party disclosures pursuant to the Accounting Standards.

None of the Directors and the Key Managerial Personnel have any pecuniary relationship or transactions vis-a-vis the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not granted any loans, guarantees and investments covered under Section 186 of the Companies Act, 2013, during the financial year ended December 31, 2022.

CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility ('CSR') Policy of the Company was amended in the year 2022 to bring it in line with the requirements of the Companies Act, 2013. Pursuant to the provisions of the Section 135 of the Companies Act, 2013 (the Act), your Company constituted a CSR Committee to monitor the CSR activities of the Company, details of which are provided in the Corporate Governance Report,at page 68.

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 has set off ₹20.2 Million and incurred additional expenses towards CSR activities of ₹10.60 Million .

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

CSR Report detailing the activities of CSR spending is annexed to this Report as Annexure-7.

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 program focuses on Huhtamaki's commitment to integrity and legal compliance across the organization. The program 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. During

FY2022, the Company revised and reintroduced its new Code of Conduct and Whistle Blowing Policy to clearly articulate a set of ethical guidelines that outline the expected behaviour of all employees that defines how we treat each other, do business, and engage with stakeholders. It also explains how the Company conducts business in an ethical and responsible manner in order to earn the trust of its customers and other stakeholders. The Company believes that conducting business with integrity is the right thing to do, and it is our license to operate.

VIGIL MECHANISM/ WHISTLEBLOWER POLICY:

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 violation. An employee may report a potential violation to anyone listed in the WhistleBlower Policy, including a web-based tool operated by an external provider and managed by Huhtamaki Ethics and Compliance Team. The Whistleblower Policy can be accessed on the Company's website https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies/.

During FY2022, various 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 FY2022 with the tone being set at the top and reiterated multiple times during the year. The CoCo mascot was launched in FY2022 to strongly deliver the message of compliance.

During the year, the Company received 15 complaints under Whistle Blower/Vigil mechanism and as of date, investigations into 9 complaints have been concluded. The balance 6 complaints are being investigated. None of the complaints have any material impact on the Company and do not warrant a disclosure. There was 1 pending complaint carried over from the previous year which has been disposed of during the year. 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.

RISK MANAGEMENT:

Risk management at Huhtamaki aims to identify potential events that may affect the achievement of Huhtamaki India's objectives. 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. The Company has constituted a Risk Management Committee which oversees and monitors implementation of the Risk Management Policy, validate the process and procedure of Risk Management and Risk Mitigation and periodically review and evaluate the Company's Risk Management Policy.

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

In 2022, 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 by the Board of Directors.

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 this Report.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:

Internal control is an essential part of 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.

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 organization.

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

ANNUAL RETURN:

The Extracts of the annual return of the Company for Financial year 2022 has been placed on the website of the Company and can be accessed at link https://www.huhtamaki.com/en-in/flexible-packaging/investors/financials.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Act:

a. that in the preparation of the annual financial statements for the year ended December 31, 2022, 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, 2022, 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 adequate and operating effectively.

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 programs, career discussions and individual development plans. A detailed note on Human Resources is mentioned in the Management & Discussion Analysis (MDA) section.

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 6.

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. Further, the report and the financial statements are being sent to the members excluding the aforesaid statement. Further, in terms of provisions of Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company.

Any member interested in obtaining such information may write to the Company @ investor.communication@huhtamaki.com and the same will be furnished on request.

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 policy is gender neutral. This can be found at here.

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. One was in the nature of a complaint of harassment as envisaged in the POSH Act. This was investigated by the IC and resolved through conciliation. The other complaint was outside the purview of the Act. The Company investigated the matter and closed it in the normal course. Set out below is a status update.

Number of Complaints of sexual harassment received in the year	2 (out of which 1 was outside the scope of the Act)
Number of complaints disposed of during the year	1
Number of cases pending for more than ninety days	NA
Nature of action taken by employer	POSH complaint resolved through conciliation

OTHER DISCLOSURES/REPORTING:

Your Directors state that no disclosure and/or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of 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 & 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 No. 01461231)
Date: March 17, 2023

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE – 1

DIVIDEND DISTRIBUTION POLICY

[Pursuant to Regulation 43(A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.]

1. **SCOPE AND PURPOSE OF THE POLICY**

   Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 500 listed companies, based on Market Capitalization of every financial year, are required to formulate a Dividend Distribution Policy. The Company being one of the top 500 listed companies frames this policy to comply with the aforesaid SEBI Regulations, 2015.

   The Objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes and provide guidance to the Board of Directors while recommending dividends to its shareholders, from time to time.

2. **FACTORS/PARAMETERS TO BE CONSIDERED WHILE DECLARATION OF DIVIDEND**

   The Company will broadly take into consideration the following financial parameters and/or internal and external factors to determine whether or not to declare dividend or to determine the quantum of dividend to be declared. The philosophy of the Company is to maximise the stakeholders' wealth in the Company and the Board will consider the following factors while recommending dividends to its shareholders:

   a) Internal Factors/ Financial Parameters:
      - Consolidated Operating Profit after Tax;
      - Free Cash Flows;
      - Working Capital requirements;
      - CAPEX Plans /requirements;
      - Acquisitions and/or Diversification Plans;
      - Cash Flow required for Contingencies;
      - Borrowings;
      - Past Dividend Trends; and
      - Assessment of Dividend Impact on Credit Rating & other consequential factors

   b) External Factors:
      - Interest rates;
      - Taxation on distribution of dividend; and
      - Dividend Payout Ratios of comparable companies/ Companies in same industry.

   c) Utilisation of Retained Earnings:

      In unusual cases, the Company may consider declaring dividend out of profits of previous years or free reserves as may be permitted by law, after taking into account the parameters laid down in this policy.

   d) Circumstances under which shareholder may or may not expect dividend:

      In an event where Company proposes/has undertaken a significant expansion project/CAPEX; Mergers, Acquisitions or Joint Ventures; buy-back of securities or any such eventualities which requires higher capital allocation or due to inadequate profits or incurring of losses.

   e) Provisions regarding various classes of shares -

      Currently, the Company has issued only equity shares and this policy shall be applicable to dividend on equity shares. As and when the Company issues other classes of shares, the Board shall suitably amend this policy.

3. **GENERAL**

   a. This Policy is subject to any amendments/revisions as per the guidelines that may be issued by Ministry of Corporate Affairs and/or Securities Exchange Board of India, from time to time;

   b. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy, as it may deem fit; and

   c. In case of any amendment(s), clarification(s), circular(s) etc., issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc., shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

ANNEXURE – 2

Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo (Particulars pursuant to the Companies (Accounts) Rules, 2014)

A. CONSERVATION OF ENERGY:

The Company has a well-defined energy conservation program implemented across the sites. The Company focuses on implementing new technologies, improving machine efficiency, optimizing performance of equipment as well as adopting efficient energy sources. The company is also working on its 2030 ambition of 100% renewable energy usage.

Some of the key initiatives for conserving energy during 2022 were:

- Conversion of Fuel Oil to Piped Natural Gas system for primary energy needs at Rudrapur factory
- Compressed air optimization at Guwahati unit
- Power factor improvement through efficiency measures at Mahape factory
- Shifting to Variable Frequency Drive units at Hyderabad factory
- Smart electricity consumption tracker to optimize electricity usage
- Waste Heat Recovery at Silvassa Factory
- Installation of Rooftop solar panels at Silvassa Factory

Other measures like replacement of old and energy-intensive pumps by new, efficient pumps, LED lighting, motion sensors for lighting and air curtains are implemented in various units of the company.

B. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

The Company continued its innovation and product development efforts to develop technologies and new sustainable products for continuous growth. The dedicated R&D set up at Khopoli, recognized by DSIR, Government of India, is providing agility in Innovation and product development activity helping to have healthy innovation pipeline.

Sustainability is an integral part of our 2030 strategy and the planned investment will ensure that we are aligned to it by providing recyclable flexible packaging solutions. The Company has made significant CSR contribution to the Foundation, the primary objective of which is to recycle multilayer post-consumer flexible packaging materials our team is also well represented in various programs and industries forum to provide public awareness on flexible packaging as sustainable packaging solutions.

Our journey to introduce easy-to-recycle laminate on Blue Loop platform continues to grow with most of our customer base. With the support of input raw material suppliers and process team, our dedicated technical and quality team is putting all efforts to ensure packaging materials we produce, are food-safe and meeting FSSI and other global food safety standards.

Your company has completed filling final specification with claims for one patent in this year. The Company earned new recognition in different categories of product innovations at different national and international prestigious award platforms like IFCA Star, World Star, ET Polymers & Packaging Innovation awards by DOW. 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 recognized for its innovative efforts by several packaging organisations and was awarded with the following awards/recognition -:

Name of the Award	Products
WorldStar Awards 2023	• Paper-based soap wrapper
IFCA Star Awards 2022	• Paper based soap wrapper • Biodegradable barrier PE pouches for dry Pet food • Insulator pouch for online food deliveries • Soft thermoformable lidding for wine cups
The Economic Times Polymers Awards 2022	• Limited edition variable festive tea packs
SIES SOP Awards 2022	• 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:

a.	Capital	₹19.6 Million
b.	Recurring	₹12.1 Million
	Total	₹31.7 Million

Apart from the above, the Company spent a sizeable amount of money and resources on product development, which is not covered in the amount reported hereinabove.

C. RESEARCH AND DEVELOPMENT:

Your Company continued to introduce easy-to-recycle laminate on Blue Loop platform which is a growing trend with customers.

To meet the demand of food-safe packaging, the Company has ensured that all input raw materials and process are safe to produce packaging, as per government introduced FSSAI standards and other global food safety standards.

With the help of dedicated NASP (New Applications, Structures, Products/Processes) and I2M activities, a strong new product pipeline is helping the Company to maintain its technology and innovation leadership in the market.

D. FOREIGN EXCHANGE EARNINGS & OUTGO:

a. Foreign exchange earnings from the exports of the Company's products & services amounted to ₹8,184.9 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 ₹5,865.5 Million.

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

Murali Sivaraman, Chairman
(DIN No. 01461231)

ANNEXURE – 3

NOMINATION AND REMUNERATION POLICY OF HUHTAMAKI INDIA LIMITED

1. **PREAMBLE:**

   a. The Nomination and Remuneration Policy ('Policy') provides a framework for remuneration to be paid to the members of the Board of Directors ('Board') and Key Managerial Personnel ('KMP') and the Senior Management Personnel ('SMP') of Huhtamaki India Limited ('the Company').

   b. This Policy has been framed by the Nomination and Remuneration Committee ('Committee') of the Board of Directors ('Board') and based on its recommendation, approved by the Board of Directors of the Company. The Nomination and Remuneration Committee is entitled to review and amend this policy, if necessary, subject to Board approval.

2. **OBJECTIVE:**

   The Policy aims to enable the Company to attract, retain and motivate high-quality members for the Board and executives by providing a well-balanced and performance-related compensation package, taking into account all stakeholders' interests, risks & opportunities, industry practices and relevant corporate regulations. The Policy shall be read along with Section 178 of the Companies Act, 2013, the applicable rules thereto and Securities & Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015, (hereinafter referred to as SEBI LODR), as amended from time to time.

3. **CRITERIA FOR IDENTIFICATION OF THE BOARD MEMBERS AND APPOINTMENTS OF SENIOR MANAGEMENT:**

   a. The Members of the Board shall be persons who possess appropriate qualifications, skills, aptitude, attributes, maturity, knowledge and experience. The objective is to have a Board with diverse background and experience in management functions or in such areas as may be considered relevant or desirable to conduct the Company's business in an ethical and competitively superior manner.

   b. An Independent Director shall be a person of integrity, who possesses relevant knowledge and experience, balance of skills and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise responsibilities in a bonafide manner in the best interests of the company; devote sufficient time and attention to professional obligations for informed and balanced decision-making; and assist the company in implementing the best corporate governance practices. An Independent Director should meet the requirements of the Companies Act, 2013 and Regulation 16(1)(b) of LODR, concerning independence of directors.

   c. The candidate for the appointment of KMP and SMP should possess appropriate qualifications, skills, aptitude, attributes, with relevant work experience. The candidate for KMP and SMP should also possess high level of personal and professional ethics, integrity and values.

4. **POLICY RELATING TO REMUNERATION:**

   I) **Policy For Whole - Time Directors/Managing Director/ KMP/Senior Management Personnel -**

   Remuneration to Whole-Time Directors, Key Managerial Personnel and Senior Management Personnel will involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the Company and its goals. The break-up of the pay scale and quantum of perquisites and retiral benefits shall be decided and approved by the Board/the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required. If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of the Companies Act, 2013 and SEBI LODR provisions, as amended from time to time.

   II) **POLICY FOR INDEPENDENT DIRECTORS -**

   a. Independent Directors shall receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lakh, per meeting of the Board or Committee, or such amount as may be prescribed by the Central Government from time to time.

   b. Independent Directors may be paid Commission within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company, computed as per the applicable provisions of the Companies Act, 2013. Where in any financial year, the Company has no profits or the profits are inadequate, Independent Directors may be paid remuneration or Commission not exceeding the limits laid down under Schedule V and other applicable provisions of the Companies Act, 2013 and SEBI LODR, as amended from time to time. Further, the Company may pay remuneration to such Independent Directors in excess of limits laid down under Schedule V, by following the process prescribed under law. Independent Directors shall not be entitled to any stock options of the Company.

ANNEXURE – 4

Form No. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Huhtamaki India Limited
(Formerly Huhtamaki PPL Limited)
CIN: L21011MH1950FLC145537
12A–06, B–Wing, 13th Floor, Parinee Crescenzo,
C-38/39, G–Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 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, 2022**. Secretarial Audit was conducted in a manner that provided us with 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 authorized 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, 2022**, 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, 2022,** 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;**

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 there under;

   (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.

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, no major action having a bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc. above have taken place except:

The Members at their 72nd Annual General Meeting held on May 12, 2022, approved the alteration of Articles of Association to align the same with the provisions of the Companies Act, 2013.

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.: 606/2019

S N Ananthasubramanian
Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206D003095833

Date: February 2, 2023
Place: Thane

Annexure – A

To,
The Members,
Huhtamaki India Limited
(Formerly Huhtamaki PPL Limited)
CIN: L21011MH1950FLC145537
12A–06, B–Wing, 13th Floor, Parinee Crescenzo,
C-38/39, G–Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Our Secretarial Audit Report for the financial year ended **December 31, 2022**, 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. 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.

4 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.

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

Disclaimer

6 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.

7 We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **S N ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

S N Ananthasubramanian
Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206D003095833

Date: February 2, 2023
Place: Thane

ANNEXURE – 5

ANNUAL SECRETARIAL COMPLIANCE REPORT
For The Financial Year Ended December 31, 2022

To,
Huhtamaki India Limited
(Formerly Huhtamaki PPL Limited)
CIN: L21011MH1950FLC145537
12A–06, B–Wing, 13th Floor, Parinee Crescenzo,
C-38/39, G–Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Sir/ Madam,

Annual Secretarial Compliance Report for the Financial Year 2022

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 (Symbol: HUHTAMAKI) and BSE Limited (Security Code: 509820) to conduct an audit in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 there under 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 Ananthasubramanian
Partner
FCS: 4206 | COP No.: 1774

Date: February 2, 2023
Place: Thane

Annual Secretarial Compliance Report of

Huhtamaki India Limited
For The Financial Year Ended December 31, 2022

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, 2022 ('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 there under; and

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

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

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

(b) 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;

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

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

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

(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 financial year under review;

(g) 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 financial year under review;

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued there under;

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

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under including –

- 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 of the Company;
- The listed entity has complied with the requirement of Structured Digital Database (SDD) as required under Regulation 3(4) and 3(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

(c) **The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (***including under the Standard Operating Procedures issued by SEBI through various circulars)* **under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under – NONE;**

(d) **The listed entity has taken the following actions to comply with the observations made in previous reports: NOT APPLICABLE**

For **S N ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

S N Ananthasubramanian
Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206D003096207

Date: February 2, 2023
Place: Thane

ANNEXURE – 6

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 2022, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

(All amounts ₹ in Million, unless otherwise stated)

Sr No	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year (FY)	% increase in Remuneration in the Financial Year 2022	Ratio of remuneration of each Director to median
1	Mr Dhananjay Salunkhe Managing Director*	12.70	-	23.8:1
2.	Mr Jagdish Agarwal Executive Director & CFO^	18.24	-	34.2:1
3.	Mr Dakshinamurthy Iyer Company Secretary	6.02	(0.72%)	11.3:1

** Appointed as a Managing Director w.e.f August 12, 2022.*

^Appointed as CFO w.e.f. January 5, 2022 and Executive Director & CFO w.e.f May 26, 2022.

Note:

- 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 there is no cost charged to the Company. Further, as per Ind AS, the Company has recognized charge of ₹10 Million with respect to the mentioned plan and the same has not been considered in the remuneration mentioned above.
- Remuneration paid to Independent Directors consists only sitting fees and Commission for FY2022 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 13.79%.
2. The number of permanent employees on the rolls of Company as on December 31, 2022 were 2906.
3. Average percentage increase made in the salaries of employees other than managerial personnel in the financial year is 13.79%.
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 No. 01461231)

ANNEXURE – 7

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2022

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

   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 organizations at infrastructure and/or operational level to support meal or nutrition-related programs in schools and other institutions across India. Work with medical and health-related organizations 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 organizations, 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 organizations (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 NGO's in setting up homes, hostels and day care 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, recyclability of post consumer MLP, 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. Provide the 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

CSR projects: https://www.huhtamaki.com/globalassets/flexible-packaging/india/investors-india/corporate-governance--policies/policies/hil-_csr-projects-_-fy-2022.pdf

4. Provide the 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. Not applicable

5. (a) Average net profit of the company as per sub-section (5) of Section 135: ₹1,006.3 Million

(b) Two percent of average net profit of the company as per sub-section (5) of Section 135: ₹20.2 Million

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Not Applicable

(d) Amount required to be set-off for the financial year, if any: ₹20.2 Million

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Nil

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹10.6 Million

(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)]: ₹10.6 Million

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

Total Amount Spent for the Financial Year (in Million)	Amount Unspent (In Million)				
	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
₹ 10.6	Not Applicable				

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

Sr. No	Particulars	Amount (in Million)
i)	Two percent of average net profit of the company as per section 135(5)	20.2
ii)	Total amount spent for the Financial Year *	30.8
iii)	Excess amount spent for the financial year [(ii)-(i)]	10.6
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)]	10.6

**represents amount set off ₹20.2 Million and actual spend during the year ₹10.6 Million*

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) (in Million)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Million)	Amount spent in the Financial Year (In Million)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial Years (In Million)	Deficit, if any
Not Applicable							

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year**

☐ Yes ☑ 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:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner
Not Applicable					

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: Not Applicable.**

On behalf of the Board of Directors

Murali Sivaraman, Chairman
Corporate Social Responsibility Committee

Dhananjay Salunkhe
Managing Director

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

At Huhtamaki India Limited Corporate Governance is a basis for how we work and how we are organised. It is important both internally and externally and applies to every one of us. Internally, it starts with and 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. HIL's philosophy on Corporate Governance is aimed at the attainment of the highest level of transparency, accountability and compliance with laws both in letter and spirit, in all facets of operations, leading to the highest standards of Corporate Governance.

It is Huhtamaki India's belief that good ethics 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.

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended December 31, 2022.

1. BOARD OF DIRECTORS

As on December 31, 2022, the Board comprised of 8 (Eight) Directors: 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, corporate governance and management.

The policy formulation, evaluation of performance of Huhtamaki India and the internal 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 and 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 Board Meetings held during the FY2022/ Tenure	No. of Board Meetings attended	Attendance at last AGM
1	Mr Murali Sivaraman	Non-Executive, Independent	8	8	Yes
2	Ms Seema Modi	Non-Executive, Independent	8	8	Yes
3	Mr Ashok Kumar Barat	Non-Executive, Independent	8	8	Yes
4	Mr Sami Pauni	Non-Executive	8	8	Yes
5	Mr Marco Hilty	Non-Executive	8	8	Yes
6	Mr Stefan Lotz	Non-Executive	7	6	Yes
7	Mr Dhananjay Salunkhe%	Executive	2	2	NA
8	Mr Jagdish Agarwal^	Executive	3	3	NA

% Mr Dhananjay Salunkhe was appointed as Managing Director w.e.f. August 12, 2022 for a period of 3 years, whose appointment was approved by the shareholders by special resolution passed through Postal Ballot on August 24, 2022.

^ Mr Jagdish Agarwal, joined the Company in January 2022 as the Chief Financial Officer and was later appointed as Executive Director w.e.f May 26, 2022, for a period of 3 years whose appointment was approved by the shareholders by special resolution passed through Postal Ballot on August 24, 2022.

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 2022, none of the Independent Directors resigned from the Company's Board.

C. BOARD MEETINGS:

During the Financial year 2022, 8 (Eight) Board Meetings were held, i.e on, February 11, 2022, February 18, 2022, February 28, 2022, March 28 2022, April 28, 2022, July 22, 2022, November 11, 2022 and December 16, 2022, with time gap not exceeding 120 days between any two such meetings. The Annual General Meeting of the Company was held on May 12, 2022.

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, 2022			
	Other Directorship(s)[1]	Committee positions in other Companies (excluding HIL)[2]		
		Member	Chairman	Total
Mr Murali Sivaraman	3	1	1	2
Ms Seema Modi	1	Nil	Nil	Nil
Mr Ashok Kumar Barat	5	1	4	5
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
1	Mr Murali Sivaraman	1. Bharat Forge Limited 2. ICICI Lombard General Insurance Company Limited 3. Medplus Health Services Limited
2.	Ms Seema Modi	Nil
3.	Mr Ashok Kumar Barat	1. Bata India Limited 2. Birlasoft Limited 3. DCB Bank Limited 4. Alembic Pharmaceuticals Ltd

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 well 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 compliance status and reports to the Audit Committee.

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 Non-executive 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 of the Director	Qualifications	Meetings attended/held during FY2022
Mr Ashok Kumar Barat – Chairman	Member of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India and CPA (Australia).	6/6
Mr Murali Sivaraman – Member	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 Program from Harvard	6/6
Ms Seema Modi – Member*	Master's Degree in Chemistry and MBA	5/5
Mr Sami Pauni – Member	Master's degree in Law and Business Administration (MBA)	6/6

**Ms Seema Modi was appointed as member of Audit Committee w.e.f February 18, 2022.*

During the Year 2022, 6 (Six) Audit Committee meetings were held on February 11, 2022, February 28, 2022, April 28, 2022, June 23, 2022, July 22, 2022, and November 11, 2022. The time gap between any two consecutive meetings of the Audit Committee was not more than 120 days.

(i) **TERMS OF REFERENCE:**

The terms of reference of the Audit Committee are in line with Regulation 18 read with Part C of Schedule II of Listing Regulations and Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee include the following:

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Approval of appointment of the CFO (i.e. the Whole-time Finance Director or any other person heading the Finance function or discharging that function) after assessing the qualifications, experience, background, etc. of the candidate; and
- Recommending appointment and removal of the external auditors, fixing of audit fees and approving payment for any other services.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - Recommending appointment and removal of external auditors, fixing of audit fees and approving payments for any other services;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft Audit Report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non–payment of declared dividends);
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as mentioned in the terms of reference of the audit Committee as per Securities and Listing Regulations, as amended from time to time;
- Reviewing the utilisation of loans and/or advances from /investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the listed entity and its shareholders.

The Audit Committee shall mandatorily review 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 shall be subject to review by the audit committee; 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);
  - Annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held in 2022 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.

M/s. B S R & Co., LLP, Chartered Accountants, are the Company's Statutory Auditors. They are responsible for performing an independent audit of the financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

B. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Committee comprises of two Non–Executive Independent Directors and one Non-Executive Director. The composition of the Committee is given hereunder:

Name of the Director	Meetings attended / held during FY2022
Ms Seema Modi – Chairperson	2/2
Mr Murali Sivaraman – Member	2/2
Mr Sami Pauni – Member	2/2

The Meetings of Stakeholders Relationship Committee were held on March 28, 2022 and November 11, 2022.

(i) TERMS OF REFERENCE:

- Resolving the grievances of the security holders of the Company, including complaints relating to transfer/ transmission of shares, non-receipt of Annual Report, and non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- Performing any other functions and activities related to this terms of reference as requested by the Board of Directors; and
- Performing any other functions as required to be done by the Stakeholders Relationship Committee as per the provisions of the Companies Act, 2013, Listing Regulations as amended from time to time and any other laws or regulations from time to time.

The Company has attended to all the Investor's 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 and his team 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 is the Compliance Officer of the Company.

(ii) DETAILS OF STAKEHOLDERS COMPLAINTS RECEIVED DURING 2022:

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	3	3	0
Others	0	0	0	0
Total	**0**	**3**	**3**	**0**

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 FY2022
Mr Murali Sivaraman – Chairman	2/2
Mr Sami Pauni – Member	2/2
Mr Marco Hilty – Member	2/2

The Meetings of Corporate Social Responsibility Committee were held on March 28, 2022 and November 11, 2022.

(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 Company has adopted CSR policy and the policy is posted on website of the Company https://www.huhtamaki.com/globalassets/flexible-packaging/india/investors-india/corporate-governance--policies/policies/hil_csr-policy.pdf

D. NOMINATION & 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 2022 is given hereunder:

Name of the Director	Meetings attended/ held during FY2022
Ms Seema Modi-Chairperson	5/5
Mr Murali Sivaraman-Member	5/5
Mr Sami Pauni-Member	5/5

During the year 5 (Five) meetings of Nomination and Remuneration Committee were held on February 18, 2022, March 28, 2022, May 25, 2022, July 22, 2022 and August 26, 2022.

(i) **TERMS OF REFERENCE:**

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - Use the services of an external agencies, if required;
  - Consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - Consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on Board Diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Recommending to the Board, all remuneration, in whatever form, payable to senior management;
- Recommendation on whether to extend or continue the term of appointment of the independent director, on the basis of the performance evaluation of independent directors;
- Deciding whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
- Performing any other functions as required to be done by the Nomination & Remuneration Committee as per the provisions of the Companies Act, 2013, the Listing Regulations, any other laws or regulations from time to time and any other functions and activities related to the terms of reference as requested by the Board of Directors.

(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 March 17, 2023, to review, inter-alia, the performance of non-independent Directors and the Board as a whole, review the performance of the Chair. This was followed by a meeting of the Board of Directors 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 FY2022 was as under:

(Amount in ₹)

Name of the Director	Salary	HRA	Perquisites	Total
Mr Dhananjay Salunkhe#	9,596,677	1,908,901	1,194,028	12,699,606
Mr Jagdish Agarwal*	8,533,237	1,690,484	1,299,404	11,523,125

#Mr Dhananjay Salunkhe was appointed as Managing Director effective August 12, 2022

**Mr Jagdish Agarwal was appointed as the CFO on January 5, 2022, and thereafter as the Executive Director effective from May 26, 2022 The remuneration mentioned above is with effect from the date of Mr. Agarwal's appointment as an Executive Director.*

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 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 there is no cost charged to the Company. Further, as per Ind AS, the Company has recognised charge of ₹8.11 Million with respect to the mentioned plan and the same has not been considered in the remuneration mentioned above.
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 2022 are as follows:

(Amount in ₹)

Name of the Director	Board Meetings	Committee Meetings	Total
Mr Murali Sivaraman	800,000	950,000	1,750,000
Ms Seema Modi	800,000	850,000	1,650,000
Mr Ashok Kumar Barat	800,000	700,000	1,500,000
Total	**2,400,000**	**2,500,000**	**4,900,000**

Commission to Non–Executive Independent Directors of the Company for FY2022 is as under:

Name of the Director	Proposed Amount (in ₹)
Mr Murali Sivaraman	30,00,000
Ms Seema Modi	25,00,000
Mr Ashok Kumar Barat	25,00,000
Total	**80,00,000**

The Nomination and Remuneration Committee and Board recommended 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. The commission proposed to be paid exceeded the limit prescribed under Section 197 of the Companies Act, 2013, but within the limit prescribed under Schedule V.

