

# **Sumeet** INDUSTRIES LIMITED

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Date : 24-11-2025

To,  
Department of Corporate Services  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, FORT,  
Mumbai - 400 001

To,  
**National Stock Exchange of India Ltd**  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai - 400 051

**Scrip Code – 514211**

**Symbol - SUMEETINDS**

Dear Sir/Madam,

**Subject: Submission of Transcript of the Earnings Conference call held on Thursday, November 20, 2025 at 03.00 P.M.**

In continuation of our earlier letter dated November 20, 2025 informing about the audio link of the Earnings Conference Call and Pursuant to Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is hereby submitting transcripts of Earnings Conference call of the analyst/investor conference call which was held on Thursday, November 20, 2025 at 03:00 P.M. to discussed the Un-Audited Standalone and Consolidated Financial Results of the Company for the Half Year ended 30th September, 2025.

Kindly acknowledge and take the same on records.

Thanking you.

**For Sumeet Industries Limited**

ANIL KUMAR  
SUMERMAL JAIN

Digitally signed by ANIL KUMAR SUMERMAL JAIN  
DN: cn=ANIL KUMAR SUMERMAL JAIN, o=Sumeet Industries Limited, ou=Director, email=anil.kumar@sumeetindustries.com, c=IN  
Date: 2025.11.24 12:52:00 +05'30'

**Anil Kumar Jain**  
**Company Secretary**



## “Sumeet Industries Limited Q2 FY-26 Earnings Conference Call”

**November 20, 2025**



**MANAGEMENT: MR. RADHESHYAM B. JAJU – CHAIRMAN, SUMEET  
INDUSTRIES LIMITED  
MR. PRATIK R. JAJU – MANAGING DIRECTOR,  
SUMEET INDUSTRIES LIMITED**

**MODERATORS: MR. PARTH ACHARYA – KIRIN ADVISORS PRIVATE  
LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Sumeet Industries Limited Q2 FY26 results conference call hosted by Kirin Advisors Private Limited.

As a reminder all participant lines 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 this conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Parth Acharya from Kirin Advisors Private Limited. Thank you and over to you, sir.

**Parth Acharya:** Thank you. Good afternoon, everyone. On behalf of Kirin Advisors, I welcome you all to the conference call of Sumeet Industries Limited. From the management team, we have Mr. Radheshyam B. Jaju – Chairman, Mr. Pratik R. Jaju – Managing Director. With that, I now hand over the call to Mr. Pratik R. Jaju for the opening remarks. Over to you, sir. Thank you.

**Pratik R. Jaju:** Thank you very much. Good afternoon, everyone, and thank you for joining us. On behalf of Sumeet Industries Limited, I extend a warm welcome to all the participants on this meeting call. I am joined today by Mr. Radheshyam B. Jaju; our Chairman. We appreciate your time and interest in the company.

Let me start with an introduction to Sumeet Industries. We were incorporated in 1988 and over the years, we have grown into an established, integrated polyester manufacturing based in Surat. We produce PET chips, POY, FDY, and poly-texturized yarn, which are used widely across apparel, home textiles, and various industrial applications.

Now, following the NCLT resolution, our team at Eagle Group has taken over the leadership of the company. With more than three decades of experience in the textile industry, we are bringing that industry understanding directly into the way we guide Sumeet Industries. We now have a clear and stable direction with a strong focus on strengthening operations, improving process discipline and building a more competitive and consistent business for the long term. We are also driving strategic initiatives to enhance our product range. The board has approved expansion into value-added yarns, such as bright yarn and Catonic yarns, which are used in premium apparel, leisure wear, and performance fabrics. Alongside this, our 14 MW solar plant has been commissioned and is already helping us lower our energy cost. We continue to evaluate additional renewable options to reinforce our long-term energy strategy.

