

May 07, 2026

Uniparts India Limited: Ratings reaffirmed

Summary of rating action

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

*Instrument details are provided in Annexure II

Rationale

The rating reaffirmation for Uniparts India Limited (UIL/the company) factors in the expectation of continued healthy operating performance, supported by its strong global service delivery model, robust engineering and product development capabilities, and established relationships with leading original equipment manufacturers (OEMs) in the agricultural machinery and construction equipment (CE) segments, reflected in its healthy business share with select customers.

UIL, similar to most export-dependent companies, faced a subdued demand environment and geopolitical uncertainties over the past year following the imposition of tariffs by the US government (the US accounts for around 45–50% of UIL’s revenues). Despite these challenges, UIL recorded healthy revenue growth of 17% YoY in 9M FY2026 over 9M FY2025, which also supported an improvement in its profitability, with operating profit margins rising to 20.0% in 9M FY2026 from 15.5% in 9M FY2025 (18.1% in 9M FY2024). The company was largely able to pass on the tariff impact to its customers, thereby sustaining healthy earnings. UIL’s credit profile remains strong, supported by a negative net debt position, with cash and liquid investments of around Rs. 210–220 crore as of March 31, 2026, against a modest debt of about Rs. 80 crore, resulting in strong debt coverage metrics.

The company’s earnings would remain sensitive to tariffs imposed by the US government on its precision machined parts (PMP) and three-point linkage (3PL) exports over the near term. However, the company’s diversified business profile and healthy customer relationships with several large OEMs, coupled with its ability to pass on the tariff hike to its customers in FY2026, provides comfort regarding its medium-term growth prospects. In addition to its strong OEM relationships, UIL has a presence in the replacement market, which generated around 14% of its revenues in 9M FY2026.

The company continues to maintain a conservative capital structure, with total debt to tangible net worth (TD/TNW) at 0.1 times in H1 FY2026, along with strong debt coverage indicators, as reflected in TD/OPBDIT and interest coverage of 0.5 times and 24.6 times, respectively, in H1 FY2026. Supported by improved revenues and profitability, and in the absence of any meaningful debt on its books, the company has sustained strong debt coverage metrics.

The ratings continue to be constrained by the inherently cyclical nature of UIL’s end-user industries, namely agricultural machinery and construction equipment. After a period of softness in demand over CY2023-CY2025, an improvement in demand from the end user industries aided the entity’s performance in FY2026. Further, while the company caters to a diversified customer base, a significant share of its revenue comes from a leading global agricultural and construction equipment OEM (around 26% in 9M FY2026, though declining on a YoY basis), resulting in moderate customer concentration risk. This risk is partly mitigated by UIL’s enduring relationship with the customer and its supplies across multiple plants and geographies. In addition, the company’s ongoing efforts to diversify its customer mix through new client additions are expected to further reduce concentration over the medium term. ICRA also notes that UIL’s working capital intensity remains high, at around 44% in FY2025 and 39% in H1 FY2026, primarily on account of its global service delivery model, which necessitates maintaining adequate inventory across facilities and warehouses in multiple locations to ensure timely supply to customers.

The Stable outlook on the long-term rating reflects ICRA's expectation that despite uncertainty around the company's near-term revenue prospects amid a volatile geopolitical environment, UIL will maintain a healthy financial risk profile, supported by its established relationships with leading OEMs in the agricultural machinery and construction equipment industries.

Key rating drivers and their description

Credit strengths

Established relationships and healthy business share with leading global agriculture and construction equipment manufacturers – UIL has a healthy presence in the agricultural and construction equipment sectors, operating as an established component supplier to leading global OEMs through two key product platforms—3PLs for agricultural machinery and PMPs for both agricultural and construction equipment. Over the years, the company has maintained a strong business share for these products with leading global OEMs, supported by its robust engineering and product development capabilities.

Diversified geographic presence through global footprint across key markets – UIL follows a global service delivery model, with its manufacturing facilities and warehouses spread across geographies. This enables the company to offer multiple delivery options to its customers, who can either opt for premium-priced local delivery—from nearby manufacturing plants or warehouses—benefitting from shorter lead times, or choose competitively priced offshore delivery from relatively low-cost manufacturing locations, albeit with longer lead times. Beyond the operational advantages of the global delivery model, UIL's geographically diversified customer base also limits its exposure to demand downturns in any single geography.

