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National Stock Exchange of India Limited
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Security Symbol: FILATEX

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Security Code: 526227

Sub: Transcript of the Earnings Conference call held on 9th February, 2026 for the Q3 & 9M FY26 Results of the Company

Dear Sirs/ Madam,

In continuation of our letter No. FIL/SE/2025-26/58 dated 4th February, 2026 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 9th February, 2026 for the Q3 & 9M FY26 Results of the Company.

This is for your information and records please.

Thanking you,

Yours faithfully,
For FILATEX INDIA LIMITED

RAMAN KUMAR JHA
COMPANY SECRETARY



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“Filatex India Limited
Q3 FY '26 Earnings Conference Call”
February 09, 2026



MANAGEMENT: **MR. MADHU SUDHAN BHAGERIA – CHAIRMAN AND
MANAGING DIRECTOR – FILATEX INDIA LIMITED**
**MR. ASHOK CHAUHAN – CHIEF VISIONARY OFFICER –
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**MR. NITIN AGARWAL – CHIEF FINANCIAL OFFICER –
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MODERATOR: **Ms. JANHAVI KANKRIYA – BRANDING EDGE**

Moderator: Good afternoon, ladies and gentlemen, and welcome to the Filatex India Limited's Q3 FY '26 Earnings Conference Call, hosted by Branding Edge. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Janhavi Kankriya from Branding Edge. Thank you, and over to you, Ms. Janhavi.

Janhavi Kankriya: Thank you, Swapnali. Good afternoon, everybody, and welcome to Filatex India Limited's earnings call to discuss the Q3 and 9M FY '26 results. We have on call with us Mr. Madhu Sudhan Bhageria, Chairman and Managing Director; Mr. Ashok Chauhan, Chief Visionary Officer; and Mr. Nitin Agarwal, Chief Financial Officer.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks that the company faces. May I now request Mr. Madhu Sudhan Bhageria to take us through the company's business outlook and performance, subsequent to which we will open the floor for Q&A. Thank you, and over to you, sir.

Madhu Sudhan Bhageria: Thank you, Janhavi. Good evening, and a warm welcome to all of you attending our earnings call for the quarter ended December 2025. Joining me on this call are Mr. Chauhan, our Chief Vision Officer; and Mr. Nitin Agarwal, our CFO. I'll begin with a brief recap of our financial and operational performance for the quarter.

On a quarter-to-quarter basis, the company delivered a meaningful improvement in profitability despite relatively stable volumes. Revenue for Q3 FY '26 stood at INR1,050 crores compared to INR1,076 crores in Q2 FY '26. Sales volume was 1,00,318 metric ton, largely in line with 1,01,391 metric ton from the previous quarter. Despite marginal moderation in revenue and volumes, EBITDA numbers increased to INR93.58 crores, registering a 5.23% quarter-on-quarter growth, reflecting improved operation, efficiency, and cost discipline.

Profit after tax rose sharply by 16.3% to INR55.33 crores compared to INR47.58 crores in Q2 FY '26, indicating better operational leverage and margin expansion. Year-on-year, the sales profitability showed a strong improvement. Revenue stood at INR1,049.7 crores compared to INR1,068 crores in Q3 FY '25. Sales volumes were 1,00,318 metric tons, marginally lower than 1,01,432 metric tons in the corresponding quarter last year.

Profitability metrics improved materially. EBITDA increased by 24.16% to INR93.58 crores from INR75.37 crores in Q3 FY '25. Profit after tax rose by 16.3% to INR55.33 crores compared to INR47.43 crores last year. In first 9 months of the current fiscal year, we have exceeded the total EBITDA and PAT achieved in the entire previous year. Domestic demand remained stable during the quarter despite ongoing geopolitical uncertainties and volatility in raw material prices.

Consumption of polyester yarn held steady and we expect gradual improvement in demand conditions over the coming quarters aided by better export visibility. A key relief has been the

non-acceptance by the Ministry of Finance of the DGTR recommendation on antidumping duty on MEG. This removes a significant cost overhang for the polyester value chain. The issue of the inverted GST duty structure on PTA and MEG continues. However, the withdrawal of QCOs on yarns and PTA has eased supply side constraints. This allows access to competitively priced imports of PTA, particularly from China, which currently has surplus capacity.

