



Filatex India Limited

INVESTOR PRESENTATION

June 2019

BSE: 526227 | NSE: FILATEX | ISIN: INE816B01027 | CIN: L17119DN1990PLC000091 | WWW.FILATEX.COM

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Company Overview



FILATEX INDIA LIMITED
IS ONE OF INDIA'S TOP 5
MANUFACTURERS OF POLYESTER
FILAMENT YARNS



2
Manufacturing
Units



42
Countries
global exports



~2200
Employees



328,300^{TPA}
Production Capacity
(FY 2018-19)



383,000^{TPA}
Production Capacity
(FY 2019-20)

PRODUCTS



PET
Chips



Polyester
Textured Yarns



Polypropylene
Yarns



Partially
Oriented Yarns



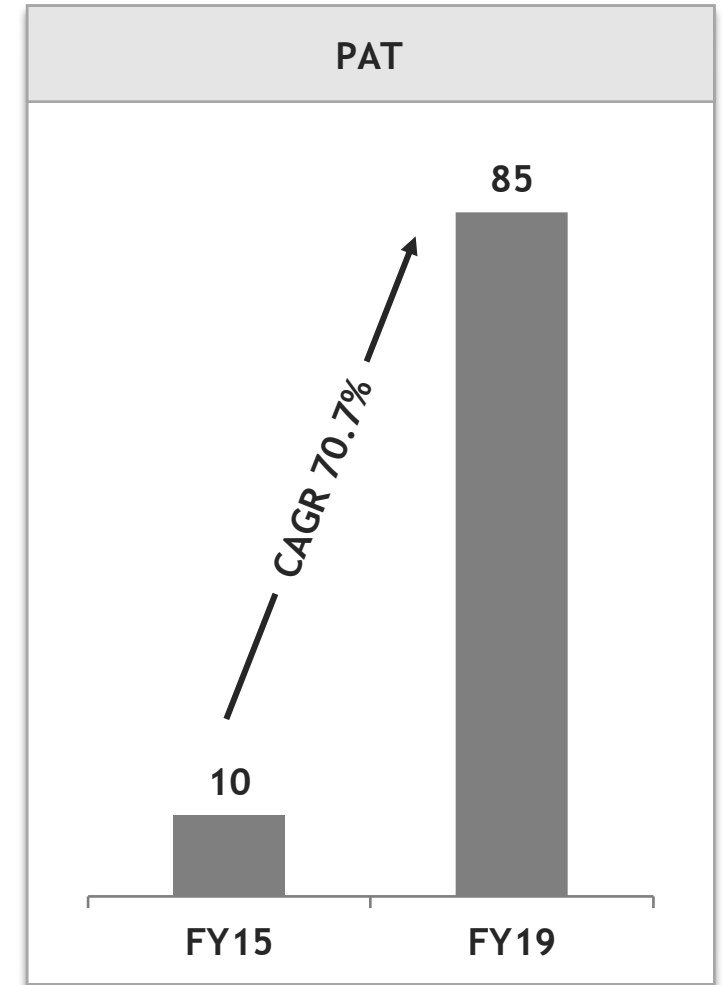
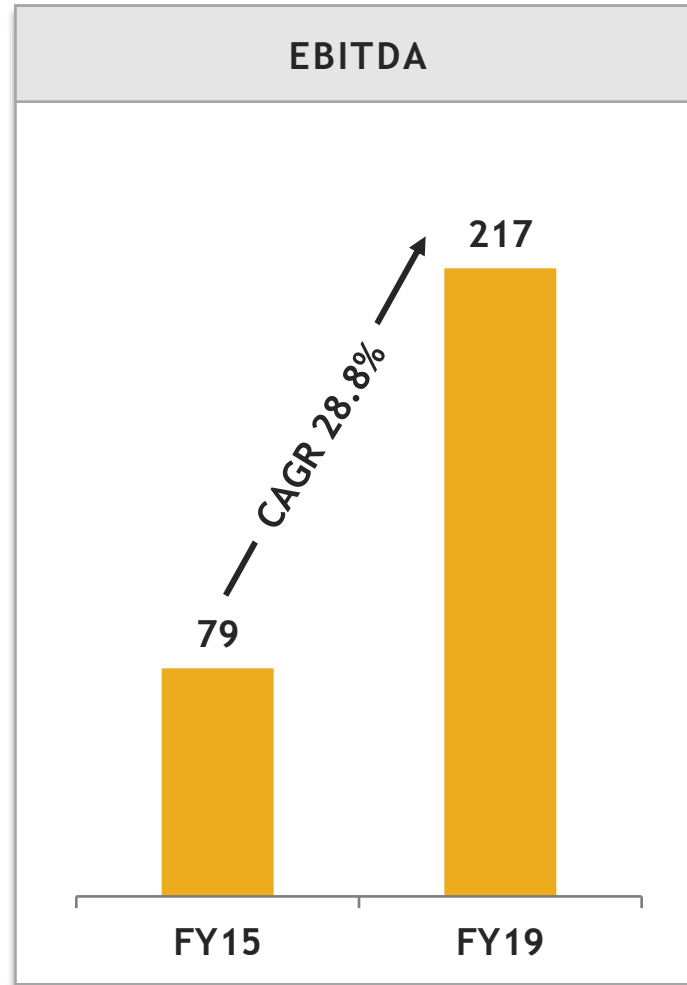
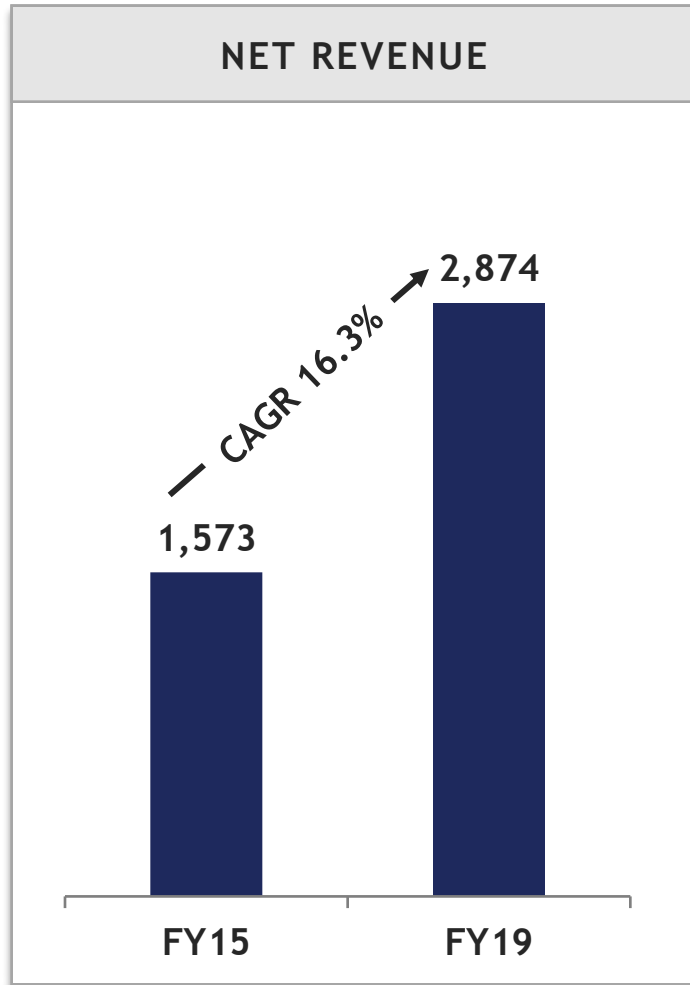
Fully Drawn
Yarns



