Midas
Equities and Research

Curated GOLD Nuggets

Filatex India Ltd.

Ecosis - the next growth frontier

BUY
Initiating Coverage

CMP	1Y TARGET	UPSIDE	FY28E EV/EBITDA
Rs. 83	Rs. 110	31%	7.0x

10 Aug 2026 | Textiles & Apparels | BSE / NSE: FILATEX

RESEARCH ANALYST
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Curated Gold Nuggets

Outlining the framework from our desk

As research analysts, we consider our jobs akin to prospectors scouting for gold in an area where reserves are known to exist. No prizes for guessing — the nugget is the stock find, and the rich vein is the SMID segment.

→ When we write Management Meet notes, we identify stocks through a top-down approach, gravitate towards companies with good corporate access, and focus on presenting management commentary factually, with less emphasis on analysis. We report financials as published, without incorporating our own estimates, and, by design, steer clear of taking a stock call.

→ In our Initiating Coverage notes, we identify stocks that appeal to us for the long term, subject them to boundary conditions such as market capitalisation and index inclusion, deep-dive into the business and its potential, build financial estimates and provide Target Prices. We diligently build the case for our recommendations — BUY, ACCUMULATE and SELL — and commit to covering all material developments and quarterly results relating to the stock going forward.

→ We also hope you are enjoying our rebooted Initiating Coverage reports, which are now structured around five sections:**(1) Annual Report Deep-dive, (2) Business Assessment Scores, (3) Valuation Framework, (4) Stock Buzz & Influencing Factors, and (5) Technical Analysis.**

→ In our recently launched Panning for Gold series, we seek to unearth gold nuggets — SMID stocks that have a BUY flavour at current prices. We identify these companies bottom-up, meet management, conduct our analysis and distil the story into a concise format for our readers. Rather than chip away the grime, wash the ore and extract the metal, we cut to the chase by presenting the nugget in its raw form — the way a gold panner would.

→ Panning for Gold is our equity research series that takes a quicker, light-touch approach to recommendations. We will publish financial estimates, provide details on the business and lay out the key pointers supporting our BUY recommendation. However, we may not continue with the same intensity and regularity of coverage as exhibited in our Initiating Coverage product.

Source: Company, Midas Research

Section 1 : The Gold Nugget

Creating a niche in recycling

CMP	TP	Upside	Rating
Rs. 83	Rs. 110	31%	BUY

Company Description

Established in 1990, Filatex India Ltd. is one of India's leading polyester filament yarn (PFY) manufacturers, with an installed capacity of 4,17,240 MTPA (FY26) and exports to over 45 countries across five continents. The company operates a backward-integrated manufacturing platform across two facilities, producing a comprehensive portfolio of polyester and polypropylene multifilament yarns, PET chips and narrow woven fabrics for diverse end-markets, including apparel, home textiles, industrial applications and healthcare. Through its wholly-owned subsidiary, Ecosis Ltd., Filatex is expanding into chemical textile-to-textile recycling, positioning itself as an integrated circular polyester manufacturer.

What We Like

- **A low-growth core, uncommonly well run.** Revenue has remained broadly flat over FY24–26, yet RoE has improved from ~9% to ~12% — reflecting returns driven by efficiency rather than volume growth. The core business also generates healthy operating cash flows.
- Investing in cost-saving capex — a steam-distribution platform, a renewable-energy transition and an automation upgrade, together expected to add ~250 bps to core margins by FY28.
- **The cash engine funds an option.** Internally generated cash and structured debt are funding Ecosis — a Rs. 300 cr capex, first-mover chemical textile-to-textile recycling platform targeting ~30% EBITDA margins — while global peers remain largely at the pilot stage.
- **If the option materialises, a re-rating.** A planned 5x+ scale-up to 1,50,000 MTPA by FY30 and a potential separate listing are not reflected in the current price. Success could re-rate the stock from a mature-core multiple to an optionality multiple — the multibagger case.

Financials and Estimates Summary

Particulars (Rs. cr)	Revenue	EBITDA	EBITDA %	PAT	EPS	RoE %	RoCE %	PE	EV/EBITDA
FY24	4,286	239	5.6	111	2.5	9.2	11.6	33.4	16.3
FY25	4,252	258	6.1	134	3.0	10.1	12.7	27.6	14.6
FY26	4,161	313	7.5	183	4.1	12.2	14.4	20.2	12.1
FY27E	4,525	393	8.7	195	4.4	11.5	14.1	19.0	10.1
FY28E	5,008	553	11.1	300	6.8	15.2	18.5	12.3	7.0

10 Aug 2026

Industry	Textile & Apparels

Key Stock Data

Bloomberg	FLTX IN
Shares o/s (cr)	44.4
Market Cap (Rs. cr)	3,697
52-wk High/Low	Rs. 85.4 - Rs. 36.3
20D ADV ('000)	8,444
Index	Nifty 500
F&O	N

Latest Shareholding (%)

