

July 08, 2026

Greenpanel Industries Limited: Long-term rating reaffirmed and assigned for enhanced amount; short-term rating reaffirmed and withdrawn

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Action
Long-term - Fund-based – Working capital facilities	120.00	160.00	[ICRA]A+ (Negative); reaffirmed and assigned for enhanced amount
Long term - Fund-based - Term Loans	80.00	80.00	[ICRA]A+ (Negative); reaffirmed
Short-term - Non-fund based facilities	20.00	0.00	[ICRA]A1+; reaffirmed and withdrawn
Total	220.00	240.00	

*Instrument details are provided in Annexure-II

Rationale

The rating reaffirmation reflects Greenpanel Industries Limited's (GIL) sustained strong liquidity profile, established market position in the medium density fibreboard (MDF) industry, aided by a strong brand and wide distribution network, along with ramp-up in operating performance of its new MDF plant (started in March 2025) in FY2026, which is expected to continue in FY2027. With a total installed MDF capacity 8,91,000 cubic metre (CBM) per annum, GIL is the largest domestic MDF manufacturing company in the country with an estimated market share of ~21% as of March 2026. Its products are marketed under the well-established Greenpanel brand, which enjoys strong acceptance across key end-user segments. The company reported 56% capacity utilisation in FY2026 (on enhanced capacity 8,91,000 CBM) compared to 65% in FY2026 (capacity 6,61,899 CBM) in the MDF segment, which currently accounts for ~90% of the total revenues, backed by healthy demand in domestic market. The company is expected to report 9-11% growth (PY: 7%) in operating income (OI) to around Rs. 1,700-1,725 crore with likely improvement in operating margins to 9-10% (PY: 7.3% adjusted for realised forex loss) in FY2027, led by volumetric growth and ramp-up of new MDF plant started in March 2025. The ratings consider the long-standing experience of its promoters in the wood-based interior infrastructure and decorative products segment and GIL's sustained strong liquidity profile, characterised by unencumbered cash and cash equivalents of around Rs. 197 crore as on March 31, 2026.

The continuation of the Negative outlook on the long-term rating reflects ICRA's expectation that the debt protection metrics will remain moderate compared to its peers in the similar rating levels owing to pressure on operating margins due to volatile raw material prices and fixed overheads with respect to new plant started in March 2025. The ramp-up in capacity utilisation and operating margins will remain the key monitorable. The leverage as reflected by total debt to EBITDA (adjusted for unrealised forex losses) stood at around 3.3 times as of March 2026 (PY: 3.1 times) and is projected to improve to 1.8-1.9 times by March 2027. The DSCR is expected to remain moderate in the range of 1.6-1.7 times in FY2027. However, the company has healthy cushion in working capital limits of Rs. 160 crore of as of March 2026.

The long-term rating is constrained by GIL's exposure to intense competition from large organised and numerous small unorganised players in the MDF segment, which restricts pricing flexibility. The demand for its products is vulnerable to real estate cycles. Besides, it faces volatility in raw material prices (timber and chemicals) and forex exchange rates as the company has unhedged foreign currency borrowings.

ICRA has reaffirmed and withdrawn the short-term rating of [ICRA]A1+ based on the request from the company, and in accordance with the ICRA's policy on withdrawal of credit ratings.

Key rating drivers and their description

Credit strengths

Market leadership position in MDF segment – With a total installed MDF capacity 8,91,000 CBM per annum, GIL is the largest domestic MDF manufacturing companies in the country with an estimated market share of ~21% as of March 2026. Its products are marketed under the well-established Greenpanel brand, which enjoys strong acceptance across key end-user segments. Its geographically diversified production base with manufacturing units in North (Uttarakhand) and South India (Andhra Pradesh) mitigates the risks arising from adverse demand environment in a particular region and the company's plants are strategically located near the sources of raw materials. The company reported 56% capacity utilisation in FY2026 (on enhanced capacity 8,91,000 CBM) compared to 65% in FY2026 (capacity 6,61,899 CBM) in MDF segment, which currently accounts for ~90% of the total revenues, backed by healthy demand in domestic market. Further, the operating profile is strengthened by its extensive distribution network comprising over 2,300 distributors and 12,500 retailers, supported by six branch offices across India.