Now, let me touch upon what we are observing in the industry. Over the past few months, the demand environment in polyester and synthetic yarn has shown signs of greater stability. According to recent industry updates, inventory levels at global regional channels are improving, and the overall demand outlook for the Indian textile sector remains positive. At the same time, input cost pressures, such as raw material and energy, remain key focus areas. Companies that have strong scale, efficient operations and the ability to respond quickly to change in demand are seeing more consistent performance. This development supports our strategic focus on value-

added synthetic yarns, operational efficiency and cost competitiveness through renewable energy initiatives.

Now, coming to our financial performance:

For the first half year of 2026, the total income stood at Rs. 520.83 crores, a year-on-year growth of 2.35%. Our EBITDA level was Rs. 31.17 crores, with an EBITDA margin of 5.98%, marking an improvement of 597 basis points. Profit after tax came in at Rs. 17.84 crores, which is a growth of 230.34% and our PAT margin rose to 3.42%. This improvement reflects better product mix, stronger internal processes and disciplined cost management. Operationally, our team remains focused on quality, efficiency, and strengthening customer engagement. We are reinforcing our supply chain, improving workflow discipline and ensuring smooth coordination across production and sales as demand pattern evolves.

Looking ahead, our priorities are clear. We want to execute our strategic initiatives with discipline, deepen our presence in higher-value product segments and maintain strong control over cost. With a more stable structure, a standard manufacturing base and a clear growth roadmap, we believe we are well-positioned for the next phase of scale and consistency. Now, I would like to thank all our stakeholders, employees and partners for their continued support. We appreciate your confidence in us.

Now, we open the floor for questions. Thank you.

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question comes from the line of Mahesh Seth from VY Capital. Please go ahead.

**Mahesh Seth:** So, I had a couple of questions. First, our EBITDA margins have improved from 1.39% to 5.98%. I just wanted to know which action helped to deliver this around 460 bps improvement in EBITDA margins?

**Pratik R. Jaju:** It's been less than a year that we took over, before that the company was in NCLT. After taking over, we have improved. We have taken over from NCLT in the last couple of quarters. Before that, it was under NCLT. After we took over the company, we made many changes, like upgradation of machinery, changing of product varieties. We added value-added products due to which our EBITDA level has gone up. As we mentioned that our 14 MW solar plant is also commissioned. So, our energy cost would reduce drastically while by upgradation of machinery, we were able to get more efficiency. After we took over, we were able to get better purchase deals from our suppliers. So, this all has helped us in EBITDA and our major focus to increase the bottom line is by changing the product mix, focusing more on value-added products, which is giving us a better EBITDA level.

**Mahesh Seth:** Got it. Is it sustainable in the coming quarters, like these levels of growth or this percentage of EBITDA margin?

- Pratik R. Jaju:** See, we are trying our best to maintain, in fact, to improve our EBITDA level. Based on the demand from the market, we are constantly changing our product mix and adding new products, which was not mixed before. And by adding new value-added products, we are expecting our bottom line to increase. On power energy level also, we would achieve 30% to 40% energy reduction. We are focusing more on renewable energy to decrease our cost.
- Mahesh Seth:** We come down to the bottom line. So, net profit declined from 13.87 crores to 9.86 crores despite the strong EBITDA. So, what specific cost or any one-off impacted this profitability this quarter?
- Pratik R. Jaju:** This is because of the exceptional items. EBITDA level has been maintained and due to depreciation, you can see that the net profit has decreased. But overall, the liquid profit has not decreased.
- Mahesh Seth:** Could you also tell us more about the Eagle Group? What other ventures does the company operate?
- Pratik R. Jaju:** Eagle Group has been in the textile for the last three decades. We have a variety of factories in Eagle Group. We have a complete textile chain right from manufacturing of yarn till manufacturing of fabric like sizing, texturizing, air tex, water jets, spinning, dope-dyed yarn manufacturing. So, we have been in this industry for the last 30 years. And as we have a variety of textile products, so we have a good command in the market with all the customers, agents and suppliers.
- Mahesh Seth:** Are we planning any merger or reverse merger?
- Pratik R. Jaju:** With the Eagle Group?
- Mahesh Seth:** Yes.
- Pratik R. Jaju:** Not Presently, we are not planning any of that. Sumeet Industries is a standalone company and we took over the other Sumeet shareholders. And we are keen to run it as a standalone company.
- Mahesh Sheth:** Got it. Also, what is the revenue of those companies and where they operate?
- Pratik R. Jaju:** Eagle Group, all companies are based in Gujarat and Silvassa. We have around 9 factories in various areas of Surat and Silvassa, Dadra Nagar Haveli. And our head office is in Surat, Gujarat. And we are supplying material to all over India as well as we are into exports as well.
- Mahesh Seth:** Got it. So, can you also share some product-wise revenue contribution in H1 sales?
- Pratik R. Jaju:** See, we are into manufacturing of synthetic yarn. In synthetic yarn, various varieties are POY; partially oriented yarn, FDY; fully-drawn yarn, Catonic bright yarn and textured yarn. So, the contribution is from all the products. The major contribution is from Catonic bright yarn. That is one of the value-added yarns. And as I told you, we are focusing more on value-added yarns.

