



Fiberweb (India) Limited

Manufacturers of : Spunbond Nonwoven Fabrics

14th November, 2017

The Dy. Manager (Corporate Relations Dept.),
The Bombay Stock Exchange Ltd.,
1st Floor, New Trading Ring, Rotunda Bldg.,
P. J. Towers, Dalal Street, Fort,
MUMBAI – 400 001.

Ref: Fiberweb (India) Limited (Scrip code: 507910)

Sub.: Q2 and H1 FY 2018 Earnings Conference Call.

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, please find attached herewith Q2 & H1 FY 2018 Earnings Conference Call.

Kindly take note of the same.

Thanking you,

Yours faithfully,
For FIBERWEB (INDIA) LIMITED

Pravin V. Sheth
Chairman & Managing Director
(DIN: 00138797)

Encl: As above

Product is manufactured in the plant, where the Management system is certified for ISO 9001:2008, 14001:2004, OHSAS 18001:2007

Mumbai : "KIRAN", Ground Floor, 128 Bhaudaji Road, Matunga, Mumbai - 400019.
Phone : 91 (22) 2404 4855 / 76 / 2408 2689 / 90 Fax : 91 (22) 2404 4853
Regd. Office: Airport Road, Kadaiya, Nani Daman, (U.T.) - 396 210.
& Works Phone : 91 (260) 222 0766/0458/1458/1858/0958 Fax : 91(260) 2220758
E-mail : fiberweb@vsnl.net, fiberweb@fiberwebindia.com
Website : fiberwebindia.com



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“Fiberweb (India) Limited Q2 and H1 FY 2018
Earnings Conference Call”

November 10, 2017



**MANAGEMENT: MR. PRAVIN SHETH -- CHAIRMAN AND MANAGING
DIRECTOR, FIBERWEB (INDIA) LIMITED
MR. G. RAVINDRAN -- EXECUTIVE DIRECTOR,
FIBERWEB (INDIA) LIMITED**

Moderator: Ladies and Gentlemen, Good Day, and Welcome to the Fiberweb (India) Limited Q2 and H1 FY 2018 Earnings Conference Call. 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. In case, 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. Pravin Sheth. Thank you and over to you, Mr. Sheth!

Pravin Sheth: Thank you. Good Afternoon to Everyone. And a warm welcome to all the participants of quarter two and H1 FY 2018 earning conference call of Fiberweb (India) Limited.

Today, I am joined by Mr. Ravindran -- Executive Director of the Company; and Bridge IR our Investor Relation Advisor.

I hope that all of you had a chance to look through our Investor Presentation or are looking through it right now. I will first take the opportunity to take all through our Company's second quarter and half year FY 2018 business update.

Fiberweb (India) Limited was incorporated in 1986 with a sole purpose of manufacturing plastic molded product with high performance engineering polymer.

Later in the year 1995, the Company entered for the first time in the manufacturing of Spun Bond Non-Woven Fabric with a double beam technology sourced from renowned German manufacturer Reifenhäuser GmbH, Germany. At our manufacturing facility located in Daman, India. The unit is 100% export oriented unit. Currently the total capacity of Spun Bond Non-Woven Fabric stands at 7,500 out of which 2,500 metric tonne is lease based.

On the similar line of expansion as stated in previous concall, we have already introduced Melt-Blown Non-Woven capacity; it is an installed capacity of 3,000 metric tonnes, which is also installed now at our Daman facility. This product is in a huge demand in the sectors like Specialty Wipes, Filtration, Medical and Absorbents.

We have also identified a better opportunity that is Flat Bond, which has a growing market and higher margins. The strength of our Company lies in its capability to offer end-to-end solution and the Non-Woven Fabric as per customer's need. Our expertise and in-depth know-how of the technology is innovating and manufacturing in new fabrics like Melt-Blown, which will give us a great edge over peers not only domestically but also globally. We also in future, as Flat Bond which is a high end profitable product.

