

November 26, 2025

To,
BSE Limited
Listing Department,
P. J. Towers, Dalal Street,
Mumbai – 400 001
(Scrip Code: 500365)

Dear Sir/ Madam,

Sub.: CARE assigns rating of CARE A1+ for Commercial Paper of Rs.50 Crore and reaffirmed earlier rating.

Ref.: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

We are pleased to inform that CARE Ratings has assigned rating of CARE A1+ for Commercial Paper of Rs.50 Crore and reaffirmed earlier rating for the Company's Long Term / Short Term Bank Facilities (LT/ST BF) and Short Term Bank Facilities (ST BF).

- i. Commercial Paper of Rs.50 Crore rated: CARE A1+
- ii. Unsupported rating reaffirmed: CARE AA- / CARE A1+
- iii. Credit enhanced rating reaffirmed: CARE AA+ (CE); Stable / CARE A1+ (CE)

The detailed rationale is attached herewith.

The same is for your information, please.

Thanking you,

Yours faithfully,
For **Welspun Specialty Solutions Limited**

Suhas Pawar
Company Secretary and Compliance Officer
ACS-36560

Encl.: as above.

Welspun Specialty Solutions Limited

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Registered Address & Works: Plot No. 1, GIDC Industrial Estate, Valia Road, Dist. Bharuch, Jhagadia, Gujarat - 393110. India

Corporate Identity Number: L27100GJ1980PLC020358

Welspun Specialty Solutions Limited

November 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	285.00	CARE AA+ (CE); Stable / CARE A1+ (CE)	Reaffirmed
Short Term Bank Facilities	15.00	CARE A1+ (CE)	Reaffirmed
Commercial Paper	50.00	CARE A1+	Assigned

Details of instruments/facilities in Annexure-1.

Note: CE refers to credit enhanced rating backed by unconditional and irrevocable corporate guarantee extended by Welspun Corp Limited (rated CARE AA+, Stable/ CARE A1+ as per IRCM dated July 31, 2025).

Unsupported rating	CARE AA- / CARE A1+ [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 Specialty Solutions Limited (WSSL) factors in the credit enhancement (CE) in the form of an unconditional and irrevocable corporate guarantee (CG) extended by Welspun Corp Limited (WCL) towards the timely servicing of debt obligations. The above rating is solely based on CARE Ratings Limited's (CareEdge Ratings') view of the guarantor's (WCL's) credit profile (rated CARE AA+; Stable/CARE A1+), and accordingly, the rating rationale highlights the credit risk assessment parameters for the guarantor. CareEdge Ratings expects WCL to efficiently manage WSSL 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 ratings reaffirmation of Welspun Corp Limited (WCL) continue to factor the extensive experience of its promoters and management in the steel pipes businesses, the company's long track record of operations as being one of the dominant players in the domestic and USA welded pipes manufacturing industry (particularly LSAW/HSAW). The ratings factors WCL's healthy capital structure on account of significant debt repayment and strong liquidity position, alongside improvement in operating cash flows. The ratings further draw strength from the strong brand recall resulting in continued inflows of new orders across key geographies including India, USA and export orders. Furthermore, over the past few years, WCL has successfully commissioned and implemented various greenfield/brownfield capex (DI Pipes, TMT bars) and reconfigured some of the facilities (alloy to stainless steel) which has been positively factored in CARE Ratings Limited's (CareEdge Ratings') analysis.

The existing consolidated orderbook stood at ₹23,500 crores in October, 2025, with the orders to be executed during FY26 and FY27, providing strong revenue visibility over next 2 years. Of the above, the US orderbook being healthy has revenue visibility until FY28. In addition to the above, the company has an active bid book, with orders in the O&G and water segments.

