



**“Sumeet Industries Limited
Q1 FY ‘27 Results Conference Call”
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MODERATORS: MR. PARTH ACHARYA – KIRIN ADVISORS PRIVATE LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Sumeet Industries Limited Q1 FY '27 Results Conference Call. 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 star then zero on your touch-tone phone. Please note that this conference is being recorded. I now 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. Pratik Jaju, Managing Director; Mr. Rohan Modh, Executive Director. With that, I now hand over the call to Mr. Pratik Jaju for the opening remarks. Over to you, sir. Thank you.

Pratik Jaju: Good afternoon, everyone, and a very warm welcome to all our investors, analysts, and stakeholders joining us today for the quarter one FY '27 earnings conference call of Sumeet Industries Limited. It is a pleasure to have you with us today, and I sincerely thank all of you for your continued trust and support. For the benefit of those joining us for the first time, let me briefly introduce Sumeet Industries.

Established in 1988, Sumeet Industries has built a strong presence as integrated polyester manufacturing unit with a diversified product portfolio comprising of PET chips, partially oriented yarn, fully drawn yarn, and polyester texturised yarn. Our products cater to a wide range of end-user industries including apparel, home textiles, and industrial applications. Operating from Surat, one of India's largest synthetic textile manufacturing hubs, we provide a strategic advantage in sourcing, manufacturing, logistics, and customer servicing.

Now, a new phase of the company's journey began in 2024 under the leadership of Eagle Group, a textile-focused industrial group with over four decades of experience across the polyester value chain. Since then, our focus has always been on strengthening operational excellence, improving manufacturing efficiencies, and building a scalable platform that can support sustained long-term growth.

Coming to our financial performance, we delivered a resilient quarter despite an exceptionally challenging operating environment for the polyester industry. During our quarter one FY '27, our income increased by over 9% year-on-year to INR272.74 crores. Our EBITDA stood at INR8.85 crores with an EBITDA margin of 3.24%, with PAT for the quarter was INR1.14 crore. Although revenue growth remained healthy, profitability during the quarter was impacted. Now, this impact was due to temporary industry-wide headwinds.

Due to the geopolitical tensions in the Middle East and US, there was a sharp increase in the crude oil prices, which resulted in significant volatility in our raw material, such as PTA and MEG, along with elevated freight and logistics costs. These factors created margin pressure across the polyester value chain and affected manufacturing across the industry. Importantly, the underlying demand environment has remained encouraging.

Demand across apparel, home textile, industrial application continued to be healthy, and the challenges witnessed during the quarter were largely driven by input cost inflation rather than

any weakness in end-market demand. Encouragingly, the operating environment has already started improving. The crude oil prices have largely stabilized, the raw material availability has improved, and the supply chains have normalized, and the price volatility has moderated. We believe these were temporary disruptions, and with industry conditions steadily returning to normal.

Alongside navigating these near-term challenges, we also achieved one of the most important milestones in the company's recent history through the successful completion of our rights issue. I would like to sincerely thank all our shareholders for the confidence they have shown in the company and for their strong participation in the capital raise.

The board has approved the allotment of 16.84 crores equity shares at an issue price of INR11.86 per share, raising INR199.75 crores with net proceeds of approximately INR194.90 crores available for deployment towards our strategic growth initiatives. These net proceeds from the issue have been earmarked for clearly defined priorities. Approximately INR100 crores will be utilized towards strengthening working capital to support higher production levels and efficient procurement of raw materials.

Around INR50 crores will be invested towards the operationalization and integration of the new acquired CP plant. Approximately INR23 crores will be utilized for the repayment of borrowings, which is expected to lower our finance costs and strengthen our balance sheet. In addition, INR22 crores will be invested in solar captive power plant, which will help to reduce our power costs.

Among these strategic initiatives, the operationalization of the CP plant represents one of the most significant growth drivers for the company. Earlier in March, Sumeet Industries was declared the successful bidder for the acquisition of Narkoda Limited CP plant under the CIRP for a consideration of INR23.47 crores. This plant has an installed manufacturing capacity of 1,40,000 tons per annum of PET chips, a key raw material for our downstream POY and FDY operations.

