

June 30, 2026

Century Plyboards (India) Ltd: Ratings reaffirmed for existing amount and assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Fund-based limits- Term loan	100.00	100.00	[ICRA]AA(Stable); reaffirmed
Long-term – Fund-based /Non- fund based - Others	200.00	375.00	[ICRA]AA(Stable); reaffirmed for existing amount and assigned for enhanced amount
Long-term - Fund-based limits- Cash credit	400.0	700.00	[ICRA]AA(Stable); reaffirmed for existing amount and assigned for enhanced amount
Long-term-Proposed fund-based limits- Cash credit	80.00	-	-
Short-term - Non-fund based limits	360.00	460.00	[ICRA]A1+; reaffirmed for existing amount and assigned for enhanced amount
Short-term-Proposed non-fund based limits	70.00	-	-
Short-term – Fund-based /Non- fund based – Others	-	329.00	[ICRA]A1+; assigned
Long-term - Fund-based limits- Proposed Term Loan	-	150.00	[ICRA]AA (Stable); assigned
Total	1210.00	2114.00	

*Instrument details are provided in Annexure II

Rationale

While assigning the ratings, ICRA has taken a consolidated view of Century Plyboards (India) Ltd (CPIL) and its wholly-owned subsidiary, Century Panels Limited (CPL), given the strong business and financial linkages along with a common treasury team, and CPL acts as an extended arm for CPIL.

The ratings reaffirmation for CPIL factors in the expected healthy growth in scale of operations in FY2027, while maintaining comfortable debt coverage metrics. The consolidated operating income grew by 19% to Rs. 5,397.2 crore in FY2026, which is likely to further grow by 13-15% in FY2027, supported by the favourable growth prospects across product categories from real estate, readymade furniture and increased spend on interior works in residential dwelling units. These factors are likely to support healthy growth in plywood volumes and ramp-up capacity utilisation of laminate, medium density fibreboard (MDF) and particle board (PB) capacities commissioned in the last 1-2 years. The operating margins improved by 190 bps in FY2026 and are projected to remain firm at 12.5–13.5% (FY2026: 12.8%) in FY2027, despite anticipated pressure from higher crude oil-linked raw material prices amid the West Asia crisis. The impact of higher raw material prices will be mitigated by the company's ability to pass on increased input costs (crude derivatives) to end customers, as demonstrated in the recent past. CPIL's total debt increased to Rs. 1,764.9 crore as of March 2026 from Rs. 1,586.3 crore as of March 2025, primarily driven by higher working capital utilisation in line with increase in scale of operations. However, with expected ramp-up in revenues and operating profits along with stable debt levels, the leverage metric (total debt/OPBDITA) is likely to improve to 2.2-2.3 times as of March 2027 and further to 1.6-1.7 times as of March 2028. The debt coverage metrics are expected to remain comfortable with debt service coverage ratio (DSCR) projected in the range of 2.8-2.9 times in FY2027.

The ratings continue to draw comfort from CPIL's dominant position in the plywood industry (30-32% market share within the organised segment), a large product portfolio across the price spectrum, a wide distribution network of more than 4,100

dealers and 19,000 retailers across India and a strong brand strength with premium pricing across products. The ratings continue to consider the vast experience of the promoters spanning more than three decades in the plywood and allied products industry.

The strengths are, however, partially offset by susceptibility of CPIL's operating margins to pricing pressures and fluctuations in raw material prices. The company is exposed to intense competition from the organised (laminates, MDF) and unorganised sectors (plywood, PB), thus restricting CPIL's pricing flexibility and lumpy capacity additions in the organised sector (MDF, PB) are resulting in demand-supply mismatch. Further, the raw material prices (timber and crude oil-based chemicals) are inherently volatile, which resulted in volatility in operating margins (OPM) in the past. The ratings are also constrained by post-implementation risks related to the ramp-up and stabilisation of the greenfield plywood unit (60,000 CBM), which will commence operations in FY2027. Moreover, the ramp-up of the recently commissioned facilities would remain critical for sustaining return on capital employed (ROCE) at healthy levels. The company's operations are working capital intensive in nature and remain exposed to fluctuations in exchange rates, given the sizeable import of raw materials. The company also remains constrained by the vulnerability of the demand to real-estate cycles.

The Stable outlook on the [ICRA]AA rating reflects ICRA's opinion that CPIL will continue to benefit from its strong business profile in the domestic market, leadership position in the plywood industry and comfortable coverage metrics.

Key rating drivers and their description

Credit strengths

Healthy growth in scale of operations expected in medium term - The consolidated operating income grew by 19% in FY2026, which is likely to further grow by 13-15% in FY2027 to Rs. 6,100-6,200 crore (PY: Rs. 5,397.2 crore), supported by the favourable growth prospects across product categories from real estate, readymade furniture and increased spend on interior works in residential dwelling units. These factors are likely to support healthy growth in plywood volumes and ramp-up capacity utilisation of laminate, medium density fibreboard (MDF) and particle board (PB) capacities commissioned in the last 1-2 years.

