July 18, 2025

Greenply Samet Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based limits – Term loan	110.00	110.00	[ICRA]BBB (Stable); reaffirmed
Long-term – Fund-based limits – Proposed term loan	40.00	40.00	[ICRA]BBB (Stable); reaffirmed
Long-term – Fund based limits – Cash credit	30.00	20.00	[ICRA]BBB (Stable); reaffirmed
Long-term – Non-Fund based – Bank guarantee	-	15.00	[ICRA]BBB (Stable); reaffirmed
Long-term – Unallocated limits	10.00	5.00	[ICRA]BBB (Stable); reaffirmed
Total	**190.00**	**190.00**	

**Instrument details are provided in Annexure-I*

Rationale

The rating reaffirmation of Greenply Samet Private Limited (GSPL) factors in the successful completion of phase 1 of the project. The commercial operations started in Q3 FY2025 and in its first full year of operations (FY2026), the company is likely to report revenues of Rs. 75-100 crore with breakeven at operating profit level. The rating considers the extensive experience of the promoters in the wood panel industry and furniture accessories market. GSPL is a 50:50 joint venture (JV) between Greenply Industries Limited (GIL) and Samet A.S and its products are marketed under the brand Greenply Samet. GIL has a dominant position in the plywood industry, along with a wide distribution network of more than 3,000 dealers across India and enjoys strong brand strength for its products. Samet A.S is one of the leading brands of Turkey in the furniture accessories market. ICRA expects GIL to extend financial support if need arises, given the common brand name and its reputation sensitivity to default.

The rating is, however, constrained by GSPL's exposure to post-implementation risk related to ramp-up and stabilisation of Phase-1 capex (which is likely to contribute to 60-70% of the overall revenue in the near term) and moderate project implementation risks for Phase 2 and 3. The pending capex cost is around Rs. 100 crore for Phase 2 and 3, which will be funded in a debt-to-equity ratio of 70:30. With steel being a major raw material, GSPL's operating margins are vulnerable to raw material prices fluctuations. GSPL's ability to pass on the increase in prices to end customers remains a key monitorable. The rating is also constrained by the intense competition in the furniture accessories industry due to the presence of organised and reputed brands such as Hettich, Hafele and Godrej as well as unorganised players resulting in pricing pressures.

The Stable outlook on GSPL's rating reflects ICRA's opinion that the company will benefit from the brand strength of GIL and will adequately ramp-up the operations leading to adequate earnings and debt protection metrics in the medium term.

Key Rating drivers and their description

Credit strengths

Extensive experience of promoters in wood panel and furniture accessories market – GSPL is a 50:50 joint venture (JV) between Greenply Industries Limited (GIL) and Samet A.S and its products are marketed under the brand Greenply Samet. GIL has a dominant position in the plywood industry, along with a wide distribution network of more than 3,000 dealers across India and enjoys strong brand strength for its products. Samet A.S is one of the leading brands of Turkey in the furniture accessories market.

Strategic importance to GIL – GSPL is of high strategic importance to GIL. ICRA expects GIL to extend financial support if need arises, given the common brand name and its reputation sensitivity to default.

Credit challenges

Post-implementation risk related to ramp-up and stabilisation of Phase 1 of the project and moderate execution and funding risks for phase 2 and phase 3 – The company is exposed post-implementation risk related to ramp-up and stabilisation of Phase-1 capex (which is likely to contribute to 60-70% of the overall revenue in the near term) and moderate project implementation risks for Phase 2 and 3. The pending capex cost is around Rs. 100 crore for Phase 2 and 3, which will be funded in a debt-to-equity ratio of 70:30.

Susceptibility of profitability to volatility in raw material prices and Intense competition in furniture fittings industry – Steel is the major raw material and being a commodity, GSPL's operating margins are vulnerable to raw material prices fluctuations. The company's ability to pass on the increase in prices to end customers remains a key monitorable.

Liquidity position - Adequate

The liquidity position of GSPL is expected to be adequate. In addition to the equity infusion of Rs. 160 crore till Q1 FY2026 by the JV partners, the company has tied-up the requisite working capital facilities which will support the liquidity requirements of the company. GSPL's debt repayment obligations will start from FY2027, which can be adequately met through its cash flow from operations and promoter support, if needed.

