

September 19, 2025

Lubi Industries LLP: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund based – Term loan	50.00	50.00	[ICRA]A+ (Stable); reaffirmed
Long Term – Fund Based – Cash Credit	260.00	360.00	[ICRA]A+ (Stable); reaffirmed/ assigned for the enhanced amount
Long Term – Fund Based – Working Capital Demand Loan	90.00	-	-
Long Term – Fund Based – Working Capital Demand Loan^	(260.00)	-	-
Short Term Interchangeable – Non-Fund-Based – EPC^^	(35.00)	(35.00)	[ICRA]A1+; reaffirmed
Short Term Interchangeable – Bank Guarantee^	(35.00)	(50.00)	[ICRA]A1+; reaffirmed/assigned for the enhanced amount
Short Term Interchangeable – Letter of Credit^	(42.00)	(42.00)	[ICRA]A1+; reaffirmed
Short Term Interchangeable – Other^**	(1.00)	(1.00)	[ICRA]A1+; reaffirmed
Short Term – Fund Based – Working Capital Demand Loan	-	90.00	[ICRA]A1+; reaffirmed
Short Term – Fund Based – Working Capital Demand Loan^	-	(360.00)	[ICRA]A1+; reaffirmed/assigned for the enhanced amount
Total	400.00	500.00	

*Instrument details are provided in Annexure I; ^Sub-limit of Cash Credit; ^^EPC/PCFC/FBP/FBD/EBR; **LER: Loan Equivalent Risk

Rationale

The ratings outstanding on the bank lines of Lubi Industries LLP (Lubi) remain supported by the entity's strong operational profile, marked by its proven track record of operations in the pump industry, established brand presence, diversified product portfolio and a wide distribution network. The entity's end-to-end, in-house manufacturing facilities, along with its in-house technical and product development capabilities support better product quality, while maintaining a competitive cost structure with its peers also boosts its business profile. Lubi has also diversified into the electric vehicle (EV) charger segment, which is expected to aid revenue diversification over the medium term. The ratings also factor in the healthy financial risk profile, characterised by steady revenue growth, low gearing levels and strong debt protection metrics. The entity's revenues grew by around 15% to Rs. 1,561.9 crore in FY2025 aided by increased demand for high-powered pumps and capacity enhancements undertaken over the years resulting in scale benefits. Its operating margins are expected to remain healthy at 17-18%, supported by steady price realisations and increasing scale which will result in better fixed cost absorption.

The ratings, however, continue to be constrained by the entity's working capital-intensive operations, elongation in inventory levels in recent period, exposure to intense competition from other organised players and the susceptibility of its profitability to volatility in raw material prices. Further, it is exposed to unpredictable monsoon patterns, which may adversely impact the demand for submersible pumps, its major revenue earner. Owing to the limited liability partnership structure, risks of capital withdrawal exist, as observed in the last few years. The extent of capital withdrawals will remain a key rating monitorable from the perspective of liquidity management and growth of net worth, and its aggregate impact on the credit profile of the entity.

The Stable outlook on the [ICRA]A+ rating reflects ICRA's opinion that the firm will continue to record a healthy growth in revenues and earnings supported by capacity enhancements and stable demand.

Key rating drivers and their description

Credit strengths

Extensive experience of partners and established track record of operations – Lubi was set up by the Amin and Porecha families, who have been involved in manufacturing various centrifugal and submersible pump sets since 1968, through promoter-owned Group entities. These Group entities were amalgamated into Lubi Industries Pvt. Ltd., which was subsequently converted into a Limited Liability Partnership (LLP), namely Lubi Industries LLP, from February 2013. Lubi has an established track record of operations in the pump industry and is a leading player in the water pump segment. The partners have extensive experience of nearly five decades in the industry.

Diverse product profile in pumps segment with operating efficiency supported by end-to-end, in-house manufacturing; wide distribution network – Lubi manufactures a diverse range of products (submersible pumps, centrifugal mono-block pumps and others) and its operations are supported by end-to-end, in-house manufacturing facilities (including foundry, electrical laminations, insulated copper wires, etc.) along with in-house technical and product development capabilities. Further, Lubi has enhanced its casting capacity by setting up an additional foundry unit in FY2024, which has further supported the product quality and cost structure. Lubi has a strong, pan-India distribution network of more than 2,500 dealers, supported by 22 branches and 46 exclusive distributors. Lubi remains a predominantly domestic player with export sales driving ~20-22% of its total revenues over the past years.

