

August 20, 2025

KPI Green Energy Limited: Rating reaffirmed and rated amount enhanced for the NCD programme; ratings outstanding for bank lines

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based - Term loan	942.00	942.00	[ICRA]A (Positive); outstanding
Long term – Fund based - Cash credit	397.00	397.00	[ICRA]A (Positive); outstanding
Short term – Working capital demand loan	148.00	148.00	[ICRA]A2+; outstanding
Short term – Non-fund based - Bank guarantee	484.00	484.00	[ICRA]A2+; outstanding
Short term – CEL	16.00	16.00	[ICRA]A2+; outstanding
Long term/Short term - Unallocated limits	13.00	13.00	[ICRA]A (Positive)/[ICRA]A2+; outstanding
Proposed non-convertible debentures (NCD)	75.00	75.00	Provisional [ICRA]AA+(CE) (Stable); reaffirmed
Proposed non-convertible debentures (NCD)	0.00	625.00	Provisional [ICRA]AA+(CE) (Stable); assigned
Total	2,075.00	2,700.00	

Rating in the absence of pending actions/documents	[ICRA]A
Rating without explicit credit enhancement	[ICRA]A

*Instrument details are provided in Annexure-1

Note: The (CE) suffix mentioned alongside the (provisional) rating symbol indicates that the rated instrument/facility is to be backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The table above also captures ICRA's opinion on (a) the rating if the pending actions/ documents are not completed, and (b) the rating without factoring in the proposed explicit credit enhancement.

Rationale

For the [ICRA]A(Positive)/[ICRA]A2+ rating

To arrive at the ratings, ICRA has considered the consolidated financials of KPI Green Energy Limited (KPI Green, KPIGEL) and its subsidiaries — KPIG Energia Private Limited (KPIG Energia, KPIGEPL), Sun Drops Energia Private Limited (Sun Drops, SDEPL), KPark Sunbeat Private Limited (KPark), Miyani Power Infra LLP (Miyani Power; MPIL), KPIN Clean Power Two LLP (KPIN Two), KPIN Clean Power Three LLP (KPIN Three), KPIN Clean Power Four LLP (KPIN Four) and KPIN Clean Power Five LLP (KPIN Five) — referred to as the Group.

The ratings, along with the Positive outlook on the long-term rating, reflect a healthy improvement in the Group's scale and profitability in FY2025, driven by higher execution of captive power plant (CPP)/engineering, procurement and construction (EPC) orders and the commissioning of the additional independent power producer (IPP) capacity under the third-party open access route. ICRA expects the Group to sustain its revenue and profitability growth in FY2026 as well. The consolidated

revenue and OPBDITA were Rs. 1,736.00 crore and Rs. 564.31 crore, respectively, in FY2025 against Rs. 1,024.15 crore and Rs. 337.10 crore, respectively, in FY2024.

The consolidated CPP/EPC order book continues to grow at a rapid pace and stood at ~Rs. 4,800 crore as of March 2025 compared with ~Rs. 3,279 crore as of December 2024 and Rs. 2,228 crore as of August 2024 (~Rs. 1,050 crore of March 2024). The order book includes a ~Rs. 1,300-crore contract from Coal India Limited, a ~Rs. 790-crore order from Satluj Jal Vidyut Nigam (SJVN), a ~Rs. 520-crore order from Maharashtra State Power Generation Co. Ltd. (MAHAGENCO) along with orders of ~Rs. 516 crore and ~Rs. 398 crore from reputed corporate customers. These orders are expected to be executed over the next 15 months approximately. The remaining orders are from the usual commercial and industrial (C&I) customers, to be executed over the next 6-8 months.

The Group has recently forayed into utility scale power projects, signaling its intent to scale up its renewable energy IPP portfolio. The ratings consider the completion of installation of a 200-MWac solar power project and a 50-MW (contracted capacity) hybrid power project, both contracted with Gujarat Urja Vikas Nigam Limited (GUVNL) in March 2025. The Group has demonstrated its execution capabilities by completing these projects earlier than expected, driven by the extensive experience of the key promoter in the renewable energy sector and allied power plant setting-up activities. The ratings also derive comfort from the long-term and medium-term power purchase agreements (PPA) for its IPP capacities with reputed counterparties and a track record of timely payment of bills from them.