At the Annual General Meeting of the Company held on May 12, 2022, the members approved payment of remuneration to the Independent Directors in excess of the limits prescribed under Section 197 provided that the commission was within the limits prescribed under Schedule V, for the period of three years commencing January 1, 2021. The members authorised the Board to decide on the amount of commission within the parameters approved by the members.

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.

E. SHARE TRANSFER COMMITTEE

The Board of Directors delegated the powers to approve requests for transfer of shares to a Share Transfer Committee. The meetings of the Share Transfer Committee were held on March 29, 2022, April 8, 2022, April 14, 2022, June 20, 2022, July 16, 2022 September 29, 2022 and November 25, 2022.

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.

The Share Transfer Committee was reconstituted in December 2022 with Mr Dhananjay Salunkhe being appointed as the Chairman and Mr Jagdish Agarwal being appointed as the member of the Share Transfer Committee pursuant to resignation of Mr Murali Sivaraman and Mr Sami Pauni as members of the Share Transfer Committee.

Share Transfer System: In terms of amended Regulation 40 of SEBI Listing Regulations w.e.f. April 01, 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. The request for Transmission/ Transposition/ Amalgamation are processed if technically found to be in order and complete in all respects. All such request processed are approved by the Company on a weekly 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 functions of Risk Management Committee as per LODR are as follows:

(i) TERMS OF REFERENCE:

Formulate a detailed Risk Management Policy which shall include:

- A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks or any other risk as may be determined by the committee;
- Measures for risk mitigation including systems and processes for internal control of identified risks;
- Business continuity plan;
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically reviewing and evaluating the Risk Management Policy at least once in two years including by considering the changing industry dynamics and evolving complexity;
- Keep Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Further, as per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Risk Management Committee shall consist of Board members and senior executives of the Company, with majority being board members. 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 2022 is given hereunder:

Name of the Director	Meetings attended/held during FY2022
Mr Ashok Kumar Barat, Chairman	2/2
Ms Seema Modi, Member	2/2
Mr Sami Pauni, Member	2/2

During the year 2 (Two) meetings of Risk Management Committee were held on March 28, 2022 and August 26, 2022.

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 during FY2022. 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 - Refer Annexure A.

4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company designed an Induction Program 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 from achieving its objectives, 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 in the last quarter to focus on the outlook for the succeeding year and another 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.

As part of the Familiarisation Program, Directors travel to a plant to experience operations first-hand, interact with employees on the ground, to get a better understanding of the manufacturing process, efficiencies, wastages, opportunities and challenges, innovation pipeline and sustainability initiatives. In the year 2022, the Independent Directors visited Huhtamaki Oyj, headquartered in Espoo, Finland and met the Chair and other members of the Supervisory Board, the President and Chief Executive Officer, key Global Executive Team members and the Flexible Segment Leadership Team and familiarised themselves with Huhtamaki Group's vision, mission and strategy, opportunities and challenges, sustainability initiatives and expectations, operations, markets, competitive landscape, white spaces and products and governance. The Independent Directors visited one of Huhtamaki's largest and sophisticated flexible packaging manufacturing plants at Ronsberg, Germany and Fibre Foodservices plant at Hameenlinna, Finland to get a deep insight into, inter-alia, manufacturing processes, products, innovation and sustainability initiatives and best-in-class practices. The experience will help the Independent Directors guide the Company to drive its long-term and short-term strategy in a responsible, sustainable, ethical and competitive way, to achieve its targets.

The details of the Company's Familiarisation Programme is available on the Company's website-web link

https://www.huhtamaki.com/globalassets/flexible-packaging/india/investors-india/corporate-governance--policies/policies/details-of-familiarisation-programe-2022.pdf

5. MANAGEMENT

A. DISCLOSURE BY MANAGEMENT:

The particulars of transactions between the Company and its related parties as per the Accounting Standard are set out in Note 47 forming part of the accounts. These transactions are not likely to have any conflict with the Company's interest.

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, 2023. A copy of this certificate is provided as Annexure B 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 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, 2022. A declaration to this effect signed by Managing Director of the Company is provided as Annexure C to this report.

D. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

Transactions with related parties, as per requirements of Indian Accounting Standard 24 are disclosed in notes to accounts annexed to the financial statement of Annual Report of the Company for the year 2022. The Company has a declared policy on Related Party Transactions. The same is posted on website of the Company at:

https://www.huhtamaki.com/globalassets/flexible-packaging/india/investors-india/corporate-governance--policies/policies/hil---related-party-transaction-policy-updated.pdf

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

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. 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. The Company has constituted a Risk Management Committee which oversees and monitors implementation of the Risk Management Policy, validate the process and procedure of Risk Management and Risk Mitigation and periodically review and evaluate the Company's Risk Management Policy.

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

In 2022, the management identified and assessed strategic, operational and financial risks and opportunities against the impact on the achievement of the strategic priorities and performance objectives. 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 by the Board of Directors.

7. 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 WhistleBlower Policy, including a web-based tool operated by an external provided and managed by Huhtamaki Ethics and Compliance.

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

During FY2022, various 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 topics such as 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 FY2022 with the tone being set at the top and reiterated multiple times during the year. The CoCo mascot was launched in FY2022 to strongly deliver the message of compliance.

During the year, the Company received 15 complaints under Whistle Blower/Vigil mechanism and as of date, investigations into 9 complaints have been concluded. The balance 6 complaints are being investigated. None of the complaints have any material impact on the Company and do not warrant a disclosure. There was 1 pending complaint carried over from FY2021 which was disposed off during the year. The Company believes in the highest standard 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.

8. 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 https://www.huhtamaki.com/globalassets/flexible-packaging/india/investors-india/corporate-governance--policies/policies/hil---policy-for-determining-material-susbidaries.pdf

9. DIVIDEND DISTRIBUTION POLICY:

The Company has adopted Dividend Distribution Policy for dividend distribution and the same has been posted on the Company's website https://www.huhtamaki.com/globalassets/flexible-packaging/india/investors-india/corporate-governance--policies/policies/hil---policy-on-dividend-distrubution.pdf

10. 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 FY2022, are as follows:

Sr. No.	Type of Services	Amount (in ₹ Million)
1	Statutory Audit Fees for the Year ended December 31, 2022	19.1
2	Reimbursement of Expenses	3.9
3	Certification Fees	0.0
	Total	**23.0**

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

- The Company has Non-Executive Chairman;
- 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;
- Mr Manish Idnani is the Internal Auditor of the Company;
- The Company has separated the post of Managing Director and Chairman.

12. APPOINTMENT/RE-APPOINTMENT OF DIRECTORS:

A. APPOINTMENT/RE-APPOINTMENT OF DIRECTORS DURING FY2022:

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 Marco Hilty (DIN: 09332097) being the longest serving Director shall retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

The Board of Directors of the Company at their meeting held on July 22, 2022, approved the appointment of Mr Dhananjay Salunkhe (DIN: 09683886) as an Additional Director and

Managing Director of the Company with effect from August 12, 2022 for a period of three years. The said appointment was approved by shareholders by special resolution passed through Postal Ballot on August 24, 2022.

The Board, by resolution passed by circulation, approved the appointment of Mr Jagdish Agarwal (DIN: 09620815), Chief Financial Ocer of the Company as an Additional Director and Executive Director of the Company with effect from May 26, 2022. The said appointment was approved by shareholders by special resolution passed through Postal Ballot on August 24, 2022.

Mr Murali Sivaraman's first term as an Independent Director of the Company is scheduled to end on December 31, 2023. Considering his vast experience and expertise, his invaluable contribution to the Company during the last few years, the Board of Directors, based on recommendation of Nomination and Remuneration Committee, have proposed the re-appointment of Mr Sivaraman as Director (Non-Executive Independent Chairman) with effect from January 1, 2024, for a second term of 5 years, to the Members for their approval.

B. BRIEF RESUME OF THE ABOVE-MENTIONED DIRECTORS

(i) Mr Marco Hilty holds a Ph D in Business Administration from University of St. Gallen (Switzerland). Mr Marco Hilty is President, Flexible Packaging and Member of the Global Executive Team at Huhtamaki Oyj w.e.f September 1, 2021. Mr Hilty joins Huhtamaki from Rubicon, a software platform that provides smart waste and recycling solutions for businesses and governments worldwide. Prior to Rubicon, he held several leadership roles with Amcor in Switzerland and in the United States, covering Group Sales and Commercial Excellence, and lastly as Vice President for Amcor Flexibles in North America. Prior to Amcor, Mr. Marco worked as an Engagement Manager at McKinsey & Company in the United States and Switzerland.

(ii) Mr Murali Sivaraman is a Chartered Accountant, Cost Management Accountant, MBA from the Indian Institute of Management, Ahmedabad, India and has also completed an Advanced Management Program from Harvard. Mr Sivaraman is an accomplished business leader, having led multinationals such as Philips and Akzo Nobel in India, Singapore, China, Canada and the UK. Mr Sivaraman has been the Chairman of HIL since 2019.

(iii) Mr Dhananjay Salunkhe holds a Bachelor of Engineering degree from Shivaji University and Masters in Business Administration from Symbiosis Institute of Business Management. He has over 28 years of experience in various multinational and Indian Companies in leadership roles. His last role was with ITC Limited as SBU Chief Executive, Packaging and Printing Business. Mr Salunkhe joined the Company as the Managing Director with effect from August 12, 2022.

(iv) Mr Jagdish Agarwal is a Chartered Accountant and Cost Accountant by profession. He has over 23 years of work experience having worked with companies like Reliance Communications Limited and ICICI Bank Limited. Mr Jagdish Agarwal was appointed as the Chief Financial Officer of the Company w.e.f. January 5, 2022. His core expertise lies in the areas of Business Planning, Corporate Finance, Accounting, Forecasting, and Working Capital Management. His strong leadership is evident through the projects he has handled in his career, which includes organisational transformation, business growth projects, divestment and acquisitions and setting up of business processes. His leadership style has been collaborative and people & action-oriented with a strong eye for detail. Mr Jagdish Agarwal has been instrumental in managing large projects with a problem-solving and value maximisation approach.

13. GENERAL BODY MEETINGS:

A. ANNUAL GENERAL MEETINGS –

The details of last three Annual General Meetings held were as under:

Year	Date	Time	Location	Special Resolutions passed
2019	30.06.2020	2.00 p.m.	Video Conferencing/ Other Audio Visual Means	Nil
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.

B. EGM/COURT CONVENED MEETING: Nil

C. POSTAL BALLOT:

The Company conducted Postal Ballot for passing of Special Resolution for approving appointment & remuneration of Mr Dhananjay Salunkhe as Managing Director and Mr Jagdish Agarwal as Executive Director during the Financial Year 2022. The details of the postal ballots are available on the website, at : https://www.huhtamaki.com/globalassets/flexible-packaging/india/investors-india/news--announcements/2022/huhtamaki--india-ltd.-postal-ballot-notice.pdf

D. 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: https://www.huhtamaki.com/en-in/flexible-packaging/investors/financials/quarterly-results/.

The Official press releases, Company information, Annual Reports and the extracts of media coverage are displayed on the Company's website. 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.

E. GENERAL SHAREHOLDER INFORMATION:

(i) NEXT ANNUAL GENERAL MEETING:

Day & Date	Time	Venue
Thursday, May 11, 2023	2.00 p.m.	By Video Conference and Audio Visual means

(ii) FINANCIAL CALENDAR:

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

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

Quarter ended/ending	Date of Board Meetings
March 2023	April 25, 2023 (Tuesday)
June 2023	July 17, 2023 (Monday)
September 2023	October 17, 2023 (Tuesday)
December 2023	February 6, 2024 (Tuesday)

(iii) BOOK CLOSURE DATE:

Pursuant to Section 91 of the Companies Act, 2013, the Register of Members will remain closed from Friday, April 21, 2023 to Tuesday, May 4, 2023 (both days inclusive).

(iv) DIVIDEND PAYMENT DATE

Dividend at the rate of ₹2/-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 Saturday, June 10, 2023 to:

- 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 Thursday, April 20, 2023^; and
- All those shareholders holding shares in physical form, after giving effect to all the valid share transmission/ Transposition/ Amalgamation request transfers lodged with the Company on or before the closing hours on Thursday, April 20, 2023.

(v) DIVIDEND HISTORY OF THE COMPANY:

Year	AGM Date	Dividend Rate Rs. (%)
2019	30.06.2020	₹3.00 (150%)
2020	29.06.2021	₹3.00 (150%)
2021	12.05.2022	₹1.00 (50%)

F. CREDIT RATINGS:

Sr. No	Instrument	Rating Agency	Ratings Assigned
1	Long-Term Bank Facilities	CRISIL Limited	CRISIL AA-Stable
2	Short-Term Bank Facilities	CRISIL Limited	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	Stock Code/ Symbol
BSE Limited (BSE)	Equity	509820
The National Stock Exchange of India Limited (NSE)	Equity	HUHTAMAKI

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

Annual Listing fees for 12 months ended March 31, 2023 have been paid to BSE and NSE.

H. COMPANY IDENTIFICATION NUMBER (CIN)

All the forms, returns, balance sheets, charges, if any, and all other documents, papers, etc., filed by the Company with the Registrar of Companies are available for inspection on the official website of MCA www.mca.gov.in, under the Company Identification Number (CIN): L21011MH1950FLC145537.

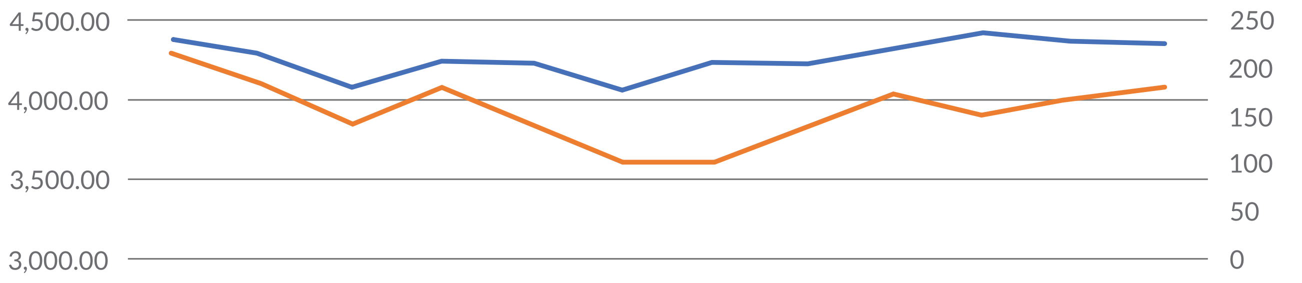
I. STOCK DATA:

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 2022 to December 2022:

Month & Year	BSE			NSE		
	High (₹/share)	Low (₹/share)	Volume (No. of Shares)	High (₹/share)	Low (₹/share)	Volume (No. of Shares)
Jan-22	230.00	195.35	229,548	232.75	195.10	2,172,039
Feb-22	213.50	165.65	240,068	213.50	150.80	2,406,991
Mar-22	180.05	148.00	630,828	181.75	148.40	6,084,895
Apr-22	207.95	152.25	524,760	208.35	150.80	6,393,363
May-22	204.85	161.75	954,657	204.40	160.60	2,233,570
Jun-22	177.60	151.95	112,821	177.75	152.40	862,503
Jul-22	206.50	163.00	210,190	207.10	162.90	3,185,921
Aug-22	203.40	183.85	161,727	203.00	183.40	2,475,932
Sep-22	223.60	187.65	373,547	223.60	187.05	5,008,588
Oct-22	236.95	216.75	174,181	236.90	216.50	2,156,908
Nov-22	227.50	182.10	176,642	228.00	181.60	2,496,111
Dec-22	225.00	187	146,568	224.95	186.85	3,734,258

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-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
BSE SMAL CAP 250 HIGH	4282.40	4,101.90	3,844.40	4,082.90	3,840.50	3,606.80	3,612.00	3,836.40	4,039.40	3,902.30	4,007.80	4,080.30
HIL HIGH	230	213.5	180.05	207.95	204.85	177.6	206.5	203.4	223.6	236.95	227.5	225

BSE SMAL CAP 250 HIGH HIL HIGH

J. DISTRIBUTION OF SHAREHOLDINGS:

Following is the distribution pattern of shareholding of the Company as on December 31, 2022:

DISTRIBUTION OF SHAREHOLDINGS BY OWNERSHIP:

Sr. No	Category	No. of Shareholders	No. of Shares	% of Total Holding
1.	Indian Promoters	0	0	0.00
2.	Foreign Promoters – Huhtavefa B.V.	1	51,153,997	67.73
3.	Foreign Institutional Investors	32	779,167	1.03
4.	NRI's & OCB's	783	1,041,566	1.38
5.	Bodies Corporate/NBFC	289	2,364,779	3.13
6.	Banks/Financial Institutions	2	5,330	0.01
7.	Insurance Companies	0	0	0
8.	Mutual Funds	4	308,465	0.41
9.	Resident Individuals	31,032	19,573,428	25.92
10.	Trust	0	0	0
11.	IEPF	1	295,202	0.39
	Total	**32,144**	**75,521,934**	**100.00**

DISTRIBUTION OF SHAREHOLDINGS BY NUMBER OF SHARES HELD:

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares
Up to – 500	27,872	86.71	2,733,263	3.62
501 – 1000	1,960	6.10	1,570,428	2.08
1001 – 2000	1,057	3.29	1,615,895	2.14
2001 – 3000	413	1.29	1,049,502	1.39
3001 – 4000	180	0.56	632,019	0.84
4001 – 5000	164	0.51	773,955	1.02
5001 – 10000	248	0.77	1,836,770	2.43
10001 and above	250	0.77	65,310,102	86.48
Total	**32,144**	**100.00**	**75,521,934**	**100.00**

K. LIST OF TOP TEN SHAREHOLDERS:

Following is the List of Top Ten Shareholders (other than Promoters) of the Company as on December 31, 2022:

Sr. No.	Name of Shareholder	No. of Shares Held	% of Total Shareholding
1	SEETHA KUMARI	2,917,986	3.86
2	SHREE CAPITAL SERVICES LIMITED	925,900	1.23
3	PRATIBHA NARENDRA SHAH	423,000	0.56
4	HABROK INDIA MASTER LP	389,025	0.52
5	JITESH BABULAL CHHAJED	373,521	0.49
6	UTI-MNC FUND	306,000	0.41
7	DEEPAK KHIMJI CHHEDA	300,000	0.40
8	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	295,202	0.39
9	SANDHYA G PARIKH	268,590	0.36
10	RAM KRISHAN KHANDELWAL	213,463	0.28
	Total	**6,412,687**	**8.49**

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, 2022.

M. DEMATERIALISATION OF SHARES:

As on December 31, 2022, 99.59% 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, 2022:

Mode of Holding	Number of Shareholders	Number of shares	Percentage
Physical	564	311,798	0.41
Dematerialised	31,580	75,210,136	99.59
Total	**32,144**	**75,521,934**	**100.00**

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. DETAILS OF PUBLIC FUNDING OBTAINED IN THE LAST THREE YEARS:

The Company has not obtained any public funding in the last three years.

P. 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.

Q. 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. 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. During the year, the Company has further transferred 14,694 Equity Shares of Rs. 2/-each fully paid up to IEPF Account.

R. 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.

S. 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 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 policy is gender neutral.

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. One was in the nature of a complaint of harassment as envisaged in the POSH Act. This was investigated by the IC and resolved through conciliation. The other complaint was outside the purview of the Act. The Company investigated the matter and closed it in the normal course. Set out below is a status update.

Sr. No	Particulars	Details
1	Number of Complaints filed during the financial year 2022	2 (out of which 1 was outside the scope of the Act)
2	Number of Complaints disposed during the financial year 2022	1
3	Number of cases pending for more than ninety days	NA
4	Nature of action taken by employer	POSH complaint resolved through conciliation
5	Number of Complaints pending as on end of the financial year 2022	Nil

T. ADDRESS FOR CORRESPONDENCE WITH THE COMPANY

All correspondence may please be addressed to the Registrar & Transfer Agent, 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 email their queries/ grievances to **investor.communication@huhtamaki.com**

Registered Office#:	Registrar and Transfer Agent (RTA)
Huhtamaki India Limited Unit No. 12A-06, B-Wing, 13th Floor, Parinee Crescenzo, Plot Nos. C38/C-39, G" Block, Behind MCA, BKC, Bandra (E), Mumbai – 400051, Maharashtra, India Tel: +91 22 6174 0100, Website: www.flexibles.huhtamaki.in Email: investor.communication@huhtamaki.com	TSR Consultants Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai – 400083 Tel: + 91 22-66568484 Fax : + 91 22-66568494 Website: https//tcplindia.co.in Email : csg-unit@tcplindia.co.in

#Members are requested to take note of change in the registered office address of the Company effective April 01, 2023 to A - 802, Crescenzo, C-38/39, G" Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.

U. 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.

V. COMPLIANCE OFFICER

Mr D V Iyer, Company Secretary is the Compliance Officer of the Company.

W. LOCATIONS

Registered & Corporate Office:	Unit No. 12A-06, B-Wing, 13th Floor, Parinee Crescenzo, Plot Nos. C38/C-39, G" Block, Behind MCA, BKC, Bandra (E), Mumbai – 400051, Maharashtra, India
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
(formerly known as Huhtamaki PPL Limited)
12A-06, B-wing, 13th Floor,
Parinee Crescenzo, C-38/39,
G-Block, Bandra Kurla Complex,
Mumbai- 400051

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** bearing **CIN: L21011MH1950FLC145537** and having its registered office at 12A-06, B-wing, 13th Floor, Parinee Crescenzo, C-38/39, G-Block, Bandra Kurla Complex, Mumbai- 400051, to the Board of Directors of the Company ('the Board') for the Financial Year ended December 31, 2022 and Financial Year ending December 31, 2023 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 authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year ended December 31, 2022, 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	01461231	01/01/2019	-
02	Mr. Sami Pauni	08112919	18/02/2019	-
03	Ms. Seema Modi	05327073	01/01/2020	-
04	Mr. Ashok Kumar Barat	00492930	01/04/2020	-
05	Mr. Marco Hilty	09332097	24/09/2021	-
06	Mr. Stefan Lotz	09511913	18/02/2022	-
07	Mr. Jagdish Agarwal	09620815	26/05/2022	-
08	Mr. Dhananjay Salunkhe	09683886	12/08/2022	-

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, 2022.

For **S. N. ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code P1991MH040400
Peer Review Cert. No.: 606/2019

S. N. Ananthasubramanian
Partner
FCS: 4206 I COP No.: 1774
ICSI UDIN: F004206D003113653

Date: February 6, 2023
Place: Thane

Annexure B

CEO/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 respective capacities as Chief Executive Officer (MD) and Chief Financial Officer of Huhtamaki India Limited, certify that in the preparation of the Financial Accounts for the year ended December 31, 2022:

(a) We have reviewed financial statements and the cash flow statement for the year 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) To the best of our knowledge and belief, the Company has not entered into any transaction during the year, which are fraudulent, illegal or in violation 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.

	Dhananjay Salunkhe	**Jagdish Agarwal**
	(DIN: 09683886)	(DIN: 09620815)
Mumbai, February 6, 2023	Managing Director	Executive Director & CFO

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, 2022.

For Huhtamaki India Ltd.

Dhananjay Salunkhe
Managing Director

Mumbai
March 17, 2023

Independent Auditor's Certificate on compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Members of Huhtamaki India Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated March 16, 2023.
2. We have examined the compliance of conditions of Corporate Governance by Huhtamaki India Limited, for the year ended December 31, 2022, 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, 2022.
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: 23105149BGYFQM6911

Place: Mumbai
Date: March 17, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

1. About Huhtamaki India

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 machine expertise to emerge as the one-stop-shop for all packaging needs. With 15 state-of-the-art, fully integrated manufacturing plants, five customer support centres and a team committed to making packaging accessible to all, we stay true to our purpose of protecting food, people and the planet while merging innovation with design for over marquee clients.

15
State-of-the-art manufacturing facilities

We develop fit-for-purpose packaging and labelling solutions that cater to the specialised needs of several industries such as food and beverages, healthcare, personal and home care, and pet care. We also manufacture tube laminates for the beauty care, oral care and pharmaceutical industries.

At Huhtamaki India, we look beyond packaging – we strive to preserve products, create positive experiences and build goodwill. Using our technical excellence and commitment to superior quality standards, we help our clients with superior and material-positive, personalised packaging facilities.

2. Global economy

In 2022, the global economy faced several challenges, including the Covid-19 pandemic, inflation, climate change, and geopolitical turmoil, such as Russia's war with Ukraine. These factors have had a significant impact on economic growth and the global outlook, leading to a grim future. According to the World Bank's global economic prospects report, released in January 2023, the global growth rate was expected to be 2.9%, the lowest ever apart from the financial crisis and the Covid-19 juncture. The real GDP of advanced economies is forecast to decelerate to 2.5%, and that of emerging and developing economies is expected to decrease to 3.4% in 2022.

Inflation has been a significant issue in both advanced and emerging and developing economies throughout 2022, with emerging and developing economies experiencing the highest level of inflation since 2008. The Russia-Ukraine war has also fuelled inflation, leading to supply chain disruptions and an energy crisis, evident in the European financial markets. To combat inflation, central banks are rapidly lifting nominal policy rates and restricting the money supply, which has led to higher costs of borrowing and reduced disposable income. This collective effort has started to reduce inflationary pressures.

However, a hardened monetary policy can lead to higher rates of unemployment and declining wage rates, with low and lower-income countries facing higher unemployment rates. Trade of goods was also significantly impacted during this period due to lockdowns and global supply chain shocks. In the US, the Federal Reserve is using various risk management tools to curb inflation, while the EU has introduced a Transmission Protection Instrument (TPI) to address risks that could threaten monetary policy transmission.

As the rest of the world tightens its monetary policy, China has eased its policies to provide additional support, leading to 4.8% year-over-year economic growth in the second quarter. However, with Covid-19 variants prevailing over China and triggering nationwide lockdowns, the Chinese economy, particularly its housing market, continues to compress.

Global growth forecast

Country/Region	2022	2023
United States	2.0	1.4
Euro Area	3.5	0.7
United Kingdom	4.1	-0.6
China	3.0	5.2
India	6.8	6.1
Russia	-3.4	-2.2

Source: World Economic Outlook, Jan 2023

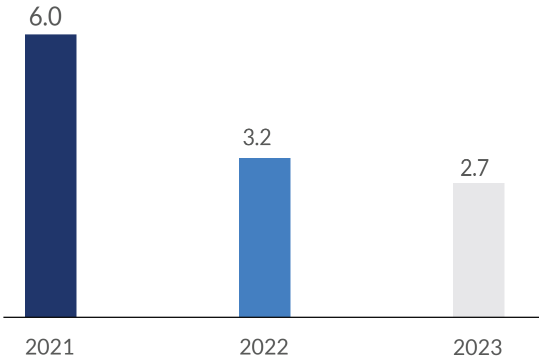
2.1. Outlook

The global economy's recovery from the pandemic is hindered by various factors, such as high energy prices, trade disruptions, and volatility. The World Economic Outlook for January 2023 predicts that global growth will decrease from 3.4% in 2022 to 2.9% in 2023. This will have a significant impact on the largest economies of the world, including the US, Europe, and China. There are high uncertainties that could widen the risks that surround the forecast. As per the IMF's World Economic Outlook for January 2023, advanced economies' real GDP is expected to decline from 2.7% in 2022 to 1.2% in 2023, while emerging and developing economies' GDP is expected to modestly rise from 3.9% in 2022 to 4.0% in 2023.