In FY25 (FY refers to the period April 01 to March 31), WCL reported a total operating income (TOI) of ₹13,948 crore and Profit before interest, lease rentals, depreciation and taxation (PBILDT) of ₹1,655 crore (excludes Saudi Arabia operations as an associate). The performance has been in-line with CareEdge Ratings' earlier estimates for FY25. The decline in sales realization was attributed to the fall in the commodity prices of steel. The company has also improved upon its blended PBILDT/tonne (for pipes and steel business) from ₹6,577/tonne in FY23 to ₹11,031/tonne in FY24 and sustained at ₹ 11,922/tonne on account of increased sales of DI pipes in the product-mix, which relatively garners higher margins. The PBILDT margins have further improved from 11.86% in FY25 to 14.84% in H1FY26. The increased proportion of relatively higher value-added segments like DI Pipes segment to support the profitability margins going ahead. The rising share of value-added products like DI Pipes and SS Pipes is expected to support margin stability, while optimal capacity utilization- especially in line pipes backed by robust order flow is likely to ensure continued healthy cash generation.

Additionally for the Saudi Arabia operations (held as an associate with ~26.5% stake as on Mar 31, 2025), the company sold stake of 5% during Nov-2024 resulting in additional profit of ₹378 crores in addition to share of profit from JV/associates of ₹231 crores during FY25. Furthermore, the company has during FY25 recorded gain of ₹466 crores from sale of Nuayaan Shipyard. These proceeds have been used towards debt repayment/pre-payment and towards meeting capex commitments.

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

The financial risk profile, marked by overall gearing and total debt (TD) to gross cash accruals (GCA), stood at 0.36x and 1.13x, respectively, as on March 31, 2025, improving further from 0.61x and 2.01x, respectively, as on March 31, 2024. Term loans and non-convertible debentures (NCDs) have cumulatively come down from ₹2,522 crores as on Mar 31, 2023, to ₹1,772 crores as on Mar-24 and further to ₹730 crores as on Mar-25. These efforts alongside sustained improvement in profitability and cash accruals have resulted in significant improvement in the debt protection metrics with interest coverage being sustained over 5x and net debt/PBILDT sustained below 1.2x over the past 2 fiscals. While the company has announced capex plans of ₹5482 crores of which around more than ₹1900 crores has been already spent in FY25 and H1FY26, the balance is expected to be incurred over 2HFY26 and FY27. The company management has iterated its sharp focus on having lower reliance on debt and maintaining net debt neutral or net debt negative position over the near-to-long-term period during the execution of these projects.

The above rating strengths are offset by volatility associated with oil & 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.

Key rating drivers of WSSL

The reaffirmation of ratings assigned to the bank facilities of WSSL and the assignment of ratings to the Commercial Paper instruments, factors in the improvement in the financial risk profile post the rights issuance of ₹350 crore (gross proceeds), the proceeds of which were largely utilised towards repayment of debt and the sustained improvement in the operational performance of the company. As on Sept 30, 2025, the company has repaid/pre-paid entire outstanding debt (excl. LC acceptances and Working Capital Borrowing) using the proceeds from rights issuance. Ratings further continue to factor in the operational and financial linkages with WCL (WCL holds 51.06% stake in WSSL post completion of rights issuance). Ratings derive strength from the redefined product mix, with the management primarily focusing on the production of stainless steel (SS) bars, pipes, and tube products. The company is expanding the stainless steel (SS) bright bar capacity from 24,000 MT to 84,000 MT, at a cost of ₹75 crore (₹50 crore from internal accruals). This expansion will lead to upgradation and debottlenecking of existing capacity. The project is scheduled for commissioning in Q3FY26 and will enable increase in capacity utilization for the company leading to likely improvement of absolute profitability for the company going ahead.

The company's TOI witnessed a steady growth totalling to ₹746 crore as on March 31, 2025 when compared to ₹716 crore as on March 31, 2024. This growth was primarily driven by higher sales volumes, particularly due to the addition of bright bars to the product mix, which command higher realisations. As on Sept 30, 2025, the company's order book stood at ₹254 crore, comprising 5,940 tonnes in order volume. However, profitability continues to face pressure due to underutilised capacity and persistent weakness in steel prices, with PBILDT margins remaining in the 6%–8% range in the last three years.

