



FILATEX INDIA LIMITED

CIN No.L17119DN1990PLC000091

FIL/SE/2020-21/17
29th August, 2020

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 – Q1 FY21

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 – Q1 FY21 which we propose to share with Analysts & Investors.

This is for your information and records please.

Thanking you,

Yours faithfully,
For FILATEX INDIA LIMITED

COMPANY SECRETARY

Encl.: a/a

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FILATEX INDIA LIMITED

Investor Presentation
Q1 FY21



August 2020

Rising to the Challenges



Madhu Sudhan Bhageria

Chairman & Managing Director



The performance in Q1FY21 was severely affected by coronavirus and the subsequent the national lockdown that led to a loss of almost 7 weeks of production. Post the national lockdown, we were able to restart our Dahej plant on 21st May, at partial capacity of 30%. However, continuation of partial lockdown, containment zones, lack of labour, complete withdrawal of public transport and sealing of interstate borders continued to present major challenges. Nonetheless, we are witnessing good growth in demand and as of now our capacity utilization is above 90%. The margins are also improving gradually.

Going ahead, based on our assessment of the external scenario and industry as well as market analysis, we expect the demand to further improve with the reduction in COVID-19 cases. We feel that by the end of Dec 2020 the demand should be at pre-COVID-19 levels if the situation does not deteriorate any further. ”

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



383,000

Tonnes Per Annum
Production Capacity
(2019-2020)



Our Journey



Commenced Production of Mono Filament Yarns at Noida

1996

Added manufacturing of Poly polypropylene yarns at Dadra Plant

1998

Set-up of Poly-Condensation plant of 600 TPD capacity along with 250 TPD Spinning of POY and balanced 350 TPD of Chips at Dahej, Gujarat

2012

2016

Commenced production of Fully Drawn Yarns –FDY, capacity of 115 TPD at Dahej in March and added capacity of Drawn Textured Yarns - DTY. Commenced production of 200 TPD in September

2018

Commissioned bright Polymerization capacity of 300 TPD for spinning 190 TPD of FDY, 25 TPD of POY, and cut balanced 85 TPD of Bright Chips at Dahej, Gujarat

2019

Total Polymerization Capacity enhanced from 900 TPD to 1050 TPD through debottlenecking activity. Commenced production of POY expansion from 340 TPD to 510 TPD

Commencement of DTY expansion expected in Q2FY21. Work towards power plant project started in Dahej.

2020

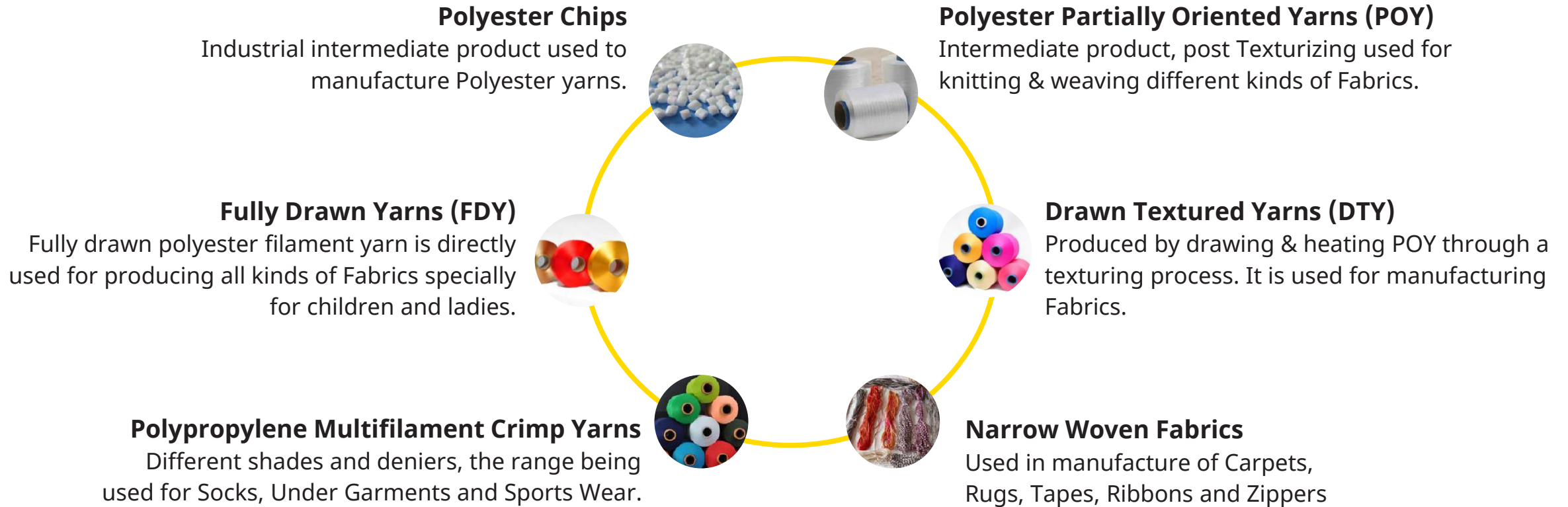
1994

Diversified into Specialty Polyester Filaments Yarn at Dadra (U.T Dadra and Nagar Haveli). Commenced Production of POY and Textured Yarns

Commenced production of Fully Drawn Yarns – FDY in Dadra using, then latest machine from BARMAG, GERMANY

2008

Our Products



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.



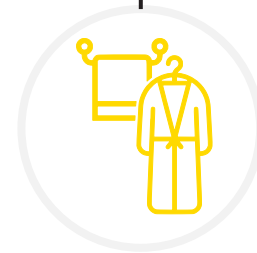
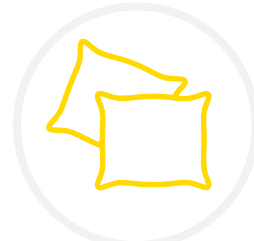
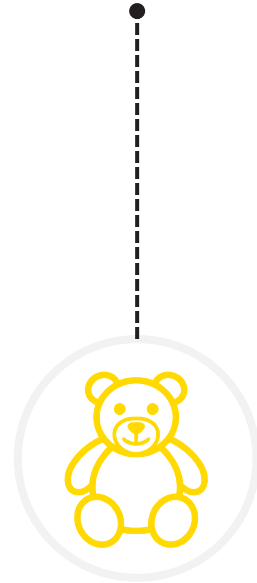
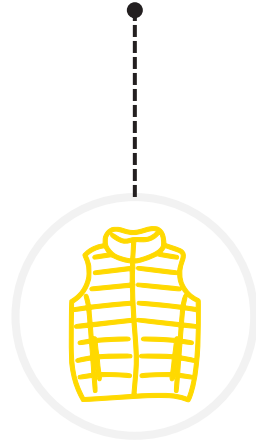
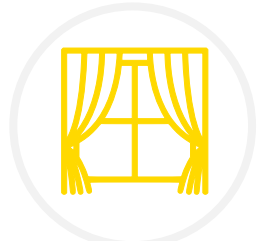
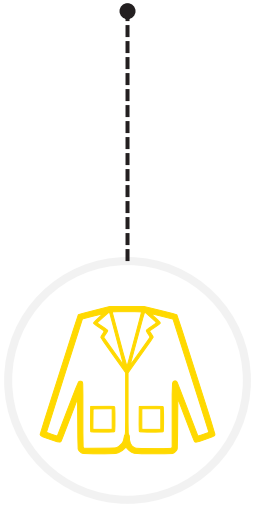
PPE Kits & Protective Masks

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.

