August 21, 2026

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001
Scrip Code: 542857

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot no. C/1, G Block
Bandra – Kurla Complex , Bandra (E),
Mumbai – 400051
Symbol: GREENPANEL

Dear Sir,

Sub: Credit Rating

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that CARE Ratings Limited vide its press release dated August 20, 2026, has revised/reaffirmed the credit ratings for bank facilities of the Company as mentioned below:

Facilities	Amount	Rating	Rating Action
Long Term/Short Term Bank Facilities	Rs.160 crore (Enhanced from 120.00)	CARE A+; Stable/ Care A1+	Reaffirmed; Outlook revised from Negative
Long Term Bank Facilities	Rs.80 crore	CARE A+; Stable	Reaffirmed; Outlook revised from Negative
Total Bank facilities	Rs.240 crore		

A copy of press release dated August 20, 2026, is enclosed.

Kindly take the above on records.

Thanking you,

Yours Faithfully,
For **Greenpanel Industries Limited**

Lawkush Prasad
Digitally signed by Lawkush Prasad
Date: 2026.08.21 14:18:39 +05'30'

Company Secretary and Compliance Officer
ACS 18675

Encl. : As above

Greenpanel Industries Limited

August 20, 2026

S. No.	Facilities	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
1.	Long-term / Short-term bank facilities	RBI	-	-	Withdrawn
2.	Long-term / Short-term bank facilities	RBI	160.00 (Enhanced from 120.00)	CARE A+; Stable / CARE A1+	Reaffirmed; Outlook revised from Negative
3.	Long-term bank facilities	RBI	80.00	CARE A+; Stable	Reaffirmed; Outlook revised from Negative

Details of facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings for bank facilities of Greenpanel Industries Limited (Greenpanel) at 'CARE A+/ CARE A1+' and simultaneously revised the outlook for long-term bank facilities from Negative to Stable.

Reaffirmation of ratings for bank facilities of Greenpanel continues to draw strength from its established position in the domestic medium-density fibreboard (MDF) industry, strong brand image, extensive distribution network, and marketing support. Ratings also derive significant comfort from Greenpanel's large surplus liquidity and robust capital structure, despite the recently completed debt-funded capex. Ratings further factor in the strategic location of its manufacturing units, established raw material linkages, and the extensive experience of its promoters in the interior infrastructure industry.

Revision of the outlook from Negative to Stable factors in the improvement in the operating margin in the range of 8%-9% over the last four quarters (Q2FY26-Q1FY27) after a subdued performance in Q1FY26 considering discontinuance of commercial grade MDF and lower share of value-added products. While overall financial performance remained impacted in FY26, due to abysmal Q1FY26, comfort is drawn from Greenpanel's strong financial risk profile and debt coverage indicators. The MDF sales volume grew by 13% in FY26 y-o-y, supported by implementation of BIS certification from February 2025 and strong domestic demand. While the domestic sales volume grew by 12% in Q1FY27 y-o-y, overall MDF sales volume moderated slightly (by ~2%) owing to the absence of exports driven by the West Asia conflict. Furthermore, in view of no export and industry-wide price hike to pass on rise in chemical cost, the average sales realisation increased by ~11% in Q1FY27 y-o-y. CareEdge Ratings expects the company's total operating revenue to witness growth supported by strong domestic demand for MDF and higher realisation. Operating margin is also expected to sustain supported by volume-led growth, gradual ramp-up of the enhanced facility in Andhra Pradesh (commissioned in March 2025) and better absorption of fixed overheads. Net debt / profit before interest, lease rentals, depreciation and taxation (PBILDT) is expected to improve to below unity in absence of major debt-funded capex in the near term.

However, ratings are constrained by exposure of profitability to foreign exchange fluctuation and input price volatility, stabilisation risk of large-size brownfield expansion project, intense competition with capacity surpassing demand, and low-capacity utilisation.

