

## CORPORATE OFFICE

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## **FACTORY ADDRESS**

Unit 1. Survey Plot No.187/4/1/2,250, 251 P 257/1, & 258/3, Vill. Surangi, Silvassa, Dadra and Nagar Haveli 396230. Unit 2. Survey Plot No.320/1/1/2/1/1,314/1,315&314/P, Vill. Surangi, Silvassa, Dadra and Nagar Haveli 396230. Tel. No. 31-9081179797 / 31-9714109659

## REGISTERED OFFICE

SRV NO. 187/4/1/2, Near Surangi Bridge, Surangi Dadra & Nagar Haveli Silvassa Dadra & Nagar Haveli Dn 396230.

Email: sales@sanathan.com

COMPANY IDENTIFICATION NO. L17299DN2005PLC005690

Date: November 13, 2025

To,

**National Stock Exchange of India Limited** 

Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400051. **BSE Limited** 

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

Scrip Code: **544314** 

Trading Symbol: **SANATHAN** 

Ref. No: - 2025-2026/Nov25/086

Dear Sirs/Madam,

Sub: Earnings Call Transcript pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We hereby submit, pursuant to regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the transcript of the earnings call held on Friday, November 07, 2025, at 16:00 hours IST regarding the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2025.

The transcript has been uploaded on the website of the Company within the prescribed timeline and can be accessed at the following weblink:

https://www.sanathan.com/investor-relations/financial-performance.

We request you to take the same on your record.

Thanking You,

Yours faithfully, For Sanathan Textiles Limited

Jude Patrick Dsouza Company Secretary and Compliance Officer

Encl: As above













## "Sanathan Textiles Limited Q2 & H1 FY '26 Post Results Conference Call"

**November 07, 2025** 





MANAGEMENT: Mr. Paresh Dattani – Chairman & Managing

**DIRECTOR, SANATHAN TEXTILES LIMITED** 

MR. SAMMIR DATTANI-EXECUTIVE DIRECTOR,

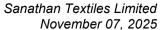
SANATHAN TEXTILES LIMITED

MR. SANJAY SHAH – CHIEF FINANCIAL OFFICER,

SANATHAN TEXTILES LIMITED

MR. JUDE D'SOUZA - COMPANY SECRETARY &

COMPLIANCE OFFICER, SANATHAN TEXTILES LIMITED





**Moderator:** 

Ladies and gentlemen, good evening and welcome to the Q2 & H1 FY '26 Conference Call of Sanathan Textiles Limited.

As a reminder, all participants' lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "\*", then "0" on your touch-tone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Jude Dsouza from Sanathan Textiles. Thank you and over to you, sir.

Jude Dsouza:

Thank you. Good evening, ladies and gentlemen. It is my privilege to welcome you all to the Earnings Call of Sanathan Textiles Limited for the 2nd Quarter and Half Year Ended on September 30th, 2025.

Before we begin, I would like to remind everyone that certain statements made during this call may be forward-looking in nature. The statements are based on Management's current expectations and are subject to risk and uncertainties that could cause actual results to differ materially.

Joining us today are Mr. Paresh Dattani – the Chairman and Managing Director, Mr. Sammir Dattani – the Executive Director, and Mr. Sanjay Shah – the Chief Financial Officer.

Please note, the call is being recorded and a transcript will be made available on our website and the website of the stock exchanges post the discussion. I would now like to invite Mr. Paresh Dattani to share his opening remarks.

Paresh Dattani:

Thank you, Jude, and a very good evening to everyone. It's a pleasure to connect with you all again and share our performance highlights for Q2 and H1 FY '26.

Sanathan Textiles delivered a strong operational performance on a standalone basis with an EBITDA growth of about 22% and PAT growth of 45% on a year-to-year basis. Our Silvassa operations continued to deliver strong, consistent performance operating at optimal efficiency. The major milestone this quarter was the commissioning of our new Punjab facility on the 27th of August, 2025. We began operations at 350 metric tonnes per day and are steadily ramping up to 700 tonnes per day.

On a consolidated basis, revenue from operations increased by 10% on a year-to-year basis on account of higher sale volume due to the commissioning of the Punjab facility. EBITDA increased on a year-on-year basis by around 8.5% on account of better gross margins in spite of the Punjab commissioning which had a one-time startup cost of about Rs. 11 crores.

Since its incorporation, Sanathan Textiles has expanded its production capacity over the years at a CAGR of 23%. But now, with the commissioning of the Punjab facility, the company's total installed capacity has increased from 2,23,000 metric tonnes per annum to 4,79,000 metric tonnes per annum. Our Phase 1 of the Punjab facility is being ramped up and we will be soon progressing towards the first phase of 700 tonnes per day.





