

Welspun DI Pipes Limited (Revised)

April 25, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	125.00	CARE AA-; Stable	Assigned
Long Term Bank Facilities	250.00	CARE AA-; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	185.00 (Reduced from 310.00)	CARE AA-; Stable / CARE A1+	Reaffirmed
Short Term Bank Facilities	65.00	CARE A1+	Reaffirmed
Long Term Bank Facilities	378.00	CARE AA (CE); Positive	Reaffirmed

Details of instruments/facilities in Annexure-1.

@ The ratings are based on credit enhancement (CE) in the form of unconditional and irrevocable corporate guarantee from Welspun Corp Limited (WCL, rated CARE AA; Positive/ CARE A1+)

Unsupported rating	CARE AA- (Reaffirmed)
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Note: Unsupported rating does not factor in the explicit credit enhancement.

Rationale and key rating drivers for credit enhanced debt

The reaffirmation of the ratings assigned to the bank facilities of Welspun DI Pipes Limited (WDI) factors in the credit enhancement (CE) in the form of an unconditional and irrevocable corporate guarantee (CG) extended by Welspun Corp Limited (WCL; CARE AA; Positive/ CARE A1+) towards the timely servicing of debt obligations. The above rating is solely based on CARE Ratings Limited's (CARE Ratings') view of the guarantor's (WCL's) credit profile, and accordingly, the rating rationale highlights the credit risk assessment parameters for the guarantor. The rating for WCL has been reaffirmed as per PR dated Sep 06, 2024, while outlook revised from Stable to Positive.

CARE Ratings expects WCL to efficiently manage WDI to enable the latter to maintain adequate funds to meet the payment obligations in a timely manner.

Rationale and key rating drivers of WCL

The reaffirmation of the ratings of the bank facilities and instruments of Welspun Corp Limited (WCL) continues to factor in its strong business risk profile, supported by its dominant position in the steel pipe business with a diverse geographical presence in India, the US, and Saudi Arabia.

The 'positive' rating outlook factors in the strong cash generation and improvement in debt coverage ratios due to first full year of operations at the newly commissioned DI plant and acquired entities (Sintex-BAPL). Going ahead as well, CARE Ratings Limited (CARE Ratings) expects that the momentum will be maintained on the back of the healthy order book position and improvement in profit margins, primarily from DI Pipes segment. Additionally, strong reinvestments have also aided in improving in the financial health indicators, which had moderated during FY23 due to the debt availed for the capex and the acquisition.

The ratings further consider the strong order book position as on Dec 31, 2024, at 0.866 million metric tonnes (MMT) for line pipes at both India and USA, 0.336 MMT for DI pipes and 4,221 metric tonnes for stainless steel (SS) bars/pipes. This translates

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

into cumulative order book of more than ₹15,000 crore as on Dec 31, 2024, thus providing medium-term revenue visibility. The order book across geographies has aided the group in diversifying its revenue profile over the years.

In FY24 (FY refers to the period April 01 to March 31), WCL reported a total operating income (TOI) of ₹17,319 crore and Profit before interest, lease rentals, depreciation and taxation (PBILDT) of ₹1,541 crore (excludes Saudi operations as an associate). The performance has been robust for FY24 with net sales climbing 74% YoY, alongside volume demand surging 82%, coupled with moderate decline in the sales realization of 8%. The decline in sales realization was due to fall in the commodity prices of steel. The company has also increased its PBILDT/tonne (for steel) by 68% during FY24 due to the first full year of operations of DI Pipes and TMT bar, further aided by one large order execution in the USA. Even during 9MFY25, the PBILDT/tonne (steel) has remained healthy, aided by high margins in DI Pipes business. The increased proportion of relatively higher value-added segment like DI Pipes and SS pipes segment to support the profitability margins going ahead.

Additionally for the Saudi Arabia operations (held via JV with ~26.5% stake), TOI and PBILDT was ₹ 3431 crores and ₹ 720 crores respectively for FY24. Within this entity as well, there is clear visibility for medium-term revenues due to having confirmed order book of more than 2.5 years catering to Oil & gas and water segment.