	Jun 26	Mar 26	Dec 25
Promoters	65.5	65.5	65.4
Institutions	6.8	7.0	6.9
Public	27.7	27.5	27.7
Pledge	0.0	0.0	0.0

Stock Performance (%)

	1M	3M	12M
FLTX IN	44.6	84.9	56.4
Nifty 500	1.5	2.1	4.5

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Source: Bloomberg, Spark PWM Pvt Ltd

Section 2: Filatex India Ltd. – Company Snapshot (1/5)

Corporate factsheet	
Company background	▪ Filatex India Ltd. was incorporated in 1990 by the Bhageria family. Since commencing operations with an installed capacity of around 500 TPA in 1994, the company has expanded its installed capacity to 4,17,240 MTPA in FY26. It today ranks among India's top-five polyester filament yarn (PFY) producers and exports to 45+ countries across five continents. ▪ The company manufactures a full range of polyester and polypropylene multifilament yarns, including POY, FDY, DTY and ATY, as well as narrow woven fabric and PET chips. It operates a backward-integrated value chain across two facilities at Dahej (Gujarat) and Dadra & Nagar Haveli, equipped with advanced German machinery and backed by a DSIR-approved in-house R&D centre. ▪ Its yarns serve a broad range of end-markets spanning apparel, womenswear and innerwear, athleisure and outerwear, home textiles and furnishings, industrial applications, and healthcare and med-tech. Building on this legacy, Filatex is now extending beyond conventional virgin polyester into chemical textile-to-textile recycling through its wholly-owned subsidiary, Ecosis Ltd. (formerly Texfil Pvt. Ltd.), positioning itself as an integrated circular-materials platform.
Product portfolio (FY26)	▪ Filatex offers a full spectrum of polyester and polypropylene multifilament yarn products which include; ▪ Drawn Textured Yarn (DTY): **40.4%** ▪ Fully Drawn Yarn (FDY): **30.6%** ▪ Partially Oriented Yarn (POY): **27.9%** ▪ Narrow Woven Fabric (NWF): **0.5%** ▪ Polyester Chips: **0.3%** ▪ Polypropylene Yarn (PPY): **0.3%** ▪ The company is expanding its product portfolio beyond virgin polyester through Ecosis Ltd., which produces recycled polyester using India's first commercial-scale chemical textile-to-textile recycling platform.
Business model	▪ Filatex's integrated 'melt-to-yarn' manufacturing process transforms Purified Terephthalic Acid (PTA) and Monoethylene Glycol (MEG) into PET chips, which are then converted into Partially Oriented Yarn (POY), Fully Drawn Yarn (FDY) and Draw Textured Yarn (DTY). The crude-linked inputs, PTA and MEG, account for ~81% of its raw material basket. ▪ Revenue is generated largely through recurring, volume-led yarn sales, with the company sustaining over 90% capacity utilisation across business cycles. The product mix is deliberately tilted toward value-added yarns such as FDY, which earn margins of about 12-13% and help lift blended realisations to an average of roughly Rs. 107/kg across both domestic and export markets. ▪ The company drives value through continuous innovation, strategic investments, customer-focused product development and supply chain optimisation, leveraging its diversified portfolio of polyester chips, narrow woven fabrics, polyester and polypropylene multifilament yarns.
Key Management Personnel	▪ **Mr. Madhu Sudan Bhageria** (Chairman & MD): A commerce graduate from Shri Ram College of Commerce (SRCC), he has over 3 decades of experience in the man-made fibre industry and has built Filatex into one of India's leading polyester filament yarn manufacturers. ▪ **Mr. Purrshottam Bhaggeria** (Vice-Chairman & MD): He holds an MBA from Cornell University's Johnson Graduate School of Management and has leveraged his expertise in strategic leadership and business development to help reshape Filatex.
Auditors	▪ M/s Arun K. Gupta & Associates
Employee count	▪ 2,500+

Category (Jun '26)	% Share
Promoter Group	65.5
FII	4.0
DII	2.8
Others (Public + Government)	27.7
Total	**100.0**

Key Metrics (Rs. cr)	FY24	FY25	FY26
Revenue	4,286	4,252	4,161
Gross Profit	742	750	845
Gross Margin	17.3%	17.6%	20.3%
EBITDA	239	258	313
EBITDA Margin	5.6%	6.1%	7.5%
PBT	150	179	246
PBT Margin	3.5%	4.2%	5.9%
PAT	111	134	183
Net Worth	1,204	1,330	1,505
Net Debt	191	66	79
NWC – Ex Cash	75	89	209
Total Assets	2,098	2,275	2,470
RoE	9.2%	10.1%	12.2%
RoCE	11.6%	12.7%	14.4%

Source: Company, Spark PWM Pvt Ltd

Section 2 : Filatex's Evolution – Company Snapshot (2/5)

From a single monofilament line to India's first textile-to-textile chemical recycler

1994–1998

Foundation

- Started with monofilament yarn (Noida, 1994); expanded into multifilament polyester (POY, textured yarn) and polypropylene at Dadra.