Once recommissioned, it is expected to approximately double our existing total capacity, while significantly strengthening backward integration, improving operating efficiencies, and enhancing our overall cost competitiveness. We believe this project will serve as a key growth engine for the company over the coming years.

Looking ahead, we are optimistic about the opportunities before us. With industry conditions stabilizing, a significantly stronger balance sheet, lower expected finance costs, and the execution of our strategic growth, we believe Sumeet Industries is well-positioned to enter its next phase of sustainable growth.

Based on the current demand environment and our execution roadmap, we remain confident of delivering more than 30% revenue in the current financial year '27 along with the EBITDA margin of around 6% and a profit after tax in the range of 3.5% to 4%. Our focus remains on disciplined execution, operational efficiencies, and creating sustainable long-term value for our stakeholders.

Before concluding, I would like to thank our shareholders, customers, lenders, business partners, and every member of the Sumeet Industries family for their continued trust and support.

With that, I thank you all once again for joining us today, and I now open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Himanshu Dugar from Stylus Holdings. Please go ahead.

Himanshu Dugar: Yeah. Hi, Pratik. First of all, congratulations on the successful rights issue. Am I audible?

Pratik Jaju: Yes. You're audible.

Himanshu Dugar: Yeah. Great. Okay. Thank you. So, wanted a few questions I have. Number one is on the volumes that we have delivered for Q1, if you could share, you know, what was the volume that we did between POY and FDY?

Pratik Jaju: See, I would like to inform you that the production was affected due to the highly volatile and scarcity of raw material and plus we also took a maintenance shutdown for 15 days. And that is why our volume -- production volume reduced by 17% during this quarter than the last quarter. Still, we were able to manage the sales because we had stocks which we were able to liquidate.

Himanshu Dugar: Got it. So, understood. The other question I have is, I saw the exchange filing about conversion of debt as well, the optionally convertible debentures. So, net-net as of currently, what is the gross debt if you could share a number?

Pratik Jaju: Gross?

Himanshu Dugar: Gross debt that we have in the balance sheet right now?

Pratik Jaju: Okay. After the repayment from the rights issue proceeds and we have long-term debt is reduced to -- just give me a second, please.

Rohan Modh: Right now, we have long-term debt of INR86 crores and short-term borrowings of INR74 crores.

Pratik Jaju: Yes.

Himanshu Dugar: That is as of March 2026, right? Now, it has changed, I think, because of the conversion of debt, etcetera.

Pratik Jaju: No. The conversion of debt...

Rohan Modh: No.

Pratik Jaju: Was the preferential shares were already given. This only the preferential shares were converted. This is a part of the deal when we took over in 2024.

Himanshu Dugar: Okay. So, that was part of equity?

Rohan Modh: Yeah.

Pratik Jaju: Yes.

Rohan Modh: That is completely different. That is OCRPS.

Himanshu Dugar: Okay. So, it was already part of equity, not part of the long-term borrowings that was shown in the balance sheet?

Rohan Modh: No.

Pratik Jaju: No. In fact, after the March balance, as informed by Mr. Rohan, we have paid INR23 crores to our banks, so our debt has reduced.

Rohan Modh: Yes.

Pratik Jaju: And even the short-term borrowing like working capital, all has been serviced, so the financial cost will be reduced in the current financial year.

Himanshu Dugar: Okay. So we also had some capex that was getting commissioned, right? There was some 20,000 TPA that was supposed to happen by '27. So...

Pratik Jaju: That is already commissioned -- that is, yes, that is already commissioned. Part of it was commissioned in July and the other part is commissioned right now in August.

Himanshu Dugar: Okay. So now our capacity is, what is our polyester capacity versus what is the drawn yarn capacity?

Pratik Jaju: Our CP capacity is 300 tons, and our yarn drawing capacity is around -- now it has become 240 tons per day.

Himanshu Dugar: 340, 240?

Pratik Jaju: 240.

Himanshu Dugar: 340, okay.

