

March 03, 2026

Flash Electronics (India) Private Limited: Ratings upgraded to [ICRA]AA- (Stable)/ [ICRA]A1+; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loans	210.99	267.59	[ICRA]AA- (Stable); upgraded from [ICRA]A+(Stable) and assigned for enhanced amount
Long-term – Fund-based – Cash credit [^]	56.00	51.00	[ICRA]AA- (Stable); upgraded from [ICRA]A+(Stable)
Long-term/short-term – Non-fund based – Letter of credit/ bank guarantee (LC/BG)	25.00	15.00	[ICRA]AA- (Stable)/ [ICRA]A1+; upgraded from [ICRA]A+ (Stable)/ [ICRA]A1
Total	291.99	333.59	

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

Rationale

The ratings upgrade for Flash Electronics (India) Private Limited's (FEPL) factors in the improvement in its financial profile, as marked by a healthy growth in revenues and earnings, and reduction in the overall debt levels, strengthening its debt protection metrics in 9M FY2026, along with ICRA's expectations of sustenance of the same over the near to medium term. The company's revenues rose at a compounded annual growth rate (CAGR) of 14% over FY2021-FY2025, and at a healthy growth rate of 15% on a YoY basis to Rs. 1,537 crore in FY2025, supported by its established relations with key original equipment manufacturer (OEM) and its top customer, Bajaj Auto Limited (BAL) and other reputed customers. The growth momentum continued further, as demonstrated by a 12% YoY growth in 9M FY2026 on the back of steady demand across the metallics, exports and the electric vehicles (EV) segments, which also resulted in improvement of its operating profitability to 16.3% in 9M FY2026 (14.6% in FY2025). Moreover, FEPL's debt levels (excluding lease liabilities) have also declined steadily to Rs. 303.9 crore as of December 2025 from Rs. 336.5 crore as of March 2024, improving its capital structure and debt coverage metrics.

In recent years, FEPL has significantly scaled up its e-mobility product business for the two-wheeler (2W) segment, with the share of EVs in the overall revenues increasing to 21% in 9M FY2026 from 1% in FY2022, which mitigates the potential risk owing to changes in the powertrain mix. Moreover, FEPL's business profile is expected to be supported by business synergies in the EV powertrain segment and improved financial flexibility stemming from its strategic partnership with Minda Corporation Limited (MCL[‡]). Going forward, FEPL's growth prospects will be driven by steady scale-up in EV, metallics and exports segments along with addition of new customers. Besides, the ratings continue to factor in the established business position and the extensive experience of its promoters in the domestic automotive components industry, supported by a reputed client base and strong product development expertise.

The ratings are, however, constrained by the vulnerability of FEPL's profitability to inherent fluctuations in key raw material prices, as well as competitive pressure in the auto component industry, limiting pricing flexibility to an extent. Nevertheless, the risk is mitigated to an extent as the company enjoys raw material pass-through clauses with customers, although with a lag of a quarter. In addition, FEPL benefits from the first-mover advantage and holds single-source

[‡]MCL acquired 49% stake in FEPL in January 2025

supplier status for most of its products with its customers, which further provides comfort. FEPL is also exposed to relatively high customer concentration risk, with its top customer accounting for a significant portion of its total revenue. However, the healthy share of business, key supplier status and BAL's leading market position in the industry mitigate this risk to an extent. While FEPL scores favourably on product diversity, its relatively higher exposure to the 2W segment exposes it to the inherent cyclicality in the industry. However, ICRA notes that the company is making considerable efforts to diversify its segmental mix by gaining a share of business from other customers, especially in the international markets, and through the recent strategic partnership with MCL.

The Stable outlook on the long-term rating reflects ICRA's expectations that FEPL will continue to benefit from its established business position, long relationships with BAL and the company's broad-based growth across its business segments.

Key rating drivers and their description

Credit strengths

Established track record and extensive experience of promoters in the automotive components industry – Incorporated in 1989, FEPL has established itself as a prominent manufacturer of electronic and electrical and EV automotive components, especially for the 2W industry. This has been supported by its established relationships with BAL and other key OEMs, a diverse product profile and sizeable manufacturing set-up in Chakan, Pune. The company has been promoted by Mr. Sanjeev Vasdev (Founder and Managing Director), who has over three decades of experience in the industry, along with a strong management, which further aids its business position in the industry.

Strategic partnership with Spark Minda Group to support the business position in EV powertrain and automotive industry – In January 2025, FEPL entered into a strategic partnership with MCL, the flagship company of the Spark Minda Group, following which MCL acquired a 49% stake in FEPL for a cash consideration of Rs. 1,372 crore. MCL has a diversified product range across the 2W, three-wheeler (3W), passenger vehicles (PV), and commercial vehicle (CV) segments, which is further supported by its established relations with major domestic automotive players such as BAL, Mahindra and Mahindra Ltd (M&M), Tata Motors Ltd, Honda Motorcycle & Scooter India Private Limited, and Maruti Suzuki India Ltd (MSIL), among others. There are no cross-product linkages between FEPL and MCL, enabling them to have a combined content per vehicle of Rs. 30,000-35,000 in the e-mobility space for their customers. This partnership is expected to deepen FEPL's presence in the EV powertrain product space and expand into the PV and e-buses segments, with access to MCL's customers and new product launches. ICRA notes that the company is in the initial stages of unlocking potential synergies with MCL, and materialisation and impact of the same will be visible on its earnings over the medium term.

