

# Sportking INDIA LTD.

(Govt. Recognised Four Star Export House)

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**SIL/2025-26/SE**

**Date: 16.02.2026**

To <b>BSE Limited</b> Phiroze Jeeheebhoy Towers, Dalal Street, Mumbai-400001	To <b>National Stock Exchange of India Ltd,</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400051
<b>Script Code: 539221</b>	<b>Symbol: SPORTKING</b>

**Subject: Transcripts of Earnings Call of Sportking India Limited  
for Quarter and Nine month ended 31<sup>st</sup> December 2025**

Dear Sir,

Pursuant to Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed herewith transcripts of the Earnings call of the Company held on Monday, 09<sup>th</sup> February, 2026 to discuss the Company's Financial Performance for quarter and nine month ended 31<sup>st</sup> December 2025.

You are requested to take the above mentioned information on your records.

Yours truly,

**For SPORTKING INDIA LIMITED**

**LOVLESH VERMA**  
**COMPANY SECRETARY**  
**(ACS: 34171)**



“Sportking India Limited  
Q3 & 9M FY '26 Earnings Conference Call”

February 09, 2026



**MANAGEMENT:** **MR. MUNISH AVASTHI – CHAIRMAN AND MANAGING DIRECTOR –SPORTKING INDIA LIMITED**  
**MR. SANDEEP SACHDEVA – CHIEF FINANCIAL OFFICER –SPORTKING INDIA LIMITED**  
**MR. LOVLESH VERMA – COMPANY SECRETARY – SPORTKING INDIA LIMITED**

**MODERATOR:** **Ms. DARSHI JAIN – MUFG INTIME INDIA PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Sportking India Limited Q3 and 9M FY '26 Earnings Conference Call. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Darshi Jain from MUFG Intime. Thank you, and over to you.

**Darshi Jain:** Thank you. Good afternoon, everyone. Welcome to the Sportking India Limited Q3 and 9M FY '26 Earnings Conference Call. Today on the call, we have Mr. Munish Avasthi, Chairman and Managing Director; Mr. Sandeep Sachdeva, Chief Financial Officer; and Mr. Lovlesh Verma, the Company Secretary.

A short disclaimer before we start this call. This call will contain some forward-looking statements, which may be based upon our beliefs, opinions and expectations of the company as of today. These statements are not a guarantee of future performance and will involve unforeseen risks and uncertainties.

With that, I would now like to hand over the conference call to Mr. Sandeep Sachdeva for -- the Chief Financial Officer, for his opening remarks. Thank you, and over to you, sir.

**Sandeep Sachdeva:** Thank you. Good afternoon, everyone. To begin with, I will walk you through the company's financial performance for the quarter and 9 months ended 31st December '25. For Q3 FY '26, we achieved revenue from operation of INR645.9 crores, a 6% increase Y-o-Y, and gross profit stood at INR151.1 crores, a marginal increase of 0.6% Y-o-Y basis. Gross profit margin stood at 23.4%.

Operational EBITDA for the Q3 FY '26 stood at INR65.6 crores as against INR59.2 crores in Q3 FY '25, a 10.8% increase on Y-o-Y basis. EBITDA margin was at 10.2%, expanded by 45 basis points on year-to-year. PAT for Q3 FY '26 was INR24.6 crores, an increase of 33% Y-o-Y. PAT margin stood at 3.8%, with 77 bps increase on a yearly basis.

During the current quarter, a fire accident occurred at Bathinda plant of the company. However, no casualties were reported. The company has recorded a loss of INR32 crores, incurred on account of fire, which has been netted off with the insurance claim recoveries, the net impact of which is not material.

For 9 months of FY '26, revenue from operations stood at INR1,859.1 crores. Gross profit amounted to INR458.5 crores compared with INR446.1 crores in 9 months FY '25, reflecting Y-o-Y increase of 2.8%. Gross profit margin increased by 113 basis points to 24.7%. The expansion in gross profit margin was primarily driven by stable raw material prices throughout the period, which enabled better inventory optimization and improved purchase management.

