



Press Release
GRIP STRAPPING TECHNOLOGIES PRIVATE LIMITED
December 30, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	113.31	ACUITE BBB- Negative Reaffirmed	-
Bank Loan Ratings	43.00	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	156.31	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short-term rating of '**ACUITE A3**' (read as **ACUITE A three**) on the Rs. 156.31Cr. bank facilities of Grip Strapping Technologies Private Limited (GSTPL). The outlook is revised to '**Negative**' from '**Stable**'.

Rationale for rating and negative outlook:

The negative outlook reflects sustained pressure on profitability albeit moderate growth in revenues, driven by declining realizations and deterioration in the financial risk profile marked by weak coverage indicators. The reaffirmation of rating factors in the steady business risk profile, supported by healthy order book and expected operational efficiencies leading to adequate liquidity. Further, the rating is supported by Extensive experience of the promoters and established relation with reputed clients. gradual strengthening in the financial profile. However, the rating remains constrained by moderately intensive working-capital operations and vulnerability of profitability to volatility in raw material prices.

About the Company

Incorporated in 2005, GSTPL is engaged in the manufacturing of High Tensile Steel Strappings, Seals, Packaging Tools and Accessories. The company has two manufacturing facilities, one in Hyderabad, Telangana with an installed capacity of 24,000MTPA and a new plant in Vizag, Andhra Pradesh with an installed capacity of 24,000 MTPA. The day to day operations are managed by the promoters' Mr. A. Narasimhan, Mr Hemant Lajpal and Mr. M. Mani

Unsupported Rating

Not applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of GSTPL to arrive at the rating.

Key Rating Drivers

Extensive experience of promoters and established relation with reputed clients:

GSTPL is an associate of the Cyklop Group, Germany, one of the leading global players in the packing systems and materials. GSTPL inherent business strengths gained through the long track record and technical expertise of the promoters - Mr. A. Narasimhan, Mr Hemant Lajpal and Mr. M. Mani, who have over 2 decades of experience in the packing machinery industry. This helped GSTPL to build a healthy relationship with its suppliers and customers. Its clientele includes reputed entities like Tata Steel Limited, Steel Authority of India Limited, Saint Gobain India Private Limited, Jindal United Steel Limited, Mahalaxmi Industries Services, MPIL Steel Structure Limited, Bhushan Power & Steel Limited, amongst others. Acuité believes that GSTPL will continue to benefit from the established track record, experienced promoters over the medium term.

Improving scale of operations with range bound operating margins:

The company recorded moderate year-on-year growth of 4.74% in FY2025, with total revenues reaching Rs. 354.69 crore, up from Rs. 338.65 crore in FY2024. Improvement in revenue is primarily attributed to increased volume of steel straps and seals. Despite of improvement in volume during FY2025, the revenue has improved only by 4.74% due to lower realizations for steel straps and seals. Additionally, the company registered Rs.233.83 Cr during the 8MFY2026 as compared to Rs 237.06 Cr in 8MFY2025. In terms of profitability, operating margins declined marginally and stood at 4.19% in FY2025, compared to 4.50% in FY2024. The operating profit margins remained range bound between 4 to 4.5 percent over the past 3 years. However, the power incentives from the government are expected to save the power cost to some extent. Acuite expects, GSTPL's revenue to improve further over the medium term on account of the increased production capacity, securing high margin order.

Weaknesses**Moderately intensive working capital operations:**

The company's working capital cycle remains moderate, with gross current assets increasing to 167 days in FY2025 from 135 days in FY2024, primarily due to a stretched receivable cycle and inventory holding of 62 days and 58 days, respectively, compared with 68 days and 35 days in FY2024. The company extends a 30–60-day credit period to customers while availing 45–60 days from suppliers, and creditor support of 64 days in FY2025 (FY2024: 57 days) only partially offsets the overall requirement. As a result, working capital intensity remains elevated. The fund-based limits were utilized at an average of ~88.37 percent over the past 12 months ending November 2025. Acuite believes, the working capital operations of GSTPL will remain moderate intensive on the back of its nature of business.

