Sanathan Textiles LTD.
Yarns for the Fabric of Life
www.sanathan.com

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Email: sales@sanathan.com
COMPANY IDENTIFICATION NO. L17299DN2005PLC005690

Date: August 06, 2026

To,	
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400051.	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

Trading Symbol: **SANATHAN** Scrip Code: **544314**

Ref. No: **- 2026-2027/Aug26/134**

Dear Sirs/Madam,

Sub: Earnings Call Transcript pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We hereby submit, pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the transcript of the earnings call held on Tuesday, August 04, 2026, at 04:00 PM IST regarding the Un-audited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2026.

The transcript has been uploaded on the website of the Company within the prescribed timeline and can be accessed at the following weblink:

https://www.sanathan.com/investor-relations/financial-performance .

We request you to take the same on your record.

Thanking You,
Yours Sincerely,

For Sanathan Textiles Limited

Jude Dsouza

Digitally signed by Jude Dsouza
DN: cn=Jude Dsouza gn=Jude Dsouza c=IN India l=IN India ou=Sanathan Textiles e=jude_dsouza@sanathan.com
Reason: I am the author of this document
Location:
Date: 2026-08-06 15:32+05:30

Jude Patrick Dsouza
Company Secretary and Compliance Officer

Encl: As above

"Sanathan Textiles Limited

Q1 & FY27 Earnings Conference Call"

August 04, 2026

MANAGEMENT: **MR. PARESH DATTANI – CHAIRMAN AND MANAGING DIRECTOR – SANATHAN TEXTILES LIMITED**
MR. SAMMIR DATTANI – EXECUTIVE DIRECTOR – SANATHAN TEXTILES LIMITED
MR. SANJAY SHAH – CHIEF FINANCIAL OFFICER – SANATHAN TEXTILES LIMITED
MR. JUDE DSOUZA – COMPANY SECRETARY AND COMPLIANCE OFFICER – SANATHAN TEXTILES LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Q1 FY27 earnings conference call of Sanathan Textiles 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 in the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Jude DSouza. Thank you, and over to you, sir.

Jude DSouza: Good evening, ladies and gentlemen. It is my privilege to welcome you all to the earnings conference call of Sanathan Textiles Limited for the first quarter of financial year 26-27. Before we begin, I would like to remind everyone that certain statements made during this call, including comments on our outlook, expectations, future plans, capacity expansion, and business strategy, may be forward-looking in nature.

These statements are based on management's current assumptions and assessments, and are subject to various risks and uncertainties. Actual results may, therefore, differ materially from those expressed or implied during the discussion.

Joining us today are Mr. Paresh Dattani, Chairman and Managing Director; Mr. Sammir Dattani, Executive Director; and Mr. Sanjay Shah, Chief Financial Officer.

The results, the press release, and the investor presentation for the quarter have already been uploaded on the stock exchange. The call is being recorded and a transcript of the discussion will be made available on the website of the stock exchange and the company. I would now like to invite Mr. Paresh Dattani, Chairman and Managing Director, to share his opening remarks.

Paresh Dattani: Thank you, Jude. And a very good evening to everyone joining us today. The first quarter of FY27 was, by any measure, an unusual one for the global yarn industry. It was a quarter defined less by demand and more by price. Geopolitical tensions in West Asia disrupted the PTA and MEG feedstock markets, and the polyester yarn prices moved up sharply as a result of this.

Cotton moved in the same direction, but for entirely separate reasons, firming spot raw cotton and disrupting manufacturing capacity globally. The rise in cotton was steep enough that the government stepped in and temporarily waived the 11% customs duty on raw cotton imports with effect from June 1st, 2026, to ease input pressure across the value chain.

When two independent raw material chains rally at the same time and at that speed, the downstream reaction is fairly predictable. Buyers waited. They deferred purchases in anticipation of a correction, and the industry operating rates moderated through the first two months of the quarter. Encouragingly, conditions began to normalize from June, with demand and utilization showing early signs of recovery as the quarter closed.

Against that backdrop, I would describe our quarter as one of steady operating performance. Our standalone results, anchored by the Silvassa plant, improved both sequentially and year-on-year, with standalone EBITDA rising 35.52% year-on-year. That outcome was underpinned by disciplined and strategic raw material procurement and by a deliberate diversification across natural and man-made fibers, which allowed us to manage input cost volatility far more effectively than would otherwise have been possible.

At the consolidated level, performance benefited further from the steady scale-up in the utilization at our Punjab facility. And I want to make one point here that I think matters more than any single number. Both our facilities operated seamlessly and without interruption through a period of significant global and local supply chain disruption.

