



FILATEX INDIA LIMITED

CIN No.L17119DN1990PLC000091

FIL/SE/2019-20/35
11th November, 2019

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**

Dear Sir,

We wish to inform you that the Board of Directors of the Company, in their meeting held on 11th November, 2019 have inter alia, approved the following:

1. The Unaudited Financial Results for the quarter and half year ended 30th September, 2019. A copy of the same together with the Auditors' Report in respect of the Limited Review conducted by them in respect of the Unaudited Financial Results for the quarter and half year ended 30th September, 2019 is enclosed. The results are also being published in the newspapers in the prescribed format. In this regard, please also find enclosed Earnings Release for the quarter and half year ended 30th September, 2019.
2. Reconstitution of Audit Committee with the Chairmanship of Smt. Pallavi Joshi Bakhru, Shri Suraj Parkash Setia, Shri Swarup Chandra Parija, Shri Brij Behari Tandon and Shri Madhu Sudhan Bhageria are the other members.
3. Reconstitution of Nomination & Remuneration Committee with the Chairmanship of Smt. Pallavi Joshi Bakhru, Shri Suraj Parkash Setia, Shri Swarup Chandra Parija, Shri Brij Behari Tandon and Shri Madhu Sudhan Bhageria are the other members.

This is for your information and records please.

Thanking You,

Yours Faithfully,
For FILATEX INDIA LIMITED

COMPANY SECRETARY

Encl.: a/a

CORPORATE OFFICE

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FILATEX INDIA LIMITED

Regd Office: S.No.274, Demni Road, Dadra-396 193 (UT of Dadra & Nagar Haveli)

Corporate Identification Number (CIN)- L17119DN1990PLC000091

Statement of Unaudited Financial Results for the Quarter and Half Year ended September 30, 2019

		(Rs. In Lakhs)					
Sl. No.	PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	68,023	69,681	71,833	137,704	142,254	287,410
II	Other Income	219	322	202	541	344	1,179
III	Total Income (I + II)	68,242	70,003	72,035	138,245	142,598	288,589
IV	Expenses :						
	(a) Cost of Materials consumed	58,398	53,046	63,520	111,444	119,325	232,790
	(b) Purchases of Stock-in-trade	841	1,514	630	2,355	754	2,310
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(5,480)	1,918	(6,780)	(3,562)	(5,596)	1,356
	(d) Employee benefits expense	1,836	1,734	1,571	3,570	3,119	6,324
	(e) Finance costs	948 [^]	1249 [^]	2,715	2197 [*]	4,330	5470 ^{**}
	(f) Depreciation and amortisation expense	1,192	1,127	1,128	2,319	2,234	4,497
	(g) Other expenses	7,199	6,328	6,408	13,527	12,488	22,979
	Total Expenses	64,934	66,916	69,192	131,850	136,654	275,726
V	Profit / (Loss) before exceptional items and tax (III - IV)	3,308	3,087	2,843	6,395	5,944	12,863
VI	Exceptional items	-	-	(234)	-	(234)	(234)
VII	Profit / (Loss) before tax (V - VI)	3,308	3,087	3,077	6,395	6,178	13,097
VIII	Tax expense						
	(a) Current Tax (under MAT)	450	664	674	1,114	1,345	2,830
	(b) Deferred Tax Expense/(Credit)	(3,326)	420	378	(2,906)	794	1,782
	Total Tax Expense	(2,876)	1,084	1,052	(1,792)	2,139	4,612
IX	Net Profit/(Loss) after tax for the period (VII - VIII)	6,184	2,003	2,025	8,187	4,039	8,485
X	Other Comprehensive Income /(Loss)						
	Items to be reclassified to profit or loss	-	-	-	-	-	-
	Income tax relating to items to be reclassified to profit or loss	-	-	-	-	-	-
	Items not to be reclassified to profit or loss	4	(2)	14	1	28	(3)
	Income tax relating to items not to be reclassified to profit or loss	(1)	1	(5)	-	(10)	1
XI	Total Comprehensive Income for the period (Comprising Profit/(Loss) and other comprehensive income for the period (IX + X))	6,187	2,002	2,034	8,188	4,057	8,483
XII	Paid-up equity share capital (Face value of Rs. 2/- each)	4,394	4,394	4,350	4,394	4,350	4,350
XIII	Other Equity						42,858
XIV	Earnings per equity share (EPS) (Face value of Rs. 2/- each) (not annualised):						
	- Basic (Rs.)	2.82	0.91	0.93	3.73	1.86	3.90
	- Diluted (Rs.)	2.79	0.90	0.92	3.70	1.83	3.83

