Huhtamaki

August 12, 2026

Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Mumbai – 400 001
BSE Scrip code – 509820

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

Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') – Reaffirmation- Credit rating

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we hereby inform that CRISIL, the rating agency, has reaffirmed the rating for the credit facilities availed by the Company as under:

Total Bank Loan Facilities Rated	Rs. 88 Crore
Long Term Rating	Crisil AA-/Stable (Reaffirmed)

The detailed rating rationale issued by the rating agency is enclosed.

Sharing this for your information and further dissemination on your websites please.

Thanking you,

Yours faithfully,
For Huhtamaki India Limited

Ramya Mohan
Digitally signed by Ramya Mohan
Date: 2026.08.12 18:02:42 +05'30'

Ramya Mohan
Whole Time Director
DIN: 11593706

Encl.: As above

Rating Rationale

August 12, 2026 | Mumbai

Huhtamaki India Limited

Rating reaffirmed at 'Crisil AA- / Stable'

Rating Action

Total Bank Loan Facilities Rated	**Rs.88 Crore**	**Regulator Of Instrument**
Long Term Rating	**Crisil AA-/Stable (Reaffirmed)**	**RBI**

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its 'Crisil AA-/Stable' rating on the long-term bank facility of Huhtamaki India Limited (HIL).

Operating income declined by ~2% to Rs 2,469 crore in 2025 (calendar year) from Rs 2521 crore in 2024 (calendar year). The company's profitability profile strengthened considerably despite the slight decline in revenue with operating margin improving significantly to 7.7% in 2025 from 4.6% in 2024, driven by better procurement efficiencies, cost optimization initiatives resulting in lower wastage, benefits of operating leverage, and a favourable sales mix.

In first half of 2026(H1CY26), revenue saw a significant uptick by ~12% year-on-year to Rs 1,322 crore, compared with first half of 2025(H1CY25), primarily driven by healthy mix of price and volume with pricing offsetting commodity hurts from middle east crisis price-led growth and preference among customers for organized players to ensure supply availability amidst the geopolitical uncertainties. Margin for H1CY26 improved to 8.4% compared to 6.4% in H1CY25, supported by a volume growth, operational efficiencies and favorable sales mix.

The rating reflects the company's established market position in the flexible packaging industry, healthy financial risk profile, and operational and financial support from Huhtamaki. These strengths are partially offset by exposure to intense competition, regulatory risks and volatility in raw material prices.

Analytical Approach

Crisil Ratings has applied its parent notch-up criteria to factor in the operational and financial support from Huhtamaki, which owns 67.73% stake in HIL.

Key Rating Drivers - Strengths

Established market position in the premium flexible packaging market

HIL is an established player in the domestic flexible packaging industry. Its market position is supported by a diversified product range, which comprises flexibles, labels, tube laminate and cylinders. Strong and diverse customer profile will continue to support the business risk profile over the medium-to-long term. The company's innovation and product development capabilities are strengthened by the support provided by its parent in product development.

Healthy financial risk profile

The financial risk profile is supported by healthy networth of Rs 1,228 crore and debt of Rs 213 crore (includes external commercial borrowings from the parent, lease liabilities and vendor financing) as on December 31, 2025, resulting in gearing of less than 0.17 time. Additionally, healthy cash accrual will be sufficient to meet capital expenditure (capex) and working capital requirement over the medium term.

Operational and financial support from the parent

HIL receives support from Huhtamaki for product development, along with operational and financial support. The parent has provided financial support to the company in the form of external commercial borrowings amounting to Rs 200 crore (o/s of Rs 100 crore as on December 31, 2025) at competitive rates and provides corporate guarantees for some of HIL's banking facilities.

Key Rating Drivers - Weaknesses

Exposure to intense competition in the fragmented flexible packaging industry and regulatory risks

The flexible packaging industry exerts pressure on the profitability of players. Though the industry is highly consolidated in terms of catering to the fast-moving consumer goods (FMCG) and pharmaceutical customers, intense competition restricts pricing flexibility. Also, these players have limited bargaining power against large FMCG and pharmaceutical players. The company is also exposed to regulatory risks due to the increasing focus on environmental issues. Adverse regulatory changes, impacting the credit risk profile of HIL, will be monitorable.

Susceptibility to volatility in raw material prices
Raw material cost accounts for 65-70% of the operating income. The prices of key raw materials, such as films, polyethylene granules and biaxially oriented polyethylene, are linked to crude oil prices, which are volatile and are factored into pricing terms with customers. Susceptibility to fluctuations in input cost is likely to persist.

