

RDL/102/2024-25

Date: 01.11.2024

To,  
National Stock Exchange of India Ltd.  
Exchange Plaza,  
Bandra – Kurla Complex,  
Bandra (E), Mumbai – 400 051  
NSE EQUITY SYMBOL: RUSHIL

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001  
SCRIPT CODE: 533470

ISIN: INE573K01025

Dear Sir / Madam,

**Sub: Transcript of the conference call for Unaudited Standalone and Consolidated Financial Results for the second quarter/half year ended 30<sup>th</sup> September, 2024**

With reference to our earlier intimation No. RDL/093/2024-25 dated October 19, 2024 and in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the conference call with Investors and analysts held on Monday, October 28, 2024 in respect of the Unaudited Standalone and Consolidated Financial Results for the second quarter/half year ended 30th September, 2024.

The same will also be available on the website of the Company at [www.rushil.com](http://www.rushil.com).

This is for your information and record.

Thanking you,

Yours faithfully,

**For Rushil Decor Limited**

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**Hasmukh K. Modi**  
Company Secretary

Encl.: a/a



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“Rushil Décor Limited Q2 FY’25 Earnings Conference Call”

**October 28, 2024**



## RUSHIL

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**ASIAN MARKETS**  
— SECURITIES —



**MANAGEMENT:** **MR. RUSHIL THAKKAR – MANAGING DIRECTOR, RUSHIL DÉCOR LIMITED**  
**MR. KEYUR GAJJAR – CHIEF EXECUTIVE OFFICER, RUSHIL DÉCOR LIMITED**  
**MR. HIREN PADHYA – CHIEF FINANCIAL OFFICER, RUSHIL DÉCOR LIMITED**

**MODERATOR:** **MR. KARAN BHATELIA – ASIAN MARKET SECURITIES LIMITED**



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**Moderator:** Ladies and gentlemen, good day and welcome to Rushil Decor Limited Q2 FY'25 Investors Conference Call hosted by Asian Market Securities Limited.

This conference call may contain forward-looking statements about the Company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict. Actual results may differ from such expectations, projections, etc., whether expressed or implied. Participants are requested to exercise caution while referring to such statements and remarks.

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. Karan Bhatelia from Asian Market Securities. Thank you and over to you sir.

**Karan Bhatelia:** A very good afternoon and welcome all to the Rushil Décor Q2 FY'25 Earnings Conference Call hosted by Asian Market Securities.

From the Management side, we have with us, Mr. Rushil Thakkar – Managing Director, Mr. Keyur Gajjar – CEO and Mr. Hiren Padhya – CFO.

I now hand over the call to Rushil bhai for his “Opening Remarks”. Thank you. And over to you.

**Rushil Thakkar:** Good afternoon, ladies and gentlemen. Welcome to Rushil Decor Limited Earnings Conference Call for the 2nd Quarter ended 30th September 2024. I would like to extend my gratitude to Asian Market Securities for organizing this call and to all participants for joining us today.

I am joined by Mr. Keyur Gajjar – our CEO and Mr. Hiren Padhya – our CFO. We have shared and uploaded the “Investors Presentations” on the Exchanges, and we hope you have reviewed the material.

Let’s begin with an overview of our “Performance” for Q2 Financial Year 2025:

Starting with our MDF segment, we recorded a total volume of 72,013 cubic meters, marking a strong 19.2% increase year-over-year. Although there was a slight decline of 2.8% quarter-over-quarter,



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exports volume remained robust with a 27.6% increase year-over-year. This performance coupled with improved realization in our export market contributed positively to our financial outcome this quarter, notably, value added MDF products accounted for 54% of division's revenue, reinforcing our focus on high margin segment.

Turning to the Laminate segment:

We achieved a total volume of 7,51,670 sheets showing resilience despite a challenging environment. While the total volume declined by 2.9% year-over-year, our exports volume held steady, demonstrating the strength of our international market positioning. Blended realization for the laminate increased year-over-year by 20.8% in domestic market, although the realization saw some pressure decreasing 2.6% in exports.

On the operational side, our Chikmagalur unit, which manufacture MDF boards, is scheduled for a planned maintenance shutdown. This routine procedure is conducted every three to four years and is essential to maintaining operational efficiency, enhancing the product quality and assuring sustained capacity utilization over 100% for next couple of years.

