November 5, 2026

Versa Drives Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term – Fund based – Cash credit	7.60	7.60	[ICRA]BB+ (Stable); reaffirmed	RBI
Long-term – Fund based – Term loans	3.76	3.76	[ICRA]BB+ (Stable); reaffirmed	RBI
Total	**11.36**	**11.36**		

**Instrument details are provided in Annexure I*

#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 Financial Sector Regulators other than SEBI.

Rationale

The rating reaffirmation for the bank lines of Versa Drives Private Limited (VDPL) factors in the extensive experience of its promoters in the electrical and electronic equipment industry, its comfortable capital structure and debt protection metrics. While VDPL's revenues moderated by 5.1% to Rs. 55.6 crore in FY2026 owing to subdued demand and increased competition in the ceiling fan segment, the company reported an improvement in its operating profit margin (OPM) to 9.4% in FY2026 from 7.3% in FY2025. This was supported by cost-reduction initiatives, including design optimisation measures. Going forward, revenue and earnings are likely to be supported by repeat orders from customers and the launch of new products. However, OPM is likely to moderate in FY2027 owing to increasing raw material prices amid supply chain disruptions caused by geopolitical issues. Additionally, VDPL's strategic partnership with Japan-based Murata Manufacturing Co. Ltd. enhances its technological capabilities and brand positioning. The company's healthy capital structure, with limited reliance on external debt, further supports its credit profile.

The rating is, however, constrained by VDPL's moderate scale of operations and moderate net worth base, which limit the benefits arising from economies of scale and expose the company to risks during prolonged industry downturns. The rating is further constrained by high customer concentration, with a significant portion of revenue derived from a single customer in the drives segment. Additionally, the company faces intense competition in both the drives (controller) and ceiling fan (own brand, 'Superfan') segments, with the presence of established domestic and global players. Nonetheless, VDPL's presence in the customised drives segment provides some cushion against competitive pressures.

The Stable outlook on the long-term rating reflects ICRA's expectation that VDPL will continue to benefit from increasing consumer preference for energy-efficient products. Its technological partnerships and ongoing product development initiatives are expected to aid healthy revenue and earnings growth over the near to medium term.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters – VDPL's promoters, Mr. M. Sundararajan and Mr. K. Durgasharan, have extensive experience of about three decades in the electrical and electronic equipment manufacturing industry. This has played an important role in establishing VDPL as a preferred partner for energy-efficient product solutions for OEMs. VDPL ventured into the ceiling fan segment in 2012 by launching energy-efficient fans under its own brand, Superfan. These fans use brushless

direct current (BLDC) motors instead of conventional motors. The company's proven operational track record in the ceiling fan segment has attracted new customers.

Comfortable financial profile – VDPL's capital structure remains comfortable, as evident from a gearing of 0.4 times and TOL/TNW of 0.7 times as on March 31, 2026. This has been aided by its relatively limited reliance on external borrowings due to its moderate working capital intensity and steady accretion to reserves and surplus. Further, VDPL's interest coverage ratio improved to 8.7 times in FY2026 from 6.1 times in FY2025, while Total Debt/OPBDITA improved to 1.3 times from 2.0 times. The coverage metrics are likely to improve over the medium term, supported by the absence of any major debt-funded capital expenditure plans and steady earnings.

Strategic investments by Murata Manufacturing Co. Ltd – VDPL received investments from Murata Manufacturing Co. Ltd. (Murata) in March 2019 for a 4% equity stake. Murata provides synergies in new product development within VDPL's drives segment. It also assists in new customer acquisition and aids in the expansion of its global footprint. Such factors are expected to diversify the company's customer base within the drives segment, including the new electric vehicle (EV) drives segment, over the medium term.

Credit challenges

Moderate scale of operations and moderate net worth base – VDPL's moderate scale of operations limits the benefits arising from economies of scale and makes the company vulnerable to sustained industry downturns. However, ICRA expects steady growth in the company's revenue in the near to medium term, supported by the development of various products, such as pedestal, table and wall fans in the appliance segment. Further, the company is also focusing on diversifying its product portfolio to include special-purpose motors for solar pump motor controllers, EV traction controllers, and agricultural, sports and fitness appliances. Besides, given the limited earnings, its net worth remained moderate at Rs. 19.7 crore as on March 31, 2026 (Rs. 17.4 crore as on March 31, 2025).

