



FILATEX INDIA LIMITED

CIN No.L17119DN1990PLC000091

FIL/SE/2021-22/28

27th July, 2021

National Stock Exchange of India Limited
Listing Department
5th Floor, Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex, Bandra (E)
Mumbai-400 051
Security Symbol: **FILATEX**

BSE Limited
Listing Department
25th Floor, Pheroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001
Security Code: **526227**

Sub: Investor Presentation – Q1FY22

Dear Sirs/ Madam,

Pursuant to Regulation 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Para A of Part A of Schedule III, please find enclosed herewith the Investor Presentation – Q1FY22 which we propose to share with Analysts & Investors.

This is for your information and records please.

Thanking you,

Yours faithfully,
For FILATEX INDIA LIMITED

Romyx
COMPANY SECRETARY

Encl.: a/a

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FILATEX INDIA LIMITED

Investor Presentation

Q1FY22

July 2021

Refer to disclaimer at end

Q1 FY22 Highlights



The Company has achieved quarterly EBIDTA of Rs. 101.17 crores and EBITDA margin of 14.47%



Despite the second wave of COVID-19 and partial lockdowns across India, the company achieve a capacity utilization of 81%

Key Message



Madhu Sudhan Bhageria

Chairman & Managing Director

“

This quarter witnessed the second wave of COVID-19 sweeping across India and dealt a severe blow to recovery of the Indian economy. However, I believe that the economic effects of this wave will be restricted to the first half of the financial year.

Despite the partial lockdowns and economic slowdown, we are pleased to announce that we have achieved a revenue of Rs. 698.91 crores and an EBIDTA of Rs. 101.17 crores (14.47%) in Q1FY22.

Commissioning activities for our 30 MW captive power plant at our Dahej unit started in May. However, manpower constraints due to the second wave of Covid in India delayed the erection and commissioning activities. We are operating the plant on trial basis since last two weeks and are likely to achieve commercial operations shortly. The annual impact of savings in energy costs will be around Rs. 40 crores.

”

Company Overview



We are one of India's Top 5 Manufacturers of Polyester Filament yarns.

We manufacture polyester and polypropylene multifilament yarn and polyester chips. We have two manufacturing facilities; one at Dadra & Nagar Haveli and second one at Dahej, equipped with state-of-the-art modern German machines.

Our Vision

To be one of the leading polyester yarns manufacturer producing products to international standards, to be customer focused through stringent quality assurance and continuous innovation.

02

World-Class
Manufacturing
Facilities



05

Continents
Catered



45+

Countries Global
Export



2500+

Team
Members

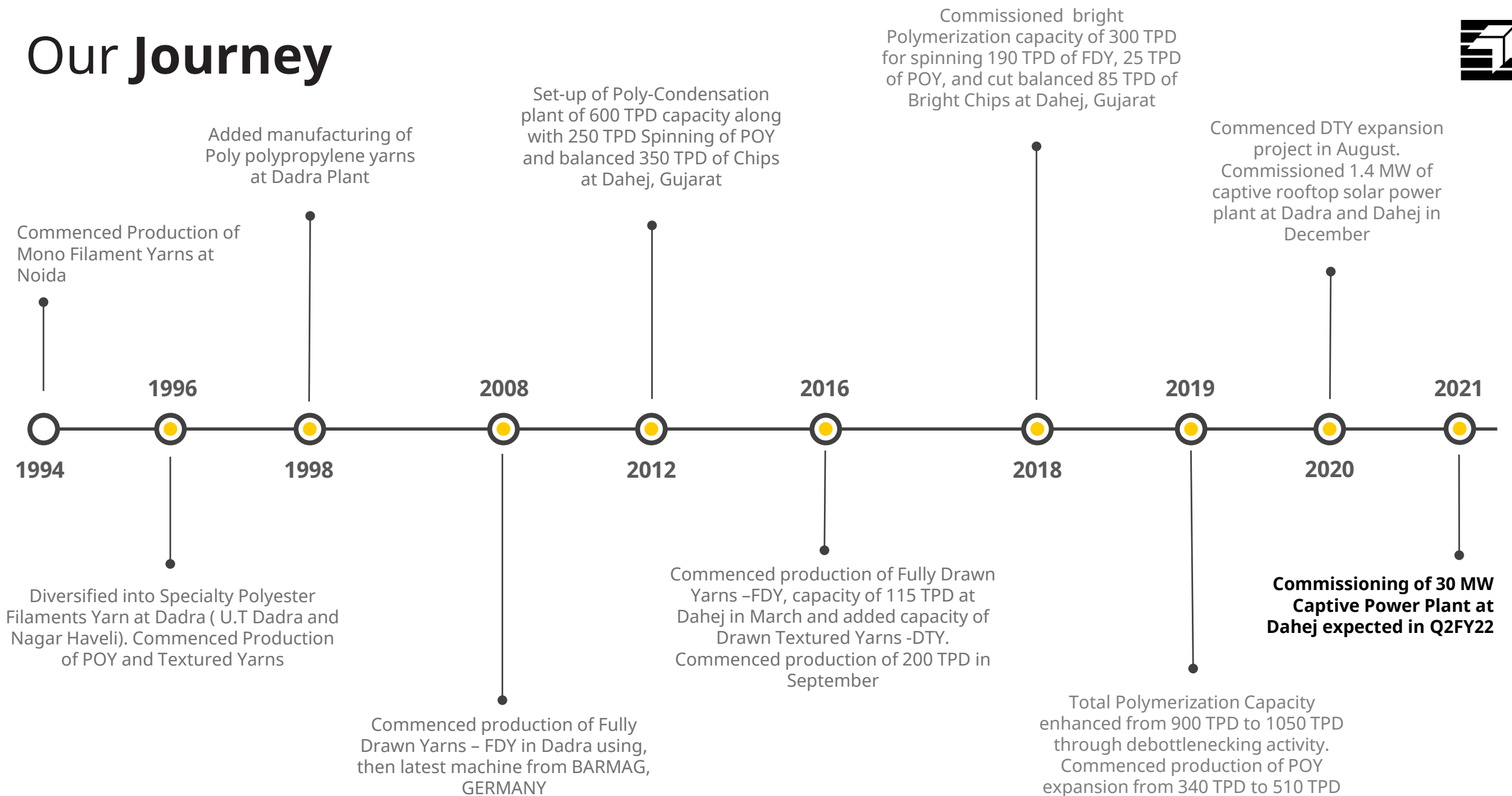


381,240

Tonnes Per Annum
Production Capacity
(2021-22)



Our Journey



Global Presence



Corporate Office
New Delhi

Manufacturing Facilities
Dadra & Nagar Haveli (UT)
Dahej (Gujarat)