The withdrawal of rating (S. No. 1) is considering reclassification of these facilities from non-fund-based to fund/non-fund-based limit.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Achieving the volume-driven growth in its total operating income (TOI) through sustained high-capacity utilisations (CU) while improving its operating profitability (PBILDT) margins and healthy return on capital employed (ROCE).
- Improving total debt/PBILDT to below 0.50x while maintaining its comfortable overall gearing ratio at ~0.30x on a sustained basis.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Negative factors

- Inability to improve sales volume of MDF with sales realisation at below ₹25,000/CBM putting pressure on its profitability on a sustained basis.
- Delay in stabilisation of newly implemented project, adversely impacting its ROCE and capital structure (overall gearing over 0.75x and net debt/PBILDT over 2x) on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The outlook has been revised from Negative to Stable in view of sustained improvement in operating margin q-o-q after significant decline in Q1FY26. CareEdge Ratings expects the company shall continue to benefit from the strong market position of Greenpanel in the MDF sector supported with continued strong financial risk profile.

Detailed description of key rating drivers

Key strengths

Strong position in domestic organised MDF industry with strong brand image

Greenpanel is currently one of India's largest MDF manufacturing companies commanding an established position in the organised MDF market and a strong brand presence. Greenpanel sells its entire product range under the brand 'Greenpanel'. It enjoys healthy market share due to its superior product quality and continuous brand awareness initiatives. Unlike plywood, the MDF sector has fewer un-organised players, given the high capital requirement for setting up new plant.

Extensive distribution network and marketing support

Greenpanel has a PAN-India marketing network with seven branches, over 1,750 distributors/stockists, and 12,500 retailers (sales through dealers accounted for ~90% of total sales in FY26). Over the past, Greenpanel has strategically reduced its dealer/distributor network from over 2,500 due to merging its sales teams for plywood and MDF and with a view to focus on dealers having good payment track record, ensuring efficient working capital management. The sale to top 10 dealers accounted for only 17% of total sales in FY26, signifying diversified dealer network base. Greenpanel also has a presence in export markets with two overseas branches, which supports exports to nine countries.

Satisfactory operating margin post subdued Q1FY26

After subdued financial performance in Q1FY26 primarily due to lower sales volumes following the discontinuation of commercial-grade MDF and elevated competition from imports ahead of the implementation of BIS norms in February 2025. However, volumes of commercial-grade MDF were gradually substituted by industrial-grade MDF, while the reduction in imports supported a recovery in sales volumes from Q2FY26 onwards. Consequently, operating margin also improved and stood in the range of 8%-9% over the last four quarters (Q2FY26-Q1FY27). While overall financial performance remained impacted in FY26, due to abysmal Q1FY26, comfort is drawn from Greenpanel's strong financial risk profile and debt coverage indicators. The MDF sales volume grew by 13% in FY26 y-o-y, supported by implementation of BIS certification from February 2025 and strong domestic demand. While the domestic sales volume grew by 12% in Q1FY27 y-o-y, overall MDF sales volume moderated slightly (by ~2%) owing to the absence of exports driven by the West Asia conflict. In view of no export and industry-wide price hike to pass on rise in chemical cost, overall sales realisation increased by ~11% in Q1FY27 y-o-y. Performance of plywood division, contributing to less than 10% of total operating revenue, remained satisfactory with profit before interest and tax (PBIT) margin of 8%-9% in FY25-FY26.

CareEdge Ratings expects the company's total operating revenue to witness growth supported by strong domestic demand for MDF and higher realisation. Operating margin is also expected to sustain supported by volume-led growth, gradual ramp-up of the enhanced facility in Andhra Pradesh (commissioned in March 2025) and better absorption of fixed overheads.

Strategic location of manufacturing units with raw material linkage

Adequate availability of raw material is a long-term driver for plywood and MDF manufacturers. Key raw materials required for manufacturing plywood include face veneer, outer and back layer of plywood, core timber, and chemicals. For MDF, timber accounts for ~60% of the total raw material cost (which is domestically available) and chemicals account for the balance 40%. Greenpanel's existing plants are strategically near its raw material source (Uttarakhand and Andhra Pradesh) and adjacent to the port (Krishnapatnam), making the plant preferable for catering to export markets.

