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The Bombay Stock Exchange Limited
Listing Department
25th Floor, Pheroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Dear Sir,

Subject: Earnings Call on 16th February, 2017

This is in continuation to our letter dated 15th February, 2017 on the Earnings Call on 16th February, 2017. Please find enclosed the transcript in respect of the same.

This is for your information and records please.

Thanking You,

Yours Faithfully,
For FILATEX INDIA LIMITED

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“Filatex India Ltd Q3 FY17 Earnings Conference Call”

February 16, 2017



MANAGEMENT:

MR. MADHU SUDHAN BHAGERIA – VICE CHAIRMAN & MANAGING DIRECTOR

MR. ASHOK CHAUHAN – EXECUTIVE DIRECTOR

MR. R. P. GUPTA – CHIEF FINANCIAL OFFICER

STELLAR IR ADVISORS – INVESTOR RELATIONS ADVISOR



Filatex India Limited
February 16, 2017

Moderator

Ladies and gentlemen, good day and welcome to the Filatex India Limited Q3 FY '17 Earnings Conference Call hosted by Prabhudas Lilladher Private 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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Keyur Pandya from Prabhudas Lilladher Private Limited. Thank you and over to you Mr. Pandya.

Mr. Keyur Pandya

Thank you. Good afternoon to all participants and I would thank the management of Filatex India for taking out time for today's conference call to discuss quarterly financial performance of the company. We have with us Mr. Madhu Sudhan Bagheria, Vice Chairman and MD, and Mr. RP Gupta, CFO. We will begin this call with opening remarks from Madhu Sudhan ji following which we will open the floor for Q&A session. Before we begin I would like to mention that certain statements in this call could be forward looking statements in nature and are subject to risks and uncertainties which could cause actual results to differ materially from those anticipated. Such statements are based on management's belief as well as assumptions made by information currently available to management. Now I would like to hand over the floor to Mr. Madhu Sudhan jee. Thank you and over to you sir.

Mr. Madhu Sudhan Bhageria

Thank you. Good afternoon everyone and a very warm welcome to our quarter three FY '17 Earning Call. We have uploaded our investor's presentation in stock exchange and hope everyone had an opportunity to look at it. I have backing up with me on this call Mr. Ashok Chauhan, our Executive Director, Mr. RP Gupta our CFO and Stellar IR, our Investor Relations Advisor.

As you are well aware Q3 of FY '17 has experienced extreme turbulence in domestic market. In November 2016 RBI demonetised 500 and 1000 notes which contributed around 86% of our currency. This led to a major impact in regular business activities in textile and various other sectors, where most of the final transactions with end customers are through cash, thus hampering the business of the entire textile value chain. Demonetisation of currency impacted our Q3 '17 performance as we had to moderately reduce our production capacity for some time due to decline in demand. In the industry payment of wages to workers transporter etc. were hampered due to user restriction on withdrawal of cash. However this was a temporary phase and situation has thus improved quite a bit. We have also witnessed increase in key raw material prices due to rising crude prices which we believe have now stabilised.

These two major factors were the primary reasons which impacted the quarterly performance which was below our expectations. However the company still delivered a significant growth in both quarterly as well as 9 month of FY '17 as compared to corresponding periods of previous year. The recent capacity addition of value added products like FDY and Draw Textured Yarn during the year aided the growth in revenue and profitability. As discussed in previous earnings call, the company has initiated the capacity addition of Bright Polymer which is expected to commence



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production as per schedule. The polymer will be utilised to produce bright FDY, bright POY and bright chips for which financial approvals have been received from all the bankers and the documentation is going on.

Now I will briefly share the financial performance of Q3 and 9 months of FY '17. In Q3 FY '17 company has reported a revenue of 368 crores as against 299 crores in previous year, a growth of 23% year on year basis. During 9 months FY '17 revenue was 1102 crores as compared to 929 crores in 9 months in FY '16, a growth of 18.6% on year on year basis. The domestic product mix by volume has also changed. Now in the third quarter we have done almost 24% of export volume in volume terms. Whereas, in 9 months the export volume has also increased to 18% now. We are exporting to more than 28 countries at present and our exports are increasing.

