



Press Release

Venus Pipes & Tubes Limited

Dec 19, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term bank Facilities	134.22 (Reduced from Rs. 149.63 crore)	IVR A/Stable (IVR Single A with Stable Outlook)	IVR A/Stable (IVR Single A with Stable Outlook)	Rating Reaffirmed	Simple
Short Term bank Facilities	22.00	IVR A1 (IVR A One)	IVR A1 (IVR A One)	Rating Reaffirmed	Simple
Total	156.22	Rupees One Hundred Fifty Six Crore and Twenty Two Lakh Only			

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings (IVR) has reaffirmed the long-term rating at IVR A with Stable Outlook and short-term rating at IVR A1 for the bank loan facilities of Venus Pipes & Tubes Limited (VPTL).

The rating reaffirmation takes into consideration the continuation of sustained improvement in scale of operations coupled with healthy profitability, though the profit margins have moderated in FY25 but remained strong. The financial risk profile also continues to be healthy although the operating cycle remained elongated. The company further benefits from an experienced management team, long-standing client relationships, and the strategic location of its plant, which provides logistical advantages and lower raw material sourcing costs. However, these strengths are partially offset by project execution risk on account of inherent risk associated with capex, competitive, fragmented & cyclic nature of industry coupled with susceptibility of operating margins to any adverse movement in the raw materials

The stable outlook indicates a low likelihood of rating change in the medium term. IVR believes that the VPTL's business & financials risk profile will be maintained over the medium term. The company has improved scale of operations and maintained comfortable financial risk profile in FY25 & H1FY26

IVR has principally relied on the combined & standalone audited financial results of VPTL up to 31 March 2025 (refers to 1 April 2024 to 31 March 2025) & projected financials from FY26 to FY28 (refers to 1 April 2025 to 31 March 2028), and publicly available information/clarifications provided by the company's management.



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Key Rating Sensitivities:

Upward Factors

- Sustained growth in revenue while maintained healthy profitability and debt metrics
- Improvement in the working capital cycle on sustained basis

Downward Factors

- Sizeable reduction in the scale of operations & profitability impacting the debt coverage indicators along with deterioration in overall gearing.
- Elongation of operating cycle beyond 120 days on sustained basis impacting the overall liquidity profile of the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced Management and long-standing Relationships with the clients

The top management consisting of the promoters Mr. Megharam Chaudhary, Mr. Jayantiram Chaudhary, Mr. Arun Kothari and Mr. Dhruv Patel has extensive experience in the industry of steel pipes and tubes manufacturing for more than a decade. They have developed long standing relations with the both the customer & Supplier side clients leading to growth in the recent years.

Sustained improvement in scale of operations coupled with healthy profitability

The company has shown improved performance over the past years, having CAGR of ~35% during FY22-FY25. Total revenue of the company has improved by ~19.5% i.e from Rs 802.20 crore in FY24 to Rs 958.53 crore in FY25. The revenue is mainly consisted of the seamless pipes & tubes ~57% while welded pipes & tubes contributed ~36% and rest from others.

Seamless pipes segment revenue improved to Rs.543.4 crore in FY25 as compared to Rs. 459.70 Crore in FY24, whereas welded pipes segment revenue improved from Rs 313.20 crore in FY24 to Rs 349.40 crore in FY25 to on Y-o-Y basis. Exports emerged as a key value lever, contributing over 35% to total revenues. Volumetric growth was propelled by expanding product portfolio, including higher size pipes, witnessed robust demand across segments, supported by health order inflows while strategic backward integration through in house piercing line capabilities helped improve cost efficiency.

The company outstanding orderbook of Rs 475 Cr as on 28 Oct,25 indicates short to medium-term revenue visibility. The company has done well in H1FY26 and registered improved revenue by ~21% i.e Rs 567.95 crore in H1FY26 as compared to Rs 469.09 crore in H1FY25.