The recent change in GST has also been a strong tailwind for the textile industry, fueling consumption and adding positive momentum across the value chain. And as we look ahead, we are gearing up for our next phase of growth, the expansion of our cotton division, as we had planned earlier.

We are proposing a new greenfield manufacturing facility in Madhya Pradesh, a state with deeprooted cotton heritage and a highly supportive textile environment. This project will not only strengthen our cotton vertical but also further our vision of building Sanathan Textiles into one of India's most integrated and future-ready textile companies across all three yarn verticals.

With the ramp-up at our Punjab facility progressing well and Silvassa operating at high efficiency, we remain confident of achieving our annual revenue target of around Rs. 4,100 crores to Rs. 4,300 crores, and delivering a double-digit EBITDA margin for FY '26.

With that overview, I will now hand over to Mr. Sammir to share the operational performance for the quarter. Thank you.

Sammir Dattani:

Thank you, Chairman, and good evening to everyone. The 2nd Quarter of FY '26 marked another strong operational performance for Sanathan Textiles on a standalone basis.

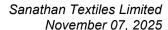
Our Silvassa plant continued its excellent track record, operating at full capacity utilization throughout the quarter. On the other hand, our newly commissioned Punjab facility began commercial production this quarter with an initial polymerization capacity of around 350 tonnes per day. As with any new large-scale operation, the initial commissioning phase carries a one-time start-up cost, which has been fully factored into our financials for this quarter.

Now, as the plant stabilizes over the next quarter, we expect to see the full benefits in the form of improved operational efficiency and margin enhancement. With this new capacity coming on stream, we are now better positioned to serve our customers in North India more efficiently and more quickly. The location advantage coupled with the state-of-the-art machinery and modern process and systems will enable us to realize significant cost synergies and economies of scale going ahead.

I would also like to touch upon a key policy development that has had a positive impact on the textile sector:

The recent GST reduction announced by the Government of India, the reduction of GST on manmade fiber and yarns from 12% to 5%, along with the revised 5% slab for ready-made garments priced up to Rs 2,500, has supported to drive consumption meaningfully. These changes will further improve affordability, support customer sentiment and stimulate demand, particularly with the man-made fiber and apparel segment where we have a strong presence.

From a broader standpoint, the reforms are expected to strengthen the textile value chain from fiber to fashion, especially in Tier-2 and Tier-3 cities where affordability plays a crucial role in





driving volumes. For Sanathan Textiles, this creates a healthy demand environment and underpins our growth outlook for the coming quarters.

As we look ahead, our main focus remains firmly on optimizing production across both our Silvassa and Punjab facilities, enhancing efficiencies and unlocking further operating leverage. With disciplined execution and a strong foundation in place, we remain confident of sustaining our growth momentum and creating long-term value for all our stakeholders.

Now, I will hand it over to Mr. Sanjay Shah, our CFO, to take you through the financial highlights for this quarter.

Sanjay Shah:

Thank you, Sammir.

For the quarter and half year ended September 30, 2025, our financial performance reflects the continued strength of our standalone operations at Silvassa. As our Punjab facility ramps up towards its full manufacturing capacity of 700 metric tonnes per day, we expect to see a healthy increase in overall revenues in the coming quarters.

On a standalone basis, representing our Silvassa operations, revenue from operations for the quarter stood at Rs. 767 crores, as against Rs. 743 crores in Q2 FY '25 driven by higher volumes. EBITDA stood at Rs. 71 crores, as compared to Rs. 58 crores in Q2 FY '25, supported by better gross margins. PAT for the quarter came in at Rs. 51 crores, as against Rs. 35 crores in Q2 FY '25.

On a consolidated basis, which includes both Silvassa and Punjab operations, revenue from operations stood at Rs. 818 crores, as compared to Rs. 742 crores in Q2 FY '25, primarily on account of higher sales volumes following the commissioning of the Punjab facility. EBITDA for the quarter stood at Rs. 63 crores, as compared to Rs. 58 crores in Q2 FY '25, in spite of margins being impacted by startup costs amounting to approximately Rs. 11 crores, associated with the commissioning phase.

For the half year, on a standalone basis, revenue from operations were Rs. 1,517 crores versus Rs. 1,525 crores in H1 FY '25, marginally lower due to softer selling prices, driven by a decline in raw material cost. EBITDA stood at Rs. 141 crores, compared to Rs. 137 crores in H1 FY '25, supported by improved margins. PAT was Rs. 98 crores, as against Rs. 87 crores in H1 FY '25, driven by higher EBITDA.