2008–2012

Value-added + Dahej

- Added FDY on German (Barmag) lines; set up a 600 TPD polycondensation plant with POY spinning and chip production at Dahej.

2016–2019

Scale & integration

- Expanded FDY/DTY and bright polymerisation capacity at Dahej.
- Ramped up polymerisation capacity from 900 TPD to 1,050 TPD and POY capacity from 340 TPD to 510 TPD.

2020–2024

Green & circular base

- Added 1.4 MW of rooftop solar capacity across both plants.
- Added 30 MW captive power + solar & 10.8 MW wind-solar (RE ~26%→55%)
- Commissioned a 1 TPD pilot plant for polyester and textile waste recycling.

2025–Present

Filatex 2.0

Launched a Rs. 690 cr transformation - brownfield PFY expansion, energy/utility projects and the Ecosis T2T recycling platform.
Crossed the 400,000 TPA installed capacity milestone.

Stands apart from traditional PFY manufacturers through integrated operations, value-added products and a pioneering circular polyester platform.

Circular pioneer

- India's first PFY player in true fibre-to-fibre recycling.
- Backed by a granted patent, DSIR-approved R&D and proven pilot plant.
- Rs 300 cr Ecosis investment aids premium pricing, ESG demand and margin uplift; early validation via MoUs with Decathlon India, American & Efird Global, LLC, Revti and Wastewear.

ESG built-in

- Ecosis aligns with EPR, traceability and circularity standards.
- Renewable energy share rising from ~26% to ~55%.
- ESG embedded across capex, product mix and customer funnel

Capital-efficient growth

- Capex funded through internal accruals and structured debt, keeping leverage contained.
- Higher FDY/DTY conversion using recycled-polymer chips.

Long-run growth platform

- PFY core provides steady income; new businesses drive innovation and upside.
- Modular plant design enables global scalability through Ecosis.
- Evolving into an innovation-led materials platform with repeatable growth vectors.

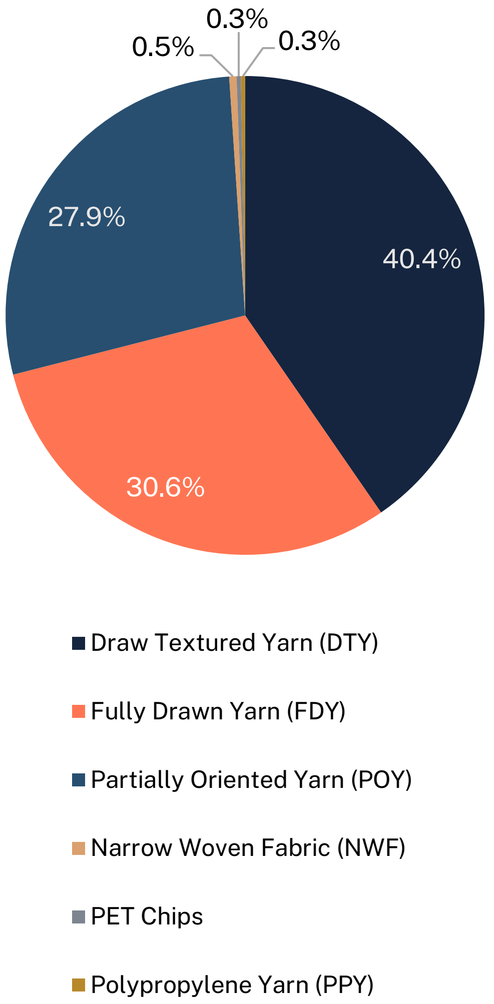
Source: Company, Spark PWM Pvt Ltd

Section 2 : Filatex’s Product Segments (3/5)

An integrated portfolio spanning the polyester value chain, catering to diverse textile and industrial applications

Product		Description	End-use applications
PET Chips (Textile Grade)		▪ High-grade polyester resin used as the primary raw material for manufacturing polyester filament yarns. ▪ Offers high strength, thermal stability and durability, making it suitable for downstream textile applications.	▪ Polyester filament yarns (POY, FDY, DTY), home furnishings, industrial textiles, non-woven fabrics.
Partially Oriented Yarn (POY)		▪ Intermediate polyester filament yarn produced by melt spinning PET chips. ▪ Acts as the base feedstock for further texturising into value-added yarns while offering good strength and elongation properties.	▪ FDY & DTY production, weaving & knitting, apparel fabrics, home textiles.
Draw Textured Yarn (DTY)		▪ Value-added textured polyester yarn produced by heating and texturising POY. ▪ Provides enhanced elasticity, bulk, softness and durability for textile applications.	▪ Garments & fashionwear, skin-clinging apparel, furnishings, upholstery fabrics.
Polypropylene Yarn (PPY)		▪ Lightweight multifilament polypropylene yarn offering excellent chemical resistance, easy cleanability, and high durability, making it suitable for industrial and consumer applications.	▪ Sportswear & socks, undergarments, geotextiles, sewing thread & ropes.
Fully Drawn Yarn (FDY)		▪ High-strength polyester filament yarn made via high-speed spinning. ▪ Offers superior uniformity and can be directly used in fabric manufacturing without further texturizing.	▪ Woven fabrics, apparel, fashion textiles.
Air Textured Yarn (ATY)		▪ Mechanically textured yarn produced using compressed air, delivering a cotton-like feel, high bulk and low extensibility across multiple deniers.	▪ Automotive fabrics, furnishing fabrics, shirts & blouses, shoelaces & tarpaulins.
Narrow Woven Fabric (NWF)		▪ Engineered narrow-width woven fabrics available in multiple weave patterns and tape configurations for industrial and apparel applications.	▪ Satin & fancy cords, zipper tapes, elastic tapes, military uniforms & lingerie.