Pratik Jaju: CP, yes. The plant capacity is 300 tons and we are drawing now 240 tons into yarn.

Himanshu Dugar: Okay, understood. So, after this coming back to the debt set, after the conversion, etcetera, this rights issue that we have done and we are repaying, roughly what is the finance cost we're expecting say from next quarter?

Pratik Jaju: We expect a significant reduction in the financial cost, but as we have said, the debt, the overall debt INR23 crores is reduced. The rest of the debt finance cost will be there, and for short-term the CC interest, the capital, because of the working capital, we have received the working capital, the CC cost will be also next to negligible. So, all that will reduce our financial cost.

Himanshu Dugar: Okay. Thank you so much. I'll join the queue.

Pratik Jaju: Thank you.

- Moderator:** Thank you. The next question is from the line of Riddhi Jain from Orient Capital. Please go ahead.
- Riddhi Jain:** Hello. Am I audible?
- Moderator:** Yes, ma'am.
- Riddhi Jain:** Hi. I have a few questions. So, what annual power cost savings are expected when renewable energy reaches around 60% of total consumption?
- Pratik Jaju:** We expect an overall reduction of the power costs would -- we expect a benefit of around INR25 crores per annum after all our renewable power is commissioned.
- Riddhi Jain:** Okay. And Q1 EBITDA margin stood at 3.24% against the FY27 guidance of around 6%. What are the key drivers required to bridge this gap?
- Pratik Jaju:** As we -- as I informed you, I informed everyone in my speech that the first quarter, the demand, the supply and everything was very volatile due to the constant change in the raw material prices. Raw material prices were highly volatile weekly. So, the demand was also stringent and the margins were also stringent.
- Now, things have come back to normal. We are running our plant at full capacity, and we are expecting a good demand ahead. Apart from this, the new 30,000 tons per annum capacity is already commissioned in the second quarter. So that will add up to our margins. Further, renewable power will also be added up in the second half of the year, that the margin will be added, and we expect a good demand now, good demand and good -- and as the raw material will come down, so we expect the margins to improve further.
- Riddhi Jain:** Okay. And what percentage of the current product mix comes from value-added yarn?
- Pratik Jaju:** Presently, we are at 30%, 30% to 35%.
- Riddhi Jain:** Sorry, I lost you.
- Pratik Jaju:** 30%, 30% to 35%.
- Riddhi Jain:** Okay.
- Pratik Jaju:** Yes, 30% to 35% of our yarn production is value-added yarn now.
- Riddhi Jain:** And what utilization level is targeted for the Nakoda facility in the first full year of operations and how long is expected to reach optimum utilization?
- Pratik Jaju:** See, these plants when they start, they reach their optimum capacity within 1 to 2 months. So once it starts, within 60 days, we expect it to reach to the optimum capacity.
- Riddhi Jain:** Okay. Fine. That's all. Thank you.
- Pratik Jaju:** All right, thank you.

- Moderator:** Thank you. The next question is from the line of Tameda Realty. Please go ahead
- Kurin:** Hi, Pratik, and congratulations on a great quarter. A couple of questions. You talked about decrease, 17% decrease in volumes, but increase in sales from existing stock. So, what is the revenue growth expectations that we have in the next couple of quarters? Do we expect the same growth quarter-on-quarter?
- Pratik Jaju:** See, we expect a growth quarter-on-quarter because in the first quarter, the production was less, but due to the highly volatile pricing, we were able to maintain our top line. Now in this quarter, our production will also increase and the prices are also, we are also trying to sustain the prices. So, yes, overall in the financial year '27, we expect revenue growth of approximately 30% 30% than the last financial year.
- Kurin:** Okay, fantastic. And from an EBITDA perspective, what is the guidance or perspective that we expect for the next few quarters? I don't know if I missed this in your initial part of the conversation, but...
- Pratik Jaju:** Yes, we are very pretty confident that by the end of financial '27, we will be able to achieve our EBITDA level of 6% which we targeted.
- Kurin:** Okay, okay. And the Nakoda facility, is it on schedule?
- Pratik Jaju:** Yes, it is on schedule.
- Kurin:** Okay. And when do we expect it to be adding into our top line and bottom line? When do we start and what is the increase that we expect in our revenue?
- Pratik Jaju:** We expect the Nakoda plant to commission in the next financial year.
- Kurin:** Okay. So, to answer to the previous question, when it gets commissioned in next financial year, within 60 days it'll be on 100% capacity?
- Pratik Jaju:** Yes, yes, yes.
- Kurin:** Okay. Thank you so much.
- Pratik Jaju:** All right, thank you.
- Moderator:** Thank you. The next question is from the line of Keval Gala from Gala Ventures. Please go ahead. Hello, Keval, please go ahead. Hello, Keval, please go ahead. As there is no reply from the line of Keval, I will promote the next. The next question is from the line of Vidhi Purohit from Phoenix Capital. Please go ahead.
- Vidhi Purohit:** Hello.
- Pratik Jaju:** Hello.
- Vidhi Purohit:** Hi, sir. Actually, could you please, I mean, could you share an update on Nakoda CP plant and what work is still pending to make it operational and when do you expect commercial production