Softening PTA import prices would partially mitigate margin pressures arising from yarn imports from China. Recent global trade developments are decisively positive in India and apparel sector, with clear downstream implications for the yarn manufacturers.

The EU free trade agreement is expected to improve market access and create a more level playing field, particularly for value-added textiles and apparel exports. EU is a market worth 371 billion and Indian exporters are likely to have a breakthrough into this market. Export of textile and apparel will help stabilize domestic demand also.

In the United States, the proposed tariff structure significantly improves India's competitive position with China facing tariffs of around 34% versus approximately 18% for India. The relative gap of 16% is meaningful and structural rather than marginal. U.S. market size is also large at \$300 billion.

The tariff differential may provide an edge, which was missing due to high cost of raw material vis-a-vis China. This tariff differential substantially improves the attractiveness of sourcing from India and importantly neutralizes the comparative disadvantage that Indian exporters face vis-a-vis Vietnam and Bangladesh and a distinct advantage against China.

The U.S. remains the single largest global market for textile and apparel and any sustained improvement in India's export competitiveness is expected to translate into higher export orders for fabrics and garments, better capacity utilization across textile value chain, improved demand visibility, and pricing stability for polyester filament yarn in the domestic market. From a yarn manufacturer's perspective, these developments represent a clear medium-term demand tailwind rather than a short-term sentimental shift.

A brief update on the capex. The company continues to execute its INR690 crores strategic investment program focused on capacity expansion, sustainability, and energy efficiency, and automation. Progress across projects remains largely on schedule except for minor regulatory delays in the renewable energy initiative.

We are buoyant about the medium-term prospects of the polyester industry. Structural capacity additions in PTA, easing of policy related cost risk, improving global trade sentiments, and disciplined execution of our capex program together provide a strong foundation for sustainable growth and margin resilience.

Thanking you for patiently listening. Now I'll be glad to answer any of your questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. We have the first question from the line of Surya Nayak from Sunidhi Securities.

Surya Nayak:

So a couple of questions. One is, what is the status of the RE power with Torrent Energy that is we were dealing with and whether any further delay in that front? And secondly, I'm believing that the August capex are on stream. That is second. Any clarification on that, if any delay is happening anywhere? And thirdly, is that to understand what will be the key trigger for the first recycle plant that we will be observing the success of that to trigger for further setting up of -- planning for the further setup of the similar plants elsewhere? So there are 3. And I'll have some common question later.

Madhu Sudhan Bhageria: Regarding Torrent, there were certain delays. That's why it was supposed to start in June, July, but now it is getting postponed to October, November, and we have had a site visit and we feel they should be operational by October for sure. They had some issues with the government regarding evacuation of the electricity. Now all has been cleared and we see by October, it should be done. Rest of the projects are all on time, which are in our hands, that was something which was not in our hand. Because we have tied up with Torrent that we are equity participant in that. Although we'll be getting 100% power, but the implementation is not in our hands.

Regarding recycle, the key trigger would be once the product is acceptable by the customers and we come to a steady state sales and full production, then we would be looking for further putting up new plants and at what scale we should put up. All that depends how soon we are able to sell and what success we get with the customers because it's a new product, it's a new technology. But I think timeline should be 3 to 6 months after the startup of the plant.

Surya Nayak:

And so like our -- the virgin polymer business, so will it take at least 6 months because in the virgin case, generally, we start with upfront maybe 80% to 90% utilization because that is the scale that is needed. But in case of the recycle, what would be the utilization percentage that would be -- we will be working for?

Madhu Sudhan Bhageria: We can start with 60% minimum. And we already -- that's why we have started to tie up with the customers right now only. And we have had MOU with Decathlon, everybody knows. So like this, we are trying with some more customers. There's still time. And we should be able to have a tie-up with them. And we are also giving them some sample products from our pilot plant so that they are sure about the quality and they can sign, take up agreement, I mean, offtake agreements with us even before the plant starts. So hopefully, it will not take much time, maybe 3 to 6 months to come to full stream.