EBITDA for Q3 '17 stood at 29.7 crores as against 17.9 crores in Q3FY16 which is a 66% growth on year on year basis. And for 9 months it is 95 crores as against 60 crores which is also 58% growth over last year. Our EBITDA margins were 8.9% compared to 6% for Q3 on year to year basis. For 9 months it has been 8.6% compared to 6.5% of corresponding 9 months of last year.

The company reported profit after tax of 7.2 crores for Q3 '17 as against 5.7 crores in Q3 FY '16. This 5.7 crores also included exceptional item of 7 crores which we have got through sale of our land in Noida in last year. In spite of that the growth is 25.4% on year on year basis. During 9 months the profit after tax is 28.1 crores for this year compared to 12.7 crores of last year which is a 121% growth over the last year.

Thank you everyone. Now you are free to ask any questions if you have.

Moderator

Thank you very much sir. Ladies and gentlemen we will now begin the question and answer session. Anyone who wishes to ask a question may press * and 1 on their touch tone phone. If you wish to remove yourself from the question queue you may enter * and 2. Participants are requested to use only handsets while asking a question. Ladies and gentlemen we will wait for a moment while the question queue assembles.

We have our first question from the line of Umesh Patel from TCG Asset Management. Please go ahead.

Mr. Umesh Patel

Yeah good afternoon everyone and congratulations for a strong set of numbers. Couple of questions from my side sir. Just wanted to know you mentioned that the capacity expansion is already in place and looking at your presentation I think what I understand is post-expansion total capacity would be 3.32 lakh tonnes per annum. So at current level I mean what is the revenue potential that you are looking after all the capacity is in place?

Mr. Madhu Sudhan Bhageria

You mean the top line after....

Mr. Umesh Patel

Yeah the revenue potential for post expansion.



Mr. Madhu Sudhan Bhageria

So post this expansion in the full year of working we should be doing roughly around 2500 to 2600 crores.

Mr. Umesh Patel

OK. Revenue potential to the maximum level it would be 2500-2600 crores right?

Mr. Madhu Sudhan Bhageria

Yeah at current prices of raw material. See raw material prices also plays an important role in the top line.

Mr. Umesh Patel

Yeah right. And secondly I would like to know as the key raw material you mentioned, recently there has been significant increase actually in two key raw materials like PTA and MEG. So from whom we are sourcing both the raw materials as of now?

Mr. Madhu Sudhan Bhageria

See PTA we are buying from Reliance and Indian Oil and we are also importing against our exports. And MEG we are buying from IOC that is the only source as of now in India. And the balance we are importing from Middle East.

Mr. Umesh Patel

So I mean do I assume that because there is a lack of availability of MEG compared to PTA what would be the proportion of domestic and import?

Mr. Madhu Sudhan Bhageria

In MEG?

Mr. Umesh Patel

In MEG.

Mr. Madhu Sudhan Bhageria

MEG this year it will be around 25 to 20% in local and balance imports.

Mr. Umesh Patel

And what about PTA?

Mr. Madhu Sudhan Bhageria

PTA we are doing almost 80-85% local only.

Mr. Umesh Patel

Okay. So I mean have we increased any prices to pass the raw material prices?



Mr. Madhu Sudhan Bhageria

Yeah see from November we were not able to increase the prices much because November was really bad. But from December onwards we have been able to pass on quite a bit of the increase and in January almost everything has been passed on and rather the margins have also improved.

Mr. Umesh Patel

Okay. And I mean no doubt your results reflects everything. But though I would like to know I mean have you seen any impact of demonetisation? I mean you mentioned that your company would have done better than what company has reported. So can you throw some light?