Our efforts to expand the production capacity and international reach are progressing as planned. The Jumbo Laminate project in Gandhinagar, although delayed due to machinery supply issues and unexpected rainfall, is now on track for operations by the end of Q4 2025. This facility will contribute an additional 2.8 million sheets annually, positioning us to enter the growing Jumbo Laminate market effectively. Additionally, we may establish a wholly owned subsidiary in Singapore to better serve the Southeast Asia market, a step we anticipate will strengthen our international footprints and drive revenue growth in the region. Our participation in European exhibitions this quarter has already generated promising enquiries paving the way for expanded opportunities in the global market.

In Conclusion:

Our commitment to sustainable growth is unwavering, as evidenced by our agroforestry initiatives that support our raw material supply chain and benefit local communities. I am looking forward to lead Rushil Decor through this growth phase, leveraging our management team's capabilities and strategic directions to deliver sustained value to our stakeholders.

Thank you for the attention and I will now hand over the call to our CFO, Mr. Hiren Padhya, who will provide you the Further Details on the Financial Performance.



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**Hiren Padhya:**

Good afternoon, everyone, and thank you Mr. Rushil. I am pleased to present an overview of our Company's financial performance for the second quarter and first half of FY'25.

For Q2 FY'25, our revenue from operations amounted to INR 2,304 million reflecting a 12.6% year-over-year growth and a 2.4% increase from the previous quarter. EBITDA for the quarter was INR 296 million, showing a year-over-year growth of 2.4% with an EBITDA margin of 12.9%.

Profit before tax was INR 154 million representing an 11.9% increase year-over-year and profit after tax stood at INR 114 million, marking a 7.9% increase. The PAT margin for the quarter was 4.9%. Excluding the impact of FOREX losses, EBITDA for Q2 would stand at INR 324 million with an enhanced EBITDA margin of around 14%, while profit before tax would be INR 183 million yielding PBT margin of 7.9%. This adjustment underscores the strength of our core operational performance despite currency volatility.

For the first half of FY'25, revenue from operations totaled INR 4,555 million, a strong year-over-year growth of 14.6%. Our EBITDA for the half year was INR 553 million, though down by 4.3% year-over-year with an EBITDA margin of 12.1%. Profit before tax for H1 FY'25 stood at INR 320 million, up by 6% compared to H1 FY'24. The profit after tax for the half year was INR 238 million, reflecting a 4.6% increase year-over-year and PAT margin was at 5.2%.

In our MDF segment, Q2 revenue reached INR 1,717 million, a year-over-year increase of 14.8%, which was driven by 27.6% in export volume. The MDF segment EBITDA was INR 226 million with a margin of 13.2%, highlighting strong operational performance. For the half year, MDF revenue stood at INR 3,409 million, 15% year-over-year increase with an EBITDA at INR 436 million and an EBITDA margin of 12.8%.

In the laminate segment, Q2 revenue was INR 503 million with an EBITDA of INR 65 million and EBITDA margin of 12.9%. For the H1 FY'25 laminate contributed INR 974 million to revenue that was the growth of 7.5% year-over-year and achieved an EBITDA of INR 107 million with an 11% margin. Our laminate export market continues to show resilience with stable demand and consistent contribution to overall revenue.

To mitigate FOREX exposure, we have implemented currency hedging strategies from this quarter, focusing on maintaining stability in our export revenue despite market fluctuations. This approach is designed to protect against unfavorable currency shift and support steady margin performance. Our financial position remains strong with continued improvement in our capital structure. The net debt-to-equity ratio is now at 0.44 which is reflecting our ongoing de-leveraging efforts.



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In summary, we are focused on enhancing our operational efficiency and capitalizing on growth opportunities in both domestic and international markets. We appreciate the ongoing support of our stakeholders as we work towards sustainable growth and profitability.

Thank you for your attention. That concludes my remarks. I would like to now open the floor for questions and answers.

**Moderator:** We will now begin the question-and-answer session. First question is from the line of Praveen Sahay from PL India. Please go ahead.

