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**BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
(Maharashtra)
Scrip Code: 503722**

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

Sub: Transcript of Q3 & 9M FY 26 Earnings Call held on 11th February, 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 **Q3 & 9M FY26** Earnings Call held on Wednesday, 11th February, 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**

**Ketan Kumar Dave
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Enclosed as above

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**“Banswara Syntex Limited
Q3 & 9 Months FY26 Earnings Conference Call”
February 11, 2026**

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 11th February 2026 will prevail.



**MANAGEMENT: MR. RAVINDRAKUMAR TOSHNIWAL – VICE
CHAIRMAN – BANSWARA SYNTEX LIMITED
MS. KAVITA GANDHI – CHIEF FINANCIAL OFFICER –
BANSWARA SYNTEX LIMITED
SGA – INVESTOR RELATIONS ADVISORS – BANSWARA
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Moderator: Ladies and gentlemen, good day, and welcome to Q3 and 9 Months FY '26 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

Ravindrakumar Toshniwal: Thank you, Muskan. Hi. Good afternoon, everyone and I welcome you all to our quarter 3 and 9 months FY '26 Earnings Conference call. Along with me, we have on the call our CFO, Ms. Kavita Gandhi, and SGA, our Investor Relations Advisors. I hope all of you have been able to go through the investor presentation uploaded on the exchange and on our company website.

Now before I move on to our financial performance, just briefly let me update you on some of the key developments in the industry. As you all are probably well aware, from a global standpoint, the environment for Indian textile and apparel exports has turned distinctly more favorable.

Both the United States and the European Union, which remain the most largest and important market for us in export have witnessed renewed confidence in India and following the recent FTA agreement with EU as well as the tariff reduction for the U.S. market, access has improved across key textile and apparel categories.

These small tariff advantages over our neighboring countries can create a meaningful opportunity for us, Indian manufacturers to expand our presence globally in these high-value markets. We also see that there are political challenges in Bangladesh and cost pressures rising in Vietnam, which will make India a good sourcing destination for the world.

This shift is being reinforced by improving our trade access across the U.S., U.K. and EU. Our weaker rupee helps our export competitiveness and a stronger policy support in the Union Budget. Altogether, these factors give us a strong tailwind for Indian exports, positioning the textile industry to capture incremental share.

I believe that the world is now looking for India as a destination for quality textiles in a long-term way. We hope this will improve the capacity utilization and build a more durable export pipeline in the coming quarters. Having said that, the industry-wide uncertainties and demand pressures had continued in quarter 3, which resulted in a relatively choppy operating environment.

Despite these challenges, we were able to deliver a stable performance by our focus on value-added products and improving our overall product mix, which helped support our margins and

sustain the growth. Now let me take you through the financial performance for the quarter and the 9 months of the fiscal.

Our total income stood at INR343.3 crores in quarter 3 FY '26. Our focus towards value-added offerings and a better cost management has helped us to consistently grow our gross margins, keeping them strong. We remained above 50% during both the 9 months and the recent quarter was a high in our operating margins. EBITDA for the quarter stood at INR42 crores, marking a 25% quarter-on-quarter increase.

The profit before depreciation and tax came in at INR31.3 crores for quarter 3 FY '26, and we reported a profit before tax of INR17.9 crores and a profit after tax of INR13.2 crores in quarter 3 FY '26, which is a quarter-on-quarter increase of 89% over the last quarter. For 9 months of FY '26, our total income stood at INR1,000 crores, reflecting a 4% increase compared to the same period last year.

Our EBITDA stood at INR97.6 crores, reflecting a 14% year-on-year increase. And the profit before tax for 9 months FY '26 was INR25.5 crores while PAT stood at INR18.8 crores, marking a growth of 16% year-on-year. So in spite of a bad quarter 1, our quarter 2 and quarter 3 have helped us to recover the entire year's growth, and we look forward to a quarter 4, which will also be equally good.

The performance during the period reflects consistent execution and better capacity utilization across businesses with a continued focus on value-added growth over commodity volumes. Despite a challenging operating environment, our efforts towards better utilization of our resources for value-added products and our long-standing client relationships helped us to sustain a stable performance during this quarter.

I would say, a good performance rather than even stable. The net debt as on 31st December 2025 stood at INR495.1 crores compared to INR456.2 crores as on 31st March 2025. This is an increase of around INR39 crores during the period. This increase was primarily on account of ongoing capital expenditure and higher working capital requirements to support our business growth and operational needs.

