

HG Industries Limited

April 05, 2024

Rating

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	-	-	Withdrawn

Details of facilities in Annexure-1.

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE Ratings Limited has withdrawn the rating assigned to the bank facilities of HG Industries Limited (HGIL) with immediate effect upon its merger with its parent entity Greenlam Industries Limited (Greenlam) and consequent transfer of facilities to Greenlam.

Analytical approach: Not Applicable

Applicable criteria

[Policy on Withdrawal of Ratings](#)

About the company

HGIL was incorporated in December 1987 and did not have any major operations post FY03. Greenlam acquired 74.91% stake in the company in December 2021 for setting up a greenfield plywood and allied products plant at Tindivanam, Tamil Nadu, with an installed capacity of 18.9 million sq m. The project was commissioned in June 2023. In November 2023, HGIL was merged with its parent, Greenlam.

Brief financials of HGIL

Not applicable, as it started operations in June 2023.

About Greenlam

Greenlam is one of the largest laminate manufacturing companies in the country and commands an established position in the organised laminate and veneer segment. 'Greenlam Laminates' is the flagship brand of Greenlam, under which its decorative laminates are marketed. Greenlam markets its decorative veneers under the brand name of 'Decowood'. Furthermore, the engineered wood flooring segment and engineered doors segment (both marketed under the brand of 'Mikasa') were introduced by Greenlam in 2014 and 2015, respectively. The company has two manufacturing facilities in Behror, Rajasthan, and Nalagarh, Himachal Pradesh. It acquired a laminate manufacturing plant in Gujarat in FY23 and is also undertaking various projects in Andhra Pradesh and Tamil Nadu, which will enable it to diversify its product profile and geographical presence.

Brief Consolidated Financials – Greenlam (Rs. crore)	FY22 (A)	FY23 (A)	9MFY24 (UA)
Total operating income	1703.40	2025.96	1682.26
PBILDT	187.87	233.19	211.13
PAT	90.58	128.04	97.22
Overall gearing (times)	0.67	0.66	NA
Interest coverage (times)	13.34	9.93	6.83

A: Audited; UA: Un: Audited, NA: Not available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated facility: Detailed explanation of covenants of the rated facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Lender details: Annexure-5**Annexure-1: Details of facilities**

Name of the Facilities	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund Based-LT-Term Loan		-	-	June 2029	0.00	Withdrawn

Annexure-2: Rating history for the 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 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE AA-; Stable (12-Jul-23)	-	-

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not applicable**Annexure-4: Complexity level of various instruments rated for this company**

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About us:

Established in 1993, CARE 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 RBI. With an equitable position in the Indian capital market, CARE 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, CARE 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. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

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