



## “Dhabriya Polywood Limited Q4 FY '25 Earnings Conference Call”

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LIMITED**

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**MODERATORS: MR. SUMIT JHA – X-B4 ADVISORY**

**Moderator:** Ladies and gentlemen, good day and welcome to Dhabriya Polywood Limited's Q4 FY '25 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. Should 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. Sumit Jha from X-B4 Advisory. Thank you and over to you, Mr. Jha.

**Sumit Jha:** Thank you. Good afternoon, everyone, and welcome to the Quarter 4 and Financial Year '25 Earnings Conference Call of Dhabriya Polywood Limited. Today, on this call, we have with us Mr. Digvijay Dhabriya – Promoter, Chairman and Managing Director and Mr. Hitesh Agarwal – Chief Financial Officer.

This conference call may contain forward-looking statements about the Company which are based on beliefs, opinions and expectations as of today. Actual results may differ. The statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. A detailed Safe Harbor statement is given on the second page of the earnings presentation of the Company, which has been uploaded on the Stock Exchange as well as Company's website as well.

With this, I now hand over the call to Mr. Digvijay Dhabriya sir, for his opening remarks. Over to you, sir.

**Digvijay Dhabriya:** Thank you. Good afternoon, everyone. We welcome you all to the Earning Call for the Quarter 4 and Financial Year '25 for the Dhabriya Polywood Limited. I trust all of you have had a chance to go through our Financial Results and Investor Presentation which we have uploaded on the Company website and in the Stock Exchange.

Financial Year '25 was a year of solid execution and strategic progress. Our performance reflects the strength of our multi-band strategy, the scalability of our manufacturing and our design capability and our firm commitment to innovation and sustainability. We remain focused on driving profitable growth, improving operational efficiency and delivering value to all stakeholders as we move forward.

Now, let me tell you all about some key developments and entailments in the PVC and the UPVC building material industry:

The sector continues to benefit from macroeconomic fundamentals such as the rapid urbanization arising disposable income, our growing preference for the eco-friendly material

and robust real estate growth, particularly in the Tier-1 and Tier-2 cities. India's real estate sector is expected to witness substantial expansion over the coming years, driving by demographic shift towards nuclear family's increased NRI engagements and easier access to housing finance. In parallel, the UPVC Doors and window segments are experiencing steady growth, supported by the rising demand for low maintenance and energy efficient alternatives to traditional materials. Similarly, the furniture segment including PVC base and the Modular Solution continue to gain traction due to its affordability, durability and sustainability. Consumer preferences are increasingly moving towards Modular and customizable interior solution which offers aesthetic appeal, space efficiency, and quick installation. This trend strongly complements our offering under the Studio Arezzo and Dynasty Modular Furniture brands. Our commitment to sustainability supported by a portfolio of design patents and innovation led products line continues to give us a meaningful edge in the market.

During Financial Year '25, we actively participated in 10 major business exhibitions across key metros and Tier-2 cities which played a significant role in driving brand visibility and generating quality business needs. Looking ahead, we have already finalized our participation in 9 exhibitions for the current financial year, further demonstrating our commitments to outreach and industry connect. Marketing and promotional activities have also been a meaningful scale up. Our marketing and sales promotion expenses stood at Rs. 3.26 crores in Financial Year '25, reflecting a 50% increase over Financial Year '24. This alleviated investment has translated into stronger market presence and penetration and improved customer recall, especially for our fluted and soffit panels and eco-friendly modular furniture product line. Accordingly, our presence across social media and digital platforms continues to be strengthened enabling us to connect with younger design conscious audiences and live with real time engagement. This omni-channel strategy has been instrumental in positioning our Studio Arezzo and Dynasty brands as their leading names in the modern modular interiors.

On the product front, we are witnessing robust traction in fluted and soffit panels segment that are becoming increasingly popular for their aesthetic appeals and functional utility in both residential and commercial applications. We continue to maintain a healthy order book of over Rs. 140 crores in our project-related business, which now accounts for approximately 30% of our overall revenues. This provides us with a strong revenue visibility and underpins our confidence in sustainable growth.

Looking at the future, we are planning a capital expenditure of Rs. 50-Rs. 60 crores over the next 2-3 years, primarily towards establishing a dedicated manufacturing facility for the WPC Doors and enhancing capacity at our Southern India plants. This investment will be financed largely through internal accruals, reflecting our strong cash generation capabilities and prudent capital management. In recognition of the Company's robust financial performance and healthy balance sheet, the brand has recommended a higher dividend of 7% compared to 5% in each of the past 2 years. This move is a token of appreciation for our shareholder's continued trust and

support. With these strategic initiatives and financial discipline, we remain confident of sustaining our growth momentum and creating long-term value for the stakeholders.

