



**Duroply Industries Limited**

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Ref: 5404/25-26/0032

August 11, 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 ended June 30, 2025**

Dear Sir/Madam,

With reference to our letter no. 5404/25-26/0022 dated 24<sup>th</sup> July, 2025 regarding intimation of the Q1FY26 Earnings Webinar, post declaration of the Unaudited Financial Results for the quarter ended June 30, 2025, 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

KOMAL DHRUV  
Company Secretary

Encl: a/a

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# TRANSCRIPT

## Q1FY26 Earnings Webinar of



**Duroply Industries Limited**

on **Monday, August 4, 2025**  
at **11:30 IST**

Represented by

**Mr. Akhilesh Chitlangia, MD & CEO**

**Mr. Vijay Kumar Yadav, CFO**



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## Q1FY26 Earnings Webinar Transcript

### Mr. Vaibhav Pachisia :

Good morning ladies and gentlemen, I am pleased to welcome you on behalf of Duroply Industries Limited and SKP Securities to Duroply Industries Q1 FY26 Result Webinar. We have with us Mr. Akhilesh Chitlangia, MD and CEO and Mr. Vijay Kumar Yadav, CFO.

This webinar is being recorded for compliance reasons. During the discussion, certain forward-looking statements must be viewed in conjunction with the risk that the company faces. We will have Mr. Chitlangia's opening remarks and a Q&A session.

Thank you and over to you Mr. Chitlangia.

### Mr. Akhilesh Chitlangia :

Thank you so much. Good morning everyone and thank you for attending our earnings webinar for the first quarter FY26. On this call, I am joined by Mr. Vijay Yadav, our CFO.

Duroply was founded in 1957 and has over the years built a brand in the industry (1.04 – 1.07-No audio) quality which has been maintained. Duroply recently celebrated the start of its 68<sup>th</sup> year in operation. We feel proud to have played a small but meaningful part in India's growth story for over the last 6 decades.

On the business front, Duroply closed its first quarter revenue at Rs. 93.5 crores, a 10.3% growth over the same period last year and down 15% from the previous quarter. The business reported a profit before tax of Rs. 1.88 crores, up by nearly 50% from the same period last year. This quarter, revenue from in-house manufactured goods stood at Rs. 49.5 crores, flat over the same period last year and down by 17% on a quarter-on-quarter basis. Revenue from contract manufacturing stood at Rs. 44.1 crores, a 24.9% growth on a year-on-year basis and down by 5.5% on a quarter-on-quarter basis. Gross margin this quarter stood at 34.1%, similar to Q1 last year and down from 34.9% in Q4 FY25. Our EBITDA margin for the quarter stood at Rs. 5.39 crores, a 31% increase from the same quarter last year and a 0.5% degrowth over the previous quarter. In margin terms, EBITDA margin stood at 5.8% of sales as compared to 4.8% in the same period last year and 5.1% in Q4 FY25. On the product mix, Duro segment saw a 2% growth rate on a year-on-year basis and a 18% degrowth on a quarter-on-quarter basis. Our mid-segment brand tower continued to showcase robust growth, with a 45% growth on a year-on-year basis and a 5.5% degrowth on a quarter-on-quarter basis. Overall, this quarter was challenging on the demand front, especially on the premium product range. The war situation in North India had a big impact on our business as North India is our strongest market. Improvement in profitability margins was driven by better operating leverage.

I now request Vijay to take you through some of our other financial metrics.

### Mr. Vijay Kumar Yadav :

Thank you, sir and good morning everyone.

We will discuss some of the key financials, that the gross margin is 34.1% as compared to Q4, 34.9% in Q4 FY25. Employee cost stood at 11.9% of sales as compared to 11% in Q1 FY25 and 9.5% in Q4 FY25.

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Marketing expenses is 2.2% of sales as compared to 3.3% of sales in Q1 FY25 and 4.2% in Q4 FY25. Finance cost is 2.3% of sales. Debtor turnover ratio is 44 days as compared to 47 days of last year. Inventory turnover days is 149 days as compared to 165 days of Q1 FY26. Creditor days is 170 days as compared to 90 days of Q4 FY25. As a result, cash conversion cycle is 113 days for Q1 FY25.

