Huhtamaki

July 31, 2026

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

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

Sub: **Transcript of Earnings call for the 2nd quarter ended June 30, 2026**.

Dear Sir/Madam,

This is further to our letter dated July 27, 2026, whereby the Company had submitted the link to the audio/video recording of the Earnings Call held post announcement of the unaudited financial results for the 2nd quarter ended June 30, 2026.

Pursuant to the Regulation 30(6) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed the transcript of the said Earnings Call, for your information and records.

The same is also available on Company's website at https://www.flexibles.huhtamaki.in/

Kindly take the same on your records.

Thanking you,

For Huhtamaki India Limited

Ramya Mohan
Digitally signed by Ramya Mohan
Date: 2026.07.31 16:40:36 +05'30'

Ramya Mohan
Whole Time Director
DIN: 11593706

Encl.: As above

“Huhtamaki India Limited
Q2 CY '26 Earnings Conference Call”
July 27, 2026

MANAGEMENT: **MR. KAMAL TANEJA – MANAGING DIRECTOR – HUHTAMAKI INDIA LIMITED**
MR. AMIT GUPTA – CHIEF FINANCIAL OFFICER – HUHTAMAKI INDIA LIMITED

MODERATOR: **MR. RUSHAD KAPADIA – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Q2 CY '26 Earnings Conference Call of Huhtamaki India Limited, hosted by ICICI Securities. As a reminder, all participants will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rushad Kapadia from ICICI Securities. Thank you, and over to you, Rushad.

Rushad Kapadia: Thank you. Good evening, ladies and gentlemen, and welcome to the Huhtamaki India Q2 CY '26 Earnings Conference Call. We have with us from the management, Mr. Kamal Taneja, Managing Director; and Mr. Amit Gupta, Chief Financial Officer. So without further ado, I would now like to hand over the floor to the management. Thank you, and over to you, sir.

Kamal Taneja: Thank you, Rushad. Hi. My name is Kamal Taneja. I'm very happy to take this call, and I hope you all are doing well. I also hope that you had a chance to look through the presentation that we uploaded this morning. Before I go through the full presentation or share with you information, a couple of disclaimers.

Number one, information presented here may be deemed to contain forward-looking statements. They primarily reflect our intent on execution of strategy and other events. The actual results may be materially different because they would depend on several internal and external factors and risks. So I wanted to just you to be aware of that.

The other disclaimer is that we are not soliciting any investment advice or asking you to invest in any securities or engage in any investment activities for that matter. I'm going to start talk about the results. I believe you had some time to go through that. But just to put some context, we believe that the markets we operated in, in the first half or second quarter for that matter, remain robust and very competitive and grew at 4% to 5% range.

As some of you or most of you actually would know, the Middle East crisis weighed in significantly in the market, there was a significant disruption to supply chain, and there was a raw material cost variation. Despite this, what you would have observed is that our net sales growth was healthy and solid.

The growth was driven by price, volume and product mix, almost 1/3 each of that. And roughly, when you're talking about 23% growth overall in net sales, it's pretty robust. What you would have also seen from our results is that our EBITDA and EBIT grew by 55% and 71%, respectively, which is consistent with what we have been doing the past few quarters based on our strategy of profitable growth, selective market participation and disciplined capital allocation.

I'm going to hand over to Amit, who is going to take you through the financial results, and I will come back again to talk about sustainability and other initiatives and summarize our presentation later. Over to you, Amit.

Amit Gupta: Yes. Good afternoon, everyone. This is Amit Gupta. I'm the CFO of the company. Happy to engage on this today. In line with what Kamal has opened, if you look at the quarterly and the half yearly numbers, you will see that for the quarter, our sales have grown by 23.1 percentage points.

And as Kamal reflected, this actually represents a growth which is broad-based. It was not something which was coming from a particular market or a particular customer, but we had a broad-based growth supported by a healthy mix of pricing and volume.

Our exports and domestic business almost grew at the same growth rate. So it was quite a broad-based growth. The EBITDA margin improvement by about 55% from 8.3 to 10.5 percentage points is primarily driven by the higher margins that we could actually reflect in the current year -- in the current quarter's financials, primarily backed by a healthy portfolio mix that we have on the top, the volume as well as the pricing offsetting the commodity hurts that we see from the Middle East, Asia crisis.

We had a substantial amount of hurts there, but we were able to cover most of them through the pricing, resulting into a healthy EBITDA margins here. Our EBIT margins again reflected the growth that was there in EBITDA, about 72% up to 8.5 percentage points.

While our finance cost grew by marginally by 10 percentage points, our overall profit was -- profit before tax was still at 77 percentage growth over the last year at INR559 crores for this particular quarter. Earnings per share for this quarter reflect a growth in line with our profitability. The growth we are seeing here is 77.3 percentage points.

I'm very happy to highlight that this is one of the best performances in EPS that your company has delivered over the past many years. For the H1 period, our top line growth was also strong double digit, close to about 12 percentage points, again, driven by the consistent strong performance that we have been seeing in the business starting from March this year, which has continued till June.