Mr. Madhu Sudhan Bhageria

See in the Q3 there was decrease in demand in November quite a bit. So the stock levels had gone up. And December also we were able to sell what we produced in December but whatever extra inventory we carried for November we had to carry.

Mr. Umesh Patel

Yeah you mean to say that there was an increase in production but the offtake was...

Mr. Madhu Sudhan Bhageria

We didn't reduce the production so much. We did cut some production in November because the demand had drastically reduced at that time. So almost 15-20% production in various products were cut. But then gradually by December we were almost in full swing. But the stock levels had increased also in November. Even after cut in production we were not able to sell fully. So whatever stocks we were carrying we have not been able to liquidate in December. But yes in January we have been able to liquidate a part of it.

Mr. Umesh Patel

Okay and as we are already into expansion mode so are we looking – I mean do we have sufficient internal accrual in place to fund this ongoing expansion or we looking for any fund raising plan?

Mr. Madhu Sudhan Bhageria

No, no we have enough internal accruals in place to take care of this expansion.

Mr. Umesh Patel

Okay. And how do you see the quarter 4?

Mr. Madhu Sudhan Bhageria

Quarter 4 would be one of the best quarters for the year.



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Mr. Umesh Patel

Okay thank you very much. Nice talking to you. Bye. I am done.

Moderator

Thank you very much sir. Anyone who wishes to ask a question you may press * and 1 now. Participants who wish to ask a question may press * and 1 on their touchtone phone. We have our next question from Mohit Bansal from Ajinkya MPL. Please go ahead.

Mr. Mohit Bansal

Hello sir. Sir my question pertains to the capacity utilisation now, how is the capacity utilisation now?

Mr. Madhu Sudhan Bhageria

Yeah now other than the chips I have been always telling you the capacity utilisation is 100%. Only the chips portion depends on the market condition.

Mr. Mohit Bansal

Okay, okay. So whatever effects of demonetisation more or less have been reduced now. And we....

Mr. Madhu Sudhan Bhageria

Yeah more or less.

Mr. Mohit Bansal

Normal business?

Mr. Madhu Sudhan Bhageria

Yeah.

Mr. Mohit Bansal

Okay great. Sir I want to understand what kind of subsidies and incentives we get from the government for our capex plans on capex that we have completed this year as well as new capex that we are planning? What are the incentives that we get and whether we are qualified for those incentives? How do we realise them and how do we account for it?

Mr. Madhu Sudhan Bhageria

See whatever expansion we had done till now, there are two parts of it. One was draw textured yarn which qualifies as TUFF from Centre as well as from State. So we have already filed applications with the centre and submitted our claim. And hopefully in this quarter we should get it.

Mr. Mohit Bansal

How much will that be sir?



Mr. Madhu Sudhan Bhageria

It will be – because it will start from September when we had completed the project so it will roughly around 85 lakhs for the Q3.

Mr. Mohit Bansal

Okay.

Mr. Madhu Sudhan Bhageria

And similar amount for Q4 from the centre. And the state it will be around -- it's quite less. Around 40 lakhs per quarter.

Mr. Mohit Bansal

And this will continue for how long?

Mr. Madhu Sudhan Bhageria

State is for 5 years, and centre is also for 5 years. Yeah both are for 5 years.

Mr. Mohit Bansal

Okay. And this...

Mr. Madhu Sudhan Bhageria

But these will be on a reducing balance. As we keep repaying the loan it is a 5% subsidy on the interest what we pay to the banks on the qualified amount which comes under TUFF.

Mr. Mohit Bansal

In total including for state and centre the subsidy is 5%.

Mr. Madhu Sudhan Bhageria

No, 5% from state, 5% for centre. But both have their different norm. Like for centre the qualifying amount is roughly around 65 to 68 crores. For state it is less. It is around 51 crores or something.

