

September 18, 2025

Gripwel Fasteners Private Limited: [ICRA]A+(Stable)/[ICRA]A1; assigned

Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Long-term / Short-term – Fund-based – Cash credit	22.50	[ICRA]A+(Stable)/[ICRA]A1; assigned
Long-term / Short-term – Unallocated limits	2.50	[ICRA]A+(Stable)/[ICRA]A1; assigned
Total	25.00	

*Instrument details are provided in Annexure-I

Rationale

The ratings assigned to Gripwel Fasteners Private Limited (GFPL) factor in its established presence as a manufacturer of three-point linkage (3PL) and precision machined parts (PMP) for agricultural and construction equipment. GFPL benefits from both operational and financial support as a wholly owned subsidiary of Uniparts India Limited (UIL), a reputed component manufacturer serving leading global Original Equipment Manufacturers (OEM) in the agricultural and construction equipment sectors. GFPL primarily caters to Uniparts Group’s replacement market business, contributing around 20% to UIL’s turnover, with exports across multiple geographies. The ratings also favourably reflect GFPL’s strong financial risk profile, marked by a conservative capital structure and robust debt coverage indicators.

Owing to soft demand across key geographies—primarily Europe and the Americas—revenues for both GFPL and Uniparts India Limited have remained under pressure over the past two fiscals, with GFPL’s revenue declining to Rs. 180.8 crore in FY2025. While the reduced scale of operations impacted the operating leverage and led to margin moderation, the company’s margin remained healthy at 14% in FY2025. Despite this dip in performance, GFPL’s credit profile continues to be strong, supported by limited dependence on debt (Rs. 12.8 crore as of March 31, 2025) and robust debt coverage indicators, including an interest coverage ratio of 26 times in FY2025.

The recent imposition of tariffs by the US Government on the Group’s exports—specifically a 50% tariff on steel derivative products applicable to the company’s offerings—is expected to weigh on the earnings in the near term. According to management discussions, UIL has been in active discussions with its customers on the increased tariff costs. So far, with most customers, UIL has been able to agree to a revised pricing, and with some customers UIL has moved some products manufactured in India to manufacturing at its US plant. This dual approach has ensured that there is an agreement which mitigates tariff impact both for customers and UIL till date. This dual shoring model and long-term customer relationships enjoyed by UIL with its customers aided a timely resolution to the material tariffs imposed and provide comfort. In the interim however, an increase in the working capital requirement for UIL is likely, as the company aims to maintain higher inventory in warehouses in Europe and USA to ensure uninterrupted supply to OEMs.

UIL’s performance remained stable in Q1 FY2026, despite application of initial 25% derivative tariffs from March 2025 onwards (further increased to 50% from June 3, 2025) indicating steady supplies. Additionally, UIL’s net debt-negative position continues to support its credit profile and is expected to help the entity withstand any adverse impact from the ongoing tariff scenario. The impact of higher tariffs on the credit risk profiles of both GFPL and UIL remains a key monitorable.

The Group’s replacement business, housed under GFPL, is geographically diversified. The US market, which contributes approximately 45% to GFPL’s revenues, is served through supplies to fellow US-based subsidiaries, while the European market, accounting for around 50% of revenues, is served via direct exports from GFPL. In addition to the company’s exposure to tariff impositions, the ratings also remain constrained by the inherent cyclicity of UIL’s end-user industries (agricultural machinery and construction equipment), which are susceptible to demand downturn.

The Stable outlook on the long-term rating reflects ICRA's expectation that despite uncertainty regarding the company's near-term earnings prospects on account of the tariffs imposed, GFPL will maintain a healthy financial risk profile, benefitting from access to operational and financial support from its parent entity, UIL.

Key rating drivers and their description

Credit strengths

Access to financial and operational support from parent entity – The entity enjoys financial and operational support from its parent, which enhances its creditworthiness and business stability. The parent's involvement in strategic decisions, risk management, and resource sharing contribute to improved efficiency and governance. Such support reflects the entity's strategic importance within the Group and is likely to ensure continued backing during business cycles or financial stress. Implicit assurance from the parent also strengthens stakeholder confidence and facilitates access to external funding on favourable terms.

Established relationships with leading global agriculture and construction equipment industry participants – GFPL, like its parent, UIL, has a healthy presence in agriculture and construction equipment sectors, serving as an established component manufacturer for leading global industry participants with two of its product platforms, 3PL for agricultural machinery, and PMPs for agricultural and construction equipment. Over the years, the company maintained a strong business share for these products with its customers, leveraging its strong engineering and development capabilities.

Strong financial risk profile characterised by low gearing and healthy coverage indicators – With minimal debt repayment obligations (limited to working capital) and steady profit margins, the company's financial risk profile remains healthy. Despite significant fund outflow in the form of dividends to the parent company over the past three years, exceeding annual cash accruals, the overall financial risk profile remains robust, as reflected by a Total debt/OPBITDA of 0.5 times and an interest coverage ratio of 26.0 times in FY2025. In the absence of any major capex plan, the company's debt is expected to be restricted to working capital utilisation and will remain significantly lower than the net worth. However, any substantial dividend payout, resulting in erosion of net worth, could moderate the capital structure and remain a key monitorable.

Credit challenges

Modest scale of operations – The company operates at a modest scale, which limits its ability to benefit from economies of scale and restricts its bargaining power. While it has maintained profitability, its relatively small size exposes it to higher vulnerability during industry downturns or competitive pressure. The limited scale also constrains its financial flexibility and ability to absorb cost escalations or invest in large-scale expansion. The revenues moderated over the past three years owing to a slowdown in its key operating markets - North America and Europe (for agriculture equipment segment).

