CareEdge RATINGS

Walplast Products Private Limited

January 13, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	-	-	Reaffirmed at CARE A-; Stable / CARE A2+ and Withdrawn
Long-term bank facilities	-	-	Reaffirmed at CARE A-; Stable and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has taken a combined analytical view of the Drychem Group (DCG) comprising Drychem India Private Limited (DIPL) and its two major subsidiaries, Miraj Drymix Private Limited (MDPL) and Walplast Products Private Limited (WPPL), as these entities are controlled by common promoters, in the same line of business with operational, managerial and financial linkages.

CareEdge Ratings has reaffirmed and withdrawn the outstanding ratings of 'CARE A-; Stable/CARE A2+' [Single A Minus; Outlook: Stable/A Two Plus] assigned to bank facilities of WPPLwith immediate effect. This action has been taken at the request of WPPL and 'No Objection Certificate' received from the bank(s) that have extended facilities rated by CareEdge Ratings.

Reaffirmation of ratings of bank facilities of DCG continue to derive strength from the established track record of DCG with geographically diversified operations, comfortable capital structure and strong debt coverage indicators, sizeable operations in the wall putty business and experienced promoters.

These rating strengths are tempered by moderate profitability margins, competitive pressures and cyclicality in the wall putty industry, and profitability susceptible to raw material price fluctuations.

Analytical approach: Combined

CareEdge Ratings has considered standalone financials of DIPL and its subsidiaries, WPPL and MDPL (Annexure 6). For the analytical purpose, CareEdge Ratings has combined these financials after adjusting for related-party transactions. These entities have common management and are in the same line of business having operational, managerial and financial linkages.

Outlook: Stable

'Stable' outlook reflects CareEdge Ratings' expectation that DCG will continue to sustain its current operational scale and benefit from the experienced promoters.

Detailed description of key rating drivers:

Key strengths

Established track record with geographically diversified operations and reputed clientele

The group has a long track record of over 20 years with gradual expansion of its manufacturing capacity. The group operates 23 manufacturing facilities across India, producing 2.88 million metric tonnes annually. These facilities are in Gujarat, Maharashtra, Rajasthan, Tamil Nadu, Madhya Pradesh and Chhattisgarh and are strategically located near distribution centres of key customers. Diversified manufacturing facilities support the group's ability to cater to customers in an optimum timeframe and cost. DCG has developed long-standing relationships with several reputed clients, with Asian Paints Limited being a key customer for over 19 years under a cost-plus model. Other notable clients include Pidilite Industries Limited, Saint-Gobain India Private Limited and Kajaria Ceramics Limited.

Sizeable operations in wall putty business

The group demonstrated steady revenue growth with a compound annual growth rate (CAGR) of 9.3% from FY20 to FY24 (FY refers to April 01 to March 31). In FY25 (UA), revenue remained largely stable, moderating by ~4% to ₹1,110.68 crore compared to ₹1,154.62 crore in FY24.

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

Comfortable capital structure and debt coverage metrics
DCG has comfortable capital structure marked by overall gearing of 0.31x (PY: 0.21x). Total debt stood at ₹90.48 crore, which includes working capital borrowings of ₹43.25 crore and term loans of ₹47.23 crore. Debt coverage indicators were comfortable and improved with interest coverage ratio of 8.92x in FY25 compared to 7.63x in FY24 and total debt to gross cash accruals (TD/GCA) ratio of 1.38x in FY25 (UA) compared to 1.51x in FY24.

Experienced promoters
The group was founded by Ashok Mehta, who brings over four decades of experience in the trading business, having identified an opportunity in manufacturing wall putty in the early 2000s. In 2004, he established WPPL with his son Kaushal Mehta, who also has significant industry experience. In recent years, the company has undertaken several initiatives to strengthen its corporate structure. These include the formal consolidation of its subsidiaries, implementation of an integrated enterprise resource planning (ERP) system-SAP, and appointment of senior-level management to enhance governance and operational efficiency. Going forward, the group is expected to benefit from the extensive experience of the management and its team and operational measures undertaken.

Key weaknesses

Moderate profitability
Profit before interest, lease rentals, depreciation and taxation (PBILDT) margins have shown a fluctuating trend historically. Operating margins, marked by PBILDT margins, improved in FY25 (UA) to 5.69% from 4.97% in FY24. Although the major cost (raw material) is reimbursed, increasing operating expenses put pressure on absolute profits. Considering the competitive nature of the wall putty industry and the company's limited bargaining power, operating profitability is expected to remain range-bound in the near term.

