



Press Release
WELCAST INDIA PRIVATE LIMITED
July 14, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.59	ACUITE BB Stable Assigned	-
Bank Loan Ratings	44.29	ACUITE BB Stable Reaffirmed	-
Bank Loan Ratings	0.25	-	ACUITE A4+ Assigned
Bank Loan Ratings	0.52	-	ACUITE A4+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	49.65	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB**' (read as **ACUITE double Ba**) and short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on Rs. 44.81 Cr. bank facilities of Welcast India Private Limited (WIPL). The outlook is "**Stable**".

Acuite has assigned the long-term rating of '**ACUITE BB**' (read as **ACUITE double Ba**) and short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on Rs. 4.84 Cr. bank facilities of Welcast India Private Limited (WIPL). The outlook is "**Stable**".

Rationale for Reaffirmation

The rating reaffirmation reflects the steady growth in operating income in FY2025 vis-a-vis previous year due to increase in sales volume with better realizations albeit decline in margins due to increase in cost of raw materials and increase in rates & taxes for shipment to Canada which formed ~30 % of revenues during the year. The company has installed new machines to boost productivity, improve quality and achieve cost reductions. The company has achieved revenue of Rs.25.00 Cr. till Q1FY26. The company has an order size of Rs.40.00 Cr. as on July 2025 along with rolling pipeline of new orders which provides revenue visibility over the medium term. Comfort is drawn from the company's established presence in the castings industry with experienced management. Further, the rating reflects below average financial risk profile marked by small net worth, high gearing ratio, average debt protection metrics. The liquidity is stretched on account of weak current ratio, moderate bank limit utilization, low net cash accruals against debt repayment and the same is paid through equity infusion during the year. The rating is constrained by volatility in profitability margins and intensive working capital cycle. While profitability margins remain vulnerable to fluctuations in raw material costs and forex fluctuations.

About the Company

Welcast India Private Limited (WIPL) is a family run Kolkata-based company, was incorporated in 1997. The company is engaged in manufacturing of municipal castings, agricultural castings and fabricated steel via the manufacturing unit at Uluberia, West Bengal. The Directors of the company are Mr. Ankit Kejriwal, Mr. Ramesh Kumar Kejriwal and Mrs. Saroj Kejriwal.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of Welcast India Private Limited to arrive at the rating.

Key Rating Drivers

Strengths

Long operational track and experienced management

WIPL was incorporated in 1997 and has a long operational track record of more than two decades in the cast iron and ductile iron manufacturing business. The promoters Mr. Ankit Kejriwal and family manages the operations of the company along with adequate support from a set of key professionals. The company has an exposure in 20 countries where orders came mainly from USA and Canada, and it has also acquired new customers from Qatar, Saudi Arabia and South Africa during FY25 (Prov.). Acuité believes that the long track record of operations and the extensive experience of the promoters will continue to benefit the company going forward.

Increase in operating income during FY25

WIPL has achieved an operating income of Rs. 97.54 Cr. in FY25 (Prov.) as against Rs. 74.41 Cr. in FY24. The growth was due to an increase in sales volume with better price realizations. The order in hand comprises of ~Rs.40.00 Cr. as on July 2025 which will be executed within 4 months with a rolling pipeline of new orders. The price of ductile iron is ~40% higher than gray cast iron. Further, the company has reported revenues of Rs.25.00 Cr. till Q1FY26. Acuité believes that the scale of operations will improve over the medium term backed by order flow and favourable opportunities for the industry.

Weaknesses

Susceptibility of profitability margins to raw material price fluctuations and forex

The EBITDA margin stood at 7.16% in FY25 (Prov.) as against 8.09% in FY24. The decline was due to increased raw material costs and increase in rates & taxes for shipment to Canada which formed ~30 % of revenues during the year. The PAT margin stood at 1.04% in FY25 (Prov.) as against 1.03% in FY24. The company's profitability is supported by non-operating income; in the absence of the same it would be at negative PBT. Forex fluctuations would remain a key monitorable factor. Acuité expects that the margins to remain on similar levels over the medium term backed by fluctuations in forex and raw material costs.

Below Average Financial Risk Profile

The company has a below average financial risk profile marked by increase in net worth, high gearing and average debt protection metrics. The tangible networth stood at Rs.13.30 Cr. as on March 31, 2025 (Prov.) as against Rs.11.70 Cr. as on March 31, 2024, due to accretion of reserves and infusion of equity. There was a fresh equity infusion of Rs. 0.60 Cr. in FY25 (Prov.) and company has plans to further infuse equity in the business for debt repayment and working capital requirements over the medium term.

