



CREDENCE
INVESTMENTS

Credence Investments

<https://Credenceinvestments/MerinoPlywood>

Company Note as of 31st December 2024



COMPANY OVERVIEW

Metric	Value
ISIN	INE662B01017
Face Value (in inr)	10
Depository	NSDL AND CDSL
PAN Number	AAACC9186C
Market Capitalization (in inr cr)	3689
Total Shares Outstanding	11178679
Price-to-Earnings (P/E) Ratio	30.24
Price-to-Book (P/B) Ratio	2.69
Earnings Per Share (EPS)	108.25
Sector	Plywood & Laminates
Category	Company Limited by Shares
52-Week High (In inr)	3450
52-Week Low (in inr)	3300

This material is for investor education and informational purposes only. It is not investment advice or a buy/sell recommendation. Investors should consult their financial advisors.

Email-ID: info@credenceinvestments.com
 Website: <https://credenceinvestments.com>
 Contact Details: +91-9540060199/9718510741

SNAPSHOT: MERINO INDUSTRIES LIMITED

Merino Industries Limited, established in **1965**, is a **leading Indian manufacturer** specializing in **surfacing solutions**, with a strong focus on **decorative laminates** and **plywood**. Over the years, the company has **expanded globally**, catering to markets across **more than 80 countries**.

Merino operates **state-of-the-art manufacturing facilities** located in key regions of India, including **Hapur (Uttar Pradesh)**, **Rohad (Haryana)**, **Hosur (Tamil Nadu)**, **Dahej (Gujarat)**, and **Halol (Gujarat)**. These facilities collectively produce approximately **47 million square meters** of **high-pressure laminates** annually, reinforcing the company's capacity to meet both **domestic and international demand**.

In addition to its core business in **laminates and plywood**, Merino has strategically **diversified** into areas such as **information technology** and **agro-based products**. The company aims to blend **global standards** with **Indian values**, striving to create a balance between **business growth** and **universal well-being**.

With a **workforce exceeding 5,000 employees** and an **annual turnover of over \$250 million**, Merino Industries continues to maintain a **strong presence** in the **interior solutions** space. Its long-standing commitment to **innovation, quality, and sustainability** positions it as a **trusted brand** in the industry.

PRODUCTS & SERVICES

Merino Industries offers a **comprehensive portfolio** of **surfacing solutions**, catering to both **residential** and **commercial** interior needs. The company is renowned for its **innovation, durability, and aesthetic appeal** across its product lines.

1. Laminates

- **High-Pressure Laminates (HPL):** Core offering available in a wide variety of **textures, finishes, and designs**.
- **Compact Laminates:** Designed for **high-traffic areas** such as washroom cubicles, lockers, and wall partitions.
- **Digital Laminates:** Custom-designed laminates for **personalized spaces**.
- **Fire-Retardant Laminates:** Engineered for **safety-critical environments**.
- **Antibacterial Laminates:** With **hygienic surfaces** ideal for **healthcare and hospitality**.

This material is for investor education and informational purposes only. It is not investment advice or a buy/sell recommendation. Investors should consult their financial advisors.

Email-ID: info@credenceinvestments.com

Website: <https://credenceinvestments.com>

Contact Details: +91-9540060199/9718510741

2. Plywood and Blockboards

- **MR (Moisture Resistant) and BWR (Boiling Water Resistant) Plywood** for interior and semi-exterior use.
- **Marine Plywood:** High-grade plywood for **extreme moisture environments**.
- **Blockboards:** Used in **furniture, doors, and panels**.

3. Decorative Veneers

- A premium range of **natural** and **engineered veneers** sourced globally and processed for **aesthetic enhancement** of interiors.

4. Panels & Wall Claddings

- **Pre-laminated boards, cladding panels, and interior wall décor solutions** using innovative surfacing materials.

5. Solid Surfaces

- **Acrylic-based solid surfaces** for **countertops, bathroom vanities, and wall applications**, offering seamless appearance and hygiene.

6. Restroom Cubicles & Lockers

- Customized solutions for **institutional** and **commercial** settings, using **compact laminates** for **durability** and **privacy**.

7. Louver Panels

- Stylish, pre-finished **interior louvers** for **walls and ceilings**, used to add **depth** and **texture** to spaces.

8. Agro Division

- The company also manufactures and markets **potato flakes** and **dehydrated potato products** under its **agri-business vertical**.