The capital structure has improved marked by overall gearing and total debt (TD) to gross cash accruals (GCA), stood at 0.61x and 2.01x, respectively, as on March 31, 2024, recovering from 1.03x and 9.85x, respectively, as on March 31, 2023. The majority of the debt has been availed for the capex for PI, DI pipes and the TMT Bars manufacturing facility and acquisitions. Further, the liquidity profile of WCL is strong supported by cash and investments in bonds, mutual funds (MFs) and government securities of ₹2,130 crore as on Dec 31, 2024 (₹1,479 crore as on March 31, 2024). Though we expect the debt coverage ratios to moderate in the medium term with further capex being planned in the Sintex and DI Pipes segment, this is expected to be done in a phased manner.

The above rating strengths are offset by the volatility associated with oil and gas industry and steel prices impacting the demand for pipelines, the order book in the line pipe segment, and the regulatory risk in the geographies in which it operates. However, with the current order book, the operations in the US and Saudi Arabia will be occupied for the next 18-24 months, while the operations in India will continue to be benefitted from the government's thrust on initiatives like the 'Nal se Jal' project for the water pipelines and the city gas distribution project for the O&G sector in India. The export markets are currently driven by orders being executed for the Australia and Middle East regions and the prospective orders in the European markets.

Outlook: Positive

The 'Positive' outlook factors in the completion of the ramp-up of the operations at the newly commissioned plant/acquired entities resulting in strong cash accruals. Going ahead as well, CARE Ratings expects that the momentum will be maintained on the back of the healthy order book position and improvement in profit margins, primarily from DI Pipes segment. Additionally, strong reinvestments have also aided in improving in the financial health indicators, which had moderated during FY23 due to the debt availed for the capex and the acquisition. Though we expect the debt coverage ratios to moderate in the medium term with further capex being planned in the Sintex and DI Pipes segment, this is expected to be done in a phased manner.

Key rating drivers of WDI

The reaffirmation of the ratings assigned to the bank facilities of WDI continues to factor the improvement in the standalone credit profile of WDI, owing to strong profit generation and improvement in the debt coverage ratios for the entity. Additionally, the rating continues to consider the strategic importance of WDI for WCL in terms of foray into the DI pipes segment, thereby

expanding its product portfolio and reducing reliance on revenue from the line pipes business going forward. The rating also considers the operational linkages given that the pig iron/hot metal required for production of DI pipes is supplied by WCL, via the in-house pig iron facility.

WDI commenced commercial production from December 2022. Though stabilisation took higher time, than envisaged, the production ramped up to the optimum levels since Q3FY24. The company has delivered volumes of 2.01 Lakh tonnes with net sales of Rs. 1366 crores during FY24. The momentum continued in 9MFY25, as the company sold 1.96 Lakh tonnes with net sales of Rs. 1,548 crores. The company has received BIS certification for its products in various states and has been supplying DI pipes to customers like municipal bodies and EPC players.

On per tonne basis, PBILDT came at Rs. 11,085/tonne in FY24 and Rs. 18,744/tonne for 9MFY25. The interest coverage ratio and total debt/GCA have improved to 4.47x and 2.82x respectively for FY24. As on Dec 31, 2024, the company has an order book to supply 3.36 Lakh metric tonnes of DI pipes valued at Rs. 2,710 crores to be executed in the next few quarters, which provides comfort in terms of revenue visibility over the short-medium term period.

The rating remains exposed to the challenges in terms of dependence on the projects announced by the govt and susceptibility to the volatility in the prices of input raw materials. Additionally, the market for DI Pipes is quite organised with presence of established players, resulting in high competition.

Outlook: Stable

CARE Ratings expects that the momentum in terms of revenue and profitability will be maintained on the back of the healthy order book position and continuation of strong profit margins. Even after factoring the debt-funded capex for the ongoing capacity expansion from 4 Lakh TPA to 6 Lakh TPA, CARE Ratings expects the debt coverage ratios to be within comfortable range.

Rating sensitivities of WCL: Factors likely to lead to rating actions.**Positive factors- Factors likely to lead to positive rating action**

- WCL's ability to improve its consolidated operating profitability margin to more than 10% on a sustained basis.
- Low leveraged capital structure, with overall gearing (including the corporate guarantee [CG]) not more than 0.30x.
- Sustenance of return on capital employed (ROCE) above 25% and improvement in the interest coverage ratio (ICR) above 8.00x.