Thank you, now. I hand over the call to our CFO – Mr. Hitesh Agarwal for financial comments. Over to Mr. Hitesh. Thank you.

**Hitesh Agarwal:**

Thank you, sir. Good afternoon, everyone. We are pleased to report that Q4 FY '25 reflected healthy progress showcasing the effectiveness of our diversified product portfolio and customer centric execution. Our consolidated revenue stood at Rs. 63.47 crores, registering a healthy year-on-year growth of 15.9% compared to Rs. 54.78 crores in Q4 FY '24. This growth was driven by demand across all our product segments. The Company's EBITDA for the quarter came in at Rs. 10.23 crores, a 17.5% increase over the same period last year. EBITDA margin stood at 16.1%, reflecting an improvement of 20 basis points year-on-year.

This margin expansion is attributable to better product mix, improved operating efficiencies and consistent pricing discipline. Profit after tax grew by 32.3% year-on-year reaching Rs. 5.38 crores up from Rs. 4.06 crore in Q4 FY '24. The PAT margin also improved by 110 basis points, increasing to 8.5% level compared to 7.4% in the same quarter of the previous year. The quarter's commendable finish was driven by the management's focused effort on strengthening operational capabilities and enhancing bottom-line performance.

For the full year FY '25, our revenue from operation stood at Rs. 235.11 crores, an increase of 11.1% over Rs. 211.63 crores in FY '24. The Company's EBITDA expanded to Rs. 37.50 crores, reflecting a 20.9% year-on-year growth. Our EBITDA margin for Financial Year '25 stood at 16%, up by 130 basis points from the 14.7% in FY '24, supported by both operating leverages and our focus on high margin product categories.

On the profitability front, PAT for the year was Rs. 18.03 crores, a strong 28% increase over Rs. 14.08 crores in FY '24. This led to a PAT margin expansion of 100 basis points taking the margin from 6.7%-7.7%. These results underscore the resilience of our business model and the scalability of our diversified operations.

Let me now walk you through the segment wise performance beginning with Q4 FY '25. In Q4 FY '25, PVC profile recorded revenue of Rs. 37.07 crores, registering a 20.4% growth. UPVC Window revenue grew by 5.1% reaching to Rs. 14.84 crores. Modular furniture reported revenue of Rs. 11.56 crores growing by 17% year-on-year. For the full year FY '25, PVC profile contributed Rs. 135.11 crores, a growth of 10.4% and continued to be the highest contributors over topline. UPVC Windows delivered revenue of Rs. 59.83 crores up by 10% year-on-year basis. Modular furniture posted revenue of Rs. 40.17 crores up by 15.4%. The revenue mix continues to diversify with PVC profile accounting for around 58%, UPVC Windows 25% and Modular Furniture 17% of the total revenue in FY '25.

We are happy to share that our order book remains robust exceeding Rs. 140 crores with strong traction, institutional and builders projects, particularly within our UPVC Windows, Aluminum Windows and Modular Furniture categories.

Thank you all. Now, we can open the floor for the questions.

**Moderator:** Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Pritesh Chheda from Lucky Investments. Please go ahead.

**Pritesh Chheda:** Sir, can you just share what were the hits and misses for FY '25 where do you think you lag behind or where do you think you move materially ahead if you could share that? And for FY '26, how do you see the growth shaping up?

**Hitesh Agarwal:** Good afternoon, Priteshji.

**Pritesh Chheda:** Good afternoon.

**Hitesh Agarwal:** Yes, FY '25, we have achieved the topline of Rs. 235 crores, which is about 11% from the previous year FY '24. We had expected some higher figures in that year, but as we mentioned in our previous earnings call, due to certain factors which were beyond our control like extended rainy season and then certain restrictions on the construction activities, particularly in Delhi NCR region, which went up to around 40-45 days. So these 2-3 factors basically, we have compromised some of the revenue only from the project business related to UPVC Windows and Modular Furniture because during that period, onsite exhibitions were totally stopped. So that was the reason and going forward, we are quite optimistic. In fact, whatever the vision we have taken earlier, the long-term vision which we had shared earlier that going forward for next 4-5 years, we have to grow certain percentage. So we stick to that and looking to the current order book, the market response, other multiple efforts towards penetration in different segments. So going forward, good growth is expected actually.

