

November 08, 2024

Greenlam Industries Limited: Rating withdrawn for NCDs

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based working capital facilities	165.0	165.0	[ICRA]AA- (Negative); Outstanding
Short-term – Non-fund based working capital facilities	200.0	200.0	[ICRA]A1+; Outstanding
Long-term – Fund-based term loans	42.5	42.5	[ICRA]AA- (Negative); Outstanding
Long-term – Fund-based/non-fund based	95.0	95.0	[ICRA]AA- (Negative); Outstanding
Long-term – Non-convertible debentures (NCD)	99.0	-	[ICRA]AA- (Negative); withdrawn
Long-term – Proposed non-convertible debentures (NCD)	51.0	-	[ICRA]AA- (Negative); withdrawn
Total	652.5	502.5	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the rating assigned to Rs. 99.0 crore NCDs as the same have been repaid by the company in full. Further, the rating outstanding for the proposed NCDs of Rs. 51.0 crore is withdrawn based on the no objection certificate received from the Debenture Trustee and at the request of the company. This is in accordance with ICRA's policy on the withdrawal of credit ratings. The Key rating drivers, liquidity position, rating sensitivities, and key financial indicators have not been captured as this release is for withdrawal of rating for NCDs.

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	For arriving at the ratings of Greenlam Industries Limited (GRLM), ICRA has considered the consolidated financials of Greenlam Industries Limited. List of entities forming part of consolidated financials are enlisted in Annexure-II.

About the company

Greenlam Industries Limited was incorporated in 2013 and is one of the largest laminate manufacturing companies in the country with an installed capacity of 24.52 million sheets per annum. It markets the laminates products under the flagship brand name of Greenlam Laminates. The company exports its decorative laminates to various countries and is one of the largest exporters of laminates from India. It is also involved in the business segments of decorative veneers, pre-lam particle boards, engineered doors and engineered wood flooring. The company's veneer segment has an installed capacity of 4.2 million sq. mt. and is marketed under the brand, Decowood. Further, the engineering doors and engineered wood flooring are sold under the brand name, Mikasa. It has eight foreign subsidiaries, which are primarily involved in marketing and sales of company's laminates, which helped the company establish its presence in over 100 countries. The company has recently commenced operations of its plywood plant at Tindivanam, Tamil Nadu effective June 09, 2023, and expanded its laminate capacity at Naidupeta, Andhra Pradesh in September 2023 (under its subsidiary Greenlam South Limited (GSL)) and at Prantij, Gujarat in May 2023. Also, it is undertaking capex for particle board facility at Naidupeta, Andhra Pradesh (under subsidiary), which is scheduled to commence commercial production from Q3FY2025.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2025)			Chronology of rating history for the past 3 years				
		Amount rated (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022			
			Nov 08, 2024	Dec 18, 2023	Dec 29, 2022	Dec 30, 2021	Aug 20, 2021	Jul 16, 2021	
1 Fund-based – Working capital facilities	Long-term	165.00	[ICRA]AA-(Negative)	[ICRA]AA-(Negative)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	-	-
2 Non-fund based – Working capital facilities	Short-term	200.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	-	-
3 Fund-based – Term loan	Long-term	42.50	[ICRA]AA-(Negative)	[ICRA]AA-(Negative)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	-	-
4 Proposed non-convertible debentures	Long-term	51.00	[ICRA]AA-(Negative) withdrawn	[ICRA]AA-(Negative)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	-	-
5 Fund-based/Non-fund based	Long-term	95.00	[ICRA]AA-(Negative)	[ICRA]AA-(Negative)	[ICRA]AA-(Stable)	-	-	-	-
6 Non-convertible debentures	Long-term	99.00	[ICRA]AA-(Negative) withdrawn	[ICRA]AA-(Negative)	[ICRA]AA-(Stable)	-	-	-	-
7 Unallocated	Long-term	-	-	-	-	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund-based – Working capital facilities	Simple
Non-fund based – Working capital facilities	Very Simple
Fund-based – Term loan	Simple
Proposed non-convertible debentures	Simple
Fund-based/Non-fund based	Simple
Non-convertible debentures	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 I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
INE544R07010	NCD- 1	FY2022	7.78%	FY2026*	70.0	[ICRA]AA- (Negative); withdrawn
INE544R07028	NCD- 2	FY2022	7.78%	FY2025*	29.0	[ICRA]AA- (Negative); withdrawn
-	Cash credit	-	-	-	40.0	[ICRA]AA- (Negative)
-					10.0	
-					40.0	
-					15.0	
-					10.0	
-					50.0	
-	LC/BG	-	-	-	35.0	[ICRA]A1+
-					25.0	
-					57.5	
-					50.0	
-	Proposed NCD	-	-	-	51.0	[ICRA]AA- (Negative); withdrawn
-						
-	Term loan – 1	Feb 2019	3-month T-Bill + 200 bps	Dec 2025	12.5	[ICRA]AA- (Negative)
-	Term loan – 2	Feb 2020	3M Repo Rate + 250 bps	Sep 2026	30.0	[ICRA]AA- (Negative)
-	Fund-based/Non-fund based	-	-	-	35.0	[ICRA]AA- (Negative)
-		-	-	-	50.0	[ICRA]AA- (Negative)
-		-	-	-	10.0	[ICRA]AA- (Negative)

Source: Company; *The same have been prepaid in FY2025

[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
Greenlam South Limited	100%	Full Consolidation
Greenlam Asia Pacific Pte. Ltd.	100%	Full Consolidation
Greenlam America Inc.	100%	Full Consolidation
Greenlam Europe (UK) Ltd.	100%	Full Consolidation
Greenlam Decolan SA	100%	Full Consolidation
Greenlam Asia Pacific (Thailand) Co Ltd	97.5%	Full Consolidation
Greenlam Holding Co. Ltd	99%	Full Consolidation
Pt. Greenlam Asia Pacific	99%	Full Consolidation
Pt. Greenlam Indo Pacific	67%	Full Consolidation
Greenlam Rus LLC	100%	Full Consolidation

Company Name	Ownership	Consolidation Approach
Greenlam Poland Sp. z.o.o.	100%	Full Consolidation
HG Industries Limited ^	75%	Full Consolidation

Source: Greenlam annual report

^ Acquired on December 03, 2021, and merged with GRLM w.e.f. November 23, 2023

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