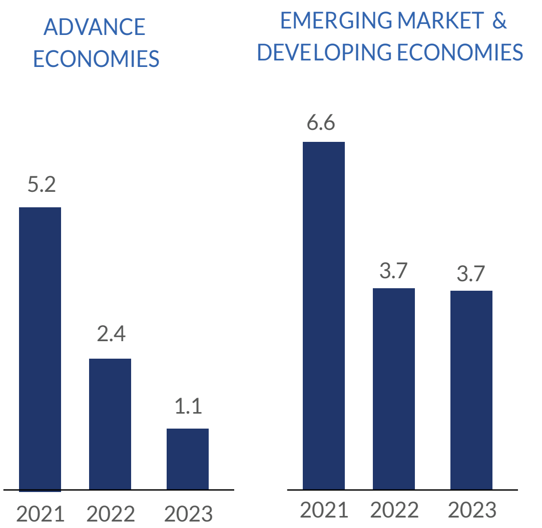
However, the concern is not limited to declining GDP alone. While there will be expected periods of GDP contractions, 43% of the world economies' outlook is one of increased growth disparity between advanced and emerging economies. The US, the European Union (EU), and China will likely experience stunted growth or recession in FY2023. Emerging and developing economies also face the risk of declining GDP due to increased borrowing costs, inflation, uncertainty, and tightened monetary policies in advanced economies.

Growth in the US is expected to decline from 1.9% in 2022 to 0.5% in 2023, owing to declining real disposable income, reduced consumer demand, and higher interest rates. The countries using the Euro currency are expected to narrowly avoid a technical recession with 0% growth in 2023, due to factors such as intense heat waves and droughts caused by global climate change. Gas prices in the EU have increased more than four-fold since 2021 as Russia has cut down its total supplies to just 20%.

In Asia, growth is expected to rise from 4.4% in 2022 to 4.9% in 2023. China is anticipated to grow by 4.4% after a decline of 3.2%, which marks its lowest growth rate over four decades, excluding the initial unprecedented Covid-19 crisis. This is due to outbreaks and lockdowns in multiple cities and a general slowdown in economic activity.



(real GDP growth, percent change)



Source: IMF, World Economic Outlook, January 2023

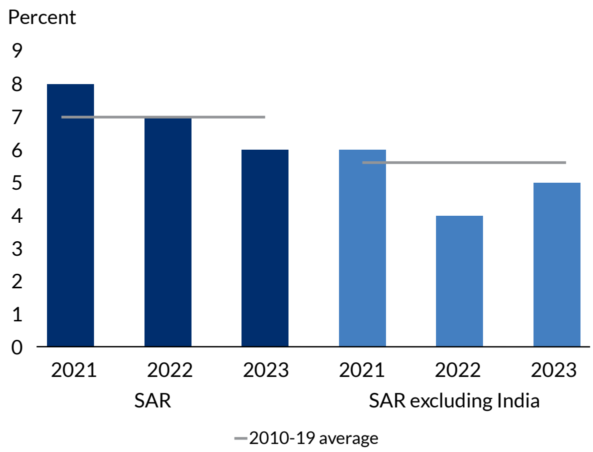
3. Indian economy

According to India Brand Equity Foundation (IBEF), India was seen steering the path to recovery in H1 FY2022. In January 2022, India was threatened by the Omicron wave but was resilient enough to move toward brighter prospects. The Union Budget announced in February, further laid the bedrock for recovery with fresh vigour on public investments through infrastructure development. In March, India remained grounded, despite the disrupting waves from the Russia-Ukraine war.

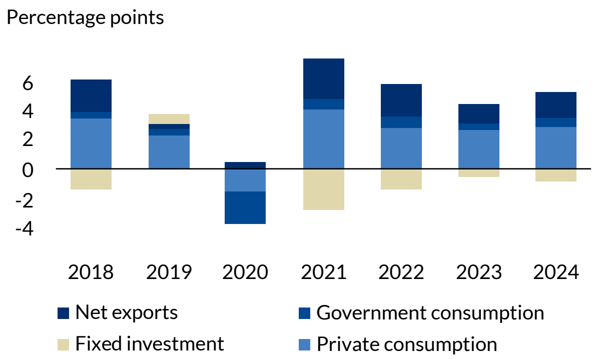
This was achieved with the unwavering support of the Indian Government whose capital expenditure, from April 2022 to August 2022, stood at 46.8% higher than the same period in the preceding year. This support included a food scheme to support India's poor households, reduced taxes on fuels and reduced import duties. Some other areas on which the Government focussed on - improving infrastructure, simplifying labour regulations, privatising state-owned underperforming assets and modernising and integrating the logistics sector.

With the release of pent-up demand and extensive vaccination drives, India's wholesale and retail trade, transport, accommodation and food services (contact-intensive services) intensely picked up. This led to India overtaking the United Kingdom, by June 2022, to become the world's 5th largest economy. Even with the consistent slowdown that the world at large was facing, India's exports scaled up, enabling India to become the 18th largest country in terms of exports. Additionally, as per IBEF, India is home to over 100 unicorns, valued at $332.7 billion and has the third-largest unicorn base in the world.

A. GDP growth



B. Contributions to growth



While inflation in India remained above its target level, which lies between 2-6%, since January 2022, it moderated as the year progressed. Monetary policy actions are expected to help bring inflation closer to its target. As per inflation.eu inflation from December 2021 to December 2022 stood at 5.50% and is positioned in the high-risk category.

Further, as the vulnerability of the global economies increased, India's growth momentum was hampered in H2 FY2022. Its current account deficit, as per a report published by RBI, widened to 4.4% from July 2022 to September 2022, from 2.2% in the preceding 3 months and 1.2% from the previous year. This rise was a result of slowing global demand for merchandise as the growth in services exports and remittances remained robust.

3.1. Outlook

According to IBEF, India's economy has emerged as the fastest-growing economy in the world and is anticipated to be amongst the top three economic powers in the next 10-15 years. Given India's strong fundamentals, IBEF believes that with more equitable income distribution, better employment levels and significantly improved social amenity provisions, India's per capita GDP may expand in the next 25 years as it did in the last 75 years.

India's projected growth in 2023, lies at 6.1%, remaining stagnant since July 2022. However, the uncertainties surrounding the external environment are vast and according to the IMF, there is a 25% chance of global growth falling below 2.0% in 2023. Further, the European Union, which is India's biggest export market is also expected to witness a slowdown, given the high energy prices because of the ongoing Russia-Ukraine war. India's dependence on energy imports is another challenge that the economy will encounter. Nonetheless, India's corporate debt-to-GDP ratio is at its lowest in more than a decade and as its banks discard loans even more diligently than before, the volume of bad debt is reducing significantly.

The 'China + 1' strategy, which is encouraging multinationals to mitigate supply chain risks by investing in more than just one country and diversifying their manufacturing operations, could work in favour of India. There now exists a gap in the supply of low-skilled and unskilled labour in the manufacturing-intensive sectors like textile, footwear, leather and ceramics, which can be filled by India's resources and human capital. Further, India's agriculture has been a sustained growth driver and is expected to continue if not increase its contribution to India's growth prospects.

4. Industry overview

4.1 Global packaging industry

The global packaging industry has seen robust growth over the past few decades with several trends impacting it. Currently, demographic factors such as population growth and rapid urbanisation increased trade and in turn created greater demand for packaging. Other trends that are increasingly popular include sustainability and digitalisation which will create challenges and opportunities for the global packaging industry. Additionally, changing consumer preferences, margin compression and more recently, food safety and hygiene (during Covid-19) will continue to impact the industry over the next decade and has resulted in higher demand for new packaging products and innovations. For instance, products consumed on the go have led to a higher demand for superior food service packaging and different sizes of packaging.

As per the Globenewswire, the total global value of the packaging industry in FY2021 was around $1,002.4 billion and expected to reach $1,275 billion by 2027 registering a CAGR of 3.9% during FY2022 – FY2027. As per the report 'Global Packaging Market – Growth, Trends, COVID-19 Impact, and Forecasts' by Mordor Intelligence - flexible packaging - which is mainly used for food - accounts for more than 60% of the total market. Other end-use industries for flexible packaging are personal care, pharmaceutical, household care and industrial. The global flexible packaging market estimated at around $160.8 billion during FY2020, is expected to grow at a CAGR of 4.5% from 2020 to 2025.

Valued on the basis of Wood Mackenzie Chemicals' definition (Global Flexible Packaging Market report published in Q1 2022), the global market for converted flexible packaging was about $104.7 billion in 2021 and had seen a growth of 8% in value terms. Western Europe, North America, Central & East Asia, and South East Asia & Oceania account for 85% of the global market.

With a significant share in the total global packaging industry, the Asia-Pacific region is expected to be the biggest market, with a CAGR of 4.3% over the period FY2022 – FY2027. This is largely due to the rising disposable incomes of consumers and a better standard of living in the region. Some of the growth drivers in the packaging industry include:

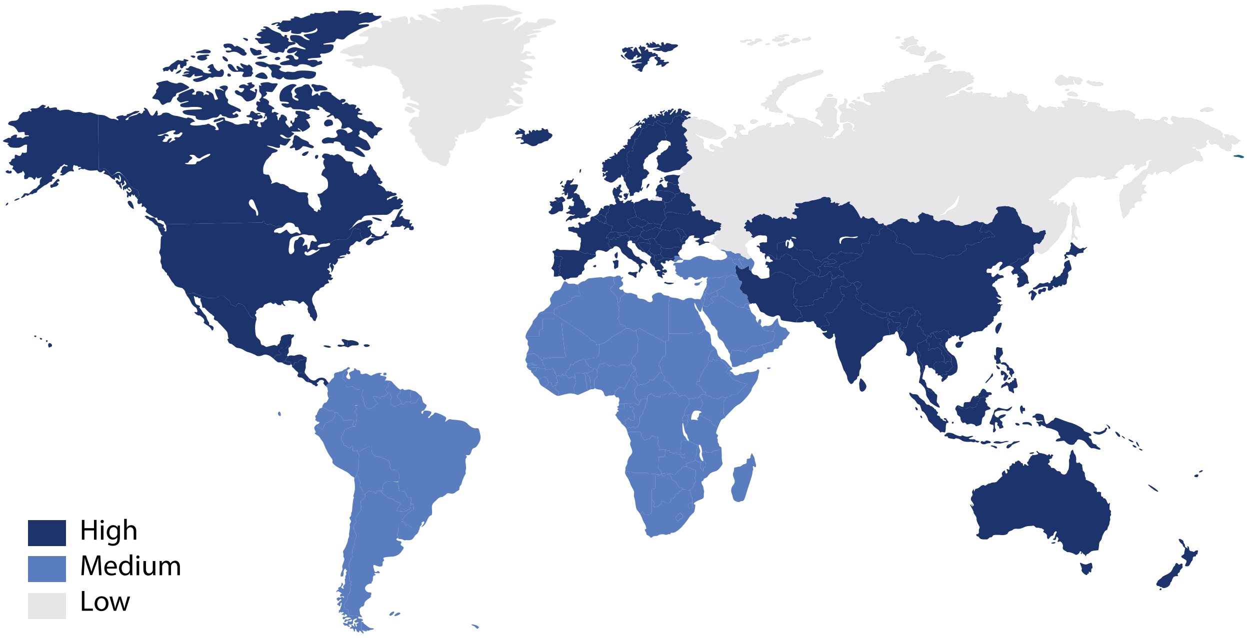
- Rapid growth in the eCommerce segment which increases the need for packaging requirements and last-mile delivery innovations
- Changing consumer preferences with a growing focus on customisation, convenience, health, and affordability
- Rising global demand for processed food due to a growing working population, higher disposable incomes and hectic lifestyles has increased the demand for the food packaging markets
- Increasing sustainability requirements and heightened scrutiny along the value chain
- Digitalisation and automation in the packaging industry will embed further efficiency within the processes and drive smart packaging

As per the Flexible Packaging Market Overview Global, Commodity Report Q4 2022 by Wood Mackenzie, various major players serving consumables and packaging materials to the Inks, Coatings, Adhesives and Machinery sectors have announced price hikes due to raw material inflation as well as cost pressures from packaging, freight, and energy.

Similarly, new environmental trends are emerging in the packaging industry. As per the same report, multiple organisations in Europe and the U.S.A. are taking steps forward by investing in advanced recycling or for circular polyethylene. This isn't without its critics, as the Ellen MacArthur Foundation recently published key findings that showed that the share of packaging which is reusable, recyclable or compostable increased only 1% y-o-y to 65% in 2021 while the target remains 100% by 2025.

Reduce, reuse and recycle are currently the three buzzwords in the global packaging industry. The green movement throughout this industry has been gaining momentum since 2019 and renowned brands are inculcating sustainability throughout their value chain and as a result, are insisting on material positivity in their product packaging. Increasing awareness has also led to greater consumer consciousness which is fuelling the industry to innovate. With a heightened focus on safety, hygiene and eco-friendly packaging, the industry is engrossed in producing flexible, greener and smarter packaging offerings.

Global Packaging Market - growth Rate by Gegion (2022-2027)



4.2 Indian packaging industry

As per the IBEF, the paper and packaging industry is the fifth largest sector in the Indian economy with the potential to achieve pricing levels that are 40% cheaper than European countries. Additionally, there is significant prospective in the sector to grow further with multiple drivers enabling long-term scope for growth. The India packaging market was valued at $81 billion in FY2021 and is anticipated to reach $204.8 billion by FY2025 registering a CAGR of 26.7% during the period FY2020 – FY2025.

The growth factors driving the Indian packaging industry forward are multiple and combine to provide an overview of the growth potential associated with the country. Some of the demand-side growth drivers are:

- Increasing disposable income, especially amongst an already voluminous and growing Indian middle class has further enhanced consumer demand.
- Rising consumer awareness and demand for processed food.
- Multinational corporations increasing investments in the food, beverages, cosmetics & toiletries and pharmaceutical sectors.
- The consistent growth in the organised retail sector is further bolstering the packaging industry in the country. The Indian food and grocery market is the world's sixth largest with the retail sector contributing 70% of sales.
- Rapid growth in e-commerce, FMCG, manufacturing and the healthcare sectors.
- Government initiatives such as 'Make in India' has positively impacted the manufacturing sector in the country. Other reforms and government programmes that helped the industry are the increase in FDIs within multiple sectors and Production Linked Incentives (PLI).

Additionally, there are supply-side growth drivers for the Indian packaging industry, such as:

- Reduction in packaging materials to reduce transportation costs. i.e., the use of thinner, stronger designs, and lighter, simpler materials.
- Smart packaging entailing rapid printing aligned with real-time campaigns and offers.
- Greater use of Radio Frequency Identification (RFID) technology for electronic tagging and tracking of stock especially as the cost of RFID tags reduces.

- Rise in demand for biodegradable packaging which, for instance, uses plastic from starch or higher use of cardboard.
- Increase in aseptic packaging which uses ultra-high temperature (UHT) films to enhance the life of beverages.

The packaging sector plays a significant role in customer experience, especially concerning the purchasing journey and product utility. The Indian packaging industry has been crucial, especially over the last few years, in driving technology, innovation and growth within the economy by adding value to various sectors including manufacturing, agriculture and FMCG. In addition to being one of the fastest-growing retail markets, the Indian retail sector is also among the top 5 retail markets in the world. This is reflected in its steady growth over the years while still having the potential for further expansion, especially in the export markets.

According to Invest India, India has been evolving into a net exporter of packaging material and accounts for approximately 2% of global packaging exports. Indian packaging material exports comprise flattened cans, printed sheets & components, crown cork, lug caps, plastic film laminates, craft paper, paper board and packaging machinery. The major markets for Indian packaging exports are the U.S.A. (with approximately 50% of all exports), the United Kingdom and Western Europe. While India is largely self-reliant for inputs, the imports include tinplate, coating & lining compounds etc. The fastest-growing segments of the Indian packaging sector are laminates and flexible packaging, especially Polyethylene Terephthalate (PET) and woven sacks.

There are ongoing challenges, such as the lack of regulatory clarity across sectors and the growing need to meet stricter packaging norms that have been established with the entry of global retail companies. Additionally changing consumer values concerning sustainable packaging will demand innovation and a shift to more sustainable materials, which would necessitate investments in R&D and infrastructure.

However, it is pertinent to note that the per capita consumption of polymers in India is approximately 9.7 kg vis-à-vis the global average of Singapore (28kg), China (45kg), Thailand (50kg), Japan (56kg), Malaysia (58kg) and Taiwan (67kg) – all of which reflects India's untapped potential.

4.3 Indian flexible packaging industry

Flexible packages are made of easy-to-mould materials and are amongst the fastest-growing segments of the Indian packaging industry. It can be used for preserving food items and thereby extending the shelf life of products. Additionally, flexible packaging can protect products from potentially damaging environmental factors such as light, oxygen and moisture to retain taste and quality. As opposed to rigid plastic packaging, flexible packaging is generally lighter (in weight), requires less space and is easy to dispose of, thereby making it more cost-efficient and convenient.

Furthermore, flexible packaging, as a versatile and cost-effective option, is widely used for a variety of products including food, beverages, pharmaceuticals and consumer goods. The food and beverages segment is expected to be the largest end-use industry for flexible packaging in India, due to the increased demand for packaged and convenience food. According to a report by Technavio, the Indian flexible packaging market is expected to grow to approximately $12.71 billion and record a CAGR of 10.6% during FY2021 – FY2025.

Polymers, papers, films, aluminium foil, cellulose, bioplastics, and laminate films are the key materials used in flexible packaging products and the choice of material will depend on the properties that the packaging needs to have such as barriers properties, sealability, durability, printability and cost-effectiveness. Additional factors such as environmental impact are also taken into consideration as the use of sustainable and environmentally friendly materials is on the rise in the industry.

Plastic dominates the flexible packaging industry due to the multitude of benefits such as cost-effectiveness, durability, moisture resistance, customisability, barrier properties (protects against gases, moisture and light) and convenience. In addition, the low cost and ease of use which has led to plastic being the dominant material. However, due to environmental concerns, there is a shift amongst consumers and companies towards sustainable and biodegradable packaging materials such as paper-based packaging.

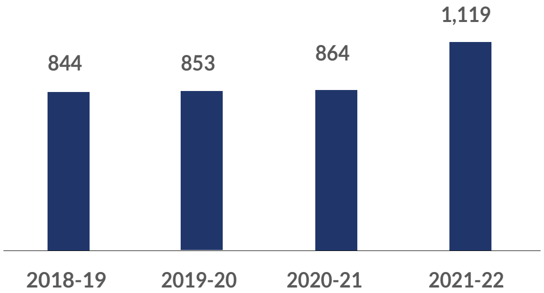
Metal packaging is generally used in cans, paper for bags, envelopes and pouches, plastics for bulk bags and woven fabrics for industrial packaging. PET is another valued material in the flexible packaging industry due to its excellent barrier properties. PET is a very strong, light and durable material that provides an effective barrier against gases, moisture and light, thereby prolonging the shelf life of products that are packaged in it. Other positive traits are its relatively low water vapour permeability and high oxygen barrier making it particularly good for packaging products that are sensitive to moisture and oxygen. High-impact polystyrene sheet (or HIPS sheet) is a versatile material that provides a cost-effective route to the production of parts for industrial sectors.

4.4 Indian flexible packaging industry trends

India continues to grow as a key exporter of packaging materials in the global market. As per IBEF, from an initial $844 million in FY2019, exports grew at a CAGR of 9.9% to reach $1,119 million in FY2022. The United States was the largest export destination for the Indian flexible packaging industry followed by the United

Kingdom, the United Arab Emirates, the Netherlands and Germany. These figures depend on multiple factors such as market demand, economic conditions, production output, etc.

Packing Material Exports (US$ Million)



Source: Directorate General of Commericial intelligence and Statistics

India exported packaging materials to more than 129 countries, which was worth about $864 million in the fiscal year 2020-2021. The import of Plastic Film & Flexible Packaging was largely from China, the USA, Thailand and South Korea for various materials or equipment. For FY2020 the maximum imports were from China (37%), the U.S.A. (18%) and Thailand (7%).

As one of the largest flexible packaging markets and also among the fastest growing, India has certain dominant segments including the thin-PET film market. These are polyester films that are less than 50 microns and are widely used in cable overwraps, wires, transformers, etc. Other types of polyester films are thick PET which is 50 – 350 microns and BOPET which is biaxially oriented and can be stretched in two directions during the manufacturing process which makes it stronger and more stable than other types of PET films. In FY2022, the thin-PET market grew about 9-10% and similar growth was seen in the overall flexible packaging market.

This growth is expected to be driven by population growth, rapid urbanisation, improved quality of life, increasing environmental awareness and strengthened consumerism. Therefore, some of the trends are as follows:

- Increasing demand for convenience packaging
- Growing focus on sustainability
- Advancements in technology such as digital printing, smart packaging etc.
- Rising exports as India increasingly becomes competitive globally
- Innovation in packaging design to make products more appealing
- The emergence of online retail

4.5 Overview of end-use industries

4.5.1. FMCG

The Fast-moving consumer goods (FMCG) industry in India is the 4th largest sector of the economy and one of the fastest growing as well. Due to favourable demographics, a rise in income level and a rapidly growing middle class – the FMCG industry has grown from $110 billion in FY2020 at a CAGR of 14.9% and is expected to reach $220 billion by FY2025 with further scope to expand from then on. In 2022, FMCG companies in India posted a 7.4% rise in sales, primarily led by price hikes, according to data from retail intelligence platform Bizom.

The FMCG industry includes a wide range of products that are purchased frequently and at relatively low costs. These products may include food and beverages, toiletries, personal care, and household items. The industry in India is highly segmented and different product categories may grow at different rates. For instance, household and personal care products are the leading segments and account for about 50% of the overall market. This may include oral care, hair care, skincare, cosmetics, deodorants, feminine hygiene, perfumes, paper products, fabric wash and household cleaners.

While categories such as beverages and commodities topped sales charts during the year, home and personal care products saw significant demand contraction. Inflationary pressures dominated most of 2022, forcing several companies to take price hikes to offset higher raw material costs, which in turn, dented consumer demand with rural households feeling a deeper impact of the higher prices.

Demand for beverages during the hot summer months of 2022 helped the sector post a 23% rise in sales value from a year earlier. Meanwhile, branded commodities maintained steady demand throughout the year, growing 8.9%.

Mobility curbs due to the Omicron wave of covid infections in early 2022 had a bearing on household goods demand, though the restrictions were less severe than the previous waves.

Overall, FMCG had a challenging year with companies going full circle at the beginning of the year with price-led growth and subsequently bringing the focus back to consumption-led growth. Many companies leverage shrinkflation as a strategy to get higher grammage realisations from established consumer price points. The global challenges affected prices with food inflation being extremely high worldwide, but the agricultural economy of India did provide some cushion with the increased supply of essential food items like rice and wheat, in the local market, to manage prices.

Inflation led consumers to focus more on priority products and lesser on discretionary ones & most consumer product companies were happy looking at price-led growth in the early part of the year. But as consumers were looking for value options that became the focus towards the later part of the year, the inflationary environment and resultant price hikes saw consumers tightening their purse strings and even downtrading to smaller packs. The impact of inflationary pressures was more pronounced in the rural markets even as e-commerce and modern trade drove growth in urban markets.

Other substantial driving factors include the rise in income levels in the rural market of India and Government initiatives like 'Make in India' and 'Digital India' which have played a vital role in the growth of the FMCG industry in India.

The key user segments of flexible packaging are fresh and frozen foods, beverages, pharmaceuticals, snacks and confectionary and dairy products. Flexible packaging is increasingly utilised thanks to its characteristics such as aroma retention, strength, sealing & heat insulation and its barrier properties against moisture.

Food Ordering

A significant new trend within the FMCG industry and the Indian economy is online food ordering. Rising income levels and busy lifestyles have seen rapid growth in eating at restaurants and ordering food online. While there was a significant impact due to COVID-19 on business, the rise of online food orders continued and even strengthened as internet adoption and mobile connectivity increased across the nation.

Food services is a $65 billion market opportunity in India with online delivery growing rapidly. Revenue in the online food delivery market is projected to reach $34.6 billion by FY2023, as per Statista. This revenue is expected to show a CAGR of 19.8% during the period FY2023 – FY2027 and reach $71.6 billion by FY2027. There is further scope for significant growth and expansion within the FMCG, Food Services and Online Delivery markets in India. The key drivers of growth are as follows:

- Increasing disposable incomes
- Rising population
- Rapid urbanisation
- Acceptance of online food delivery in Tier-1 and Tier-2 cities with scope for further expansion in Tier-3 and rural areas as mobile and internet penetration increases
- Smartphone and internet adoption is bringing in more users with the number of internet users expected to reach 1 billion by FY2025
- An estimated 520 million smartphone users in 2021 and is projected to reach 900 million by FY2025
- High estimated growth for online FMCG and grocery market

1.5.2. Pharmaceutical

The Indian pharmaceutical industry is also amongst the fastest-growing sectors in the economy and is a major user of packaging. In addition to being a major contributor to the Indian economy, the Indian pharmaceutical industry is a global leader in the production of generic drugs and has a large domestic market for its products. As the 'Pharmacy of the world', India has a 20% share in the global supply of generic medicines. India is a major exporter of pharmaceuticals with its products reaching over 200 countries, growing at 19% with a value of $24.4 billion in FY2021. Total imports for the same year were worth $7 billion as per the Indian Economic Survey 2022.

Significantly, the domestic market is also witnessing double-digit growth which has collectively resulted in India ranking 3rd in pharmaceutical production by volume and 14th by value, as per IBEF. The domestic pharmaceutical industry has about 3,000 drug companies and nearly 14,000 manufacturing units. The industry is expected to grow 7-9% in revenue for FY2023 as per CRISIL and overall the industry is projected to triple in size over the decade.

The ayurveda segment of the industry is also expected to see a CAGR of 16% leading up to 2025 while as per Statista, the over-the-counter drug market is expected to be valued at about $6.1 billion in 2023 with an expected CAGR of 7.4% during the period 2023-2027.

Additionally, the Indian biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics – is expected to grow at an average growth rate of about 30% a year and reach $100 billion by FY2025.

Pharmaceutical packaging is fast becoming a major part of the drug delivery system. The Indian pharmaceutical companies rely more on packaging and labelling to protect and promote their products, increase patient compliance and meet new industry regulations. To that end, plastics have gained prominence in the packaging of pharmaceutical products due to properties such as barrier against moisture, high dimensional stability, strength, resistance to strain, low-water absorption, transparency, resistance to heat and flame, etc.

1.5.3. E-Commerce

The Indian e-commerce industry is expected to be one of the fastest-growing markets in the world. Growth drivers such as robust investment, rising disposable incomes amongst a growing middle class and the exponential growth in smartphone users with internet connections have led to the expansion of the e-commerce industry.

Another reason behind the huge expansion of the industry is Government initiatives such as Digital India which aims to increase the use of digital technologies across various sectors of the economy including e-commerce. The Government of India, through its Digital India campaign, is hoping to create a $1 trillion digital economy by FY2026.

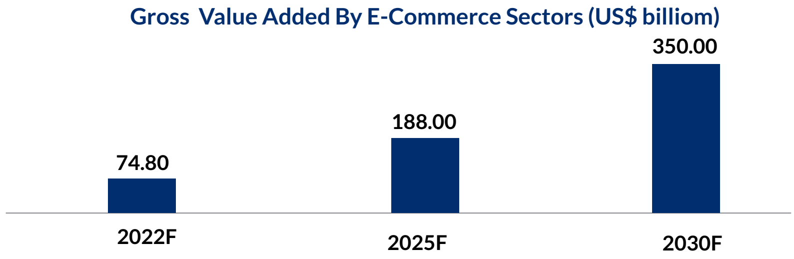
While the Indian e-commerce sector is dominated by a few large companies such as Amazon and Flipkart, there are a growing number of small and medium-sized companies emerging and competing in niche markets.

The sectors within the industry that have witnessed high growth include consumer electronics and appliances, fashion and lifestyle products, home and furniture products, beauty and personal care products and food & groceries.

As per Statista, the expected CAGR of 13.9% during the period FY2023 – FY2027 with the revenue of the industry in FY2023 expected to be $113.5 billion. The projected market value by FY2027 is $191.4 billion with an estimated billion users by the same year. The scope of growth is supported by FDI reforms that allow 100% FDI in B2B e-commerce and under the automatic route in the marketplace model of e-commerce.

