

No. CARE/CMBO/RL/2022-23/1124

Shri Balakrishnan
Chief Financial Officer & Company Secretary
The Western India Plywoods Limited
Mill Road, Baliapatam, Kannur
Kerala 670010

September 22, 2022

Confidential

Dear Sir,

Credit rating for bank facilities

On the basis of recent developments including operational and financial performance of your Company for FY22 (Audited) and Q1FY23 (Provisional), our Rating Committee has reviewed the following ratings:

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	16.47 (Reduced from 23.68)	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Reaffirmed
Short Term Bank Facilities	4.50	CARE A3 (A Three)	Reaffirmed
Total Facilities	20.97 (Rs. Twenty Crore and Ninety- Seven Lakhs Only)		

2. Refer **Annexure 1** for details of rated facilities.

3. The rationale for the rating is attached as **Annexure 2**. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure 3**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by September 23, 2022, we will proceed on the basis that you have no any comments to offer.

4. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

5. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities,

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CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

6. Our ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.

7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

8. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.

9. CARE Ratings Ltd. ratings are **not** recommendations to sanction, renew, disburse or recall the concerned bank facilities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,
Yours faithfully,

Kavitha Purushotham Priya
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Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited 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. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited 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. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

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Annexure 1
Details of Rated Facilities

1. Long Term Facilities

1.A. Term Loans

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Debt Repayment Terms
1.	Axis Bank Ltd.	0.72*	30 Monthly repayments ending in March 2023.
Total		0.72	

*Outstanding as of August 30, 2022

1.B. Fund Based Limits

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Remarks
1.	State Bank of India	12.00	Cash Credit
2.	Indian Overseas Bank	3.75	
Total		15.75	

Total Long-Term Facilities: Rs.16.47 crore

2. Short Term Facilities

2.A. Non-Fund Based Limits

Sr. No.	Name of Bank / Lender	Rated Amount (Rs. crore)	Remarks
1.	State Bank of India	4.50	Letter of credit
Total		4.50	

Total Short-Term Facilities: Rs.4.50 crore

Total Facilities (1. A+1.B+2. A): Rs.20.97 crore

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Annexure 2 Rating Rationale

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	16.47 (Reduced from 23.68)	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Reaffirmed
Short-term bank facilities	4.50	CARE A3 (A Three)	Reaffirmed
Total Bank Facilities	20.97 (₹ Twenty Crore and Ninety- Seven Lakhs Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

The ratings assigned to the bank facilities of The Western India Plywoods Limited (WIPL) continue to derive strength from the vast experience and long operational track record for more than seven decades, presence of WIPL as a niche player in the domestic hardboard industry, flexibility in production to manufacture diverse products, diversified customer base and comfortable capital structure. The ratings, however, continue to be constrained by the moderate scale of operations, susceptibility of profit margins to volatile raw material prices and forex risk, exposure to subsidiaries and competition from the unorganized segment.

Rating sensitivities

Positive factors – Factors that could lead to positive rating action/upgrade:

- Consistent growth in scale of operations above the range of ₹100 crore.
- Stabilize profitability levels at PBILDT range of 9-10%.

Negative factors – Factors that could lead to negative rating action/downgrade:

- Any debt-funded capital expenditure deteriorating the capital structure leading to gearing levels above 1x.

Detailed description of the key rating drivers

Vast experience of the promoters and operational track record of more than seven decades

Late Mr. A. K. Kaderkutty (founder of the company) was the managing director of the company from its inception till 1993. Mr. P K Mayan Mohammad (present MD and grandson of Late Mr. Kaderkutty) is associated with WIPL since 1992 and takes care of the day-to-day operations of the company. Since its inception in 1945, WIPL has expanded its operations by diversifying into manufacturing of hardboard, plywood, densified wood, pre-compressed board and softboard. WIPL was the first company to manufacture hardboard in India and it continues to be the market leader in the domestic hardboard industry. WIPL's R&D department is approved by the Department of Science & Industrial Research, Ministry of Science & Technology, Government of India

Niche player in the domestic hardboard industry

WIPL is one of India's leading manufacturers of hardboard, and the 'WIP' brand is well identified and recognized in the market. In addition, various value-added products like densified molded seats for auditorium, restaurants and engineered wood flooring have enabled the company to reinforce its image as a quality manufacturer. Hardboard industry is capital intensive, and the availability of raw materials like waste wood (firewood) and water is critical. The hardboard industry hence is not as fragmented as the plywood industry and hence the company has been able to build a strong market position for itself due to its long track record in this business. WIPL mainly caters to B2B customers in hardwood products and its exposure to retail segment is minimal. Further, the export demand for the new product softboard has been rising for the

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past two years also leading to improved margins from the softboard segment. The company is currently expanding the softboard capacity by 20-25 MT/day which is expected to commence operations from November 2022.

