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**26<sup>th</sup> May, 2026**

**BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001  
(Maharashtra)**

**National Stock Exchange of India Ltd  
Exchange Plaza Bandra–Kurla,  
Bandra (East), Mumbai–400051  
(Maharashtra)**

**Scrip Code: 503722**

**Symbol: BANSWRAS**

**Sub: Transcript of Q4 & FY 26 Earnings Call held on 20<sup>th</sup> May, 2026.**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a transcript of the **Q4 & FY26** Earnings Call held on Wednesday, 20<sup>th</sup> May, 2026. The same is also available on the website of the Company i.e. <https://www.banswarasyntex.com/transcript-of-earning-conference-call/>

Please take the same on record.

Yours Faithfully  
For **Banswara Syntex Limited**

**Shaleen Toshniwal  
Managing Director  
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**Enclosed:** as above

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**“Banswara Syntex Limited  
Q4 and FY '26 Earnings Conference Call”**

**May 20, 2026**

**E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 20th May 2026 will prevail.**



**MANAGEMENT: MR. RAVINDRA KUMAR TOSHNIWAL – VICE  
CHAIRMAN – BANSWARA SYNTEX LIMITED  
Ms. KAVITA GANDHI – CHIEF FINANCIAL OFFICER –  
BANSWARA SYNTEX LIMITED  
SGA – INVESTOR RELATIONS ADVISORS – BANSWARA  
SYNTEX LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q4 and FY26 Earnings Conference Call hosted by Banswara Syntex 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 and then 0 on your touch-tone phone.

I now hand the conference over to Mr. Ravindra Kumar Toshniwal, Vice Chairman from Banswara Syntex Limited. Thank you, and over to you, sir.

**Ravindra Toshniwal:** Thank you. Hello, everyone. Good afternoon, everyone, and I welcome you all to our quarter four and FY26 earnings conference call. Along with me, we have on the call our CFO, Ms. Kavita Gandhi, and SGA, our Investor Relations Advisors. I hope you all have been able to go through the investor presentation uploaded on the exchange and our company website.

Let me begin by briefly highlighting some of the key developments shaping the industry environment and market dynamics. FY26 was a turbulent year in which Banswara Syntex demonstrated resilience, despite a challenging and evolving global operating environment. The global textile and apparel industry continued to operate amid geopolitical uncertainties, elevated raw material and energy prices, logistics disruptions, and labor availability challenges.

The continued conflict in the Middle East has impacted key shipping routes and global logistics networks, resulting in longer transit timelines, higher freight costs, and cargo insurance costs, and increased volatility across polyester-based raw materials and energy inputs.

Despite these near-term challenges, demand conditions across our key markets in exports, such as the U.S. and Europe remained relatively stable, and we were also supported by very healthy domestic demand trends.

In response to these environmental challenges, we remain focused on improving our operational efficiencies, optimizing our supply chain, accelerating our production cycle, and strengthening our customer relationships across key markets and customers. We also continue to work proactively on alternative sourcing and logistics strategies to ensure business continuity and improve responsiveness in a volatile environment.

Before discussing the business performance, I am very pleased to share that the Board of Directors has again recommended a dividend of 20% on face value, translating into a total payout of INR3.42 crores to the shareholders.

Now, coming to the business division. Let's start with the Yarn division. The business continues to face operational headwinds during this year. A lot was due to the labor shortages, which impacted our capacity utilization and production volumes.

Our Yarn revenue stood at INR113 crores in quarter four FY26 as compared to INR123 crores in quarter four FY 2025, a reduction of INR12 crores, (Wrongly said, this should be read as, a

reduction of INR10 crores) while FY26 revenues stood at INR449 crores versus INR460 crores in FY 2025. This reflects a decline of about 2% year-on-year.

The sales volume stood at 46 lakh kgs during quarter four FY26 and 194 lakh kgs during FY26. The capacity utilization stood at 78% during quarter four FY26 and 77% for the full year.

Lower utilization levels during the quarter were primarily due to the labor shortages, particularly in spinning and these challenges have continued to persist during the initial phase of quarter one FY 2027. But we are in May now, and the labor shortages still continue to be a challenge in spinning.

Now, despite lower volumes, realizations did improve during the year by approximately INR30 to INR35 per kilo. This was supported by our high-quality product mix and higher contribution from value-added products we have managed to now make dyed Siro Compact Spandex Yarn, a regular feature from Banswara and this has elevated our value-added product mix. The raw material costs and energy costs, which increased did exert some pressure on profitability in the Yarn business.

Now, moving to the Fabrics division. The business delivered a very resilient performance and strong revenues were achieved during FY26. Our Fabric revenues stood at INR154 crores in quarter four FY26 as compared to INR145 crores in quarter four FY 2025. And the FY26 revenues increased year-on-year by 5% to a record of INR569 crores in spite of all of the headwinds. Our sales volume stood at 62 lakh meters during quarter four and 230 lakh meters during FY26. The capacity utilization remained at a healthy 77% during the quarter.