to begin?

- Pratik Jaju:** On the Nakoda CP plant, the work of the new machines, orders have been given, the work of restoration is already going on, and we expect that in the next financial year, it will commission, and once it commissions, as I have already informed you, within 60 days it will be at optimum capacity.
- Vidhi Purohit:** Okay. And around INR100 crores from the rights issue is being used for working capital. So, how much additional revenue do you expect this to support?
- Pratik Jaju:** As I've told you that our 30% additional capacity is already commissioned, and we are moving into value-added yarns as well. So, to support all this, the working capital is being used, as well as where -- when Nakoda starts, that the working capital requirement will also be fulfilled with this working capital requirement. And the current working capital, what we are using or bank limits, we have already filled up. So, our financial cost will be reduced.
- Vidhi Purohit:** Okay. And sir, I mean, how much of your overall power requirement is currently met through renewable energy sources?
- Pratik Jaju:** Currently, only 20% is being serviced, around 30% is being serviced through renewable power. And further, 25% to 30% will be done once our new solar plant is commissioned.
- Vidhi Purohit:** And what is expected timeline for commissioning the new 6.5 megawatt captive solar power plant? And also from which quarter do you expect this cost saving to start reflecting in the business?
- Pratik Jaju:** The remaining power, we are expecting the remaining power plant to be commissioned in the last quarter.
- Vidhi Purohit:** Okay. Okay, sir. Thank you.
- Pratik Jaju:** Of this financial year. Yes. Thank you.
- Moderator:** Thank you. The next question is from the line of Rohan Shah from SK Capital. Please go ahead.
- Rohan Shah:** Hello, sir. I had one question regarding the current market conditions that the stock is facing. The stock has been in a lower circuit since the last 12 to 14 days. So, what are your actual views on it? Because retail investors are not getting the exit that they require after the rights issue.
- Pratik Jaju:** Sir, I cannot comment on the share part, why is it going down and all, but it was expected as our share prices were at 34 35 level and the rights issue was at 12 11.86. So, everybody wants to sell now. Yes.
- Rohan Shah:** But the share price was also taken in the last 1 month from INR22 to INR35 also, sir.
- Pratik Jaju:** That was yeah, that was the trust of the investors on us, currently also. We don't expect any panic situation among the investors. We are very confident that with our results and with our future projections and all, that our share prices will sustain.

Rohan Shah: Okay, sir. I wish you the very best. Thank you.

Pratik Jaju: Thank you.

Moderator: Thank you. The next question is from the line of Himanshu Dugar from Stylus Holdings. Please go ahead.

Himanshu Dugar: Yeah. Hi. Thanks for the follow-up opportunity. So, first question was, you know, in terms of our margins, so when you say 6% guidance was given, right, EBITDA margin, where can we see the gross margin going up?

Pratik Jaju: Sorry?

Himanshu Dugar: Because we reported 8 like I think 15% gross margins, right? For FY for the first quarter. So, can we see like, you know, 30% kind of gross margin which used to do prior to the entire bankruptcy etcetera happened?