Comfortable debt coverage metrics - CPIL's total debt increased to Rs. 1,764.9 crore as of March 2026 from Rs. 1,586.3 crore as of March 2025, primarily driven by higher working capital utilisation in line with increase in scale of operations. However, with expected ramp-up in revenues and operating profits along with stable debt levels, the leverage metric (total debt/OPBDITA) is likely to improve to 2.2-2.3 times as of March 2027, from 2.6 times as of March 2026. The debt coverage metrics are expected to remain strong with DSCR projected in the range of 2.8-2.9 times in FY2027.

Established brand name, wide distribution network and strategic location of manufacturing units strengthen CPIL's operating profile - CPIL has a dominant position in the plywood industry (30-32% market share within the organised segment), a large product portfolio across the price spectrum, a wide distribution network of more than 4,100 dealers and 19,000 retailers across India and a strong brand strength with premium pricing across products. Further, the manufacturing plants are strategically located near raw material sources, ensuring adequate availability of raw materials and leading to lower freight costs. CPIL also has backward-integrated units in Gabon for the supply of veneer. The growth across product categories is expected to be supported by healthy demand from the end-user industries such as real estate, readymade furniture and increased spend on interior works in residential dwelling units.

Credit challenges

Operating margins susceptible to pricing pressure, fluctuations in raw material prices and currency - CPIL is exposed to intense competition from the organised (laminates, MDF) and unorganised sectors (plywood, PB), thus restricting its pricing flexibility and lumpy capacity additions in the organised sector (MDF, PB) are resulting in demand-supply mismatch. Further, the raw material prices (timber and crude oil-based chemicals) are inherently volatile, which resulted in a dip in operating margins (OPM) to 10.9% in FY2025 from 13.7% in FY2024 and 16.1% in FY2023. Nonetheless, ICRA expects the operating margins to remain stable at 12.5-13.5% (FY2026: 12.8%) in FY2027, despite anticipated pressure from higher crude oil-linked raw material prices amid the West Asia crisis, with the impact likely to be mitigated by the company's ability to pass on

increased input costs (crude derivatives) to end customers, as demonstrated in the recent past. The profitability of the company remains exposed to forex risks, given the sizeable import of raw materials. However, the company hedges its forex exposure, as and when required, which mitigates the risk to an extent.

Ramp-up of new units remains critical for sustenance of ROCE at healthy levels – CPIL is exposed to the post-implementation risks related to the ramp-up and stabilisation of the greenfield plywood unit (60,000 CBM), which will commence operations in FY2027. Moreover, the ramp-up of the recently commissioned facilities would remain critical for sustaining return on capital employed (ROCE) at healthy levels.

Working capital-intensive business – CPIL has working capital-intensive operations, with working capital intensity at 23% in FY2026, attributed to high inventory requirements for various products. Given the company’s diverse portfolio of manufacturing products in plywood, laminates, MDF and PB segments, it necessitates stocking a large volume of raw materials and finished goods to cater to the demand.

Environmental and social risks

Environmental considerations: The manufacturing of wooden panel products involves substantial use of timber and wooden logs, primarily procured from timber plantations, with some dependence on imported forest wood. CPIL also emits formaldehyde during manufacturing and relies on fossil fuels for energy consumption. The increasing regulatory requirements to reduce greenhouse gas emissions and stricter air pollution standards may lead to higher costs for CPIL. The company’s profitability and cash flows could be under pressure if it is unable to fully pass on the increased compliance costs to customers. In FY2025, CPIL derived 19% of its electricity requirements from renewable energy.

Social considerations: The social risks relate to the safety of employees involved in the manufacturing and transportation of wood panel products, and CPIL has invested in mechanisation to enhance physical safety.

Liquidity position: Adequate

CPIL’s liquidity profile is Adequate, supported by Rs. 430.0 crore of buffer in the form of undrawn DP backed fund-based working capital limits and cash and liquid investments of Rs. 30.2 crore as of March 2026, on a consolidated basis. The company has capex plans of ~Rs. 400.0-420.0 crore in FY2027, which will be funded partly through debt and balance from internal accruals. CPIL has term loan repayments of Rs. 95.3 crore in FY2027, which can be comfortably met from estimated cash flow from operations.

Rating sensitivities

Positive factors – ICRA could upgrade CPIL’s long-term rating, if there is a significant ramp-up in the operations of the recently commissioned/upcoming capacities, improving the company’s revenues and earnings on a sustained basis and maintaining strong debt coverage metrics.

Negative factors – Pressure on CPIL’s ratings could arise, if a significant decline in revenues and earnings or any major debt-funded capital expenditure/inorganic growth undertaken by the company weakens the capital structure and debt coverage metrics. A specific credit metric that could lead to a rating downgrade includes DSCR lower than 2.25 times, on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the financials of the various Group entities (as mentioned in Annexure III), given the close business, financial and managerial linkages

Analytical approach	Comments
	among them. The ratings are, therefore, based on the consolidated financials of the parent company of the Group, Century Plyboards (India) Ltd.

