

February 5, 2024

To,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001

**BSE Code: 500264**

Dear Sir / Madam,

**Sub: Investor Presentation for Q3 of FY 2023-24.**

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, we enclose herewith Investors Presentation on the Financial Highlights for the quarter and nine months ended 31<sup>st</sup> December 2023.

The aforementioned Presentation has been uploaded on the Company's website viz., [www.mafatlals.com](http://www.mafatlals.com).

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,  
**For Mafatlal Industries Limited**

**Amish Shah**  
**Company Secretary**  
Encl.: a/a

TRANSITIONING TODAY  
TRANSFORMING TOMORROW

MAFATLAL INDUSTRIES LIMITED  
INVESTOR PRESENTATION  
Q3FY24 and 9MFY24



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This presentation contains certain forward-looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future or update any forward-looking statements made from time to time by or on behalf of the Company.

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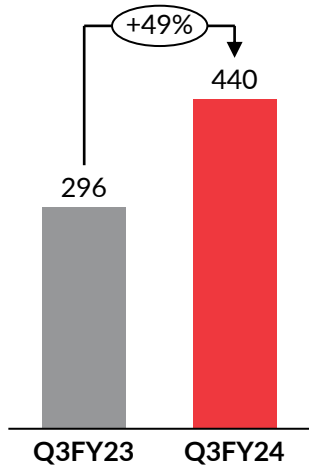
FINANCIAL HIGHLIGHTS –  
Q3FY24 & 9MFY24



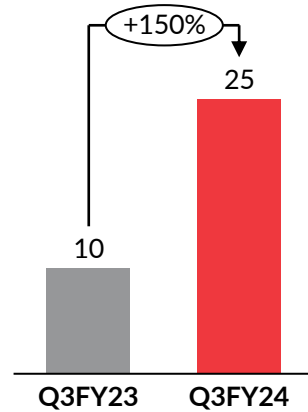
# FINANCIAL HIGHLIGHTS – Q3FY24

INR in Cr

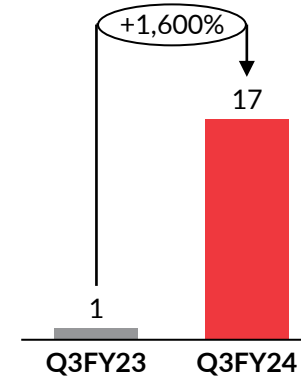
## Total Income



## Total EBITDA\*

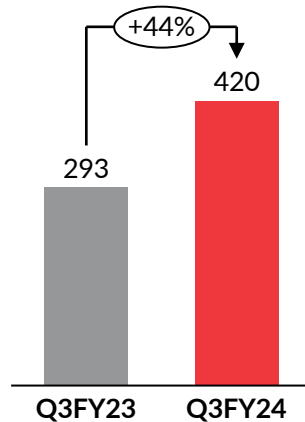


## PAT\*

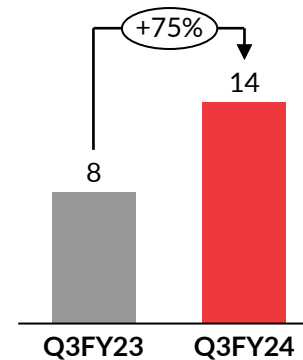


\*Total EBITDA and PAT includes other income to the tune of Rs. 19.7 Cr, primarily arising from divestment of non-core asset & sale of TDR

## Revenue From Operations



## Operating EBITDA

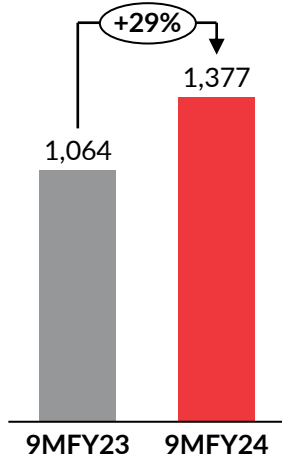


- The increase in revenue from operations is primarily due to a significant surge in execution of institutional tenders
- The company reported INR 11.6 Cr in other income, with a significant portion being non-operational. This includes the sale of a non-core asset and sale of TDR
- Gross Debt as on 31<sup>st</sup> December 2023 stood at INR 58 Cr vs INR 76 Cr as on 30th September 2023
- During the quarter company has provided in books the provision of Rs. 7.3 Cr for Expected Credit Loss as per Ind AS 109

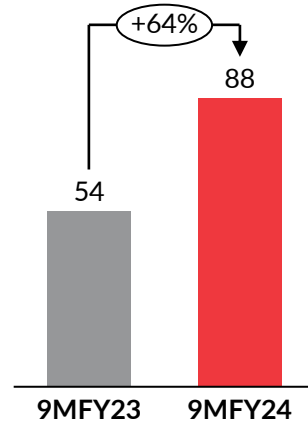
# FINANCIAL HIGHLIGHTS – 9MFY24

INR in Cr

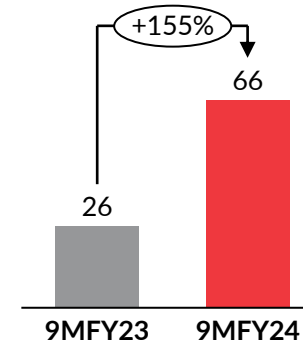
## Total Income



## Total EBITDA\*

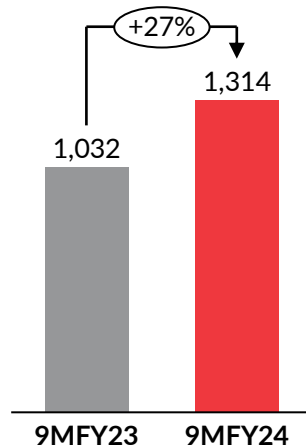


## PAT\*

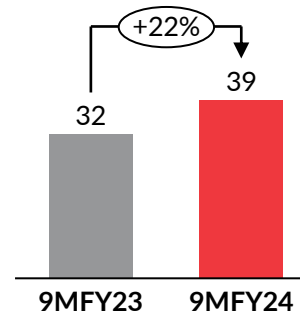


\*Total EBITDA and PAT includes other income to the tune of Rs. 63 Cr, primarily arising from divestment of non-core asset & sale of TDR

## Revenue From Operations



## Operating EBITDA



- The topline performance remains consistent with the strategic endeavors of the company. We are on the track to exceed our previous highest ever revenue from operations and operating EBITDA
- Company aims to pursue prospects within the digital infrastructure segment and participation in large Institutional tenders.

