



FIL/SE/2025-26/27

30th July, 2025**National Stock Exchange of India Limited**

Listing Department

5th Floor, Exchange Plaza, C-1, Block-G,

Bandra-Kurla Complex, Bandra (E)

Mumbai-400 051

Security Symbol: **FILATEX****BSE Limited**

Listing Department

25th Floor, Pheroze Jeejeebhoy Towers

Dalal Street,

Mumbai - 400 001

Security Code: **526227****Sub: Transcript of the Earnings Conference call held on 24th July, 2025 for the Q1 FY2025-26 Results of the Company**

Dear Sirs/ Madam,

In continuation of our letter No. FIL/SE/2025-26/19 dated 21st July, 2025 and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript in respect of the Earnings Conference call held on 24th July, 2025 for the Q1 FY2025-26 Results of the Company.

This is for your information and records please.

Thanking you,

Yours faithfully,

For FILATEX INDIA LIMITED

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FILATEX -Q1 FY2025-26 Earnings Call

Company Participants

- Madhu Sudhan Bhageria, Chairman & Managing Director
- Tanish Bansal, Investor Relations
- Unidentified Speaker, NA

Other Participants

- Anush Jain, Analyst, Finterest Capital
- Janvi Shah, Individual Investor, NA
- Kenil Mehta, Analyst, Boring AMC
- Niraj Mansingka, Analyst, White Pine Investment Management
- Param Vora, Analyst, Trinetra Asset Managers
- Pritesh Chheda, Analyst, Lucky Investment Managers Private Limited
- Raj, Individual Investor, NA
- Reet Jain, Analyst, First Water Global
- Sasha Porwal, individual investor, NA
- Sevni, Individual Investor, NA
- Udit Sehgal, Analyst, PinPointX Capital
- Viral, Individual Investor, NA

Presentation

Operator

Ladies and Gentlemen, good day and welcome to the Q1 FY'26 Earnings Conference Call hosted by Filatex India 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. (Operator Instructions). I now hand the conference over to Mr. Tanish Bansal from Share India Securities. Thank you. And over to you, sir.

Tanish Bansal

Thank you. Good afternoon, everyone. On behalf of Share India Securities, I would like to welcome all the participants for Q1 FY'26 Earnings Conference Call of Filatex India Limited. We are pleased to have with us management team represented by Mr. Madhu Sudhan Bhageria, Chairman & MD, Mr. Ashok Chauhan, Chief Visionary Officer, Mr. Nitin Agarwal, Chief Financial Officer and Mr. Vedansh Bhageria, Vice President of Corporate Strategy. We will now have opening remarks from Mr. Madhu Sudhan Bhageria to give an overview on the companies performance. This will be followed by Q&A. Thank you and over to you, Madhuji.

Madhu Sudhan Bhageria

Thank you Tanish . Good afternoon. A warm welcome to all attendees of this first quarter FY'26 conference call. Today with me are Mr. Ashok Chauhan, Mr. Nitin Agarwal. And Vedansh Bhageria. I trust you have reviewed the investor presentation, which has been uploaded on both our website and stock exchanges.

Let us have a quick recap of our key financial indicators. Comparing the first quarter of FY'26 to last Q4 of FY'25, in Q1 FY'26 the revenue was INR1,049 crores as against INR1,080 crores in Q4

FY'25. The sales quantity stood at 97,263 metric tons, a slight increase from 96,561 metric tons in Q4 FY'25. However, EBITDA grew by 2.7% to INR77.8 crores, up from INR75.7 crores. PAT declined by 1.69%, reaching INR40.7 crores, down from INR41.4 crores in Q4 FY'25. The decline in net profit is on account of rupee depreciation against euro, adversely effect of appreciation of euro against rupee.

Comparing Q1 FY'26 performance against first quarter of last year, the revenue was INR1,049 crores as against INR1,054 crores in Q1 FY '25, the sales quantity stood at 97,263 metric tons. An increase from 95,962 metric tons in Q1 FY '25, however, EBITDA grew by 27.75% to INR77.8 crores, up from INR60.9 crores in Q1 FY '25. PAT rose by 26%, reaching INR40.7 crores, up from INR32.3 crores in Q1 FY '25.

In domestic market, despite geopolitical upheaval and raw material price volatility, the demand was reasonably stable and we expect gradual improvement. However, the export market for textile yarn continues to face pressure. High raw material cost makes us uncompetitive in export market. The traders in India are still find ways and means to import yarns fabrics at low prices from China, thereby causing pressure on margins in the domestic industry.