COMPANY OVERVIEW

Merino Industries – Key Milestones & Achievements

1960s – Foundation and Early Growth

- Merino began its journey as a **pioneer in the agro-products industry**, especially in **potato processing**.

This material is for investor education and informational purposes only. It is not investment advice or a buy/sell recommendation. Investors should consult their financial advisors.

Email-ID: info@credenceinvestments.com
Website: <https://credenceinvestments.com>
Contact Details: +91-9540060199/9718510741

1974 – Entry into Laminates

- Launched its **laminates manufacturing operations**, marking its entry into the **interior solutions** space.

Expansion of Manufacturing Units

- Established **state-of-the-art manufacturing plants** in **Hapur (Uttar Pradesh)** and **Rohad (Haryana)**.
- Further expanded with facilities in **Halol (Gujarat)** and **Hosur (Tamil Nadu)** to enhance production capacity.

Product Innovation

- Introduced **anti-bacterial, fire-retardant, and digital laminates**, setting new benchmarks in **surface solutions**.
- Launched **solid surface** materials and **pre-laminated particle boards**, expanding its **product portfolio**.

Global Reach

- Exported products to **more than 60 countries**, building a strong **international footprint** and brand recognition.

Sustainability Initiatives

- Adopted **eco-friendly manufacturing** processes and earned multiple **certifications** such as **ISO 9001, ISO 14001, and Green Label** certifications for environmental compliance.

Recognition and Awards

- Acknowledged for **quality excellence** and **innovation** at national and international platforms.
- Recognized among the **top laminate brands** in India and known for **design leadership**.

Agro Business Success

- One of India's **leading producers of dehydrated potato flakes**, supplying to major **FMCG companies** and **food chains**.

This material is for investor education and informational purposes only. It is not investment advice or a buy/sell recommendation. Investors should consult their financial advisors.

Email-ID: info@credenceinvestments.com
Website: <https://credenceinvestments.com>
Contact Details: +91-9540060199/9718510741

INDUSTRY OVERVIEW

The **Indian plywood and laminates industry** forms an integral part of the country's **furniture and interior infrastructure market**, supporting a wide range of applications in **residential, commercial, and institutional** segments.

Market Size & Growth

- The Indian **wood panel market**, which includes **plywood, laminates, MDF, and particle board**, is valued at **₹40,000+ crore** and is projected to grow at a **CAGR of 6–8%** over the next 5 years.
- Growth is driven by **urbanization, housing demand, and increased spending on interiors**.

Segment Composition

- **Plywood** accounts for the largest share (~60%) of the market, followed by **laminates** (~20%), with the rest comprising **MDF and particle boards**.
- Rising demand for **aesthetic, durable, and customizable materials** has boosted the laminates segment, where companies like **Merino** are prominent players.

Drivers of Growth

- **Real estate development**, particularly in **Tier II and Tier III cities**.
- **Modular furniture and kitchen trends** gaining popularity among younger consumers.
- Increasing adoption of **engineered wood products** over traditional materials.
- **Government initiatives** like “**Housing for All**” and the rise of **home improvement culture** post-pandemic.

Competitive Landscape

- The industry is **fragmented**, with a mix of **organized and unorganized** players.
- Key organized players include **Merino, Greenlam Industries, Century Plyboards, and Stylam Industries**.
- Organized players are gaining market share due to **brand trust, product innovation, and pan-India distribution networks**.

Trends & Innovation

- Growing emphasis on **sustainable and eco-friendly products**.

This material is for investor education and informational purposes only. It is not investment advice or a buy/sell recommendation. Investors should consult their financial advisors.

- Increasing popularity of **digital and anti-bacterial laminates**.
- **Customized surface designs and digital printing technologies** are gaining traction.
- Use of **AI and automation** in manufacturing to improve quality and efficiency.

Challenges

- **Raw material price volatility** (timber, resins).
- Competition from **imported alternatives**.
- Rising demand for **low-cost alternatives** in price-sensitive segments.

FINANCIAL HIGHLIGHTS FY 24:

Merino Industries Limited – Financial Highlights (FY2021–FY2024)

◆ Revenue

- The company's **total revenue** has shown a **steady upward trend**, increasing from **₹1,296.88 crore in FY2021** to **₹2,252 crore in FY2024**.
- This reflects consistent growth in operational scale across the period.

◆ Cost of Material Consumed

- Material costs increased from **₹576.26 crore (FY2021)** to **₹1,174 crore (FY2024)**, mirroring the expansion in revenue.
- The pace of increase in FY2024 was moderate compared to the prior year, indicating a more stable input cost environment.