Strong financial risk profile characterised by low gearing and healthy coverage indicators – UIL's financial risk profile remains strong in FY2026, characterised by a conservative capital structure and robust debt coverage indicators. The company's debt levels have increased over the past two years to about Rs. 120.6 crore (including lease liabilities) as of September 30, 2025, primarily on account of higher working capital utilisation amid pressure on business prospects. Nevertheless, UIL maintains a negative net debt position, supported by cash and liquid investments of around Rs. 210–220 crore as of March 31, 2026. Despite the business being characterised by high working capital intensity and substantial inventory holdings, debt coverage indicators remain comfortable, with interest coverage of 23.1 times as of December 2025 and expected total debt/OPBDITA of 0.6 times as of March 31, 2026. A material improvement in scale of operations and earnings remains key for the entity; additionally, the impact of tariffs imposed by the US government on the company's growth prospects remains monitorable.

Credit challenges

Working capital intensive nature of operations mandated by global delivery model – UIL's working capital intensity remains high, at 44% in FY2025 and 39% in H1 FY2026, necessitating significant funding towards working capital requirements, which has contributed to an increase in overall debt levels over the past two years. This elevated working capital requirement is primarily a function of the company's global service delivery model, under which it maintains adequate inventory at manufacturing facilities and warehouses across locations to ensure timely customer service. Accordingly, the company's inventory holding period remains high; for warehouse sales of products manufactured in India, inventory is typically held for around 5–6 months, including transportation and warehousing time until customer offtake.

Exposed to vulnerability in demand as end-user industries are inherently cyclical – UIL derives its revenues from the agricultural and construction equipment industries, which are inherently linked to global macroeconomic conditions. A substantial share of the company's revenues is generated from export markets, with domestic supplies accounting for around 14–15% of its revenues, primarily catering to the export requirements of domestic tractor OEMs. Accordingly, UIL's business prospects remain closely linked to global demand trends, particularly in the North American market, which accounted for around 50% of its revenues in 9M FY2026.

Environment and social risks

Environmental considerations – While UIL is not directly exposed to climate transition risks from tightening emission norms, its key customers in the agricultural and construction equipment segments remain exposed to such regulatory changes and agro-climatic risks, which could indirectly influence demand. The company has initiated measures to reduce its carbon footprint through increased use of alternative energy sources and follows effective water management practices; its exposure to ESG-related regulatory or litigation risks remains limited.

Social considerations – UIL has a healthy dependence on human capital, making employee retention, labour relations, and a stable supplier ecosystem critical for disruption-free operations. The company has undertaken initiatives to support its vendors in upgrading operational capabilities, skills, quality, and technology. Another key social risk relates to product quality and safety, as instances of recalls or elevated warranty claims could have financial and reputational implications. However, UIL’s strong track record of supplying its products to leading global OEMs and its robust technological capabilities mitigate these risks and support alignment with evolving customer requirements.

Liquidity position: Strong

UIL’s liquidity position remains strong, characterised by healthy cash and liquid investments, expectation of healthy cash flows and availability of adequate unutilised credit limits (buffer of about Rs. 60 crore in working capital limits as of January 2026). The entity is expected to have more than sufficient liquidity to meet its marginal debt repayments in a timely manner. The company had a balance of about Rs. 210-220 crore in cash and liquid investments, as on March 31, 2026, and is expected to generate about Rs. 80-100 crore in retained cash flows per annum. Going forward, the company’s dependence on external financing is likely to remain limited owing to its anticipated moderate capex plans.

Rating sensitivities

Positive factors – The rating of UIL could be upgraded upon a strengthening of its business profile, supported by expanded geographical presence and greater diversification across end-user industries, alongside a substantial growth in revenues and earnings, while maintaining a healthy liquidity position.

Negative factors – The ratings could be downgraded in the event of a sustained deterioration in the scale of operations and/or profitability, or any material adverse impact on the company’s cash flows/ liquidity due to acquisitions, capex, or high dividend payouts. A weakening of the total debt/ OPBITDA ratio to above 1.5 times on a sustained basis, alongside a material depletion of cash and cash equivalents, could also exert downward 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	For arriving at the ratings, ICRA has considered the consolidated financials of UIL. As on December 31, 2025, the company had four subsidiaries and one stepdown subsidiary (under indirect control), which are all enlisted in Annexure-III.

About the company

Incorporated in 1994, Uniparts India Limited is a global manufacturer and supplier of engineered systems and solutions, catering to leading OEMs in the off-highway vehicle, agricultural machinery, and construction equipment segments. The company's core product portfolio comprises 3PLs for the agricultural machinery segment and PMPs for both agricultural and construction equipment OEMs. In addition, UIL manufactures hydraulic cylinders for the agricultural and construction equipment segments, power take-off devices for agricultural machinery, and fabricated components for agricultural and construction equipment applications.