Finance Cost is netted after taking benefit of Interest Subsidy under State subsidy Scheme :-

[^] Rs. 64.26 Lakhs for the Quarter ended September 30, 2019 and Rs. 63.96 Lakhs for the quarter ended June 30, 2019

^{*} Rs. 128.22 lakhs for the Half Year ended September 30, 2019

^{**} Rs. 691.59 lakhs accounted for during the Year ended March 31, 2019 upon approval by the competent authority (comprising subsidy of Rs. 422.98 lakhs upto March 31, 2018, Rs. 268.61 lakhs for financial year ended March 31, 2019).



STATEMENT OF ASSETS AND LIABILITIES		(Rs. in Lakhs)	
Particulars		As at 30.09.2019	As at 31.03.2019
		(Unaudited)	(Audited)
A.	ASSETS		
1	Non - Current Assets		
	a) Property, Plant and Equipment	109,372	92,788
	b) Capital work in progress	2,851	7,147
	c) Right of Use Assets	301	-
	d) Other Intangible assets	5	5
	e) Intangible assets under Development	61	61
	f) Financial Assets		
	i) Investments	6	6
	ii) Loans	45	44
	iii) Other Financial Assets	-	30
	g) Income tax assets (net)	38	40
	h) Other non-current assets	1,822	1,662
	Subtotal	114,501	101,783
2	Current Assets		
	a) Inventories	20,326	17,269
	b) Financial Assets		
	i) Trade receivables	11,318	9,870
	ii) Cash & Cash Equivalents	279	2,415
	iii) Bank balances (other than cash and cash equivalents)	2,473	2,006
	iv) Loans	132	98
	v) Other Financial assets	1,330	1,247
	c) Other current assets	5,889	6,852
	Subtotal	41,747	39,757
TOTAL - ASSETS		156,248	141,540
B.	EQUITY AND LIABILITIES		
1	EQUITY		
	a) Equity Share Capital	4,394	4,350
	b) Other Equity	51,028	42,858
	Subtotal	55,422	47,208
2	Non - Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	51,793	47,676
	ii) Other financial liabilities	506	909
	b) Provisions	690	599
	c) Deferred tax liability (Net)	2,954	5,882
	d) Other Non current liabilities	4,606	2,392
	Subtotal	60,549	57,458



3	Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	7,143	7,018
	ii) Trade Payables		
	Total Outstanding Dues of Micro Enterprises and Small Enterprises	160	189
	Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	22,931	17,709
	iii) Other financial liabilities	8,360	8,864
	b) Other current liabilities	1,399	2,600
	c) Provisions	284	284
	d) Income tax liabilities (net)	-	210
	Subtotal	40,277	36,874
TOTAL - EQUITY AND LIABILITIES		156,248	141,540



Notes:-


- 1 The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on November 11, 2019 and had undergone a 'Limited Review' by the Statutory Auditor's of the Company. The financial results have been prepared in accordance with Indian Accounting Standards (IND-AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter. The Statutory auditors have expressed an unmodified Audit opinion on these results.
- 2 The operations of the Company relate to single segment i.e manufacture and trading of Synthetic Yarn and Textiles.
- 3 Effective from April 01, 2019, the Company has adopted Ind AS 116 "Leases", using the modified retrospective approach. As a result, the Company has recognised a Right of Use Asset of Rs. 323.30 lacs and a corresponding lease liability of Rs. 390.58 lacs by debit to retained earnings net of taxes of Rs. 43.77 lacs (including the impact of deferred tax of Rs. 23.51 lacs) as at April 01, 2019. Further, expense towards such lease is now recorded as depreciation on Right of Use Asset and finance cost on lease liability, instead of Rent. The effect of this adoption is insignificant on the profit for the period.
- 4 The Company has 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 is no impact on the provision for Income tax for the quarter and six months ended September 30, 2019. The Company expects to utilise 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 has reversed deferred tax liabilities amounting to Rs. 3,470.07 Lakhs in the current period financial results at the estimated effective tax rate.
- 5 The figures for the corresponding previous periods have been regrouped and/or reclassified wherever necessary.