Let me update you on the status of various ongoing projects. Additional yarn capacity with the investment of INR235 crores. This expansion is expected to be completed by September 2026. Major machinery orders have been placed. Once operational, we expect an EBITDA of INR70 crores in full years of operation. Recycling project, the investment would be INR300 crores. Building construction has started. Ordering of major equipment is going on. We expect to start production by 2026 September. In a full year operation, expected EBITDA is INR80 crores. Stream infrastructure investment is INR85 crores. Order of turbine done, construction of pipeline started. Hope to be completing it by June 2026. We have also signed MOUs with more than 50 tonnes buyers. Expected EBITDA is INR60 crores in full operation.

Renewable energy investment will be INR27.6 crores. MOU signed with Messrs Torrent Power, expected to start getting power by February 2026. Energy cost saving in full year would be INR18 crores to INR20 crores annually.

We have identified material handling and packaging as an area of concern. We have been facing frequent disruption in our packing areas on account of increased volumes as well as acute labor shortage. Packing is a labor-intensive and tiring work. Labor shortage is perennial and becomes a serious issue during festive season. To mitigate the problem of labor shortage in this section which needs around 340 persons every day. We have opted for automation of post winding tasks like doffing and packing of FDY and partially POY. This will reduce the manpower requirement at least by half to around 180 person per day. Investment of INR40 crores is being done in that. We expect it to complete by June 2026. Reduction in operational cost will be INR6 crores. By reducing human handling, we are likely to have some benefit in quality also.

We are buoyant about prospects of our industry, upcoming PTA capacities of 2.4 million tonnes of IOCL and GAIL and 3.2 million tonnes by Reliance will reduce dependence on imports and freight exposures. We expect raw material prices to reduce once these plants are operational. In our assessment, these factors bring prospects for polyester Filament business. Thank you.

Now we can go for the question and answer.

Questions And Answers

Operator

Thank you. We will now begin the question-and-answer session. (Operator Instructions). Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Param Vora from Trinetra Asset Managers. Please go ahead.

Q - Param Vora

Hello, good afternoon. I wanted to ask you the question regarding the Chinese dumping of polyester yarn and other related products. So what are your views on the competitive industry from Chinese players and how is Filatex protecting its margins amid this?

A - Madhu Sudhan Bhageria

See, Chinese dumping is happening but it has reduced considerably. The government has put the MIP on lot of HS codes, but there are a few HS codes still left, so we are working with the government to put our MIP its the minimum import price on that, so that this can be stopped. In the future, I hope we should be able to stop that. We are working with the various forums, with the industry associations to get it resolved.

Q - Param Vora

Okay. And another question, what I wanted to ask was, can you provide insights into the profitability and revenue contribution of value added products? And what is the strategic focus to increase their market share?

A - Madhu Sudhan Bhageria

See, most of the products are value-added other than the POY. So POY is hardly now 25%, 27%. There is not much difference. I mean, the value-added products are giving like, FDY gives a good profit. So we are producing almost out of 350 tonnes per day of FDY out of the total production of 1,050 tonnes. Approximately 33%, 34%. That gives a better margin than compared.

Second is textured yarns. Textured yarns are around 40% and the balance is POY. Exactly, it's very difficult to say, but the value-added products would on an average give you INR2, INR3 more than the non-value-added at the moment.

Q - Param Vora

Okay. Thank you for taking my question. I'll stand back in queue now.

Operator

Thank you. The next question is from the line of Niraj Mansingka from White Pine Management. Please go ahead.

Q - Niraj Mansingka

Yeah. Can you hear me?

A - Madhu Sudhan Bhageria

Yes.

Q - Niraj Mansingka

Yeah, two questions. One, what about the GAIL PTA plant? When will it start? And how it impacts your supply of raw material?

A - Madhu Sudhan Bhageria

GAIL is the first one to start. I -- whatever I had to talk with them, they expect to start production by December this year. IOC is delayed. IOC is now gone to second half of next year. So maybe around August, September next year, it will start. But GAIL is most likely to start by December of this year. This is what they find.

Q - Niraj Mansingka

GAIL is 1.2 million metric tons, right?

A - Madhu Sudhan Bhageria

1.2 million metric tons. India is shot by almost 2 million metric at the moment. So this 1.2 million metric will help a lot. This will reduce overseas prices and in return Indian prices will also get down, because they are benchmarked with the landed prices.