The ratings, however, are constrained by an expected moderation in the leverage and coverage metrics of the Group in the medium term owing to the debt-funded nature of the large pipeline of the under-development utility scale IPP projects of ~0.9-GW ¹ (installed capacity) along with an increase in the working capital debt to support the rapidly growing CPP order book. Additionally, the capex estimate for these IPP projects has increased by ~Rs. 700 crore compared to the previous estimates because of higher DC upsizing for the solar capacities. This has subsequently increased the debt funding required to be availed for these projects. The timely execution of these IPP projects without any major cost overruns remains a key credit monitorable, going forward. Notwithstanding this, these projects have high revenue visibility and low offtake risk owing to the presence of long-term (25-year) PPAs at highly competitive tariffs with GUVNL, which is a strong counterparty (rated [ICRA]AA (Stable)/[ICRA]A1+).

The cash flows from the IPP segment remain susceptible to adequate generation levels, in line with the P-90 PLF levels. Under the third-party open access route, the cash flows remain exposed to remunerative tariff realisation, PPA termination risk, open access charges and competition. The ratings are further constrained by geographical concentration risk as the Group's entire power generation capacities (IPP+CPP) are in Gujarat. This risk will be mitigated to some extent post the completion of the CPP order awarded by MAHAGENCO, which is to be executed in Maharashtra. ICRA also notes the Group's relatively high working capital intensity emanating from the fast-growing CPP/EPC business.

The Positive outlook on the long-term rating reflects the expected improvement in the scale and profitability at the Group level, backed by a healthy CPP/EPC order book. Also, ICRA expects the Group to make satisfactory progress in the under-development IPP projects without any major cost overrun. Further, the commissioned projects are expected to demonstrate satisfactory generation levels, as witnessed in the past, leading to stable cash inflows.

For the Provisional [ICRA]AA+(CE) rating

The rating on the Rs. 700.00-crore proposed NCD programme (Green bond) is based on the strength of the partial credit guarantee to be provided by GuarantCo Limited {GuarantCo; rated Moody's A1 (Stable)}.

¹Excluding the 200-MWac solar power project and 50-MW (contracted capacity) hybrid power project, both contracted with GUVNL, which were completely installed in March 2025

Adequacy of credit enhancement

For assigning the ratings, ICRA has assessed the attributes of the partial guarantee to be issued by GuarantCo in favour of the rated instruments of KPIGEL. While the guarantee is legally enforceable, irrevocable, unconditional, and covers the entire tenure of the rated facility, it does not cover the entire rated amount. The tenure of the facility is proposed to be 60 months with a defined quarterly interest and principal repayment schedule. As per the proposed schedule, the principal repayment will be 4.00% each (of the initial NCD outstanding principal) for the first two quarters, 3.25% each for the next four quarters, 3.50% each for the next four quarters, 6.00% each for the next four quarters, 6.50% each for the next four quarters, 7.50% each for the last two quarters.

The NCD has a well-defined invocation and payment mechanism. The partial credit guarantee to be extended by GuarantCo would be 65.0% of the initial NCD issuance amount, sufficient to cover 27-month period of peak principal and interest payments on the NCD even in a scenario where the company does not generate any cash flows. The maximum guaranteed amount is fixed till the guarantee covers the outstanding principal and 90 days of interest on the outstanding principal. At this stage, i.e. 33 months from the date of issuance, the guarantee can be reset to this aforesaid value. Taking cognisance of the above credit enhancement, ICRA has assigned a rating of Provisional [ICRA]AA+(CE) (Stable) to the proposed NCD against the rating of [ICRA]A without explicit credit enhancement. In case the rating of the Guarantor or KPIGEL undergoes a change in future, the same would be reflected in the rating of the aforesaid instrument as well.

Further, the NCD shall have a i) first ranking, exclusive, and continuing charge created in its favour upon the identified assets and receivables, ii) a debt service reserve account (DSRA) which is equal to the sum of the next quarter of interest and principal payable to the debenture holders, iii) security deposit fixed at 14.28% of the initial NCD issuance until 33 months; to amortise thereafter prorate with the guarantee amount, iv) escrow account, v) and a personal guarantee of Dr. Faruk Patel (Chairman and Managing Director of the Group), over and above the guarantee of GuarantCo.