Long-standing relations with a reputed client base – Over the years, FEPL has developed a wide customer base of leading domestic and global OEMs, namely BAL, Yamaha Motor India Pvt Ltd, M&M, Kawasaki Motors India Pvt Ltd, MSIL, BMW, BRP Rotax GmbH, etc., along with tier-1 suppliers such as Endurance Technologies Ltd, and Makino Auto Industries Pvt Ltd, among others. The company enjoys a healthy share of business with its principal customer, aided by its technological capabilities and wide product profile, especially for EV components. Given the new product launches for 2W/3W, PV and e-buses segments and focus on new export programmes, FEPL's customer base is expected to expand further over the near-to-medium term.

Diversified product profile aided by strong product development expertise – FEPL has a diverse range of over 150 products across five major business segments – electrical and electronics (accounted for 40% of revenues in 9M FY2026), EV (21%), metallics (26%), and engine components serviced through German subsidiary (13%). The revenue share in EV and metallics segments has increased consistently in the recent years, which along with growth in exports (22% share in 9M FY2026 against 8% in FY2025) has supported the company's operating profitability. The company has strong technical capabilities, supported by a hi-tech design technology centre in Poland, various technical collaborations and continued investment in designing infrastructure and R&D over the years.

Healthy financial risk profile – FEPL enjoys a healthy financial risk profile, as marked by improving scale of operations, healthy cash flow generation, comfortable debt protection metrics and an adequate liquidity position. The company reported a YoY growth of 15% and 12% in FY2025 and 9M FY2026, respectively, along with improvement in its operating

margins to 16.3% in 9M FY2026 from 14.6% in FY2025, supported by increasing share of metallics and EV business, higher export sales and steady demand from its customers in the 2W segment. The overall debt levels of the company have reduced steadily with conversion of compulsorily convertible debentures (CCDs) into equity, scheduled debt repayments and no material incremental debt taken for capex. This along with the healthy cash flow generation resulted in a comfortable capital structure and debt protection metrics, as reflected in Total Debt/OPBITDA of 1.4 times and an interest cover of 5.4 times in 9M FY2026. Going forward, healthy business prospects, and increasing earnings with no material increase in debt levels are expected to strengthen the company’s financial risk profile over the medium term.

Credit challenges

Relatively high customer concentration risk – FEPL is exposed to relatively higher customer concentration risk, with its top customer, BAL, driving a significant part of its revenue. The company’s business performance is, thus, vulnerable to the performance and market share of the OEM. However, FEPL’s healthy share of business and key supplier status with BAL, along with BAL’s leading market position in the 2W industry, provides some comfort. While BAL is expected to significantly drive the company’s revenue, addition of new products for the PV and e-buses segment, expansion of its EV vertical through planned product launches and export programmes are expected to widen the customer base and support the company’s revenue growth over the medium term.

Exposure to raw material price volatility and competitive pressures – FEPL’s operating margins are susceptible to fluctuations in the price of key raw materials such as steel, aluminium, copper and others. However, the same is passed on with a minor lag, largely insulating its profitability. Moreover, due to the competitive nature of the business, the company faces pressure from other global and domestic suppliers, in terms of pricing flexibility. However, it benefits to an extent from its established operational track record and long relationships with its key customers.

Cyclicality inherent in the automotive sector – FEPL derives the major portion of its revenue from the automotive sector, mainly the 2W segment (77% of revenues in FY2025), exposing it to the inherent cyclicality and/or demand slowdown in the auto industry. However, the company enjoys established relations with BAL and has demonstrated its ability to sustain steady revenue growth in the recent years, with its product profile also catering to alternative vehicle components (EV). Thus, FEPL is likely to report a healthy revenue growth over the medium term.

Liquidity position: Adequate

FEPL’s liquidity position is Adequate, which is supported by steady cash flow generation, free cash and bank balances of Rs. 78 crore and undrawn working capital bank lines of Rs. 35-40 crore as on December 31, 2025. FEPL has debt repayment obligations of Rs. 88 crore in FY2026 and Rs. 67 crore in FY2027, along with annual capex plans of Rs. 80-100 crore over the next two years. The same are expected to be comfortably serviced through healthy cash flow generation, surplus liquidity and debt.

Rating sensitivities

Positive factors – ICRA could upgrade FEPL’s long-term rating if the company demonstrates a sustained and significant improvement in its scale of operations and profitability, along with business diversification, while maintaining strong debt protection metrics.

