

May 08, 2026

Greenlam Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long Term – Fund Based / Non-Fund Based	270.00	270.00	[ICRA]AA- (Negative); reaffirmed
Long- Term- Cash Credit	160.00	160.00	[ICRA]AA- (Negative); reaffirmed
Short Term – Interchangeable	(160.00)	(160.00)	[ICRA]A1+; reaffirmed
Total	430.00	430.00	

*Instrument details are provided in Annexure II

Note: While assigning the ratings, ICRA has taken a consolidated view of Greenlam Industries Limited (GRLM) and its wholly owned subsidiary Greenlam Limited (GL), given the strong business, managerial and financial linkages, and they are collectively referred as GRLM.

Rationale

The ratings reaffirmation reflects GRLM's established position in the laminates industry, aided by a strong brand and wide distribution network, along with stable operating performance of its laminates division in FY2026, which is expected to continue in FY2027. With a total installed laminates capacity of 24.5 million sheets per annum, GRLM is one of the largest laminates manufacturing companies in the country and India's largest exporter of laminates for the past consecutive 16 years. The company demonstrated sustained high-capacity utilisation in the laminate division, which currently accounts for ~80% of the total revenues, backed by healthy demand from both domestic and export markets. Its credit profile is supported by the promoter's extensive experience and GRLM's established presence in the domestic and export markets. The company is estimated to maintain double-digit growth in its operating income (OI) in FY2026 and FY2027, led by volumetric growth and improved product and geographical diversification from the laminates division, and ramp-up of greenfield plywood and chipboard plant, while the operating margins are projected to be in the range of 11-12%.

The continuation of Negative outlook on the long-term rating reflects ICRA's expectations that the debt protection metrics remain moderate compared to peers in the similar rating levels, owing to the delay in ramp-up of plywood and chipboard capacities which started operations in June 2023 and January 2025, respectively. Both the divisions have been reporting operating losses since commencement. However, the losses are reducing with increase in capacity utilisation QoQ, and both the units are expected to achieve EBITDA break even in FY2027 and will remain key monitorable. The leverage as reflected by total debt to EBITDA (adjusted for unrealised forex losses) is estimated at around 3.5 times as of March 2026 and is expected to improve to 2.6-2.8 times by March 2027. The DSCR is expected to remain moderate in the range of 1.2-1.3 times in FY2027. However, the company has healthy cushion in working capital limits of Rs. 276 crore of the drawing power as of March 2026.

The long-term rating is constrained by GRLM's exposure to intense competition from large organised and numerous small unorganised players in the decorative laminates market, which restricts pricing flexibility. With high proportion of imports and capacity addition by other leading wood panel players in India, GRLM faces offtake risks for its chipboard plant. Nonetheless, growing penetration of mechanised furniture industry (modular kitchen units, wardrobes, etc.), rising demand for chipboard being an economical alternative with similar or better use case properties and the strong distribution network, brand reputation could mitigate the risk to an extent. GRLM's operations are working capital intensive, with sizeable funds blocked in inventory due to elongated lead time, which is partially funded by extended credit period from suppliers, thereby supporting its cash conversion cycle. While the company maintains a prudent hedging policy for its imported raw materials, mitigating forex volatility in core operations, its exposure on foreign currency borrowings for the chipboard project remains only partially hedged, supported by export earnings. However significant forex volatility could have a bearing on its overall profitability. ICRA

takes note of the management guidance to achieve break even in the plywood and chipboard division in FY2027, which if materialises, should positively aid return metrics.

Key rating drivers and their description

Credit strengths

Established presence in domestic and export markets for laminates segment, supported by strong brand presence and distribution network – With a total installed laminates capacity of 24.5 million sheets per annum, GRLM is one of the largest laminate manufacturing companies in the country and India's largest exporter of laminates for the past consecutive 16 years. It has an established position in the laminates industry, supported by a strong brand and wide distribution network with five manufacturing facilities, 17 company-owned regional distribution centres and warehouses, 23 branch offices, and over 40,000 distributors, dealers, sub-dealers, and retailers across the country. This apart, it has 16 subsidiaries (including 15 global subsidiaries) involved in exploring market opportunities for laminates in Southeast Asia, USA, Europe, the UK and other parts of the world. Globally, GRLM has presence in over 120 countries through four company-operated international distribution centres, 22 international offices.

Healthy growth in scale of operations expected to continue in FY2027 – GRLM has increased its laminates capacity by around 28% to 24.5 million sheets per annum as of March 2026, from 19.1 million sheet per annum as on September 30, 2022. Further, a new plywood plant with an installed capacity of 18.9 million sqm was commissioned at Tamil Nadu (June 2023), and the chipboard facility of 2,92,380-CBM capacity commenced production from January 23, 2025, improving GRLM's product diversification. On a consolidated basis, it reported 11% Year-on-Year (YoY) growth in operating revenue to Rs. 2,569 crore in FY2025 from Rs. 2,306 crore in FY2024. Further, it reported an OI of Rs. 2,198 crore in 9M FY2026, supported by healthy demand and increased realisation across product segments. GRLM's operating margins stood at 10.7% in FY2025 against 12.9% in FY2024. The company is estimated to maintain double-digit growth in operating income (OI) in FY2026 and FY2027, led by volumetric growth and improved product and geographical diversification from the laminates division, and ramp-up of greenfield plywood and chipboard plant. The operating margins are projected to be in the range of 11-12% (operating margin adjusted for unrealised forex losses was 10.8% in 9M FY2026).

