

Rating Rationale

November 11, 2025 | Mumbai

Fujiyama Power Systems Limited

Ratings upgraded to 'Crisil A / Stable / Crisil A1'; Rated amount enhanced for Bank Debt

Rating Action

Total Bank Loan Facilities Rated	Rs.500 Crore (Enhanced from Rs.325 Crore)
Long Term Rating	Crisil A/Stable (Upgraded from 'Crisil A-/Stable')
Short Term Rating	Crisil A1 (Upgraded from 'Crisil A2+')

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings.

The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has upgraded its ratings on the bank facilities of Fujiyama Power Systems Ltd (FPSL, formerly known as Fujiyama Power Systems Private Limited (FPSPL)) to '**Crisil A/Stable/Crisil A1**' from 'Crisil A-/Stable/Crisil A2+'.

The upgrade factors in the improvement in the business risk profile, marked by significant growth in operating income to Rs 1,541 crore in fiscal 2025 (Rs 925 crore in fiscal 2024), driven by healthy offtake, following an expansion in the installed capacity. Healthy contribution of solar inverters and solar batteries to overall revenue also lends diversity, and has led to an increase in the average order value. Package sales to distributors, comprising solar panels, invertors and batteries, formed nearly 80% of revenue. The company is expected to generate revenue of Rs 2,050-2,100 crore for the full fiscal 26, supported by better capacity utilisation. FPSL has an extensive presence in Tier-II and Tier-III cities through a network of 480+ distributors, 3,600+ dealers and 1000+ shoppes, providing access to a wide customer base.

Operating margin rose to 16.41% in fiscal 2025, from 10.91% in fiscal 2024, driven by economies of scale, backward integration of operations and higher brand premium charged by the company. The operating margin is likely to sustain around 17% for the full fiscal 26, supported by improved capacity utilisation and higher fixed cost absorption. Additionally, the company is undertaking capital expenditure (capex) to install an in-house cell manufacturing facility, expected to be operationalised by December 2025. The same should lower reliance on imports, facilitate backward integration of operations and enhance profitability. Successful offtake of the solar cell capacity, along with timely completion of capex will remain monitorable.

Despite the additional debt-funded capex undertaken over fiscals 2025 and 2026, the financial risk profile has remained stable, supported by prudent funding mix of debt-equity and timely operationalisation and healthy offtake from the additional capacity.

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 requirement.

Analytical Approach

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

Key Rating Drivers - Strengths

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

The promoters, Mr Pawan Kumar Garg and Mr 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.

Healthy financial risk profile

Adjusted networth stood at Rs 337.18 crore as on March 31, 2025, and is likely to increase to around Rs 550 crore as on March 31, 2026. The company undertook capex of Rs 158 crore, funded via additional debt of around Rs 55 crore in fiscal 2025, to increase its installed capacity to manufacture solar panels from 0.5GW to 1GW, along with solar battery from 1GW to 1.4GW and power electronics component capacity from 0.5GW to 1GW. Despite the additional debt-funded capex, the capital structure has improved, as reflected in gearing of 1.03 times and moderate total outside liabilities to adjusted networth (TOL/ANW) ratio of 1.83 times as on March 31, 2025.

The company is in the process of undertaking additional capex of around Rs 180 crore to set up a solar cell manufacturing line, funded via additional debt of around Rs 100 crore and balance through internal accrual. 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 by December 2025 will lead to backward integration of operations and expansion of operating margin, healthy accretion of reserves should strengthen the capital structure, as indicated by projected 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 expected to be around 11.5 times and 0.5 time, respectively, in fiscal 2026, supported by expansion of operating margin.

Key Rating Drivers - Weaknesses

Moderate scale of operations amidst intense competition

Revenue stood at Rs 1,541 crore in fiscal 2025, as compared to Rs 925 crore during the previous fiscal, 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, the company has established a significant presence in the Tier II and Tier III markets through its network of 480+ distributors, 3,600+ dealers and 1,000+ 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. FPSL is likely to generate Rs 2,050-2,100 crore for the full fiscal 26, supported by healthy offtake from the enhanced capacity, resulting in higher utilisation. 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.

Large working capital requirement

Gross current assets (GCAs) stood at 131 days as on March 31, 2025, driven by inventory and receivables of 108 days and 17 days, respectively. Payments from customers are backed by sound credit terms as the company is able to leverage its market position to negotiate favourable terms. However, to manufacture varied products based on consumer requirements and demands, the company has to hold large inventory of raw material. No major changes are likely in the working capital management practices and inventory holding period will likely range between 100 and 110 days, going forward. GCAs are expected to be in the range of 125-140 days over the medium term. Stable working capital cycle, despite scale up in operations, will remain a key monitorable.

Liquidity Strong

Liquidity should remain supported by ample surplus available in cash accrual and bank lines. Bank limit utilisation averaged around 66.74% for the 11 months through July 2025. 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 stood at 1.26 times and unencumbered cash and cash equivalents at Rs 12.48 crore as on June 30, 2025.

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 onwards, it ventured into 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 manufacturing facilities are located at Parwanoo (Himachal Pradesh), Greater Noida (Uttar Pradesh) and Bawal (Haryana). Mr Yogesh Dua and Mr Pawan Kumar Garg are the promoters.

Key Financial Indicators (Crisil Ratings Adjusted Financials)

As on / for the period ended March 31		2025*	2024
Operating income	Rs crore	1,541.39	924.75
Reported profit after tax	Rs crore	156.34	45.30
PAT margins	%	10.14	4.90
Adjusted Debt/Adjusted Net worth	Times	1.03	1.10
Interest coverage	Times	9.32	3.89

*Provisional

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.

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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
NA	Bank Guarantee	NA	NA	NA	2.00	NA	Crisil A1
NA	Cash Credit	NA	NA	NA	270.00	NA	Crisil A/Stable
NA	Proposed Fund-Based Bank Limits	NA	NA	NA	46.32	NA	Crisil A/Stable
NA	Term Loan	NA	NA	31-Mar-31	55.92	NA	Crisil A/Stable
NA	Term Loan	NA	NA	31-Mar-31	31.03	NA	Crisil A/Stable
NA	Term Loan	NA	NA	31-Mar-31	59.83	NA	Crisil A/Stable
NA	Term Loan	NA	NA	31-Mar-31	34.90	NA	Crisil A/Stable

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2025 (History)		2024		2023		2022		Start of 2022
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	498.0	Crisil A/Stable		--	04-10-24	Crisil A-/Stable		--	30-09-22	Withdrawn	Crisil B /Stable(Issuer Not Cooperating)*
			--		--		--		--	24-02-22	Crisil B /Stable(Issuer Not Cooperating)*	--
Non-Fund Based Facilities	ST	2.0	Crisil A1		--	04-10-24	Crisil A2+		--		--	--

All amounts are in Rs.Cr.

* - Issuer did not cooperate; based on best-available information

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Bank Guarantee	2	HDFC Bank Limited	Crisil A1
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
Cash Credit	60	Citibank N. A.	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	55.92	HDFC Bank Limited	Crisil A/Stable
Term Loan	31.03	The Hongkong and Shanghai Banking Corporation Limited	Crisil A/Stable
Term Loan	59.83	Axis Bank Limited	Crisil A/Stable
Term Loan	34.9	YES Bank Limited	Crisil A/Stable

Criteria Details

Links to related criteria

[Basics of Ratings \(including default recognition, assessing information adequacy\)](#)

[Criteria for manufacturing, trading and corporate services sector \(including approach for financial ratios\)](#)

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