Filatex’s product mix in FY26



Source: Company, Spark PWM Pvt Ltd

Section 2 : Filatex's Product Segments (4/5)

Transforming India's textile waste challenge into a circular polyester economy through Ecosis

The 'One-and-Done' trap: PET bottle-to-textile recycling

A linear system that merely postpones landfill - not true circularity

1. PET bottles collected
2. PET bottles processed into fibre yarn
3. Textiles made from recycled yarn
4. Textile manufacturing
5. End-of-life disposal → landfill

Once spun into yarn, it can't be recycled again - a one-way path to landfill.
Ecosis closes the loop →

The problem - India's linear textile economy

India generates ~7.1 mn tonnes of textile waste a year, yet most is downcycled or landfilled, leaving enormous economic value on the table.

7.1 mn tonnes
textile waste generated in India each year -a top-tier global feedstock base

1.35 mn tonnes
blended waste that mechanical recycling can't process - Ecosis' addressable pool

Rs. 1,125 cr
implied annual value at 75 KTPA first-mover scale (FICCI 2030 target)

Ecosis technology – India's first commercial textile-to-textile recycling solution

"Converting textile waste into high-quality virgin-grade polymer and yarn"

Ecosis Technology

- Ecosis is Filatex's proprietary chemical recycling platform that uses an advanced glycolysis process to convert end-of-life polyester textiles into virgin-grade polymer and yarn.
- Unlike conventional recycling methods, it enables true textile-to-textile recycling by breaking down textile waste into its original building blocks and recreating high-quality polyester.
- This closed-loop process reduces reliance on virgin raw materials, diverts textile waste from landfills, conserves resources, and supports the transition to a circular, low-carbon polyester economy.

Circular-loop recycling process

- **Step 1** Textile waste collection
- **Step 2** Depolymerization
- **Step 3** Purification
- **Step 4** Molecular regeneration
- **Step 5** Yarn production
- **Step 6** Textile manufacturing

Ecosis project's timeline

- **2019** – Began lab research on PET and yarn waste recycling..
- **2020** – DSIR-recognised R&D centre; developed a 5 kg waste depolymerisation and polymerisation trial facility, enhancing polymer quality and yarn-spinning performance.
- **2021** – Increased batch size 5x to 25 kg. Filed first patent application.
- **2022** – Commissioned a 1 MT/day capacity pilot plant; Granted and published Indian patent.
- **2023** – Refined recycling processes for post- and pre-consumer textile waste.
- **2024** – Conducted continuous colour-removal trials, optimised pilot-plant yields and designed the commercial recycling plant..
- **2025** – Set up and erected a greenfield commercial plant.
- **Late 2026** – Expected to commission the first commercial plant in Dahej, Gujarat.

Source: Company, Spark PWM Pvt Ltd

Section 2: Filatex's Vision 2028 – Rs. 690 cr Growth Transformation Underway (5/5)

Five value-accretive capex programmes driving operational efficiency and ESG-led growth

1 Ecosis Ltd
Greenfield · Textile-to-Textile circular recycling

Capex: Rs. 300 cr

EBITDA: ~Rs. 80-85 cr p.a. at 80% utilisation

- Building India's first commercial circular polyester platform to convert end-of-life textiles into virgin-grade polymer and yarn.
- Developing a 26,750 TPA recycling facility, with commissioning targeted for late 2026.
- Signed strategic MoUs with Decathlon India and American & Efird Global for the supply of high-quality recycled polyester.

2 PFY expansion
Brownfield project

Capex: Rs. 235 cr

EBITDA: ~Rs. 60 cr p.a.

- Adding ~55,000* TPA of PFY capacity, primarily across FDY, DTY, and POY.
- Increasing focus on higher-value yarn products.
- Leveraging existing infrastructure for faster capacity ramp-up, with commissioning targeted by Sep. 2026.
- Low-risk expansion with strong commercial visibility.

3 Renewable energy
Captive renewable energy transition

Capex: Rs. 30 cr

Savings: Rs. 18-20 cr p.a.

