

April 28, 2026

## Parveen Industries Private Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based - Cash credit	25.00	39.00	[ICRA]BBB+ (Stable); reaffirmed
Short term - Non-fund based - Others	18.75	28.75	[ICRA]A2; reaffirmed
Long term - Fund based - Term loan	6.28	6.21	[ICRA]BBB+ (Stable); reaffirmed
Long term/Short term - Unallocated	24.97	1.04	[ICRA]BBB+ (Stable)/ [ICRA]A2; reaffirmed
<b>Total</b>	<b>75.00</b>	<b>75.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

The rating reaffirmation reflects Parveen Industries Private Limited's (PIPL) established market position in the supply of equipment to the oil and gas industry, backed by its reputed customer base comprising leading global oilfield services companies. The ratings also factor in the company's robust financial risk profile, supported by a comfortable capital structure, healthy scale of operations and strong debt coverage metrics. There has been a healthy expansion in PIPL's scale of operations over the last few years, with revenues estimated at around Rs. 585 crore in FY2026. While the profitability moderated in FY2025 and FY2026, the operating margins are expected to remain healthy in the range of 12–13%. The capital structure remained comfortable, with gearing at 0.2 times and an interest coverage ratio of 15.6 times in FY2025. The debt protection metrics are expected to remain healthy over the medium term, supported by stable cash accruals.

The ratings, however, are constrained by PIPL's elevated working capital intensity due to the high inventory holding requirements and sizeable receivables as well as the vulnerability of the operating margins to fluctuations in raw material prices, primarily steel. The company's revenue growth also remains exposed to the investment cycle of the oil exploration and production (E&P) industry, evident from the decline in operating income (OI) in the past.

Further, the ratings also take into account the vulnerability of the company's operations to foreign exchange fluctuations, given the high share of the exports. However, the risk is partly mitigated by the natural hedge provided by the import of a portion of the raw material requirements.

The Stable outlook on the long-term rating reflects ICRA's expectation that PIPL is likely to sustain its operating metrics. Further, the outlook underlines ICRA's expectation that the entity's incremental capex, which will help expand the product portfolio and capacity, will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

## Key rating drivers and their description

### Credit strengths

**Established track record and vast experience of promoters in manufacturing oil and gas equipment** - PIPL and its promoters have considerable experience in manufacturing oil and gas equipment used in the exploration and production (E&P) industry. The company has a proven track record and an established market position in the supply of this equipment, both in the domestic and international markets. Also, PIPL and its subsidiaries benefit from an experienced and technically qualified management personnel, supported by its in-house R&D facilities which aid product development.

**Healthy financial risk profile with comfortable capital structure and debt protection metrics** - The company's scale of operations improved to Rs. 605.7 crore in FY2025 from Rs. 523.6 crore in FY2024, a year-on-year (YoY) growth of 15.7%. The consolidated revenue for FY2026 is expected at ~Rs. 585 crore. While the profitability moderated in FY2025 and FY2026, the operating margins are expected to remain healthy at 12–13%. The financial profile continues to be supported by a comfortable capital structure and healthy debt coverage metrics, with a gearing of 0.2 times as on March 31, 2025, owing to a strong net worth, and an interest coverage ratio of 15.6 times. The debt protection metrics are expected to remain healthy over the medium term, supported by stable cash accruals.

**Reputed customer base with repeat orders** - The company's customer base includes some of the largest domestic and global oilfield services companies such as Oil and Natural Gas Corporation Limited (ONGC), Oil India (OIL), Reliance India Limited, Imax solutions, Forum US etc. While PIPL does not have long-term contracts with these customers, it continues to receive repeat orders from them, given its established track record of supply.

### Credit challenges

**Working capital-intensive operations** - The working capital requirement remains elevated because of an elongated receivable period and high inventory requirement, reflected in a net working capital intensity (NWC/OI) of 57% in FY2025 (PY 61%). Moreover, a substantial portion of the debtors remain due for more than six months. However, both the receivables and inventory have come down in FY2025 vis-à-vis FY2024 and are expected to remain broadly at the FY2025 levels in FY2026 as well.

**Exposed to foreign exchange and input price fluctuation risks** - The company remains exposed to the volatility in foreign exchange rates, given the high share of exports in the revenue mix. This risk is partly mitigated by the import of a portion of its raw material requirement, providing a natural hedge. The major raw materials are procured through a mix of imports and domestic sourcing, making the operations vulnerable to risks related to availability and adverse price movements. Steel is the primary raw material, with the prices exhibiting cyclical volatility over time. Further, the company largely operates under fixed-price contracts without price escalation clauses, which heightens the vulnerability of the operating margins to sharp movements in input costs.

**Vulnerability to cyclical nature of oil and gas exploration & production (E&P) industry** - PIPL's products are used in the E&P industry, hence, the demand remains vulnerable to the cyclical nature in capital expenditure in the E&P segment, which is again closely linked to the prevailing and expected crude oil prices. While the outlook for the segment remains stable at present, demand for the company's products continues to be vulnerable to the cyclical nature in E&P capex. Further, the increasing global focus on decarbonisation poses a long-term threat to the E&P investment cycle. However, the dependence on fossil fuels, particularly crude oil, is expected to remain significant in the near to medium term. This, along with PIPL's long and established track record in the industry, is expected to support the demand prospects.

