

Welspun Enterprises Ltd

December 25, 2018

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Non-convertible Debenture issue	-	-	Withdrawn
Total Facilities	-		

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the outstanding ratings of 'CARE AA-; Stable' [Double A Minus; Outlook: Stable] assigned to the proposed Non-convertible Debenture issue of Welspun Enterprises Ltd. with immediate effect. The above action has been taken at the request of Welspun Enterprises Ltd.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

Established in 1994 in Vadodara (Gujarat), Welspun Enterprises Ltd. (WEL) (formerly known as Welspun Projects Ltd) is part of Welspun Group and is primarily engaged in construction, developing and maintaining BOT/HAM projects. The company undertakes EPC business for both Welspun Group companies and outside clients. Under BOT assets, WEL owns three BOT projects, two in Road Infrastructure and One in Water Infrastructure. Currently the company has order book of Rs.5800 Crore for 5 HAM projects. The company also has stake in Adani Welspun Enterprises Ltd (35% stake) which is an oil & gas exploration company and is currently exploring 5 Oil & gas blocks.

During FY18 (refers to the period April 1 to March 31), WEL reported total income of Rs.1146.41 crore with a PAT of Rs.69.43 crore compared with the total income of Rs.382.40 crore and profit after tax of Rs.4.96 crore in FY17.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	382.4	1146.41
PBILDT	38.28	159.46
PAT	4.96	69.43
Overall gearing (times)	0.12	0.34
Interest coverage (times)	3.76	4.81

Audited

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

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

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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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.

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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
Proposed Debentures-Non Convertible Debentures	-	-	-	0.00	Withdrawn
Proposed Debentures-Non Convertible Debentures	-	-	-	0.00	Withdrawn

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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Term Loan-Long Term	LT	-	-	-	1)Withdrawn (12-May-17)	1)CARE A (11-Apr-16)	-
2.	Term Loan-Long Term	LT	-	-	-	1)Withdrawn (12-May-17)	1)CARE A (11-Apr-16)	-
3.	Fund-based-Long Term	LT	65.00	CARE AA-; Stable	1)CARE AA-; Stable (19-Sep-18) 2)CARE AA-; Stable (06-Apr-18)	1)CARE A+; Stable (12-May-17)	1)CARE A (11-Apr-16)	-
4.	Non-fund-based-LT/ST	LT/ST	560.00	CARE AA-; Stable / CARE	1)CARE AA-; Stable / CARE A1+ (19-Sep-18)	1)CARE A+; Stable / CARE A1+ (12-May-17)	1)CARE A / CARE A1 (11-Apr-16)	-

				A1+	2)CARE AA-; Stable / CARE A1+ (06-Apr-18)			
5.	Commercial Paper	ST	300.00	CARE A1+	1)CARE A1+ (19-Sep-18) 2)CARE A1+ (19-Apr-18)	-	-	-
6.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE AA-; Stable (19-Sep-18)	-	-	-
7.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE AA-; Stable (19-Sep-18)	-	-	-

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