Impacting Daily Lives



...through the apparels one wears at home and office



...through the body warmer one wears in the winter for warmth

...through the stuff toys one plays with

...through the car seats that provide safety while travelling

...through the towel that one uses to dry oneself

...through the bedsheets, curtains and carpets that makes a house a home

...through the clothes one wears while indulging in sporting activities

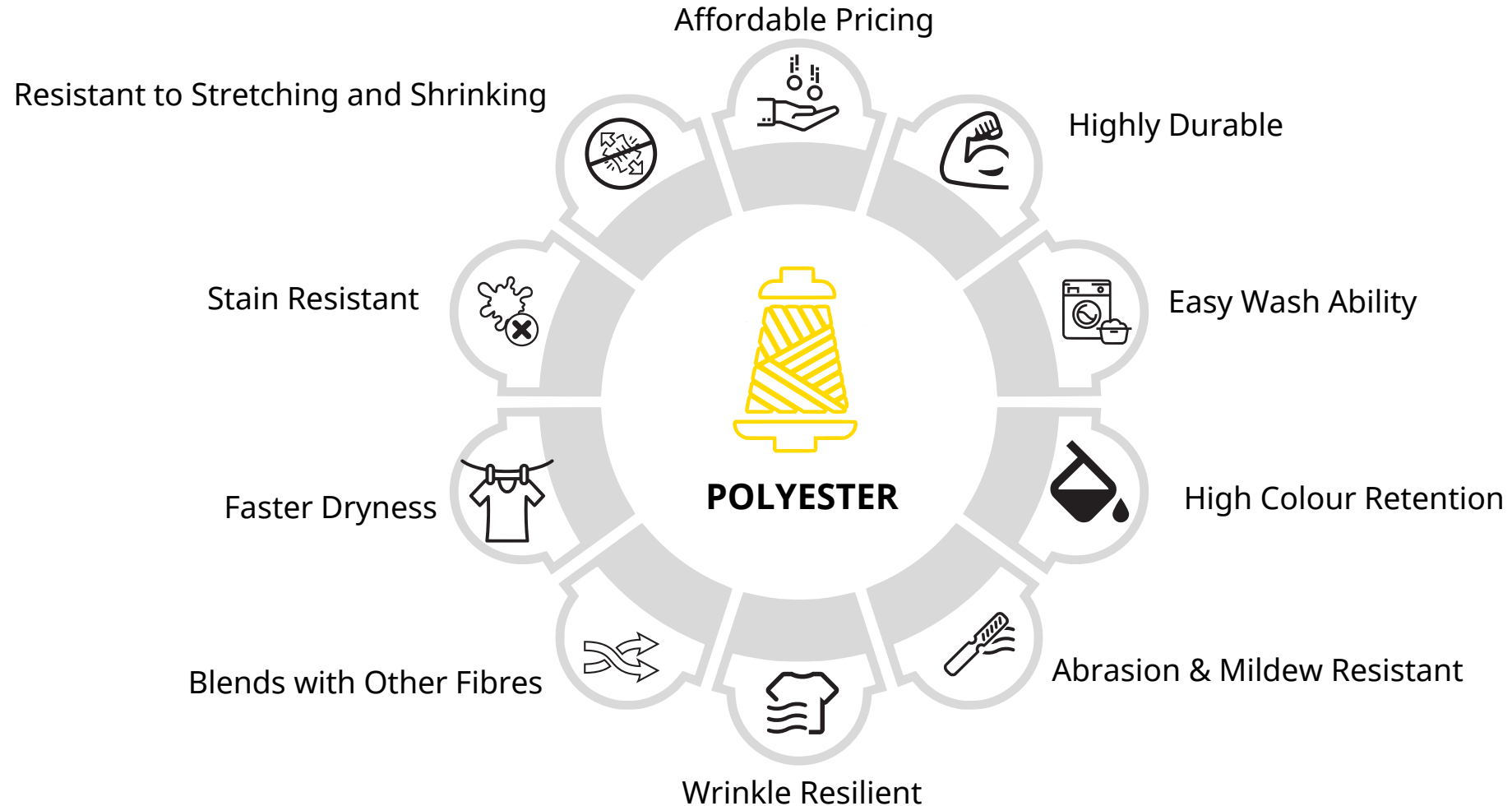
..through the pillow one uses to get a sound sleep after a busy day at work

...through the quilt one wraps around to get warmth during winters

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)