Mr. Mohit Bansal

51?

Mr. Madhu Sudhan Bhageria

Yes. That's the qualifying amount and from that they give 5% subsidy on a reducing balance.

Mr. Mohit Bansal

On reducing balance. Okay and similarly for the new capex that we're planning we...



Mr. Madhu Sudhan Bhageria

New capex we will not be getting any subsidy. But there is a provision new provision in the Gujarat government where we can get VAT or state GST as a refund of whatever we pay to them 70% of that with a limit of 70% in 10 years of the total investment.

Mr. Mohit Bansal

With a limit of 70% over 10 years.

Mr. Madhu Sudhan Bhageria

Over 10 years of the total investment. So 7% is the limit you can say for every year. And that also we will only get what we pay to the state government 70% of that. In case we don't pay anything to the state government we will not get any refund.

Mr. Mohit Bansal

Pay to the state government in terms of taxes?

Mr. Madhu Sudhan Bhageria

In terms of taxes, whether VAT or state GST when the GST comes.

Mr. Mohit Bansal

Okay understood. So if the GST doesn't come then?

Mr. Madhu Sudhan Bhageria

Then the VAT if we pay on those products when we sell...

Mr. Mohit Bansal

Okay so VAT definitely will be given right?

Mr. Madhu Sudhan Bhageria

Yeah so 70% of the outgo of VAT. Not after input you get VAT on input. So differential VAT which we pay on value addition so only...with that cap as I told you of the investment.

Mr. Mohit Bansal

Yes sir. So the new investment is to the tune of 300 crores.

Mr. Madhu Sudhan Bhageria

It's around 343 crores.

Mr. Mohit Bansal

Okay so 210 crores over a period of...



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Mr. Madhu Sudhan Bhageria

10 years...

Mr. Mohit Bansal

It's the max that we are eligible for.

Mr. Madhu Sudhan Bhageria

Yeah eligible for. But then the other condition is that we should pay that much to the government and get 70%.

Mr. Mohit Bansal

Right so roughly 30 crores per year.

Mr. Madhu Sudhan Bhageria

Yeah.

Mr. Mohit Bansal

And all this is like refunded every quarter or on annual basis?

Mr. Madhu Sudhan Bhageria

Yeah you have to file every quarter and as and when the government they are supposed to give every quarter. But subject to availability of the funds. So sometime they will give it in trenches. And this is a new scheme in Gujarat so yet to be taken up by any company as yet. This was only introduced July last year.

Mr. Mohit Bansal

Okay sir. And sir in terms of TUFF how has been the experience in terms of refund of.....

Mr. Madhu Sudhan Bhageria

With TUFF I have not got the refund but I was just talking to a friend. They have got all refunds till September 2016. So that I think is doing quite well. We have filed now and hopefully next month we should also get till September. But that will not be part of income because that will go as a preoperative reduction in preoperative expenses.

Mr. Mohit Bansal

I am sorry sir?

Mr. Madhu Sudhan Bhageria

See whatever we will get till September will get reduced from our project cost because that has been capitalised. So even during the project cost this TUFF is available in the centre.

Mr. Mohit Bansal

Okay understood. Alright. Okay sir that's all from my side.



Mr. Madhu Sudhan Bhageria

Okay thank you.

Moderator

Thank you Mr. Bansal. Participants who wish to ask a question at this time may press * and 1 on their touch tone phone. We have the next question from the line of Mr. Keyur Pandya from Prabhudas Lilladher Private Limited. Please go ahead.

Mr. Keyur Pandya

Good afternoon sir.

Mr. Madhu Sudhan Bhageria

Good afternoon.

Mr. Keyur Pandya

The interest expense that is being shown in the quarterly results is 16.4 crores this quarter versus 13.2 crores right?

Mr. Madhu Sudhan Bhageria

Right.

Mr. Keyur Pandya

So it is an increase of around 3 crores. So if I am not wrong the debt has reduced over the period right? That means....