High customer concentration risk – VDPL's customer concentration is high, with 70-75% of its overall revenues derived from a single customer during FY2024-FY2026. Nonetheless, its long-term association (for more than two decades) with the key customer in the drives segment ensures repeat orders and mitigates the risk of customer loss to an extent.

Exposure to intense competition – The presence of renowned global players and unorganised players in the drives segment exerts competitive pressure on VDPL. Nevertheless, the company's focus on customised drives for specific end-user requirements, unlike global players that primarily manufacture general-purpose drives, restricts competition to an extent. Further, the company is also exposed to competition from established players in the ceiling fan segment. Nevertheless, the company's ability to manufacture Superfan models in the five-star category provides some comfort.

Liquidity position: Adequate

VDPL's liquidity is expected to remain adequate, supported by free cash and bank balances of about Rs. 5 crore as on March 31, 2026, and an adequate buffer in working capital limits. The average utilisation of its fund-based working capital limit stood at around 33% of the sanctioned limit during the 12 months ending September 2026. The company has debt repayment obligations of around Rs. 1 crore each in FY2027 and FY2028, which are expected to be comfortably met through cash flows from operations and available free cash and bank balances. Moreover, the company does not have any major debt-funded capex plans in FY2027 or over the medium term, further supporting its liquidity profile.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company demonstrates a significant increase in revenues and earnings and a material strengthening of its net worth, while maintaining healthy credit metrics on a sustained basis.

Negative factors – Pressure on the rating could arise if there is a substantial decline in the company's revenues and profitability, or any elongation of the working capital cycle, which would adversely impact its liquidity position and debt

protection metrics. Specific credit metrics that could trigger a ratings downgrade include TOL/TNW exceeding 2.0 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on VDPL's consolidated financial statements and the list of the companies considered for consolidation have been mentioned in Annexure-II

About the company

VDPL designs and manufactures customised variable frequency drives for motors, including AC induction motors (ACIM), brushless direct current motors (BLDC) and permanent magnet synchronous motors (PMSM), which are typically used in various electronic controllers and embedded systems. The company also manufactures super-efficient ceiling fans under its own brand, 'Superfan'. Its manufacturing facility is located in Coimbatore, Tamil Nadu. It was incorporated as a partnership firm, Computer Control Corporation, in 1989 by Mr. M. Sundararajan and Mr. Durgasharan. Later, it was reconstituted as a private limited company, Versa Drives Private Limited (VDPL), in March 2010. In March 2019, VDPL received private equity investments from Murata, a Japan-based electronics manufacturing company renowned in the global market. Murata held a 4% stake in VDPL as on March 31, 2026.

Key financial indicators (audited)

VDPL	Standalone		Consolidated	
	FY2025	FY2026	FY2025	FY2026*
Operating income	58.6	55.6	58.6	55.6
PAT	0.8	2.1	0.8	2.1
OPBDIT/OI	7.3%	9.4%	7.3%	9.4%
PAT/OI	1.4%	3.8%	1.4%	3.8%
Total outside liabilities/Tangible net worth (times)	0.8	0.7	0.8	0.7
Total debt/OPBDIT (times)	2.0	1.3	2.0	1.3
Interest coverage (times)	6.1	8.7	6.1	8.7

*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 *Estimated*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instruments	Current rating (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	Nov 5, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based – Cash credit	Long term	7.60	[ICRA]BB+ (Stable)	Oct 08, 2025 Jun 23, 2025	[ICRA]BB+ (Stable) [ICRA]B+ (Stable) ISSUER NOT COOPERATING	Mar 10, 2025	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	Mar 15, 2024	[ICRA]BB+ (Stable)
Fund based – Term loans	Long term	3.76	[ICRA]BB+ (Stable)	Oct 08, 2025 Jun 23, 2025	[ICRA]BB+ (Stable) [ICRA]B+ (Stable) ISSUER NOT COOPERATING	Mar 10, 2025	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	Mar 15, 2024	[ICRA]BB+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund based – Cash credit	Simple
Long-term – Fund based – Term loans	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	Financial sector regulator#
NA	**Long-term – Fund based – Cash credit**	NA	NA	NA	7.60	[ICRA]BB+ (Stable)	RBI
NA	**Long-term – Fund based – Term loans**	FY2024-FY2025	NA	FY2028-FY2030	3.76	[ICRA]BB+ (Stable)	RBI