# PROFIT AND LOSS – Q3FY24 & 9MFY24

Particulars (INR in Cr)	Q3FY24	Q3FY23	Y-o-Y	Q2FY24	Q-o-Q	9MFY24	9MFY23	Y-o-Y	FY23
Revenue from Operations	420.1	292.5	43.7%	308.6	36.2%	1314.2	1032.2	27.3%	1370.5
Other Income	19.7	3.8		20.7		63.0	32.1		45.1
<b>Total Income</b>	<b>439.8</b>	<b>296.2</b>	<b>48.5%</b>	<b>329.3</b>	<b>33.6%</b>	<b>1377.2</b>	<b>1064.3</b>	<b>29.4%</b>	<b>1415.6</b>
Total Raw Material	345.4	215.9		255.3		1071.7	824.1		1072.6
<b>Gross Profit</b>	<b>94.5</b>	<b>80.3</b>	<b>17.7%</b>	<b>74.0</b>	<b>27.7%</b>	<b>305.5</b>	<b>240.2</b>	<b>27.2%</b>	<b>343.0</b>
<b>GP Margin (%)</b>	<b>21.5%</b>	<b>27.1%</b>		<b>22.5%</b>		<b>22.2%</b>	<b>22.6%</b>		<b>24.2%</b>
Employee Expenses	15.3	13.8		15.6		47.1	39.1		52.0
Other Expenses	53.9	56.8		30.5		170.3	147.5		217.1
<b>EBITDA</b>	<b>25.2</b>	<b>9.7</b>	<b>161.1%</b>	<b>27.9</b>	<b>-9.7%</b>	<b>88.0</b>	<b>53.6</b>	<b>64.2%</b>	<b>73.9</b>
<b>EBITDA Margin (%)</b>	<b>5.7%</b>	<b>3.3%</b>		<b>8.5%</b>		<b>6.4%</b>	<b>5.0%</b>		<b>5.2%</b>
Depreciation	3.6	3.8		3.8		11.4	11.5		15.4
<b>EBIT</b>	<b>21.6</b>	<b>5.9</b>	<b>268.7%</b>	<b>24.1</b>	<b>-10.3%</b>	<b>76.7</b>	<b>42.1</b>	<b>81.9%</b>	<b>58.5</b>
<b>EBIT Margin (%)</b>	<b>4.9%</b>	<b>2.0%</b>		<b>7.3%</b>		<b>5.6%</b>	<b>4.0%</b>		<b>4.1%</b>
Finance Cost	4.5	4.4		3.2		11.2	13.2		17.7
Exceptional Item	0.0	-0.5		0.0		0.0	-0.5		-0.5
<b>Profit before Tax</b>	<b>17.1</b>	<b>0.9</b>	<b>nm</b>	<b>20.9</b>	<b>-18.4%</b>	<b>65.5</b>	<b>28.4</b>	<b>133.0%</b>	<b>40.3</b>
<b>PBT Margin (%)</b>	<b>3.9%</b>	<b>0.3%</b>		<b>6.4%</b>		<b>4.8%</b>	<b>2.7%</b>		<b>2.8%</b>
Tax	0.0	0.0		0.0		0.0	2.8		2.8
<b>Profit After Tax</b>	<b>17.1</b>	<b>0.9</b>	<b>nm</b>	<b>20.9</b>	<b>-18.4%</b>	<b>65.5</b>	<b>25.7</b>	<b>158.8%</b>	<b>37.5</b>
<b>PAT Margin (%)</b>	<b>3.9%</b>	<b>0.3%</b>		<b>6.4%</b>		<b>4.8%</b>	<b>2.4%</b>		<b>2.6%</b>
Cash PAT	20.7	4.7		24.8		76.8	37.2		52.9
<b>Operating EBITDA ^</b>	<b>13.6</b>	<b>8.1</b>	<b>68.1%</b>	<b>10.3</b>	<b>32.8%</b>	<b>39.1</b>	<b>31.5</b>	<b>21.9%</b>	<b>40.7</b>
<b>Operating EBITDA Margin (%) ^</b>	<b>3.2%</b>	<b>2.8%</b>		<b>3.3%</b>		<b>3.0%</b>	<b>3.0%</b>		<b>3.0%</b>

^Operating EBITDA excludes income from Investments, Sale of TDR, Income from Investment Property and Income from Non Core Asset. Operating EBITDA margin is calculated on Revenue from Operations.

Other Income includes net profit on sale of investment property of INR 10.4 Cr in Q3Y24 and sale of TDR of INR 0.2 Cr in Q3Y24 (INR 9.1 Cr in Q3FY23).

EBITDA excludes exceptional item. In FY23 - exceptional item of INR 0.54 Cr as ex-gratia compensation paid.

