

The Western India Plywoods Limited

October 05, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term bank facilities	RBI	17.45 (Enhanced from 12.00)	CARE BBB; Stable	Reaffirmed
Short-term bank facilities	RBI	2.50 (Reduced from 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

- Growth in scale of operations, with total operating income (TOI) exceeding ₹150 crore along with increase in profit before interest, lease rentals, depreciation, and tax (PBILDT) margin in the range of 9% to 10% on a sustained basis.

Negative factors

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

Analytical approach: Standalone

Outlook: Stable

The stable outlook by CARE Ratings Limited (CareEdge Ratings) 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 its 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 remains 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, and engineered wood flooring reinforce 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 18.85% of total sales in FY26 (refers to April 01 to March 31) and 13.50% in Q1FY27 (refers to April 01 to June 30). A major portion of the company's sales is derived from the hardboard segment (42.28%

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

in FY26 and 33.27% in Q1FY27), in which the company has an established presence. Due to its characteristic properties, hardboard is widely used in chemical packaging 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 utilise the same raw materials, comprising firewood, timber logs, and veneer, to manufacture different end products based on market and customer requirements. This provides WIPL with the flexibility to manufacture products, such as plywood, densified wood, and related sub-segments in thickness specifications ranging from 2mm to 25 mm. The units in the plant are engineered to produce softboard and hardboard, as only the first stage of production differs between the two products, while the balance of the processes is largely similar. WIPL also has an in-house R&D department that focuses on developing newer variations of these products and improving their overall quality.

Stable operational performance

The scale of operations remained stable, with TOI of ₹118.14 crore in FY26 compared to ₹114.78 crore in the previous year. The company booked income of ₹26.51 crore in Q1FY27 compared to ₹28.82 crore in Q1FY26. The company has increased its softboard capacity in FY25 considering rising demand in the segment and expects growth from this segment in the coming years. The softboard segment registered a compound annual growth rate (CAGR) of 2.93% in value and 0.51% in volume in the last three years, ending FY26. In the plywood segment, the company is focusing on premium variants to drive growth and improve profitability, with CAGR of 11.19% in value and 6.98% 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. Moderation in margins was primarily driven by elevated raw material costs, particularly wood and petroleum-based inputs such as phenol and other adhesive materials used in the manufacturing process. The PBILDT margin has been volatile in the range of 4.75%-7.20% over the past three years ended FY26.

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). Overall fund-based exposure to above entities stood at ₹11.53 crore as on March 31, 2026, constituting 21.04% of WIPL's net worth. Adjusted overall gearing, considering exposure to subsidiaries, stood at 0.27x as on March 31, 2026 (PY: 0.48x). Their scale of operations remains small and primarily comprises job work for WIPL.

Liquidity: Adequate

The company's liquidity remains adequate, marked by sufficient cash accruals against debt repayment obligations. The company had a cash and bank balance of ₹1.19 crore as on March 31, 2026. The current ratio stood comfortable at 2.45x. WIPL's business model requires maintaining a wide range of finished goods inventory owing to its diverse product offerings. WIPL's operating cycle stood at 105 days in FY26. Average working capital utilisation stood at 15.66% for the 12 months ended June 2026.

Assumptions/Covenants: Not applicable

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

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 & 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 June 2026. 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, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	114.78	118.14	27.03
PBILDT*	6.86	5.61	0.88
Profit after tax (PAT)	3.27	2.44	0.26
Overall gearing (x)	0.28	0.11	NA
Interest coverage (x)	6.29	6.86	8.00

A: Audited; UA: Unaudited, NA: Not available; 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

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:

A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	17.45	CARE BBB; Stable
Non-fund-based - ST-Letter of credit	RBI	Simple	-		-	-	2.50	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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	17.45	CARE BBB; Stable	-	1)CARE BBB; Stable (23-Sep-25)	1)CARE BBB; Stable (26-Sep-24)	1)CARE BBB; Stable (03-Oct-23)
2	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (26-Sep-24)	1)CARE BBB; Stable (03-Oct-23)
3	Non-fund-based - ST-Letter of credit	ST	2.50	CARE A3+	-	1)CARE A3+ (23-Sep-25)	1)CARE A3+ (26-Sep-24)	1)CARE A3+ (03-Oct-23)

LT: Long term; ST: Short term

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

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Pradeep Kumar V Senior Director CARE Ratings Limited Phone: 044-28501001 E-mail: pradeep.kumar@careedge.in	Analytical Contacts Sandeep P Director CARE Ratings Limited Phone: 914428501002 E-mail: sandeep.prem@careedge.in Naveen S Associate Director CARE Ratings Limited Phone: 914224502305 E-mail: naveen.kumar@careedge.in Silambarasan V Analyst CARE Ratings Limited E-mail: Silambarasan.V@careedge.in
--	---

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**