Moderate financial risk profile

GSTPL's financial risk profile remains moderate, supported by a net worth of Rs.52.63 Cr as on March 31, 2025, up from Rs.50.55 Cr in the previous year, driven by profit accretion. However, gearing (debt to equity) deteriorated and stood at 2.23 times and TOL/TNW to 3.20 times in FY2025, compared with 1.73 times and 2.67 times in FY2024. Total debt increased to Rs.117.49 Cr in FY2025 from Rs.87.53 Cr in FY2024, primarily on account of higher short-term debt utilisation. Debt protection metrics remained moderate with debt service coverage ratio (DSCR) 0.99 times and interest coverage ratio (ICR) at 1.62 times and Debt/EBITDA deteriorating to 7.03 times in FY2025 from 5.19 times in FY2024. Acuite expects the financial risk profile to improve gradually over the medium term, supported by scale expansion and the absence of any debt-funded capex.

Susceptibility of profitability to volatility in raw material prices

GSTPL's raw materials and consumables (majorly steel) account for over 70-75 percent of its product cost. Thus, GSTPL's profitability margins are exposed to fluctuation in steel prices which are commoditized in nature

Rating Sensitivities

- Sustain the growth in revenue and profitability

- Improvement in financial risk profile.
- Ability to improve working capital operations

Liquidity Position:
Adequate

GSTPL's liquidity profile remains adequate, given that its net cash accruals of Rs5.35 crore in FY25 were insufficient to cover the Rs 5.58 crore repayment obligations for the same period. However, repayment of debt was timely by support of additional liquidity available with the company. The net cash accruals are expected in the range of Rs. 11.00 Cr to Rs. 14.00 Cr over the medium term as against the repayment obligation of Rs. 6.78 Cr to Rs. 5.03 Cr. As on March 31, 2025, the company held Rs 0.10 crore of unencumbered cash and bank balances, with a current ratio of 1.16x, indicating limited short-term liquidity buffers. The fund-based limits were utilized at an average of ~88.37 percent over the past 12 months ending November 2025. Acuite believes that the liquidity position of the company will remain adequate over the medium term on account of sufficient cash accruals against repayment obligations.

Outlook: Negative

Other Factors affecting Rating
None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	354.69	338.65
PAT	Rs. Cr.	2.10	2.67
PAT Margin	(%)	0.59	0.79
Total Debt/Tangible Net Worth	Times	2.23	1.73
PBDIT/Interest	Times	1.62	1.60

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Oct 2024	Bank Guarantee (BLR)	Short Term	12.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	4.00	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	21.00	ACUITE A3 (Reaffirmed)
	Packing Credit	Long Term	8.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	26.25	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	32.50	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	7.50	ACUITE BBB- Stable (Assigned)
	Secured Overdraft	Long Term	19.50	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.50	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	0.10	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	5.25	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	5.91	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.72	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.08	ACUITE BBB- Stable (Assigned)
05 Jul 2023	Bank Guarantee (BLR)	Short Term	11.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	1.00	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	12.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	12.00	ACUITE A3 (Assigned)
	Packing Credit	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	14.23	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	15.77	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	32.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	0.50	ACUITE BBB- Stable (Assigned)
	Secured Overdraft	Long Term	19.50	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	1.72	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	7.00	ACUITE BBB- Stable (Assigned)
		Long		ACUITE BBB- Stable

	Proposed Long Term Bank Facility	Term	0.51	(Assigned)
08 Jun 2023	Letter of Credit	Short Term	12.00	ACUITE A3 (Reaffirmed)
	Bills Discounting	Short Term	6.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A3 (Reaffirmed)
	Packing Credit	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	14.23	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	32.00	ACUITE BBB- Stable (Reaffirmed)
06 Apr 2022	Letter of Credit	Short Term	8.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	4.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	5.00	ACUITE A3 (Reaffirmed)
	Bills Discounting	Short Term	6.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	28.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	4.50	ACUITE BBB- Stable (Reaffirmed)
	PC/PCFC	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	3.30	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	7.00	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	3.43	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.00	Simple	ACUITE A3 Reaffirmed
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	45.00	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Canara Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	27.00	Simple	ACUITE A3 Reaffirmed
Canara Bank	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.80	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Canara Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	33.50	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Canara Bank	Not avl. / Not appl.	Term Loan	09 Nov 2022	Not avl. / Not appl.	09 Nov 2032	21.78	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Canara Bank	Not avl. / Not appl.	Term Loan	30 May 2024	Not avl. / Not appl.	12 Jul 2028	1.90	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Canara Bank	Not avl. / Not appl.	Working Capital Term Loan	23 Nov 2021	Not avl. / Not appl.	23 Nov 2026	2.33	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative

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