The division witnessed healthy traction in our premium fabrics and wool-blended products, supported by improving demand trends in the U.S. market and encouraging domestic market momentum.

Our brand, which is Simone Federico & Figli, and our Siro collection fabrics continued to witness encouraging acceptance across most key markets and have further strengthened our position as a premium supplier of fabrics.

At the same time, exports to the Middle East did remain affected during the quarter due to the prevailing geopolitical situation. We also did face sharp increases in the wool fiber prices, the polyester fiber prices, chemical dyestuffs, and the energy cost, which have, to some extent, impacted the margin.

However, to address these challenges, we improved our operational efficiencies. We strengthened our domestic market penetration and innovation for the domestic market. We maintained ready inventories of fast-moving yarns to improve the customer lead-times, and we leveraged outsourced weaving capacities to minimize bottlenecks in premium product categories.

Reducing the lead-times for fabric and garment orders remains a key operational priority for our company. To support this objective, we are reevaluating our model of made-to-order towards a more predictive analytics data-driven approach, supported by demand forecasting.

Leveraging our growing data capabilities, along with enhanced IT solutions and AI-led solutions, we aim to scale our high-performing product categories more efficiently, improve the customer responsiveness, and offer lower lead-times with reliability in never out-of-stock solutions.

We also continue to expand customer additions across Europe and the Far East, while aggressively promoting blended fabrics that support both revenue growth and margin improvement.

The demand visibility from our U.S. market remains encouraging. We have added new customers and a strong growth potential exists in this market. In fact, we are finding ourselves to be more competitive vis-à-vis China in the spun-synthetic segment, and this is something which is very encouraging.

Garment division, now speaking about the Garment division. This has emerged as one of our strongest drivers for our growth. The Garment revenues increased in the last quarter by 40% to INR96 crores and for the entire FY26, the revenues increased by 18% to INR324 crores. The sales volumes stood at 11 lakh pieces during quarter four FY26 and 39 lakh pieces during the whole year. So, the last quarter was particularly impressive, and there was also more volume in jacketing, which was used.

The capacity utilization overall in the Garment business went up to 72% for FY26 compared to maybe 50% or so in FY 2025. The strong performance is supported by a healthy order book, improved execution, and we are hopeful for a strong business momentum towards the final quarter of the new financial year.

Recent geopolitical developments and elevated raw material costs have impacted just the near-term demand visibility, particularly in quarter one FY 2027 in our Garment orders. Customers and retail brands continue to remain cautious. However, there is still a need for product and the supply chain disruptions have caused temporary pressure.

Having said that, we remain optimistic about medium-term demand recovery, supported by improving order visibility, customer additions, strengthening our relationships with existing customers across our export markets, and anticipated benefits once the India-U.K. Free Trade Agreement and the European Free Trade Agreement kicks in. While quarter one may remain relatively subdued, we do expect business momentum to improve progressively in the Garment business from the second quarter onwards.

Now, let's go through the financial performance for the quarter and the full year of the fiscal. For FY26, the company reported total income of approximately INR1,370 crores. The business continued to witness improving contribution from value-added segments with Fabric and Garment divisions contributing 66% of the revenue in FY26 as compared to 63% in FY 2025.

Our strategic objective remains to further increase our contribution from the Fabric and Garment business to nearly 70% over the medium-term, which we believe will support stronger margin resilience, stickiness to the customers, and improve the overall quality of our revenues.

During FY26, our EBITDA stood at approximately INR144 crores with a year-on-year growth of 22.5%, translating into the EBITDA margin of around almost 11%. Despite elevated raw material costs and geopolitical disruptions, the company achieved a better profitability, and this was supported by cost reductions, improved product mix, and better fixed-cost absorption.

The company also recognized a one-time exceptional expense of about INR9 crores related to the implementation of the new labor code law. Even after accounting for this impact, the company reported a robust PAT of INR28.4 crores for FY26, registering a healthy year-on-year growth of 32.8%.

For quarter four FY26, the company reported a total income of INR369.3 crores with EBITDA increasing 46% year-on-year to INR46 crores, supported by improved operational performance and better cost absorption. PAT for the quarter stood at INR9.6 crores, reflecting a strong year-on-year growth of 87%. So, we had a really good quarter four.

The net debt as on 31st March, 2026 stood at INR483 crores as compared to INR456 crores as on 31st March, a marginal increase in debt during the year was primarily due to higher working capital requirements and some investments towards machinery modernization that was planned. The overall debt-to-equity ratio remains comfortable at 0.8 times as on 31st March 2026.

The company maintains its focus on portfolio optimization, disciplined execution, leadership in design and innovation, and we will strive now to achieve a better capacity utilization by curating and focusing on the winning products and growing those, both in the Fabric and Garment division.