And again, broad-based, healthy -- supported by a healthy mix of pricing as well as portfolio and both domestic and exports market. The EBITDA margins for the H1 again stand at 10.5 percentage points, substantially almost like 2.2 percentage points higher versus the last year.

And that is again a reflection of the higher profitability that we have been able to garner from the healthy portfolio volume and the pricing offsetting commodity hurts, including the impact of some of our productivity initiatives, which have helped us generate higher margins during the period.

All the other cost -- all the other metrics for the H1 remain consistent with what we have seen during the quarter. The only delta here is primarily the EBIT. The EBIT margin here is getting impacted by a one-time gross charge of INR88 million, close to about INR8.8 crores of the prior period depreciation charge that we have posted in the quarter 1.

If we exclude that, that is something which is actually leading to a 37% growth in our EBIT margins with a 7.6% on net sales as a number. Yes, our earnings per share for the H1 remained at INR9.18, again, up by almost 36 percentage points, making it one of the strongest H1 in the near future.

Next slide, please. This is just a graphical representation of our sales number. And as you could see, the bar for the quarter 2 stands quite high at INR723 crores. This is one of the highest sales that we have recorded in consecutive last 3 to 4 years.

So a very strong quarter on the sales front, reflecting the growth that we are seeing from a volume front, both in the exports and domestic market and also some kind of a tailwind that we are getting because of the inventory buildup at the customers' end due to the Middle East and Asia crisis, some of which is going to sustain and some of which is going to, kind of, even out over the period of time.

Our EBIT margins, again, at 8.5 percentage points, if you see the comparables, this is amongst the highest in the last 5 quarters at about -- and the storyline remains the same as we have discussed in the first slide. Our gross debt to EBIT actually improved during the period. Our net debt remains nil. We had an intercompany borrowing, which we are planning to pay off early.

But on the overall -- from an overall cash position as well as the debt position, our net debt is nil. Bank balances remain at INR270 crores and investment in liquid mutual funds is about INR125 crores. We have an unutilized fund-based limits during the period, which is about INR427 crores. So from a cash position standpoint, the company is adequately covered both with respect to the cash available on hand as well as the limits -- unutilized limits, which are provided by the bank.

Financial position, again, from an asset standpoint remains good, again, reflecting the strong performance that we are having. Our operating working capital marginally increased during the period, and that's primarily because of the higher inventory, which is a conscious call that we took to manage any out-of-stock situation on the key raw materials and the packaging materials that we have.

So we actually kind of covered ourselves a bit higher versus the previous periods because of the fact that we were seeing a lot of volatility in the markets from a commodity standpoint and the Middle East Asia situation, and that's why the inventory positions are a bit elevated.

Our gross debt remains stable. Our net debt remains nil and gross debt remains constant in December '25, which is primarily a reflection of the intercompany debt that we are holding during the period. Cash and cash equivalents, again, showing a robust performance and an increase primarily behind higher profit before tax, which is actually supporting our overall cash generation. So the cash in hand is -- if you could see across the buckets, our cash in hand is actually moving up, supported by the profit before tax.

Our working capital is a bit higher. Again, this is on account of the higher inventories, which I just mentioned to ensure that we don't have any out-of-stock situations and we continue the supply of materials, finished goods to our customers.

Our net investing activities, including our investments in the FD and mutual funds are generating return which are in line or higher than the benchmark indices. So from a standpoint of the overall cash position as well as our investments, we are in a good position to retain and ensure that going forward. Over to you, Kamal.

Kamal Taneja: Thank you, Amit. So I'm going to talk about some of the initiatives we are taking on sustainability and safety. As you know, we always talk about 4 pillars there. So we talk about people, we talk about climate, we talk about nature and of course, what we are doing on the product front for sustainability.

Let me talk about people first. So people, number 1 priority for us is safety. I'm very pleased to inform that we actually had the total incident rate reduction by 40% year-to-date, which is actually a very significant number.

What we are focusing now is more on behavioral safety. So how people behave not just at the factory or at the site or in our offices, but also how they behave at home. So we actually arranged a Family Safety Day in the past couple of months, where we actually engaged not just our employees, but also their families to kind of get that emotional touch to how we can influence people to be safe at work and at their home also, which was a huge success.

On the climate pillar side, I'm also happy to report that we have a solar captive generation power plant getting online in this quarter, in Q3, which will actually supply almost 50% of power for our Khopoli plant. Our decarbonization roadmap for meeting our 2030 Scope 1 and Scope 2 commitment is going on, and it is actually progressing well.

On the nature side, we remain committed to Zero Liquid Discharge. Many of our plants have extensive water treatment and reuse activities going on. For example, Taloja implemented a very unique mechanical vapor recompression system, which actually recycles the whole water that we use in the facility.

We also have extensive program where we are harvesting the rainwater and looking at the groundwater recharge, et cetera, to make sure that our nature pillar is intact. On the product side, we did a lot of work on innovation, especially on the recycled plastic material for packaging.

We have been improving our efficiency either through the process, but also through packaging lightweighting. And one example I want to give you is that a lot of our plants, especially the label plants, we use Forest Stewardship Council certified material, which is our further commitment to responsible and sustainable sourcing.

