

January 23, 2025

Flash Viven Machining Technologies Private Limited: Update on material event

Summary of rating(s) outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Term Loans	53.67	53.67	[ICRA]A (Stable); outstanding
Total	53.67	53.67	

*Instrument details are provided in Annexure-I

Description of material event

On January 15, 2025, Minda Corporation Limited (MCL), the flagship company of the Spark Minda Group, announced its strategic partnership with Flash Electronics (India) Private Limited (FEPL) and acquisition of a 49% equity stake in FEPL for a cash consideration of Rs. 1,372 crore.

Impact of the Material Event

This partnership will enable FEPL gain access to MCL's existing customer base in the passenger vehicles (PV) and commercial vehicles (CV) segment with FEPL already developing automotive components, including e-mobility parts, for the PV and CV segments. Additionally, synergies from product development and engineering capabilities of both FEPL and MCL will support them in strengthening their business position in the EV powertrain and automotive industry. ICRA also notes that as a part of this transaction, other existing shareholders of FEPL, including DMI Finance Private Limited and Kathuria family, have marked their exit from the company. Flash Capital Private Limited (FCPL), which is owned by Mr. Sanjeev Vasdev, is now the majority shareholder in FEPL. Post closing of this acquisition, the shareholding of the company will be 51% FCPL & 49% MCL.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the liquidity position and rating sensitivities: [Click here](#).

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Auto Components
Parent/Group support	Not applicable
Consolidation/Standalone	To arrive at the rating, ICRA has taken a consolidated view of Flash Electronics (India) Private Limited (FEPL; rated [ICRA]A (Stable)/[ICRA]A2+) and its wholly-owned subsidiary, Flash Viven Machining Technologies Private Limited (FVMT), given their common management, strong operational and financial linkages (including extension of corporate guarantee by FEPL to FVMT) and fungibility of cash flows between the two entities. Together these entities are referred to as the Flash Group/ the Group. For arriving at the ratings, ICRA has considered the consolidated financials of FEPL. As on March 31, 2024, FEPL had two subsidiaries, which are enlisted in Annexure-II.

About the company

Incorporated in 2013, FVMT is engaged in manufacturing gear assemblies, gear balancers, gear idlers and other machined components for 2Ws, 3Ws and PVs. The company operates from its manufacturing unit in Pune, Maharashtra; and is a 100% subsidiary of FEPL.

Its parent, FEPL, incorporated in 1989, manufactures electronic and electrical auto components, gear assemblies, sprockets, engine and e-mobility components for 2Ws, 3Ws, PVs, EV auto OEMs and tier-1 suppliers. On a consolidated basis, FEPL has seven manufacturing plants across India, Germany and Hungary. FEPL has been promoted by Mr. Sanjeev Vasdev who has an extensive experience in the automotive components' forging and machining industry.

Key financial indicators (audited)

Consolidated	FY2023	FY2024
Operating income	1,210.7	1,340.0
PAT	45.3	60.1
OPBDIT/OI	12.3%	13.2%
PAT/OI	3.7%	4.5%
Total outside liabilities/Tangible net worth (times)	3.4	2.6
Total debt/OPBDIT (times)	2.9	2.3
Interest coverage (times)	2.8	2.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations/adjustments; 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

Instrument	Type	Current rating (FY2025)				FY2024		FY2023		FY2022	
		Amount Rated (Rs Crore)	Jan 23, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term Loans	Long-term	53.67	[ICRA]A (Stable)	26-Apr-24	[ICRA]A (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
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
NA	Fund-based – Term Loans	FY2019	10.3-10.7%	FY2029	53.67	[ICRA]A (Stable)

Source: Company

[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
Flash Viven Machining Technologies Private Limited	100.00%	Full consolidation
Bing Power Systems GmbH	100.00%	Full consolidation

Source: Company data

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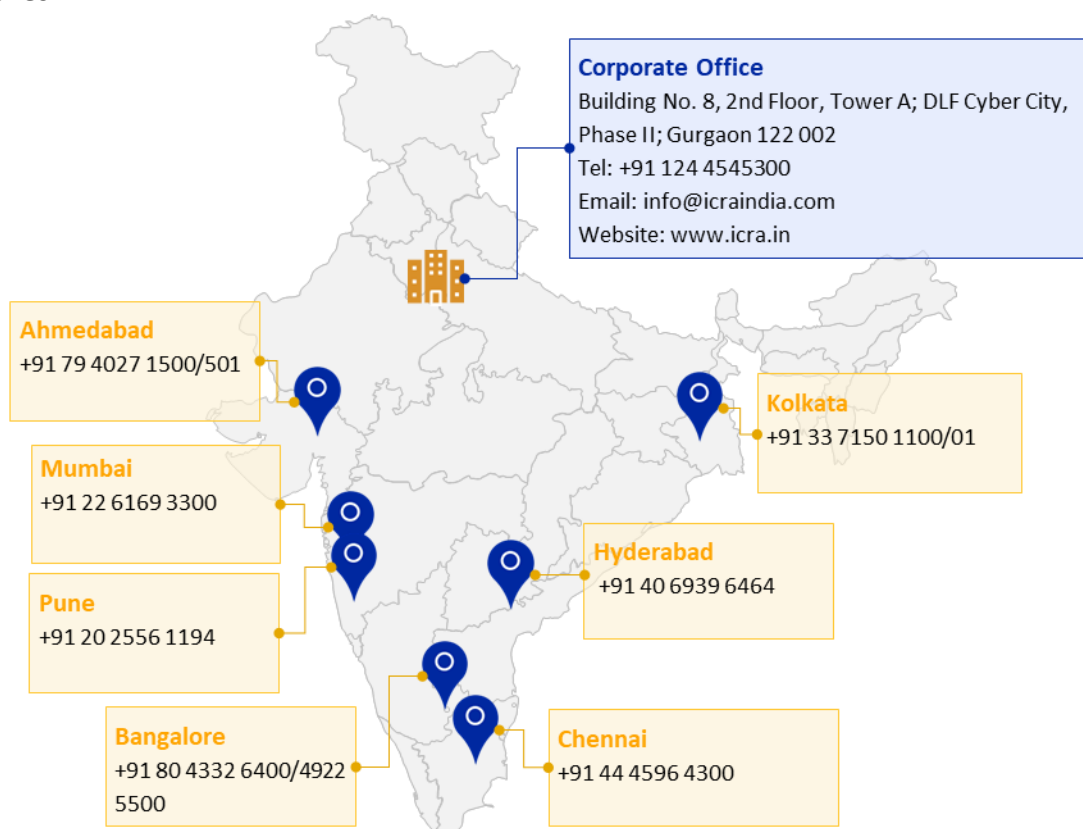


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