Place: New Delhi

Dated: November 11, 2019



On behalf of the Board of Directors


MADHU SUDHAN BHAGERIA

CHAIRMAN & MANAGING DIRECTOR
DIN NO. 00021934

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED SEPTEMBER 30, 2019

(Rs. In Lakhs)

Particulars	For the period ended	
	September 30, 2019	September 30, 2018
Cash flow from operating activities		
Net profit / (loss) before tax	6,395.45	6,178.82
Adjustments for:		
- Depreciation/amortization	2,318.97	2,233.67
- Loss/(profit) on Property, Plant & Equipment sold/discarded (net)	5.53	(19.43)
- Employee Stock Option expense	21.01	40.76
- Remeasurement of Employee Benefit Expenses	1.49	27.59
- Unrealised foreign exchange Loss/ (profit) (net)	(144.58)	257.70
- Unrealised Marked to Market (Gain)/Loss	83.25	-
- Provisions/liabilities no longer required, written back (net)	(16.31)	(0.76)
- Processing Fees on Long term Loans	198.75	287.60
- Exceptional Items (Profit on sale of land)	-	(234.22)
- Interest expense	1,268.01	2,146.45
- Interest income	(211.70)	(231.36)
- Dividend income	(40.96)	(1.10)
Operating profit before working capital changes	9,878.90	10,685.72
Movements In working capital :		
Decrease/ (increase) in trade receivables	(1,426.72)	3,281.14
Decrease/ (increase) loans and advances/other current assets	1,538.93	(1,671.83)
Decrease/ (increase) in inventories	(3,057.32)	(8,004.18)
Increase / (decrease) in trade & other payable / provisions	3,102.24	(1,680.72)
Cash generated from operations	10,036.03	2,610.13
Direct taxes paid	(1,692.77)	(1,407.21)
Net cash flow from operating activities (a)	8,343.26	1,202.92
Cash flow from investing activities		
Purchase of Property, Plant & Equipment (Including Capital Advances & CWIP)	(12,542.40)	(2,341.42)
Proceeds from sale of Property, Plant & Equipment (Including advances received)	17.31	265.04
Purchase of Investment	-	(5.55)
(Increase)/Decrease in deposits	(439.03)	(664.22)
(Increase)/Decrease in unpaid Dividend Account	0.03	2.64
Interest received	173.20	170.21
Dividend received	40.96	1.10
Net cash flow from/(used in) investing activities (b)	(12,749.93)	(2,572.20)



(Rs. In Lakhs)

Particulars	For the period ended	
	September 30, 2019	September 30, 2018
Cash flow from financing activities		
Share Application Money/Share Capital (Including Share Premium) received	48.63	-
Proceeds from long-term borrowings from banks	10,560.16	2,709.47
Proceeds from long-term borrowings from others	-	262.57
Repayment of long term borrowings to Banks	(2,566.56)	(4,612.58)
Repayment of long term borrowings to others	(4,691.39)	(680.07)
Net Proceeds/(repayment) from/of short-term borrowings	127.95	5,144.29
Interest paid	(1,208.37)	(2,102.31)
Net cash flow from/(used in) in financing activities (c)	2,270.42	721.37
Net increase/(decrease) in cash and cash equivalents (a + b + c)	(2,136.25)	(647.91)
Cash and cash equivalents at the beginning of the year	2,415.25	889.39
Cash and cash equivalents at the end of the year	279.00	241.48
Components of cash and cash equivalents		
Cash on hand	10.23	11.37
Balance with scheduled Banks :		
- on Current account	268.77	230.11
- on deposit account	2,471.20	2,320.42
- unpaid dividend accounts	1.63	1.66
- Cheques, draft on hand	-	-
Cash and Bank Balances	2,751.83	2,563.56
Less: Fixed Deposits not considered as cash and cash equivalents		
- Deposits pledged with banks	2,471.20	2,320.42
- Unpaid dividend account	1.63	1.66
Cash & Cash Equivalents	279.00	241.48





