Rating Rationale

August 14, 2026 | Mumbai

Fujiyama Power Systems Limited

Removed from 'Watch Developing'; Ratings Reaffirmed

Rating Action

Total Bank Loan Facilities Rated	Rs.500 Crore	Regulator Of Instrument
Long Term Rating	Crisil A/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)	RBI
Short Term Rating	Crisil A1 (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)	RBI

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1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has removed its rating on the long-term bank facilities of Fujiyama Power Systems Limited (FPSL) from 'Rating Watch with Developing Implications' and has reaffirmed the rating at **'Crisil A/Crisil A1'** while assigning a '**Stable**' outlook to the long-term rating.

The ratings were placed on watch post the announcement by FPSL on May 6th, 2026, that a fire accident had occurred at its lead acid battery manufacturing facility in Bawal Industrial Area, Rewari, Haryana. The company has already booked exceptional loss of ~Rs 143.58 crore for the damage to building structure, plant and machinery and inventory These losses are covered under insurance, and as per the discussion with the management the insurance amount is expected to be received in next 6-9 months. fiscal year 2027.

Crisil Ratings was in touch with the management for the impact of the same on the performance of the company. Resolution of watch status follows clarity on the same. The fire incident is not expected to impact on the performance of the company as the battery division doesn't contribute much to the overall revenue and the same is compensated through sourcing the batteries from other manufacturers. Despite the incident the company has reported healthy revenue of over Rs. 1345.69 crore in Q1FY27 (from Rs 597.35 crore in Q1FY26) with stable EBITDA margins of over 19% and is expected to generate revenue of over Rs 3000 crore given the strong demand from its customers and the provision of bundled services. Hence, the ratings have been removed from 'watch with developing implications'.

The ratings continue to reflect the extensive experience of the promoters in the solar power generation and storage equipment industry and the diversified customer base and product range, vast distribution network and healthy financial risk profile of the company. These strengths are partially offset by the moderate scale of operations amidst intense competition and large working capital requirements.

Analytical Approach

Crisil Ratings has evaluated the standalone business and financial risk profiles of FPSL.

Key Rating Drivers - Strengths

Extensive experience of the promoters, an established and diversified customer base and wide presence:

The promoters, Pawan Kumar Garg and Yogesh Dua, are well-qualified, with nearly three decades of experience in the power storage equipment industry; their sound understanding of market dynamics, strong relationships with suppliers and wide dealer and distributor networks in Tier-2 and Tier-3 cities should continue to support the business. The promoters were pioneers in the electrical component manufacturing segment. Over time, the company has transitioned itself from being an electronic component manufacturer to operating as a one-stop solution provider for rooftop solar power systems, in line with shifting market dynamics, with pan-India presence. The company has generated a revenue of Rs 2655 crore in fiscal 2026 (Rs 1541 crore in fiscal 2025) on the back of increased sales of bundled products in the solar manufacturing sector and is expected to generate revenue of over Rs. 3000 crores in fiscal 2027.

Healthy financial risk profile:

Adjusted networth stood at Rs 1214.45 crore as on March 31, 2026, as against Rs 337.18 crore a year earlier. The company undertook a capital expenditure (capex) of Rs 158 crore, funded by additional debt of around Rs 55 crore in fiscal 2025, to increase its installed capacity to manufacture solar panels from 0.5 gigawatt (GW) to 1 GW, along with solar battery from 1 GW to 1.4 GW and power electronics component capacity from 0.5 GW to 1 GW. Despite the additional debt-funded capex, capital structure is healthy, as reflected in gearing of 0.38 time and total outside liabilities to adjusted networth (TOL/ANW) ratio of 0.47 time as on March 31, 2026 (1.03 times and 1.83 times, respectively, a year earlier), which is due to improvement in the operating margin.