Mr. Madhu Sudhan Bhageria

Basically there is increase in working capital in this quarter. And also before this when we were in the expansion mode, whatever the term loan interests were getting capitalised for the project, so that has now – now in September that was completed. So that has also come in this quarter. The whole interest of the project.

Mr. Keyur Pandya

Ok, it is being expensed now.

Mr. Madhu Sudhan Bhageria

Yeah.

Mr. Keyur Pandya

Okay that is perfect. Another thing is that sir with the increased crude oil prices our raw material prices are directly correlated right?



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Mr. Madhu Sudhan Bhageria

Not directly correlated.

Mr. Keyur Pandya

Not directly.

Mr. Madhu Sudhan Bhageria

But they are influenced to come extent yeah.

Mr. Keyur Pandya

So generally how is the pricing arrangement? I mean are we able to pass it on....

Mr. Madhu Sudhan Bhageria

Yeah mostly we are able to pass on. Only in the month of November and part of December because of the reduction in demand drastically we were not able to pass on fully.

Mr. Keyur Pandya

And our raw material prices are negotiated....

Mr. Madhu Sudhan Bhageria

We have a contract with most of our suppliers. That is based on international pricing published by ICIS and Platts. It is a formula based pricing. We don't have to negotiate every time. Only once a year we negotiate the formula and the discounts. And then it continues for the full year.

Mr. Keyur Pandya

But that gets changed at what interval?

Mr. Madhu Sudhan Bhageria

Every fortnight for local.

Mr. Keyur Pandya

Every fortnight. Okay.

Mr. Madhu Sudhan Bhageria

And in imports it is monthly.

Mr. Keyur Pandya

Okay. Perfect. That's it from my side. Thank you.



Moderator

Thank you Mr. Pandya. Anyone who wishes to ask a question may press * and 1 on their touch tone phone. We have the next question from the line of Yogansh Jeswani from Mittal & Co. Please go ahead.

Mr. Yogansh Jeswani

Hi sir thanks for the opportunity. Sir my first question is regarding the number of warrant which are pending conversion. Can you share that count with us please?

Mr. Madhu Sudhan Bhageria

No there is no warrant pending as of now.

Mr. Yogansh Jeswani

So whatever is mentioned the....

Mr. Madhu Sudhan Bhageria

Yeah we had issued warrant which got converted I think before September 2016.

Mr. Yogansh Jeswani

Okay. Sorry I joined in late so I might be repeating the question. But can you share your net debt data with me please?

Mr. Madhu Sudhan Bhageria

Net debt is roughly 441 crores including working capital on December 31st.

Mr. Yogansh Jeswani

Okay. And sir what is the timeline for the repayment or any plans for repayment that you could share with us or throw some light on it?

Mr. Madhu Sudhan Bhageria

These are different term loans with normally average is 7 years repayment when we take a loan. 1 year moratorium and 7 years repayment. Next year I think we have to pay roughly around 55 crores.

Mr. Yogansh Jeswani

55 crores in FY '18.

Mr. Madhu Sudhan Bhageria

And almost 45 would be as a year as a whole would be paid out in this year.



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Mr. Yogansh Jeswani

Okay thank you. And sir next question is regarding your margins. So if I compare your margins with the peer called Sumit Industries, I think we are in similar line of business.

Mr. Madhu Sudhan Bhageria

Right.

Mr. Yogansh Jeswani

When we compare margins we are lagging behind. So any comments or you can throw some light on that?

Mr. Madhu Sudhan Bhageria

I think if I have seen Sumit's balance sheet, their margin is roughly 9% EBITDA margin they declared.

Mr. Yogansh Jeswani

9-10 odd.

Mr. Madhu Sudhan Bhageria

And ours is around 8% because we have also a chips portion which adds to the top line which doesn't give so much of margin.

Mr. Yogansh Jeswani

Commodity type.