EBITDA for 9 months FY '26 grew by 3.8% to INR200.5 crores, with EBITDA margin of 10.8%, an increase of 59 basis points Y-o-Y. PAT for 9 months FY '26 stood at INR87 crores,

an increase of 11.8% Y-o-Y. PAT margin stood at 4.7% increase of 57 basis points Y-o-Y. As of Q3 FY '26, we stand at capacity utilization of 96%, among the highest in the industry.

Coming to export contribution for this quarter. Shares of export in the revenue is approximately INR309 crores. It contributed to 48% of total revenue. During the quarter, domestic revenue stood at INR324.7 crores compared to INR251.2 crores in Q3 FY '25, delivering a robust year-on-year growth of 29%.

The export contribution increased from INR930.4 crores in 9 months FY '25 to INR984.6 crores in 9 months FY '26, an increase of 6% Y-o-Y, contributing 53% share in our revenue. Both cotton production and cotton yarn sales remained cumulative similar in the quarter 3 FY '26 coming to 21,073 MT and 21,278 MT, respectively.

Overall, it was a robust quarter with better margins driven by operational efficiency and strong capacity utilization. Now I'll hand over the call to Shri Munish Avasthiji CMD of the company for his remarks on the results and the outlook.

**Munish Avasthi:**

Thank you, Sandeepji, and good afternoon, ladies and gentlemen. I hope you have an opportunity to go through our press release and investor deck. First of all, I would like to update on the quarter which just went by, that is October to December. We started the quarter on the back foot as full impact of 50% U.S. tariffs kicked in from 1st September.

Demand was low key across the world with new uncertainties. Only bright spot was the Indian Government giving a duty-free window till 31st December for cotton, thus making at least cotton prices move in balance with international prices. We were able to navigate these challenges pretty well as our strategy of making operations more efficient in the last couple of years helped us in maintaining or improving margins, even though spreads were down all across the products.

As the new year started, we have witnessed a sharp demand from China for cotton yarns after a long time. Bangladesh has been pretty consistent and resilient for us in spite of all the uncertainties in the market before the impending elections. This has helped in moving the spread upward as we speak. Further impetus has been given by long-awaited India-U.S.A deal, which has unlocked additional demand since last week.

But all these positive factors coming in lately pale in front of the landmark EU-India FTA deal, which was finalized last week. This deal is a game changer for Indian textile industry, and we believe it is a very positive for the sector for years to come. We thank the Government of India for finally giving us a level playing field in the biggest textile consuming block in the world. Future is looking great for the sector.

Cotton prices are the only headwind left in the system to make us the most competitive textile nation in the world. There's a ray of hope that U.S. cotton would be given a duty-free access once the deal is signed. We eagerly await the fine print. We have been engaged with the government to remove the duties and hopeful that this issue will be resolved soon to unlock the massive potential of this sector. CCI has been procuring the cotton -- 33% to 40% of the cotton, and they are quickly understanding the problems of the industry and trying to align the prices as per the international prices.

Now I would like to share with you our various capex programs. A 40-megawatt solar capacity plan will be starting from 1st March, which will increase our renewable power consumption to 40% to 45% of total consumption, thus making us much more competitive and sustainable. Our new -- now coming to our capex. In the Odisha project, it is progressing as planned. So to recap, greenfield expansion project was announced and approved in quarter 1 FY '26 to increase the spinning capacity of the company.

In the first phase of the expansion, 1.5 lakh spindles will be set up in the state of Odisha. This will be an approximately 40% increase over the existing spindle count to 3.79 lakhs. The total outlay would be approximately INR1,000 crores and be funded through a mixture of term loan and internal accruals.

We have acquired the land and have also completed the full -- all the approvals have been received in advance. In addition, advanced payments for all the machinery have been made. And last -- about 15 days back, we started with the ground-breaking activities and the site construction has commenced at full throttle.