Flexibility in production to manufacture diverse products with large customer base spread across various industries

WIPL has an integrated wood complex, and its integrated nature of operations enables WIPL to use the same raw material namely firewood, timber logs and veneer to manufacture different end products based on market and customer requirement. This gives WIPL flexibility to manufacture various products such as plywood, densified wood and various sub segments in these products in various specifications ranging from as low as 2mm to 25mm thickness. All the three plants of the company are engineered to produce both softboard and hardboard as the first process of production alone differs for both the products and the rest of the processes are almost the same. Also, WIPL caters to diversified industries such as power, pharma packaging, railways, auto and auto ancillary which reduces the overall effect of any economic impacts on any one of the end user industries. The company caters to almost 40 different customers. The top 5 customers contribute to only 6.26% (PY: 21.91%) of total income in FY22 (refers to the period April 1 to March 31).

Moderate scale of operations

The scale of operations of WIPL remained moderate despite the company being operational for over seven decades with operating income of ₹98.86 crore in FY22 albeit increased from ₹ 85.53 crore in FY21. Further in Q1FY23 (refers to period April 01 to June 30), the company booked income of ₹25.09 crore vis-à-vis ₹19.11 crore in Q1FY22. The demand for hardboard and softboard has been increasing both from domestic and export clientele post recovery of covid pandemic. Furthermore, the realizations of softboard have also been improving by 3-4% year-on-year driven by demand for the wooden floors and interior design works.

Susceptibility of profit margins to raw material price and forex risk

The primary raw material for manufacture of hardboard is softwood (firewood). For manufacture of plywood, the company depends on timber logs & veneers, with veneer being imported from its Malaysian subsidiary are also sourced domestically. The prices of firewood and timber logs are volatile based on its availability. In order to counter the raw material price risk, the company has been increasing the composition of softboards in the total income as it consumes a lower raw material as well as power as compared to other products. 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 natural hedge in place to a considerable extent. The availability and price of raw material along with the company's ability to pass on any price increase to the end-customers would determine the prospects of the company going forward.

Comfortable credit metrics with low working capital dependence

The company's capital structure remained comfortable with overall gearing of 0.39x as of March 31, 2022 as against 0.37x as on March 31, 2021. WIPL availed working capital term loan (Covid loans) of ₹ 1.54 crore in FY22 from Kerala State Industrial Corporation Limited (KSICL) at relatively lower interest cost. The company utilized the amount partially to meet its working capital requirement and for softboard expansion project. The interest coverage also stood comfortable at 4.01x in FY22 (PY: 3.03x).

Exposure to subsidiaries

WIPL has four operating subsidiaries namely Kohinoor Saw Mill Ltd (KSM), Southern Veneers and Woodworks Limited (SVWL), Era & WIP Timber JV SDN BHD (ERA) and Mayabandar Doors Limited (MDL). KSM and SVWL carry out job work for WIPL, while ERA supplies good quality veneer for WIPL's production. Era & WIP Timber JV SDN BHD (ERA) is a foreign subsidiary which supplies veneer to WIPL, whereas the other domestic subsidiaries except MDL are engaged in carrying out job work for WIPL and more than 90% of their sales are to WIPL. The overall gearing adjusted for exposure to the subsidiaries stood at 0.51x as on March 31, 2022 as against 0.49x as on March 31, 2021. Going forward, with increase in operations of the subsidiaries, any increase in loans & advances from WIPL to its subsidiaries would be a credit monitorable.