**Moderator:** Mr. Chheda, do you have any further questions, sir? Mr. Chheda, we are unable to hear you, right now?

**Pritesh Chheda:** Sorry, sir, I missed you. For FY '26, what did you say, you had grown?

**Hitesh Agarwal:** See the projection what we have earlier estimated to grow with the percent long-term vision of 25% year-on-year growth. See, if you see our last 3-years ' performance, we have grown by 21% CAGR basis. So going forward also and we are quite optimistic to cross this average of growth basically, so maybe around 25% plus growth, we will see in the coming year also.

**Pritesh Chheda:** This Rs. 140 crores order backlog that you mentioned, what was the order backlog same period last year, so we can know the growth in your backlog?

- Hitesh Agarwal:** Yes, almost same figure basically that counted Rs. 140 crores. So in fact in the middle of the last Financial Year , it was around Rs. 135. So we are adding new orders and a regular execution is happening. So as on 1st April of this current financial year, so an executed order value basically that is on the same level of around Rs. 140 crores, which had product mix of UPVC Window and Aluminum Window over Rs. 99 crores and remaining is related to Modular Furniture business.
- Pritesh Chheda:** And just can you for FY '25 give the break up again, the fluted panel Door, UPVC Window and Furniture?
- Hitesh Agarwal:** Yes, FY '25, the overall revenue break up for this PVC profile, which is around 58% of total revenue and 25% came from the UPVC Window and around 17% is from the Furniture segment.
- Pritesh Chheda:** Sir, can you give the absolute revenue number and the Y-o-Y growth?
- Hitesh Agarwal:** Yes, absolute number and the Y-o-Y growth, that also, I will just say.
- Pritesh Chheda:** Yes.
- Hitesh Agarwal:** For this PVC profile, which is our B2B business segment, so here we did the business of Rs. 135 crores against the Rs. 122 crores in the previous year FY '24, registering a growth of around 10% and for the UPVC window, it is almost Rs. 60 crores against the FY '24 figure of Rs. 54 crores. So here also that growth was 10%. And in Modular Furniture, we registered a revenue of Rs. 40.17 crores by FY '25 against the Rs. 34.81 in FY '24. Here, the growth was little higher, it was 15% and then fluted panel, fluted and soffit both are from the same segment. So total revenue in FY '25, it was around Rs. 44 crores in FY '25 against Rs. 30 crores in FY '24.
- Pritesh Chheda:** So fluted panel grew 50%?
- Hitesh Agarwal:** Yes.
- Pritesh Chheda:** Fluted panel is Rs. 44 crores?
- Hitesh Agarwal:** Yes.
- Pritesh Chheda:** So any reason why your core original product of PVC profile grew, let us say, low single digit?
- Hitesh Agarwal:** See, in PVC profile, also there is a growth. This fluted panel as we mentioned earlier also, this is a ceiling and paneling application. Earlier, it used to be low-cost single layer PVC profiles. So now, it has been upgraded with the patented designs and certain other solutions by which we can cater to the middle- and upper-class residencies and commercial spaces also. So here, the growth is more and in fact, our focus is also on the high margin value added products, so in Door

segment also, there is growth and similarly in the fluted panels, the ceiling and paneling application, we can say that it is contributing more as compared to the other product.

- Pritesh Chheda:** Thank you, sir. I will come back for more questions, sir.
- Hitesh Agarwal:** Thank you, Priteshji.
- Moderator:** Thank you. The next question is from the line of Deepak Verma from Ayodhya Investments. Please go ahead.
- Deepak Verma:** Hello, I had a couple of small questions. One is what would be your maintenance CAPEX figure annual any approximation?
- Hitesh Agarwal:** Sorry. Can you repeat, sir?
- Deepak Verma:** CAPEX, capital expenditure that goes towards maintenance of assets?
- Hitesh Agarwal:** CAPEX expenditure for this FY '25, so the maintenance CAPEX is normal. Yes, maintenance CAPEX is generally in the range of Rs. 3-Rs. 4 crores, annual basis wherein we have to upgrade or replace certain process related machines.
- Deepak Verma:** Understood. The other question is, if we look at these segments, which segments do you see growing fast and what kind of returns on invested capital, if you could do a comparison?
- Hitesh Agarwal:** Basically, if we bifurcate this in all our 3 segments that our major focus and major revenue contributing segment is PVC profile extrusion. There, we make the Door profiles and furniture profiles and this fluted and all. So here the CAPEX is more and in fact this particular segment requires more CAPEX also. We have to add certain capacities and monetary terms capital expenditure is higher as compared to other two segments.
- Deepak Verma:** So you are saying current CAPEX, current and maybe near term?
- Hitesh Agarwal:** Yes.
- Deepak Verma:** And in terms of return on invested capital, which segment would spare where as compared to the other two?
- Hitesh Agarwal:** As I said that we can say more return on capital investment will come from the UPVC Window and Modular Furniture because their CAPEX amount is lesser. Lesser CAPEX is required to generate the revenue but.
- Deepak Verma:** The higher EBITDA or something, I meant to see here maybe?

