

**WPIL Limited (Revised)**

April 03, 2025

Facilities/Instruments	Amount (₹ crore)	Ratings <sup>1</sup>	Rating Action
Long-term bank facilities	237.21 (Enhanced from 187.21)	CARE A+; Stable	Reaffirmed
Long-term / Short-term bank facilities	813.79	CARE A+; Stable / CARE A1+	Reaffirmed
Short-term bank facilities	2.50	CARE A1+	Reaffirmed
Commercial paper (Carved out)*	15.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

\* carved out of sanctioned working capital limits of the company

**Rationale and key rating drivers**

Ratings assigned to bank facilities and instrument of WPIL Limited (WPIL) continue to derive strength from its established presence in the domestic pump industry, international presence through foreign acquisitions and diversified product portfolio. Ratings also factor in the growth in its consolidated total operating income (TOI) and healthy operating margin in FY24 (refers to April 01 to March 31) and 9MFY25, which is expected to sustain in the medium term considering the healthy revenue visibility from its current order book. Ratings also factor in the comfortable capital structure and healthy debt coverage indicators. The capital structure is expected to remain comfortable with healthy accretion of profits to reserves, no major debt funded capex plans and relatively lower reliance on borrowings for meeting working capital requirement.

However, ratings remain constrained by the working capital intensity of its operations marked by high average collection period and inventory holding period. With significant contribution of turnkey projects in TOI (~50%) and order book, the working capital intensity is expected to remain high in the medium term. However, total outside liabilities to tangible net worth (TOL/TNW) improved to 0.73x (PY: 1.58x) as on March 31, 2024, considering increase in net worth from the addition of profit from sale of step-down subsidiaries Rutschi Fluid AG, Switzerland and Pompes Rutschi Sas (PRS), France, despite significant amount of contract liabilities. Ratings also factor in the susceptibility of profitability to raw material price volatility and competition in the pump industry due to fragmented industry structure.

**Rating sensitivities: Factors likely to lead to rating actions**
**Positive factors**

- Improvement in leverage and debt coverage indicators with TOL/TNW remaining less than 1.
- Significant improvement in operating cycle.

**Negative factors**

- Significant elongation in its operating cycle.
- Deterioration in capital structure with overall gearing ratio over 0.7 x due to increase in working capital borrowings or significant debt-funded capex/acquisition.
- Deterioration in net debt/profit before interest, lease rentals, depreciation, and taxation (PBILDT) above unity due to moderation in liquidity.
- Moderation in profitability margin below 12% on a sustained basis.

**Analytical approach: Consolidated**

CARE Ratings Limited (CARE Ratings) has taken a consolidated approach as all subsidiaries/joint ventures/associates are in similar business with operational, financial and managerial linkages. The list of entities consolidated in WPIL are placed as **Annexure-6**.

**Outlook: Stable**

The Stable outlook reflects the company is likely to maintain its healthy operating performance given the current order book position which provides good revenue visibility over the medium term. The financial risk profile is also expected to be maintained with no major debt led capex plans and healthy debt coverage indicators.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

## Detailed description of key rating drivers:

### Key strengths

#### Established presence of the company in the pumps industry

WPIL has a track record of operations of over seven decades in the pumps industry. In 2002, it was taken over by Prakash Agarwal (MD, current promoter) from the erstwhile promoters (B. M. Khaitan Group) and the company's performance witnessed a turnaround since 2004. Besides having an established position in the domestic pump industry, the company has gradually expanded its operations globally through synergistic acquisitions and joint ventures made since 2011. WPIL has subsidiaries and JVs based in South Africa, Zambia, Australia, Singapore, Italy and Thailand.

#### Diversified product portfolio and healthy order book position providing revenue visibility in medium term; despite concentrated order book

The company is engaged in manufacturing different types of pumps, spares and accessories and execution of water supply projects on a turnkey basis mainly for industrial units, municipalities, power utilities and irrigation departments, among others. While the domestic operations are mainly driven by water pumps, it also has presence in pumps relating to oil and gas sector apart from water and industrial pumps in its overseas operations. The standalone order book stood healthy at ~₹2,990 crore as on December 31, 2024, ensuring good revenue visibility over the medium term. However, large turnkey contracts from one single counterparty comprises ~40-50% of the order book, indicating regional and client concentration in the order book. The company's client portfolio comprises irrigation and water departments of Madhya Pradesh, West Bengal, Telangana, Assam, Maharashtra, central utilities, PSUs and private sector entities. In addition to the domestic orders, the company had unexecuted order book of ₹227.29 crore in its Italian subsidiary, ₹109.12 crore in Australia and ₹211.82 crore in South Africa. The consolidated order book as on December 31, 2024, stood at ~2.12x of its consolidated TOI for FY24.