Surya Nayak:

Okay. And for that, the raw material linkage from the ready-made garment types of players, those are actually in place. So we will not face any issues?

Madhu Sudhan Bhageria: We are in the process of doing that, but there are a lot of consolidators in Gujarat who are buying from all these people who are making fabrics and garments and they are consolidating that waste and selling. So we have tied up with them and they are assured they'll be able to supply the volumes which we need.

Surya Nayak:

Okay. And regarding realization of the virgin polymer, there is some mild reduction in the realization side. So just to understand whether this kind of level will be maintained throughout the maybe Q4 and Q1?

Madhu Sudhan Bhageria: Q4 will not be as good as Q3 because government had lifted BIS on November 12 or 13, I don't remember exactly. So after that, there is a flood of Chinese products coming to India. So there is a pressure on margin. So it will be slightly lower than what we have done in Q3. Q4 could be slightly lower than that. But we are trying to mitigate that by various ways, but still it will be slightly lower than Q3.

Surya Nayak: So how much the current differential between the U.S. -- sorry, China and India as of now?

Madhu Sudhan Bhageria: See, China-India product usually go like POI, what we were -- the margins were before BIS, there is like maybe very small difference. PTY also the difference is not there. Major difference has come in FDY. FDY price in India was quite high compared to Chinese. So that has come down. But recently, even Chinese prices have started going up. And now China is going for a holiday for almost 15 days. So let's see when they open up, what are the price levels. But I feel...

Surya Nayak: Yes. Just to understand because the current scenario post the EU deal, what I understood, Turkey was a major supplier of yarns, manmade yarns to European side. So Turkey was outside the EU, and that will be impacted. So in that case, given our un-competitiveness to export market because of the China's dominance. So will we see that any kind of...?

Madhu Sudhan Bhageria: See, once the EU treaty is enforced, then definitely we will see improvement in the margin. Right now, EU treaty has been signed, but it has not been enforced. It has still to pass certain legislative measures in India as well as in Europe. So once that come in to force, we will have advantage over China. This thing even in the yarn and other garment and fabrics and everything.

So then margins are likely to improve. And see, all these developments have happened very recently, even the U.S. development has just happened 2 days back, only the 25% extra tariff has been lifted. This 18% has still not come into force. It might come into force maybe next 1 or 2 weeks or 3 weeks, I don't know.

So all these things are changing so rapidly, it's very difficult to predict, but these are positive signs. And maybe we are able to improve our margins maybe from next month. But I think from next quarter, definitely, there should be some improvement in the margin because U.S. will come into effect by then. Europe, I think, will take another 6 months to come into force, whatever we have heard in the news.

Surya Nayak: Correct. But at given point of time, even if the export market looks healthy maybe post EU enactment, we will not think of further going into the virgin side, I mean, the manmade side?

Madhu Sudhan Bhageria: No, no. We will first explore the recycle. And if we don't see much scope there, then we'll go into the virgin side. We want to expand only in the recycle because that is something very proprietary to us and we don't see much competition over there. It's a new thing. And if it's accepted, then because we have limited resources, we can't grow everywhere. But we'll go multifold in that field. It will not be a similar plant, it would be either 5x, 7x depending on how it goes.

Surya Nayak: So maybe our long-term ambition is to have around 1 lakh plus capacity, aggregate capacity put together.

Madhu Sudhan Bhageria: Long-term vision would be to have more than 1 million, 1 lakh is too small. Next around would be more than 1 lakh for sure.

Surya Nayak: We have started with around 27,000. We are starting at 27,000...

Madhu Sudhan Bhageria: Yes. So 1 lakh is just 4x. I've said the expand would be at least 5x to 7x.

Surya Nayak: Okay. But for that the raw material linkage should be in place. Otherwise, I mean, even at...

Madhu Sudhan Bhageria: There's a lot of raw material available. There are a lot of brands which are ready to do. There are a lot of European countries which are ready to -- we are already exploring every possibility. We have started exploring that.

Surya Nayak: And any timeline, aspirational timeline you have set for that 1 million capacity of recycling?

Madhu Sudhan Bhageria: Only once this plant is operational, I'll be able to give you.