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The profit margins of the company are healthy, however there is some moderation from 17.49% in FY25 against 18.24% in FY24, whereas PAT margins stood at 9.58% in FY25 (PY: 10.68%). The company is expanding to new geographies like USA, middle east so with new geographies added, some margin had been affected a little.

Robust financial risk profile

VPTL's has comfortable capital structure, with overall gearing stood at 0.36x in FY25 (PY:0.37x in FY24) owing to good net-worth (TNW) of ~Rs 530.88 in FY25 (PY: ~Rs 405.25 crore) supported by accretion of healthy profit in reserve & surplus, besides equity infusion through warrants in FY25. The long-term debt equity ratio and TOL/TNW ratio is comfortable at 0.08x in FY25 (PY:0.12x) and 0.90x in FY25 (PY:0.87x) respectively. The current ratio of the company remains comfortable at 1.42x in FY25 (PY: 1.47x) indicates the company ability to meets current liabilities from its current assets comfortably.

The company has strong debt protection matrices with interest service coverage ratio (ISCR) of 4.88x in FY25 (PY: 6.63x) and debt service coverage ratio (DSCR) is strong at 3.04x in FY25 (PY: 4.01). The financials risk profile continues to be strong albeit high operating cycle, which remains on the higher side at 109 days in FY25 (PY: 98 days) mainly due to elongated inventory period of 131 days in FY25 (PY to 109 days). To mitigate the working capital requirement risk, VPTL has enough working capital limit considering the incremental working capital requirement owing to the increase in the scale of operations.

Locational Advantage

Manufacturing facility of the company is strategically located at Dhaneti (based in Bhuj region of Kutch, India) within proximity of Kandla & Mudra ports which are ~55 and ~75 kilometres away respectively, enabling company with easy logistic and reduced logistics costs for sourcing raw materials, while also streamlining the import and export of products.

Key Rating Weaknesses

Project execution risk

In order to strengthen its market position, product diversification & achieve better economies of scale and profitability, company had planned capex of Rs 175 crore to set up fittings and welded tubes capacities, including titanium grade which will increase its overall manufacturing capacity in two phases by 7,200 MTPA. Currently cost of projected capex is estimated to be enhanced to Rs 190 crore against previous planned capex of Rs 175 crore and expected increase is due to increase in cost with few increases in some additional shed, quality testing machine, additional machine etc. The company began expansion in May,2024 in two phases: For Phase 1, commissioning of value-added welded tubes with 3,600 MTPA capacity, which got operationalised in May 2025, and fittings capacity to go live in the second half of FY26. For Phase 2, commissioning of seamless pipes and tubes with 4,800 MTPA capacity, along with backward integration of 4800 MTPA, targeted to commence operations by second half of FY26. The capex will be funded through a mix of equity, internal accrual and debt, with



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marginal impact on gearing, considering the strong net worth and healthy internal accrual. However, company is exposed to inherent risk in terms of delays in project execution, cost & time overrun which may arise due to arranging infrastructure, timely clearances and other external factors. In the past company successfully completed its major capex, but timely completion of capex with no major cost overrun and ramp up of operations will continue to be key monitorable.

Competitive, fragmented and cyclic nature of industry

The steel & stainless-steel industry is highly fragmented and competitive in nature with direct competition from several players from various organised and unorganised players. Intense competition from the peers could exert pressure on the pricing of the products which could affect the profit margins of the company. In addition to that, steel industry is cycle in nature i.e. sensitive to the business cycles, economy growth and any changes in the demand & supply conditions in the sectors like real estate, construction, and infrastructure mainly. Revenue growth of the company likely to be affected in the periods of economy slowdown & contraction and vice versa. which directly expose the company's cash flows and profitability to volatility of the steel & stainless-steel industry. However, VPIL's long-established track record of operations mitigates the risk to an extent.

Susceptibility of operating margins to any adverse movement in the raw materials

The major raw material like HR Coils, round bars, chrome, nickel are the major contributor of the overall raw material cost and have shown volatile price trends in the past. Since the raw material is the major contributor in the overall cost, so any adverse change in the prices of raw materials can affect the operating margins of the company. Volatility in prices of raw materials and company ability to pass the same to the customers will remain the key monitorable.