Now, in the next quarter, we will be able to start dope-dyed yarn as well, which is also one of the value-added yarns, which will help a lot in our EBITDA level.

- Mahesh Sheth:** Got it. Fine. Thank you for answering. If I have any more, I will come back in the queue.
- Pratik R. Jaju:** Thank you very much.
- Moderator:** Thank you. The next question comes from the line of Ashok Dhoot, from Ashok V. Dhoot & Company. Please go ahead.
- Ashok Dhoot:** Thank you. I am Ashok Dhoot calling from Maharashtra, Latur. I want just 4-5 questions. First is, what is the existing plant capacity utilization?
- Pratik R. Jaju:** We are using the plant at optimum capacity. We are running it at 90% to 95% level.
- Ashok Dhoot:** And when will be our expansion operational because we are expanding capacity, no?
- Pratik R. Jaju:** Yes, we are expanding the capacity and we are expecting the expansion to be operational in the next two quarters. We can have the benefit of the expansion from the next financial year.
- Ashok Dhoot:** Another question is, whether there is any effect of US tariff on realization and demand?
- Pratik R. Jaju:** No, US tariff is not affecting us at all. Because as I told you, our major market is Indian market only. We are manufacturers of yarn, so our business is B2B.
- Ashok Dhoot:** Any effect on realization then? Because yarn buyers are also exporting by making the cloth. So, any effect on sales realization value?
- Pratik R. Jaju:** No, not till now. And we are not expecting any effect of US tariff on our EBITDA level or on our sales.
- Ashok Dhoot:** Another question is regarding, whether there is conflict of interest between Eagle Group and Sumeet Industries? Because same businesses are there in personal capacity also in here Sumeet Industries?
- Pratik R. Jaju:** Let me say, first of all, textile is a very broader term. In Eagle Group, the textile factories we have, the products which we are making, we are not making the same product in Sumeet. Sumeet is a backward integration of Eagle Group. So, there is no conflict of interest. The products which have been manufactured in Sumeet Industries are semi dull yarn and catonic yarn. And in Eagle Group we also have a spinning industry, but we are more focused on nylon yarn and coloured yarn so there is no conflict of interest.
- Ashok Dhoot:** Last question is, what is the existing electricity cost? Annual electricity expenses for our existing plant?

