



**Duroply Industries Limited**

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Ref: 5404/24-25/0098

February 14, 2025

**Department of Corporate Services**

BSE Limited  
25th Floor, P.J. Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

**Scrip Code: BSE: 516003**

**Sub: Transcript of the Earnings Webinar held with respect to the Unaudited Financial Results for the quarter and nine months ended December 31, 2024**

Dear Sir/Madam,

With reference to our letter no. 5404/24-25/0088 dated 5<sup>th</sup> February, 2025 regarding intimation of the Q3 FY25 Earnings Webinar, post declaration of the Unaudited Financial Results for the quarter and nine months ended December 31, 2024, we are enclosing copy of transcript of the said webinar.

The transcript of the webinar is also available on Company's website at [www.duroply.in](http://www.duroply.in).

This is for your information and record.

Thanking you,

Yours faithfully,

For DUROPLY INDUSTRIES LIMITED

AKHILESH CHITLANGIA  
Managing Director & CEO

Encl: a/a

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**TRANSCRIPT**

**Q3 FY25 Result Webinar**

**of**



**Duroply Industries Limited**

**on Tuesday, February 11, 2025**

**Mr Akhilesh Chitlangia, MD & CEO**



**Navin B. Agrawal | Head, Institutional Equities**

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- **Mr. Navin Agrawal :**

- Good morning, ladies and gentlemen. I'm pleased to welcome you on behalf of Duroply Industries Limited and SKP Securities to Duroply Industries Q3 FY25 result webinar. We have with us, Mr. Akhilesh Chitlangia, MD & CEO. This webinar has been recorded for compliance reasons and during the course of the conversation there may be certain forward-looking statements. These must be viewed in conjunction with the risk that the company faces.
- We'll have the opening remarks by Mr. Chitlangia followed by a Q&A session. Thank you and over to you, Akhilesh.

- **Mr. Akhilesh Chitlangia :**

- Thank you, Naveen. Good morning to everyone and thank you for attending our earnings webinar for third quarter and nine-month ended FY25. Duroply was formed in 1957 and over the years, we have built a strong brand in the industry. We are recognized across the country for a high standard of quality products which we have maintained over the years. This is our 68<sup>th</sup> year of operation and we feel proud to have a small, but meaningful part in India's growth story for over the last six decades. On the business front, the third quarter is always a tough quarter due to festive seasons across India and this year we also saw some economic headwinds. Despite these challenges during Q3 FY25, Duroply reported a revenue of 89.82 crores which is an increase of 12.5% from the same period last year, though we are down 1.1% from Q2 FY25. The business reported a profit before tax of ₹1.2 crores, a 127% increase on a year-on-year basis and a 5% increase on quarter-on-quarter basis. For the quarter, revenue from our inhouse manufacturing plant in Rajkot stood at 54.4 crores up by 16% year-on-year. However, down by 3% quarter-on-quarter basis. Revenue from our contract manufacturing stood at 35.5 crores, a growth of 7½% for the year and up at 2.5% quarter-on-quarter. Our gross margin saw a drop from the second quarter. We ended at 34.2% for Q3 FY25 as compared to 35.6% in Q2 FY25. Gross margin in Q3 last year stood at 33.9%. This was largely due to increased timber costs and some product mix shift that we saw in our product portfolio. Despite the lower gross profit margins, we saw an improvement in our EBITDA margins for Q3 FY25 EBITDA stood at 4.37 crores up by 32% year-on-year and 6.3% quarter-on-quarter basis. EBITDA as a percentage stood at 4.9% of sales as compared to 4.1% in the same period last financial year, up from 4.5% in Q2 FY25. The company employee expense stood at 11.3% for the quarter as we continue to hire aggressively to build our sales and operations team. Our marketing spend for the quarter stood at a moderated 3.7%. For the nine-month revenue, we closed the nine-month period at 265.5 crores up by 11.1% from the same period last year. Profit before tax stood at 3.61 crores for the period ended up by 10.4% on a year-on-year basis. Revenue from inhouse manufacturing stood at 160.3 crores, a growth of 11.5% and revenue from a contract manufacturing stood at 105.2 crores growth of 10.4%. Our gross margins saw an improvement for the year ending at 34.7% as compared to 33.9% in the nine-month FY24. EBITDA stood at 12.5 crores, up by 9.4%, however, EBITDA margin is a percentage of sales is at 4.7% of sales, down from 4.8% for the same period last year. The Duro segment for Q3, FY25, saw growth of only 5% on year-on-year basis, but a decline of 7% on quarter-on-quarter basis. Our economical offering segment under the brand name Tower showed a robust growth of 50% on a year-on-year basis for this quarter and a 30% growth on quarter-on-quarter basis. For the nine-month period, the Duro brand segment grew by 9% and Tower by 22%. The reduced growth of Duro segment in third quarter in addition to the higher timber costs had an impact on the margins at the gross level. The slowdown in the premium segment is largely consistent with the challenges that we normally face in third quarter, which is driven by work disruptions related to festivities and also the construction ban across NCR area due to the high pollution levels post Diwali. This quarter we also witnessed some macroeconomic headwinds. But despite that, we posted a robust growth of 12.5% for the quarter and maintained

our profitability. We are rapidly increasing our sales team and investing in our infrastructure across the country and we expect stronger growth numbers in the coming future.

- With that, Naveen, let's ask for the floor to be open for any questions that they may have.