Analytical Approach: Standalone

Applicable Criteria:

- [Rating Methodology for Manufacturing Companies](#)
- [Rating Criteria for Financial Ratios & Implication.](#)
- [Complexity Level of Rated Instruments/Facilities](#)
- [Criteria for assigning Rating outlook.](#)
- [Policy on Default Recognition](#)

Liquidity – Adequate

The company had generated gross cash accruals (GCA) of Rs. 116.47 crore against repayment maintain of Rs. 15.20 crore in FY25 and expecting to generate cash accruals of more than Rs. 100 crore against repayment maintain of Rs. 15.45 crore for FY26. The average working capital utilization of the company for the last 12 months till Sep,2025 remained at moderate level of ~76%, which provides cushion to the company to use unused working



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capital limits in case of any requirement while scaling up its operations. The company has a comfortable current ratio of 1.42 in FY25 & expected to remain comfortable in next FYs. The company had free cash and cash equivalents amounting to ~Rs 7.18 Cr & Rs 21.97 crore as of March 31, 2025 & Sep 30,2025 respectively. Liquidity is expected to remain adequate.

About the Company

Incorporated in 2015, VPTL is a growing seamless and welded stainless steel pipes & tubes manufacturer. The company is engaged in manufacturing of all kinds of pipes & tubes including stainless steel tubes. VPTL is promoted by Mr. Megharam Choudhary, Mr. Jayantiram Choudhary, Mr. Arun Kothari, Mr. Dhruv Patel. VPTL had started its commercial operations from January 2016 from its manufacturing unit located in Dhaneti. Currently the company has capacity of 16,200 MTPA of seamless pipes, 27,600 MTPA for Welded pipes makes combined total capacity of 43,800 MTPA till Sep,2025, whereas 14,400 MTPA piercing line capacity of mother hollow pipes provides strategic backward integration. The company is an ISO 9001:2015, 14001:2015 and BS OHSAS 18001:2007, PED 2014/68/EU & ADW / AD 2000 - Merkblatt WO certified company.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	802.20	958.53
EBITDA	146.32	167.60
PAT	85.98	92.89
Total Debt	149.32	191.54
Tangible Net Worth	405.25	530.88
EBITDA Margin (%)	18.24	17.49
PAT Margin (%)	10.68	9.58
Overall Gearing Ratio (x)	0.37	0.36
Interest Coverage (x)	6.63	4.88

* Classification as per Infomerics' standards. TOI doesn't include other non-operating income. Tangible Net Worth excludes intangible assets & deferred tax assets if any.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable



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Rating History for last three years:

Sr. No.	Name of Security /Facilities	Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Current Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Long Term bank Facilities	Long Term	134.22	IVR A/ Stable	IVR A/ Stable (Oct 01,2024)	IVR A-/ Stable (Aug 18, 2023)	IVR BBB+/ Stable (July 22, 2022) IVR BBB/ Stable (April 19,2022)
2.	Short Term bank Facilities	Short Term	22.00	IVR A1	IVR A1 (Oct 01,2024)	IVR A2+ (Aug 18, 2023)	IVR A2 (July 22, 2022) IVR A3+ (April 19,2022)

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About Infomerics:

Infomerics Valuation and Rating Limited (Formerly known as Infomerics Valuation and Rating Private Ltd) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit



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Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Fund-Based Bank Facilities – Term Loan	-	-	-	Till Aug,2027	18.59	IVR A/Stable
Fund-Based Bank Facilities – GECL	-	-	-	Till Dec,2025	0.63	IVR A/Stable
Fund-Based Bank Facilities – CC	-	-	-	-	115.00	IVR A/Stable
Non-Fund-Based Bank Facilities – LC	-	-	-	-	22.00	IVR A1



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Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/LEN_Venus_Pipes_And_Tubes19_Dec25_3a97b0e5d1.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