Marketing Office
New Delhi
Surat
Mumbai

45+

Countries to which products are exported

~24%

Drawn Texturizing Yarn (DTY) Production exported

~11%

Export's contribution to Revenues in FY21

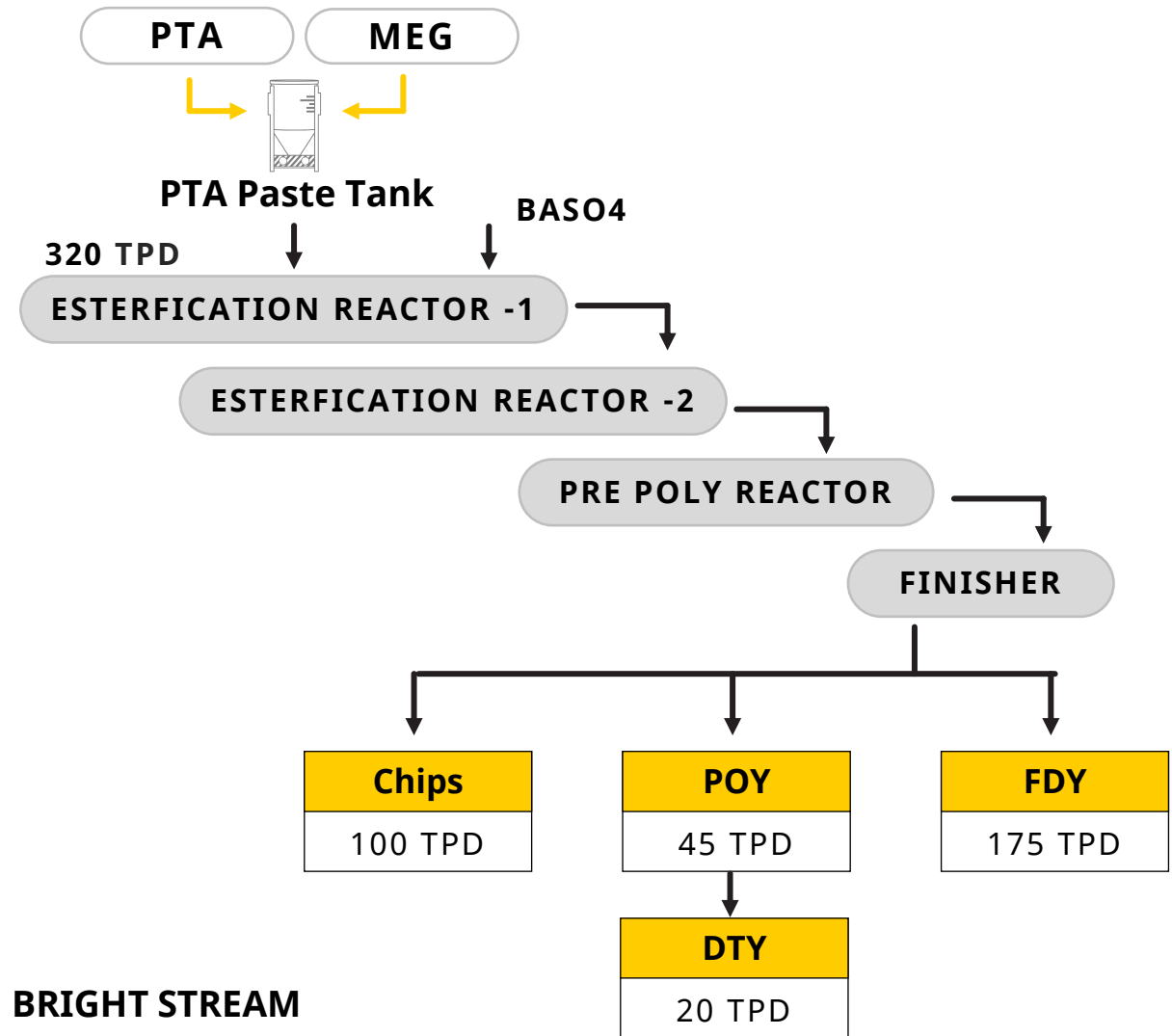
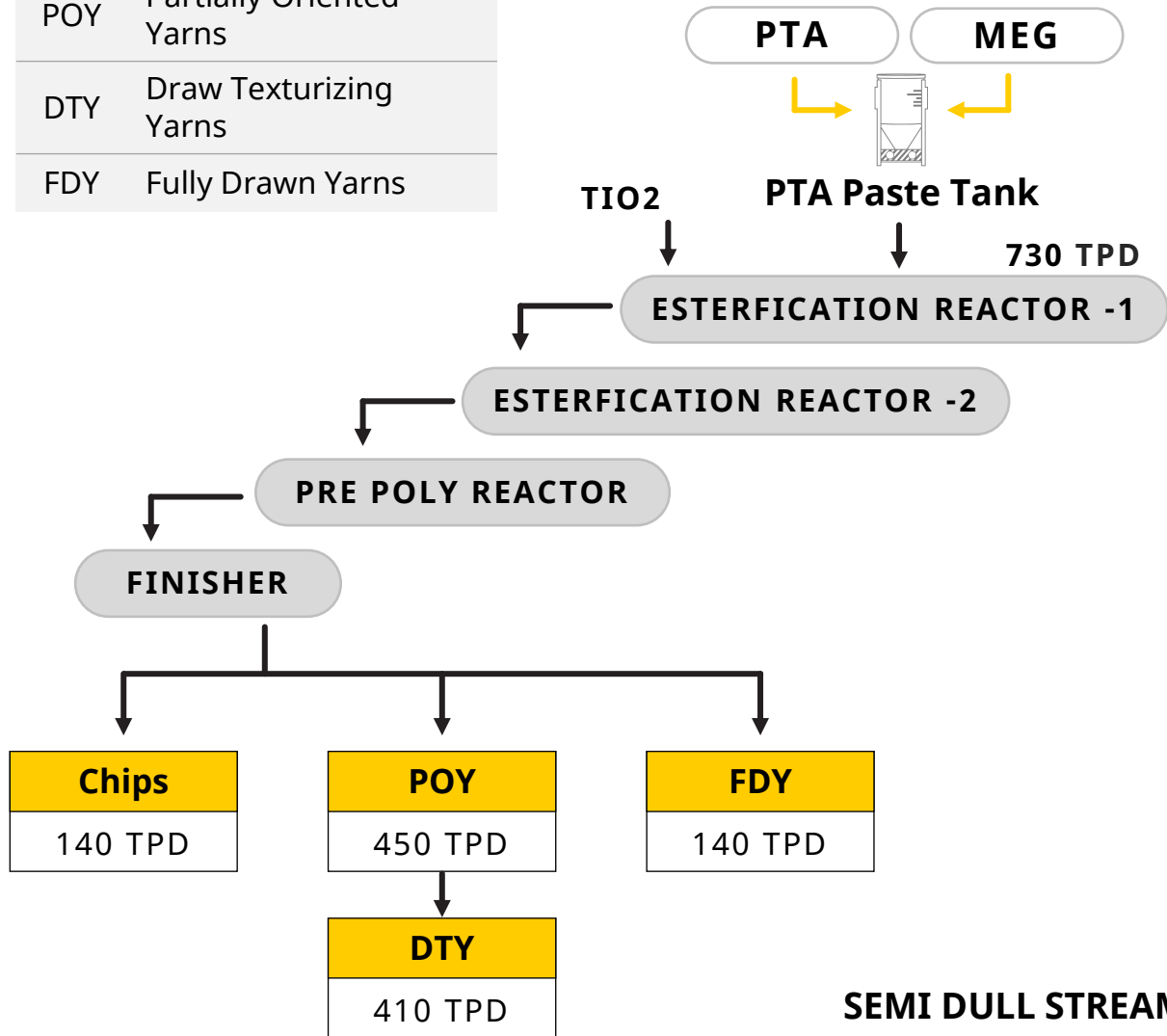
381,240

Total Production Capacity (MTPA) FY22

Production Process Flow (Dahej)