Despite the increases in costs and a challenging operating environment, we delivered good results in this quarter. And now coming to the business divisions. For the Yarn division, our revenue for the Yarn division was steady at INR114 crores in quarter 3 FY '26. On a 9-month basis, revenues were largely in line with the corresponding period last year at INR336 crores in yarn.

The sales volume stood at 48 lakh kilograms for quarter 3 FY '26 and 148 lakh kilograms for 9 months FY '26, and our capacity utilization was at 81% during this quarter. Operationally, the Yarn business delivered a steady performance. It was supported by a higher contribution for value-added products, resulting in improved margins, a disciplined approach to pricing and selective order execution helped us to maintain our revenue quality and earnings despite relatively subdued market conditions.

The Fabric division reported a stable performance in quarter 3 FY '26. Revenue was at INR150 crores. And for the 9 months FY '26, revenue grew by 5% year-on-year to INR416 crores, reflecting steady traction across key regions and better product mix. Our sales volume stood at 59 lakh meters in quarter 3 FY '26, while for the 9 months of FY '26, it stood at 168 lakh meters.

The Fabric business continues its shift towards premium fabrics with a higher mix of wool-blended and stretch products supporting revenue stability and margins despite ongoing global uncertainties. Our flagship brands such as Simone Federico & Figli and SIRO our premium fabric collections further gained traction in the international markets.

Our regional performance remained diversified with improved traction in the U.S. and Far East, helping offset softness in some markets. The U.K. and the domestic operations remained broadly in line with expectations, growing consistently. Continued portfolio refinement and focused customer engagement remain our key priorities during this period and ongoing.

In our Garment division, in quarter 3 FY '26, we grew by 4% on a year-on-year basis to INR73 crores. For the 9 months FY '26, the division reported an 11% year-on-year increase to INR229 crores, and our capacity utilization stood at 65% during the quarter. Despite these challenges, the division-maintained stability through a good execution and an improved product mix, particularly on our jacket offerings.

We were able to drive higher realization as jackets and suits now accounted in this quarter for 14% of our volume and 26% of our revenues compared to 7% of our volume and 16% of our revenues in quarter 2 of FY '26. This is a favorable shift and gives us higher realization. The division continues to benefit from long-standing domestic and international interest and partnerships and is providing good demand visibility across all markets, both domestic and exports.

In conclusion, while the near-term market conditions remain challenging, the company is well positioned to benefit from the improved global trade dynamics and the favorable trend of sourcing shifting towards India. Our continued focus on value-added products and strengthening our customer relationships as well as finding new customers across each of the business divisions gives us confidence that we will be able to sustain this performance and grow it. We have adequate available capacity, a differentiated product portfolio and can see improved demand visibility across key markets. We remain optimistic about driving profitable growth going forward. Thank you, all. And with that, we open the floor for questions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Ravi Shah from VRS Capital.

Ravi Shah: Sir, am I audible?

Ravindrakumar Toshniwal: Yes, go ahead, Ravi.

Ravi Shah: Yes. Just a couple of questions, sir. First would be how much pricing power are you seeing in export markets given the improved trade agreements? And what percentage of total revenue now comes from exports? And how do you see this mix now evolving over time?

Ravindrakumar Toshniwal: Okay. So let me answer the second question first. We are doing right now almost about 50-50 between our export markets and our domestic markets. And that is about a ratio which we like to keep. So I think that is going to remain our strategy going forward. There was a good demand even from the domestic markets in the last quarter, but we chose to take more export orders.

And going forward, the demand as we see it is also going to be a lot more export driven. But we will make a judicious choice between choosing between the export and domestic demand to try and keep a balance between profitability, the right kind of products that we would like to do and the balance so that we maintain about a 50-50.

Then if you look at the pricing leverage that we have, this is -- really speaking, pricing leverage lies in the fact that we are a vertical company, and we have availability right from the fiber to the garment of providing a package to the customer now that we can do this effectively and we have developed all of the necessary products and speed and expertise.

We can provide value to the customer in a much better way than simply a company that just does garments by buying fabric from outside. So our biggest and inherent advantage, which we need to leverage more and more to get our pricing advantage is our verticality and we will do that effectively, we believe, going forward.

