

January 23, 2025

Flash Electronics (India) 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	133.41	133.41	[ICRA]A (Stable); outstanding
Long-term – Fund-based – Cash Credit^	56.00	56.00	[ICRA]A (Stable); outstanding
Long-term/ Short-term – Non-fund based – Letter of Credit/ Bank Guarantee	25.00	25.00	[ICRA]A (Stable)/ [ICRA]A2+; outstanding
Total	214.41	214.41	

*Instrument details are provided in Annexure-I; ^Interchangeable with WCDL/LC/BG

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	For arriving at the ratings, ICRA has considered the consolidated financials of FEPL. As on March 31, 2024, the company had two subsidiaries, which are enlisted in Annexure-II.

About the company

Incorporated in 1989, FEPL manufactures electronic and electrical auto components, gear assemblies, sprockets, engine and e-mobility components for the 2W, three-wheelers, PVs, EV auto OEMs and tier-1 suppliers. The company 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)

FEPL - Consolidated	FY2023	FY2024
Operating income (OI)	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	Current rating (FY2025)			Chronology of rating history for the past 3 years					
				FY2024		FY2023		FY2022	
	Type	Amount Rated (Rs Crore)	Jan 23, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term Loans	Long-term	133.41	[ICRA]A (Stable)	8-Mar-24	[ICRA]A (Stable)	-	-	-	-
Fund-based – Cash Credit [^]	Long-term	56.00	[ICRA]A (Stable)	8-Mar-24	[ICRA]A (Stable)	-	-	-	-
Non-fund based – LC/BG	Long-term / Short-term	25.00	[ICRA]A (Stable) / [ICRA]A2+	8-Mar-24	[ICRA]A (Stable) / [ICRA]A2+	-	-	-	-

[^]Interchangeable with WCDL/LC/BG

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund-based – Term Loans	Simple
Fund-based – Cash Credit	Simple
Non-fund based – LC/BG	Very 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	FY2018	8.5-9.0%	FY2028	133.41	[ICRA]A (Stable)
NA	Fund-based – Cash Credit [^]	NA	NA	NA	56.00	[ICRA]A (Stable)
NA	Non-fund based – LC/BG	NA	NA	NA	25.00	[ICRA]A (Stable)/ [ICRA]A2+

Source: Company; [^]Interchangeable with WCDL/LC/BG

[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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