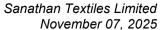
On a consolidated basis, revenue from operations for the half year rose to Rs. 1,563 crores from Rs. 1,523 crores in H1 FY '25, largely due to higher volumes from the newly commissioned Punjab plant. EBITDA stood at Rs. 133 crores, compared to Rs. 137 crores in H1 FY '25, with margins affected by startup costs during the commissioning phase. Thank you.

Jude Dsouza:

We are now open for question-and-answers.

**Moderator:** 

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Aradhana Jain from 360 ONE Capital. Please go ahead.





**Aradhana Jain:** Hi, thank you for the opportunity. A couple of questions. First, I wanted to understand what has

led to the gross margin improvement for us this quarter?

Paresh Dattani: As we mentioned earlier, the raw material has dropped, the selling prices have also dropped, but

they have not dropped in sync because of the higher demand. So, the gross margins improved.

**Aradhana Jain:** Understood. Second, I wanted to understand how much CAPEX have we incurred for the Punjab

facility till now and how much more is expected for the facility? And how much of the whole CAPEX that has been incurred in this year and how much was incurred in FY '25, like just a

breakup of the entire CAPEX that has been gone in the Punjab facility till date?

Sanjay Shah: Sure. So, the entire cost of the project is close to Rs. 2,150 crores, out of which close to Rs. 1,750

crores was incurred till the beginning of the year. In the current year, close to Rs. 300 crores have

already been incurred and balance of close to Rs. 75 crores to Rs. 100 crores is pending.

Aradhana Jain: Understood. And on the debt side, that has gone up to around Rs. 1,400 crores as on the first half

of this year. Where do we see that basically settling by the end of this year and what is the guidance

for next year?

Sanjay Shah: So, in the current year, it should be around the same level, marginally down, but more or less the

same level. In the current year, frankly speaking, looking at the strong operating cash flows we are expecting from the full utilization of our Punjab facility, we will take a call on the debt equity

portion for the upcoming project.

Aradhana Jain: Understood. Just two more questions, one on the GST. While it has reduced from 12% to 5%, but

given that our input GST still continues at 18%, how are we going about managing that blockage

that is going to happen in the working capital and what is the view basically on that?

Paresh Dattani: Here, we are in the inverted duty structure. We have always been in the inverted duty structure.

The difference is, first it was 12% to 5%, now it is 18% to 5%. So, we do get the refund on that. As far as the higher blockage or anything is concerned, the government is yet to come out, which we expect in November. What they have promised is that they will facilitate an early disbursement

of the amount to be given back.

**Aradhana Jain:** Understood. What is the CAPEX for the cotton expansion that we are planning to do in Madhya

Pradesh?

Paresh Dattani: Yes. So the cotton expansion will be anything between Rs. 420 crores to Rs. 445 crores.

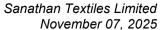
Aradhana Jain: How much of that is going to happen this year and how much next year? By when are we expecting

capacity to come online?

Paresh Dattani: We have taken the land of 50 acres from the MPIDC. And barring that, the cost will start post of

March. So, we will start spending on from April onwards and we expect to commission the project

1st Quarter of FY '28.





**Aradhana Jain:** And what sort of revenue potential are we expecting from that facility?

Paresh Dattani: We are expecting about Rs. 450 crores to Rs. 500 crores of revenue from there.

**Aradhana Jain:** So, fair to assume that that will get added to our FY '27 numbers?

Paresh Dattani: FY '28 numbers.

Aradhana Jain: FY '28?

Paresh Dattani: That's right.

Aradhana Jain: Understood. Last question from my end. What are the views on the anti-dumping duty that has

been put on MEG? Are we facing any implications of that?

Paresh Dattani: First, yes, they have moved that but we as an association are already taking it up with the

government and we have a view that we do not see it coming easily.

Aradhana Jain: Understood. Thank you so much. I will join back with you. Thank you.

Moderator: Thank you. The next question is from the line of Aashish from InvesQ PMS. Please go ahead.

Aashish Upganlawar: Hi. Sir, I just wanted to confirm on the ramp-up of the Punjab facility, how do you see it ramping

up in H2 of this year, next year H1 and beyond?

Paresh Dattani: Yes. Today, as we mentioned earlier, Ashish, we are at 350 tonnes a day. By the second week of

this month, we will be at about 460, 470 tonnes. Before the end of December, we will be at about 600 tonnes. And first half of January, we will be at 700 tonnes. So that completes our first phase. As far as the second phase of ramping up from 700 to 900 odd tonnes, we will start that towards

the end of the FY '27, so the impact of that will be seen in FY '28.

Aashish Upganlawar: Okay. So you are saying latest by next year first half, we will be 100% utilizing this capacity, is

it?