Healthy growth in top line, comfortable capital structure and healthy coverage indicators – Lubi's operating income (OI) witnessed a steady growth over the years, with a CAGR of around 14% for the past five years. It reported revenues of Rs. 1,561.9 crore in FY2025. The total debt of the firm stood at Rs. 454.4 crore majorly comprising working capital debt of around Rs. 325.6 crore, term loan of Rs. 26.6 crore, with the rest being interest bearing unsecured loans (from promoter/ family), as on March 31, 2025. The firm's capital structure remained comfortable with a gearing of 0.7 times as on March 31, 2025. The debt coverage indicators also remained strong, with an interest coverage of 7.9 times and total debt/ OPBDITA of 1.6 times, as of March 2025. Further, the capital structure and debt coverage indicators are expected to remain healthy in the near to medium term on the back of healthy profitability levels.

Credit challenges

Susceptible to volatility in raw material prices and intense competition - Lubi's key raw materials are metals (copper, steel), which account for 40-50% of its total raw material cost. Thus, any adverse movement in their prices affects its margins, given the stiff competition from organised and unorganised players, limiting its flexibility to fully pass on such price movements. The firm has been taking periodical revision in prices to counter such price rises in raw materials and would resort to further hikes in the future, as and when needed. The firm also benefits from its brand image, in-house casting, technically advanced product portfolio and after-sales services.

Increased working capital intensity resulting from high inventory levels – Lubi's working capital intensity (NWC/OI) increased over the past two years to 42.2% as on March 31, 2025 from 30.1% as on March 31, 2023, primarily because of increased inventory (172 days as on March 31, 2025 compared to 143 days as on March 31, 2023) stocking to cater to the high demand during pre-monsoon months and faster payout to creditors (51 days as on March 31, 2025 compared to 71 days as on March 31, 2023). The increased working capital intensity led to higher working capital borrowings. Going forward, Lubi's operations are expected to remain working capital intensive, given the continued elevated inventory holding.

Risks associated with entity's constitution as a limited liability partnership firm – ICRA notes that Lubi operates as an LLP and there have been steady capital withdrawals by partners over years, thus impacting the overall cashflows and financial profile. While the partners have demonstrated financial support through timely infusions, primarily in the form of capital and unsecured loans, any material withdrawals that weaken the firm's net worth or liquidity profile will remain a rating monitorable.

Liquidity position: Strong

Lubi's liquidity is strong, as indicated by its expected retained cash flows of Rs. 120-130 crore over the next 12 months and around Rs. 100 crore buffer in working capital limits as of July 2025 against repayment obligations of around Rs. 11 crore over the next twelve months. The entity has large debt-funded capex plans of 100-120 crore over the next twelve months, which are expected to be funded through internal accruals and term loans.

Rating sensitivities

Positive factors – ICRA could upgrade the long-term rating if the firm demonstrates a steady improvement in revenues and maintains healthy profitability levels, leading to strong cash accruals. Additionally, material improvement in the working capital intensity on a sustained basis while maintaining its strong liquidity profile will also be positive for the rating.

Negative factors – Pressure on Lubi's ratings could arise if there is any material decline in revenues or profitability thus weakening the cash accruals. Any major debt-funded capex, substantial capital withdrawal or stretched working capital cycle, weakening the debt protection metrics or liquidity on a sustained basis could also trigger a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the issuer.

About the company

Lubi Industries LLP was established in 2013 with the amalgamation of the promoter-owned companies, Lubi Electricals Ltd., Lubi Submersibles Ltd., Lubi Pumps Pvt. Ltd., Paras Textile Mills Pvt. Ltd. and Arvind Iron Pvt. Ltd. The Group, set up by the Amin and Porecha families, has been manufacturing various centrifugal and submersible pump sets since 1968. Its operations are managed by the partners, Mr. Jaymal Amin, Mr. Rajan Porecha, Mr. Rohan Amin, Mr. Ronak Porecha and Mr. Shailesh Porecha, who have extensive experience of four decades in the pump industry.