- Pratik R. Jaju:** At present, electricity cost, if you are asking per unit, it is around 8.6.
- Ashok Dhoot:** No, annual. I want to just confirm, what is the cost saving after installation of solar?
- Pratik R. Jaju:** Yes, our electricity cost is approximately 100 crores in a year, which we are expecting a saving of approximately 25% to 30% on the energy cost by going into renewable cost. And we are planning to get it to 50% in the future.
- Ashok Dhoot:** When will this 25% energy cost saving will be reflected in the result from 2026-27 or next half year from October?
- Pratik R. Jaju:** So, as we said, our 14 MW means around 2 crores units per year will be generated, 2 crores units means, around 10% to 15% will be reflected from the last quarter only. And further in the FY26, we will be able to achieve 25% or more.
- Ashok Dhoot:** Thank you. All the best for the future.
- Pratik R. Jaju:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Dhanraj Tolani from Kuber Advisors. Please go ahead.
- Dhanraj Tolani:** I just wanted to know, where are we supplying these products? What is the specific reason?
- Pratik R. Jaju:** As I told you, we are supplying major products in Surat itself as we are a B2B company and Surat is the textile hub of India. So, we are majorly supplying it to in the local Surat market. But we are also supplying it to various other regions like South as well as North.
- Dhanraj Tolani:** So, like we have a good product mix, which has good results. But what would be the ideal product mix in the future, like in the next 2 years? This will be same or will change anything?
- Pratik R. Jaju:** We will change the product mix. We are planning to get the value-added products up to 50% of our production, as well as a new expansion is planned. The new expansion is completely for value-added products. Our target is by 2026; we will be able to achieve 50% of our total production to value-added products.
- Dhanraj Tolani:** Also, are we selling these products currently to the Eagle Group or planning to sell?
- Pratik R. Jaju:** Sorry, I didn't get your question.
- Dhanraj Tolani:** Are we supplying the products to the Eagle Group?
- Pratik R. Jaju:** Yes we are supplying the material to Eagle Group as well, but that is only approx. 5% of the total sale of us. And we are supplying to Eagle Group at the market prices only.

- Dhanraj Tolani:** And what is the percentage of sale coming from Surat?
- Pratik R. Jaju:** Around 90% of our product is sold in Surat.
- Dhanraj Tolani:** So, I am saying, how long does it take to take a new yarn product to move to a simple stage to full commercial order? So, has it improved?
- Pratik R. Jaju:** It is a continuous process. So, daily our yarn is manufactured and daily the material is delivered to the parties. So, it does not have a lead time like 2 days or 4 days. It is a continuous process. The yarn is manufactured on a continuous basis and the dispatches to the parties also happens continuously daily.
- Dhanraj Tolani:** And let us say raw material prices currently fluctuates so much. So, any raw material price increases by 5% to 10%. Do we directly pass it on to the customer or do we have lag to pass it on?
- Pratik R. Jaju:** Yes, If the raw material price increases or decreases, it is passed on to the customer on the new orders. So, it does not take much time. As I told you, it is a continuous process. Daily orders are coming and daily material is manufactured, daily materials are delivered, as well as the raw material also coming in daily. It is not that we are procuring raw material once in a month. Daily raw material comes and it comes at the daily prices.
- Dhanraj Tolani:** Are we facing any issues from Chinese suppliers? Do we have any pricing pressure because of them? Because yarn, we anyways face competition from China.
- Pratik R. Jaju:** China is one of our competitors. I will just tell you our market situation. The overall market, only 20% is imported from China. 80% is supplied by the local suppliers only. And there is not much price difference between Chinese products v/s local products once it lands in India. So, there is not much competition and the market is big enough to accommodate everybody.
- Dhanraj Tolani:** But my view is, Chinese players are reducing pricing drastically, especially in commodity yarn category. So, how do you protect volumes and margins? Because we all know like have to match the market. We have to take the lower prices. So, how do we plan to protect volumes and margins?
- Pratik R. Jaju:** If China reduces the prices of the finished yarn, which is our competition in yarn, even they are reducing the pricing of the raw materials. So, we get the same effect in raw materials. If we are able to get the raw material at a cheaper price, then we are able to match the prices against the Chinese products. And as I told you, the Chinese products are not even 20% of the total market share in our product and still the demand is good enough and day by day the demand is increasing. So, we have enough demand to cater our supply as well as the industry supply as well as the Chinese supply. And ultimately, the key raw material comes from China to Reliance and then from Reliance, we buy our raw material. So, they pass the price reduction as well.
- Dhanraj Tolani:** So, mainly we procure our raw materials like domestic only.



**Pratik R. Jaju:** Yes, Reliance is one of the key supplier for raw material.

**Dhanraj Tolani:** So, yarn is based on CPL?

**Pratik R. Jaju:** Not CPL, but PTA and MEG.

**Dhanraj Tolani:** Got it. That is all for my side.

**Moderator:** Thank you. The next question comes from the line of Aditi Roy from Patel Advisors. Please go ahead.

**Aditi Roy:** Once the new lines are operational, how much capacity will be added in tons per month and what is the ramp up period?