Now coming on to our plant capacity expansion, we have announced an expansion of around 3,000 metric tonne Melt-Blown capacity. We are happy to inform you that the machinery is installed, and the trial production has been taken out.

The American customers are also visiting our factory and we likely to receive many orders immediately as soon they visit our factory. We will start the commercial production soon.

We also announced to expand our Spun Bond Non-Woven capacity but in due course with our market research, and understanding of the global Non-Woven sector. We understand the need to invest, the next generation technology that is Flat Bond which has a growing market and higher margins.

We are in advance stage of negotiation with our machinery supplier who has shown keen interest in our Company and are also ready to buy shares as well as become Director i.e. Board of Directors of the Company.

As on the date, our total capacity stands at 5,000 metric tonne per annum; owned Spun Bond Non-Woven capacity and 3,000 metric tonnes of the Melt-Blown product. In addition, we are also running 2,500 metric tonnes per annum of Spun Bond Non-Woven on a lease rental basis.

Our performance in the second quarter and half year has reported a robust and historical growth this quarter is the history of the Company. Our H1 FY 2018 numbers have taken our recent growth momentum forward and we aim to deliver similar outstanding performance in the subsequent quarters also. This will be driven by strong growth across business segment supported by strong tailwinds from domestic as well as global market.

Through H1 FY 2018, we have been able to obtain good business on a consistent basis and this is testimony of our manufacturing expertise, timely delivery of the products and consistent quality which shows the great trust that our client has in us, giving us great confident in meeting our long-term goals.

Going forward, we look forward to financial year 2018 ending with a robust growth in turnover and profit. We expect to increase value added product offering to the existing and new geographies. Fiberweb is well poised to capitalize on any first coming business opportunity.

Let me now give you an update on a very important matter that is selling of the shares like Gayatri Pipes in Agarwal family who are considered as acting in concerned with promoters. The actual promoters have not sold any share of the Company. In fact, the actual promoter Sheth family has increased their shareholding over last few years.

As you know Gayatri Pipes our strategic investor and Agarwal family where allotted shares as per BIFR order both were holding large number of shares as public entity prior to BIFR. We do not have any control on them for selling the shares which they hold. Agarwal family's new shares are in lock-up up to May 2019. We have put our best effort to keep them informed about the progress of the Company and bright future.

So from an overall business perspective that is all from my side, I will hand over to Mr. Ravindran, who will take you through the financial performance of the Company. Thank you, all of you.

G. Ravindran:

Thank you, Mr. Sheth and a good day to all that participants. I will share highlights of our consolidated financial performance, following which we will be happy to respond to your queries.

In Q2 of FY 2018 Company registered revenue of Rs. 62.1 crores with a year-on-year growth of 182% from Rs. 22.1 crores in the same quarter last year. This is mainly on account of better product mix and continuous orders in flow from new and existing clients across the globe.

EBITDA for Q2 FY 2018 is at Rs. 9.1 crores, as compared to Rs. 3.6 crores in Q2 FY 2017 which amounts to increase of 152%.

Profit after tax for Q2 FY 2018 stood at Rs. 8.5 crores as compared to Rs. 2.8 crores in Q2 FY 2017. This represents an exceptional growth of 203% year-on-year.

Our EPS in Q2 FY 2018 grew by 166% at Rs. 5.9 as compared to just Rs. 2.2 in Q2 FY 2017.

Coming to the half yearly financial highlights.

In H1 FY 2018 Company registered revenue of Rs. 115.8 crores with a year-on-year growth of 230% from Rs. 35.1 crores in the same period last year.

EBITDA for H1 FY 2018 is at Rs. 17.5 crores as compared to Rs. 6.6 crores in H1 FY 2017 an increase of 115%.

Profit after tax for H1 FY 2018 stood at Rs. 16.2 crores as compared to Rs. 5.1 crores in H1 FY 2017. This represents an historical growth of 215% year-on-year.

Our EPS in H1 FY 2018 grew by 186% at Rs. 11.7 crores as compared to Rs. 4.1 crores in H1 FY 2017

This is all from me. This is all from our side, Mr. Pravin Sheth has already spoken to you and now we can open the floor for Question-and-Answers. Thank you.