Lubi is an ISO 9001:2008 and ISO 14001-certified firm and manufactures submersible pumps and pump sets (i.e., pump and motor), centrifugal mono-block pumps, drainage and sewage pumps, pressure booster pumps, firefighting pumps, etc. Its manufacturing facilities are in Ahmedabad and Gandhinagar (Gujarat) with a production capacity of around 8,00,000 units per annum. It has developed over 5,000 varieties of pumps and products over the years, which are marketed under the brand name, Lubi, through its established network of over 2,500 dealers, more than 1,000 authorised service centres, 46 distributors and 22 branches across the country.

Key financial indicators (audited)

	FY2024	FY2025
Operating income	1,346.3	1,561.9
PAT	132.2	151.1
OPBDIT/OI	17.9%	18.6%
PAT/OI	9.8%	9.7%
Total outside liabilities/Tangible net worth (times)	1.2	1.0
Total debt/OPBDIT (times)	1.5	1.6
Interest coverage (times)	8.3	7.9

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Sep 19 2025	Date	Rating	Date	Rating	Date	Rating
Fund Based – Term Loan	Long term	50.00	[ICRA]A+ (Stable)	Jun 28, 2024	[ICRA]A+ (Stable)	Apr 04, 2023	[ICRA]A+ (Stable)	Nov 14, 2022	-
Fund Based – Cash Credit	Long term	360.00	[ICRA]A+ (Stable)	Jun 28, 2024	[ICRA]A+ (Stable)	Apr 04, 2023	[ICRA]A+ (Stable)	Nov 14, 2022	[ICRA]A+ (Stable)
Fund Based – Working Capital Demand Loan	Long term	-	-	Jun 28, 2024	[ICRA]A+ (Stable)	Apr 04, 2023	[ICRA]A+ (Stable)	Nov 14, 2022	[ICRA]A+ (Stable)
Fund Based – Working Capital Demand Loan^	Long term	-	-	Jun 28, 2024	[ICRA]A+ (Stable)	Apr 04, 2023	[ICRA]A+ (Stable)	Nov 14, 2022	[ICRA]A+ (Stable)
Interchangeable – Non-Fund-Based – EPC^^	Short term	(35.00)	[ICRA]A1+	Jun 28, 2024	[ICRA]A1+	Apr 04, 2023	[ICRA]A1+	Nov 14, 2022	[ICRA]A1+
Interchangeable – Bank Guarantee^	Short term	(50.00)	[ICRA]A1+	Jun 28, 2024	[ICRA]A1+	Apr 04, 2023	[ICRA]A1+	Nov 14, 2022	[ICRA]A1+
Interchangeable – Letter of Credit^	Short term	(42.00)	[ICRA]A1+	Jun 28, 2024	[ICRA]A1+	Apr 04, 2023	[ICRA]A1+	Nov 14, 2022	[ICRA]A1+
Short Term Interchangeable – Other^**	Short term	1.00	[ICRA]A1+	Jun 28, 2024	[ICRA]A1+	Apr 04, 2023	[ICRA]A1+	Nov 14, 2022	[ICRA]A1+
Short Term – Fund Based – Working Capital Demand Loan	Short term	90.00	[ICRA]A1+	-	-	-	-	-	-
Short Term – Fund Based – Working Capital Demand Loan^	Short term	(360.00)	[ICRA]A1+	-	-	-	-	-	-

^Sub-limit of Cash Credit; ^^EPC/PCFC/FBP/FBD/EBR; **LER: Loan Equivalent Risk

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund Based – Term Loan	Simple
Long Term – Fund Based – Cash Credit	Simple
Short Term Interchangeable – Non-Fund-Based – EPC^^	Very Simple
Short Term Interchangeable – Bank Guarantee^	Very Simple
Short Term Interchangeable – Letter of Credit^	Very Simple
Short Term Interchangeable – Other^**	Very Simple
Short Term – Fund Based – Working Capital Demand Loan	Simple
Short Term – Fund Based – Working Capital Demand Loan^	Simple

[^]Sub-limit of Cash Credit; ^{^^}EPC/PCFC/FBP/FBD/EBR; ^{**}LER: Loan Equivalent Risk