In a quarter where raw material availability was generally uncertain, that continuity is a direct testament to the resilience of our operations and to the strength of the supplier relationships we have built over the decades.

Consolidated revenue grew 79.08% on account of higher selling price, and consolidated EBITDA grew 55.38% from INR69.56 crores to INR108.08 crores, which was driven by better spreads across our businesses, while PAT stood at INR23.8 crores.

In the June quarter last year, the Punjab facility was still under construction. There was no depreciation on it, and the interest was being capitalized, not charged to the profit and loss account. Today, that plant is commissioned and running, so the full charge has come into the P&L.

Depreciation rose from INR11.7 crores to INR34.7 crores, and the finance costs from INR4.62 crores to INR38.6 crores. That difference is the entire story. I would also point out that, sequentially, consolidated profit after tax is up 10.4% over the March quarter, and our standalone profit after tax is up INR37.6 crores year-on-year to INR64.95 crores.

We continue to make progress across our yarn businesses. We have recently completed the installation of the plant and machinery for the expansion of our technical textile capacity at Silvassa, taking the installed capacity from 9,000 metric tons per annum to 18,000 metric tons per annum. The commencement of commercial production is expected very shortly and will be announced in due course.

I would also like to call out that, at Punjab, our polymerization capacity is at 700 metric tons per day, and we have achieved a capacity utilization for the quarter at about 80%. We are also progressing on the renewable energy front through our captive arrangement of 32 megawatts of hybrid wind-solar power, which will be commissioned in phases and expected to deliver a meaningful reduction of our power costs as it comes online.

The global geopolitical environment remains fluid, and the full impact on demand, logistics, energy prices, and supply chains continues to be difficult to assess with any precision. We therefore continue to operate with strategic caution, disciplined execution, and prudent capital allocation, while staying firmly focused on our long-term growth opportunities. Our near-term focus remains squarely on strengthening operational efficiency and margins across all three business verticals.

I will now hand over to Sammir, to walk you through the operational performance. Thank you.

Sammir Dattani: Thank you, Chairman, and good evening to everyone. I will briefly take you through the operational performance across our manufacturing facilities for the quarter. The most significant operational milestone for us for the Q1 was the full operationalization of Punjab. Our attention currently is focused on operational efficiency, better capacity utilization, and product optimization in the coming quarters. Our Q1 capacity utilization in Punjab was around 80%, and we are targeting a much higher utilization for Q2.

At a consolidated level, we sold 1 lakh metric tons of yarn. From this, 54,000 metric tonne was sold from the Silvassa facility across all three yarn verticals, and approximately 46,000 tonne were sold from the Punjab facility.

Due to the West Asia war, raw materials saw a lot of volatility right across the petrochemical chain, including PTA and MEG. Both our input cost increased sharply, and also the supply chain cost increased proportionately. Despite that, we sustained stable raw material availability throughout the quarter through disciplined procurement, timely imports at Silvassa, and strong supplier relationships at Punjab. As the Chairman mentioned, neither facility lost a day of production due to raw material availability.

On the cotton side, yarn prices rose sharply on the back of firmer raw cotton and global capacity disruptions. Encouragingly, demand held up well despite the price escalations, which speaks to the underlying strength of the product. Raw cotton pricing and availability remains a key monitorable factor for the coming season, particularly given the ongoing global disruption emerging from climate-related risk.

On our part, we continue to navigate this through calibrated procurement and disciplined inventory management. In April and May, due to the unprecedented conditions, we saw a sharp rise and also high volatility in PTA prices, MEG prices, and raw cotton prices. The pass-through happened with a slight delay as customers deferred purchases, waiting for stability through the constant price volatility. Over a reasonable period, the industry does adjust prices in line with the raw material movement, and that is a consistent, time-tested pattern, which we began to see towards the close of the quarter.

On the demand side, we remain confident in the long-term structural drivers supporting the domestic yarn consumption. The ongoing consumer shift towards versatile man-made fibers continue to provide a solid foundation for sustained demand expansion. Globally, progress on the free trade agreements and the broader realignment of supply chain continues to strengthen India's competitive position as a hub for textile manufacturing.

Overall, our operational priority for the rest of FY27 is to improve our production efficiency and capacity utilization, to improve and tweak our product optimization, especially at Punjab, and bring the expanded technical textiles capacity at Silvassa into commercial production, along with deepening customer relationships across both markets, and ensuring that our expanded manufacturing base contributes meaningfully to the sustainable growth.

I will now hand over to Mr. Sanjay Shah to take you through the financial performance.