Moderator: We have the next question from the line of Niraj Mansingka from White Pine Investment Management.

Niraj Mansingka: I just wanted to know a few things. Just on the tariff side, assuming the European tariffs are approved -- European FTA is approved by their own parliament, can you give some number-wise understanding how we are competitive versus China on the imports into U.S. as far as yarn and fabric is concerned?

Madhu Sudhan Bhageria: See, right now, the tariffs in Europe are ranging from 5% to 12%, depending on the category of the product from yarn to fabric to garment. So India, we here will go into 0 tariff. China will have the same tariffs what are today. So India will be more competitive to that extent against China. China is the biggest exporter both to EU and to U.S.A. So it's a big chunk. Like India exports percentage-wise would be maybe 5%, 6% to Europe. U.S., I think it's around 8%, 9% of their total imports. But China is close to 28%, 30% of their total imports. So now we will be competitive against China.

And also main exporters, which is Vietnam and Bangladesh, their LDC status will also finish in December 2027, which gives them a zero duty in Europe. So all that will help us to compete with them because we can compete with Bangladesh and Vietnam even at the same duty. But they were enjoying zero duty, whereas Indians were paying more duty in Europe. So now we'll be at par with them at least once this is effective, and we'll be better off than China.

Niraj Mansingka: Got it. But are we so -- is the difference in price so narrow that we -- even if say a 5% duty in Europe goes away, we can...

Madhu Sudhan Bhageria: Yarn in even 1%, you leave the others. That's the kind of competitiveness in yarn. 5% is a very big number. And for garment also, I'm sure 5%, 7% are a very big number. The margins in export businesses are not that great. Only in retail and branded you might see some of it.

Niraj Mansingka: Yes. Okay. So any thoughts you have -- and does Turkey import yarn as a whole from China?

Madhu Sudhan Bhageria: No. Yes, it imports from China as well as India also. India also sells to Turkey.

Niraj Mansingka: So because there's a reciprocal tariff, there's a quid pro quo that Turkey needs to implement. So wouldn't we benefit on the exports to Turkey if the yarn demand goes up, if the EU FTA is signed?

Madhu Sudhan Bhageria: Yes, definitely, we'll benefit if it goes up.

Niraj Mansingka: Okay. Got it. But any numbers you have thought on how much the margins can go up? Or I know it's a commodity...

Madhu Sudhan Bhageria: It's very difficult to say right now. Everything has just happened in the last 1, 1.5 months, not even 1 month fully. 27 January, I think, the EU agreement was signed and US came on 1st or 2nd of Feb.

Niraj Mansingka: Right. And I slightly missed the starting point on the recycled polyester. What is the status? I'm very sorry, I missed an initial remark.

Madhu Sudhan Bhageria: We are on track. Hopefully, we should start production by end of September. Everything is on track. Only on the power front, we are delayed because we are dependent on the program which we have signed. So they had some evacuation issues with the government. So we have also sent a person. We had a site visit. The equipments are there, and I think they should be operational by October.

Niraj Mansingka: Got it. But in terms of margins, how is it faring right now for the entire polyester side, FDY...

Madhu Sudhan Bhageria: Polyester side, margins are under pressure, especially in FDY after the BIS has been lifted because FDY prices are quite low in China. And especially only one item of FDY which is coming in. There are 2 criteria in FDY. One is semi-dull, one is bright. So they are in full production of semi-dull. So semi-dull margins are under pressure more than the bright.

Niraj Mansingka: Okay. And any numbers on how much the margin has fallen on the FDY side in one...

Madhu Sudhan Bhageria: FDY side, yes. In semi-dull, it has fallen by 6% to 7% and bright maybe 2%, 3%, something like that.

Moderator: We have the next question from the line of Siddharth Bassi, an Individual Investor.

Siddharth Bassi: Firstly, a great set of numbers and great outlook on the business. So no complaints on the business front and with respect to what the management is doing. Just a 2-part question from my end. And the second part will be a slight critique. The first question, there have been rumors in the market regarding antidumping duty coming on the Chinese yarn into India. So any clarity on that? Is the company expecting the same? And if that were to happen, what sort of margin improvements do we see?

