

November 07, 2024

The Indian Wood Products Company Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Cash Credit	55.75	55.75	[ICRA]BB+ (Stable); withdrawn
Short-term – Non-fund Based	16.50	16.50	[ICRA]A4+; withdrawn
Long-term/ Short-term – Unallocated	5.27	5.27	[ICRA]BB+ (Stable)/[ICRA]A4+; withdrawn
Total	77.52	77.52	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of The Indian Wood Products Company Limited (IWP) at the request of the company and based on the no-objection certificate (NOC) received from the bankers, in accordance with ICRA's policy on withdrawal of credit ratings. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key rating drivers, Liquidity position and Rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on withdrawal of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of IWP.

About the company

IWP was incorporated in 1919 by Mr. H Gladstone, Mr. H Bateson and Mr. EH Ebray, who started processing *kattha* from a manufacturing unit at Izatnagar, Bareilly, Uttar Pradesh, in 1920. The current promoter—Mr. KK Mohta—acquired the company in 1980. Thereafter, the current management has been overseeing the activities of IWP. It has a production capacity of 4,000 metric tonne per annum (MTPA) of *kattha* and 1,350 MTPA of *cutch*, a by-product of *kattha* manufacturing. The company sells its products under the brand name, 'IWP'.

Key financial indicators

IWP – Consolidated	FY2023	FY2024
Operating income	182.2	191.7
PAT	1.8	3.7
OPBDIT/OI	5.7%	7.4%
PAT/OI	1.0%	1.9%

Total outside liabilities/Tangible net worth (times)	0.5x	0.5x
Total debt/OPBDIT (times)	7.4x	5.4x
Interest coverage (times)	1.5x	1.7x

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amounts in Rs. Crore; Note: All financial ratios as per ICRA's calculation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)				Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	Date	Rating	FY2024		FY2023		FY2022	
					Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long Term	55.75	07-Nov-2024	[ICRA]BB+ (Stable); withdrawn	27-Dec-2023	[ICRA]BB+ (Stable)	13-Mar-2023	[ICRA]BB+ (Stable)	28-Feb-2022	[ICRA]BBB- (Negative)
			-	-	-	-	09-Sep-2022	[ICRA]BB+ (Stable)	09-Dec-2021	[ICRA]BBB (Negative)
Term Loan	Long Term	-	-	-	-	-	09-Sep-2022	[ICRA]BB+ (Stable)	28-Feb-2022	[ICRA]BBB- (Negative)
			-	-	-	-	-	-	09-Dec-2021	[ICRA]BBB (Negative)
Letter of Credit	Short Term	16.50	07-Nov-2024	[ICRA]A4+; withdrawn	27-Dec-2023	[ICRA]A4+	13-Mar-2023	[ICRA]A4+	28-Feb-2022	[ICRA]A3
			-	-	-	-	09-Sep-2022	[ICRA]A4+	09-Dec-2021	[ICRA]A3+
Unallocated	Long Term/ Short Term	5.27	07-Nov-2024	[ICRA]BB+ (Stable)/ [ICRA]A4+; withdrawn	27-Dec-2023	[ICRA]BB+ (Stable)/ [ICRA]A4+	13-Mar-2023	[ICRA]BB+ (Stable)/ [ICRA]A4+	28-Feb-2022	[ICRA]BBB- (Negative)/ [ICRA]A3
			-	-	-	-	09-Sep-2022	[ICRA]BB+ (Stable)/ [ICRA]A4+	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund-based – Working Capital	Simple
Short-term – Non-Fund-based	Very Simple
Long-term/ Short-term – Unallocated	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	55.75	[ICRA]BB+ (Stable); Withdrawn
NA	Letter of Credit	NA	NA	NA	16.50	[ICRA]A4+; Withdrawn
NA	Unallocated	NA	NA	NA	5.27	[ICRA]BB+ (Stable)/ [ICRA]A4+; Withdrawn

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
The Indian Wood Products Company Limited*	NA	Full Consolidation
Agro and Spice Trading Pte Ltd.	50%	Equity method

Source: Company, *parent company.

ANALYST CONTACTS

Shamsher Dewan
+91 124 4545 328
shamsherd@icraindia.com

Kinjal Shah
+91 022 61143400
kinjal.shah@icraindia.com

Deepak Jotwani
+91 124 4545 870
deepak.jotwani@icraindia.com

Uday Kumar
+91 124 4545 867
uday.kumar@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.