- Increasing renewable energy share from ~26% to ~55% of captive power consumption.
- Sourcing renewable power from a hybrid wind-solar project in Gujarat.
- Enhances cost competitiveness by reducing energy costs through greater renewable power integration while advancing the company's ESG objectives.
- Commissioning for this project is targeted by November 2026.

4 Steam distribution
Utility monetisation platform

Capex: Rs. 85 cr

EBITDA: ~Rs. 60-65 cr p.a.

- Monetising excess steam from its 30 MW captive power plant through industrial sales.
- Supplies low-cost steam to nearby industries and lowers captive power costs through steam monetisation.
- A dual-benefit model providing affordable steam to nearby industries and lowering the company's own power-generation cost.

5 Automation
Auto-doffing & packing · Next-gen upgrade with Italian tech partner

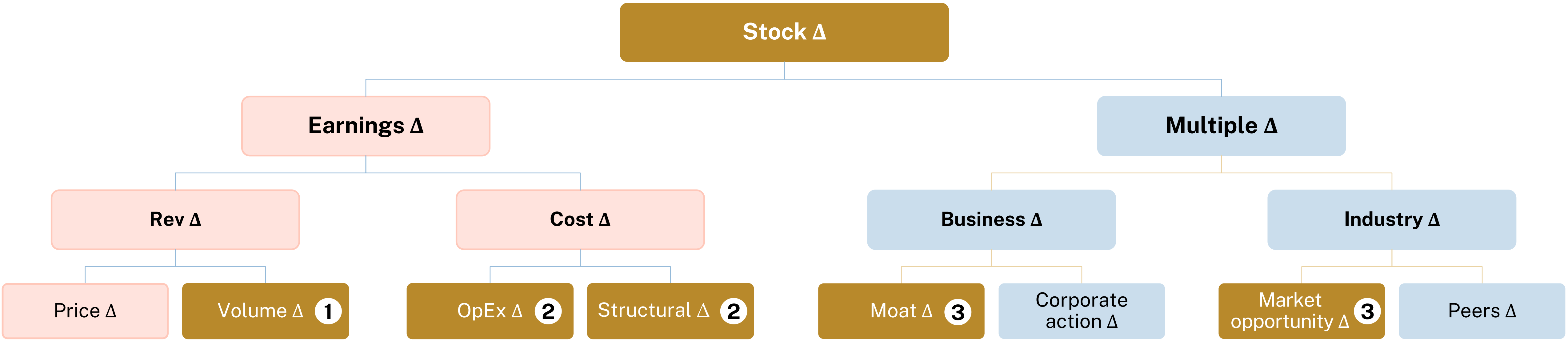
Capex: Rs. 40 cr

EBITDA: ~Rs. 4 cr p.a.

- Enhances finished goods packing efficiency through greater automation and streamlined operations.
- Reduces dependence on operational productivity by increasing consistency and reducing human intervention.
- Drives structural cost efficiencies while future-proofing operations by automating manual labour, thereby mitigating labour shortages and rising labour costs.

*Source: Company, Spark PWM Pvt Ltd, * some addition is for internal consumption hence effective addition will be lower*

Section 2 : Decision Tree – Stock call



1 Reasoning 1

- India's per-capita fibre consumption of ~5.5 kg vs. global average of ~13.5 kg indicates a long runway for MMF, aided by Government initiatives, the EU trade deal and lower US tariffs.
- To cater to this, the company has undertaken a brownfield expansion of +55,000 TPA (4,17,240 TPA, +12%) at a lean Rs. 235 cr, leveraging existing infrastructure for a fast, low-risk ramp-up; ~Rs. 60 cr incremental EBITDA.
- Higher FDY capacity should lift mix and margins. Risk: PTA project slippage.

2 Reasoning 2

- Efficiency, not volume: RoE up ~9% to ~12% while revenue stays flat; core is strongly cash-generative and deleveraging. Domestic PTA additions — GAIL 1.2 MTPA (H1FY26), IOCL 1.2 MTPA (Aug'26), Reliance 3.0 MTPA (CY27) — should reduce import dependence and input costs.
- Self-help margin: Steam Rs. 85 cr (Rs. 60–65 cr p.a. EBITDA)· RE Rs. 30 cr (Rs. 18–20 cr savings, captive ~26% to ~55% by Q3FY27) · Automation Rs. 40 cr (Rs. 4 cr p.a. savings).
- Together with Ecosis, these initiatives could add ~350 bps to overall blended margins by FY28. Risk: commissioning delays in utility projects and Ecosis.

3 Reasoning 3

- The global polyester recycling industry is shifting from bottle-to-textile to textile-to-textile recycling, with global brands targeting 25–50% recycled polyester by 2030.
- ECOSIS offers first-mover advantage as India's first commercial 26,750 MTPA textile-to-textile recycling platform, underpinned by a globally patented glycolysis process, GRS certification, and customer MoUs with Decathlon, A&E, Revti and Wastewear. The Rs. 300 cr, 75 TPD (26,750 MTPA) Dahej plant is scheduled to commence operations in September 2026, while most peers remain at the pilot stage.
- High-margin growth engine: ECOSIS is likely to clock ~30% EBITDA margins (~Rs. 80–85 cr EBITDA p.a.), aided by strong customer interest and EU-EPR-aligned capabilities.
- Large optionality: Planned 5x capacity expansion to 1,50,000 MTPA by FY30, with long-term parity to virgin polyester capacity, targets India's ~USD 3.5 billion textile recycling opportunity and offers potential value unlocking through a separate listing. Base valuation has not factored in the 5x scale-up.