Competitive pressures and cyclicality in the wall putty industry
The wall putty industry experiences intense competition from organised and unorganised market players, which puts pressure on pricing and profitability. This heightened competition and the cyclical nature of the construction sector expose the group to revenue fluctuations. Demand for wall putty is closely linked to the performance of construction and infrastructure sectors, which are highly sensitive to macroeconomic environment.

Profitability susceptible to raw material price fluctuations
Profitability is significantly influenced by the volatility in key raw material prices, including dolomite, white cement, polymers, grey cement, and gypsum lumps. While the cost-plus model with Asian Paints Limited provides partial protection against these fluctuations, broader market dynamics such as intense competition and cyclical demand patterns continue to exert pressure on margins. Price adjustments under the cost-plus arrangement typically occur with a lag of ~1–2 quarters, which impacts short-term profitability. For products sold under the group's own brand, exposure to input cost volatility is higher. In these cases, competitive market conditions limit the company's ability to fully pass on cost increases to end customers, further constraining profitability.

Liquidity: Adequate

Liquidity remained adequate, characterised by sufficient GCA relative to debt repayment obligations. The current ratio remained comfortable at 1.23x for FY25 (UA). Cash flow from operations was positive in the range of ₹90-₹95 crore in FY25 (UA). The group's operating cycle remained lean considering its major business is order-backed and low collection period from reputed customers. Working capital cycle stood at 31 days in FY25 (UA) compared to 34 days in FY24.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Withdrawal](#)
[Consolidation and Combined Approach](#)
[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](#)
[Cement](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Construction materials	Other construction materials	Other construction materials

About DCG

DCG comprises three entities, parent company, DIPL and its two major subsidiaries MDPL and WPPL. DCG is engaged in manufacturing building construction materials such as white and grey cement-based products primarily wall putty, tile adhesive, gypsum board, and gypsum plaster among others.

DIPL was established on November 16, 2010, and is promoted by Ashok Mehta and his son Kaushal Mehta. It is engaged in the B2B business of manufacturing grey cement-based wall putty, other chemicals, building construction materials, tile adhesives, and structural solutions. Following two companies became subsidiary of DIPL in FY24:

- **WPPL:** Incorporated on June 25, 2004, WPPL manufactures building materials, including wall putty, tile adhesives, chemicals, and gypsum boards. It operates in the B2C segment, selling products under the brand name 'HOMESURE'.
- **MDPL:** Incorporated on November 01, 2010, MDPL manufactures white cement-based wall putty and other cement-based plaster products.

Brief Financials (₹ crore) – Standalone WPPL	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	280.84	262.38
PBILDT*	5.72	6.40
Profit after tax (PAT)	2.25	5.89
Overall gearing (x)	0.33	0.56
Interest coverage (x)	3.50	3.02

Brief Financials (₹ crore) – Consolidated/Combined	March 31, 2024 (A)	March 31, 2025 (UA)*
Total operating income	1,154.62	1,110.68
PBILDT	57.41	63.17
Profit after tax (PAT)	30.44	41.94
Overall gearing (x)	0.21	0.23
Interest coverage (x)	7.63	8.92

*For the analytical purpose, for FY25 CareEdge Ratings has combined financials of DIPL, WPPL and MDPL after adjusting for related-party transactions.
A: Audited UA: Unaudited; Note: these are latest available financial results

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

Complexity level of 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
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG		-	-	-	0.00	Withdrawn
Non-fund-based-LT/ST		-	-	-	0.00	Withdrawn
Term Loan-Long Term		-	-	NA*	0.00	Withdrawn

*Not applicable, as the facility is proposed.

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	Term Loan-Long Term	LT	-	-	1)CARE A-; Stable (13-Jan-26)	1)CARE A-; Stable (04-Mar-25)	-	-
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	-	-	1)CARE A-; Stable / CARE A2+ (13-Jan-26)	1)CARE A-; Stable / CARE A2+ (04-Mar-25)	-	-
3	Non-fund-based-LT/ST	LT/ST	-	-	1)CARE A-; Stable / CARE A2+ (13-Jan-26)	1)CARE A-; Stable / CARE A2+ (04-Mar-25)	-	-

LT: Long term; LT/ST: Long term/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	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple
2	Non-fund-based-LT/ST	Simple
3	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Drychem India Private Limited	Full	Operational and financial linkages
2	Miraj Drymix Private Limited	Full	Operational and financial linkages

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.

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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

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