Negative factors - Factors likely to lead to negative rating action

- Lower than envisaged decline in the order-book position of the company.
- On a consolidated basis, Profit before interest, lease rentals, depreciation and taxation (PBILDT) per tonne for steel pipes business below ₹ 7000/tonne on sustained basis.
- Increase in the adjusted overall gearing (including CG) above 1.10x
- Net debt/PBILDT of more than 2.25x over the next 12-18 months.

Rating sensitivities of WDI: Factors likely to lead to rating actions**Positive factors- Factors likely to lead to positive rating action**

- Significant improvement in the operating cash flows, resulting out of improvement in profitability and scale of operations on a sustained basis.
- Improvement in credit profile of Welspun Corp Limited

Negative factors - Factors likely to lead to positive rating action

- Slow moving orders or delays in orders from govt. resulting in stretching of the working capital cycle.
- Reduction in PBILDT/tonne below Rs. 9000/tonne on sustained basis.
- Higher leverage, resulting in net debt/PBILDT beyond 2.5x on sustained basis.
- Deterioration in credit profile of Welspun Corp Limited

Analytical approach:

For credit-enhanced debt: The rating to the bank facilities of WDI factors in the CE in the form of an unconditional and irrevocable corporate guarantee extended by WCL towards timely servicing of debt obligations.

Unsupported/Standalone rating: Standalone. Furthermore, the operational, financial and management linkages with WCL have been considered while arriving at the ratings. Resultantly, CARE Ratings has applied parent notching framework for arriving at the ratings.

Detailed description of key rating drivers:**Key strengths of WCL****Strong business risk profile**

WCL is one of the dominant players in the steel line pipe business, with an established track record of over two decades and demonstrated capabilities in the supply of line pipes for complex projects in the O&G as well as water segments. WCL has a global line pipe production capacity of around 2.155 million tonne per annum (MTPA), with an aggregate capacity of 1.255 MTPA at three locations across India and 0.525 MTPA capacity in the US. Additionally, DI Pipes and TMT bars capacity stood at 0.4 MTPA each, while 0.15 MTPA stainless steel bars capacity. Furthermore, 0.375 MTPA line pipes capacity operated through a JV in Saudi Arabia (~26.5% stake), which is consolidated under equity method. In FY24, the company sold 1.32 MMT of finished steel products of which line pipes was 0.98 MMT, DI pipes was 0.21 MMT and the remainder being TMT bars and stainless-steel bars/pipes. Over the years, the company has established strong relationships with reputed overseas and domestic customers with execution of multiple complex and large size orders. The requirement of sophisticated infrastructure in such business results in high entry barriers for new players, thereby limiting the competition, and thus, strengthening WCL's business risk profile.

Satisfactory order book position, providing medium-term revenue visibility

WCL's globally confirmed order book position as on Dec 31, 2024 stood at 0.866 million metric tonnes (MMT) for line pipes at both India and USA, 0.336 MMT for DI pipes and 4,221 metric tonnes for stainless steel (SS) bars/pipes. This translates into cumulative order book of more than ₹15,000 crore as on Dec 31, 2024, thus providing medium-term revenue visibility. In addition to the above, the company has an active bid book, with orders in the O&G and water segments. For the Indian market, the demand for large-diameter pipes in the O&G segment is mainly driven by gas grid development and the oil pipeline network by domestic oil companies, while the demand for small-diameter pipes is driven by city gas distribution (CGD) projects. The US operations entirely supply to the O&G segment, while in Saudi Arabia, the order book is mainly driven by water orders from Saline Water Conversion Corporation (SWCC). The order book across geographies has aided the group in diversifying its revenue profile over the years.

Strong performance alongside profitability boost

In FY24, WCL reported a TOI of ₹17,319 crore and a PBILDT of ₹1,541 crore. The performance has been robust for FY24 with net sales climbing 74% YoY, alongside volume demand surging 82%, coupled with moderate decline in the sales realization of 8%. The decline in sales realization was due to fall in the commodity prices of steel. The company has also increased its PBILDT/tonne (for steel) by 68% during FY24 due to one large order execution in USA, further aided by first full year of operations

of DI Pipes and TMT bar plants. The increased proportion of relatively higher value-added segment like DI Pipes and SS pipes segment to support the profitability margins going ahead.