Sanjay Shah: Thank you, Sammir. And good evening, everyone. I will briefly take you through the financial performance for the quarter ended June 30th, 2026. On a standalone basis, revenue from operations for Q1 FY27 stood at INR813.13 crores, compared to INR752.82 crores in Q4 FY26 and INR749.88 crores in Q1 FY26, a growth of 8.01% sequentially and 8.43% year-on-year.

Standalone EBITDA for the quarter stood at INR94.93 crores, compared to INR82.48 crores in Q4 FY26 and INR70.05 crores in Q1 FY26, representing a growth of 15.10% quarter-on-quarter and 35.52% year-on-year.

EBITDA margin improved to 11.67% against 10.96% in Q4 FY26 and 9.34% in Q1 FY26, an expansion of 72 basis point sequentially and 233 basis points year-on-year. This improvement was supported by disciplined raw material procurement, a favourable product mix, and sustained utilization at the Silvassa facility.

Standalone profit after tax for the quarter stood at INR64.95 crores, compared to INR55.99 crores in Q4 FY26 and INR47.19 crores in Q1 FY26, representing a growth of 16% quarter-on-quarter and 37.64% year-on-year. PAT margin stood at 7.99%. Basic earnings per share for the quarter, not annualized, was INR7.7.

On a consolidated basis, revenue from operations for Q1 FY27 stood at INR1,334.74 crores, compared to INR1,169.18 crores in Q4 FY26 and INR745.34 crores in Q1 FY26, a growth of 14.16% sequentially and 79.08% year-on-year.

Consolidated EBITDA for the quarter stood at INR108.08 crores, compared to INR94.43 crores in Q4 FY26 and INR69.56 crores in Q1 FY26, representing a growth of 14.46% quarter-on-quarter and 55.38% year-on-year. Consolidated EBITDA margin stood at 8.10%, broadly stable sequentially against 8.08% in Q4 FY26, and against 9.33% in Q1 FY26.

Consolidated profit after tax for the quarter stood at INR23.82 crores, compared to INR21.57 crores in Q4 FY26 and INR40.43 crores in Q1 FY26. PAT margin stood at 1.78%. Basic earnings per share, not annualized, was INR2.82.

The company continues to maintain a disciplined approach towards capital allocation, balance sheet management, working capital discipline, and operational efficiency. With improved demand visibility as conditions normalize, the full quarter contribution from a stabilized Punjab operation, the technical textile expansion at Silvassa moving towards commercial production, and the phased benefit of our renewable power arrangement, we believe the balance of FY27 should progressively reflect the enhanced potential of our expanded manufacturing base. We are now open for questions and answers.

Moderator: Thank you so much. Ladies and gentlemen, we will now begin with the question-and-answer session. Anyone who wishes to ask a question may press "*" and "1" on their touchphone. If you wish to remove yourself from the question queue you may press "*" and "2". Participants are requested to use handset while asking questions. Our first question comes from the line of Sagar Tanna with Alchemie Ventures. Please go ahead.

Sagar Tanna: Hi, sir. If I understood the numbers correctly, we did INR500 crores from Punjab and it would have translated into a 24 crores, 25 crores EBITDA from Punjab. Is my understanding correct?

Sanjay Shah: Yes, the revenue was close to INR550 crores and the EBITDA was close to INR12 odd crores.

Sagar Tanna: INR12 odd crores? Right. So to reach our desired EBITDA margin of 11%, 12%, at what scale of revenues do you think we can hit that margin?

Paresh Dattani: Can you repeat that, please?

Sagar Tanna: To reach our desired EBITDA margin from Punjab at 11%, 12%, what scale of revenues do you think we can hit that, and by when do you think we can hit that scale of revenue?

Paresh Dattani: See. To reach our number of 11%, 12% you're talking about in terms of EBITDA percentage, I would like to emphasize here that let us look at EBITDA per ton, because if you look at last year's numbers, when you're looking at the console EBITDA, it's lower than last year only because of the price rise. So let us look at EBITDA per ton. And we are targeting Punjab to give us next year about close to INR30,000 per ton.

Sagar Tanna: And what would be the EBITDA per ton in Silvassa currently, sir?

Paresh Dattani: In terms of?

Sagar Tanna: PFI segment. Yes, yes. EBITDA per ton, that side?

Paresh Dattani: We have done, let's say, about last year, if I look at the entire year, we have done about INR11,000 and odd per ton at Silvassa.

Sagar Tanna: Got it. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Charchit Maloo with Genuity Capital. Please go ahead.

Charchit Maloo: Hi, sir. Thanks a lot for the opportunity. Just a few quick questions. Sir, what was the revenue from the technical textiles in Q1, and what was the utilization?