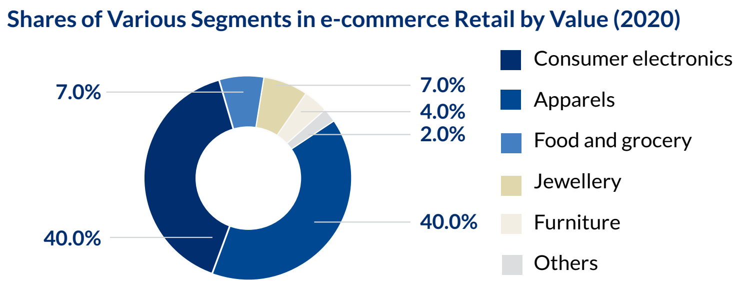
E-Commerce

MARKET SIZE

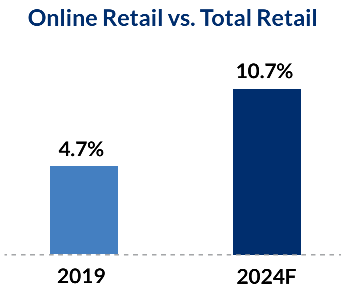


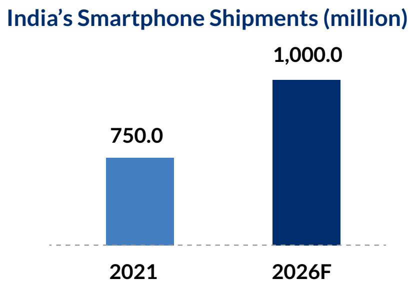
Note: F-Forecast

SECTOR COMPOSITION



KEY TRENDS





GOVERNMENT INITIATIVES

- Government e-Market Place (GeM)
- National Retail Policy
- Consumer Protection Rules 2020

ADVANTAGE INDIA

- **Growing demand:** India's social commerce has the potential to expand at a CAGR of 55-60% US$ 16-20 billion in FY25. Driven by beauty and personal care (BPC), India's live commerce market is expected to reach a gross merchandise value (GMV) of US$ 4-5 billion by 2025. E-commerce in India is at an all-time high owing to the country's 830 million internet users 2021.
- **Increasing Investment:** The recent rise in digital literacy has led to an influx of investment in E-commerce firms, levelling the market for new players to set up their base, while churning out innovative patterns to disrupt old functioning.
- **Policy support:** 100% FDI is allowed in B2B e-commerce. As the new guidelines on FDI in E-commerce, 100% FDI under automatic route is permitted in the marketplace model of E-commerce.
- **Attractive opportunities:** Despite depressed consumer spending, economic slowdown and uncertainty created due to COVID-19. e-commerce players are expecting strong sales growth in 2021. India's e-commerce market is expected to reach US$ 350 billion by 2030. India's e-commerce market is expected to reach US$ 111 billion by 2024 and US$ 200 billion by 2028.

This expansive growth in the e-commerce sector has led to higher demand for rigid packagings, such as cartons or corrugated boxes. Considering the massive jump in smartphone and electronic shipments in India, companies must minimise the risk of product damage, as expected by consumers who order online. Therefore, retailers have had to design quality packaging that is easy to transport, not too heavy or takes up too much space. Further, the penetration of e-commerce amongst traditional retailers such as groceries and pharmacies has also increased the demand for quality packaging.

Visually appealing packaging is assumed to be of high quality and there is growing demand as it positively impacts sales volumes and revenue. This is especially true for premium products which are now being packaged in appealing and consumer-friendly packages. Pertinently, about 60% of consumers share product images on social media and may recommend them to others which would further improve sales volumes. Alternatively, improper packaging can negatively impact brand value and perception. Finally, the cost of the packaging must also be controlled to support margins for online sellers.

Therefore, the e-commerce industry has spiked the demand for cost-effective, high-quality packaging that also necessitates innovation from the packaging industry while maintaining environmental requirements.

5. Operational overview

In 2022, Huhtamaki India reported revenue from operations (net of GST) of ₹29,829.2 million as against ₹26,252.8 million in 2021. The EBITDA (before exceptional items) of 2022 was ₹1,742.6 million as against ₹1,184.0 million in 2021. Revenue from operations registered a CAGR of 6% over the last five years. The average return on equity for 2022 is 6.7% compared to negative (3.1%) in 2021. Our market capitalisation as on December 31, 2022 stood at ₹15,017.5 million.

1.1. Revenue from operations

Revenue from operations increased by 13.6% in 2022 against 2021. Exports grew by 6.4% compared to the previous year.

(₹ million)

Year	Turnover
2018	23,690.7
2019	25,989.8
2020	24,627.0
2021	26,252.8
2022	29,829.2

1.2. EBITDA and PAT

Operating profit (EBITDA) before exceptional items witnessed a 47.2% increase in 2022 as against 2021. This is majorly on account of price corrections to partially offset the Input Cost Inflationary trend and Overhead Cost Control through Manufacturing Productivity Opportunities. Profit after Tax stood at ₹496.4 million in 2022 against Loss (After Tax) of ₹226.9 million in 2021.

1.3. EPS and dividend

The EPS for 2022 (excluding exceptional items) is ₹6.57 as against ₹1.1 in 2021. We have proposed a dividend of ₹2 per equity share of face value of ₹2 each, for the year 2022.

1.4. Reserves and surplus, capital expenditure and fixed assets

At the end of the 2022, reserves and surplus were at ₹7,418.5 million as against ₹6,995.7 million at the end of 2021. Our fixed assets at the end of 2022 were at ₹5,138.3 million as against ₹5,799.3 million at the end of 2021. Capital expenditure during 2022 was ₹523.3 million.

1.5. Debt working and capital returns

Gross debt as at December 31, 2022 was ₹3,661.5 million compared to ₹3,522.2 million as at December 31, 2021, a nominal Increase of 4.1% y-o-y

Net debt as on December 31, 2022 was ₹3,229.7 million as against ₹3,194.1 million on December 31, 2021, marking a nominal increase of 1% y-o-y.

(₹ million)

Particulars	Year	
	2021	2022
Inventory	3,475.0	2,979.9
Debtors	6,294.9	6,587.0
Current liabilities	8,222.5	7,393.0
Loans and advances	1,218.0	1,138.2
Cash flow from operations	(276.4)	1,326.5
Return on equity (RoE) (%)	(3.1%)	6.7%
Return on capital employed (RoCE) (%)	(0.4%)	7.9%

6. Focus areas for FY2023

Our focus is on providing flexible packaging for food, beverages, and everyday essentials to both global and local customers for on-shelf use. Our aim is to deliver dependable, accountable, and cutting-edge packaging options to brands.

We have significantly furthered our focus areas in 2022 and aim to continue to drive excellence, competitively.

We are furthering cost competitiveness by:

1. Controlling wastage through Total Productive Maintenance (TPM)
2. Manufacturing facilities for footprint optimisation and productivity improvement
3. RM buying efficiencies and improving the Sales and Operations Planning (S&OP) process
4. Driving end-to-end transformation projects
5. Developing the ability to 'Care', 'Dare' and 'Deliver' among people
6. Leveraging digitalisation and analytics

We are enhancing our commercial excellence by:

1. Competitive pricing
2. Redefining sales strategy
3. Commercialising innovative ideas
4. Pushing sustainability

7. People

The workforce is essential for preserving quality and safety standards. We consider human resources to be the main power behind the Company. They play a critical role in shaping the Company's success as a key component of its value-creation process. The human resources strategy aims to establish a future-oriented workplace, reinforce the Company's culture, develop skills, and advance careers. Employee satisfaction is a fundamental part of our values, and we strive to be leaders in the industry through our practices.

We have embarked on a company-wide journey to achieving zero loss through the development and involvement of employees. Through Total Productive Manufacturing (TPM) we are able to focus on continuous improvement in a sustainable manner. We launched a project titled 'Lakshya' at our Khopoli plant and witnessed its success in terms of the team learning about cost deployment and loss intelligence while embracing the idea of restoring basic conditions and eliminating losses. Given its exceptional outcomes, we have now implemented TPM across 5 sites.

The company prioritises creating inclusive work environments where a diverse group of individuals can excel and contribute. Our focus will remain on adapting to our customer's evolving needs and fostering sustainable collaborative relationships. We embrace diversity and support equality for all, and our innovative approach to learning and development has enhanced employee training and onboarding. Our commitment to regular communication, open dialogue, and forward-thinking HR policies has boosted employee retention and engagement.

Strengthened by passionate employees, we are well-poised to achieve our mission. Emphasis on employee health and safety has been sustained through the implementation of Huhtamaki Machine Safety Standards in our plants, coupled with daily safety inspections led by plant managers and safety officers, behavioural safety initiatives, fire and mock drills, internal and inter-plant safety audits, and weekly EHS meetings to address critical safety issues and opportunities for improvement.

8. Internal control

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. Thereby, safeguarding assets from unauthorised use, executing 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 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. Considering the challenges of the ongoing pandemic, the reviews were conducted remotely leveraging technology.

The Audit Committee meets on a half-yearly 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 one-on-one meetings with the Internal auditor to discuss any key concerns.

9. 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 & SUSTAINABILITY REPORT (BRSR)

Section A: General Disclosures

This is the first edition of our BRSR report for fiscal year 2022, in which we have endeavoured to disclose all 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 organization's 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#	12A-06, B wing Parinee Crescenzo, Plot Nos. C38/C-39, G" Block, Behind MCA, BKC, Bandra (E), Mumbai – 400051, Maharashtra, India
Corporate address	LBS Marg Majiwada Thane (West) - India
E-mail	investor.communication@huhtamaki.com
Telephone	+91 (022) 61740400
Website	www.flexibles.huhtamaki.in.
Financial year for which reporting is being done	January 1, 2022, to December 31, 2022
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 Mn
Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr Dakshinamurthy Iyer +91 (022) 61740400 Email Id: Dv.Iyer@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 registered office address of the Company has changed to A - 802, Crescenzo, C-38/39, G" Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 with effect from April 01, 2023..

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 (FY2022)
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 up a strong position as a pioneer in flexible packaging and decorative labelling solutions in India by utilizing all available modern technology. Whether a customer wants recyclable high barrier applications, clever apertures, or a unique finish, we offer creative solutions for each one. We offer a range of package designs and formats. Under the blue loop brand, we also provide other mono-material packaging solutions, such as paper, Poly Ethane (PE), and Poly Propylene (PP).	98.36%

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	98.36%

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 15 • Taloja,Mahape, Khopoli, Ambernath (4 plants in Maharashtra) • Sri City (Andhra Pradesh) • Silvassa (Dadra and Nagar Haveli) • Daman • Guwahati (Assam) • Gangtok (Sikkim) • Rudrapur (Uttarakhand) • Baddi (Himachal Pradesh) • Hyderabad (Two plants in Telangana) • Bengaluru (Two plants in Karnataka)	• Offices in Bandra-Kurla Complex (Mumbai), Thane and Airoli • 1 R&D center in Khopoli (Maharashtra) • Delhi Office • Kolkata Office	21
International	Zero	1 office in 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 over 70 countries outside India across Europe, Africa, Oceania, Southeast Asia, and Australia, North America and South America. We are one of the only 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?**

   27.65% 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 kinds of products while maintaining high quality standards. We offer light, innovative and increasingly sustainable flexible packaging materials, pouches and labels for food and beverages, coffee packaging, pet food packaging, barrier packaging, retort pouches and packaging for healthcare products. We serve all B2B customers, the majority of which are in the FMCG and pharmaceutical sectors, with the exception of tobacco companies due to internal company policies.

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)	1223	1066	87.16%	157	12.84%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total employees (D + E)**	**1223**	**1066**	**87.16%**	**157**	**12.84%**
WORKERS						
4.	Permanent (F)	1683	1671	99.29%	12	0.71%
5.	Other than Permanent (G)	555	555	100%	0	0%
6.	**Total workers (F + G)**	**2238**	**2226**	**99.46%**	**12**	**0.54%**

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)	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. At Huhtamaki, 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 in the future to satisfy the specific demands 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**

	FY2022			FY 2021			FY 2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.76%	13.97%	12.04%	18.17%	29.03%	19.65%	8.14%	9.08%	8.27%
Permanent Workers	8.66%	8.35%	8.66%	12.86%	31.00%	12.98%	8.69%	45.71%	9.24%

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 holding / 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 Rs.)** - 29,165 Million INR

(iii) **Net worth (in Rs.) –** 7569.6 Million INR

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)	FY2022 Current Financial Year		FY 2021 Previous Financial Year	
		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	Policies need to be uploaded on Website	0	0	0	0
Investors (Other than shareholders)		12*	0	0	0
Shareholders		3	0	1	0
Employees and Workers		2	0	0	0
Customers		755	0	1099	0
Value Chain Partners		0	0	0	0
Others (Please specify)		0	0	0	0

TSR Consultants Private Limited (TCPL) is a SEBI registered Category 1 Registrar with over 50 years of expertise in managing Investor Services has been appointed as the Company's Registrar and Share Transfer Agent (RTA). TCPL has a customized question and complaint handling structure in place to ensure accountability and a timely response to each query/complaint. Correspondence received in the form of Legal Notices and through Regulatory Bodies is handled by professionals who are conversant with the different procedures and activities. Complaints received through the SCORES portal or through the Stock Exchange are addressed, and Action Taken Reports for such complaints are filed on the specified site or provided to the Companies for submission to the applicable Regulatory Bodies. Queries from investors / shareholders on performance and other aspects related to Huhtamaki are recorded and traced as per the Standard Operating Procedure on Investor Complaints, approved by the Stakeholder Relationship Committee at their meeting held on 28 March 2022 and 11 November 2022. . We also track, monitor and address complaints received from customers as and when received.

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 the sustainability area, changes in regulations, and feedback from stakeholders. We also update our materiality assessment on a regular basis.

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, safety during shipment and any critical shortcoming in product safety or quality could negatively impact the 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, providing 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, the company will have to incur additional expenses to replace and resolve client complaints
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 the 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 product and keeps the products safe for consumption but also helps to develop brand image for the company and reduce environmental impact for the society
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.	The company's environmental strategy and activities toward energy efficiency are driving the tremendous improvement in energy reduction. The policy's objective is to ensure that everyone in the organization understands our environmental obligations. 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 manufacturing of packaging solutions can lower maintenance cost and requirements. It also helps in cleaner and greener environment thus contributing to sustainable ecosystem
4	Climate and emissions	Risk	Extreme environmental changes can harm any organization by disrupting the procurement of raw materials, 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 to the company as part of our due diligence procedures and take necessary mitigating and adapting action. Our global 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 reach carbon-neutral production by 2030.	Climate change can have both direct and indirect impact on our company. Direct impact may include physical damage, 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	Both as Risk and Opportunity	Currently in India, Most flexible packaging is intended for single-use and is discarded rather than reused or recycled. Packaging consumes a lot of 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 minimizing our environmental footprint across the value chain by focusing on designing for circularity and promoting sustainable end-of-use for packaging. Our Blue loop program was initiated with this objective of ensuring 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 on 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 utilized in manufacturing activities. Recognizing the human right to water and sanitation, we concentrate on controlling and reducing our effect on water resources.	In our water management strategies, we emphasize 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 endeavor by assisting local stakeholders in undertaking water resource analysis and management. We have initiated our focus to achieve zero liquid discharge status for 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 Program on Responsible Sourcing under the AIM-PROGRESS consortium. Under this program, the process of verification / audit of compliance is called SEDEX (SUPPLIERS ETHICAL DATA EXCHANGE) and the Model Responsible Sourcing Audit is call SMETA (SEDEX Members Ethical Trade Audit). The scope of SMETA audit are (a) Business Integrity (b) Health & Safety (c) Labor (d) Environment. There is a prescribed audit checklist for the audit, where in 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 doesn't 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 Ambernath unit, which got commissioned very recently , all plants have gone through the requisite audit in 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 organization.

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)
9	Diversity and equal opportunity	Opportunity	We seek to foster an inclusive and diverse workplace, and to achieve that we aim to attract, develop, and retain the finest talent in a conducive work environment, by imparting appropriate training programs, 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.
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 organized learning, on-the-job training, opportunities to learn from others and various training and development programs.	We provide continuous skill development and learning opportunities through organized training programs, career conversations, and individual development programs 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	Labor retention	Opportunity	We believe that labor relations are essential in manufacturing focused business. We have followed principles set out by International Labor Organization	Good Labor relations translate in overall productivity and leads to higher work satisfaction levels\.	Our various Projects focuses on improving efficiency of manufacturing network, labor productivity and reduce wastages from operations to boost the long-term competitiveness of the Company
13	Occupational health and safety	Risk	It is vital to provide a safe working environment in order to minimize absenteeism and boost employee morale. Risks related to incidents that potentially compromise health and safety can impose various threats to human lives associated with the 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. Huhtamaki's 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 Huhtamak	Working days are lost owing to work-related illness and injury, which impedes our product production and supply.

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)
14	Supply chain and responsible sourcing	Risk	The supply chain is extremely important in the packaging sector, and any interruption in this may expose the 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.	Huhtamaki's 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 unfavorable 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 labor.
15	Customer satisfaction	Opportunity	We customize 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	Anticor-ruption and ethics	Opportunity	The Huhtamaki Ethics and Compliance program focuses on Huhtamaki's commitment to ethics and legal compliance. The program 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 behavior, 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) *[UNSDG: 16.6]*	Y	Y	Y	Y	Y	Y	N	Y	Partially
b. Has the policy been approved by the Board? (Yes/No) *[UNSDG: 16.6]*	The Board has approved and signed all mandatory policies required by Indian laws and regulations. Other operational internal policies are authorized and signed by management and the Managing Director/Director.								
c. Web Link of the Policies, if available** *[UNSDG: 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) *[UNSDG: 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) *[UNSDG: 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, Fairtrade, 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 Principle 3 : OHSAS 18001, ISO 45001 Principle 6 : Forest Stewardship Council, Program for the endorsement of forest certification, Sustainable Forestry Initiative, ISO 14001, Eco Management and Audit Scheme or the Internal Environmental Care program, ISO 50001 Principle 9 : ISO/ IEC 17021: 2015, ISO 9001 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. *[UNSDG: 5.5, 12.2, 12.4, 12.5]*	Huhtamaki India has identified targets with respect to water, waste, product recyclability, material use in terms of product, carbon neutrality, diversity, and inclusion etc.								
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 2022 were 68171 tons which was a 2% reduction vs. 2021. We are recycling 98.7% of our non-hazardous waste against our target of 90%. 13% of our material usage is from renewable or recycled sources. Our Health & safety Lost time frequency rate for 2022 was 0.98								

	Governance, leadership, and oversight	
7.	**A statement from Mr Dhananjay Salunkhe, Managing Director (DIN: 09683886)** A detailed summary of our Managing Director's statement on sustainability goals, commitments and our contribution till now is available in our Annual Report for FY 2022. Read more in the message from the MD on page 18. ***[UNSDG: 5.5, 16.7]***	
8.	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies** ***[UNSDG: 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.** ***[UNSDG: 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 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, 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. 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. 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. We have developed our website to disseminate pertinent information about our products and services to customers and other stakeholders.								
The entity is not at a stage where it or in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
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 programs focuses on Huhtamaki's commitment to ethics and legal compliance. The program 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 programs on any of the principles during the fiscal year:**

   [UN SDG: 16.3,16.7]

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	%Age of persons in respective category covered by the awareness programs
Board of Directors	As part of the Familiarization Program for Independent Directors, the Independent Directors visited Huhtamaki Oyj, headquartered in Espoo, Finland. Details of the program are set out in the Corporate Governance Report at page 68.		100%
Key Managerial Personnel			
Employees other than BoD and KMPs	1070	The training modules have been designed with the core values of Care, Dare, and Deliver at the forefront.	
Workers	687	The topics covered were around Human Rights, Digital Skills, Code of Conduct, Leadership Development, Employee Wellness and Occupational Health & Safety	

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 INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	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				
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.	

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

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 program 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 organization 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]

	FY2022	FY 2021
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 instills 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]

	FY2022		FY 2021	
	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 or 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]

   None.

Leadership Indicators

1. **Awareness programs 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. Huhtamaki's 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 fulfills 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 authorized 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.

   Weblink : 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 organization 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.**

	FY2022	FY 2021	Details of improvements in environmental and social impacts
R&D	(Total) 12.1 Million INR/Specific techs amount required	(Total)14.6 Million INR/ Specific techs amount required	The investments help in the development and manufacturing of sustainable packaging solutions in line with our 2030 ambition.
Capex	(Total) 19.6 Million// Specific techs amount required	-	

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

   [UNSDG: 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 utilizing new supplier screening tools and processes as well as aligning with third-party verifications and standards. As a responsible company we want 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 given questions to determine the likelihood of corruption and legal compliance. Potential high-risk suppliers are asked additional questions 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.**

   [UNSDG: 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 Extended Producers responsibility targets, we collect and recyle post-consumer use plastics or ensure end of life treatment as may be 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, Extended Producer Responsibility 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?**

   [UNSDG: 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 LCA capabilities in India in the upcoming years. Our global headquarters has started the LCA process, and over the next few years, we hope 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.**

   [UNSDG: 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).

   [UNSDG: 8.4, 12.2, 12.5]

   Huhtamaki is currently not using any recycled or reused input material in production or providing services.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.**

   [UNSDG: 8.4, 12.2, 12.5]

	FY2022			FY 2021		
	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						
Hazardous waste						
Other waste						

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   [UNSDG: 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 organization's most valuable asset since they not only serve as a link with the customers but also greatly contribute to the organization's success. Employees feedback is acknowledged in our organization, 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 organization, allowing 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	% Of employees covered by										
	Total (A)	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	1066	1066	100%	1066	100%	0	0%	1066	100%	0	0%
Female	157	157	100%	157	100%	157	100%	0	0%	0	0%
Total	**1223**	**1223**	**100%**	**1223**	**100%**	**157**	**100%**	**1066**	**100%**	0	0%

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

Category	% Of workers covered by										
	Total (A)	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	**1671**	**1671**	**100%**	**1671**	**100%**	**0**	**0**	**1671**	**100%**	**0**	**0**
Female	**12**	**12**	**100%**	**12**	**100%**	**12**	**100%**	**0**	**0**	**0**	**0**
Other than Permanent workers											
Male	555	555	100%	555	100%	0	0	555	100%	0	0%
Female	We currently have not employed any female contractual workers										
Total	**2238**	**2238**	**100%**	**2238**	**100%**	**12**	**100%**	**2226**	**100%**	**0**	**0%**

2. **Details of retirement benefits.**

Benefits	FY2022			FY 2021		
	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/N.A.)	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/N.A.)
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.

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 India operations. All employees' distinct characteristics and opinions are valued. Everyone is treated and given equal opportunities for employment regardless of race, color, 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]

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention work 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 Other than Permanent Workers Permanent Employees Other than Permanent Employees	Huhtamaki has an open speak up culture where employees are encouraged to reach out to their managers or managers' manager or the human resources department or the India investigation lead or the audit committee chair or compliance team or the speak up channel to report their grievances. In addition, there are various forums where they may seek help depending on the nature of their grievance. For example, if the grievance is in the nature of sexual harassment, Huhtamaki has an Internal Complaints Committee that handles complaints of such nature. Please refer to Principle 5 for more information.

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

   [UN SDG: 8.8]

Category	**FY2022**			**FY 2021**		
	Total employees / workers in respective category (A)	**No. of employees / workers in respective category, who are part of association(s) or Union (B)**	**% (B / A)**	**Total employees / workers in respective category (C)**	**No. of employees / workers in respective category, who are part of association(s) or Union (D)**	**% (D / C)**
Total Permanent Employees	**1223**	0	0%	Since Huhtamaki started tracking the data from this FY onwards, we are only able to provide data pertaining to FY2022		
Male	1066	0	0%			
Female	157	0	0%			
Total Permanent Workers	**1683**	**547**	**32.50%**			
Male	1671	547	32.73%			
Female	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	FY2022					FY 2021				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent employees and workers										
Male	2735	1801	65.85%	1861	68.04%	We have started recording the number of participants for training on health and safety and skill upgradation from FY2022.				
Female	171	55	32.16%	115	67.25%					
Total	2906	1856	63.87%	1976	67.99%					
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	FY2022			FY 2021		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	975	975	100%	897	897	100%
Female	67	67	100%	61	61	100%
Total	**1042**	**1042**	100%	**958**	**958**	100%
Workers						
Male	1690	1690	100%	1278	1278	100%
Female	12	12	100%	-	-	100%
Total	**1702**	**1702**	100%	**1278**	**1278**	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 programs 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 formalized 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, the company conducts periodic health checkups for all its employees and even for the new employees on top of that. The company provides health insurance for all 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: 3.3,3.43.6,3.9,8.8,16.1]

Safety Incident/Number	Category	FY2022	FY 2021
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.98	0.09
Total recordable work-related injuries	Employees	0	0
	Workers	16	5
No. of fatalities	Employees	0	0
	Workers	1 (contractual worker- not on the company's payroll)	0
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 Company has a thorough health and safety policy that is implemented at all organizational levels. Our company is dedicated to implementing and minimizing 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 program. 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 programs.

13. Number of complaints on the following made by employees and workers

[UN SDG: 16.6]

	FY2022			FY 2021		
	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 & Safety						

14. Assessments for the year

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	43%
Working Conditions	43%

Six of our factories are certified for ISO 45001 and are audited as per their requirements by third party agencies. We will be implementing ISO 45001 certification for remainder of the units as well in the coming year. 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 analyzed. 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 program that covered work at height at each site was spurred by the company'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	
	FY2022	FY 2021	FY2022	FY 2021
Employees	0	0	0	0
Workers	1 (third-party worker)	0	0	0

4. **Does the entity provide transition assistance programs 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]

   Currently, we do not offer transition assistance programs to retired or terminated employees. We will consider offering assistance in appropriate cases in future.

5. **Details on assessment of value chain partners:**

   [UN SDG: 5.2,8.8,16.1]

   We do not have any assessments for our value chain partners yet, however, we understand the importance of this subject and are aiming to initiate such programs in the coming years.

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]

   Not applicable as per the statement quoted above.

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 in order 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 operation.

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   [UNSDG: 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.**

[UNSDG: 16.7]

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, 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	Personal meetings, industry associations, E-mail, website, postal communication, panel meetings, conferences, facility visits.	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	Talent acquisition and talent management, communicate vision and strategy of the company, research and development activities, nurture talent and afford opportunities
Employees	No	Physical and virtual meetings, e-mails, notice boards, town-halls, internal websites, digital tools, Employee engagement surveys, Appraisals, Reward & recognition programs, grievance mechanism	Weekly, monthly, quarterly, half yearly, annually	Performance and talent management, build a safe and inclusive working culture, communicate vision and strategy of the company, seek feedback
Customers	No	Physical and virtual meetings, e-mail, bidding tools, website, site visits	Frequently as required	To understand customer's vision and strategy, value proposition, customer expectations, improve business, participation in tenders, commercial negotiations, explore R&D opportunities, ensure prompt service to the customers, seeking feedback, addressing concerns or grievances if any
Suppliers	No	Physical and virtual meetings, e-mail, bidding tools, website, site visits for audit or other purposes	Frequently as required	Share our vision and strategy, due diligence of supplier to understand the supplier's footprint, capability, credibility, value system, sustainability capability, bidding process, commercial discussion and negotiation, ensure business continuity,
Local community	Yes	Through CSR initiatives	Periodically	To understand the needs of the local community, support the communities on social needs

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, 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
Investors	No	Website, financial reports, Stock Exchange, investor communications via emails, and grievance redressal mechanisms	Quarterly, half yearly, annually, event based	Communicate financial results/material occurrences.
Shareholders	No	Website, financial reports, Stock Exchange, investor communications via emails, and grievance redressal mechanisms	Quarterly, half yearly, annually, event based	Communicate financial results/material occurrences, as well as a grievance redressal process.

Leadership Indicators

4. **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.**

   [UNSDG: 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. The Company plans to improve the rigor and focus on ESG related matters in the coming year.

