

Neo Wood Products LLP

March 18, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	18.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	61.00	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Neo Wood Products LLP (NWPL) to monitor the rating vide e-mail communications dated December 30, 2025, March 09, 2026, March 10, 2026 and March 11, 2026 among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. Further, NWPL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The ratings on NWPL bank facilities will now be denoted as '**CARE BB-; Stable; ISSUER NOT COOPERATING/ CARE A4; ISSUER NOT COOPERATING**'.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of Neo Wood Products LLP (NWPL) have been revised owing non-availability of requisite information. Further, the ratings remain constrained on account of low profitability margins, moderate capital structure and debt coverage indicators, foreign exchange fluctuation risk, constitution of the entity being a partnership firm and presence in a highly competitive nature of industry. However, the ratings draw strengths from the growing scale of operations, comfortable operating cycle, location advantage and experienced partners

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers

At the time of last rating on March 03, 2025 the following were the rating strengths and weaknesses (updated based FY25 financials available from ROC filings)

Key weaknesses

Low profitability margin

The profitability margins of the firm have been historically on the lower side owing to low value addition nature of product and highly competitive nature of industry. Thus, PBILDT margin stood low at 2.02% during FY25(P.Y.:3.37%), while PAT margin remained at below unity.

Moderate capital structure and debt coverage indicators

The firm's financial risk metrics continued to remain stable albeit moderate, marked by overall gearing of 1.32x as on March 31, 2025 as against 1.29x as on March 31, 2024. Further, debt coverage indicators also remained moderate with interest coverage of 1.83x in FY25 as against 1.40x in FY24, marginally improving owing to reduced finance costs, while total debt/GCA also improved on back of increased cash accruals but stood high at 17.64 years as on March 31, 2025 compared to 23.65 years as on March 31, 2024.

Foreign exchange fluctuation risk

NWPL's meets (~90% in FY25) of its procurement in the form of imports from countries such as New Zealand, Australia, Germany, Argentina etc. However, the traded goods are completely sold in the domestic market. With initial outlay for

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

procurement in foreign currency and significant chunk of sales realization in domestic currency, the firm is exposed to the fluctuation in foreign exchange rates which the firm does not hedge. Thus, NWPL's is exposed to fluctuations in the value of rupee against foreign currency which may impact its cash accruals and profitability margins. The risk is more evident now that the rupee has registered considerable volatility and could leave the firm carrying costly inventory in case of sudden appreciation. However, the firm earned Rs. 0.48 crores as foreign exchange gain during FY25 compared to Rs. 0.28 crore during the previous year.

Constitution of the entity being a partnership firm

NWPL's constitution being a partnership firm has the inherent risk of possibility of withdrawal of the partner's capital at the time of personal contingency and the firm being dissolved upon the death/retirement/insolvency of partner. Moreover, partnership firms have restricted access to external borrowing as credit worthiness of partners would be the key factors affecting credit decision for the lenders. The partners continued to support the business operations through capital infusion worth Rs. 0.79 crore during FY25 compared to Rs. 5.02 crore during FY24.

Presence in a highly competitive nature of industry

The timber trading business is characterized by high volumes and low margins. The timber trading sector is highly competitive, comprising a large number of players in the unorganized segment as a result of low entry barriers. The intense competition and commoditized nature of timber industry restricts the pricing power of industry players which has a cascading effect on the player's margins.

Key strengths**Growing scale of operations**

The company's scale of operations continued to grow as the company reported revenue worth Rs. 269.25 crore during FY25 compared to Rs. 204.54 crore during FY24.

Comfortable operating cycle

Operating cycle of the firm stood at 52 days in FY25 as against 55 days in FY24. The improvement in operating cycle was led by liquidation on inventory as evident from a reduction in inventory days to 43 days on March 31, 2025 (P.Y.: 67 days). The firm is required to maintain a sufficient level of inventory to cater to the tailored requirements of its customers. The firm extend a credit period of around two months to its customers and usually receives a similar credit period from its suppliers.

Location advantage

NWPL has processing facility in Kutch, Gujarat which is situated in close proximity to the port of Kandla which has one of the largest stockyard of imported timber in Asia and hence, has become a hub for timber and wood processing units. This enables NWPL to reduce the logistics issues associated with wood, which is a bulky commodity and also offers the advantage of easy availability of raw material, lower freight costs and labour costs.

Experienced partners

NWPL is a family run business. The firm is currently being managed by Pritam Garg and Mamta Aggarwal wherein; both the partners looks after day-to-day operations of the entity. Pritam Garg and Mamta Aggarwal are graduate by qualification and holds an experience of more than two decade in timber business through their association with this entity and other associate entities.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable Criteria:

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non-financial Sector](#)

[Wholesale trading](#)

[Short Term Instruments](#)

About the firm and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Durables	Consumer Durables	Plywood Boards/ Laminates

NWPL was established in 2020 as a partnership firm and is run by Pritam Garg and Mamta Aggarwal. The firm is engaged in the processing and trading of timber wood logs. NWPL has its own sawmill with 26 machines having Capacity 400.00 cbm per machine per month. Their dealers' networks spread over all over North India, and they are supplying cut sizes of timber on order. The partners have experience of around two decades with association with 2 group companies RK Lumbers and PK timber Pvt ltd.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	204.54	269.25
PBILDT*	6.88	5.43
Profit after tax (PAT)	1.33	1.89
Overall gearing (x)	1.29	1.32
Interest coverage (x)	1.40	1.83

A: Audited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of various 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		-	-	-	18.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	61.00	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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	18.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (03-Mar-25)	1)CARE BB-; Stable (27-Mar-24)	-
2	Non-fund-based - ST-Letter of credit	ST	61.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (03-Mar-25)	1)CARE A4 (27-Mar-24)	-

*Issuer did not cooperate; based on best available information.

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 details

To 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.

Contact us

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About us:

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