

SPUNWEB NONWOVEN LIMITED

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(Formerly Known as SPUNWEB NONWOVEN PRIVATE LIMITED)



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Date: May 19, 2026

To,
The Manager (Listing Department)
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051.

Symbol: SPUNWEB

Sub.: Outcome of Post Earnings Conference Call with Investor(s)/Analyst(s)– Transcript.

Dear Sir/Madam,

With reference to our earlier intimation dated May 12, 2026 regarding Schedule of Post Earnings Conference Call and Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Transcript of Post Earnings Conference Call held on Saturday, May 16, 2026 at 12:00 P.M., is attached herewith.

Kindly take the same on your record.

Thanking you,

For Spunweb Nonwoven Limited

Name: - Romit Shah

Designation: - Company Secretary and Compliance Officer

Encl.: As above



Spunweb Nonwoven Limited

H2 & FY26

Post Earnings Conference Call

Saturday, 16th May 2026, At 12:00 pm (IST)

Management team

Mr. Kishan Kagathara, Whole Time Director (Promoter)

Mr. Abhay Fadadu, Chief Financial Officer

Call Coordinator:



Less Hindsight, More Foresight

Capsight Advisors Private Limited

Strategy and Corporate Communication Advisor

Moderator: Mr. Sagar Mehta

Moderator: Good afternoon, ladies and gentlemen. On behalf of Capsight Advisors team, I welcome you all to the H2 and FY26 post-earnings conference call of Spunweb Nonwoven Limited. Today on the call, from the management, we have with us Mr. Kishan Kagathara, whole-time director, and Mr. Abhay Fadadu, CFO. As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risk and uncertainties. Please note that all the participant's lines will be in listen-only mode, and there will be an opportunity for you to ask questions for the opening remarks. Also, ensure that you raise hands to get in line for your questions. Further, a reminder that this call is being recorded. I would now request the management to brief us about the business and financial performance for the period ended March 2026, post which we will open the floor for Q&A. Over to you, Kishan, sir.

Kishan Kagathara: Thank you so much for moderating. Good afternoon, everyone, and thank you for joining us today. On behalf of the entire Spunweb family, I extend a warm welcome to our post-earnings conference call for the financial year ended March 31st, 2026. I am joined today by our CFO, Abhay Fadadu, and the Capsight Advisors team. We truly appreciate your time and continued interest in Spunweb's journey. Let me begin with a brief overview of who we are. Spunweb Group, founded in August 2015, began with a clear vision to develop a premium spunbond non-woven fabric dedicated to the hygiene and medical industries. From our humble beginning in Wankaner, Gujarat, we have grown into one of the largest pure-play Spunbond manufacturers, proudly serving more than 500-plus clients across 15 plus countries. The past year has been particularly transformative. In 2025, we successfully completed the acquisition of Spunweb India Private Limited, formerly a partnership firm, and transitioned into a publicly listed company, a major milestone in our corporate evolution. Today, our manufacturing footprint spans between two entities, that is SNL and our wholly owned subsidiary, that is SIPL, both located in Wakaner. Together, we operate seven production lines, with a combined install capacity of 39,140 metric tons per annum. Supported by advanced cleanroom facilities and ISO online in-house quality control lab, we continue to deliver high-performance fabric for critical sectors, including healthcare, hygiene, agriculture, and packaging. Strategic execution remains centred to our growth. We recently commissioned our 3.2-meter single S line and 1.6-meter single S production lines, enhancing our ability to meet rising demand. In line with our commitment to sustainability and cost efficiency, we have also commissioned 6.5 megawatt of ground-mounted solar power plant across the group, in addition to our rooftop installation. This investment not only supported decarbonization, but also meaningfully reduces long-term power costs. On product front, we continued to diversify and strengthen our offerings. Spunweb now provides 6 key fabric types, that is, hydrophilic, hydrophobic, UV-treated, super soft,

FR-treated, and anti-static fabric, catering to a wide range of end markets. The hygiene sector remained our largest vertical, contributing over 50% of the revenue, followed by packaging and medical applications. Turning to our financial performance, for financial year 2026, it has been a year of strong and profitable growth.

On a consolidated basis, our revenue from operation grew by 22.22% year-on-year to 324.48 crores. Our EBITDA increased by 39.80% to 55.98 crores, with the margins expanding 149 basis point to 7.11 percentage. Our profit after tax stood at 23.07 Crores, reflecting a robust 54.73% growth over FY25. The second half of year was particularly robust, with consolidated revenue of 188.08 Crores and PAT of 12.33 Crores. Looking ahead, our strategy is clear and focused. We aim to expand our market presence by entering new end-user industries and strengthening our global footprints through a participation in international trade exhibitions.

We will continue expanding our product portfolio by adding value-added lines while optimizing capacity. Utilization across existing facilities to capture new customer in the new high growth sectors. With a comfortable net debt-to-EBITDA ratio, a strong net worth position, we believe Spunweb is well-positioned to capitalize on structural volume growth in the non-woven fabric market, both in India and globally.

Thank you once again for your continued trust and partnership. We are now ready to take your questions. I will now hand over the floor to moderator for the Q&A session.