POY	Partially Oriented Yarns
DTY	Draw Texturizing Yarns
FDY	Fully Drawn Yarns



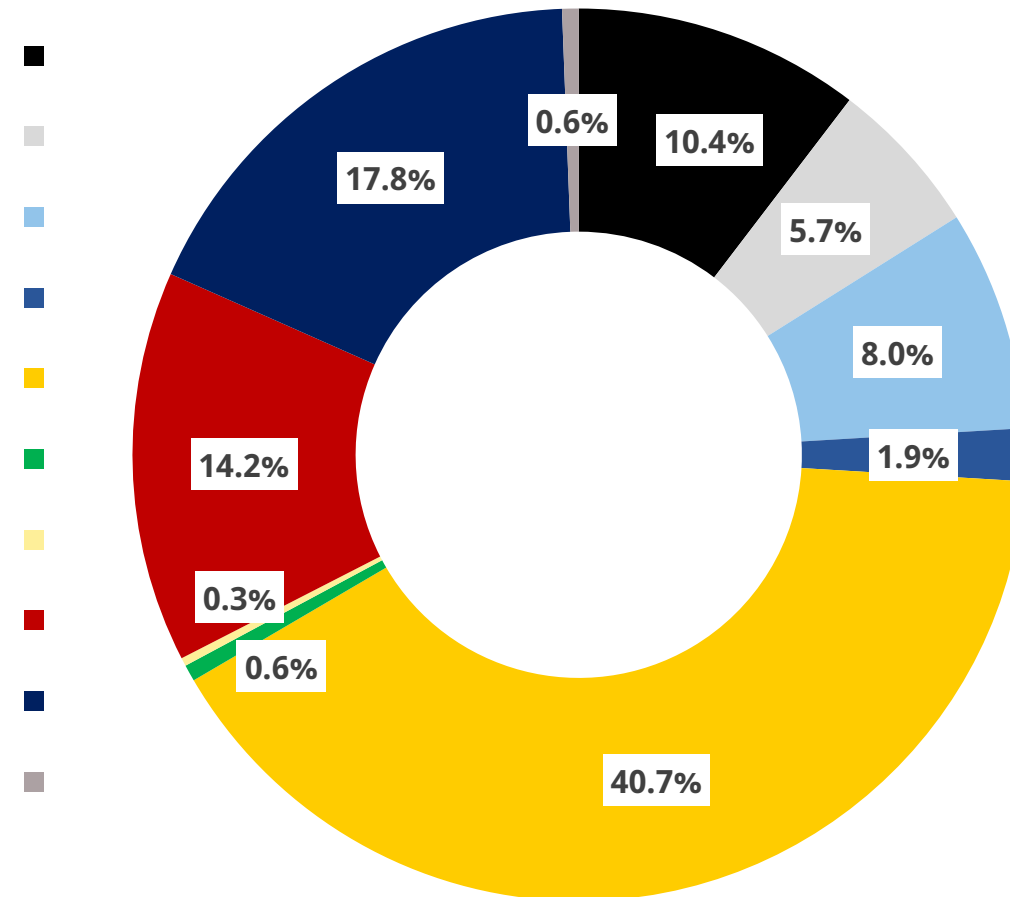
Production Capacities



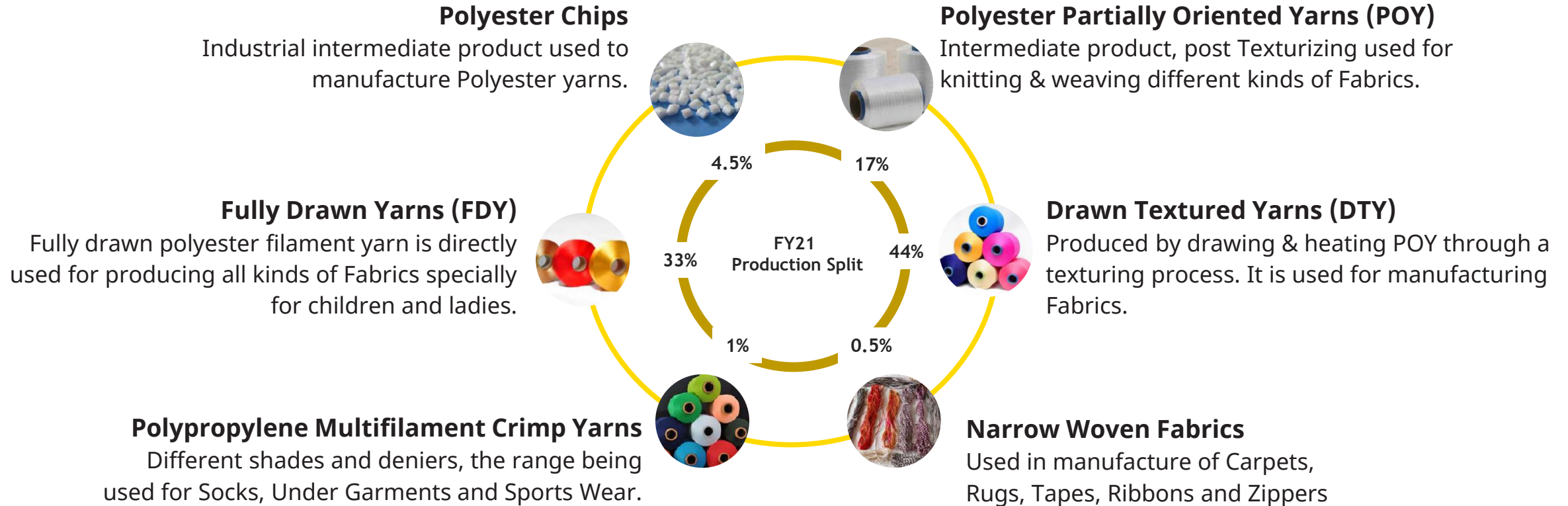
PRODUCTION CAPACITIES | FY 2021-22

Products (MTPA)	Production	Captive	Net	%age
Polyester Chips - Semi Dull	61,200	21,600	39,600	10.4%
Polyester Chips - Bright	36,000	14,400	21,600	5.7%
Polyester POY - Semi Dull	1,78,200	1,47,600	30,600	8.0%
Polyester POY - Bright	16,200	9,000	7,200	1.9%
Polyester DTY	1,56,600	1,440	1,55,160	40.7%
Polypropylene DTY	2,160	0	2,160	0.6%
Polypropylene POY	3,240	2,160	1,080	0.3%
Polyester FDY - Semi Dull	54,000	0	50,400	14.2%
Polyester FDY - Bright	68,400	720	67,680	17.8%
Narrow Woven Fabrics	2,160	0	2,160	0.6%
Grand Total	5,78,160	1,96,620	3,81,240	100%

Net Capacity (Post Expansion Net of Captive)



Our Products



SPECIALITY PRODUCTS

Filigree
Used in sheer curtains, shirting, suiting, scarves etc

Ocean
Used in fancy knitwear, sheer curtains, frills for dresses

Chubby Yarn
Used in fancy knitwear, tee shirts & upholstery

Cotsion
Used in suiting & shirting, fancy knitwear, t-shirts & upholstery

Soie FIL
Used in upholstery, jackets & suits, etc

Flexi FIL
Used in sofa covers and car seat covers

Catering to Diverse End-Uses



Home Textiles & Furnishings

Fully Drawn Yarns of Polyester are being used for Home Furnishings, Fashion Fabrics, Terry Towels, Bed Sheets, Curtains & Carpets. Other growing applications are Upholstery Fabrics. Properties of stain resistance make it ideal for carpets.



Athleisure

The preferred material for sportswear is Polyester Yarn. Sports leisure clothing require a fabric that's not only strong & durable but also abrasion resistant. Ease of washing & corrosion resistance make them easy to maintain with longer usage life.



Apparel

Polyester is extensively used in apparels – Trousers, Shirts, Suitings & Sarees. PFY is a strong filament that can withstand strong & repetitive movements. Colour fastness is also excellent. It is wear resistant, water resistant, wrinkle resistant and its hydrophobic properties make it ideal for all kinds of apparel.



Women Wear & Inner Wear

In these garments, feeling of softness is critical. The Textured Micro Denier have met the expected requirements and are being used in Lingerie, Performance garments - Active wear, Yoga wear, low shrinkage to ensure no seam distortion after washing & soft feel make these yarns ideal choice.



PPE Kits & Protective Masks

Polyester & Polypropylene is used in the components of PPE kits as well as protective masks. Properties such as corrosion resistant, wear resistant and low shrinkage make them and ideal choices to allow longer usage life.



Focus on environmental R&D to minimise waste and reduce carbon footprint

- Developing technology for recycling of Polyester waste. Developed **a pilot plant** adopting Glycolysis process and currently carrying out trials for depolymerization & repolymerization of PET waste and yarn waste
- Commissioned **1.4 MW rooftop Solar Power Plant at Dahej & Dadra**



Social Welfare Activities

- Engaged in a wide variety of social causes with a prime focus on programmes such as **Education, Health & Women Empowerment**



Diverse Board of Directors and experienced directors

- Experienced board of directors with **half of the board** being independent directors
- Promoters with **>3 decades of experience** supported by board members with extensive experience across various domains



Robust internal checks & processes

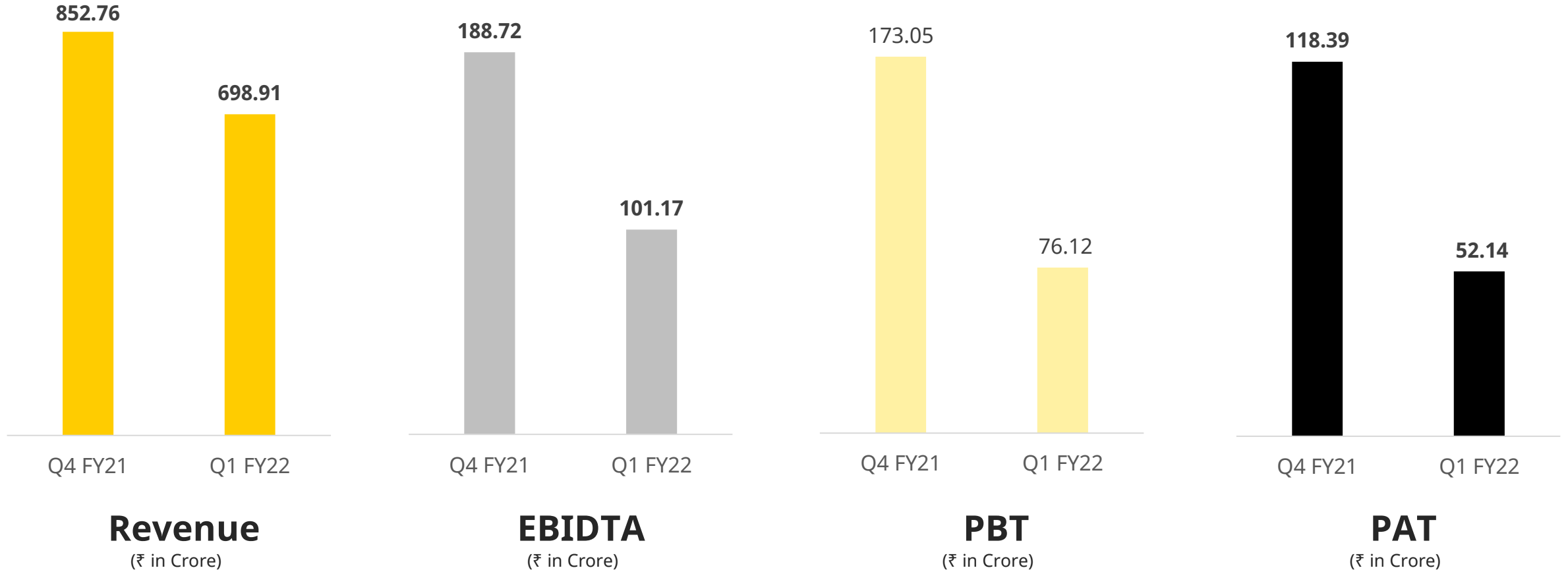
- Comprehensive **policy framework & robust systems**
- Internal & external audit to ensure compliance and **improve quality and standards** of reporting