Positive momentum for debt coverage ratios for FY24 due to strong cash accruals

The financial risk profile, marked by overall gearing and total debt (TD) to gross cash accruals (GCA), stood at 0.61x and 2.01x, respectively, as on March 31, 2024, recovering from 1.03x and 9.85x, respectively, as on March 31, 2023. The majority of the debt has been availed for the capex for PI, DI pipes and the TMT Bars manufacturing facility and acquisitions. The term loans taken for capex have reduced from ₹ 2,083 crores as on Mar 31, 2023 to ₹ 1,533 crores as on Mar 31, 2024. Additionally, non-convertible debentures (NCD) amounting to ₹ 200 crores and redeemable preference shares (held by shareholders of erstwhile of Welspun Steel Ltd) amounting to ₹ 351 crores have both been redeemed upon maturity. Strong gross cash accruals of ₹ 1,622 crores and reduction in surplus cash & liquid investments during FY24 have helped with this deleveraging. The rest of the debt obligations comprise majorly LC (Letter of credit) acceptances and working capital borrowings.

Strong revenue generation from the foray into ductile iron pipes and further capex plans.

WCL completed its capex of DI pipes and TMT bars under its subsidiaries Welspun Di Pipes Limited (WDL), Welspun Metallics Limited (WML), and Anjar TMT Steel Private Limited (Anjar-TMT) in FY23. The projects were commissioned for commercial operations in December 2022. The project cost of ₹2,500 crore had been funded through a debt of ₹1,650 crore and the balance through equity. Under TMT bars, the company rolls steel billets supplied by WCL or purchased from outside into TMT bars and sells it to dealers or retailers. For FY24, the company has sold TMT bars of 1.2 Lakh metric tonnes for ₹621 crore.

For the DI pipes business, the stabilisation took time, but has been operating at optimum capacity utilisation during FY24, having delivered PBILDT/tonne upwards of ₹ 11,085 per tonne during first full year of operations in FY24. The hot metal or pig iron required for DI pipes production is captively generated resulting in better margins. Given the response, the company has been undertaking further capex in DI pipes both domestically and in Middle East. Cumulatively, this capex is around ₹ 800 crores of which the domestic capex is already being undertaken, while the overseas capex is expected to be done in modular manner, basis the demand scenario.

Separately on the plastics business, SBAPL (Sintex BAPL) acquired in FY23 has been ramped up with revenues of ₹ 636 crores during FY24 as the operations stabilised. However, the company has announced large capex within this subsidiary to increase the domestic presence in the plastic pipes segment. Majority of the capex going over the next 3 years has been towards plastic products and DI pipes.

Key weaknesses of WCL

Susceptible to slowdown in end-user industries and to government policies

WCL derives more than 50% of its revenue from the O&G segment. The significant volatility in crude prices can question the viability of new explorations, thereby impacting the demand for line pipes in the O&G segment. The revival of new projects in the O&G segment in the key markets of the US and the Middle East is critical to sustain the improvement in the overall operations. Any major and continued slowdown in end-user industries will weaken the demand for line pipes and impact the performance. Furthermore, the operations remain exposed to government policies and regulations in the geographies it operates.

Foreign exchange fluctuation risk & commodity price risk

WCL uses forward contracts to hedge its risk associated with foreign currency fluctuations related to certain firm commitments and highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. More than 85% of the raw material costs is HR coils/plates including some proportion of iron ore/pellets and coal. The Company partly mitigates the commodity price risk by having pre-tender tie-ups with some of the steel suppliers at the time of bidding for a project or tender on price as well as quantity allocation. On being declared a successful bidder, the Company immediately confirms its order of steel to the suppliers.

Key strengths of WDI**Strategic importance of WDI for the Welspun group**

WDI, a wholly owned subsidiary of WCL was conceived with the idea to cater to the upcoming opportunities in the domestic water segment as well as provide WCL with an alternative source of revenue with new product offerings in the form of DI pipes and provide some sort of earnings predictability in its project-driven business. The total project cost (includes WDI & WML) of ₹2,200 crore has been funded through a debt of ₹1,525 crore and equity of ₹675 crore. WDI has strong operational linkages with WCL in terms of raw material supply and supply-chain management. The pig iron/hot metal required for production of DI pipes is supplied by WCL, via the in-house pig iron facility.