Mr. Madhu Sudhan Bhageria

Yeah. Otherwise it is quite similar basis.

Mr. Yogansh Jeswani

Okay. And sir what is the status of the expansion that we have been doing so far?

Mr. Madhu Sudhan Bhageria

Yes, I said in my opening remarks we have started construction, all our financial approvals have come. Now only the documentation work is going on. Hopefully from March we should have some disbursement from our banks. And we would be able to complete in this calendar year. Otherwise we have a time limit of till March '18. But we plan to complete it before time.

Mr. Yogansh Jeswani

Okay we are planning to complete it by December.

Mr. Madhu Sudhan Bhageria

Yeah.



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Mr. Yogansh Jeswani

Okay. Perfect sir. And sir can you also share the volume data with me please?

Mr. Madhu Sudhan Bhageria

Yes. For quarter?

Mr. Yogansh Jeswani

Quarter and 9 months both.

Mr. Madhu Sudhan Bhageria

This quarter our total production was roughly 51000 tonnes of various products. And the sale was 48400 tonnes. So we had a stock of 2600.

Mr. Yogansh Jeswani

48200?

Mr. Madhu Sudhan Bhageria

48400.

Mr. Yogansh Jeswani

400. Okay.

Mr. Madhu Sudhan Bhageria

9 months the total production was 1.49 lakhs tonnes and the sale is 1,44,500 roughly.

Mr. Yogansh Jeswani

Right perfect. Thank you sir.

Moderator

Thank you Mr. Jeswani. We have the next question from the line of Pratik Chaudhury, individual investor. Please go ahead.

Mr. Pratik Chaudhury

Hello?

Mr. Madhu Sudhan Bhageria

Yeah hi.

Mr. Pratik Chaudhury

Hi. Sir could you tell me what's your average cost of funds in percentage terms?



Mr. Madhu Sudhan Bhageria

Around 10.5%.

Mr. Pratik Chaudhury

But since we have – I mean you said that the total debt is around 440 crores. So how come you are having 16 crore as quarterly interest?

Mr. Madhu Sudhan Bhageria

See whatever we show as financial charges also include the bank charges and cost of LCs and forward covers and other various things.

Mr. Pratik Chaudhury

Okay. But our average cost of,...

Mr. Madhu Sudhan Bhageria

Yeah average cost is around 10.5%.

Mr. Pratik Chaudhury

The pure interest cost...

Mr. Madhu Sudhan Bhageria

Right, right.

Mr. Pratik Chaudhury

Okay. And sir the bright, the expansion that will come up in Jan 2018, what sort of – if we compare the gross margins of our current major products versus the – what sort of increase in gross margins....

Mr. Madhu Sudhan Bhageria

The gross margins we are expecting on the enhanced productivity at EBITDA is to be around 17 to 18%. So overall EBITDA for full year we should be close to 13%.

Mr. Pratik Chaudhury

This is after the expansion?

Mr. Madhu Sudhan Bhageria

After the expansion. So FY '19 you can say. FY '19 would be the optimum year of full production.

Mr. Pratik Chaudhury

Okay. There you are expecting 13% blend....



Mr. Madhu Sudhan Bhageria

Yeah roughly...

Mr. Pratik Chaudhury

Ebitda margins.

Mr. Madhu Sudhan Bhageria

Yeah.

Mr. Pratik Chaudhury

And so if you could qualitatively give some comments on the – because since this bright polymer product will lead to a substantial increase in our gross....

Mr. Madhu Sudhan Bhageria

Basically why I am saying, so with this bright polymer and whatever machines we are putting, actually in the number of thread lines we are almost doubling our thread lines. In Dahej plant right now we have 5100 odd thread lines. So productivity and profitability depends on the number of thread lines. And now we are putting almost 4900 plus thread lines in the new expansion. So although the tonnage might not be increasing because we might be producing some thin yarns. But most of the yarns are value added. And bright yarns command some premium over the middle and Semi Dull what we produce as of now. And we have taken state of the art best machines, latest machines. So the productivity and the cost of production, everything would be quite better than what we had as of now.