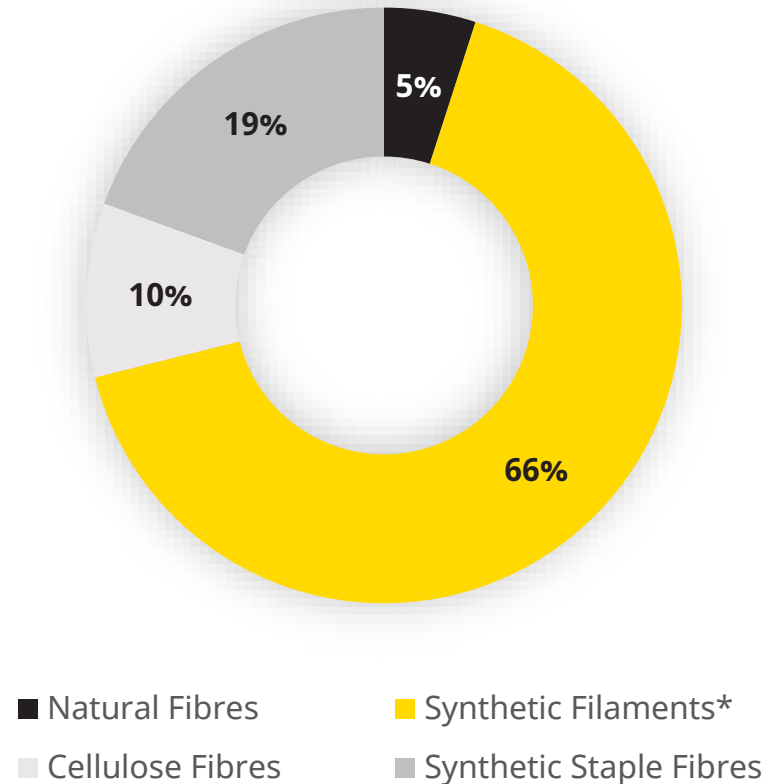
Source: DNFI

(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

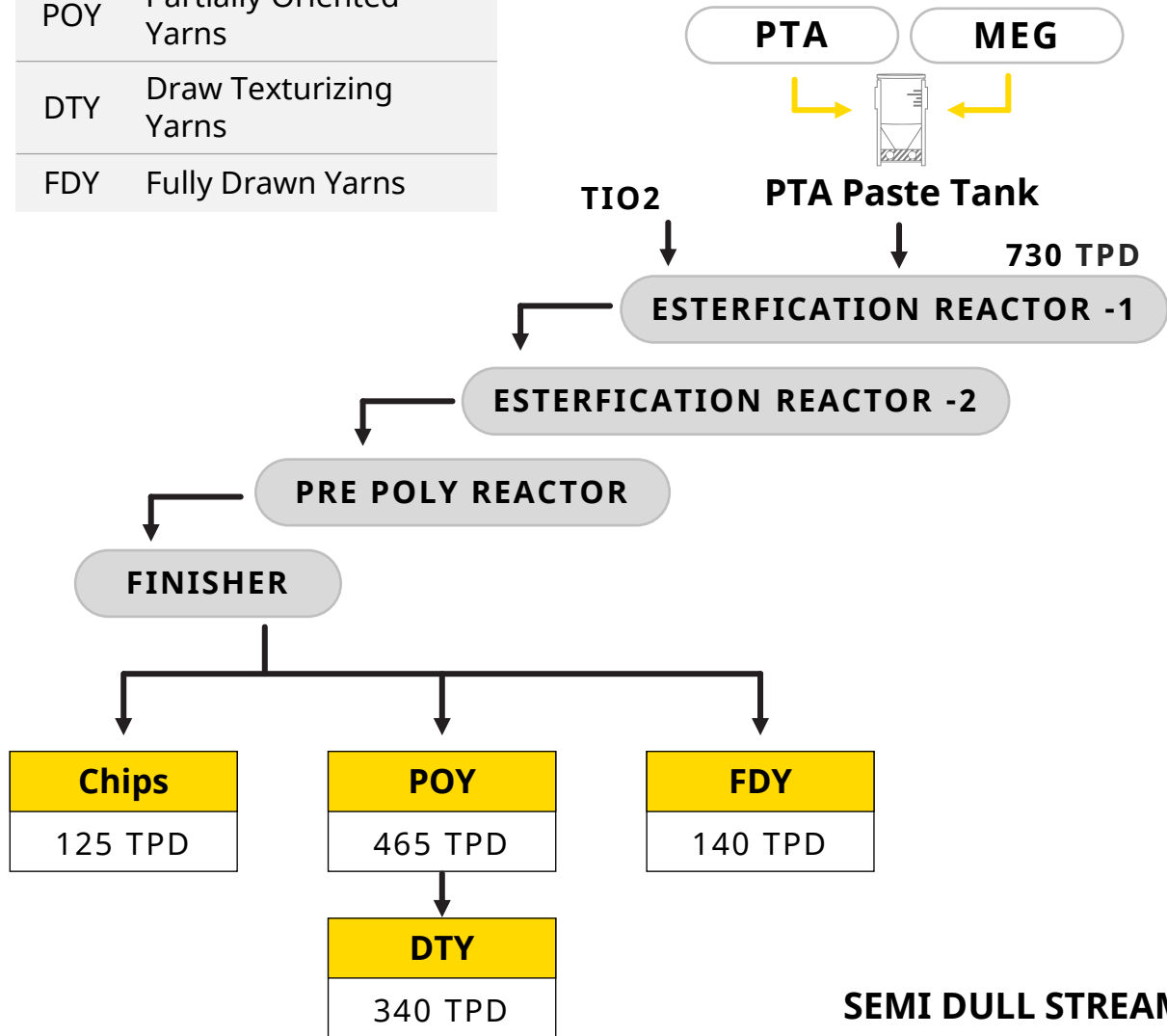


*Polyester Filaments make up 90% of Synthetic Filaments

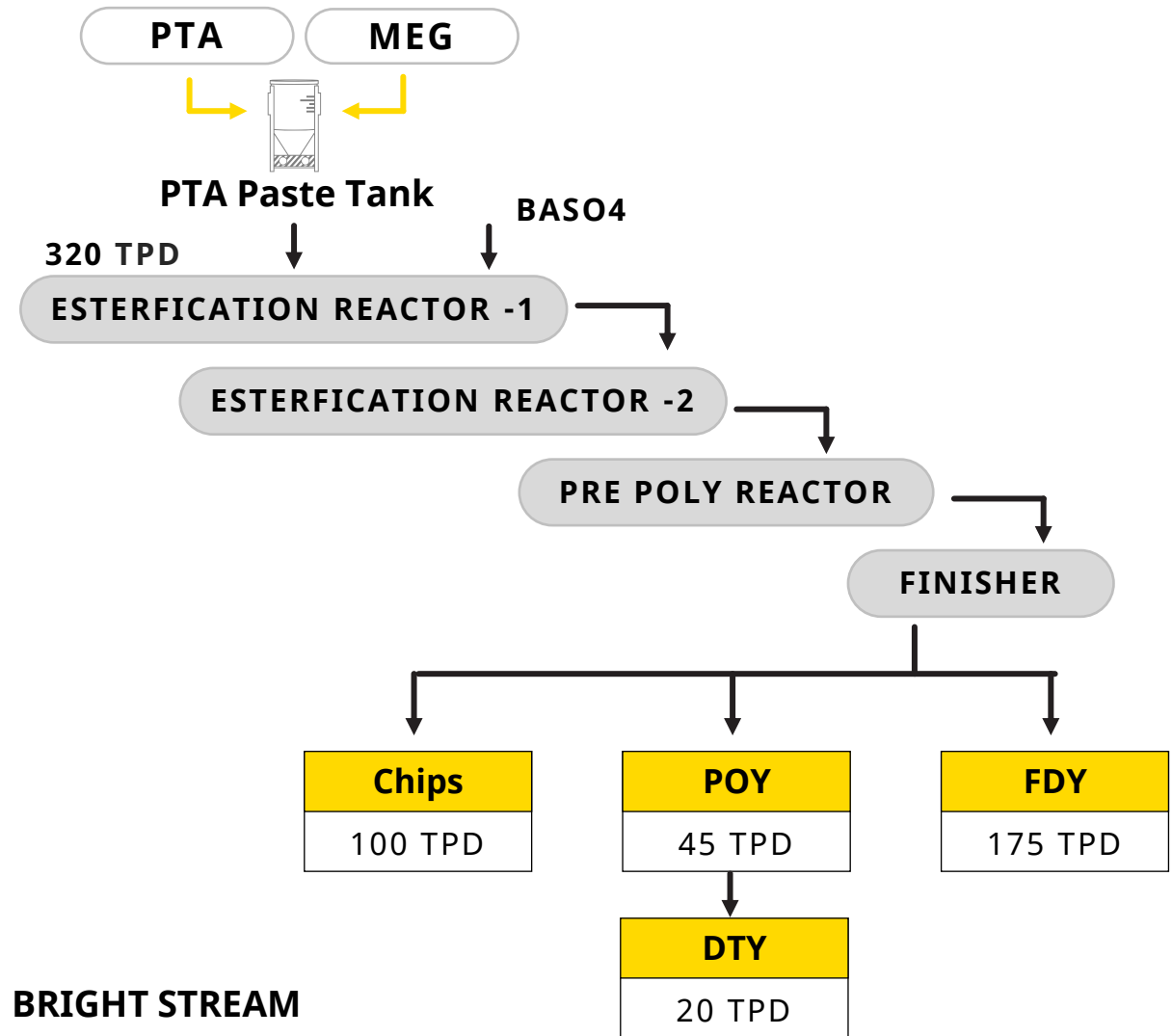


Production Process Flow (Dahej)

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



SEMI DULL STREAM



BRIGHT STREAM

Growth Drivers



Exports Opportunity

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

Recycled Yarn Industry

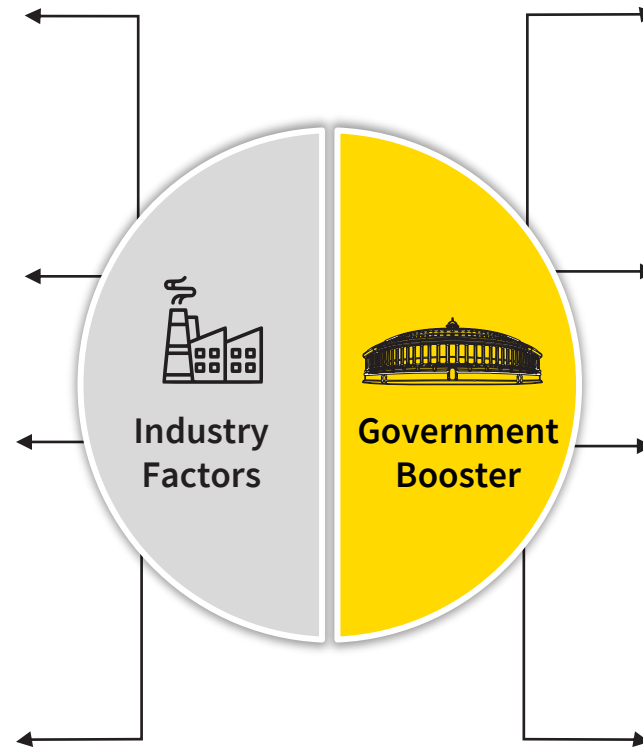
- The demand for recycle polyester is increasing rapidly as leading brands in fast fashion segments are promoting sustainability in textile industry
- Increasing demand for recycled yarn coupled with increasing application areas of Polyester yarn is anticipated to accelerate the market growth for foreseeable years

China Factor

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

Abundant Raw Material

- Availability of key raw materials PTA and MEG within the country at competitive prices has improved the prospects, eliminating the uncertainties of shipments and volatility of prices as well as exchange fluctuations.



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

Hike in Import Duty

- Import tax on more than 300 textile products doubled to 20% that will help improvement in utilization of the existing manufacturing capacity
- This will act as a demand stimulant and encourage the domestic synthetic yarn sector by restricting the imports and providing price parity in the domestic market

Scheme for Integrated Textile Parks

- 40% capital subsidy to a maximum of INR 40 crore on total project cost on projects approved by government aimed at creating world-class infrastructure for the industry

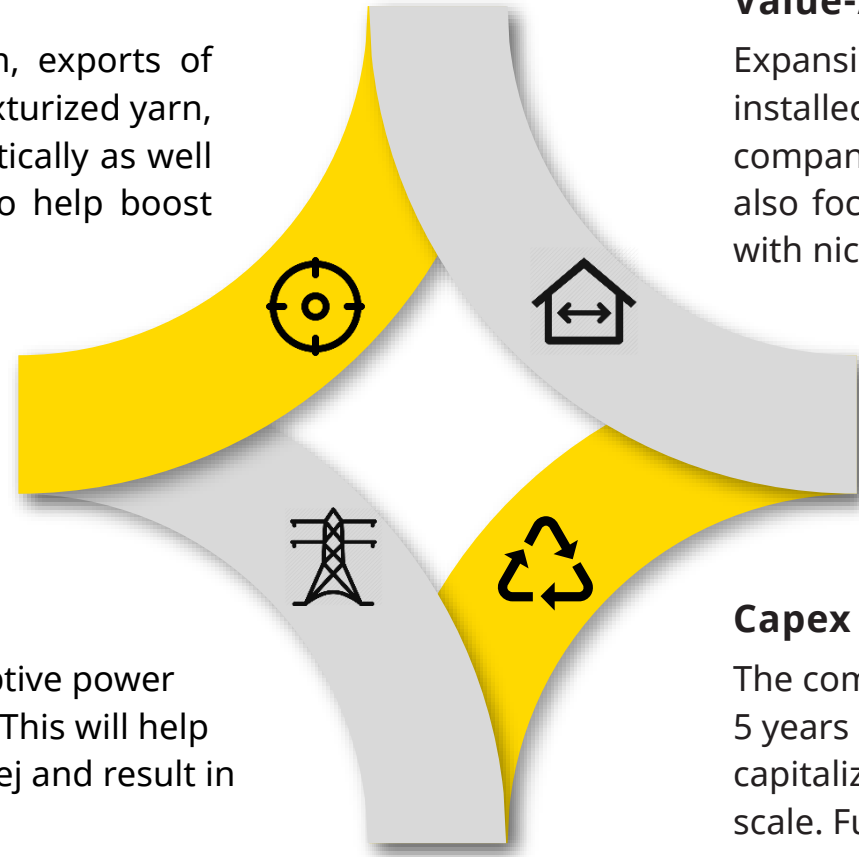
ATUFS

- 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

Expansion of DTY from 200 TPD to 400 TPD has been installed and will help improve overall margins of the company as it is a value-added product. The company is also focused on researching and adding new filaments with niche characteristics to the product portfolio.