**Praveen Sahay:** Sir, my first question is related to the MDF segment. The realization if I look at on a sequential basis, quarter-over-quarter, it has increased. Is that an element of a price hike in MDF segment?

**Keyur Gajjar:** Last quarter we didn't take any price hike.

**Praveen Sahay:** But if I look at your realization were up sequentially in both the export as well as domestic markets.

**Keyur Gajjar:** No, last quarter the domestic price was consistent.

**Rushil Thakkar:** The export price has increased by INR 1,000 per CBM in realization and the main growth was achieved because we did the 54% of value addition product and that was the key area why the realization per CBM increased quarter-over-quarter.

**Keyur Gajjar:** And one more thing, the proportion of value added, and product mix was different in the last quarter. So, if we see local realization, it was around, I believe INR 27,000 compared to last quarter it was INR 25,000 for the Chikmagalur Plant.

**Praveen Sahay:** And if you can comment on the timber pricing currently in the North and the South market?

**Rushil Thakkar:** So, currently the timber pricing for our last quarter remained constant as we had stock available with us for the further production. So, our timber prices have not yet taken a hike last quarter. Talking about the pricing, yes, the pricings have slightly increased in this quarter for us and probably the market in the North has also seen an increase in timber prices as well. I don't have the exact guidance to be told now, but I can say that yes, the price has increased.

**Praveen Sahay:** And you also have taken a price hike in the current quarter?



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- Rushil Thakkar:** Yes, in the current quarter, last Saturday, we have already given a price hike of around 2% to 7% depending on product-to-product.
- Praveen Sahay:** And if you can also give some indication about the timber import in the country, because if I look at the ministry data, that is significantly down till August, it's more than 50% down. So, what so far you are looking at and is that helping you to ramp up your Southern plant?
- Keyur Gajjar:** So, just your question is about the import of MDF or import of timbers?
- Praveen Sahay:** Import of MDF.
- Keyur Gajjar:** No, it's not there, right now the import of MDF is not much what it used to be two quarter before because of the freight cost.
- Praveen Sahay:** And that's helping you to ramp up your southern plant?
- Keyur Gajjar:** Yes.
- Praveen Sahay:** And on the laminate side, the domestic realization was up by 20.8%. What is the reason for that?
- Keyur Gajjar:** Mainly it's because of only product mix, because laminate, we have a several product mix, lower thickness, higher thickness, gulf market, export market, so, it's all about product mix.
- Praveen Sahay:** So, we expect this domestic realization to be maintained at this level in the coming quarters as well?
- Keyur Gajjar:** There is no price change in domestic. So, we are going to have good price realization in the coming days.
- Praveen Sahay:** And last question is related to the receivable, which has increased if I look at on year-over-year side. So, is that related to the export largely or how is that?
- Hiren Padhya:** No, I think the export generally we have either LC or advance. So, exports generally don't have much outstanding. In terms of domestic, yes, there is some increase, but it is I think one-off, may be next quarter again it will be in the I think normal scenario.
- Moderator:** The next question is from the line of Keshav Lahoti from HDFC Securities. Please go ahead.



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- Keshav Lahoti:** So, the price hike in MDF which you have indicated is about 2% to 7%. Firstly, whether this hike will sustain in market and whether there is more hike we should expect in the coming quarters? Secondly, whether all the players have participated in hike and the hike is in the similar range? And lastly, 2% to 7% is a very broad range. So, can you give a sense at a blended basis how much will this work out to be?
- Keyur Gajjar:** Yes, we believe that price hike is essential for the industry because of the raw material pricings. So, I am sure even in the last couple of weeks we saw price increase from two or three companies also. So, we are sure that this will happen. If we take about average price benefit, it will be probably 3%.
- Keshav Lahoti:** Possibly now Green Panel plant will be coming in the South. So, whether the players will maintain discipline, how do you see that?
- Keyur Gajjar:** Yes, it shouldn't be a problem because right now the import cost is high and domestic players are also facing the raw material price increase, so, we believe price won't be much affected.
- Keshav Lahoti:** Last question is on the laminate business side. The new plant would be coming by Q4. So, how is the Europe and U.S. market, how is the demand and supply mix? This quarter the laminate margin was like 13%. So, is it sustainable and how is the laminate raw material cost moving?
- Rushil Thakkar:** Talking about the market, yes, we are getting positive response from the market like we have already signed a contract in Italy, we have already signed the contract with customers for Russia and we have been opening up the new territories like El Salvador, Puerto Rico, etc., So, yes, the market for us is going to be huge as this is a fresh market for us to start with. Talking about the raw material side, as of now, we don't see a raw material price hike in any of the laminate business. So, it seems that it will be stable as of now.
- Keshav Lahoti:** So, generally your laminate, my understanding is export margin should be better than your domestic margin. What would that difference be? And now as the new plant will come up, your export will improve so that will also lead to better margins in the upcoming quarters?
- Rushil Thakkar:** So, basically in exports there are too many applications on which they are dependent on like for the toilet cubicles, locker rooms, exterior facades, which in India is still growing slowly, because of which this Jumbo laminate are big and even the countertops of the kitchen. These are the bigger markets on which these all-big sizes are being played. And as this is all a compact laminate sheet, so it is going to be more than 2 mm plus and these are all highly priced product. So, our realization, yes,