Looking ahead, we remain optimistic about the company's growth trajectory and expect revenues between the range of INR1,450 crores to INR1,500 crores in FY 2027, this in spite of all of the headwinds. This growth is expected to be led by a continued momentum in the Fabric and Garment business. We aim to improve the customer engagement and depth with each customer that is key to us; increasing the domestic market penetration, substituting the Chinese products that get imported into the country.

As the entire country now faces a foreign exchange crisis, we believe that we will have very good substitutes available to prevent the imports coming and we can offer very good substitutes from India. Higher contribution also continues to come from our premium worsted and stretch fabrics.

At the EBITDA level, we expect margins to remain between the range of 10.5% to 11% over the medium-term. Near-term margins may go down as the raw material costs are being passed on. The geopolitical uncertainties continue for a while, and I think this is something we have learned now to live with.

While the first half may continue to see some volatility, we always have a better quarter three and quarter four, and we expect demand conditions and business momentum to settle and improve. We expect a larger growth expected during the second half of the year as compared to the first.

Our continued focus on being more relevant to the customers with faster lead-times, more products which are more in-tune with what they are needing and which are import substitutes continues to drive momentum. And at the same time, we remain conscious that the challenges will remain and we will face them head on.

With that, we open the floor for questions. Thank you, everyone.

**Moderator:** Thank you very much. We will begin question-and-answer session. Anyone who wishes to ask a question may press star and then 1 on their touch-tone phone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking your question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Again to register for a question, please press star and then 1.

Your first question comes from the line of Akshay Ajmera from Nirzar Securities LLP. Please go ahead.

**Akshay Ajmera:** Hello, am I audible?

**Ravindra Toshniwal:** Yes, go ahead Akshay.

**Akshay Ajmera:** Yes, hi. Thank you so much for taking my question and congratulations on a very strong performance in this extremely challenging environment.

**Ravindra Toshniwal:** Thank you.

**Akshay Ajmera:** Yes. Sir, my first question is, have we added new clients in our export businesses? We have heard lately names like Walmart, JC Penney and the like. So, any update on that? Have we added any new customers in our export business?

**Ravindra Toshniwal:** Walmart has been definitely a new addition, and we saw the impact of that happening in our quarter four results in the Garment division, where we achieved INR96 crores turnover. Almost about INR15 crores turnover increase in that quarter came from Walmart itself.

So, we expect the momentum with this customer to continue because the possibilities for growing with them are in our small company, quite infinite. So, we can grow as much as we can service them. We are seeing this interest from them in particular.

So, other than that, we did have already JC Penney as our customer in Fabric business, and we had Mango as our customer already in the Garment business. We have basically pivoted towards more of the export customers that we had engaged with and are providing them now solutions which go all the way from our yarn to the garment as a vertical mill with faster lead-times.

And our pivot is away from the domestic market slightly in the garments towards exports as we found there is really a good latent demand due to the fact that the Chinese products now, with the Yuan having become much stronger, are becoming more expensive and the Indian Rupee being weak is allowing us to have a very competitive position. So, we intend to take full advantage of this.

**Akshay Ajmera:** That was really helpful, sir. So, again, coming back to the same question, how much of that could be a regular business with, let's say, Walmart? And how quickly we can get the repeat orders? Any ballpark assessment would be really helpful.

**Ravindra Toshniwal:** The engagement is very strong, and we are going to continue to maintain it. There is near-term challenges in the terms of the fact that they've taken in our products and they will try out many of them at retail and whatever works well, they will reorder and we are ready to support that very quick replenishment times.

So, I am very hopeful that this process is something not just we, but a lot of people in India will now be working towards. And we think that the ecosystem in India now is stronger to be able to support this. So, I mean, let's just say that our target to grow in the next year in the Garment business is another 20%. And we are also targeting growth in the Fabric business next year to the extent of another 20%. So, that's aggressive targets we have set, let's see how much we can achieve.

**Akshay Ajmera:** That is highly encouraging, sir. So, are we also in discussion with more such customers like Walmart, JC Penney and we can get...?

**Ravindra Toshniwal:** We don't need that many more. Actually, we are saying that the easiest possibilities for growth is to grow with ones where engagement has already happened and to take more and more business from them.

In this business of a full garment package supply, it is difficult to get a new customer, acquire it, and scale it up. It is much easier to already have growth coming from very large customers whom we are already engaged with. And we have at least five or six of these very large ones, like we have Celio in France. We have Marks & Spencer, whom we have engaged with in the U.K.

So, in almost every continent -- and even now we have engaged with some of the Japanese, but we are finding it difficult to get the garment package out to them. So, we are happy with whatever six or seven target big customers in different continents in export and to go deeper in that relationship.

**Akshay Ajmera:** Right, sir. And sir, finally, we have seen a very good improvement in capacity utilization in our Garment division as well. So, is that we have arrived finally and now it will be a sustainable basis about 70%, 75% utilization we would be seeing is that...?