Captive Power Plant

The company is setting up of 31.4 MW captive power plant (30 MW Thermal and 1.4 MW Solar). This will help reduce the power cost of the plant in Dahej and result in savings of 45-50 crores annually.

Capex Unfolding

The company has been expanding rapidly for the past 4-5 years in various streams and in FY21 it expects to capitalize on full capacity and benefit from economies of scale. Full effect of debottlenecking.

Global Presence



Corporate Office
New Delhi

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

Marketing Office
New Delhi
Surat
Mumbai

45+

Countries to which products are exported

33%

Drawn Texturizing Yarn (DTY) Production is exported

~15%

Exports contribution to Revenues in FY20

383,000

Total Production Capacity (MTPA) FY21

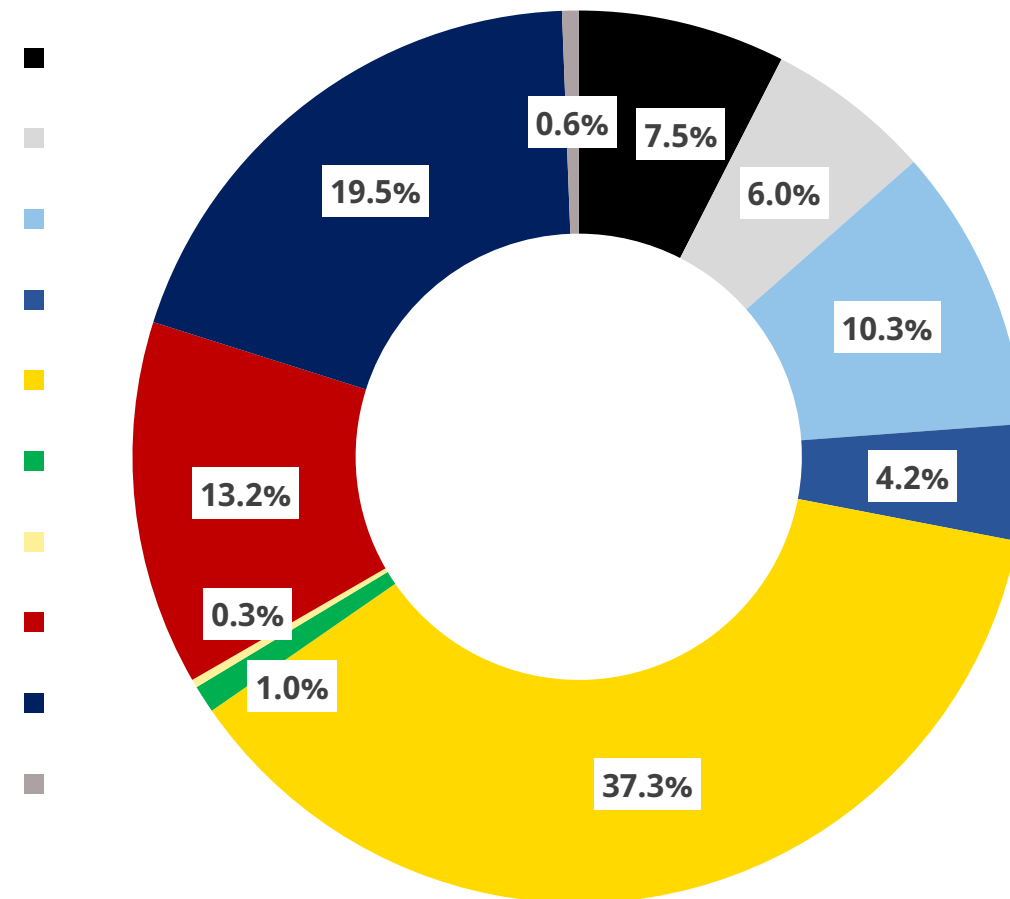
Production Capacities



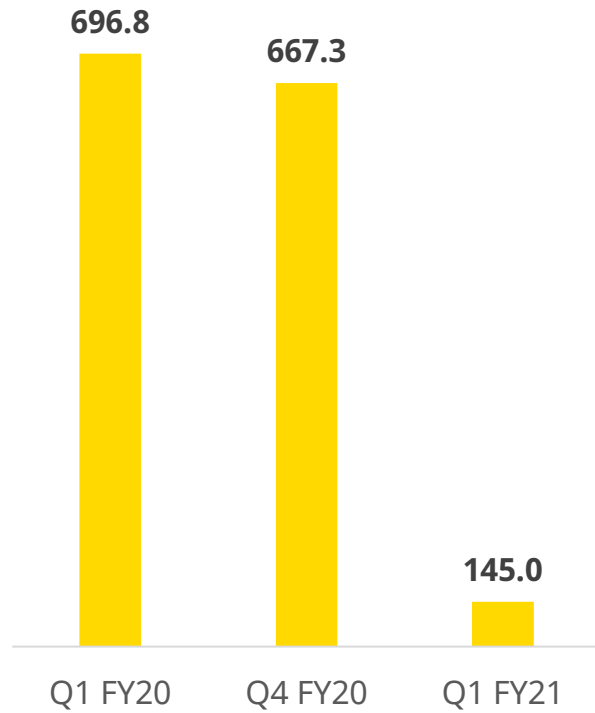
PRODUCTION CAPACITIES -FY 2019-20

Products (MTPA)	Production	Captive	Net	%age
Polyester Chips - Semi Dull	50,400	21,600	28,800	7.5%
Polyester Chips - Bright	36,000	13,000	23,000	6.0%
Polyester POY - Semi Dull	1,83,600	1,44,000	39,600	10.3%
Polyester POY - Bright	16,200	0	16,200	4.2%
Polyester DTY	1,44,000	1200	1,42,800	37.3%
Polypropylene DTY	4,000	0	4,000	1.0%
Polypropylene POY	5,000	4,000	1,000	0.3%
Polyester FDY - Semi Dull	50,400	0	50,400	13.2%
Polyester FDY - Bright	76,000	1,200	74,800	19.5%
Narrow Woven Fabrics	2,400	0	2,400	0.6%
Grand Total	5,68,000	1,85,000	3,83,000	100%

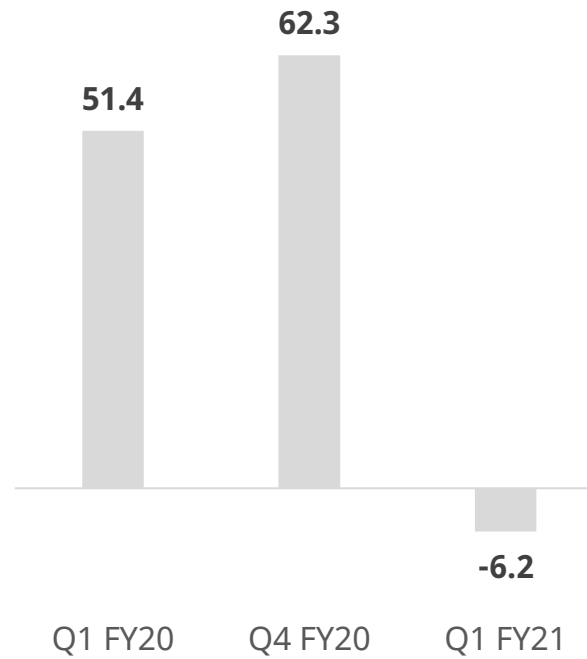
Net Capacity (Post Expansion Net of Captive)



