

December 08, 2021

FLDEC Systems Private Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based - Term Loan	10.00	10.00	[ICRA]BB+ (Positive); withdrawn
Long Term - Fund Based - Cash Credit	20.00	20.00	[ICRA]BB+ (Positive); withdrawn
Total	30.00	30.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to Bank facilities of FLDEC Systems Private Limited at the request of the company, No Objection Certificate from the banker and in accordance with ICRA's policy on withdrawal and suspension. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key rating drivers, Liquidity position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal of Credit Ratings Corporate Credit Rating Methodology
Parent/Group Support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the financials of FLDEC and Afablez given the close operational, financial, and managerial linkages among them.

About the company

Established as a proprietorship firm in 2008 in the name of Femto Logic Designs Systems, it was later converted into a private limited company in 2013 in the name of Femto Logic Design Private Limited. Thereafter, the company was renamed to FLDEC Systems Private Limited in September 2018. It is into the ESDM segment, catering to industries such as defence, aerospace, navy etc. Its manufacturing unit is in Chennai with about 200 design and development engineers. Mr. Vanchinathan Thangavel is the company's promoter, CEO and Managing Director.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding as on Mar 31, 2020 (Rs. crore)	Date & Rating in		Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
					08-Dec-2021	11-Oct-2021			
1	Term Loan	Long term	10.00	15.77	[ICRA]BB+ (Positive); withdrawn	[ICRA]BB+ (Positive)	[ICRA]BB+ (Stable)		
2	Overdraft facility	Long term	20.00	-	[ICRA]BB+ (Positive); withdrawn	[ICRA]BB+ (Positive)	[ICRA]BB+ (Stable)		
3	Bank Guarantee	Short term	-	-		[ICRA]A4+; withdrawn	[ICRA]A4+		

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term – Fund based – Term Loan	Simple
Long Term – Fund based – Cash Credit	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, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	Dec-2020	-	Jan-2029	10.00	[ICRA]BB+ (Positive); withdrawn
NA	Cash Credit	-	-	-	20.00	[ICRA]BB+ (Positive); withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis

Company Name	Consolidation Approach
Not Applicable	-

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