The rating also factors in the substantial improvement in net worth following a rights issue of ₹348 crore (excluding issuance costs), the proceeds of which were used to repay external debt—and early redemption of 12% Non-Cumulative Redeemable Preference Shares (NCRPS) with a face value of ₹50.9 crore—previously treated as debt—for ₹27 crore in Q1FY26, resulting in an enhanced overall financial risk profile.

The above rating strengths are offset by the capital-intensive nature of operations, its exposure towards fluctuation in raw material prices, and foreign exchange fluctuation risks. Ratings also remain constrained by the inherent cyclicity in the steel industry.

Rating sensitivities of WCL: Factors likely to lead to rating actions

Positive factors

- Total Debt/PBILDT below 0.50x and operating return on capital employed (ROCE) above 25% on sustained basis.
- Significant growth in scale of operations along with diversification in product profile and end-user industry leading to significant improvement in PBILDT margins.

Negative factors

- Net debt/PBILDT of over 1.00x on a sustained basis.
- Significant elongation in working capital cycle and/or deterioration in its PBILDT margins on a sustained basis.

Rating sensitivities of WSSL: Factors likely to lead to rating actions

Positive factors

- Improvement in credit profile of WCL.

Negative factors

- Low demand for SS and seamless pipes, resulting in lower-than-expected revenues and margin.
- Any deterioration in the credit metrics due to higher than anticipated debt-funded capex and/or withdrawal of support from group entities, particularly from WCL.
- Deterioration in the credit profile and/or any weakening in linkages of WCL.

Analytical approach:

For Credit Enhanced debt: Ratings to bank facilities of WSSL factor in the credit enhancement in the form of an unconditional and irrevocable corporate guarantee extended by WCL towards timely servicing of debt obligations.

Unsupported/Standalone rating: Standalone. The operational, financial, and management linkages with WCL have been considered while arriving at ratings.

Outlook for WCL: Stable

The stable outlook reflects that the rated entity is likely to maintain its strong market position, which, coupled with the favourable demand scenario in the domestic, US and export market, along with the optimum capacity utilisation of the added capacity, will enable it to sustain its healthy business risk profile over the medium to long term.

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 2.18 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, 0.4 MTPA line pipes capacity operated through associate firm in Saudi Arabia (~26.5% stake), which is consolidated under equity method. Furthermore, DI Pipes and TMT bars capacity stood at 0.4 MTPA each, while 0.15 MTPA stainless steel bars capacity. In FY25, the company sold line pipes of 0.98 MMT, DI pipes of 0.27 MMT and the remainder sale from TMT bars, stainless-steel bars/pipes and water storage tanks. 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 high quality and stringent know-how in such business results in high entry barriers for new players, thereby limiting the competition, and thus, strengthening WCL's business risk profile.

Sustained improvement in profitability

In FY25, WCL reported a TOI of ₹13,948 crore and a PBILDT of ₹1,655 crore. The performance has been at par with the earlier expectations for FY25 with 2% inch-up in overall steel product volumes, while blended sales realizations declined by 25% in line with the broader commodity price trends for steel. The company has sustained PBILDT/tonne (for pipes and steel business) at ₹11,031/tonne in FY24 and further rising to ₹11,922/tonne due to healthy margin contribution from the DI Pipes business. The increased proportion of relatively higher value-added segment like DI Pipes and SS pipes segment to support the margin sustenance, while the optimum capacity utilization (backed by strong order flow particularly in line pipes) expected to result in continued healthy cash generation going ahead.