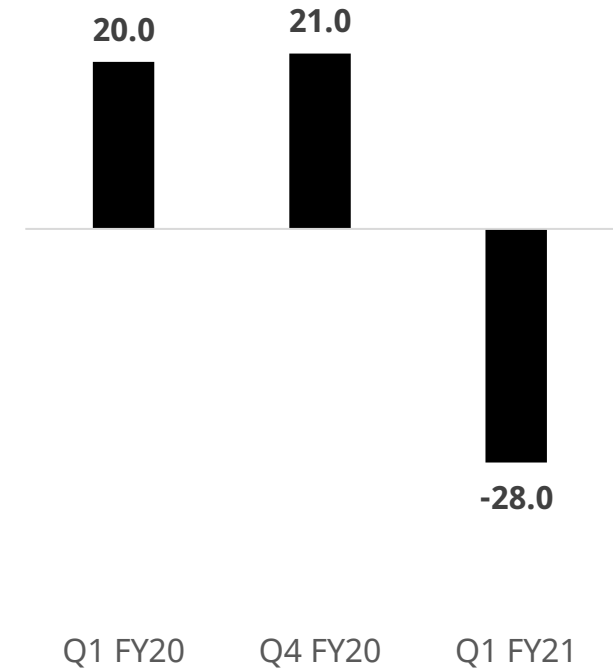
Quarterly Results (QoQ & YoY)



Revenue
(₹ in Crore)

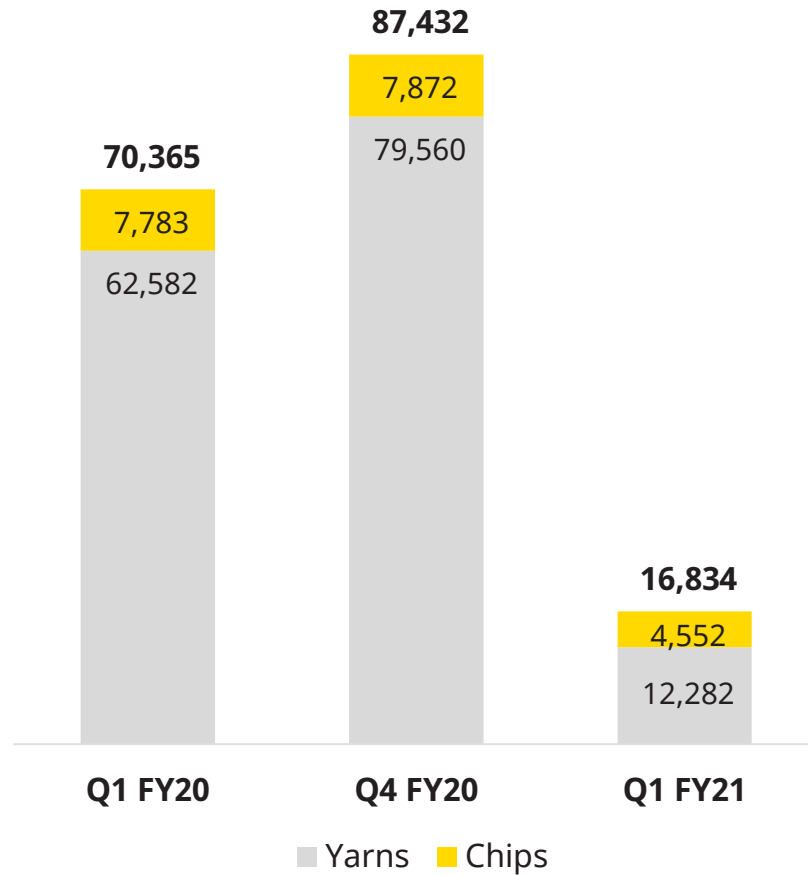


EBIDTA
(₹ in Crore)

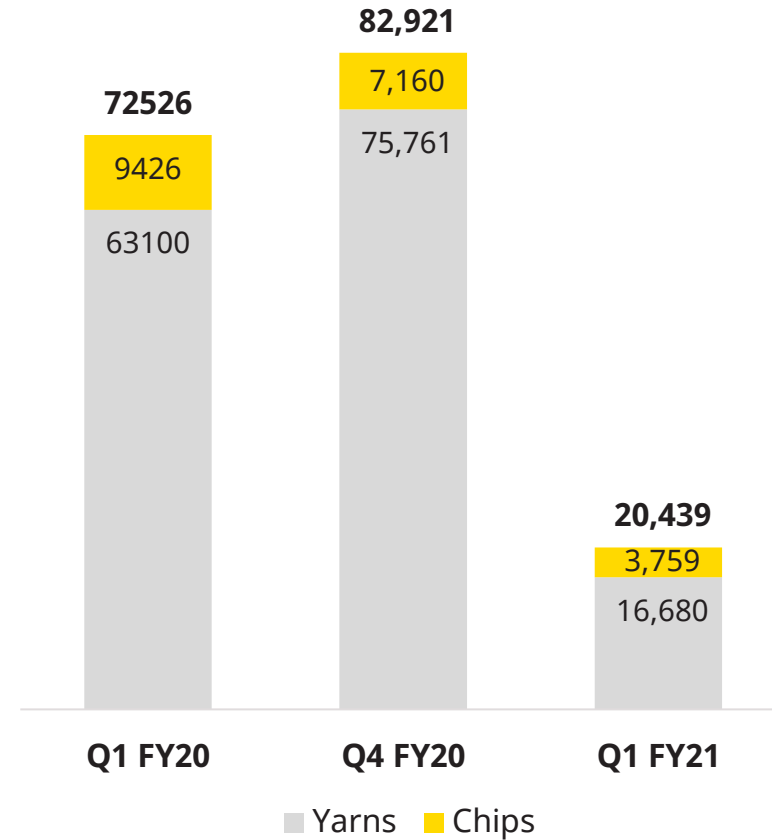


PAT
(₹ in Crore)

Quarterly Production (QoQ & YoY)

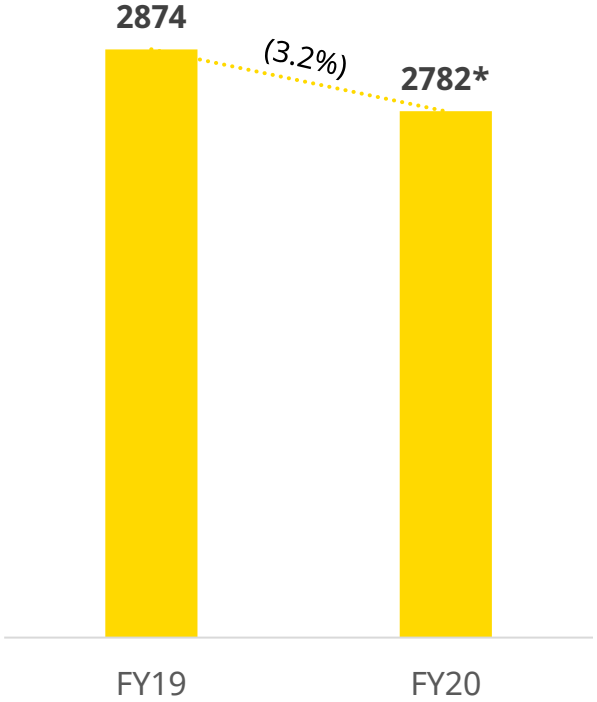


Total Production
(MTPA)



Total Sales
(MTPA)