Healthy scale of operations and strong liquidity position – The company is expected to report 9-11% growth (PY: 7%) in OI to around Rs. 1,700-1,725 crore with likely improvement in operating margins to 9-10% (PY: 7.3% adjusted for realised forex loss) in FY2027, led by volumetric growth and ramp-up of the new MDF plant started in March 2025. The ratings consider the long-standing experience of its promoters in the wood-based interior infrastructure and decorative products segment and GIL's sustained strong liquidity profile, characterised by unencumbered cash and cash equivalents of around Rs. 197 crore as on March 31, 2026.

Credit challenges

Moderate debt protection metrics – The company's debt protection metrics remain moderate compared to its peers in the similar rating levels owing to pressure on operating margins due to volatile raw material prices and fixed overheads with respect to the new plant started in March 2025. The leverage as reflected by the total debt to EBITDA (adjusted for unrealised forex losses) stood at around 3.3 times as of March 2026 (PY: 3.1 times) and is expected to improve to 1.8-1.9 times by March 2027, with likely improvement in operating margins. The DSCR is projected to remain moderate in the range of 1.6-1.7 times in FY2027. However, the company has healthy cushion in working capital limits of Rs. 160 crore as of March 2026.

Exposure to volatility in raw material prices and foreign exchange rates – The company remains exposed to intense competition from large organised and numerous small unorganised players in the MDF segment, which restricts pricing flexibility. The demand for its products is also vulnerable to real estate cycles. Besides, it faces volatility in raw material prices (timber and chemicals) and forex exchange rates as the company has unhedged foreign currency borrowings of Rs. 303 crore as on March 31, 2026. It reported Rs. 49 crore of forex loss (realised and unrealised) on account of depreciation of Indian Rupee compared to Euro.

Environmental and social risks

Environmental considerations – Manufacturing of wooden panel products requires a substantial use of timber and wooden logs, primarily procured from timber plantations, along with some dependence on forest wood, which is imported. GIL emits formaldehyde during manufacturing and consumes fuel with dependence on fossil fuels. Increasing regulatory requirements to reduce greenhouse gas emissions and stricter air pollution standards may lead to higher costs for GIL. The profitability and cash flows could be under pressure if it is not able to fully pass on the higher compliance costs to its customers.

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

Liquidity position: Strong

The company's liquidity position is strong, with cash and liquid investments of ~Rs. 197 crore as on March 31, 2026. It has principal repayment obligation of Rs. 72.5 crore for FY2027, which can be met comfortably by its estimated cash flow from operations. GIL has sanctioned fund-based/non-fund-based (fully interchangeable) limits of Rs. 160 crore, which remains largely unutilised.

Rating sensitivities

Positive factors – The outlook could be revised to Stable if material improvement in earnings with ramp-up of the recently commissioned facilities lead to healthy improvement in debt protection metrics.

Negative factors – ICRA could downgrade the ratings if there is a material decline in GIL's revenues or inability to improve its profitability or increase in indebtedness impacts its debt protection metrics and liquidity position on a sustained basis. Specific credit metric for a rating downgrade includes DSCR less than 2.0 times on a prolonged basis.

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	The ratings are based on the standalone financials.

About the company

Greenpanel Industries Limited (GIL) was incorporated in December 2017 and remained dormant till the demerger of MDF segment and part of the plywood segment of Greenply Industries Limited into GIL. The demerger was effective from July 1, 2019.

The company manufactures wood-based panel products, which includes MDF boards, plywood and allied products. It has two manufacturing facilities located in Pantnagar, Uttarakhand and Chittoor, Andhra Pradesh, with a total capacity of 8,91,000 CBM of MDF and 9 million square metres of plywood as on March 31, 2026. The products manufactured by GIL are sold across the country under the brand name of Greenpanel.

Key financial indicators (audited)

GIL Standalone	FY2025	FY2026
Operating income	1,435.8	1,539.4
PAT	72.1	-29.1
OPBDIT/OI	9.1%	7.3%*
PAT/OI	5.0%	-1.9%
Total outside liabilities/Tangible net worth (times)	0.5	0.5
Total debt/OPBDIT (times)	3.1	3.3*
Interest coverage (times)	19.7	3.7*

Source: Company, ICRA Research; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortization; *adjusted for forex losses