Thank you, sir.

**Mr. Vaibhav Pachisia :**

Anyone who wishes to ask a question, may please raise your hand and we will enable your mic to take your question. I repeat, anyone who wishes to ask a question, may please raise your hand and we will enable your mic to take your question.

First question is from the line of Udit Gajiwala.

**Mr. Udit Gajiwala :**

Good morning, sir. Thank you for taking up my question.

Sir, can you please explain regarding the timber cost, what was your pricing in the north for the quarter and how do you see the year panning out for the same?

**Mr. Akhilesh Chitlangia :**

Udit, our timber cost largely remained flat. For our in-house manufacture, we are dependent on imports, not so much on domestic timber and on imports, we did not see any price escalation. However, in Q2, in the domestic procurement market, there are rumours of a cost increase happening. Timber cost has started going up, which is very consistent with this time of the year with the rains. But nothing out of the ordinary, we don't expect anything out of the ordinary, the type of challenges that was faced in the last 2-3 years. We expect this year the timber cost to be reasonably moderated and no shocks coming the way it did in the last 2-3 years.

**Mr. Udit Gajiwala :**

And sir, what will be the differential in cost versus the domestic and your procurement from imports?

**Mr. Akhilesh Chitlangia :**

So, import on a per unit basis is at par with domestic, but what happens is the inward shipping cost of taking the material from the UP belt or from North Andhra to Rajkot, which is where our plant is located, that makes it very expensive. And that's why we are better off today being on import. Landed cost with the inward freight, the imported is slightly cheaper for us. However, there are different quality parameters and we still need to use the domestic timber. But yeah, that's the main reason why import is viable for most plants that are based out of the western part of the country, which is dependent on, which is close to a port.

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**Mr. Udit Gajiwala :**

Okay, sir. Thank you for answering. And secondly, you mentioned in your opening remarks about some slowdown that you are witnessing in the premium segment. So, was it purely because of this temporary situation in North or do you think it would be prolonged for coming fiscal?

**Mr. Akhilesh Chitlangia :**

So, yes, one was the situation in North India, that definitely had a part to play and the premium segment largely goes to the HNI segment, where a lot of bungalows are constructed. The tower segment, we are focusing largely on contractors that are taking material on turnkey basis, furniture manufacturers and even some cases in projects. There, we did not see any decline in the volume. It came only from the premium segment. There is a little sluggishness in demand. I think the premium segment will start growing again, the July numbers are in already. So, the premium segment is moving back into the right direction. It was largely, I think, driven by what happened in the North.

**Mr. Udit Gajiwala :**

Understood. And sir, just lastly, if you can touch upon any sense in terms of the unorganized competition, given the timber cost, they still continue to be under pressure. But do you see that releasing up by the end of the fiscal?

**Mr. Akhilesh Chitlangia :**

More than that, I think the challenge is going to come with the implementation of the QCO norms by BIS. A lot of imported material that used to come into the country, that has not happened over the last quarter. That will actually help the branded segment, which will also help the unorganized segment because the unorganized segment was facing tremendous pressure on selling because of these imports. So, the unorganized sector and the organized sector, both are expected to do well going ahead because as the loading of the inventory was done in the fourth quarter across every segment by traders, a large part of the inventory has now been flushed out. So, now I think the demand will start moving in the right direction for both organized and unorganized. However, with the growing per capita income, the organized sector should get a faster growth rate now.

**Mr. Udit Gajiwala :**

Thank you for answering, sir. That was very helpful. Thank you.

**Mr. Vaibhav Pachisia :**

Thank you. Anyone who wishes to ask a question, may please raise your hand and we will enable your mic.

The next question is from the line of Jayshree Bajaj. Jayshree, please unmute yourself and ask the question. Jayshree, please unmute yourself and ask your question.

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Anyone who wishes to ask a question, please may raise your hand and we will enable your mic. I think there's some issue with Jayshree.