The company commissioned the 2000 megawatt (MW) solar panel manufacturing facility line in May 2026, which is part of the greenfield capex of around Rs 180 crore that the company has been undertaking funded through internal accrual and a debt of around Rs 100 crore. It is also likely to incur regular maintenance capex of Rs 20-25 crore per fiscal, which will be funded through internal cash accrual. As operationalisation of the cell manufacturing unit will lead to backward integration of operations and expansion of operating margin, healthy accretion to reserve should strengthen the capital structure, as indicated by estimated gearing and TOL/ANW ratios of 0.78 time and 1.35 times, respectively, as on March 31, 2026. Debt protection metrics were superior, with interest coverage and net cash accrual to total debt ratios of 9.32 times and 0.50 time, respectively, for fiscal 2025. The metrics are estimated to be around 11.5 times and 0.5 time, respectively, in fiscal 2026, supported by expansion of operating margin.

Key Rating Drivers - Weaknesses

Large working capital requirement:

Gross current assets (GCAs) were sizeable at 188 days as on March 31, 2026, driven by inventory and receivables of 180 and 19 days, respectively. Payments from customers are backed by sound credit terms as the company leverages its market position to negotiate favourable terms. However, to manufacture varied products based on consumer requirements and demands, the company must hold large raw material inventory. No major changes are likely in the working capital management practices and inventory holding period will likely range between 100 and 110 days and GCAs between 130-150 days over the medium term. Stable working capital cycle, despite scale up in operations, will remain monitorable.

Moderate scale of operations amidst intense competition:
Revenue increased significantly to Rs 2655 crore in fiscal 2026 from Rs 1541 crore in fiscal 2025, reflecting the moderate, but improving scale of operations. FPSL faces intense competition from established players in the uninterrupted power supply (UPS) and invertors market. However, it has established a significant presence in the Tier II and Tier III markets through its network of 960+ distributors, 6,800+ dealers and 1,150+ shoppes. In the absence of any major competitors, the company is able to meet the growing demand for off-grid rooftop solar systems, given the prolonged power cuts in these regions, and may consider expanding its distribution network. Operating income is expected to grow by 15-20% in the subsequent fiscals; however, with intensifying competition, the company may find it difficult to gain significant market share over the medium term.

Liquidity Strong
Bank limit utilisation averaged ~39% for the 11 months through June 2026. Expected cash accrual of Rs 250-300 crore per annum, should more than suffice to cover the yearly debt obligation of Rs 30-39 crore over the medium term. Current ratio was moderate at 1.64 times while unencumbered cash and equivalent was ~Rs 161 crore as on March 31, 2026.

Outlook Stable
FPSL will continue to benefit from the extensive experience of the promoters in the power storage equipment industry and their established relationships with customers and suppliers.

Rating sensitivity factors
Upward factors
- Steady growth in revenue, along with timely completion of the project with no cost overrun, coupled with steady operating margin of 14-15%, resulting in significant growth in operating cash accrual
- Sustenance of healthy financial risk profile

Downward factors
- Decline in revenue by more than 20% and operating margin below 10%, resulting in lower-than-expected cash accrual
- Large, debt-funded capex weakening the financial risk profile.

About the Company
Set up as a partnership firm in 2008, the entity was reconstituted into a private limited company in November 2017 and finally as a public limited company, with the current name in 2025. FPSL was earlier involved in trading and manufacturing of batteries, invertors and UPS. However, from March 2015, it ventured into the manufacture and sale of UPS systems, invertors and solar and non-solar batteries and battery charges. The company also manufactures solar panels. The products are sold under the in-house brand, UTL Solar. The facilities are at Parwanoo (Himachal Pradesh), Greater Noida (Uttar Pradesh), Ratlam (Madhya Pradesh),Bawal (Haryana) and Dadri (Uttar Pradesh). Yogesh Dua and Pawan Kumar Garg are the promoters.