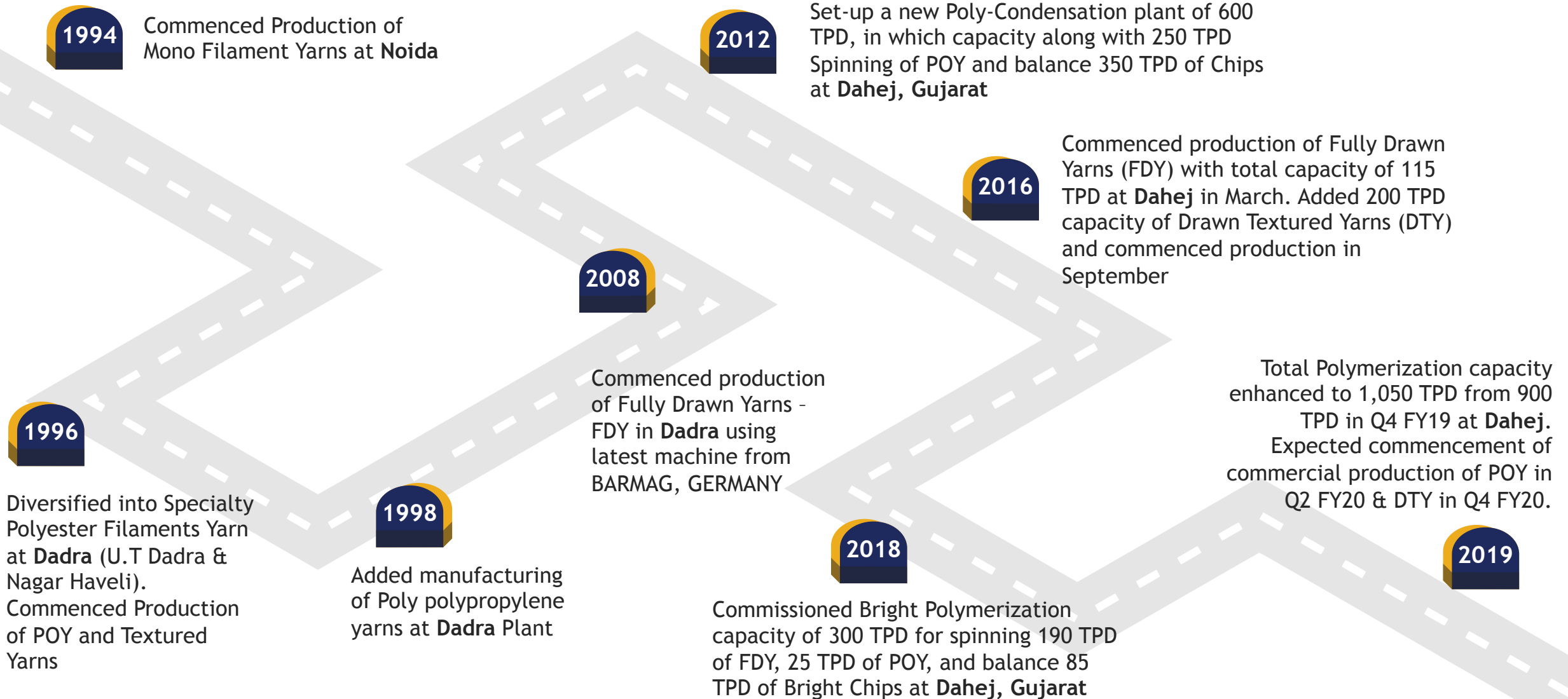
Narrow
Woven Fabrics

Our Performance

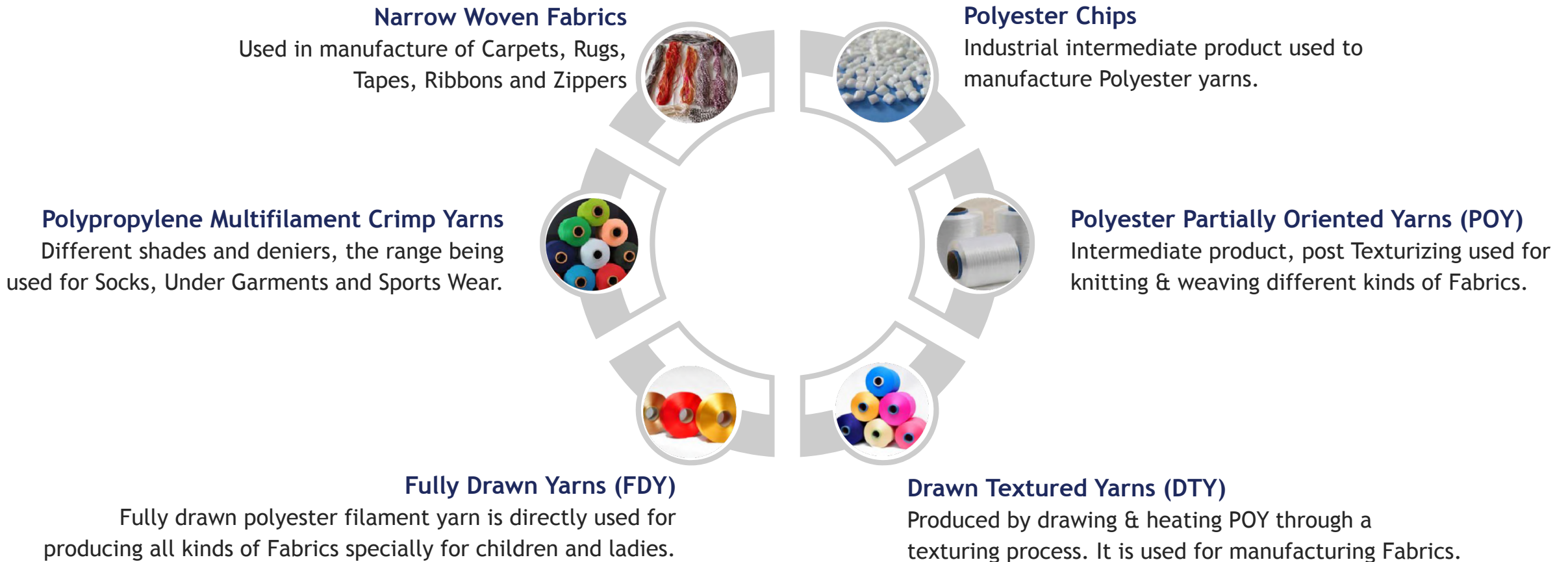
(₹ in Crore)



Timeline



Diversified Product Portfolio



Catering To Diverse End Users



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 Filament Yarns are extensively used in apparels - Trousers, Shirts, Suitings & Sarees. PFY is a strong filament that can withstand strong & repetitive movements. Colour Fastness of Polyester Fiber is excellent. Its wear resistant, water resistant, wrinkle resistant and hydrophobic properties make it ideal for all kinds of apparels

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.

Polyester - The Preferred Fibre



WE BELIEVE THAT POLYESTER WILL BE FIBRE OF THE FUTURE.
FILATEX HAS FOCUSED ITS FUTURE GROWTH PLANS ON POLYESTER FILAMENT YARNS.



Our Process



Purified Terephthalic
Acid (PTA)



Mono Ethelene
Glycol (MEG)



Polyester
Chips



Partially Oriented
Yarn (POY)



Fully Drawn
Yarn (FDY)