**Mr. Akhilesh Chitlangia :**

I think if she can put it in the chat box, that might help.

**Mr. Vaibhav Pachisia :**

Jayshree, can you put your question in the chat box? Yeah, she's there. Jayshree, please ask your question in the chat box.

**Ms. Jayshree Bajaj :**

What was the volume growth in Q1?

**Mr. Akhilesh Chitlangia :**

Volume growth was about 9 odd %.

**Ms. Jayshree Bajaj :**

Has the company taken any initiative towards digitization and automation?

How are these strategic investments translating operational efficiencies, new market advantages?

**Mr. Akhilesh Chitlangia :**

So, Jayshree, we recently have adopted a new Salesforce application and using that for better tracking of our sales team and getting them to be more effective on ground. We are also automating a lot of our backend processes to reduce manual intervention. So, those are the type of things that we are working on. I hope that answers your question on that. But largely, we are really focusing on getting the productivity of our Salesforce. Our current Salesforce has substantially increased through just better planning tools and monitoring tools.

**Mr. Vaibhav Pachisia :**

Jayshree, do you have any follow-up questions?

**Ms. Jayshree Bajaj :**

Just want to know who is your competitor in the market?

**Mr. Akhilesh Chitlangia :**

We compete with the organized sector and in that, there are a multitude of brands. We also compete

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with the unorganized sector because our retailers are multi-brand outlets. They stock the unorganized sector and they also stock material from other brands. So, we are basically competing with everyone. On the premium segment we compete with brands like Greenply, Century Ply, and then there are other mid-segment brands out there. Every local market has their own, you know, in Eastern India, there's a brand by Austin Plywood, in North, there are other brands, in South, there are other brands. So, every regional area has a different brand. So, yeah, I hope that answers your question.

**Mr. Vaibhav Pachisia :**

Next question is from the line of Shreyansh.

**Mr. Shreyansh :**

How will EBITDA margins improve going forward since we intend to invest in marketing and Salesforce?

What is our target margin for FY27?

**Mr. Akhilesh Chitlangia :**

So, Shreyansh, if you see our EBITDA margins have been continuously improving quarter-on-quarter for the last 4 or 5 quarters. And this is in spite of us investing on Salesforce and marketing. Salesforce and marketing, both are investments and we are getting better at optimizing them. I think this quarter, our marketing spend was lower. Our marketing spend this year will be at about 3.5% of sales on overall average and over the years, that will start coming down as the revenue starts going up further. As for the Salesforce, we need to invest for this year as well as for future years so that the employee cost will always be slightly on the higher side.

Our target margins for FY27, it would be in the range of 6.5 – 7 %. That's what we are aiming for. 6.5 % would be the bare minimum that we would be looking to do.

**Mr. Vaibhav Pachisia :**

**Harshad Singhania** is asking, is there any guidance for future growth and capacity utilization?

And also, the cash conversion cycle is increasing. So is that a matter of concern?

**Mr. Akhilesh Chitlangia :**

Right. So for future growth, we've always maintained that our current aim is to be on an asset-light model. So we are working on establishing more capacities with contract manufacturers as our demand goes up. For our main plant, Rajkot, currently we are at about a 70 % utilization. That can go up to about 85 % without an issue. So, there is some headroom over there. And we are working on getting to that capacity by sometime this year.

The cash conversion cycle is increasing and it is a matter of concern. In a way, yes and no. So our debtor days in the last quarter, fourth quarter, had substantially shot up. So we have reduced our day's debtor

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significantly by 3 days and it will continue to come down in this quarter as well. As for our inventory days, it is slightly on the higher side. But again, the trend is in the correct direction. Largely, where you see the reduction has happened is it happened on the day's creditor. Creditor days, which used to be 2, 3 years ago, 160, 170 days, which has now come down to the range of 90 to 100 days. And I think that's good for the company because if we pay our suppliers on time, we will get better quality material as well as better pricing power. So that is our current focus. The company has sufficient liquidity for this and we also have warrants that were due to convert coming... that will be converted within the next month or so. So yes, that's the reason why the cash conversion cycle is getting worse. Our aim is to pay better and get better procurement terms.