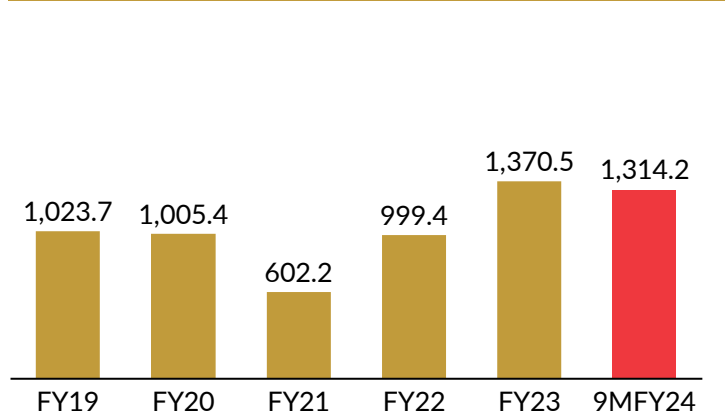
NM- Not Meaningful



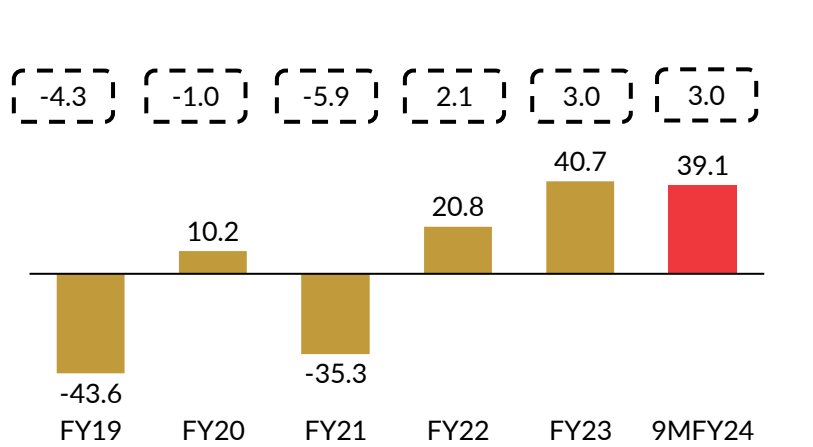
# HISTORICAL PERFORMANCE HIGHLIGHTS

Margins (%) INR in Cr

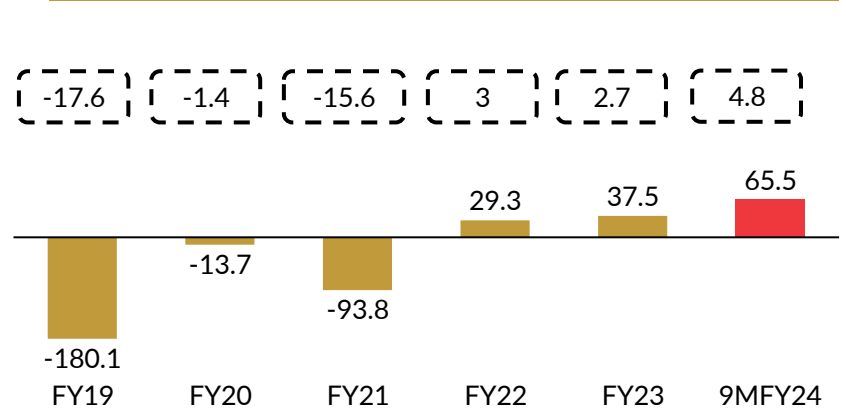
Revenue From Operations



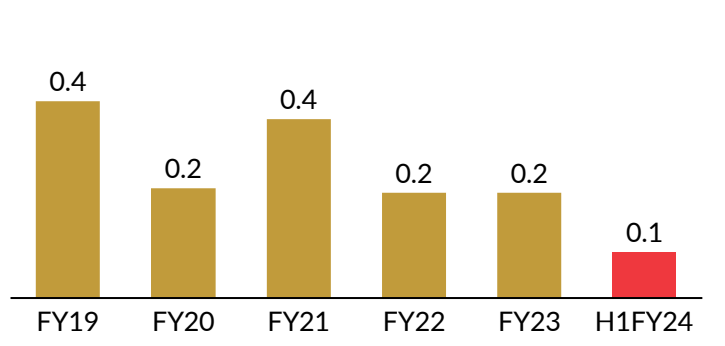
Operating EBITDA



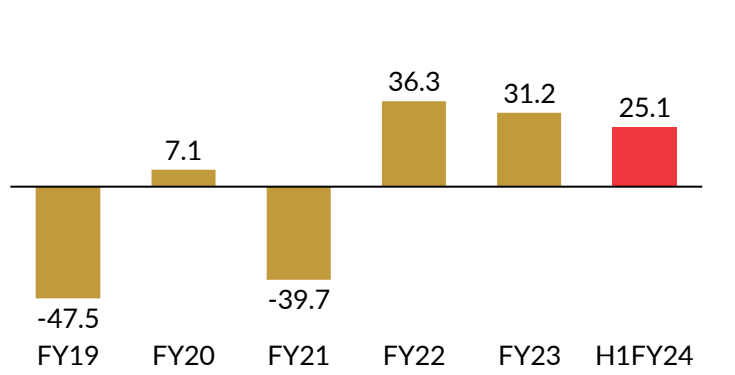
PAT



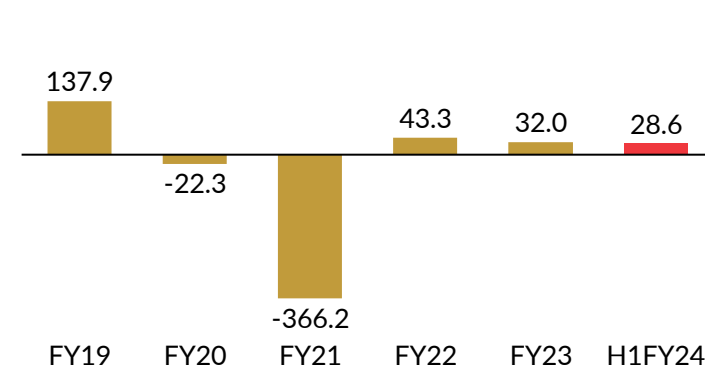
Debt to Equity



RoCE (%)\*



RoE (%)\*



Witnessing a turnaround following asset light model under the recalibrated management