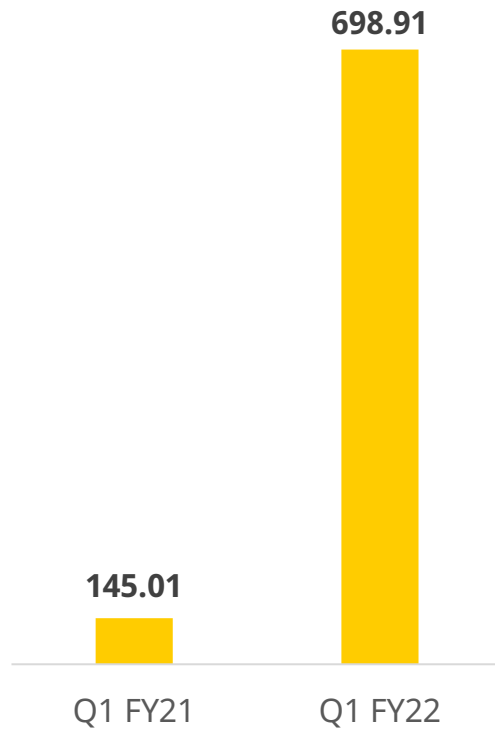
Q1 FY22

PERFORMANCE HIGHLIGHTS

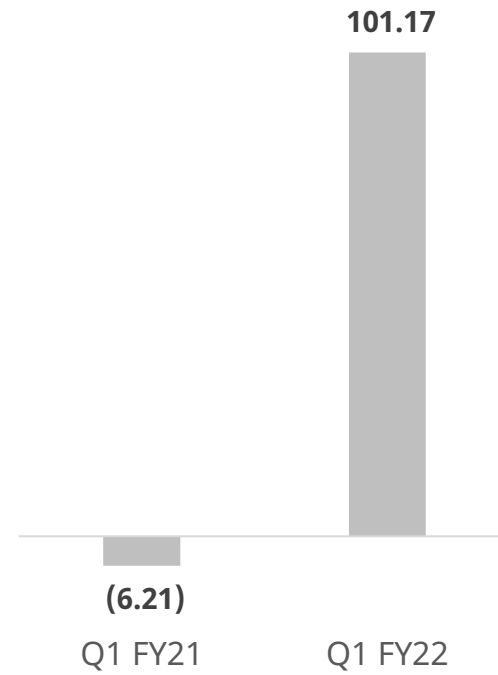
Quarterly Results (QoQ)



Quarterly Results (YoY)



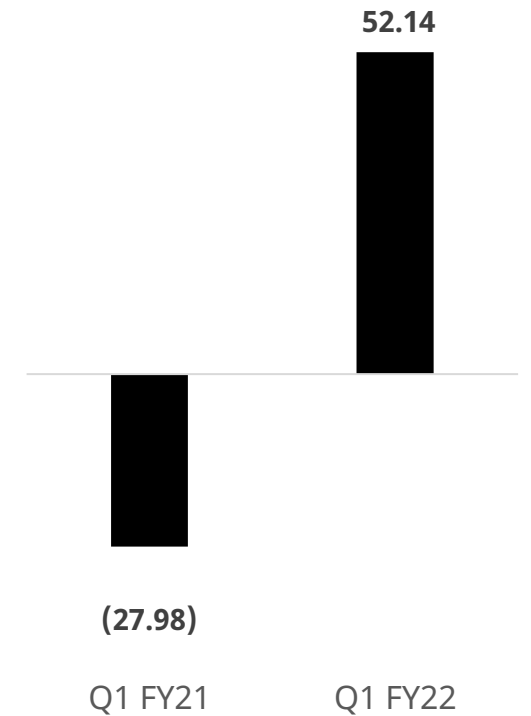
Revenue
(₹ in Crore)



EBIDTA
(₹ in Crore)

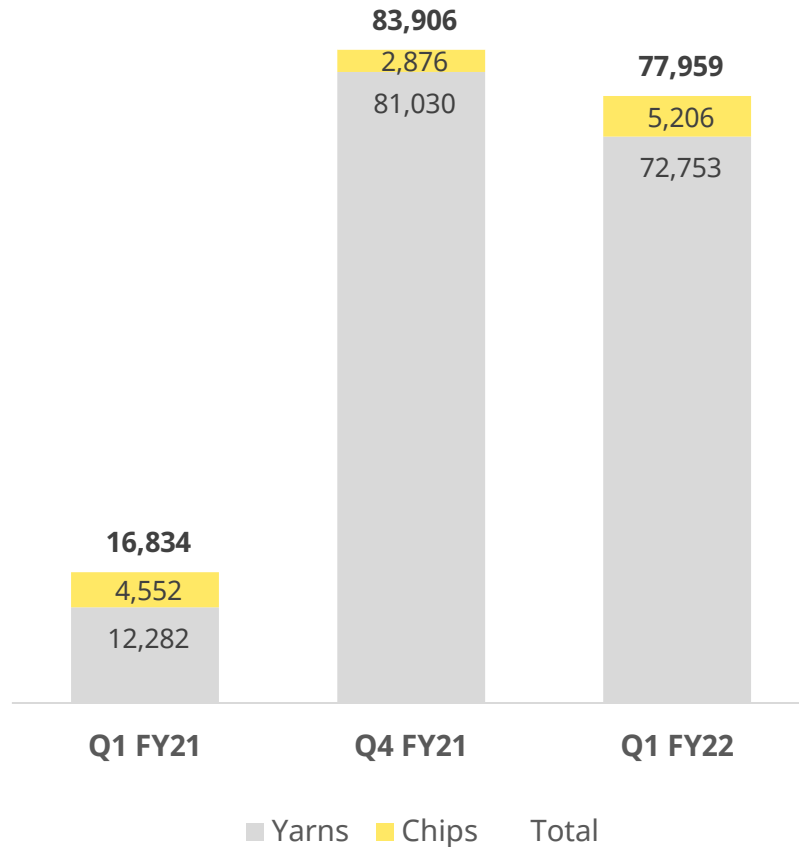


PBT
(₹ in Crore)

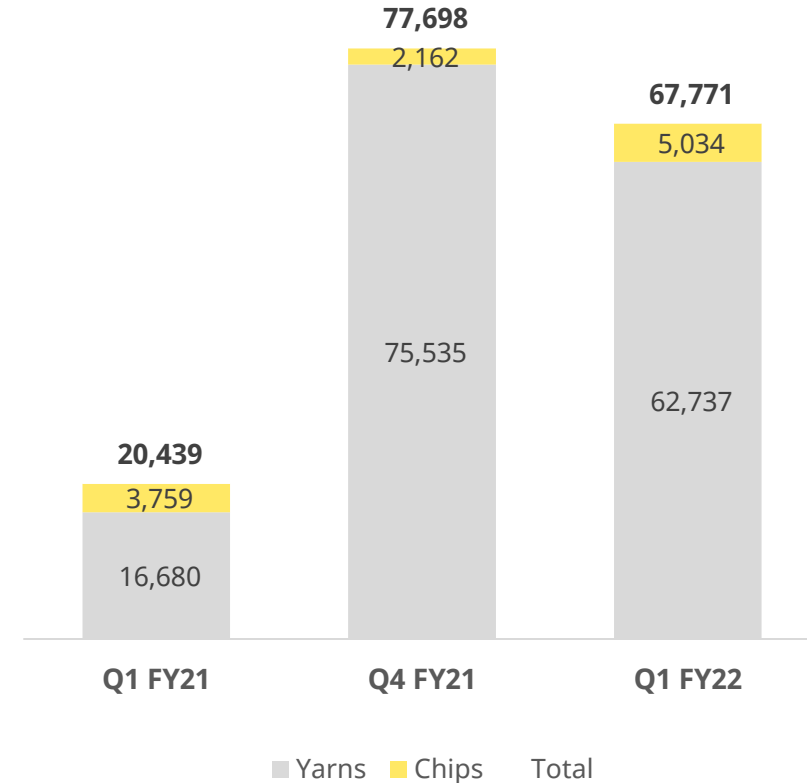


PAT
(₹ in Crore)

