



Press Release
VENUS ALLOYS PRIVATE LIMITED
January 06, 2026
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	28.90	ACUITE BBB Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	28.90	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs. 28.90 crore bank facilities of Venus Alloys Private Limited (VAPL). The outlook is '**Stable**'.

Rationale for rating

The rating reaffirmation factors the improving financial risk profile marked by improving net worth, low gearing & healthy debt protection metrics. Further, efficient working capital management and adequate liquidity position continues to provide comfort. The rating also factors long track record of operations and experience of the management of more than three decades in the iron and steel industry. However, rating remains constrained owing to the declining scale of operations over the years at steady margins. Further, profit's margin remains susceptible to raw material price fluctuations and inherent cyclicity and intense competition in the steel industry.

About the Company

Madhya Pradesh-based, VAPL was incorporated in 1992 by Mr. Sagar Mal Jain, Mr. Pradeep Kimtee, Mr. Abhay Porwal and Mr. Komal Singh Duggad. VAPL is engaged in the manufacturing of M.S. billets and TMT bars with installed capacities of 1,50,000 MTPA and 1,42,000 MTPA respectively. It manufactures TMT bars and rods of different sizes ranging from 8 mm to 32 mm diameters.

Unsupported Rating

Not applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of VAPL to arrive at this rating.

Key Rating Drivers

Strengths

Experienced management and semi-integrated operations

Incorporated in 1992, VAPL is promoted by Mr. Sagar Mal Jain, Mr. Pradeep Kimtee, Mr. Abhay Porwal, Mr. Komal Singh Duggad and their respective families. The promoters have over three decades of experience in the iron & steel manufacturing business in India. The

company benefits from the rich experience of its promoters, which is reflected by its longstanding relations with both customers and suppliers. Prior to FY2021, the Company was

engaged in manufacturing of ingot and billets. It forward integrated its operations and began manufacturing of TMT bars by end of FY2021.

Moderate financial risk profile

The financial risk profile of the company is moderate marked by moderate net worth, low gearing and comfortable debt protection metrics. The tangible net worth of the company increased to Rs. 58.57 Cr as on March 31, 2025 from Rs. 51.46 Cr as on March 31, 2024 due to accretion of reserves. Gearing of the company improved Y-0-Y and stood at 0.37 times as on March 31, 2025 as compared to 0.73 times and 1.13 times as on March 31, 2024 and March 31, 2023 respectively. The debt protection metrics of the company also improved marked by healthy interest coverage ratio at 6.85 times and comfortable DSCR at 1.82 times as on March 31, 2025. Acuité believes that the financial risk profile of the company will improve on account of steady net cash accruals with no major debt funded capex plans.

Efficient working capital management

The working capital of VAPL are efficient marked by low gross current assets (GCA) and low bank limit utilisation. GCA stood at 50 days as on March 31, 2025 (41 days as on March 31, 2024) driven by stable receivables and inventory days. The inventory days stood at 30 days as on March 31, 2025 (21 days as on March 31, 2024). Collection from debtors is efficient as reflected by receivable days of 10 days as on March 31, 2025 (8 days as on March 31, 2024). Therefore, the average fund-based bank limit utilization stood low at 29.90 percent over the last twelve months ended, September 2025.

Acuité believes that the working capital operations of the VAPL will remain at the same levels as evident from efficient collection mechanism and low inventory holding over the medium term.

Weaknesses

Declining scale of operations at steady margins

The revenue of the company has been declining over the past three years, stood at Rs 448.07 Cr in FY2025, Rs 524.92 Cr in FY2024 and Rs 570.44 Cr in FY2023. The moderation is due to dip in overall volume and price realisations. Further, operating margins have remained steady with moderate fluctuations, stood at 3.43 percent in FY2025, 2.76 percent in FY2024, 3.84 percent in FY2023. Till Sep-25 it has achieved the revenue of Rs 225.81 Cr. Acuité believes that the ability of the company to improve its scale of operations and profitability will going to remain a key monitorable over the medium term.

Profit margins are susceptible to raw material price fluctuations

VAPL's raw materials constitute more than 75 percent of its total cost, and the raw material prices (Steel) are volatile in nature. Any substantial movement in the raw material prices could impact the operating margins though the back-to-back order policy of the company hedges the margins to an extent.

Inherent cyclicality in the steel industry and intense competition

The steel industry is highly fragmented and unorganized. VAPL is exposed to intense competitive pressure from large number of organized and unorganized players with low entry barriers coupled with inherent cyclical nature of the steel industry.

Rating Sensitivities

- Improvement in scale of operations and profitability margin
- Any significant increase in debt levels or stretch in working capital management thereby impacting the financial and liquidity profile
- Elongation in working capital cycle

Liquidity Position

Adequate

The liquidity position is adequate marked by net cash accruals of Rs.11.25 Cr as on March 31, 2025 as against long term debt repayment of Rs. 5.15 Cr over the same period. Going forward, the net cash accruals are expected to remain in the range of Rs 12.00 Cr to 14.00 Cr as against minimal long term debt repayment of Rs 1.29 Cr in near to medium terms The cash

and bank balances (including free fixed deposit) stood at Rs. 9.67 Cr as on March 31, 2025. The current ratio stood healthy at 1.82 times as on March 31, 2025. The average fund-based bank limit utilization stood low at 29.90 percent over the last twelve months ended, September 2025 giving additional liquidity cushion in the form of undrawn limits.

Outlook-Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	448.07	524.92
PAT	Rs. Cr.	7.10	5.13
PAT Margin	(%)	1.59	0.98
Total Debt/Tangible Net Worth	Times	0.37	0.73
PBDIT/Interest	Times	6.85	3.64

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
09 Oct 2024	Term Loan	Long Term	3.80	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.60	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	6.50	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	13.00	ACUITE BBB Stable (Reaffirmed)
	Working Capital Demand Loan (WC DL)	Long Term	4.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	8.10	ACUITE Not Applicable (Withdrawn)
26 Sep 2024	Cash Credit	Long Term	6.50	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	13.00	ACUITE BBB Stable (Reaffirmed)
	Working Capital Demand Loan (WC DL)	Long Term	4.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	8.10	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	3.80	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.60	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	7.00	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	8.16	ACUITE Not Applicable (Withdrawn)
	Cash Credit	Long Term	2.00	ACUITE Not Applicable (Withdrawn)
29 Jun 2023	Term Loan	Long Term	7.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	7.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	10.50	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	8.16	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	6.50	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	13.00	ACUITE BBB Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
H D F C Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.50	Simple	ACUITE BBB Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.00	Simple	ACUITE BBB Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.40	Simple	ACUITE BBB Stable Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE BBB Stable Reaffirmed

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About Acuité Ratings & Research

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