Moderator: Thank you, sir. We'll now begin with the Q&A session. Request participants to raise hands for joining Q&A queue, and let's wait for a minute.

Yes, first question is from Archit Agarwal.

Archit Agarwal: Hello?

Moderator: Yeah, Archit, please.

Archit Agarwal: Yeah, am I audible?

Moderator: Yes.

Archit Agarwal: Yeah, so the company has commissioned 3.2S and 1.6S production lines, so can you elaborate more on how this will contribute to the revenue?

Kishan Kagathara: Yes. So, we have installed two, this new line. One is 3.2 Single S, and one is 1.6 Single S line. That will give us a revenue of approximately 80 to 85 Crores on a yearly basis.

Archit Agarwal: Okay.
And, what, can we expect the margin increment from this?

- Kishan Kagathara:** So, basically, these lines are dedicated for the packaging sector. So, we can expect the margin to be slightly higher than what we are achieving, currently.
- Archit Agarwal:** Okay.
And the company has also, started the 6.5 MW solar power plant. This will also contribute in the margin increment?
- Kishan Kagathara:** So, altogether, the margin would be slightly increased from what we are experiencing this year.
- Archit Agarwal:** Okay, and Can you tell how much we can decrease the cost from the 6.5 MW solar power plant?
- Kishan Kagathara:** So basically, this 6.5 megawatt is contributing to 50% of what we are utilizing the electricity units. So, it will reduce the usage of electricity unit by 50%.
- Archit Agarwal:** Okay.
- Kishan Kagathara:** Yes.
- Archit Agarwal:** Okay sir, Thank you.
- Kishan Kagathara:** Thank you so much Archit.
- Moderator:** Okay, the next participant is, Anant Jain.
- Anant Jain:** Thanks for the opportunity, sir, and congratulations on a good set of numbers.
I actually have a lot of questions, and I wanted to visit and meet you also but I don't think I mean, I've reached out to the company secretary, but for some reason, I don't know that meeting could not be set or I don't know what happened there, the logistics of it, but I have a lot of questions, so I'll just go ahead with that.
- Kishan Kagathara:** Okay.
- Anant Jain:** The first question that I have is, what we have seen in the growth, that we have seen in this quarter or this half year, how much of it is volume-driven and how much of it is like pure value? Because what you have seen is PP prices have gone up significantly. That is the first question, and along with that, the second question is, what ability do we have in terms of our understanding with the clients to pass on any increase in the RM?
- Kishan Kagathara:** Okay, so I will give you answer to your second question first, regarding the price volatility in the PP. So, basically, with all our customers, we are understanding that all the PP volatility will be passed to the customer and that is directly given to the customer. So, it can be absorbed by the clients directly. And this is just for the one month of the volatility that we are experiencing right now. Otherwise, the market is running on a stable basis.
- Anant Jain:** Okay, great.

So, what you are saying is that except for that one month, the prices have again normalized. Is that, like, a fair.

Kishan Kagathara: Going down, it is. It has not completely reached to the bottom level which it was previous to the war situation, but now the overall, the hype and the hike is now going down to the normalisation.
Still, there is uncertainty into the market, so because of that, we are still seeing such kind of hike, but I think once the situation will go down, it will come to the normalisation.

Anant Jain: Okay. And we have a pass-through understanding, so we do not have to worry about price increase or fall.

Kishan Kagathara: No, not at all, not at all.

Anant Jain: Okay, I think that is a good strategy, I think. The second question that I have is, you know, if I remember right, all the SNL lines that we have currently operating are sourced from China.

Kishan Kagathara: Yes.

Anant Jain: And the new single beam lines, the 3.2 plus 1.6, which got commissioned in Jan 26, are also sourced from China?

Kishan Kagathara: Yes, sir. Our all 7 production lines are sourced from China.

Anant Jain: Okay.
So, what I have seen is, like, you know, I mean, from my understanding, there is one Ginni filaments, which I know does spun web, and they make tissues.
And then there is in South, there is a Precot, which does cotton spunweb. Again, their lines are majorly European, Italian lines, so why did we go with the Chinese lines? Any difference that you can see, quality or... why would anybody go with European lines? Because they are like quite expensive compared to the Chinese. Or is there, like, you know, different kind of, for example, for making tissues, you need a different kind of line or for making what Precot does, you need a different kind of line-cotton based. I mean, anything on that. Why?

Kishan Kagathara: Yeah, I completely understand your point, and you are absolutely right that Ginni filament and Precot, they are experiencing and purchasing lines from the Germany, but I'll give you a brief introduction of what is non-woven fabric.
So, there are several different types of non-woven fabrics are there out of which we are catering to a particular segment called spun bond. So other, there is a spunmelt, there is a spunlace, there is a hot air through. These are the different varieties of the spun, like, varieties of the non-woven that are available into the market.
For all these, the different raw materials, different technologies, different types of machinery are required.

