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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 Q2 & H1FY27 Earnings Call held on 3rd November 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 **Q2 & H1FY27** Earnings Call held on **Tuesday, 3rd November 2026**. The same is also available on the website of the Company i.e. https://www.banswarasyntex.com/transcript-of-earning-conference-call/

Please take the same on record.

Yours Faithfully
For **BANSWARA SYNTEX LIMITED**

Shaleen Toshniwal
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Date: 2026.11.07 10:51:02 +05'30'

Shaleen Toshniwal
Managing Director
DIN: 00246432

Encl.: as above

“Banswara Syntex Limited

Q2 and H1 FY27 Earnings Conference Call”

November 03, 2026

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 3rd November 2026 will prevail.”

MANAGEMENT: MR. RAVINDRA KUMAR TOSHNIWAL – VICE CHAIRMAN – BANSWARA SYNTEX LIMITED
MR. SHALEEN TOSHNIWAL – MANAGING DIRECTOR – BANSWARA SYNTEX LIMITED
MS. KAVITA GANDHI – CHIEF FINANCIAL OFFICER – BANSWARA SYNTEX LIMITED
SGA, INVESTOR RELATIONS ADVISORS – BANSWARA SYNTEX LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY27 Earnings Conference Call, hosted by Banswara Syntex Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this call is being recorded.

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

Ravindra Toshniwal: Thank you. Good afternoon, everyone. Let me all welcome you to our quarter 2 and H1 FY27 earnings conference call. Along with me on this call, we have our CFO, Ms. Kavita Gandhi; and SGA, our Investor Relations Advisors. Shaleen Toshniwal, our Managing Director, has also joined us. I hope all of you have gone through our investor presentation uploaded on the exchange and on our company website.

To begin with, let me briefly touch upon the overall industry environment. During quarter 2 FY27, the Indian textile sector witnessed a gradual improvement in production levels and domestic order activity. The broader manufacturing environment also remained encouraging and our capacity utilization improved during the quarter, indicating resilience in the underlying demand environment.

One of the key trends shaping the industry is the growing shift towards man-made fibers and blended fabrics. With the traditional cost advantage of cotton narrowing, MMF-based products are becoming increasingly competitive. This is encouraging manufacturers to focus more on the performance aspects and functional yarns with other value-added products of MMF products.

We believe this structural shift represents a significant growth opportunity for the Indian textile manufacturers and especially Banswara Syntex. Globally, synthetic and blended fabrics account for a substantially higher share of clothing consumption, particularly in segments such as sportswear, formal wear and fast fashion, whereas India's penetration in these segments is relatively low. This gap offers considerable headroom for growth in man-made fibers and fabrics and technical textiles over the medium to long term.

At the same time, the industry continues to face some near-term challenges for raw material price volatility due to the geopolitical environment. We have had an increase in the polyester prices because of the West Asia challenges.

And these key inputs such as PTA and MEG have increased in price. The domestic apparel demand grows at a moderate pace, and by improving our product mix, increasing our value addition and maintaining our cost efficiency, we will be able to provide valuable inputs.

Overall, while we remain watchful of our raw material volatility, the near-term margin pressures, we do believe that the long-term opportunity continues to remain strong. Moving to our financial performance for the quarter and for the first half of FY27.

Our total income for quarter 2 stood at INR358.4 crores, registering a quarter-on-quarter growth of 11.2%. Our EBITDA margin increased by 23.9% quarter-on-quarter to INR36.5 crores, (Wrongly said, this should be read as, Our EBITDA increased by 23.9% quarter-on-quarter to INR36.5 crores) with the EBITDA margin improving to 10.2% from 9.1% in quarter 1.

Profit after tax increased by 84% quarter-on-quarter to INR8.1 crores from INR4.4 crores in the last year's quarter. For H1 FY27, our total income stood at INR680.8 crores. This is a growth of about 3.6% year-on-year compared to INR657.1 crores in H1 FY26.

Our EBITDA increased by 18.9% year-on-year to INR66 crores from INR55.5 crores, with the EBITDA margin improving to 9.7% overall from 8.5%. The profit after tax increased significantly by 124.6% year-on-year to INR12.5 crores compared with INR5.6 crores in the last half year of FY26.

Despite the challenging macroeconomic environment, we were able to deliver growth and profitability and expand our EBITDA margins. This improvement was driven by better realizations and a higher contribution from value-added products.