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jul 08, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based - Cash credit	Long Term	160.00	[ICRA]A+ (Negative)	Aug 08, 2025	[ICRA]A+ (Negative)	Oct 01, 2024	[ICRA]A+ (Stable)	Sep 12, 2023	[ICRA]A+ (Stable)
Fund-based - Term loan	Long Term	80.00	[ICRA]A+ (Negative)	Aug 08, 2025	[ICRA]A+ (Negative)	-	-	-	-
Non-fund based - Others	Short Term	20.00	[ICRA]A1+; reaffirmed and withdrawn	Aug 08, 2025	[ICRA]A1+	Oct 01, 2024	[ICRA]A1+	Sep 12, 2023	[ICRA]A1+
Unallocated limits	Long Term	-	-	-	-	-	-	Sep 12, 2023	[ICRA]A+ (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 the regulatory purview of various Financial Sector Regulators (FSRs), 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 the regulatory purview of various FSRs, 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 FSRs other than SEBI.

Complexity level of the rated instrument

Instrument	Complexity indicator
Fund-based – Working capital facilities	Simple
Long-term fund based – 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	Fund-based – Working capital facilities	NA	NA	NA	160.00	[ICRA]A+ (Negative)
NA	Term loans	FY2025	NA	FY2030	80.00	[ICRA]A+ (Negative)
NA	Non-fund based facilities	NA	NA	NA	20.00	[ICRA]A1+; reaffirmed and withdrawn

Source: Company

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

Annexure III: List of entities considered for consolidated analysis- Not applicable

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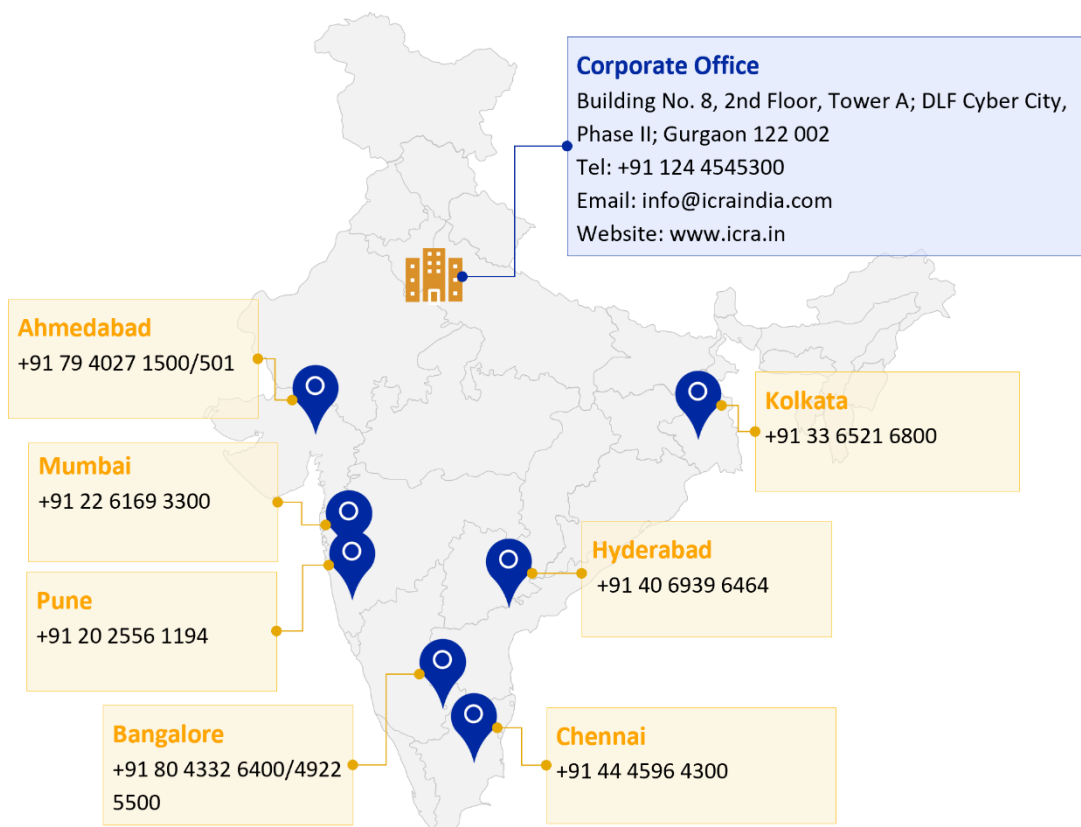
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