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would increase in laminate and it will go into double-digit, or it can go up slightly higher than that also.

**Keshav Lahoti:**

What is your laminate domestic and export margin, the broader number?

**Hiren Padhya:**

See, laminate for the last couple of years, we have been just hovering over margin of around 6% to 9%. Recently, for the last three, four quarters, it has gradually been increased in terms of percentage to around 12% to 13%. Now, after having this new project into place, the overall margin will definitely improve because the Jumbo product has a margin in the range of 14% to 16%, and the way we are planning next financial year will definitely have a sizable turnover in terms of this particular product. So far, export versus domestic, export has a better margin, that is for sure. Considering today's position out of total sales, around 65% is export. So, how much is lower than export is we can't say because it again depends upon the exact composition of product, but definitely it is better than domestic. So, today's margins are improving. That is the first point. And secondly, after having this new project which is solely for the purpose of export and with better margins, so overall I can say that next financial year laminate will have not only better top line, but the margin will also further improve compared to current year's margin.

**Moderator:**

Next question is from the line of Rishikesh from Robo Capital. Please go ahead.

**Rishikesh:**

Sir, my first question is that currently we have 45% of volume in MDF and by FY'26 we are targeting 60%. So, can we meet the volumes from the existing capacity, or would we need any CAPEX?

**Keyur Gajjar:**

No, we don't need any more CAPEX, and I think we are going very well, right now we are almost like 54% of value and 44% of volume.

**Rishikesh:**

Post FY'26, in the next two to three years do you see any further CAPEX for capacity?

**Rushil Thakkar:**

As we are evaluating some of the new products as well, so once we evaluate it, we'll let the market know about it for the further expansion on the MDF side or the other side.

**Rishikesh:**

Can you share your EBITDA margins for value-added MDF, and non-value added MDF?

**Hiren Padhya:**

See, I don't think we will be able to give you that answer because see in value added also it is not a one product, it has got couple of groups of products. So, I can say the normal realization is suppose in the range of INR 24,000 to 25,000, here in Value Added, it would be in the range of INR 29,000 to 30,000, in specific cases, it can go up to INR 33,000, 35,000 also, but exactly we can't say, but it



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is definitely higher than the normal margin, maybe I think 20%, 30% depending upon the exact product.

**Moderator:** The next question is from the line of Rishab Bothra from Anand Rathi Share and Stockbrokers. Please go ahead.

**Rishab Bothra:** Sir, just to understand the dynamics, where are we in the MDF industry at this point of time? Will the margin look upward of 20%-plus or will it go at the industry level because I think you mentioned imports are not there happening because of freight issue. But once that issue gets resolved, are the chances of imports getting back in the Indian country and thereby hampering the domestic trade? So, your thoughts or color on those fronts.