Pratik Jaju: I can't hear you properly. Rohan, if you can hear and speak the answer.

Himanshu Dugar: Should I repeat?

Pratik Jaju: Yes, yes, please.

Rohan Mot: Yes, yes, yes.

Himanshu Dugar: Yeah. Sorry. So, my question was, so prior to, you know, us the bankruptcy etcetera, the company used to operate around 20% to 25% gross margins. I think last three-four quarters we have been oscillating, so we reached 20% plus, but again, in this quarter, we are at I think 15% gross margins. So, I just wanted to understand, say for the full year when you are guiding for 6% operating margin, what is the gross margins that you're expecting? Hello. Am I audible?

Pratik Jaju: Yes, yes. So, we are expecting our margins to increase. This first quarter, as I told you, was very volatile, and that is one of the reasons that we were not able to achieve the gross margins. But we are very confident that we will be able to achieve our gross margins over 25% and maintain the same so that we can achieve our EBITDA levels.

Himanshu Dugar: So, usually the business model is, like I mean, if the because of crude price going up, your raw material prices are going up. Like how soon are you able to pass on the price to the customer?

Pratik Jaju: Hello. No, as I told you, if the prices go up, we are able to pass it on immediately, but the prices are very volatile. Today it was going up, after 3 days it was coming down. So that is why the difference, the parity was too much in the demand and supply. And that is the -- that was the reason that we were not able to pass on completely to our customers.

Himanshu Dugar: Okay, understood. Next question I have is on -- sorry.

Pratik Jaju: Sorry, tell me.

Himanshu Dugar: So you were saying something about working capital? Sorry to interrupt you.

- Pratik Jaju:** Yes, yes. Our order cycle is around 15 days. So, 15 days, okay. If the if the rates are sustained for 15 days, then we are able to pass it on easily. But even in the 15 days, if the price goes up and comes down, we have to take raw material constantly. So that's why that is why the gap came.
- Himanshu Dugar:** Understood. Okay. So, another question was around tax losses. So, because prior to the acquisition, the company had huge amount of losses that had suffered. So, are we having unabsorbed depreciation and losses that we can now utilize because of which our tax outflow may also reduce?
- Management:** Yeah, we don't have any kind of tax benefit because we already used it in past quarters. Pratik ji, basically, they are asking that we have any tax credit or something like that because we purchased because the Sumeet Industries before NCLT, they have the huge losses. So, he is asking whether we have any tax credit or not.
- Pratik Jaju:** No, no, it was everything was used up and we had cleared the balance sheet. When the liabilities were written off, in that everything was settled.
- Himanshu Dugar:** Okay, got it. Also, we have some investments and loans and advances in the balance sheet, I think INR14 crores, INR15 crores each as of March. So, if you could just like what are the utilization of that?
- Pratik Jaju:** We have some?
- Himanshu Dugar:** Some investments shown in the balance sheet, right? INR14 crores.
- Rohan Mot:** Out of the INR15 crores, the INR9 crores is in the High Urja that we have the stake in the High Urja. That is basically the power plant company, so we have given, yeah. So, we have given INR9 crores for it.
- Himanshu Dugar:** Okay. Got it. And what about the capital work in progress? So, we had around INR32 crores, and you mentioned some of it has now become operational. So, entire capital work in progress has now been operational from this month, like you mentioned August also some capacity is coming online. So, is it fully operational now, the entire capex that we had done?
- Pratik Jaju:** Yes. The 30 tons per day plant is operational now, and it's operational in the second quarter.
- Himanshu Dugar:** Okay. And this will also be utilized like immediately it can reach optimal utilization, or it'll take time?
- Pratik Jaju:** No, no. It will be operational as I told you, any plant which is in our cycle, once it is commissioned, maximum within a month it comes to its optimum capacity.
- Himanshu Dugar:** Okay. In a month it'll come to operational. Understood. Just one last question from my side, it is on trade receivables. I think that is also I mean, I can see that both payables and receivables are that way slightly higher, but are there any receivables which are like more than 6 months older?
- Pratik Jaju:** No, we don't have any receivable more than 6 months.