Arun K. Gupta & Associates
Chartered Accountants

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Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors,
Filatex India Limited**

1. We have reviewed the accompanying statement of unaudited financial results of **Filatex India Limited** ('the Company') for the quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('the Regulation') as amended (the "Listing Regulations"). Attention is drawn to the fact that the cash inflows for the corresponding six months ended September 30, 2018, as reported in these unaudited financial results have been approved by the Board of Directors of the Company, but have not been subject to review.
2. This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under section 133 of the Companies Act, 2013, as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For ARUN K GUPTA & ASSOCIATES
Firm Registration No. 000605N
Chartered Accountants



GIREESH KUMAR GOENKA
PARTNER

Membership No. - 096655

UDIN: 19694655 AAAAAA P3829

Place: New Delhi
Dated: 11-11-2019

PERFORMANCE FOR THE QUARTER & HALF YEAR ENDED SEPTEMBER 30, 2019

New Delhi, India: November 11, 2019 – Filatex India Ltd (NSE: FILATEX; BSE: 526227), is in the business of manufacturing of synthetic filament yarns. Filatex India Ltd announces Q2FY20 unaudited results.

Financial Highlights – Q2FY20 vs Q2FY19:

- ✓ Revenue from Operations of INR 680.2 Cr against INR 718.3 Cr,
- ✓ EBITDA stands at INR 52.3 Cr against INR 64.8 Cr,
- ✓ Profit Before Tax stands at 33.1 Cr against 28.4 Cr
- ✓ Net Profit stands at INR 61.8 Cr against INR 20.3 Cr,
- ✓ Q2FY20 EPS (Basic) is INR 2.82 against INR 0.93 during Q2FY19

Financial Highlights – H1FY20 vs H1FY19:

- ✓ Revenue of INR 1377.0 Cr against INR 1422.5 Cr,
- ✓ EBITDA stands at INR 103.7 Cr against INR 121.6 Cr,
- ✓ Profit Before Tax stands at 63.9 Cr against 61.8 Cr,
- ✓ Net Profit stands at INR 81.9 Cr* against INR 40.4 Cr,
- ✓ H1FY20 EPS (Basic) is INR 3.73 against INR 1.86 during H1FY19

Message from Management

Commenting on the performance, Mr. Madhusudhan Bhageria, Chairman & Managing Director, Filatex India Ltd. said, “We are glad to report a steady performance in this quarter despite the turbulent economic conditions and slowdown across industries in the country. We have maintained high capacity utilization and increased production during the challenging period.

We are pleased to inform that commercial production of expansion scheme to increase polymerization capacity of 150 TPD through debottlenecking and 170 TPD of Partially Oriented Yarn at Dahej unit has commenced its commercial operations w.e.f. 19.09.2019. The implementation of additional DTY capacity is in progress and we are certain to commence by April 2020.

We have also made strides in the setting up of the captive power plant at Dahej to reduce energy cost, with construction work proposed to start in Q3FY20 after necessary clearances.

We are currently exploring new value-added products like home textiles which have shown steady growth over the last decade. Overall, we remain optimistic both about polyester industry prospects as well as growth prospects of the Company.”

**The Company has 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 is no impact on the provision for Income tax for the quarter and six months ended September 30, 2019. The Company expects to utilise 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 has reversed deferred tax liabilities amounting to Rs. 34.70 crores in the current period financial results at the estimated annual effective tax rate.*

Disclaimer

The information in this release has been included in good faith and is for general purposes only. It should not be relied upon for any specific purpose and no representation or warranty is given as regards to its accuracy or completeness. No information in this release shall constitute an invitation to invest in Filatex India Ltd. or any of its affiliates. Neither Filatex India Ltd., nor their or their affiliates' officers, employees or agents shall be liable for any loss, damage or expense arising out of any action taken on the basis of this release, including, without limitation, any loss of profit, indirect, incidental or consequential loss.