Q - Niraj Mansingka

Okay. Sir there were -- can you also give some comment on the import because what industry was expecting that after the ISIN code being implemented. The imports will go down, but they're saying that two more codes, HSN codes still being used for importing. Can you share some data points on that?

A - Madhu Sudhan Bhageria

I don't have the data, but generally I think I would say the imports which were happening, let's say if it was 100% it has come down to 30% 40%. So almost 60% of the imports have gone. Still, 40% volume is coming.

Q - Niraj Mansingka

Got it. But who are fulfilling those supplies in India in the domestic market?

A - Madhu Sudhan Bhageria

Domestic people. Domestic people demand has increased.

Q - Niraj Mansingka

No, but just a direct question -- a related question. In that case your margin should go up or the inventor should go down. So anything -- any comment on that?

A - Madhu Sudhan Bhageria

So the margins have slightly improved in the first quarter. Normally, first quarter is not very good because there is a lot of labor shortage and the weavers also run the plants at a lower capacities in the summers. The labor is a migrated labour everywhere. So they go back to the villages. So there is a shortage of labor. And also the consumption is not that great. Now from the second quarter it starts picking up, the labour also starts coming back from mid June till end July, they start coming back. So traditionally first quarter is not a very good quarter.

Q - Niraj Mansingka

Okay. So whatever impact the government had on the imports on the MIP, the -- because whenever there is a larger supply -- demand increase that time you will see an improvement in the margin.

A - Madhu Sudhan Bhageria

Yes. Already some we could feel. That is why there is a slight improvement in the margin compared to last quarter in this quarter. Last quarter means first quarter of FY '25 compared to this quarter.

Q - Niraj Mansingka

Okay. That's one. Secondly on the CapEx, you said about can you just repeat the first item we have INR235 crores of CapEx, when it will complete and what is the about?

A - Madhu Sudhan Bhageria

I said, it will complete by September 2026. We have ordered the machinery. So the machinery.

Q - Niraj Mansingka

Not the recycling one.

A - Madhu Sudhan Bhageria

I will only -- no, this is about the increase. The first one is increase in the capacity of the existing plant. The second one, recycle, also is likely to get completed by August, September 2026.

Q - Niraj Mansingka

And the capacity of existing -- the INR235 crores CapEx is complete by September '26? what EBITDA will it add?

A - Madhu Sudhan Bhageria

It will add around INR70 crores of EBITDA in the full year.

Q - Niraj Mansingka

And.

A - Madhu Sudhan Bhageria

Recycle is just INR300 crores, that will add around INR80 crores

Q - Niraj Mansingka

What is the tonnage for the existing capacity that you going adding which adds the INR235 crore CapEx, how much capacity will get added on that, side?

A - Madhu Sudhan Bhageria

A total will be around 125 tonnes to 130 tonnes per day, including FDY, DTY, POY.

Q - Niraj Mansingka

And you're adding mostly FDY?

A - Madhu Sudhan Bhageria

Yeah, FDY is more. FDY is around 48,000 tonnes and DTY is around 14,000 tonnes and POY is around same 14,000 tonnes.

Q - Niraj Mansingka

Fair enough, okay got it. oh, that's quite a decent CapEx that we have lined up actually. Yeah. And.

A - Madhu Sudhan Bhageria

Yeah, if I add up all the total CapEx is coming close to INR700 crores.

Q - Niraj Mansingka

Yes, quite a decent and all this will complete by say, September '26.

A - Madhu Sudhan Bhageria

All work completed by September 2026.

Q - Niraj Mansingka

Okay. In terms of -- can you also share when the margins improved generally, what type of margin can you improve more FDY or?

A - Madhu Sudhan Bhageria

Margins, altogether blended margin we should expect around 11%, 12% kind of margins. EBITDA margins.

Q - Niraj Mansingka

Okay. Got it. Okay, good. Thank you. I'll come back on the queue.

A - Madhu Sudhan Bhageria

Okay.

Operator

Thank you. The next question is from the line of Udit Segal from Pinpoint X Capital. Please go ahead.

Q - Udit Sehgal

Yeah. Good afternoon, Sir. So I wanted to know regarding the margins sir, in the commentary you said that the margins will start gradually improving for now. So what are the kind of margins we can see in the coming quarters as the season picks up and what would be take as a blended average for the year?

I'm audible, Sir. Hello.

