



# FILATEX INDIA LIMITED

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7<sup>th</sup> June, 2022

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**Sub: Transcript of the Earnings Conference call held on 1<sup>st</sup> June, 2022 for the FY22 and Q4FY22 results of the Company**

Dear Sirs/ Madam,

In continuation of our letter dated 30<sup>th</sup> May, 2022 and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript in respect of the Earnings Conference call held on 1<sup>st</sup> June, 2022 for the FY22 and Q4FY22 results of the Company.

This is for your information and records please.

Thanking you,

Yours faithfully,  
For FILATEX INDIA LIMITED

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“Filatex India Limited  
Q4 FY2022 Earnings Conference Call”

June 01, 2022



**ANALYST:**           **MR. VIKRANT KASHYAP – KRCHOKSEY SHARES & SECURITIES  
PRIVATE LIMITED**

**MANAGEMENT:**   **MR. MADHU SUDHAN BHAGERIA – CHAIRMAN & MANAGING  
DIRECTOR - FILATEX INDIA LIMITED**  
**MR. ASHOK CHAUHAN - EXECUTIVE DIRECTOR - FILATEX INDIA  
LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the full year FY2022 and Q4 FY2022 Earnings conference call of Filatex India 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 the conference call, please signal an operator by pressing “\*” and then “0” on your touchtone phone. Please note this conference is being recorded. I now hand the conference over to Mr. Vikrant Kashyap. Thank you and over to you Vikrant!

**Vikrant Kashyap:** I take this opportunity to welcome the management of Filatex India Limited represented by Mr. Madhu Sudhan Bhageria, Chairman & Managing Director, and Mr. Ashok Chauhan, Executive Director. We will begin this call with brief overview of the company by the management followed by Q&A session. I now had over the call to Mr. Bhageria for his opening remarks. Thank you and over to you Sir!

**Madhu S Bhageria:** Thanks Vikrant. Good day to all. Once again, a warm welcome to all of you attending this earning call for the quarter and financial year ended March 2022.

A quick word about COVID. The third wave of COVID is still one, though it has abated in India its effect in other countries is still there, more especially in China which had gone under stringent lockdown due to its zero-tolerance policy. The lock down of industrial hubs in China causes disruption in supply chain and schedules of shipping line. Irrespective of constraints and hick ups, we are somehow managing our operations to the best of our efforts. As the Q4 ends with the fiscal year, I am covering numbers on a year-on-year basis rather than a Q-o-Q basis. I presume you would have gone through the presentation which has been uploaded by us on our website as well on the stock exchanges.

We have closed the year with all sorts of records be it production and sales volume or revenue or EBITDA or PBT or cash profit or net profit. You would have noticed that our performance in FY2022 has been much better than last year both in terms of top line and bottom line. Let me quickly go through the results of this year.

We achieved a production volume of 3,41,480 metric tons the production on a year-on-year basis is much higher by around 32% as compared to 2,58,693 metric tons in FY2021. This disparity is due to national lockdown and restriction on account of COVID 19 we had to shut down our plant in FY2021. The sales volume achieved in FY2022 are higher at

3,40,480 metric tons as compared to 2,59,905 metric tons in the previous year. The revenue for this year is Rs.3,828 Crores which shows a growth of around 72% over Rs.2227 Crores in FY2021. Comparing the performance of FY2022 versus FY2021 on a year-on-year basis EBTIDA stands at 531.1 Crores compared to 347.3 Crores, a growth of around 53%. Profit before tax is 458.6 Crores compared to 239.6 Crores, a growth of 91%. The net profit PAT achieved is 302.7 Crores compared to 165.8 Crores in FY2021, an increase of 82%.

Post COVID the demand for Indian textile and clothing has been gathering steam mainly because of two reasons - pent up demand and the new geo-political situation evolving due to the trade tension between China and the US. The growth was also aided by some proactive measures of the government of India to give a boost to this sector. Though it seems like a smooth ride in the world of unpredictable geo-political events, unprecedented market volatility and ever evolving technologies today the challenge is ensuring that chaos in the operating environment does not create uncontrollable havoc in our operations. In the environment of uncertainty, organizations must be very agile and swift in making decisions to steer the ship in choppy waters. As it is evident from the numbers, we have been able to respond to these external challenges. A healthy cash flow surplus has given us an opportunity to prepay a large share of our term loans in this financial year resulting in reduction of debt equity ratio to 0.33 from 0.77. The other ratios have also improved. Return on equity up from 24.4% in FY2021 to 32.76% in FY2022 and return on capital employed improved from 21% to 31.16% in FY2022. Since the company had a good performance, the board members expressed their desires to reward the share holders with a good buyback offer. The board approved the buyback offer at the rate of Rs.140 per share for an amount of 59.50 Crores. The buyback offer of equity share was announced in March 2022. Continuing in the spirit of rewarding share holder the board has recommended a final dividend of 10% per equity share for the financial year 2021-22.

