

Finolex J Power Systems Limited

April 25, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	22.75	CARE BB; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB+; Stable;
Long Term / Short Term Bank Facilities	25.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB+; Stable / CARE A4;
Short Term Bank Facilities	74.00	CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

*Issuer did not cooperate; based on best available information

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated January 30, 2023, placed the rating(s) of Finolex J Power Systems Limited (FJPSL) under the 'issuer non-cooperating' category as FJPSL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. FJPSL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 19, 2024, April 22, 2024, April 24, 2024.

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).

The ratings have been revised on account of non-availability of requisite information. Further, the revision considers continuing losses in FY23.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [January 30, 2023](#)

Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

[Rating Outlook and Credit Watch](#)

About the company

FJPL, incorporated in January 2008, is a Joint-venture (JV, 51:49) between Japan based J-Power Systems (JPS) and Pune based Finolex Cables Limited. FJPL is engaged in manufacture and market of cross-linked polyethylene (XLPE) insulated extra high voltage (EHV) ratings ranging from (66 Kilovolts (kV) to 500 kV) cables using the VCV (Vertical Continuous Vulcanizing) technology and other power accessories and provides turnkey solutions cables. The manufacturing facility of the company is located at Shirwal near Pune.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications.

Brief Financials (Rs. crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	85.67	127.76
PBILDT	-9.69	-4.57
PAT	-27.23	-28.17
Overall gearing (times)	0.52	0.84
Interest coverage (times)	NM	NM

A: Audited NM: Not Meaningful; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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

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

Lender details: Annexure 5

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-Term Loan		-	-	March 2024	22.75	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - ST-Working Capital Demand loan		-	-	-	50.00	CARE A4; ISSUER NOT COOPERATING*
Fund-based/Non-fund-based-LT/ST		-	-	-	25.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	24.00	CARE A4; ISSUER NOT COOPERATING*

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

Annexure-2: Rating History of 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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	22.75	CARE BB; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (30-Jan-23)	1)CARE BBB-; Stable (05-Jan-22)
2	Fund-based/Non-fund-based-LT/ST	LT/ST	25.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	-	-	1)CARE BB+; Stable / CARE A4; ISSUER NOT COOPERATING* (30-Jan-23)	1)CARE BBB-; Stable / CARE A3 (05-Jan-22)
3	Non-fund-based - ST-Bank Guarantee	ST	24.00	CARE A4; ISSUER NOT COOPERATING*	-	-	1)CARE A4; ISSUER NOT COOPERATING* (30-Jan-23)	1)CARE A3 (05-Jan-22)
4	Fund-based - ST-Working Capital Demand loan	ST	50.00	CARE A4; ISSUER NOT COOPERATING*	-	-	1)CARE A4; ISSUER NOT COOPERATING* (30-Jan-23)	1)CARE A3 (05-Jan-22)

*Issuer did not cooperate; Based on best available information

LT: Long term; ST: Short term; LT/ST: Long term/Short term

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

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - ST-Working Capital Demand loan	Simple
3	Fund-based/Non-fund-based-LT/ST	Simple
4	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Note on complexity levels of the rated instrument: CARE Ratings 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

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About us:

Established in 1993, CARE Ratings 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 by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows 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 has played a pivotal role in developing bank debt and capital market instruments including commercial papers, corporate bonds and debentures, and structured credit.

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