Now, if I talk about the spunbond category, majority of Indian players are using Chinese line, because nowadays Chinese is also having a good quality machinery. But when we talk about the Ginni filament, they are majorly dealing with the spunlace fabric which is used for the wipes and the, like, you are talking about tissues, right? So, they are made up of the whiskers and the cotton and riocin and all that fibers they are manufacturing, while we are manufacturing for the polypropylene granules. So, there is a huge difference between both the technology. So, if anyone is looking to have the investment for the spunlace category, they might go for this German technology, or they can also go for the Chinese technology. But when we talk about the spunbond category, majority people prefer to have Chinese because of the low investment cost, because you have a variety of sectors to cater.

Anant Jain: Okay, great, sir.

Kishan Kagathara: I hope that is clear.

Anant Jain: That's a great answer. Makes me understand clearly, like, you know, spunlace versus spun bond versus other categories requires different kind of.

Kishan Kagathara: One more thing that I am not aware that you were trying to reach and wanted to visit our factory, but as you might know that we are participating in various exhibitions in the first half of the year. So, what happens that, currently we are also, today I'm traveling to Switzerland for one of the largest exhibitions held in Geneva Which is called INDEX. So, because of our tight schedule in such months, we could not be able to fix, if you have applied for this visit, but we can reconnect, and you can visit us anytime. We are more happy to welcome you at our facility.

Anant Jain: That would be very, very helpful.

Kishan Kagathara: Yes, Yes.

Anant Jain: So, I mean, so the next question that I have is, because I've been observing this entire spunlace industry, or now the spunbond industry, like non-woven, basically.

Kishan Kagathara: Yes, exactly.

Anant Jain: So, what has happened? Like, let's say if I were to discuss Ginni, right...Like, Ginni recently had a very, very large contract, which came for wipes for them from one of the international majors. Like, the order size was around 100, 120 crores annually.

Kishan Kagathara: Okay.

Anant Jain: Okay, Johnson & Johnson, by the way. So, they got this 120 crores order. It's mentioned in the trading report of Ginni. If I were to look at Precot, they have a very large order coming from, or

they have a very large understanding with a company called Medline in US, which is a distributor.

Kishan Kagathara: Okay.

Anant Jain: Now, are we, like, you know, and are we looking... and most of these are, you know, China plus one kind of an arrangement where we want to shift away. So, in our case, where we have these, you know, hygiene-related products, do you think that any such opportunity can arise?

And, you know, Medline, again, is very interesting, because Medline is a US-based distributor and for smaller companies which supply articles of goods to US, you need these kinds of distributors to supply across various retailers and to across various states, because we can't set up our own distribution network in US. So, are we working on any such arrangement with large US distributors?

Kishan Kagathara: No, I completely understand your point. So, regarding Precot, I'm not aware about what actually their operational functions and what the product they make, but if I know the Ginni filament, and also, I know the Medline.

Anant Jain: They make these cotton wipes, which are used to remove makeup and cotton balls.

Kishan Kagathara: Yes, exactly. That's what I'm saying. This is a different segment, and when we talk about the Spunweb's category that we deal in, we majorly deal into the hygiene products, like diapers, sanitary pads, adult care, pet care. So, you must agree with me that one of the biggest markets for the hygiene products would be in India in upcoming years, because of the awareness that our government is spreading all over the rural areas, the movies that we are seeing, like Padman and all other things. So, the hygiene awareness and sanitation are increasing day by day. So, I think India would be a much larger market for the category called spunbond, or the fabric that is used into the hygiene production for babies, sanitary pads, and all those applications.

If I talk about the market in USA, so we had a customer, many customers in USA in the last financial year. We were supplying quite a good quantity to the US market, but because of the uncertainty that we were observing from the tariff and all that situation, so we currently are waiting for a good time to come for any such kind of new product exploration. Currently, what we see is the robust demand into the Indian hygiene market, and we are dedicated to that as of now.

Anant Jain: So, okay, next question purely on the products. I'm sorry if there are other participants, because I have just a long, long list of questions.

Moderator: We have got other participants also, but you can ask this last question, then you can write to us also, we'll respond to you back.

- Anant Jain:** I mean, writing would be difficult, because this is a very nice discussion, maybe if you could set up a meeting outside.
- Moderator:** Sure, we will set it up for you. So, you can definitely go ahead with asking another question, and then I think we'll go to the next person. Please.
- Anant Jain:** So, in our case, like, you know, we have, line 5, which is at 80% utilization, and line 6 and line 7.
When you say 17% and 22% utilization, are you talking of exit quarter utilization, or exit month utilization, or you are talking of, like, you know, what do you mean by utilization there? Because they just came up now, and when do you think that we can reach, like, you know, 80% plus utilization on line 6 and line 7?
- Kishan Kagathara:** That is really a good question, and in line with our production. So, as you know that, this line 6 and 7 was commissioned and came into production in this year, starting of this year only. So, what we are giving the data of utilization is overall.
So, your question is in how long we can reach up to 80% or 85%. So, that would be around one and a half year, one or one and a half year. We tried to make it before that, but to be on a practical side, it would take around one and a half year to reach up to 80% or 85% of the capacity utilization.
- Anant Jain:** So, you can for both lines, by Q4 of FY27, we should be expecting them to reach, 80% utilisation.
- Kishan Kagathara:** Yes, 80%.
- Anant Jain:** So, just one last question that I will squeeze in, and after that, you can ask other participants.
- Kishan Kagathara:** Yes, yes.
- Anant Jain:** One cause of concern is, like, you know, our receivable days, which have gone up significantly versus historically. I think, any reasons for that? Like, you know, our working capital looks a bit stretched compared to, let's say, last year, March 25.
- Kishan Kagathara:** Yeah, I think there is nothing unusual in that. I have a few points that will support to this thing.
First of all, that we are utilizing our unutilized capacity. So, overall, like, I'm talking about hygiene, which was underutilized last year, so if we are increasing the hygiene capacity up to the 80% or 85%, I need to add certain level of new customers for us. They have a different SKUs, so if you know in hygiene, like, if I give you an example of diaper, they have small, medium, new born, large, XL, different sizes. So, when we have a deal with any new customer, we have to set a, like, a fixed quantity in our stock for different SKUs.
That has also gone up because we are utilizing our underutilized capacity and credit. Because all the hygiene customers start with