**Paresh Dattani:** We aim to utilize 100% capacity from the last quarter FY '26.

Aashish Upganlawar: Wow. Okay. Good. So sir, two more things I wanted to understand. Last call I think you mentioned

some portion of your product goes to exporters who export to maybe the U.S. So any repercussions from these customers facing issues with their production? Is it hampering our kind of supply

somehow?

Paresh Dattani: As I mentioned earlier that direct exports, we do not have much of a stake in the United States, so

it does not impact us. But having said that, indirect exports, yes, we do get impacted because our customers do export, but it's not as large as the cotton impact. But still, we have been able to pivot our customer breakup to a sense that we have pivoted more towards the customers who are more

local based. So we are not having any issue on placement of material.





Aashish Upganlawar: Great, okay. Sir, I wanted to also understand the competition, is there any capacity coming from

any of the competitors or large conglomerates that are there in the business?

**Paresh Dattani:** No major plant has been announced so far in the industry. So, we do not have any news officially

of any announcement of any plant. Small stray expansion here and there may come in, but nothing major is as of today announced. And once they are announced, typically, as you know, it takes

about two, two and a half years for a plant like this to commission.

**Aashish Upganlawar:** Right. And the margins, what is the range that one should expect maybe next year FY '27 once

these capacities are fully announced?

Paresh Dattani: Yes, as I mentioned earlier, we still stick by that. We will be ending FY '26 close to about Rs.

4,100 crores, Rs. 4,200 crores top line with EBITDA of about 10%. FY '27, we will be a top line of about Rs. 5,800 crores to Rs. 6,000 crores, and we aim to do a EBITDA of 11%.In FY '28, we

will be at about Rs. 7,300, Rs. 7,400 crores, and we aim to do an EBITDA of about 12%.

Aashish Upganlawar: So you seem to be very, very confident of the future that is coming over. There seems to be not

much of an issue with achieving these numbers.

Paresh Dattani: I personally, I do not see much of an issue because, as I said, when we set our foot on ground for

this project, we had put in a lot of work prior to that to ensure that we are placed well in terms of material placement and the advantage we get out of getting closer to the customer in the northern

region.

Aashish Upganlawar: Right. If I may ask, sir, on the anti-dumping, what you were mentioning in the first, maybe you

can elaborate on the anti-dumping.

Paresh Dattani: So the MEG producers have called for an anti-dumping on MEG in the country. But as such, we

are a net importer of MEG and our association has also put up counter-arguments, even the suppliers have put up their counter-arguments. So, I do not think that will go through. This is the third time they are applying it. Twice already it has been rejected. So, I do not see that really coming through, personally. But having said that, even if it comes through, it's not going to be a

major deterrent or impact on our costs of raw material.

Aashish Upganlawar: Right. Okay, sir. Thank you and all the best. Thank you.

Moderator: Thank you. The next question is from the line of Tanishq Khinwasa from Antique Stock Broking.

Please go ahead.

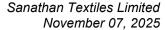
**Tanishq Khinwasa:** Thank you for the opportunity. My first question is, what is the current utilization level of the new

Punjab plant that we have commissioned?

Paresh Dattani: Yes, as I said, we commissioned on the 27th of August. So the entire month of September and

October we have been running at the same capacity of 350 tonnes a day, which is only 50% of our

first phase, which is 700 tonnes per day.





**Tanishq Khinwasa:** No. So I want to understand out of 350 tonnes per day, what is that utilization, are we utilizing at

100% capacity?

**Paresh Dattani:** Yes, 350 tonnes we are utilizing fully.

Tanishq Khinwasa: Okay. And second you mentioned new greenfield capacity expansion in cotton, so that is in

addition to 10,000 tonnes you were guiding earlier or it is that only?

Paresh Dattani: So, we had guided earlier that we would be growing our cotton yarn vertical as well with an

additional of these 73,000 spindles. The only difference is that earlier we were doing it in Silvassa,

but now because of this better opportunity in MP, we have moved to MP.

**Tanishq Khinwasa:** So it is just shifting from Silvassa to MP?

Paresh Dattani: That's right.

**Tanishq Khinwasa:** Okay. That's it. Thank you.

Moderator: Thank you. The next question is from the line of Darshil Pandya from Finterest Capital. Please go

ahead.

Darshil Pandya: Thank you. Good evening. Sir, my first question would be on the tax credit side, this quarter we

have around 40% tax, so was it the startup cost that we just mentioned?

Paresh Dattani: Can you repeat the question, please?

**Darshil Pandya:** I was asking about the tax rate, which seems to be a bit high for this quarter.

Sanjay Shah: Yes, if you see the standalone tax rate, it's standard close to 24% to 25%. The high tax rate on a

consolidated basis is on account of the losses at SPPL also and on account of reversal of deferred

tax also in one of the subsidiaries.