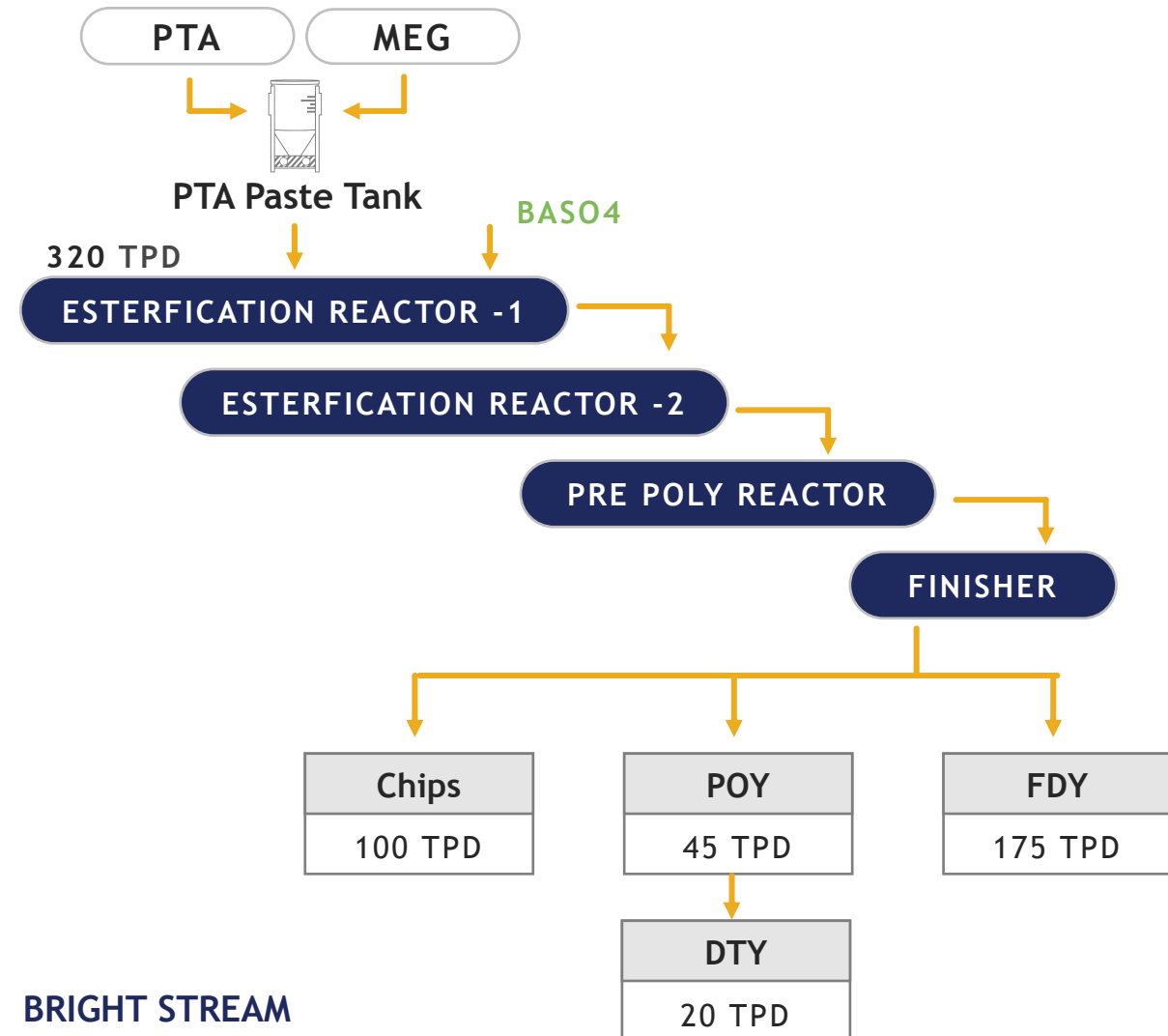
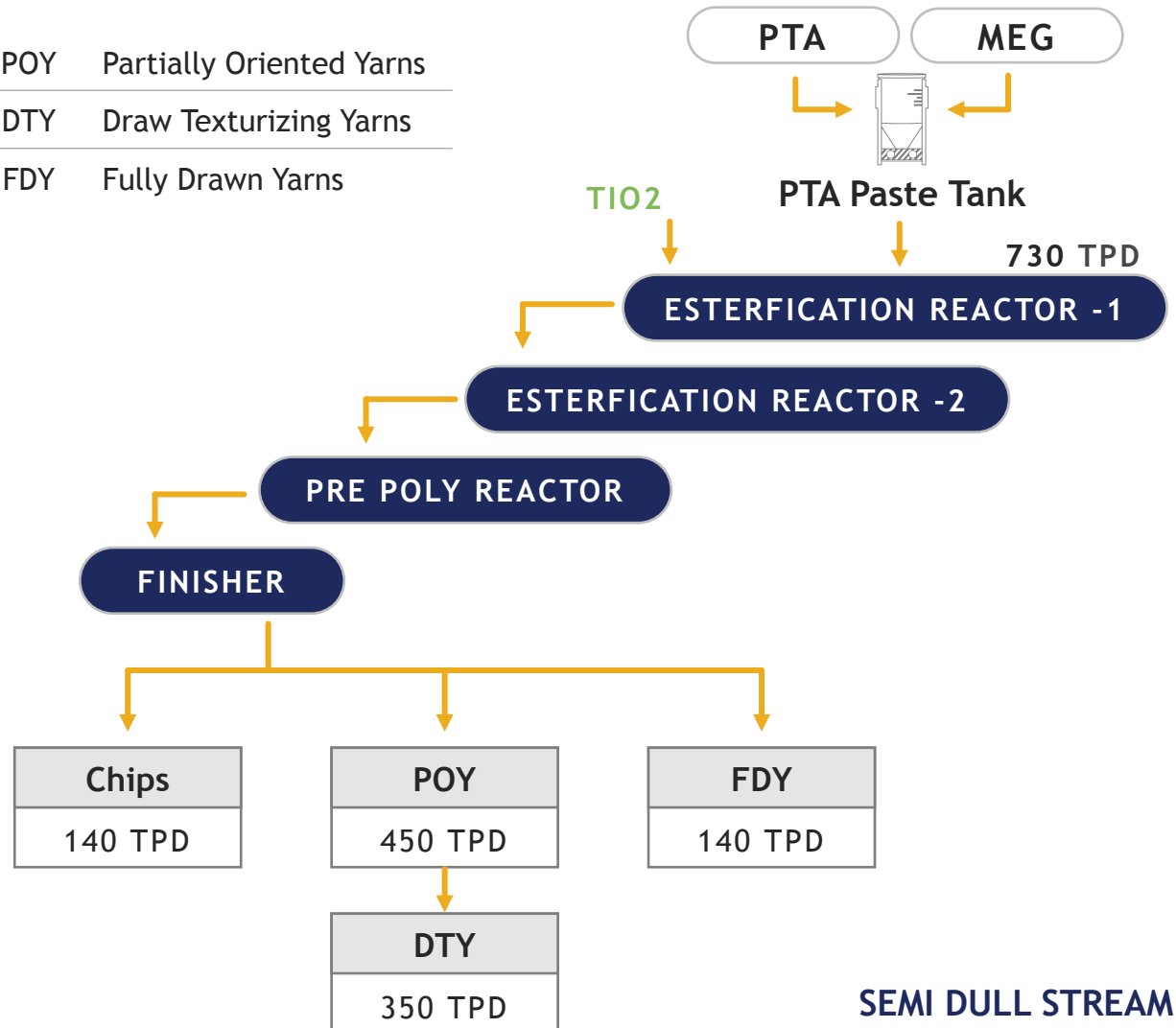
Drawn Textured
Yarn (DTY)

Production Process Flowchart



RAW MATERIALS TO FINISHED PRODUCTS AT DAHEJ PLANT

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





Favourable Demographics

- Increasing disposable income and rapid urbanization is likely to result in growing demand for daily wear, casual wear, sportswear & other lifestyle products which are durable as well as meet aesthetic requirements.

Exports Opportunity

- Gradual recovery in economy and depreciation of Indian currency to aid exports
- New textile policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25

Abundant Raw Material & Skilled Manpower

- Availability of key raw materials PTA and MEG within the country has improved the prospects, eliminating the uncertainties of shipments and volatility of prices as well as exchange fluctuations.
- Availability of low cost manpower has led to India emerging as a preferred manufacturing hub

Expanding Home Textile Industry

- India's home textile industry is expected to expand at a CAGR of 8.3 per cent during 2014-21 from US\$ 4.7 billion in 2014 to US\$ 8.2 billion in 2021.
- The growth in the home textiles would be supported by growing household income, increasing population and growth of end use sectors like housing, hospitality, healthcare, etc.

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

PowerTex India

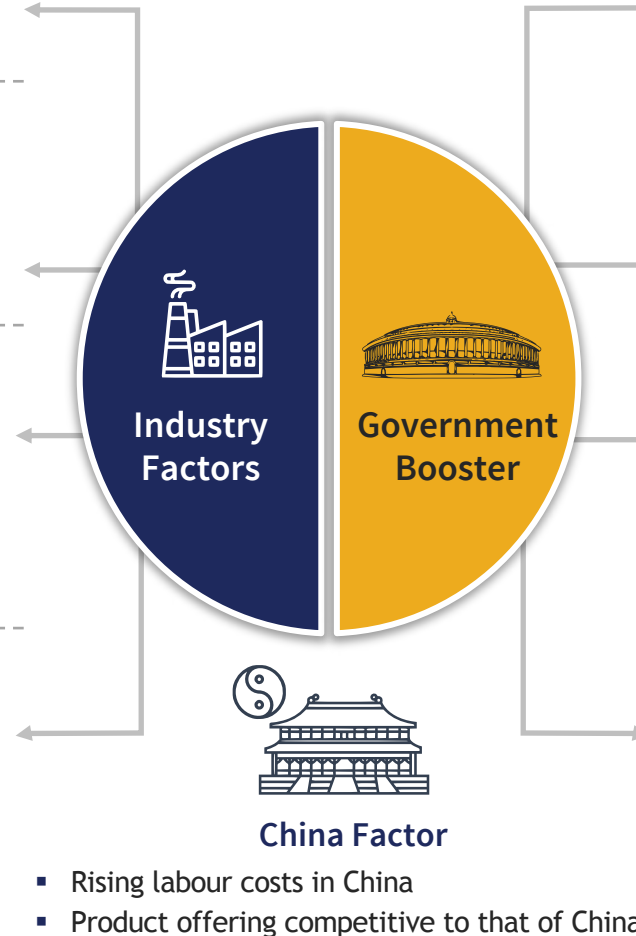
- Yarn Bank, Tex-Venture Fund and Common Facility Centre to help in the overall development of the powerloom sector.

