



**“Sumeet Industries Limited  
Q3 FY ‘26 Earnings Conference Call”  
February 13, 2026**



**MANAGEMENT: MR. PRATIK R. JAJU – MANAGING DIRECTOR –  
SUMEET INDUSTRIES LIMITED  
MR. ROHAN MODH – EXECUTIVE 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 Q3 and Nine Months 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

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

**Parth Acharya:** Thank you. Good morning, 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 R. Jaju, Managing Director, Mr. Rohan Modh, Executive 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. Good morning, everyone, and a very warm welcome to all the participants joining us today for the quarter three and nine months financial 26 earnings conference call of Sumeet Industries Limited. I sincerely thank all our investors, analysts and stakeholders for taking the time to join us and for your continued trust and support.

At Sumeet Industries, we have built a strong legacy as an integrated polyester manufacturer since our incorporation in 1988. We manufacture diversified range of polyester products, including PET chips, Partially Oriented Yarn, Fully Drawn Yarn and poly-texturized yarn, catering to apparel, home textiles and industrial applications.

Our manufacturing facility is in Surat, one of India's largest synthetic textile hubs, provides us a strategic advantage through proximity to customers, efficient logistics and faster delivery capabilities. One of our key strengths in our end-to-end integrated manufacturing setup, this integration allows us to maintain strong control over quality, cost structure and delivery timeline.

Our flexible production configuration enables us to respond quickly to changing customer requirements and varying order sizes, helping us build long-standing relationships across segments. Our operations are supported by disciplined waste control, in-house recycling initiatives and continuous process optimization, which then cost stability and margin resilience.

In 2024, Sumeet Industries was taken over by the Eagle Group, a textile-focused promoter group with more than four decades of industrial experience. Since the takeover, we have focused on strengthening operational discipline, improving planning efficiencies and aligning the company with a long-term strategic growth vision.

The Eagle Group's sector expertise, execution capabilities and industry relationships are helping enhance growth visibility and build a stronger, more sustainable business platform for Sumeet Industries.

Now, coming to our financial performance, we delivered a steady and resilient performance during the quarter despite a dynamic operating environment. For Q3 FY'26, we reported consolidated total income of INR267.74 crores. Our EBITDA stood at INR16.66 crores with

EBITDA margin at 6.22%. Profit after-tax for the quarter stood at INR9.04 crores and earnings per share was 0.18. We are proud to announce that the profit from continuous operations has gone up by 205% as compared to the last year ending 2025.

In 2025 year ending, we had an exceptional profit of INR170 crores, which is not considered as a profit and loss from continuous operations, and hence there is a good jump. The improvement in profitability reflects our continuous focus on operational efficiency, cost optimization and better capacity utilization.

For the nine-month period of FY'26, we reported consolidated total income of INR786.83 crores. EBITDA stood at INR46.09 crores with EBITDA margin at 5.86%. Profit after-tax stood at INR26.88 crores and EPS stood at 0.51. Overall, the performance demonstrates our ability to maintain operational stability, improve efficiencies and deliver consistent executions.

Along with maintaining stable financial performance, we remain focused on strengthening our platform for long-term growth. Our strategy is aligned towards calibrated capacity expansion, improved product mix and increasing the share of value-added products. We are working in a phased and disciplined manner to enhance manufacturing capabilities while simultaneously upgrading machinery and automation to improve productivity and quality consistency.

Cost optimization and sustainability remain important focus areas. We are taking steps to improve energy efficiencies and increase the share of renewable energy usage in our operations, which will support long-term cost competitiveness. We are also strengthening our presence in specialty and premium yarn segments to enhance realization and improve margin over time. We continue to deepen our customer relationships while exploring new market opportunities.

Our integrated setup and flexible production allow us to serve customers efficiently across cycles, enhancing repeat business and stickiness. At the same time, we are building capabilities to support export readiness and diversify revenue streams. Our long-term vision is to build a scalable, efficient and future-ready polyester platform while maintaining financial discipline and strong governance standards. We remain confident about the growth potential of the business and our ability to create sustainable value for all the stakeholders.