Robust capital structure and debt protection metrics
The company has a comfortable capital structure with an overall gearing of 0.27x at end of FY26 against 0.30x at end of FY25. The capital structure is expected to continue to be robust due to the gradual repayment of debt and healthy net worth base. Total debt to PBILDT was satisfactory at 3.31x as on March 31, 2026 (3.22x as on March 31, 2025). Net debt / PBILDT stood comfortable at 1.55x as on March 31, 2026, and expected to improve to below unity in absence of major debt-funded capex in the near term.

Experienced promoters with satisfactory track record in operations
Although incorporated in December 2017, Greenpanel remained as an inactive company till the demerger of the MDF division and part of plywood division of Greenply into it. The MDF division was in operation under Greenply since 2010. Being the first major MDF manufacturer in India, Greenpanel's business has a satisfactory track record of operations in manufacturing plywood and MDF. The company continues to benefit from its promoters' over two decades of experience in the interior infrastructure sector. They are ably supported by the senior management of Greenpanel, which has extensive industry experience.

Key weaknesses

Low Capacity Utilisation and project stabilisation risk
The CU for MDF plant declined from 66% in FY25 to 56% in FY26 and further to 51% in Q1FY27 due to capacity addition of 231,000 CBM in March 2025 and no export in Q1FY27, respectively. Greenpanel concluded a brownfield expansion of its MDF capacity in March 2025 at its existing Andhra Pradesh plant at a cost of ₹613 crore. The project is funded by debt to the tune of ~₹372 crore. The low CU has also led to moderation in ROCE from ~4% in FY25 to ~1% in FY26. The management has past experience of successfully ramping up a large scale MDF plant, which offsets the risk of project stabilisation to an extent. The company already has an established customer base and distribution network to market the products. However, given low CU in existing unit, the ramp up of new unit is expected to be slower-than-envisaged. CU of plywood unit also stood low at 49% in FY26 and 56% in Q1FY27 (47% in FY25).

Foreign exchange fluctuation risk
Greenpanel is exposed to the foreign exchange fluctuation risk due to limited exports and high exposure to foreign currency borrowings (Euro denominated).

In FY26, the company exported finished goods worth ₹144.61 crore and imported raw materials amounting to ₹14.69 crore. The company has foreign currency borrowing amounting to EUR 29.39 million as on March 31, 2026 (~₹316 crore), which is currently unhedged by the company. Given that a significant portion of the company's borrowings is denominated in Euros, depreciation in the Indian Rupee (INR) is expected to adversely impact the debt position and increase cash outflow for unhedged debt repayments instalments for the company.

In FY26, the significant depreciation of the Indian Rupee against the Euro, from ₹92.07 per Euro as at the end of FY25 to ₹107.57 per Euro as at the end of FY26, resulted in a foreign exchange loss of ₹49.06 crore for the company.

Supply glut due to increased capacity in domestic MDF market
The demand for MDF in India is growing at a compounded annual growth rate (CAGR) of over 10%, and this growth momentum is expected to continue in the medium term. With increasing nuclearisation, urbanisation, and a growing preference for readymade furniture, the demand for the product is expected to remain healthy. MDF also has non-furniture applications such as flooring and decorative items where the acceptability of the product is increasing. A massive expansion wave of new capacity in FY24-FY25 has kept industry utilisation moderate, with supply outpacing the demand growth. Major MDF players have announced a price hike (5%-10%) driven by the West Asia conflict-led increase in raw material costs. However, sustained pricing power remains constrained by elevated competitive intensity, sub-70 % capacity utilisation, and limited upside potential, given that MDF's edge is its cost advantage over the lower end of plywood.

Liquidity: Strong

The company's liquidity remained strong with cash and liquid investments of ~₹176 crore and undrawn working capital limits of ₹160 crore as on June 30, 2026. The company has debt repayment obligations of ~₹73 crore in FY27 against which it is expected to generate adequate cash accruals of ~₹120 crore- ₹130 crore, while the available surplus liquidity provides an additional cushion for debt servicing. The capital structure remained comfortable, with overall gearing at 0.27x as on March 31, 2026.