Ravi Shah: Understood, sir. This -- sir, I move to my next question on utilization levels. So currently, garment utilization still remains at 65%. So what is currently the operational constraint that we are facing which limits this utilization? That's number one. And secondly, our jackets and suits are now a larger share of our garment revenue. So was this a seasonal impact or is this some kind of structural improvement we are seeing here?

Ravindrakumar Toshniwal: Right. So speaking about the utilization on the garment business, which you pointed out was at 65%. This is also partly because we had shut down our capacities in Surat. And that was the constraint that we were not able to use all of the capacities as we moved out of the SEZ there and the machines have not been yet moved out of the SEZ and started in a DTA as we are awaiting permission.

That is why we did not have that capacity available to us. That is going to become available in the next 4 or 5 months that we believe, and that will allow us to have additional capacity available. So while we're saying it's a utilization problem, it's also a structural issue on the permission that really did not allow us to use the garment capacity.

Coming to the jackets part, in the last quarter, we saw an improvement in the jacket utilization, which brought the jacket revenue to 25% (Wrongly said, this should be read as, jacket revenue to ~26%) of the total garment revenue. This could go up even further. And this is expected to go up further. We are working on strategic relationships with the retail customers, both in domestic

and exports to have our jacket lines more better utilized and build this percentage of value-added garment capacity of jacket to 30% or 40%. I hope I've answered your question.

Ravi Shah: Understood, sir. Yes, yes, very clear, sir. Understood. Sir, my last question would be on Banswara. How do we differentiate our premium fabrics versus our peers? And is the vertical integration-led time advantage translating into any measurable export market gain versus, let's say, a Bangladesh or a Vietnam?

Ravindrakumar Toshniwal: Yes. So definitely, we are known to be a company which is more innovative among all customers globally and exports. Anybody who comes to the country looking for good value-added stretch fabrics whether in wool blends or in poly-viscose blends, polyester blends always comes to us for suitings with stretch.

And we are able to then also offer them a package now in terms of a garment. So I think that, that is the distinct advantage in terms of the delivery as our FOB delivery is equal to the lead time and the lead time of shipping is discounted from our overall delivery that we are being able to give.

So as we see an increased capacity of garmenting in India, which is happening and which continues to increase in a very good way, we will find that the lead time for garments going out of India with fabric coming from India will only be better. And here we are well positioned to compete with a Bangladesh or China or anyone else who do not do the entire package within their country.

Moderator: Next question is from the line of Runit Kapoor from Investire Investments.

Runit Kapoor: Yes. First of all, congratulations on improving your EBITDA margins despite a challenging quarter, challenging industry environment. So I want to know, first of all, like I think Mexico has increased the tariffs on Indian textiles. And I think Banswara has around INR20 crores to INR25 crores exposure to Mexico. So how do you see it going down to 0 or to what extent will it reduce? And will you be able to compensate it from any other countries?

Ravindrakumar Toshniwal: Yes. Thanks for the question, Runit. Firstly, for Mexico, the tariff increase is not for poly-viscose. It is only for polyester, 100% polyester goods. And most of the goods that we have been sending to Mexico are actually poly-viscose or polywool. And there, that particular tariff increase does not apply. So we don't see any significant change there. In fact, there may be even increases that happen in Mexico and as more garments are going from Mexico even into the U.S.

Runit Kapoor: Okay. And secondly, like from an industry perspective, like even though I think India has got the 18% tariff rate from U.S. and it's the lowest in South Asia. So -- but I think a few countries have a lower tariff like which are garmenting hubs, like Egypt and Uzbekistan have 10% and Jordan has got a 15%. So on a per package basis, how did India compare to them like after accounting for all this?

Ravindrakumar Toshniwal: So you've got to look at the larger picture. The volume that Egypt or Jordan or any of these lower tariff areas or even 0 tariff areas in some cases, can deliver is very small for the U.S. market.

And the major volume does come out of Vietnam and China and Bangladesh. And we will be able to very effectively compete against that.

There is a long-term vision for India that the government holds and all of the industry insiders also believe now very strongly in. And you will see that there is a whole ecosystem developing within India that will allow us to become a much stronger player in the apparel business for exports. But apart from that, we have a domestic market as well, which is so huge that we see that this is an opportunity which doesn't come in many decades. But the next 10, 20 years in India, particularly for man-made textiles should be very, very good.