About the company

Century Plyboards (India) Ltd was incorporated on January 5, 1982. The company manufactures and sells wood-based panel products which includes plywood, laminates, MDF and particle boards. CPIL, at a consolidated level, has six plywood units with a combined annual capacity of 4.1 lakh CBM (cubic metres), two laminate units with a capacity of 96.5 lakh units, two MDF units with a capacity of 5.7 lakh CBM, one PB unit with an annual capacity of 2.4 lakh CBM and one PVC (Polyvinyl Chloride) unit with an annual capacity of 5.4 lakh units.

Key financial indicators (audited)

CPIL (Consolidated)	FY2025	FY2026
Operating income	4528.8	5397.2
PAT	186.1	268.3
OPBDIT/OI	10.9%	12.8%
PAT/OI	4.1%	5.0%
Total outside liabilities/Tangible net worth (times)	0.9	0.9
Total debt/OPBDIT (times)	3.2	2.6
Interest coverage (times)	7.2	6.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	FY2027			FY2026		FY2025		FY2024	
	Type	Amount rated	Jun 30, 2026	Date	Rating	Date	Rating	Date	Rating
Cash credit	Long-term	700.00	[ICRA]AA (Stable)	-	-	Mar 31, 2025	[ICRA]AA (Stable)	Jan 12, 2024	[ICRA]AA (Stable)
				-	-	Oct 10, 2024	[ICRA]AA (Stable)		
Term loan	Long-term	100.0	[ICRA]AA (Stable)	-	-	Mar 31, 2025	[ICRA]AA (Stable)	Jan 12, 2024	[ICRA]AA (Stable)
				-	-	Oct 10, 2024	[ICRA]AA (Stable)		
Non-fund Based limits	Short-term	460.00	[ICRA]A1+	-	-	Mar 31, 2025	[ICRA]A1+	Jan 12, 2024	[ICRA]A1+
				-	-	Oct 10, 2024	[ICRA]A1+		
Fund based /Non-fund based - Others	Long-term	375.00	[ICRA]AA (Stable)	-	-	Mar 31, 2025	[ICRA]AA (Stable)	Jan 12, 2024	[ICRA]AA (Stable)
				-	-	Oct 10, 2024	[ICRA]AA (Stable)		
Proposed Fund-based limits- Cash credit	Long-term	-	[ICRA]AA (Stable)	-	-	Mar 31, 2025	[ICRA]AA (Stable)	Jan 12, 2024	[ICRA]AA (Stable)
				-	-	Oct 10, 2024	[ICRA]AA (Stable)		
Proposed Non-fund-based limits	Short-term	-	[ICRA]A1+	-	-	Mar 31, 2025	[ICRA]A1+	Jan 12, 2024	[ICRA]A1+
				-	-	Oct 10, 2024	[ICRA]A1+	-	-
Fund-based /Non-fund based – Others	Short-term	329.00	[ICRA]A1+	-	-	-	-	-	-
Fund-based limits- Proposed Term Loan	Long-term	150.00	[ICRA]AA (Stable)	-	-	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund Based Limits- Term Loan	Simple
Fund Based Limits- Cash credit	Simple
Non-Fund Based limits	Simple
Long term - Fund based / Non-fund based - Others	Simple
Short-term – Fund-based /Non-fund based – Others	Simple
Long-term - Fund-based limits- Proposed Term Loan	Simple

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 II: 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	700.00	[ICRA]AA (Stable)
NA	Term loan	FY2024	-	FY2032	100.00	[ICRA]AA (Stable)
NA	Non-fund Based Limits	NA	NA	NA	460.00	[ICRA]A1+
NA	Fund based / non-fund based – Others	NA	NA	NA	375.00	[ICRA]AA (Stable)
NA	Fund-based /Non-fund based – Others	NA	NA	NA	329.00	[ICRA]A1+
NA	Fund-based limits- Proposed Term Loan	NA	NA	NA	150.00	[ICRA]AA (Stable)

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company Name	CPIL Ownership	Consolidation Approach
Auro Sundram Ply & Door Private Limited	51%	Full Consolidation
Century MDF Limited	100%	Full Consolidation
Ara Suppliers Private Limited	80%	Full Consolidation
Arham Sales Private Limited	80%	Full Consolidation
Adonis Vyaper Private Limited	80%	Full Consolidation
Apnapan Viniyog Private Limited	80%	Full Consolidation
Century Infotech Limited	100%	Full Consolidation
Century Panels Limited	100%	Full Consolidation
Century Infra Limited	100%	Full Consolidation
Century Ports Limited	100%	Full Consolidation
Pacific Plywood Private Limited	100%	Full Consolidation
Centuryply Furniture Fittings Limited	100%	Full Consolidation
Century Gabon SUARL	100%	Full Consolidation
Century Panels B.V.	100%	Full Consolidation
Asis Plywood Limited	100%	Full Consolidation
Century Adhesives & Chemicals Limited	100%	Full Consolidation

Source: Company data, ICRA Research

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