Mr. Pratik Chaudhury

And what would be the – since you said that after the expansion we would be able to achieve close to 2600 kind of revenue numbers, so...

Mr. Madhu Sudhan Bhageria

That will depend -- 2500 is my depending on today's current pricing. But if the raw material pricing changes then the top line can change. But the main thing is the EBITDA we should get a very healthy EBITDA.

Mr. Pratik Chaudhury

What I was asking that can we get closer to a 70-80% utilisation on the new capacity in the first year itself?

Mr. Madhu Sudhan Bhageria

Yeah, yeah definitely.

Mr. Pratik Chaudhury

Okay.



Mr. Madhu Sudhan Bhageria

Definitely.

Mr. Pratik Chaudhury

And what would be our – since this is the first...

Mr. Madhu Sudhan Bhageria

Even see what expansion we have done during this year, we are virtually on more than 95% utilisation barring let's say if I leave one or one and half months of November and half of December, so after September we have been able to utilise almost 90% plus of that capacity.

Mr. Pratik Chaudhury

Okay. And sir what would be our mix of debt and internal accruals for these 340 crore expansion?

Mr. Madhu Sudhan Bhageria

The internal accruals are roughly around 65 crores.

Mr. Pratik Chaudhury

Okay.

Mr. Madhu Sudhan Bhageria

And the balance is debt which is around 275.

Mr. Pratik Chaudhury

Okay. So we will take 275 crores of additional debt.

Mr. Madhu Sudhan Bhageria

Yeah. Out of this major portion is 165 crores we have taken from a German bank against the machinery which we are importing. And that is one very – that is only on 1.1% over Euribor.

Mr. Pratik Chaudhury

So what would be the cost for us? Final cost for us?

Mr. Madhu Sudhan Bhageria

If we hedge it, it will be around 9%.

Mr. Pratik Chaudhury

Okay.



Mr. Madhu Sudhan Bhageria

If we don't hedge it because since our exports also have increased and next year we expect to do around 300 crores of exports. So we don't plan to hedge that. Because the outgo will be only 10% from FY '19 of the total loan it's for 10 years which will be 16-17 crores.

Mr. Pratik Chaudhury

And sir what were – you said 300 crores of exports we are expecting in FY '19.

Mr. Madhu Sudhan Bhageria

FY'18.

Mr. Pratik Chaudhury

FY '18. And what was it last year sir? I mean FY '16? It was around...

Mr. Madhu Sudhan Bhageria

FY '16 it was quite low.

Mr. Pratik Chaudhury

60-65....

Mr. Madhu Sudhan Bhageria

Yeah 60-65. And this year we have already done almost 170 plus. So we will be doing more than 250 in this year only

Mr. Pratik Chaudhury

Okay. And which are these countries sir? Because since this is like a major increase in....

Mr. Madhu Sudhan Bhageria

We are doing to Brazil, Korea, almost 29 countries. But Brazil, Korea, Bangladesh, Egypt, Turkey. Major countries.

Mr. Pratik Chaudhury

Okay. And what would be our so to say domestic Y on Y volume increase or decrease?

Mr. Madhu Sudhan Bhageria

For 9 months?

Mr. Pratik Chaudhury

Yeah either for 9 months or for the quarter.

Mr. Madhu Sudhan Bhageria

Okay. Quarter, corresponding quarter last year we had a sales of 40,000 tonnes.



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Mr. Pratik Chaudhury

Domestic?

Mr. Madhu Sudhan Bhageria

Domestic. No this is total I have. And I will tell you export separately. But total for this quarter this year is around 48400. Last year export was 1400 tonnes for this quarter. And this year it has been almost 11000 tonnes.

