

Success follows
diligent planning



Filatex India Limited

Annual report 2016-17

Inside front cover

Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Filatex India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Filatex India Limited annual report 2016-17.

Contents

Our Founder & Chairman	1
Corporate Information	2
Success doesn't just happen, it is planned for	3
Corporate Identity	4
Manufacturing Capacities	8
Global Market Reach	9
Chairman & Managing Director's message	10
This is how we have grown over the years	12
Our commitment	13
Filatex. Raising the bar	14
Filatex is transforming faster than ever	16
Industry positioning	18
Board of Directors	22
Notice	25
Directors' Report	30
Corporate Governance Report	37
Management's Discussion and Analysis	50
Standalone Financial Statement	69
Consolidated Financial Statement	110

PERFORMANCE SNAPSHOT 2016-17

Revenues (Rs./crore)	EBIDTA (Rs./crore)	PAT (Rs./crore)
1,550.6	132.8	41.2
1,278.2 in 2015-16	87.5 in 2015-16	26.3 in 2015-16

EPS (Rs. per share)	EBIDTA margin (%)	PAT margin (%)
10.4	8.6	2.7
8.19 in 2015-16	6.8% in 2015-16	2.1% in 2015-16





Our Founder & Chairman Shri Ram Avtar Bhageria

Our Founder & Chairman Sh. Ram Avtar Bhageria popularly known as "Babuji" in staff and family circles was an ordinary man, who went on to achieve extra ordinary things in life. Hailing from a small town – "Chirawa", Jhunjhunu Distt., Rajasthan, he moved to capital city of Delhi. He had completed his graduation – a rare thing in those days, from Shri Ram College of Commerce. As was the norm those days, he got married in the year 1952. He had, in his genes, a flair for business. In spite of meager family means, he did not opt for a job. To fulfill his ambitions, he started a small unit to manufacture socks in the year 1954.

Those days, the yarns for the socks were imported. It was only in 1962 that Nylon 6 production was set up by an Indian Company. He sensed an opportunity. His intimate knowledge of different type of yarns and its weaving possibilities led him to become a prominent trader. Soon his business expanded in and around Delhi... North India. In a few years, he became a prime dealer of synthetic yarns for several

companies like J.K. Synthetics, JCT, Modipon etc. After establishing his business firmly in and around Delhi, he opened up an operation in Surat also which was emerging as a textile hub.

As his children grew up and completed their education, he was emboldened enough to make a foray into manufacturing. He set up a small plant at Noida, UP to manufacture Nylon and Polyester Yarn in the year 1994. Soon another plant was set up at Dadra. This plant gradually expanded from 15 TPD to now 130 TPD. Next venture that followed was at Dahej, Gujarat where a modern state of art Yarn facility with continuous polymerization was set up. So, during his life time, starting from scratch, with fierce ambition, vision and courage he created a company with turnover around Rs.1500 crore and employing around 1700 people.

He was a self-made man. One of the most beautiful things of his life was that he left behind no regrets. He did all that he wanted to do and left nothing unsaid to

all those he loved. In his business life, he was a brilliant, shining star perhaps the best among the peers. His knowledge, focus, work ethics, magnetic personality and a sense of fair play were extraordinary.

He had instinct to smell opportunity and translated into business propositions. His ability to learn, to adapt, to change and to always try to do the best was admirable. He was simply an exceptional human being. His journey of five decades was arduous but adventurous and successful.

During his life time, he found enough time, energy and resources for philanthropic activities. A trust was set up to provide financial support to poor and meritorious children in the native town/village. He was a good sportsman and had a special liking for tennis. He had been the president of many prestigious clubs and RWAs.

He lived and enjoyed life in all aspects. His determination, sense of fair play and values will continue to guide us in years to come.