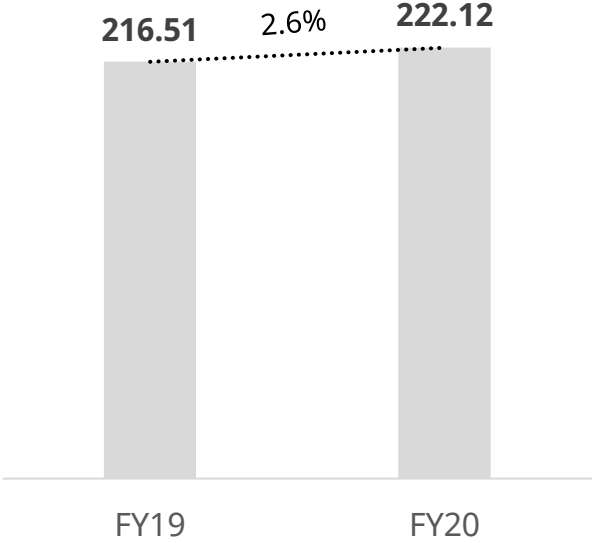
Annual Results



Revenue

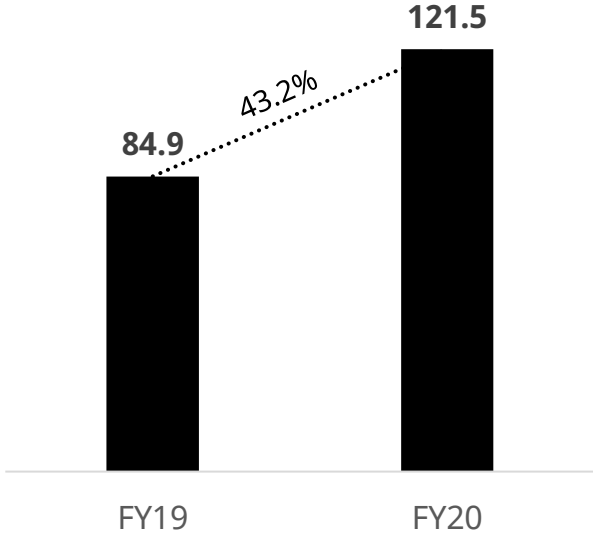
(₹ in Crore)

* Decrease is raw material prices and production and sales loss due to COVID lockdown



EBIDTA

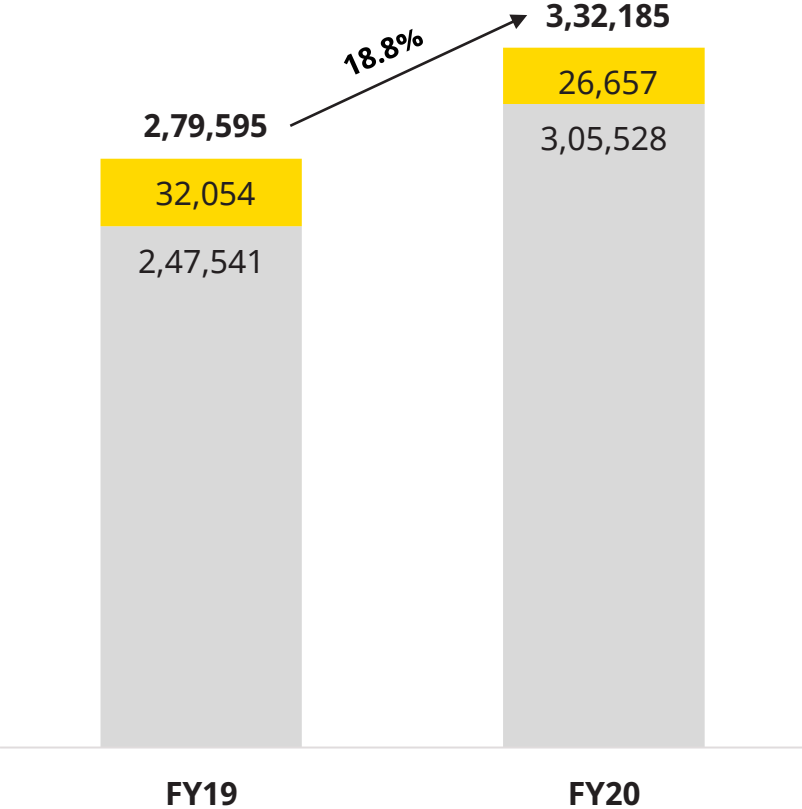
(₹ in Crore)



PAT

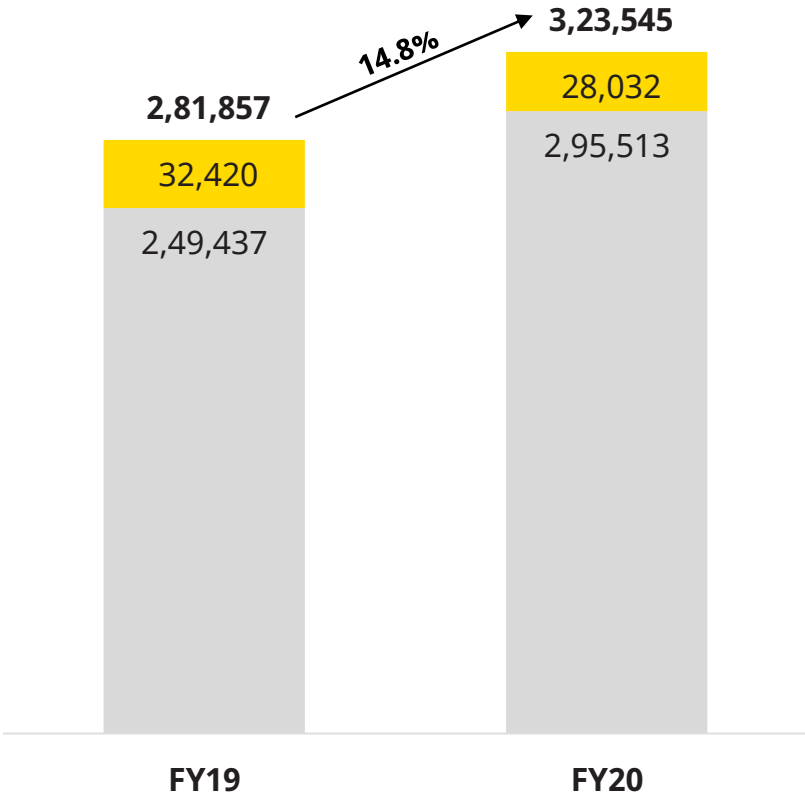
(₹ in Crore)

Annual Production



■ Yarns ■ Chips

Total Production
(MTPA)



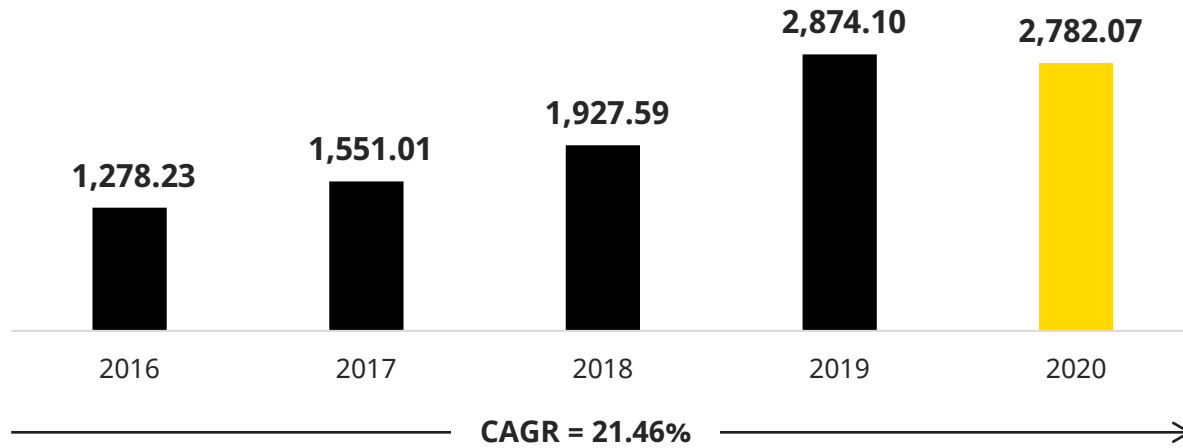
■ Yarns ■ Chips

Total Sales
(MTPA)