5. **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.**

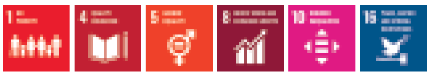
   At Huhtamaki, we have a broad level of understanding of our stakeholders' expectation in terms of identifying and managing the social and environmental performance of our company. It is considered as an important part of our agenda while communicating with the different key stakeholders of our company, which highly influences our policies and procedures to ensure our business operations are in alignment with the company's vision, mission and stakeholders' expectations

6. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   We did not have any instances where in any concern was raised by any vulnerable/marginalized stakeholders. As part of our CSR initiatives, we engage with various vulnerable/marginalized groups and the social initiatives are aimed at bringing a positive impact on the lives of the people from said stakeholder groups.

   [UNSDG: 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	FY2022			FY 2021		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1223	1064	87%	Huhtamaki started tracking the data from FY 2022 onwards		
Other than permanent	-	-	-			
Total employees	1223	1064	87%			
Workers						
Permanent	1683	1495	89%	Huhtamaki started tracking the data from FY 2022 onwards		
Other than permanent	-	-	-			
Total workers	1683	1495	89%			

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	FY2022					FY 2021				
	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	**1042**	-	-	**1042**	100%	958	-	-	958	100%
Total employees	**1042**	-	-	**1042**	100%	958	-	-	958	100%
Workers										
Permanent	1126	-	-	1126	100%	1278	-	-	1278	100%
Total workers	1126	-	-	1126	100%	1278	-	-	1278	100%

3. **Details of remuneration/salary/wages, in the following format:**

   [UN SDG: 16.7]

(Amount in INR)

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	2	20,707,034	0	0
Key Managerial Personnel	1	5,857,601	0	0
Employees other than BoD and KMP	1063	56,920	157	63,714
Workers	1671	37,881	12	20,504

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 Huhtamaki's Code of Conduct and also, the United Nations International Bill of Human Rights as well as the UN Guiding Principles on Business and Human Rights. Depending on the nature of the allegation and people involved, the Board of Directors or any person authorized by them or the Human Resources department, as the case may be, will be focal point for addressing human right impacts.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   [UN SDG: 16.6]

   Our Code of Conduct sets out the standards of ethical behaviour for all employees and members of the management, as well as all officers and directors (including independent directors). The Code is designed to provide a broad and clear understanding of the minimum conduct standards expected of every employee, around the world wherever Huhtamaki does business. Huhtamaki is committed to complying with laws and regulations and to acting in accordance with commonly accepted best practices. Violation of any laws or regulations, including any participation in illegal acts or unethical dealings are not accepted. Huhtamaki has zero tolerance to harassment of any kind, including sexual harassment, racial harassment and any other type of behaviour that is hostile, disrespectful, abusive and/or humiliating. Huhtamaki will investigate every allegation and if they are found true, take all necessary disciplinary actions facilitated by local legislation, including termination of employment, against anyone violating this prohibition. A violation may also result in criminal and civil sanctions.

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]

	FY2022			FY 2021		
	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	1	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labor	0	0		0	0	
Forced Labor/ Involuntary Labor	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	7	0		0	0	

   There was one complaint of sexual harassment filed during the year which was addressed by the Internal complaints committee and resolved successfully. There were 7 anonymous complaints alleging harassment at the workplace. The complaints were investigated thoroughly and resolved. Huhtamaki is taking steps to ensure that all our employees feel safe and secure at their workplace.

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   [UN SDG: 16.6]

   Our Code of Conduct and Whistleblowing Policy which is applicable to every employee prescribes zero tolerance to retaliation and strict action against any person indulging in retaliatory practices. Trainings on the Code of Conduct and Whistleblowing Policy reiterate and stress the importance of the No Retaliation principle.

   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 labor	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. We make sure that none of our plants have any cases of Child labor, forced labor, discrimination, or sexual harassment. However, we have not assessed this with a third-party agency yet.
Forced/involuntary labor	
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.**

    Please refer to the response above.

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**

    Many FMCG companies across the globe has formed a consortium called AIM PROGRESS (PROGRAM on RESPONSIBLE SOURCING) –. The process of verification / audit of compliance is called SEDEX (SUPPLIERS ETHICAL DATA EXCHANGE) and the Model Responsible Sourcing Audit is call SMETA (SEDEX Members Ethical Trade Audit). The current applicable model is identified as SMETA 6.1. Most of these FMCG companies are customer of Huhtamaki India , and all customers are quite strict towards SEDEX Compliance.

    The scope areas of SMETA audit are (a) Business Integrity (b) Health & Safety (c) Labor (d) Environment . Human Rights aspects are well integrated in these audits, under the above said topics. There is a prescribed audit checklist for the audit , where in 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 many customers , who are not member of SEDEX , but still acknowledges the process. There are few customers who have their own model , which is similar to SMETA. For those customer applicable conversion of report is done by the certification body engaged .

    SMETA 6.1 audit doesn't lead to any certification. Individual customer is expected to review the audit report of the site and provide a compliance validity. Minimum Compliance (once the audit is done , and closures done within stipulated time) is for 1 year , and maximum can be 3 years. As a good practice , Huhtamaki India ensures that all its site (flexibles and labels) undergo SMETA audit at least once a year. Except Ambernath labels unit , which got commissioned very recently , all plants have gone through the requisite audit in last on year and put in due diligence for closure of the findings.

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?**

    We provide dedicated washrooms and other amenities for differently abled visitors at our Airoli office. In the future, we are planning to design our new offices as per the customized requirements and suitability of differently abled visitors.

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 abovementioned 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 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.
Discrimination at workplace	
Child labor	
Forced/involuntary labor	
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 are no significant risks or concerns as reported above.

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 from 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 organization 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:

[UNSDG: 7.2, 7.3, 8.4, 12.2, 13.1]

Parameter	FY2022 *(Current Financial Year)*	FY 2021 *(Previous Financial Year)*
Total electricity consumption (A) (in MJ)	272,544,469	267,441,385
Total fuel consumption (B) (in MJ)	213,645,216	209,513,031
Energy consumption through other sources (C) (in MJ)	0	0
Total energy consumption (A+B+C) (in MJ)	486,189,685	476,954,416
Energy intensity per rupee of turnover *(MJ/ INR Millions)*	16,670.31	18,167.75

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.**

   [UNSDG: 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:**

   [UNSDG: 6.3, 6.4, 12.4]

Parameter	**FY2022** *(Current Financial Year)*	**FY 2021** *(Previous Financial Year)*
Water withdrawal by source (in kiloliters)		
(i) Surface water	787.00	0
(ii) Groundwater	64,541.15	110,529.35
(iii) Third party water (Municipal water supplies)	101,817.53	84,696.25
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	*167,144.68*	*195,225.60*
Total volume of water consumption (in kiloliters)	*167,144.68*	*195,225.60*
Water intensity per rupee of turnover (KL/ INR Millions)	5.60	7.43

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   [UNSDG: 6.3, 6.4, 6.A, 12.4]

   Yes, we have put in place a system to achieve zero liquid discharge, and 10 of our 14 facilities already operate at that level. By 2025, we aim to have achieved zero liquid discharge in every one of our units.

   To maximize 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:**

   [UNSDG: 3.9, 12.4, 14.3, 15.2]

Parameter	***Please specify unit***	***FY2022 (Current Financial Year)***	***FY 2021 (Previous Financial Year)***
NOx	KG	1,173.38	1,061.45
SOx	KG	821.36	743.02
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) & its intensity, in the following format:**

   [UNSDG: 3.9, 12.4, 13.1, 14.3, 15.2]

Parameter	*Unit*	*FY2022 (Current Financial Year)*	**FY 2021 (Previous Financial Year)*
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*MT CO2 e*	*14,251*	*15,609*
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*MT CO2 e*	*53,920*	*53,841*
Total Scope 1 and Scope 2 emissions per rupee of turnover	(Ton/INR Millions)	2.28	2.64

7. **Does the entity have any project related to reducing Greenhouse Gas emission? If yes, then provide details.**

   [UNSDG: 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, Sricity's factory uses biofuel. Implementing rooftop solar in four facilities, switching to cleaner PNG fuel in the Rudrapur factory, and reducing electricity consumption across all sites

8. **Provide details related to waste management by the entity, in the following format:**

   [UNSDG: 3.9, 6.6, 8.4, 11.2, 11.6, 12.4, 15.1]

Parameter	*FY2022 (Current Financial Year)*	*FY 2021 (Previous Financial Year)*
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	*9,857*	*9,910*
E-waste ***(B)***	*4.1*	*6.5*
Bio-medical waste ***(C)***	*0*	*0*
Construction and demolition waste ***(D)***	*NA*	*NA*
Battery waste ***(E)***	*6.9*	*5.8*
Radioactive waste ***(F)***	*0*	*0*
Other Hazardous waste. Please specify, if any. (Chemical, chemical storage drums) ***(G)***	*1,276*	*1,177*
Other Non-hazardous waste generated ***(H).*** *Please specify, if any.*	*8,081 (majorly includes Paper waste, stationary waste, organic waste)*	*5,714*
Total (A+B + C + D + E + F + G + H)	*19,926*	*16,813*
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	18,890	15,783
(ii) Re-used	0.14	234
(iii) Other recovery operations	227.86	0
Total	***19,118***	***16,017***
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	89	332
(ii) Landfilling	19	464
(iii) Other disposal operations		
Total	***108***	***796***

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.**

   [UNSDG: 3.9, 6.3, 6.6, 8.4, 11.6, 12.4]

   The company closely monitors the waste generated in each of its units and has a strong program 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 analyzed monthly. Specific targets for waste reduction ae taken at each unit and the action plan is tracked through the year.

   The company has declared 2030 ambitions on recycling of hazardous waste and reduction in landfilling and the company is maintaining a robust performance on these targets. For hazardous waste, material consumption optimization 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:**

    [UNSDG: 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:**

    [UNSDG: 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 noncompliance	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 program 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:**

   [UNSDG: 7.2, 7.3, 8.4, 12.2, 13.1]

Parameter	FY2022 *(Current Financial Year)*	FY 2021 *(Previous Financial Year)*
From renewable sources		
Total energy consumed from renewable sources (A+B+C) (in MJ)	26,557,752	3,109,244
From non-renewable sources		
Total energy consumed from non-renewable sources (D+E+F) (in MJ)	459,631,933	473,845,171

2. **Provide the following details related to water discharged:**

   [UNSDG: 6.3]

Parameter	FY2022 *(Current Financial Year)*	FY 2021 *(Previous Financial Year)*
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	2,845	18,206
- No treatment	0	0
- With treatment – please specify level of treatment	2,845	18,206
(ii) To Groundwater	38,021	58,479
- No treatment	0	5,629
- With treatment – please specify level of treatment	38,021	52,850
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties	0	548
- No treatment	0	548
- 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 kiloliters)	**40,866**	**77,233**

3. **Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):**

   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
   [UNSDG: 6.3]

Parameter	FY2022 *(Current Financial Year)*	FY 2021 *(Previous Financial Year)*
Water withdrawal by source (in kiloliters)		
(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 kiloliters)		
Total volume of water consumption (in kiloliters)		
Water intensity per rupee of turnover *(Water consumed / turnover)*		
Water intensity *(optional)* – the relevant metric may be selected by the entity		

Parameter	FY2022 *(Current Financial Year)*	FY 2021 *(Previous Financial Year)*
Water discharge by destination and level of treatment (in kiloliters)		
(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 kiloliters)		

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

   [UNSDG: 3.9, 12.4, 13.1, 14.3, 15.2]

   Huhtamaki does measure Scope 1 & 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 & 2 while also identifying the various avenues of scope 3 emissions which will help us in measuring 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.**

   [UNSDG: 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.

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:**

   [UNSDG: 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 end, we are working to switch to renewable energy, on the other hand, we are also taking actions to optimize and reduce our energy consumption, thus mitigating GHG emissions at source. When it comes to energy conservation, even small initiatives taken across the operations together bring in a lot of benefits. All our manufacturing units are undertaking various projects for both fuel and electricity consumption reduction. A few examples: Rudrapur factory shifted to a cleaner PNG fuel which is also more efficient. Our Hyderabad factory implemented VFD for ventilation units and cooling towers and installed motion sensors for air curtains and lights; the Guwahati factory has optimized the use of compressed air to conserve energy consumption. Implementing LED lighting and installing energy-efficient pumps are initiatives taken across all units.

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 organization 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 organization's mission, mobilize our people, and get favorable 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 Pat, The Council of EU Chambers of Commerce in India, 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	India Plastic Pact	National
6	The Council of EU Chambers of Commerce in India	International
7	We Care	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 the company's Ethics and Compliance program'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 globalization and technical progress have resulted in rapid economic development, but the advantages have been disproportionately distributed. Huhtamaki, as an organization, 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.**

   [UNSDG: 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:**

   [UNSDG: 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 INR)
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, which are responsible for monitoring and reviewing the mitigation of any such concerns raised.

   [UNSDG: 1.4, 2.3, 9.1, 9.4, 16.6]

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

   [UNSDG: 8.3]

	FY2022 Current Financial Year	FY 2021 Previous Financial Year
Directly sourced from MSMEs/ small producers	3%	3.2%
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):**

   [UNSDG: 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:**

   [UNSDG: 1.4, 2.3]

S. No.	State	Aspirational District	Amount spent (In Rs.)
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 marginalized /vulnerable groups? (Yes/No)**

   No, currently we do not have a preferential procurement policy to give preference to purchase from suppliers comprising marginalized /vulnerable groups.

   (b) **From which marginalized /vulnerable groups do you procure?**

   Currently we are not procuring our raw material from people belonging to marginalized/vulnerable groups as defined by NGBRC

   (c) **What percentage of total procurement (by value) does it constitute?**

   [UNSDG: 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:**

   [UNSDG: 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:**

   [UNSDG: 1.4, 2.3]

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Of beneficiaries from vulnerable and marginalized groups
1.	We collaborated with Need Base India a non-governmental organization in Bengaluru to assist underprivileged girls who live on urban streets and indulge in antisocial activities. This program aims to provide such girls with suitable education and schooling opportunities while also protecting them from being trafficked and exploited. We have also tried to eliminate extreme hunger, acute poverty, and families battling to acquire a meal by providing groceries, and to achieve their desire of sending their children to school.	160 underprivileged Girls	95% of Girls are from Vulnerable & Marginalized Groups
2.	a. Our Taloja facility supplied RO water purifiers to two rural schools in the Raigad district, ensuring that every child has access to clean and safe drinking water. b. We provided Solar Lamps to two Gram Panchayat Schools/Local Villages, Raigad ZP School at Khanacha Bangla (Adivasi School) and Raigad ZP School at Wanvanje.	220 Students	18% of the students belong to marginalized communities.
3.	In 2022, Huhtamaki India settled to a Trust established with the objective of recycling post-consumer use Multi layered plastic (MLP) packaging waste. Post-consumer MLP waste collected from the city of Pune is cleaned, segregated and recycled by the Trust 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.	N/A	N/A

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 give the best to our customers as we imbibe that demonstrating 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 what actually the issue. Based on the initial interaction, the QC head accepts or rejects the compliant. Once accepted, the response to customer, through sales representative, is done 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:

	FY2022 (Current Financial Year)		**Remarks**	**FY 2021 (Previous Financial Year)**		**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 under 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, digitalization, and personalization. We stand at 100 % digitization of all customer transactions worldwide, which drives us to strengthen our robust framework of consumer data protection and cyber security on a regular basis.					
Advertising						
Cyber-security						
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 customized 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 cyber security 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 cyber security position is paramount for customers today. Our strong policies on data privacy and cyber security 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; cyber security 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, emailers 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]

   The Company follows all applicable product labeling requirements and displays pertinent information as required by law and per the customer's specifications/instructions. The Company manufactures/supplies packaging materials which are customized as per customer requirements; hence product information rules do not apply to the Company. However, the marking and labeling requirements under the Plastic Waste Management Rules are applicable to the packaging solutions manufactured by us and we comply with them in alignment with out 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 Program (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 jeopardizing 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 2022, the number of security incidents resulting in actual data breaches confined to the India business is 1.

      We have a robust data privacy policy Data privacy. 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 consumer 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 organizational 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 AUDITOR'S 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, 2022, 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, 2022, and its profit and other comprehensive loss, 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 Auditor's 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 judgment, 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.

The key audit matter	How the matter was addressed in our audit
Timing of revenue recognition See Note 3(i) to accounting policies and note 33 to financial statements	
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. • Circulated direct confirmation of balances to customers on a sample basis and where the confirmations were obtained, we tested the completeness and accuracy of the reconciliations prepared by management. • 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.

<table>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td colspan="2">Tax litigations – Provisions and Contingencies
See Note 3(o) to accounting policies and note 44 to financial statements</td></tr>
<tr><td>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.</td><td>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 judgment 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 challenging 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.</td></tr>
</table>

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 our 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 judgments 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.

Auditor's 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 judgment and maintain professional skepticism 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 (Auditor's 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 31 December 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2022 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 Auditor's 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 31 December 2022 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 for which there were any material foreseeable losses. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on derivative contracts - Refer Note 29 to the financial statements.

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 53(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 persons or entities, 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 53(b) to the financial statements, no funds have been received by the Company from any persons or entities, 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) above contain any material misstatement.

e. The final dividend paid by the Company during the year, which was declared in 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 has 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.

C. With respect to the matter to be included in the Auditor's 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:23105149BGYFQG9267

Place: Mumbai
Date: February 06, 2023

ANNEXURE A

to the Independent Auditor's Report on the Financial Statements of Huhtamaki India limited for the year ended December 31, 2022

(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.

(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 Rs. 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	13.40	Huhtamaki PPL Limited	No	26	Held in the previous name of the Company.
Freehold Land at Khopoli	16.73	Huhtamaki PPL Limited	No	7	Held in the previous name of the Company.
Leasehold Land at Sikkim plant	1.22	Huhtamaki PPL Limited	No	6	The lease period has expired and the Company has applied for the extention. Refer note 4 C in the Financial Statements.
Freehold Land at Baddi	14.00	Huhtamaki PPL Limited	No	4	Held in the previous name of the company
Leasehold Land at Labels Ambernath	66.02	Huhtamaki PPL Limited	No	7	Held in the previous name of the Company.
Leasehold Land at Daman	18.65	Huhtamaki PPL Limited	No	4	Held in the previous name of the Company
Freehold Land at Thane	27.71	Huhtamaki PPL Limited	No	62	Held in the previous name of the Company.
Leasehold Land at Bangalore	163.20	Huhtamaki PPL Limited	No	7	The lease period has expired and the Company has applied for the extention. Refer note 44B in the Financial Statements.

(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 Rs. Million)	Loans (Amount in Rs. Million)
Aggregate amount during the year	545.00	3.87
Balance outstanding as at balance sheet date	0.00	3.01

(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 neither made any investments nor has it 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).

(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 accounts 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 1 July 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 Services Tax, Provident Fund, Profession Tax, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

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 Services Tax, Provident Fund, Profession Tax, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 December 2022 for a period of more than six months from the date they became payable.

(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 (Rs. in Million)	Amount paid under protest (Rs. in Million)	Period to which the amount relates	Forum where dispute is pending
Goods and Services Tax Act, 2017	Goods and Services Tax	15.11	-	2017-2018 to 2019-2020	Assistant Commissioner (Appeals)
Goods and Services Tax Act, 2017	Goods and Services Tax	2.41	2.41	2020-2021	Assistant Commissioner / Joint Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	0.16	-	1997- 1998	Deputy Commisisoner
Central Excise Act, 1944	Excise Duty	231.36	5.39	2001-2002, 2006-2011, 2013-2017	CESTAT
Central Excise Act, 1944	Excise Duty	2.97	3.27	2001- 2008	High Court
Central Excise Act, 1944	Excise Duty	0.58	-	2005-2006, 2014- 2017	Commissioner
Central Excise Act, 1944	Excise Duty	0.04	-	2009- 2010	Joint Secretary, Ministry of Finance
Central Excise Act, 1944	Excise Duty	0.74	-	2017-2018	Assistant Comissioner tax
Finance Act, 1994 - Service Tax	Service tax	46.57	1.64	2009-2017	CESTAT
Finance Act, 1994 - Service Tax	Service tax	4.15	-	2014- 2017	Deputy Commissioner
Customs Act, 1962	Customs Duty	4.53	0.70	2004- 2008	Joint Commissioner Customs
Customs Act, 1962	Customs Duty	1.19	0.87	2006- 2010, 2012- 2013	Deputy Commissioner customs
Customs Act, 1962	Customs Duty	0.32	-	2012- 2013	CESTAT
Customs Act, 1962	Customs Duty	0.02	-	2016- 2017	Assistant Commissioner Customs
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	13.10	4.58	2011- 2017	High Court - Hyderabad
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	0.63	0.19	2017-2018	Additional Commissioner State Tax
The Central Sales Tax Act, 1956	Central Sales Tax	0.65	0.30	2010-2011, 2011-2012, 2013- 2016	Sales Tribunal Tax
The Central Sales Tax Act, 1956	Central Sales Tax	9.33	2.80	2015- 2018	Deputy Commisisoner State Tax
The Central Sales Tax Act, 1956	Central Sales Tax	110.73	-	2016-2017	Joint Commissioner of State Tax
The Maharashtr a Value Added Tax Act, 2002	Value Added Tax	1.03	-	2007- 2008	Sales Tribunal Tax
The Maharashtr a Value Added Tax Act, 2002	Value Added Tax	8.48	0.40	2016-2017	Deputy Commisisoner State Tax
The Telangana Value added Tax Act, 2005	Value Added Tax	4.56	1.10	2005- 2008	Sales Tribunal Tax
Income-tax Act, 1961	Income Tax	19.81	-	2001-2002 2012-2013	High Court
Income-tax Act, 1961	Income Tax	12.12	-	2007-2008 2008-2009 2009-2010 2011-2012 2013-2014 2014-2015	Commissioner of Income Tax (Appeals)

(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 31 December 2022. 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 31 December 2022. 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 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) 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.

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

Aniruddha Godbole
Partner
Membership No.: 105149
ICAI UDIN:23105149BGYFQG9267

Place: Mumbai
Date: February 06, 2023

ANNEXURE B

to the Independent Auditor's Report on the financial statements of Huhtamaki India limited for the year ended December 31, 2022

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 as of December 31, 2022 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, 2022, 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.

Auditor's 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:23105149BGYFQG9267

Place: Mumbai
Date: February 06, 2023

BALANCE SHEET

As at December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

Particulars	Notes	As at December 31, 2022	As at December 31, 2021 (Restated - Refer Note 52)	As at January 1, 2021 (Restated - Refer Note 52)
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	4	3,462.9	3,760.8	4,059.4
Capital Work-in-Progress	4	350.3	429.1	165.0
Right-Of-Use Assets	4	647.6	887.0	785.7
Goodwill	5	623.8	623.8	623.8
Other Intangible Assets	5	53.7	98.6	137.6
Financial assets				
Investments*	6	0.0	0.0	0.0
Loans	7	0.6	3.1	1.1
Other Financial Assets	8	130.1	115.6	108.3
Deferred Tax Assets (Net)	9	284.1	170.8	131.9
Other Tax Assets (Net)	10	744.6	785.9	526.7
Other Non-Current Assets	11	585.9	195.5	150.4
		6,883.6	**7,070.2**	**6,689.9**
Current Assets				
Inventories	12	2,979.9	3,475.0	2,287.8
Financial assets				
Investments	13	-	6.2	183.5
Trade Receivables	14	6,587.0	6,294.9	5,338.0
Cash and Cash Equivalents	15	425.3	313.4	662.0
Bank balances other than Cash and cash equivalents mentioned above	16	6.5	8.5	9.1
Loans	17	8.4	8.3	12.5
Other Financial Assets	18	10.0	26.7	37.0
Other Current Assets	19	403.2	868.8	607.6
Assets held for Sale	20	202.7	-	-
		10,623.0	**11,001.8**	**9,137.5**
Total Assets		**17,506.6**	**18,072.0**	**15,827.4**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	21	151.1	151.1	151.1
Other Equity	22	7,418.5	6,995.7	7,484.9
Total Equity		**7,569.6**	**7,146.8**	**7,636.0**
Non-Current Liabilities				
Financial liabilities				
Borrowings	23	2,000.0	2,000.0	1,250.0
Lease Liabilities	24	398.2	550.1	428.6
Other Financial Liabilities	24	5.4	2.7	11.7
Provisions	25	59.5	61.7	77.3
Other Non-Current Liabilities	26	80.9	88.2	89.2
		2,544.0	**2,702.7**	**1,856.8**
Current Liabilities				
Financial liabilities				
Borrowings	27	1,661.5	1,522.2	1,257.4
Lease Liabilities	29	37.8	50.2	39.6
Trade Payables	28			
Total outstanding dues of micro enterprises and small enterprises		145.4	183.2	63.4
Total outstanding dues of creditors other than micro enterprises and small enterprises		4,634.1	5,554.4	4,035.0
Other Financial Liabilities	29	268.3	286.9	293.9
Other Current Liabilities	30	207.0	197.2	240.2
Provisions	31	261.1	250.4	280.3
Current Tax Liabilities (Net)	32	177.8	178.0	124.8
Total Liabilities		**7,393.0**	**8,222.5**	**6,334.6**
Total Equity and Liabilities		**17,506.6**	**18,072.0**	**15,827.4**

*Amount less than Rs. 50,000

Basis of Preparation, Measurement and Significant Accounting Policies 2 & 3

The accompanying notes 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

Aniruddha Godbole
Partner
Membership No.105149

Mumbai
Date: February 6, 2023

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

Jagdish Agarwal
Executive Director & Chief Financial Officer
DIN: 09620815

D V Iyer
Company Secretary
Membership No. 13004

Mumbai
Date: February 6, 2023

STATEMENT OF PROFIT AND LOSS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

Particulars	Notes	Year ended December 31, 2022	Year ended December 31, 2021 (Restated - Refer Note 52)
Revenue from Operations	33	29,829.2	26,252.8
Other Income	34	172.3	93.7
Total Income		**30,001.5**	**26,346.5**
Expenses			
Cost of Materials Consumed	35	21,679.0	19,266.8
Changes in Inventories of Finished Goods and Work-in-Progress	36	158.4	(544.4)
Employee Benefit Expenses	37	2,535.9	2,577.7
Finance Costs	38	322.8	268.3
Depreciation and Amortisation Expense	39	860.5	921.6
Other Expenses	40	3,885.6	3,862.4
Total Expenses		**29,442.2**	**26,352.4**
Profit/(Loss) before Exceptional items & before tax		**559.3**	**(5.9)**
Exceptional items - (Expenses)	41	-	309.8
Profit/(Loss) after Exceptional items & before tax		**559.3**	**(315.7)**
Tax expense			
Current tax			
Current year	9	172.9	35.1
Credits related to previous periods	9	-	(93.3)
Total		**172.9**	**(58.2)**
Deferred tax (credit) / charge	9	**(110.0)**	**(30.6)**
Profit/(Loss) for the year (A)		**496.4**	**(226.9)**
Other Comprehensive Income / (Losses)			
Items that will not be reclassified subsequently to profit or loss in subsequent years			
Remeasurement of defined benefit liability	45	(8.4)	(32.6)
Income Tax relating to Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	9	2.1	8.2
Items that will be reclassified subsequently to profit or loss in subsequent years			
Fair value of cashflow hedges through other comprehensive income	22	(4.8)	-
Income Tax relating to Items that will be reclassified to profit or loss in subsequent years			
Fair value of cashflow hedges through other comprehensive income	9	1.2	-
Other Comprehensive Income / (Losses) for the year, net of tax (B)		**(9.9)**	**(24.4)**
Total Comprehensive Income / (Losses) for the year (A+B)		**486.5**	**(251.3)**
Earnings per equity share including Exceptional Item	43		
Basic and Diluted (Face value of Rs. 2 each)		6.57	(3.00)
Earnings per equity share excluding Exceptional Item			
Basic and Diluted (Face value of Rs. 2 each)		6.57	1.10

Basis of Preparation, Measurement and Significant Accounting Policies 2 & 3
The accompanying notes 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, 2023

Mumbai
Date: February 6, 2023

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

a. Equity Share Capital:

Equity shares of Rs. 2 each Issued, subscribed and fully paid	In Nos.	Amount
At January 1, 2021	75,521,934	151.1
Changes in equity share capital during the year	-	-
At December 31, 2021	75,521,934	151.1
Changes in equity share capital during the year	-	-
At December 31, 2022	**75,521,934**	**151.1**