So a lot of activities going on, on sustainability front, not just to kind of reduce our footprint -- carbon footprint, but also which makes actually economic sense for us. So before we take Q&A for the rest of the session, I want to summarize what we talked today.

Number one, as you would have seen, we delivered a very solid set of numbers for Q2 as well as H1. It clearly demonstrates and proves that our strategy of profitable growth, capital discipline and accountability is now delivering results, which is also consistent with what we have said in the past few quarters.

The markets that we operate in remain robust, and there are challenges still remaining with the political crisis, et cetera, and the raw material, but we are quite confident that the market will be growing in near future, especially with the festival season coming in the next few months.

Last point I want to say is that we remain committed to our values, our principles and purpose in a wider frame of business. With that, I'm going to thank you for the session today and happy to take Q&A.

Moderator: Thank you so much, sir. First question comes from the line of Hitesh Randhawa with Quest Capital Markets. Please go ahead.

Hitesh Randhawa: My question is, I think you already told that, okay, the volume growth margin and pricing contributed 1/3 each actually towards the margin expansion. So can you just kind of give me a bit more color on the volume growth? So kind of what has been the volume growth this quarter? And on the export front as well, kind of what has been the export growth per se?

Kamal Taneja: Yes. Okay. I can't give you exact volume number. But I can tell you it's a high single digit. So if I compare last year with this year, Hitesh, so just short of, let's say, double digit, if I can say that. I think in terms of export or domestic, it's been very balanced, as Amit also said.

If you look at 23% as our top line growth, it's been almost similar for domestic as well as export. Although, as you know, exports, we had a lot of challenges with the duty stability, which was a bit of challenge for us initially, but we see that stabilizing a bit now.

Hitesh Randhawa: Okay. And kind of -- I think you understand my question behind volume growth because in the past, we have seen kind of -- I know we had been sacrificing volumes on purpose, but the volume growth was suppressed. So would it be fair to say that, okay, kind of -- as far as volume growth is concerned, we would be better off going ahead as compared to where we were actually in the recent past?

Kamal Taneja: No. Actually, Hitesh, we have not gone back on our principle. So it's not that we are now looking at volume and not profit. So as you would have seen from our numbers, the profit has also improved, yes. I think what is happening now is that we've kind of settled or most -- maybe close to settled in terms of what kind of product mix we want moving forward and what kind of customer base we want.

So I think that is stabilized. So now it's more about customer intimacy, getting share of wallet from customers, getting more innovation, getting more sustainable products through, which is actually delivering now.

Hitesh Randhawa: Right. Okay.

Kamal Taneja: It's not that we are sacrificing our previous principle.

Hitesh Randhawa: No, no, I didn't mean that you are sacrificing your previous principles. In the past, we had sacrificed volume growth for more qualitative profitable growth. That's what I meant actually. So that's the reason volume growth...

Kamal Taneja: So we didn't want to decline our volume forever, right?

Hitesh Randhawa: Right. Right.

Kamal Taneja: So we want to right mix, which we are at the moment, we feel.

Hitesh Randhawa: Okay. And as far as the RM costs are concerned, yes, I do understand that you have passed on the price hikes actually to the customer have taken certain price hikes. So say, where are we this quarter, say, kind of by that, what I mean is that we might have seen some RM cost inflation this quarter as well.

So I'm not talking about on a quarter-to-quarter basis, but what I'm trying to understand is that how often would we be able to pass on these price hikes to our customers if the RM -- if the situation is volatile on the RM front going ahead as well?

Kamal Taneja: Yes. So firstly, I think most of the price changes we have seen in quarter 2. So quarter 1, as you know, the crisis actually started end of February. So we saw some impact in March, but most of the impact has been in second quarter.

In terms of passing of RM costs, again, it depends on our contract. Sometimes with our customers, we have quarterly price change -- index change contract. In some cases, we are able to change that pretty frequently. Now what we also do is follow a very transparent inventory sharing with our customers.

So for example, if we had inventory at a low cost, we are transparent with our customers, and we only pass when it is due. So it varies. Again, it is a very fair and transparent system that we follow.

Hitesh Randhawa: Sure. And sir, one last question. In last con call, you said that we do have enough capacity to grow actually. So would you be able to put some number to it? What is the current capacity utilization, if I may that?

Kamal Taneja: Yes. So Hitesh, you already exceeded your 2 questions, but I will answer this one. I think like we're saying, we are probably working quite efficiently now. As you know, in past few quarters that we are -- although we are selective on the product and customer mix, but we are also doing a lot of work on productivity improvement. So because of that productivity improvement, whatever growth we have is actually taken care of that by that productivity improvement. Again, we are still quite okay to cater for future growth.

Moderator: Our next question comes from the line of Gunit Singh with Counter Cyclical PMS.

Gunit Singh: Hello, am I audible?

Kamal Taneja: Yes.

Gunit Singh: So I would like to understand about our EBITDA margins this quarter, they were around 10%. So I want to understand whether these margins are sustainable or not. And if we compare this quarter to Q1 last year where the margins were around 7%.