I would like to thank our employees for their dedication, our customers and partners for their continued association, and our investors and lenders for their unwavering support.

With this, I now open the floor for questions and answer session. Thank you.

**Moderator:** Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Dandhaj D from an individual investor. Please go ahead. Sir, you may unmute your lines.

**Dandhaj D:** Okay. So I have a couple of questions with me, so I'll just start with the first one. So I just wanted to know the divergence between the top-line growth and the margin performance. So how do you see this margin profile as structurally sustainable going forward?

**Pratik R. Jaju:** I am sorry, I was not able to hear you. Can you repeat your question?

- Dandhaj D:** I am saying, I just wanted to know the interpretation between the divergence between the top-line growth and margin growth. So how do you see this margin profile as structurally sustainable going forward?
- Pratik R. Jaju:** Our top line and the bottom line are very much sustainable. We are focused on the bottom line of our finances and we are focusing by product diversification and everything to maintain our top line and increase our bottom line.
- Dandhaj D:** The current margins are sustainable or the performance we are seeing, like the previous margins are sustainable? So what will the sustainable margin be?
- Pratik R. Jaju:** The current margins are sustainable and we are keen to increase our current margins. Our net margin after tax is approximately 3.5% presently and we are targeting to increase it to 5%.
- Dandhaj D:** Okay, okay. And also do we have any internal benchmarks or you can say operating metrics to track this improvement? Like this should be durable across different industry cycles?
- Pratik R. Jaju:** See, in the textile industry, these margins are up to the industry standards. And as we've just taken over this unit a year back, we are still upgrading and changing the dynamics so as to improve our top margin as well as the bottom margins. Top-over as well as the bottom margins.
- Dandhaj D:** Okay. Also, I wanted to know the demand trends we're seeing with the FDI and how the customer requirements are evolving in terms of specifications, quality or even value-added features?
- Pratik R. Jaju:** Yes, the demand is constantly increasing in the Indian market as well as the international market. Till now, we were catering only to the Indian market and now we are focused to diversify into foreign markets as well and that is why we are focusing on our exports as well. In the Indian market also, due to the FDI and due to the trade deal between various countries, the exports of our finished products have increased a lot and which will help us to diversify into more value-added products and a better margin products.
- Dandhaj D:** Okay, okay. And also, I could see in the last financial year, FY 2025, the company has reported over INR170 crores of exception item in the profit and loss. So, this has a significant impact on the reported profitability for the year. So, I just wanted to know the nature of this exceptional item and whether it is cash?
- Pratik R. Jaju:** Yes, as I just informed in my opening speech, the INR170 crores exceptional items is the amount when we took over, the all the liabilities of the previous owners were waived off. We took over at a certain amount from the banks and the difference in the books when all the liabilities were waived off, so that is the profit of INR170 crores. It's not operational profit. It is the liabilities were waived off when it was given to us. The previous liabilities, when you take over a company from NCLT, all the previous liabilities are waived off and that turns into the profit.
- Dandhaj D:** Okay. And also, what is the current capacity utilization right now?
- Pratik R. Jaju:** Current capacity utilization is over 95%.
- Dandhaj D:** And this is the maximum capacity we can expect in the future?