Negative factors – Pressure on FEPL’s ratings could arise in case of a considerable decline in revenue and earnings, any significant debt-funded capex and/or a deterioration in the working capital cycle, weakening its credit metrics and liquidity position. Specific credit metrics that may lead to ratings downgrade include Total debt/OPBDITA of more than 1.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Auto Components Corporate Credit Rating Methodology
Parent/group Support	Not Applicable
Consolidation/standalone	For arriving at the ratings, ICRA has considered the consolidated financials of FEPL. As on March 31, 2025, the company had one subsidiary, which is 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, 3W, PVs, EV auto OEMs and tier-1 suppliers. The company has six 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. In January 2025, MCL, the flagship company of the Spark Minda Group, announced its strategic partnership with FEPL and acquired a 49% equity stake in FEPL for a cash consideration of Rs. 1,372 crore. The balance 51% is held by Flash Capital Private Limited, a promoter-owned investment company.

Key financial indicators (audited)

Flash Electronics (India) Private Limited (Consolidated)	FY2024	FY2025
Operating income	1340.0	1537.1
PAT	53.8	86.5
OPBDITA/OI	14.9%	14.6%
PAT/OI	4.0%	5.6%
Total outside liabilities/tangible net worth (times)	2.3	1.8
Total debt/OPBDITA (times)	2.0	1.7
Interest coverage (times)	3.3	3.9

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. Crore.
PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current rating(FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	March 03, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based - Term loan	Long-term	267.59	[ICRA]AA-(Stable)	January 23, 2025	[ICRA]A (Stable)	March 08, 2024	[ICRA]A (Stable)	-	-
				March 18, 2025	[ICRA]A+ (Stable)	-	-	-	-
Fund-based - Cash credit	Long-term	51.00	[ICRA]AA-(Stable)	January 23, 2025	[ICRA]A (Stable)	March 08, 2024	[ICRA]A (Stable)	-	-
				March 18, 2025	[ICRA]A+ (Stable)	-	-	-	-
Non-fund based - Letter of credit	Long-term/Short-term	15.00	[ICRA]AA-(Stable) / [ICRA]A1+	January 23, 2025	[ICRA]A (Stable)/[ICRA]A2+	March 08, 2024	[ICRA]A (Stable)/[ICRA]A2+	-	-
				March 18, 2025	[ICRA]A+ (Stable)/[ICRA]A1	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - Fund-based - Cash credit	Simple
Long-term - Fund-based - Term loan	Simple
Long-term/Short-term - Non-fund based - Letter of 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 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	FY2018-25	6.8-7.5%	FY2031-32	267.59	[ICRA]AA- (Stable)
NA	Fund-based – Cash Credit [^]	NA	NA	NA	51.00	[ICRA]AA- (Stable)
NA	Non-fund based – LC/BG	NA	NA	NA	15.00	[ICRA]AA- (Stable)/ [ICRA]A1+

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 Holding GmbH	100.00%	Full consolidation

Source: Company data

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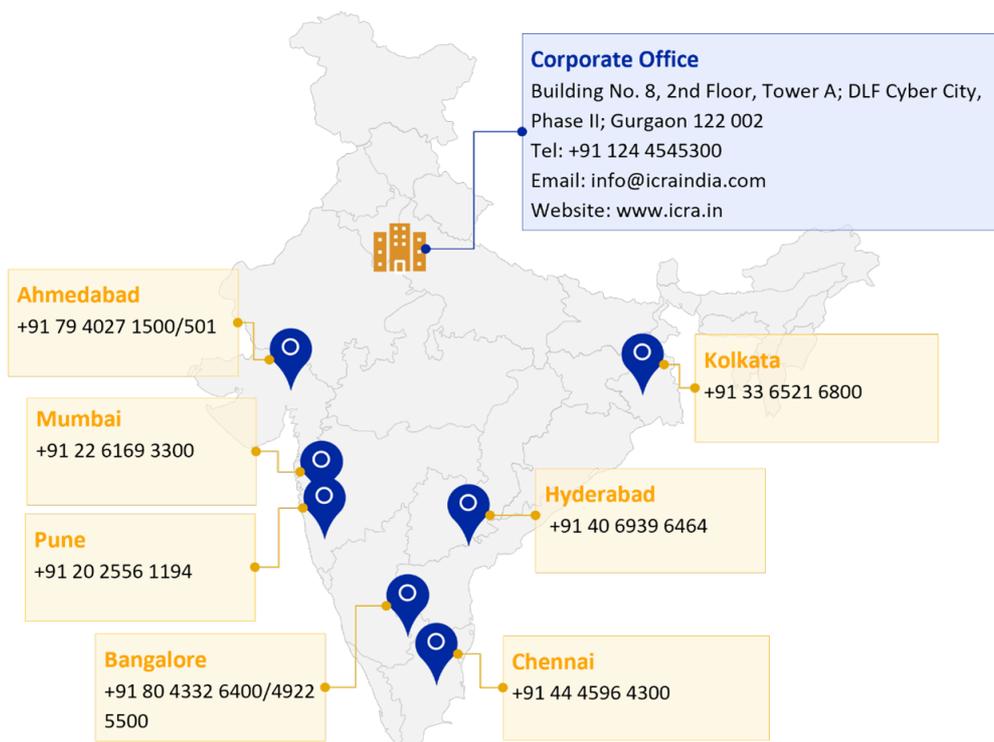


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