

The Western India Plywoods Limited

September 23, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	12.00	CARE BBB; Stable	Reaffirmed
Short-term bank facilities	4.00	CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of The Western India Plywoods Limited (WIPL) continue to derive strength from the promoters' vast experience and long-standing operational track record of over seven decades, diversified product profile and customer base, and healthy financial risk profile. However, ratings continue to be constrained by profitability margins that remain vulnerable to fluctuations in raw material prices and foreign exchange risk, exposure to subsidiaries, and competition from the unorganised segment.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growing scale of operations marked by increasing total operating income (TOI) to above ₹150 crore.
- Sustained improvement in profitability margin to a range of 9% to 10%.

Negative factors

- Debt-funded capex deteriorating the capital structure leading to gearing to above 1x.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects that the company is expected to sustain its financial and operational performance in the medium-term deriving benefits from the promoters' vast experience and long track record of operations.

Detailed description of key rating drivers:

Key strengths

Vast experience of promoters and operational track record of over seven decades

P K Mayan Mohammad, Managing Director and grandson of the founder, A K Kaderkutty, has been associated with WIPL since 1992 and manages the company's day-to-day operations. Since its inception in 1945, WIPL has expanded operations by diversifying into manufacturing hardboard, plywood, densified wood, pre-compressed board, and softboard. WIPL was the first company to manufacture hardboard in India and one of the key players in the domestic hardboard industry. WIPL's research and development (R&D) department is approved by the Department of Science and Industrial Research, Ministry of Science and Technology, Government of India.

Niche player in the domestic hardboard industry backed by diversified customer base

WIPL is one of India's leading manufacturers of hardboard, and the 'WIP' brand is well recognised in the market. Value-added products such as densified moulded seats for auditoriums, decorative plywood, restaurants, and engineered wood flooring have reinforced the company's image as a quality manufacturer. Being one of the oldest players in the industry, WIPL has a strong and diversified customer base, with the top five customers contributing 15.4% of total sales in FY25 (FY refers to April 01 to March 31) and 13.9% in Q1FY26. A major portion of the company's sales is derived from the hardboard segment (43.3% in FY25 and 39.8% in Q1FY26), in which the company has an established presence. Due to its characteristic properties, hardboard is widely used in chemical packing and automobile industries for manufacturing automobile interiors.

Diversified product mix backed by flexibility in production

WIPL has an integrated wood complex, and its integrated operations enable the company to use the same raw material—firewood, timber logs, and veneer—to manufacture different end products based on market and customer requirements. This provides WIPL

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

flexibility to manufacture products such as plywood, densified wood, and sub-segments in these products in specifications ranging from 2-25 mm thickness. The units in the plant are engineered to produce both softboard and hardboard, as only the first stage of production differs for both products while the remaining processes are largely similar. WIPL also has an in-house R&D department that works on developing newer variations of the above products and improving overall quality.

Stable operational performance in FY25

The scale of operations remained stable with TOI of ₹114.78 crore in FY25 (FY refers to April 01 to March 31) compared to ₹107.89 crore in the previous year. The company booked income of ₹28.82 crore in Q1FY26 compared to ₹24.93 crore in Q1FY25. The company posted a profit before interest, lease rentals, depreciation and taxation (PBILDT) margin of 6.0% compared to 7.20% in FY25 and 4.20% in Q1FY26 compared to 4.09% in Q1FY25. The decline in margin is attributable to higher power costs, driven by an increase in power tariff by Kerala State Electricity Board (KSEB). The company has increased its softboard capacity considering rising demand in the segment and expects growth from this segment in the coming years. The softboard segment registered compound annual growth rate (CAGR) of 28% in value and 24% in volume in the last three years, ending FY25. In the plywood segment, the company is focusing on premium variants to drive growth and improve profitability, with CAGR of 8% in value and 5% in volume terms for the same period.

Key weaknesses

Profit margins susceptible to raw material price and forex risk

The primary raw material for manufacturing hardboard is softwood (firewood). For manufacturing plywood, the company depends on timber logs and veneers, with veneer being imported from its Malaysian subsidiary. The firewood and timber logs prices are volatile based on their availability. The company is also exposed to forex risk as it imports a part of its raw materials. However, since the company exports softboards and imports raw material in the same currency, there is a natural hedge in place to a considerable extent.

Exposure to subsidiaries

WIPL has four subsidiaries: Kohinoor Sawmill Limited (KSM), Southern Veneers and Woodworks Limited (SVWL), Era and WIP Timber JV SDN BHD (ERA), and Mayabandar Doors Limited (MDL). Adjusted overall gearing for exposure to subsidiaries stood at 0.37x as on March 31, 2025 (PY: 0.40x). The scale of operations remains small, primarily comprising job work for WIPL.

Liquidity: Adequate

The company's liquidity is adequate, marked by sufficient expected cash accruals of ~₹5.41 crore in FY26 against debt repayments of ₹0.98 crore. The company had cash and bank balance of ₹7.67 crore as on March 31, 2025. The current ratio stood comfortable at 2.27x. WIPL's nature of business requires a wide range of finished stock to be held as inventory due to diverse product offerings of categories. WIPL's operating cycle stood at 105 days (PY: 96 days). It has working capital limits of ₹20.00 crore, the average utilisation of which stood at 19.9% in the 12 months ending June 2025.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Forest materials	Paper, forest and jute products	Forest products

Established in 1945 by Late A.K. Kaderkutti, WIPL is engaged in manufacturing hardboards, plywood, densified wood, pre-compressed boards, and furniture. The company is one of the largest integrated wood complexes in the country with an installed capacity of 34,750 metric tonne per annum (MTPA) of hardboard, 12,000 MTPA of softboard, 25 lakh sq m of plywood, 3,500

MTPA of densified wood and 750 MTPA of pre-compressed board as of September 2025. WIPL has three domestic subsidiaries engaged in job work for the company and one subsidiary in Malaysia, which commenced operations in February 2012 and supplies veneers (raw material) to WIPL. The company is managed by P.K. Mayan Mohammad, Managing Director, and grandson of Late A.K. Kaderkutti.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	107.89	114.78	28.82
PBILDT	7.77	6.89	1.21
PAT	3.82	3.29	0.61
Overall gearing (times)	0.31	0.28	NA
Interest coverage (times)	6.17	6.30	6.72

A: Audited; UA: Unaudited; NA: Not available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	12.00	CARE BBB; Stable
Non-fund-based - ST-Letter of credit		-	-	-	4.00	CARE A3+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	12.00	CARE BBB; Stable	-	1)CARE BBB; Stable (26-Sep-24)	1)CARE BBB; Stable (03-Oct-23)	1)CARE BBB-; Stable (26-Sep-22)
2	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (26-Sep-24)	1)CARE BBB; Stable (03-Oct-23)	1)CARE BBB-; Stable (26-Sep-22)
3	Non-fund-based - ST-Letter of credit	ST	4.00	CARE A3+	-	1)CARE A3+ (26-Sep-24)	1)CARE A3+ (03-Oct-23)	1)CARE A3 (26-Sep-22)

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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