- Hitesh Agarwal:** EBITDA side that higher margins are almost same and all three. Yes, currently in our case, the furniture advertised little bit lesser because.
- Deepak Verma:** Broadly, I will just explain myself further. What I am looking at is very roughly speaking, EBIT, earnings before interest and tax divided by whatever investments on average you make per segment. That is the comparison I am looking at when I am looking at ROIC roughly?
- Hitesh Agarwal:** Roughly, this will be around maybe (+20%).
- Deepak Verma:** For each of, I meant segmental comparison, sorry.
- Hitesh Agarwal:** Yes. Almost 1% or 2% differentiation is there. And then in the furniture it is lesser. And then second one is the UPVC Window and better margin is in this PVC profile segment because here the value added products are there and working capital cycle is bit higher over there. We can protect more.
- Deepak Verma:** So we are saying that ROIC is higher in PVC profile.
- Hitesh Agarwal:** Correct.
- Deepak Verma:** Versus the other two and the investments are also going there only versus this year?
- Hitesh Agarwal:** Yes.
- Deepak Verma:** And growth prospects also you are saying?
- Hitesh Agarwal:** Yes, growth prospects in all 3 verticals there and more growth is coming from this PVC profile in monetary terms. We see that it is contributing around 58% of our overall revenue and so that overall growth.
- Deepak Verma:** I think it has been declining over the years, it has gone down because Modular Furniture has taken over?
- Hitesh Agarwal:** See, Modular Furniture as you mentioned earlier also that earlier we were focused on B2B or institutional supplies only. Last 3 years, we have added the project business also for Modular Furniture. So that is contributing now.
- Deepak Verma:** Thank you so much.
- Hitesh Agarwal:** Thank you.



- Moderator:** Thank you. We will take the next question from the line of Manan Madlani from KamayaKya Wealth Management. Please go ahead.
- Manan Madlani:** Hi, sir, thanks for the opportunity. So my first question is what is the utilization rate for the current year and what is the CAPEX number are we planning for next year?
- Hitesh Agarwal:** The capacity utilization for this PVC profile extrusion, it was around 53% in last Financial Year FY '25 based on the increased capacity because we had done the capacity expansion in last financial year and for the UPVC Window, it was 40% capacity utilization last Financial Year '25. Furniture, as we have been mentioning earlier also, because it is a non-standard kind of formulation, so there is no rated capacity applies in that furniture. Your second question related to the CAPEX in next 2 years as our CMD sir mentioned in his introductory speech that the Company is planning to invest around Rs. 50-60 crores going forward in the next 2-3 years for new products additions and capacity addition.
- Manan Madlani:** This Rs. 50-Rs. 60 crores will be split over 2-3 years, or each year will spend?
- Hitesh Agarwal:** Yes, each year that this particular year, we can take around Rs. 15 crores of CAPEX if the things get speed up because we are working on a certain new product addition as mentioned at the WPC Door. So that project is going to light up in this financial year if it happens before March and maybe that CAPEX for the current year will be a little higher. But yes, for the next 2-3 years, we have made a longer plan. So in that we are going to add some capacities also for the extrusion, particularly in South India where the market is really good and for WPC Doors and certain other solutions also.
- Manan Madlani:** And my second question is on Arezzo Studio. So in PPT, I can see that there are 4 showrooms available. So is it related to Arezzo Studio?
- Hitesh Agarwal:** See 4 showrooms, these 4 showrooms are not exclusively related to Arezzo Studio. Arezzo Studio exclusive showrooms are two, one is in Jaipur and the second one is in Gurgaon and the rest 2 are our application center which belongs to entire range of the product of the group including Studio Arezzo range also.
- Manan Madlani:** And we are adding 2 more stores in Q2, right?
- Hitesh Agarwal:** Yes, for the current Financial Year '26, we have planned for two more studio, Arezzo Studio to be added.
- Manan Madlani:** Where are you planning to add these stores?
- Hitesh Agarwal:** Yes, one in Southern India we are planning and the second one, maybe in Western region only. That location is yet to be decided.