And secondly, this is more with respect to being a minority shareholder. While the company is doing a great job, and I don't have an issue with respect to the business being run. As a minority shareholder, when you see on the Bombay Stock Exchange, over a month, only 100 unique

people have traded the stock. The stock's valuations are nowhere close to what the numbers reflect and what the peers in the market are?

Can the company or the management ensure greater interaction with mutual funds, greater interaction with PMSs so that the larger PMS, mutual fund, and retail community becomes aware of the business because while the business is doing really well, true value creation for the minority would happen when there is an improvement in the PE ratios and the stock pricing with respect to the numbers that we're throwing out year-on-year in a great way?

Madhu Sudhan Bhageria: See antidumping duty, only there is one antidumping investigation going on, that is on textured yarn. I don't know what the outcome will be. But yes, there is an investigation going on in the textured yarn in China. And your other question regarding the valuation and other things. So we have recently hired an IR and a PR firm. And let's see, maybe it will help to improve the image of the company amongst the investors and give you a better return in the stock market.

Moderator: We have the next question from the line of Vatsal Jain from Universal Consultancy.

Vatsal Jain: My question is on the quality control order and the impact of its withdrawal on company's margin and debt prepayment schedule. With regards to capacity utilization, what is the projected capacity utilization once Ecosis goes live? And additionally, how is the capacity expected to increase on a quarter-on-quarter basis, specifically for October to December 2026?

Madhu Sudhan Bhageria: BIS lifting has definitely impacted the margins somewhat because now people have access to China's products because China is selling at a cheaper prices. They have better availability of the raw material at better prices because they are surplus in PTA also, that is the main thing.

Regarding the debt repayment, our company is virtually debt-free at the moment. So there is no problem that we will have a problem with the debt repayment because we have a debt of around INR100 crores, and we have cash reserves of more than INR100 crores with us. So that's not a problem. And going forward also, whatever debt we are taking is very minimal. So there should not be any problem with that.

Regarding capacity utilization, company is utilizing fully the capacities available. We had a small fire in October 16 in one of the plant. So we lost a little bit of production. That was around 1%, 1.5% of the total production. Otherwise, we are always most of the time running and utilizing full capacity.

So increase in the volumes will only happen once we put in more machines. So we are increasing our capacity by approximately 55,000 tons per annum, and that should be operational by September 2026. So in Q3 of next year, you will see improvement in the capacity. Before that, the capacity will be more or less in the same order.

Vatsal Jain: Okay. Thank you. I have another question. With the signing of the European FTA -- EU FTA and stronger EPR norms by the European nations, how does that impact our company? And I see that our exports have reduced quite a bit in the recent times. So does that increase our export share? And also how does the...?

Madhu Sudhan Bhageria: Yes. It will increase our export share because we'll become more competitive against China and Europe once the EU is signed and become enforced. It is already signed, but it has to become enforceable. What was the other question? Sorry, I couldn't -- I forgot.

Vatsal Jain: Also regarding US tariffs, the same thing regarding US tariffs also?

Madhu Sudhan Bhageria: Yes, same thing will happen. Yes, yes. An EPR tightening norm will help us in our recycling initiative, which we have taken up. These companies would be more than willing to tie up with us because there is very -- there's hardly any company which is doing textile to textile recycling. Most of the recycling, which is happening in the world is from cotton to textile.

Vatsal Jain: Okay. And are there any other competition companies in circular polyester recycling?

Madhu Sudhan Bhageria: They have announced projects, but ours could be one of the first one to start. I don't know what will happen when they come in because they have announced that nobody is coming before any time mid-'27. And they are also first-time projects for them. This would -- it's not that they are doing it. All of them have done some pilot scale plants and now they are all scaling up.

And everybody has a different technology. It's not that all technologies are similar. Ours is one of the least capex per ton wise if you will see the numbers. Ours is least capex per ton wise of production, per ton of production, our capex is the least compared to any other which is coming in the near future.

Vatsal Jain: Okay. And these are like the competition is Indian companies or international companies?