We also witnessed a sequential improvement in operating performance compared with quarter 1 FY27. While the power costs, employee costs are putting some pressure on our cost base, we remain focused on enhancing productivity, improving our capacity utilization and the product margins.

On the balance sheet front, our net debt stood at INR515 crores as of 30th September 2026. This has increased by INR43.28 crores during the first half, primarily due to the working capital requirements, and this is a consequence of the raw material prices increasing as well, that has been one of the major factors.

We continue to focus on balancing our growth investments while we maintain a discipline in our working capital management and our operational efficiency. Looking ahead, we want to reconfirm our FY27 guidance. And we want to assure you all that we remain focused on achieving the stated targets.

The second half is typically stronger for our business, and we do expect that the demand and our order book position, which is already a very healthy order book, both in garments and fabrics, will support this performance. Our priority remains to focus on the efficient execution and improve our operational efficiency in both the fabric and garment businesses with good support from the yarn.

With that, let me now take you through each of the divisional performances, starting with the yarn division. The yarn division, our business reported a revenue of INR103 crores in quarter 2 FY27 compared to INR112 crores in the corresponding quarter last year.

For H1 FY27, revenue stood at INR199 crores as against INR222 crores in H1 FY26. This is a drop from last year because the internal consumption increased significantly. Our capacity utilization improved to 84% during this quarter compared to 81% in quarter 2 FY26 and 70% in the preceding quarter.

We expect that for H1 FY27 compared to the corresponding last year, our overall capacity utilization is better and expect it to continue to remain so. While our capacity utilization improved, the revenue remained lower due to more sales internally.

From an operational perspective, domestic yarn sales improved sequentially during the quarter, supported by outsourced processing of certain yarn varieties to meet customer requirements. We also witnessed an increase in internal yarn transfers, as I said, reflecting higher captive consumption and strengthening the synergy across our vertical operations.

This vertical integration enables us to utilize our value-added yarn production more effectively to support the requirements of our upstream businesses. The division continues to face some challenges from elevated raw material prices and export freight costs. This has impacted the performance to the extent that it may have improved even more had these challenges not been there.

Our expected orders from the regular export customers are lower due to the freight challenges. However, our focus remains on improving production output, enhancing the capacity utilization and aligning our inventory levels with market demand.

We are also working towards reducing our slow-moving yarn stocks while maintaining adequate inventory of regularly demanded products to support our sales. These initiatives expect to support our performance in H2. Now moving to our fabric division.

The business recorded a revenue of INR157 crores in quarter 2 FY27 compared to INR149 crores in quarter 2 FY26. That's a growth of about 5%. For H1 FY27, revenue increased by 14% to INR303 crores from INR266 crores in the corresponding last year.

The sales volume stood at 58 lakh meters during quarter 2 FY27 compared to 59 lakh meters in quarter 2 FY26. However, the turnover was higher. While H1 FY27 sales volumes grew by 8% to 118 lakh meters from 109 lakh meters in H1 FY26.

Capacity utilization has improved to 82% from 77% in the corresponding last year. And for H1 FY27, our capacity utilization stood at 81% as compared to 73%. So both the utilizations have increased in the quarter-on-quarter as well as half yearly.

During H1 FY27, our performance was broadly in line with expectations in spite of the challenging business environment and some of the expected increases in the Simon brand business did not happen.

Despite these challenges, order visibility for quarter 3 FY27 remains encouraging, and we are actively working to secure additional orders to strengthen the business performance in H2, for which already the quarter 3, year order book is pretty good.

Going forward, our focus will remain on strengthening our customer relationships, improving our order inflows and ensuring timely execution of our orders. We are focused on improving our production planning and maintaining our commitments to customers. And with increasing order visibility and ongoing capacity debottlenecking that we have achieved, we expect these efforts to support our business performance in H2 FY27.

Going to the Garment division. Our revenue for quarter 2 FY27 stood at INR90 crores, which is up 13% year-on-year and 30% sequentially. For H1 FY27, revenue was INR160 crores compared with INR155 crores in H1 FY26.

Our sales volume also increased 10 lakh pieces in quarter 2 and 18 lakh pieces in H1, while capacity utilization stood at 78% as compared to 74% last year (Wrongly said, this should be read as, while capacity utilization stood at 74% in H1FY27 as compared to 78% last year). So after even a relatively soft start to the year, we have witnessed a good pickup in business momentum during quarter 2, particularly in our export orders.