**Ravindra Toshniwal:** We hope that we can add some more capacity, which when Surat SEZ gets approved, then we will have additional capacity available. So, we will use whatever present capacity we have and

maybe the utilization won't go up because the denominator will become bigger. But that's a good sign. We do want to increase our garment capacity, and we do see a long-term vision for Garment growth to continue.

- Akshay Ajmera:** Right. So, any update on the Surat facility, sir?
- Ravindra Toshniwal:** Kavita, do you have any clear indication about when possibly we could get the permission?
- Kavita Gandhi:** So, exact timelines, we can't predict, but the file is in process and now they are sending the files to the various authorities of Industries Commissionerate and the Kandla SEZ and all that. So, it will take time, but now file is in progress at a good speed.
- Ravindra Toshniwal:** Yes. And just to let you know, Akshay, we also are considering expansions in the Garment business if required. And we may in the middle of the year in quarter two, quarter three, start upon that because it doesn't take that much investment. So, as this momentum builds up, we will not lose the opportunity because we don't have capacity.
- Akshay Ajmera:** Excellent sir. I wish you all the best and I'll get back in the queue. Thank you so much.
- Ravindra Toshniwal:** Thank you.
- Moderator:** Thank you. Your next question comes from the line of Dhruv from Nirzar Enterprises. Please go ahead.
- Dhruv Talajia:** Yes, hello. Thank you so much for the opportunities sir.
- Ravindra Toshniwal:** Welcome Dhruv.
- Dhruv Talajia:** Sir, this year in FY26, we invested INR30 crores and INR40 crores in Yarn and Fabric business, respectively. However, I noticed that the installed capacity is actually down Y-o-Y. Could you just help us understand this?
- Ravindra Toshniwal:** Right. So you know that in this business, the installed capacity is a function of in yarn of the count we spin. And if we go finer in count, even though the installed capacity may go up, the production levels go down. So, we have moved our product mix.
- Like we said, we have made Siro Compact Yarn, and we've gone up to a capacity of about 200 tons per month in Siro Compact, which is a low production yarn. So, while the investment has been made in upgrading to better quality and better innovative yarns, the production in kilograms may not have gone up. And this is also strategic from our point of view because we see that you are going to always have labor shortages in -- particularly, in this month of April, May, June, labor shortages across the country have become de facto standard. And no matter how much effort you make, somehow you are not able to fulfill it.
- So, we find that there are product mix plans and our looking at the calendar and understanding when labor is available and what yarn counts to run at what time. We have projected a capacity,

which is based on a realistic availability of labor and going finer when the labor is not available because on finer counts, you can manage with less labor. So, that's the Yarn part.

Now, the Fabric part, we have made investments, which also have happened in worsted machines, which finish worsted fabric. And those are expensive machines, but not necessarily generate more meters. So, we are not concerned that we will be -- we are not looking at the bottom-line in terms of growth in meters or growth in kilograms, but we are definitely looking at a 20% increase in revenue in Fabric and a 20% increase in revenue in Garment.

**Dhruv Talajia:** Got it sir. Got it. And another one is that during last conference, we had a guidance of around 15% to 20% growth in Garment and Fabric division. Are we still confident of achieving this number or do we like to...?

**Ravindra Toshniwal:** Yes, we have put it into our plan, and like now we are saying that we'll go from, let's say, INR1,370 crores to maybe INR1,500 crores overall. And this growth, which is going to happen is primarily in Fabric and Garment. And that is working out to almost that much. And this is what we are saying is a growth we feel comfortable in sharing with you all.

**Dhruv Talajia:** We have factored in the increase in energy cost or raw material prices and any labor shortages, et cetera?

**Ravindra Toshniwal:** Yes, yes. We are making a much more realistic plan now, which is why we have scaled down certain capacities and are projecting the capacities based on our -- not on the simple arithmetic calculation of full utilization, but on the actual historical understanding of our usage with given product mix and given seasonality.

**Dhruv Talajia:** Just one last question, sir. The issue regarding the labor shortage, is it a transient sale or has it become more of a structural reset? Like how should we see this going forward? Any thoughts on improving the efficiency and production through manpower rationalization like automation and other such measures?

**Ravindra Toshniwal:** Yes, we are trying that and we are doing as much as we can on the front. But given the kind of nature of our product mix being a little bit more, let's say, SKUs are too many to the automation in a really viable way. What we are doing first is identifying the winners we have, scaling up the production in those winners, and that automatically brings down the labor cost as well as improves the productivity. So, it also helps you to manage more with less labor.

So, we are doing that on that front. It is a more strategic call we do have a history of the last four, five years of all of our sales data post-COVID when we started really increasing our sales in the Garment and Fabric business.