Moderator:

Thank you very much. Ladies and Gentlemen, we will now begin the Question-and-Answer Session. The first question is from the line of Viraj Parekh from K R Choksey. Please go ahead.

Viraj Parekh:

Sir, there was a couple of points and clarifications that I would like to touch upon. Firstly, I would like to understand the domestic overview of our products. If I am not wrong, we are more focused on the exports, considering of 70% of our product line is being exported

pertaining to our Spun Bond Non-Woven Polypropylene Fabric. So I would like to have a flavor from you with respect to which domestic presence and domestic outlook going forward, sir.

Pravin Sheth: I appreciate your question. Actually, we are 100% EOU that is export oriented unit. As such we are supposed to export majority of our products and sell only certain percentage in local markets. In local market we have a very prestigious customer Johnson & Johnson India Limited and they are consuming our entire quota what we can sell in a domestic market. And second thing, we are having a very good name in U. S. market, having our office also in U. S. and that is why we are more concentrating on the export and I feel that is basic thing for me which our Company was actually promoted.

Viraj Parekh: Right, correct, sir. So, sir, any particular proportion how much of our total revenue would be also catering to the domestic? I can completely understand that since it is a 100% EOU, so our major focus is only export front itself. But with respect to the domestic market, how much percentage would ideally if you could quantify would go the domestic market?

Pravin Sheth: Approximately 30% goes to domestic market and 70% is exported. And out of that 70% almost about 80% of that 70% is exported to U. S.

Viraj Parekh: Okay. Right, sir. Thank you for that clarification. Sir, secondly, just a quick question on our raw material pricing, so if my understanding is correct, our major raw material is Polypropylene.

Pravin Sheth: Yes.

Viraj Parekh: And if I am not wrong we import the majority of our Polypropylene requirements from ExxonMobil USA.

Pravin Sheth: Yes, sure. Because the prices of ExxonMobil are much favorable than the local market price.

Viraj Parekh: Correct. That is exactly what I wanted to know. And considering the international presence and regulations per se to the pricing of Polypropylene and considering the pricing of a lot of chemical components being at all-time high in the last couple of months what would be your take on the raw material pricing pertaining to our Company, sir, going forward the impact of our raw material cost, do we expect any further increase in our raw material cost, sir?

Pravin Sheth: Yes, I will tell you one thing. What we have done is that we have already inbuilt understanding with our customers. If the raw material prices, for example, was saying \$1,100 per metric tonne, we were selling at \$2,100 per metric tonne that is our margin is about \$1,000 per metric tonne. Now when it goes up to say \$1,500 per metric tonne then the price will go \$2,500 per metric tonne, our margin will remain same. Only thing is that the percentage of profit might defer in a percentage way and the amount of sales might go up because of the increase in this price. But profit wise we are not affective. Our profit margin remains the same.

Moderator: Thank you. We have the next question from the line of Krishnan Ganeshan, as an Individual Investor. Please go ahead.

Krishnan Ganeshan: My question is regarding the competitive mode that our Company has. I wanted to understand with the Korean's and the Chinese also in the same Non-Woven Fabric sector, what kind of advantage do we have competitively with our USA and U. K. customers?

Pravin Sheth: Now, I will tell you. Main our advantage is that we have got our own USA office where my son is holding the whole entire office, with two of the American's and we are available for 24 hours service to our customers. I would like to tell you one good thing that in last 20 years we have not a single complaint about the quality of our product, that is our first strength. Our second strength is timely delivery. American market is very sensitive the delivery has to very time bound. So timely delivery and the quality these are the two things which has given an edge to us over our other competitors.

Krishnan Ganeshan: Sir, would you have any idea if we were to take any of our customers, what percentage of their procurement of Non-Woven Fabrics comes from us versus our competitors from let us say China.