Though there is some buoyancy in the sentiment of the markets the off takes have still been cautious. Northern Indian markets remain dull and in comparison, opportunities for exports are also looking upward but have been marred by extremely high shipping rates and erratic shipping schedules. The raw material prices have been quite volatile. Crude prices do have an impact on PTA and MEG, our major raw materials. There is a shortage of raw material in the domestic market. Key suppliers of PTA had several unplanned shut downs last year.

As per global market research company study, the global polyester filament market is expected to increase at a CAGR of 5.1% from 2022 to 2032. In our assessment the demand for the polyester filament in the textile industry is expected to witness healthy growth. The textile industry is creating strong demand for polyester filaments that can substitute cotton yarns to some extent. With cotton yarns prices are relatively at higher level, the demand and sales of polyester filament yarn is constantly rising. End use industries will increase their proportion of polyester filament yarn used in the products with an aim to control cost.

Global production of textile in April especially the ones termed as fast fashion garment has rapidly increased over the last decade which has led to the generation of large amount of textile waster. Polyester owing to its affordability and versatility is the preferred and most dominant fiber. Global brands have committed to supporting sustainability and reducing environmental impact in the textile and apparel industry. Many global forums are insisting on utilizing a sustainable and circular economy model. The pressure on international brand is high as these brands and retailers are increasingly being held accountable for what happens throughout the value chain.

As mentioned before, around two years ago we initiated in house research work on chemical recycling of polyester waste in all forms. After extensive research and successful lab trial, we now have a setup of a pilot plant with a capacity of 1.5 tons per day. One section of the plant depolymerization is already commissioned. The polymerization part is under testing. This plant is likely to go on stream by 10<sup>th</sup> June 2022. In this pilot plant we are going to revalidate our process parameters and more accurately compute the cost of production for recycling. This will also help us in doing seed marketing of our recycled product. We have applied to global recycle standard (GRS) which through their authorized external agencies with control union will audit every step of our chemical recycling process. It is only after successful certification that we will be able to offer our products. Sustainability in the textile and clothing industry has gone beyond just using organic material and efficient processes. Recycled fibers being in short supply are achieving a good premium.

Coming back to the update on our manufacturing facilities. We had commissioned our 30 MW captive power plant but acute shortage of coal coupled with high prices, destructive bans by exporting countries, steep freight rates and erratic shipping schedules have put a huge strain on all coal users like steel plants, processing houses and power plants. At the current landed cost of coal at our plant it is not viable to

operate the captive power plant. At our Dadra plant we have replaced old POY lines with new equipment which will increase the capacity by around 8 tons per day and reduce the operating cost. These lines are already operational from end of May 2022. In Dahej, the work on our planned project of debottlenecking melt capacity of 50 tons per day and manufacturing lines of 120 tons per day POY is progressing well. We are targeting to complete the installation and commissioning activities by July 2022. This capacity addition will lead to an increase in demand for power. Our captive power plant is rated 30 megawatt and after axillary consumption the net power is 27 megawatts. To meet this additional demand at a competitive cost we have signed up with a reputed renewable power generation company M/s Fourth Partner for a hybrid wind and solar power plant with a capacity of 10.8 megawatt. Our company will have to invest 10.26 Crores for 26% equity stake in the project to qualify as a captive user which allows waiver of cross-subsidy and additional surcharge. The purchase power agreement will be a period of 25 years. The generation company will deliver around 50.5 million units annually at a tariff of 3.65 per kilowatt. The landed cost at the plant end will be around 4.21 per kilowatt at a saving of Rs.3.05 per unit. The benefit will be 15.4 Crores annually. This project is scheduled for commissioning by March 2023.