the 90 days credit. So that is also an affecting factor into our line of business.

And for in order to produce this, we need to also procure raw material to produce such kind of quantity. So, all these three parameters are affecting my credit days overall. So that's why you are seeing around 78 to 79 days of the credit period.

Anant Jain: Working Capital.

Kishan Kagathara: Yes.

Anant Jain: Okay sir, I will wait for other people to ask the questions. I will wait in the line.

Kishan Kagathara: Thank you. Thank you, Anant ji.

Anant Jain: Thank you.

Moderator: Yes, the next participant is Mr. Mahesh Attal.

Mahesh Attal: Hi, it's a good set of numbers, many congratulations to you.

Kishan Kagathara: Thank you, Mahesh.

Mahesh Attal: So, in line with what Anant has asked. I would like to take that forward, and just, I was looking at that, the two lines. So, hardly the capacity, what you can, what you have added with these two lines is, you know, 6,000 to 7,000 tons, right? How long, how exactly, how much time does it take for you? Suppose you want to go ahead with line, another line, say line 8, what are the lag times that you require? I mean, how much time does it take for you to add another line? And, you said one and a half year times it takes for you to ramp up the capacity, but how much time for you to get the line, and do you have the infrastructure ready? And how much... how many lines you can actually add in the existing infrastructure.

Kishan Kagathara: So, yeah, that's a really good question. So basically, in order to achieve 80-85%, as I explained to Mr. Anant ji, that it would take around one or one and a half year to reach to the maximum capacity or utilization capacity of 80-85%. Now, regarding the new investment of Line 8, we usually decide, it depends on the type of the sector that we would like to cater, and the demand that we are getting for the various sectors. So, it is not pre-decided that we will go with this particular line. We decide when we are about to utilize the underutilized capacity. So, all the lead time depends on and vary according to the type of the investment that we are doing. And regarding the infrastructure, so whatever, usually in our line of, in the... I'm talking about the non-woven sector, so it takes around one or one and a half year or, one and a half year of the lead time for the especially machine manufacturer.

So, I think that is quite enough time for any kind of new infrastructural setup. And there are possibilities also that instead of doing investments, we can also go for the acquisition or any kind of other thing to enhance our production capacity. So, there are various options available, but company and management decide at the right time and at the right value and right market demand.

Mahesh Attal: So, with... again, I would like to understand the line mechanism in this. So, each line, is different from the other line?

Kishan Kagathara: So, our all lines are dedicated for various sectors. So, when we say we came up with the two lines for the packaging sector, we cannot supply material from that line to the hygiene sector. So, for you, the all lines will be similar by visually, but for us, all lines have a various component that is affecting the quality of the product according to the need of the sectors. Yes, so all 7 lines are different for the different sectors and products.

Mahesh Attal: Okay, and Sir, the margin profile of our different product lines. So, with these lines 6 and 7 ramping up in this FY27. So, this line 6 and line 7 are catering to what sector? Is it hygiene, which is high margin product, or it is a lower margin product?

Kishan Kagathara: It's a medium margin product for the packaging sector, I would say.

Mahesh Attal: Can you quantify the margin profile of this line 6 and line 7, sir?

Kishan Kagathara: Sorry, can you repeat again?

Mahesh Attal: Can you quantify the margin profile of this Line 6 and Line 7 product line?

Kishan Kagathara: So, basically, it would be lower, around 1% from what we are seeing overall, around 1% or 1.5% from what we are having in the full-year consolidation.

Mahesh Attal: Okay.

Kishan Kagathara: Compared to Hygiene.

Mahesh Attal: Okay, okay.
Now I'll just come back, and I just want to understand each line, does it require dedicated resource or dedicated manpower? And if that is the case, then why have you not planned a line of higher capacity? Because I could see that you're planning of 4,000 tons and 2,000 tons. Is that the maximum capacity that line gets, or there are other manufacturers who can manufacture in China, obviously, who can give you more capacity line? How do I understand this?