Along with its wholly-owned subsidiaries, the company operates six manufacturing facilities in India and one manufacturing facility in the US, with capabilities spanning forging, machining, heat treatment, and welding, among others. Further, UIL has four overseas warehouse facilities—two in the US and one each in Germany and Mexico—to cater to its international customer base.

Key financial indicators:

UIL (consolidated)	FY2024	FY2025	9M FY2026*
Operating income	1,139.5	964.2	831.5
PAT	124.7	88.0	107.2
OPBDIT/OI	16.6%	14.1%	20.0%
PAT/OI	10.9%	9.1%	12.9%
Total outside liabilities/Tangible net worth (times)	0.3	0.3	-
Total debt/OPBDIT (times)	0.5	0.9	-
Interest coverage (times)	33.5	16.5	23.1

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; Provisional for 9M FY2026*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2027)					Chronology of rating history for the past 3 years					
FY2027					FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long-term / Short term	145.00	May 07, 2026	[ICRA]AA-(Stable)/[ICRA]A1+	Apr 25, 2025	[ICRA]AA-(Stable)/[ICRA]A1+	-	-	Jan 08, 2024	[ICRA]AA-(Stable)/[ICRA]A1+
					Sep 18, 2025	[ICRA]AA-(Stable)/[ICRA]A1+				

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSR), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSR, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term / Short-term – Fund based limits- Cash Credit	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based limits – Cash Credit	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 III: 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 quarterly results for Q3 FY2026; wholly owned subsidiary of Uniparts USA Limited*

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

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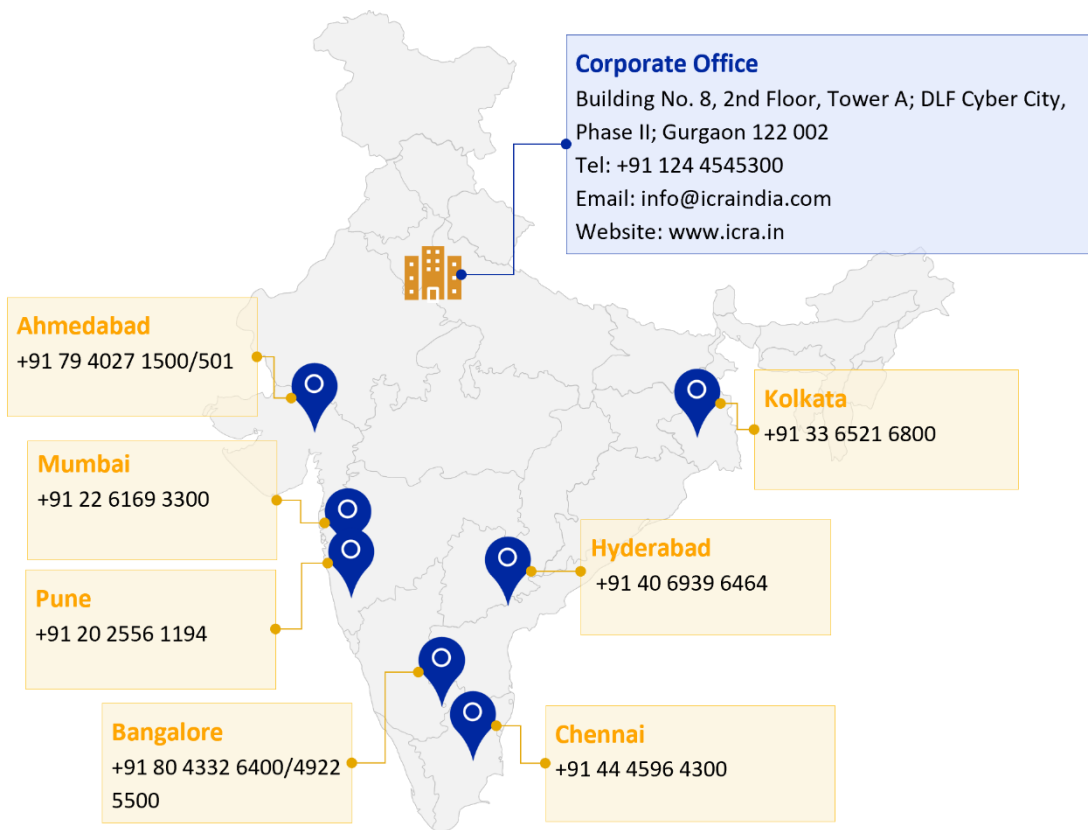
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