Source: Company, Spark PWM Pvt. Ltd.

Section 3 : Investment Rationale

The three veins we like — fully expanded

01 A commodity core, funding the option

- **Revenue remained broadly flat over FY24–26, yet RoE improved from ~9% in FY24 to ~12% in FY26 — a cash-generative, self-funding base. Further with margin improvement going forward we expect RoE to further improve from 12% in FY26 to 15% in FY28E.**

- Efficiently managed: RoE improved over FY24-26 led by 190 bps improvement in margins and better working capital management. Going forward, healthy operating cash flow is what enables the investment in Ecosis.
- Disciplined capital allocation: While funding cost-saving capex, there is no reliance on external equity capital to buy the option. Capex is funded via internal accruals and structured debt, keeping leverage contained.

02 Structural shift towards MMF to drive core business growth

- **India's apparel industry is witnessing a structural shift from cotton to polyester, supported by affordability, durability, and changing consumer preferences. With India's per-capita fibre consumption (~5.5 kg) well below the global average (~13.5 kg), MMF demand has a long growth runway.**

- Government initiatives (PM MITRA, PLI, NTTM) and favourable trade agreements, particularly the India-EU FTA, are expected to enhance India's competitiveness in global textile exports.
- The company is well placed to benefit through its low-cost brownfield expansion (+55,000 TPA; +12% capacity) and cost-saving initiatives (steam, renewables and automation), driving ~250 bps core business margin expansion. We expect the core business to deliver 7% revenue CAGR and 24% EBITDA CAGR over FY26-28E.

03 Ecosis — the option that makes it a multibagger

- **A Rs. 300 cr first-mover recycling platform at ~30% EBITDA margins (~Rs. 80–85 cr) — priced well below its addressable optionality.**

- The global polyester recycling industry is shifting from bottle-to-textile to textile-to-textile recycling, with global brands targeting 25–50% recycled polyester by 2030.
- India's first commercial 26,750 MTPA textile-to-textile recycling platform, backed by a patented glycolysis process, GRS certification, and customer MoUs with Decathlon, A&E, Revti & Wastewear. The business is expected to deliver ~30% EBITDA margins
- Significant long-term optionality: Planned 5x scale-up to 1,50,000 MTPA by FY30 (with parity to virgin polyester capacity beyond FY30), addressing an ~USD 3.5 bn India recycling opportunity, with potential value unlocking through a separate listing.
- Strong earnings outlook: Improving core business margins and ECOSIS contribution are expected to drive overall revenue/EBITDA/PAT CAGR of 9.7%/33%/28% over FY26–28E, while improving RoE from 12% to 15%.

Section 4 : Valuation Pitch

- Considering lower revenue growth than peers but broadly in-line EBITDA growth and better RoE than peers, we value the core business at 8x EV/EBITDA, a 9% discount to the peer average.
- However, we are banking on the successful commercialization of Ecosis, which could re-rate the stock. We value Ecosis at 15x EV/EBITDA, given its 30% EBITDA margin, and believe successful execution could create a multibagger opportunity. Our base valuation does not factor in the 5x scale-up.
- Based on the SOTP, we arrive at a target price of Rs. 110, indicating a 31% upside from current levels.

Particulars	CMP Rs	Mkt cap (Rs.cr)	Revenue (Rs.cr)			EBITDA (Rs.cr)			PAT (Rs.cr)			EBITDA margin		RoE (%)		EV/ EBITDA
			FY26	FY28E	CAGR	FY26	FY28E	CAGR	FY26	FY28E	CAGR	FY26	FY28E	FY26	FY28E	FY28E
Filatex India Ltd	83	3,697	4,161	5,008	10%	313	553	33%	183	300	28%	8%	11%	12.2	15.2	7.0
Ganesha Ecosphere Ltd	1064	2,838	1,482	2,315	25%	145	332	52%	40	167	104%	10%	14%	3.1	11.8	10.2
Sanathan Textiles Ltd	478	3,992	3,811	6,952	35%	284	740	61%	74	389	129%	7%	11%	4.2	17.1	7.3
Vardhman Textiles Ltd	607	17,594	9,869	12,048	10%	1,121	1,915	31%	663	1,291	40%	11%	16%	7.3	10.5	9.0
Trident Ltd/India	25	12,791	6,701	8,041	10%	881	1,129	13%	371	573	24%	13%	14%	8.0	10.9	12.1
Nitin Spinners Ltd	577	3,259	3,214	4,331	16%	453	699	24%	178	304	31%	14%	16%	12.8	16.6	6.2
Average					**19%**			**36%**			**65%**	**11%**	**14%**	**7.1**	**13.3**	**9.0**