Continued deleveraging alongside strong cash accruals aided improvement in financial risk profile

The financial risk profile, marked by overall gearing and total debt (TD) to gross cash accruals (GCA), stood at 0.36x and 1.13x, respectively, as on March 31, 2025, improving further from 0.61x and 2.01x, respectively, as on March 31, 2024. Majority of the term debt comprises debt under Welspun DI pipes, while most of the debt in standalone and other subsidiaries, availed for capacity expansion and acquisitions have been repaid (excl. NCD ₹240 crores). The term loans taken for capex have reduced

from ₹ 1,533 crores as on Mar 31, 2024 to ₹ 491 crores as on Mar 31, 2025. Strong gross cash accruals of ₹2,318 crores have helped with this deleveraging. The rest of the major debt obligations comprise majorly LC (Letter of credit) acceptances (₹1,493 crores) and working capital borrowings.

Healthy order book position, providing medium-term revenue visibility

WCL's globally confirmed order book position in Oct, 2025, was 0.11 MMT for line pipes, 0.31 MMT for DI pipes and 6,950 metric tonnes for SS bars/pipes. This translates into cumulative order book of around ₹23,500 crore in Oct, 2025, 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 Company also has strong order book for LSAW Pipes for critical applications. The US operations entirely supply to the O&G segment, while in Saudi Arabia, the order book is mainly driven by O&G orders from Aramco and 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.

Key weaknesses

Timely commissioning and profitability of planned capital-intensive projects remains critical

The company has announced capex plans of ₹5482 crore of which around ₹900 crore has been already spent in FY25, the balance is expected to be incurred over FY26-FY27. The new capex plan includes primarily the HFIW and LSAW plant in USA, DI pipes plant in Saudi Arabia, Sintex (plastic pipes, water storage tanks) and capability upgradation in line pipes in India. That being said, the company management has iterated its sharp focus on having lower reliance on debt and maintaining net debt neutral or net debt negative position over near-to-long-term during the period of execution of these projects.

The ongoing capacity expansion is being funded through a mix of internal accruals and debt (in the form of capex LC). While the company has demonstrated healthy cash generation and prudent financial management, any material delays in the commissioning of these projects could impact cash flows and lead to elevated leverage levels. Consequently, the timely operationalization and profitability of the new capacities, as originally envisaged, will remain a key monitorable from a credit perspective. The ability to sustain margins and generate adequate returns from these investments will be critical to maintaining the company's financial risk profile. However, CareEdge Ratings draws comfort from the fact that the company has demonstrated track record of ramping up the newly commissioned or acquired assets. Over the past few years, WCL successfully commissioned and implemented various greenfield/brownfield capex (DI Pipes, TMT bars) and reconfigured some of the facilities (alloy to stainless steel).

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

WCL derives more than 50% of its revenue from the O&G segment. Significant volatility in crude prices do have a bearing on capex spend for new exploration activity, 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.

Liquidity (WCL): Strong

The liquidity profile of WCL is supported by cash and investments in bonds, mutual funds (MFs) and government securities of ₹835 crore as on Sep 30, 2025 (₹1,933 crore as on March 31, 2025). The debt obligations for FY26 and FY27 are expected to be comfortably managed from the annual cash generation from operations. The operating cycle has been relatively high around 2-3 months usually and it was around 68 days as on March 31, 2025, which is 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.

Key strengths of WSSL

Strategic importance of WSSL

Since Welspun Corp is already involved in carbon steel pipes, the SS pipe range offered by WSSL provides WCL with the advantage of product diversification. Moreover, SS pipes typically achieve higher selling prices due to their greater value addition compared to the carbon steel pipes sold by WCL. As a result, WSSL has maintained strong PBILDT per tonne. Both carbon steel pipes (from WCL) and SS pipes (from WSSL) are widely used in sectors such as oil and gas and thermal power, where WCL already has a solid presence. This overlap in customer base and end-use industries creates operational synergies between WSSL and its parent company.