*Amount less than Rs. 50,000

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, 2021	**62.2**	**1,554.4**	**5,881.4**	**-**	**7,498.0**
Adjustment due to prior period error (Refer Note 52)	-	-	(13.1)	-	(13.1)
As at January 1, 2021 (Restated - Refer Note 52)	**62.2**	**1554.4**	**5868.3**	**-**	**7,484.9**
Profit/(Loss) for the year	-	-	(226.9)	-	(226.9)
Other Comprehensive Income/(Loss) for the year, net of tax	-	-	(24.4)		(24.4)
Total Comprehensive Income for the year (net of tax)	**-**	**-**	**(251.3)**	**-**	**(251.3)**
Dividend on Equity Shares for the year (Refer Note 22)	-	-	(226.6)	-	(226.6)
Recognition of share-based payments (Refer Note 46)	(11.3)	-	-	-	(11.3)
As at December 31, 2021 (Restated - Refer Note 52)	**50.9**	**1,554.4**	**5,390.4**	**-**	**6,995.7**
Profit/(Loss) for the year	-	-	496.4	-	496.4
Other Comprehensive Income/(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**

Refer Note 22 for nature and purpose of reserves

Refer Note 2 & 3 - Basis of Preparation, Measurement and Significant Accounting Policies

The accompanying notes 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

Aniruddha Godbole
Partner
Membership No.105149

Mumbai
Date: February 6, 2023

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

Jagdish Agarwal
Executive Director & Chief Financial Officer
DIN: 09620815

D V Iyer
Company Secretary
Membership No. 13004

Mumbai
Date: February 6, 2023

CASH FLOW STATEMENT

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

Particulars	December 31, 2022	December 31, 2021 Restated - Refer Note 52
A. Cash Flow from Operating activities		
Net Profit/(Loss) before Tax and exceptional item	559.3	(5.9)
Adjustments for		
Depreciation and Amortisation	860.5	921.6
Unrealised Foreign Exchange Loss/(Gain) (Net)	(43.5)	9.3
Interest Income	(4.5)	(17.1)
Finance Cost	315.7	259.9
Net Interest on net defined benefit liability	7.1	8.4
Charge/ (Reversal) of impairment loss on trade receivables	0.6	2.3
Inventory provision	100.3	-
Bad debts written off	9.6	0.4
Provision/(Reversal) for Indirect tax	23.0	-
(Profit)/Loss on sale/ fair value on Current Investments (Net)	(0.4)	(6.7)
Property, Plant & Equipment Written Off	3.2	-
Mark-to-market (gain)/loss on derivative financial instruments	25.8	(16.2)
Gain/loss on modification of lease	6.5	-
Group Stock Option Arrangement	11.8	(11.3)
Liabilities no longer required written back	(79.2)	-
Profit on Sale of Property, Plant & Equipment (Net)	(43.6)	(21.4)
Cash Generated from Operations before working capital changes	**1,752.2**	**1,123.3**
Working capital adjustments		
Adjustments for		
(Increase)/Decrease in Trade Receivables	(237.9)	(970.5)
(Increase)/Decrease in Inventories	394.8	(1,187.2)
(Increase)/Decrease in Non-current and current financial assets	1.8	15.7
(Increase)/Decrease in Non-current and current assets	486.3	(307.5)
Increase/(Decrease) in Trade Payables	(898.6)	1,640.8
Increase/(Decrease) in Other Non-current and current financial liabilities	(12.8)	(3.0)
Increase/(Decrease) in Other Non-current and current liabilities	2.5	(44.0)
Increase/(Decrease) in Non-current and current provisions	(30.0)	(86.6)
Cash used in Operations	**1,458.3**	**181.0**
Taxes paid (net of refunds)	(131.8)	(147.9)
Net Cash Flows from operating activities	**1,326.5**	**33.1**
Exceptional Items (Refer note 41)	-	(309.8)
Net Cash flows generated from / (used) in operating activities - A	**1,326.5**	**(276.7)**
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment, capital work-in-progress and capital advances	(964.9)	(791.3)
Proceeds from Sale of property, plant and equipment	53.2	31.2
Purchase of Current Investments	(545.0)	(3,105.0)
Sale of Current Investments	551.6	3,289.0
(Investment)/Proceeds in/from deposits with Bank	4.2	0.7
Interest Received	5.1	17.2
Net cash flows (used in) Investing activities - B	**(895.8)**	**(558.2)**
C. Cash Flow from Financing activities		
Interest paid other than lease	(278.0)	(205.1)
Repayment of sales tax deferral loan	-	(17.6)
Proceeds of long term borrowings	-	1,250.0
Interest paid on lease liabilities	(38.7)	(47.0)
Principal payment of lease liabilities	(65.3)	(44.0)
Proceeds of Short Term borrowings	44,800.8	7,594.4
(Repayment) of Short Term borrowings	(44,657.0)	(7,817.6)
Dividends paid	(77.6)	(226.8)
Net cash flows (used in) / generated from financing activities - C	**(315.8)**	**486.3**

CASH FLOW STATEMENT

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

Particulars	December 31, 2022	December 31, 2021 Restated - Refer Note 52
Net increase / (decrease) in cash and cash equivalents -(A+B+C)	**114.9**	**(348.6)**
Add : Cash and cash equivalents at the beginning of the year (Refer Note 4 below)	313.4	662.0
Exchange difference on translation foreign currency cash and cash equivalents	(3.0)	-
Cash and cash equivalents at the end of the year (Refer Note 15)	**425.3**	**313.4**

Notes:

1. Reconciliation of liabilities arising from financing activities:

Non-Current

Particulars	December 31, 2022	December 31, 2021
Opening	**2,550.1**	**1,678.6**
Changes from financing cash flows	-	1,250.0
Transfer to current maturity of long term borrowing	-	(500.0)
Net addition in current year for lease liabilties	58.3	193.7
Net (deletion) in current year for lease liabilties	(157.3)	(17.6)
Interest expense on lease liabilities	38.7	47.0
Interest paid on lease liabilities	(38.7)	(47.0)
Payment of lease liabilities	(65.3)	(44.0)
Transfer to current- lease liabilities	12.4	(10.6)
Closing	**2,398.2**	**2,550.1**

Current

Particulars	December 31, 2022	December 31, 2021
Opening	**1,572.4**	**1,267.5**
Changes from financing cash flows	143.8	(240.8)
Transfer from long term borrowing- current maturity of long term borrowing	-	500.0
Transfer from non - current- lease liabilities	(12.4)	10.6
Other changes	(4.5)	35.1
Closing	**1,699.3**	**1,572.4**

2. In the previous year ended December 31, 2021, the movement in short term borrowing has been presented on net basis at Rs. 223.2 Mn. In the current year, the Company has shown the gross movement of short term borrowings, and accordingly the Company has grossed up the corresponding figures for the previous year to ensure better presentation in line with the current year.
3. In the previous year ended December 31, 2021, the movement in interest paid has been presented on gross basis at Rs. 252.1 Mn. In the current year, the Company has shown the movement of interest paid other than lease and Interest paid on lease liabilities seperately to ensure better presentation in line with the current year.
4. In earlier years, the Unpaid dividend accounts were classified as cash and cash equivalents. In the current year, the Unpaid dividend accounts have been classified under 'Bank balances other than cash and cash equivalents' and previous period amount is appropriately reclassified.
5. The Company has used profit before tax as the starting point for presenting operating cash flows using the indirect method.

Basis of Preparation, Measurement and Significant Accounting Policies 2&3

The accompanying notes 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

Aniruddha Godbole
Partner
Membership No.105149

Mumbai
Date: February 6, 2023

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

Jagdish Agarwal
Executive Director & Chief Financial Officer
DIN: 09620815

D V Iyer
Company Secretary
Membership No. 13004

Mumbai
Date: February 6, 2023

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

1. Corporate information

Huhtamaki India Limited is a public limited Company domiciled in India with its registered office located at 12A-06 B-Wing,13th Floor, Parinee 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 ("INR") which is also the Company's functional currency. All the amounts are rounded to the nearest Million and one decimal thereof, unless otherwise indicated.

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.

The financial statements for the year ended December 31, 2022 were approved by the Board of Directors and authorised for issue on February 6, 2023.

B. Basis of Measurement

The financial statements have been prepared under the historical cost convention, except for the following items:

Items	Remeasurement basis
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

C. Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgments, 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 judgments 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

Information about critical judgments 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 – point 3 h.
- Recognition and estimation of tax expense – point 3 k.

D. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from January 1, 2022 except for MCA issued notifications dated March 24, 2021, to amend schedule III to the Companies Act, 2013 to enhance disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for financial year starting from January 1, 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

Recent Accounting Developments Ministry of Corporate Affairs (MCA), vide notification dated March 23, 2022, has made the following amendments to Ind AS which are effective April 1, 2022. These amendments are applicable to the Company for financial year starting from January 1, 2023.

a. Ind AS 109: Annual Improvements to Ind AS (2021)

b. Ind AS 103: Reference to Conceptual Framework

c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract

d. Ind AS 16: Proceeds before intended use 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

- All items of property, plant and equipment are measured at cost less accumulated depreciation & 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, upto 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 profit or 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".

b) Goodwill and Other Intangible assets

- Intangible Assets acquired separately are measured on initial recognition at cost. 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

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	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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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	Straight Line 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.

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.

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 amortized 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.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) 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 standalone 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 standalone 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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.

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 INR which is also the functional currency. Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. 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 goods 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.

Judgement is required to determine the transaction price for the contract.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment losses recognized 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 or amortization, if no impairment loss had been recognized.

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

The Ultimate Holding Company ('Huhtamaki Oyj') offers Share based compensation program 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.

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 upto, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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.

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.

4. Property, Plant and Equipment

A. Property, Plant and Equipment

(All amounts Rs. in Million, unless otherwise stated)

Particulars	Freehold land*	Leasehold land	Leasehold Improvements	Buildings*	Plant & Machinery**	Computers and laptops	Motor Vehicles	Furniture and fixtures	Office equipment	Total
Gross carrying amount										
At January 1, 2021 (Restated - Refer Note 52)	**83.0**	**-**	**0.7**	**1,383.8**	**6,066.2**	**148.6**	**13.6**	**140.4**	**67.9**	**7,904.2**
Additions	-	-	18.0	42.4	422.1	10.2	1.5	6.9	8.4	509.5
Disposals/Adjustments	-	-	-	0.9	42.8	9.4	2.5	1.8	1.0	58.4
At December 31, 2021 (Restated - Refer Note 52)	**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**
Accumulated depreciation										
At January 1, 2021	**-**	**-**	**0.7**	**487.7**	**3,125.6**	**99.4**	**10.9**	**66.9**	**53.6**	**3,844.8**
Additions	-	-	3.5	95.8	650.6	25.3	1.2	13.3	8.6	798.3
Disposals/Adjustments	-	-	-	0.2	37.2	8.6	0.6	1.0	1.0	48.6
At December 31, 2021	**-**	**-**	**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**
Net carrying amount										
At December 31, 2022	**55.3**	**-**	**10.6**	**901.4**	**2,370.6**	**27.4**	**0.1**	**74.1**	**23.4**	**3,462.9**
At December 31, 2021	83.0	-	14.5	842.0	2,706.5	33.3	1.1	66.3	14.1	3,760.8
At January 1, 2021	83.0	-	-	896.1	2,940.6	49.2	2.7	73.5	14.3	4,059.4

*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

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
NIL						

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

Details as on December 31, 2021

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
NIL						

B. Capital Work-in-Progress

Particulars	Amount
As at January 1, 2021	**165.0**
Additions during the year	773.6
Less: Capitalised during the year	(509.5)
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**

For contractual commitments with respect to property, plant and equipment Refer Note 44 B.

Ageing of CWIP as on December 31, 2022

CWIP/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**

CWIP/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

CWIP	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 SriCity 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 and original timelines as at December 31, 2022

CWIP	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**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

Ageing of CWIP as on December 31, 2021

CWIP/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	287.3	102.3	1.3	-	390.9
Projects temporarily suspended	12.6	20.0	5.6	-	38.2
Total	**299.9**	**122.3**	**6.9**	**-**	**429.1**

CWIP/Intangible assets under development	Total
Projects which have exceeded their original timeline	417.9
Projects which have exceeded their original budget	-
Projects which have exceeded their original budget and original timeline	11.2

Details of capital-work-in progress whose completion is overdue as compared to its original timelines as at December 31, 2021

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Under Progress:					
Project at Mahape factory	210.7	-	-	-	210.7
Project at Khopoli factory	98.1	24.4	-	-	122.5
Project at Silvassa factory	4.9	8.5	-	-	13.4
Project at SriCity factory	11.9	-	-	-	11.9
Project at Rudrapur factory	10.3	-	-	-	10.3
Project at Hyderabad factory	4.0	-	-	-	4.0
Project at Guwahati factory	2.9	-	-	-	2.9
Project at Bangalore Cylinder factory	2.8	-	-	-	2.8
Project at Taloja Cylinder factory	0.6	-	-	-	0.6
Project at Bangalore Labels factory	0.7	-	-	-	0.7
Total (A)	**346.9**	**32.9**	**-**	**-**	**379.8**
Temporarily Suspended:					
Project at Khopoli factory	-	33.7	-	-	33.7
Project at Rudrapur factory	4.4	-	-	-	4.4
Total (B)	**4.4**	**33.7**	**-**	**-**	**38.1**
Total (A + B)	**351.3**	**66.6**	**-**	**-**	**417.9**

Details of capital-work-in progress which have exceeded its original cost as at December 31, 2021

CWIP	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	5.1	-	-	-	5.1
Project at SriCity factory	4.0	-	-	-	4.0
Project at Khopoli factory	1.2	-	-	-	1.2
Project at Rudrapur factory	0.6	-	-	-	0.6
Project at Guwahati factory	0.3	-	-	-	0.3
Total (A)	**11.2**	**-**	**-**	**-**	**11.2**
Temporarily Suspended	-	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**	**-**
Total (A + B)	**11.2**	**-**	**-**	**-**	**11.2**

Ageing of CWIP as on January 1, 2021

CWIP/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	149.8	15.2	-	-	165.0
Projects temporarily suspended	-	-	-	-	-
Total	**149.8**	**15.2**	**-**	**-**	**165.0**

CWIP/Intangible assets under development	Total
Projects which have exceeded their original timeline	87.0
Projects which have exceeded their original budget	-
Projects which have exceeded their original budget and original timeline	3.5

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

Details of capital-work-in progress whose completion is overdue as compared to its original timelines as at January 1, 2021

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Under Progress:					
Project at Mahape factory	-	39.7	-	-	39.7
Project at Khopoli factory	-	-	30.5	-	30.5
Project at Silvassa factory	-	-	3.3	-	3.3
Project at SriCity factory	1.9	5.8	-	-	7.7
Project at Rudrapur factory	-	4.4	-	-	4.4
Project at Hyderabad factory	-	1.4	-	-	1.4
Total (A)	**1.9**	**51.3**	**33.8**	**-**	**87.0**
Temporarily Suspended:	-	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**	**-**
Total (A + B)	**1.9**	**51.3**	**33.8**	**-**	**87.0**

Details of capital-work-in progress which have exceeded its original cost as at January 1, 2021

CWIP	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**

C. Right-Of-Use Assets

Particulars	Leasehold land	Buildings	Plant and equipment	Others	Total
Gross carrying amount					
At January 1, 2021	**335.8**	**463.0**	**42.4**	**2.2**	**843.4**
Additions	-	191.0	-	7.4	198.4
Disposals		28.4	-	2.2	30.6
At December 31, 2021	**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**
Accumulated Depreciation					
At January 1, 2021	**3.5**	**47.3**	**6.4**	**0.5**	**57.7**
Additions	3.2	68.1	8.5	1.7	81.5
Disposals	-	14.2	-	0.8	15.0
At December 31, 2021	**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**
Net carrying amount					
At December 31, 2022	**265.1**	**357.1**	**19.0**	**6.4**	**647.6**
At December 31, 2021	329.1	524.4	27.5	6.0	887.0
At January 1, 2021	332.3	415.7	36.0	1.7	785.7

Amounts recognised in Statement of Profit and Loss:

Particulars	December 31, 2022	December 31, 2021
Interest on Lease Liabilities	38.7	47.0
Expenses relating to short term leases and low value assets	26.2	27.3

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

Amounts recognised in statement of cash flows:

Particulars	December 31, 2022	December 31, 2021
Total cash outflow for leases	(104.0)	(91.0)

During the year, the Company has paid Rs. 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, 2022	December 31, 2021
Less than one year	37.8	50.2
Later than one year and not later than five years	140.2	220.4
Later than five years	258.0	329.7

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.

Details as on December 31, 2021

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

5. Intangible assets

Particulars	Goodwill	Other Intangible assets				Total
		Non-Compete Fees	Computer - Software	Club Membership	Customer List	
At January 1, 2021	**623.8**	**51.0**	**140.1**	**2.6**	**116.8**	**310.5**
Additions	-	-	2.8	-	-	2.8
Disposals	-	-	-	-	-	-
At December 31, 2021	**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**
Accumulated Amortisation						
At January 1, 2021	**-**	**33.7**	**93.6**	**2.4**	**43.2**	**172.9**
Additions		7.1	17.8	0.2	16.7	41.8
Disposals	-	-	-	-	-	-
At December 31, 2021	**-**	**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**
Net carrying amount						
At December 31, 2022	**623.8**	**3.0**	**10.5**	**-**	**40.2**	**53.7**
At December 31, 2021	623.8	10.2	31.5	0.0	56.9	98.6
At January 1, 2021	623.8	17.3	46.5	0.2	73.6	137.6

Goodwill of Rs. 623.8 Mn pertains to below merger/acquisitions:

(a) Merger of Webtech Labels Private Limited in 2015 with Huhtamaki India Limited - Rs. 96.9 Mn

(b) Acquisition of Business of Ajanta Packaging in 2018 - Rs. 467.1 Mn

(c) Acquisition of Business of Mohan Mutha Polytech Private Limited, Sricity in 2020 - Rs. 59.8 Mn

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, 2022 and 2021. 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: 10%)

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 cashflows. 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.

6. Non-Current Investments

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Investments at fair value through Profit & Loss (fully paid)			
Unquoted Equity Shares			
100 Equity shares (December 31, 2021 - 100) (January 1, 2021 -100) of Rs. 25 each fully paid up in Shamrao Vithal Co-operative Bank Ltd*	0.0	0.0	0.0
	0.0	**0.0**	**0.0**

*Amount less than Rs. 50,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

7. Long-Term Loans

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
(Unsecured, considered good unless otherwise stated)			
At amortised cost			
Loans and Advances to employees (Refer Note below)	0.6	3.1	1.1
	0.6	**3.1**	**1.1**

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.

8. Other Financial Assets

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
(Unsecured, considered good unless otherwise stated)			
At amortised cost			
Security Deposits	129.4	112.7	105.4
Margin Money deposits (refer note below)	0.5	2.9	2.8
Bank Deposits with maturity of more than 12 months	0.2	-	0.1
	130.1	**115.6**	**108.3**

Margin Money deposits pertains to deposit given to a Bank for Bank Guarantee issued for EPCG Licenses.

9. Income Taxes

A. Components of Income Tax Expense

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
I. Tax Expense recognised in the Statement of Profit and Loss		
Current Tax		
- Current Year	172.9	35.1
- Credits related to previous years	-	(93.3)
Total (A)	**172.9**	**(58.2)**
Deferred Tax charge/(credit)		
- Origination and reversal of temporary differences	(110.0)	(30.6)
Total (B)	**(110.0)**	**(30.6)**
Total (A+B)	**62.9**	**(88.8)**
II. Tax on Other Comprehensive Income		
Deferred Tax		
Remeasurement of defined benefit liability	(2.1)	(8.2)
Fair value of cashflow hedges through other comprehensive income	(1.2)	-
Total	**(3.3)**	**(8.2)**

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, 2022	Year ended December 31, 2021
Statutory Income Tax Rate	**25.2%**	**25.2%**
Differences due to:		
- Prior year tax adjustment	0.0%	(29.6%)
- Impact of Goodwill taken out of purview of tax depreciation*	0.0%	30.7%
- Impact of DTA on Land held for sale	(17.8%)	0.0%
- Others (mainly includes expenses on account of permanent disallowance)	3.9%	1.8%
Net Effective Tax Rate	**11.2%**	**28.1%**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

C. Movement in Deferred Tax Assets and Liabilities

I. Movement during the year ended December 31, 2020	As at January 1, 2020	Credit / (charge) in the Statement of Profit and loss	Credit/(charge) in Other Comprehensive Income	Credit/(charge) in Equity (Refer Note 52)	Deferred Tax Liability on account of Mohan Mutha, Sricity Acquisition	As at December 31, 2020 (Restated - Refer Note 52)
Deferred tax assets/ (liabilities)						
Expenses allowable for tax purposes when paid	22.0	(12.3)	-	-	-	9.7
Allowance for Impairment loss	30.0	0.4	-	-	-	30.4
Remeasurement on defined benefit plans	44.6	(10.0)	19.3	-	-	53.9
Depreciation	10.5	95.3	-	(13.1)	(10.1)	82.6
Total Deferred tax assets (A)	**107.1**	**73.4**	**19.3**	**(13.1)**	**(10.1)**	**176.6**
Amortisation of goodwill*	(44.7)	-	-	-	-	(44.7)
Total Deferred tax liabilities (B)	**(44.7)**	**-**	**-**	**-**	**-**	**(44.7)**
Net Deferred tax assets/(liabilities) (A+B)	**62.4**	**73.4**	**19.3**	**(13.1)**	**(10.1)**	**131.9**

I. Movement during the year ended December 31, 2021	As at January 1, 2021 (Restated - Refer Note 52)	Credit / (charge) in the Statement of Profit and loss	Credit/(charge) in Other Comprehensive Income	Credit/(charge) in Equity	Classification to Non-Current tax Asset	As at December 31, 2021
Deferred tax assets/ (liabilities)						
Expenses allowable for tax purposes when paid	9.7	8.0	-	-	-	17.7
Allowance for Impairment loss	30.4	0.4	-	-	-	30.8
Remeasurement on defined benefit plans	53.9	(21.4)	8.2	-	-	40.7
Depreciation	82.6	76.1	-	-	-	158.7
Voluntary Retirement Scheme	-	62.4	-	-	-	62.4
Total Deferred tax assets (A)	**176.6**	**125.5**	**8.2**	**-**	**-**	**310.3**
Amortisation of goodwill*	(44.7)	(94.8)	-	-	-	(139.5)
Total Deferred tax liabilities (B)	**(44.7)**	**(94.8)**	**-**	**-**	**-**	**(139.5)**
Net Deferred tax assets/(liabilities) (A+B)	**131.9**	**30.7**	**8.2**	**-**	**-**	**170.8**

NOTES TO THE FINANCIAL STATEMENTS

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(All amounts Rs. in Million, unless otherwise stated)

II. 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	Credit/(charge) in Equity	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	30.8	0.3	-	-	-	31.1
Remeasurement on defined benefit plans	40.7	(3.4)	2.1	-	-	39.4
Fair value of cashflow hedges	-	-	1.2	-	-	1.2
Depreciation	158.7	25.5	-	-	-	184.2
Voluntary Retirement Scheme	62.4	(15.6)	-	-	-	46.8
Land 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**

*Current tax expense for the year ended December 31, 2021 includes Rs. 19.4 Million being the tax impact of goodwill taken out of purview of tax depreciation w.e.f. April 01, 2020 by Finance Bill enacted in March 2021. Also deferred tax charge for the year ended December 31, 2021 includes Rs. 77.5 Mn being the additional charge recognised by the Company on account of the difference between book base and tax base of goodwill consequent upon enactment of the above legislation.

10. Other Tax Assets (Net)

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Advance Income Tax (Net of Provision)	744.6	785.9	526.7
	744.6	**785.9**	**526.7**

Provision amount Rs. 4,432.6 Mn for current year 2022 ((December 31, 2021 - Rs.4,259.7 Mn) (January 1, 2021 - Rs. 3,758.3 Mn).

11. Other Non-Current Assetss

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
(Unsecured, considered good unless otherwise stated)			
Prepaid Expenses	34.0	58.7	4.6
Balances with Customs, Excise, Sales Tax and GST Authorities etc	35.3	31.3	40.2
Capital Advances	516.6	105.5	105.6
	585.9	**195.5**	**150.4**

12. Inventories (valued at lower of cost and net realisable value)

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Raw Materials and Components	1,606.3	1,921.4	1,292.8
Work-in- Progress	357.1	413.4	253.1
Finished Goods	706.5	808.6	424.5
Stores & Spares	180.2	185.8	175.1
Loose Tools	129.8	145.8	142.3
	2,979.9	**3,475.0**	**2,287.8**
Goods in transit (included in above)			
Raw Materials and Components	88.9	167.3	65.5
Finished Goods	323.5	410.0	198.1

Amount of write down of inventories to net realisable value and other provisions recognised in Statement of Profit and Loss as an expense is Rs.100.3 Mn (December 31, 2021 - Rs. 74.2 Mn) (January 1, 2021 - Rs.42.5 Mn).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

13. Current Investments

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
At fair value through Profit & Loss			
Investment in Mutual Funds (Quoted)	-	6.2	183.5
Aggregate book value and market value of quoted investments	**-**	**6.2**	**183.5**

Refer Note 49 for fair value measurement.

14. Trade Receivables

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
(Unsecured, considered good unless otherwise stated)			
At amortised cost			
Considered Good	6,587.0	6,294.9	5,338.0
Considered to have significant increase in Credit Risk	-	-	-
Considered Credit impaired	123.6	122.3	120.7
Less: Allowance for Credit impaired	(123.6)	(122.3)	(120.7)
	6,587.0	**6,294.9**	**5,338.0**
The movement in change in allowance for expected credit loss and credit impairment			
Balance as at beginning of the year	122.3	120.7	118.8
Change in allowance for expected credit loss and credit impairment	10.9	2.0	6.5
Trade receivables written off during the year	(9.6)	(0.4)	(4.6)
Balance as at end of the year	**123.6**	**122.3**	**120.7**

Balance outstanding from related parties as at December 31,2022 is Rs. 575.1 Mn (December 31, 2021: Rs.540.5 Mn). (Refer Note 47)

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#					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
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	-	-	2.9	15.6	10.7	94.4	123.6
Total (B)	**-**	**-**	**2.9**	**15.6**	**10.7**	**94.4**	**123.6**
Total (A - B)	**5,243.3**	**1,283.2**	**47.4**	**10.4**	**1.8**	**0.9**	**6,587.0**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

Ageing for Trade Receivables from the due date of payment for each of the category as at December 31, 2021

Particulars	Not Due	Outstanding for following periods from due date of payment#					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	4,814.8	1,421.0	32.5	24.0	1.8	0.8	6,294.9
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	0.7	13.9	5.3	7.8	88.1	6.5	122.3
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total (A)	**4,815.5**	**1,434.9**	**37.8**	**31.8**	**89.9**	**7.3**	**6,417.2**
Allowances for credit impairment	0.7	13.9	5.3	7.8	88.1	6.5	122.3
Total (B)	**0.7**	**13.9**	**5.3**	**7.8**	**88.1**	**6.5**	**122.3**
Total (A - B)	**4,814.8**	**1,421.0**	**32.5**	**24.0**	**1.8**	**0.8**	**6,294.9**

Ageing for Trade Receivables from the due date of payment for each of the category as at January 1, 2021

Particulars	Not Due	Outstanding for following periods from due date of payment#					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	4,111.3	1,161.0	43.8	18.4	2.1	1.4	5,338.0
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	2.2	10.5	24.2	83.8	120.7
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total (A)	**4,111.3**	**1,161.0**	**46.0**	**28.9**	**26.3**	**85.2**	**5,458.7**
Allowances for credit impairment	-	-	2.2	10.5	24.2	83.8	120.7
Total (B)	**-**	**-**	**2.2**	**10.5**	**24.2**	**83.8**	**120.7**
Total (A - B)	**4,111.3**	**1,161.0**	**43.8**	**18.4**	**2.1**	**1.4**	**5,338.0**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

15. Cash and Cash equivalents

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Balances with Banks			
In Current Accounts	362.8	134.6	581.3
Deposits with original maturity of less than three months	62.5	177.6	79.7
Cheques on Hand	-	-	-
Cash on Hand	-	1.2	1.0
	425.3	**313.4**	**662.0**

16. Bank balances other than Cash and Cash equivalents

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Deposits with maturity of more than 3 months but less than 12 months	1.2	1.1	1.5
In Unpaid Dividend Accounts (Refer Note below)	5.3	7.4	7.6
	6.5	**8.5**	**9.1**

These balances are available for use only towards settlement of corresponding unpaid dividend liabilities. In earlier years, the Unpaid dividend accounts were classified as cash and cash equivalents. In the current year, the Unpaid dividend accounts have been classified under 'Bank balances other than cash and cash equivalents', and accordingly previous periods have been re-classified to ensure better presentation in line with the current year.