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



Geographical Presence



Corporate Office
New Delhi

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

Marketing Office
New Delhi
Surat
Mumbai

42

Countries to which products
are exported

50% +

Drawn Texturizing Yarn
(DTY) Production is
exported

~ 15%

Exports contribution
to Revenues in FY19

383,000

Total Production Capacity (MTPA)
FY 19-20

Certifications





Supply Chain Award



Fortune Next 500



Best Company Award -
Manufacturing

Board of Directors



Mr. Madhu Sudhan Bhageria
Chairman & Managing Director



Mr. Purrshottam Bhaggeria
Joint Managing Director



Mr. Madhav Bhageria
Joint Managing Director



Mr. Ashok Chauhan
Executive Director



Mr. S. P. Setia
Independent Director



Mr. S. C. Parija
Independent Director



Ms. Pallavi Joshi Bakhru
Independent Director



Mr. B. B. Tandon
Independent Director

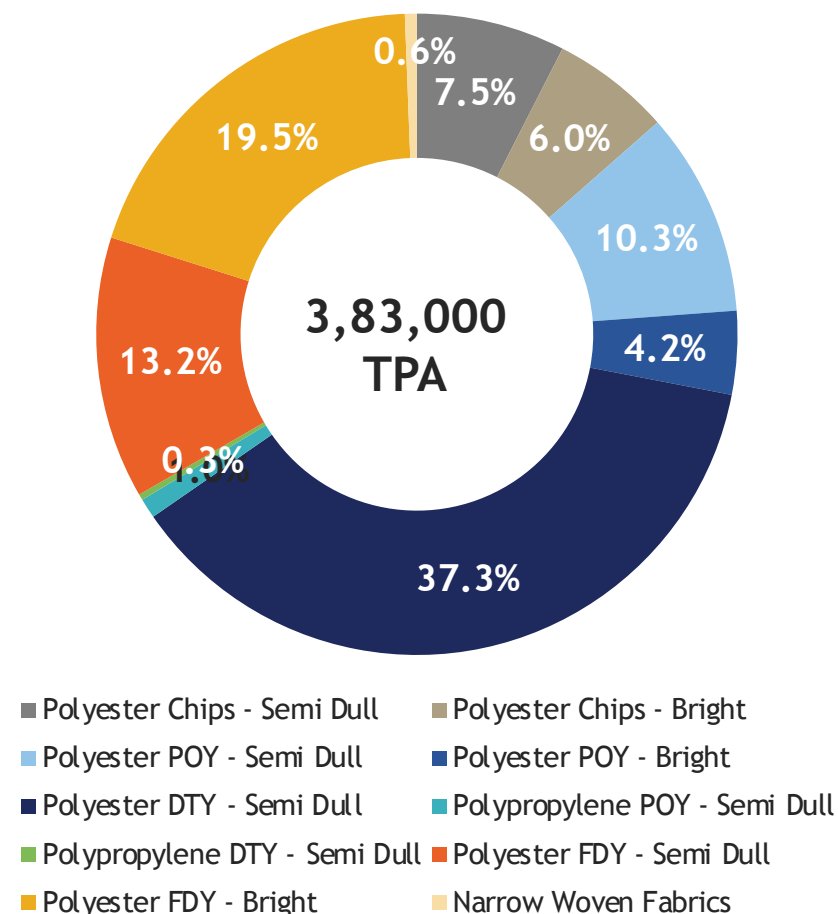
Production Capacities



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 - Semi Dull	1,44,000	1200	1,42,800	37.3%
Polypropylene DTY - Semi Dull	4,000	0	4,000	1.0%
Polypropylene POY - Semi Dull	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%

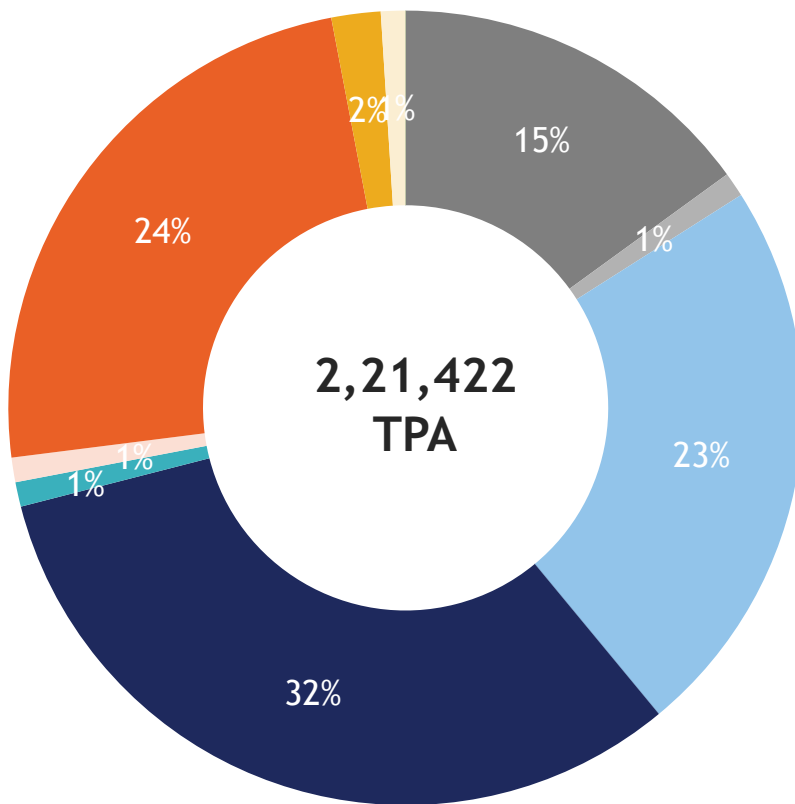
Net Capacity (Post Expansion Net of Captive)



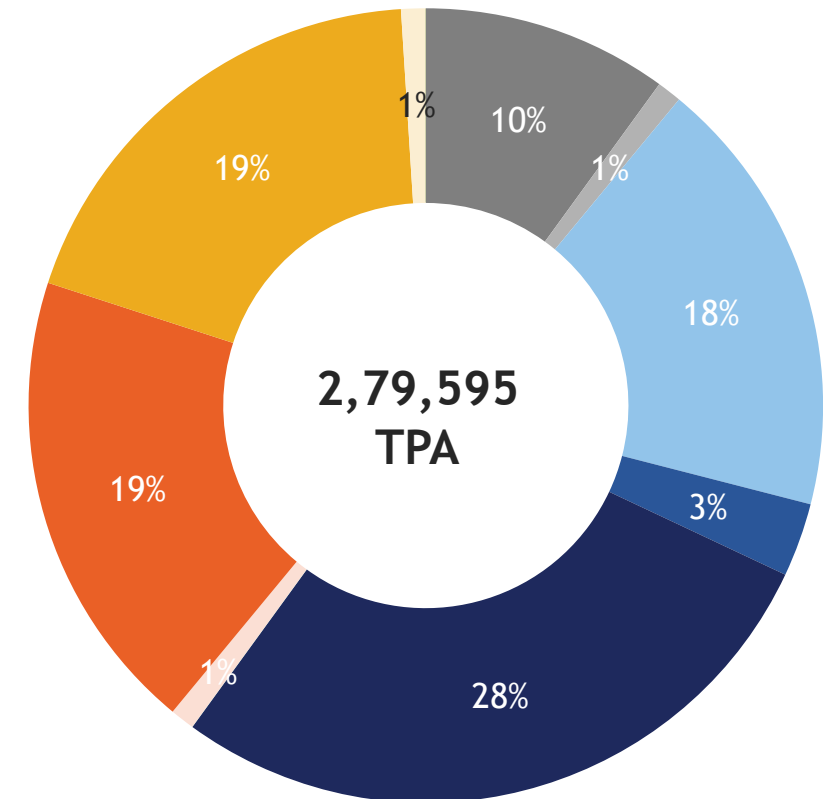
Production Split by Volume



FY18



FY19



Investment Rationale



POLYESTER: FIBRE OF THE FUTURE

- Preferred due to its cost advantage (closest alternative cotton is twice as expensive) and excellent blending properties, Polyester has gained prominence over time.
- Owing to technological advancement, newer varieties of Polyester are available which can be substitutes for cotton and even silk amongst other fabrics.
- With numerous applications, we foresee Polyester to be the fibre of the future given the limitations in the production of cotton and other natural fibres.



CHINA FACTOR

- Earlier China used to control over 70% of the total Manmade yarn production of the world with India a distant second at 12%. But a slowdown in China on account of sharply rising labour costs and paucity of labour will provide opportunity to Indian manufacturers in coming years.
- Cost of labour in China has increased to 4 times the cost of labour in India



COMPETITIVE LANDSCAPE IN INDIA

- The Textile sector in India had gone through very turbulent times in the last 2 decades because of the overhang of Chinese players. During this period, many companies in the textile space perished owing to corporate governance issues and lack of prudence in managing the finances of the Company.
- On the other hand companies like Filatex have excelled despite the challenges sheerly because of the foresight of the management.



