Vibhor Steel Tubes Limited

September 10, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term / Short Term Bank Facilities	RBI	60.99	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BBB; Stable / CARE A3+
Long Term Bank Facilities	RBI	55.81	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BBB; Stable
Short Term Bank Facilities	RBI	155.00	CARE A4+; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE A3+

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) had, vide its press release dated March 11, 2026, placed the ratings of Vibhor Steel Tubes Limited (VSTL) under the 'issuer non-cooperating' category as VSTL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. VSTL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated September 1, 2026, September 2, 2026 and September 8, 2026. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating.

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

The revision in the rating is pursuant to SEBI's circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/2 dated January 03, 2020, regarding 'Strengthening of the rating process in respect of Issuer Non-Cooperation (INC) ratings'. SEBI has stated in this circular that "If an issuer has all the outstanding ratings as noncooperative for more than 6 months, then the credit rating agency (CRA) shall downgrade the rating assigned to the instrument of such issuer to non-investment grade with INC status."

Ratings assigned to bank facilities of Vibhor Steel Tubes Limited (VSTL) remained constrained due to customer concentration risk, modest profitability and moderate debt coverage indicators. The ratings are further constrained on account of VSTL's presence in a highly fragmented and competitive business with low entry barriers.
The ratings, however derives strength from long track record of operations and extensive experience of promoters in the industry and VSTL's long-term off-take arrangement with Jindal Pipes Limited (JPL). The rating further derives strength from moderate scale of operations and comfortable capital structure.

Analytical approach: Standalone

Outlook: Stable

[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.

Detailed description of key rating drivers

At the time of last rating on March 11, 2026, the following were the rating strengths and weaknesses (updated for financials for FY26)

Key weaknesses

Customer concentration risk

VSTL derived ~88-90% revenue from Jindal Pipes Limited (JPL) in the three years ending FY24 (refers to April 01 to March 31). 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.

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 continued to remain moderate in FY26 marked by Interest coverage ratio and TD/GCA at 2.72x and 7.48x respectively (PY: 3.25x and 7.71x).

Modest profit margins

The company's PBILDT margins continues to remain modest at 3.78% in FY26 against 3.66% in FY25. Further, the company reported PBILDT margin of 4.21% in Q1FY27 (refers to April 1 to June 30) compared to 4.44% in Q1FY26. 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.

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 improved by 15.35% y-o-y to ₹1149.35 crore in FY26 compared to ₹996.38 crore in FY25. Further, during Q1FY27, company reported a TOI of ₹293.98 crore, compared to ₹231.04 crore in Q1FY26.

Comfortable capital structure

The company's total debt profile consists of term loans and working capital borrowings aggregating to ₹192.78 crore, against a tangible net-worth base of ₹197.00 crore as on March 31, 2026. The company's capital structure remained comfortable marked by overall gearing ratio of 0.98x as on March 31, 2026, compared to 0.91x as on March 31, 2025.

Liquidity: Adequate

VSTL generated cash flow of ₹63.11 crore from operations during FY26 (₹43.22 crore in FY25). Current ratio as on March 31, 2026, stood at 1.32x (PY: 1.38x). Cash and bank balance stood at ₹28.59 crore as on March 31, 2026.

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
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments
Iron & Steel

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, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	996.38	1,149.35	293.98
PBILDT*	36.44	43.42	12.37
Profit after tax (PAT)	11.77	8.79	1.93
Overall gearing (x)	0.91	0.98	NA
Interest coverage (x)	3.25	2.72	3.15

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

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	-		-	31-07-2028	55.81	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-CC/Packing Credit	RBI	Simple	-		-	-	60.99	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*
Fund-based - ST-Vendor financing	RBI	Simple	-		-	-	15.00	CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC	RBI	Simple	-		-	-	140.00	CARE A4+; 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 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-Term Loan	LT	55.81	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB; Stable; ISSUER NOT COOPERATING* (11-Mar-26)	1)CARE BBB; Stable (13-Feb-25)	1)CARE BBB; Positive (03-Jan-24)
2	Fund-based - LT/ ST-CC/Packing Credit	LT/ST	60.99	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE BBB; Stable / CARE A3+; ISSUER NOT COOPERATING* (11-Mar-26)	1)CARE BBB; Stable / CARE A3+ (13-Feb-25)	1)CARE BBB; Positive / CARE A3+ (03-Jan-24)
3	Non-fund-based - ST-BG/LC	ST	140.00	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A3+; ISSUER NOT COOPERATING* (11-Mar-26)	1)CARE A3+ (13-Feb-25)	1)CARE A3+ (03-Jan-24)
4	Fund-based - ST-Vendor financing	ST	15.00	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A3+; ISSUER NOT COOPERATING* (11-Mar-26)	1)CARE A3+ (13-Feb-25)	1)CARE A3+ (03-Jan-24)

*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: 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.

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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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