Operator

Sorry to interrupt Sir. The line for the management has been disconnected. Please wait while we reconnect them. Thank you. Ladies and gentlemen, the line for the management has been reconnected.

Yes, Sir, please go ahead.

A - Madhu Sudhan Bhageria

I didn't hear.

Q - Udit Sehgal

Shall I repeat?

A - Madhu Sudhan Bhageria

Yeah, please.

Q - Udit Sehgal

Sir, so in your management commentary, you have indicated that we can see the margins going up in the coming quarters. So what would be the range of margins they could go up to? And what would be the, like a blended average for the year?

A - Madhu Sudhan Bhageria

See, for the year, I expect the margin should be around 8.5%, 9% EBITDA. And by the fourth quarter, I expect the fourth quarter we should be in double digit?

Q - Udit Sehgal

Okay, great, Sir. And with respect to the CapEx, we are doing, sir, for next year, most of it will come online by H2. September '26.

A - Madhu Sudhan Bhageria

Yeah. before FY '26 H2.

Q - Udit Sehgal

Okay. So the EBITDA number that we are indicating, say, you spoke of 70% on the polyester expansion and INR70 crores and INR60 crores EBITDA on the recycling CapEx. Plus, I think some steam project also you're expecting some savings from that.

A - Madhu Sudhan Bhageria

Yes. INR70 crores for the yarn project, INR80 crores for recycling, INR60 crores from steam and around INR20 crores from power renewable power. These are the 4 broad.

Q - Udit Sehgal

Okay. So these are the four, -- these are figures for considering that the CapEx will come online for half year only. So if we go to the next year, then the figure should be double.

A - Madhu Sudhan Bhageria

The next year you can expect half of all this.

Q - Udit Sehgal

Double up all this, I suppose.

A - Madhu Sudhan Bhageria

No, no, no (Multiple Speakers) for full year. So in FY'27 the effect will be 50% of all this. But yes, for power like it will come full. Because power will get started in this financial year only. And steam is likely to get completed by first quarter of the next financial year. So that will be like 3/4. And the other two will be 50%.

Q - Udit Sehgal

Okay. And sir, how confident are we about this new recycling technology because I believe we have one of the few players in India who are doing like textiles and textiles.

A - Madhu Sudhan Bhageria

We are confident and that's why we are investing so much of money. We have tried in a small plant and then a bigger plant. So I mean we are very confident that we should be able to do. Maybe it can take some time, maybe 6 months to establish the product initially. But yes, we are fully confident about the product and what we are doing.

Q - Udit Sehgal

And you spoke of some tie-ups we already have for the off take of this product.

A - Madhu Sudhan Bhageria

We are in the process. Some tie-ups have started but yes it will take time. We have already started working on that.

Q - Udit Sehgal

And we are expecting superior like EBITDA margins like 35% kinds on this project.

A - Madhu Sudhan Bhageria

Yes, yes, definitely.

Q - Udit Sehgal

Okay Sir. Excellent. I will come back in the queue, sir.

A - Madhu Sudhan Bhageria

Thank you.

Operator

Thank you. The next question is from the line of Anush Jain from Finterest Capital. Please go ahead.

Q - Anush Jain

Hello, Sir, good afternoon. My question was regarding the difference from a competitor like Sanathan, which you mentioned in the previous con call, like they are also having their expansion. So how are we different from them because our margins are relatively low from them. And as you mentioned, we are aiming for double digit margins by the end of HQ, oh sorry, by the end of Q4. So how are we bringing that in?

A - Madhu Sudhan Bhageria

See, for Sanathan, our yarn and their yarn, there is not much difference. The margin you are seeing, but if you see the ROCE or ROE, you will find there is not much difference. This is the product mix which we do like. We produce more of coarse yarns. Coarse yarn, the production is more, the margins are lower, but the investment per KG is also lower. So if you do your ROCE or ROE you will find not much difference in the returns on the investments. Same machines can produce like 100 Kgs if you make a Corsa Dania, if you make a finer Dania, same machine will produce 60 kg, 70 kg. So it's a product mix which one chooses to be in. It's not the absolute number. If you see return on the investment or return on the capital employed, then you will get a better idea of the margins. And they are also have some portion of cotton and they are also into some industrial yarn, which is altogether. But although those portions are small, but yes, they have. I think cotton would be maybe 15%, 20% of their production and pipes, I have no idea, but approximately 5%, 7% would be the industrial yarn.