Himanshu Dugar: Okay. So everything is recent only that way?

Pratik Jaju: Yes, yes.

Himanshu Dugar: Understood. Got it. Thank you so much for the opportunity.

Pratik Jaju: All right.

Moderator: Thank you. The next question is from the line of Nikita Iyer, an HNI. Please go ahead.

Nikita Iyer: Hello. Am I audible?

Pratik Jaju: Yes.

Nikita Iyer: Sir, so my first question is, do we currently have any export revenue, and are we planning to export value-added yarns or do we need any additional certifications for exports?

Pratik Jaju: Okay. First of all, presently, we didn't have any export, but now, yes, we are planning for export. We are already doing deemed exports, and we don't need any special certification to do any exports.

Nikita Iyer: Okay. So, has the INR23 crores Nakoda acquisition amount already been paid, and is it included in the INR90 crores capex or separate from it?

Pratik Jaju: No, no. It is included in the INR90 crores capex.

Nikita Iyer: Okay. Thank you, sir. Thank you for answering my questions. Thank you.

Pratik Jaju: Yes. Thank you.

Moderator: Thank you. The next question is from the line of Keval Gala from Gala Ventures. Please go ahead.

Keval Gala: Yeah. Good afternoon, sir. Sir, are there any further scheduled maintenance shutdowns planned for the remaining part of FY '27, and if so, what would be the expected impact on production volumes?

Pratik Jaju: There is no scheduled maintenance now for the next remaining of the year. We have to take one scheduled maintenance in a year. We did that during this time when we thought it was right to do it due to the highly volatile market fluctuations.

Keval Gala: And which end-user segment currently has the strongest demand among apparel. Like apparel, home textiles, and industrial applications?

Pratik Jaju: We have a good demand from industrial applications, in the sense, sorry, we have good demand from apparel sectors like garments and weaving sectors. And there is always a good demand before Diwali. So, we expect the markets to go better only from here till Diwali.

Keval Gala: Okay. And also can you give us a limelight on what proportion of revenue comes from the top 10 customers, and has the customer concentration has also been reduced?

- Pratik Jaju:** See, our business model is a little different. In textile, in this industry, the business model is we sell material to our agents, who sell it to the weaver, the final users. Now, there are thousands of final users, so they are not like any top 10 customers. Our customers are our agents. But the final customers are many, more than thousands. And with the new diversity of our product range, we have introduced new products, and due to that, more and more customer range are adding up.
- So, we are making our product portfolio so dynamic that we are able to cater to many new customers and many new segments all over India. Now we are not only focused in Gujarat or Surat, we are focused all over India.
- Keval Gala:** Okay. So, you mean to say the customers are in mass and there are few agents, right? Correct?
- Pratik Jaju:** Yes.
- Keval Gala:** Okay. So, can you give us a limelight like what are the proportions of top 10 agents from that revenue are coming from?
- Pratik Jaju:** Approximately 50%.
- Keval Gala:** Okay. It's 41%. Got it. And also, what is the current demand and price environment for POY, FDY, and texturized yarn?
- Pratik Jaju:** Your voice is not audible
- Moderator:** Sorry, Mr. Keval, your voice is not audible.
- Keval Gala:** Am I audible now?
- Pratik Jaju:** Yes.
- Keval Gala:** Yeah. So, what is the current demand and price environment for POY, FDY, and texturized yarn?
- Pratik Jaju:** The current demand for POY, texturized, and FDY all are pretty good, and we expect it to rise day-on-day.
- Keval Gala:** Okay. And so...
- Pratik Jaju:** We don't see any issue right now in demand if the if the war is settled and things become stable.
- Keval Gala:** Okay. And following the INR23 crores debt repayment, what will be the expected gross debt and net debt position by the end of FY27?
- Pratik Jaju:** Net debt INR23 crores we are reducing it, so our then our debt will be approximately from machine term loan, that will remain only around INR30 crore.
- Keval Gala:** Sorry, what is the number you said?
- Pratik Jaju:** Approximately INR30 crores will remain.