SOTP Valuation

Particulars	FY28E EBITDA	EBITDA x	EV
Core Business	478	8	3919
Ecosis	75.6	15	1134
Total EV			**5053**
Net Debt			**192**
Mcap			**4861**
Target Price			**110**
CMP			**83.3**
Upside			**31%**

Ecosis Sensitivity

Ecosis EBITDA ↓ \ Ecosis x →	8.0x	10.0x	12.0x	15.0x	18.0x	20.0x
55.6	94	97	99	103	107	109
65.6	96	99	102	106	111	114
75.6	98	101	104	110	115	118
85.6	99	103	107	113	119	123
95.6	101	106	110	116	123	127
105.6	103	108	113	120	127	132

Source: Company, Bloomberg, Midas Research

Section 5 - Technical Analysis

Bullish Structure Remains Intact

Technical View (Weekly Chart)

Technical View

- The stock is witnessing a strong uptrend and continues to register fresh record highs, reflecting sustained bullish momentum.
- It has delivered a decisive breakout above the key resistance zone of 70–77 on the weekly chart and is maintaining its position comfortably above this breakout level.
- Additionally, the stock is trading well above its 50-, 100-, and 200-period EMAs across the daily, weekly, and monthly time frames, highlighting the strength of the prevailing trend.
- Overall, the technical structure remains robust and supports a positive bias. Investors may consider accumulating the stock as long as it sustains above 67. On the upside, immediate resistance is placed around 100, followed by 110.

Textiles	Reco/View	Buy	Last Day Close	Rs 83

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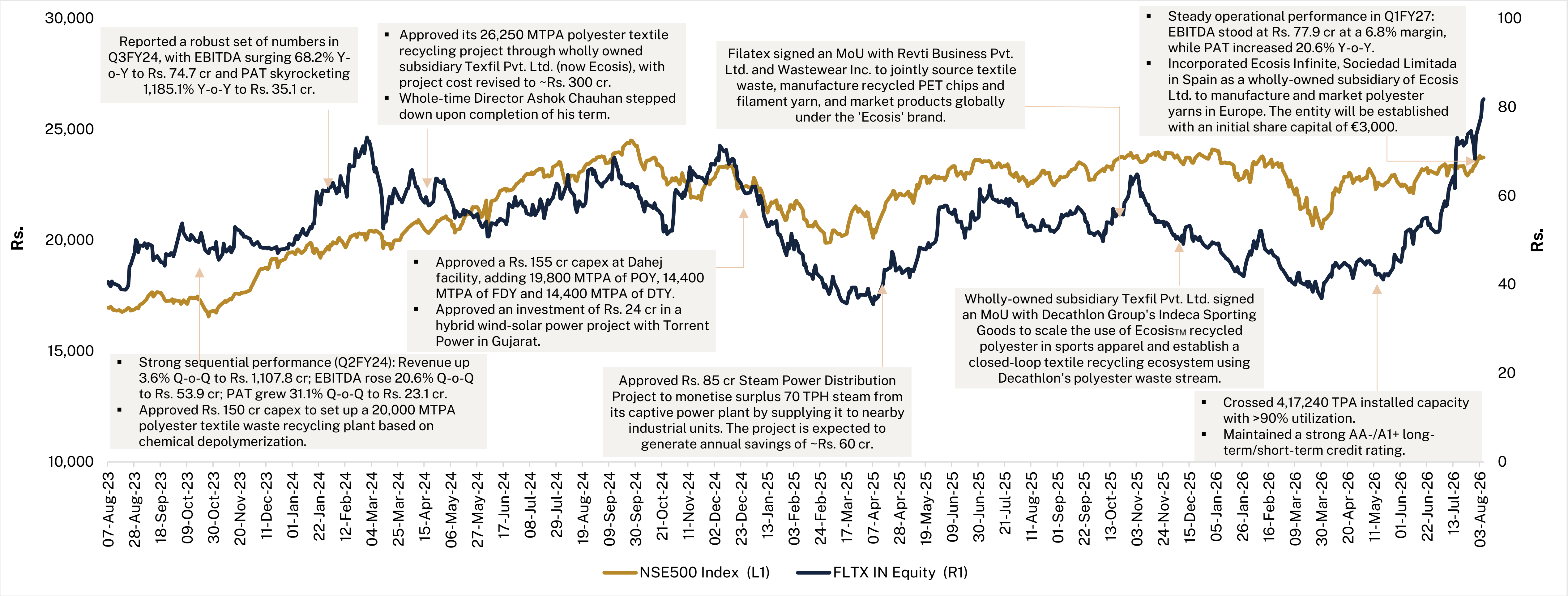
Source: Falcon, Midas Research

Section 6: Stock Buzz & Influencing Factors



Near-term stock performance is likely to be driven by the timely execution of the Ecosis textile-to-textile recycling platform, the commissioning of ongoing capex projects, the commercialization of recycled polyester, and continued margin expansion through renewable energy & cost-efficiency initiatives. Delays in project execution or slower customer adoption, however, could weigh on sentiment.

