

## Five Core Electronics Limited

December 6, 2022

### Ratings

| Facilities/ Instruments      | Amount<br>(₹ crore)                              | Rating <sup>1</sup>  | Rating Action  |
|------------------------------|--|--|--|
| Long Term Bank Facilities    | 1.00   | CARE D; ISSUER NOT COOPERATING*<br>(Single D; ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| Short Term Bank Facilities   | 44.00  | CARE D; ISSUER NOT COOPERATING*<br>(Single D; ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| <b>Total Bank Facilities</b> | <b>45.00</b><br><b>(₹ Forty-Five Crore Only)</b> |  |  |

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated September 17, 2021, placed the ratings of Five Core Electronics Limited (FCEL) under the 'issuer non-cooperating' category as FCEL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. FCEL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and emails dated August 3, 2022, August 13, 2022, August 23, 2022, November 25, 2022 and November 29, 2022. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

### Detailed description of the key rating drivers

*At the time of last rating on September 17, 2021, the following were the rating weaknesses:*

#### Key Rating Weaknesses

**Delays in debt servicing:** There has been delays in the servicing of the debt obligations by FCEL as per public available information.

**Under Corporate Insolvency Resolution Process (CIRP):** By the order of the National Company Law Tribunal (NCLT), CIRP has been initiated against FCEL under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC). The petition for initiation of the CIRP was filed by financial creditor of the company. An Insolvency Resolution Professional (IRP) has also been appointed by the NCLT, with respect to the company.

#### Liquidity: Poor

FCEL has poor liquidity position since, there has been delays in the servicing of the debt obligations by the company as per public available information.

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications.

\*Issuer did not cooperate; Based on best available information

### About the Company

Five Core Electronics Limited (FCEL) was incorporated on April 11, 2002 by Mr. Amarjit Singh Kalra and his wife, Ms. Surinder Kaur Kalra. The company is involved in the manufacturing and assembling of public address (PA) systems and components, including loud speakers, amplifiers, microphones, woofers, and related electronic and electrical equipment. The company commenced operations in April, 2002 and its manufacturing facility is located in Bhiwadi based, Rajasthan. FCEL belongs to the 5-core group, based in New Delhi. The 5-core group was established in 1983 and apart from FCEL, the group has six other companies namely, Indian Acoustics Private Limited, 5 Core Acoustics Private Limited, Visual & Acoustics Corporation LLP, EMS & Exports, Happy Acoustics Private Limited and Digi Export Venture Private Limited which are all involved in the same line of business.

| Brief Financials (₹ crore) | 31-03-2021 (A) | 31-03-2022 (A) | 8MFY23* |
|----------------------------|----------------|----------------|---------|
| Total operating income     | NA             | NA             | NA      |
| PBILDT                     | NA             | NA             | NA      |
| PAT                        | NA             | NA             | NA      |
| Overall gearing (times)    | NA             | NA             | NA      |
| Interest coverage (times)  | NA             | NA             | NA      |

A: Audited; NA: Not Available

\*refers to the period from April 1, 2022 to November 30, 2022.

**Status of non-cooperation with previous CRA:** CRISIL Ratings has conducted the review and has maintained Five Core Electronics Limited as "Not Cooperating" vide its press release dated October 29, 2021.

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

### Annexure-1: Details of instruments/facilities

| Name of the Instrument                             | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|--|------|-------------------------------|-----------------|----------------------------|-----------------------------|---|
| Fund-based - LT-Cash Credit                        |      | -                             | -               | -                          | 1.00                        | CARE D; ISSUER NOT COOPERATING*           |
| Fund-based - ST-Foreign Bill Discounting           |      | -                             | -               | -                          | 28.00                       | CARE D; ISSUER NOT COOPERATING*           |
| Fund-based - ST-Packing Credit in Foreign Currency |      | -                             | -               | -                          | 16.00                       | CARE D; ISSUER NOT COOPERATING*           |

\*Issuer did not cooperate; Based on best available information

**Annexure-2: Rating history for the last three years**

| Sr. No. | Name of the Instrument/ Bank Facilities            | Current Ratings |                              |                                 | Rating History                              |   |   |   |
|---------|--|-----------------|------------------------------|---------------------------------|---|---|---|---|
|         |  | Type            | Amount Outstanding (₹ crore) | Rating                          | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022   | Date(s) and Rating(s) assigned in 2020-2021   | Date(s) and Rating(s) assigned in 2019-2020   |
| 1       | Fund-based - LT-Cash Credit                        | LT              | 1.00                         | CARE D; ISSUER NOT COOPERATING* | -   | 1)CARE D; ISSUER NOT COOPERATING* (17-Sep-21) | 1)CARE D; ISSUER NOT COOPERATING* (23-Jul-20) | 1)CARE D; ISSUER NOT COOPERATING* (03-May-19) |
| 2       | Fund-based - ST-Packing Credit in Foreign Currency | ST              | 16.00                        | CARE D; ISSUER NOT COOPERATING* | -   | 1)CARE D; ISSUER NOT COOPERATING* (17-Sep-21) | 1)CARE D; ISSUER NOT COOPERATING* (23-Jul-20) | 1)CARE D; ISSUER NOT COOPERATING* (03-May-19) |
| 3       | Fund-based - ST-Foreign Bill Discounting           | ST              | 28.00                        | CARE D; ISSUER NOT COOPERATING* | -   | 1)CARE D; ISSUER NOT COOPERATING* (17-Sep-21) | 1)CARE D; ISSUER NOT COOPERATING* (23-Jul-20) | 1)CARE D; ISSUER NOT COOPERATING* (03-May-19) |

\*Issuer did not cooperate; Based on best available information

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities:** Not Applicable**Annexure-4: Complexity level of various instruments rated for this company**

| Sr. No. | Name of Instrument                                 | Complexity Level |
|---------|--|------------------|
| 1       | Fund-based - LT-Cash Credit                        | Simple           |
| 2       | Fund-based - ST-Foreign Bill Discounting           | Simple           |
| 3       | Fund-based - ST-Packing Credit in Foreign Currency | Simple           |

**Annexure-5: Bank lender details for this company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

**Contact us****Media Contact**

Name: Mr. Mradul Mishra

Contact no.: +91-22-6754 3596

Email ID: [mradul.mishra@careedge.in](mailto:mradul.mishra@careedge.in)

**Analyst Contact**

Name: Mr. Shivam Tandon

Contact no.: +91- 11-4533 3263

Email ID: [shivam.tandon@careedge.in](mailto:shivam.tandon@careedge.in)

**Relationship Contact**

Name: Ms. Swati Agrawal

Contact no.: +91-11-4533 3200

Email ID: [swati.agrawal@careedge.in](mailto:swati.agrawal@careedge.in)

**About CARE Ratings Limited:**

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

**Disclaimer**

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careedge.in](http://www.careedge.in)**