**Hiren Padhya:** See, MDF overall market is definitely good, but coming to margins last-to-last year, which you have been talking about 20%-plus was one off. So, considering today's position and considering the last couple of quarters, I mean, review in terms of timber pricing and import scenario and couple of other things, I would say in terms of Rushil, definitely, there are couple of things which is good in terms of margin. First is like our export obligation is already completed. So, now we have got option to get order with better margin which was not there before one quarter. Secondly, capacity utilization wise we are now in the range of 85%-plus and any additional capacity utilization will give better margin. Third, value-added proportion is being increased every quarter. That will further add margin. Fourth is like we have already started with price hike. Fifth, next year February again BIS standard is going to be implemented. That is what we have been hearing as of now. So, considering all these aspects, we at Rushil definitely believe that margin what we have as of now will definitely improve, that is for sure, but 20% is I don't see as of now. We would like to just maintain that overall MDF margin which we are thinking so whatever we have achieved as of now 13% to 14% which we will maintain for this financial year. Way forward, I think it is too early to say.

**Keyur Gajjar:** Also, I would like to add a thing like import is only 10% of industry's capacity. So, just not a big thing. Second thing, today, value added thing that is not happening in import. Import is just plain vanilla kind of a thing. After COVID, there are two markets, one is importing market which is cost-effective, low-cost kind of a thing and another one is a quality product market where all Indian players are there.

**Rishab Bothra:** So, just to get a sense, what would be the growth rate in terms of value-added MDF and plain MDF in India because imports only hampering the plain MDF market?



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- Keyur Gajjar:** If you see in our AP plant, last quarter, our value-added volume was around 35%, this quarter we are almost 37% and we also wish to reach to 50% of this capacity. So, I mean value-added business is day-by-day growing.
- Rishab Bothra:** And this is the same for the other players who are expanding capacity most likely?
- Keyur Gajjar:** Yes, everyone is focusing on value added because some of the products are well accepted in the market which are indirectly replacing expensive plywood.
- Rishab Bothra:** And in terms of our distribution network, how are we placed in terms of plywood, laminate and MDF is it a single distribution network or these are different.
- Keyur Gajjar:** We don't have an exclusive network. We have a very selective network. So, in one State we have a couple of distributors and further they distribute the product to dealers. It's the same model in laminate also like we have a one or two or three distributors in mega city, then we have a B town C town, all we have channel partners.
- Rishab Bothra:** So, different product, different distributors, I mean the same distributor is not distributing laminate and MDF together?
- Keyur Gajjar:** So, even in this channel, nowadays, retailers, they sell everything, laminate, plywood.
- Moderator:** Next question is from the line of Amit Purohit from Elara Capital. Please go ahead.
- Amit Purohit:** Just want to understand on the demand environment. How do you see that for both laminate and MDF while MDF growth have been very good, but overall convention demand for the plywood or wood panel space, your comments on that?
- Keyur Gajjar:** So, we see good demand like if we compare our H1 'FY23, it was like 1.19 lakh CBM and this half year we are almost 1.47 lakh. So, we see quite good growth and industry itself is growing at around 20% CAGR. So, that's a good sign. I am talking about MDF. And for laminate also, yes, if we talk about last year, our volume was 13.82 lakh, this quarter it is 15 lakhs plus volume. So, we are growing in half year-to-half year also as well as from realization point of view.
- Amit Purohit:** On the price increase that you indicated, and you also indicated that the other players have also taken. So, even the larger players would have taken price increase?
- Keyur Gajjar:** Yes.



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- Amit Purohit:** Of a similar tune?
- Keyur Gajjar:** Yes.
- Amit Purohit:** And there was a general discussion in the industry that the smaller players have also taken price increase. So, broadly most of them has taken price increase, right?
- Keyur Gajjar:** Yes, because it's inevitable, because of the raw material pricing.
- Amit Purohit:** Both in North as well as in South market?
- Keyur Gajjar:** Yes.
- Amit Purohit:** You indicated timber prices have also gone up. If I am not wrong, you mentioned it on a year-over-year basis or sequentially also they have gone up?
- Rushil Thakkar:** So, compared to Q1, in Q2, yes, the prices have gone up.
- Amit Purohit:** How much it will be, sir?
- Rushil Thakkar:** Roughly at this point of time if we calculate out in October, it's around 2 to 3% range.
- Amit Purohit:** This is for both the markets, for North, we are largely South, right?
- Rushil Thakkar:** So, this is just for the South.
- Amit Purohit:** What do you think on the outlook for timber, sir, do you expect this to correct in the next calendar year or how do you think about the industry shaping up?
- Rushil Thakkar:** This is a cycle basically. So, when there is a scarcity, it's like a demand/supply. So, when the demand is high, the prices go up, because as this year it's going to be regrowing. So, for the next two years the prices will be very inevitable. But, on the third year, when the ample number of timbers will be available in the market, yes, the prices will start falling down at that point of time.
- Amit Purohit:** So, for the next two years, you are indicating prices should remain stable or slightly increasing?
- Rushil Thakkar:** It should be in this range as of now.