### Liquidity position: Adequate

PIPL's liquidity profile is expected to remain adequate with average utilisation of 82% for the last 16 months ended March 2026. The entity has free cash of around Rs. 5.14 crore and undrawn working capital limits of around Rs. 6.78 crore as on

March 31, 2026. The expected cash flow from operations is likely to remain adequate to service the repayment obligation of Rs. 9.56 crore in FY2027. The entity is expected to incur a capex of around Rs. 25 crore in FY2027, which will be largely met through internal accruals.

## Rating sensitivities

**Positive factors** – ICRA could upgrade the ratings if the company demonstrates a sustained improvement in its working capital cycle (debtors and inventory), while maintaining healthy revenues, profitability margins and debt metrics.

**Negative factors** – ICRA may downgrade the ratings if any significant decline in the scale or profitability weakens the key credit metrics, or if a stretch in the working capital cycle or a large debt-funded capex adversely impacts the liquidity profile.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	ICRA has consolidated the financials of PIPL. Refer to Annexure III for the list of entities considered for consolidation

## About the company

PIPL, incorporated in 1960, was initially engaged in the manufacturing of steel pipes for buildings and power plants. In 1974, the company diversified into the manufacturing of oilfield equipment. The company has seven manufacturing facilities in India across Delhi, Haryana and Maharashtra.

The company is promoted by founder member Mr. Parveen Kumar Gupta, along with Mr. Sanjeev Kumar, Mr. Prakash Kumar and Mr. Prabhat Kumar. The promoters have extensive experience in the oilfield equipment business, gained through their long-standing association with PIPL and other entities operating in similar lines of business.

The company has two subsidiaries - American Completion Tools in the US and Aquaeva Chemtech Private Limited (ACPL) in India – and an associate entity, Gulf Well Solutions, in the UAE. The foreign subsidiaries are involved in the same line of business as PIPL, while ACPL is engaged in the manufacturing of water-treatment chemicals, primarily catering to the export market.

## Key financial indicators (audited)

PIPL (Consolidated)	FY2024	FY2025
Operating income	523.6	605.7
PAT	68.5	37.2
OPBDIT/OI	19.8%	12.8%
PAT/OI	13.1%	6.1%
Total outside liabilities/Tangible net worth (times)	0.4	0.4
Total debt/OPBDIT (times)	0.3	1.1
Interest coverage (times)	33.0	15.6

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 rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	Apr 28,2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
<b>Fund-based-Cash credit</b>	Long term	39.00	[ICRA]BBB+ (Stable)	-	-	Jun 27, 2024	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	Apr 26, 2023	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
				-	-	Jan 02, 2025	[ICRA]BBB+ (Stable)	-	-
<b>Unallocated limits-Unallocated limits</b>	Long term/Short term	1.04	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	Jun 27, 2024	[ICRA]B+ (Stable)/ [ICRA]A4 ISSUER NOT COOPERATING	Apr 26, 2023	[ICRA]B+ (Stable)/ [ICRA]A4 ISSUER NOT COOPERATING
				-	-	Jan 02, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-
<b>Fund-based-Term loan</b>	Long term	6.21	[ICRA]BBB+ (Stable)	-	-	Jan 02, 2025	[ICRA]BBB+ (Stable)	-	-
<b>Non-fund based - Others</b>	Short term	28.75	[ICRA]A2	-	-	Jun 27, 2024	[ICRA]A4 ISSUER NOT COOPERATING	Apr 26, 2023	[ICRA]A4 ISSUER NOT COOPERATING
				-	-	Jan 02, 2025	[ICRA]A2	-	-

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI

16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)
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(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based - Cash credit	Simple
Short term - Non-fund based – Others	Simple
Long term - Fund based - Term loan	Simple
Long term/Short term -Unallocated	NA

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 II: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term – Fund based – Cash credit	NA	NA	NA	39.00	[ICRA]BBB+ (Stable)
NA	Long term - Fund based - Term loan - 1	Mar 2024	9.50%	Mar 2029	5.53	[ICRA]BBB+ (Stable)
NA	Long term - Fund based - Term loan - 2	Apr 2022	9.40%	Apr 2029	0.68	[ICRA]BBB+ (Stable)
NA	Short term – Non-fund based - Others	NA	NA	NA	28.75	[ICRA]A2
NA	Long term/Short term – Unallocated - Unallocated	NA	NA	NA	1.04	[ICRA]BBB+ (Stable)/[ICRA]A2

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure III: List of entities considered for consolidated analysis**

Company name*	Ownership	Consolidation approach
American Completion Tools, USA	99.99%	Full consolidation
Gulf Well Solutions, UAE	25%	Equity method
Aquaeva Chemtech Private Limited, India*	92.60%	Full consolidation

\*Ownership as on March 31, 2025, and expected to be operational from FY2028

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## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

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