Quarterly Production & Sales (QoQ & YoY)



Total Production
(MTPA)



Total Sales
(MTPA)

Profit & Loss | Q1 FY22



(INR in Crore) ¹	Q1 FY22	Q4 FY21	QoQ %	Q1 FY21	YoY %
Net Revenue from operations (Net of Taxes)	698.91	852.76	(18.04)	145.01	381.97
Other income	2.56	5.40	(52.56)	0.95	170.44
Total Revenue	701.47	858.16	(18.26)	145.96	380.59
Total Expenses	625.35	685.11	(8.72)	183.24	241.28
Cost of materials consumed	594.15	633.56	(6.22)	91.48	549.52
Changes in inventories	(93.49)	(70.92)	(31.82)	32.34	(389.12)
Employee benefits expense	19.78	21.56	(8.26)	8.69	127.51
Finance cost	12.93	6.14	110.57	17.78	(27.27)
Depreciation and amortization expense	14.67	14.92	(1.65)	14.24	3.07
Other expenses	77.31	79.85	(3.18)	18.72	312.93
Profit before exceptional items & tax	76.12	173.05	(56.01)	(37.28)	304.20
Exceptional Items	1.64	-	-	-	-
Profit before tax	77.76	173.05	(55.06)	(37.28)	308.60
Tax expense	25.62	54.66	(53.13)	(9.30)	375.52
Net profit/(loss) after tax	52.14	118.39	(55.96)	(27.98)	286.35

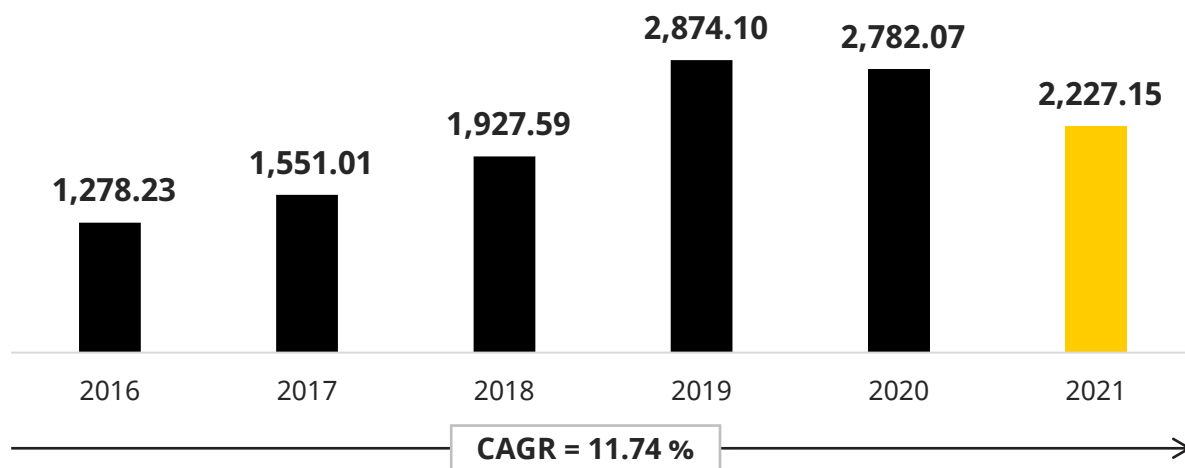


HISTORICAL PERFORMANCE

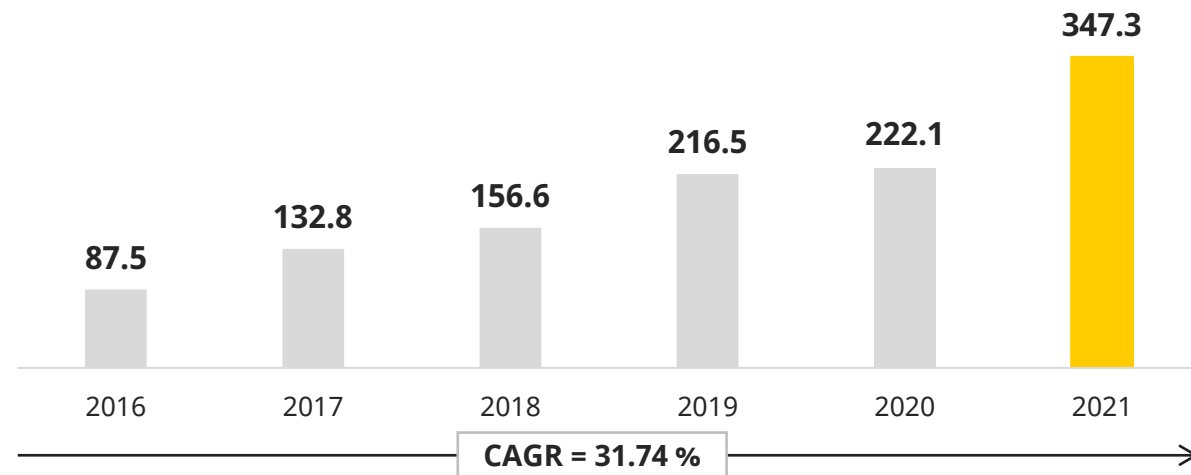
Our Growth



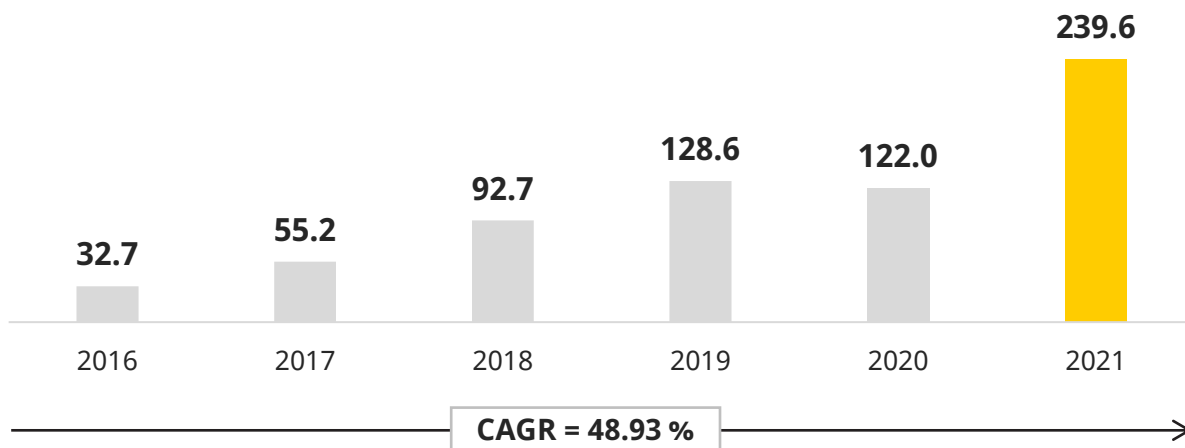
Net Revenue (₹ in Crore)



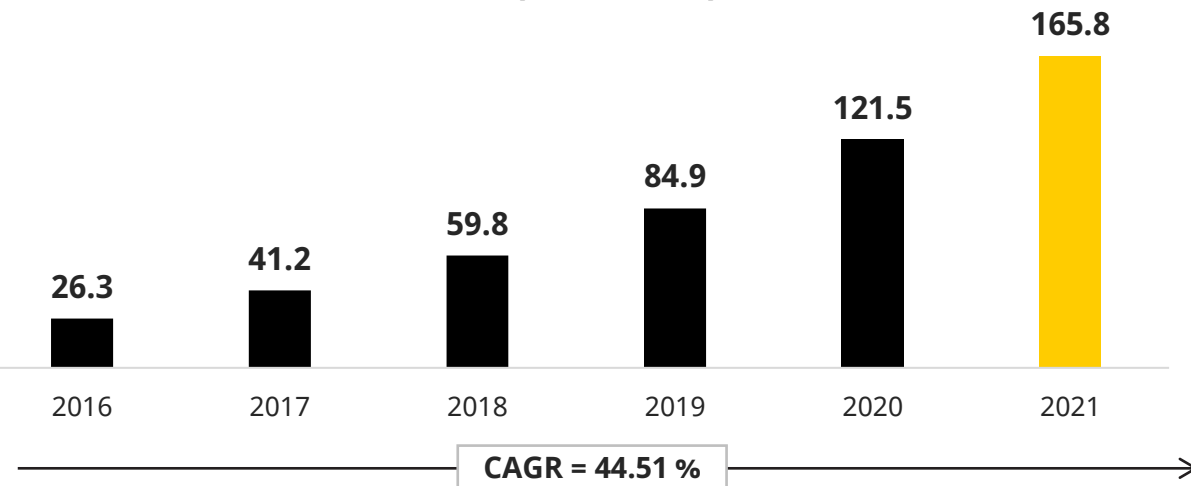
EBIDTA (₹ in Crore)