Darshil Pandya: Understood. And sir, my second question would be with respect to debt. I just wanted to

understand, since we raised around Rs. 370 crores in the IPO, around Rs. 300 crores was supposed to be paid back through debt. Wanted to understand have we completely paid it and now we have taken some fresh debt, which we are seeing on the balance sheet? Wanted your view on that.

taken some fresh debt, which we are seeing on the balance sheet? wanted your view on that.

Paresh Dattani: Yes, we did pay back the debt, as we had written in the DRHP. So what we did was, we had a debt

of about Rs. 100 and odd crores at the Silvassa unit, we paid that off. And of the new debt, the banks, because we had not drawn the entire money, did not ask us to pay that way, but we prepaid

our installments till March of '28 for the entire amount.

Darshil Pandya: Understood. So, sir, this current run rate of interest on depreciation will continue for next half and

full year next year?

Sanjay Shah: Yes, it will. In fact, in case of depreciation, it would be slightly higher as depreciation is only

considered for a month in case of the Punjab plant, now it will appear for six months.





**Darshil Pandya:** Understood. Sir, final question would be on the guidance that we have given. I understand we have

reiterated our guidance, but just to understand since the plant is still ramping up, how are we placed

to match the numbers that we are talking about?

Paresh Dattani: How are we placed to match the numbers?

**Darshil Pandya:** That you are guiding.

Paresh Dattani: Yes, we are very confident. Look, we have had only one month at Punjab. Over the next quarter,

October to December quarter, we will be doing a revenue of close to about Rs. 360 crores in Punjab and about Rs. 760 crores here at Silvassa. So that we will do about close to Rs. 1,100 crores top line and we will do an EBITDA of 10% plus. And going forward, to the last quarter where we will get the full advantage of Punjab as well as this, we will be a top line of about Rs. 1,400 crores and

all and we aim to do an EBITDA north of Rs. 150 crores.

Darshil Pandya: Understood, sir. Thank you so much for this detailed answer. And wish you all the best to you also

and the team at Sanathan also.

Paresh Dattani: Thank you.

Moderator: Thank you. The next question is from the line of Ashish from InvesQ PMS. Please go ahead.

Aashish Upganlawar: Yes, sir, just a follow-up from my side. I just wanted some clarity on any cash flows that the

company would be estimating now and how the debt position is going to go maybe every half year,

how things are being seen in this context?

Sanjay Shah: Okay. So coming to the debt question, the debt levels would be near current levels. As discussed

earlier during the call, we have a big project coming up of cotton. For the debt equity mix, we are anticipating very good operating cash flows in the coming year. Based on the operating cash flow,

we would be deciding on the debt equity bit.

Aashish Upganlawar: But sir, any numbers to share on this because you have done your calculations on this, right? I

mean, for the company, how the cash flows for the next half year would be?

Sanjay Shah: Sure. So next year, as discussed, we are expecting revenues of close to Rs. 6,000 crores and

EBITDA of close to 11%, so that should help us to generate Rs. 660 crores. Post our financial obligations also, we should be close to Rs. 400 crores. So, we would decide on the debt equity mix

only post the review of the operating cash flows.

Aashish Upganlawar: But sir, with the upcoming CAPEX on cotton plus Phase 2 of the facility in Punjab, because our

debt is pretty high, so we do not aim to repay our debt now?

Sanjay Shah: See, frankly speaking, our debt is still at 0.76x, which is quite healthy in this case. Plus, our

EBITDA is expected to improve quarter-on-quarter basis. Like mentioned earlier in the call, we would be improving our EBITDA from 10% to 11%. At the same time, our revenue would also increase from Rs. 4,200 crores in the current year to close to Rs. 6,000 in the next year to close to





Rs. 7,300 crores in FY '28. These all should help us to generate sufficient amount of cash flows, which should help us to reduce debt if required. However, we would look at the business opportunities in this case and take a call whether debt is required to be reduced or whether we look into future opportunities.

Aashish Upganlawar:

Because we generate around Rs. 400 crores, Rs. 500 crores annually, what are the expansions here.

Paresh Dattani:

Aashish, I would like to point out one thing here, Aashish, that as I mentioned earlier till March of FY '28, we do not need to pay any local banks any amount. The only repayment that will go out will be to the ECB. So that's the only outflow besides the interest outflow. So whatever the EBITDA numbers, we will just have to pay tax and the interest, and everything else will be left in the company. So I think we should be healthy enough to go through the entire cycle.

Aashish Upganlawar:

Okay. And two more things, I think part of the debt we have is unhedged and we have some open exposures on the currency.

Paresh Dattani:

No, we are totally hedged now. The entire ECB, which is over a period of 10 years, but we are totally hedged on that in the currency.