Salient covenants of the rated facility:

- In addition to the partial guarantee, the issuer (KPIGEL) will maintain a security pool of at least 1.20 times the outstanding amount of NCD. The specific assets under the security pool should at all times until the final settlement date be backed by long-term PPAs (exceeding the tenor of the proposed NCD). The issuer shall also ensure that at least 50% of the underlying PPAs (by revenue) are with counterparties which are rated A or above by an external credit rating agency acceptable to the guarantor. To meet the aforementioned conditions, the issuer would be obligated to replace such specified assets comprising the security pool to the satisfaction of the guarantor.
- As per the proposed terms, breaching of the below-mentioned financial covenants will be treated as an event of non-compliance (EONC; defined below). These covenants will apply as per the standalone audited financial statements of the Issuer and are to be tested on an annual basis.
 - Interest coverage ratio – minimum 1.50 times
 - Debt service coverage ratio – minimum 1.20 times
 - Fixed asset coverage ratio – minimum 1.10 times
 - Long-term debt to EBITDA² ratio – maximum 6.00 times
 - Total outside liabilities/total tangible net worth – maximum 3.50 times
- Dr. Faruk Patel, Chairman and Managing Director of the Group, shall remain the largest shareholder of the issuer with at least 40% shareholding until the full repayment of the NCD. Any reduction in the shareholding below 40% will require approval from the guarantor.
- Obligor subsidiaries, i.e. KPIG Energia and KPark, shall remain wholly-owned subsidiaries of the issuer until full repayment of the NCD. Any change in the shareholding of the aforementioned subsidiaries will require approval from the guarantor.
- The issuer shall require approval from the debenture trustee and the guarantor for declaration of any dividends or any other distributions to the holders of common equity if i) guarantee is utilised and not replenished to the extent of

²Earnings before interest, taxes, depreciation and amortization

utilised until the final settlement date; ii) payment default by the issuer or on the issuer or by any of the Group subsidiaries on any debt other than this issuance; iii) DSRA or security deposit is utilised and not replenished to the extent of the amount utilised within five business days; iv) breach of the financial or ownership covenants (as mentioned above); and v) any jeopardy to the underlying security.

Events of non-compliance (EONC)

As per the proposed terms, the following will be defined as EONC:

- Guarantee being utilised and not replenished to the extent of the utilised amount at any point until the final settlement date
- Payment default by the issuer or on the issuer or any of its obligor subsidiaries on any other debt than this issuance, except for/not including any technical defaults
- DSRA or security deposit is utilised and not replenished to the extent of minimum threshold required within five business days
- Breach by the issuer of covenants and undertakings, including financial covenants and non-compliance with the conditions of the required minimum cash flows as per the escrow mechanism
- Security in jeopardy
- Material misrepresentation by the issuer or any of its obligor subsidiaries
- Cross default by the issuer or any of its obligor subsidiaries, except for/not including any technical defaults
- Unlawfulness or cessation of business/ revocation of licenses etc. for the issuer or any of its obligor subsidiaries
- Downgrade of the credit rating of the NCD by any of the rating agencies to [AA- (CE)] or below
- Downgrade of the credit rating of the issuer to BBB by any of the rating agencies
- Change in control/compliance with ownership covenant
- Material litigation on the issuer or any of its obligor subsidiaries
- Material adverse effect on the issuer or any of its obligor subsidiaries in the opinion of the guarantor or debenture trustee

Consequences of EONC

The following consequences will be applicable until the EONC (as defined above) is cured:

- The cashflows lying in the escrow accounts shall not be permitted to be received by the Issuer and/ or Obligor Subsidiaries. The cashflows shall be instead utilized in the manner specified under the escrow mechanism.
- The debenture trustee shall liquidate the DSRA fixed deposit and transfer the proceeds into the Collection and Payment Account (CPA).
- The debenture trustee can utilise the DSRA, if necessary, to meet the principal and interest payment due on the NCD for a relevant period. Utilisation of DSRA cannot be made for prepayment of the NCD.
- The issuer is required to top up the DSRA with an additional 3 months' interest, guarantee fee and principal payable on the NCD and the same shall be retained until the final settlement date.
- The debenture trustee may utilize, if necessary, the cashflows lying in the escrow accounts to meet the payment of principal, interest, repayment of utilized amount or fees due on the NCD or the Guarantee for the relevant period. Such cashflows cannot be utilised for prepayment of the NCD.
- The debenture trustee shall liquidate the Security Deposit and transfer the proceeds into the CPA within three business days.