STRONG BALANCE SHEET

- The management has been managing the finances of the Company prudently by not over leveraging unlike that in the industry, going for measured expansion and undertaking effective cost control measures to avoid unnecessary increase of capex.
- The Company earned a healthy free cash flow of around Rs.130 crs in FY 18-19 and has also recently wiped off a high cost debt (Rs25 crs from IFCI) and released the pledge.
- Debt to Equity ratio has improved from 2.1 in FY16 to 1.16 in FY19 and is expected to further come down to 1.0 in FY20.



PRUDENT MANAGEMENT

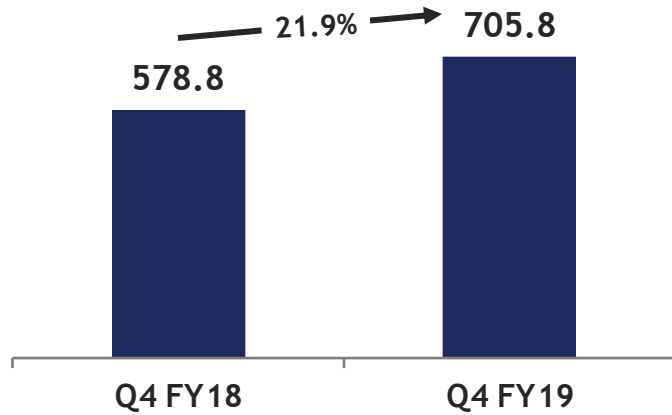
- The management of the Company led by Mr. Madhu Sudhan Bhageria has a vast experience of over 4 decades in the textile industry.
- Filatex is one of the very few companies in the textile sector which has undertaken periodic expansions very responsibly and without over leveraging.

Quarterly Results Summary - Standalone

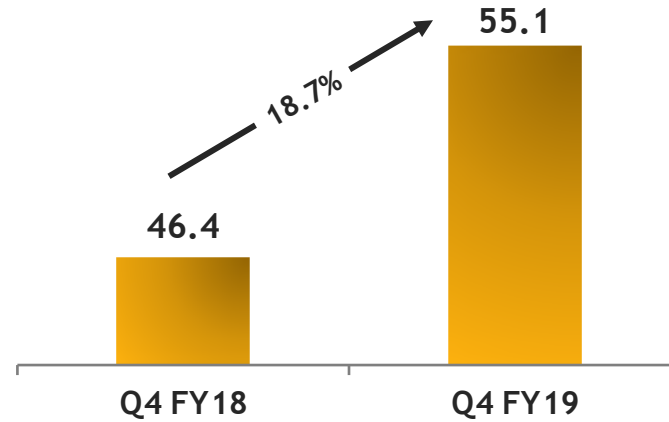
(₹ in Crore)



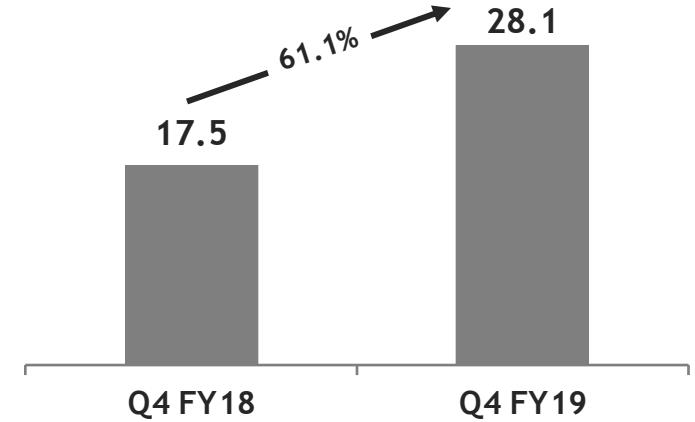
NET REVENUE



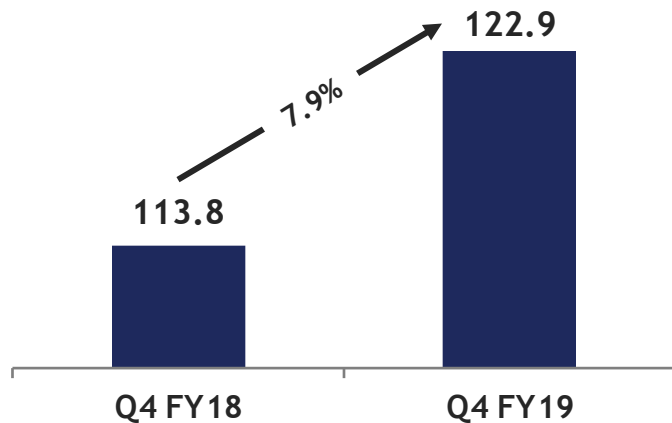
EBITDA



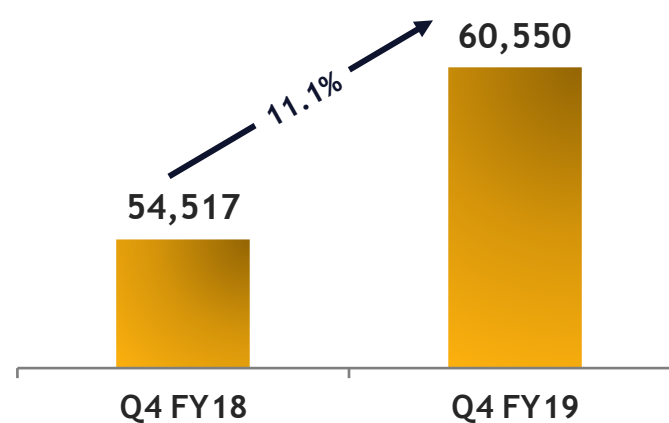
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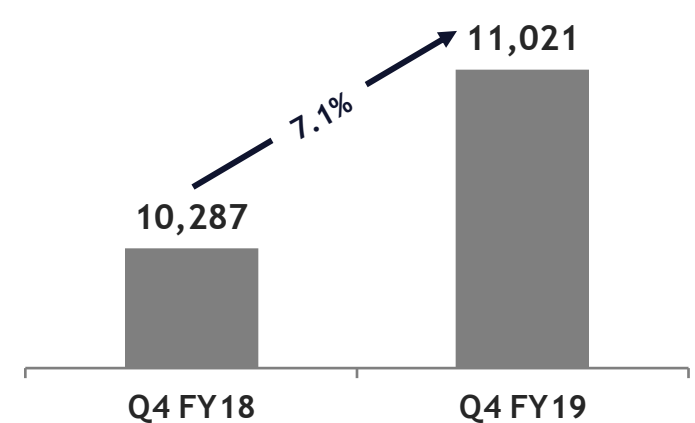
EXPORTS



YARN (MTPA)



CHIPS (MTPA)

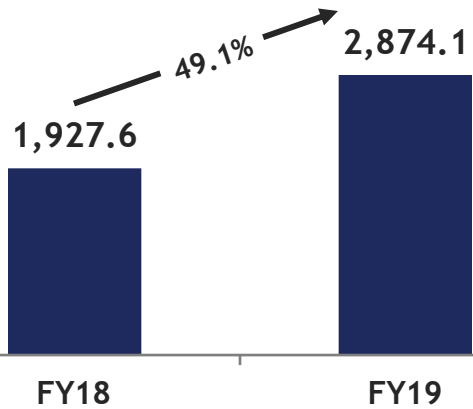


Full Year Results Summary - Standalone

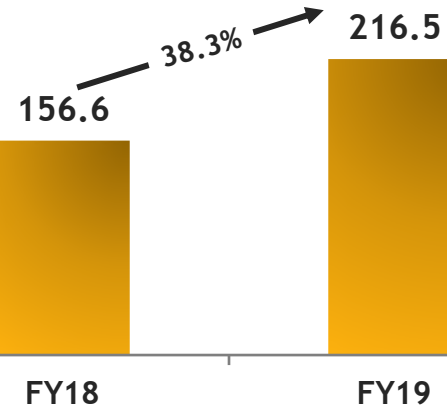
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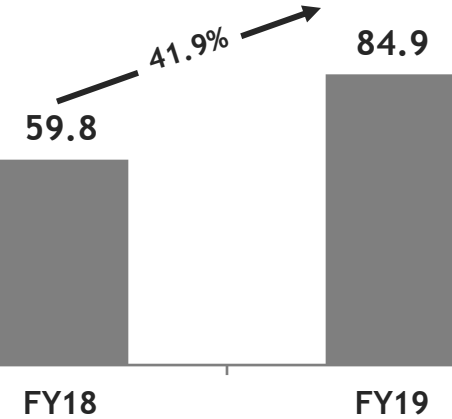
NET REVENUE



