

May 07, 2026

Gripwel Fasteners Private 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	22.50	22.50	[ICRA]A+(Stable)/[ICRA]A1; reaffirmed
Long-term/ Short-term – Unallocated limits	2.50	2.50	[ICRA]A+(Stable)/[ICRA]A1; reaffirmed
Total	25.00	25.00	

*Instrument details are provided in Annexure II

Rationale

The rating reaffirmation for Gripwel Fasteners Private Limited (GFPL) factors in ICRA’s expectation of steady operational performance, supported by the company’s established presence as a manufacturer of three-point linkages (3PLs) and precision machined parts (PMPs) for the agricultural and construction equipment segments. The ratings also draw comfort from GFPL’s operational and financial linkage with its parent, Uniparts India Limited (UIL), a reputed auto component manufacturer catering to leading global original equipment manufacturers (OEMs) in the agricultural and construction equipment sectors. GFPL primarily serves the Uniparts Group’s replacement market business, contributing around 15% to UIL’s turnover, with exports across multiple geographies. Further, the ratings favourably reflect GFPL’s strong financial risk profile, characterised by a conservative capital structure and robust debt coverage indicators.

Owing to subdued demand across key geographies—primarily Europe and the Americas—revenues of both GFPL and its parent, UIL, remained under pressure during FY2024 and FY2025, with GFPL’s revenues declining to Rs. 180.8 crore in FY2025 from Rs. 279.4 crore in FY2022. The consequent moderation in scale impacted operating leverage and led to some margin compression; nevertheless, operating profitability remained healthy at 14% in FY2025. The performance remained stable in 9M FY2026 with company reporting Rs. 129.8 crore of revenues; the company was able to largely pass on the tariff hike to its customers, thereby helping it report healthy earnings.

Over the past few years, GFPL has maintained a high dividend payout, exceeding 100% of profit after tax in certain instances, which has led to a significant erosion of its net worth. However, the impact of the same is partly mitigated by the presence of marginal debt levels, enabling the company to sustain a conservative capital structure despite the reduction in net worth. GFPL’s credit profile continues to remain strong, supported by limited reliance on external borrowings (debt of Rs. 19.1 crore as of December 31, 2025) and robust debt coverage indicators, including interest coverage of 26.0 times and total debt to OPBITDA of 0.7 times in 9M FY2026.

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.

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

The Group's replacement business, housed under GFPL, is geographically diversified. The US market (around 44% of GFPL's revenues in 9M FY2026) is primarily serviced through supplies to fellow US-based subsidiaries, while the European market (around 48% of revenues) is serviced by direct exports from GFPL. In addition to the Group's exposure to tariff-related risks, the ratings remain constrained by the inherently cyclical nature of UIL's end-user industries, namely agricultural machinery and construction equipment, which are susceptible to demand downturns.

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 benefits from strong operational and financial linkages with its parent, which enhance its creditworthiness and business stability. The parent's involvement in strategic decision-making, risk management, and resource sharing contributes positively to operational efficiency and governance standards. This support underscores the entity's strategic importance within the Group and is expected to ensure continued backing through business cycles or periods of stress. Further, the implicit parental support strengthens stakeholder confidence and facilitates access to external funding on favourable terms.

Established relationships with leading global agriculture and construction equipment industry participants – GFPL, similar to its parent, UIL, has an established presence in the agricultural and construction equipment segments, serving leading global industry participants through its two key product platforms—3PL for agricultural machinery and PMPs for both agricultural and construction equipment. Over the years, the company has maintained a strong business share with its customers across these products, supported by its robust engineering and product development capabilities.

Strong financial risk profile characterised by low gearing and healthy coverage indicators – The company's financial risk profile remains healthy, supported by minimal debt repayment obligations—largely confined to working capital—and stable operating margins. Despite dividend payouts to the parent exceeding annual cash accruals over the past three years, credit metrics remain robust, with expected total debt/OPBITDA of around 0.7 times and interest coverage of about 20.0 times in FY2026. In the absence of any major capex plans, debt levels are expected to remain restricted to working capital utilisation and significantly lower than net worth; however, any large dividend payouts leading to further net worth erosion remain a key monitorable.

Credit challenges

Modest scale of operations – The company operates at a modest scale, which limits its ability to derive benefits from economies of scale and constrains its bargaining power with customers and suppliers. While profitability has been maintained, the relatively small scale heightens vulnerability to industry downturns and competitive pressures and restricts financial flexibility to absorb cost escalations or undertake large-scale capacity expansions. Further, revenues have moderated over the past three years, driven by a slowdown in demand in its key operating markets of North America and Europe, particularly in the agricultural equipment segment.

Exposed to vulnerability in demand as end-user industries are inherently cyclical – GFPL derives its revenues from the agricultural and construction equipment segments, which are inherently influenced by global and macroeconomic trends. The company has a high export orientation, with around 95% of revenues generated from overseas markets, making its business prospects closely linked to international demand conditions. In particular, North America and Europe accounted for around 90% of its revenues in FY2025, exposing the company to demand cyclicity and economic slowdowns in these regions.

Impact of tariffs imposition by the US – In FY2025, the US government imposed reciprocal tariffs on the auto component industry. Based on management discussions, UIL has been able to negotiate with its customers to largely pass through the increased tariff costs. Despite the imposition of tariffs, the operating performance of both UIL and GFPL remained stable in 9M FY2026, with some improvement in revenues and profit margins. Further, the recent notification by the US government reducing tariffs on auto components has provided incremental relief, improving visibility on near-term demand prospects.

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 about Rs. 9 crore in working capital limits as of February 28, 2026). 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. 200 crore, as of March 31, 2026, which provides sufficient support to GFPL’s liquidity.

Rating sensitivities

Positive factors – An improvement in the credit profile of the parent (UIL) could lead to a rating upgrade. A meaningful improvement in revenues and profitability, along with greater geographical diversification of GFPL’s revenue profile, would also be favourably considered for a rating improvement.

Negative factors – The ratings may be revised downward if a material deterioration in the scale of operations or profitability weakens 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	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
Consolidation/Standalone	Standalone

About the company

Incorporated in 2005, Gripwel Fasteners Private Limited is a wholly-owned subsidiary of Uniparts India Limited. 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 are in the Noida Special Economic Zone, Uttar Pradesh, with an annual production capacity of 8,400 tonnes. GFPL mainly handles the aftermarket segment of UIL.

Key financial indicators:

GFPL, Standalone	FY2024	FY2025	9M FY2026*
Operating income	194.0	180.8	129.8
PAT	21.1	18.1	13.2
OPBDIT/OI	13.8%	14.0%	16.2%
PAT/OI	10.9%	10.0%	10.2%
Total outside liabilities/Tangible net worth (times)	0.5	0.7	1.5
Total debt/OPBDIT (times)	0.4	0.5	0.7
Interest coverage (times)	51.1	26.0	26.0

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; Provisional for 9M FY2026*

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

Instrument	Type	Amount Rated (Rs. Crore)	Current ratings (FY2027)		Chronology of rating history for the past 3 years					
			FY2027		FY2026		FY2025		FY2024	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash credit	Long-term / Short-term	22.50	May 07, 2026	[ICRA]A+(Stable)/ [ICRA]A1	Sep 18, 2025	[ICRA]A+(Stable)/ [ICRA]A1	-	-	-	-
Unallocated	Long-term / Short-term	2.50	May 07, 2026	[ICRA]A+(Stable)/ [ICRA]A1	Sep 18, 2025	[ICRA]A+(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 – 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 II: 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 III: List of entities considered for consolidated analysis – Not applicable

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