Healthy demand prospects likely to support medium-term growth – The company demonstrated sustained high-capacity utilisation in the laminate division which currently accounts for ~80% of the total revenues, backed by healthy demand from both the domestic and export markets. The improved demand from the real estate industry is likely to support the demand for wood panel products in the medium term.

Credit challenges

Ramp-up of new facilities and moderate debt protection metrics – GRLM had commenced production at its chip-board facility of 2,92,380-CBM capacity from January 23, 2025. Further, the laminate projects in Prantij, Gujarat (COD: May 2023), plywood project in Tindivanam, Tamil Nadu (COD: June 2023) and the laminate project in Andhra Pradesh (COD: September 2023) have started over the last 2-3 years. There has been a delay in ramp-up of the plywood and chip-board capacities, which started operations in June 2023 and January 2025, respectively. Both the divisions have been reporting operating losses since commencement; however, the losses are reducing with increase in capacity utilisation QoQ, and both the units are expected to achieve EBITDA break even in FY2027 and will remain key monitorable. The leverage as reflected by total debt to EBITDA (adjusted for unrealised forex losses) is estimated at around 3.5 times as of March 2026 and is expected to improve to 2.6-2.8 times by March 2027. The DSCR is expected to remain moderate in the range of 1.2-1.3 times in FY2027. However, the company has healthy cushion in working capital limits of Rs. 276 crore of the drawing power as of March 2026.

Vulnerability of earnings to fluctuations in raw material prices and exchange rates; intense competition in decorative laminates business – GRLM's operating margins are exposed to volatility in prices of key raw materials such as paper and

chemicals viz., melamine, methanol and phenol, which are crude oil/gas derivatives and fluctuations in exchange rates, given the sizeable import of raw materials and export of its products. Despite the increase in chemical prices on account of the ongoing geopolitical situation, the company is not expected to be impacted materially because it has taken in price hikes. GRLM's operations are working capital intensive, with sizeable funds blocked in inventory due to an elongated lead time, which is partially funded by an extended credit period from suppliers, thereby supporting the cash conversion cycle. While the company maintains a prudent hedging policy for its imported raw materials, mitigating forex volatility in core operations, its exposure on foreign currency borrowings for the chipboard project remains only partially hedged, supported by export earnings. However significant forex volatility could have a bearing on its overall profitability. GRLM is also exposed to intense competition from large organised and numerous small unorganised players in the decorative laminates market, which restricts its pricing flexibility.

Environmental and social risks

Environmental considerations: Manufacturing of laminates requires substantial use of paper and chemicals such as melamine and phenolic resins. The process involves toxic emissions from phenolic resins during the laminating process. GRLM is already complying with the relevant pollution control norms. However, further increasing regulatory requirements to reduce greenhouse gas emissions and stricter air pollution standards may lead to higher costs for GRLM. The profitability and cash flows could be under pressure if it is not able to fully pass on the higher compliance costs to the customers.

Social considerations: The social risks relate to the safety of employees involved in the manufacturing and transportation of laminates and wood panel products. GRLM has made investments in mechanisation to enhance physical safety.

Liquidity position: Adequate

GRLM's liquidity is Adequate with cash and liquid investments of Rs. 115.4 crore as of March 2026. The company is undertaking a brownfield expansion at Naidupeta (Andhra Pradesh) with a proposed laminate capacity addition of 2 million sheets/ boards annually. The total project cost would be around Rs. 70 crore, which is expected to be funded entirely by internal accruals. There are no other major capex plans in the medium term. It has debt repayment obligation (excluding lease liabilities) of Rs. 167.0 crore and Rs. 187.5 crore in FY2027 and FY2028, respectively, which can be adequately met through its estimated cash flow from operations. GRLM has unutilised working capital limits of Rs. 276 crore of the drawing power as of March 2026, which further supports its liquidity.

Rating sensitivities

Positive factors – The outlook could be revised to Stable upon demonstration of healthy ramp-up of plywood and chip-board plant leading to healthy improvement in earnings and debt protection metrics.