With these critical steps completed, the project is firmly on track and position us well for the next phase of our planned capacity build-out. Looking ahead, we remain confident in our strategy, the resilience of our operations and the strength of our team. With disciplined execution and continued growth investments, we are well positioned to navigate external challenges and capture emerging opportunities.

With that, I will now hand over the call to the moderator to open the floor for the question-and-answer session. Thank you.

- Moderator:** The first question is from the line of from Rajiv Jain from Arcane Investment.
- Rajiv Jain:** So I just have a couple of questions. So firstly, I had a question regarding the financials. So if the fire incident had not occurred, what would our PAT have been for the period? And could you maybe help quantify the financial impact attributable to the incident?
- Munish Avasthi:** Yes, the financial impact is around INR1.5 crores.
- Moderator:** Mr. Rajiv, are you there on the line?
- Rajiv Jain:** Yes, yes, here. Hello?
- Munish Avasthi:** I just answered the question. The financial impact of fire incident was INR1.5 crores to the bottom line.
- Rajiv Jain:** Understood, sir. Understood. And secondly, following on regarding this quarter performance, could you provide clarity on the tariff impact, like both in terms of revenue and EBITDA for yarn business?
- Munish Avasthi:** For which quarter are you talking about?
- Rajiv Jain:** For both previous and current.

**Munish Avasthi:** So previous quarter, as I said in my opening remarks that there was a U.S. tariff, which kicked in basically in last quarter because it was -- in September quarter, it was just there for a month. So there was a lot of negativity, and the demand was lower. So there was substantial damage to the sentiments, and the overall demand was pretty low in spite of the festival season. But things have improved since January. And now with all these new -- with the deals happening and overall, the sentiments are good. So yes, we hope for the best.

**Rajiv Jain:** Understood. Understood. And in the current environment where customers are pushing for price reductions, what measures are you taking to manage this pressure while protecting your margins? Could you throw some light on that?

**Munish Avasthi:** So actually, prices are increasing now after a long time because overall demand has come from all the countries and within India. So there is no pressure on pricing right now. Rather prices have been going up since last 45 days. There's been an increase of almost INR20 to INR25 in the cotton yarn prices.

**Moderator:** The next question comes from the line of Bhavika from Niveshaay Investment Advisory.

**Bhavika:** So the first question is regarding like general, because the recent trade deals, which we had with U.S. and Europe. So I just want to understand how this having impact on the business overall, like what management is seeing on the positive side, because a lot of demand is going to come in future? So I just want to understand like how management is expecting to take advantage of those two deals?

And the second question is related to the proposed mergers, which the company is doing and in the garment side. So I want to understand what is the vision of the management behind it, like how they see this segment to grow?

**Munish Avasthi:** Okay. So first question is about the impact of U.S. trade deal and the EU trade deal. So because of high tariffs on -- by U.S.A. on Indian apparel, the demand has been very muted for last 3, 4 months. And where we were watching a substantial growth in last year, which had totally damped because of these tariffs.

So this -- after this deal, now we are slightly better than our competitors. And so we foresee a lot of orders coming back as most of the buyers see India as a stable source of -- stable country to source their garments as compared to other countries. And there's a lot of diversification going on within the brands, from Bangladesh, Pakistan, India -- China. So we see a lot of business coming back.

And with EU, of course, there is a substantial change in the duties because right now, most of our competing countries are paying 0% duty. And we were paying 12% -- 9% to 12% right now. And once this deal is formalized in the next 6 to 8 months, we are going to come back to 0% -- we are going to be also at 0%.

And most of these countries who are enjoying LDC status, they're going to be phased out in the next 2, 3 years, and it's going to go to 8%. So there's a huge remarkable turnaround of -- from 10% -- 12% negative to 8% positive. So that opens a lot of opportunity for the textile sector to

grow, and we are excited and we are, of course, increasing our capacity by 40% just because of -- we know that these deals were -- had to be signed. And luckily, we are at the right time at the right place.