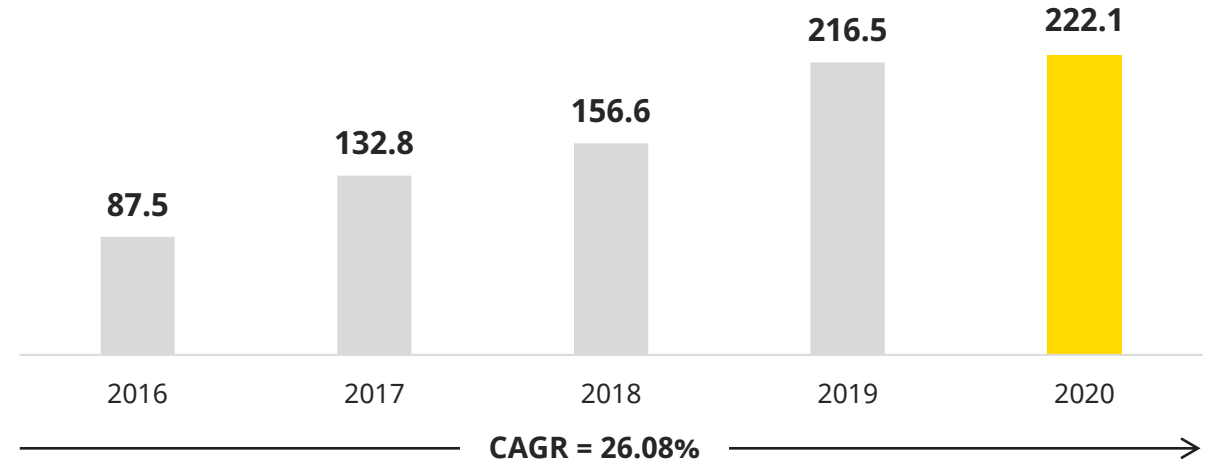
Our Growth



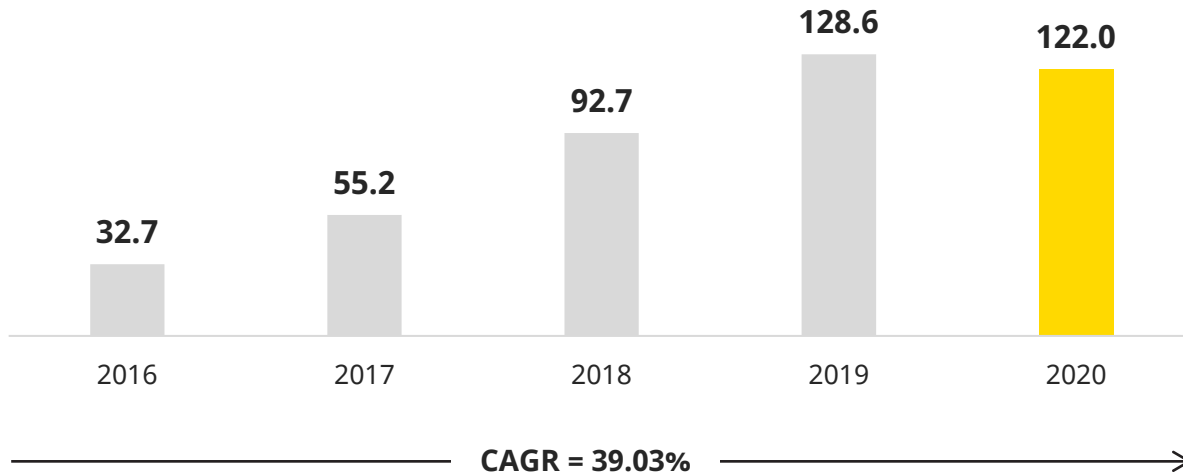
Net Revenue (₹ in Crore)



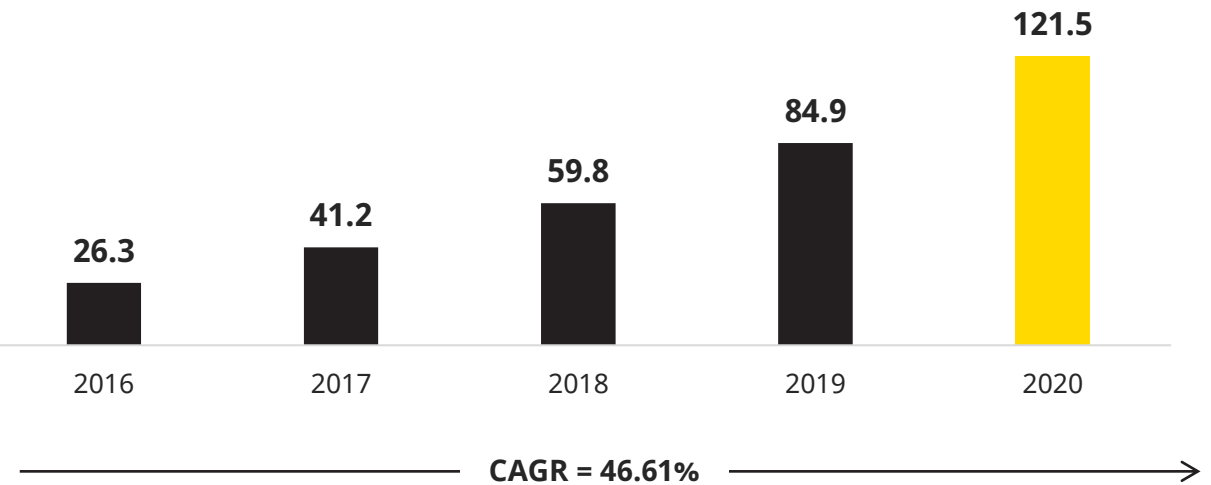
EBIDTA (₹ in Crore)



PBT (₹ in Crore)



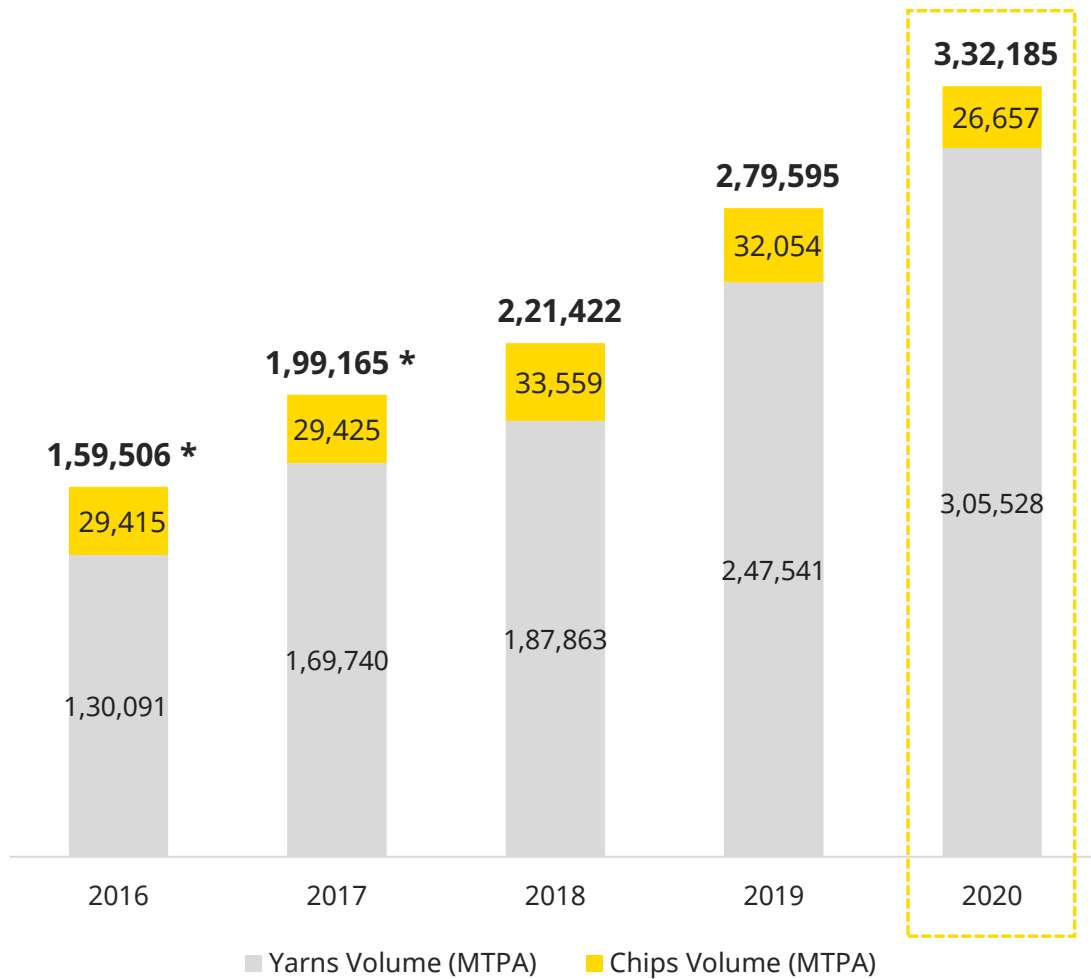
PAT (₹ in Crore)