17. Loans

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
(Unsecured, considered good unless otherwise stated)			
At amortised cost			
Loans and Advances to employees	8.4	8.3	12.5
	8.4	**8.3**	**12.5**

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.

18. Other Financial Assets

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
(Unsecured, considered good unless otherwise stated)			
Claims Recoverable	3.5	4.2	3.6
Interest Receivable	0.9	1.5	1.6
Security Deposits	5.6	4.8	4.8
Forward Contracts (Fair Value Through Profit and Loss)	-	16.2	27.0
	10.0	**26.7**	**37.0**

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.

Refer Note 49 for fair value measurement.

19. Other Current Assets

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
(Unsecured, considered good unless otherwise stated)			
Prepaid Expenses	59.8	46.2	46.7
Balances with Customs, Excise, Sales Tax, GST & Income tax Authorities etc	169.3	300.9	162.4
Export Benefit Receivables	112.9	469.5	376.3
Advances other than capital advance	61.2	52.2	22.2
	403.2	**868.8**	**607.6**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

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, 2022	December 31, 2021	January 1, 2021
Groups of assets held for sale			
Property, Plant and Equipment (Refer Note 4 A)			
Freehold Land	27.7	-	-
Buildings	101.5	-	-
Plant & 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	-	-
	202.7	**-**	**-**

21. Share Capital

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
A. Authorised			
404,000,000 (December 31, 2021: 404,000,000) (January 1, 2021: 404,000,000) equity shares, Rs. 2 each	808.0	808.0	808.0
2,900,000 (December 31, 2021: 2,900,000) (January 1, 2021: 2,900,000) preference shares, Rs. 100 each	290.0	290.0	290.0
300,000 (December 31, 2021: 300,000) (January 1, 2021: 300,000) unclassified shares, Rs. 100 each	30.0	30.0	30.0
	1,128.0	**1,128.0**	**1,128.0**
B. Issued, subscribed and paid-up			
75,521,934 (December 31, 2021: 75,521,934) (January 1, 2021: 75,521,934) equity shares of Rs. 2 each fully paid-up *	151.1	151.1	151.1
	151.1	**151.1**	**151.1**

*The above amount includes amount received on Forfeited shares - Rs. 0.009 Mn. (December 31, 2021: Rs. 0.009 Mn) (January 1, 2021: Rs. 0.009 Mn)

C. Reconciliation of the shares outstanding at the beginning and at the end of the year.

Particulars	December 31, 2022		December 31, 2021		January 1, 2021	
	No of shares	Amount	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	7,55,21,934	151.1
Shares issued during the year	-	-	-	-	-	-
At the end of the year*	75,521,934	151.1	75,521,934	151.1	7,55,21,934	151.1

*The above amount includes amount received on Forfeited shares - Rs. 0.009 Mn. (December 31, 2021: Rs. 0.009 Mn) (January 1, 2021: Rs. 0.009 Mn)

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 Rs. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

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, 2022	December 31, 2021	January 1, 2021
51,153,997 shares (December 31, 2021: 51,153,997) (January 1, 2021: 50,553,997)	102.3	102.3	101.1
held by Huhtavefa B.V., Netherlands, the Holding Company			

F. Details of shareholders holding more than 5% shares in the Company:

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Huhtavefa B.V., Netherlands, the Holding Company - No. of Shares	51,153,997	51,153,997	5,05,53,997
Huhtavefa B.V., Netherlands,the Holding Company - % holding	67.7%	67.7%	66.9%

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.

G. Details of shareholdings by the promoter's of the Company

Promoter Name	As at December 31, 2022		As at 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%	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	As at December 31, 2021		As at January 1, 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**		

Promoter Name	As at January 1, 2021		As at December 31, 2019		% change in the year
	Number of Shares	% of total shares	Number of Shares	% of total shares	
Huhtavefa B.V., Netherlands	50,553,997	66.9%	50,553,997	66.9%	0.0%
Total Promoter's shares outstanding	**50,553,997**	**66.9%**	**50,553,997**	**100.0%**	**0.0%**
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.

22. Other Equity

Particulars	December 31, 2022	December 31, 2021 (Restated - Refer Note 52)	January 1, 2021 (Restated - Refer Note 52)
Share Options Outstanding Account	62.7	50.9	62.2
General Reserve	1,554.4	1,554.4	1,554.4
Retained Earnings	5,805.0	5,390.4	5,868.3
Items of Other Comprehensive Income			
- Fair value of cash flow hedges through OCI	(3.6)	-	-
	7,418.5	**6,995.7**	**7,484.9**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

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, 2022	December 31, 2021 (Restated - Refer Note 52)	January 1, 2021 (Restated - Refer Note 52)
Balance at the beginning of the year	50.9	62.2	62.3
Recognition / (Reversal) of share-based payments	11.8	(11.3)	(0.1)
	62.7	50.9	62.2

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, 2022	December 31, 2021 (Restated - Refer Note 52)	January 1, 2021 (Restated - Refer Note 52)
Balance at the beginning of the year	1,554.4	1,554.4	1,554.4
Add: Additions during the year	-	-	-
Less: Utilisation during the year	-	-	-
	1,554.4	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.

Particulars	December 31, 2022	December 31, 2021 (Restated - Refer Note 52)	January 1, 2021 (Restated - Refer Note 52)
Balance at the beginning of the year	5,390.4	5,868.3	5,205.7
Add: Profit for the year	496.4	(226.9)	959.9
Add: Other comprehensive income for the year, net of tax	(6.3)	(24.4)	(57.6)
Less: Adjustment of Tax relating to earlier periods (Deferred Tax)	-	-	(13.1)
Less: Dividend on equity shares during the year	(75.5)	(226.6)	(226.6)
	5,805.0	5,390.4	5,868.3

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, 2022	December 31, 2021 (Restated - Refer Note 52)	January 1, 2021 (Restated - Refer Note 52)
Fair Value of cash flow hedges through other comprehensive income	(4.8)	-	-
Hedging loss/(gain) transferred to non-financial asset (net)	-	-	-
Tax on above	1.2	-	-
	(3.6)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

Distribution made and proposed

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Cash dividends on equity shares declared and paid:			
Final dividend for the year ended on December 31, 2021: Re. 1.00 per share (December 31, 2020: Rs. 3.00 per share)	75.5	226.6	226.6
	75.5	**226.6**	**226.6**
Proposed dividends on Equity shares:			
Final dividend for the year ended on December 31, 2022: Rs. 2 per share (December 31, 2021: Re. 1.00 per share) (December 31, 2020: Rs. 3.00 per share)	151.0	75.5	226.6
	151.0	**75.5**	**226.6**

The Board of Directors have recommended a dividend of Rs. 2 per share (December 31, 2021 - Re. 1.00 per share) for the year 2022. The same is subject to approval by the shareholders at the ensuing Annual General Meeting of the Company.

23. Non-Current Borrowings

Particulars	Non-Current		
	December 31, 2022	December 31, 2021	January 1, 2021
(At amortised cost)			
I. Secured			
i. Term Loan (Refer Note a)	-	500.0	250.0
Total Secured Borrowings	**-**	**500.0**	**250.0**
II. Unsecured			
i. External Commercial Borrowings (Refer Note b)	2,000.0	2,000.0	1,000.0
ii. Deferred Sales Tax Loan - Telangana (Refer Note c)	-	-	17.6
Total Unsecured Borrowings	**2,000.0**	**2,000.0**	**1,017.6**
Less: Amount classified under borrowings (Refer Note 27)	-	(500.0)	(17.6)
Total Borrowings	**2,000.0**	**2,000.0**	**1,250.0**

a. The Company has availed Term Loan from Bank which was backed by a Corporate Guarantee given by Huhtamaki Oyj. The loan, carrying an interest @ 5.7% p.a. has been repaid on October 05, 2022.

b. 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 Rs. 1,000 Mn) and February 9, 2026 (second tranche of Rs. 1,000 Mn)

c. The Company had availed unsecured interest free Sales Tax deferral loan from the Government of Telangana for its Hyderabad (Bollarum) factory, in accordance with their Sales Tax deferral scheme. The above amount was repayable within 14 years from the date of availment of the loan. The last installment of loan was repaid on March 31, 2021.

24. Non-Current Financial Liabilities

A: Leases Liabilities

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Lease Liabilities	398.2	550.1	428.6
	398.2	**550.1**	**428.6**

B: Other Non-Current Financial Liabilities

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
At amortised cost			
Employee Benefits Payable	5.4	2.7	11.7
	5.4	**2.7**	**11.7**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

25. Non-Current Provisions

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Provision for Employee Benefits (Refer Note 45)			
- Gratuity	45.1	49.0	67.0
- Long term service award	13.6	11.8	9.2
- Pension	0.8	0.9	1.1
	59.5	**61.7**	**77.3**

26. Other Non-Current liabilities

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Deferred Government Grants	80.9	88.2	89.2
	80.9	**88.2**	**89.2**

Deferred Government Grants relates to accrual of custom 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.

27. Current Borrowings

At amortised cost

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Unsecured loans			
Working Capital Demand Loans (Refer Note a)	900.0	400.0	-
Commercial Paper (Unlisted) (Refer Note b)	343.7	587.1	1,210.3
Cash Credit (Refer Note c)	387.2	-	-
Current Maturity of Long term borrowing - Term Loan (Refer Note 23)	-	500.0	17.6
Interest accrued but not due on borrowing (Refer Note d)	30.6	35.1	29.5
	1,661.5	**1,522.2**	**1,257.4**

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 3.65% p.a to 7.45% p.a.

b) Commercial Papers are unsecured, unlisted and short-term in nature ranging between 30 to 180 days and carrying interest rates ranging from 4.45% p.a to 7.40 % p.a.

c) Cash Credit facilty 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 4.25% p.a to 7.45% p.a.

d) Interest accrued but not due includes Rs. 29.5 Mn to be paid to Huhtamaki Finance Co. (V.B.V) in regard to External Commerical Borrowing. (December 31, 2021: Rs. 29.5 Mn) (Refer Note 47)

28. Trade Payables

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Total outstanding dues of micro enterprises and small enterprises	145.4	183.2	63.4
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,634.1	5,554.4	4,035.0
	4,779.5	**5,737.6**	**4,098.4**

Balance outstanding to related parties as at December 31, 2022 is Rs. 536.8 Mn(December 31, 2021: Rs. 515.1 Mn). (Refer Note 47)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

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	145.4	183.2	63.4
- Interest amount	0.5	0.2	0.6
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.	2.9	0.3	5.0
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.	3.2	1.8	0.5
The amount of interest accrued and remaining unpaid at the end of each accounting year.	3.7	2.0	1.1
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.	5.2	4.4	2.7

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**

Ageing for trade payables from the due date of payment for each of the category as at December 31, 2021

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	178.9	4.0	0.3	-	-	183.2
Undisputed dues - Others	4,765.8	764.7	6.3	2.3	4.7	5,543.8
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	10.6	10.6
	4,944.7	**768.7**	**6.6**	**2.3**	**15.3**	**5,737.6**

Ageing for trade payables from the due date of payment for each of the category as at January 1, 2021

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	58.5	4.1	-	-	0.8	63.4
Undisputed dues - Others	3,107.3	912.3	4.8	0.0	-	4,024.4
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	10.2	0.4	10.6
	3,165.8	**916.4**	**4.8**	**10.2**	**1.2**	**4,098.4**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

29. Other Current Financial Liabilities

A: Lease Liabilities

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Lease Liabilities	37.8	50.2	39.6
	37.8	**50.2**	**39.6**

B: Other Financial Liabilities

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
At amortised cost			
Employee Benefits Payable	173.5	188.9	168.9
Interest accrued but not due	4.0	1.4	0.6
Interest accrued and due	5.2	4.3	2.9
Retention Money Payable (Refer Note a)	29.8	29.8	43.8
Creditors for Capital Goods			
- Micro enterprises and Small enterprises	11.0	8.6	4.6
- Others	8.9	46.5	65.5
Unclaimed dividend*	5.3	7.4	7.6
Provision for Mark to Market losses on Derivative Contracts	30.6	-	-
	268.3	**286.9**	**293.9**

a. Retention Money represents:-

- Rs. 29.8 Mn (December 31, 2021: Rs. 29.8 Mn) (January 1, 2021: Rs. 38.9 Mn) , being money payable to erstwhile shareholders of Positive Packaging Industries Limited for purchase of shares. Additionally for January 1, 2021 Rs. 4.9 Mn, being money payable to Ajanta Packaging for purchase of business.

* There is no amount due and outstanding to be credited to Investor Education & Protection Fund.

30. Other Current Liabilities

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Advance from Customers	50.3	91.8	46.8
Employee Statutory Liabilities payable	22.3	20.4	20.2
Taxes payable (GST, VAT, Plastic Packaging Tax etc)	53.4	6.6	107.7
Tax Deducted at Source payable	61.4	52.8	37.1
Deferred - Government Grants	19.6	25.6	28.4
	207.0	**197.2**	**240.2**

Deferred - Government Grants relates to accrual of custom 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.

31. Provisions

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Provision for Employee Benefits (Refer Note 45)			
- Gratuity	59.2	52.6	64.6
- Compensated absences	142.1	148.8	155.2
Provision for Litigations	59.8	49.0	60.5
	261.1	**250.4**	**280.3**

For movement in Provision for Litigation refer movement schedule below:

Particulars	
As at January 1, 2021	**60.5**
Arising during the year	4.7
Unused amounts reversed/utilised during the year	(16.2)
At December 31, 2021	**49.0**
Arising during the year	23.0
Unused amounts reversed/utilised during the year	(12.2)
At December 31, 2022	**59.8**

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

32. Current Tax Liabilities (Net)

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
Current Tax Liabilities (Net of advance tax)	177.8	178.0	124.8
	177.8	**178.0**	**124.8**

Advance tax amount Rs. 934.3 Mn for 2022 ((December 31, 2021 - Rs.934.1 Mn) (January 1, 2021 - Rs.1,546.8 Mn).

33. Revenue from Operations

Particulars	December 31, 2022	December 31, 2021
Sale of Products	29,022.1	25,585.0
Rendering of Services	142.9	123.6
Subtotal:	**29,165.0**	**25,708.6**
Other Operating Revenue		
- Scrap Sales	396.3	319.1
- Compensation received for Loss of Profits	12.2	10.5
- Government Grant (Refer Note (a) below)	27.0	28.4
- Government Grant - Export Benefits	109.7	89.0
- Income from Manpower Services	119.0	97.2
	29,829.2	**26,252.8**

a 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.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	December 31, 2022	December 31, 2021
Revenue as per contracted price	29,434.0	25,937.7
Less: Price/ other adjustments relating to rebates	269.0	229.1
Total	**29,165.0**	**25,708.6**

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, 2022 is Rs. 50.3 Mn (December 31, 2021: Rs.91.8 Mn) (January 1, 2021: Rs. 46.8 Mn) (Refer Note 30)

Revenue from geographical segment

Particulars	December 31, 2022	December 31, 2021
India	21,099.9	18,126.2
Outside India	8,065.1	7,582.4
Total	**29,165.0**	**25,708.6**

34. Other Income

Particulars	December 31, 2022	December 31, 2021
Interest Income on		
- Bank Deposits	0.4	3.3
- Others	4.1	13.8
Gain on financial instruments at fair value through Profit or Loss (Refer Note a)	-	16.2
Net Gain on sale/fair value changes of Current Investments (Refer Note b)	0.4	6.7
Profit on Sale of Property, Plant and Equipment (Net)	43.6	21.4
Foreign Exchange Gain (Net)	9.8	13.7
Insurance claim received	11.7	1.1
Liabilities no longer required written back (Refer Note c)	79.2	3.9
Other Non-Operating Income	23.1	13.6
	172.3	**93.7**

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

b. Net Gain on sale of current investment of Rs. 0.4 Mn (December 31, 2021: Rs. 6.9 Mn) and loss towards diminution in fair value of current investment is Rs. (0.0) Mn (December 31, 2021: Rs. (0.2) Mn).

c. In the current year, Liabilities no longer required written back has been shown as a separate line item under Other income to ensure better presentation. Accordingly, corresponding figure for previous year of Rs. 3.9 Mn has been shown separately, which was previously grouped under other non operating income, in line with current year.

35. Cost of Materials Consumed

Particulars	December 31, 2022	December 31, 2021
Inventory of raw materials and components at the beginning of the year	1,921.4	1,292.8
Add : Purchases during the year	21,363.9	19,895.4
Less: Inventory of raw materials and components at the end of the year	(1,606.3)	(1,921.4)
	21,679.0	**19,266.8**

36. Changes in Inventories of Finished Goods and Work-in-Progess

Particulars	December 31, 2022	December 31, 2021
Inventories at the end of the year		
Work-in-Progress	357.1	413.4
Finished Goods	706.5	808.6
	1,063.6	**1,222.0**
Inventories at the beginning of the year		
Work-in-Progress	413.4	253.1
Finished Goods	808.6	424.5
	1,222.0	**677.6**
Net Change in Inventories	**158.4**	**(544.4)**

37. Employee benefit expense

Particulars	December 31, 2022	December 31, 2021
Salaries, Wages and Bonus	2,206.4	2,275.8
Contribution to provident and other funds	116.1	108.3
Defined benefit plan expense (Refer Note 45)	31.5	31.7
Staff welfare expense	170.1	173.2
Group Share Purchase Arrangement (Refer Note 46)	11.8	(11.3)
	2,535.9	**2,577.7**

38. Finance costs

Particulars	December 31, 2022	December 31, 2021
Interest		
To Banks (Refer Note below)	133.0	82.6
To Others	140.2	128.9
On Lease liabilities	38.7	47.0
Other borrowing cost - Corporate guarantee commission	3.8	1.4
Net Interest on net defined benefit liability (Refer Note 45)	7.1	8.4
	322.8	**268.3**

In the current year, Other borrowing cost - Corporate guarantee commission has been shown as a separate line item under finance cost to ensure better presentation. Accordingly, corresponding figure for previous year has been shown separately, which was previously grouped under interest to bank, in line with current year. Similarly, interest paid on ECB in the previous year of Rs. 123.1 Mn has also been grouped under interest to others.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

39. Depreciation and amortisation expense

Particulars	December 31, 2022	December 31, 2021
Depreciation of Property, Plant and Equipment (Refer Note 4)	745.8	798.3
Depreciation of Right-of-use assets (Refer Note 4 c)	69.3	81.5
Amortisation of Intangible assets (Refer Note 5)	45.4	41.8
	860.5	**921.6**

40. Other Expenses

Particulars	December 31, 2022	December 31, 2021
Consumption of Stores and Consumables	168.1	161.1
Power and Fuel	908.2	815.2
Repairs to Building	44.5	38.1
Repairs to Machinery	388.4	363.9
Other Repairs	61.1	61.2
Sub Contracting Expenses	90.3	108.1
Contract Labour Costs	297.2	261.9
Insurance	73.6	45.9
Rent (Refer Note 44 B)	26.2	27.3
Rates and Taxes	40.4	35.7
Travelling and Conveyance	77.2	43.1
Legal and Professional Charges	101.1	345.6
Commission-Directors (Refer Note 47)	8.0	8.0
Communication Costs	22.1	26.1
Payments to Auditors (Refer Note a)	23.0	19.4
Printing and Stationery	18.8	15.6
Cost for Centralised Services (Refer Note 47)	261.7	216.1
Software Expenses including Cost for Information Technology Services (Refer Note 47)	231.1	129.2
Commission on Sales	67.0	92.2
Freight and Forwarding Expenses	604.6	724.2
Corporate Social Responsibility Expenses (Refer Note b)	20.8	28.0
Property, Plant and Equipment Written Off	3.2	-
Bank Charges	6.7	8.0
Charge/ (Reversal) of impairment loss on trade receivables	0.6	2.3
Bad debts written off	9.6	0.4
Loss on financial instruments at fair value through Profit or Loss	25.8	-
Miscellaneous Expenses	306.3	285.8
	3,885.6	**3,862.4**

a) Payments to the auditor:

Particulars	December 31, 2022	December 31, 2021
As auditor		
Statutory audit fees	16.1	14.8
Others		
Fees for other audit related services	3.0	2.6
Fees for certification	-	0.1
Reimbursement of out-of-pocket expenses	3.9	1.9
	23.0	**19.4**

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 Rs. 20.8 Mn (Previous Year: Rs. 28.0 Mn) towards Corporate Social Responsibility activities. Further, no amount has been spent on construction/acquisition of an asset of the Company.

Particulars	December 31, 2022	December 31, 2021
(i) Construction/acquisition of any asset	-	-
(ii) For purpose other than (i) above	20.8	28.0
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	Not Applicable	Not Applicable
Total	**20.8**	**28.0**

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year 2022 is Rs. 20.2 Mn (Previous Year: Rs. 27.7 Mn) 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 contentrators, distribution of battery operated hand sprayers and hydrocloride 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 Rs. 20.2 Mn (2021: Rs. 15 Mn) to Huhtamaki Foundation which is 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.

(viii) The Company does not wish to carry forward excess amount of Rs. 0.6 Mn spent during the year (previous year: Rs. 0.3 Mn) against amount required to be spent under Section 135 of the Companies Act, 2013 for the year 2022 is Rs. 20.2 Mn (Previous year: Rs. 27.7 Mn).

(ix) The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

41. Exceptional Item

Consequent to the Board Meeting held on July 19, 2021, the Company announced a Voluntary Retirement Scheme (VRS) on July 20, 2021 for its eligible employees at the Thane plant. The scheme was open till July 22, 2021. In response to the scheme, 102 employees opted for the VRS which involved a pay-out cost of Rs. 309.8 Million. The results for the year ended December 31, 2021 include the impact of the VRS scheme and same has been disclosed as "Exceptional Item".

42. Research and Development Expenses

Particulars	December 31, 2022	December 31, 2021
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 *	12.1	14.6
Total Research and Development Expenses	**12.1**	**14.6**

*Revenue Expenditure of Rs.12.1 Mn has been grouped under various expense heads of the Financial Statements (December 31, 2021: Rs. 14.6 Mn).

43. Earnings Per Share (EPS)

Particulars	December 31, 2022	December 31, 2021
Profit after Tax including Exceptional Item (at Rs. Million)	496.4	(226.9)
Profit after Tax excluding Exceptional Item (at Rs. Million)	496.4	82.9
Weighted Average Number of Equity Shares (nos.)*	75,521,934	75,521,934
Basic and Diluted Earnings per Equity Share including Exceptional Item (in Rs.)	6.57	(3.00)
Basic and Diluted Earnings per Equity Share excluding Exceptional Item (in Rs.)	6.57	1.10
Nominal Value of Share (in Rs.)	2.00	2.00

*closing balance of equity share is equal to weighted average equity shares

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

44. Contingent Liabilities and Commitments

A. Contingent Liabilities

Claims against the Company not acknowledged as Debts

Particulars	December 31, 2022	December 31, 2021
a. Excise Duty		
Matters in Appeal - Duty	116.4	117.2
Matters in Appeal - Penalties	113.8	110.4
Show Cause Notices - Duty	0.8	47.4
Interest	0.6	0.6
b. Service Tax		
Matters in Appeal - Tax	38.4	38.4
Matters in Appeal - Penalties	8.2	8.2
Show Cause Notices - Duty	4.9	5.2
c. Custom Duty		
Matters in Appeal - Duty	0.1	0.1
Matters in Appeal - Penalties	2.1	2.1
Show Cause Notices -Custom	0.8	0.8
d. GST		
Matters in Appeal - Tax	0.2	0.2
Matters in Appeal - Penalties	2.2	0.2
Show Cause Notices -GST	0.1	1.8
e. Income Tax Demands in Appeal	16.7	24.9
f. Sales Tax Demands in Appeal	7.3	7.7
g. Others	7.2	13.1

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 results.

iii. In February 2019, the Honorable 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 Rs. 26.2 Mn (December 31, 2021: Rs. 27.3 Mn)

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, 2022	December 31, 2021
Not later than one year	3.7	4.9
Later than one year and not later than five years	-	-
Later than five years	-	-

ii. Capital Commitments

Particulars	December 31, 2022	December 31, 2021
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	452.1	1,066.9

NOTES TO THE FINANCIAL STATEMENTS

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(All amounts Rs. in Million, unless otherwise stated)

iii. Export Obligation

Particulars	December 31, 2022	December 31, 2021
Customs Duty on Capital goods imported under Export Promotion Capital Goods Scheme, against which export obligation is to be fulfilled (Refer note below)	1,784.0	1,488.5

Note: Out of the total export obligation of Rs. 1,784.0 Mn, the Company has completed exports obligation of Rs. 812.8 Mn. 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. mtrs 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 % utilization 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 is still pending with KIADB. The Board of the Company has approved capital expenditure plan which will ensure the compliance of minimum utilization of land specified in this agreement.

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, 2022	December 31, 2021
Present Value of Obligation	411.3	395.3
Fair Value of Plan Assets	307.0	293.7
(Asset)/Liability recognised in Balance Sheet	**104.3**	**101.6**

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For the year ended December 31, 2022

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B. Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Gratuity		
	Plan Obligation	Plan Assets	Difference
As at January 1, 2021	**405.5**	**273.9**	**131.6**
Current service cost	31.7	-	31.7
Interest cost	25.8	-	25.8
Return on Plan Assets	-	17.4	(17.4)
Actuarial (gain)/loss arising from changes in demographic assumptions	(0.1)	-	(0.1)
Actuarial (gain)/loss arising from changes in financial assumptions	(28.2)	-	(28.2)
Actuarial (gain)/loss arising from experience adjustments	63.3	2.4	60.9
Employer contributions	-	102.3	(102.3)
Benefits Paid	(102.7)	(102.3)	(0.4)
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**

C. Statement of Profit and Loss

Particulars	Gratuity	
	December 31, 2022	December 31, 2021
Current service cost	31.5	31.7
Finance Cost		
Interest cost	27.7	25.8
Interest income	(20.6)	(17.4)
Net impact on profit (before tax)	**38.6**	**40.1**
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(0.1)
Actuarial (gain)/loss arising from changes in financial assumptions	(22.6)	(28.2)
Actuarial (gain)/loss arising from experience adjustments	31.0	60.9
Net impact on total comprehensive income (before tax)	**47.0**	**72.7**

D. Assets

Particulars	Gratuity	
	December 31, 2022	December 31, 2021
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	218.7	174.7
Investment Value in Non Unit Linked Plans	52.5	83.5
Investment Value in Special Deposit Scheme of Bank Of Baroda	11.8	11.3
Insurer Managed Funds	24.0	24.2
Total	**307.0**	**293.7**

The Plan does not invest directly in any property occupied by the Company or any financial securities issued by the Company.

For the year ended December 31, 2022 (All amounts Rs. in Million, unless otherwise stated)

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.

Particulars	December 31, 2022	December 31, 2021
Expected Return on Plan Assets	7.6%	7.0%
Discount rate	7.6%	7.0%
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, 2022	December 31, 2021
0- 2 years	20.5%	20.5%
3- 4 years	18.5%	12.5%
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, 2022 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	(37.2)	43.4	43.7	(38.1)	5.3	(6.0)

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 Rs.76.9 Mn (Previous year: Rs. 69.7 Mn).