Source: Company

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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
Versa Drives Private Limited	Parent entity	Full Consolidation
Visai Appliances Private Limited *	75.0%	Full Consolidation

*Source: Company *Incorporated in December 2025.*

ANALYST CONTACTS

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

Uday Kumar
+91 124 4545 867
uday.kumar@icraindia.com

Vilasagaram Nandakishore
+91 40 6939 6407
vilasagaram.nandakishore@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Naznin Prodhani
+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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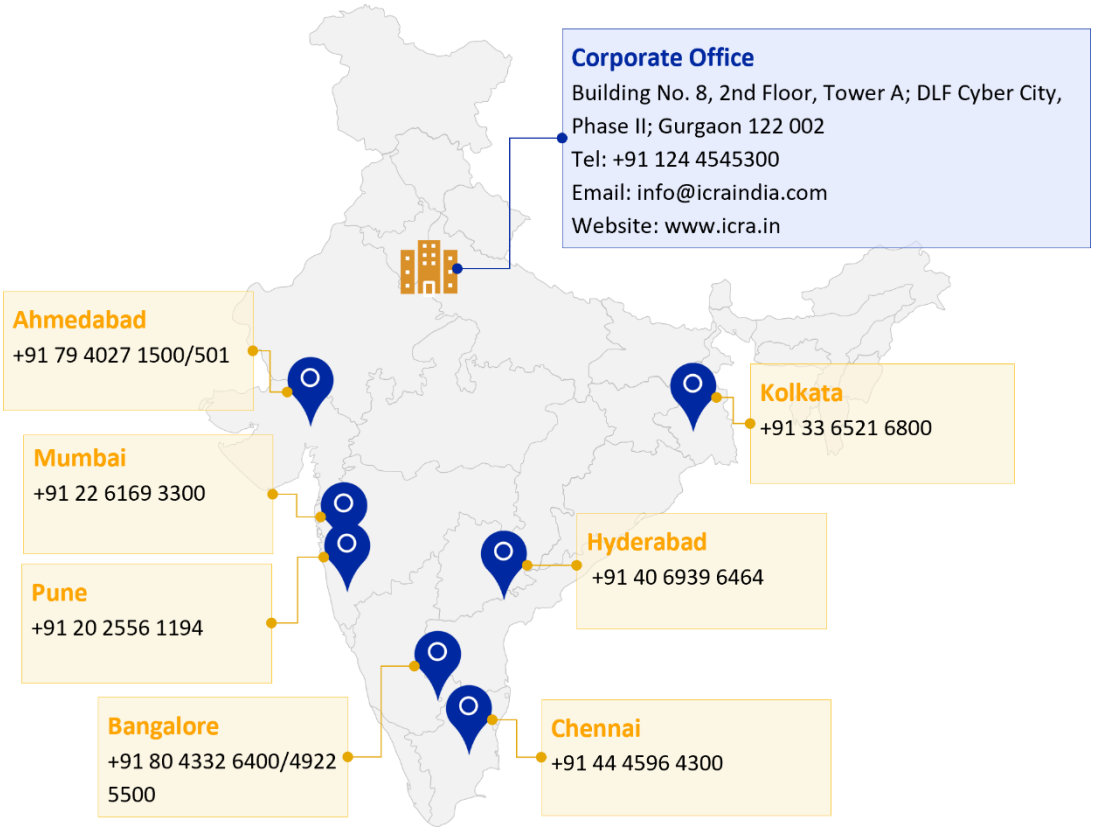
ICRA Limited

Registered Office

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

Branches



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