And regarding the merger, yes, the merger will be completed by the end of this quarter. And our vision is -- definitely, our vision is to be a predominantly garment house -- garment player in the next 5 to 10 years. This is just to give us a leverage and our know-how that we are acquiring these units, and we're going to scale them up as we learn more about the business. And with these increased opportunities, I think we will have to fast track our -- the plans which we have on merger.

So yes, we are very excited towards the future with all these deals happening. And overall, India is anyways has gotten much more efficient as we compare to the world, whatever is happening around the world in the competing countries. So yes, we are very excited that I think -- we are looking at a very high growth in textiles in the next 3 to 5 years.

**Bhavika:**

Just a follow-up question that you are -- like, I think most of your -- like, more than 40% of your revenue comes from the Bangladesh, I guess. So like, there's a recent news around that the Bangladesh is going to be -- fall in the category of developing nation -- developing country. So the deal which we have with the Europe is going to expire. So is there any impact you are seeing because like a lot of business comes from the Bangladesh. So do you see any kind of risk from that aspect?

**Munish Avasthi:**

So see, Bangladesh will continue to supply to Europe till the brands don't have an option. So the new option which is coming up is India. So we expect whenever the Bangladesh demand goes down, whenever this happens, we expect the Indian demand to go up much faster and which is more, of course, domestic demand supplying to our domestic manufacturers is much more certain market. So I don't think so we're going to be -- it's going to be any problem as such.

**Moderator:**

The next question comes from the line of Siya Maheshwari from SNJV Capital.

**Siya Maheshwari:**

Sir, as you mentioned in the previous call that the textile industry is consolidating as many mills are shutting down due to higher operational costs. So are we still seeing further capacity shutdown happening within? And what implications could this have on supply dynamics or price going forward?

**Munish Avasthi:**

Definitely, I think that's a process which is not only happening in India, but it's happening across the world. I think India is one country which is less affected. If you look around Turkey, Indonesia, China -- not China that much, but Pakistan and Bangladesh, there have been huge shutdowns. And India also, from -- I think as per the machinery suppliers, the capacities have come down by at least 5 million to 6 million spindles, maybe more.

So the recent uptick we have seen in demand is, I think, a lot to do with the consolidation, which has already happened in the last 2, 3 years. So yes, we are seeing it in the short term. We are already seeing the impact of all this. And that is the mantra now. I think we are going to see much more consolidation happening in the sector. A lot has happened, and we see, going forward, a lot more happening.

**Siya Maheshwari:** Okay, sir. Got it. And sir, what percentage of our cotton is imported and do you see cost pressure with the import duty back in place, have there been a representation made to extend term for duty remission since as you said, due to CCR buying at MSP, the domestic cotton is either way expensive than the international one.?

**Munish Avasthi:** So mix of imports in our basket is very dynamic. So whenever there is an opportunity, we go for more imports. And whenever we see that Indian cotton is more -- is aligned with the international prices, we switch back to Indian. And there has been consistent talks with the government about this problem. And government is aware of all this.

And we see a little bit of pressure easing because of the U.S. trade deal. There is, as mentioned by the minister that cotton has been -- cotton will come at zero rate, maybe we will know more about it once the fine print comes in mid-March or maybe next week.

And yes, CCI also is aware of all these things happening, and they are -- aggressively reduced prices, and the prices are not very far away from what the international prices are right now. So for now, I think we are at a good place when it comes to domestic prices or international prices. The gap is not that much. But we need the duties to go for sure for a long-term clarity and certainty in the business.

**Siya Maheshwari:** Okay, sir. Got it. And sir, the marginal decline in gross margins for the both year-on-year and Q-o-Q, could you walk us through the key drivers behind this movement, like particularly in terms of raw material volatility, product mix and pricing environment?

**Munish Avasthi:** It wasn't -- see, the margins year-on-year have actually gone up. And Q-on-Q, there was a slight dip. And the main -- it was mainly to do with the fall in other income. There was some fluctuation because of the forex rate, which was in -- which is there in this quarter because the currency moved very sharply. And then there was a small loss because of the fire that is INR1.5 crores.