\*excluding dividend income and investment of NOCIL and after exceptional items

## COMPANY BRIEF



# 119



**Major Revenue is from the outsource led asset light business model**



Product and category innovation through its rich experience and strong channel partner relationship allowing to explore new opportunities and categories

**Year old textile company** part of the Arvind Mafatlal Group, has triumphed as a leading and highly trusted brand name in the textile industry. Part of Promoter Group of NOCIL Ltd with ~15.16% stake

Witnessing a turnaround following asset light model under the experienced management

	Total Income	Revenue from operations	Total EBITDA	Operating EBITDA	PAT	
9MFY24 INR Cr	<b>1,377.2</b>	<b>1,314.2</b>	<b>88.0</b>	<b>39.1</b>	<b>65.5</b>	Significant turnaround in its RoCE
FY23 INR Cr	1,415.6	1,370.5	73.9	40.7	37.5	
	Highest Revenue in 10 years				Highest PAT in 10 years	

The company has set the stage for sustainable growth by

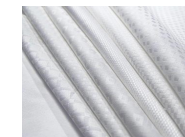
Transforming the Management

Embracing an Outsource - led Asset Light model

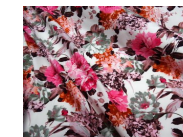
Expanding Horizons

Empowering & Engaging Workforce

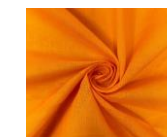
## Textile



Whites



Prints



Voile



School Uniform



Institutional Uniforms



## Health & Hygiene



Baby care products

Female Care

Adult care products

# CURRENT BUSINESS MODEL

## Leader in Uniform Fabric & Garments in branded space

- Outsourcing, branding & distribution play
- School and corporate uniform
- Supply to institutions

## Supplier of Printed Fabric, Voiles, Traditional Woven Fabric & White fabric

- Manufactured in-house and outsourced
- Voiles are exported
- Printed Fabric is a B2B Play
- Caters to semi-urban/ rural markets with White fabric

## Supplier of Healthcare (surgical care) & Hygiene Products

- To governments & hospitals
- Online channel



## Aggregator & Suppliers to various State Government

- Through government tender process
- Textiles, healthcare & hygiene products

## Digital Infrastructure

- Hardware Solution for Digital Classroom
- Institutional solutions for hardware

Unique Consumer Demand Driven Business

Asset-light, Outsourcing & Aggregator led Business Model

Branding & Distribution led model with B2B & B2C Play

Foray into health & hygiene & educational led technology products

Government and Institutional forms ~50% of customers

## INITIATIVES FOR TRANSFORMATION



# STRENGTHS FORMING BASE FOR OUR GROWTH

## Transforming the Management

- › Strategic reshuffling of the leadership to navigate to the transformative path to success
- › Diversified Board with emphasis on responsible governance
- › Flat & lean organization structure which brings speed & nimbleness in management processes



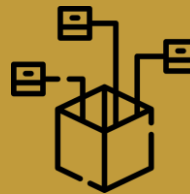
## Embracing an Outsource – led asset light model

- › In highly capital intensive & with high operating leverage textile industry, adopted the outsource led asset light model approach for a better growth
- › Focusing on strengthening its outsourcing-led product portfolio, catering to demands coming from Government/ institutional segments



## Expanding Horizon

- › Going beyond traditional textile and diversifying product portfolio by entering new sectors such as health & hygiene and digital infrastructure
- › These strategic initiatives are aimed to optimize resource utilization, streamline systems, and align with broader growth vision



## Empowering & Engaging workforce

- › People-centric approach has been fundamental to century-long success
- › Low attrition rate, decreasing average employee age, and conducive policies are testament to dedication to workforce and enduring relationships
- › Right sizing of permanent labor strength at manufacturing operation leading to cost efficiency



# INITIATIVES FOR TRANSITING TO GROWTH



## Asset Light Model

- › Increase in focus on outsourcing than manufacturing
- › Outsourcing model gives flexibility to widen product portfolio and pursue growth opportunities
- › Reduction in incremental investments in fixed assets
- › Optimization of working capital requirement



## Cost rationalisation

- › Significant debt reduction and interest cost optimization by monetizing non-core assets
- › Sold properties forming part of non core asset
- › Aggressive streamlining of workforce through VRS
- › Leveraging non core assets and investment book for raising working capital facilities at competitive ROIs



## Agile with business opportunities

- › Leveraging opportunities through strong relationship with channel partners
- › Exploring opportunities adjacent to textile business that helps to widen and deepen current business model

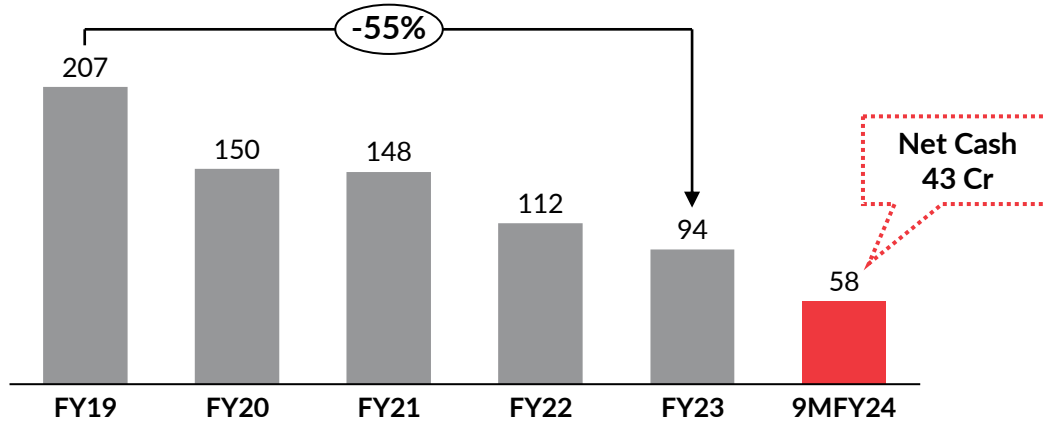
Increase distribution & deepen the reach of health and hygiene products