Our customers do face some challenges due to vessel availability and logistical challenges. However, on the product front, our order book remains strong and particularly in jackets, we have a strong order book.

We are also seeing increasing demand and increasing interest in India as a destination given the free trade agreements. And looking ahead, the U.K. and EU free trade agreements have provided us an additional boost to our export business, and we are looking forward to even stronger demand in the rest of the year. We expect this positive momentum to continue in quarter 2 (Wrongly said, this should be read as, quarter 3) and through H2 FY27. Our focus remains on timely order execution and to convert these opportunities into sustained business growth.

With this, I now open the floor for questions. Thank you, everyone.

Moderator: Thank you, sir. We will now begin the question-and-answer session. The first question is from the line of Mr. Nirbhay from N Square Capital.

Nirbhay: If I look at your presentation, I think all 3 verticals have shown volume decline. So how are we saying that we have seen a pickup in business momentum?

Ravindra Toshniwal: Yes, Nirbhay ji. So this is a good feature, in fact, that we have achieved the top line growth in spite of volume decrease. Our focus is not on enhancing volume, but to enhance the sale of our value-added products. And we have actually succeeded quite well in this. And this is why if you look at the results of this quarter, you will see that our gross margin is probably the highest we have ever achieved. So we look at this as a very positive sign.

Nirbhay: Yes, sir. But would it not be because of raw mat impact, which you have mentioned that because your working capital has also gone up, working capital requirement has gone up substantially. So if I adjust your total sales for raw mat inflation, I'm not seeing any meaningful growth.

Ravindra Toshniwal: The point is, Nirbhay ji, here that the amount of raw material price increase, we have not been able to pass on fully to the customers yet. This is still happening in yarn and in fabric and in

garment. There is always a delay between the prices increasing and what we are able to pass on. So in spite of this, we have managed to get a better margin only because of the value-added products. Otherwise, we would have been hit much harder.

So what you're going to see now in the next half of the year unfolding is hopefully our ability to pass on this. And that is why we're still maintaining our overall prediction that we have made for the year. We are continuing to stay with that because we see this is very likely to happen.

Nirbhay: But looking at the raw mat inflation, sir, our guidance has been pretty -- I mean, there has not been -- I would say we are not able to meet our volume growth guidance which we had given. I'm not very happy with the pace of...

Ravindra Toshniwal: We didn't give a volume growth guidance. We only said that the turnover is expected to increase and the EBITDA margins are expected to increase, which is happening.

Moderator: The next question is from the line of Mr. Rohit Kumar from KDM Advisors LLC.

Rohit Kumar: Sir, my first question was the company is focusing on reducing the slow-moving yarn inventory. So what progress has been made in the inventory rationalization? And how should this impact working capital requirements going forward?

Ravindra Toshniwal: Right. Thank you for this question, Rohit. See, we see that basically the total working capital that we use definitely needs to be reduced, and we need to improve on 3 levels. To improve the total working capital, we have to improve on 3 levels, and this is on our inventory management, which is what we are saying that slow-moving inventories need to be pushed out faster, which we are already working on very seriously at all 3 fronts and expect to see some improvements here.

The second is our debtors position and our accounts receivables. And the third is the cycle time we take. So the combination of the cycle time we take to produce products, deliver it to the customer and -- this overall is being improved. We have had a difficult quarter, I would say, in this respect because of the West Asia crisis, because of the freight challenges.

Many of the customers, even though we have produced made-to-order goods, have lifted them slower than we expected. And we have had to be accommodating with the customers on this front because of the genuine challenges that are being faced.

But going long term, based on your question, I can definitely say that the endeavor is to be able to continue to improve our top line, not as much as top line, but let's say, we will continue to increase our value-added goods not in volume, but in top line. So we will increase the amount of value-added goods we sell while preserving the amount of working capital we use and bringing it down gradually every year. This is the endeavor.

Rohit Kumar: Okay. Got it, sir. And sir, my second question was the company is targeting deeper penetration in countries like U.S.A., Europe, Japan and South Korea. So which of the market currently offers the strongest growth opportunity?