Madhu Sudhan Bhageria: Both. There's one Indian company which is coming up, and there are quite a few international companies. In total, I would say there would be total maybe 5 or 6, not more.

Moderator: We have the next follow-up question from the line of Surya Nayak from Sunidhi Securities.

Surya Nayak: And sir, just to understand, globally, what is the mandate being given to the garment maker to source recycled fiber? So, let's say, in the context of aggregate fiber that is being used, if you can give some color on that? And secondly, our estimates are telling that we may not be requiring further accretion date for the projects. So what is the thought process in your case, whether year-ending dates will be rising or it will be at the same price, same level?

Madhu Sudhan Bhageria: Based on what, timing?

Surya Nayak: Pardon, sir.

Madhu Sudhan Bhageria: I couldn't get your last question. What was it? Year-end what will be rising?

Surya Nayak: Yes. Earlier you were saying that around close to INR120 crores to INR130 crores debt could be raised for the purchase of some German machineries. So whether we will be requiring at all further debts because the internal generations are quite robust?

Madhu Sudhan Bhageria: Debt you are talking?

Surya Nayak: Debt, yes.

Madhu Sudhan Bhageria: Yes, we will be taking some debt. Like for recycling, we have tied up for INR200 crores of debt. And if our internal accruals are good, maybe we'll draw less than that. And for other expansion of the yarn in parent company Filatex, we have tied up for the ECB loan against the machinery which we are importing. So that in addition we'll take. That is INR130 crores. I mean, if the Euro value changes, keeps changing, it is approximately INR130 crores.

Surya Nayak: Okay. So in all, how much debt you are expecting to take in FY '27?

Madhu Sudhan Bhageria: Once all these projects are completed, it will be like INR330 crores of new debt.

Surya Nayak: New debt. Okay. And regarding the FX fluctuations, if you can give some color as to what it is giving rise or, let's say, creating a trigger for rise in the fluctuations, whether it is related to...

Madhu Sudhan Bhageria: That I cannot. I'm not an expert on the currency. I cannot give what is the...

Surya Nayak: No, no, no, about -- on account of what actually, I mean, is it related to raw material, import of raw material or what? That is what I'm saying. Whether in operations or what...

Madhu Sudhan Bhageria: Raw material -- yes, raw material when we import, we import in dollars and we get 90 days credit. And we keep on hedging it as and when we are advised, we have kept advising company who keeps advising how to progress in the foreign currency because we are not experts and we do according to the advice of that person and the company.

Surya Nayak: Okay. And sir, what is the update on the Gail's PTA plant because we are here? What happened to Gail...?

Madhu Sudhan Bhageria: They're mix numbers, I think when I talk to the company, they are saying they'll be able to give material by April end. Some people are there -- some people are saying they'll come by June. IOC is likely to start from October, November this year.

Surya Nayak: Okay. Then the benefits we were expecting in the last quarter of the current fiscal, that will be spill over to maybe next quarter, right?

Madhu Sudhan Bhageria: Right. Right.

Surya Nayak: And regarding the mandate, overall mandate of the garment makers to sort the recycled fiber, if you can shed some color?

Madhu Sudhan Bhageria: Europe, there is EPR extended producer responsibility among all the producers who are selling in Europe that they have to use certain percentage of recycled material and their government is also insisting that recycle should be textile to textile, not bottle to textile.

And they also want to use that, but it is not available as of now. So they are forced to use the bottle to textile. Even if they want to use, the availability is not there. So they are tying up with various people who are coming with textile to textile already.

Surya Nayak: So is it some kind of color you got like maybe 25% to 30% of the virgin fiber, they need to procure recycled one?

Madhu Sudhan Bhageria: Right now, I think the mandate is starting from 25% to 30%. And a lot of companies have said by 2030 or 2032, they will go 100% on that. But it all depends on the availability of the yarns also. And it is not only polyester, they must be using maybe recycled cotton or other fibers also.

Surya Nayak: Okay. But we are not going to get any benefit from the EPR side once our facilities will be...

Madhu Sudhan Bhageria: Our benefit is that today the demand is there and the prices are much more than the virgin. The demand, virgin -- this recycled prices are very high compared to the virgin prices.