Relevant experience of the promoter group in selling and marketing of steel products

WCL has relevant experience and an established track record of two decades in the selling and marketing of steel products. WDI has been leveraging on the in-house expertise of the promoter to market their own products. WCL's strong relations with the suppliers and the timely supply of good raw materials for the smooth running of operations at WDI will remain a key rating monitorable.

Prime location with raw material integration and good logistics connectivity via sea and road

Anjar is strategically located with access to the North, Central and Western India. Furthermore, nearness to the port gives it an added advantage of economics for the export and import of products and raw materials, respectively. WDI's unit is situated in a developed industrial area and is a part of Welspun City, an integrated township spread over 2,500 acre. The bulk of the supply of key raw materials from the pig iron facility has been consumed captively by WDI. The availability of raw materials like coking coal has not been a challenge due to the proximity to the port, while iron ore being procured both from domestic markets and imports.

Satisfactory profit generation and medium-term revenue visibility

The capacity has been operated at optimum capacity over FY24, delivering volumes of 2.01 Lakh tonnes with net sales of Rs. 1366 crores. The momentum continued in 9MFY25, as the company sold 1.96 Lakh tonnes with net sales of Rs. 1,548 crores. As on Dec 31, 2024, the company has an order book to supply 3.36 Lakh metric tonnes of DI pipes valued at Rs. 2,710 crores to be executed in the next few quarters, which provides comfort in terms of revenue visibility over next few quarters. The profits have been relatively strong with PBILDT/tonne at Rs. 11,085/tonne in FY24 and Rs. 18,744/tonne for 9MFY25. Just within the first full year of operations, the standalone debt coverage ratios have reached within satisfactory range. The interest coverage ratio and total debt/GCA have come in at 4.47x and 2.82x for FY24.

Key weaknesses of WDI**New entrant in a highly competitive and organised market with the presence of established players**

WDI is a new entrant in the DI pipe market, which is being dominated by large players with strong promoter backing. The decreasing share of unorganised players in the sector amid consolidation makes the industry structure less fragmented as compared to steel. WDI is targeting the upcoming Government of India (GoI) projects in the water segment. Any delays or slow roll out in the government projects may lead to low revenue generation and subdued profitability margins.

Liquidity for WCL: Strong

The liquidity profile of WCL is supported by cash and investments in bonds, mutual funds (MFs) and government securities of ₹2,130 crore as on Dec 31, 2024 (₹1,479 crore as on March 31, 2024). The gross cash accruals along with the available cash & liquid investments is sufficient to meet its debt obligations for FY25 and FY26. The operating cycle has been relatively high around 2-3 months usually and was 73 days for FY24, inherent to the nature of the business. Further, the company has quoted investments in its subsidiary- Welspun Specialty and its associate firm- East Pipes Integrated Company (EPIC), Saudi Arabia. In the past, the company has monetized divested stake in such listed entity to generate cash. For example, stake in EPIC (Saudi Arabia) was sold in FY22 during IPO and further stake reduction in FY24 and FY25. WCL has access to fund-based limits of ₹500 crore, which remained modestly utilized providing sufficient cushion in terms of additional working capital requirements if any.

Liquidity for WDI: Adequate

WDI's liquidity position is derived from the parent-level liquidity strength, which remains strong, supported by cash and cash equivalents of ₹2,130 crore as on Dec 31, 2024, and fund-based limit of ₹500 crore, which remained moderately utilised. On standalone basis, WDI's unencumbered cash and liquid investments stood at Rs. 98.01 crore as on Dec 31, 2024 (15.08 crore as on March 31, 2024). The company is expected to comfortably service the debt obligations from the internal accruals on standalone basis. However, additional comfort on the liquidity front is drawn from the need-based support from WCL as indicated by loans from related parties at Rs. 33.97 crores as on Mar 31, 2024.