PBT (₹ in Crore)



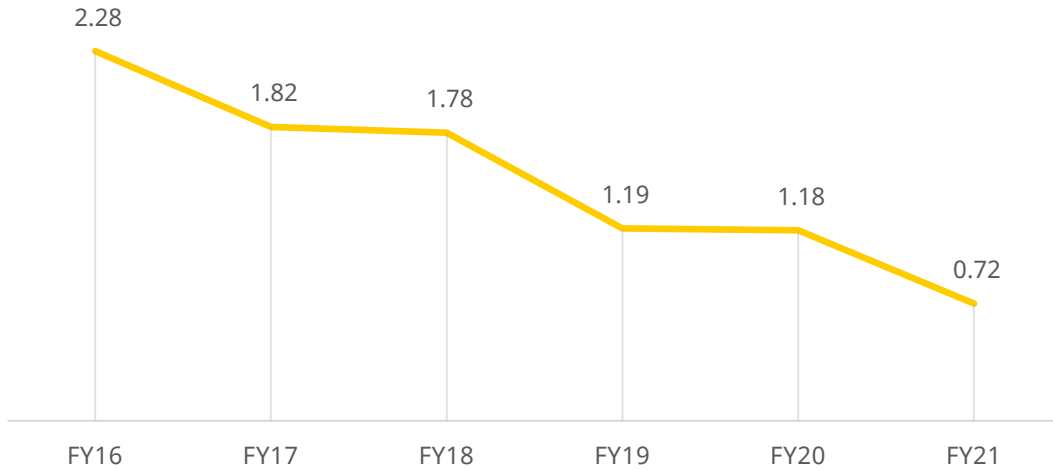
PAT (₹ in Crore)



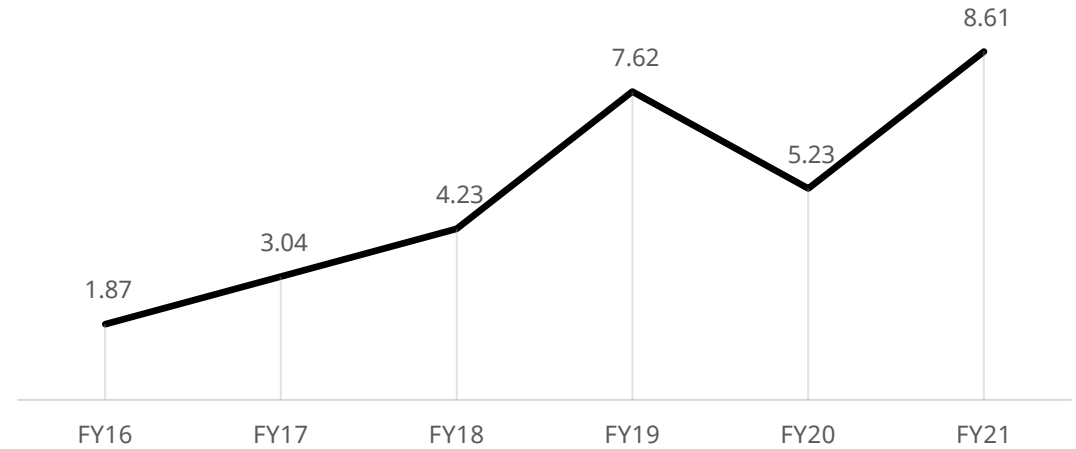
Our Ratios



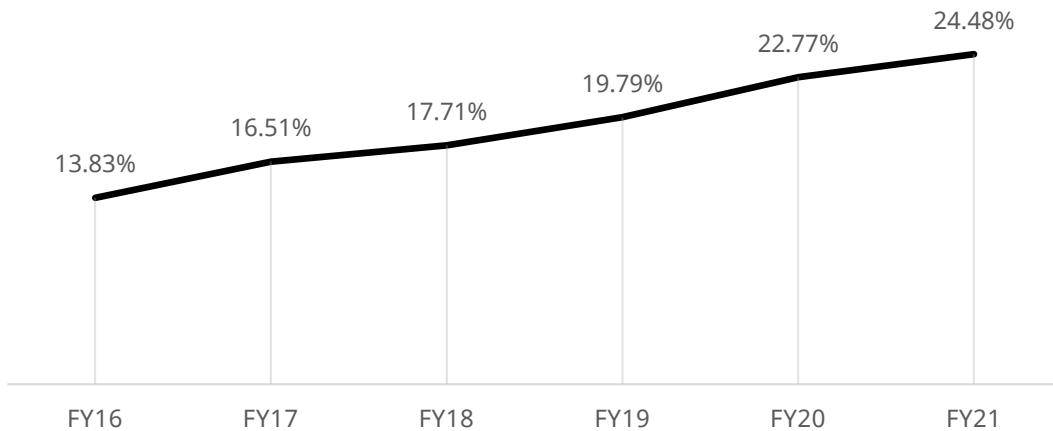
Net Debt Equity Ratio



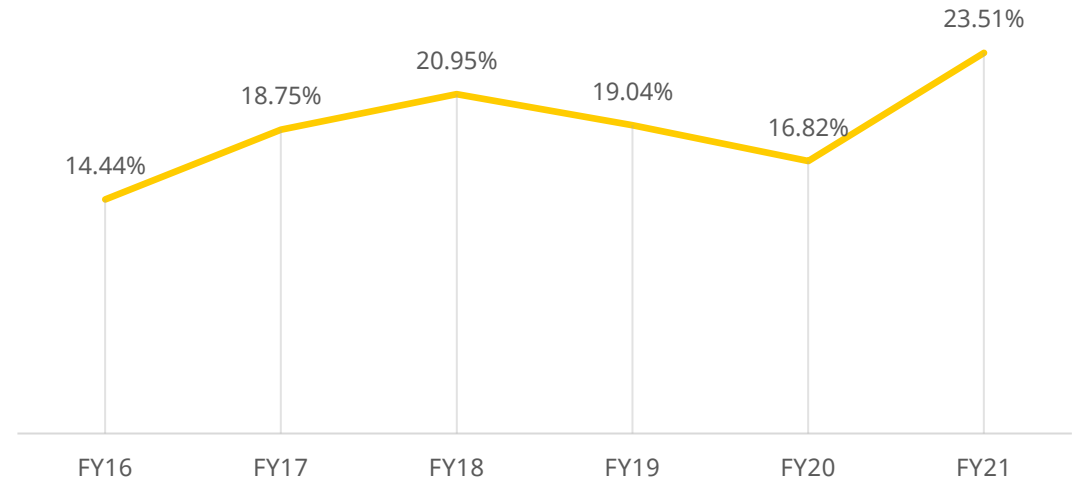
Interest Coverage Ratio*



Return on Equity



Return on Capital Employed#



* Interest on Term Loan considered only

Capital Employed is calculated based on the quarter in which the projects were capitalized

Profit & Loss | FY21



(INR in Crore)	FY21	FY20	YoY %
Net Revenue from operations (Net of Taxes)	2,227.15	2,782.07	(19.95)
Other income	9.45	12.42	(23.88)
Total Revenue	2,236.60	2,794.49	(19.96)
Total Expenses	1,996.99	2,672.50	(25.28)
Cost of materials consumed	1,602.33	2,255.60	(28.96)
Changes in inventories	(24.11)	(41.60)	42.04
Employee benefits expense	67.14	74.66	(10.07)
Finance cost	58.81	61.29	(4.05)
Depreciation and amortization expense	58.36	51.27	13.83
Other expenses	234.46	271.28	(13.57)
Profit before exceptional items & tax	239.61	121.99	96.43
Exceptional Items	-	-	-
Profit before tax	239.61	121.99	96.43
Tax expense	73.80	0.51*	14,370.08
Net profit/(loss) after tax	165.81	121.48	36.50

* The Company evaluated the option of lower tax rates allowed under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, considering the MAT credit available, there was no impact on the provision for Income tax for the quarter and six months ended September 30, 2019. The Company expects to utilize the deferred tax balances over subsequent periods which have accordingly been re-measured using the tax rate expected to be prevalent in the period in which the deferred tax balances are expected to reverse. Consequently, the Company reversed deferred tax liabilities amounting to Rs. 3,4.70 crores in the FY20 results at the estimated effective tax rate.