- Kishan Kagathara:** Yeah, so to give you answer for that, why we have opted for two different sizes? It is not about the capacity of the line; it is about the size of the line.
Now, my 1.6 and, like, 3.2 line are dedicated for the various products in order to reduce the wastages and selecting for the single S line is dedicated for the packaging sector, because the type of the fabric that comes out of the single S line is different and suitable for the packaging sector. And going for this kind of capacity, higher capacity would go with the hygiene and medical sectors.
While if I talk about the packaging sectors, it is optimal, as of now, available into the market for the good quality product. If we change and do customization into the type of the quantifying more into the capacity, it might affect the quality parameters according to the supplier side.
- Mahesh Attal:** Okay, so now I'll just break... I would like you to break up this 39,140 metric ton per annum capacity into, let's say we put 3 brackets to it.
Let's say product with higher margin, capacity with higher margin, with a medium margin, and with a lower margin.
Can you just quantify out of 39,000 metric tons, how much would be the higher margin?
- Kishan Kagathara:** I don't have a ready number, but allow me one minute, and I'll let you know. Just a minute.
Yeah, so Mr. Mahesh, regarding the, your three-segment category, higher, medium, and lower, 50%, or around, slightly above the 50% would be higher margin, that is our hygiene category. And in lower and medium category, it is completely depends at the type of the demand, because if I talk about the agriculture, it falls into the medium category of the margin, but it is a seasonality, it is, it has a seasonality to the business. So, if I talk about it throughout the year, then it would be around majority of the medium plus lower margin products in the remaining 50%.
- Mahesh Attal:** And on a blended basis, you're able to get 17-18% EBITDA, is right assumption, right?
- Kishan Kagathara:** Yes.
- Mahesh Attal:** And do you still have a fungible capacity in the hygiene sector? Or you can produce more value-added product to take these margins upwards. What are you guiding for FY27, sir? Margin profile?
- Kishan Kagathara:** So, margin profile. So, first of all, we will utilize the underutilized capacity of the, all of our machines in order to increase the margin, because fixed cost would remain same right? And also, what we usually do, that if I'm running out of the capacity in particular sectors, first of all, I try to do outsource from the, with my recipe of the product, from other manufacturers having the similar kind of facility to produce such kind of high-quality product. And if, if I got that so, I can be able to use that kind of capacity to

enhance my revenue and the PAT margins, and after getting certain kind of confidence from the customer regarding the quantity, I would go for the next expansion if required.

And value-added will be done when the time is suitable for the market, because currently we are observing a trade war, we are observing a war situation in Iran, so it is very unpredicted market as of now, and most of the value-added products are able to do export in the foreign countries. So, seeing current scenario, it is a difficult time to enter into any kind of new value-added product line.

Mahesh Attal: Okay, now I'll come to the raw material side, sir.

Moderator: Mr Mahesh, sorry.

Mahesh Attal: I'll come back. I'll come back.

Moderator: Yes, sir.
So, I'll move on to the next participant. The next question, is from Pranav Singh.

Pranav Singh: Hello, am I audible?

Kishan Kagathara: It's audible.

Pranav Singh: Okay, thank you.
So, I wanted to know, a very basic, you know, breakup of the revenue in terms of our products like, you know, hygiene, or maybe subcategories in hygiene, diapers, etc, and all the other categories, so that I better understand, you know, what we sell, and their margin profile, if possible, EBITDA margin profile.

Kishan Kagathara: Yeah, so in terms of revenue classification, so about 50% of our revenue are generating from the hygiene business, around 28% to 30% revenue are generating from the packaging and, like, commercial business, and remaining 20% would be from the other sectors.

Pranav Singh: Okay, and, you know, what kind of product would it be in packaging, if you could give, in detail?

Kishan Kagathara: So, when I talk about the packaging, it can cover varieties of products, starting from the shopping bags, you can say grocery bags, you can consider dust covers for the electronic appliances, you can say aprons, you can say suit covers, shoe covers, varieties of applications are there when we talk about the packaging. And the reason of keeping this all product into the packaging is because some of the manufacturers of these end products are buying our rolls from the different packaging suppliers. So, they buy a huge quantity from us, and they sell a small quantity to this, all these manufacturers. They keep all this product into the packaging for this reason only.

Pranav Singh: Okay, and what will be our major products in the hygiene segment, and the other segment also, if you could give me an idea?

Kishan Kagathara: Yeah, so regarding the hygiene segment, baby diaper would be one of the largest segments into the hygiene, followed by adult care, femme care, and pet care. And for the other sectors, I would say agriculture. So, in agriculture, we supply our fabric for crop cover, fruit cover, all that thing. Like, you might have seen the banana covers, you might have seen the dragon fruit covers, or farm field covered with the fabric that is non-woven fabric. And this is called technical farming, which is very popular and growing in nowadays.

Pranav Singh: And what would be the broad margin profile, if you could give off these three.

Kishan Kagathara: So, as I mentioned that, the higher margin profile is of hygiene, and slightly lower, let's say, a half percent to 1% would be for the agriculture, and one or one and a half percent lower from the hygiene would be packaging.

Pranav Singh: Okay. And what would be our plan, let's say after 3 to 5 years, you know, whatever we have visibility, what kind of revenue mix would we like to have, or we plan to have?