- Manan Madlani:** So what is the plan going ahead, like in next 2-3 years, are we accelerating to adding these kind of Studios more and more, like what is the plan here?
- Hitesh Agarwal:** See, in Furniture segment, since we started this Modular Furniture working through projects for the real estate, we have seen a very good response and is being reflected in our figures also for the Dynasty Modular Furniture business. And similarly for the Studio Arezzo, we have already built up the capacities, we have added several high-end machines here and entire design teams and all so range is there. So going forward, the plan is there to enhance this Studio, but as of now, we are going slow and steady particularly in Studio Arezzo segment. So 2 studios are planned for the current financial year. Going forward, we will speed it up based on the market response.
- Manan Madlani:** So this will be like, what you say the client site of the studio, right? So people will come there, see the products and they will buy it from the distributor or dealer, whoever is there?
- Hitesh Agarwal:** Yes, see this Studio, we are having the complete display of our product range and we have digital library over there, we can design the solutions in front of the customer itself as per their requirement. We have made a long library of standard and non-standard solutions, both.
- Digvijay Dhabriya:** The standard solutions we are providing to the small customers and the delivery time, we are shortening the delivery time. So in front of them, suppose a person is coming with a design of his flat, we will design the entire furniture in front of them and show him all the colors, designs, materials and quotation, at the same time and make all the executions within a limited time period so that they will not disturbing and they can save their time because all the couples are working nowadays, they don't have time for running around the execution of the interiors.
- Manan Madlani:** So this is a very exciting segment, like even if you see the metro cities only, this segment can become huge for the Company. So how are we planning to compete with unorganized players because there are many unorganized and even big, organized players are into Modular Furniture. So how are we competing with them like on the basis of prices or timing you already mentioned, but other than that, what is the strategy here?
- Hitesh Agarwal:** See, primarily it is based on design and execution. Only thing that what range of products we are having, just you have rightly mentioned that in furniture industries has more unorganized players in this, but there that you will not find all kind of finishes solutions that upgrade the latest designs and patterns with the organized players. Being organized player, having the presence all over India, digitally available to everyone, and a physical infrastructure to visit us and to see the product physically and then get it designed there itself, so all those features definitely differentiate us with the unorganized players. And since we have the execution capabilities, working with the large builder, developers and architect teams, so that also gives us the edge to compete with others.

- Manan Madlani:** Thank you so much, sir. I wish you all the best. I will join back in the queue.
- Hitesh Agarwal:** Thank you, Mananji.
- Moderator:** Thank you. We will take the next question from the line of Bhavesh Chauhan, an Individual Investor. Please go ahead.
- Bhavesh Chauhan:** Sir, with more than 20% sales growth that we are expecting in FY '26 and even going forward, what is our guidance on margin? Should it sustain it at current levels?
- Hitesh Agarwal:** Margin side is gross and EBITDA both. We have been putting regular efforts to maintain this and you can see from continuous performance of the last 4-6 quarters, we have been improving it on both the fronts. So we are confident that the margins can be easily maintained going forward also.
- Bhavesh Chauhan:** And in the just sales growth, should it be over the next 3-5 years, should it be more than 20%?
- Hitesh Agarwal:** Yes, it should be. And in fact we have mentioned it earlier also and the kind of the product range what we have developed the infrastructure in terms of our showrooms, depots and all and the market scenario that real estate growth and all those sectors give us the confidence that this much growth is definitely achievable.
- Bhavesh Chauhan:** Great. And sir, last year we did very well in terms of managing our debt. I can see year-over-year, it is around Rs. 53 crores more or less stagnant. So going forward, how should it be?
- Hitesh Agarwal:** The regular expansion is happening, but we see that in last year also, we have done around Rs. 12 crores of CAPEX in different segments and also maintenance CAPEX. So yes, we are working on reducing the debt also. Regular repayments are happening and going forward next 4-5 years, in fact we have the long-term trajectory also.
- Bhavesh Chauhan:** Great and all the best.
- Hitesh Agarwal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.
- Madhur Rathi:** Thank you for the opportunity. Sir, if I look at our Q4 numbers, our gross margins.
- Digvijay Dhabriya:** You are not audible. Please, can you speak louder?

