

## Welspun Corp Limited

February 17, 2020

### Ratings

Facilities	Amount (Rs. crore)	Rating1	Rating Action
Long-term Bank Facilities	0.00	--	Withdrawn
<b>Total Facilities</b>	<b>0.00</b>		

Details of facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers and detailed description of the key rating drivers

CARE has withdrawn the outstanding rating of 'CARE AA-/Positive'; (Double A Minus; Outlook: Positive) assigned to the long term bank facilities of Welspun Corp Limited with immediate effect, as the company has repaid the aforementioned term loan in full and there is no amount outstanding under the loan as on date. The above action has been taken at the request of WCL and 'No Dues Certificate' received from the lender that has extended the facilities rated by CARE.

**Analytical approach:** Not applicable

### Applicable Criteria

[Policy on Withdrawal of ratings](#)

### About the Company

Established in 1995, WCL is the flagship company of the Welspun group promoted by Late Mr. G.R. Goenka, Mr. B.K. Goenka and Mr. R.R. Mandawewala. WCL is engaged in the manufacture of HSAW, LSAW and ERW pipes, with total pipe capacity of 1.655 million tonnes per annum (MTPA), at four locations in India. In addition, WCL through its 100% wholly owned subsidiaries has set up operations in the USA and 50.01% subsidiary in Saudi Arabia, bringing its global pipe production capacity to 2.555 MTPA.

Brief Financials (Consolidated) (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	6,324	8,984
PBILDT	559	886
PAT	153	-22
Overall gearing (times)	1.03	0.78
Interest coverage (times)	3.29	4.99

A: Audited

\*The financials are adjusted as per CARE Standards; the PBILDT is calculated after factoring income from the Joint Venture/ Associates.

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

## Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Debentures-Non Convertible Debentures	LT	200.00		1)CARE AA-; Positive (04-Nov-19)	1)CARE AA-; Positive (06-Jul-18)	1)CARE AA-; Positive (05-Feb-18) 2)CARE AA-; Positive (12-Sep-17) 3)CARE AA-; Stable (05-May-17)	1)CARE AA- (03-Aug-16)
2.	Non-fund-based - ST-BG/LC	ST	5500.00		1)CARE A1+ (04-Nov-19)	1)CARE A1+ (06-Jul-18)	1)CARE A1+ (12-Sep-17) 2)CARE A1+ (05-May-17)	1)CARE A1+ (03-Aug-16)
3.	Fund-based - LT-Term Loan	LT	-	-	1)CARE AA-; Positive (04-Nov-19)	1)CARE AA-; Positive (06-Jul-18)	1)CARE AA-; Positive (12-Sep-17) 2)CARE AA-; Stable (05-May-17)	1)CARE AA- (03-Aug-16)
4.	Commercial Paper	ST	500.00		1)CARE A1+ (04-Nov-19)	1)CARE A1+ (06-Jul-18)	1)CARE A1+ (12-Sep-17) 2)CARE A1+ (05-May-17)	1)CARE A1+ (03-Aug-16)
5.	Debentures-Non Convertible Debentures	LT	90.00		1)CARE AA-; Positive (04-Nov-19)	1)CARE AA-; Positive (06-Jul-18)	1)CARE AA-; Positive (05-Feb-18) 2)CARE AA-; Positive (12-Sep-17) 3)CARE AA-; Stable (05-May-17)	1)CARE AA- (03-Aug-16)

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

### Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**