Balance Sheet - Assets | FY21



(INR in Crore)	2016-17	2017-18	2018-19	2019-20	2020-21
Non-Current Assets	665.9	962.0	1,017.8	1,217.0	1274.6
Property, plant and equipment	628.4	944.5	927.9	1,115.3	1094.4
Capital work-in-progress	5.7	6.4	71.5	66.5	169.9
Other Intangible Assets	0.2	0.4	0.7	0.7	0.8
Financial Assets					
Investments	0.1	-	0.0	0.0	0.0
Loans and Advances	0.1	0.7	0.7	5.3	1.1
Other non-current assets	29.7	9.2	16.6	28.8	7.5
Tax Assets	1.8	0.8	0.4	0.4	0.9
Current Assets	386.5	462.0	397.6	404.4	524.6
Inventories	149.1	193.7	172.7	171.7	254.4
Financial Assets					
Trade receivables	199.4	170.5	98.7	118.6	121.7
Cash and cash equivalents	14.8	25.6	44.2	21.8	36.1
Loans and Advances	0.5	0.6	1.0	1.6	0.4
Other Financial Assets	0.9	4.2	12.5	16.9	10.9
Other current assets	21.7	67.5	68.5	73.8	101.1
Assets classified as held for Sale	6.9	13.4	-	-	7.2
TOTAL ASSETS	1,059.4	1,437.5	1,415.4	1,621.4	1806.4

Balance Sheet – Equity & Liabilities | FY21



(INR in Crore)	2016-17	2017-18	2018-19	2019-20	2020-21
EQUITY	325.0	385.4	472.1	594.9	762.5
Equity Share capital	43.5	43.5	43.5	43.9	44.2
Other equity	281.5	341.9	428.6	551.0	718.3
Money received against share warrants	-	-	-	-	-
LIABILITIES	733.9	1,049.7	943.3	1026.5	1037.9
Non-Current Liabilities	386.2	614.8	574.6	686.9	646.1
Financial liabilities					
Borrowings	336.4	541.6	476.8	611.5	536.0
Other financial liabilities	-	7.2	9.1	4.4	5.8
Provisions	5.6	5.2	6.0	7.2	7.7
Deferred tax liabilities	27.8	41.2	58.8	37.8	71.8
Other Non-Current Liabilities	16.4	19.7	23.9	26.0	24.8
Current Liabilities	347.8	434.9	368.7	339.6	391.8
Financial liabilities					
Borrowings	143.5	98.5	70.2	57.5	12.9
Trade Payables	111.3	224.1	179.0	186.0	274.3
Other financial liabilities	55.4	102.7	89.0	80.7	93.9
Provisions	1.3	2.3	2.8	3.1	3.5
Other Current Liabilities	36.3	6.2	25.6	11.9	7.2
Income Tax Liabilities (net)	-	1.1	2.1	0.4	-
Liabilities Directly associated with assets classified as held for sale	0.4	2.4	-	-	6.0
TOTAL EQUITY AND LIABILITIES	1,059.4	1,437.5	1,415.4	1621.4	1806.4

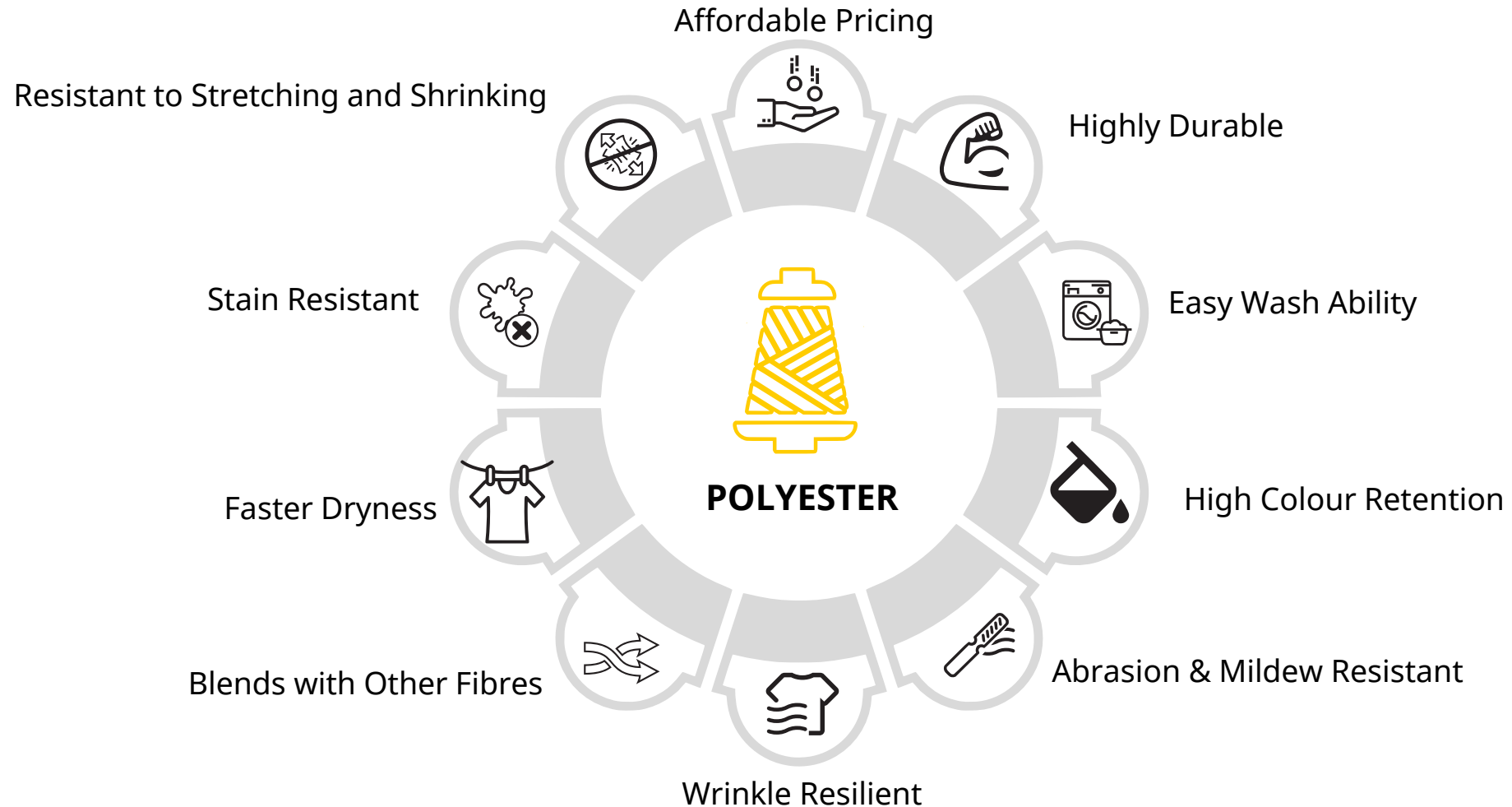


GROWTH DRIVERS

Polyester – The Preferred Fiber



We believe that polyester will be fibre of the future.
Filatex has focused its future growth plans on polyester filament yarns.





World Fibre Production (2008-2018)

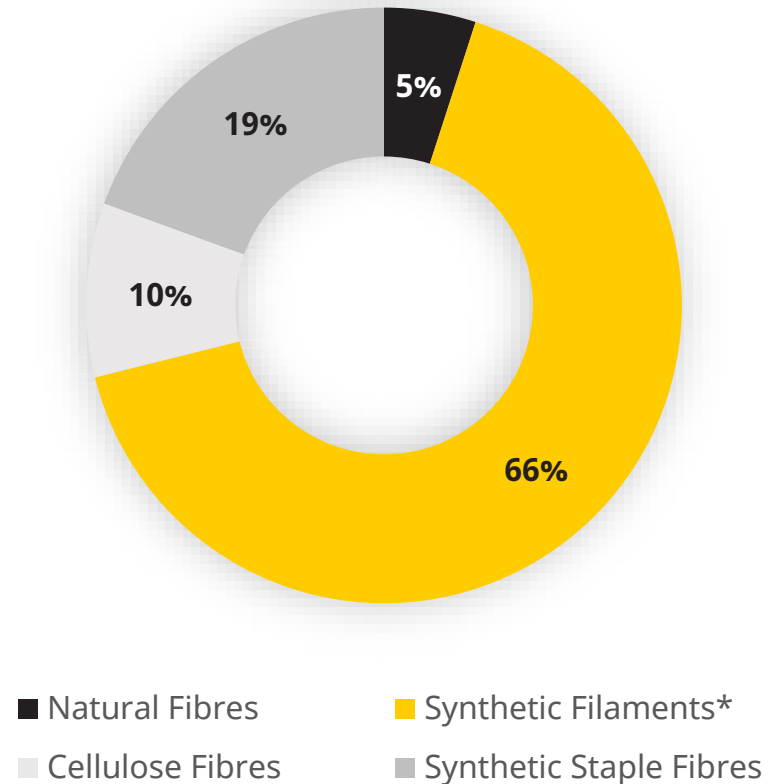
Source: DNFI

(in 1000 MT)