Pravin Sheth: See, one thing I will tell you. It was my slip of tongue that I informed. We are bound by a non-disclosure agreement with each and every customer. Our customers are fortune 500 customers of USA and every customer wants us, I cannot give individual names of any customers, in fact we have to offer our apology in writing to that it was a mistake on the part, on my part that we disclose the name because we are not supposed to disclose anything name or even how much we give to each and every person. So, I am sorry for that. But you will understand that we have to follow strict business policy of our customers also.

Krishnan Ganeshan: Fully understand, sir. My intension was not to expose any of our clients. I just wanted to understand our competitive landscape.

Pravin Sheth: Not your intension, I mean you are a well-wisher of the Company, but I have to clarify myself because many people are saying that you are not disclosing name of the customers. But see, I would love to disclose customer's name, but I am not supposed to discuss, so that is the only problem. You have to trust us that well we are saying it is fortune 500 of the American market. So, it is there right, and our performance speaks of it.

Krishnan Ganeshan: Thank you, sir. Like I said, I was only trying to understand the competitive land escape, if we were to take our results from yesterday for the last quarter, we have had such a brilliant performance, yet the Stock Market does not seem to reflect this kind of performance, I was wondering whether there were other factors like competitive competition at play.

Pravin Sheth: No, there is nothing like that. Actually, very frankly. I have never purchase a single share in the market, not sold a single share in the market, I do not know anything about the stock or about the pricing and that entire thing. It is just done by the people who buy and sell, so I am

sorry, I would not be able to throw any light on that why the prices are not going up or what is the reason. But one more good thing I would like to tell you that we are now coming up with the Flat Bond about 7,000 metric tonne and we are actually in advance stage of negotiation. And you will be surprise that even this is a product where the demand is much-much higher than the supply. At least about 30% to 35% higher than the supply and that is why the prices are very-very lucrative.

Moderator: Thank you. We have the next question from the line of Alok Kapadia, as an Individual Investor. Please go ahead.

Alok Kapadia: Sir, just wanted one clarification in our balance sheet the receivables number has gone up a lot. So, is there any particular reason because over the last couple of years we have been running a very tight balance sheet, so any explanation on that?

Pravin Sheth: Yes, I will tell you the reason. See, we have to give our USA customers and even the local customers credit of 90 days. In USA it is a prevalent practice that they give 60 days' credit from the date of receipt of the material. So, it takes about one month to reach my material. So we have to offer 90 days credit to our customers. Second thing, we have to also send from our factor, at least five days to six days in advance for catching the steamer of a particular day. Say Monday is steamer then we have to at least send by earlier Tuesday or Wednesday this thin. So in fact, from the date of dispatch or from the date of our bill, it becomes about 95 days, 96 days, 97 days sometimes. So it is a normal trade practice and we cannot do anything of it. In the initial stage we were trying to convince our customers and trying to take advantage of LC were there, we were discounting LC. So we were able to generate this thing but now, it is not a practice in USA had to give LC at all. But of course, we are secured by the insurance of that.

Alok Kapadia: Okay. So sir, assuming that we are seeing very strong visibility of demand, so the receivables number will remain quite high going forward as well?

Pravin Sheth: Yes. Actually our history you will see of the Company the fourth quarter is the best quarter and in fact this is actually a historical quarter that in the history of our Company we have never been able to do such a good business in the one quarter which we have done it in the last quarter. And we hope to continue the same progress in further year also.

Alok Kapadia: Okay, sir, because there is a material jump in the receivable days so you are saying that trend will continue?

Pravin Sheth: Yes, that is even but we are inbuilt in the price. Our margin is not affected by it. Accept that the percentage of their profit may vary.

Alok Kapadia: Okay. Sir, on the trade payable side also, so basically do we get very reasonable credit terms of 60 days to 90 days also there also?