Keval Gala: INR30 crores, Okay. And what are the normal inventory, receivable, and payable days for the business?

Pratik Jaju: Sorry sir. INR30 crores, around INR50 crores. Previously it was INR83 crores, and we will pay INR23 crores, so it will be around INR50 crores.

Keval Gala: Okay. Got it. Sir, what are the normal inventory, receivables, and payable days for the business?

Pratik Jaju: Our inventory normal inventory days, now you are you are asking about the debtor and creditor conversion ratio?

Keval Gala: Yes, correct.

Pratik Jaju: We expect our payments approximately in 30 to 45 days we receive our payments. And the payable is also as per the credit. We get credit of around 30 days from our raw material suppliers.

Keval Gala: Okay. Got it, sir. Yes. So, that's all from my side, sir. Thank you so much for giving us the insights about the business. Yeah. Thank you.

Pratik Jaju: All right, thank you.

Moderator: Thank you. The next follow-up question is from the line of Kurin from Tameda Realty. Please go ahead.

Kurin: Hi. One question given that we have finished the rights issue and the acquisition of Nakoda and the OCRPS conversion, from a shareholder perspective, what are the important milestones that we should be tracking over the next 12 months to see or assess how the transformation is progressing?

Pratik Jaju: Sir, your voice cracked on my phone. Can you just repeat the question, please?

Kurin: Sure. Is it clear now?

Pratik Jaju: Yes.

Kurin: Yeah. So, given that we have kind of come out of the restructuring phase, from a shareholder perspective, what are the most important milestones that we should be tracking to see or assess whether the transformation is progressing as planned?

Pratik Jaju: Sir, we have come out of this restructuring phase, and the major milestones we have done is upgradation of machineries and expansion plans. The major milestone we are expecting is the fully commissioning of our renewable solar power plant, so that our power cost is reduced. Due to the rights issue proceeds, our financial cost will go down drastically.

The most major milestone is the Nakoda CP plant. Once it commissions, there will be a straightaway effect on our top line as well as on the bottom line. We expect our top line to double after this. So, that is our major milestone we are targeting right now. And also product diversity and adding of value-added yarns to our portfolio, we are expecting it our margins to go further better.

- Kurin:** Above the 6%?
- Pratik Jaju:** Yes.
- Kurin:** Fantastic. And you did say that the Nakoda plant commissioning is expected in FY27. Do you know which can you comment on which quarter?
- Pratik Jaju:** The Nakoda commissioning in the next financial year, not this financial year.
- Kurin:** Correct. But which quarter in the next financial year?
- Pratik Jaju:** We are targeting the second quarter of the next financial year.
- Kurin:** Got it. Got it. And one last question, you did say the margins in Q1 were impacted because of crude price fluctuation and volatility. In case we see that going forward, how are we protecting the EBITDA? Or will we still see this fluctuation if the volatility continues?
- Pratik Jaju:** If the volatility continues, we are we have a plan to procure more raw material at the right time. Because we were not expecting this war to last so for so long. And that is why we never got the chance to procure raw material at a better price. So, if it goes further and if we think it is escalating, then we will protect our margins by not reducing our finish prices and procuring the raw material at the right time.
- Kurin:** Got it. And at this point, have we got raw material or are we getting raw material at rates prior to the volatility we saw?
- Pratik Jaju:** The prices of raw material have come down, but they are not come to the pre-war level. That will take time. As you know that the crude just got down last week. So, the effect doesn't come out so easily when it comes down. So, yes, we are looking at good signs. The raw material prices have started coming down. We are looking at a good sign of that, and we expect it to get normalized by the end of this month.
- Kurin:** Got it. Thank you so much and wish you the best.
- Pratik Jaju:** All right. Thank you.
- Moderator:** Thank you, ladies and gentlemen. That was the last question. I would now like to hand the conference over to Mr. Parth for closing comments.
- Parth Acharya:** Yes. 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. Once again, thank you, everyone, for joining.
- Moderator:** On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.