An EONC shall be considered cured once confirmed as such by the debenture trustee and the guarantor.

Events of default (EOD) by debenture holders

The debenture trustee (upon instruction of the special majority debenture holders) shall have the option to declare EOD upon the occurrence of the following events:

- Non-payment of principal, or interest dues pertaining to this issuance by the issuer and the guarantor
- Rating downgrade of the guarantor below BBB- on the international scale that is not remedied within 180 days
- With reference to the guarantor (guarantor's EOD): Repudiation of any document pertaining to this transaction which the guarantor is a party to, cessation of business, creditors' process/insolvency.

EOD by guarantor

- The NCD programme is rated 'D'
- The guarantee is fully utilised
- The debenture holders have declared EOD
- The issuer is nationalised or sovereign default has occurred

If an EOD has been declared as per any transaction document(s) and the guarantee amount is equal to outstanding principal and 90 days of interest on the outstanding principal

Upon occurrence of any of the abovementioned EOD, and if at that point, the guarantee amount covers 100% of the sum of: i) the outstanding principal amount of the NCD, and ii) interest payable for 90-days on such outstanding principal, then, an EOD shall be deemed to have been declared automatically, and the defined consequences will apply. The special majority debenture holders shall provide confirmation within seven business days on occurrence of EOD; if the same is not provided within the defined timeline, it will be deemed to be provided.

Consequences of EOD

Upon the occurrence of an EOD and upon notice by the debenture trustee (acting on the instructions of special majority debenture holders) or the guarantor, all outstanding payments on the NCD shall become due and payable. The outstanding payments on the NCD shall be expected to be made forthwith but shall only be promised to be due and payable i) within 90 days from the receipt of the acceleration notice or EOD notice by the guarantor or ii) one day prior to the original maturity date of the NCD, whichever is earlier.

The abovementioned timeline is applicable only upon acceleration caused by an occurrence of EOD; at all other times, all payments to be made by the issuer and/or the guarantor shall follow the payment mechanism (as shown in the table below).

Payment mechanism for the proposed NCD

Trigger date*	Action points
T-15	The issuer shall make payments of interest and principal amounts due pertaining to the debentures on [T-15] days
T-14	On failure of payment by the issuer; the debenture trustee shall assess if the DSRA (as defined above) and such amounts lying to the credit of the escrow accounts and CPA as on [T-15] days are sufficient to meet the interest and principal amounts due on the payout date and would transfer such amounts to the CPA on [T-14] days to the extent of the shortfall
T-14	In the event of failure to pay by the issuer and if the amounts lying in the DSRA and to the credit of the escrow accounts and CPA are insufficient, the debenture trustee shall transfer amounts lying to the credit of the security deposit into the CPA on [T-14] days to the extent of the shortfall
T-13	In case the issuer is unable to pay and the amounts (as mentioned above) are insufficient, the debenture trustee shall invoke the guarantee in accordance with the guarantee trigger to the extent of the payment shortfall on [T-13] days and send a notice of at least [12] days to the guarantor
T-1	The guarantor shall make the payment on or before T-1
T	Due date for payment of interest/ principal

**Upon even partial utilisation of DSRA, the trigger dates will change from T-15 to T-30; T-14 to T-29; T-13 to T-28; T-12 to T-27 for each of the corresponding stages in the mechanism*

Key rating drivers and their description

Credit strengths

Presence of partial guarantee for credit-enhanced NCD - The Rs. 700-crore rated NCD is credit enhanced by an unconditional, irrevocable and payable-on-demand partial guarantee from GuarantCo, amounting to 65.00% of the initial NCD issuance amount, sufficient to cover 27-month period of peak principal and interest payments on the NCD even in a scenario where the company does not generate any cash flows.

Experience of key promoter in renewable energy sector - The key promoter, Dr. Faruk G. Patel, who is the founding member of the Group, has over two decades of experience in the renewable energy sector and allied power plant setting-up activities. He is also the founder of K.P. Energy Ltd. (involved in wind energy projects) and KP Green Engineering Ltd. (previously known as KP Buildcon Private Limited, involved in providing one-stop solution for the infrastructure needs of renewable energy projects). The extensive experience of the promoter has enabled the Group to build an in-depth understanding of the dynamics of the market and the industry, resulting in a well-established network of suppliers and customers. This has aided a sustained healthy growth in revenues over the last five years. Overall, the entire Group has energised ~1.86-GW of solar and wind projects till date.

