

September 10, 2025

Walker Chandiook & Co LLP: Rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term - Fund based - Cash Credit	20.00	45.00	[ICRA]A (Stable); reaffirmed; Assigned for Enhanced amount
Long term – Non-Fund based – Bank Guarantee	-	(7.00)	[ICRA]A (Stable); Assigned
Total	20.00	45.00	

*Instrument details are provided in Annexure-I

Rationale

The rating reaffirmation factors in Walker Chandiook & Co LLP's (WCC) healthy financial profile with sustained low debt levels and operating profit margins (OPM of over ~25%), leading to strong debt protection metrics and adequate liquidity. The firm reported a steady year-on-year (YoY) revenue growth of ~15% in FY2025 (provisional data), which is expected to sustain at ~10-15% on a YoY basis, supported by new customer additions and widening of service offerings to the existing clients. While its OPM may witness some moderation, given the stiff industry competition, the same is projected to remain over 20% over the medium term. This, coupled with no plans for any major debt-funded capex or investments or repayment obligations, is likely to support sustenance of strong debt coverage metrics. The rating notes WCC's established business position and long operational track record of providing audit, tax and advisory services in India. The firm has developed a diversified customer base, including reputed Government and private sector companies, which has led to low client concentration risks. The repeat businesses support the firm's revenue growth prospects.

The rating is, however, constrained by WCC's moderate capital base, due to continued and sizeable capital withdrawals by the partners, and limited pricing flexibility owing to stiff competition from other established audit firms. The capital withdrawals towards the share of profits earned are likely to continue. Nevertheless, its impact on the debt protection metrics is expected to remain low, given the healthy profit levels. Moreover, the rating factors in the vulnerability of operations to regulatory/reputational risks due to the dynamic regulatory environment and ongoing challenges in retaining key personnel.

The Stable outlook reflects ICRA's opinion that WCC will be able to sustain its operating profile on the back of a diverse service offering and a wide reputed client base. These factors are expected to enable WCC to sustain its business growth, profitability levels and liquidity position commensurate with the rating level.

Key rating drivers and their description

Credit strengths

Healthy financial risk profile – WCC's revenues have been increasing at a healthy CAGR of 16% during FY2021-FY2025, with revenue of ~Rs. 555 crore reported in FY2025. The growth in FY2025 was driven by a higher number of projects for audit/compliance from various public sector undertakings and Government entities with an increased number of partners in the firm (which generally bring in additional customers). Going forward, the revenue growth is projected to remain healthy at 10-15% in the near term. While its OPM improved to 25% in FY2025 (Vs. 22.7% in FY2024), the same is likely to remain rangebound within 21-23% in the medium term, given the stiff competition. The capital structure remains conservative with nominal debt levels. Consequently, the debt protection metrics are expected to remain strong.

Established presence in audit business with reputed clientele – WCC has an established business position and an operational track record of several decades in the audit segment in the domestic market. The firm has developed a wide client base that includes reputed companies from the private sector, the public sector and multilateral agencies, which has resulted in repeat business from its clients. Further, WCC benefits in the form of contractual business with the GT Group, which is an affiliate of the GTI network, which supports the firm's business growth.

Pan-India presence with diverse service offerings – WCC has a pan-India presence, along with diverse services offered in the audit, tax and advisory segments (albeit over 80% derived from audit services). This results in geographical as well as product diversification for WCC.

Credit challenges

Intense competition limits pricing flexibility, operations remain exposed to employee attrition – WCC faces stiff competition from other established audit/consulting majors (the big four firms - Ernst & Young, PricewaterhouseCoopers, KPMG and Deloitte), limiting its pricing flexibility. Given the highly relationship-driven nature of operations, employee attrition is a major concern for audit and consulting firms. The loss of a significant number of key employees could materially affect WCC’s service delivery and profitability. Nonetheless, the firm has a reasonable track record in employee retention, reflecting favourably on its brand strength, employee policies and compensation packages. However, the firm’s ability to attract and retain quality manpower remains an ongoing monitorable.

Moderate capital base owing to regular capital withdrawals – As applicable to any partnership model, the capital structure remains vulnerable to the risk of large capital withdrawals by the partners. During the last three years, the average capital withdrawals stood at ~90% of profits, resulting in a moderate capital base for the entity. Nevertheless, the firm’s debt protection metrics remains comfortable on account of healthy profits and low debt levels. The extent of withdrawals and the impact of the same on liquidity, leverage and financial risk profile remains a key rating sensitivity.

Exposed to reputation and regulatory risks – WCC faces high market/reputational risks, given the stringent controls by the regulatory authorities.

Liquidity position: Adequate

WCC’s liquidity position is expected to remain adequate, driven by a steady cash flow from operations and supported by free cash balances ~Rs. 50 crore (as on March 31, 2025) and undrawn working capital bank lines (average utilisation of ~40% of the sanctioned limits for the 12-month period ending in March 2025). The firm has no major loan repayment liabilities and no plans for any major debt-funded capex or investment. While capital withdrawals towards the share of profits earned have continued, the proportion of the same is likely to remain in line with the past trends. This, along with increased level of capital contribution by the partners will be used to meet the working capital requirements.