And based on that, we have now a new understanding of moving from made-to-order to a predictive analytical approach towards our product mix. And this is going to make a shift much more than even any automation can. It will change the way we do our production planning. Our sales and operations engagement at a holistic level like a composite mill is now much stronger.

**Dhruv Talajia:** Okay, got it sir. Got it. Thank you so much.

- Ravindra Toshniwal:** Thank you.
- Moderator:** Thank you. Your next question comes from the line of Garvita Jain from Seven Islands PMS. Please go ahead.
- Garvita Jain:** Hello. Hi, good afternoon sir. I have just one question on the borrowing side, which seems to be at a very elevated level. I wanted to understand how do you plan to reduce the debt, both the working capital debt and the long-term debt?
- Ravindra Toshniwal:** Okay. I will let Kavita, our CFO, answer this, please.
- Kavita Gandhi:** See, we have a plan. This year, the current financial year, what we are talking about, there will not be a reduction. You will see some high in long term FY2027 due to planned capex on that. But from FY 2028 onwards, you will see a reduction happening in the long-term. And working capital is also linked to the growth and the inventory and the debtor. So, it's a function of performance every year. So, we are not really more concerned on the working capital as far as it is within the norm. But yes, the long-term will get into the reduction part from FY 2028.
- Ravindra Toshniwal:** Yes, I mean in a sense, the increase in our working capital has been very consciously done to support the customer in terms of whatever ready inventory they expect us to have. So, we are just watching the inventory that goes above 90 days or the inventory that goes old. But otherwise, we are happy to increase this and increase sales because we have seen a direct correlations between the lead-time, availability ready goods and sales.
- Garvita Jain:** Correct. So, by FY 2028, if we have to reduce our long-term borrowings, how much is the target to reduce that?
- Kavita Gandhi:** The same will get reduced over a period because it can't get reduced because the loans what we have taken has a five to seven years tenure. So, definitely slowly, slowly it will get reduced. Exact numbers and schedule, if you want, we can share with you later on.
- Garvita Jain:** Okay. Thank you so much.
- Moderator:** Thank you. Your next question comes from the line of Runit Kapoor with Investire Investments. Please go ahead.
- Runit Kapoor:** Yes. So, congratulations on the improvement in the margin despite the headwinds in industry. So, my first question is, could you quantify the margin segment-wise for the year?
- Ravindra Toshniwal:** Yes. So, we got an overall EBITDA of around 11%. Kavita, can you share what are the -- because when you do the individual segment-wise margins, it's not very accurate because there is a lot of internal transfers that happen, right? Like for example, our Yarn division supplies 33% of its yarn internally to fabric. Our Fabric division supplies about 25% of its fabric to the Garment division. And these transfer prices, while we try to be at market price, is sometimes very defined products which are made exclusively for ourselves. So, there is really no market price.

So, I think an overall EBITDA is a good way to look at it. And we are encouraging the company to become more holistic in its view towards getting an overall EBITDA improvement rather than trying to optimize each local optima, we are looking at a global optima. But I'll let Kavita share what numbers she has.

**Kavita Gandhi:** No, no, absolutely, Ravi ji, what you have given is right because the segmental EBITDA will be a misleading or rather not an accurate one. But it will be in a quite similar range what we have at the company level.

**Runit Kapoor:** So, but the garmenting will not have any inter segment transfer. So, what is the EBITDA for garmenting?

**Kavita Gandhi:** Garment will also have because the garmenting use fabric from our own. So, if they use fabric from our own, obviously, yarn is also from our own. So, it has intersegmental element in that.

**Ravindra Toshniwal:** Almost 80% of the fabric we use in our Garment division is made using our own yarn and our own fabric.

**Runit Kapoor:** Okay. Because the question is coming from the last year, you had said that your garmenting division is at breakeven. So, I wanted to understand like are the margins improved in this segment?

**Ravindra Toshniwal:** Yes. Because see, we were trying to look at it very segmentally at that time. And we realized that looking at this segmentally doesn't help. Like say, for example, I will talk about an engagement with Walmart. So Walmart says to us, I'm going to buy 100,000 jackets, and I will keep your two lines in jacketing busy where we have a capacity utilization, which is still not as good as we would like it to be. We could make 70,000 jackets on an average per month. But on an average last year, we've only done 40,000 to 50,000 per month.

And to take this order, they say, okay, this is the price we want on the garment. Now, we will accept the order and we will take the profit as a whole and say, okay, if we get a 15% EBITDA as a whole or a 12% EBITDA as a whole, let's take the business. Now, how will you bifurcate what portion of it was due to Yarn, what portion of it was due to Fabric, and what transfer prices to make. So this is the challenge.

**Runit Kapoor:** Okay. And my next question is regarding the Tesca Textiles. I think it has seen a drastic improvement in profitability. So, I wanted to know what is the turnover for this for the year? And do you also plan to increase your stake in this segment, like that's only 40% stake, right?