Q - Anush Jain

Okay. And sir, regarding the other income, which was around INR11 crores, it is being reported from last 2 quarters. So could you explain from where it is coming?

A - Madhu Sudhan Bhageria

See, mostly, it is the free cash flows which we have, which we invested in debt and other securities. In this quarter, we got a refund from GST. So there also, we got INR3 crores interest back, these kind of income and plus the FDs, which you have to give to the bank for opening LCs and all interest on that also comes in other income. It's a combination of all these 3 things.

Q - Anush Jain

Okay. And is it expected to be normalize like at what amount or something?

A - Madhu Sudhan Bhageria

I think normally, it should be between INR6 crores and INR7 crores, not more. INR3 crores is additional which we have got this year -- this quarter. So that will go away. So it should be within a vicinity of INR6 crores to INR7 crores depending on the free cash flows, which we maintain. As the cash gets utilized in the project, this will drop.

Q - Anush Jain

Okay. And sir, one last question regarding the investments reported in the balance sheet. It has been gradually increasing over the 3 years. So that's regarding like investments in bonds or something, like what are these investments?

A - Madhu Sudhan Bhageria

Yes. The free cash which we have invested in the mutual fund debt side, that is that.

Q - Anush Jain

Towards capital market side.

A - Madhu Sudhan Bhageria

Yes.

Q - Anush Jain

Thank you.

Operator

(Operator Instructions). The next question is from the line of Kenil Mehta from Boring AMC. Please go ahead. Sir, just wanted to know what would be our revenue from the recycling plant? What type of essential should we expect from our INR300 crores investment and also from the growth CapEx of INR230 crores.

A - Madhu Sudhan Bhageria

Not able to hear you properly. For recycle, what I've heard you (technical difficulty) of around INR280 crores to INR300 crores in a full year.

Q - Kenil Mehta

And for the growth CapEx?

A - Madhu Sudhan Bhageria

The CapEx is INR300 crores for recycling.

Q - Kenil Mehta

No, no, I'm asking -- that is for INR235 crores CapEx which we are aiming at.

A - Madhu Sudhan Bhageria

So INR235 crore CapEx will all give you a revenue of around INR450 crores.

Q - Kenil Mehta

And Sir, going forward, our other income (inaudible) to fall down?

A - Madhu Sudhan Bhageria

I can't hear you properly. (multiple speakers)

Operator

Mr. Kenil can you please use your handset?

Q - Kenil Mehta

Hello. Yeah, Is my voice better now?

A - Madhu Sudhan Bhageria

Yeah, now better, tell.

Q - Kenil Mehta

Should we expect the other income to fall down going forward, as we start investing our surplus cash?

A - Madhu Sudhan Bhageria

Yeah. It will definitely come down. First of all, I said INR3 crores which we have received this quarter will not come. So it will come to INR7 crores. And then gradually, as we start investing money for the projects, it will come down.

Q - Kenil Mehta

Understood. Thanks. Thanks a lot.

Operator

Thank you. The next question is on the line of Pritesh Chheda from Lucky Investments. Please go ahead.

Q - Pritesh Chheda

Sir, just reiterating the expansions of INR245 crore is growth CapEx for the existing for polyester yarn capacity expansion, another INR300 crores to be spent in recycled polyester. And you gave out a total of INR700 crores, which will include the Steam project and the solar power project, correct? That's how the INR700 crores is.

A - Madhu Sudhan Bhageria

Yeah, roughly.

Q - Pritesh Chheda

Roughly. And then you said that the EBITDA will be INR75 crores from polyester, INR80 crores from recycled polyester and another few numbers totaling INR175 crores of EBITDA from INR700 crores of expansion, that's how it is?

A - Madhu Sudhan Bhageria

Yeah, correct.

Q - Pritesh Chheda

Okay. Now which portion of this will come in FY '26 and which portion will come in FY '27? Which asset will be operational in FY '26 and '27? Can you just tell that.

A - Madhu Sudhan Bhageria

Only the power will come in FY '26. Rest will come in all FY '27. Steam will get started by end of first quarter FY '27 and balance by second quarter of FY '27.

Q - Pritesh Chheda

So basically, the solar power project will come in '26?

A - Madhu Sudhan Bhageria

Correct. In a lot of project we have tied up with Torrent and we have taken 26% equity so that it becomes captive. They are putting the project, we have done a MOU with them to buy around more than 20 megawatts of hybrid power. So that will reduce our power cost.