Corporate Information

BOARD OF DIRECTORS

Mr. Madhu Sudhan Bhageria Chairman & Managing Director DIN: 00021934	Mr. B.B. Tandon Independent Director DIN: 00740511
Mr. Purrshottam Bhaggeria Joint Managing Director DIN: 00017938	Mr. S.C. Parija Independent Director DIN: 00363608
Mr. Madhav Bhageria Joint Managing Director DIN: 00021953	Mr. S.P. Setia Independent Director DIN: 00255049
Mr. Ashok Chauhan Wholetime Director DIN: 00253049	Mrs. Pallavi Joshi Bakhru Independent Director DIN: 01526618

CHIEF FINANCIAL OFFICER

Mr. R.P. Gupta

COMPANY SECRETARY

Mr. Raman Kumar Jha

BANKERS

Union Bank of India
Punjab National Bank
Oriental Bank of Commerce

AUDITORS

Amod Agrawal & Associates
D-58, East of Kailash
New Delhi - 110 025

CORPORATE OFFICE

BHAGERIA HOUSE
43, Community Centre,
New Friends Colony,
New Delhi - 110 025

REGISTERED OFFICE

S. No. 274, Demni Road,
Dadra - 396 191
(U.T. of Dadra & Nagar Haveli)
Ph: 260-2668343/8510
Fax: 260-2668344
Email: fildadra@filatex.com
Website: filatex.com
CIN: L17119DN1990PLC000091

WORKS

S. No. 274, Demni Road,
Dadra - 396 191
(U.T. of Dadra & Nagar Haveli)
A-2, Extension,
Phase - II (Noida)
Distt. Gautam Budh Nagar - 201 304 (U.P.)
Plot No. D-2/6, Jolva Village
PCPIR, Dahej-2 Industrial Estate
GIDC, Distt. Bharuch
Gujarat - 392 130

REGISTRAR & SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area,
Phase-I, New Delhi- 110020
Tel : 011-41406148
Fax : 011-41709881
Email: admin@mcsregistrars.com

Success doesn't just happen, it is planned for.

At Filatex, the success in all these years came through diligent planning and clinical execution.

- Enhancing product range
- Adding higher margin products.
- Improving capacity utilization
- Consistency in product quality

The result of these was visible in our profit growth in FY2016-17.

While the Polyester Filament Industry (PFY) grew about 8% in FY2016-17, Filatex strengthened its revenues by 21%; profit after tax increased 57%.

Corporate Identity

Filatex India Limited has established a respectable position in Polyester Filament Yarn industry in India.

The company is manufacturing an increasing proportion of value added yarns with versatile applications

The company is balancing its product portfolio and de-bottle necking its capacity to enhance margins.

The company's success is derived from astute capital investments and prudent financial management.



Filatex India Limited

Annual report 2016-17

Background

Filatex India Limited was promoted by the Bhageria family hailing from Rajasthan. The company, incorporated in 1990, has been in the business of manufacturing synthetic yarns for more than two decades.

Our management

The company is managed by experienced, qualified professional. The promoters leading the professionals and steering the business are Madhu Sudhan Bhageria, the CMD, Purrshottam Bhaggeria and Madhav Bhageria, both JMD supported by Ashok Chauhan, Whole Time Director.

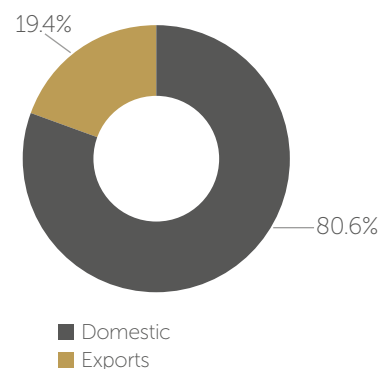
Our locations

The Company has its corporate office in New Delhi with manufacturing units in Dadra, Dahej and Noida. It has marketing offices in Surat and Mumbai.

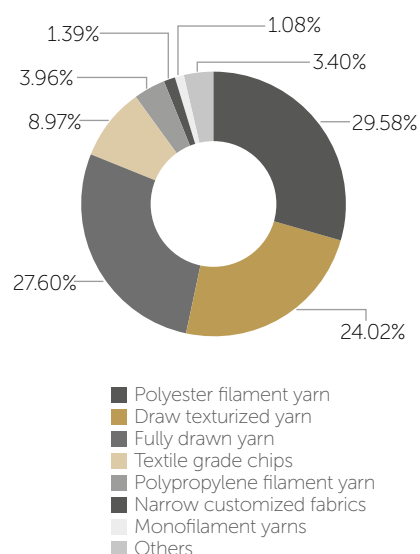
Our listing

The company is listed both on the Bombay Stock Exchange and National Stock Exchange.