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- Moderator:** Next question from the line of Rishab Bothra from Anand Rathi Shares and Stock Brokers. Please go ahead.
- Rishab Bothra:** I wanted to know the rationale of why we moved into plywood. I think we were more so into MDF and laminate. Is it because of the size of the industry because globally MDF is a key market, plywood is slightly 10% - 20%, 80% is MDF and in India MDF is also picking up and automation is there, in plywood there is less of automation.
- Rushil Thakkar:** This is a kind of marketing strategy for us because we were not able to get the exclusivity from our distributors for not having a plywood. So, this is just a marketing strategy that we set up the plywood plant so that we can have exclusivity from our distributors and channel partners. And yes, the industry is still the bigger one in India, and we like to cater the part of it.
- Rishab Bothra:** Because competition in plywood is quite higher than as compared to other product categories, unorganized players also?
- Rushil Thakkar:** So, what matters is the quality of plywood what you serve in the market. Those are very few players with the brand name who serve the good plywood in the market, and we want to be one of them.
- Moderator:** Next question is from the line of Hena Vora from DAM Capital. Please go ahead.
- Hena Vora:** Two questions from my end. The first one will be on the price hike that we spoke about in MDF side. Just want to understand, do we see the industry taking another round of price hike because what I understand is this 3% average hike still not be enough to cover the timber inflation pressure, right?
- Keyur Gajjar:** Yes, you're right, we are also considering the second round of price hike.
- Hena Vora:** So, when can we expect this, around December or maybe in the fourth quarter when maybe the BIS norms also keep imports restricted to a certain level?
- Keyur Gajjar:** At Rushil, we really want to implement it faster. So, first hike probably will implement in November, and we'll take the second hike as early as possible.
- Hena Vora:** And the second question was around timber prices. I just wanted to understand from your point of view, when do you see the timber prices coming off, is there any indication that it will be in the first half of the next fiscal or will this probably prolong further? And also, are we seeing any other



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industries which are also in play to get the timber like the paper industry, if they're being aggressive, something of that sort?

**Rushil Thakkar:** So, the timber prices for our region what we see as I mentioned in an earlier question, this is a cycle. When the cycle is about to begin, the prices of wood are always seen on the higher side. Once the cycle is about to complete, there is excess timber available in the market, so the prices at that point of time timber goes down. As this is the beginning, so we are expecting a hike and that I already talked about, 2% to 3%. Yes, in upcoming years, we are seeing a slightly downfall in the timber when the cycle is about to complete. At the same point of time, we have been harvesting trees across the states for making sure we have our raw material with us for the future as well. So, that is also a part of strategy.

**Hena Vora:** Is there any timeline from when this timber prices will start to decline or would they remain elevated for a few more quarters?

**Rushil Thakkar:** As of now I cannot give that guidance because I really don't see a forecast reaching over there at that point of time because there are other plants that will also be starting in next three years. I am not able to forecast what is going to be the market scenario after three years.

**Hena Vora:** But it is fair to assume that we are still probably a year away from timber pricing starting to decline?

**Rushil Thakkar:** Sorry, I didn't get your question. Can you repeat?

**Hena Vora:** I was just saying it is fair to assume that we are at least four or six quarters away from timber prices starting to decline.

**Rushil Thakkar:** No, the prices of timber what is currently running is the prices what you should assume for future as well, because taking it conservatively is rightly a good thing than taking it aggressively.