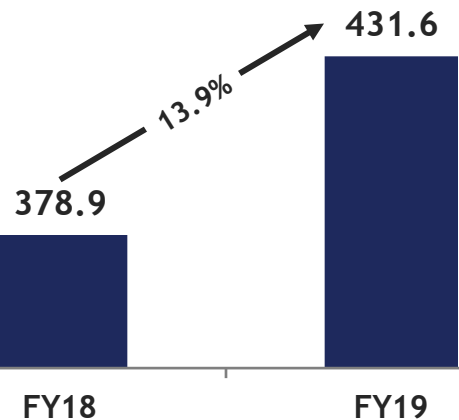
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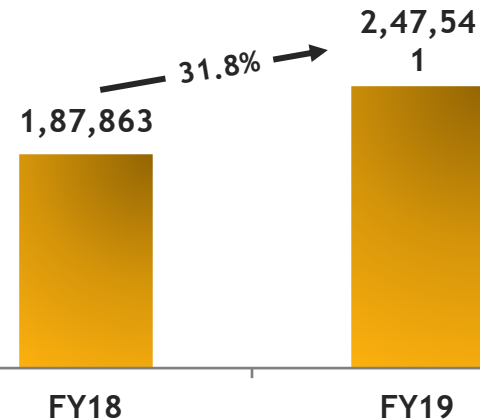
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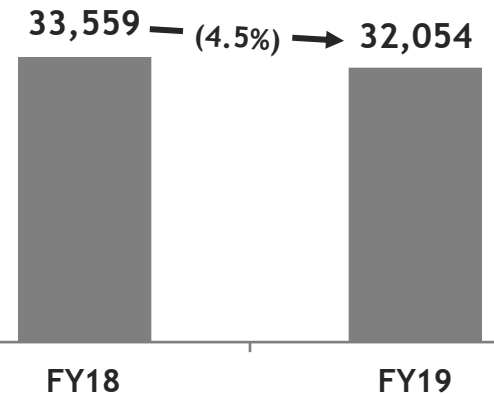
EXPORTS



YARN (MTPA)



CHIPS (MTPA)

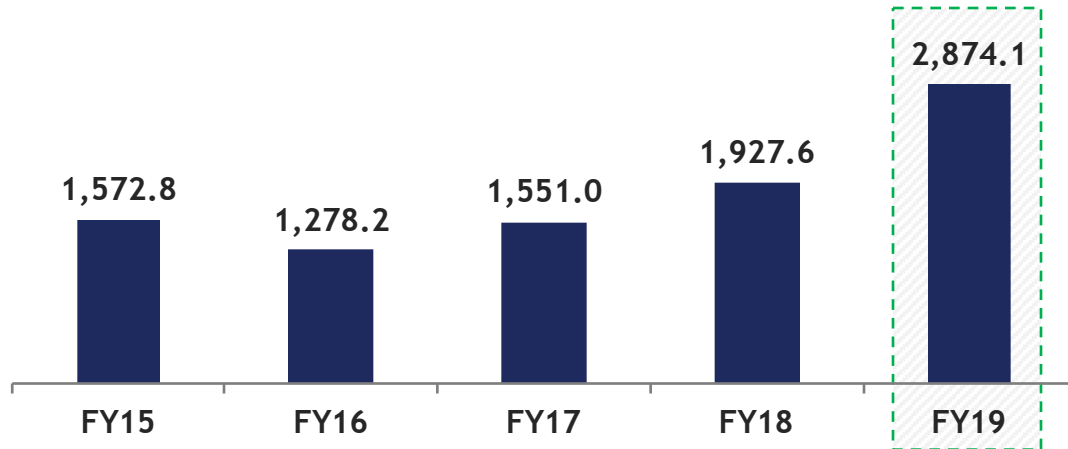


Historical Financial Performance - Consolidated

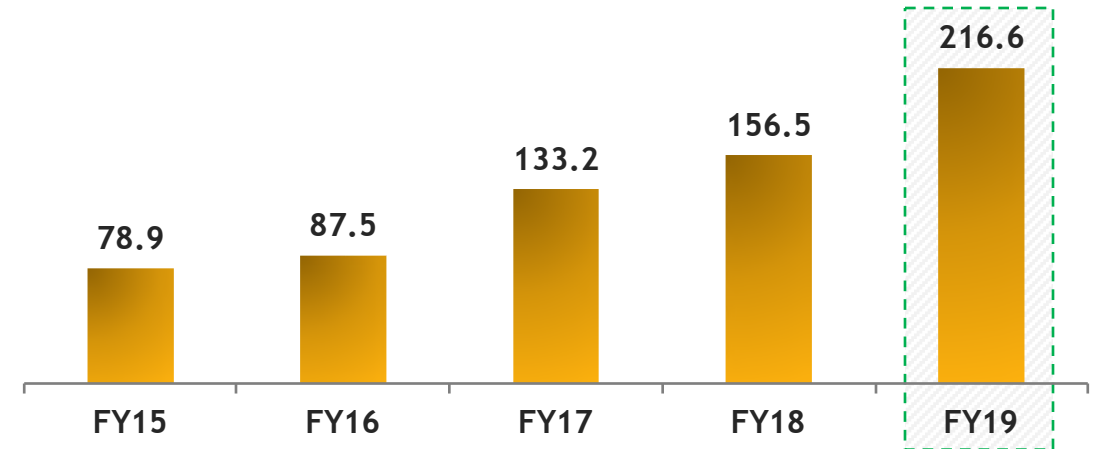
(₹ in Crore)



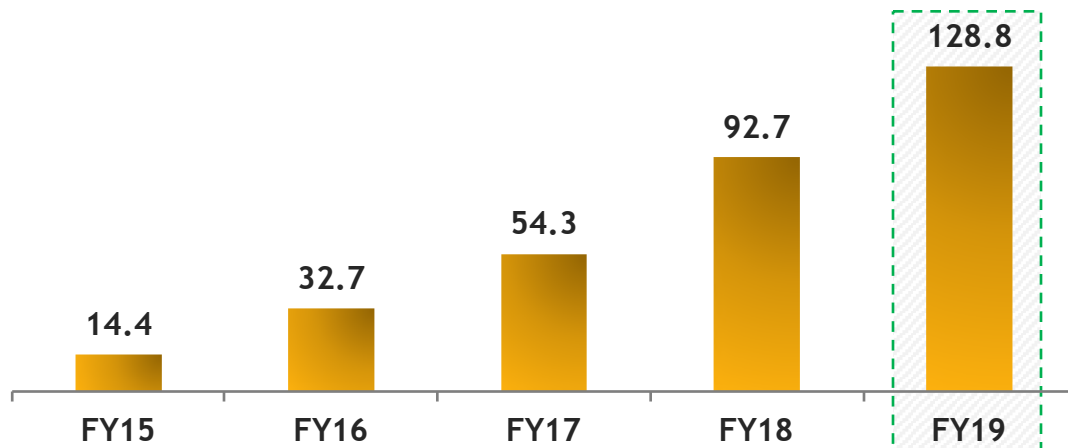
REVENUE (NET OF EXCISE DUTY)