Long-term PPAs with reputed counterparties and healthy order book position in EPC segment provides revenue visibility - The Group has entered into long-term PPAs of 15-20 years for its IPP capacities under the third-party open access route with reputed C&I customers with a track record of timely payment of bills from them. This provides revenue visibility for these projects along with low counterparty credit risk. For the recently awarded utility scale projects of ~1.2 GW (installation capacity), the company has signed a long-term PPA of 25 years with a strong counterparty, i.e., GUVNL (rated [ICRA]AA (Stable)/[ICRA]A1+), leading to revenue visibility and low counterparty credit risk. Moreover, the consolidated CPP/EPC order book continues to grow at a rapid pace and stood at ~Rs. 4,800 crore as of March 2025 compared with ~Rs. 3,279 crore as of December 2024 and Rs. 2,228 crore as of August 2024 (~Rs. 1,050 crore of March 2024).

Steady growth in revenue over the years along with healthy profitability - The Group provides solar power as an independent power producer (IPP) and as a service provider (EPC contractor) to CPP customers. The Group's revenue has shown consistent healthy growth over the years. The consolidated revenue grew at a healthy rate of ~70% in FY2025 on a year-on-year (YoY) basis on account of the healthy CPP/EPC order execution and addition of IPP capacities.

Also, the Group's profitability is healthy, marked by an operating profit margin (OPM) of 32.5% in FY2025 compared with an OPM of 32.9% in FY2024. At the absolute level, the OPBDITA increased by ~67% in FY2025 on a YoY basis. The operating profit margin is expected to remain healthy in the current fiscal as well. Further, the debt coverage metrics are likely to stay comfortable, supported by healthy cash accruals.

Credit challenges

Project execution risk - The Group remains exposed to execution risks associated with the under-development IPP projects of ~0.9 GW (installation capacity) contracted with GUVNL, comprising a 250-MWac solar power project and a 370-MW hybrid power project (~679-MW installation capacity). The timely receipt of regulatory approvals, including for right of way (RoW) for the transmission lines/network, and the availability of pending land remain important to complete these projects on time. Any large delays in the execution of these projects could result in cost escalation, attract liquidated damages from customers and impact the tariff viability. Additionally, any cost escalations arising from the change in project technicalities or specifications could further impact the tariff viability and, thereby, weaken the coverage metrics for the projects. Notwithstanding these risks, the recent completion of installation for the 200-MWac solar power project and the 50-MW hybrid power project (~92-

MW installation capacity), both contracted with GUVNL, provides some comfort regarding the Group's execution capabilities. However, the commissioning of these two projects is still pending.

Moderate capital structure and high working capital intensity - There was an improvement in the capital structure on account of a QIP of Rs. 1,000.0 crore at KPI Green in August 2024 for funding the equity requirement of the utility scale IPP projects, and an equity raise of Rs. 500 crore at Sun Drops in H2 FY2025 for funding the working capital requirements of EPC projects. However, the Group's leverage and coverage metrics are expected to moderate in the medium term because of the debt-funded nature of the utility scale IPP projects. The Group is expected to incur a capex of ~Rs. 4,100 crore for the under-development utility scale IPP projects of ~0.9-GW, with ~75% of the project cost to be funded through debt. ICRA notes that the estimated cost of these projects has increased by ~Rs. 700 crore compared to the previous estimates owing to higher DC upscaling for the solar capacities, subsequently increasing the debt funding to be availed.

The Group's working capital intensity remains elevated due to the high inventory and debtor levels in EPC (CPP) projects. The NWC/OI increased to 61% in FY2025 from 46% in FY2024. The working capital intensity is generally high in September and March due to high sales/billing concentration of the EPC segment during these months.

Susceptibility of IPP cash flows to PPA termination risk and tariff rates; regulatory risks - The cash flows from the IPP segment under the third-party open access route are susceptible to PPA termination by the existing clients, given the weak exit clause of the agreements. The PPAs can be terminated by either party after giving a notice of six months/one year. Notwithstanding this, historically, the Group has not witnessed any major PPA termination from its key clients. Also, under the third-party open access route, the Group has a practice of entering into agreements for additional capacities with the customers over and above the installed IPP capacities, which provides a cushion in case of termination by any customer. Further, the IPP cash flows under the third-party open access route are susceptible to tariff realisation, which remains exposed to grid tariff rates and open access/transmission charges, depending on the policies set by the respective state electricity regulatory commission (SERC)/government.