Substantial increase in revenue & capabilities in the next few years

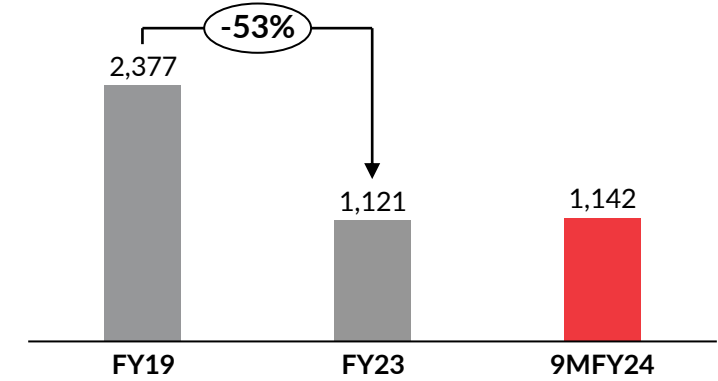
Opportunity to grow in the education led technology business

# COST RATIONALISATION

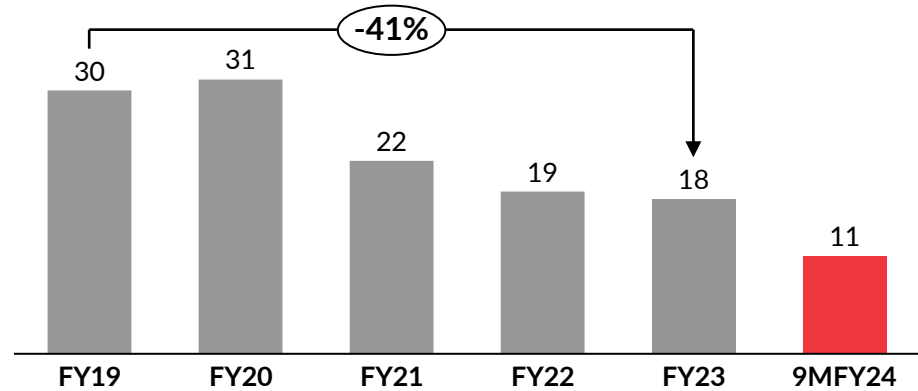
Reduction of Total Debt (INR in Cr)



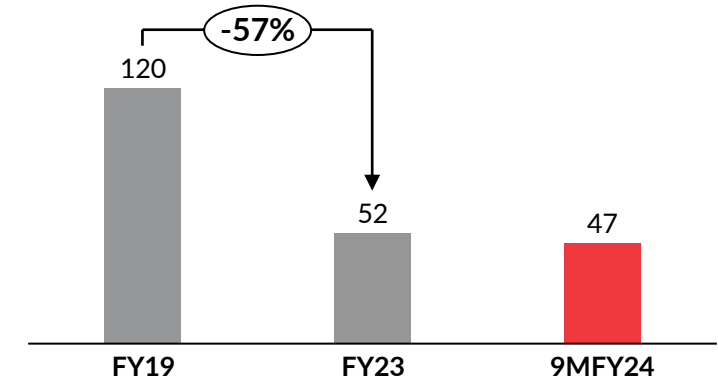
Workforce right sizing



Lower Interest Cost (INR in Cr)



Employee Cost (INR in Cr)

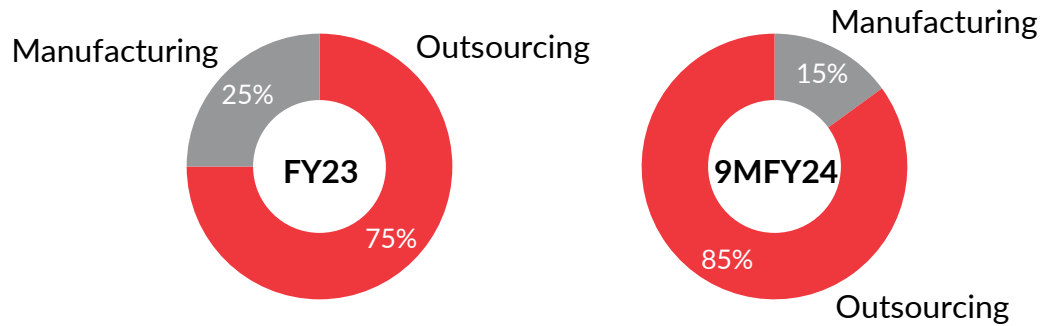


In line with the debt light model, Company has reduced the debt and interest burden