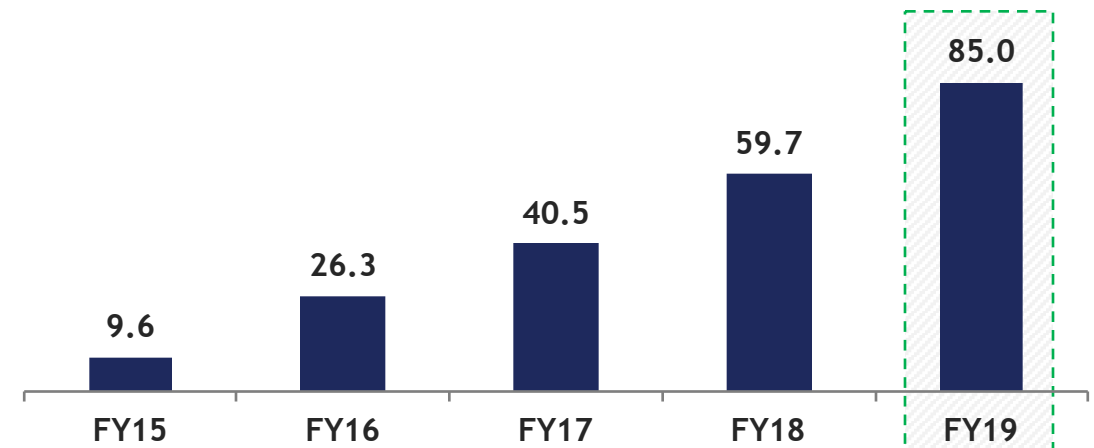
EBITDA



PBT



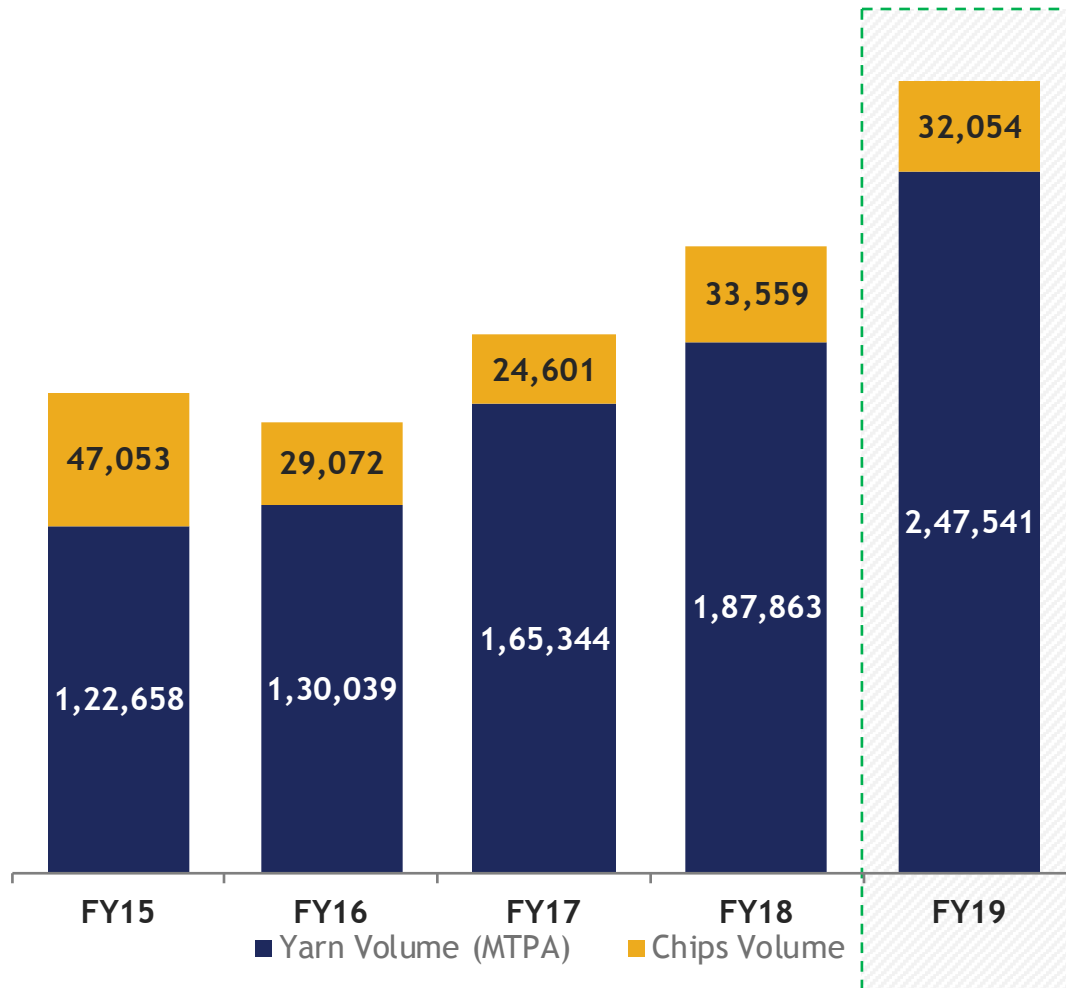
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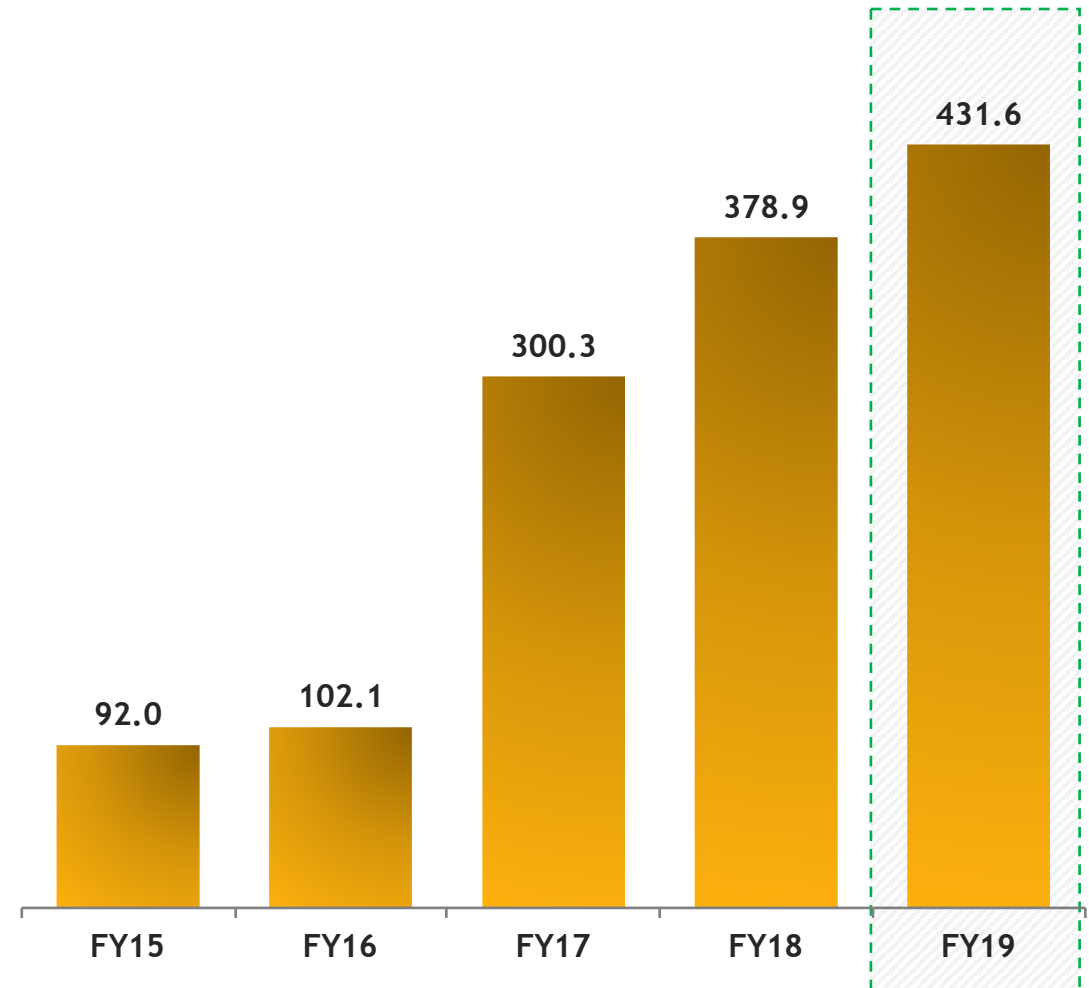
Operational Performance



TOTAL PRODUCTION (MTPA)



EXPORTS (₹ IN CRORE)



Profit & Loss - Consolidated



(INR in Crore)	2014-15	2015-16	2016-17	2017-18	2018-19
Net Revenue from operations (Net of Excise Duty)	1,572.8	1,278.2	1,551.0	1,927.6	2,874.1
Other income	9.7	10.7	12.1	11.1	11.8
Total Revenue	1,582.5	1,288.9	1,563.2	1,938.7	2,885.9
Total Expenses	1,568.1	1,263.3	1,505.4	1,846.0	2,757.2
Cost of materials consumed	1,093.6	966.7	1,232.7	1,529.8	2,327.9
Purchases of stock-in-trade	263.9	83.8	38.0	34.8	23.1
Changes in inventories	-7.4	1.2	-45.4	-13.5	13.6
Employee benefits expense	35.4	40.0	47.0	48.7	63.2
Finance cost	53.6	51.2	58.6	44.1	54.7
Depreciation and amortization expense	20.6	21.3	29.0	30.8	45.0
Other expenses	108.5	99.1	145.6	171.2	229.7
Profit before exceptional items & tax	14.4	25.6	57.7	92.7	128.8
Exceptional Items [Profit/(Loss)]	-	7.0	-3.4	-	-2.3
Profit before tax	14.4	32.6	54.3	92.7	131.1
Tax expense	4.8	6.4	13.7	32.9	46.1
Net profit/(loss) after tax	9.6	26.2	40.5	59.7	85.0

Balance Sheet - Assets (Consolidated)