#### Improvement in revenue in FY24 and 9MFY25 with stable operating margins

WPIL reported improvement in the operating performance on a consolidated and standalone basis in FY24, which remained stable in 9MFY25, backed by higher execution of turnkey projects and healthy revenue reported from sale of pumps. TOI on a consolidated basis improved by 3% in FY24 on year-over-year (y-o-y) basis, while it improved significantly by 15% in 9MFY25 on y-o-y basis. The PBILDT margin improved to 18.16% in FY24 compared to 17.35% in FY23 considering better realisation in the overseas operations and execution of higher volume of turnkey projects. In 9MFY25, the operating margin continued to stand healthy at 17.65% against 17.79% in 9MFY24. The margin from pumps segment was higher in 9MFY25, however, the margins from EPC contracts decreased y-o-y in 9MFY25 because of delays in payments received, with fixed costs remaining the same. TOI and operating profitability are expected to remain healthy over the medium term on the back of healthy revenue visibility from existing order book.

#### Comfortable capital structure and debt coverage indicators; improvement in TOL/TNW

WPIL's net worth increased in FY24 with addition of proceeds of ₹491 crore from the sale of step-down subsidiaries Rutschi Fluid AG, Switzerland and Pompes Rutschi Sas (PRS), France. With scheduled repayment of term debt, WPIL's capital structure on a consolidated basis improved with debt equity and overall gearing of 0.04x and 0.27x as on March 31, 2024, respectively, against 0.18x and 0.44x as on March 31, 2023. TOL/TNW also improved to 0.73x (PY: 1.58x) as on March 31, 2024, considering improvement in net worth, despite significant amount of contract liabilities. The coverage and leverage indicators are expected to remain comfortable over the medium term in the absence of debt led capex plan and healthy operating profitability expected.

#### Stable long term industry outlook

The domestic and global pumps industry is expected to grow at a steady rate driven by rising government expenditure toward water infrastructure. The growing utilisation of different types of pumps across different sectors such as chemical, oil and gas, water and wastewater treatment plants, and general industries including power generation, food and beverages, mining, and pulp and paper among others is expected to drive the market growth.

#### Liquidity: Strong

Free liquidity in the form of cash and bank balance (consolidated) as on September 30, 2024, stood at ~₹574 crore, with the sale of subsidiary Rutschi in the previous year boosting the company's liquidity position. This has been since partly utilised towards its working capital requirement, inorganic acquisitions which the company was actively pursuing, including acquisition of stake in Eigenbau Pty Limited, Paterson Candy International and Misa Italy, by different subsidiaries of WPIL. WPIL does not have major capex plans in the medium term and the routine capex would be met out of internal accruals. Its fund-based limits were utilised to the extent of average 76% through the last 12 months ended February 28, 2025, while its non-fund based bank limits were utilised to the extent of ~70% through the last 12 months ended December 31, 2024.

## Key weaknesses

### Working capital intensive operations

WPIL's business is inherently working capital intensive with long operating cycle. It receives 10-15% contract value on finalisation of design, 50-60% on delivery of pumps and the balance on successful erection and commissioning. The clients withhold a percentage (generally 10-15%) of the contract price as retention money and the same is paid after six to 12 months of completion of contract. Its average collection period went up to 211 days in FY24 against 193 days mainly because of elongated payment cycle in some water EPC projects. Average inventory period also increased to 96 days in FY24 (88 days in FY23). The high collection period and inventory period was matched to an extent by longer credit period allowed by its suppliers. With expected increase in revenue from project segment going forward, the working capital intensity is expected to remain high especially with most clients being irrigation and water supply departments of state governments.

### Profitability susceptible to raw material price volatility

Raw materials are WPIL's major cost driver, accounting for ~69% of total cost of sales in FY24. Considering the prices of steel products (major raw material) are volatile; the company's profitability is susceptible to volatility in prices of raw materials. However, the company has cost escalation clauses in most long-term contracts for supply of engineered pumps and execution of turnkey contracts, whereas in the shorter-tenure fixed price contracts, it is exposed to price volatility risk.

### Intense competition in the pump industry

The global and Indian pumps industry is characterised by co-existence of small and large manufacturers and few established players. The company is also exposed to competition from cheaper imports. The company is also exposed to the demand cyclicality which is inherent to the economy and end-user industries.

### Environment, social, and governance (ESG) risks

Being in manufacturing pumps, the company does not have significant emissions or waste generation. In FY24, it spent ₹1.12 crore for different corporate social responsibility (CSR) projects and initiatives. The board of directors comprises eight members, of which four are independent directors.

## Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Consolidation](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Compressors, pumps and diesel engines

WPIL, incorporated in 1952 by Johnston Pump Company Inc., USA, is engaged in manufacturing and sale of different types of pumps, spares and accessories and execution of water supply projects on a turnkey basis for industrial units, power utilities and irrigation departments among others. In 2002, Prakash Agarwal of Kolkata acquired controlling stake in the company from B. M. Khaitan group. WPIL has two operational manufacturing units in Kolkata, one unit in Ghaziabad, Uttar Pradesh, and two units in Maharashtra. Since 2011, WPIL has expanded its operation in the international market by acquiring pump companies in different regions of the world.

Brief Consolidated Financials (₹ crore)	FY23 (A)	FY24 (A)	9MFY25 (UA)
Total operating income	1,618	1,669	1,235
PBILDT	281	303	218
PAT	220	684*	150
Overall gearing (times)	0.44	0.27	NA
Interest coverage (times)	11.82	9.83	7.95

\*Including PAT from discontinued operations which consisted of profit (net of tax) from disposal of Rutschi business

A: Audited UA: Unaudited NA: Not Available; 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper (Carved out)	Not yet placed				15.00	CARE A1+
Fund-based - LT-Cash Credit		-	-	-	237.21	CARE A+; Stable
Fund-based - LT/ ST-Packing Credit in Indian rupee		-	-	-	12.79	CARE A+; Stable / CARE A1+
Non-fund-based - LT/ ST-BG/LC		-	-	-	801.00	CARE A+; Stable / CARE A1+
Non-fund-based - ST-Forward Contract		-	-	-	2.50	CARE A1+

#### 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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Commercial Paper- (Carved out)	ST	15.00	CARE A1+	1)CARE A1+ (05-Apr-24)	-	1)CARE A1 (21-Mar-23)	1)CARE A1 (21-Mar-22)
2	Fund-based - LT-Cash Credit	LT	237.21	CARE A+; Stable	1)CARE A+; Stable (05-Apr-24)	-	1)CARE A+; Stable (21-Mar-23)	1)CARE A; Positive (21-Mar-22)

3	Fund-based - LT/ ST-Packing Credit in Indian rupee	LT/ST	12.79	CARE A+; Stable / CARE A1+	1)CARE A+; Stable / CARE A1+ (05-Apr-24)	-	1)CARE A+; Stable / CARE A1 (21-Mar-23)	1)CARE A; Positive / CARE A1 (21-Mar-22)
4	Non-fund-based - LT/ ST-BG/LC	LT/ST	801.00	CARE A+; Stable / CARE A1+	1)CARE A+; Stable / CARE A1+ (05-Apr-24)	-	1)CARE A+; Stable / CARE A1 (21-Mar-23)	1)CARE A; Positive / CARE A1 (21-Mar-22)
5	Non-fund-based - ST-Forward Contract	ST	2.50	CARE A1+	1)CARE A1+ (05-Apr-24)	-	1)CARE A1 (21-Mar-23)	1)CARE A1 (21-Mar-22)

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: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Carved out)	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Fund-based - LT/ ST-Packing Credit in Indian rupee	Simple
4	Non-fund-based - LT/ ST-BG/LC	Simple
5	Non-fund-based - ST-Forward Contract	Simple

#### Annexure-5: Lender details

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

#### Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1.	Aturia International Pte Limited	Full	Subsidiary
2.	Mathers Foundry Limited	Full	Subsidiary
3.	Sterling Pumps Pty Limited	Full	Subsidiary
4.	UCP Australia Pty Ltd	Full	Subsidiary
5.	WPIL SA Holdings Pty Limited (SAHPL)	Full	Subsidiary
6.	APE Pumps Pty Limited (APPL)	Full	Subsidiary
7.	Mather & Platt (SA) Pty Limited	Full	Subsidiary
8.	PSV Zambia Limited	Full	Subsidiary
9.	Gruppo Aturia S.p.A	Full	Subsidiary
10.	Eigenbau Pty Limited (Subsidiary of APPL. on October 08, 2024)	Full	Subsidiary
11.	MISA ITALY (subsidiary of Gruppo Aturia, on January 07, 2025)	Full	Subsidiary
12.	WPIL (Thailand) Co. Limited	Moderate	Joint Venture
13.	Clyde Pumps India Private Limited	Moderate	Associate
14.	Amanzi Phampa Consultants (Pty) Ltd	Moderate	Associate
15.	WPIL – SMS JV	Moderate	Jointly Controlled Operations
16.	WPIL- Sarathi JV	Moderate	Jointly Controlled Operations
17.	WPIL-JWIL JV	Moderate	Jointly Controlled Operations
18.	WPIL – MHI JV	Moderate	Jointly Controlled Operations
19.	Ranjit – WPIL JV	Moderate	Jointly Controlled Operations

**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](mailto:care@careedge.in) for clarifications.

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### About us:

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