Surya Nayak: So you still believe that whatever you have guided earlier of 35%...

Madhu Sudhan Bhageria: Yes, yes, yes. I still believe...

Surya Nayak: That kind of margin will be still gettable?

Madhu Sudhan Bhageria: Yes, they are easily -- they should be gettable. I mean, nobody can guarantee, but they should be gettable because what I hear the prices in the market are much more than what I have guided for.

Surya Nayak: But much depends upon whether the new capacity is coming in place, as how soon that new capacity is coming in place because now newer...

Madhu Sudhan Bhageria: There's a lot of demand. So don't worry about the capacities coming in. The demand is much more than the capacity which will come in the next 3 to 5 years.

Surya Nayak: Okay. So all depends on how quickly we scale up our business, that is important to -- yes, yes.

Madhu Sudhan Bhageria: Right.

Moderator: We have the next question from the line of Aryan Bhatia from Inved Research

Aryan Bhatia: My first question is regarding the timeline. Can you provide timeline of all the capex which is coming in? When will this all be...?

Madhu Sudhan Bhageria: The timeline -- all the capex are on timeline other than the Torrent, which I have explained again. That Torrent hybrid power is a little delayed. We thought -- I think it should be operational by June, July. Now it will be operational somewhere in October or November beginning.

Aryan Bhatia: So all the capex will be live by '27 or '28?

Madhu Sudhan Bhageria: Other capex are all going to be operational by September '26. This will be operational by October, November '26 only. Nothing in '27.

Aryan Bhatia: Okay. Got it. And sir, my second question is regarding the withdrawal of BIS norms. Can our margins be similar to what happened in '23, '24 due to the Chinese dumping?

Madhu Sudhan Bhageria: No, no, no. Even, see, China is also going for anti-involution policy. You might have heard for a lot of products. They are closing their inefficient plants. Any plant which is older than 15, 20 years, their government is closing that, and they are also trying to improve their margins, how long they will keep on subsidizing the world.

Aryan Bhatia: Okay. So there might be a 50 to 100 basis points of impact due to this?

Madhu Sudhan Bhageria: Yes.

Aryan Bhatia: As much that not...

Madhu Sudhan Bhageria: I don't think more than, yes, more than that should be there. But maybe effect of US FTA, then EU FTA would mitigate all these also in the coming quarters.

Aryan Bhatia: Got it. Got it. So and my last question is on debt. Currently we have INR100 crores of debt and incrementally, we are taking INR330 crores of debt. So overall debt will be INR430 crores?

Madhu Sudhan Bhageria: Yes. And also we'll be repaying. So maybe by the year, I mean, end of FY '27, we might be still net-net, maybe INR360 crores or INR350 crores something like that.

Moderator: We have the next question from the line of Swayam from Pinpointx Capital.

Swayam: I just have only one question. Like what is your future plan once the first recycling project is a success?

Madhu Sudhan Bhageria: Future plan is to grow on that and the next plant should be at least 5x the capacity of this. And we have already started looking where we should put it. We are also exploring if we can go out of India. There are certain places in Europe where we are talking, they might offer some incentives to take care of the dumping of the garments in those countries.

Swayam: Okay. So do we -- like in future, we would be needing more fund for this? And will it be utilized by internal accrual or like debt?

Madhu Sudhan Bhageria: Yes, it will be always a combination of internal accrual debt. And we can raise equity also in the future, if required.

Swayam: And how much capex would it might be?

Madhu Sudhan Bhageria: It should be in the vicinity of anything around INR1,500 crores.

Swayam: INR1,500 crores?

Madhu Sudhan Bhageria: Yes.

Moderator: Thank you very much. Ladies and gentlemen, that was the last question for today. And with that, we conclude the question-and-answer session. I now hand the conference back to Mr. Madhu Bhageria for the closing comments. Thank you, and over to you, sir.

Madhu Sudhan Bhageria: I'd like to thank everyone for participating and spending the time to join us and hope to talk to all of you on the next call in Q4 of this year. Thank you, everyone. Bye.

Moderator: Thank you. On behalf of Branding Edge, that concludes this conference. Thank you for joining with us today, and you may now disconnect your lines.