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund Based – Term Loan	July 2022	NA	July 2027	50.00	[ICRA]A+ (Stable)
NA	Fund Based – Cash Credit	NA	NA	NA	360.00	[ICRA]A+ (Stable)
NA	Interchangeable – Non-Fund-Based – EPC^^	NA	NA	NA	(35.00)	[ICRA]A1+
NA	Interchangeable – Bank Guarantee^	NA	NA	NA	(50.00)	[ICRA]A1+
NA	Interchangeable – Letter of Credit^	NA	NA	NA	(42.00)	[ICRA]A1+
NA	Short Term Interchangeable – Other^**	NA	NA	NA	(1.00)	[ICRA]A1+
NA	Short Term – Fund Based – Working Capital Demand Loan	NA	NA	NA	90.00	[ICRA]A1+
NA	Short Term – Fund Based – Working Capital Demand Loan^	NA	NA	NA	(360.00)	[ICRA]A1+

Source: Company; ^Sub-limit of Cash Credit; ^^EPC/PCFC/FBP/FBD/EBR; **LER: Loan Equivalent Risk

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Annexure II: List of entities considered for consolidated analysis – Not applicable

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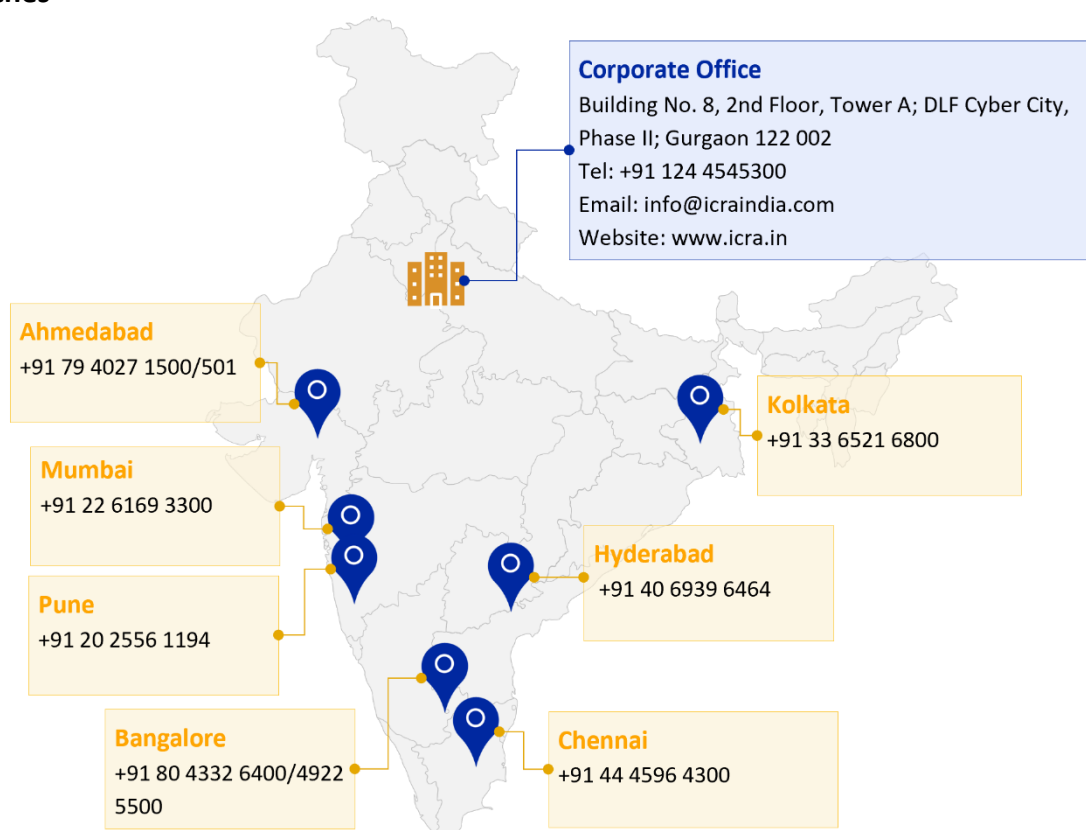
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