Exposed to vulnerability in demand as end-user industries are inherently cyclical – The company derives its revenues from the agriculture and construction equipment industries, which are largely influenced by global and macroeconomic trends. Approximately 95% of GFPL's revenues comes from export markets, making its prospects closely tied to international demand, particularly in North America and Europe, which together accounted for around 90% of its revenues in FY2025.

Impact of tariffs imposition by the US – The recent imposition of tariffs by the US Government on the Group's exports—specifically a 50% tariff on steel derivative products applicable to the company's offerings—is expected to weigh on the earnings in the near term. According to management discussions, UIL has been in active discussions with its customers on the increased tariff costs. So far, with most customers UIL has been able to agree to a revised pricing, and with some customers UIL has moved some products manufactured in India to manufacturing at its US plant. This dual approach has ensured that there is an agreement which mitigates tariff impact both for customers and UIL till date. This dual shoring model and long-term customer relationships enjoyed by UIL with its customers aided a timely resolution to the material tariffs imposed and provide comfort. In the interim however, an increase in the working capital requirement for UIL is likely, as the company aims to maintain higher inventory in warehouses in Europe and USA to ensure uninterrupted supply to OEMs. In Q1 FY2026, the

performance of UIL and GFPL remained stable with some improvement in revenues and profit margins despite some impact of 25% derivative tariffs (applicable from March 2025); the same will be monitorable going forward.

Liquidity position: Adequate

GFPL's liquidity position is **adequate**, characterised by expectation of healthy cash flows and availability of adequate unutilised lines of credit (buffer of ~Rs. 11 crore in working capital limits as of June 30, 2025). The company does not have any term debt repayment obligations and has only marginal capex plans in the near term. Further, the parent company (UIL) has healthy cash and liquid investments of more than Rs. 280 crore as of July 31, 2025, which provides sufficient support to GFPL's liquidity.

Rating sensitivities

Positive factors – A material improvement in the company's scale of operations, along with diversification of its customer and geographical mix, would be favourably considered for an improvement in ratings.

Negative factors – The ratings may be revised downward in case of a material deterioration in the scale of operations/margins for the existing business, weakening its credit metrics. A deterioration in the credit profile of the parent entity (UIL) or a weakening in the linkages between the entities could also exert pressure on the ratings.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Not applicable
Consolidation/Standalone	GFPL is a wholly-owned subsidiary of Uniparts India Limited (rated [ICRA]AA-(Stable)/[ICRA]A1+). The ratings assigned to GFPL factor in the high likelihood of UIL extending financial support to it because of its strategic importance and close business linkages. ICRA also expects UIL to be willing to extend financial support to GFPL out of its need to protect its reputation from the consequences of a Group entity's distress

About the company

Incorporated in 2005, Gripwel Fasteners Private Limited (GFPL) is a wholly owned subsidiary of Uniparts India Limited (UIL). It is involved in manufacturing and supplying engineering systems and solutions, servicing global industry participants in the off-highway vehicle, agricultural machinery and construction equipment sectors. The company primarily manufactures three-point linkage assemblies for the agricultural machinery sector and precision machined parts for agriculture and construction sectors. The company's manufacturing units is in Noida Special Economic Zone, Uttar Pradesh with an annual production capacity of 8,400 tonnes per annum. GFPL mainly handles the aftermarket segment of UIL.

Key financial indicators

GFPL, Standalone	FY2024	FY2025
Operating income	194.0	180.8
PAT	21.1	18.1
OPBDIT/OI	13.8%	14.0%
PAT/OI	10.9%	10.0%
Total outside liabilities/Tangible net worth (times)	0.5	0.7
Total debt/OPBDIT (times)	0.4	0.5

Interest coverage (times)	51.1	26.0
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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

Key financial indicators

UIL, Consolidated	FY2024	FY2025	Q1 FY2026*
Operating income	1139.5	963.7	273.6
PAT	124.7	88.0	34.5
OPBDIT/OI	16.6%	15.1%	19.1%
PAT/OI	10.9%	9.1%	12.6%
Total outside liabilities/Tangible net worth (times)	0.3	0.3	NA
Total debt/OPBDIT (times)	0.5	0.8	NA
Interest coverage (times)	33.5	17.6	25.0

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	Type	Current ratings (FY2026)			Chronology of rating history for the past 3 years					
		Amount Rated (Rs. Crore)	FY2026		FY2025		FY2024		FY2023	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash credit	Long-term / Short-term	22.50	Sep 18, 2025	[ICRA]A+(Stable)/ [ICRA]A1	-	-	-	-	-	-
Unallocated	Long-term / Short-term	2.50	Sep 18, 2025	[ICRA]A+(Stable)/ [ICRA]A1	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term / Short-term - Fund-based – Cash credit	Simple
Long-term / Short-term – Unallocated limits	Not Applicable

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	Cash credit	NA	NA	NA	22.50	[ICRA]A+(Stable)/[ICRA]A1
NA	Unallocated Limits	NA	NA	NA	2.50	[ICRA]A+(Stable)/[ICRA]A1

Source: Company

[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

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Srikumar Krishnamurthy

+91 44 45964318

ksrikumar@icraindia.com

Rohan Kanwar Gupta

+91 124 4545 808

rohan.kanwar@icraindia.com

Akshay Dangi

+91 124 4545396

akshay.dangi@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

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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



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