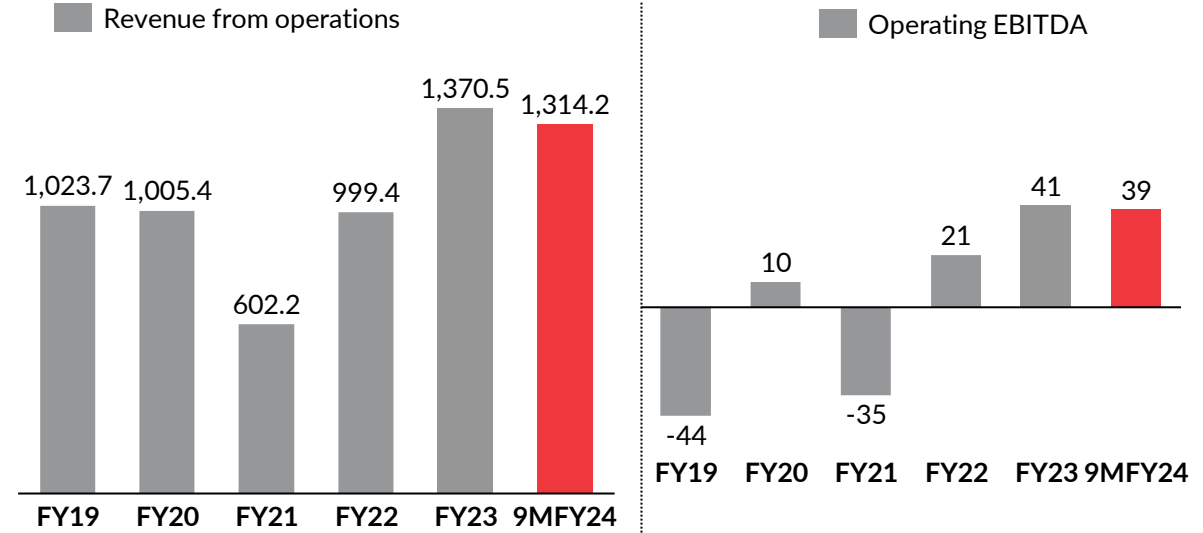


# ASSET LIGHT & OUTSOURCING MODEL...

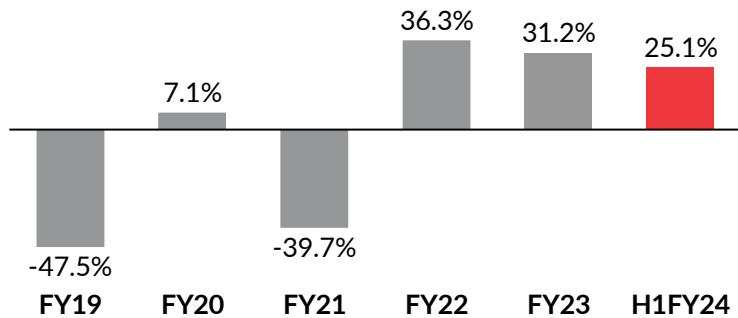
## Focus on outsourcing model



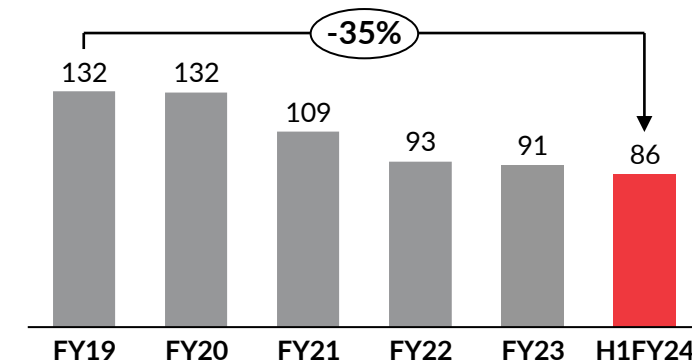
## Increase in Revenue and Operating EBITDA (INR in Cr)



## Improving Return on Capital Employed\*



## Reduction in Fixed Assets Block (INR in Cr)

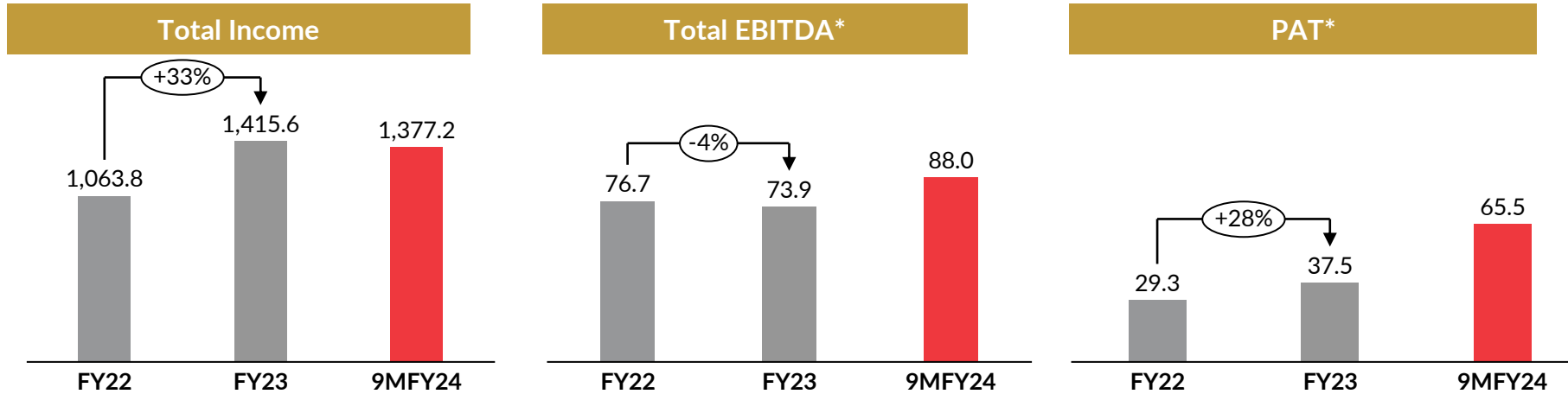


\*excluding dividend income and investment of NOCIL and after exceptional item

EBITDA excludes exceptional item. ^Operating EBITDA excludes income from Investments, Income from Investment Property and Income from Non Core Asset. EBITDA margin is calculated on Revenue from Operations