I want to understand what exactly -- how has our product mix changed over -- in this quarter? And what was the exact drivers of this increase in our margins and the contribution from blueloop in Q1, if that has also increased? And is that also contributing to the improved margins? So basically, I want to understand this.

Kamal Taneja: Yes. Sorry, I didn't get your name. Is it Gunit Singh?

Gunit Singh: Gunit singh.

Kamal Taneja: Okay. I think there were several questions in that one question that you asked. So I'll try. And if I missed something, please let me know, yes. Now I think your first question was on EBITDA. So last quarter was 7.5% you said and this quarter is 10%.

So your question was, is it sustainable, right? Now I can't answer to you whether it's going to be 10% or 15% or 8% next quarter because there's always a lot of external factors working either with us or against us tailwind or headwind. I think one thing I can share with you is that we are quite committed to our strategy on profitable growth, right?

So what that means is we are selective on where we operate. We're selective on which customers we want to grow with. I think -- so it basically comes down to 2 things. One is how our customers are growing. And secondly, how best we are serving our customers in terms of their share of wallet or their requirement for new products.

So I'm happy to report that we are totally committed on that, and we will continue doing that. And whatever that gives us in terms of growth in future, that would be what we would be getting, yes. Your next question was on blueloop. Again, it's, again, consistent with what we have been saying previously also. Blueloop, again, is much more, let's say, future-looking in terms of what the market is ready at the moment.

As you know, blueloop actually offers a very unique sustainable solution for packaging in India. It's one of its kind. I think the market is still catching up as market is still trying to kind of understand how they could benefit from this, and we are -- we continue to promote that.

We did have some increase this quarter versus last quarter. I think we are still looking at below 30% adoptation of blueloop material. However, it's not that our assets are running at 30%. So we are using the same blueloop assets. I think it's more than 70% at the moment for other products that we would have otherwise outsourced from our suppliers.

So we are not so worried about asset utilization or return on investment and stuff like that. But I think we are more committed on how we can educate our customers and the policymakers on adapting our state-of-the-art blueloop product technology. I hope that answers your question.

Gunit Singh: Got it. Yes, it does. But if we could get like more flavor in terms of how the product mix has changed year-on-year, that will help us understand.

Kamal Taneja: Yes. Yes. I think you would be better off talking to our customers about that because, again, what we are seeing internally, for example, is there is a bit more focus from our customers in terms of partners that they work with. So partners like us who are -- who have, let's say, a more sustainable outlook who can offer a better contingency to our customers because of our wider footprint, but also because of our size where we can offer our customer reliability despite all the Middle East crisis, et cetera.

On product side, there is a big focus from our customers in terms of sustainable products which means more recyclable material, more material, which is, let's say, lightweighting is another one I talked about previously. I think those kind of things are happening. We are also seeing some volume increase in liquid and home care categories, which are quite aligned with our strategy of differentiation compared to our competitors.

Gunit Singh: Got it. So my second question would be -- so I mean, obviously, external conditions are not in our hands and what is happening in the world is not in our hands. But if you assume the things to remain constant, given the current customer base and the optimal product mix that you said that we have achieved, can an INR750 crores quarterly revenue run rate be a reasonable assumption going forward?

Kamal Taneja: Yes. So like I said, that INR75 crores -- INR750 crores includes price also, right? The raw material cost pass-through, right? So as I said, that's like in single digit. Now how that changes in future, nobody knows, right? So let's say, if it is I don't know, like 8% or 5% or whatever. So that may change definitely.

I think the other one is product mix, which is, again, I feel it depends on how our customers evolve in terms of which category. So like I said, like home care is one category that's increasing in the market. You would have seen that from our FMCG customers submissions as well.

Then the third part is how our customers are also growing. So some are growing better than the rest. So we would basically ride their wave of growth as well. So I think our focus remains on profitable growth. I would assume that as long as our customers are growing, as long as the market is growing, we would see some growth in our numbers also. Whether that would be INR750 crores or whether that would be INR650 crores, I can't tell you about that, yes.

Moderator: Our next question comes from the line of Ajit Darda: with Nirzar Securities.

Ajit Darda: Hello. Am I audible, sir?

Kamal Taneja: Yes, Ajit.

Ajit Darda: Congratulate -- I want to congratulate for the great performance, sir. Sir, my first question is on our land assets. Sir, which land assets are currently being considered for monetization apart from Daman or any other assets also being considered like Thane or any other plant, if you could answer that, yes.

Kamal Taneja: Yes. So Ajit, thank you for the kind words, first of all. I think we would not disclose that in this call or I think you would probably see whatever we do in terms of our annual disclosure. I think you mentioned Thane, as you know, that has already been completed a couple of years ago. The others -- you mentioned Daman, I think you will see in our future disclosure if that thing happens. But the others, we would not disclose at the moment.

Ajit Darda: Okay. So sir, my second question on -- since we have so much of cash in our balance sheet as of now. So are there any plans to any organic or inorganic acquisitions like Huhtamaki Food Services Packaging Private Limited, which is unlisted Huhtamaki Group company, which manufactures paper-based food packaging, like papers cups, plates, containers, et cetera. Is there any thought to bring this company under our listed entity or any other acquisitions, be it organic or inorganic or any systems. Yes.