**Ravindra Toshniwal:** Right. So, yes, Tesca has done very well, and we got a share of INR4 crores in that roughly INR10 crores profit that they had because we are 40% owners. So, that's been encouraging. The turnover there was about INR100 crores. And on INR100 crores, we earned almost a INR10 crores PAT. So, that was a pretty encouraging year for the automotive part of the business.

Now, we do not yet plan to increase our stake in it. The partners we have are both French and Korean, and they would not like to dilute their stake. But we have their support all the time to

grow the business because the Korean brands are managed through our Korean partners. The European brands are managed through the French partners. So, it's a good positive momentum.

We do intend that we increase capacities there. So, there is demand and we think that the capacity increase that is required, we will add on certain finishing or whatever other capacities they need so that that division has its own momentum for growth in terms of capex availability.

**Runit Kapoor:** Okay. And I want to know like for FY 2027, what is your capex plan? And how will it be utilized across the segments?

**Ravindra Toshniwal:** Sure. Kavita, over to you.

**Kavita Gandhi:** Yes. The capex has been planned around INR135 crores to INR140 crores. And so we will be utilizing this across all the segments. But of course, the Garment being a low capex-intensive industry, the minimum capex goes over that. More it will be going into the Yarn and Fabric and certain other sustainability investments and the more like zero water discharge kind of a project. We are applying for the 132 KVA line. All that capex will be coming -- getting finalized and implemented during the year.

**Ravindra Toshniwal:** Infrastructure-related capex.

**Runit Kapoor:** Yes. So, could you just quantify like for garmenting, how much are you planning?

**Kavita Gandhi:** Garmenting will be as per the current before expansion, what Ravi ji explained some time back, it will be in the range of around INR3 crores to INR5 crores because once we get our capacity free, I mean, the SEZ, machineries and all that available. So, we don't envisage a more investment right now with the current infrastructure what we have.

**Ravindra Toshniwal:** The machines are already there. It just required training of the workers, and that's the investment we'll have to make.

**Runit Kapoor:** Okay. Thank you. That's it from my side.

**Ravindra Toshniwal:** Thanks, Runit.

**Moderator:** Thank you. A reminder to all the participants, if you wish to register for a question, please press star and then 1 now. Your next question comes from the line of Akshay Satija with Alpha Invesco. Please go ahead.

**Akshay Satija:** Thank you for the opportunity. So, sir, I wanted to understand the impact of the Middle East situation for us. So, has it caused the raw material prices to go up? Are these prices pass-through-able any demand destruction that we are seeing from the situation?

**Ravindra Toshniwal:** Yes, that's a good question, and it's really relevant at this time. So, yes, I mean, look, the whole Middle East scenario has increased raw material costs for polyester because it is based on petrochemical. And that is an increase which is almost about 25% on the raw material front. It

has an impact in the yarn prices, which we have increased in proportion, but not been able to pass on all of it yet.

However, it is getting absorbed as now -- there was more of a challenge in the month of April. But now in May, people have realized that this war situation is going to be a little bit more long-term, so they started to pay more.

The good part for us has been in terms of the export with the Rupee depreciation to the extent of almost 6% to 7%, we have not had to even pass on an increase and we've got what we needed in garments or we've got what we've needed in fabric exports. So, that's been good in the export front.

In the domestic front as well, some increases have been readily accepted because the alternative is China. And the Chinese alternative has also become more expensive with the Rupee being so weak. So, we are not seeing a real resistance to the price increase. And in fact, we were encouraging all our people to continue to book the garment orders and keep the lines full at even the old prices if you have to.

**Akshay Satija:** Got it, sir. Got it. Any shipping challenges that we're facing? I believe we have a good export portion to Middle East, especially Saudi and those countries.

**Ravindra Toshniwal:** So Middle East, we did feel an impact. We felt it even in quarter four. In quarter four, we had product about INR8 crores or INR9 crores, which would have added to our top line and helped our profitability more that could not be shipped because customers didn't accept it in time. And then whenever we are shipping, it's going into the Jebel Ali Port and then being trucked into Fujairah and then going inwards. As far as the UAE is concerned, the biggest impact is there then we had.

Challenges are there in the whole logistics cost, which we hope will ease-out soon. And we have made in our whole new business plan, a reduction in our total sales to the Middle East in Fabric and in Garment. We have anticipated that there will be a drop there. But we expect it to be more than compensated in the other markets.

**Akshay Satija:** Got it sir. Got it.

**Ravindra Toshniwal:** Our total exposure would be about INR100 crores to the Middle East.

**Akshay Satija:** Sorry, sir, total exposure would be?

**Ravindra Toshniwal:** About INR100 crores to the Middle East. So, we expect maybe about INR10 crores, INR20 crores reduction could happen.

**Akshay Satija:** For 2027?

**Ravindra Toshniwal:** Yes. Unless things improve really quickly or whatever, new channels are found. But right now, it is a bit sluggish, the demand from the Middle East.