Liquidity Strong
HIL enjoys strong liquidity supported by unutilized fund-based bank lines and healthy cash and liquid surplus. Expected net cash accrual for 2025 to 2027 will be sufficient to meet annual capex and working capital requirement. Cash and equivalent along with current Investments remains over Rs 400 crore as on June 30, 2026.

ESG Profile
The environment, social and governance (ESG) profile of HIL supports its credit risk profile. The packaging sector has moderate environmental and social impact driven by its raw material sourcing strategies, waste-intensive processes and direct impact on the health and wellbeing of customers.

Key ESG highlights

- HIL aims to be carbon neutral by 2030. In 2025, the company reported an increase in the share of renewable energy in its overall energy mix to ~11% from 7% the previous year
- Company's scope 1 and 2 emission intensity has increased by ~4% to ~23 tCO2E per crore of revenue in 2025 from ~21 tCO2E in 2023.
- The company's employee attrition rate was at ~9% in 2025, which is lower than its peers. Its lost time injury frequency rate for employees reduced to nil in 2025 as compared to 0.42 in 2024.
- Its governance structure is characterized by 38% of the board comprising independent directors with an independent chairman, split in chairman and managing director positions and extensive disclosures.

There is growing importance of ESG among investors and lenders. Continued commitment of HIL to ESG principles will play a key role in enhancing stakeholder confidence given shareholding by foreign portfolio investors and access to both domestic and foreign capital markets.

Outlook Stable
Crisil Ratings believes HIL will maintain a healthy business risk profile over the medium term and will continue to benefit from the operational and financial support from its parent, Huhtamaki.

Rating sensitivity factors
Upward factors

- Substantial improvement in business performance leading to improvement in operating profitability to 7-9% on a sustained basis
- Improvement in the credit risk profile of the parent

Downward factors

- Sustained weakening in operating performance, with operating margin at 3-4%
- Large, debt-funded capex/acquisition or any adverse regulatory change
- Weakening in the credit risk profile of the parent

About the Company
Set up in 1935, HIL is one of the market and technology innovation leaders in the domestic flexible packaging industry. The company manufactures flexibles, labels, tube laminate and cylinders. Its parent, Huhtamaki, held 67.73% equity stake in HIL as on March 31, 2025.

HIL has 10 manufacturing facilities in Maharashtra, Dadra and Nagar Haveli, Uttarakhand, Assam, Karnataka, Andhra Pradesh and Himachal Pradesh.

Key Financial Indicators

As on / for the period ended December 31	Units	2025	2024
Revenue	Rs crore	2469	2521
Profit after tax (PAT)	Rs crore	118	88
PAT margin	%	4.8%	3.5%
Adjusted debt* / adjusted networth	Times	0.17	0.19
Interest coverage	Times	13.22	8.42

**Adjusted debt includes lease liabilities and vendor financing.*

Any other information: Not applicable

Note on complexity levels of the rated instrument:
Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Please note:
More details including a list of activities or instruments, along with the names of respective financial sector regulators (FSRs) whose purview they fall under, is available in 'Annexure – List of Instruments and Names of Regulators' below.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook	Regulator Of Instrument
NA	Working Capital Facility	NA	NA	NA	88.00	NA	Crisil AA-/Stable	RBI

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure - Rating History for last 3 Years

	Current			2026 (History)		2025		2024		2023		Start of 2023
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	88.0	Crisil AA-/Stable		--	14-05-25	Crisil AA-/Stable	04-09-24	Crisil A+/Positive	01-02-23	Crisil A+/Stable	Crisil AA-/Stable
			--		--		--	31-01-24	Crisil A+/Stable		--	--
Commercial Paper	ST		--		--	14-05-25	Withdrawn	04-09-24	Crisil A1+	01-02-23	Crisil A1+	Crisil A1+
			--		--		--	31-01-24	Crisil A1+		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities - Regulator for the Instrument is RBI

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Working Capital Facility	**88**	**Axis Bank Limited**	**Crisil AA-/Stable**

Annexure: List of instruments and names of regulators of the instruments
As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*$	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFC's, HFCs, Fis	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts$	RBI
19	Unlisted Security Receipts	RBI

20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Crisil Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.
$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.
+ To be finalized following a discussion with the regulatory authorities.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for factoring parent, group and government linkages
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)

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A list of products/activities or ratings of instruments falling under the purview of various FSRs along with the names of respective FSRs has been duly disclosed by Crisil Ratings on its website. A link to the same has been provided below for ready reference:

https://www.crisilratings.com/en/home/our-business/ratings/regulatory-disclosures/list-of-activities-instruments-and-names-of-regulators.html

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