Kishan Kagathara: So basically, we are, like, for 3 or 5 years, it completely depends on the type of the investment that we will do in upcoming years, but going forward for, let's say, 1 or 2 years, we can say that we will try to maintain the revenue growth by what we are seeing this year, and we will try to make it slightly higher into the PAT margin in upcoming one to two years. But it is very hard to commit anything as of now for 3 to 5 years, because it is completely dependent on the market, and the segment, and the sentiment of the people. If the higher gen market will grow up, then we'll do definitely our investment in hygiene. If our other sectors, like agriculture or packaging sectors grows, then we have to think in that way. So, it completely depends on the type of the sectors.

Pranav Singh: And my last question is regarding, do we have any long-term supply contracts, or, you know, we sell them as is basis?

Kishan Kagathara: So, we in our line of business, there are no such a long-term supplier contracts, because our product is dependent to the price of polypropylene. So, our customer, majority of our customer is based on the recurring business, not like EPC that they get, on a project base. So, in every monthly base, our customer issues a PO to us, or some of the customer may issue PO on a quarterly basis, but not more than a quarter period that we get any kind of, book on the, in this order.

Pranav Singh: Thank you, and good luck to you.

Kishan Kagathara: Yeah, thank you, Pranav.

- Moderator:** Thank you. The next question is from Mr. Aakash Jajoo.
- Aakash Jajoo:** A very good afternoon, Kishan ji. And congratulations to you and Spunweb team on the great set of results.
My questions are directed more towards the product, so just wanted to start with a simple one. Since we are reporting half-yearly results, so just wanted to get a sense on the quarterly seasonality of the business. Is there any seasonality associated with our products?
- Kishan Kagathara:** So, earlier in the non-woven sector, there were a seasonality, depending on to the type of the festival or monsoon season, like that, but nowadays, because of the premium product demands grew day by day so, the seasonality is going to minimize day by day, but earlier we were seeing seasonality in hygiene, which nowadays we are experiencing, let's say, 11 months of demand in the hygiene sector. So, this seasonality is going down day by day.
Yes, if I talk particular about the agriculture, then agriculture have a seasonality in their business, because it starts after the monsoon, and it lasts until the Feb or March.
So, agriculture has a seasonality, and if we talk about the packaging, so earlier it was dependent on to the festivals. But nowadays, you know that people are traveling 12 months a year, because everyone is travelling everywhere throughout the year. So, that has increased the use of the non-woven product on various segments. And as I mentioned earlier, we consider many products into the packaging sectors. So packaging is also now not a seasonal business for us.
So, and currently, you know that government has implemented plastic ban on many products. So, that is also boosting non-woven fabric demand into the market. So, considering all this factor together, the seasonality is becoming very low, and it is strict to particular sectors, like agriculture.
- Aakash Jajoo:** Alright, sir.
Just continuing on that point, actually, since our product is also plastic-based, so just wanted to get an understanding whether our finished products are recyclable, or the wastage generated is also reused.
- Kishan Kagathara:** Yes, it is manufactured from polypropylene granules, and it is considered as one of the types of plastic, I must say, but regarding the landfill, it depends on the type of the product that we are seeing. If we talk about the hygiene sector, then used diapers are from the, like, is going to have a landfill, definitely for sure. But if we talk about the plastic bags, or compare with the non-woven bags, then single-use plastic was earlier a completely landfill, while non-woven bags are recycled. It is recyclable also, but it is reusable. So that's why, people considered it as a, and comparing this non-woven fabric bag as a clothes bag, and they're reusing the same thing, again and again, compared to the single-use plastic.

Aakash Jajoo: Alright, so it's definitely better than the single-use ones, since it's reusable.

Kishan Kagathara: And that's why Government is promoting this things. One of the biggest things is that if there is any online wastage generation is there during the production, we can do online recycling into our production itself, so the wastage ratio is quite lower if we compare with the single-use plastic.

Aakash Jajoo: Alright, sir.
And just a last question from my side, like, since there are some biodegradable options available now, I think PLA polylactic acid, is something I've heard. So, what's your uptake on such alternatives, and whether you have something in plan for using them in the future?

Kishan Kagathara: It is a really good question when we talk about the sustainability. So, as you know that we are a manufacturer and B2B player, we are not into B2C category. So, whatever the use of these biodegradable or sustainable products is completely dependent on the ARC and consumers. Now, if to give your answer for the particular questions, yes, there are certain kind of oxo-biodegradable materials are available, but it is not drawn into the market, and market is having a huge number of side effects of biodegradable in terms of cost.
So, if I talk about the particular diaper thing, then, in diaper, there are 7 to 8 different raw materials are being used. So, even if I give a 100% biodegradable raw material to the diaper manufacturer, there would be 6 to 7 other non-biodegradable material, which makes the diaper non-biodegradable product. And it will increase the cost of the product significantly because government can think on one side at a time, either to promote a hygiene into the rural area or to make this product biodegradable. So, in choosing one, government has, like, guiding and spreading awareness into the rural area right now, because there is no such biodegradable, 100% options are available. So that's why, and if I talk about the shopping bags, then, like, shopkeepers or malls has to give it on a free-of-cost basis. So, ultimately, no one would spend that much higher price than what they are currently purchasing.
So, unless and until PLA or biodegradable raw materials are not available into the market on a cheaper price, it is very difficult to use as of now, but ultimately, we are a B2B manufacturer. If such certain kind of demand is arising in upcoming future, then we are happy to use into our products and facility, and if required any such kind of changes into our machinery, we shall happily do so.