Runit Kapoor: But on a per cost basis, like would it be cheaper in India compared to Egypt or like Uzbekistan? A lot of capacities have come there like?

Ravindrakumar Toshniwal: If you're going to make the garment there and export it at a reduced tariff, it cannot be cheaper from India. No. But you will still be able to export your fabric from here to Uzbekistan or Egypt or Jordan, and the fabric (Wrongly said, this should be read as, and the garment) can go out from there.

Runit Kapoor: No, if accounting for labor and other power expenses, I'm saying like on a package basis like?

Ravindrakumar Toshniwal: No. At the end of the day, we are talking about the landed duty paid price for the customer into the U.S. If you're talking about that LDP price into the U.S., the tariff plays a significant part. And all of the labor savings and other things don't really count for much in apparel compared to the tariff.

Runit Kapoor: Okay. And so now with the 2 new FTAs of the EU and the U.K. and the talks are on with the Canadian FTA and even the reduced tariffs in the U.S., I think Banswara sits at a very sweet spot being one of the few integrated synthetic mills in synthetics. So how is the company planning to leverage it?

Are we willing to go that extra mile by doing a massive greenfield or an acquisition in garmenting? Because currently, I feel like we don't have many compliant export-oriented firms for garmenting and like the shortage of capacity considering the extensive demand is going to come over the next few years?

Ravindrakumar Toshniwal: Right. So first of all, like we said, we've only utilized 65% of our capacity in garmenting. We still have another 35% that will go operational within 3, 4 months automatically as soon as we get our Surat SEZ transferred to DTA. Now this is already available to us. There is additional capacity available also, which we are thinking about using in already compliant mills who are willing to collaborate with us, garment units where we can get goods done, which are compliant and we can use those capacities additionally even without having a Greenfield. We will think about a greenfield and have put in an application for a PIL, but we will see whether we want to use it or not, depending on the policy of the government towards the PIL and if it makes sense.

Runit Kapoor: You are speaking about like outsourcing the garmenting in terms, but the margins would be quite low in terms of that model?

Ravindrakumar Toshniwal:Not really. There is a lot of potential if you're using your own fabric, your own design to outsource even at a lower cost than what you're able to do in-house.

Runit Kapoor: So as of now, there's no planning for a greenfield or you will wait and like take a call by the end of the year?

Ravindrakumar Toshniwal:There is no planning for a new greenfield garment. No. We are not making an additional capex there. What we are going to be doing is leveraging our own available capacities, as we have always been saying, to get to a turnover of INR1,800 crores and reach a garment turnover of INR450 crores to INR500 crores without increasing capacity is possible for us.

Runit Kapoor: And post that, would you look at a greenfield or like?

Ravindrakumar Toshniwal:Post that, yes, for sure.

Runit Kapoor: Okay. And last question is that I think U.S. has come up with a revised trade agreement with Bangladesh, and they're offering 0% tariff on the fibers imported from U.S. So I think is this only particularly for Bangladesh or like there was an interim agreement like where all countries could avail of the discount if that -- it is imported from U.S., right, the fiber and the cotton?

Ravindrakumar Toshniwal:So this is early days for this new announcement, and we are still to understand it better. However, the one understanding is clear that if Bangladesh is to import the U.S. cotton and spin it, first, the spinning industry needs to be viable and be able to convert that into a yarn at the right price for the industry.

And then they have to be able to make the garment out of it, finish the fabric, dye the fabric, make the garment out of it and then give it back. Only to that extent will they be protected, and it will impact probably only cotton and not the man-made parts where we are really prevalent in Banswara. So I don't see it affecting Banswara in a major way. Maybe some of the cotton mills will be worried about this.

Moderator: The next question is from the line of Rahul Rajbhar from Research Analyst.

Rahul Rajbhar: My question has been asked by -- sir. So no more questions from my side.

Moderator: The next question is from the line of Divyash Singh from DS Broking.

Divyash Singh: So I have a question that what portion of fabric revenue now comes from wool-blended stretch and premium categories? And what is the 3-year target mix you're looking for?

Ravindrakumar Toshniwal:Right. Thanks for that question. So we are really focusing on this product mix issue in a big way. Right now, I would say that our woollen blended fabrics and wool-based fabrics are about 400,000 meters in different blends out of our total 23 lakh meters to 24 lakh meters that we do per month.