To wrap it up our capacity utilization is almost 100% in the case of yarns. The demand is good and expected to remain stable. Our cash flows are steadily increasing. We are reducing our debt and cost of capital. The prospects of polyester filament industry look good. We are convinced about future prospects of the company and are fully committed to serving the best interest of our stake holders. Thanks for listening. Now I request Vikrant to line up the questions from the participants.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Niraj Mansingka from White Pine Investment Management. Please go ahead.

**Niraj Mansingka:** Congratulations for the good numbers and sharing the cash flow to the investors. Wanted to know this wind plus solar project that you have your stake of 26% will have a spending of 10 Crores is it right.

**Madhu S Bhageria:** Yes 10.26 Crores we will have to invest which will be returned to us after the expiry of the contract.

**Niraj Mansingka:** And how much units will you get out of it.

**Madhu S Bhageria:** We will get around 50 million units annually. 5 Crores units and a saving of Rs.3 so almost 15 Crores. So first year only our investment will be out.

**Niraj Mansingka:** But what I understand the 20% to 25% yield so 10.8 itself will be 10 million units right.

**Madhu S Bhageria:** This is actually 10.8 they will put solar and 10.8 they will put wind. This is a hybrid scheme by the Gujarat government. Where both similar volume solar and wind you can put and then the transmission charges are only levied on 10.8. This is a scheme by the Gujarat government, and it is restricted to almost 45% of our sanctioned load. You cannot put as much as you want so as per our sanctioned load, we could get 10.8 megawatt and that is how it will work. And this will be put up by this Fourth Partner and they will invest 74% of equity so they work on their IRR which I know that they would get around 11 to 12% IRR even at these tariffs. Rest they take a loan, so it is like 30% equity, 70% loan and out of that 30% we take 26% to qualify as a captive user. It will be SPV particularly for this purpose only.

**Niraj Mansingka:** So effectively your ownership would be 5 megawatts right, 20 megawatt x 25% approximately.

**Madhu S Bhageria:** Yes, ownership but we will get the power of the full 20 megawatt. Power will be totally sold to us. Theirs is only commercial investment.

**Niraj Mansingka:** Got it, so if you include now this capex can you give a detail of what is the capex due, the power plant, then yarn and recycling how much money you will spend for the capex for FY2023.

**Madhu S Bhageria:** See FY2023 power plant has already been commissioned we do not need to put capex on that. That is not running due to the coal prices very high, it started coming down expected to come down in next three to four months to a level that we can start operating and in this the capex is 10.26 Crores only and then the capex in the running which I have said about the POY, the total capex is around 130 Crores. Out of that we spent around 50 to 60 Crores last year and the balance is being spent this year and there we have taken a foreign currency loan of around 50 Crores on the imported machinery in Euro so the total outflow in this year would be hardly 30 to 35 Crores in that and in Silvassa we had done almost a capex of 9 Crores. And once this successful, this recycle then we will be investing around 150 Crores for the recycle project. Right now, these are the capex. We are also looking for some other opportunities to increase some

productivity and add some more products. So as and when we finalize, we will inform but there is no big capex plan as of now, so all these can be financed through internal accruals easily.

**Niraj Mansingka:** Okay so I just want to reiterate we are putting an equity of 10.26 Crores for the wind solar project, POY you will be spending 35 Crores and for the Silvassa plant you will be spending 9 Crores.

**Madhu S Bhageria:** That is exactly what is on the cards as of now and maybe 3 to 4 Crores we have spent on the recycled project.

**Niraj Mansingka:** Okay and we will come to know about the recycle after you run the pilot plant.

**Madhu S Bhageria:** The pilot plant will be operational from 10<sup>th</sup>. Already some trials have started. Some small problems are coming which I think within a week we should be able to rectify those things and that pilot plant would be commissioning. One part is already commissioned where we do the depolymerization and purification of the polymer then to repolymerize that part is yet to start.

**Niraj Mansingka:** Right another thing on the industry, can you give some more colour on the buyers are behaving, how's the demand scenario and also some thoughts on what you think will be demand towards the filament side or the spun side just some thoughts will be very useful.

**Madhu S Bhageria:** See filament is the main driver in the textile industry worldwide today because cotton is stagnated. The production of cotton in India has rather gone down. Worldwide also it is not increasing so the main driver and supplier for the extra garment is only polyester, other products are very small. Even polyester fiber is not doing well. Whatever growth has come in polyester fiber is in the recycled fiber form so these pet bottles getting mechanically recycled that is taking up whatever growth is coming in the fiber side, so filament side is doing pretty well and going forward I assume it should do well. The demand is actually internationally around 5.1% incremental and total I think the supply in the world is around 45 to 50 million tons so you can see around 2.5 to 3 million tons additional is required and India is producing at the moment around 4.4 million tons of filament yarns so almost 60 to 70% of India's supply is needed every year extra in the world which is supplied by China. But now China cost is also increasing, and they are not



to inclined to increase more in polyester, so India has a good chance to take up that space.