- Pratik R. Jaju:** No, we are expanding. Yes, with the current infrastructure, this is the maximum capacity, but we are on the -- we are already expanding our capacities. So, yes, we will be expanding our production as well as sales.
- Dandhaj D:** So, how -- like we are already at the highest level of the utilization, so how can we increase our volume? Like let's say if we have a 100 base and we are already utilizing 95%. So, what is the maximum utilization and maximum capacity we can increase in the medium term?
- Pratik R. Jaju:** As I told you, we are expanding, means we are adding more capacities by adding more machineries. And after that, we can expand our capacity by at least 30% to 40%.
- Dandhaj D:** 30% to 40%, okay, okay.
- Pratik R. Jaju:** Yes.
- Dandhaj D:** Okay. Got it, got it. Thank you, sir. That's all from my side.
- Pratik R. Jaju:** Thank you.
- Moderator:** Thank you. A reminder to all participants to press star and one to ask a question. The next question is from the line of Anushri Nayar, an individual investor. Please go ahead.
- Anushri Nayar:** Thank you for this opportunity. So, sir, could you please share management's medium-term plans for exports, including the key market you are targeting, the product segment you intend to focus on, and how exports fit into your overall growth and margin strategy?
- Pratik R. Jaju:** Okay. There is a product which we make, which is called polyester texturized yarn, and there is a good scope of export on that yarn in all of the Asian countries as well as African countries. And we have targeted the Asian countries like Malaysia and -- Malaysia, Vietnam as well as African countries for the same product. Presently, we haven't started exports, not direct exports, but we have started deemed exports to these countries via agents from local India.
- Anushri Nayar:** Okay. So, with ongoing discussions and developments around trade arrangements involving India, the U.S. and the European Union, there is increasing focus on sourcing diversification and man-made fiber exports?
- Pratik R. Jaju:** Yes, but we are a B2B company, so our direct exports to these countries will be difficult. But yes, due to this trade deal, our customers would have requirement of exports and indirectly, we would have good requirements and good opportunities.
- Anushri Nayar:** Okay. So, how does management view the potential impact of these trade dynamics on export opportunities for polyester yarn?
- Pratik R. Jaju:** We expect the rise of at least 10% to 20% in the current exports due to these trade deals, going overall the whole industry.
- Anushri Nayar:** Okay. So, sir, like specifically which geography or product categories do you believe could see incremental demand? And what steps is the company taking to position itself to benefit from any favorable trade outcomes, while managing risks such as pricing pressure, compliance

requirements, and currency volatility?

**Pratik R. Jaju:** As I told you, we are not -- with this trade deal we wouldn't be affected directly in exports, but we would be affected indirectly. We will get opportunities indirectly as our customers who are making the finish fabrics in synthetic market, they would be having opportunities to export and indirectly they would be taking quality raw materials from us to make the fabrics.

Due to the trade deal with the EU as well as the trade deal with the US, many finished products which were getting exported from other Asian countries like China, Vietnam, Bangladesh, Philippines, now India will also have the opportunity to export the same finished products to these countries.

**Anushri Nayar:** Okay, sir. Okay. Thank you. Thank you so much.

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

**Moderator:** Thank you. The next question is from the line of Suman Gupta from Oakland Capital. Please go ahead.

**Suman Gupta:** Okay. Thank you for the opportunity. Sir, renewable energy currently contributes a good portion of your power consumption. And sir, with your plans to increase this further through solar and wind. Can you just help me understand the direct impact of renewable sourcing on power costs and margins? Like, how is this advantage, how does this advantage evolve as energy prices fluctuate?

**Pratik R. Jaju:** See, as per the government rules, we are allowed to install 50% of our current usage of power through renewable energy. That is what we are planning to do. We have already installed a 14 megawatt power plant, solar power plant, and we are planning to install further more. This will help to reduce our power cost overall by at least 25%.

**Suman Gupta:** Okay, okay and sir, beyond energy where do you see the next leg of cost optimization coming from? So will it be from raw material sourcing, logistics, automation or waste reduction? And how material can these savings be over the medium-term?

**Pratik R. Jaju:** Yes. See, we have identified several factors to reduce our cost of production. First comes, power, which I've already informed you. Second, our one of the major cost factor is the interest cost, which we are already optimizing by adding our reserves and we are negotiating, from our suppliers' financial terms by increasing the credit limit they provide us.