And our stretch fabrics are between 12 lakh meters to 14 lakh meters per month. So the value-added part is around 14 lakh meters to 15 lakh meters out of 22 lakh meters, 23 lakh meters that

we do. And we hope that we can bring this up from the 14 lakh meters to almost 18 lakh meters, 20 lakh meters value-added and increase the total sales to 26 lakh meters, 27 lakh meters. This is our endeavor in the next 5, 6 months.

Divyansh Singh: Okay. And regarding the revenue growth, which remains modest despite premium mix improvement, is demand a bottleneck or pricing discipline limiting growth?

Ravindrakumar Toshniwal: Yes. So we have to reach out to new customers with special products that fit their price point while not losing our premium customers, which are able to give us better pricing. So these are new set of customers that we have to reach out to, which we haven't been able to so far. But now we find we are very competitive in many different areas as a vertical offering to be able to take on that business, getting the right margin for the fabric, getting the right margin for the garment, utilizing our own yarns in a better way.

And this is beginning to happen and will continue to be happening. We do not want to go for the bottom end of the market and try and get more of the tender businesses or the real businesses in which have no margin at all. We have actually gone away from such businesses.

In spite of that, we have been able to continue to grow our value-added, and we now find that there is ample demand at different price points with new customers, both in India and exports, and we will be tapping that to continue with a 15% to 20% growth in the fabric and at least 15%, 20% growth even in the garment business.

Moderator: The next question is from the line of Sakshi Pratap from Pratap Securities.

Sakshi Pratap: Sir, two questions. How should we think about the revenue growth and EBITDA margin trajectory now going forward? So if you could just give FY '26 exit and FY '27? That is first?

Ravindrakumar Toshniwal: Okay. And the next question.

Sakshi Pratap: The second is our net debt has also increased to INR495 crores and debt to equity is now roughly 0.9x. So what's your comfortable leverage level? And do we expect any deleveraging? And when will that resume?

Ravindrakumar Toshniwal: Thank you. So first, let me talk about our revenue growth and EBITDA margin projections. Based on this last quarter in which we got 12.5% EBITDA (Wrongly said, this should be read as, based on this quarter in which we got 12.2% EBITDA), we believe that we should be able to maintain that and even improve it going forward in the next financial year. The growth that we are talking about is 15% to 20% across the board.

So we hope that even if this year, we are able to end with about INR1,300 crores to INR1,350 crores, I don't know, something like that, we should be able to increase 15% to 20% on that in the next financial year. Now given the total debt at INR495 crores, it may increase a little bit more as we roll out our total projects that we have put in, which are all primarily to modernize and improve our quality mix for getting more value-added products. This will all finish by the end of next financial year. And after that, we should see that if the EBITDA margin as we are

projecting remains at that 12.5% and above, we should be able to pay back the debt from the next to next financial year.

Moderator: The next question is from the line of Rahul Rajbhar from Research Analyst.

Rahul Rajbhar: So sir, my question is how much impact will India going to face because of this new tariff between U.S. and Bangladesh agreement? And what about the impact on a ready-made garment?

Ravindrakumar Toshniwal: Yes. So like I said, this Bangladesh thing is yet up in the air in terms of the fact that we don't know whether Bangladesh will be able to take in the cotton from U.S.A. and convert it into a garment in a viable way or not. Number one. Number two, it is not a big impact for Banswara. So I will not speak about the industry as a whole. The impact, if any, will be on cotton yarn exporters to Bangladesh and cotton garment exporters from India to the U.S., both of which we are not.

Moderator: As there are no further questions from the participants, I would now hand the conference over to Mr. Ravindrakumar for closing comments. Over to you, sir.

Ravindrakumar Toshniwal: Thank you. So thank you, everyone, for listening to us in our Q3 & 9 months FY26 earnings call. We appreciate your continued support of Banswara, and we look forward to a much better future where we have been able to, in the last 49 years, again, remodernize ourselves and prepare ourselves for the next 50-year journey in a very meaningful way.

We do believe that the time is now and the future ahead is one in which we will experience some of the best years that we have yet to experience. So we thank you for your renewed confidence in us and look forward to meeting you all in the next quarter. Thank you very much.

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

Ravindrakumar Toshniwal: Thank you.