◆ Gross Margins

- **Gross margin percentage** ranged between **44.83% and 55.57%** during the period.
- After a dip in FY2022 and FY2023, margins **improved to 47.87%** in FY2024.

◆ Operating Performance

- **EBITDA** peaked at **₹239 crore in FY2023**, with FY2024 showing a marginal decrease to **₹207 crore**.
- The **Operating Profit Margin (OPM)** declined from **16.18% in FY2021** to **9.19% in FY2024**, indicating a gradual moderation in operational profitability as scale expanded.

◆ Other Expenses & Employee Costs

This material is for investor education and informational purposes only. It is not investment advice or a buy/sell recommendation. Investors should consult their financial advisors.

- Both **employee benefit expenses** and **other operating expenses** saw **incremental growth** over the years, in line with business expansion and workforce requirements.
- ◆ **Depreciation & Finance Cost**
 - Depreciation (D&A)** increased from **₹56.68 crore to ₹74 crore**, reflecting ongoing investments in assets and infrastructure.
 - Finance cost** remained relatively stable, ranging between **₹13 crore to ₹28 crore**, showing prudent financial management.
- ◆ **Earnings Performance**
 - EBIT** moved from **₹153.14 crore in FY2021 to ₹133 crore in FY2024**, in tandem with the changes in operating profitability.
 - PBT** was **₹176.92 crore in FY2021**, maintaining stability through FY2024 at **₹164 crore**.
- ◆ **Profit After Tax (PAT)**
 - PAT figures ranged between **₹118 crore to ₹132 crore**, indicating consistency in bottom-line performance despite margin shifts.
 - Net Profit Margin (NPM)** moved from **10.17% in FY2021 to 5.42% in FY2024**, aligning with industry dynamics.
- ◆ **Earnings Per Share (EPS)**
 - EPS** remained relatively steady, with **₹117 in FY2021** and **₹108.25 in FY2024**, showing resilience in shareholder returns over the four-year period.

Merino Industries Limited Financials Performance (INR Crores)

Metric	2021	2022	2023	2024
Revenue	1296.88	1747.89	2175	2252
Cost of Material Consumed	576.26	947.97	1200	1174
Gross Margins	55.57	45.76	44.83	47.87
Change in Inventory	9.04	-36.8	-52	-44
Employee Benefit Expenses	163.45	207.97	247	290
Other Expenses	338.31	426.01	541	537
EBITDA	209.82	202.74	239	207
OPM	16.18	11.6	10.99	9.19
Other Income	41.97	48.34	30	57

This material is for investor education and informational purposes only. It is not investment advice or a buy/sell recommendation. Investors should consult their financial advisors.

Finance Cost	18.16	13.19	28	26
D&A	56.68	62.8	67	74
EBIT	153.14	139.94	172	133
EBIT Margins	11.81	8.01	7.91	5.91
PBT	176.92	175.07	174	164
PBT Margins	13.64	10.02	8	7.28
Tax	45.06	42.85	56	42
PAT	131.86	132.22	118	122
NPM	10.17	7.56	5.43	5.42
EPS	117	117.32	104.7	108.25

Merino Industries Limited Financial Ratios

Key Ratios`	2021	2022	2023	2024
Operating Profit Margin	16.18	11.6	10.99	9.19
Net Profit Margin	10.17	7.56	5.43	5.42
Earnings Per Share (Diluted)	117	117.32	104.7	108.25

CONSOLIDATED FINANCIAL STATEMENTS

Financials: [Annual Report](#)

FINANCIAL HIGHLIGHTS

The financial highlights of your Company for the financial year ended 31st March, 2024 are as under:

Particulars	(Amount ₹ in Lakhs)	
	31 st March, 2024	31 st March, 2023
Revenue from Operations	2,25,182.73	2,17,550.23
Other Income	5729.44	2,991.34
Total Revenue	2,30,912.15	2,20,541.57
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense (EBIDTA)	26,372.81	26,962.49
Less: Depreciation/ Amortisation/ Impairment	(7,386.53)	(6,698.45)
Profit before Finance Costs, Exceptional items and Tax Expense	18,986.28	20,264.04
Less: Finance Costs	(2,638.33)	(2,853.99)
Profit before Tax Expense	16,347.95	17,410.05
Less: Tax Expense (Current & Deferred)	(4,194.25)	(5,645.54)
Profit after Tax Expenses for the year (1)	12,153.70	11,764.51
Total Comprehensive Income net of tax	43.83	(426.64)
Total Comprehensive Income for the year	12,197.53	11,337.87

This material is for investor education and informational purposes only. It is not investment advice or a buy/sell recommendation. Investors should consult their financial advisors.