	2008	%	2018	%	CAGR	Growth
Natural Fibres						
Raw Cotton	23,584	31.40	26,120	23.47	1.03	2,536
Other Natural Fibres	6,971	9.28	6,084	5.47	(1.35)	(887)
Total Natural	30,555	40.69	32,204	28.93	0.53	1,649
Synthetic Fibres						
Cellulose Fibres	3,464	4.61	6,900	6.20	7.13	3,436
Synthetic Filaments*	25,750	34.29	49,800	44.74	6.82	24,050
Synthetic Staple Fibres	15,331	20.41	22,400	20.13	3.86	7,069
Total Synthetic	44,545	59.31	79,100	71.07	5.91	34,555
Total Fibres	75,100	100%	1,11,304	100%	4.01	36,204

95% of the growth in World Fibre Production in the last decade has come from Synthetic Fibres alone

CONTRIBUTION TO FIBRE GROWTH IN THE LAST DECADE



*Polyester Filaments make up 90% of Synthetic Filaments

Growth Drivers - External



Exports Opportunity

- Cost competitiveness and increase in texturizing machines will open new export opportunities for the company
- New textile policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25

Robust Domestic Demand

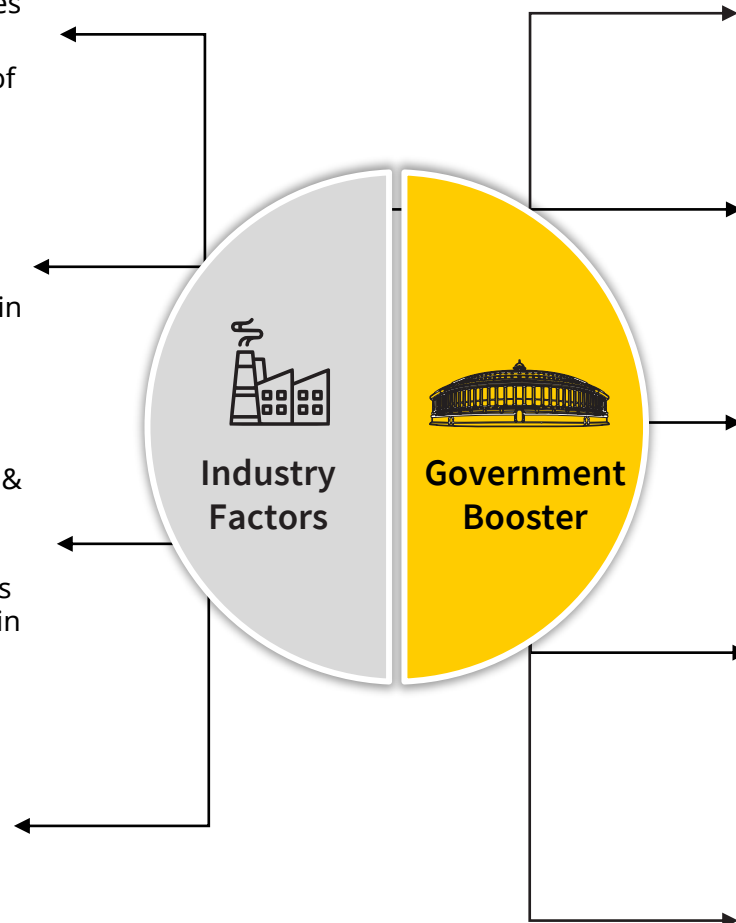
- The demand for polyester yarn has increased since September 2020 because of quick and steady recovery in the textile sector and this demand is expected to sustain in the coming quarters as Polyester continues to be the preferred fibre

Recycled Yarn Industry

- Increased awareness in customers towards environment & sustainability has resulted in wide acceptance of recycled fibres
- The demand for recycled polyester is increasing rapidly as leading fast-fashion brands are promoting sustainability in textile industry

China Factor

- Companies looking for alternative sourcing locations from China may increase exports from India, the 2nd largest textile player
- Increasing labour costs in China
- Product offering competitive to that of China



Removal of Anti-Dumping Duty on PTA

- Removal of anti-dumping duty on raw material will allow the Indian manufacturers to compete domestically and globally in terms of price competitiveness

Production Linked Incentives (PLI)

- Government has announced production linked incentives in MMF sector which will boost demand for MMF yarn

Value Addition Criteria

- Importers are required to provide proof of 35% value addition of goods imported through free trade agreements (FTA) to customs authorities which has helped reduce import of Chinese yarn and fabrics via Bangladesh into India

Mega Textile Parks

- In the Budget 2021, a scheme of 7 mega investment textile parks were announced with the aim at creating world-class infrastructure for the industry

ATUFS

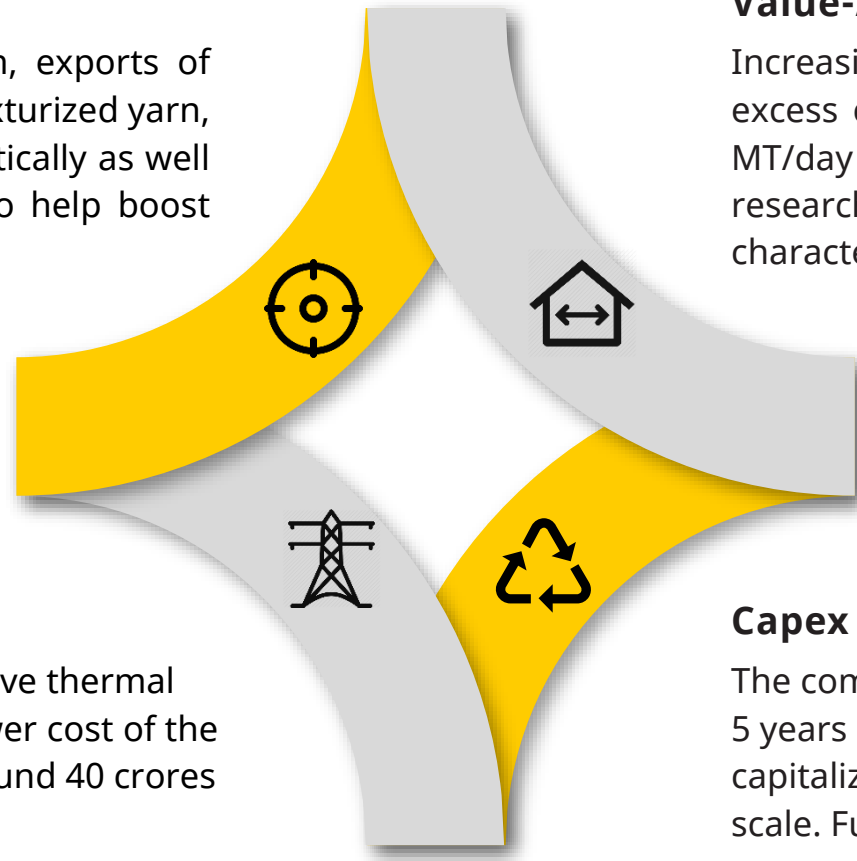
- The government would provide credit linked Capital investment subsidy (CIS) under Amended Technology Upgradation Fund Scheme (ATUFS)
- The scheme would facilitate augmenting of investment, productivity, quality, employment, exports along with import substitution in the industry

Growth Drivers - Internal



Increase Focus on Exports

With new texturizing machines coming in, exports of the company will increase on account of texturized yarn, being a high-demand product both domestically as well as globally. Anti-China sentiments will also help boost Indian textured yarn exports globally.



Value-Added Products

Increasing melt capacity by 50 MT/day and utilizing excess chips volume to produce additional POY of 120 MT/day along with texturizing capacity. Also focused on research & development of new filaments with niche characteristics.

Captive Power Plant

The Company is setting up of 30 MW captive thermal power plant. This will help reduce the power cost of the plant in Dahej and result in savings of around 40 crores annually.

Capex Unfolding

The company has been expanding rapidly for the past 4-5 years in various streams and in FY22 it expects to capitalize on full capacity and benefit from economies of scale. Full effect of debottlenecking activities.

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