Aashish Upganlawar:

Okay. So we do not see any risk of that?

Paresh Dattani:

No, we have no risk on the currency.

Aashish Upganlawar:

Okay. And one more thing. In the cotton side, what is the kind of IRR for these kinds of projects? Is it similar to the non-natural drivers?

Paresh Dattani:

Yes, it's similar to the MMF. I have seen over years that though the EBITDA numbers on cotton is higher, but the asset turn is half of MMF. So more or less, I have seen it will be similar. As far as Punjab, it will be slightly better because of the advantages that we have of going closer to the customer. Having said that, we see even on the cotton side a payback of about six, six and a half years.

Aashish Upganlawar:

Okay. And is the cyclicality too much in cotton versus the MMF?

Paresh Dattani:

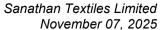
Not really. I mean, I have seen over the last 10 years, barring a year or two, we have not seen that much of volatility in the cotton prices. Even now, the cotton prices post duty reduction have come down from about Rs. 58,000 to about Rs. 52,000, Rs. 53,000. And we expect this entire season to remain in this range.

Aashish Upganlawar:

Okay. Sure, sir. Thank you so much for your answers. Thank you.

**Moderator:** 

Thank you. The next question is from the line of Biplab Debbarma from Antique Stock Broking. Please go ahead.





Biplab Debbarma: Thank you. Good evening, sir. Just two questions, first is on the expansion of cotton vertical. So,

that Rs. 450 crores of CAPEX next year would be funded by debt or there would be other way of

funding it?

Paresh Dattani: Yes, I mean, we have all the options laid on the table. First, we do not know. We are going to look

quarter-on-quarter as to what is the amount of money requirement and do we need a debt. Or if the cash flows of the company are healthy enough, we may not take a debt. Having said that, if we need a small debt, we may take a small debt. Or we have the other options also of going in for a

QIP or something like that to fund the project.

Biplab Debbarma: Okay, sir. And second is just a clarification needed. You mentioned that Rs. 70 crores is pending

CAPEX in the existing plan. Is it in the existing plant of Punjab? I mean, first phase of Punjab

plant, Rs. 70 crores pending?

Paresh Dattani: Yes, that Rs. 70 crores is pending because the post production automation as well as post

production automation is still in the process of completion, it's not yet completed. So, the money

outflow has not gone because of that.

**Biplab Debbarma:** And for the second phase, what would be the CAPEX and when would that be incurred?

Paresh Dattani: In the second phase, the CAPEX would be low about close to Rs. 150 crores to Rs. 200 crores, Rs.

150 crores only because most of the work for the second phase has been completed with the first

phase.

**Biplab Debbarma:** And that would be incurred when?

Paresh Dattani: As I said, we will start commissioning all that probably the end of FY '27 and we will get a full

year of FY '28 on that.

Biplab Debbarma: So, that means you would be incurring cotton vertical CAPEX next year as well as the second

phase of the Punjab plant?

Paresh Dattani: That's right.

Biplab Debbarma: Okay, sir. Thank you, sir.

Moderator: Thank you. The next question is from the line of Harsh Mittal from Emkay Global. Please go

ahead.

Harsh Mittal: Thank you for the opportunity. And congratulations to the management for the decent set of

numbers. My first question pertains to the Madhya Pradesh cotton expansion, I wanted to know

are we eligible for incentives for this expansion? This is my first question.

Paresh Dattani: Yes, we are going to be located in the PM MITRA Park. So, we have got land at a subsidized rate

as per the policy of the PM MITRA, so we have taken 50 acres of land there. The approximate

cost is about Rs. 25 crores on that. And the power given to us for that project is at Rs. 4.50. And





there are other subsidies that are available there, which amounts to totality. So, I mean, as I mentioned earlier, Harsh, that these subsidiary incentives, we do not pan into the project, it's a cherry on the cake when it comes through. But having said that, the power is at Rs. 4.50. The land is subsidized tariff and there are certain other subsidies there.

**Harsh Mittal:** So, this Rs. 4.50 unit is also cheaper than our Punjab plant then, am I right?

Paresh Dattani: That's true.

Harsh Mittal: Got it. Sir, second question being, is it a fair assumption to assume that Rs. 51 crores of revenue

is what we have reported from the Sanathan Polycot plant or the new plant basically, is this correct?

Sanjay Shah: It is approximately Rs. 65 crores.

Harsh Mittal: Sure. And then what would be the incentive contribution or portion out of this revenue? Because

we were also eligible for incentives in this Punjab plant as well.

Paresh Dattani: Yes. There is a process there for that, which we have run through the process. So, the final approval

is there and then it all kicks in. So, all the incentives will kick in post the approval of that, which

will be very shortly done.