Sustained improvement in operating and financial performance of company

In H1FY26, despite of a planned maintenance shutdown (for the entire month of June 2025) the TOI increased by ~33% to ₹454 crore from ₹341 crore in H1FY25, supported by a 54% increase in sales volume, which grew to 17,044 MT in H1FY26 from 11,102 MT in H1FY25. In addition to that, the quarterly order book analysis indicates steady growth, driven primarily by SS Bars, which rose from 3,927 MT in Q2FY25 to 7,079 MT in Q2FY26. Overall sales volumes peaked at 8,771 MT in Q2FY26, supported by healthy order execution. In FY25, the company had raised around ₹347 crores through a Rights Issue offer, the proceeds of which were largely utilised towards pre-payment/repayment of the debt availed by the company, which helped in the improvement in the standalone financial risk profile.

Medium-term revenue visibility

The company maintained a stable order book ranging between ₹180 to ₹340 crores over the past few quarters. However, as of Sept 30, 2025, the order book is Rs. 254 crores, with total order volumes reaching 5,940 tonnes. The order of 4000 tonnes of seamless tubes (largest historically) received in Q4FY25 from Bharat Heavy Electricals Limited (BHEL) is being executed and scheduled for delivery during FY26. Out of the same, around 40-50% orders from BHEL have been executed during H1FY26. While the overall market conditions have not improved over the last 2 fiscals, the order inflows have been improving due to expansion of the customer base and wider acceptance of the company's products which are required in critical applications.

Capex progress

While the steel-melting capacity is already adequate, the company is expanding the stainless steel (SS) bright bar capacity from 24,000 MT to 84,000 MT, at a cost of ₹75 crore (₹50 crore through internal accruals). This expansion will be achieved both via upgradation and debottlenecking of existing capacity. The project is scheduled for commissioning in Q3FY26 and will enable increase in capacity utilization for the company. The low-value added black bars will be further processed into bright bars with this capacity upgradation, resulting in overall improvement in product mix.

Key weaknesses of WSSL

Inherent cyclicity in the steel industry

The prospects of the carbon/alloy steel industry are strongly co-related to economic cycles. The demand for steel is sensitive to trends of industries, such as automotive, construction, O&G, infrastructure, and consumer durables, which are the key consumers of steel products. These key user industries, in turn, depend on macroeconomic factors, such as consumer confidence, employment rates, interest rates, and inflation rates, among others, in the economies in which they sell their products. When downturns occur in these economies or sectors, the steel industry may witness a decline in demand.

Susceptible to raw material price fluctuation and foreign exchange fluctuation risk

The company's primary raw materials include SS scrap, nickel and ferrochrome, prices which remain volatile, considering these are commodity products. Any adverse movement in raw material prices may impact the group's margins due to time lag between procurement and passing it on to customers.

Liquidity for WSSL: Strong

WSSL's liquidity position is derived from the parent-level liquidity strength of WCL. WCL has cash and liquid investments in bonds, mutual funds (MFs), and government securities of ₹1,633 crore as on June 30, 2025 (₹1,933 crore as on March 31, 2025). On standalone level, as on March 31, 2025, WSSL's liquidity position has significantly improved resulting in cash and liquid investments of ₹96.44 crore as on March 31, 2025, with no term debt obligations and ₹50.74 crore as on September 30, 2025. The working capital cycle increased to 59 days in FY25, compared to 43 days in FY24.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks

	Risk factors
Environmental	Energy consumption and renewable transition: Moderate The total energy consumption amounted to 310,406 GJ. Of the total energy used, 69% of electricity and 85% of the overall energy needs were met through non-renewable sources. While the current share of renewable energy remains relatively low, it has shown improvement compared to the previous year, rising to 31% for electricity and 15% of total energy consumption. WSSL has set a goal to increase the overall share of renewable electricity to 75% by 2026. Additionally, WSSL has entered an agreement to source hybrid energy (a mix of solar and wind). In the reporting year, the company utilised hybrid energy for 31% of its total electricity consumption. Environmental emissions: High In FY25, WSSL decreased its emission intensity per metric ton of bloom production by 12% and raised its renewable electricity usage from 28% to 31%. With upcoming renewable energy projects, this figure is anticipated to increase to as much as 75% in the near future. Solid wastage and recycling: Moderate Hazardous chemical waste at 63 metric tonnes in FY25. While hazardous waste is carefully managed by authorised vendors designated by the pollution control board for co-processing/disposal.
Social	Gender diversity- Low Considering the board of directors, 12.5% female diversity is present as on June 30, 2025. Considering the employees, the female diversity stands at 7%, whereas that of workers stands at 1% in FY25. The overall diversity trend is low since WSSL is manufacturing and labour-intensive operations where the diversity ratio tends to be low. Attrition rate: High Turnover rate has increased to 34.4% in FY25 from 31.9% in FY24 for the permanent employees. While the turnover rate has increased to 24.9% in FY25 from 22.2% in FY24 for workers. Safety standards: Adequate WSSL maintains Safety Committees at its facilities to enforce compliance with its Occupational Health, Safety, and Environment (OHSE) policy and regulatory requirements. These committees also conduct safety training for both employees and contract workers. Moreover, they continuously monitor safety indicators to detect gaps in risk prevention and work towards enhancing processes and procedures.
Governance	Board independency- Majority 50% of the board consists of independent directors (4 out of 8) as on June 30, 2025. Participation of board members: Active Attendance rate for independent directors for meetings and AGM was adequate. Internal financial controls: Adequate. No major adverse remark by auditor.

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](#)

[Iron & Steel](#)

[Rating Credit Enhanced Debt](#)

[Factoring Linkages Parent Sub JV Group](#)

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 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 2.18 MTPA of steel line pipes, with plants located in India and the US, while additional 0.4 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 in March 2023.

Brief Consolidated Financials (₹ crore)	FY24 (A)	FY25 (A)	H1FY26 (UA)
Total operating income	17,319	13,948	7,995
PBILDT	1,541	1,655	1,186
PAT	1,136	1,902	793
Overall gearing (times)	0.61	0.36	n.a
Interest coverage (times)	5.22	5.24	10.54

A: Audited UA: Unaudited; n.a.- not available, Note: these are latest available financial results. Note: Financials have been prepared per CareEdge Ratings' Standards.

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals and mining	Ferrous metals	Iron and steel

Incorporated in December 1980, WSSL); earlier known as RMG Alloy Steel Limited) was promoted by V.C Saraf and R.C Saraf and Remi group of companies. WSSL is now majorly held by WCL holds 51.06%. WSSL operates an electric arc furnace (for alloy steel) and induction furnace (for SS) based steel melting shop, a rolling mill and a seamless pipe manufacturing facility in Bharuch, Gujarat. It has a capacity of 150,000 tonnes per annum (TPA) in steel melting shop; 100,000 TPA in rolling mill and 10,000 TPA in pipes division and 24,000 tonnes peeling and polishing facility to manufacture bright bars. The company manufactures SS (ingot/blooms/bright bars) and SS seamless pipes/tubes.

Brief Financials (₹ crore)- WSSL	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	716	746	454
PBILDT	75	53	32
PAT	62	-4	9
Overall gearing (times)	8.25	0.50	-
Interest coverage (times)	2.26	1.21	1.70

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
Commercial Paper-Commercial Paper (Standalone)		not yet placed	not yet placed	not yet placed	50.00	CARE A1+
Fund-based/Non-fund-based-LT/ST		-	-	-	160.00	CARE AA+ (CE); Stable / CARE A1+ (CE)
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG		-	-	-	125.00	CARE AA+ (CE); Stable / CARE A1+ (CE)
Non-fund-based - ST-Forward Contract		-	-	-	15.00	CARE A1+ (CE)
Un Supported Rating-Un Supported Rating (LT/ST)		-	-	-	0.00	CARE AA- / 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 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	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	125.00	CARE AA+ (CE); Stable / CARE A1+ (CE)	1)CARE AA+ (CE); Stable / CARE A1+ (CE) (11-Aug-25)	1)CARE AA (CE); Positive / CARE A1+ (CE) (20-Sep-24)	1)CARE AA (CE); Stable / CARE A1+ (CE) (21-Sep-23)	1)CARE AA (CE); Negative / CARE A1+ (CE) (29-Mar-23) 2)CARE AA (CE); Negative / CARE A1+ (CE) (24-Jan-23)