- Madhur Rathi:** Sir, I wanted to understand if I look at our FY '25 versus FY '24 numbers, sir, our gross margins have improved by 3% odd and sir, if I look at our revenue of Modular Furniture segment has grown at a higher rate. So I am trying to understand is the Modular Furniture coming at a higher margin or is the gross margin improvement because of something else?
- Hitesh Agarwal:** Gross margin improvement is majorly due to two factors. One is the primarily focus on the high margin solutions. That is the primary one region and the second one that is stable pricing of the raw metals also helps us to get better margin at gross level basically. So both the factors contributed to this higher margins, stable prices and at the same time, our focus on the high margin solutions.
- Madhur Rathi:** Got it. Sir, so was there any inventory loss in FY '24 and sir, if there is a raw material pricing increase, with what lag, do we pass on these price increases or decreases to our customers?
- Hitesh Agarwal:** As such there is no elementary loss applicable to our industry because all the inventories rotatable in within 2-3 months cycle basically. So we are not keeping any longer run inventory where the prices reductions are happening. It is majorly price reduction or stability applies to the PVC resin, which is crude oil byproduct, and that the inventory is maintained for just 1-2 weeks only. So it is a regular supplied material. So what was your another question?
- Madhur Rathi:** That answered my question, sir. I have a next question, sir. One is, sir, if you could give me a margin difference between our PVC profile, UPVC Window and Modular Furniture segment, what is the margin differential on all of these 3 products?
- Hitesh Agarwal:** It is about 2%-3% differentiation and which is presently at the low side in the Modular Furniture because of the lower level of topline basically. There is no other thing. On the other hand, UPVC Windows and PVC Profile, margins are almost on the same levels.
- Madhur Rathi:** So there is 2%-3% lower for modular and remaining similar?
- Hitesh Agarwal:** Remaining is the same, yes.
- Madhur Rathi:** Sir, currently you are operating at a very low decent utilization level, sir what would be the revenue potential from the current capacity as well as the Rs. 50-Rs. 60 crores CAPEX that you going to do over the next 2-3 years, what would be the revenue potential from that?
- Hitesh Agarwal:** At the current capacity, revenue generation of around Rs. 450-Rs. 500 crores is really possible and CAPEX which we have planned for the next 2-3 years, which is related to certain new product additions and at the same time for some capacity enhancement for our South India plant also. So once that is implemented, so that will definitely contribute around Rs. 150-Rs. 200 crores of topline. That would be the additional one after adding all those CAPEX.

- Madhur Rathi:** Got it. Sir, just a final question from my end on this plastic composite Door and the South India extrusion plant expansion, so what is the margin in the WPC Door? Is it higher than our Company average today? And sir, the expansion that you are doing in South India, sir, are you going to add more value-added product, high margin product capacity in that?
- Hitesh Agarwal:** The product addition of WPC Doors is not based on the higher margin or some other calculation. It is basically the requirement going forward because we are providing a solution for the wood free house. So whatever solutions correctly we are having in that one component is missing, that is the internal Doors for the bedrooms and all. So for that we are coming up with these solutions. Margins since it is from the same segment; same line of business or similar margins we can expect from this.
- Madhur Rathi:** Got it. And sir, who would be your competitors in this segment?
- Hitesh Agarwal:** Sorry.
- Madhur Rathi:** Competitors.
- Hitesh Agarwal:** Can you repeat? Actually, your voice is not.
- Madhur Rathi:** Sir, who would be your competitors in this segment?
- Hitesh Agarwal:** See competitor in the PVC profile extrusion, which is a B2B segment. That listed peer, there is only one party as currently which is from Gujarat Kaka Industries and then there are several regional players everywhere, so many regional players are there.
- Madhur Rathi:** Got it. And sir, in this WPC Door segment, who would be the competition?
- Hitesh Agarwal:** WPC is the kind of solution which we are working on and we are planning to bring in. According to the information, what we have it is the new solutions for the Indian market.
- Madhur Rathi:** Got it. Sir, that was from my end. Sir thank you so much and all the best.
- Hitesh Agarwal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Reena Gattani from Paul Asset Consultant Private Limited. Please go ahead.
- Reena Gattani:** Yes, sir. Sir, thank you for the opportunity. And so my first question would be sir, like last financial year also you had said that you will achieve the revenue growth of 25%, but achieved has been only 11% and as you said, it was because of the lengthy monsoon and the other reason. And going forward, you are saying that you will achieve around 25% as well. So all these things

might happen for coming years also, so is there anything planned so that such things will not happen in the future?