- **Mr. Navin Agrawal :**

- Thank you, Akhilesh. Let me now open the floor for the QA session. Anyone wishing to ask a question, please raise your hand and we'll take it up. Anyone with a question request you to raise your hand. We will wait for a couple of minutes while the questions line up. We take the first question from Sagnik Sarkar. Sagnik, please go ahead.

- **Mr. Sagnik Sarkar :**

- Yeah. Hello Sir. Thanks for the opportunity and congrats on a great set of numbers. So, I just wanted to know about the raw material cost for the client segment. So, any guidance that you would give on the timber costs for this segment going ahead?

- **Mr. Akhilesh Chitlangia :**

- Thank you, Mr. Sarkar, for your question. The timber cost this year we have seen a significant jump of about 8% to 10% on the raw material side in the last 8 to 9 months. We've been able to pass on some of it to our customers, but not the entire part of it. Going forward, I do not see a slowdown in the inflationary pressure on the raw material coming anytime soon. The capacity in India has increased substantially for production and the plantations have not kept in pace with the required demand for raw material in our country. So, I think for the next two more years or at least another year at the very minimum, there will be a lot of challenges on the raw material price perspective.

- **Mr. Sagnik Sarkar :**

- Thank you, Sir.

- **Mr. Akhilesh Chitlangia :**

- I hope that answers your question. Thank you.

- **Mr. Sagnik Sarkar :**

- Yeah. Thanks.

- **Mr. Navin Agrawal :**

- Yes, Sagnik? Friends, anyone with a question request you to raise your hand and we'll take it up. Friends, anyone with a question? Just wait for a minute, otherwise, we can wind up. Friends, anyone wishing to ask a question, please go ahead.

- **Mr. Akhilesh Chitlangia :**

- There is a question in the question box if you will read that out, yeah.

- **Mr. Navin Agrawal :**

- Congratulations for a good set of numbers compared with top two players. Please, can you share each product segment data and growth projections/ This is from Tarun Rathi.

- **Mr. Akhilesh Chitlangia :**

- So, thank you for that, Mr. Rathi. I have given the growth percentage that we are doing from these segments. But I would like to keep the revenues that we are doing from both the segments little confidential for the simple reason that we were growing very aggressively in the Tower segment and you know the competition we would not like this data to get you know get a hand on that. So, we would like to not disclose that at this point of time.

- **Mr. Navin Agrawal :**

- Tarun, in case you have a follow up question, request you to raise your hands, so that I can take it up on the floor. Okay. We have a question from Vijay Suryavanshi. Vijay, please go ahead.

- **Mr. Vijay Suryavanshi :**

- Hello Sir. Congratulations on your behalf, but I just wanted to ask that I missed these financials that you explained earlier. I joined a bit late, can you please provide me the financials?

- **Mr. Akhilesh Chitlangia :**

- Largely, Vijay, I'll just keep it quick. We are a 12½% top line growth for the quarter as compared to same period last year and profit before tax stood at about 1.2 crores, significantly up from Q3 last year and marginally improved from the second quarter this year. EBITDA margins stood at 4.9% for the quarter, which is significantly improved from 4.1% same period last year. Yeah. And it was about 4½% to 4.4% for Q2 in the same financial year. So, I hope that helps you.

- **Mr. Vijay Suryavanshi :**

- Yeah, Sir. Thank you.

- **Mr. Navin Agrawal :**

- Thank you, Vijay. Friends, anyone else with the question, request you to go ahead. We have a follow up question from Sagnik Sarkar. Sagnik, please go ahead.

- **Mr. Sagnik Sarkar :**

- Yeah, Sir. Just a follow up question on the demand side. Like do you see any pickup on the real estate side like following the rate cuts and I mean on a real estate demand front, how do you see demand shaping up in the next quarter or maybe next financial year?

- **Mr. Akhilesh Chitlangia :**

- Sagnik, I will give my understanding of this. See, if you see last 3-4 years the sizes of cities in India have substantially increased. So, there's a lot of construction activity that is going on. The muted demand has been because of challenges, not so much in the demand side, but I think there has been a restriction on the liquidity in the market, which is due to the demand. I think with the measures that the government is putting in place as soon as the liquidity improves, the demand should pick up, but our industry, especially the plywood and the wood panel industries, is a lacquered industry in the sense that any initiative that happens, it percolates down to our industry much later. So, I think another at least another five to six months and I think the demand should start moving in the right direction again. That would be my estimation. I think next couple of quarters, it is going to be a little challenging, but that's my take on this.

- **Mr. Sagnik Sarkar :**
- Thanks, Sir. That's very helpful. Yeah.
- **Mr. Navin Agrawal :**
- Thank you, Sagnik. Friends, anyone with a question, please go ahead. As there are no further questions, I'd like to hand over the webinar back to Akhilesh for his closing remarks.
- **Mr. Akhilesh Chitlangia :**
- Thank you, everyone. Thank you, ladies and gentlemen, for joining us for the Q3 FY25 earnings call. There is a long way to go for us and we have just started on this journey and I look forward to seeing you again at the next earnings call. Thank you.
- **Mr. Navin Agrawal :**
- Thank you very much, Mr. Chitlangia, for your time to interact with the investors. Thank you, ladies and gentlemen, and we look forward to hosting you again for the next quarter results. Thank you and have a wonderful day.

**END OF TRANSCRIPT**