September 18, 2025

Uniparts India Limited: Update on entity

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Long-term/ Short-term – Fund-based – Cash credit	145.00	145.00	[ICRA]AA-(Stable)/[ICRA]A1+
Total	**145.00**	**145.00**	

**Instrument details are provided in Annexure I*

Rationale

India's exporters have been navigating a turbulent trade environment, with recent tariff hikes by the United States (US) threatening to reshape long-standing business dynamics. The latest round of US tariffs—effective August 27, 2025—has added a punitive 25% duty on select Indian goods, significantly increasing the overall tariff burden. Apart from the aforementioned reciprocal tariffs, US has also levied duties on steel, aluminum, copper and their derivative products under Section 232 of the Trade Expansion Act.

Uniparts India Limited (UIL)'s exports to the US are also subject to the tariffs implemented by the US Government with most of its products falling under the section 232 tariff categories. On a consolidated basis, UIL generates about 50% of its overall revenues from US, out of which around 24-25% (12% of consolidated revenues) is manufactured and serviced from the company's US plant; consequently, around 38% of the company's business is exposed to the elevated tariffs.

According to management discussions, UIL has been in active discussions with its customers on the increased tariff costs. So far, with most customers the company has been able to agree to a revised pricing, and with some customers the company 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 the company till date. This dual shoring model and long-term customer relationships enjoyed by the company 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 the company is likely, as the company aims to maintain higher inventory in warehouses in Europe and USA to ensure uninterrupted supply to OEMs.

ICRA notes that the company's US plant is currently operating at capacity utilization levels that enable the company to produce in the US without additional capex required to ramp up production. Additionally, the management is confident of enhancing capacity, as needed, without entailing significant capex.

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. In addition, the company has strong cash and liquid investments of about Rs. 285 crore as of July 31, 2025 (resulting in a negative net debt position), which continues to support its credit profile, and is likely to help the entity withstand any adverse impact of the ongoing scenario. Nonetheless, ICRA will continue to monitor the evolving trade scenario and its implications for UIL's credit profile.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, ESG related comments, Liquidity position, Rating sensitivities: Click here

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto components
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of UIL. As on June 30, 2025, the company had four subsidiaries and one stepdown subsidiary (under indirect control), which are all enlisted in Annexure-II.

About the company

Incorporated in 1994, Uniparts India Limited is a global manufacturer and supplier of engineering systems and solutions, servicing global OEMs 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 the agriculture and construction sectors. It also manufactures other products such as hydraulic cylinders (for agriculture and construction sectors), power take-off devices (for the agriculture sector) and fabrication parts (for agriculture and construction sectors). The company, along with its wholly-owned subsidiaries, has six manufacturing units across India and one in USA, equipped with forging, machining, heat treatment and welding capabilities, among others. Additionally, the company has three warehouse facilities (two in USA, and one in Germany) for its overseas customers.

Key financial indicators

Consolidated	FY2024	FY2025	Q1 FY2026*
Operating income	1,139.5	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; *Based on Limited financials; All ratios as per ICRA's calculations; Amounts 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

Current (FY2026)							Chronology of rating history for the past 3 years					
			FY2026				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based limits	Long-term and Short term	145.00	**Sep 18, 2025**	**[ICRA]AA-(Stable)/ [ICRA]A1+**	**Apr 25, 2025**	[ICRA]AA-(Stable)/ [ICRA]A1+	-	-	Jan 08, 2024	[ICRA]AA-(Stable)/ [ICRA]A1+	Jan 16, 2023	[ICRA]AA-(Stable)/ [ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term / Short-term – Fund based limits	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 limits**	NA	NA	NA	145.00	[ICRA]AA-(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

Company Name	Ownership	Consolidation Approach
Uniparts India Limited	100.0% (rated entity)	Full Consolidation
Uniparts USA Limited	100.0%	Full Consolidation
Gripwel Fasteners Private Limited	100.0%	Full Consolidation
Uniparts India GmbH	100.0%	Full Consolidation
Gripwel Conag Private Limited	100.0%	Full Consolidation
Uniparts Olsen Inc.*	100.0%	Full Consolidation

*Source: UIL annual report FY2025; wholly owned subsidiary of Uniparts USA Limited**

Note: ICRA has considered consolidated financials of Uniparts India Limited while assigning the ratings.

ANALYST CONTACTS

Jitin Makkar
+91 124 4545 368
jitinm@icraindia.com

K. Srikumar
+91 44-4596 4318
ksrikumar@icraindia.com

Rohan Gupta
+91 124 4545 808
rohan.kanwar@icraindia.com

Akshay Dangi
+91 124 4545 396
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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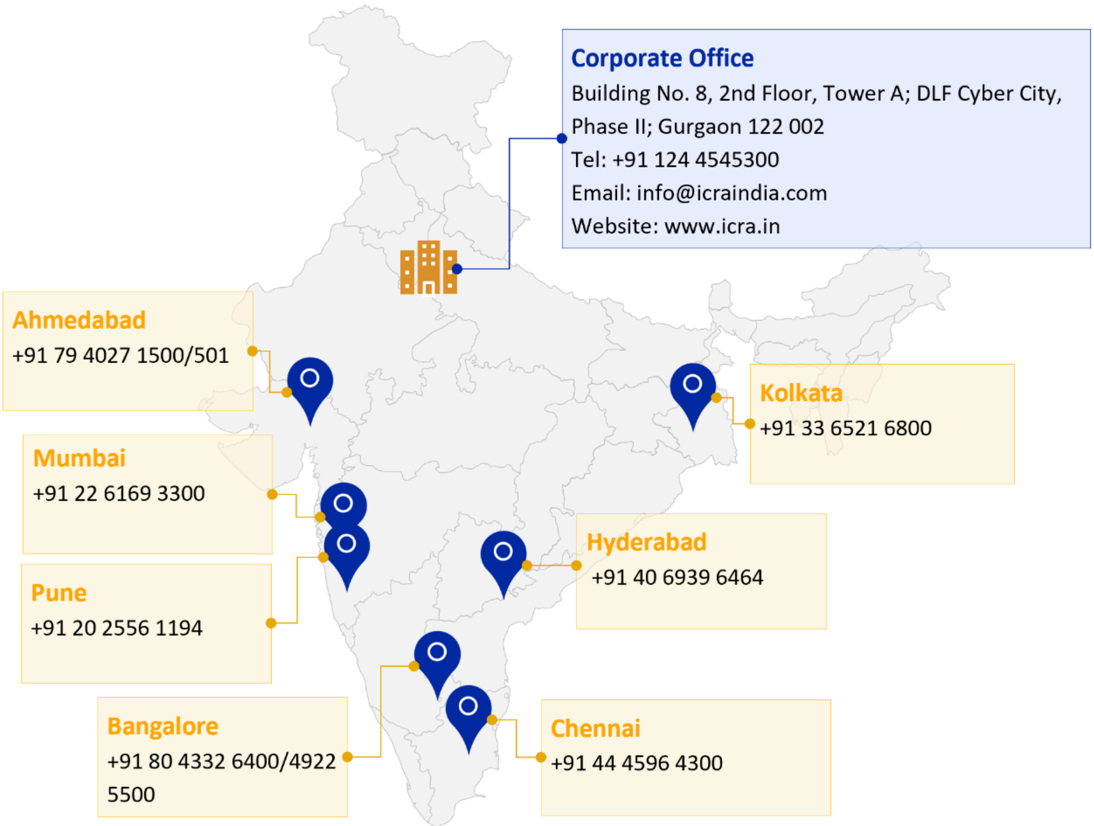
ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



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