Aakash Jajoo: Alright, sir. Thank you so much. Good luck for the future.

Moderator: Yes. The next question is from Mr. Jigar.

Jigar: Hi Kishan, very, very congratulations on good set of numbers. Just a few questions I have, I think around 2-3 questions I have.

One is on the customer concentration. So, I would assume we do not have a very concentrated customer. You mentioned on the investor presentation, it's a very large list of customers you have. But just to understand on the hygiene side, what would be generally the ratio of the top 1 or top 3 customers in terms of the revenue?

Kishan Kagathara: So, if I talk, you need particular for the hygiene sector, right?

Jigar: Yeah, hygiene and overall, whatever, whichever was.

Kishan Kagathara: So, if I give you the number of overall, then our top 5 customer percentage would be around 15%, while if I talk about top 10. Sorry, just a minute.

I'm talking about SNL, consumers, so if I talk about particular about top 5, then it would be around 15%, and if I talk about top 10 per person, like, consumer, then it would be around, around 25%.

And I do not have ready numbers available for the particular hygiene customers, but you can drop me a mail and I'll revert back to you with the exact numbers for the top 3 customers in the hygiene category.

Jigar: Got it, got it. And what percentage of our revenue for this year would be from our existing customers as of last year?

Kishan Kagathara: I am sorry, but I don't have ready exact number with us, as majority of our business come from the recurring business, and we are not seeing any new customer in that much quantity. So, 80% of our revenue is from the existing customer, I must say. 20%, I would say, exact number, to you. You drop me an email with these two questions, and I'll come back to you with the exact numbers.

Jigar: Sure. And, and just, now just on the questions in terms of competition. Now, I think, you mentioned that, obviously, we just wanted to understand better in terms of the overall industry, because I think previously, also, a few of the participants had asked questions with regards to other companies, etc, where within the overall non-woven segment also, there are multiple smaller, smaller sub-segments into it, right? And we focus on the spunbond fabric, and you know, and so on and so forth. So, if you can help me better understand in terms of in India, in the demand which we are currently, and I think you have also alluded to that fact that India is a big market and growing market for this segment. Now, for that, in India today, what would be broadly the market size from a manufacturer's perspective? And for that, how much is getting imported and how much is being domestically being served today?

Kishan Kagathara: So, I think, regarding the imports factor, if I talk particularly about this spun bond category, such large imports, are available into India, because there are so many, local players are available catering to the domestic demand.

So, I would say people are now preferring from India itself, because day by day, the existing customers, like existing suppliers are expanding their capacity. So, they are catering from their capacity, but as you know that now China, like, because of BIS and all that thing, the import of diapers and everything has shut, so now the production of a diaper is going up in upcoming years into India, so definitely there will be a huge market for the hygiene sector in upcoming years.

And to give you numbers, but I have numbers with me on a global non-woven demand basis. So, if I talk about the FY29 projects and forecast, then it would be around 40.77 billion USD. For particularly non-woven sectors of hydrophobic and hydrophilic, and to give you a number of the growth percentage of Indian non-woven fabric demand, then it is growing with the 11% of CGAR rate.

Jigar: Right. So we are, so I think we are growing at way better than the CGAR, which Indian market is growing, right, today.

Kishan Kagathara: Yes, exactly, sir.

Jigar: So that is, that means that either we are, we are gaining market share from the domestic competition, or it is basically imports which are being substituted by our.

Kishan Kagathara: Majority that we are gaining from the domestic market players, and also, as you know, that there will be a chance that if local manufacturer is having a good quality and a better supply rate, then people would prefer to have a local buying than actually rely on to the imports. So, definitely, this both of the factors are affecting the market share that is Spun Web taking into the market.

Jigar: Got it, got it. And just last question from my side. Now, given we have an excellent set of growth, and going forward, also, we are projected to grow at a very good rate. With that given, if I were to extrapolate the growth which you have mentioned, you should have utilized fair amount of your lines by this year end. Or, you know, I think you should have some plans of expansion too, right? So, what would be your way of expanding? Because today, given the current working capital cycle, it seems like your internal accruals may not be useful for expanding from your internal money. So how do you, would you plan appropriately for expansion?

Kishan Kagathara: So, as you, yeah, so as you know that we are into this non-woven sector for quite a long time, right? So, always, we keep, let's say, 3 or 4 production lines into our mind, and we always try to deliver more than what we commit. So, obviously, I have 3-4 plans into my mind, but which one to choose, it depends on the right set of demands generated into the market and also, depends on the profitability, at what we are getting it. I would always select a good profitability and the demand when selecting a right set of line for the expansion. So, yes, the figures and the numbers for that

particular expansion can be decided depending on the type of the line I select. And there might be internal approval available for the expansion, and as you know that in non-woven sectors, government like, it falls under a technical textiles sector. And government is benefiting this sector by, availing the subsidy. So, in order to avail that subsidy, we need to have a bank loan. So, ultimately, your question for the internal accrual can be answered by this bank loan and at the time of the expansion.

Jigar: Got it. And what is the subsidy rate?