Ravindra Toshniwal: I would say the biggest growth opportunity is actually going to come from Europe because the FTA is expected to come into operation maybe by June or July of next year, for sure. And already, the orders and the interest from the customers is the most encouraging. The FTA from the U.K. has already happened. And we continue to increase also business with Japan and others where FTA already exists. So yes, the bigger opportunity is in Europe.

Moderator: The next question is from the line of Mr. Runit Kapoor from Equitree Capital.

Runit Kapoor: So in the starting of the year, you have given a capex guidance of around INR130 crores to INR140 crores. And I see like around INR36 crores is done in the first half. So has there been a delay in the capex? Or what is the update for the balance of the year?

Ravindra Toshniwal: One second. I'll just let Kavita answer this.

Kavita Gandhi: So there is no delay as such. But yes, as and when it progresses, we are doing the capex and also keeping in mind the requirement what we need and need-based capex and certain work is in progress. So in H2, maximum projects will get completed.

Ravindra Toshniwal: Do you expect to use the total amount?

Kavita Gandhi: Almost nearby because quite a few projects are on like ETP and certain other areas, which is, like, needed for the better quality and environment related. So second half, the maximum projects will get completed.

Runit Kapoor: Okay. And secondly was that your update on your Surat facility and your garmenting expansion, which you all had planned.

Ravindra Toshniwal: Correct. So I'll ask Shaleen to fill us up on the progress on that.

Shaleen Toshniwal: Am I audible?

Moderator: Yes, sir.

Shaleen Toshniwal: Okay. Yes, thank you for that question. So we are still in the process of getting our customs NOC. We are in an SEZ. So we expect that should be possibly complete by November end. So as I said before in the last call, we're probably on target to bring that live by first quarter of next financial year, let's say, by April.

So at the moment, things are progressing. And hopefully, we should be completely de-notified by sometime January or February, and we should be able to bring that plant into production by first quarter of next year.

Runit Kapoor: Okay. And you had also spoken about your potential expansion in your garmenting considering that your capacity will be utilized this year. So any update on that?

Shaleen Toshniwal: So capacities, the installed capacities are fully utilized at the moment in the sense when I say fully utilized to the extent that we have available labor on the machines and the order book is completely full. We should close the year between INR360 crores to INR380 crores of sale

overall on garment this year, which would be a growth from last year. And if Surat can be on board next year, we should be on target to add another INR75 crores to INR100 crores turnover additional in the following year.

Runit Kapoor: But considering Surat will just hardly give any additional capacity. So I mean, are we looking at any additional expansion post Surat also?

Shaleen Toshniwal: So Surat once it's fully operational, Surat will give us an additional top line of INR150 crores to INR200 crores, which will take about 2 years to fully operationalize. So from the current INR360 crores levels to the next 2 years, we see a clear pathway to at least INR550 crores, INR600 crores.

Runit Kapoor: Okay. So how much is the capex expected for Surat?

Shaleen Toshniwal: The capex for Surat in addition could be depending on how far we go into the automation, between INR30 crores to INR50 crores.

Runit Kapoor: Okay. And lastly, I wanted to know like given the U.K. FTA being operationalized and the upcoming EU FTA, are we seeing any RFQs or have we added any new clients in the garmenting division?

Shaleen Toshniwal: Yes. In fact, I just got back from a 2-week trip in the U.K. Happy to say C&A now is fully on board, and we can see an order pipeline already of about INR5 crores, which we will execute in this year. And next year, the potential is to definitely go INR20 crores plus. So that's just from one customer, which is C&A.

Likewise, we had a very good meeting and an onboarding with a Polish company called Reserved, also from a very, they have about 300- 400 stores. So everyone is, like my brother was saying, Ravi, that potential is really coming fast and furious from the EU. And we are seeing a lot of order inquiries and onboarding from there.

Ravindra Toshniwal: Yes. I think Runit was asking about the U.K. You have mentioned the EU, and that is where most of the growth is really happening. But even the U.K., if you could mention what is the improvement that you're seeing?

Shaleen Toshniwal: Yes. EU, I just mentioned. But in the U.K. also, as I mentioned before, that we've onboarded Next. We are in the process of onboarding Marks & Spencer as well. So we should have from our current levels of about INR20 crores where we are getting in garment business in the U.K., we expect that to more than double next year.

Runit Kapoor: So what would be the margins for the European and U.K. clients are you expecting in the garment division?