Additionally, as the Group has the entire operational capacity (IPP+CPP) in Gujarat, the geographical concentration risk amplifies the regulatory risk arising from any adverse policy change in the state or increase in competition at the regional level, which may impact its margins. However, the Group has a competitive advantage owing to its land bank and established evacuation infrastructure, with a successful track record of operations.

Vulnerability of IPP cash flows to climatic conditions - The IPP segment's cash flows remain vulnerable to the PLF levels, given the one-part tariff structure under the PPA. Hence, any adverse variation in weather conditions and/or module/turbine performance may impact the PLF and consequently the cash flows. The geographic concentration of the assets amplifies the generation risk. Going forward, any sharp deterioration in the generation performance on a sustained basis will be a key credit monitorable.

Interest rate risk - Owing to the debt-funded capex required for setting up the IPP projects (including the recently awarded utility scale projects), the debt coverage metrics of the Group remain exposed to interest rate movement as the tariff under the PPAs is fixed.

Environmental and Social Risks

KPI generates power through renewable energy (solar and wind), which produces clean power and reduces greenhouse gases compared to other conventional mode of power generation. All its operational units are compliant with all the environmental regulations and various statutory approvals/permits granted by the authorities. Thus, KPI exhibits low environment risks. Given the large land requirement for RE projects, social risks manifest when there are disagreements over compensation between the developers and the landowners. KPI has put in place a safety organisation structure and conducts various certification programmes, safety audits and assessments to ensure enhanced safety requirements at its sites.

Liquidity position of the company: Adequate

At a consolidated level, the liquidity position of KPI Green Energy Limited remains comfortable, supported by healthy cash accruals and equity infusion of Rs. 1,000.0 crore at KPI Green in August 2024 and Rs. 500.0 crore at Sun Drops in H2 FY2025. The Group had healthy free cash and liquid investments of around Rs. 377 crore as of March 2025. Further, at the consolidated level, the Group is expected to generate sufficient cash flow from operations to meet the annual debt repayment obligations of Rs. 18-122 crore over FY2026-FY2027.

Rating sensitivities

For the [ICRA]A (Positive)/ [ICRA]A2+ rating

Positive factors – The ratings may be upgraded if there is satisfactory progress on the under-development IPP projects without any major cost overrun along with a sustained increase in the Group's earnings while maintaining healthy profitability, leading to an improvement of the debt metrics. An improvement in the working capital cycle and liquidity position will also support an upgrade.

Negative factors – The ratings may be downgraded if there is a sustained pressure on the earnings or profitability, weakening the debt metrics at the Group level. Also, significant cost or time overrun for the under-development IPP capacities could create pressure on the ratings. A stretch in the working capital cycle will also affect the ratings negatively.

For the Provisional [ICRA]AA+(CE) (Stable) rating

Positive factors – A timely servicing of the NCD debt repayments leading to the guarantee fully covering future payouts will be a positive trigger.

Negative factors – The rating will be revised if the rating of KPI Green Energy Limited is downgraded. The rating would also remain sensitive to credit profile of the guarantor, i.e. GuarantCo Ltd. Also, non-adherence to the key terms envisaged at the time of rating could result in a downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind ICRA's Policy on Assigning Provisional Ratings Rating Methodology for Partially Guaranteed Debt
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of KPIGEL and its subsidiaries— KPIGEPL, SDEPL, KPark, MPIL, KPIN Two, KPIN Three, KPIN Four and KPIN Five

Pending actions/documents required to be completed for conversion of provisional rating into final

The assigned rating is provisional and would be converted into final upon:

1. Debenture trust deed
2. Guarantee deed
3. Any other documents executed for transaction

Validity of the provisional rating

In case the debt instrument/borrowing facility for which a provisional rating has been assigned is subsequently issued, the provisional rating would have to be converted into a final rating within 90 days (validity period) from the date of issuance of the debt instrument/date of availing the borrowing facilities. If considered appropriate, the validity period may be extended by a further 90 days for converting the provisional rating into final, in circumstances where the rated entity expressly indicates its intention to complete the pending actions/documents over the near term. Under no circumstances shall the validity period be extended beyond 180 days from the date of issuance. For further details, refer to ICRA's Policy on Provisional Ratings available at www.icra.in.