Q - Pritesh Chheda

So solar comes in '26 with all other capacity related benefits come in '27. Now I don't see a CWIP still. So why is it so? In March '25 balance sheet, CWIP was not there. So what -- where will we see this INR245 crores plus INR300 crores this polyester expansion, recycled polyester project where?

A - Madhu Sudhan Bhageria

Sorry, you are not audible. Now, there was some disturbance in the line. Can you repeat that?

Q - Pritesh Chheda

I said I don't see a capital work in progress number for, in FY '25 balance sheet where you are spending at least.

A - Madhu Sudhan Bhageria

Yes. Most of the investment has started from this quarter only. So that's why there's not much capital work in progress. And this recycle we are doing in a different company, which is 100% subsidiary. The name of that is Texfil. So you can see that in the consolidated balance sheet, we have purchased the land and that cost is already there in the March '25 balance sheet.

Q - Pritesh Chheda

Okay. And my last question is, you gave a double-digit margin number in quarter 4. So somewhere you're building in the PTA benefit in that number, that's how it is double digit for quarter 4 or some other assumption is there?

A - Madhu Sudhan Bhageria

Some PTA benefit will come, maybe not much, but maybe a 1% or something like that, rest will be through demand in the market.

Q - Pritesh Chheda

Okay. And the power benefit is assumed in this double digit or.

A - Madhu Sudhan Bhageria

Power benefit I have not assumed because it is coming in February, it can get 1 month here and there. So that I have not assumed.

Q - Pritesh Chheda

So you assumed some benefit from PTA and basically market supply-demand economics improvement is what you build in quarter 4.

A - Madhu Sudhan Bhageria

Already, we are at 7.4% and 1%, 8.4% and another 1.5% to 2% will come from the market improvement.

Q - Pritesh Chheda

Okay, got it. Thank you very much sir.

Operator

(Operator Instructions). The next question is from the line of Sasha Porwal an individual investor. Please go ahead.

Q - Sasha Porwal

Hi. So as you've seen like the Chinese players have continued to export yarn at aggressive pricing. Are you seeing any risk of further price undercutting in India? And how do you see it going forward in FY '26?

A - Madhu Sudhan Bhageria

I don't see price cutting due to Chinese imports, but in India already, we have tried to stop quite a bit of it and we are working to stop the balance also. It is not that they are producing at a lower cost. The people are getting at (Technical Difficulty) what the government is trying to stop, they are putting a minimum import price which is the actual price of the fabric so that they proper duties and then it comes to India. That is the main reason.

Q - Sasha Porwal

Okay. Thank you.

Operator

Thank you. The next question is from the line of Sevni and individual Investor. Please go ahead.

Q - Sevni

Hello.

Operator

Yes, mam, you are audible please go ahead.

Q - Sevni

Yes, I just have one question. I just wanted to know if you could give us a CapEx guidelines on the next 2 years, 3 years. I don't know if I've missed the question with that before, but like if you could help on the CapEx guideline.

A - Madhu Sudhan Bhageria

See, till September 2026, I have already given the guidance. We will be investing around more than INR700 crores in various projects. Beyond that we have not thought of. We would like to invest more money once our recycle plant starts. We would like to expand in the recycle business mainly. Once the recycled plant starts, we would like to put a more recycled plant, so major investment will be decided after that. Till 2026 September, this is the investment plan which I have already given which is around INR700 crores.

Q - Sevni

Okay. Okay. Understood. Thank you.

Operator

The next question is from the line of Niraj Mansingka from White Pine Management. Please go ahead. Mr. Niraj, your line has been unmuted. Please go ahead with your question.

Q - Niraj Mansingka

Yes, I just had 2 questions. One, the CapEx of INR300 crores, does it include the land or CapEx of recycling or it excludes that?

A - Madhu Sudhan Bhageria

Yes, it includes land, everything land.

Q - Niraj Mansingka

Which is how much the land would be how much?

A - Madhu Sudhan Bhageria

Land was around INR11 crores - INR11.5 crores.

Q - Niraj Mansingka

So, and in terms of your, you said that EURO appreciation led to lower impacting on the EBITDA side or margin side. Can you share some thoughts on how it (Inaudible) because of some payables or.