- Pravin Sheth:** No, we do not get any credit terms. In fact, it is only the local supplies where we buy a Polypropylene and with that we have to also buy locally say UV master batches of white and other colors. So for that we get credit, except that from Exxon we do not get any credit, we have to pay document against payment. So our credit is limited and we do not get that much credit. So our credits will not find that much increase.
- Alok Kapadia:** Okay, thank you very much, sir. Sir, second question, you briefly highlighted on the raw material bit, so you are saying that we would be able to adjust the prices of our output based on how the raw material prices pretty much with the three-month lag or even shorter than that?
- Pravin Sheth:** No, our actual terms of supply or when we accept the orders, it is always based on that the raw material prices increase automatically the selling price will increase that much.
- Alok Kapadia:** Okay. So we should be able to maintain these kinds of margins which you are reporting.
- Pravin Sheth:** It remains the same, percentage wise it may vary because I am getting today \$2,200 per metric tonne because of \$1,200 is the price of the raw material but if raw material prices goes to \$2,000 I will get \$3,000 only. So what will happen is that at the \$1,000 my cut is the same my profitability is the same but percentage wise if you see it on \$3,000 I will earn \$1,000. At present I am earning on \$2,200, \$1,000. So percentage wise it will vary but our profit remains the same. It does not get reduced anyway.
- Moderator:** Thank you. We have the next question from the line of Umang Shah from JM Financial. Please go ahead.
- Umang Shah:** Sir, I was trying to understand one thing that we put together all our clients in USA market what would be the appetite? How much would be they consuming our materials as against how much are we servicing them? So if they are out of 100% we are servicing how much percentage all the clients put together?
- Pravin Sheth:** Every customer of ours is normal practice in USA to have four to five vendors. They never buy from one person and we are one of them. To some customers we supply about 15% of their requirement, to some 20%, some 25% of the requirement. Maximum we give them is the 25% of the requirement because they do not buy more than much from any person. But see the thing have happened in last few years such a way that their demand has increased, my supply has not increased. So the person whom I was giving 75% of their requirement, now I give them 20%; sometime I give 18% of their requirement, as their requirement increases, their requirement is increasing every year.
- Umang Shah:** Okay. So how much time will it take us as Fiberweb to increase our capacity to serve these markets because maybe we are losing out on some revenue on that.
- Pravin Sheth:** No, actually what has happened in that, this particular market we have to go into actually expand and Spun Bond only formally. But Spun Bond we have realized that the profit is

stagnant now, it is not increasing. So, we have found out another Flat Bond. Melt-Blown of course, we have already established now. It is also giving much more profit than the Spun Bonds. Now, we are putting Flat Bond now. Flat Bond is a fantastic profitable item and once that item comes it will be fantastic results, in fact, I cannot imagine at present commit that type of thing. But once demand is far-far excess to supply. And this is very technical item, so it is not easy to even increase the supply that soon. But we hope if everything goes well, we are in very advance stage of negotiation with the Flat Bond machinery manufacturer and they have also shown keen interest. In fact, they are going to buy equity of our Company and they are also going to come on the Board of the Company. And they will try to give us as early as possible the machine. But it will take at least one year from the time we finalize the deals.

- Umang Shah:** So, may be FY 2019 quarter four would be when we will be starting our production?
- Pravin Sheth:** Yes, I think January 2019 should be the correct time to start the commercial production.
- Umang Shah:** Okay. Sir, one more last question, if I can just squeeze in. Are we affected by any seasonality's in USA market as in sales decreasing or discounting decreasing or something like that? Are we affected by that or our supply is consistent over month-on-month?
- Pravin Sheth:** Supplies are constant. Even there weather as very fluctuating. In fact, they also have to face a lot of storms. But our product as such they are not affected.
- Umang Shah:** Okay. So, we are looking at such type of revenue growing quarter-on-quarter and year-on-year at the same pace or accelerated pace?
- Pravin Sheth:** I mean, this is something which is really historical and fantastic, the pace could be little more or less or it will be always increasing pace.
- Moderator:** Thank you. We have the next question from the line of Ghanshyam Binani, as an Individual Investor. Please go ahead.
- Ghanshyam Binani:** I just had couple of queries; the 18 lakhs equity warrants issued which are converted to equity shares. Could you please let us know what would be the rate at which the conversion was done?
- Pravin Sheth:** That was for the Melt-Blown and now the Melt-Blown has been commissioned.
- Ghanshyam Binani:** The equity warrants were converted to equity shares?
- Pravin Sheth:** They will convert into shares I mean partially in March, partially in July.
- Ghanshyam Binani:** Yes, at what rate like Rs. 10 as a share was there any premium on that or how is it?
- Pravin Sheth:** Rs. 181 per share; Rs. 171 was the premium as per the SEBI guidelines.