If neither the pending actions/documents nor the issuance is completed after one year of the assignment of the provisional rating, ICRA would withdraw the provisional rating. However, the validity period may be extended beyond one year, subject to the conditions outlined in ICRA's Policy on Provisional Ratings available at www.icra.in.

Risks associated with the provisional rating

In case the issuance is completed, but the pending actions/documents are not completed by the entity within 90 days (validity period) from the date of issuance, the provisional rating will be converted into final upon the review of the required actions/documents to the extent these are completed by the end of the validity period. This implies that the provisional rating may even be revised at the end of the validity period, while being converted into final, to a level commensurate with the rating in the absence of the pending actions/documents (as disclosed earlier in the rationale). ICRA may consider extending the validity period in accordance with its Policy on Provisional Ratings available at www.icra.in.

About the company

KPI Green Energy Limited (KPIGEL, previously known as K.P.I. Global Infrastructure Ltd.), incorporated in February 2008, provides power as an independent power producer (IPP) and is a service provider (EPC contractor), to CPP (captive power plant) customers. The current operational IPP capacity of the company under the third-party open access route is ~108 MW, including the recently developed hybrid capacity of ~30.2 MW in the Bhavnagar and Bharuch districts of Gujarat.

Also, there are installed IPP capacities of ~20 MWac/ 25MWdc, ~22 MW (including hybrid) and ~10 MW under the subsidiaries, KPIGEPL (KPIG Energia), SDEPL (Sun Drops) and KPark, respectively. Most of the company's installed capacity is at Bharuch, Gujarat. At the Group/consolidated level, the current installed IPP capacity under the third-party open access route stands at over 160 MW.

The company has also recently forayed into utility scale IPP projects, entering into power purchase agreements (PPA) with GUVNL. As part of this, the company has recently completed the installation of a 200-MWac solar project at Khavda and a 50-MW hybrid project (92.15-MW installed capacity; solar + wind) at Bharuch in Gujarat, though the commissioning is still pending. Also, the Group had commissioned/installed CPP projects of more than 447 MW as of March 2025 (336 MW as of September 2024).

At present, KPI Green Energy Limited has an under-development IPP capacity of ~0.9 GW (less than 10% of the total cost incurred as of June 2025), including the recently awarded utility scale projects as below:

- 250-MW (275 MW DC) solar power project contracted with GUVNL at a tariff rate of Rs. 2.65 per unit
- 370-MW (658 MW installed capacity) hybrid power projects contracted with GUVNL at a tariff rate of Rs. 3.24 per unit

The company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange, India.

Key financial indicators (audited)

Consolidated	FY2024	FY2025*	Q1 FY2026*
Operating income	1,024.15	1,736.00	602.94
PAT	161.96	327.88	111.32
OPBDIT/OI	32.91%	32.51%	34.18%
PAT/OI	15.81%	18.89%	18.46%
Total outside liabilities/Tangible net worth (times)	1.91	0.82	-
Total debt/OPBDIT (times)	3.07	2.61	-
Interest coverage (times)	3.92	7.10	5.39

Source: Company, ICRA Research; *Results; All ratios as per ICRA's calculations; Amount in Rs. crore

