August 04, 2026

Victora Industries Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term/Short-term – Fund-based – Cash Credit**	140.00	184.50	[ICRA]BBB (Stable)/ [ICRA]A3+; reaffirmed	RBI
Long-term – Fund-based – Term Loan	219.00	214.50	[ICRA]BBB (Stable); reaffirmed	RBI
Short-term – Non-fund Based	6.00	6.00	[ICRA]A3+; reaffirmed	RBI
Long-term – Unallocated	40.00	0.00	-	RBI
Total	**405.00**	**405.00**		

**Instrument details are provided in Annexure I; ** WCDL is the sub-limit*

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Rationale

The reaffirmation of the ratings for the bank facilities of Victora Industries Private Limited (Victora) continues to factor in the company's established operating track record in the automotive components industry, its established relationship with Maruti Suzuki India Limited (MSIL), and its demonstrated ability to secure business from reputed Original equipment manufacturers (OEMs). The ratings also derive comfort from the extensive experience of the promoters, Victora's established manufacturing capabilities, and its in-house tooling and product development abilities, which support customer retention and enhance its competitive position. Further, the ramp-up in supplies to Mahindra & Mahindra Limited (M&M) and Tata Motors Limited (TML) following the commissioning of the recently established manufacturing facilities has supported growth in revenues and profitability, while improving customer diversification beyond its traditional dependence on MSIL. The company's revenues grew by around 17% in FY2026, driven by increasing supplies to M&M and TML, alongside steady business from MSIL and its allied entities. The growth momentum is expected to sustain over the near term, supported by steady ramp-up in utilisation of the Sanand and Pune facilities and the continued favourable demand outlook for the domestic passenger vehicle industry.

The ratings, however, remain constrained by the company's moderate financial profile, characterised by elevated debt levels following the debt-funded expansion undertaken over the past few years. While the expansion has strengthened Victora's business profile by enabling participation in higher-value programmes and increasing business from M&M and TML, the resultant debt burden continues to weigh on its capital structure and debt coverage indicators. Nevertheless, with the major expansion phase now completed and the new facilities now ramping up, the company is expected to benefit from operating leverage benefits and higher cash flow generation. The absence of any large debt-funded capex plans over FY2027-FY2028 are expected to further support gradual deleveraging and improvement in debt protection metrics.

The ratings further remain constrained by customer concentration risks, despite the improving diversification in the customer mix, as well as the company's exposure to cyclicality in the automotive industry and volatility in raw material prices. Victora's ability to sustain its growth momentum in revenues and earnings from newly acquired programmes, while improving its leverage and coverage indicators through higher accrual generation and debt reduction, will remain key rating monitorables.

The Stable outlook on Victora's long-term rating reflects ICRA's opinion that the company's credit profile will be supported by healthy increase in revenues and earnings, and improvement in its credit metrics.

Key rating drivers and their description

Credit strengths

Established operational track record in auto ancillary industry – Victora has an established operating track record of more than five decades in the auto ancillary industry, having commenced operations from 1972. Over the years, the company has developed manufacturing capabilities in sheet metal components, established healthy relationships with marquee automotive OEMs and demonstrated its ability to scale operations in line with customer requirements. The company's experienced promoters and management team and proven execution capabilities support business stability and revenue visibility.

Established relationships with reputed customers in automobile industry – Victora manufactures sheet metal components for various domestic and overseas customers in the automobile industry. The company's clientele includes reputed players from the passenger vehicles (PV), two wheelers (2Ws), tractor, agriculture equipment and construction equipment industries. Its major customers are MSIL, TML, M&M, JCB Group, International Tractors Limited (ITL), FCC Group, Plastic Omnium Auto Energy (export market), Adient India Private Limited, Rane NSK, etc. The company has been deriving 70-75% of its revenues from the PV sector, 10-12% from 2Ws and the balance from tractors and construction equipment.

Healthy revenue and earnings growth, supported by expansion of client portfolio – Victora reported a healthy revenue growth of approximately 17% in FY2026, supported by increased supplies to M&M and TML, along with steady business from its customer base led by MSIL. The ramp-up in operations at the Pune and Sanand facilities supported higher revenues from these customers during the year. Going forward, revenue growth is expected to remain healthy, aided by increasing production volumes under existing programmes, particularly within M&M's Electric Vehicle (EV) portfolio, and continued scale-up in supplies to TML. Further, the higher content value associated with M&M's EV platforms and TML's premium vehicle programmes are expected to support incremental revenue growth and margin stability.

Credit challenges

Large debt-funded capex caused moderation in debt protection and return metrics; likely to improve over near to-medium term – Victora had undertaken large debt-funded capex of Rs. 280-300 crore during FY2023-FY2025 mainly for the manufacturing units of TML and M&M, in line with the requirements of the OEMs. Moreover, to keep its existing manufacturing facilities updated, the company has been spending Rs. 25-30 crore annually towards its upkeep, included in the above capex amount. Victora's debt protection metrics and return indicators peaked in FY2024 and FY2025 due to debt related to the capex. Its total debt/OPBDITA remained above 4.0 times during FY2024-FY2025. The total debt/OPBDITA improved to 3.3 times during FY2026-FY2027, on account of growing revenue and earnings from TML and M&M with no major incremental debt-funded capex. ICRA expects further reduction in leverage and improvement in debt protection metrics with total debt/OPBDITA expected to improve to below 3.0 times through internal accrual-led deleveraging and no large debt-funded capex plans in the near term.