Sanjay Shah: The revenue was close to INR33 crores approximately.

Paresh Dattani: And the utilization was about 94%.

Charchit Maloo: 94%. So we are at max. So the 18,000 capacity that we have installed, so this the number will start showing from Q2 onwards, right?

Paresh Dattani: No. See, till the last year, till the June quarter, we had 9,000 tons per annum. We are commissioning the second phase now very shortly. We have installed the equipment. It's in the process of commissioning. We'll commission very shortly. So this year, out of the 9,000 addition, we should do about 7,500 tons additional over last year's capacity.

Charchit Maloo: Understood. So, okay. So the next question is on the Punjab facility. So the phase two that we are targeting to start from FY28, so we are still intact on the guidance?

Paresh Dattani: Yes, that is intact. We are on course with that. Coming first quarter next year, we will be fully commissioned with the second phase also. So what we are at 700 tons per day today, we aim to be at 900 tons per day by then.

Charchit Maloo: So, so this FY27, this 700 will be utilized at full capacity, like at 90%?

Paresh Dattani: Yes. FY27 -- FY28 or FY27?

Charchit Maloo: '27. I'm talking about phase one.

Paresh Dattani: Yes. Phase one, we are today utilization about 80%. In the coming quarter, we aim to be between 85% and 90%, and the quarter after that, we will be at full utilization of 95%, 96%.

Charchit Maloo: Understood, sir. And the phase two that we are operating from Q1, so at what pace will we expand that?

Paresh Dattani: So, that we will be, say, the next 200 tons per day, we will get at an average because we will be commissioning in a phased manner and ramping up in a phased manner. So, we will get about a quarter and a half to two quarters before we come to full capacity of the second phase also.

Charchit Maloo: Understood, sir. Sir, just a quick question on inventory side. So, what is the status of our inventory? Like, do we have piled, like, bought the inventory for the coming quarters, or like we will be planning for coming months?

Paresh Dattani: Can you just repeat that again, please? I couldn't follow.

Charchit Maloo: Just wanted to know the status on the inventory side.

Paresh Dattani: The -- You want the raw material inventory you're talking about?

Charchit Maloo: Yes.

Paresh Dattani: What we are holding as on today or at the end of the quarter?

Charchit Maloo: As of today, and quarter as well.

Paresh Dattani: Yes. At the end of the quarter, we were holding about, let's see, about 8, 9 days of inventory, 10 days max.

Charchit Maloo: Understood, sir. Thank you.

Moderator: Thank you. Our next question comes from the line of Raman KV with Sequent Investments. Please go ahead.

Raman KV: Hello, sir. Hello, sir. Can you hear me?

Paresh Dattani: Yes, we can hear you. Go ahead.

Raman KV: Sir, on the margin front, you mentioned that you're targeting EBITDA per tonne of 30,000 from your Punjab facility, whereas your Silvassa facility is doing around 11,000 metric per tonne. So why is there so much gap between the EBITDA per ton when we compare to both the facilities?

Paresh Dattani: No, when we said INR30,000 plus at Punjab for the next year, we are talking it's only the filament yarn, only the polyester side. When we are looking at about 11,000 at what we are doing at Silvassa, is a consol between polyester as well as cotton and technical yarn.

Raman KV: Understood, sir. Sir, also with respect to the cotton plant which you are planning to planning for a greenfield cotton plant at MP, can you give any idea with respect to how much capex are you planning?

Paresh Dattani: Yes, so we are trying to put in about INR400 crores of capex there at MP to install that 72,500 spindles of cotton yarn.

Raman KV: And how much asset turn are we expecting?

Paresh Dattani: We are expecting an asset turn of about 0.8, 0.85.

Raman KV: Okay, so it will be around INR350 crores of incremental revenue?

Paresh Dattani: Yes, about INR350 crores to INR375 crores of incremental revenue.

Raman KV: Understood, sir. Sir, also with respect to the spreads, can you talk about the polyester and cotton spreads for the quarter, and how was it on a sequential quarter basis?

Paresh Dattani: No, you are asking about the spreads on quarter-wise you're talking about?

Raman KV: Yes, yes, like how was the spreads movement from Q4 to Q1?

Paresh Dattani: Q4 to Q1?

Raman KV: Yes.

Paresh Dattani: It has improved. The spreads have improved across divisions, all three verticals.

Raman KV: So can you give the figure?

Paresh Dattani: Individually, I don't have the figures individually if you ask me.

Raman KV: Okay, understood, sir. And sir, with respect to inventory on polyester yarn side, how many days of inventory are we holding with respect to polyester yarn as well as cotton?