Rating sensitivities

Positive factors – A significant increase in the scale of operations while maintaining healthy profitability margins and strong credit metrics, along with adequate liquidity position, could result in a rating upgrade.

Negative factors – The rating could be downgraded if there is a considerable decline in revenue, profit margins and cash flow generation on a sustained basis. Additionally, a stretch in the working capital cycle due to the build-up of debtor levels, on a prolonged basis, and substantial capital withdrawals, leading to a weakening of the liquidity position, could lead to a rating downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

WCC is a limited liability partnership firm and is primarily owned by Mr. Vinod Chandio. It has an established operational track record in the assurance (audit, taxation, etc) business in India. WCC has a pan-Indian presence, and undertakes operations with several multinational companies, domestic corporate houses and government agencies across different sectors.

Key financial indicators (audited)

	FY2024	FY2025
Operating income	483.1	555.0
PAT	65.7	84.9
OPBDIT/OI	22.7%	24.9%
PAT/OI	13.6%	15.3%
Total outside liabilities/Tangible net worth (times)	0.4	0.3
Total debt/OPBDIT (times)	0.0	0.0
Interest coverage (times)	22.7	27.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	Sept 10, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based - Cash Credit	Long-term	45.0	[ICRA]A (Stable)	Aug-14-24	[ICRA]A (Stable)	Jul-03-23	[ICRA]A (Stable)	May-18-22	[ICRA]A (Stable)
Non-Fund based – Bank Guarantee	Long-term	7.0	[ICRA]A (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund based – Cash Credit	Simple
Non-fund based – Bank Guarantee (sublimit of CC)	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund based - Cash Credit	-	-	-	45.0	[ICRA]A (Stable)
NA	Non Fund based – Bank Guarantee*	-	-	-	7.0	[ICRA]A (Stable)

Source: Company; * Sub-limit of cash-credit limits

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis - Not Applicable

ANALYST CONTACTS

Ashish Modani
+91 22 6169 3300
ashish.modani@icraindia.com

Suprio Banerjee
+91 22 6114 3443
supriob@icraindia.com

Ritu Goswami
+91 124 4545 826
ritu.goswami@icraindia.com

Akarsheet Agarwal
+91 124 4545 5310
akarsheet.agarwal@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



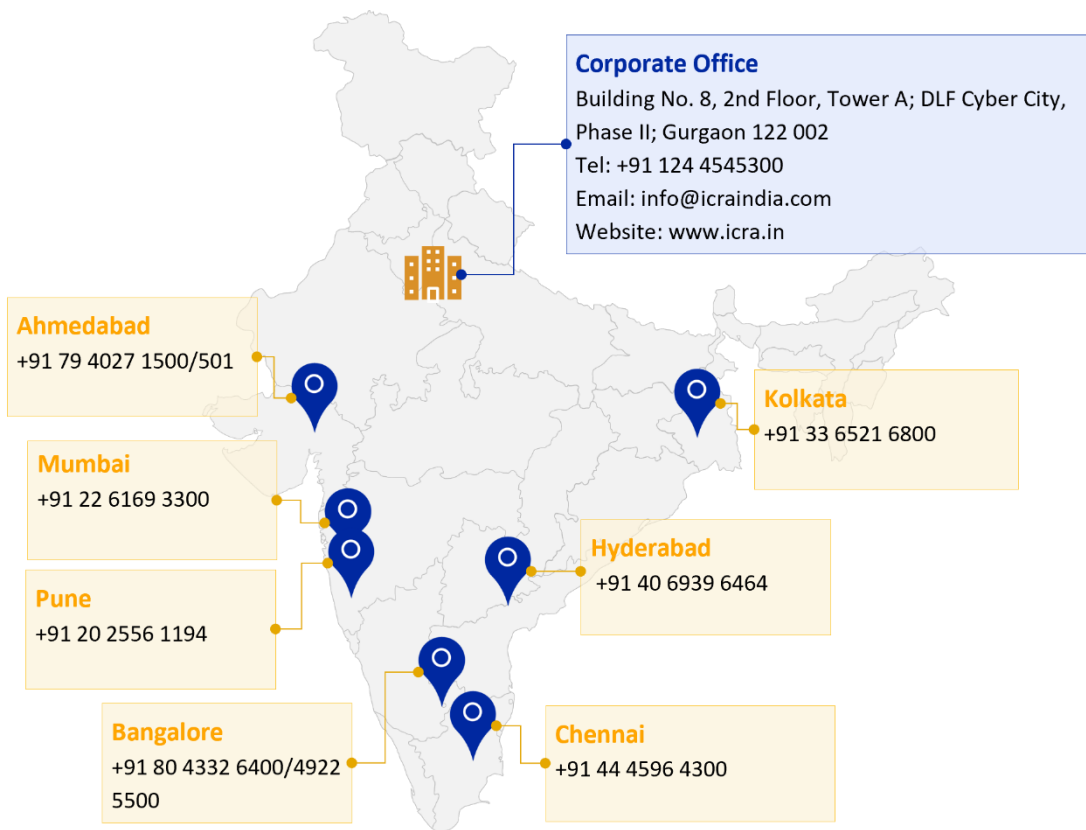
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.