**Pratik R. Jaju:** Once our expansion is completed, we will be able to add 40 tons to 50 tons per day which comes to around 15000 Tons annually.

**Aditi Roy:** The new current customers have expressed demand for the new yarn categories?

**Pratik R. Jaju:** Yes. And we will be able to add as I mentioned earlier, the expansion is for new value-added products. So, there is a good market for the same. So, our existing products will have their own customer range, and we will be able to add new customers with these new products.

**Aditi Roy:** Are you evaluating any further new yarn categories such as dope-dyed performance yarns or recycled polyester for FY27?

**Pratik R. Jaju:** Yes. This expansion, we are focusing on dope-dyed yarn as well as another luster polyester FDY yarn.

**Aditi Roy:** How much improvement in margins with the new products?

**Pratik R. Jaju:** We are expecting an increase of EBITDA level with these products, we are expecting approximately 10% more from the value added products..

**Aditi Roy:** And after the takeover, what are the top two strategic priorities the Eagle Group has set for Sumeet Industries for the next 12 to 18 months?

**Pratik R. Jaju:** As I already mentioned that after we took over, we focused on – Sumeet has two major costs, power and raw material. So, we focused on these two costs, how to reduce these two costs. And in power cost, we have already installed one 14 MW solar plant and we are focusing more, we are exploring more options on renewable energy to reduce our power cost by at least 40%. And to decrease the overall cost of the plant, we are expanding the 40 tons per day production which help us reduce our fixed cost and to add a better EBITDA level. For the next 12 to 18 months, we are focusing on renewable energy, expansion of plants and upgradation of machineries.

- Aditi Roy:** What is our average cycle time in production and have we reduced this since takeover?
- Pratik R. Jaju:** As I mentioned to our last question that ours is a continuous process plant. So, there is no lead time. It is a constant plant. The raw material comes daily, the material is manufactured daily and the material is sold daily. We have increased the efficiency level in the plant from before when it was under NCLT. The plant was not running efficiently because of lack of raw material reaching on time, the lack of customer trust, whether the company will be able to give them material on constant basis. But after we took over, the trust in the market was strengthened. Hence, we got good customers who had joined us. We were able to build trust with our supplier Reliance and we were able to manage good raw material inventory level so that our efficiency doesn't decrease due to lack of raw materials.
- Aditi Roy:** I have one last question. Can you please provide a revenue guidance for FY26 and '27?
- Pratik R. Jaju:** Revenue, as you have seen that our revenue has increased by 8% in a quarter and we are expecting our revenue to increase constantly in every quarter and when the expansion is completed, we are expecting to add 300 Cr per annum revenues over and above our current revenues.
- Aditi Roy:** Thank you, sir.
- Pratik R. Jaju:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Priya Jain from Green Capital. Please go ahead.
- Priya Jain:** How much waste or rejection has reduced versus last year?
- Dhanraj Tolani:** Sorry, how much?
- Priya Jain:** Waste or rejection has reduced last year versus current year?
- Pratik R. Jaju:** The waste and rejection has dropped by approximately 30% to 35% after we took over.
- Priya Jain:** What is the expected power saving from the solar plant portfolio?
- Pratik R. Jaju:** The 14 MW solar plant which has already commissioned, our approximate savings from the same is around 10 to 12 Cr per annum, net savings.
- Priya Jain:** Any plans to export a new product?
- Pratik R. Jaju:** Yes, we are planning exports also from Sumeet Industries. We are focusing on the products which we can export and for which demand is there. In the next year, we will start exports of some of the products.