A - Madhu Sudhan Bhageria

We had a euro loan, we have a euro loan. So as the euro got appreciated against the rupee and the rupee depreciated. So we added approximately INR10 crores of it because of the currency loss which is nationalized and when the rupee recovers against the euro, it can come back. But if we take the full tenure of our loans, we are still better than hedging it. And we did hedge some euro which are payable in this year. So, EUR3 million we have already hedged where we have a benefit of around INR75 lakhs, which are payable in this year. Which are payable in subsequent years, we have not hedged. And as per the guidance of the person who -- advisor we have kept for ForEx, we are moving ahead.

Q - Niraj Mansingka

So this has not impacted the EBITDA margin. It is more impacted below the EBITDA, right?

A - Madhu Sudhan Bhageria

Yeah, yeah. This has not affected the EBITDA. This is below the EBITDA. So net profit this has impacted not the EBITDA. This a part of.

Q - Niraj Mansingka

And the impact to the extent of INR10 crores or something, for the quarter.

A - Madhu Sudhan Bhageria

Yeah, INR10 crores. -- Just because of the loss of the currency. But that's not an outgoing. It can be recovered in subsequent quarters. Yeah.

Q - Niraj Mansingka

But the interest that you have booked is INR4.9 crores. So where is the other remaining part?

A - Madhu Sudhan Bhageria

We have return of INR4.9 crores and there is one more item, which is currency loss 7(ph). -- How much is that? One second.

Q - Niraj Mansingka

Okay, ForEx loss of INR9.9 crores (ph) you have written. Okay.

A - Madhu Sudhan Bhageria

Yes. 9.88(ph).

Q - Niraj Mansingka

Okay. Thank you.

Operator

Thank you. The next question is from the line of Janvi Shah, an individual Investor. Please go ahead.

Q - Janvi Shah

Hello.

A - Madhu Sudhan Bhageria

Yeah.

Q - Janvi Shah

Yes. So, sir, I just had, like an industry level question actually. What trends are you observing in the downstream demand from the apparel, home textiles and the technical textiles? Which of these segments do you think will be structurally more important to your revenue mix?

A - Madhu Sudhan Bhageria

So textile, mainly fabrics and garments is more for our products. And I expect it to grow. I mean, with the FTAs being signed, like, U.K. will likely to get signed within a day or two. If the U.S. FTA

gets signed or other FTAs get signed, the demand will increase significantly.

Q - Janvi Shah

Okay. And sir, just another question. Since the improving profitability and the lower interest burden, are we re-evaluating the dividend payout ratio?

A - Madhu Sudhan Bhageria

Yeah, definitely. If this year if we are doing well, we will increase the dividend. But since we are investing lot of money in projects, we have to CapEx. So that we have to also keep in mind because that's a trade off. If you give more dividend, you'll have to maybe borrow some more money for the CapEx. So.

Q - Janvi Shah

Okay. Thank you.

Operator

Thank you. The next question is from the line of Viral an individual Investor. Please go ahead.

Q - Viral

Hello.

A - Madhu Sudhan Bhageria

Yeah, hi.

Yes, go ahead.

Q - Viral

Yes. So I wanted to ask about our product mix strategy. As our product mix is static, so are we any plans tilting towards higher product value DTY or any specific yarn to derisk our spread?

A - Madhu Sudhan Bhageria

We are not increasing DTY much. We are adding a very small volume of DTY, which is 14,000 tonnes per annum. POY, we are adding 19,000 tonnes. Initially, I wrongly mentioned 14,000 tonnes, it's 19,000 tonnes. And FDY, we are adding is 28,000 tonnes. So this will get added by September 2026. Texturizing will start within next 2, 3 months. But POY, DTY is a long delivery item. So that will start by September 2024.

Q - Viral

So currently, what is the margins in 3 of us segment?

A - Madhu Sudhan Bhageria

DTY has the worst of the margins. So DTY margins are hardly 2%. FDY would be close to 12%, 13%. POY would be around 6%.

Q - Viral

Okay. Thank you.

Operator

(Operator Instructions). The next question is from the line of Raj, an individual investor. Please go ahead.

Q - Raj

Hello.

A - Madhu Sudhan Bhageria

Helo, yeah.

Q - Raj

Yes, hi. Thank you for the opportunity. I just have one question. Sorry, if I might have missed it because I joined a little late. So what percentage of revenue comes from the top 5 customers? And like has this concentration changed meaningfully, in the last one year.

A - Madhu Sudhan Bhageria

Top 5 would contribute maybe around 7% or 8%. We have a very wide base of customers. So there's no one customer taking more than 1.5%, 2%.

Q - Raj

Okay. Got it. And like can you share the name of the top 5 customers? Like who are the ones who are... Hello?