Assumptions/Covenants Not applicable

Environment, social, and governance (ESG) risks

	Risk factors
Environmental	<p>Energy consumption and renewable transition: Moderate Electricity consumption has been 11.73 Lakh GJ. For the energy requirement, 99.8% reliance on non-renewable energy sources. Though the share of renewable power source is low currently, WCL has targeted 20% renewable energy mix by 2030. Installation of 2 MW of solar at Bhopal and 0.97 MW at Anjar works is in progress. But the major improvement in renewable mix is expected to come from setting up of 42 MW renewable project in collaboration with other group entities expected to be operational in 2026.</p> <p>Environmental emissions: High Total scope 1 & scope 2 GHG emissions has been 2.02 million CO2e. The increased emissions are due to inclusion of operations of metallics division (manufacturing of pig iron).</p> <p>Solid Wastage & recycling: Moderate Hazardous chemical waste at 234 metric tonnes in FY24. Mild steel scrap is sent to third party for recycling and co-processing. While Hazardous waste is carefully managed by authorized vendors designated by the pollution control board for co- processing/disposal.</p> <p>Sourcing and climate risks: WCL's Anjar facility falls under a water stress area. The group has setup a 30 MLD Sewage Treatment plant at the Anjar factory, which recycles sewage wastewater from the neighbouring towns, leading to zero intake of freshwater for manufacturing processes. Additionally, WCL's supply chain operations for raw materials and exports are heavily reliant on the Kandla and Mundra ports, where any climate related coastal flooding or any supply chain disruption could impact the operations.</p>
Social	<p>Gender diversity- Low 7% of the total workforce comprises women during FY24. This is due to the manufacturing and labour-intensive operations where the diversity ratio tends to be low. While 2 out of 8 board of directors are women as on June 30, 2024.</p> <p>Attrition rate: High Turnover rate has increased to 20% in FY24 from 16% in FY23 for the permanent employees. While the turnover rate has been moderate at 11% for workers.</p> <p>Safety standards: Adequate All sites are certified for ISO 45001:2018 safety standards. Lost-time injury frequency rate (LTFIR) per million person hours worked stood at 0.32 for employees and nil for workers.</p>
Governance	<p>Board independency- Majority 50% of the board consists of independent directors (4 out of 8) as on June 30, 2024.</p> <p>Participation of board members: Active Attendance rate for all the independent directors for all the meetings and AGM was adequate.</p> <p>Internal financial controls: Adequate. No major adverse remark by auditor.</p>

Note: Refers to FY24 data for Welspun Corp (standalone).

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Rating Credit Enhanced Debt](#)

Adequacy of credit enhancement structure:

The guarantee provided by WCL is unconditional, irrevocable and legally enforceable and binding on guarantor covering the entire tenor of the bank facility.

About the Credit Enhancement Provider- WCL

WCL is the flagship company of the Welspun group. WCL is a welded pipe manufacturing company engaged in offering solutions in line pipes, with a capacity to manufacture longitudinal submerged arc welded (LSAW; used for onshore and offshore oil, gas transmission), spiral helical submerged arc welded pipes (HSAW; used for onshore oil, gas and water transmission), and electrical

resistance welded (ERW; used for downstream distribution of oil, gas and water) pipes. The company also offers coating, bending, and double jointing facilities. WCL has the capacity to manufacture 2.155 MTPA of steel line pipes, with plants located in India and the US, while additional 0.375 MTPA in Saudi Arabia entity (associate company).

To expand its product portfolio from LSAW, HSAW and ERW line pipes, the company has incurred capex to manufacture Ductile Iron pipes (0.4 MTPA) and TMT Bars. Further the company has historically merged the steel business under Welspun Steel Limited, to include DRI, Steel billets, SS Pipes and SS Bars. WCL has entered the plastic/polymer business with the acquisition of Sintex BAPL Ltd.

Brief Consolidated Financials (₹ crore)	FY2023 (A)	FY2024 (A)	9MFY2025 (UA)
Total operating income	9740.78	17318.89	10,053
PBILDT	476.81	1540.62	1,208
PAT	199.17	1136.00	1,203
Overall gearing (times)	1.03	0.61	-
Interest coverage (times)	1.99	5.22	5.20

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'. Note: Financials have been prepared as per CARE Standards.

About the company and industry

Industry classification

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

Welspun DI Pipes Limited (WDI), a 100% subsidiary of Welspun Corp Limited has set up greenfield capacity for manufacturing of ductile iron ("DI") pipes with capacity of 4 Lakh metric tons per annum (MTPA) with diameter ranging from 80mm to 1200 mm along with auxiliary facilities at Anjar, Gujarat. The project started commercial operations since Dec 2022.