Negative factors – Pressure on GRLM's ratings could arise in case of a material decline in revenues and earnings or if there is a deterioration in the working capital cycle on a sustained basis. Any higher-than-expected time taken for ramp-up of the plywood and chip-board plant or inability to improve the debt protection metrics could also impact the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings of GRLM, ICRA has considered the consolidated financials of Greenlam Industries Limited. List of entities forming part of GRLM's consolidated financials are enlisted in Annexure-III

About the company

Greenlam Limited, incorporated in October 2019, is wholly owned subsidiary of GRLM. It commenced the production for its chipboard facility at Naidupeta, Andhra Pradesh from January 23, 2025, with an annual production capacity of 2,92,380 cubic meters per annum. It has also commenced operations of its laminate plant of 3.5 million sheets capacity (COD: Sept 29, 2023) in Naidupeta, Andhra Pradesh.

About the parent

GRLM 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 laminate products under its flagship brand, Greenlam Laminates. The company exports its decorative laminates to various countries and is the largest laminate exporter of India. It is also involved in the business of decorative veneers, pre-lam chipboards, engineered doors and engineered wood flooring. The company's veneer segment has an installed capacity of 4.2 million sq. mt. Decorative veneers, engineering doors and engineered wood flooring are sold under the brand Mikasa.

GRLM forayed into West India by acquiring a laminate unit in Prantij, Gujarat in FY2023 and then executing greenfield projects in Tamil Nadu and Andhra Pradesh, thereby increasing its geographical presence to five states from two in FY2021. It has eight foreign subsidiaries primarily involved in the marketing and sales of GRLM's laminates, which helped the company establish its presence in over 120 countries. GRLM commenced operations of its plywood plant at Tindivanam, Tamil Nadu from June 09, 2023, and expanded its laminate capacity at Naidupeta, Andhra Pradesh in September 2023 (under GL) and at Prantij, Gujarat in May 2023. Also, GRLM commenced the production for its chipboard facility at Naidupeta, Andhra Pradesh (under GL) from January 23, 2025, with an annual production capacity of 2,92,380 cubic metres per annum.

Key financial indicators (audited)

Consolidated	FY2024	FY2025	9MFY2026*
Operating income	2306.3	2569.3	2188.4
PAT	138.0	68.4	15.5
OPBDIT/OI	12.9%	10.7%	9.9%
PAT/OI	6.0%	2.7%	0.7%
Total outside liabilities/Tangible net worth (times)	1.5	1.6	-
Total debt/OPBDIT (times)	3.7	4.3	-
Interest coverage (times)	6.7	4.2	-

Source: Company, ICRA Research; * Provisional numbers; 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

Current (FY2027)				Chronology of rating history for the past 3 years					
Instrument	Type	Amount rated (Rs. crore)	May 08, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Long term-others-fund based/non fund based	Long Term	270.00	[ICRA]AA-(Negative)	-	-	Feb 12, 2025	[ICRA]AA-(Negative)	Dec 18, 2023	[ICRA]AA-(Negative)
Long term-cash credit-fund based	Long Term	160.00	[ICRA]AA-(Negative)	-	-	Feb 12, 2025	[ICRA]AA-(Negative)	Dec 18, 2023	[ICRA]AA-(Negative)
Short term-others-interchangeable	Short Term	(160.00)	[ICRA]A1+	-	-	Feb 12, 2025	[ICRA]A1+	Dec 18, 2023	[ICRA]A1+

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
Long term - Fund-based/ Non-fund based	Simple
Long term – Cash credit	Simple
Short term - Interchangeable	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
-	Fund-based/Non-fund based	NA	NA	NA	270.00	[ICRA]AA- (Negative)
-	Cash credit	NA	NA	NA	160.00	[ICRA]AA- (Negative)
-	Interchangeable	NA	NA	NA	(160.00)	[ICRA]A1+

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	Ownership	Consolidation approach
Greenlam Asia Pacific Pte. Ltd., Singapore (GAP)	100%	Full Consolidation
Greenlam Asia Pacific (Thailand) Co Ltd, Thailand	97.5%	Full Consolidation \$
Greenlam Holding Co. Ltd, Thailand	99%	Full Consolidation
Pt. Greenlam Asia Pacific, Indonesia	99%	Full Consolidation
Greenlam Europe (UK) Ltd., United Kingdom	100%	Full Consolidation
Greenlam America Inc. Florida (USA)	100%	Full Consolidation
Greenlam Decolan SA, Switzerland	100%	Full Consolidation
Greenlam Limited – India	100%	Full Consolidation
Pt. Greenlam Indo Pacific, Indonesia	67%	Full Consolidation \$
Greenlam Rus LLC, Russia	100%	Full Consolidation
Greenlam Poland LLC	100%	Full Consolidation
Greenlam Industries SDN. BHD., Malaysia	100%	Full Consolidation
Greenlam Overseas Bengal Limited, Bangladesh	99.96%	Full Consolidation
GRLAM Trading, Egypt	100%	Full Consolidation
Greenlam Industries, S.L., Spain	100%	Full Consolidation
Greenlam GmbH, Germany	100%	Full Consolidation

Source: Company Annual report; \$ non-controlling interest in the net assets of the subsidiaries being consolidated is identified and presented in the consolidated Balance Sheet separately from the equity attributable to the Parent's shareholders and liabilities.

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