

April 24, 2025

Finolex J-Power Systems Limited: Rating moved to Issuer Non-Cooperating Category; ratings downgraded based on best available information

Summary of rating action

Instrument [^]	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term- Fund based- Working capital limits	195.00	195.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB- (Negative); Outlook revised to stable from negative and moved to 'Issuer Not Cooperating' category
Long-term – Term loan	2.25	2.25	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB-(Negative); outlook revised to Stable from Negative and moved to "ISSUER NOT COOPERATING" category
Short term- non-fund based	70.00	70.00	[ICRA]A4+ ISSUER NOT COOPERATING*; rating downgraded from [ICRA]A3 and moved to "ISSUER NOT COOPERATING" category
Total	267.25	267.25	

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure I

Rationale

ICRA has downgraded and moved the ratings of **Finolex J-Power Systems Limited** to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BB+(Stable)/[ICRA]A4+; ISSUER NOT COOPERATING; outlook revised to Stable from Negative"

The rating downgrade is because of lack of adequate information regarding **Finolex J-Power Systems Limited** performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with **Finolex J-Power Systems Limited**, ICRA has been trying to seek information from the entity to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy In Respect of Non-Cooperation by A Rated Entity
Parent/Group support	Operational and financial support from being a part of Sumitomo Electric Industries Ltd., the ultimate parent

Consolidation/Standalone

For arriving at the ratings, ICRA has considered the standalone financials of FJPS

About the company

Finolex J Power System Limited (FJPL) is a Joint-venture (JV, 51:49) between Japan based J-Power Systems corporation (JPS) and Pune based Finolex Cables Limited (FCL). FJPL was formed to manufacture and sale of high voltage and extra high voltage power cables (underground cables) ranging from 66kV to 500kV grade and other power accessories and provides turnkey solutions cables to Asian market However, as of now the company is working towards catering Indian market and will later on focus on Asian market. There is exclusivity for manufacturing EHV cables with FJPL as per the joint venture agreement.

Key financial indicators (audited)

	FY2023	FY2024
Operating income	126.0	120.5
PAT	-28.2	-15.4
OPBDIT/OI	-4.1%	-12.7%
PAT/OI	-22.4%	0.9%
Total outside liabilities/Tangible net worth (times)	1.0	1.3
Total debt/OPBDIT (times)	-25.2	-64.2
Interest coverage (times)	-0.4	-0.1

Source: Company, ICRA Research; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)		Chronology of rating history for the past 3 years						
	FY2026		FY2025		FY2024		FY2023		
	Type	Amount rated (Rs. crore)	Apr 24 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based working capital limits	Long-term	195.00	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	-	-	Feb16, 2024	[ICRA]BBB-(Negative)	Mar 06, 2023	[ICRA]BBB-(Stable)
				-	-	-		Nov 01, 2022	[ICRA]BBB-(Stable)
Term Loans	Long-term	2.25	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	-	-	Feb16, 2024	[ICRA]BBB-(Negative)	Mar 06, 2023	[ICRA]BBB-(Stable)
				-	-	-		Nov 01, 2022	[ICRA]BBB-(Stable)
Non-fund based	Short term	70.00	[ICRA]A4+; ISSUER NOT COOPERATING	-	-	Feb16, 2024	[ICRA]A3	Mar 06, 2023	[ICRA]A3
				-	-	-		Nov 01, 2022	[ICRA]A3
Unallocated	Long-term and short-term	-	-	-	-	-	-	Mar 06, 2023	[ICRA]BBB-(Stable)/[ICRA]A3

	-	-	-	-	-	-	Nov 01, 2022	[ICRA]BBB- (Stable)/ [ICRA]A3
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Complexity level of the rated instrument

Instrument	Complexity indicator
Long term-Fund based-Working capital limits	Simple
Long-term –Term loan	Simple
Short term-Non-fund based	Very 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 / Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook	
NA	Long term- Fund based- Working capital limits	NA	NA	NA	195.00	[ICRA]BB+ (Stable)	ISSUER NOT COOPERATING
NA	Long-term – Term loan	FY2022	NA	FY2026	2.25	[ICRA]BB+ (Stable)	ISSUER NOT COOPERATING
NA	Short Term – Non-Fund based	NA	NA	NA	70.00	[ICRA]A4+;	ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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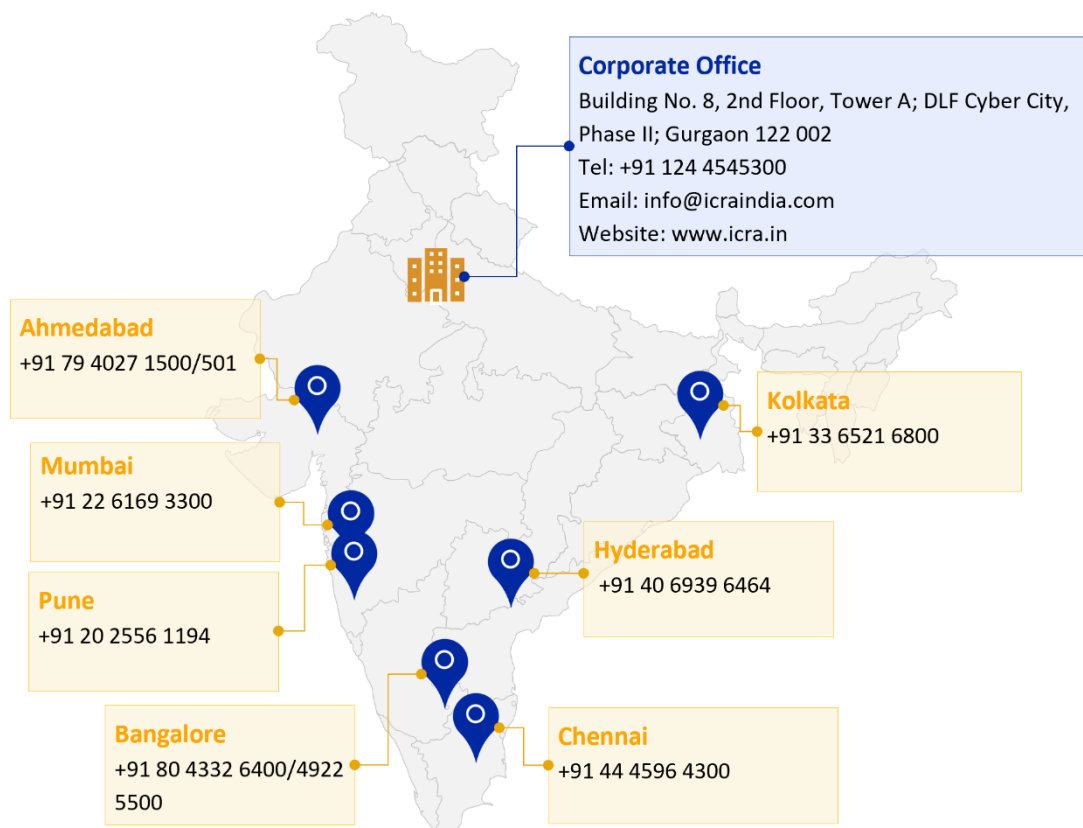
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