Relatively high client concentration risk, likely to moderate gradually – Historically, Victora's revenue was mainly generated by MSIL in the PV segment. The client concentration risk was mitigated to an extent by MSIL's leading position in the PV industry and Victora's long-term association with it. Further, over the last two years with the ramp-up in business from M&M and TML following the commissioning of the new facilities, the company's revenue diversification has started to improve. The increasing contribution from these OEMs has reduced dependence on any single customer, while the company continues to maintain relationships with a diversified set of clients across the PV, 2W, tractor and construction equipment segments.

Intensely competitive industry limits pricing power – The auto ancillary industry is intensely competitive with various organised and unorganised players in the field. This limits the pricing power of industry players and keeps profitability under check.

Liquidity position: Adequate

Victora's liquidity position is expected to remain adequate, supported by expected cash flow from operations of around Rs. 75-77 crore over the next 12 months and an unutilised buffer of Rs. 15-20 crore in its working capital limits as of March 2026. Against these sources, the company is estimated to meet scheduled debt repayments of around Rs. 51 crore over the same period. In addition, Victora is expected to incur maintenance capex of around Rs. 30-50 crore annually over FY2027 and FY2028, which is likely to be funded through a mix of internal accruals and incremental debt. Promoters are also likely to extend additional financial support if required, consistent with past track records.

Rating sensitivities

Positive factors – ICRA could upgrade Victora's ratings, if there is a sustained improvement in debt coverage metrics and liquidity position. A specific credit metric for an upgrade is if DSCR is more than 1.8 times, on a sustained basis.

Negative factors – A negative rating action could be triggered with significant deterioration in revenues and profitability or working capital cycle, which weakens its financial and/or liquidity profile on a sustained basis. A specific credit metric for a downgrade is if total debt/OPBDITA is higher than 3.2 times, on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial profile of Victora.

About the company

Victora (formerly known as Victora Tool Engineers Private Limited) was initially incorporated in 1972 by the Banga family as a proprietorship business. Currently headquartered in Faridabad, Haryana, the company manufactures automotive components (sheet metal components) and supplies them to its OEM clients in the PV, 2W, tractor, agricultural equipment and construction equipment segments. Additionally, Victora caters to all categories in the PV segment and has established two new manufacturing units in Sanand (Gujarat) for TML and in Pune (Maharashtra) for M&M. The Sanand unit became operational in February 2024, and the Pune plant became operational in August 2024.

Key financial indicators (audited/ provisional)

Standalone	FY2025	FY2026*
Operating income	1,115.6	1,303.0
PAT	21.7	29.3
OPBDIT/OI	9.1%	9.9%
PAT/OI	1.9%	2.2%
Total outside liabilities/Tangible net worth (times)	3.3	3.0
Total debt/OPBDIT (times)	4.4	3.3
External debt/OPBDIT (times)	4.3	3.2
Interest coverage (times)	3.1	3.1

*Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount 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 (FY2027)				Chronology of rating history for the past 3 years					
			FY2027	FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	August 04, 2026	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long-term/ Short- term	184.50	[ICRA]BBB (Stable)/ [ICRA]A3+	June 25, 2025	[ICRA]BBB (Stable)/ [ICRA]A3+	Aug 30, 2024	[ICRA]BBB (Stable)/ [ICRA]A3+	May 30, 2023	[ICRA]BBB (Stable)/ [ICRA]A3+
Term Loans	Long- term	214.50	[ICRA]BBB (Stable)	June 25, 2025	[ICRA]BBB (Stable)	Aug 30, 2024	[ICRA]BBB (Stable)	May 30, 2023	[ICRA]BBB (Stable)
LC/ BG	Short-Term	6.00	[ICRA]A3+	June 25, 2025	[ICRA]A3+	Aug 30, 2024	[ICRA]A3+	May 30, 2023	[ICRA]A3+
Unallocated	Long- term	0.00	-	June 25, 2025	[ICRA]BBB (Stable)	Aug 30, 2024	[ICRA]BBB (Stable)	May 30, 2023	[ICRA]BBB (Stable)
Cash Credit	Long- term	-	-	-	-	-	-	May 30, 2023	[ICRA]BBB (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/Short-term – fund-based – Cash Credit	Simple
Long-term – Fund Based – Term Loans	Simple
Short-term – Non-fund Based	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	**Cash Credit***	NA	NA	NA	184.50	[ICRA]BBB (Stable)/ [ICRA]A3+	RBI
NA	**Term Loans**	April 2019	8.5-10.0%	March 2032	214.50	[ICRA]BBB (Stable)	RBI
NA	**LC/BG**	NA	NA	NA	6.00	[ICRA]A3+	RBI

*Source: Company; *includes WCDL*

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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 – Not applicable

ANALYST CONTACTS

Jitin Makkar
+91 124 4545368
jitinm@icraindia.com

Kinjal Shah
+91 22 6114 3442
kinjal.shah@icraindia.com

Deepak Jotwani
+91 124 4545 870
deepak.jotwani@icraindia.com

Prabhav Tiwari
+91 124 454 5802
rabhav.tiwari@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

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

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

Branches