NET REVENUE BY GEOGRAPHY, FY2016-17

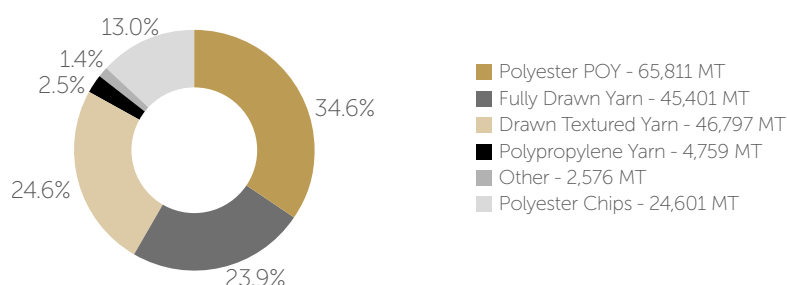


REVENUE BY PRODUCT, FY2016-17



PRODUCTION SPLIT BY VOLUME – FY2016-17

Total production volume for FY2016-17 - 189,945 Metric Tonnes



Certifications



Standard 100 by Oeko-Tex



ISO 9001 2008



ISO 14001 2004



ISO OHSAS 18801 2007

Snapshot FY2016-17

Promoters' Group
holding (March 31, 2017)

57.99%

Public holding
(March 31, 2017)

42.01%

Market capitalisation
(Rs./crore)
(March 31, 2017)

523.31

Enterprise value
(Rs./crore)
(March 31, 2017)

959.52

Value creation journey so far

Transition Manufacturing

1.0
1990 - 1995

Noida Plant

- A pioneer in manufacturing of Monofilament yarns in the Indian markets
- Capacity of 500 MT p.a. to manufacture Polyester, nylon and polypropylene monofilament yarns from chips

Product Diversification

2.0
1996 - 2011

Dadra Plant

- Diversified into Polyester POY and Textured Yarn
- Polypropylene Multi filament Dope Dyed Yarns
- Fully Drawn Yarns (FDY)
- Texturizing Machines
- Narrow Woven Fabric Looms

Our products



Polyester Partially Oriented Yarns (POY): Intermediate product, post Texturizing used for producing all kinds of Fabrics.



Drawn Textured Yarn (DTY): Produced by processing POY through a texturing process. Immediate products used for manufacturing Fabrics.



Polypropylene Multifilament Crimp Yarns: Different shades and deniers, the range being used for Socks, Under Garments and Sports Wear.



Monofilament Yarns: Superior technology from Reifenhäuser GmbH, Germany. Used in zippers, fishing nets, sports strings, magic fasteners etc.



Fully Drawn Yarns (FDY): Type of Fully drawn polyester filament yarn which is used for producing all kinds of Fabrics.



Polyester Chips: Industrial intermediate product used to manufacture Polyester Yarn.



Narrow Woven Fabric: Used in manufacture of Carpets, Rugs, Tapes and Ribbons.

Backward Integration

3.0
2012-2015

Dahej Plant

- Fully Integrated – From Raw Material to Finished Products
- Poly-Condensation plant envisaging 600 TPD and 250 TPD POY and 350 TPD of Polyester Chips