Email-ID: info@credenceinvestments.com

Website: <https://credenceinvestments.com>

Contact Details: +91-9540060199/9718510741

MANAGEMENT

S. no.	DIN No.	Name of Director	Designation	Tenure	Effective From
1	00063278	Shri Madhusudan Lohia	WTD	3 Years	01 st October, 2024
2	00154013	Shri Bikash Lohia	WTD	3 Years	01 st October, 2024
3	00127790	Shri Nripen Kumar Dugar	WTD	3 Years	01 st January, 2025

The Board of Directors at its meeting held on June, 18th, 2024, subject to approval of the shareholders, approved the change in designation of following Director: -

1. Shri Rup Chand Lohia Executive Chairman of the company has been designated as Chairman Emeritus of the company w.e.f. 18th June, 2024.
2. Shri Prakash Lohia - Managing Director of the company has been designated as Chairman cum Managing Director of the company of the company w.e.f. 18th June, 2024.

The members of the Company at the 58th Annual General Meeting approved the re-appointment of following directors:

S. no.	DIN No.	Name of Director	Designation	Tenure	Effective From
1	00063278	Shri Madhusudan Lohia	WTD	3 Years	01 st October, 2024
2	00154013	Shri Bikash Lohia	WTD	3 Years	01 st October, 2024
3	00127790	Shri Nripen Kumar Dugar	WTD	3 Years	01 st January, 2025

S. no.	Name of Member	Designation	Meetings eligible	Meetings attended
1	Shri Bama Prasad Mukhopadhyay	Independent Director, member of CSR Committee	1	1
2	Shri Prakash Lohia	Managing Director, Chairman of CSR Committee	1	1
3	Shri Prasan Lohia	Director, member of CSR Committee	1	1
4	Shri Anil Jajoo*	Director, member of CSR Committee	NA	NA

*Appointed as member of CSR committee in the meeting held on 18.06.2024

SHAREHOLDING PATTERN

Shareholders' Name	No. of Shares	% of total Shares of the company
Promoter's Shareholding	1,06,46,890	95.25%
Public Shareholding	5,31,789	4.75%
Total	1,11,78,679	100%

This material is for investor education and informational purposes only. It is not investment advice or a buy/sell recommendation. Investors should consult their financial advisors.

Email-ID: info@credenceinvestments.com
 Website: <https://credenceinvestments.com>
 Contact Details: +91-9540060199/9718510741

IPO DETAILS

As of April 7, 2025, **Merino Industries Limited** has not publicly announced any definitive plans for an Initial Public Offering (IPO). In 2020, reports indicated that the company was in discussions to raise ₹400-500 crore in a pre-IPO funding round, potentially leading to an IPO. However, subsequent updates on these plans have not been made available

Currently, Merino Industries remains an unlisted entity. Its shares are traded in the unlisted market, with recent prices around ₹3,465 per share as of April 3, 2025.

Investors interested in Merino Industries should monitor official company communications and reputable financial news outlets for any future announcements regarding IPO plans

NEWS

- <https://economictimes.indiatimes.com/industry/indl-goods/svs/paper/-/wood/-/glass/-plastic/-marbles/merino-industries-from-rooted-beginnings-to-a-global-example-of-sustainable-growth/articleshow/108978142.cms?from=mdr>
- <https://plyinsight.com/merino-group-honoured-with-prestigious-prithvi-award-2024/>
- https://www.business-standard.com/content/press-releases-ani/merino-group-unveils-new-be-different-brand-campaign-showcasing-thoughtful-design-choices-124102301189_1.html

DISCLAIMER

Credence Investments has compiled the data for informational purposes only. No material should be considered as investment advice directly, indirectly, implicitly or in any manner whatsoever. Credence Investments assumes no liability whatsoever for any direct or consequential loss or damage arising from any use of given information. Investments are subject to market risks. Past performance is not an indicator of future results.

This material is for investor education and informational purposes only. It is not investment advice or a buy/sell recommendation. Investors should consult their financial advisors.

Email-ID: info@credenceinvestments.com

Website: <https://credenceinvestments.com>

Contact Details: +91-9540060199/9718510741