Shaleen Toshniwal: We expect positive margins, particularly for the European customers, we find that the margins are healthier. And the margins within those businesses and geographies should be between 12% to 15% EBITDA.

Moderator: The next question is from the line of Mr. Alkesh Jain from Jain Securities Private Limited.

Alkesh Jain: So one is with respect to the EBITDA margin. The company is targeting 10.5 to 11% of margin for FY27. So sir, what are the key operational product mix improvements which we are expecting which will drive this margin expansion? And the second one is like, like what is the proportion of total yarn production is currently being consumed internally and what is the targeted captive consumption level? So these are the 3 questions.

Ravindra Toshniwal: So in terms of the margin improvements that we are expecting on EBITDA, we have increased the sale of our stretch products significantly in our fabrics. And this has gone up by almost about 30%- 40% as compared to last year. So we are consuming almost now stretch yarns about 450 to 500 tons per month internally, which used to be only at the level of about 300 tons, has increased by about 150 tons per month.

This is a significant improvement, and we are expecting to increase this even further as we go along. The total consumption of the yarns that we have internally is now hitting about 40% to answer that question. So margin improvement is going to come because we are using more value-added siro yarns, value-added stretch yarns internally and producing fabrics of those. And the percentage of that is about 40%, and we may even increase this as we go along with the value added.

Moderator: The next question is from the line of Mr. Deepak Shah, an Individual Investor. Mr. Deepak, are you there?

Sheetal Shah: Am I audible?

Moderator: Yes, sir. You are audible.

Sheetal Shah: Sorry, my name is Mr. Sheetal Shah, right?

Ravindra Toshniwal: Sheetal, right. Go ahead.

Sheetal Shah: Sir, in the last few years, our growth has been very moderate, sir. But sir, with extra tailwind like U.K. FTA support you this time. External environment is very supportive for the textile industry. This environment, actually, we have not seen since a long, very long time. So in that case, sir, can we expect higher double-digit growth both in terms of revenue and margins in next 2- 3 years? So can we break the jinx of low single-digit growth going forward, sir?

Ravindra Toshniwal: So I think we have achieved it in the quarter, and we expect to continue this growth quarter-by-quarter. I agree with you that there are good tailwinds, but there are also certain headwinds which are in the price increases on synthetics in particular due to the West Asia crisis and oil price increases. Our polyester prices have increased by 25% to 30%.

The freight costs have increased exorbitantly. So there is good momentum, and we will continue to make sure that we take good advantage of it. I would say that we are on course for at least double-digit growth and to try and achieve an overall double-digit EBITDA.

Sheetal Shah: Yes, sir. The guidance you have given for FY27 is also low single-digit guidance. That's what I'm asking because the opportunity is very huge, sir, and we are integrated players. So we have an advantage over others. So for FY28, do we expect much more?

Ravindra Toshniwal: There is a challenge also in the power costs. That's another big factor because you have to understand that if you are comparing us with the cotton industry, we are not exactly the same as the cotton industry. And in the synthetics, India has yet to take its place.

We are among the major players in the synthetic part, which we have to compete very effectively against China. And we have a monopolistic situation here in terms of the fiber supply. So in spite of that, we are doing fairly well, and I think we will be able to capture more market share with better margin. So let's hope what you're saying is achieved.

Moderator: As there are no further questions from the participants, I now hand the conference over to Ravindra sir for his closing comments. Please go ahead, sir.

Ravindra Toshniwal: Thank you. Thank you, everyone, for your continued trust and confidence in Banswara. As I said, we really look at this situation of what is happening globally and where we stand in India in the textile industry in a very positive way going forward. And we are improving our ability to curate the product mix that we have, and find a way to be able to improve the EBITDA margin, increasing the top line while not necessarily focusing only on volume.

The big challenge with focusing only on volume is that you need to have more and more capex and more and more working capital to meet the volume requirements. Whereas if we are increasing the turnover through value addition and more focused products, we are able to reduce the total working capital requirement while increasing our sales. So this is the effort that you will see coming from Banswara, and I hope that this will get the results we are looking for.

We look to deepen our relationships with our global and domestic customers, both and we believe our integrated manufacturing capabilities and the various FTAs the government has given will give us an ongoing operational initiative to support a good long-term growth for the company. Thank you all again for your continued trust and confidence in Banswara Syntex. Thank you.

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