

## Vibhor Steel Tubes Limited

March 11, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	55.81	CARE BBB; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	60.99	CARE BBB; Stable / CARE A3+; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	155.00	CARE A3+; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Vibhor Steel Tubes Limited (VSTL) to monitor the ratings vide e-mail communications dated January 13, 2026, January 21, 2026, January 24, 2026, February 04, 2026, and letter dated February 16, 2026, etc. and numerous phone calls. However, despite repeated requests, VSTL has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the ratings on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. The rating on VSTL's bank facilities will now be denoted as CARE BBB; Stable; ISSUER NOT COOPERATING\* & CARE A3+; ISSUER NOT COOPERATING\*.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.**

Ratings assigned to bank facilities of Vibhor Steel Tubes Limited (VSTL) continue to derive strength from its long track record of operations and extensive experience of promoters in the industry. Ratings also factor in VSTL's long-term off-take arrangement with Jindal Pipes Limited (JPL), moderate scale of operations and comfortable capital structure. The aforementioned rating strengths are partially offset by customer concentration risk and moderate debt coverage indicators. Ratings also factor in VSTL's presence in a highly fragmented and competitive business with low entry barriers and modest profitability.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on February 13, 2025, the following were the rating strengths and weaknesses (updated for the information available from stock exchange filings).

#### Key strengths

##### Experienced promoters

The company's promoters, Vijay Kaushik, Vijay Laxmi Kaushik and Vibhor Kaushik, have an experience of over a decade in the steel pipes and tubes industry. Vibhor Kaushik is an electrical engineer graduated from USA. The promoters are backed by an experienced team who currently head different divisions at VSTL.

##### Association with JPL backed by a fixed off-take arrangement

The company has signed a memorandum of understanding (MoU) with JPL for six years which was renewed in April 2023, which assures minimum off-take arrangement of 100,000 metric tons (MTs) for a year and compensates VSTL at a rate of ₹2,000/MT for shortfall. It also takes care of VSTL's major manufacturing costs.

##### Moderate scale of operations

Scale of operations of VSTL remained moderate at ₹996.38 crore in FY25 (Audited; refers to April 01, March 31) compared to ₹1072.71 crore in FY24. Further, during 9MFY26 (refers to April 1 to December 31), company reported a TOI of ₹817.17 crore, compared to ₹708.91 crore in 9MFY25.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Comfortable capital structure**

The company's total debt profile consists of term loans, working capital borrowing, and channel financing, aggregating to ₹170.96 crore, against a tangible net-worth base of ₹188.12 crore as on March 31, 2025. The company's capital structure remained comfortable marked by overall gearing ratio of 0.91x as on March 31, 2025, compared to 0.80x as on March 31, 2024.

**Key weaknesses****Customer concentration risk**

VSTL derived ~88-90% revenue in the last three years ending FY24 from sale to JPL. JPL has a network of dealers across India and sells pipes and tubes under the brand, "Jindal Star". Higher dependence on a single customer exposes the company to customer concentration risk, which is partly mitigated by minimum off-take clause. The company's other customers include G.B.M. Building Equipment SRL (Italy), Thermokipia Kritis S.A., and T.S. Steel Trade Schweiz Ag among others.

**Project risk associated with planned debt-funded capex**

VSTL set up a new unit in Odisha to increase its footprint in eastern region of India. The plant commenced commercial operations in June 2025. Stabilisation of project and ramp up in production remain critical for improvement in the company's operational performance.

**Moderate debt coverage indicators**

The company's debt coverage metrics deteriorated in FY25 owing to increase in debt, considering addition of term loan for capex, however, remained moderate. Interest coverage ratio and TD/GCA remained at 3.25x and 7.71x, respectively, as on March 31, 2025 (PY:2.69x and 5.44x).

**Modest profit margins**

The company's PBILDT margins continues to remain modest at 3.66% in FY25 against 4.54% in FY24. Further, the company reported PBILDT margin of 3.80% in 9MFY26 compared to 3.71% in 9MFY25. The company is exposed to the risk of raw material price fluctuation as it is unable to fully pass on the fluctuations to the end user.

**Presence of the company in a fragmented and competitive industry**

The company operates in steel pipes and tubes manufacturing industry, which is highly fragmented with presence of many unorganised players. Being operating in the fragmented industry with low entry barriers restricts the bargaining power against suppliers and customers, resulting in lower profitability.

**Liquidity:** Adequate

VSTL generated cash flow of ₹43.22 crore from operations during FY25. Current ratio as on March 31, 2025, stood at 1.38x. Cash and bank balance stood at ₹18.65 crore as on March 31, 2025.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

**Applicable criteria**

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

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## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Iron & Steel Products

VSTL (CIN: U27109HR2003PLC035091) was founded by Vibhor Kaushik and Vijay Kaushik in 2003. The company ventures in manufacturing ERW black pipe, galvanised pipes, hollow section, primer painted pipes. The products find application in the construction, domestic, agriculture and the industrial sector. The company operates out of three manufacturing facilities, Sukheli, Maharashtra with a production capacity of 125,000 MTPA and the second one is based out of Mehboob Nagar, Telangana with a production capacity of 96,000 MTPA. & Sundernagar, Odisha plant with the annual capacity of 156,000 MTPA. VSTL has commissioned Odisha plant is operational since June 2025. Total installed capacity of the Company is increased to 377,000 MTPA.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	1,072.71	996.38	817.17
PBILDT*	48.68	36.44	31.07
Profit after tax (PAT)	17.72	11.77	6.22
Overall gearing (x)	0.80	0.91	NA
Interest coverage (x)	2.69	3.25	2.61

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 instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

### Annexure-1: Details of instruments/facilities

Name of the Instrument	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		-	-	31-12-2029	55.81	CARE BBB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-CC/Packing Credit		-	-	-	60.99	CARE BBB; Stable / CARE A3+; ISSUER NOT COOPERATING*
Fund-based - ST-Vendor financing		-	-	-	15.00	CARE A3+; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	140.00	CARE A3+; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	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	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	55.81	CARE BBB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB; Stable (13-Feb-25)	1)CARE BBB; Positive (03-Jan-24)	1)CARE BBB; Positive (16-Feb-23)
2	Fund-based - LT/ST-CC/Packing Credit	LT/ST	60.99	CARE BBB; Stable / CARE A3+; ISSUER NOT COOPERATING*	-	1)CARE BBB; Stable / CARE A3+ (13-Feb-25)	1)CARE BBB; Positive / CARE A3+ (03-Jan-24)	1)CARE BBB; Positive / CARE A3+ (16-Feb-23)
3	Non-fund-based - ST-BG/LC	ST	140.00	CARE A3+; ISSUER NOT COOPERATING*	-	1)CARE A3+ (13-Feb-25)	1)CARE A3+ (03-Jan-24)	1)CARE A3+ (16-Feb-23)
4	Fund-based - ST-Vendor financing	ST	15.00	CARE A3+; ISSUER NOT COOPERATING*	-	1)CARE A3+ (13-Feb-25)	1)CARE A3+ (03-Jan-24)	1)CARE A3+ (16-Feb-23)

\*Issuer did not cooperate; based on best available information.

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

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

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-CC/Packing Credit	Simple
3	Fund-based - ST-Vendor financing	Simple
4	Non-fund-based - ST-BG/LC	Simple

**Annexure-5: 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

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