Kishan Kagathara: So, it is 20% on the capital investment, capital subsidy, and it is also, government is providing benefit onto the PGVCL electric unit rate, it is 1 per 15%. On, PGVCL thing, and there are 4 subsidies that is government is providing on this.

Jigar: Got it, got it.

Kishan Kagathara: Yes.

Jigar: Alright, thank you so much, Kishan, and I think congratulations, and all the best for the going forward.

Kishan Kagathara: Thank you. Thank you.

Moderator: There's also one question from a participant in writing. What is the impact of the recent war on our supply chain or products? Any, pertinent disruption?

Kishan Kagathara: Definitely.
So, as you know that any, like, we also do export and import, into our day-to-day operation. So, definitely, it will affect the operations, but not in terms of revenue, because we always diversify our business in terms of various countries and the domestic demand.
Why we always choose export? Because of the demand that we are getting from the export, and the quality product and profit margin that we are getting from the export customers. But when we are getting the similar kind of thing into India, then we would definitely go for that. And because of that, we are not seeing such kind of huge destruction in the numbers that we committed earlier.
And regarding the supply of the raw material, there is no such kind of destruction we are experiencing from this war, because we always segregate our supply from various countries, like Singapore, Saudi, and also around 50% of the users we prepare from the local, domestically.
So, because of such kind of thing, we are not seeing any kind of disruption in the raw material side.

Moderator: Okay, and there is a follow-up question on the same lines, pricing pressure due to crude and its derivatives will affect our margin, going forward. Is it so?

Kishan Kagathara: No such kind of thing is experiencing in the margins, because in our line of business, we usually pass this kind of volatility directly to the customers, and it is a said practice into the industry, that if the PP price goes up, then the price of the non-woven fabric goes up, and if the PP price goes down, then the price of the raw material, like, non-woven fabric, goes down. And customer is nowadays having earlier information than what we are getting here, so it is directly passed on to the customer.

Moderator: Okay, thank you, we will move to the last participant question. The next question is from Hetarsh Pathak.

Hetarsh Pathak: Hello, am I audible?

Moderator: Yes.

Hetarsh Pathak: So, continuing the question regarding the raw material, I had a question that in your Red Herring Prospectus, which I read, as I can see that 65% of the total purchases are from top 5 suppliers, but still, we do not have long-term agreements or arrangements regarding such suppliers. Can you please spread some light?

Kishan Kagathara: Yeah. So, as you know that, like, we usually keep the ratio of domestic versus import on a 50-50 basis. So, if I talk about the 50%, that is top 5 of the raw material supplier, so that are from the import. And in the import, they usually, do on a block basis. So, if I want to purchase anything, it is on the spot price basis, because they usually don't keep on the MOU thing. So, because of certain things, sometimes we also get benefit because of the block bill. So that's why, we are not having, any long-term supplier contract with international clients, because sometimes we also get benefit from the locally, because currently in the situation of war, as you know that the freight charges have gone up. So, it will directly affect the price of my raw material. So, it is better to procure largely from the local market in current situation, but when everything was stable, we were getting benefit from the import thing. So that is why we don't keep, or they don't provide any MOU from the export market, like, import market. But if I talk particular about the domestic market, we have certain quantity of MOU from the local suppliers, like Reliance, IOCL, and all that, for the one-year period time. But as you know, it completely depends on the type of the year that we are talking about.

Hetarsh Pathak: Okay, so very well explained, sir.

Kishan Kagathara: There are only a few suppliers available in India, with whom we already have the long-term one-year contract on a MOU basis.

Hetarsh Pathak: Okay, okay, very well explained sir. My last question was regarding Cigate Consumers Private Limited. As I can see that we have acquired 51% stake of the company. So, what is the management planning ahead in the business area?

- Kishan Kagathara:** Yeah, that is really a good question. So, in terms of Cigate Consumer Private Limited, so that is, Spunweb Nonwoven Limited is having 51% of the stake into that company. Now, this Cigate company is what they are doing because of our continued supply into the hygiene sector, we have a good set of relation with the old hygiene players manufacturers. Now, this Cigate is dedicated for the export clients only, so we will be catering this end consumer product to the export countries, particularly for the end products. So, we will be locally, sourcing all this product and supplying to the export customers.
- Hetarsh Pathak:** Okay, sir.
- Kishan Kagathara:** In order to explore the B2C segment, we are dealing with the Cigate and procurement of these end products and selling it to the export market.
- Hetarsh Pathak:** Okay, so I understood the business plans going ahead and congratulations for your great year and all the best for future. Thank you.
- Kishan Kagathara:** Thank you, thank you so much.
- Moderator:** Thank you.
Sir, you can give your closing remarks.
- Kishan Kagathara:** Yes. So, thank you everyone for your time, and for the confidence you continue to place in us. We do not take your trust for granted. Our promise is to stay focused, stay grounded, and keep strengthening the business step by step. With your support and our team's dedication, we believe the best chapter of Spunweb's journey are still ahead of us. Thank you, everyone.
- Moderator:** Thank you sir and thank you all.
This concludes the post-earnings conference call of Spunweb Nonwoven Limited. You may now disconnect. Thank you and have a pleasant day.