I. The average duration of the defined benefit obligation at the end of reporting period is 11 years (Previous year: 12 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.

II Defined Contribution Plans

The Company's contribution for Provident Fund, employees' state insurance, labour welfare fund, superannuation scheme etc. a aggregating Rs. 113.1 Mn (2021 : Rs. 101.7 Mn) has been recognised in the Profit or Loss under the head 'Employee Benefits Expense'.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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III Compensated absences (Long term employment benefit)

The liability towards compensated absences for the year ended December 31, 2022 based on actuarial valuation carried out by an independent Actuary using Projected Accrued Benefit Method aggregating to Rs. 142.1 Mn (December 31, 2021 : Rs. 148.8 Mn). Principal assumptions are in line with those used for Gratuity, as applicable.

IV Service Award:

The Company recognizes 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, 2022 based on actuarial valuation carried out by an independent actuary resulted in liability of Rs. 13.6 Mn (December 31, 2021: Rs. 11.8 Mn).

V Pension:

The liability towards pension for the year ended December 31, 2022 based on actuarial valuation carried out by an independent Actuary using Projected unit credit Method aggregating to Rs. 0.8 Mn (December 31, 2021 : Rs. 0.9 Mn). 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**

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 program 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.

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 forfieted.

In terms of the aforesaid plan, the eligible employees of the Company receive certain number of shares of the Parent Company as per the terms and conditions of the Plan. The aforesaid plan is an equity settled plan.

The Company has recognised these share based payment transactions as equity settled share based payment transaction in accordance with the requirements of paragraph 43 A and 43 B of Ind AS 102 Share Based Payments, since the Company receives the services of the employees to whom the shares have been granted by the Parent Company and the Company has no obligation to settle the same.

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Details of Shares Granted under various Plans

Particulars	18-20 Plan	19-21 Plan	20-22 Plan	21-23 Plan	22-24 Plan
Maximum number of Shares Eligible	20,000	15,500	20,500	10,000	12,000
Outstanding as at January 1, 2021	**-**	**15,500**	**13,500**	**-**	**-**
Granted during the year	-	-	-	10,000	-
Forfeited during the year	-	15,500	10,500	6,000	-
Exercised during the year	-	-	-	-	-
Outstanding as at December 31, 2021	**-**	**-**	**3,000**	**4,000**	**-**
Granted during the year	-	-	1,000	4,000	12,000
Forfeited during the year	-	-	1,000	1,000	1,000
Outstanding as at December 31, 2022	**-**	**-**	**3,000**	**7,000**	**11,000**
Vesting Period	2.6 years	3 years	3 years	2.6 years	2.7 years
Grant Date	14-May-18	1-Jan-19	1-Jan-20	14-May-21	31-May-22
Exercise price	Nil	Nil	Nil	Nil	Nil
Fair Value on the date of Grant (in Euro)	34.82	27.07	41.73	39.18	35.86
Fair Value on the date of Grant (in Rs.) as on December 31, 2022	**-**	**2,291.6**	**3,532.6**	**3,316.8**	**3,035.7**
Fair Value on the date of Grant (in Rs.) as on December 31, 2021	2,933.9	2,280.9	3,516.1	3,301.2	-

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, 2022	December 31, 2021
Equity Settled Performance Share Plans	11.8	(11.3)

c. Details of Liabilities/Equity arising from Company's Cash settled and Equity Settled share based payment transactions respectively

Particulars	December 31, 2022	December 31, 2021
Other Equity - Equity Settled	62.7	50.9

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 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 Finance B V, Netherlands
	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 Flexibles Italy S.r.l., Italy
	Huhtamaki Philippines Inc., Philippines
	Elif Plastik Ambalaj San.Ve Tic.A.S.
	Huhtamaki Flexible Packaging Czech A.S.

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c) Key Managerial Personnel

Mr. Murali Sivaraman, Non-Executive Independent Chairman
Dr. Arup Basu, Executive Director till January 03, 2021 and Non-Executive Director w.e.f. January 04, 2021 till May 12, 2021
Mr. Sudip Mall, Managing Director w.e.f. January 04, 2021 till November 30, 2021
Mr. Ranjeev Lodha, Executive Director and Chief Financial Officer till September 30, 2021
Mr. Jagdish Agarwal, Chief Financial Officer w.e.f. January 05, 2022 and Executive Director & Chief Financial Officer w.e.f. May 26, 2022
Mr. Dhananjay Salunkhe, Managing Director w.e.f. August 12, 2022
Non-executive Independent Directors
Ms. Seema Modi
Mr. Ashok Kumar Barat
Non-executive directors
Mr. Sami Pauni
Mr. Marco Hilty w.e.f. September 24, 2021
Mr. Stefan Lotz w.e.f. Fbruary 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, 2022	December 31, 2021
1) Ultimate Parent Company		
- Huhtamaki Oyj., Finland		
a) Software and Expense Reimbursements Charge	115.1	93.6
b) Cost for Information Technology Services	117.0	37.0
c) Cost for Centralised Services	261.7	216.1
d) Expense Reimbursements - Charge	36.8	33.3
e) Expense Reimbursements - Recovery	18.0	-
f) Sale of services	119.3	96.4
g) Guarantee Fee	3.8	1.4
h) Due to Ultimate Parent Company	532.6	506.7
i) Due from Ultimate Parent Company	39.2	15.5
2) Holding Company		
Dividend Paid		
- Huhtavefa B.V., Netherlands	51.2	153.5
3) Fellow Subsidiaries		
External Commercial Borrowings (ECB) - Rupee Denominated Bonds		
- Huhtamaki Finance Company V B.V.	-	1,000.0
Interest accrued on ECB		
- Huhtamaki Finance Company V B.V.	130.0	123.1
Sale of Goods and Services		
- Huhtamaki Australia Ltd.	44.0	41.1
- Huhtamaki BCP Ltd.	58.5	4.7
- Huhtamaki Flexible Packaging South Africa (Pty) Limited	862.7	696.3
- Positive Packaging United (M.E.) FZCO	1.9	4.6
- Huhtamaki Flexible Packaging Middle East LLC.	22.4	39.7
- Huhtamaki Flexible Packaging Germany GmbH & Co. KG.	1.5	0.2
- Huhtamaki Mexicana S.A. De C.V.	326.2	400.8
- Huhtamaki Thailand	147.6	146.1
- Huhtamaki Foodservice Packaging India Pvt. Ltd.	0.2	0.7
- Huhtamaki Flexible Packaging Egypt LLC	104.3	120.0
- Huhtamaki Flexibles Italy S.r.l.	-	0.7
- Huhtamaki Philippines Inc.	175.6	85.5

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(All amounts Rs. in Million, unless otherwise stated)

Particulars	December 31, 2022	December 31, 2021
- Huhtamaki B.V.	5.2	2.7
- Huhtamaki Flexible Packaging Kenya Limited	0.0	-
- Elif Plastik Ambalaj San.Ve Tic.A.S.	0.3	-
- Huhtamaki Flexible Packaging Czech A.S.	0.2	-
Commission Expenses on Sales		
- Huhtamaki Flexible Packaging South Africa (Pty) Limited	0.1	0.2
- Huhtamaki Flexible Packaging Kenya Ltd.	0.9	0.6
Purchase of Goods		
- Huhtamaki BCP Ltd.	4.3	6.1
- Huhtamaki Flexible Packaging Germany GmbH & Co. KG.	42.7	0.4
- Huhtamaki B.V.	0.8	-
Expense Reimbursements - Recovery		
- Positive Packaging United (M.E.) FZCO	0.5	0.1
- Huhtamaki Flexible Packaging Germany GMBH & Co KG	-	0.1
Expense Reimbursements - Charge		
- Huhtamaki Mexicana S.A. De C.V.	5.8	5.4
- Huhtamaki (UK) Ltd	-	0.5
- Huhtamaki Foodservice Packaging India Pvt. Ltd.	1.4	0.7
- Huhtamaki Flexible Packaging Kenya Ltd.	-	0.2
- 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	1.2
- Huhtamaki Mexicana S.A. De C.V.	1.7	1.4
- Huhtamaki Flexible Packaging South Africa (Pty) Limited	1.9	1.7
- Huhtamaki B.V.	-	0.1
- Huhtamaki BCP Ltd.	0.1	4.0
- Huhtamaki Foodservice Packaging India Pvt. Ltd.	0.3	-
Balances due from		
- Huhtamaki Australia Ltd.	10.7	18.3
- Elif Plastik Ambalaj San. VE Tic.A.S.	0.1	-
- Huhtamaki B.V.	3.3	-
- Huhtamaki BCP Ltd.	15.9	4.6
- Huhtamaki Flexible Packaging South Africa (Pty) Limited	187.6	222.1
- Positive Packaging United (M.E.) FZCO	-	0.1
- Huhtamaki (Thailand) Ltd.	-	14.5
- Huhtamaki Flexible Packaging Middle East LLC	-	5.6
- Huhtamaki Finance B V, Netherlands	-	-
- Huhtamaki Mexicana S.A. De C.V.	233.6	186.3
- Huhtamaki Flexible Packaging Egypt LLC	58.1	-
- Huhtamaki Flexibles Italy S.r.l.	-	0.7
- Huhtamaki Philippines Inc.	26.1	72.8
- Huhtamaki Flexible Packaging Czech A.S.	0.2	
- Huhtamaki Foodservice Packaging India Pvt. Ltd.	0.3	-

4) Huhtamaki Oyj has given a Corporate Guarantee to Standard Chartered Bank as security in respect of Fund and Non-Fund based facilities of Rs. 1,026.5 Mn availed by the Company. (December 31, 2021: Rs. 1,026.5 Mn)

5) Huhtamaki Oyj has given a Corporate Guarantee to JP Morgan as security in respect of Fund based facilities of Rs. 1,500.0 Mn availed by the Company. (December 31, 2021: Rs. 740.0 Mn)

6) Huhtamaki Oyj has given a Corporate Guarantee to Kotak Mahindra Bank as security in respect of Fund and Non-Fund based facilities of Rs. 500.0 Mn availed by the Company. (December 31, 2021: Nil)

7) Huhtamaki Oyj has given a Corporate Guarantee to BNP Paribas as security in respect of Fund Based Facilities of Rs. 1,000.0 Mn availed by the Company. (December 31, 2021: Rs. 500.0 Mn against Term Loan)

8) Huhtamaki Oyj had given a Corporate Guarantee to Citibank as security in respect of Term Loan of Rs. 1,000 Mn availed by the Company. The loan has been repaid as on December 31, 2021.

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Particulars	December 31, 2022	December 31, 2021
9) Details of Contribution to Post Employment Benefit Plans		
- Huhtamaki PPL Limited Employees Gratuity Fund Trust	27.2	94.7
- Positive Packaging Industries Limited Employees Group Gratuity Assurance Scheme	16.8	7.7
10) Compensation of Key Management Personnel		
Short Term Employee Benefits *#	29.7	54.2
Post-Employment Benefits *##	1.2	1.7
Share-Based Payment Transactions **	10.0	(4.4)
Sitting fees to Independent Directors	4.9	3.0
Commission to Independent Directors***	8.0	8.0
Total Compensation Paid to Key Management Personnel ###	**53.8**	**62.5**

*# During the previous year ended December 31, 2021, Short Term Employee Benefits include payment of INR 8.7 Mn made to Non-Executive Director which has been recovered from Huhtamaki Oyj., Finland.

*## During the previous year ended December 31, 2021, Post-Employment Benefits include payment of INR 0.4 Mn made to Non-Executive Director which has been recovered from Huhtamaki Oyj., Finland.

** Key managerial personnel are eligible for share based payments of the Ultimate Holding Company for which there is no cash outflow from the Company.

*** Amount of commission remains outstanding as on 31 December each year.

During the previous year ended December 31, 2021, the managerial remuneration paid by the Company to its erstwhile Managing Director and the Executive Director & Chief Financial Officer was Rs. 37.1 Mn, was in excess of limits laid down under section 197 of the Companies Act 2013, read with Schedule V to the Act by Rs. 16.2 Mn, for which necessary approvals was received from the shareholders at the Annual General Meeting held on May 12, 2022.

11) 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.

iii) The Company has not recorded any impairment of receivables related to amounts owed by related parties.

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, 2022	December 31, 2021
India	21,099.9	18,126.2
Outside India	8,065.1	7,582.4
Total	**29,165.0**	**25,708.6**

ii. Entire Non-Current Assets of the Company are situated in India

iii. Major customer

Revenue from a major customer of the Company is Rs. 3,189.4 Mn (2021: Rs. 2,803.5 Mn) which is 11.11% (2021:10.9%) of the Company's total revenue.

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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, 2022		As at December 31, 2021		As at January 1, 2021	
		Carrying values	Fair values	Carrying values	Fair values	Carrying values	Fair values
Financial Assets measured at Amortised Cost							
i. Trade Receivables	14	6,587.0	6,587.0	6,294.9	6,294.9	5,338.0	5,338.0
ii. Cash and Cash Equivalents	15	425.3	425.3	313.4	313.4	662.0	662.0
iii. Bank balances other than Cash and cash equivalents	16	6.5	6.5	8.5	8.5	9.1	9.1
iv. Loans (Current and Non-Current)	7 and 17	9.0	9.0	11.4	11.4	13.6	13.6
v. Other Financial Assets (Current and Non-Current)	8 and 18	140.1	140.1	126.1	126.1	118.3	118.3
Financial Assets measured at Fair value through Profit and Loss							
i. Current Investments	13	-	-	6.2	6.2	183.5	183.5
ii. Other Financial Assets - Derivative Assets (Current)	18	-	-	16.2	16.2	27.0	27.0
Financial Liabilities measured at Amortised Cost							
i. Term Loan	23	-	-	500.0	500.0	250.0	250.0
ii. Working Capital Demand Loan	27	900.0	900.0	400.0	400.0	-	-
iii. Sales Tax Deferral Loans (Current and Non-Current)	23	-	-	-	-	17.6	17.6
iv. External Commercial Borrowings	23	2,000.0	2,000.0	2,000.0	1,000.0	1,000.0	1,000.0
v. Commercial paper	27	343.7	343.7	587.1	587.1	1,210.3	1,210.3
vi. Cash Credit	27	387.2	387.2	-	-	-	-
vii. Interest accrued but not due on borrowing	27	30.6	30.6	35.1	35.1	29.5	29.5
viii. Lease Liabilities (Current and Non-Current)	24 and 29	436.0	436.0	600.3	600.3	468.2	468.2
ix. Other Financial Liabilities (Current and Non-Current)	24 and 29	243.1	243.1	289.6	289.6	305.6	305.6
x. Other Financial Liabilities - Derivative Liability (Current)	29	30.6	30.6	-	-	-	-
xi. Trade Payable	28	4,779.5	4,779.5	5,737.6	5,737.6	4,098.4	4,098.4

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, 2021.

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 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.

NOTES TO THE FINANCIAL STATEMENTS

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(All amounts Rs. in Million, unless otherwise stated)

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, 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

Quantitative disclosures for Fair value measurement hierarchy for Assets/Liabilities as at December 31, 2021

Particulars	Level 1	Level 2	Level 3	Total
Assets at Fair value				
Current Investments	6.2	-	-	6.2
Derivatives - Forward exchange Contracts	-	16.2	-	16.2

Quantitative disclosures for Fair value measurement hierarchy for Assets/Liabilities as at January 1, 2021

Particulars	Level 1	Level 2	Level 3	Total
Assets at Fair value				
Current Investments	183.5	-	-	183.5
Derivatives - Forward exchange Contracts	-	27.0	-	27.0

There have been no transfers between Level 1 and Level 2 during the period

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. 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, 2022 and December 31, 2021. 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 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		Undiscounted		
	Carrying amount	Less than one year	More than one year	Total
As at December 31, 2022				
Financial Assets				
Loans (Non-Current)	0.6	-	0.6	0.6
Other Financial Assets (Non-Current)	130.1	-	130.1	130.1
Investments (Current)	-	-	-	-
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 Liabilties (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 Liabilties (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**
As at December 31, 2021				
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)	115.6	-	115.6	115.6
Investments (Current)	6.2	6.2	-	6.2
Trade Receivables	6,294.9	6,294.9	-	6,294.9
Cash and Cash Equivalents	313.4	313.4	-	313.4
Bank balances other than Cash and cash equivalents	8.5	8.5	-	8.5
Loans (Current)	8.3	8.3	-	8.3
Other Financial Assets (Current)	26.7	26.7	-	26.7
Total	**6,776.7**	**6,658.0**	**118.7**	**6,776.7**
Financial Liabilities				
Borrowings (Long Term)	2,000.0	-	2,556.7	2,556.7
Lease Liabilties (Non-Current)	550.1	-	835.8	835.8
Other Financial Liabilities (Non-Current)	2.7	-	2.7	2.7

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

Particulars	Carrying amount	Undiscounted		
		Less than one year	More than one year	Total
Borrowings (Current)	1,522.2	1,522.2	-	1,522.2
Trade Payables	5,737.6	5,737.6	-	5,737.6
Lease Liabilties (Current)	50.2	50.2	-	50.2
Other Financial Liabilities (Current)	286.9	286.9	-	286.9
Total	**10,149.7**	**7,596.9**	**3,395.2**	**10,992.1**
As at January 1, 2021				
Financial Assets				
Investments (Non-Current)	0.0	-	0.0	0.0
Loans (Non-Current)	1.1	-	1.1	1.1
Other Financial Assets (Non-Current)	108.3	-	108.3	108.3
Investments (Current)	183.5	183.5	-	183.5
Trade Receivables	5,338.0	5,338.0	-	5,338.0
Cash and Cash Equivalents	662.0	662.0	-	662.0
Bank balances other than Cash and cash equivalents	9.1	9.1	-	9.1
Loans (Current)	12.5	12.5	-	12.5
Other Financial Assets (Current)	37.0	37.0	-	37.0
Total	**6,351.5**	**6,242.1**	**109.4**	**6,351.5**
Financial Liabilities				
Borrowings (Long Term)	1,250.0	-	1,602.0	1,602.0
Lease Liabilties (Non-Current)	428.6	-	676.8	676.8
Other Financial Liabilities (Non-Current)	11.7	-	11.7	11.7
Borrowings (Current)	1,257.4	1,257.4	-	1,257.4
Trade Payables	4,098.4	4,098.4	-	4,098.4
Lease Liabilties (Current)	39.6	39.6	-	39.6
Other Financial Liabilities (Current)	293.9	293.9	-	293.9
Total	**7,379.6**	**5,689.3**	**2,290.5**	**7,979.8**

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

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, 2022	December 31, 2021	January 1, 2021
Derivative Instruments Outstanding				
Forward Exchange contracts for the foreign exchange exposures of receivables on account of export	USD	11.9	14.8	8.8
Forward Exchange contracts for the foreign exchange exposures of receivables on account of export	GBP	0.7	-	-
Forward Exchange contracts for the foreign exchange exposures of payable on account of Imports	EUR	4.6	5.0	2.7
Foreign Exchange Exposures				
On account of export of goods.				
	USD	23.5	27.2	19.2
	EUR	1.1	0.5	0.6
	GBP	2.5	0.7	1.4
	AED	1.1	1.4	3.7
	AUD		0.0	0.0
	CAD	0.6	0.5	0.3
	ZAR	0.0	-	-
	JPY	0.0	-	-
On account of revenue imports and capital imports creditors.	USD	10.2	11.3	8.6
	EUR	6.5	6.5	3.6
	JPY	2.4	0.8	2.4
	GBP	0.0	0.0	0.0
	GHS	-	-	0.0
	CAD	0.0	0.0	-
	CHF	0.0	-	-
Cash and Bank balance in foreign currency	USD	3.5	0.3	0.0
	GHS	-	-	0.0
	GBP	0.0	0.2	0.1
Derivatives taken to Cover Forecast Exposures		-	-	-
Forward Exchange contracts taken for the forecast exports receivables on account of export of goods & services.	USD	14.0	8.3	5.9
Forward Exchange contracts taken for the forecast capital imports.	EUR	3.0	0.6	-

Total Unhedged Exposure as on respective reporting dates:

Particulars	Foreign Currency in Million		
	December 31, 2022	December 31, 2021	January 1, 2021
Currency			
On account of receivables			
USD	4.9	1.4	1.8
GBP	1.8	0.9	1.4
AED	1.1	1.4	3.7
AUD	-	0.0	0.0
CAD	0.6	0.5	0.3
ZAR	0.0	-	-
On account of payables			
EUR	0.9	1.0	0.3
JPY	2.4	0.8	2.4
CHF	0.0	-	-
GHS	-	-	0.0

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For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

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, 2022		December 31, 2021		January 1, 2021	
	Increase in Profit	Decrease in Profit	Increase in Profit	Decrease in Profit	Increase in Profit	Decrease in Profit
Currency						
USD	20.4	(20.4)	5.2	(5.2)	(3.2)	3.2
EUR	3.8	(3.8)	4.1	(4.1)	1.6	(1.6)
GBP	9.1	(9.1)	4.8	(4.8)	7.4	(7.4)
AED	1.2	(1.2)	1.4	(1.4)	3.7	(3.7)
AUD	-	-	0.1	-	-	-
CAD	1.7	(1.7)	1.5	(1.5)	0.9	(0.9)
JPY	0.1	(0.1)	(0.0)	0.0	0.1	(0.1)
CHF	0.1	(0.1)	-	-	-	-
GHS	-	-	-	-	0.0	(0.0)

The Company's exposure to foreign currency changes for all other currencies is not material.

c) Hedge accounting

At December 31, 2022 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 (INR Mn)	-	(4.9)	-
Average USD: INR forward contractrate	-	83.3	-

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 INR	(0.1)	(4.8)	-	-

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

Foreign currency risk	December 31, 2022			During the year ended December 31, 2022		
	Carrying amount					
	Nominal amount (USD in Mn)	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-INR	7.2	-	4.9	(4.8)	(0.1)	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

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 :

	December 31, 2022	
	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)	-

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, 2022, the investments in debt mutual funds amounts to Rs. Nil (December 31, 2021: Rs. 6.2 Mn). These are exposed to price risk.

A 1% increase in prices would have led to approximately an additional Rs. Nil gain in the Statement of Profit and Loss (2021: Rs. 0.1 Mn 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, 2022	December 31, 2021	January 1, 2021
Floating Rate Borrowings	387.2	-	-
Total Borrowings	**387.2**	**-**	**-**

b) Sensitivity

The sensitivity of profit or loss to changes in interest rates is as follows:-

Particulars	December 31, 2022	December 31, 2021	January 1, 2021
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.

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

NOTES TO THE FINANCIAL STATEMENTS

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(All amounts Rs. in Million, unless otherwise stated)

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, 2022, December 31, 2021 and January 1, 2021 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.

51. Accounting Ratios

No	Name of Ratio	Numerator	Denominator	December 31, 2022	December 31, 2021	% Variance
1	Current Ratio (in times)	Current assets	Current liabilities	1.4	1.3	5%
2	Debt - Equity Ratio (in times)	Total debt	Equity	0.5	0.5	-2%
3	Debt Service coverage ratio (in times)	Earnings available for debt service	Total debt service	7.3	2.3	221%
4	Return on equity (in %)	Net profit	Average shareholder equity	6.7%	-3.1%	320%
5	Inventory Turnover Ratio (in times)	Sale of Goods and Services	Average inventory	9.0	8.9	1%
6	Trade receivables turnover ratio (in times)	Sale of Goods and Services	Average accounts receivables	4.5	4.4	2%
7	Trade payables turnover ratio (in times)	Net purchases and Other expenses	Average trade payables	4.8	4.8	-1%
8	Net capital turnover ratio (in times)	Revenue from Operation	Working Capital	9.9	9.4	4%
9	Net profit ratio (in %)	Net profit	Revenue from Operation	1.7%	-0.9%	293%
10	Return on capital employed (in %)	Earning before interest and taxes	Capital employed	7.9%	-0.4%	1868%
11	Return on investment (in %)	Income earned on investment	Average investment for the period	1.6%	3.9%	-59%

Reason for variation:

Debt Service Coverage Ratio (times): The debt service coverage ratio is healthier at 7.3 in current year as against 2.3 in previous year primarily due to increase in earnings available for debt service in 2022 as compared to 2021.

Return on Equity (%): Return on Equity in the current year has improved from -3.1% in previous year to 6.7% in current year on the base of higher profit for the year.

Net profit ratio (in %) : The net profit margin ((after exceptional items)) improved to 1.7% in current year as against -0.9% in the previous year primarily on account of increase in operation performance and impact of exceptional item in previous year.

Return on capital employed (in %) : Return on capital employed has improved from -0.4% in the previous year to 7.9% in the current year on the base of higher profit for the year.

Return on investment (in %) : Return on investment in current year has reduced from 3.9% to 1.6% due lower investment.

Definitions:

(a) Earning for available for debt service = Net Profit after taxes + 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 exeptional 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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(All amounts Rs. in Million, unless otherwise stated)

52. Restatement

During the years prior to December 31, 2020, two units of the Company were eligible to claim deduction under Section 80IC of the Income Tax Act, 1961 ('the IT Act'). The Company had adjusted losses of these units with other non-eligible units and recorded deferred tax liability aggregating to Rs. 67.5 Mn. During the year relevant to assessment year 2020-21, the Company opted to be taxed under Section 115BAA of the IT Act, however there was an oversight in accounting of the reversal of the aforementioned deferred tax liability and consequential adjustment of deferred tax assets of Rs. 13.1 Mn. As per management's evaluation of tax position, there is continuing uncertainty regarding adjustment of losses of such units with other non-eligible units in the earlier years. The consequential accounting for current and deferred tax resulted in the understatement of current tax liability (provision) and Deferred Tax Assets by Rs. 12.1 Mn and Rs. 54.4 Mn and overstatement other tax assets and equity by Rs. 55.4 Mn and Rs 13.1 Mn respectively. These now stand rectified in the respective comparative periods, in accordance with the applicable accounting standards. The affected financial statement captions, line items for the prior period have been summarised below.

(All amounts Rs. in Million, unless otherwise stated)

Particular	As previously Reported	Adjustment	As restated
As at January 1, 2021			
Non-Current Tax Assets (Net) (Refer Note 10)	582.1	(55.4)	526.7
Current Tax Liabilities (Net) (Refer Note 32)	112.7	(12.1)	124.8
Deferred Tax Assets (Net) (Refer Note 9)	77.5	54.4	131.9
Other Equity (Refer Note 22)	7,498.0	(13.1)	7,484.9

The above adjustments did not have any impact on the cash flows statement.

53. 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.

54. 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, 2022	December 31, 2021	January 1, 2021
Borrowings	3,661.5	3,522.2	2,507.4
Investments in liquid mutual funds	-	(6.2)	(183.5)
Cash and cash equivalents	(425.3)	(313.4)	(662.0)
Bank balance other than cash and cash equivalents	(6.5)	(8.5)	(9.1)
Net debt	**3,229.7**	**3,194.1**	**1,652.8**
Equity share capital	151.1	151.1	151.1
Other equity	7,418.5	6,995.7	7,484.9
Total Equity	**7,569.6**	**7,146.8**	**7,636.0**
Debt- Equity Ratio	**0.4**	**0.4**	**0.2**

Debt Equity Ratio- Net debt divided by Total equity

Total debt = Long term borrowing + Short term borrowing

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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, 2022, December 31, 2021 and January 1, 2021.

55. DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year.

56.

In the previous year, the Company disclosed that it had 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 reporting period. The Company is committed to upholding the highest standards of corporate governance and to strengthen the compliance and control environment wherever deemed necessary.

57.

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

58. Schedule III Amendment

The Company has adopted the amended Schedule III to the Companies Act, 2013 effective January 1, 2022. Accordingly, previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's presentation.

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Aniruddha Godbole
Partner
Membership No.105149

Mumbai
Date: February 6, 2023

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

Jagdish Agarwal
Executive Director & Chief Financial Officer
DIN: 09620815

D V Iyer
Company Secretary
Membership No. 13004

Mumbai
Date: February 6, 2023

Huhtamaki

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