**Siya Maheshwari:** Okay, sir. Got it. And sir, just a last follow-up. Sir, how do you see gross margins trending over the next few quarters given the current cotton price and dynamics and the operational efficiencies being implemented?

**Munish Avasthi:** Yes, we definitely see some improvement quarter-by-quarter in the next 2 quarters. So we expect the margins to go up by at least 10% Q-on-Q this quarter and maybe a further 10% -- 10% to 15% next quarter. We see -- because we have that kind of vision, so we can give this statement.

**Moderator:** The next question comes from the line of Pranay Jhaveri from JNJ Holdings.

**Pranay Jhaveri:** Sir, if you can just throw some light on the spreads in Q3 this year vis-a-vis Q2? And how is the situation currently, say, in Jan?

**Munish Avasthi:** So overall spreads vis-a-vis Q3 has come -- actually are down by INR1 in -- sorry, Q3, the spreads were down by almost INR3, INR4 as compared to Q2, and overall spreads were also down. And year-on-year, they were also down. But we have seen -- currently, the spreads are up. Right now, I think the spreads, which were -- at cotton yarn spreads, which were at about INR112, are now around INR130 or so.

- Pranay Jhaveri:** Sir, so basically, Q3, the average spread was about INR112. Q2 was INR110?
- Munish Avasthi:** No, no. Q2 was around INR118, and Q3 was around INR113.
- Pranay Jhaveri:** Sorry?
- Munish Avasthi:** INR113.
- Pranay Jhaveri:** INR113, okay. Currently from January is about INR130, INR130?
- Munish Avasthi:** No, it's not like that because see, we, as a company, have -- we have a booking for 60 to 70 days. What I'm saying is what I'm selling today will be at a spread -- the spread will be about INR20 higher than what it was last quarter.
- Pranay Jhaveri:** Got it. And one point on the merger. What would be the promoter holding after this merger is approved?
- Munish Avasthi:** So there is no equity impact in this merger. So there won't be any -- it will be the same as it is today.
- Moderator:** The next question comes from the line of Hitaindra Pradhan from Maximum Capital.
- Hitaindra Pradhan:** So I had a question related to the tariffs and the impact that we are anticipating. So sir, on the garments, whenever the EU FTA kicks in, the duties will be going from 12% to 0%. And the U.S., in the U.S., it will be 25% to 18%. But for yarn, sir, we are just going to get zero duty access to EU market, and we are anticipating the demand from the domestic garment manufacturers from the increased export. Is that understanding correct, sir or...
- Munish Avasthi:** Yes, yes, you're right, definitely. Your understanding is right.
- Hitaindra Pradhan:** Okay. So sir, do you have any plans to kind of increase our revenue share in garments? I mean currently, most of our revenue is coming from yarns and I think a smaller portion from garments. So are we trying to scale up anything in the garments as of now?
- Munish Avasthi:** See, the point of merger is, of course, to integrate our garment business into this company. And the process -- so we are learning the garment business right now. And I think we'll be ready in 6 to 8 months to scale it up. And especially after the tariff -- these deals have been made, there is more incentive to speed it up. So as I mentioned in my opening remarks that we will be fast tracking all our programs, which are on the drawing board. We'll be sharing with you whenever we are ready.
- Moderator:** The next question comes from the line of Bhavika from Niveshaay Investment Advisory.
- Bhavika:** Actually, I need understanding on the capex plan. So like INR1,000 crores of capex is happening for this greenfield expansion. So I want to understand what kind of revenue potential we can expect from it? And what will be the time line of ramp-up and how it will go, like at what time the optimum utilization can be expected from this expansion?

**Munish Avasthi:** So we -- right now, we are -- so this is a INR1,000 crores project, which will give us a turnover of about INR1,200 crores to INR1,300 crores, so additional turnover. And so we expect to start commissioning machines -- commissioning by the third quarter of this year. And I think it will take us 3 to 4 months to ramp it up and be at 96% to 98% of capacity utilization. We expect that to come by the end of next financial year.