Source: Company, Bloomberg, Midas Research

Financial Summary

All figures in Rs. cr

Particulars	FY24	FY25	FY26	FY27E	FY28E
Profit & Loss					
Revenue	4,286	4,252	4,161	4,525	5,008
Gross profit	742	750	845	919	1,052
EBITDA	239	258	313	393	553
Depreciation	73	73	77	108	136
EBIT	167	184	236	285	418
Other Income	13	17	29	4	9
Interest expense	29	22	19	28	24
Exceptional items	0.00	0.00	0.00	0.00	0.00
PBT	150	179	246	261	403
Reported PAT (after minority interest)	111	134	183	195	300
Adj PAT	111	134	183	195	300
EPS (Rs.)	2.5	3.0	4.1	4.4	6.8
Balance Sheet					
Net Worth	1,204	1,330	1,505	1,688	1,970
Total debt	232	124	128	330	287
Other liabilities and provisions	662	821	838	841	987
Total Net worth and liabilities	2,098	2,275	2,470	2,859	3,244
Gross Fixed assets	1,676	1,757	1,814	2,514	2,914
Net fixed assets	1,266	1,274	1,253	1,845	2,109
Capital work-in-progress	43	11	97	50	25
Intangible Assets	0	2	3	3	3
Investments	10	20	21	21	21
Cash and bank balances	41	58	49	44	95
Loans & advances and other assets	1	0	0	0	0
Net working capital	737	910	1,047	895	991
Total assets	2,098	2,275	2,470	2,859	3,244
Capital Employed	1,436	1,454	1,633	2,018	2,257
Invested Capital (CE - cash - CWIP)	1,352	1,385	1,486	1,924	2,137
Net debt	191	66	79	286	192
Cash Flows					
Cash flows from Operations (Pre-tax)	198	356	313	334	614
Cash flows from Operations (post-tax)	168	312	246	267	511
Capex	-69	-52	-192	-653	-375
Free cashflows	98	261	54	-385	136
Free cashflows (post interest costs)	69	239	35	-413	112
Cash flows from Investing	-102	-161	-229	-435	-375
Cash flows from Financing	-113	-135	-36	163	-86
Total cash & liquid investments	**41**	**58**	**49**	44	95

Particulars	FY24	FY25	FY26	FY27E	FY28E
Growth ratios (%)					
Revenue	-0.4	-0.8	-2.2	8.8	10.7
EBITDA	3.1	7.7	21.5	25.5	40.9
Adj PAT	23.1	21.0	36.9	6.3	54.2
Margin ratios					
Gross	17.3%	17.6%	20.3%	20.3%	21.0%
EBITDA	5.6%	6.1%	7.5%	8.7%	11.1%
Adj PAT	2.6%	3.1%	4.4%	4.3%	6.0%
Performance ratios					
Pre-tax OCF/EBITDA	82.9%	138.3%	100.1%	85.0%	110.9%
OCF/IC (%)	12.4%	22.6%	16.6%	13.9%	23.9%
RoE (%)	9.2%	10.1%	12.2%	11.5%	15.2%
RoCE (%)	11.6%	12.7%	14.4%	14.1%	18.5%
Fixed asset turnover (x)	2.6	2.4	2.3	1.8	1.7
Total asset turnover (x)	2.0	1.9	1.7	1.6	1.5
Financial stability ratios					
Net Debt to Equity (x)	0.2	0.0	0.1	0.2	0.1
Net Debt to EBITDA (x)	0.8	0.3	0.3	0.7	0.3
Interest cover (x)	5.7	8.5	12.3	10.1	17.1
Working capital days	146	54	-13	15	17
Valuation metrics					
Fully Diluted Shares (cr)	44.4	44.3	44.4	44.4	44.4
Market cap (Rs.cr)			3,697.2		
P/E (x)	33.4	27.6	20.2	19.0	12.3
P/OCF(x)	22.0	11.8	15.0	13.8	7.2
EV (Rs.Cr) (ex-CWIP)	3,888.0	3,763.6	3,776.1	3,983.2	3,889.3
EV/ EBITDA (x)	16.3	14.6	12.1	10.1	7.0
EV/ OCF(x)	23.2	12.0	15.3	14.9	7.6
FCF Yield	1.9%	6.5%	0.9%	-11.2%	3.0%
Price to BV (x)	3.07	2.78	2.46	2.19	1.88
Dividend pay-out (%)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Cash as a % of CE	2.9%	4.0%	3.0%	2.2%	4.2%

Source: Company, Spark PWM Pvt. Ltd.

Disclaimer (1/2)

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BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	**REDUCE**	Stock expected to provide returns of <5% – -10% over a 1-year horizon
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