**Niraj Mansingka:** Just wanting to know on the more demand side like...

**Madhu S Bhageria:** Demand should be increasing very exponentially because PLI scheme announced by the government is also for only manmade fibers. The fabric made out of manmade fibers and garment made out manmade fibers and technical textiles which is also made out manmade fibers. Once these new companies PLI scheme come into operation the demand for yarns would be very high.

**Niraj Mansingka:** So only on filament side or we see spun also.

**Madhu S Bhageria:** Spun should also do well but I have no much idea about that but I think spun should also do well. Definitely where the polyester is there but cotton availability is poor, and the cotton prices have also gone through the sky so I do not see much in the cotton side, but polyester spun should do well.

**Niraj Mansingka:** Okay I will come back in the queue. I have some more questions. I will come back in the queue.

**Moderator:** Thank you. The next question is from the line of Vikrant Kashyap. Please go ahead.

**Vikrant Kashyap:** Many congratulations Sir for very good set of number. Couple of things. We understand that there has been a lot of volatility in the crude oil prices, and it should be impacting our realization as well. So, what has been changed in the pricing scenario over the last few quarters if you can tell.

**Madhu S Bhageria:** See mostly it is a pass through only I would say between Russia and Ukraine war, people have become skeptical, and the buying has gone down so then the prices have not been able to pass so much. There has been a pressure on the prices after that and the margins, but otherwise it is a pass through because polyester is one of the cheapest yarns available. There is no yarn which is cheaper than polyester filament yarn. I do not think we should much problem and traditionally also this April, May, June are little slow months because of lot of labor goes way back to their villages and all which starts coming in second half of June. Then July onwards till next February, March there is no looking back that is how traditionally things happen. Now this time it has been coupled

with war scenario and the price rise in the crude also that is having some effect in this quarter but otherwise I do not see any problem going forward.

**Vikrant Kashyap:** We have seen that our production and volume both has gone up Y-o-Y and Q-o-Q?

**Madhu S Bhageria:** Yes, because the raw materials prices have gone up so top line has increased because of that and also because of the volumes. Last year volumes were low because of the COVID, and we are mostly operating our yarns at full 100%. Sometime chips we are not doing much because the margin in chips is very poor and going forward once our POY is operational we would not have left with any substantial extra chips capacity.

**Vikrant Kashyap:** So largely it will be consumed in house.

**Madhu S Bhageria:** Yes, so everything will be consumed and converted in house. Maybe a very small quantity if it is there so as and when we find some good buyers, we will make it otherwise we will not make it.

**Vikrant Kashyap:** You did mention that raw material prices have been quite volatile, and India has shortage of raw material.

**Madhu S Bhageria:** Yes, there is shortage but we have shifted now more towards imports, and we have increased our inventory of raw material to see that the operations are smooth so we are not having any problems since January or February of this year. Because of raw material we have not suffered. Before that there was sudden shutdowns with the local plant, so we had problems.

**Vikrant Kashyap:** So, going forward in quarters to come we should not be impacted by.

**Madhu S Bhageria:** I do not think so we are planing quite meticulously. I do not think we should have a problem because we are keeping sufficient stock so that we do not suffer loss of production because of raw material.

**Vikrant Kashyap:** Is there any differential in pricing while we are importing comparing to the domestic market.

**Madhu S Bhageria:** There is slight differential but not very significant, sometimes cheaper also because there is time lag between the imports and the local. Local prices are done on a weekly basis and imports the prices are on monthly basis and also it takes for almost 20 days for

the vessels to arise but see if you are regularly importing it evens out you get average price of the whole year.

**Vikrant Kashyap:** On the consolidated basis you do not have much problem.

**Madhu S Bhageria:** No, you do not. Sometimes you gain sometimes you lose because we charge you average price of each month of dispatch so if you take the whole 12 months and if the volumes are almost similar then it will even out.