Liquidity- Adequate

The liquidity of the company is adequate marked by sufficient accruals of ₹3.63 crore in FY22 as against repayment obligations of ₹1.19 crore in FY23. The company has cash and bank balance of ₹ 2.86 crore as on March 31, 2022. The

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operating cycle days improved to 131 days in FY22 from 164 days in FY21 due to improved collection and inventory period. WIPL's nature of business requires wide range of finished stock to be held as inventory due to diverse product offerings of various categories. The inventory holding reduced to 79 days in FY22 from 113 days in FY21 due to better movement of finished goods following recovery in demand. The company has been sanctioned with working capital limit of ₹ 15.75 crore and the average utilisation stood low at 10% for last twelve months ended July 2022.

Analytical approach: Standalone

Applicable criteria

[Policy on default recognition](#)

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

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

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

About the company

The Western India Plywoods Limited (WIPL), established in 1945 by late Mr. Kader Kutty is engaged in the manufacture of hardboards, plywood, densified wood, pre-compressed boards and furniture. The company is one of the few largest integrated wood complexes in the country with an installed capacity of 34750 TPA of hardboard, 7200 TPA of softboard, 25 lakh sq meter of plywood, 3,500 TPA of densified wood and 750 TPA of pre-compressed board as on September 14, 2022. WIPL has three domestic subsidiaries doing job work for the company and one subsidiary company in Malaysia which commenced operations in Feb 2012 and supplies veneers (raw material) to WIPL. The company is managed by Mr. P.K. Mayan Mohammad (Managing Director & grandson of Late Mr. Kader Kutty).

Financial performance:

(₹ crore)

For the period ended / as on March 31,	2020 (12m, A)	2021 (12m, A)	2022 (12m, A)
Working results			
Total operating income	92.94	83.53	98.86
PBILDT	6.62	5.07	5.47
Interest	2.30	1.68	1.36
Depreciation	2.14	2.29	2.11
PBT	2.31	1.20	2.14
PAT (after deferred tax)	1.69	0.99	1.58
Gross cash accruals	3.59	3.18	3.27
Financial position			
Equity share capital	8.49	8.49	8.49
Networth	44.12	45.16	45.28
Total capital employed	103.52	129.10	63.59
Key ratios			
Growth			
Growth in total income (%)	-5.46	-10.01	18.36
Growth in PAT (after deferred tax) (%)	-21.56	-41.40	46.23
Profitability			
PBILDT/Total op. income (%)	7.13	6.08	5.53
PAT (after deferred tax)/ Total income (%)	1.82	1.19	1.60
ROCE (%)	5.66	4.42	4.56
Solvency			
Debt equity ratio (times)	0.39	0.35	0.35
Overall gearing ratio (times)	0.49	0.37	0.39
Interest coverage (times)	2.87	3.03	4.01
Term debt/Gross cash accruals (years)	1.95	1.66	2.46

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For the period ended / as on March 31,	2020	2021	2022
Total debt/Gross cash accruals (years)	4.76	4.96	4.37
Liquidity			
Current ratio (times)	2.85	3.57	3.48
Quick ratio (times)	1.35	1.99	2.17
Turnover			
Average collection period (days)	66	75	69
Average creditors (days)	22	24	17
Average inventory (days)	121	113	79
Operating cycle (days)	165	164	131

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Please refer Annexure-2

Details of rated facilities: Please refer Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Covenants of rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in 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 along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	15.75	CARE BBB-; Stable
Fund-based - LT-Term Loan		-	-	March 2023	0.72	CARE BBB-; Stable
Non-fund-based - ST-Letter of credit		-	-	-	4.50	CARE A3

Annexure-2: Rating history of 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 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	15.75	CARE BBB-; Stable	-	1)CARE BBB-; Stable (01-Sep-21)	1)CARE BBB-; Stable (21-Sep-20)	1)CARE BBB-; Negative (13-Aug-19)
2	Fund-based - LT-Term Loan	LT	0.72	CARE BBB-; Stable	-	1)CARE BBB-; Stable (01-Sep-21)	1)CARE BBB-; Stable (21-Sep-20)	1)CARE BBB-; Negative (13-Aug-19)
3	Non-fund-based - ST-Letter of credit	ST	4.50	CARE A3	-	1)CARE A3 (01-Sep-21)	1)CARE A3 (21-Sep-20)	1)CARE A3 (13-Aug-19)

*LT-Long term/ST-Short term.