Operational Performance

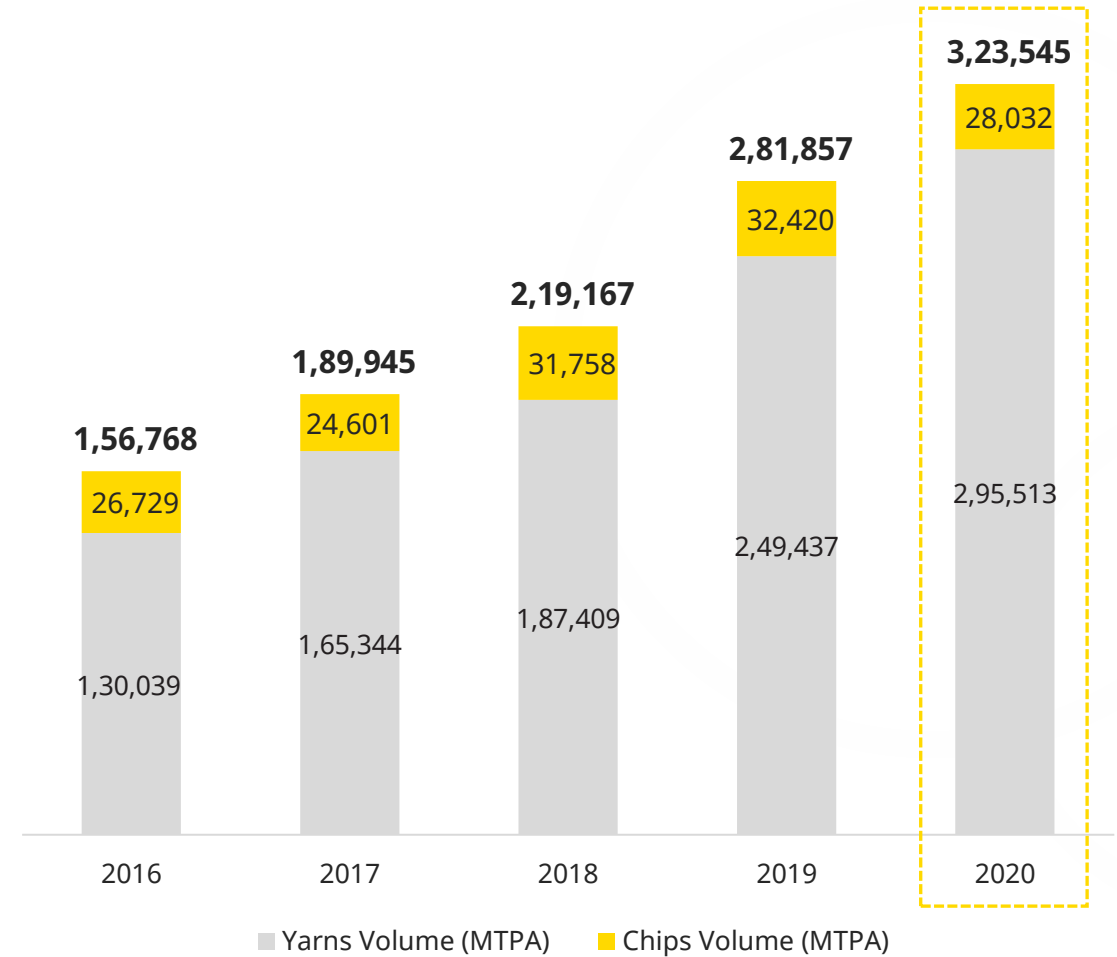


Total Production (MTPA)



* Includes Job Work of 6,530MT (in FY16) and 10,487MT (in FY17)

Total Sales (MTPA)



Profit & Loss | Q1 FY20



(INR in Crore)	Q1 FY21	Q4 FY20	QoQ %	Q1 FY20	YoY %
Net Revenue from operations (Net of Taxes)	145.0	667.3	(78.3)%	696.8	(79.2)%
Other income	1.0	5.9	(83.9)%	3.2	(70.5)%
Total Revenue	146.0	673.2	(78.3)%	700.0	(79.1)%
Total Expenses	183.2	641.4	(71.4)%	669.2	(72.6)%
Cost of materials consumed	91.5	543.5	(83.2)%	545.6	(83.2)%
Changes in inventories	32.3	(23.2)	(239.4)%	19.2	68.6%
Employee benefits expense	8.7	19.8	(56.1)%	17.3	(49.9)%
Finance cost	17.8	22.2	(19.9)%	12.5	42.4%
Depreciation and amortization expense	14.2	14.1	1.0%	11.3	26.4%
Other expenses	18.7	65.0	(71.2)%	63.3	(70.4)%
Profit before exceptional items & tax	(37.3)	31.8	(217.2)%	30.9	(220.8)%
Exceptional Items	-	-			
Profit before tax	(37.3)	31.8	(217.2)%	30.9	(220.8)%
Tax expense	(9.3)	10.8	(186.1)%	10.8	(185.8)%
Net profit/(loss) after tax	(28.0)	21.0	(233.2)%	20.0	(239.7)%

Profit & Loss | FY20



(INR in Crore)	FY20	FY19	YoY %
Net Revenue from operations (Net of Taxes)	2782.1	2874.1	(3.2)%
Other income	12.4	11.8	5.1%
Total Revenue	2794.5	2885.9	(3.2)%
Total Expenses	2672.5	2757.3	(3.1)%
Cost of materials consumed	2255.6	2351.0	(4.1)%
Changes in inventories	(41.6)	13.6	(405.9)%
Employee benefits expense	74.7	63.2	18.0%
Finance cost	61.3	54.7	12.1%
Depreciation and amortization expense	51.3	45.0	14.0%
Other expenses	271.3	229.8	18.1%
Profit before exceptional items & tax	122.0	128.6	(5.1)%
Exceptional Items	-	2.4	(100.0)%
Profit before tax	122.0	131.0	(6.9)%
Tax expense	0.5	46.1	(98.9)%
Net profit/(loss) after tax	121.5	84.9	43.1%

Balance Sheet - Assets | FY20



(INR in Crore)	2015-16	2016-17	2017-18	2018-19	2019-20
Non-Current Assets	525.4	665.9	962.0	1,017.8	1,217.0
Property, plant and equipment	492.3	628.4	944.5	927.9	1,115.3
Capital work-in-progress	18.0	5.7	6.4	71.5	66.5
Other Intangible Assets	0.1	0.2	0.4	0.7	0.7
Financial Assets					
Investments	0.0	0.1	-	0.0	0.0
Loans and Advances	14.0	0.1	0.7	0.7	5.3
Other non-current assets	1.0	29.7	9.2	16.6	28.8
Tax Assets	-	1.8	0.8	0.4	0.4
Current Assets	355.4	386.5	462.0	397.6	404.4
Inventories	98.6	149.1	193.7	172.7	171.7
Financial Assets					
Trade receivables	216.4	199.4	170.5	98.7	118.6
Cash and cash equivalents	12.5	14.8	25.6	44.2	21.8
Loans and Advances	21.1	0.5	0.6	1.0	1.6
Other Financial Assets	-	0.9	4.2	12.5	16.9
Other current assets	6.8	21.7	67.5	68.5	73.8
Assets classified as held for Sale	-	6.9	13.4	-	-
TOTAL ASSETS	880.8	1,059.4	1,437.5	1,415.4	1,621.4

Balance Sheet – Equity & Liabilities | FY20



(INR in Crore)	2015-16	2016-17	2017-18	2018-19	2019-20
EQUITY	209.5	325.0	385.4	472.1	594.9
Equity Share capital	32.0	43.5	43.5	43.5	43.9
Other equity	164.6	281.5	341.9	428.6	551.0
Money received against share warrants	12.9	-	-	-	-
LIABILITIES	671.3	733.9	1,049.7	943.3	1026.5
Non-Current Liabilities	340.6	386.2	614.8	574.6	686.9
Financial liabilities					
Borrowings	307.6	336.4	541.6	476.8	611.5
Other financial liabilities	-	-	7.2	9.1	4.4
Provisions	4.7	5.6	5.2	6.0	7.2
Deferred tax liabilities	23.1	27.8	41.2	58.8	37.8
Other Non-Current Liabilities	5.3	16.4	19.7	23.9	26.0
Current Liabilities	330.7	347.8	434.9	368.7	339.6
Financial liabilities					
Borrowings	137.8	143.5	98.5	70.2	57.5
Trade Payables	120.4	111.3	224.1	179.0	186.0
Other financial liabilities	71.5	55.4	102.7	89.0	80.7
Provisions	1.0	1.3	2.3	2.8	3.1
Other Current Liabilities	-	36.3	6.2	25.6	11.9
Income Tax Liabilities (net)	-	-	1.1	2.1	0.4
Liabilities Directly associated with assets classified as held for sale	-	0.4	2.4	-	-
TOTAL EQUITY AND LIABILITIES	880.8	1,059.4	1,437.5	1,415.4	1621.4

Disclaimer



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