**Akshay Satija:** Got it, sir. Got it. Also, if I -- you already mentioned that you've been investing a lot more into new value-added products. But if I look at our realizations, I don't see any material difference at least yet. So, I wanted to understand what impact these high-value yarns would create on our realizations and also our EBITDA profile.

**Ravindra Toshniwal:** So, if you look at the meters that we produced in this current financial year versus the last year, you will see that the meters were less, but we've actually got more value. Value per meter has increased on an average. And in particular, the worsted sales has become a little bit more. So, we are seeing that the entire increase in prices of wool, this has been the biggest challenge in terms of the price increases, even more than synthetic, the wool prices have increased even more.

So, we do see that these are going to be absorbed because the Chinese have done it across the board. and the market has accepted it that now the old scenario of old prices doesn't exist anymore.

And we think that going forward, these prices will continue to be passed on, and then you will see the impact more. Right now, what has happened is the value-added product has been created, but we have not been able to pass on all of that margin to the customer. So, the difference is not as stark on the bottom-line numbers.

**Akshay Satija:** Got it sir.

**Ravindra Toshniwal:** Once it gets passed on --

**Akshay Satija:** Yes, please go ahead sir.

**Ravindra Toshniwal:** Yes, that's it. That's all I was saying.

**Akshay Satija:** Okay. So, my final question, I also wanted to understand all the FTAs that have been signed, when can we actually see them materially fall in place and possibly start receiving some inquiries or any update on those lines from U.K., U.S. or EU?

**Ravindra Toshniwal:** Yes. The U.K. is expected to start, I think, by September, when it happens, it will happen. And the European Union has said that they will finalize by December end as what I hear from the Councils and the Ministers and all of the lobbies that is working on it. But nobody knows for certain. All we see is that as this momentum towards getting to that deadline of when it gets implemented happens and even before that, we are seeing more interest in India as a supply source.

**Akshay Satija:** Okay. So, can we say, sir, probably with all these things coming in falling in place in this year, we could do our peak INR1,800 crores revenue target that we had possibly in financial year 2028?

**Ravindra Toshniwal:** So, I don't know if it will happen in the next financial year, but maybe the financial year after that, we hope we'll get there. Because the headwinds still remain quite strong, the ability to pass on is a little. So, we are happy even if we get 11% EBITDA, but we grow 20% for this present

financial year because we do not want to stifle the growth by jacking up the prices to an extent where the customers shy away.

- Akshay Satija:** Got it sir. Got it. That's it from my side. Thank you for the answer sir.
- Ravindra Toshniwal:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Nirbhay Mahawar from N Square Capital. Please go ahead.
- Nirbhay Mahawar:** Yes, thanks for the opportunity sir. Sir, I wanted to understand what kind of capacities we are planning in garmenting side?
- Ravindra Toshniwal:** Right. Nirbhayji we have -- as you know, the Surat division that we had in the SEZ, had a capacity of about 40,000 or 50,000 jackets and maybe about 100,000 pants. That capacity already exists in terms of the machine. And as soon as we get permission, that will come on.
- So, other than that, we are just looking at utilizing what we have already in terms of the garmenting capacity, which is not fully used. Like I said, we have 70,000 pieces average capacity available. It can even go up to 80,000 if we really have some long runs. But we are only able to use 40,000 to 50,000 in jackets per month.
- So, there's a lot of capacity headway available. It's about stimulating the right relationship and the right customer engagement, which we are working hard at, and I think we'll get there. The team in the Garment division is really working on that.
- Nirbhay Mahawar:** So, in terms of revenues, if we add both the capacities, what kind of revenues we can do optically if demand is not a constraint?
- Ravindra Toshniwal:** Well, I mean, next year, what is our projection, Kavita, that has come from the Garment division. for next year?
- Kavita Gandhi:** Next year, we are projecting the Garment division is projecting around 18% to 20% growth.
- Nirbhay Mahawar:** So, I'm saying, let's say, we did INR324 crores revenue this year, and we are saying our utilization is around 70%. So, adding Surat, what would be the revenue capacity of our existing setup?
- Ravindra Toshniwal:** Revenue capacity could be even INR450 crores, but we are targeting that we'll get to close to INR400 crores.
- Nirbhay Mahawar:** So, as of last two, three years, we have done reasonably aggressive capex. But then also our revenues are more or less flattish. And even if we look at next year, we are guiding for only 10% growth, which is probably that much will come because of the cost push only -- if we pass on the cost push. So, are we giving very conservative guidance? Or I mean, this is...
- Ravindra Toshniwal:** Trying to be conservative. We should be because you will hold us to what we say.