**Hitesh Agarwal:** See, this negative sector which affected our revenue last year has been considered by us while projecting revenue growth for the current year. These are the uncertainties which are not in control of anyone, but yes, based on the increased product range, our penetration throughout India, that growth what we are projecting now is definitely achievable considering these 1 or 2 factors are repeated.

**Moderator:** Ma'am, you are not audible. Can you unmute yourself and speak, please. Ma'am, I am sorry to interrupt you. May I request you to use your handset, please? There is a static on the line otherwise.

**Reena Gattani:** Yes, sir. So my second question would be sir, like you have said that you have planned Rs. 50- Rs. 60 expansion in the next 3 years and you have also said that within 4 years, you want to be without the loan in your book, so how would it be achieved along with the expansion plan?

**Hitesh Agarwal:** You can see that in current financial year, we have very good cash flows with us, in fact around Rs. 25 crores plus cash profit is there in the books. So going forward, based on the increased business and all, so this should also increase. So considering the profitability and incremental business, so that CAPEX can be met out mostly with the internal accruals and at the same time, our vision to be debt free in the next 4-5 years can also be easily achieved.

**Reena Gattani:** So you mean to say the expansion would be from the internal accruals mostly?

**Hitesh Agarwal:** Yes. See, it depends on the priorities. If something gets prioritized in that case, maybe we have to go for some of the short-term financial assistance. Otherwise, as of now, we have planned to meet this expansion plan through internal accruals only.

**Reena Gattani:** Thank you for answering my question, sir. Thank you.

**Moderator:** Thank you. The next question is from the line of Deepak Verma from Ayodhya Investments. Please go ahead.

**Deepak Verma:** I was just noticing that this growth in revenue has fallen quite a lot this year and since we are projecting a 20%-25% growth next year and so on, was there any specific reason why it was not so good this year?

**Hitesh Agarwal:** See that last year there were certain factors which affected Q2 and Q3 revenues in particular, so we were not able to reach to the expected levels. Going forward, since we have put lot of investment on promotional activities and placing ourselves on the front position at certain cities

and gain the entry with several new builders and developers also, so considering all those factors, that revenue growth in coming years is surely achievable, what we have projected now.

**Deepak Verma:** Could you throw a bit more light on what factors caused this slow down?

**Hitesh Agarwal:** Last year, there was an extended rainy season since a lot of revenue comes from the project related business being UPVC Windows and Modular Furniture and which mainly goes into the Delhi NCR region, so last year that rains were attended till almost second-half of the August and then there were the long restriction on the construction activities that Grap-3 and Grap-4 restrictions were implemented by the Supreme Court due to the pollution and all. So all those sectors affected the onsite activities basically, so that held up our supplies to the sites.

**Deepak Verma:** One more small question. What would be our average cost of debt, long term and short term separately?

**Hitesh Agarwal:** It is lesser than 8.5%.

**Deepak Verma:** Which one, long term?

**Hitesh Agarwal:** Both, rate of interest is same, basically for both long term and short term, lesser than 8.5%.

**Deepak Verma:** Alright. And Hitesh, can I e-mail you separately for some segmental data that I can?

**Hitesh Agarwal:** Yes, sure, any time.

**Deepak Verma:** Thank you so much.

**Moderator:** Thank you. The next question is from the line of Manan Madlani from KamayaKya Wealth Management. Please go ahead.

**Manan Madlani:** Hi, sir. Thanks for the follow up. So when I see the PPT, in FY '25 our employees held at 700 plus versus 500 plus last year. So where did this addition happen?

**Hitesh Agarwal:** We had started our manufacturing factory in Bangalore for the fluted and soffit. So that major addition is in that plant only.

**Manan Madlani:** And for the fluted panels, we did Rs. 44 crores this year, so where do you see this segment in next 2-3 years? By when we should reach Rs. 100 crores mark?

**Hitesh Agarwal:** Rs. 100 crores, just our plan is to do it in within 2 years, next 2 years maybe, or you can take it 2-3 years we will achieve, take this segment to Rs. 100 crores level.