**Bhavika:** And on geography diversify point, I want to understand like what the share -- current share we have from the Bangladesh, and what other countries we are catering? And going forward, what we are expecting the share will be, like domestically and export side and the Bangladesh share specifically?

**Munish Avasthi:** Ma'am, we are a very dynamic company. So we keep on switching our share. We are present in almost all the countries where cotton yarn goes, so we -- and we have good relations everywhere. So we keep on varying our percentage as per the market demand and where we can get better prices. So it's very, very dynamic.

So wherever we get more margins and wherever -- so we shift, so I cannot give you exactly what it will be in the future. Of course, our endeavor will always be that, to sell more and more domestically because that market is more certain. But we are very dynamic and we keep on changing our product mix as the demand kicks in and the marketplace.

**Moderator:** The next question comes from the line of Udit Gupta, an Individual Investor.

**Udit Gupta:** Sir, by when is this merger process expected to be complete?

**Munish Avasthi:** So we are -- we will be finishing this within this quarter. By this quarter end, we should finish this merger. And from 1st April, we shall be one company.

**Udit Gupta:** Okay. And sir, how much does this add to the top line or the bottom line as per last year's or current year's financials of those companies?

**Munish Avasthi:** So it will add around about INR200 crores, and bottom line was around 15% in those companies. So yes, you can do the math.

**Udit Gupta:** And sir, we are looking at some expansion in those facilities as well?

**Munish Avasthi:** Yes, definitely, we are already on the job, and we expect to increase the turnover by at least 25% to 30% in next financial year. From INR200 crores, we wish to go to INR250 crores, INR260 crores.

**Udit Gupta:** So this is all garmenting capacity?

**Munish Avasthi:** Yes. Garmenting and dyeing.

**Udit Gupta:** And sir, regarding the power cost of our company as a whole, so you said we are gradually moving towards solar. Sir, how much, in amount terms, can we look at the number, sir? Like how much can it go down? Like how much can be the benefit in rupee terms?

- Munish Avasthi:** So we already have about 15% of -- using -- 15% of our power is through solar. And for 1st March, so our new solar capacities are kicking in, which will give us an additional 25% to 27% of power -- renewable power and which should translate in a saving of around INR16 crores per year from -- starting from 1st March next month.
- Udit Gupta:** And sir, any other solar capacities in the pipeline? Or sir, this is the -- like for now, this is the last one?
- Munish Avasthi:** So this is, we have maxed out as per the government policy. This is the maximum we could go to. And so we cannot go any beyond this.
- Udit Gupta:** And sir, what are the power prices per unit in Punjab from the grid, if we buy?
- Munish Avasthi:** That's around INR6.3.
- Udit Gupta:** Right. And sir, in Odisha, we'll be getting a subsidy on the power prices as well?
- Munish Avasthi:** Yes. That is -- for 10 years, we're going to get power at INR4.
- Udit Gupta:** Got it. And sir, what is the debt that we are looking at to -- for this Odisha plant for the INR1,000 crores capex?
- Munish Avasthi:** It's around INR650 crores.
- Udit Gupta:** And you said the commissioning will start from October?
- Munish Avasthi:** Yes. We've already spent about INR100 crores from our internal accruals and the construction is going on at full speed, and we hope to be in -- start commissioning from -- before October actually.
- Udit Gupta:** Okay. And so it will take about 6 months to commission, like you said?
- Munish Avasthi:** Yes. The partial production will kick in by December, but in spinning, it takes -- because you can't do it all at once, so the project of such size takes at least 4 to 6 months to fully commission.
- Udit Gupta:** And sir, is there any capital or interest subsidy notice as well?
- Munish Avasthi:** Yes, there are capital subsidies there, and there are no interest subsidy as such, but capital subsidy and EGS, that is employment guarantee scheme, subsidies are there.
- Moderator:** The next question comes from the line of Viral Jain from SNG Finance.
- Viral Jain:** So I got a few questions. The first one was on the budget part. So after the recent announcement on the budget, can we expect any potential benefit for the company, let's say, there can be any government scheme that -- or the policy change that will help the company to grow more positively to the cost structure expansion plan or competitiveness?
- Munish Avasthi:** Yes. I think our industry didn't need much in the budget, but one substantial thing which was in budget was that government has made textile as their core emission sector, and they have