**Mr. Vaibhav Pachisia :**

Thank you. Anyone who wishes to ask questions, please raise your hand. Shreyansh, kindly unmute yourself. Shreyansh, kindly unmute yourself and go ahead. Your mic is enabled.

**Mr. Akhilesh Chitlangia :**

Shreyansh, regret the inconvenience. If you're unable to unmute yourself, if you could just put a question on the chat box, that might be easier.

**Mr. Vaibhav Pachisia :**

Shreyansh, could you use the chat box to ask a question?

**Shreyansh** is asking, GMs have not improved over the last 3 years and EBITDA margin guidance of 6-6.5% by FY27 doesn't look that good. We did 6% in FY23?

**Mr. Akhilesh Chitlangia :**

So, okay, so gross margins, if you see our mix of in-house manufactured, which used to stand at about 70% of our total revenue, today is at about 60 odd percent. The in-house manufactured goods tend to have a much higher gross margin at about 42%. The trading which used to be 30% has now gone north of 40%. This used to have a margin of about... this currently has a margin of 23 odd percent. So, blended, the gross margin has remained flat. However, this has gone up at each product level. So, and that's why you're seeing this to be flat is because of the mix shifting as the company's revenues are growing. We did 6% in FY23, but the competitive landscape and the raw material costs that FY24 and FY25 that we have gone through, sorry, one by one.

So, the FY23 we did 6%, but the landscape, the competitive landscape has substantially gone up. The raw material costs, pressures over the last 2 years have significantly gone up. That has also had an impact. In addition, if we want to continue to grow at 15% to 18%, we grew at 15% last year. If we want to grow at 15% to 16% consistently over the next 3, 4 years, employee cost will be one of the major factors which will be under pressure because we are also having to recruit better quality people and retain our star performers.

In terms of ROCE, our aim for ROCE is to hit double digits by end of this year. Anywhere between 9% to



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12% is the ROCE aim that we are looking for. And if we plan to become asset-light, that means also manufacturing will increase, which are lower gross margin. Yes, the lower gross margin. However, the other manufacturing expenses which come of running a plant such as labour and everything else associated with running a plant is not there.

At the right time, when the volumes are large enough, we will then look at optimizing this further. But yes, the gross margins are lower, but so are the operating margins of buying out. We do get 22% on the outsourcing. That's a really good, healthy margin that we have. The ROCE margin for this FY26 is anywhere in the range of 9% to 11% or 9% to 12%, sorry.

**Mr. Vaibhav Pachisia :**

Thank you.

**Mr. Akhilesh Chitlangia :**

Thank you.

**Mr. Vaibhav Pachisia :**

Anyone who wishes to ask a question, please raise your hand.

**Mr. Akhilesh Chitlangia :**

And so, I just read one of Shreyansh's comments and I'll just go back. This thing is 6.5% EBITA is the minimum that we are aiming for this year. So our range is 6.5% to 7%, not 6% to 6.5%. I just saw that, so I thought I'd just reiterate that. Thank you.

**Mr. Vaibhav Pachisia :**

Right. If there are no other questions, then I think that was the last question in the queue. As there are no further questions, I would now like to hand the conference over to Mr. Chitlangia for the closing remark.

**Mr. Akhilesh Chitlangia :**

All right. Thank you.

So the first quarter was challenging for us. The demand was muted. However, we posted a double-digit growth rate. We are focused on reducing our current assets of working, the debtor days, as well as inventory days. We expect our growth rate to again increase as the year goes on. We are relentlessly investing in our team, infrastructure, and supply chain. And these investments are starting to bear fruits, and the same will continue with further improvements in our operating margin.

I now look forward to welcoming all of you again at the next earnings call. Thank you.

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**Mr. Vaibhav Pachisia :**

Thank you very much. On behalf of SKP Securities, I would like to thank Mr. Chitlangia for their time, and we look forward to hosting you again. Thank you for joining us, ladies and gentlemen, and have a wonderful day ahead.

***END OF TRANSCRIPT***