**Vikrant Kashyap:** Sir do you have any plans for putting up incrementally DTY plants to convert the newly added POY.

**Madhu S Bhageria:** We do have plans but we will wait for sometimes and see how the market plans because the margins in DTY is not very good at the moment so I thought it is better to wait and then go and we do not have much space in the existing plant so we might have to find a new area where to put up and also on DTY we can get some benefits from the government because that becomes a part of textile ministry. There we can get some incentives and interest and other things and some concessional rate on the power also. So, we will wait for a quarter and then decide.

**Vikrant Kashyap:** We will wait for the update Sir thank you and it seems that you have made a very good deal while investing 10.2 crores into power but to take it forward, we are losing on the current power plant that we have shut downs and then restarts so where do you think the current coal pricing are and what are the future for us so where we can continue with our own consumption.

**Madhu S Bhageria:** I think if the landed coal prices to us becomes Rs. 8 we should be able to restart our plant. At the moment, it is around Rs. 10.

**Vikrant Kashyap:** Okay so 20% we have quite a time to go, and do you think that we should look for similar kind of partnerships or deal that we have tied up to bring down since you are coming up with large capex for the recycling projects also.

**Madhu S Bhageria:** This was only possible because of the policy of the government. There is not that we could not have done more than 10 megawatts. The government is restricting it to 45% of our sanctioned load, so our sanctioned load today is 27 kilowatts so 45% of that and

then if this a turbine of 2.7 megawatt so x 4 becomes 10.8 so if I go with fifth then it will exceed my allocation.

**Vikrant Kashyap:** Sir I have one last question. On the recyclable project my understanding currently, we are doing batch processing and we are doing R&D to change it into continuous processing so can you tell us some update on that where we are in terms of the progress.

**Madhu S Bhageria:** I told you know there are two parts of it. One is purification of the waste that part has already started almost 20 days back so we are just purifying the polymer and keeping it in stock and the polymerization part would start within next week already commissioning activity have started so there are some small initial hiccups which we are facing so it can start any day from today onwards. Max a week which is I am just thinking otherwise maybe tomorrow or day after also it can start and then once it becomes stable, we will have our products out and then we will see how to improve the quality of those products that would take 3 to 6 months to come to a conclusion how to go about with the big plant.

**Vikrant Kashyap:** Okay great Sir. Thank you very much and I will come back in the queue.

**Moderator:** Thank you. The next question is from the line of Prerna Jhunjhunwala from Elara Capital. Please go ahead.

**Prerna Jhunjhunwala:** Thank you for the opportunity. Sir could you help us understand the demand in the various segment of your customers where the demand is very buoyant domestic, exports and various user segment to help us gauge where the demand improvement is coming faster.

**Madhu S Bhageria:** Domestic demand is rising very rapidly. Exports also we were doing well but from almost one year the freight rates have gone haywire that is why we are not able to export. Normally in export the freight rate from China and India there used to be a differential. India freights were cheaper to the western world and South America, North America than China but for last one year the freights from China have been equivalent or cheaper than India so there they are having an advantage, so our exports have gone down. As and when the freight market become alright our exports will increase but the local market is doing well and there is good demand in the local market, so the off take is good in the local market.

- Prerna Jhunjhunwala:** And Sir which user segments of yours are doing well.
- Madhu S Bhageria:** User segment basically it is home textiles and garments and everything. All the segments are doing well. There is nothing in particular. There are only two major segment which is home textile and fabrics. Garment is later on, but our product would go for fabrics.
- Prerna Jhunjhunwala:** And in that knit woven what kind of products
- Madhu S Bhageria:** Both knit and woven both are doing well.
- Prerna Jhunjhunwala:** Both are doing well, and Sir how do we look at your margins.
- Madhu S Bhageria:** I think our margins to look at is per kg basis because the raw material prices would create a distortion in the percentage so per kg is a better way to look at our margins.
- Prerna Jhunjhunwala:** So right now, what is the per kg margin.
- Madhu S Bhageria:** We are doing around Rs. 14 to Rs. 15 a kg EBITDA.
- Prerna Jhunjhunwala:** 14 to 15 and that is sustainable?
- Madhu S Bhageria:** That is over a year it is sustainable maybe in a quarter it is not sustainable because like first quarter is normally a low quarter and then it picks up.
- Prerna Jhunjhunwala:** Okay understood. Thank you so much Sir.
- Moderator:** Thank you. The next question is from the line of Jigar Shroff from Financial Research. Please go ahead.
- Jigar Shroff:** Thank you for taking my question, Sir. You mentioned in the earlier calls in the polyester waste recycling would be a game changer for the company. Can you throw some light in terms of once the pilot plant goes on stream on 10<sup>th</sup> June as you mentioned the commercial grade plant what would be the capex involved, when it will come up and turnover expected from it in terms of capacity utilization and profitability?
- Madhu S Bhageria:** I think we will be able to take a decision for the commercial operation for the new plant maybe end of this year. Then it will come up by calendar year 2023. It will take at least 12

to 14 months to come up. The capex involved would be approximately 150 Crores. I think the top line should be close to 300 to 320 Crores and with EBITDA of around 100 plus.