Brief Financials (₹ crore)	FY2023 (A)	FY2024 (A)	9MFY2025 (UA)
Total operating income	264.27	1,508.67	1,551
PBILDT	-2.28	222.81	367
PAT	-22.69	102.37	235
Overall gearing (times)	2.55	1.68	-
Interest coverage (times)	-0.20	4.47	8.33

A: Audited UA: Unaudited; Note: these are latest available financial results

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-Cash Credit		-	-	-	250.00	CARE AA-; Stable
Fund-based - LT-Term Loan		-	-	31-03-2031	378.00	CARE AA (CE); Positive
Fund-based - LT-Term Loan		-	-	30-09-2034	125.00	CARE AA-; Stable
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG		-	-	-	185.00	CARE AA-; Stable / CARE A1+
Non-fund-based - ST-BG/LC		-	-	-	50.00	CARE A1+
Non-fund-based - ST-Forward Contract		-	-	-	15.00	CARE A1+
Un Supported Rating-Un Supported Rating (Long Term)		-	-	-	0.00	CARE AA-

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	378.00	CARE AA (CE); Positive	-	1)CARE AA (CE); Positive (20-Sep-24)	1)CARE AA (CE); Stable (21-Sep-23) 2)CARE AA (CE); Negative (06-Jul-23)	1)CARE AA (CE); Negative (24-Jan-23)
2	Un Supported Rating-Un Supported Rating (Long Term)	LT	0.00	CARE AA-	-	1)CARE AA- (20-Sep-24)	1)CARE A+ (21-Sep-23) 2)CARE A+	1)CARE A+ (24-Jan-23)

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
							(06-Jul-23)	
3	Non-fund-based - ST-Forward Contract	ST	15.00	CARE A1+	-	1)CARE A1+ (20-Sep-24)	1)CARE A1 (21-Sep-23) 2)CARE A1 (06-Jul-23)	1)CARE A1+ (CE) (24-Jan-23)
4	Un Supported Rating-Un Supported Rating (Short Term)	ST	-	-	-	1)Withdrawn (20-Sep-24)	1)CARE A1 (21-Sep-23) 2)CARE A1 (06-Jul-23)	1)CARE A1 (24-Jan-23)
5	Fund-based - LT-Cash Credit	LT	250.00	CARE AA-; Stable	-	1)CARE AA-; Stable (20-Sep-24)	1)CARE A+; Stable (21-Sep-23) 2)CARE A+; Stable (06-Jul-23)	-
6	Non-fund-based - ST-BG/LC	ST	50.00	CARE A1+	-	1)CARE A1+ (20-Sep-24)	1)CARE A1 (21-Sep-23) 2)CARE A1 (06-Jul-23)	-
7	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	185.00	CARE AA-; Stable / CARE A1+	-	1)CARE AA-; Stable / CARE A1+ (20-Sep-24)	1)CARE A+; Stable / CARE A1 (21-Sep-23) 2)CARE A+; Stable / CARE A1	-

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
							(06-Jul-23)	
8	Fund-based - LT-Term Loan	LT	125.00	CARE AA-; Stable				

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

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Name of the Instrument	Detailed Explanation
Term Loan	
A. Financial covenants	Not applicable
B. Non-financial covenants	
I. Corporate Guarantee	Un-conditional and irrevocable corporate guarantee of WCL shall be available for the entire tenor of rated bank facilities of WDI.

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan#	Complex
3	Fund-based - LT-Term Loan	Simple
4	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple
5	Non-fund-based - ST-BG/LC	Simple
6	Non-fund-based - ST-Forward Contract	Simple

#Refers to the CE rated term loan sized ₹378 crores.

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE 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

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Ranjan Sharma Senior Director CARE Ratings Limited Phone: +91-22-6754-3453 E-mail: Ranjan.sharma@careedge.in</p> <p>Pulkit Agarwal Director CARE Ratings Limited Phone: +91-22-6754 3505 E-mail: pulkit.agarwal@careedge.in</p> <p>Hitesh Avachat Associate Director CARE Ratings Limited Phone: +91-22-675 43510 E-mail: hitesh.avachat@careedge.in</p>
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