**Moderator:** The next question is from the line of Rishikesh from Robo Capital. Please go ahead.

**Rishikesh:** If you could please share any outlook on debt?

**Hiren Padhya:** If you see last 2 to 3 years overall figure, we have two things. One, last year as a part of the rights issue, we have reduced debt of around INR 55 crores which was unsecured loan converted into equity, and on a yearly basis, we have been repaying around INR 50 to 55 crores. So, practically, last two years, we have reduced debt to the extent of almost INR 110 crores plus INR 55 crores around INR



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170 crores considering these two quarters. So, gradually this will further reduce. And considering two projects which are already being executed, first is Jumbo, where we have already tied up in terms of fundraising, so there is no debt required, second, in terms of ply, the total CAPEX value even next year is around INR 40 to 42 crores, out of which our share would be INR 20 to 21 crores, which we will I think plan internally only. So, considering these two new projects which is being implemented, we don't require any fund or any debt. So, practically whatever debt is there as of now, this will further reduce every quarter, yearly by around INR 50 to 55 crores.

**Moderator:** The next question is from the line of Hemant, who's an individual investor. Please go ahead.

**Hemant:** I have two questions. The first question is I just wanted to ask plant shut down is mentioned in the press release. So, can you please highlight on the same and may be elaborate on the same when will the plant be shut down and for how many days and what will be the revenue loss?

**Rushil Thakkar:** So, plant will be typically shut down for 10-12 days and this is a general breakdown in which some parts which has to be changed due to which the fiber losses and other losses are not made. This is to prevent that. So, typically this is a general process and every three to four years every plant goes under this process as too much of metallurgy is included in this machinery. There is compulsion to do this, and this always helps us to boost our production capacities for the next couple of years.

**Hemant:** So, sir, when will it be and what kind of revenue loss is expected?

**Rushil Thakkar:** So, it will start from Deepavali first day and revenue loss as of now we don't see much of them because we will be preparing the stocks ahead of it before taking off the shutdown.

**Hemant:** So, from Diwali 10 to 12 days, right, so till 10<sup>th</sup>-12<sup>th</sup> November, I think it will be over, right?

**Rushil Thakkar:** Yes.

**Hemant:** And we don't see a significant revenue loss, right?

**Rushil Thakkar:** No, no, no, we don't see any significant revenue loss out of this because we have already started maintaining our inventories for that.

**Hemant:** And sir, one more thing which I wanted to ask is, since our jumbo size laminate plant which was supposed to become commissioned in Q2 has now been postponed to Q4. So, is it fair to assume that



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there will be a muted FY'25, is it fair to assume that we will not be having any much revenue growth in FY'25 as compared to FY'24?

**Rushil Thakkar:**

Yes, I agree to that.

**Keyur Gajjar:**

We expect 10% to 15% revenue growth if you see our last year turnover and if you compare it with this year, I think there's a significant growth from half year to half year. So, we do believe that there will be around 10% to 15% revenue growth altogether.

**Hemant:**

So, altogether 10% to 15% revenue growth on a consolidated basis, right?

**Keyur Gajjar:**

Yes.

**Hemant:**

And what is expected EBITDA margin?

**Hiren Padhya:**

So, if we consider FY'25, so this quarter it is around 13%, but overall, it is in the range of 11% to 12%. So, considering the fact that this particular financial year, new project revenue will be hardly anything, it will be negligible. So, we will maintain this margin of around 12% this financial year. But yes, next financial year after considering this new project which has got approximate margin of 14% to 16%, so considering that part next year the margin will be better than current year margin.

**Keyur Gajjar:**

Also, just want to add, last half year our turnover was around INR 397 crores, this half year we are almost INR 452 crores. So, it's almost 13.85% growth.

**Hemant:**

So, basically just to sum it sir, 10% to 15% revenue growth for FY'25 on a consolidated basis with EBITDA margin of around 12%?

**Keyur Gajjar:**

That's what we are targeting.

**Moderator:**

Ladies and gentlemen, that was the last question for today. We have reached the end of our Q&A session. I now hand the conference over to the management for closing comments.

**Rushil Thakkar:**

Thank you, all for joining us today and for your continued interest in Rushil Decor. We are excited about the path ahead and remain committed to delivering consistent growth and value in the coming quarters. As we approach this festive season, we would like to extend our Warmest Diwali wishes to everyone on the call. May this Diwali bring prosperity, joy and success to each of you. For any further questions, please feel free to reach out to our investor relation team at Churchgate Partners. Thank you.





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**Moderator:** On behalf of Asian Market Securities Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

**Notes:**

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