**Nirbhay Mahawar:** Okay. So, let's say, when do we see this INR2,000 crores revenue possible in this company or what timeframe? Are we reasonable -- I'm not asking for a guidance, but I'm saying, let's say, do we have the capacity to do more than INR2,000 crores revenue? And when will our setup will be having that kind of revenue--?

**Ravindra Toshniwal:** It's a very difficult question to answer at this particular time in the global geopolitical scenario. So, let's give this a break until the next quarter and then maybe we can address this better. I'm aware that we have the capacity, and we have said in the past that we'll get to INR2,000 crores without any significant capex, and I maintain that.

As to the timeline of it, we need now, a much more realistic plan given all of the new thinking that has come in and all of the constraints that have come in due to the labor as well. Because again, in the Garment division, labor is also a big constraint. And when we ramp-up, even though the capex is available, if you do not have a steady supply of orders throughout the year and the labor goes away during a particular period and doesn't come back for a while, then you lose that momentum.

So, we are working on strategies to be able to keep that engagement going and retain the labor in a way that allows the potential of the overall turnover to be achieved. So, I think that this is a work in progress and I can't give you a definite timeline.

**Nirbhay Mahawar:** So, could we give some more detail on the capex of INR130 crores to INR150 crores, which we are mentioning for next year, what exactly that capex will be?

**Ravindra Toshniwal:** Absolutely. That I'm sure Kavita will be very happy to share with you in detail. So, we can send you an e-mail with all of the details you want and you can feel free to get in touch with Kavita and delve into that deeper. We welcome your input on that.

**Nirbhay Mahawar:** Right. Thanks. Thank you and all the best.

**Ravindra Toshniwal:** Thank you.

**Moderator:** Thank you. Your next question comes from the line of Murtuza with Pinpoint X Capital. Please go ahead.

**Mohammed Murtaza:** Hi sir. Congrats on the good set of numbers. I just wanted to understand a bit better on the wool prices, they had sharply rose in FY26 and we still managed to expand the EBITDA margin. So, can you -- like I do understand there's a pass-through. So what kind of a time-lag is? And how exactly do we procure and where are we exactly sourcing it from? And I would like to understand a bit better.

**Ravindra Toshniwal:** Okay. So, most of our wool is coming from Australia. And we are buying this wool and then having it converted into tops in India. And some of the wool we also buy from China. So, these are the two sources.

Prices have gone up everywhere and we have been able to pass on some of it in exports very easily only because of the currency issue as well. And some of it, because prices have gone up

globally, customers are accepting that increase. But most all of the increases have not yet been absorbed.

So, we expect that when -- normally, it takes at least six months before a customer is even willing to entertain a new price. Sometimes it takes up to one year because as a retailer, the buyer and the brand who is buying from us fixes the price in the store for the whole season and for the whole year and will not change the price in the middle. So, typically, we have to wait at least one year before all of the absorption happens.

**Mohammed Murtaza:** Okay. Anywhere from two to four quarters?

**Ravindra Toshniwal:** Yes.

**Mohammed Murtaza:** Okay. I would also like some commentary regarding our D2C brand that One Mile were working on. So, like what is the current status? And what sort of allocation has been done? And just wanted to understand a bit better and what sort of outlook we have for it?

**Ravindra Toshniwal:** Yes. So, that's very slow at the moment. We are not spending a lot of money in building the brand yet. We're getting the momentum slowly and steadily. I think that the average sales is now at about INR15 lakhs per month, no more. So, it's still small. As the sales come up, we will, at some point, we want to get it to a level of about INR1 crore a month before we try to raise some funds for this brand separately.

And then we will go on a huge push to pull the brand through because as you know, for brand today, you need to spend a lot of money to build the brand. This requires much more deeper pockets and we don't want to fund it out of our existing business alone. So, we are waiting to get it up to a point where we can further raise money separately for this brand and then really launch it in a big way.

**Mohammed Murtaza:** Right sir. Okay. Thank you very much. All the best for the future. Thank you.

**Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Ravindra Kumar Toshniwal for closing comments.

**Ravindra Toshniwal:** Right. Thank you, everyone. I just want to make some concluding remarks. So, in conclusion, I would say that the FY26 was a year where we still had steady progress despite the headwinds in the global environment and all of the geopolitical challenges. And we delivered a fairly reasonable performance and are happy with what we are able to achieve.

We value our customer engagement and our customers who have been loyal and stayed with us and believe in us. And we look ahead with some short-term uncertainties, but remain encouraged by the traction we see in the export markets, by the continued momentum in the domestic market and growth of many new brands that have come into India with a strong focus now on looking holistically at the company's all three divisions, maximizing the global profit and while we bring about a more curated and more faster accessible product to the customer with the need of the day speed.

And we have to be available with products to the customer that can be supported well. So, I think the diversity we have is too large, and we are trying to bring that diversity into a curated, available, quick off-the-shelf range. And we hope that in that effort, we'll be able to get to when Nirbhay is asking us to get to faster. Thank you, everyone.

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