Sanjay Shah: So, no incentives have been recorded on account of the Punjab plant in the September '25 results.

**Paresh Dattani:** Nothing we have recorded on that as yet.

**Harsh Mittal:** And sir, these incentives are GST linked, right? Or is it a FCI basis?

Paresh Dattani: Come again, Harsh.

Harsh Mittal: So, these incentives are a part of a fixed capital investment which the Punjab government offers?

Paresh Dattani: Yes. That's right. It's part of a fixed capital investment, which we have submitted. They have

approved that. There is a two-layered approval there, which we have gone through, both the layers of approval. It's just the final certification that is left, which shortly we should be through with it.

**Harsh Mittal:** Very clear, sir. Last question being, sir, what is our maintenance CAPEX what we incur annually?

**Paresh Dattani:** What is the?

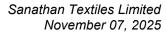
Harsh Mittal: Maintenance CAPEX, the upkeep CAPEX for our plant.

Paresh Dattani: For the new plant, it's very, very low because most of the equipment are under longer warranty.

And there are all the latest equipment, so I do not see for the next two or three years a very

substantial amount being spent on maintenance.

Harsh Mittal: Okay. Thank you.





Paresh Dattani: Thank you, Harsh.

Moderator: Thank you. The next question is from the line of Nikita Mehta, an individual investor. Please go

ahead.

Nikita Mehta: Good evening, sir. And congratulations for a good set of numbers. I have a couple of questions.

So my first question is, what was the capacity commissioned at the Punjab facility during Q2? And

when is the Phase 1 expected to be fully operational?

Paresh Dattani: Yes, Nikita, we are running at 350 tonnes a day. By the 15th of the month of November, we will

be at about 470, 480 tonnes a day. And going forward in December end, we will move up to about 600 tonnes, and around the 10th of January we should be at the pre-capacity of 700 tonnes a day.

Nikita Mehta: Okay, sir. And, sir, is the Madhya Pradesh plant being developed as brownfield expansion or

greenfield project?

**Paresh Dattani:** It's a greenfield expansion.

Nikita Mehta: Okay, sir. And are the operations running smoothly in Punjab or are there any hiccups that we

should be aware about?

Paresh Dattani: No, it's absolutely smooth. In terms of the power stability, in terms of labor availability, in terms

of the water availability or in terms of in general running of the plant, we have not seen any hiccups

and we do not envisage anything coming at this moment in time.

Nikita Mehta: Okay, sir. And sir, of the capacity which is already commissioned in Punjab, what is the current

utilization?

Paresh Dattani: Well, see, the polymerization, we are running at 350 tonnes, we are running flat out on that at 350

tonnes. The spinning is also flat out. The downstream texturizing, maybe we still need to pick up about a few percentage points on the efficiency there. But barring that, everything is up and running

fully.

**Nikita Mehta:** Okay, sir. That answers my question. Thank you so much. And all the best for the future.

Paresh Dattani: Thank you, Nikita.

**Moderator:** Thank you. The next question is from the line of Shanaya Jain from Malhotra Family Office. Please

go ahead.

Sanya Jain: Hello, sir. Just few questions. First, like what was the average realization per tonne during Q2?

Paresh Dattani: Shanaya, the average realization for polyester in Q2, we got was about Rs. 110.75 paisa close to

that. And for cotton, we got about Rs. 380, Rs. 390. For yarns, for technical textiles, we got close

to Rs. 114. On a consolidated basis, at the company level, we got about Rs. 125.





Sanya Jain: Okay. Nice. Just one thing, is the revenue per tonne consistent across Punjab and Silvassa or does

it vary between the two locations?

Paresh Dattani: At this moment, it's the same. But going forward, over the next two quarters, we will see the

difference because Punjab will have a higher per tonne margin compared to Silvassa, mainly

because of the OpEx and the logistics advantage that we have there.

Sanya Jain: Okay. Were any commissioning costs deferred or expected to spill over into Q3 something?

Partly yes, because when we move from 350 tonnes to 700 tonnes, a few spinning lines will be

commissioned, a few machines will be commissioned. So yes, we will see a cost, but it will not be as large as what we experience now. We expect, if you ask me a number, I would put it between

Rs. 3 crores, Rs. 4 crores.

Sanya Jain: And has the PTA MEG raw material supplier lock-in begun or are we just continuing to source

from Silvassa itself?

Paresh Dattani: No, we are buying our entire raw material from the Indian Oil Refinery at Panipat. As I mentioned

in my earlier call, we have a 15-year arrangement with them for supplying of the entire raw material from Panipat. So, as I said, we have created that ecosystem there, where the raw material

is also local, where the manufacturing is local and the supply is also local.

