Welspun Corp Ltd — 27 May 2025 Credit Rating Summary

Section	Details
Agency	Brickwork Ratings (BWR)
Rating Change	**BWR BB+ / Stable** (Reaffirmed); Remains in **ISSUER NOT COOPERATING (INC)** category.
Outlook (Current vs Previous)	**Stable vs Stable**
Key Drivers of Change	1. **Non-Cooperation:** Company failed to provide requisite information for a periodic review despite repeated follow-ups. 2. **Compliance Default:** Non-submission of mandatory monthly "No Default Statement" (NDS). 3. **Withdrawal Friction:** Company expressed interest in withdrawing the rating but failed to adhere to regulatory withdrawal policies. 4. **Information Risk:** Rating relies on "best available information," lacking management interaction or forward-looking guidance.
Rated Instruments	**NCD:** □200.00 Cr
Key Observations	**(+) Stellar Financial Growth:** Consolidated Revenue jumped **78%** to □17,339.60 Cr in FY24 (vs □ 9,758.10 Cr in FY23). **(+) Margin Expansion:** Consolidated EBITDA surged to □1,561.43 Cr in FY24 (vs □536.11 Cr) with 9MFY25 already reaching □1,208.00 Cr. **(+) Rapid Deleveraging:** Consolidated Debt reduced significantly to **□1,907.87 Cr** in FY24 (from □ 3,316.21 Cr in FY23); D/E ratio improved to **0.37x**. **(+) Market Leadership:** Global leader in large-diameter pipes with 2,555 MTPA capacity across India, USA, and Saudi Arabia. **(-) Governance Red Flag:** Continued "INC" status and failure to file NDS suggest internal friction or disregard for credit market compliance. **(-) Technical Downgrade:** The current BB+ rating is a result of a sharp multi-notch drop in late 2023 (from AA category) purely due to non-cooperation, not financial weakness.
Investor Impact	**Growth:** Strong; order book and global presence driving revenue scale. **Margins:** Significantly improving; Net Profit for 9MFY25 (□1,203 Cr) has already surpassed full-year FY24. **Leverage:** Exceptional improvement; debt coverage is robust despite the low "junk-category" rating. **Governance Risk:** Equity investors should note the disconnect between strong cash flows and the company's refusal to cooperate with credit agencies, which may impact future cost of debt or institutional appetite.
Agency / Cross Analysis	**Same Agency:** Rating remains at BB+ (INC). Historical data shows a massive downgrade in Oct 2023 from **BWR AA** to **BWR BB+** solely due to non-cooperation. **Mismatch Analysis:** There is a severe mismatch between the **Financial Profile** (which reflects "AA" or "AAA" strength: Revenue □17k Cr+, PAT □1.1k Cr+) and the **Assigned Rating** (BB+). **Conclusion: Inconsistency.** The low rating is an administrative penalty for poor transparency, not a signal of financial distress.
Final Inference	**Operational Powerhouse vs. Reporting Lapses.** WCL is financially stronger than its BB+ rating suggests, showing record profits and deleveraging. However, the refusal to cooperate with BWR signals a potential "governance discount" that equity investors must weigh against its strong fundamentals.