And the another point to reduce the cost of production is to increase the efficiency and upgrade the machinery to get more production from the same setup. So that is what we are planning to do the next quarter, by upgrading our machineries.

**Suman Gupta:** Okay, okay. Sir, one last couple of questions, so the company recently announced a fundraise, which is an important development from a strategic and capital allocation perspective. So if you could just elaborate on the primary objectives of the fundraise, including how the proceeds are intended to be utilized across growth initiatives, capacity expansions, working capital or balance sheet strengthening?

- Pratik R. Jaju:** Yes. We have recently announced a rights issue of approximately INR200 crores. I am very sorry to say, the intent of the same could not be disclosed right now as we've not filed a DLO yet. The DLO will be filed very soon, and then the object clause of this amount will be disclosed. But it is a balanced object which will be used in strengthening of finances as well as expansions as well as everything else.
- Suman Gupta:** Okay. And sir, if you could just also share the current status of the, fundraise and the expected timeline for completion?
- Pratik R. Jaju:** Yes. We are expecting to complete this right issue as soon as possible, maybe within the next three months.
- Suman Gupta:** Okay, okay. Yes. Thank you so much, sir. I'll join back in the queue.
- Pratik R. Jaju:** Thank you.
- Moderator:** The next question is from the line of Raj Shah from Star Insurance. Please go ahead.
- Raj Shah:** Yes. Hi, good morning. So my first question is, could you explain the key factors that helped improve margins during this quarter and which of these factors you believe can continue in the coming quarters? Like what would be your approach?
- Pratik R. Jaju:** Yes, the some key factor after we took over is that the first of the factor is that we were able to negotiate good deals from our suppliers. Secondly, we have changed quite a bit of product mix, which enabled us to capture different segments of the market which we were not there, and which helped us improve our margins.
- Also, another cost factor is, as I told you, to reduce our power cost by implementing renewable power and which we have done and we are going to do in the next couple of quarters. And coming to the how to -- how do we expect to increase our margins in the future, we are upgrading our machineries, we are doing expansions, which will help us to cater more markets and we are converting our product mix more to value-added products.
- Raj Shah:** Okay. And sir, how are your customer demand trends shaping up currently and are you seeing any changes in ordering behaviour compared to last year?
- Pratik R. Jaju:** No, the current demand is very good in the market and as we, as I told you, we have introduced many new products in the last couple of quarters and due to that we are having a good demand from all the sectors. And we are expecting a good demand also in the future.
- Raj Shah:** Okay, okay. And what are the main, like major focus areas for management over the next 12 months in terms of operations and growth?
- Pratik R. Jaju:** Reduce our cost as much as possible, introduce new products, convert our existing and introduction of new value-added products to improve our margins, as well as reduce our power cost and other cost.
- Raj Shah:** Okay, great. And as the company moves towards more value-added products, what changes are

you making on the production and marketing side to support this shift?

**Pratik R. Jaju:** On the production side, as we told you, we are modifying, upgrading and adding capacities to increase our value-added products. And as for the marketing, we have set up a marketing as well as the research team who is constantly researching in the market for new products as well as the marketing, we are expanding our marketing team to cater to all the markets.

**Raj Shah:** Okay. And how do you see, like capacity utilization trending over the last few quarters?

**Pratik R. Jaju:** Our capacity utilization was optimum in the last few quarters as well and it will be optimum in the coming few quarters as well. So in terms of capacity utilization, we've always been above 95%.

**Raj Shah:** Okay, okay. Great, sir. Thanks. That's all from my side.

**Pratik R. Jaju:** Thank you. Have a great day.

**Moderator:** Thank you, ladies and gentlemen. Sir, should I close?

**Pratik R. Jaju:** Yes, if there are no more questions, you can close it.

**Moderator:** Ladies and gentlemen, we take that as the last question of the day. And now, I would now like to hand the conference over to Mr. Parth Acharya 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](mailto:research@kirinadvisors.com). Once again, thank you, everyone for joining the conference.

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

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