Mr. Pratik Chaudhury

Okay.

Mr. Madhu Sudhan Bhageria

9 months if you want 9 months we did 112000 tonnes sales last year and this year 144400. Export is 8600 last year total in tonnage. And this year it is around 23600.

Mr. Pratik Chaudhury

Okay.

Mr. Madhu Sudhan Bhageria

Since we have put texturizing now, texturizing is exported in a big way from India. So that has been increasing over exports substantially.

Mr. Pratik Chaudhury

Okay sir thank you. I will get back in the queue.

Mr. Madhu Sudhan Bhageria

Yeah sure.

Moderator

Thank you sir. Participants who wish to ask a question may press * and 1 now. We have a follow up question from the line of Yogansh Jeswani from Mittal & Co. Please go ahead.

Mr. Yogansh Jeswani

Yeah sir thanks for the opportunity again. Sir one quick question I want to ask is on the expense side. So in the Q3 results I see the other expenses have come to 37.5 odd crores which is I think roughly an increase 12% Q on Q and a 50% Y on Y. Sir can you throw some light on what was driving this other expenses in this quarter and year on year with the corresponding number?



Mr. Madhu Sudhan Bhageria

This includes power and packing expenses mostly which goes in line with the production. That is why this has increased so substantially.

Mr. Yogansh Jeswani

Did we see any revise power tariff? Because I think with the similar level of sales we are seeing the 12-14% odd increase.

Mr. Madhu Sudhan Bhageria

No, see the sales is a combination of raw material prices and value addition. So last year like I said we have already in volume terms our sales have gone up by 20%. But see we have also put texturizing machines which add value but doesn't increase the productivity as far as quantity is concerned. We make POY and then texture it. So there the power as well as packing cost goes up and various other expenses.

Mr. Yogansh Jeswani

Okay. Sir going forward we can take this as a baseline figure. Like these numbers...

Mr. Madhu Sudhan Bhageria

Yeah at least for this production. When the new expansion comes the numbers can change.

Mr. Yogansh Jeswani

Okay perfect. Thank you sir. All the best.

Moderator

Thank you Mr. Jeswani. Participants who wish to ask a question may press * and 1 now. Anyone who wishes to ask a question may press * and 1. We have our next question, a follow on question from Pratik Chaudhury, Individual Investor. Please go ahead.

Mr. Pratik Chaudhury

Hi. Our exports, which are the major products that we are or the bulk of the products that we are exporting or going to?

Mr. Madhu Sudhan Bhageria

Mostly polyester textured yarn and some volumes of polyester chips.

Mr. Pratik Chaudhury

Okay so it would be majorly the yarn.



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Mr. Madhu Sudhan Bhageria

Majorly the yarn.

Mr. Pratik Chaudhury

And is there any difference between export and domestic realisations or margins?

Mr. Madhu Sudhan Bhageria

Yeah export margins are slightly better in case of yarn definitely. But chips even we do at marginal costing because chips we are not able to utilise our full capacity even locally. So there the considerations are different.

Mr. Pratik Chaudhury

But in yarn...

Mr. Madhu Sudhan Bhageria

In yarn definitely if it gives better margins than domestic then only we export.

Mr. Pratik Chaudhury

Okay. Okay sir thank you.

Moderator

Thank you. Participants who wish to ask a question may press * and 1 now. As we have no further questions I would like to hand the floor over to the management for closing comments. Over to you sir.

Mr. Madhu Sudhan Bhageria

I would like to thank all the participants for sparing their time and joining us for this conference. And if any time they have any questions they can directly contact us. Thank you.

Moderator

Thank you very much sir. Ladies and gentlemen on behalf of Prabhudas Lilladher Private Limited that concludes today's conference. Thank you for joining us.

Mr. Madhu Sudhan Bhageria

Thank you.

Moderator

Thank you sir. You may now disconnect your lines. Thank you.