- Priya Jain:** So, my question is, any plans to add more solar capacity?
- Pratik R. Jaju:** Yes, we can. We are focusing on more options of solar and wind for renewable energy, which is better for our plant and our usage.
- Priya Jain:** I wanted to understand, are you seeing any shift where customers prefer synthetic yarns over cotton because there is a price difference?
- Pratik R. Jaju:** Cotton industry is a separate industry than synthetic yarn. The usage of synthetic yarn in different apparels and everything is completely different and the usage of cotton yarn is completely different. The type of products which is manufactured for cotton yarn is completely different and synthetic yarn is completely different. There is no competition between these two.
- Priya Jain:** On that only, I wanted to understand, do customers prefer synthetic yarns over cotton?
- Pratik R. Jaju:** Some products, synthetic yarn is better and some products, cotton yarn is better. So, it depends upon the type of product.
- Priya Jain:** One last question, what is the average credit period you currently offer to customers and has this changed compared to last year?
- Pratik R. Jaju:** The average credit period offered to our customers is around 7 to 10 days and no, it hasn't changed from the last year. That is the standard market practice.
- Priya Jain:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Prashant Shah with T. Stock Mantra. Please go ahead.
- Prashant Shah:** Which segment, apparel, furnishing or industrial is driving the most demand?
- Pratik R. Jaju:** We have most demand in apparel and home textiles.
- Prashant Shah:** I have a question that your receivable days have fluctuated in earlier years. I am repeating my question again that your receivable days have fluctuated in earlier years.
- Pratik R. Jaju:** You just said the prices are not fluctuated?
- Prashant Shah:** Receivable days I am asking about.
- Pratik R. Jaju:** Yes, receivable days.
- Prashant Shah:** Yes. Have been fluctuated earlier years. So, what is your target receivable cycle now in the upcoming future you are targeting?

- Pratik R. Jaju:** As I told you, our receivables credit given in the industry is 7 to 10 days, which we are also following. And in future, we would like to maintain whatever the market is, the industry pattern goes on. We are not giving anything special.
- Prashant Shah:** And your target inventory levels and what is your current target inventory levels and how does it compare to FY25?
- Pratik R. Jaju:** Our inventory level, we are maintaining it at a maximum of 10 to 12 days, which is as per the market norms. And as well as our receivables are maintained with the credit period of 7 to 10 days.
- Prashant Shah:** And you are given historical volatility, capacity utilization and operational efficiency, what is your internal metric or threshold triggers, which triggers a strategic shift, such as altering certain product lines or renegotiating contract or pivoting towards any higher margin segment?
- Pratik R. Jaju:** As I had informed earlier that we are planning slowly and steadily increasing new products and value-added products in our line of product list. And we are targeting to capture 50% of our production in value-added products.
- Prashant Shah:** And as you are a polyester yarn manufacturer operating in the price-sensitive and raw material-linked industry, so how do you prevent your margin erosions when PET or MEG prices move faster than its ability to pass on cost increases to customers?
- Pratik R. Jaju:** Very good question. I will just tell you that in fact, the supplier of PTA and MEG in India till now was only major supplier was Reliance. In fact, GAIL and IOCL are coming up with two big plants in 2026 and 2027 and Reliance is expanding its capacity by double in 2027. So, we are going to be in a major benefit. Because the supply will be much more than the demand of PTA and MEG. So, we will always be getting a better price for our raw material. So now, the raw material for us is no longer a challenge. The price, the fluctuation in raw material is no longer a challenge.
- Prashant Shah:** Can you quantify your average pass-through lag and how much EBITDA compression occurs for every 1% mismatch in RM versus realization moment?
- Pratik R. Jaju:** So, normally, I will tell you one thing that if the raw material reduces by 5%, then our EBITDA level will increase by approximately 2% to 3% because we do not have to reduce our finished prices by 5%. This is a general market trend that if the raw material reduces by a certain percentage, the finished product does not reduce it by that percentage. But if the raw material increases by 5%, gradually in a month or so, the finished product prices automatically increase by 5%. So, we are always in a better position at EBITDA level.
- Prashant Shah:** Let us see in periods where the pass-through lag widens. So, do you hedge your RM exposure through inventory timing and supplier contracts or any financial derivatives and is preventing in the gross spread.