Paresh Dattani: So, on the polyester side, we normally look at a normal holding inventory at about 10 to 12 days. Today we had about 12 to 13 days of inventory at both the sites. And on the cotton side, we normally aim to hold about 7 days in finished inventory. That's what we are holding at about.

Raman KV: Understood, sir. Thank you.

Moderator: Thank you. Our next question comes from the line of Parth Sodha with Trinetra Asset Managers. Please go ahead.

Parth Sodha: Yes, sir. My voice is audible? So first of all, good evening and thank you for the opportunity. So my question is that, how do you see demand in July and August after the June recovery?

Paresh Dattani: Are you asking for the demand?

Parth Sodha: Yes, yes.

Paresh Dattani: Yes. So July, August, September quarter, we expecting a better demand, particularly going onwards from the end of August till the end of September, yes.

Parth Sodha: And you had guided for FY27 EBITDA of more than INR500 crores. After reporting INR108 crores in Q1, are you maintaining this guidance or?

Paresh Dattani: We are maintaining the guidance of EBITDA between about INR520 crores to INR540 crores.

Parth Sodha: Okay, got it. That's all from my side. Thank you.

Moderator: Thank you. Our next question comes from the line of Amit Kumar with Determined Investor. Please go ahead.

Amit Kumar: Hi, yes. Thank you so much for the opportunity. Can you hear me?

Paresh Dattani: Yes, we can hear you. Go ahead.

Amit Kumar: Okay. Sir, these PTA, MEG, the raw materials which are there, what is the availability situation right now?

Paresh Dattani: Availability situation is the same. As a country, we still import about, see about 2 million tonnes of PTA per annum, which we expected it to be reduced due to, but due to the late commissioning of the GAIL facility, which now they are commissioning in the current quarter, so that will reduce the dependence on import. And once IOCL at Paradip comes along towards the end of the year, I think the import will be drastically reduced over there.

Amit Kumar: All right. So have you tied up with any of them in terms of any sort of long-term contracts or how does it work?

Paresh Dattani: As far as we are concerned, today's thing, we get all our raw material from the IOCL Panipat plant at Punjab. And for Silvassa, we are 50% / 60% on imported PTA and 40% on domestic PTA. 40% domestic PTA we are contracted, and even 60% we have short-term contracts which we keep renewing.

Amit Kumar: Understood. So that's what I was asking, once GAIL and IOCL basically come in, whenever that happens, so have you contracted anything with them also?

Paresh Dattani: Yes, we are already in contact and we are already in talks with them, once they come into production, how to get more material from them and what terms and what contractual terms. We are already in talks with them.

Amit Kumar: But not fixed yet, you are still in discussion basically.

Paresh Dattani: No, we cannot finalize that today because they have still not got into production. So we cannot bank on that and do our planning accordingly. So we have to it's a rollover from import to domestic PTA, which we will have to do in a phased manner.

Amit Kumar: Okay, understood. That's it from my side. Thank you.

Moderator: Thank you. As there are no further questions from the participants, I would like to hand the conference over to Mr. Paresh Dattani for closing comments. Thank you, and over to you, sir.

Paresh Dattani: Thank you all once again for joining us this evening. As we look at the balance of FY27, our confidence continues to be anchored around three pillars. First, operation resilience. This quarter was a quarter that tested supply chains across the industry, and both our facilities ran without interruption. This is not an accident.

It is the outcome of procurement discipline, supplier relationships, and an integrated manufacturing model built over decades. Second, an improving demand environment. The deferral of purchases we saw through April and May was a reaction to price, not to underlying consumption. Conditions began normalizing from June, and the structural drivers the shift towards man-made fibers, supportive trade agreements, and increasing global sourcing diversification towards India remains firmly intact.

Third, a clear and scalable growth roadmap. With Phase 1 of Punjab fully ramped up, the technical textile expansion at Silvassa installed and moving towards commercial production, visibility on Phase 2 at Punjab, and a proposed cotton yarn expansion in MP, we believe we are well-positioned to create long-term sustainable value.

Our focus continues to remain on operational excellence and margin improvement across all three verticals, prudent capital allocation, product diversification and value addition, and building a resilient, integrated, and diversified yarn manufacturing platform. I would like to sincerely thank all our employees across all locations for their commitment through a demanding quarter.

I also extend my gratitude to our shareholders, customers, lenders, and business partners for their continued trust and support. Thank you for your participation today. Thanks.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of Sanathan Textiles Limited, that concludes today's conference. Thank you for joining us and you may now disconnect your lines.