Key Financial Indicators

As on / for the period ended March 31*		2026	2025
Operating income	Rs crore	2654.51	1538.61
Reported profit after tax (PAT)	Rs crore	304.12	156.34
PAT margin	%	11.45	10.14
Adjusted debt/adjusted networth	Times	0.38	1.03
Interest coverage	Times	11.32	9.32

**Crisil Ratings adjusted numbers*

Any other information: Not applicable

Note on complexity levels of the rated instrument:
Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Please note:
More details including a list of activities or instruments, along with the names of respective financial sector regulators (FSRs) whose purview they fall under, is available in 'Annexure – List of Instruments and Names of Regulators' below.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook	Regulator Of Instrument
NA	Bank Guarantee	NA	NA	NA	2.00	NA	Crisil A1	RBI
NA	Cash Credit	NA	NA	NA	270.00	NA	Crisil A/Stable	RBI
NA	Proposed Fund-Based Bank Limits	NA	NA	NA	46.32	NA	Crisil A/Stable	RBI
NA	Term Loan	NA	NA	31-Mar-31	55.92	NA	Crisil A/Stable	RBI
NA	Term Loan	NA	NA	31-Mar-31	31.03	NA	Crisil A/Stable	RBI
NA	Term Loan	NA	NA	31-Mar-31	59.83	NA	Crisil A/Stable	RBI
NA	Term Loan	NA	NA	31-Mar-31	34.90	NA	Crisil A/Stable	RBI

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure - Rating History for last 3 Years

	Current			2026 (History)		2025		2024		2023		Start of 2023
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating

Fund Based Facilities	LT	498.0	Crisil A/Stable	18-05-26	Crisil A/Watch Developing	11-11-25	Crisil A/Stable	04-10-24	Crisil A-/Stable		--	Withdrawn
Non-Fund Based Facilities	ST	2.0	Crisil A1	18-05-26	Crisil A1/Watch Developing	11-11-25	Crisil A1	04-10-24	Crisil A2+		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities - Regulator for the Instrument is RBI

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Bank Guarantee	2	HDFC Bank Limited	Crisil A1
Cash Credit	60	Citibank N. A.	Crisil A/Stable
Cash Credit	40	Axis Bank Limited	Crisil A/Stable
Cash Credit	60	HDFC Bank Limited	Crisil A/Stable
Cash Credit	65	The Hongkong and Shanghai Banking Corporation Limited	Crisil A/Stable
Cash Credit	45	YES Bank Limited	Crisil A/Stable
Proposed Fund-Based Bank Limits	20.27	Not Applicable	Crisil A/Stable
Proposed Fund-Based Bank Limits	26.05	Not Applicable	Crisil A/Stable
Term Loan	59.83	Axis Bank Limited	Crisil A/Stable
Term Loan	34.9	YES Bank Limited	Crisil A/Stable
Term Loan	55.92	HDFC Bank Limited	Crisil A/Stable
Term Loan	31.03	The Hongkong and Shanghai Banking Corporation Limited	Crisil A/Stable

Annexure: List of instruments and names of regulators of the instruments
As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*$	RBI

4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFC's, HFCs, Fis	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts$	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
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^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.
$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.
+ To be finalized following a discussion with the regulatory authorities.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)

Media Relations	Analytical Contacts	Customer Service Helpdesk
Ramkumar Uppara Media Relations **Crisil Limited** M: +91 98201 77907 B: +91 22 6137 3000 ramkumar.uppara@crisil.com **Kartik Behl** Media Relations **Crisil Limited** M: +91 90043 33899 B: +91 22 6137 3000 **kartik.behl@crisil.com** **Divya Pillai** Media Relations **Crisil Limited** M: +91 86573 53090 B: +91 22 6137 3000 **divya.pillai1@ext-crisil.com**	Nitin Kansal Director **Crisil Ratings Limited** D:+91 124 672 2154 nitin.kansal@crisil.com Naman Jain Associate Director **Crisil Ratings Limited** B:+91 124 672 2000 naman.jain@crisil.com Shivang Bhanti Rating Analyst **Crisil Ratings Limited** B:+91 124 672 2000 shivang.bhanti1@crisil.com **For Analytical queries** Toll Free Number: 1800 266 6550 ratingsinvestordesk@crisil.com	Timings: 10.00 am to 7.00 pm Toll Free Number: 1800 267 3850 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com

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