(INR in Crore)	2014-15	2015-16	2016-17	2017-18	2018-19
Non-Current Assets	409.4	525.4	665.9	962.0	1,017.8
Property, plant and equipment	390.6	492.3	628.4	944.5	927.9
Capital work-in-progress	-	18.0	5.7	6.4	71.5
Other Intangible Assets	-	0.1	0.2	0.4	0.66
Financial Assets					
Investments	-	0.0	0.1	-	0.06
Loans and Advances	17.9	14.0	0.1	0.7	0.74
Other non-current assets	0.8	1.0	29.7	9.2	16.6
Tax Assets	-	-	1.8	0.8	0.4
Current Assets	307.1	355.4	386.5	462.0	397.6
Inventories	118.5	98.6	149.1	193.7	172.7
Financial Assets					
Trade receivables	149.1	216.4	199.4	170.5	98.7
Cash and cash equivalents	15.4	12.5	14.8	25.6	44.2
Loans and Advances	12.2	21.1	0.5	0.6	0.98
Other Financial Assets	-	-	0.9	4.2	12.5
Other current assets	11.8	6.8	21.7	67.5	68.5
Assets classified as held for Sale	-	-	6.9	13.4	-
Total Assets	716.5	880.8	1,059.4	1,437.5	1,415.4

Balance Sheet - Equity & Liabilities (Consolidated)



(INR in Crore)	2014-15	2015-16	2016-17	2017-18	2018-19
EQUITY	170.3	209.5	325.0	385.4	472.1
Equity Share capital	32.0	32.0	43.5	43.5	43.5
Other equity	138.3	164.6	281.5	341.9	428.6
Money received against share warrants	-	12.9			
LIABILITIES	546.2	671.3	733.9	1,049.7	943.3
Non-Current Liabilities	242.8	340.6	386.2	614.8	574.6
Financial liabilities					
Borrowings	219.1	307.6	336.4	541.6	476.8
Other financial liabilities	-	-	-	7.2	9.1
Provisions	3.7	4.7	5.6	5.2	6.0
Deferred tax liabilities	16.7	23.1	27.8	41.2	58.8
Other Non-Current Liabilities	3.3	5.3	16.4	19.7	23.9
Current Liabilities	303.3	330.7	347.8	434.9	368.7
Financial liabilities					
Borrowings	157.6	137.8	143.5	98.5	70.2
Trade Payables	83.7	120.4	111.3	224.1	179.0
Other financial liabilities	61.3	71.5	55.4	102.7	89.0
Provisions	0.8	1.0	1.3	2.3	2.8
Other Current Liabilities	-	-	36.3	6.2	25.6
Income Tax Liabilities (net)	-	-	-	1.1	2.1
Liabilities Directly associated with assets classified as held for sale	-	-	0.4	2.4	-
TOTAL EQUITY AND LIABILITIES	716.5	880.8	1,059.4	1,437.5	1,415.4



Increase Focus on Exports

With new texturizing machines coming in, exports of the company will increase and lead to an increase in the overall margins of the company on account of being a value added product.

Captive Power Plant

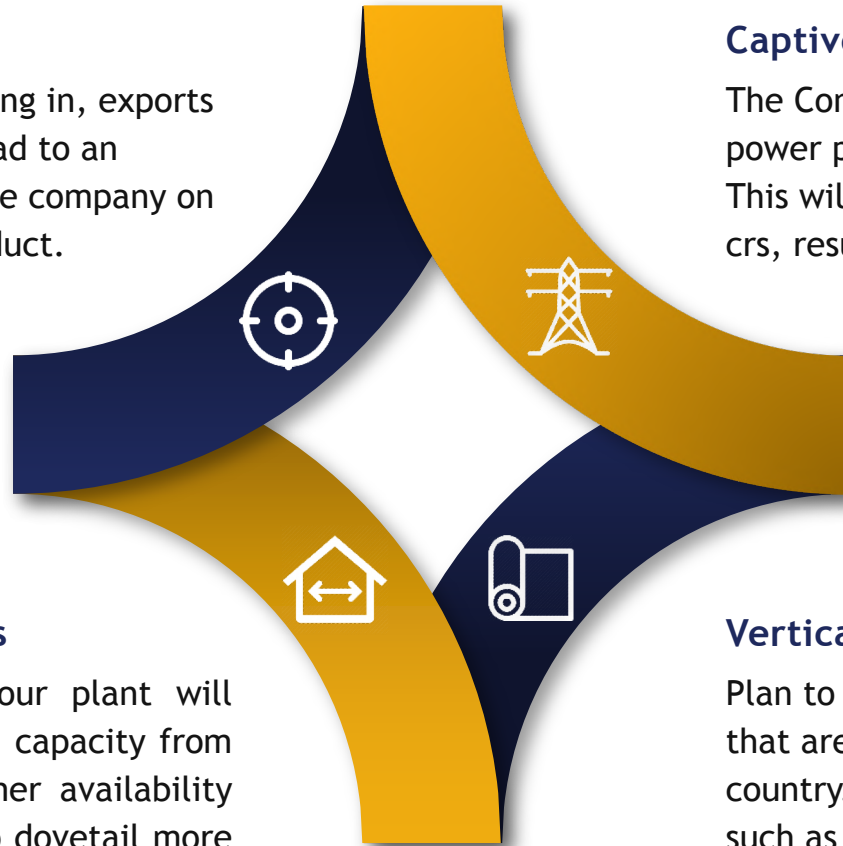
The Company is planning to set-up 31.4 MW captive power plant (30 MW Thermal and 1.4 MW Solar). This will result in an annual savings of approx. Rs.45 crs, resulting in incremental 2% margins.

De-bottlenecking Opportunities

Debottlenecking opportunities in our plant will help us increase our polymerization capacity from 900 TPD to 1050 TPD. More polymer availability would also create an opportunity to dovetail more of value added products.

Vertical Integration






Plan to foray into production of high value fabrics, that are currently being imported into the country. Also, exploring vertical integration options such as processing, digital printing and garments / home textiles.



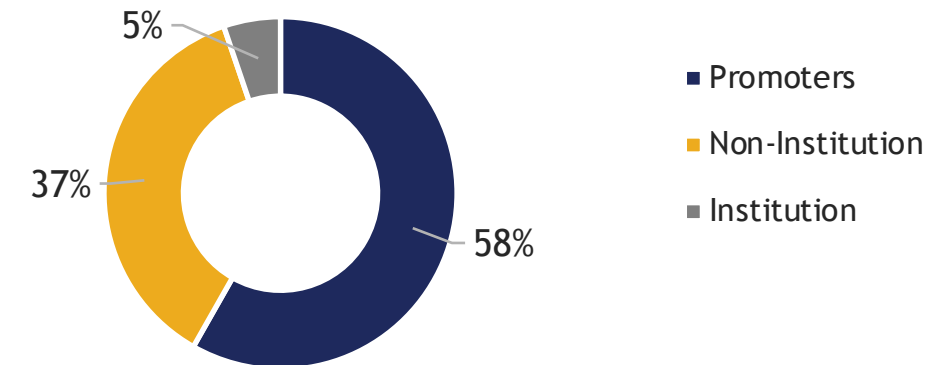
Shareholder Information



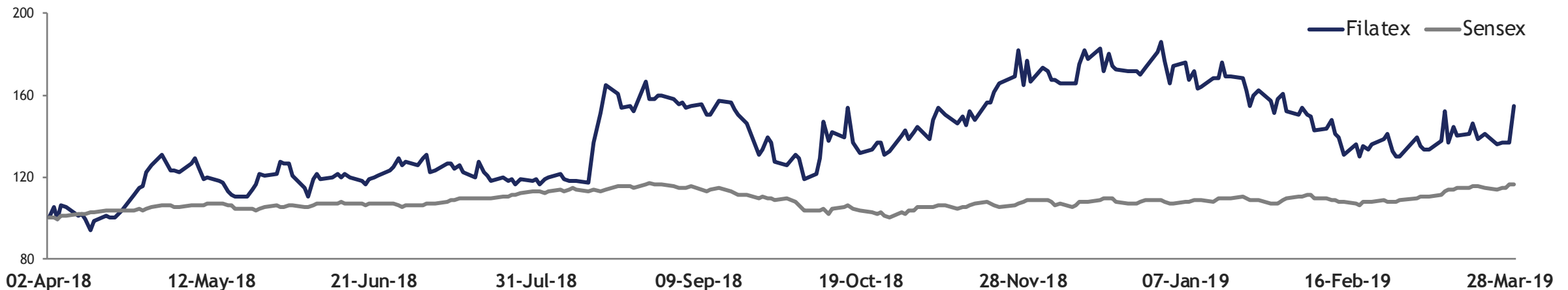
STOCK DATA (AS ON 31ST MARCH 2019)

	Stock Price (INR)	53.20
	Market Capitalization (INR)	1,157.10
	Shares Outstanding	21.75 Cr.
	Free Float	42.00%
	Symbol (NSE/ BSE)	FILATEX/ 526227

SHAREHOLDING PATTERN (AS ON 31ST MARCH 2019)



STOCK PRICE PERFORMANCE (REBASED TO 100)





Filatex India Limited

For more information, Please contact

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