**Pratik R. Jaju:** No, it is a continuous process as I told you. So, we have to procure our raw material on continuous basis. And even in sales, we always have around 15 to 20 days of sales. We already sell material 15 to 20 days ahead. So, we always have orders in hand and we always have raw material in hand. So, it is a continuous process. So, it does not happen like if my raw material increases suddenly, so I make a loss in my stock or anything because I already have sold those materials. It is always a continuous process.

**Prashant Shah:** So, there is no need to directly take any effective measures to...

**Pratik R. Jaju:** No, there is no direct effect because we are always selling.

**Prashant Shah:** That kind of a situation never, I mean not never, but that kind of a situation like less chances to occur. So, that way you have to take any precautionary measures. That is what you are saying?

**Pratik R. Jaju:** Yes. In our product line, there is no certain fluctuation.

**Prashant Shah:** Fine. That is it from my end. I will get back into the queue.

**Pratik R. Jaju:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Mahesh Seth from VY Capital. Please go ahead.

**Mahesh Seth:** I had some couple of questions. I just wanted to know, have logistics or internal handling cost have been reduced?

**Pratik R. Jaju:** Internal handling cost? See, are you talking about logistics, yes. Because due to high competition in the market, the logistics costs have come down only. And in our product range, whatever logistics cost we incur, we cover it with from our customers. Our product pricing is separate, is on basic pricing and the logistics cost is added to the sale price. That is not an expense for us.

**Mahesh Sheth:** And with the new yarn categories approved, so like what is the target production volume for this line in the first 4 years of operation?

**Pratik R. Jaju:** The new expansion, we are targeting around 40 tons per day production.

**Mahesh Sheth:** And like what share of your current volume is driven by the apparel segment versus like home textiles or any other segment?

**Pratik R. Jaju:** More than 50% goes to the apparel textiles.

**Mahesh Sheth:** And also like you earlier, you mentioned that you have brought new machinery. So was it a replacement CAPEX or a new like new CAPEX was there?

- Pratik R. Jaju:** The CAPEX which we have done, we upgraded our machinery. The upgradation was replacement of our existing old machinery, supplementary machinery, which helped us in getting more efficiency and reduce our power cost.
- Mahesh Sheth:** So it was upgradation.
- Pratik R. Jaju:** Yes. And now what we are doing is expansion; it is an addition of new machineries.
- Mahesh Sheth:** Got it. Fine. Thank you for answering.
- Moderator:** Thank you. The next question comes from the line of Murtaza Khan from PinPointX Capital. Please go ahead.
- Murtaza Khan:** I just have a question regarding the exports. Could you please share some insights on exports and can you also please tell what countries are under evaluations for starting the exports next financial year?
- Pratik R. Jaju:** Exports from India, normally textured yarn is exported widely. So, we are focusing on conversion of our POY into textured yarn and then exporting the same. And the area of export where we will be exporting is Middle East countries as well as African countries. That is our focus. Because over there the yarn demand is good.
- Murtaza Khan:** This helps. I had another question. Since we are already expanding our capacities, so the solar plant that we have already just put up, will it also cater to the new facility that we are expanding into or would we need another solar plant to reduce cost further?
- Pratik R. Jaju:** We would be needing additional renewable energy to reduce our expansion power cost and which we are already considering it. And we will soon take action on that as well.
- Murtaza Khan:** So I suppose we would be doing our CAPEX from internal accruals for this?
- Pratik R. Jaju:** Yes.
- Murtaza Khan:** These were my questions. All the best.
- Pratik R. Jaju:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to Mr. Parth Acharya for the closing remarks.
- Pratik R. Jaju:** Thank you everyone. Mr. Parth, please take over.
- Parth Acharya:** Thank you everyone for joining the conference call of Sumeet Industries Limited. If you have any further queries, you can write us at [research@kirinadvisors.com](mailto:research@kirinadvisors.com). Once again, thank you everyone for joining the conference.

**Moderator:** Thank you. Ladies and gentlemen, on behalf of Kirin Advisors Private Limited, that concludes this conference call. Thank you for joining us. You may now disconnect your lines.