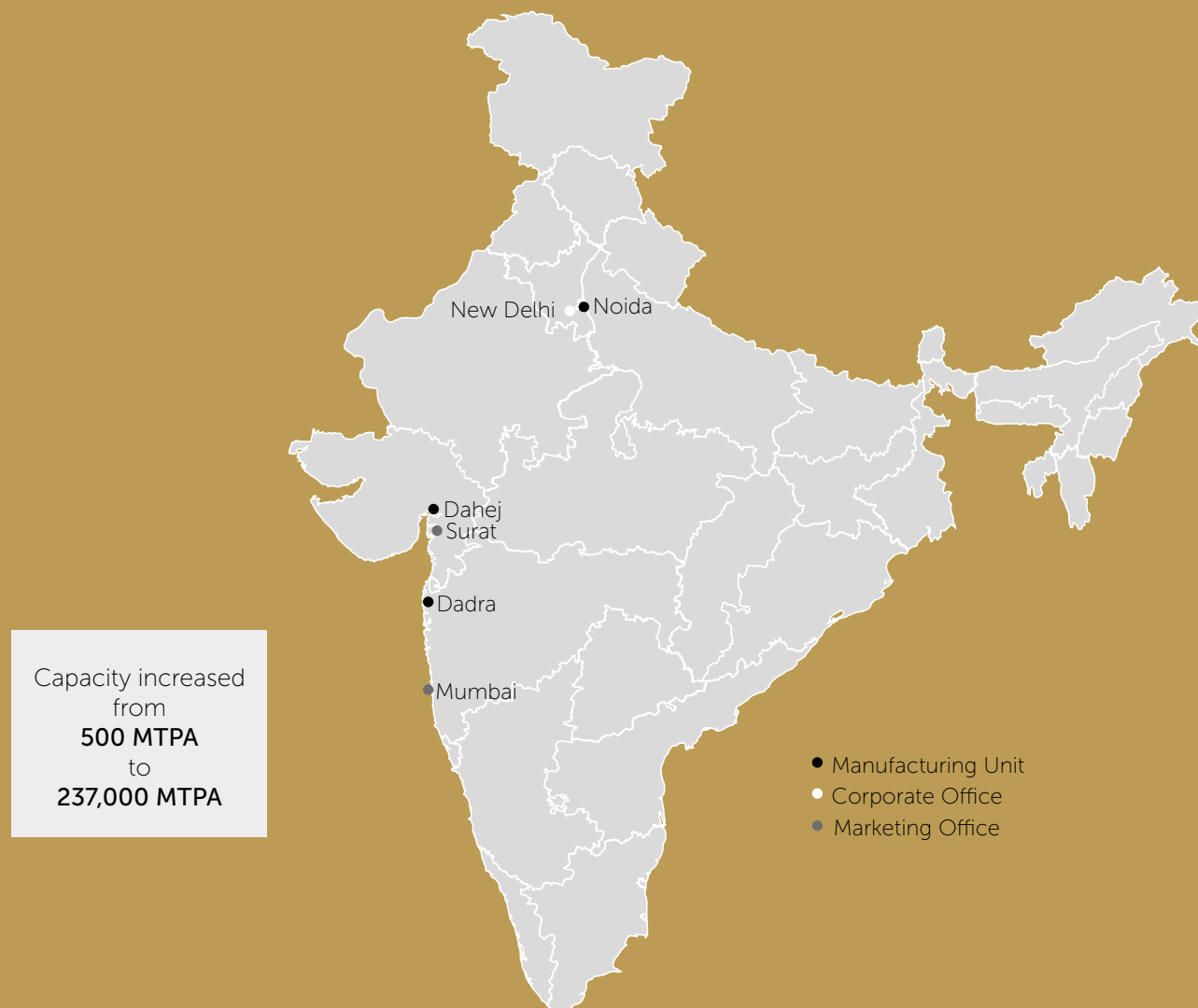
Forward Integration

4.0
2016

Dahej Plant

- Commenced production of 115 TPD of FDY
- Added 42 Texturizing Machines to improve Product Mix (Key input for DTY is POY)
- Commenced production of 200 TPD in Sep 2016

Manufacturing Capacities



Capacity increased
from
500 MTPA
to
237,000 MTPA

Capacity Break-up (Plant Wise)

Particulars	Existing Capacity (MTPA)		
	Noida	Dadra	Dahej
Monofilament Yarn	500	-	-
Narrow Woven Fabric	-	2,500	-
Semi Dull Polyester POY*	-	15,600	20,000
Semi Dull Drawn Textured Yarn*	-	6,000	68,000
Semi Dull Polyester Chips	-	-	64,000
Semi Dull Fully Drawn Yarn	-	-	41,000
Bright Fully Drawn Yarn	-	11,500	-
Polypropylene Yarn	-	7,500	-
Total	500	43,100	193,400