allocated a large amount towards improving the cotton yields in India, I think which will go a long way in actually securing good quality and cheaper raw material for the country.

So I think that was the main salient feature, which I thought was very good, which the government -- the initiatives they have started. And they have also stated to open up many more textile parks in India and give them certain incentives. So we see a lot of downstream momentum going forward. So that, of course, is going to benefit us being a raw -- yarn producer.

**Viral Jain:** Got it, sir. And my next question was with the future outlook. So given the current demand environment and the cost structure, what is the management outlook on the revenue growth and the margin expansion for FY '26?

**Munish Avasthi:** FY '26, we are already -- we are in the last quarter. And as you know that we are running at 96% of utilization, which is maximized. So we don't have much to go in the revenue. The only uptick in the revenue can be with the increased prices. In margins, definitely, we see some uptick in next 2 to 3 quarters with all the positive sentiments all around. And -- but the new -- the revenue expansion will only come once we start with the Odisha project.

**Viral Jain:** Got it, sir. And can we expect that the industry will be normal back in next 2 to 3 quarters?

**Munish Avasthi:** Yes. Future looks good. So as the industry has consolidated in the last 2, 3 years, you will see everybody, all the people involved in the textile, the well-managed and well-run efficient units, doing well in -- going forward. And not only for next 2, 3 quarters, we see a good bright future with India signing these treaties, especially with the EU and U.K., and the U.S.A.'s business has also been resumed now with this tariff reduction.

So we see a short term, of course, the things have gotten better because of Chinese demand and U.S. tariffs. But long term also, we see a lot of business coming in because of all these trade deals and more trade, the finance minister -- the commerce minister is talking about many more deals. So I think we are in a good place.

**Moderator:** The next question comes from the line of Pratik Shah from Investing Alpha.

**Pratik Shah:** Yes. Sir, I was saying given that the EU FTA has been finalized, are we trying to broaden our reach in the garmenting business?

**Munish Avasthi:** Yes. As I stated before also in my remarks that the whole point of merger was -- of our company, the garment company and the fabric dyeing company was actually to take advantage of these opportunities whenever they come. And now they have come.

So as you know, the merger is going to be complete on 1st April, and we are actively looking at the opportunities this -- all these FTAs give us going forward. And we are going to fast track some of our plans which we have on the garment side, which we will announce shortly, I think maybe it takes us around 3 to 6 months. But we are ready for that.

**Pratik Shah:** Okay. And just to follow up on this, sir. With this new trade landscape, are you looking -- are you rethinking your long-term integration strategy or seeing the new areas where the company can add more value?

**Munish Avasthi:** See, we are comfortable in what we are doing. So -- and in spite of all the challenges, a lot of consolidation has already happened in our sector. And with all these capacities coming in, I think we -- the downstream opportunities coming in, I think we would have our hands full in all the areas we are operating. And the value, I think with all this demand going up, the value will be created within the sectors we are operating.

We just have to be more efficient and productive, which we are. And that's our vision going forward, to be more efficient and more cost conscious and more automation. So that's what we are doing. That's what we have done for the last 3 years, and I think a lot of value will be created in the coming time once the demand is unlocked.

**Moderator:** Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to management for closing remarks.

**Munish Avasthi:** Thank you, everyone, for taking some time out of -- out to participate in this call. In case of any queries, reach out to us or our Investor Relationship agency, MUFG Investor Relations. Wish you all the best. Thank you so much.

**Moderator:** On behalf of Sportking India Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.