Kamal Taneja: Yes. I think Amit has been very quiet. So I'm going to ask him to answer and then I'll come back with -- I'll put some more flavor to that. Amit?

Amit Gupta: Sure. Yes. So thanks for the question. From the standpoint of utilization of our cash available, we have a kind of a robust strategy. We deploy cash in the market instruments, which are actually giving us return either at par or above par the market indices.

So from a standpoint of the cash available with us, we, first of all, are investing that wisely to generate adequate returns on that. Secondly, from a standpoint of utilization of the cash beyond these investing activities, we keep doing our strategic analysis with respect to our current capacity, future opportunities. And that's a process that we continue to do.

We don't have any specific disclosures right now to make with respect to any plans for any nonorganic growth in the future. But as a strategy, we keep evaluating such opportunities and whatever cash is available, we have been investing that wisely to generate adequate returns.

Kamal Taneja: Yes. Thank you, Amit. So Ajit, just to add on that. So as you know, we have a 3-point strategy, right? So there's profitable growth and capital discipline, 2 of them I'm picking here. So when we say profitable growth, it's about having enough capacity and also being more productive, right? So a lot of -- well, not some of the cash that we have at the moment, we utilize to modernize our equipment, so more for organic growth.

So there was -- previously, there was a question on do we have capacity for future growth, et cetera. So we are totally focused on that. So we are channeling some of that money into modernization and capex expenditure, et cetera, that we do internally for organic growth.

The other one is also capital discipline. So we are also prioritizing where we need to spend money even for organic growth. So we are prioritizing, we are making sure that we're delivering best return on investment to our shareholders.

So those are the 2 focus at the moment. Now if something comes up inorganically for growth, et cetera, in the future, we'll definitely have a look at that, but that's not our focus at the moment.

Ajit Darda: Okay. Understood, sir. Just lastly, sir, any export opportunity in Middle East or African countries or probably can India emerge as any low-cost export hub to I mean, European regions or even African regions or U.S. or anything sort of that, yes.

Kamal Taneja: Yes. So Ajit, we already export to those countries. Actually, 30% of our sales volume comes from exports. So we are already supplying to Southeast Asia, Africa, Europe as well as Americas.

Ajit Darda: Okay. Understood. Okay, sir, thank you so much. That's it from my side, and wish you all the best.

Moderator: Our next question comes from the line of Ketan with KB Investors.

Ketan: First of all, congratulations for the great set of numbers. Actually, I just wanted to understand that we often say that we are very transparent in the way we deal with our customers. So what kind of pricing model do we have? Like is it like we have a fixed quantum of EBITDA per kg or whatever metric we might be supplying? And so even if the raw material cost increases, then that we keep the EBITDA per ton same? Or is it kind of based more on margin, like we keep the EBITDA margin stable?

Kamal Taneja: Well, I think there are 2 ways of doing this, Ketan. One is that we do indexing. So for example, we may have, let's say, contract with customer where we review raw material indexes at a certain interval, could be monthly, could be quarterly, et cetera. So that is one way of doing that.

But sometimes there are extraordinary changes, for example, with this Middle East crisis, there was actually more significant increase in future, although that's tapering off at the moment. So we actually were able to pass on those costs to our customers, most of them anyway because our customers were facing the same issue as well. So it depends.

I guess our -- our strategy is that wherever possible, we pass our raw material changes to our customer. And this works both ways, right? So increase or decrease. So it just depends. Again, like I said, our strategy is not to bear the cost of that and deliver poor results to our stakeholders, but to be more nimble and adjust as soon as we can.

Ketan: Understood. And second question, actually, I just wanted to ask in respect of the parent, which we have. So number one, because we have such a strong parent age, how do we Huhtamaki India actually get business because any product which we have, our European parent will also be doing right? So how does the Indian team go about in getting new business and getting new volumes?

Kamal Taneja: Sorry, in terms of new products, you mean or...

Ketan: New products, existing products, any kind of business which Huhtamaki -- my point is that any kind of business which Huhtamaki India does, the European parent will already be doing it. So how does Huhtamaki India go into getting your business?

Kamal Taneja: Yes. So Ketan, there are some cross-selling opportunities because it's not always that what we produce in India is available elsewhere in the world. Actually, to tell you, frankly, we produce a lot of very unique products that some of our counterparts or parent company in overseas may not be producing. So that is one.

I think sometimes there's also a capacity issue with our counterparts in other countries. So they would ask us to kind of produce for them and vice versa. And thirdly, there are a lot of white spots in the world. As you know, there are many countries and many geographies where we're operating, where our parent company does not have a presence. So it just depends.

I think important thing is that how we collaborate with our other entities and make sure that we are not competing against each other. But apart from that, yes, we work very closely together with them.

Ketan: Understood. And if I can just squeeze in one last question. The stock price of Huhtamaki India has almost doubled in the last month. So is there any plan from the foreign promoter to kind of monetize some stake in Huhtamaki India or anything?