Sanya Jain: Great. And has any recent tariff changes impacted our business?

Paresh Dattani: Just to add one more thing to that. Earlier till now we were buying all our packing material from

Silvassa and sending it there. But we have got the suppliers from here to set up factories there, which will be operational in this month, so our packing material also will be local sourced going

forward.

Sanya Jain: Great. Like any recent tariff changes which have impacted our business like directly or maybe

indirectly?

Paresh Dattani: You are talking about the Trump tariffs?

Sanya Jain: Yes.

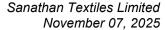
Paresh Dattani: No. As I mentioned earlier, it directly did not affect us because we did not have a very large

exposure to the United States. But indirectly, yes, our customers were there who were impacted. Not as large as the cotton customers were impacted, but they were impacted. But as I said earlier, we have maneuvered and pivoted to other customers who are more local based. So, we have

pivoted in a way that our material is well placed in spite of all this.

Sanya Jain: Okay. And just one last question. Is the FY '26 EBITDA and PAT margin guidance still on track?

And if not, what is the revised outlook?





Paresh Dattani: No, our FY '26 top line, as we said, revenue would be around Rs. 4,100 crores, Rs. 4,200 crores.

And we will be close to a double-digit EBITDA, as mentioned earlier. FY '27, we will be close to Rs. 6,000, where we are looking at an EBITDA of 11%. And FY '28, we should be at Rs. 7,300 crores, Rs. 7,400, north of 12% is what we aim to do there. That still stands as we had said earlier.

Sanya Jain: Great. Thank you so much. All my questions are answered. Thank you so much. All the best.

Thank you.

**Moderator:** Thank you. The next follow-up question is from the line of Harsh Mittal from Emkay Global.

Please go ahead.

Harsh Mittal: Thank you for the follow-up. Paresh sir, I have just one small question. I wanted an update on the

technical textiles expansion, which we plan to do in the Sanathan Polycot plant, probably, I think

it was in FY '27 or so. So, any update on that, sir?

Paresh Dattani: Yes. The update on that, as we mentioned earlier, that this was part of the expansion that we were

doing in Punjab, it was all a part of that. The only difference is, we have moved that to textiles.

**Harsh Mittal:** Which is technical textiles?

Paresh Dattani: Technical textiles will be done in Sanathan Textiles, not the Polycot. And the reason for that is

that we have our backward integration there at Silvassa, so we will be doing it here.

Harsh Mittal: Thank you.

**Moderator:** Thank you. The next question is from the line of Biplab Debbarma from Antique Stock Broking.

Please go ahead.

Biplab Debbarma: Thank you. Sir, I have one small question. What is the indirect exposure? I mean, what percentage

of your revenue would be indirect exposure? And whether you have seen any, whether you are getting the same realization as you used to get from these customers who have exposure to U.S.?

Paresh Dattani: Yes. See, as I mentioned earlier, in our own estimate it tells us that our indirect exports is when

our customers who buy from us, they export their product is close to 25%. Out of that, only about 5%, 6% is to the United States. But even to take care of that, we have pivoted in a way that we have moved aside here and there to customers who are more local based. So, we are able to place

our material fully and we do not have any risk as far the tariffs are concerned.

**Biplab Debbarma:** So, I mean, your business has not been impacted?

Paresh Dattani: No, it has not been impacted. And the proof of the pudding is that compared to Q1, our Q2 gross

margins have been marginally better compared to Q1.

**Biplab Debbarma:** Yes, sir. And you do not foresee any challenges going forward?

Paresh Dattani: No, we do not have any challenges as far as that is concerned.





**Biplab Debbarma:** Okay, sir. Thank you, sir. That's all from my side.

**Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over

to Mr. Paresh Dattani, sir, for closing comments. Thank you and over to you, sir.

Paresh Dattani: Thank you. I would like to express my sincere appreciation to the entire team at Sanathan Textiles

and Sanathan Polycot, across our Silvassa and Punjab facilities for their unwavering commitment and tireless efforts. Their dedication continues to strengthen our foundation and drive our progress. I would also like to thank all our stakeholders for their enduring trust, partnership, and belief in

the long-term vision.

With our strategic capacities now in place, operational excellence at the core, a disciplined financial approach, we remain confident in delivering sustainable growth and creating lasting value. Sanathan Textiles stands well positioned for the next phase of its journey, one defined by innovation, scale, and resilience. And we often remind ourselves, growth is not just about expansion, but about building strength that endures through every cycle. And we believe and

sincerely believe in that. Thank you very much.

Moderator: Thank you. On behalf of Sanathan Textiles, that concludes this conference. Thank you for joining

us today. And you may now disconnect your lines.