- Ghanshyam Binani:** 122 lakhs has gone down to 42 lakhs power and fuel that is a reduction of 65%. Whereas the other expenses gone up from 205 lakhs to 308 lakhs almost 50% increase?
- Pravin Sheth:** See, what happens is that the other expenses include the freight. So when our sales increases the freight automatically increases because you have sent more materials.
- Ghanshyam Binani:** Is there anything, any other element because the freight is already shown separately.
- Pravin Sheth:** Proportionately consider the sales; it increases proportion to the sales.
- Ghanshyam Binani:** There is a huge reduction in the power and fuel cost, the current first half of this year up to September, the fuel power cost is Rs. 43 lakhs vis-à-vis Rs. 122 lakhs in the last year. So there is a huge reduction.
- Pravin Sheth:** Last year, whole year you are considering this is half year.
- Ghanshyam Binani:** No, sir both half year.
- Pravin Sheth:** Yes, this is just half year. And one more thing is there if you see last year actually there were a lot of power cuts, so we have to use the diesel generating set. So diesel cost and cost of that is there and this year luckily due to the efficiency of the present administrator of Daman and also as per the guidelines given by the Central Government to them, I mean there was not a single power cut in the entire time. So it makes a lot of difference accordingly.
- Moderator:** Thank you. We have the next question from the line of Rajesh Vora from Jainmay Ventures. Please go ahead.
- Rajesh Vora:** I have a couple of quick questions. Firstly, on you have done preferential allot for Rs. 32 crores of 18 lakh shares. That was primarily to fund Rs. 100 crores of CAPEX that you have planned?
- Pravin Sheth:** No, that was primarily to fund the Melt-Blown line. The Melt-Blown line and the factory what we have to make separately for it. It was about Rs. 30 crores.
- Rajesh Vora:** Okay. So what about the balance Rs. 70 crores - Rs. 68 odd crores.
- Pravin Sheth:** So it has only started functioning now.
- Rajesh Vora:** Very good. So what about the balance Rs. 68 crores of CAPEX funding requirement?
- Pravin Sheth:** See, formally we were going to have 10,000 tonnes of Spun Bond Non-Woven cost of Rs. 80. Instead of that we have changed it to the Flat Bond which is much more profitable item. Suitable items, Flat Bond is there. And for that we have totally changed our plan of the expansion. So this will be totally financed in a separate way. The machinery suppliers we are negotiating, they may give us about 75% or 80% of the funding. They are also going to buy

equity and come on the board. And then out of our own resources that is what we do out of our earning then we may be able to fulfill there.

Rajesh Vora: So do I assume Pravin Bhai that there will be no further equity dilution to the outsider other than this project for which you may get funding from the equipment supplier.

Pravin Sheth: That pricing we are planning. And thing changes suppose that they are not coming up with a proper loan or they are reducing the loan or equity also they are talking of coming with about 5% equity. But if there is any change, this is on negotiation level.

Rajesh Vora: Sure. No, I understand.

Pravin Sheth: At present we have got this thing that we are not going to take fresh equity at present. It will all depend on the circumstances as they grow.

Rajesh Vora: Sure. Are you in position to give all of us a little bit of idea about what this Flat Bond capacity would be or how large?

Pravin Sheth: This is about 7,000 metric tonnes of capacity and the profitability in that particular is you can say gross margin of about 44% to 45% and the net margin will be approximately 30%. That is something which is really fantastic that is the reason why our research team and everybody have decided to go for it.