Kamal Taneja: I think you need to talk to our parent company for that. But no, I think we would not tell you on the call what it entails, et cetera. But I also want to support and thank our shareholders for keeping their faith in our company.

Ketan: Understood. All right, sure. Yes. Thank you. Congratulations for the good numbers.

Kamal Taneja: Thank you, Ketan.

Moderator: Our next question comes from the line of Anushree Mandhana with Alpha Invesco.

Anushree Mandhana: Hello, am I audible?

Kamal Taneja: Yes, Anushree.

Anushree Mandhana: Congratulations for a great set of results. So my question is broadly around the revenue growth, the 22% revenue growth that we had. So as you mentioned that the revenue growth was equally contributed by volume and pricing. So is the price passed on for the raw material inflation? Is it now fully complete? Or is some of it still pending?

Kamal Taneja: Yes. Well, Anushree, thank you for kind words. This is very dynamic, right? So the prices change quite a bit every week, every month, yes. So again, it depends. I think we are quite nimble in terms of passing the cost increase or decrease to our customers.

I guess it's never a done story, right, especially unless the political situation improves. And if there's a stability in market, we could say that. But right now, we are still seeing a lot of changes, and we are still working with our customers to pass upside or downside to our customers depending on the material that they need for their products.

Anushree Mandhana: Okay. And secondly, you also mentioned that customers have built up some inventory in anticipation of further price escalations. So do you see that volume normalizing in coming months since they have built in inventory in anticipation?

Kamal Taneja: Yes. Again, Anushree, it is our guess. We do not know quantum of how much inventory buildup is there in the market. I think one good thing we see is that there's a festive season around the corner. So we would probably have some impact on that.

I think it would be interesting. I think when we do the third quarter call, that would be probably more reflective on where we see the inventory movement. Right now, it's very difficult for us to estimate.

Anushree Mandhana: Okay. And so structurally, have you seen anything different in the industry that is contributing to the volume growth like the kind of products? Or is there a consolidation in the market? What is driving the volume growth? I just wanted a bit of observation on that.

Kamal Taneja: I think -- I don't know whether you would call that structurally or non-structurally. I think a couple of things are happening, right? So what are -- at least the major customers, what they are realizing is that when there's a crisis, only people like us are able to help them to offer enough contingency.

So when we say contingency, it's not in terms of just our footprint, but also the availability of raw material because of our size, because of our relationship with our suppliers, because of our volume or economy of scale that we have with our suppliers, we are probably able to secure those materials better than maybe smaller players. That's number one.

So I think what we are seeing is that many of our customers are valuing that relationship with us. And hopefully, that would continue. I think secondly, there is a bit of product changes. Like I said, in India, the home care market is growing faster than the others, for example, food and beverages.

We also had a pretty good beverage season this year because of the late onset of monsoons. I think those things are probably going to be more and more prevalent in future. But again, there are things that which are beyond our control. All we can do is focus on what our customers need from us and how we innovate with them on sustainable products.

Moderator: Our next question comes from the line of Nathumal Modi, an individual investor.

Nathumal Modi: Sir, my question is regarding inventory and trade receivables. So inventory, almost doubled this quarter and these trade receivable has also gone up substantially. And it is more or less 50% of our 6 months turnover. So can you throw some light on it?

Kamal Taneja: Amit.

Amit Gupta: Sure. Thanks for the question. While we are looking at the inventory and accounts receivable position, I think one of the things that I would like to probably highlight is that both of them are having a reflection of the price increases.

On an accounts receivable portion, we are having a reflection of higher collections, which is primarily an accumulation of the total volume, higher volumes that we are selling as well as the higher pricing at which we are selling the volume. So my total number of the accounts receivable goes up.

Similarly, and same thing applies to DSI also, where from an inventory standpoint, we are looking at an increase in the cost of our inventory because of the Middle East crisis, and we have also stocked up. However, one interesting -- if you don't look at the absolute numbers, but if we look at the numbers in the context of our DOI and DSOs from a sales standpoint, then they remain constant.

There is no major shift in our DSIs and DSOs versus what we have been experiencing in the last few quarters. Only the absolute value increases and which is a reflection of both pricing on the top line as well as the cost increases on the bottom line. So in net, I can confirm that we don't have any challenge with respect to our working capital position or the cash in hand, which is what I reflected back on in the cash slide that we have just presented. But yes, absolute numbers would look a bit higher exactly for the reasons that I mentioned.

Nathumal Modi: But these are safe, this receivable, there is no problem in realizing this money?

Amit Gupta: No, no, no. We don't have any challenges with respect to accounts receivable realization. So this is not on account of higher aging or any challenges with respect to realization. These are normal accounts receivable.

Nathumal Modi: I got. Other point, second line second question is regarding other operating revenue. What does it consist of? Because, in 6 months, you have shown INR408 million, that is 40 crores. So what does it constitute? Can you throw some light on it?

Amit Gupta: Sure. So the other operating revenue here includes export benefit income of close to about INR28.5 million and the increase in the scrap sales, which is generated during the period. So scrap sale is basically the scrap that we generate during the production process, specifically in cylinders operation and others.