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Annexure-3: Details of Rated Facilities**1. Long-term facilities****1.A. Term loans**

Sr. No.	Name of Bank / Lender	Rated Amount (₹ crore)	Debt Repayment Terms
1.	Axis Bank	0.72	30 Monthly repayments ending in March 2023.
	Total	0.72	

*Outstanding as on August 31, 2022

1.B. Fund-based limits

Sr. No.	Name of Bank / Lender	Rated Amount (₹ crore)	Remarks
1.	Indian Overseas Bank	3.75	Cash Credit
2.	State Bank of India	12.00	
	Total	15.75	

Total long-term facilities(1.A.+1.B.): ₹16.47 crore**2. Short-term facilities****2.A. Non-fund-based limits**

Sr. No.	Name of Bank / Lender	Rated Amount (₹ crore)	Remarks
1.	State Bank of India	4.50	Letter of credit
	Total	4.50	

Total short-term facilities (2.A): ₹4.50 crore**Total facilities (1. A+1. B.+2.A): ₹20.97 crore****Annexure 4: Complexity level of various instruments rated for this company**

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

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

Annexure-5: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable


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About us:

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Annexure 3 Press Release

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	16.47 (Reduced from 23.68)	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Reaffirmed
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Total Bank Facilities	20.97 (₹ Twenty Crore and Ninety-Seven Lakhs Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

The ratings assigned to the bank facilities of The Western India Plywoods Limited (WIPL) continue to derive strength from the vast experience and long operational track record for more than seven decades, presence of WIPL as a niche player in the domestic hardboard industry, flexibility in production to manufacture diverse products, diversified customer base and comfortable capital structure. The ratings, however, continue to be constrained by the moderate scale of operations, susceptibility of profit margins to volatile raw material prices and forex risk, exposure to subsidiaries and competition from the unorganized segment.

Rating sensitivities

Positive factors – Factors that could lead to positive rating action/upgrade:

- Consistent growth in scale of operations above the range of Rs. 100 crore
- Stabilize profitability levels at PBILDT range of 9-10%.

Negative factors – Factors that could lead to negative rating action/downgrade:

- Any debt-funded capital expenditure deteriorating the capital structure leading to gearing levels above 1x.

Detailed description of the key rating drivers

Key rating strengths

Vast experience of the promoters and established track record of more than six decades

Late Mr A. K. Kaderkutty (founder of the company) was the managing director of the company from its inception till 1993. Mr. P K Mayan Mohammad (present MD and grandson of Late Mr. Kaderkutty) is associated with WIPL since 1992 and takes care of the day-to-day operations of the company. Since its inception in 1945, WIPL has expanded its operations by diversifying into manufacturing of hardboard, plywood, densified wood, pre-compressed board and softboard.

Niche player in the domestic hardboard industry

WIPL is one of India's leading manufacturers of hardboard and the 'WIP' brand is well identified and recognized in the market. In addition, various value-added products like densified molded seats for auditorium, restaurants and engineered wood flooring have enabled the company to reinforce its image as a quality manufacturer. The hardboard industry hence is not as fragmented as the plywood industry and hence the company has been able to build a strong market position for itself due to its long track record in this business.

Flexibility in production to manufacture diverse products with large customer base spread across various industries

WIPL has an integrated wood complex, and its integrated nature of operations enables WIPL to use the same raw material namely firewood, timber logs and veneer to manufacture different end products based on market and customer requirement. This gives WIPL flexibility to manufacture various products such as plywood, densified wood and various sub segments in these products in various specifications ranging from as low as 2mm to 25mm thickness. WIPL caters to diversified industries

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such as power, pharma packaging, railways, auto and auto ancillary which reduces the overall effect of any economic impacts on any one of the end user industries. The top 5 customers contribute to 6% (PY: 22%) of income in FY22.

Comfortable capital structure and debt coverage metrics

The company's capital structure remained comfortable with overall gearing of 0.39x as of March 31, 2022 as against 0.37x as on March 31, 2021 with minimal reliance on working capital borrowings. The interest coverage also stood comfortable at 4.01x in FY22 (PY: 3.03x).