Strong liquidity, supported by healthy cash balances, liquid investments, and available bank lines, is expected to continue supporting the company's financial profile and debt servicing ability despite near-term pressure on profitability.

Applicable criteria

[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Manufacturing Companies](#)
[Financial Ratios – Non financial Sector](#)
[Withdrawal Policy](#)
[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer durables	Consumer durables	Plywood boards/ laminates

Although incorporated in December 2017, Greenpanel remained as an inactive company till the demerger of the MDF business segment and part of plywood segment of Greenply into Greenpanel. Greenpanel is primarily engaged in manufacturing wood-based panel products used in interior infrastructure, which includes plywood, MDF boards, and allied products. Greenpanel has two manufacturing facilities for MDF - one each in Pantnagar, Uttarakhand, and Chittoor, Andhra Pradesh, with combined installed capacity of 891,000 CBM per annum (increased from 660,000 CBM in March 2025). The company also has a manufacturing facility for plywood with installed capacity of 9 million square metres at Pantnagar, Uttarakhand (reduced from 10.5 million square metre on closure of decorative veneer business). Apart from domestic market, the company also has presence in the export markets (for MDF) in around nine countries. Exports comprised ~10% of its total sales in FY26.

Brief Financials (₹ crore)	FY25 (A)	FY26 (A)	Q1FY27 (UA)
Total operating income	1,433.11	1,539.37	349.81
PBILDT*	128.55	111.98	30.20
Profit after tax (PAT)	72.11	-29.13	1.23
Overall gearing (x)	0.30	0.27	NA
Interest coverage (x)	19.27	1.64	5.13

A: Audited; UA: Unaudited NA: Not Available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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 facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	RBI	Simple	-		-	30-04-2029	80.00	CARE A+; Stable
Fund-based/Non-fund-based-LT/ST	RBI	Simple	-		-	-	160.00	CARE A+; Stable / CARE A1+
Non-fund-based - LT/ ST-BG/LC	RBI	Simple	-		-	-	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	-	-	-	1)Withdrawn (07-Aug-25)	1)CARE A+; Stable (07-Aug-24)	1)CARE A+; Stable (06-Mar-24) 2)CARE A+; Stable (23-Aug-23)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	-	-	-	1)CARE A+; Negative / CARE A1+ (07-Aug-25)	1)CARE A+; Stable / CARE A1+ (07-Aug-24)	1)CARE A+; Stable / CARE A1+ (06-Mar-24) 2)CARE A+; Stable / CARE A1+ (23-Aug-23)
3	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (23-Aug-23)
4	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	-	-	-	-	-	1)Withdrawn (23-Aug-23)
5	Non-fund-based - ST-Letter of credit	ST	-	-	-	-	-	1)Withdrawn (06-Mar-24) 2)CARE A1+ (23-Aug-23)

6	Non-fund-based - LT-Letter of credit	LT	-	-	-	1)Withdrawn (07-Aug-25)	1)CARE A+; Stable (07-Aug-24)	1)CARE A+; Stable (06-Mar-24) 2)CARE A+; Stable (23-Aug-23)
7	Fund-based/Non-fund-based-LT/ST	LT/ST	160.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Negative / CARE A1+ (07-Aug-25)	1)CARE A+; Stable / CARE A1+ (07-Aug-24)	-
8	Fund-based - LT-Term Loan	LT	80.00	CARE A+; Stable	-	1)CARE A+; Negative (07-Aug-25)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated facilities: Not applicable

Annexure-4: Lender details

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

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.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Ravleen Sethi Director **CARE Ratings Limited** Phone: +91-120-4452016 E-mail: ravleen.sethi@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Richa Bagaria Associate Director **CARE Ratings Limited** Phone: +91-033-40181600 E-mail: richa.jain@careedge.in Gulshan Agarwal Lead Analyst **CARE Ratings Limited** E-mail: gulshan.agarwal@careedge.in

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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