And the amount of realization that we had from this is higher. Again, it's a reflection of a higher production because of the higher volume as well as the realization, which is also kind of reflecting the higher amounts because of the underlying inflationary situations conditions that we have.

So fundamentally, other -- this -- for the quarter, if you have to compare this year versus last year, there are 2 components. One is the export benefit income and the second is the higher scrap sales. If you have to compare H1 versus last year, then fundamentally, we have again increased in our export benefit income by INR47.8 million, which is again a reflection of a higher realization linked to a higher invoicing because of the pricing and the volume uplifts that we are seeing in this particular business.

And again, the scrap sale going up to about INR35.5 million, which is also on account of a similar reason. So these are the 2 big factors, which are actually having an impact on the other operating revenue.

Nathumal Modi: Sir, this quarter, other income...

Moderator: Sorry to interrupt you, sir, but you may please rejoin the queue for more questions. Next question comes from the line of Akshay Ajmera, an individual investor.

Akshay Ajmera: Hello, am I audible?

Moderator: Yes, you are.

Akshay Ajmera: Congratulations on a very good performance in this quarter. Sir, would you tell us about our capacity across our plants and how we are utilizing them? And also, you have mentioned that this year's revenue growth was primarily because of high-value business, which in the previous call also, we have indicated that we will be selective and we will be doing high-value business.

So you have indicated that 1/3 is because of that, 1/3 is primarily because of price increase and then 1/3 is volume. So could you tell us that how much going forward would be our endeavor of doing this high-value sales -- and on top of it, what would be our aspiration of growing in terms of volume? That's my question to you. Sir.

Kamal Taneja: All right. So thank you, Akshay. So like I said, volume increase, let's say, a single -- high single-digit number increase. So it's not just because of the price. But I think there is a bit of product mix, like I said, because we are -- so let's say, home care, like I mentioned, we are probably more aligned to that kind of product line, and we have a very good value proposition compared to competitors.

So I think those 2 are the main contributors apart from the price or raw material pass-through. Now whether that changes our capacity utilization, etcetera, I think I can't give you exact number because of competitive nature of disclosure there.

I think one thing I can assure you is that we are doing this productivity improvement for last, let's say, 3 or 4 quarters. We are -- just because that productivity itself, we are increasing capacity enough to cater to this growth in volume in future as well.

I think I would not worry about capacity utilization or amount of growth we can do at least for another couple of years. Obviously, like we also mentioned, we are also planning for future. So some of the investments we need to do on capex, etcetera, we are looking at that. We are spending money in modernization. We are spending money in making us more productive.

And hopefully, by doing that, we'll never have that issue moving forward. And like I said, I think if we can somehow grow with our customers, that would be our aspiration moving forward.

Akshay Ajmera: That was really helpful, sir. So would you tell us that the future growth would come predominantly from the domestic market or it will be slightly tilted towards the exports business also?

Kamal Taneja: I think there would be a balance. So for example, if you saw this quarter or H1 for that matter, our growth, 23%, almost it's actually -- the growth is almost equal for exports and domestic. Again, export growth depends on a lot of factors.

Of course, our competitiveness and product differentiation plays a major part. But what also plays a very significant part is the regulation in terms of import tariffs, et cetera. So I think I can't tell you, it would be speculative for me to say how that's going to change. But as long as if it is similar to what we see now, I don't see any significant shift export versus domestic for that matter.

Akshay Ajmera: And lastly, sir...

Moderator: Sorry to interrupt you, Mr. Akshay. Akshay, you may please rejoin the queue.

Akshay Ajmera: Yes. I will rejoin.

Moderator: Our next question comes from the line of Naitik with NV Alpha Fund.

Naitik: My first question is earlier in the call, you mentioned that our volume growth has been in high single digits. So what I wanted to understand is, is this growth rate sort of sustainable? And when I ask this, I'm talking about not just this year, I'm talking about, say, next year basis conversation with our customers. Are we seeing this growth rate sustain or it should eventually taper off as a good part of it is because of inventory being built up?

Kamal Taneja: Yes. Look, thank you, Naitik, again. I think we mentioned that previously. I guess this single -- high single-digit growth that we are talking about, this has been a combination of many things, right? So one of them is the market growth. Second is how our customer mix and product mix changed during that.

Now this depends on a lot of things, right? I think overall, I would be very happy if that the market grows by, let's say, 5% or 4% or 3%, whatever it is, if we are kind of growing with the market, that would be a good kind of target for us.

But like I said, it depends on a lot of other factors. I think one thing I can tell you is that we would not expect 23% growth every quarter, Yes? Because there are a lot of other things, as you know, which are beyond the market growth. So I think bottom line, if I can grow same as the market, that would be a happy place for me.

Naitik: So it would be correct to sort of conclude that the action that we were taking by not taking on volume growth, which was not adding to our profitability, that is sort of done now, and we should probably see at least in line growth with the industry going forward in terms of volume.

Kamal Taneja: Yes.

Naitik: That's how I interpret it.