# ...STRATEGY TRANSLATING INTO NUMBERS

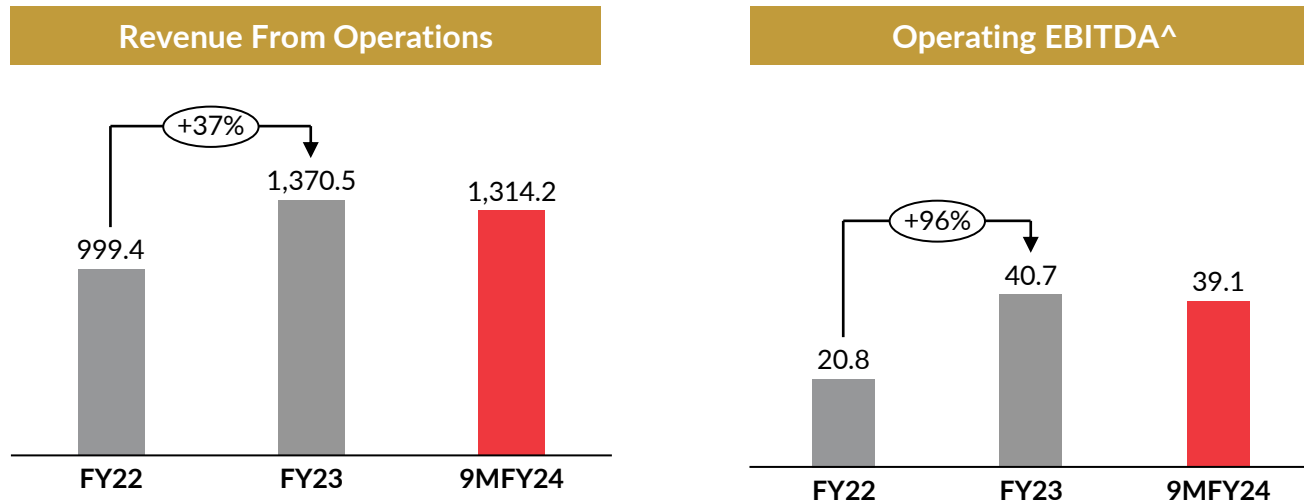
INR in Cr



\*Total EBITDA and PAT includes other income to the tune Rs. 43.2 cr primarily arising from divestment of a non-core asset

FY23 recorded Highest Revenue in 10 year

FY23 recorded Highest PAT in 10 year



On the path of exceeding previous 10 year's Highest Revenue and Operating EBITDA

The turnaround and improved return ratios gives us flexibility to leverage various opportunities

# KEY STRATEGIC INITIATIVES TAKEN

INR in Cr	FY19	FY20	FY21	FY22	FY23	9M FY24
<b>Total Income</b>	1,054.6	1,062.1	637.8	1,063.8	1,415.6	1,377.2
<b>Revenue From Operations</b>	1,023.7	1,005.4	602.2	999.4	1,370.5	1,314.2
<b>Total EBITDA</b>	-30.3	49.8	-11.1	76.67	73.9	88.0
	-2.9%	4.7%	-1.7%	7.2%	5.2%	6.4%
<b>Operating EBITDA<sup>^</sup></b>	-43.6	10.2	-35.3	20.8	40.7	39.1
	-4.3%	1.0%	-5.9%	2.1%	3.0%	3.0%
<b>PAT</b>	-180.1	-13.7	-93.8	29.3	37.5	65.5
	-17.6%	-1.4%	-15.6%	2.9%	2.6%	4.8%
<b>Comments</b>	<ul style="list-style-type: none"> <li>Difficult year for the entire Denim industry</li> <li>Performance of denim unit reached its lowest</li> <li>To stop Denim unit losses, the company made the strategic decision to exit denim business and thus reduced its operations and its workforce by paying VRS</li> </ul>	<ul style="list-style-type: none"> <li>Operations of the capital intensive , low return yielding Denim Unit at Navsari shut down</li> <li>Thus a massive reduction in the cost and reduction in losses</li> <li>Repaid bank liabilities pertaining to Denim unit</li> <li>For the repayment of banking liabilities &amp; Ex-Gratia payment to workforce, the Company sold of surplus assets situated at Navsari and Nadiad</li> <li>Introducing a new product range for the Health Segment</li> </ul>	<ul style="list-style-type: none"> <li>Loss of production, order cancellations &amp; substantial loss of revenue along with the burden of high fixed cost as the school uniform and textile industry affected due to Covid</li> <li>Rationalize the size of the permanent workforce at the Nadiad manufacturing</li> <li>Strategic initiatives for reduction in fixed costs including manpower costs</li> <li>Expanding its range of Health &amp; Hygiene products</li> </ul>	<ul style="list-style-type: none"> <li>Resumed its spinning and weaving operations at the Nadiad unit. This helped the Company to absorb fixed costs</li> </ul>	<ul style="list-style-type: none"> <li>Mr. M.B. Raghunath appointed as CEO</li> <li>Disinvestment in subsidiary Vrata Tech Solutions Private Limited for consideration INR 4.08 Cr</li> <li>Foray into the Digital Infrastructure space to capitalize on channel partner relationship</li> </ul>	<ul style="list-style-type: none"> <li>Sustained growth trajectory through successful execution of large tenders with various state government.</li> <li>The order book remains healthy to maintain the current growth momentum in coming quarters.</li> <li>A large part of the other income is non operating in nature, which includes net profit on sale of investment property and sale of TDR</li> </ul>

EBITDA excludes exceptional item. <sup>^</sup>Operating EBITDA excludes income from Investments, Income from Investment Property and Income from Non Core Asset. EBITDA margin is calculated on Revenue from Operations

**BUSINESS OVERVIEW**



# FABRICS



One of the Category Leaders in Uniform Fabric & readymade uniforms for schools and institutions corporates. It carries outsourcing, branding & distribution play in the uniform segment. Reputed bidder in government tenders



Known player in Woven White fabric including whites & Rubia catering to semi urban & rural areas. A prominent player in polyester-cotton segment addressing the demand arising out of rural and Tier III/II population clusters



One of the major voile exporter from the country to the middle eastern market



Prints remains the core strength in the domestic B2B market and the Company continues to enjoy a dominant position



Emerging player in the home furnishing space through its products like bedsheets, pillow cover, bath linens



Emerging player in knits category for various category of uniform requirement

# HEALTH & HYGIENE



**Frolica** : female-centric hygiene brand selling ultrathin sanitary pads, maternity pads and face wipes



**WeCare** : caters to medical professional by addressing their hygiene needs of surgical gowns, scrub suits, nurse tunics, patient examination gowns, disposable uniforms, masks, gloves, sanitizers, wound care, surgical packs