- Manan Madlani:** The soffit we just started in H2, so there won't be any big number from that segment, right?
- Hitesh Agarwal:** See, soffit and fluted both are mixed basically because the application is same as I mentioned in the previous call also, it is related to the fall ceiling and wall paneling. So one is the multi-layer solution, and the second one is the single-layer solution. So the response for this is also good.
- Manan Madlani:** One last question, any plan from your side to hire a Brand Ambassador for any of your particular brands or any brand activity to promote our products, anything going?
- Hitesh Agarwal:** There is no plan for hiring any especially Brand Ambassador, but yes, to promote our product and to be visible to everyone, Our focus is on more and more participation through exhibitions and shows.
- Manan Madlani:** Any ballpark number how much we will be spending in a year?
- Hitesh Agarwal:** Yes. See, last year we spent around 1.4% of our overall revenue on the exhibition and sales promotion activities. And we have a plan to take it to the 2% of topline.
- Manan Madlani:** So this will include all other activities as well, not just the exhibition part?
- Hitesh Agarwal:** That is related to the exhibition participations and other sales promotion related activities through digital media and other fronts.
- Manan Madlani:** Fair enough. That is it for my side. Thank you so much and I wish you all the best.
- Hitesh Agarwal:** Thank you.
- Moderator:** Thank you. We will take the next question from the line of Ajay Shantaram Kale, a Retail Investor. Please go ahead.
- Ajay Shantaram Kale:** Hi, sir. My question to you is, what is the percentage of your revenue between your distribution and your project order and how is the margin get splitted between distribution and the back-to-back orders? And also what are the, I know bits and pieces you have given the answers of how you are going to achieve the revenue, but I wanted to understand a specific initiative which will translate to that 25% growth? And if you could just add an element of your distribution split between South, West, East and North that will also help?
- Hitesh Agarwal:** So for the revenue mix is concerned related to the B2B and other sales verticals, around 60% revenue comes from our B2B business channel basically, majorly for the PVC profiles and then remaining from the Modular Furniture and around 30% comes from the project related business basically. Project related business is for the UPVC and Aluminum Windows and Doors and then Modular Furniture. And for that particular project related business, we are having the order book



of around Rs. 140 crores in hand because B2B business does not carry any order book, it is regular supplies from 0-7 days, we are executing the orders and all. We are having a small portion of exports also, around 2.5% is for the export, for the modular furniture and PVC related products and around 7% is the retail revenue, which is primarily for the UPVC Windows and Doors and Modular Furniture. So this is the revenue mix. And the second question was related to the revenue, how we are going to generate the revenue for the current year that is what we are projecting.

**Ajay Shantaram Kale:** What are the specific initiatives that you are going to take which will allow you to take the growth of 25%?

**Hitesh Agarwal:** See, we are regularly, our MD sir also mentioned that last year we have increased our expenses on the marketing front. In fact, it is not the expenses, it is about the initiative. We have taken up the initiative to go aggressively in the participation of the exhibitions, Pan India and whether it is in the South or North or East, everywhere we are participating in that. So that is the one front where we are promoting the products. Second one is the healthy order book is supporting our projections. This order book is being analyzed based on the current site scenario, how much execution can be done in the current financial year? So considering all those factors, this figure is derived at around 25% growth can be achieved.

**Ajay Shantaram Kale:** But are you adding any sales force at a ground level in our factories?

**Hitesh Agarwal:** Yes, that is also happening. We have also mentioned in our presentation; regular recruitments are happening. In fact, in last year also, we have added more than 15 heads in sales front.

**Ajay Shantaram Kale:** And the last question is, what is your mix between South, West, East and North of overall business?

**Hitesh Agarwal:** South is the major contributor because being a coastal world that acceptance for the good substitute solution, particularly the polymer-based product is more from the South India. So we can say around 40% revenue is coming from the South India itself. And then the major market after South India is the Eastern part that West Bengal, Odisha region.

**Ajay Shantaram Kale:** Which means West and East, specifically West is lesser penetrated in terms of your business?

**Hitesh Agarwal:** Yes, West is lesser penetrated. In fact, we mentioned earlier also that Mumbai region earlier we used to do very good business over there. But last year itself, we have opened our depot and showroom in Mumbai to cover up, get more revenue from the Maharashtra regions.

**Ajay Shantaram Kale:** Thanks. Is it okay if I just drop in an e-mail for some follow-up questions related to your business?



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**Hitesh Agarwal:** Yes. Sure.

**Ajay Shantaram Kale:** Thank you, sir.

**Moderator:** Thank you. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to Mr. Digvijay Dhabriya for closing comments. Thank you and over to you, sir.

**Digvijay Dhabriya:** Thank you all for joining us on today's earning call. We hope we have addressed your questions effectively. Should you have any further queries or require additional information about the Company, please feel free to connect with our Investor Relation team at X-B4 Advisory. Thank you once again and we wish you good health and safety.

**Moderator:** Thank you members of the management. On behalf of Dhabriya Polywood Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.