Kamal Taneja: So for example, Naitik, I'm just going to give one example. For example, let's say, in future, the market grows in a category that we do not operate in, right? So our customers have different categories of products, right? So that may change our growth as well, right?

What we know is that we want to grow in selective product categories, customer categories. So I think if we could map that and say, our customers are growing in certain category and we are growing with them, that would be a happy place for us.

So again, it's very, very, very difficult for me to put the number, yes. But like I said, our focus is on growth. Our focus is on profitable growth. We don't want to just take volume just for the sake of it, right? It doesn't deliver volume. If it doesn't deliver profit and return on investment, there's no point in doing that.

Naitik: Got it. Got it. Sir, my second question is, I just wanted to understand...

Moderator: Sir, you have already asked 2 questions, sir.

Naitik: No, that was just one question. I mean, just clarification on the same.

Kamal Taneja: It's okay. You can ask another question.

Naitik: Sir, my second question is, I wanted to understand how high is sort of the realization between, say, blueloop product versus a non-blueloop product? I mean just relatively could be how high? And is the cost for producing blueloop products also significantly or proportionately higher as much as the realization is? Or how different is it?

Kamal Taneja: Yes. So firstly, we are not sacrificing margin because it's a higher cost or different costs, yes. Now blueloop offers a very unique value proposition because it's a mono material, it's sustainable, etcetera, etcetera.

As you also know, Naitik, we spent a lot of capital money in producing blueloop products. So obviously, there's a lot of cost buildup because of that. So sometimes blueloop can be -- the product can be a bit higher compared to other materials, which also means that our selling price will also be higher if we want to maintain similar, let's say, margins.

I think sometimes we are also looking at value to our customers. So some customers value blueloop product more than the others, which also means that they are able to pass on a higher price to us or a lower price for that matter. I think in terms of utilization, I've answered that question before.

We are still looking at below 30% blueloop products in the market that we are doing. There is increasing curiosity or requests from our customers. And we are quite certain that we did the right investment. Maybe as the regulation changes, as our customers become more aware of sustainability advantage that they have, we would see more volume coming through. But right now, it seems that it's below 30% level at the moment. In terms of utilization, it's much higher.

Moderator: Our next question comes from the line of Shital Shah, an individual investor.

Shital Shah: Hello. Am I audible, sir?

Kamal Taneja: Yes, you are.

Shital Shah: Sir, heartiest congratulations on a fantastic set of results, sir. My heartiest congratulations again, sir. Sir, I have only 2 questions. Sir, regarding increase in volume, I just want to know, have we attained this increase in volume due to some increase in our customer base or we have attained that volume with the same set of customers?

Kamal Taneja: I think it's primarily same set of customers.

Shital Shah: Okay, sir. And sir, added to that, sir, sir, any of our customers due to fear of a shortage of raw material or increasing input price, have they done any accelerated buying, sir, which is tapering in future, sir?

Kamal Taneja: Yes. So you talk about inventory buildup, right, by our customers. So like I answered before, there is -- we feel there is some part of that, but it's very hard for us to estimate how much it is.

Shital Shah: Okay, sir.

Kamal Taneja: I think we would be more clear in quarter 3 because by then, we should know how much of that inventory buildup.

Shital Shah: Okay, sir. And my last question is regarding our cost efficiency measures, sir. Have we attained the peak in terms of margin or still a long way to go, sir?

Kamal Taneja: Look, every business wants to improve margin, right, moving forward. I think there's -- for me, personally, there's no -- how do you say that? In terms of efficiency improvement, those are things that which are in our hand. We will continue to do that. That's our long-standing strategy.

We will keep on improving productivity. We will keep on improving our efficiency. Now how that plays in terms of material availability, cost, et cetera, is yet to be seen, especially with the current political situation.

Shital Shah: Okay, sir. So we have done lots of measures, sir. That's why I'm saying now. So due to that, we have achieved this type of margin. So again, if you want to increase from here, we have to do other type of measures. So are any game plan ready for that? Or sir, we'll follow the same step?

Kamal Taneja: No, we follow the same blueprint. It's never ending. The returns, the cost of -- the rate of improvement may diminish in the future because that's a normal process, but we will keep on focusing on the same things.

Shital Shah: Okay, sir. And lastly, if I squeeze in more, sir. Any problem in procuring raw material due to this geopolitical tension?

Kamal Taneja: I think problem, no. Hard, yes. It's not easy, as you know. But like I said, with our reach, with our economy of scale, with our global footprint, I guess we are in a pretty good spot at the moment.

Moderator: Ladies and gentlemen, due to the time constraint, that was the last question for today. I now hand the conference over to Mr. Kamal Taneja for closing comments. Thank you, and over to you, sir.

Kamal Taneja: Thank you, Rushad. Thank you, all of you who attended the call today. Very interesting questions. And also thank you for the kind words, and thank you for your support in Huhtamaki. We remain committed to innovating. We remain committed to serving our customers the best way we can. And we remain committed to the Indian market moving forward. And thank you once again for attending this call.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of ICICI Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Kamal Taneja: Thank you.