The gearing stood high at 2.41 times in FY25 (Prov.) against 2.32 times in FY24. The company has undertaken external debt for installation of new machines for effective production and cost reduction. TOL/TNW ratio stood at 3.52 times in FY25 (Prov.) as against 3.41 times in FY24. The interest coverage ratio and debt service coverage ratio stood at 1.57 times and 0.94 times as on March 31, 2025 (Prov.) in line with 1.55 times and 0.94 times respectively as on March 31, 2024. The debt repayments were met out of the equity infusion by the Company. Acuité believes that the company's financial risk profile will remain at similar levels backed by steady cash accruals and expected equity infusion plans albeit weak debt protection metrics over the medium term.

Intensive Working Capital Cycle

The company has an intensive working capital cycle as reflected by Gross Current Assets (GCA days) of 170 days in FY25 (Prov.) as against 192 days in FY24. The debtor days stood at 48 days in FY25 (Prov.) as against 46 days in FY2024, due to collection period of minimum 90 days. The company ship their products by water, and it reaches to the customers in an average of 60-70 days. The bank discounts the bills within 15 days. The inventory days stood improved to 97 days in FY25 (Prov.) as against 125 days in FY24 due to efficient planning of raw materials. The creditor days stood at 23 days in FY25 (Prov.) as against 46 days in FY24. The credit terms of suppliers are 30-45 days. Acuité believes that working capital requirements are expected to remain at similar levels over the medium term.

Rating Sensitivities

Movement in the operating income and margins
Working capital cycle
Movement in debt protection metrics

Liquidity Position Stretched

The company's liquidity position is stretched marked by net cash accruals of Rs.2.25 crore in FY25 (Prov.) as against a long-term debt repayment of Rs. 2.70 crore over the same period. The shortfall was repaid by infusion of equity capital. The current ratio stood low at 1.10 times in FY25 (Prov.) as compared to 1.09 times in FY24. The cash and bank balances stood at Rs 1.76 crore in FY25 (Prov.) as against Rs. 1.16 crore in FY24. The company does not have any debt funded capex plans over the medium term. Additionally, the fund-based and non-fund-based limits were utilized at 79 per cent and 100 percent for the eight-months ended March 2025. Also, the company has intensive working capital cycle as reflected by Gross Current Assets (GCA) of 170 days in FY25 (Prov.) as against 192 days in FY24. Acuite believes that the company's liquidity position would remain at similar levels owing to small accruals expected to be sufficient to meet debt obligations, high dependence on bank lines to fund working capital requirements, low current ratio, albeit no major debt funded capex plans over the medium term.

Outlook : Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	97.54	74.41
PAT	Rs. Cr.	1.01	0.76
PAT Margin	(%)	1.04	1.03
Total Debt/Tangible Net Worth	Times	2.41	2.32
PBDIT/Interest	Times	1.57	1.55

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
24 Jun 2024	Bank Guarantee (BLR)	Short Term	0.21	ACUITE A4+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.31	ACUITE A4+ (Reaffirmed)
	Term Loan	Long Term	1.16	ACUITE BB Stable (Reaffirmed)
	PC/PCFC	Long Term	21.00	ACUITE BB Stable (Reaffirmed)
	Bills Discounting	Long Term	21.00	ACUITE BB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1.13	ACUITE BB Stable (Reaffirmed)
27 Mar 2023	Bank Guarantee (BLR)	Short Term	0.21	ACUITE A4+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.31	ACUITE A4+ (Assigned)
	Term Loan	Long Term	2.29	ACUITE BB Stable (Reaffirmed)
	PC/PCFC	Long Term	21.00	ACUITE BB Stable (Reaffirmed)
	Bills Discounting	Long Term	21.00	ACUITE BB Stable (Reaffirmed)
16 Mar 2023	Bills Discounting	Long Term	15.00	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Bills Discounting	Long Term	6.00	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	2.50	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	PC/PCFC	Long Term	15.00	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	PC/PCFC	Long Term	6.00	ACUITE BB Stable (Assigned)
31 Mar 2022	PC/PCFC	Long Term	10.00	ACUITE BB- Stable (Reaffirmed)
	Bills Discounting	Long Term	2.00	ACUITE BB- Stable (Reaffirmed)
	Bills Discounting	Long Term	13.00	ACUITE BB- Stable (Reaffirmed)
	PC/PCFC	Long Term	5.00	ACUITE BB- Stable (Reaffirmed)
	Term Loan	Long Term	2.50	ACUITE BB- Stable (Reaffirmed)
07 Mar 2022	PC/PCFC	Long Term	10.00	ACUITE BB- Stable (Reaffirmed)
	PC/PCFC	Long Term	5.00	ACUITE BB- Stable (Assigned)
	Bills Discounting	Long Term	2.00	ACUITE BB- Stable (Reaffirmed)
	Bills Discounting	Long Term	8.00	ACUITE BB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	7.50	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.52	Simple	ACUITE A4+ Reaffirmed
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.25	Simple	ACUITE A4+ Assigned
Union Bank of India	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	21.00	Simple	ACUITE BB Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2026	1.88	Simple	ACUITE BB Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	21.41	Simple	ACUITE BB Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.59	Simple	ACUITE BB Stable Assigned

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Manvi Khaitan Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.