								3)CARE AA (CE); Stable / CARE A1+ (CE) (30-Jun-22) 4)CARE AA (CE); Stable / CARE A1+ (CE) (16-Jun-22)
2	Fund-based/Non-fund-based-LT/ST	LT/ST	160.00	CARE AA+ (CE); Stable / CARE A1+ (CE)	1)CARE AA+ (CE); Stable / CARE A1+ (CE) (11-Aug-25)	1)CARE AA (CE); Positive / CARE A1+ (CE) (20-Sep-24)	1)CARE AA (CE); Stable / CARE A1+ (CE) (21-Sep-23)	1)CARE AA (CE); Negative / CARE A1+ (CE) (29-Mar-23) 2)CARE AA (CE); Negative / CARE A1+ (CE) (24-Jan-23) 3)CARE AA (CE); Stable / CARE A1+ (CE) (30-Jun-22) 4)CARE AA (CE); Stable / CARE A1+ (CE) (16-Jun-22)
3	Un Supported Rating-Un Supported Rating (LT/ST)	LT/ST	0.00	CARE AA- / CARE A1+	1)CARE AA- / CARE A1+ (11-Aug-25)	1)CARE A+ / CARE A1 (20-Sep-24)	1)CARE A+ / CARE A1 (21-Sep-23)	1)CARE A+ / CARE A1 (29-Mar-23) 2)CARE A+ / CARE A1

								(24-Jan-23) 3)CARE BBB- / CARE A3 (30-Jun-22) 4)CARE BBB- / CARE A3 (16-Jun-22)
4	Non-fund-based - ST-Forward Contract	ST	15.00	CARE A1+ (CE)	1)CARE A1+ (CE) (11-Aug-25)	1)CARE A1+ (CE) (20-Sep-24)	1)CARE A1+ (CE) (21-Sep-23)	1)CARE A1+ (CE) (29-Mar-23) 2)CARE A1+ (CE) (24-Jan-23) 3)CARE A1+ (CE) (30-Jun-22) 4)CARE A1+ (CE) (16-Jun-22)
5	Fund-based - LT-Term Loan	LT	-	-	1)Withdrawn (11-Aug-25)	1)CARE AA (CE); Positive (20-Sep-24)	1)CARE AA (CE); Stable (21-Sep-23)	1)CARE AA (CE); Negative (29-Mar-23) 2)CARE AA (CE); Negative (24-Jan-23) 3)CARE AA (CE); Stable (30-Jun-22)
6	Commercial Paper-Commercial Paper (Standalone)	ST	50.00	CARE A1+				

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
Instruments/ Bank Facilities	Fund-based/Non-fund-based-LT/ST
	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG
	Non-fund-based - ST-Forward Contract
Financial covenants	Not applicable
Non-financial covenants	
Corporate Guarantee	Un-conditional and irrevocable corporate guarantee of WCL shall be available for the entire tenor of rated bank facilities of WSSL.
Shareholding Obligation	Welspun Corp Ltd/Welspun Group directly/indirectly should maintain unencumbered shareholding of the borrower throughout the tenor of the facilities.
Management Control	Welspun Group to retain management control of the borrower throughout the tenor of the facilities.

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Fund-based/Non-fund-based-LT/ST	Simple
3	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple
4	Non-fund-based - ST-Forward Contract	Simple
5	Un Supported Rating-Un Supported Rating (LT/ST)	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge 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.

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