Rajesh Vora: No, I think, that is a very wise decision to not go for Spun Bond where there is may be a little bit of margin.

Pravin Sheth: No, there is stagnancy now, profitability is there but profitability is stagnant. It is not going to increase profitability in that to a particular extent what we want it now. And with this growth, people are expecting us to have but every time say better and better result. And we have to fulfill the wishes of our shareholders.

Rajesh Vora: So where did you get this idea of Flat Bond from? From your customers in the USA or somewhere else?

Pravin Sheth: No, actually customers, our research team also have investigated and from the various sources, it is not from one source, it is various sources.

Rajesh Vora: Okay. At the outset of the call Pravin bhai, you mentioned that while you have no control over what Gayatri Pipes does or what Agarwal family does which we understand but your family has in fact increase the stake in the last two years.

Pravin Sheth: Yes, it has substantially increased in the last say from, if you consider as on March 2015 and if you consider March 2017 you will find that is more practically double the stake.

- Rajesh Vora:** You mean to say Sheth Family's shareholding.
- Pravin Sheth:** Yes. I can tell you actually, on September '15, we had about 24,55,847 shares. As on June 2017, we have got 47,61,507 shares.
- Rajesh Vora:** Sheth Family correct, got it. But are not they getting impressed with your performance and what you are accomplishing, are you in touch with them?
- Pravin Sheth:** No, see formally we were not. They were investors, so we were not. But now we have decided during giving the feedback and also telling them that this is the Company, it is going to do fantastic. So if possible remain invested.
- Moderator:** Thank you. We have the next question from the line of Manjunath Kulkarni, as an Individual Investor. Please go ahead.
- Manjunath Kulkarni:** Sir, I want to ask one question. In the last few quarters, we heard about Dubai subsidiary. So how it is performing, sir in this quarter?
- Pravin Sheth:** This quarter performance also is in line with the previous year, we are not increasing there much because after all it is trading business. So it is more or less constant.
- Manjunath Kulkarni:** Yes. And one more question, this Gayatri Pipes and Agarwal shareholders they are selling in previous quarters, so I got the reply from your Company secretary, if they sell in future you may buy the shares from them. So are you going to do that now also?
- Pravin Sheth:** See, formerly we were not in touch with them that much. Now we have given them updates and told them that the Company's future is bright, why do you want to sell the shares and why do you not be invested? So more or less they seem to, because last two months I do not think they have sold any share. So more or less it seems that they will remain and now with this kind of results what has come, I do not think that they will be selling. But see, I do not have a control on them nor I can force them that give it to me only or something like that. I cannot commit on that issue and then at a particular time when they want to sell, I should have that much money in my hand also. So all these three factors are there but anyhow, we will try to see that the wrong signals which are there are stopped.
- Manjunath Kulkarni:** Yes, sir. And one more last question, when this Melt-Blown commercial production will start, sir? What we heard is the trial production started?
- Pravin Sheth:** See, at present even today, one of our American buyers is visting the factory with my son, Bhavesh, now for this coming week many are coming. Once they come and see the things and they will immediately place the order. So hopefully, in another 10 days – 15 days' time we will start the commercial production. It is not a product which you can produce and keep it ready, although machine can produce now but it is not something which we have to actually, it is a tailor-made things. Whatever our customer wants we have to make that particular product. So

accordingly, once we get the order it will be may be that we are so hopeful that once they come and see the whole thing they will place the order for the whole next year. So we will not have to then worry about the orders at all.

Manjunath Kulkarni: No, you will be utilizing the 100% capacity of that Melt-Blown, you are hopeful of that?

Pravin Sheth: Yes.

Moderator: Ladies and gentlemen, due to time contains that was our last question. I now hand the conference over Mr. Pravin Sheth for closing comments. Thank you and over to you, sir!

Pravin Sheth: Anyhow, thank you all of you.

Moderator: Thank you very much. Ladies and Gentlemen, on behalf of Fiberweb (India) Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.