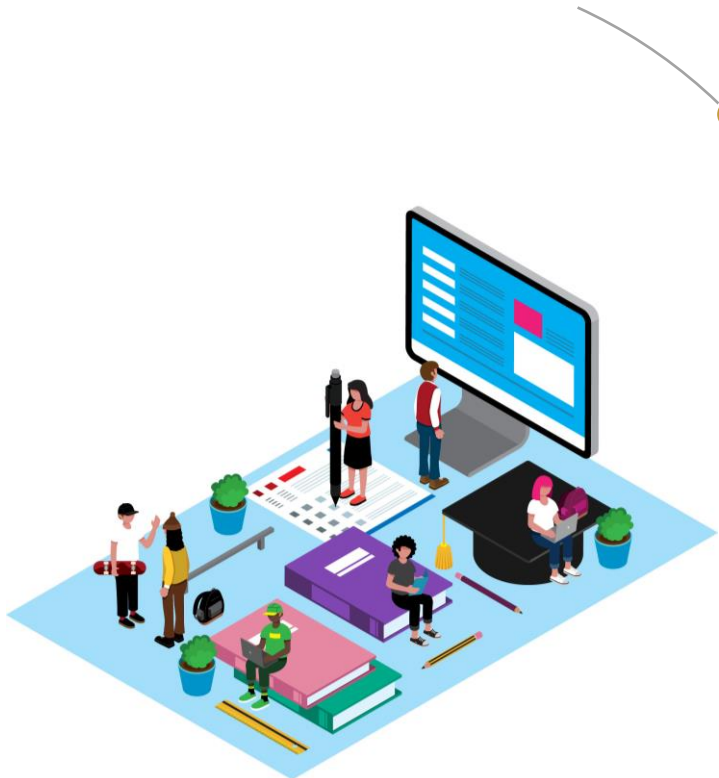
**CooCoo** : Baby care products such as baby pullup pants, newborn & baby tape diapers, and baby wipes



**Medimaf** : Caters to adult hygiene products such as diaper pants, adult tape diapers, underpads, belted sanitary pads, bed & bath wipes, and facial wipes

- Technical knowledge and experience has helped to initiate new product development
- The growth in the segment is attributed to good product quality and improved traction in direct consumer demand

# DIGITAL INFRASTRUCTURE



Entered in digital infrastructure space through experience built over years

Product & Services include:

- Digital Classroom
- Hardware Solutions

Participating in various state government tenders in education led technology segment

Technology segment brings new opportunities

Clientele includes:

- Education Department Himachal Pradesh
- Education Department Maharashtra
- Education Department Odisha

OUR TEAM





# EXPERIENCED BOARD OF DIRECTORS



**Mr. Hrishikesh A. Mafatlal**  
Promoter & Chairman  
Years of Experience : 46 +

- For 12 years, he served on the Board of Governors of IIM Ahmedabad
- Worked as a Vice Chairman of the Cotton Textiles Export Promotion Council (TEXPROCIL)



**Mr. Priyavrata H. Mafatlal**  
Managing Director  
Years of Experience : 15+

- B.M.S. in Marketing Management
- M. Com. From Mumbai University (Marketing)
- Studied Owner Management Programme at Harvard Business School



**Mr. Vilas R. Gupte**  
Independent Director  
Years of Experience : 55+

- Business Solutions Consultant
- Board Member of NOCIL Ltd (an AMG)
- Chartered Accountant
- Experienced in spanning Finance, Legal and Commercial areas



**Mr. Pradip N. Kapadia**  
Independent Director  
Years of Experience : 45+

- Experience in legal field
- On the Board of various other companies
- B.A., LLB. (advocate & solicitor)
- Senior partner in Vigil Juris, advocates and solicitors, Mumbai



**Mr. Atul K. Srivastava**  
Independent Director  
Years of Experience : 46+

- Experienced large corporates, in Finance, Accounting, Taxation and Commerce
- Science Graduate, B. Sc (Hons)
- Chartered Accountant



**Mr. Sujal A. Shah**  
Independent Director  
Years of Experience : 32+

- Experienced in Valuation, Due Diligence, Corporate Restructuring, Audit and Advisory
- Commerce Graduate
- Chartered Accountant



**Mrs. Latika Pradhan**  
Independent Director  
Years of Experience : 42+

- Experienced in heading finance, legal and secretarial, internal audit and information technology functions
- Chartered accountant, Cost and Management Accountant & Company Secretary



**Mr. Gautam Chakraborti**  
Independent Director  
Years of Experience : 47+

- Experienced in the fields of Procurement, Internal Audit, Business Controller, leading an Exports SBU, Mergers and Acquisitions
- Masters in Economics & MBA from IIM Ahmedabad

# PROFESSIONAL MANAGEMENT TEAM



**Mr. Priyavrata H. Mafatlal**  
Managing Director  
Years of Experience : 15+

- B.M.S. in Marketing Management
- M. Com. From Mumbai University (Marketing)
- Experienced in manufacturing, marketing and general management



**Mr. M B Raghunath**  
Chief Executive Officer  
Years of Experience : 35+

- Masters in marketing management at Narsee Monjee Institute of Management Studies Mumbai
- Plethora of experience in marketing and business



**Mr. Milan Shah**  
CFO & CHRO  
Years of Experience : 35+

- B.COM, ACA, ACS
- Expertise in area of finance, taxation and accounting

Recalibrated the management team to bring fresh perspectives and expertise to navigate the evolving business landscape and guide company towards long-term success

# THANK YOU



## Company

**Mafatlal Industries Limited**  
CIN L17110GJ1913PLC000035  
Smita Jhanwar  
Email id: [investors@mafatlals.com](mailto:investors@mafatlals.com)  
Tel No: 022-6771 3800/3900



## Investor Relations Advisor

**Strategic Growth Advisors Pvt Ltd.**  
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