**Jigar Shroff:** And this can be scaled up further or this 150 Crores is the first stage.

**Madhu S Bhageria:** This is the first stage we will put a big plant and once that is successful then we could put multiple plants bigger or smaller as we experience, after the first plant we can put 3 or 5 or 8 whatever we decide simultaneously also or maybe bigger plant that will all depend on the experience what we have in this plant, but then the scalability will not be issue. Once the big plant is running then we can scale it up as much as we want either in multiple plants or in the size in one plant whichever one is more feasible.

**Jigar Shroff:** And concurrently the existing capacity would.

**Madhu S Bhageria:** Existing also we will keep on increasing some incremental capacity. We do not have any plans to put up a new polymerization at the moment but yes, some small incremental polymerization or some incremental increase in POY or DTY that we will keep on doing.

**Jigar Shroff:** And Sir any FY2023 guidance you like to share.

**Madhu S Bhageria:** I do not give any guidance. I think we should do better than last year. That is what I can say. We are adding some new capacity and I hope the margins should also remain healthy.

**Jigar Shroff:** Thank you so much and all the best.

**Moderator:** Thank you. The next question is from the line of Niraj Mansingka from White Pine Investment Management. Please go ahead.

**Niraj Mansingka:** Yes, just a followup. What would be the EBITDA for POY, DTY and FDY for the last quarter?

**Madhu S Bhageria:** I think DTY would be around Rs. 3, POY Rs. 12 and FDY should be 20 plus.

**Niraj Mansingka:** Okay so that is what you are saying that the DTY margins are compressed.

**Madhu S Bhageria:** Yes, there is lot of investment, lot of labor, and the margins are low, but it is needed to take care of POY. Sometimes selling POY becomes a problem. Right now, we can handle

this additional POY so we will see if we need to put it we will put it but we can take some time in that. We will not lose much in this.

**Niraj Mansingka:** And you say DTY is Rs. 3 is the DTY excess of POY right.

**Madhu S Bhageria:** Yes, plus Rs. 12 just from POY to DTY I am saying Rs. 3.

**Niraj Mansingka:** And POY to FDY, sorry DTY to FDY.

**Madhu S Bhageria:** FDY is direct, so FDY is 20 plus.

**Niraj Mansingka:** And to what margin levels would you be planing to invest the DTY, the POY capacity.

**Madhu S Bhageria:** No, it is not a question of margins. We just want to wait and see if we are able to sell POY and generate Rs. 12, 13 but going forward I think DTY margin should increase. DTY actually opens up the market for you. DTY you can sell throughout the world. POY the limitation of the customer is there, so they are the customers who convert it to DTY and they are all confined to the Surat and Silvassa area and very few are left so sooner or later we will have to put DTY but we can wait for some time.

**Niraj Mansingka:** And when you say there will be a demand for PLI based product. It will be more on DTY based product or the POY itself.

**Madhu S Bhageria:** No, it will be DTY or FDY. They will be making fabrics and garments so they would not buy POY.

**Niraj Mansingka:** So, if your cash flow if you say at least the numbers will be better than last year so will be the reasonable cash flow for this year also.

**Madhu S Bhageria:** So, we will retire some debt and these investment we need to do and maybe it will reward our share holders if we have extra money.

**Niraj Mansingka:** Okay. Thank you.

**Moderator:** As there are no further questions from the participants, I would now like to hand the conference over to Mr. Vikrant Kashyap for closing comments.



*Filatex India Limited*  
*June 01, 2022*

**Vikrant Kashyap:** Thank you everyone for your active participation in the conference call and I thank management for giving us the opportunity thank you very much.

**Madhu S Bhageria:** Thank you everyone who has participated. Thank you for sparing their time and listening to us. Thanks a lot. Bye.

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