A - Madhu Sudhan Bhageria

I don't have it ready. I cannot give you the names as discussed.

Q - Raj

Okay. Thank you so much.

Operator

Thank you. The next question is from the line of Udit Sehgal from PinPointX Capital. Please go ahead.

Q - Udit Sehgal

Sir, just a follow-up question on the recycling technology, Ecosis. so there anybody else in the world who is doing the same? Like have they proven this technology? And I suppose in India there is another company called Ester which is doing JV with Loop. Other than that, are there any companies who are experimenting with the same process?

A - Madhu Sudhan Bhageria

See India Ester has announced. Ester, I don't know whether they are still going ahead or not because Loop technology is still not proven in the (Technical Difficulty) like there's one in U.S Ambercycle, then another one is Carbios.

A - Unidentified Speaker

Higher, Commissioner.

Q - Udit Sehgal

Okay. And what kind of capacities are these people processing, sir?

A - Madhu Sudhan Bhageria

So they are planning to put like Carbios is planning to put, I think, around 100 tonnes per day.

A - Unidentified Speaker

All are in experiment stage.

A - Madhu Sudhan Bhageria

But they are all on the similar stages they have not gone ahead and their productions are expected anywhere in calendar year '27, not before that. And they spend a lot of money like Carbios might have spent more than \$50 million, \$60 million in research. Loop has spent more than \$100 million.

Q - Udit Sehgal

Okay so do we keep.

A - Madhu Sudhan Bhageria

Ester is still going ahead. I heard a rumor that they are dropping this project.

Q - Udit Sehgal

So, Sir, technology (Technical Difficulty).

A - Madhu Sudhan Bhageria

Sorry.

Operator

Sorry to interrupt Mr. Udit, your voice is not audible. Could you please repeat your question again?

Q - Udit Sehgal

Can you hear me now, sir?

A - Madhu Sudhan Bhageria

Yes.

Operator

Yes, Sir.

Q - Udit Sehgal

I'm seeing, sir, it's such a first and , unique technology. So once we establish it at a full scale, do we plan to scale it up further or you will think of licensing it to other manufacturers?

A - Madhu Sudhan Bhageria

That we can do both. The demand is so much, both can be done. We will definitely like to scale it up ourselves also. And if we find good people and you can, we can license it too. We will definitely look into that also.

Q - Udit Sehgal

And the sale rate of these recycled fibers, are they different from the rates of the (Inaudible) PET bottles?

A - Madhu Sudhan Bhageria

Yes, whatever (Inaudible) today, even though that is not up to the mark, it's still sold at around INR45 to INR50 more than the virgin fibers?

Q - Udit Sehgal

Okay, great, great. Great. Best of luck for the project.

A - Madhu Sudhan Bhageria

Thank you so much.

Operator

Thank you. Participants, if you wish to ask a question, (Operator Instructions) The next question is from the line of Reet Jain from First Water. Please go ahead.

Q - Reet Jain

Good afternoon sir. As you said that the price of the recycled fiber is INR40 to INR50 higher than the virgin fiber. Is this the main reason we are going to make higher margins in the recycling project or there are some other reasons also?

A - Madhu Sudhan Bhageria

So, that's the main reason because the customers, mostly branded clothes manufacturers, they want to produce everything from recycled. They are not able to buy recycled as much as they want. So it's based on that only. But yes, we have factored in even if it drops to like INR30, INR35, still the margin should be intact because our cost of production will be much, it will give us some extra margin, then the margin of the virgin and then this extra margin on top of that.

Q - Reet Jain

Okay. So if the price gap normalizes in the range of suppose 15% higher, so what could be our normal margins in recycling project?

A - Madhu Sudhan Bhageria

Yes. So then our margins will -- what I have said INR80 crores can drop to maybe INR55 crores, INR50 crores.

Q - Reet Jain

Okay. So we can still be making a good profit?

A - Madhu Sudhan Bhageria

Yes.

Q - Reet Jain

Okay, got it, yeah. Thank you Madhu Sudan sir.

A - Madhu Sudhan Bhageria

Thank you.

Operator

(Operator Instructions) As there are no further questions from the participants, I would now like to hand the conference over to the management for their closing comments.

A - Madhu Sudhan Bhageria

Thank you, everyone, for joining us and sparing their time to join us. We hope to have con-call again after 3 months in the next quarter results. Thanks a lot. Bye.

Operator

On behalf of Filatex India Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

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