Key rating weaknesses

Moderate scale of operations

The scale of operations of WIPL remained moderate despite the company being operational for over seven decades with operating income of Rs.98.86 crore in FY22 albeit increased from Rs. 85.53 crore in FY21. Further in Q1FY23 (refers to period April 01 to June 30), the company booked income of Rs.25.09 crore vis-à-vis Rs.19.11 crore in Q1FY22.

Susceptibility of profit margins to raw material price and forex risk

The primary raw material for manufacture of hardboard is softwood (firewood). For manufacture of plywood, the company depends on timber logs & veneers, with veneer being imported from its Malaysian subsidiary. The prices of firewood and timber logs are volatile based on its 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 natural hedge in place to a considerable extent.

Exposure to subsidiaries

WIPL has four operating subsidiaries namely Kohinoor Saw Mill Ltd (KSM), Southern Veneers and Woodworks Limited (SVWL), Era & WIP Timber JV SDN BHD (ERA) and Mayabandar Doors Limited (MDL). KSM, SVWL and MDL do job work for WIPL while ERA supplies good quality veneer for WIPL's production. The overall gearing adjusted for exposure to the subsidiaries stood at 0.51x as on March 31, 2022 as against 0.49x as on March 31, 2021. All the domestic subsidiaries are engaged in doing job work for WIPL and more than 90% of their sales are to WIPL.

Liquidity: Adequate

The liquidity of the company is adequate marked by sufficient accruals of Rs.3.63 crore in FY22 as against repayment obligations of Rs.1.19 crore in FY23. The company has cash and bank balance of Rs. 2.86 crore as on March 31, 2022. The operating cycle days improved to 131 days in FY22 from 164 days in FY21 due to improved collection and inventory period. WIPL's nature of business requires wide range of finished stock to be held as inventory due to diverse product offerings of various categories. The inventory holding reduced to 79 days in FY22 from 113 days in FY21 due to better movement of finished goods following recovery in demand. The company has been sanctioned with working capital limit of Rs. 15.75 crore and the average utilisation stood low at 10% for last twelve months ended July 2022.

Analytical approach: Standalone

Applicable criteria

[Policy on default recognition](#)

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

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

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

About the company

The Western India Plywoods Limited (WIPL), established in 1945 by late Mr. Kaderkutty is engaged in the manufacture of hardboards, plywood, densified wood, pre-compressed boards and furniture. The company is one of the few largest integrated wood complexes in the country with an installed capacity of 34750 TPA of hardboard, 7200 TPA of softboard, 25 lakh sq meter of plywood, 3,500 TPA of densified wood and 750 TPA of pre-compressed board as on September 14, 2022. WIPL has three domestic subsidiaries doing job work for the company and one subsidiary company in Malaysia which commenced operations in Feb 2012 and supplies veneers (raw material) to WIPL. The company is managed by Mr. P.K. Mayan Mohammad (Managing Director & grandson of Late Mr. Kaderkutty).

CARE Ratings Limited



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Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23 (P)
Total operating income	83.54	98.86	25.09
PBILDT	5.09	5.47	1.85
PAT	1.00	1.58	0.88
Overall gearing (times)	0.37	0.39	NA
Interest coverage (times)	3.03	4.01	5.97

A: Audited; P: Provisional; NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

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 along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	15.75	CARE BBB-; Stable
Fund-based - LT-Term Loan		-	-	March 2023	0.72	CARE BBB-; Stable
Non-fund-based - ST-Letter of credit		-	-	-	4.50	CARE A3

Annexure-2: Rating history for the 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 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	15.75	CARE BBB-; Stable	-	1)CARE BBB-; Stable (01-Sep-21)	1)CARE BBB-; Stable (21-Sep-20)	1)CARE BBB-; Negative (13-Aug-19)
2	Fund-based - LT-Term Loan	LT	0.72	CARE BBB-; Stable	-	1)CARE BBB-; Stable (01-Sep-21)	1)CARE BBB-; Stable (21-Sep-20)	1)CARE BBB-; Negative (13-Aug-19)
3	Non-fund-based - ST-Letter of credit	ST	4.50	CARE A3	-	1)CARE A3 (01-Sep-21)	1)CARE A3 (21-Sep-20)	1)CARE A3 (13-Aug-19)

*LT-Long term/ST-Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of various instruments rated for this company



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

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

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

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About us:

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