Rating sensitivities

Positive factors – Successful ramp-up of the recently commissioned capex, leading to an improvement in the company's revenues, earnings and debt protection metrics will support a rating upgrade.

Negative factors – Pressure on GSPL's rating could arise, if a significant delay in ramp-up of operations results in weakening of debt protection metrics on a sustained basis. Further, weakening of linkages or material weakening of the credit profile or change in support philosophy of GIL will trigger a downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Parent/Group Company: Greenply Industries Limited (GIL). ICRA expects GIL to extend financial and operational support to GSPL, if required, given the strategic importance of GSPL to GIL and protect its reputation from the consequences of a Group entity's distress.
Consolidation/Standalone	Standalone

About the company

Greenply Samet Private Limited (GSPL) is a 50:50 joint venture between Greenply Industries Limited (GIL) and Samet A.S. by entering into agreement in June 2023. GSPL has been established to manufacture different variants of hinges, drawer slides, full extension slides, single extensions slides, drawer box system and lift-up systems.

GSPL was incorporated in October 2023, with a manufacturing facility in Sherpura, Tehsil Savli district of Vadodara.

GIL directly holds a 50% stake in GSPL and Samet A.S. another 50% through its subsidiary (Samet B.V).

Samet A.S is one of the leading brands of Turkey in the furniture accessories market and has long-term domestic rating of A+(tr[1]) and long-term international rating of BB/Stable by JCR Eurasia rating in November 2024.

[1] tr - Turkey

Key financial indicators

GSPL (Standalone)	FY2025
Operating income	6.7
PAT	(36.0)
OPBDIT/OI	-318.7%
PAT/OI	-536.0%
Total outside liabilities/Tangible net worth (times)	1.2
Total debt/OPBDIT (times)	(5.7)
Interest coverage (times)	(3.0)

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation, 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 year (FY2026)		Chronology of rating history for the past 3 years							
	Type	Amount Rated (Rs Crore)	FY2026		FY2025		FY2024		FY2023	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term Loan	Long term	110.00	Jul 18, 2025	[ICRA]BBB (Stable)	June 14, 2024	[ICRA]BBB (Stable)	-	-	-	-
Proposed term loan	Long term	40.00	Jul 18, 2025	[ICRA]BBB (Stable)	June 14, 2024	[ICRA]BBB (Stable)	-	-	-	-
Cash credit	Long term	20.00	Jul 18, 2025	[ICRA]BBB (Stable)	June 14, 2024	[ICRA]BBB (Stable)	-	-	-	-
Bank Guarantee	Long term	15.00	Jul 18, 2025	[ICRA]BBB (Stable)	-	-	-	-	-	-
Unallocated limits	Long term	5.00	Jul 18, 2025	[ICRA]BBB (Stable)	June 14, 2024	[ICRA]BBB (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term – Fund-based limits – Term Loan	Simple
Long term – Fund-based limits – Proposed term loan	Simple
Long term – Fund based limits – Cash credit	Simple
Long term – Non-Fund based – Bank Guarantee	Very Simple
Long term – Unallocated limits	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	**Term Loan**	Feb 2024	8.25%	FY2031	110.00	[ICRA]BBB (Stable)
NA	**Proposed term loan**	NA	NA	NA	40.00	[ICRA]BBB (Stable)
NA	**Cash credit**	NA	NA	NA	20.00	[ICRA]BBB (Stable)
NA	**Bank Guarantee**	NA	NA	NA	15.00	[ICRA]BBB (Stable)
NA	**Unallocated limits**	NA	NA	NA	5.00	[ICRA]BBB (Stable)

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Ashish Modani
+91 22 6169 3300
ashish.modani@icraindia.com

Anupama Reddy
+91 40 6939 6427
anupama.reddy@icraindia.com

Abhishek Lahoti
+91 40 6939 6433
abhishek.lahoti@icraindia.com

Preeti Rana
+91 124 4545 887
preeti.rana@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