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

About GuarantCo

GuarantCo was established in 2005 to help close the infrastructure funding gap in lower income countries in Africa and Asia. It specialises in providing local currency guarantees to banks and other financial institutions to enable them to finance long-term sustainable infrastructure projects. Its mandate also includes supporting the development of local currency capital markets. GuarantCo provides a variety of guaranteed products, including portfolio or partial credit guarantees for loans and bonds. GuarantCo is funded by the governments of the United Kingdom, Switzerland, Australia and Sweden, through the Private Infrastructure Development Group (PIDG), the Netherlands Development Finance Company (FMO) and the PIDG Trust, Canada, through the PIDG Trust and a repayable facility, plus France through a stand-by facility.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Current (FY2026)			Chronology of rating history for the past 3 years					
			Aug 20, 2025	Aug 08, 2025	Jul 29, 2025	FY2025		FY2024		FY2023	
						Date	Rating	Date	Rating	Date	Rating
1 Term loan	Long term	942.00	[ICRA]A (Positive)	[ICRA]A (Positive)	[ICRA]A (Positive)	04-Sep-24	[ICRA]A (Positive)	31-Mar-24	[ICRA]A- (Stable)	21-Jun-22	[ICRA]A- (Stable)
						07-Jan-25	[ICRA]A (Positive)	09-May-23	[ICRA]A- (Stable)	-	-
2 Cash credit	Long term	397.00	[ICRA]A (Positive)	[ICRA]A (Positive)	[ICRA]A (Positive)	04-Sep-24	[ICRA]A (Positive)	31-Mar-24	[ICRA]A- (Stable)	21-Jun-22	[ICRA]A- (Stable)
						07-Jan-25	[ICRA]A (Positive)	09-May-23	[ICRA]A- (Stable)	-	-
3 Working capital demand loan	Short term	148.00	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	04-Sep-24	[ICRA]A2+	31-Mar-24	[ICRA]A2+	21-Jun-22	[ICRA]A2+
						07-Jan-25	[ICRA]A2+	09-May-23	[ICRA]A2+	-	-

4 Bank guarantee	Short term	484.00	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	04-Sep-24	[ICRA]A2+	31-Mar-24	[ICRA]A2+	21-Jun-22	[ICRA]A2+
						07-Jan-25	[ICRA]A2+	09-May-23	[ICRA]A2+	-	-
5 CEL	Short term	16.00	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	04-Sep-24	[ICRA]A2+	31-Mar-24	[ICRA]A2+	-	-
						07-Jan-25	[ICRA]A2+				
6 Unallocated limits	Long term/Short term	13.00	[ICRA]A (Positive)/[ICRA]A2+	[ICRA]A (Positive)/[ICRA]A2+	[ICRA]A (Positive)/[ICRA]A2+	04-Sep-24	[ICRA]A (Positive)/[ICRA]A2+	31-Mar-24	[ICRA]A- (Stable)/[ICRA]A2+	-	-
						07-Jan-25	[ICRA]A (Positive)/[ICRA]A2+	09-May-23	[ICRA]A- (Stable)/[ICRA]A2+	-	-
7 Proposed NCD	Long term	75.00	Provisional [ICRA]AA+(CE) (Stable)	Provisional [ICRA]AA+(CE) (Stable)	-	-	-	-	-	-	-
8 Proposed NCD	Long term	625.00	Provisional [ICRA]AA+(CE) (Stable)	-	-	-	-	-	-	-	-

Complexity level of the rated instrument

Instrument	Complexity indicator
Long term – Fund based - Term loan	Simple
Long term – Fund based - Cash credit	Simple
Short term – Working capital demand loan	Simple
Short term – Non-fund Based - Bank guarantee	Very Simple
Short term – CEL	Very Simple
Long term/Short term - Unallocated limits	NA
Proposed NCD	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, is available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loans	FY2025	-	FY2042	942.00	[ICRA]A (Positive)
NA	Cash credit	NA	NA	NA	397.00	[ICRA]A (Positive)
NA	Working capital demand loans	NA	NA	NA	148.00	[ICRA]A2+
NA	Bank guarantee	NA	NA	NA	484.00	[ICRA]A2+
NA	CEL	NA	NA	NA	16.00	[ICRA]A2+
NA	Unallocated limits	NA	NA	NA	13.00	[ICRA]A (Positive)/ [ICRA]A2+
Yet to be placed	Proposed NCD	-	-	-	700.00	Provisional [ICRA]AA+(CE) (Stable)

Source: Company

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

Annexure II: List of entities considered for consolidated analysis

Company name	KPIGEL ownership	Consolidation approach
KPI Green Energy Limited	-	-
KPIG Energia Private Limited	100.00%	Full consolidation
Sun Drops Energia Private Limited	65.87%	Full consolidation
KPark Sunbeat Private Limited	100.00%	Full consolidation
Miyani Power Infra LLP	99.00%	Full consolidation
KPIN Clean Power Two LLP	100.00%	Full consolidation
KPIN Clean Power Three LLP	100.00%	Full consolidation
KPIN Clean Power Four LLP	100.00%	Full consolidation
KPIN Clean Power Five LLP	100.00%	Full consolidation

Source: Company

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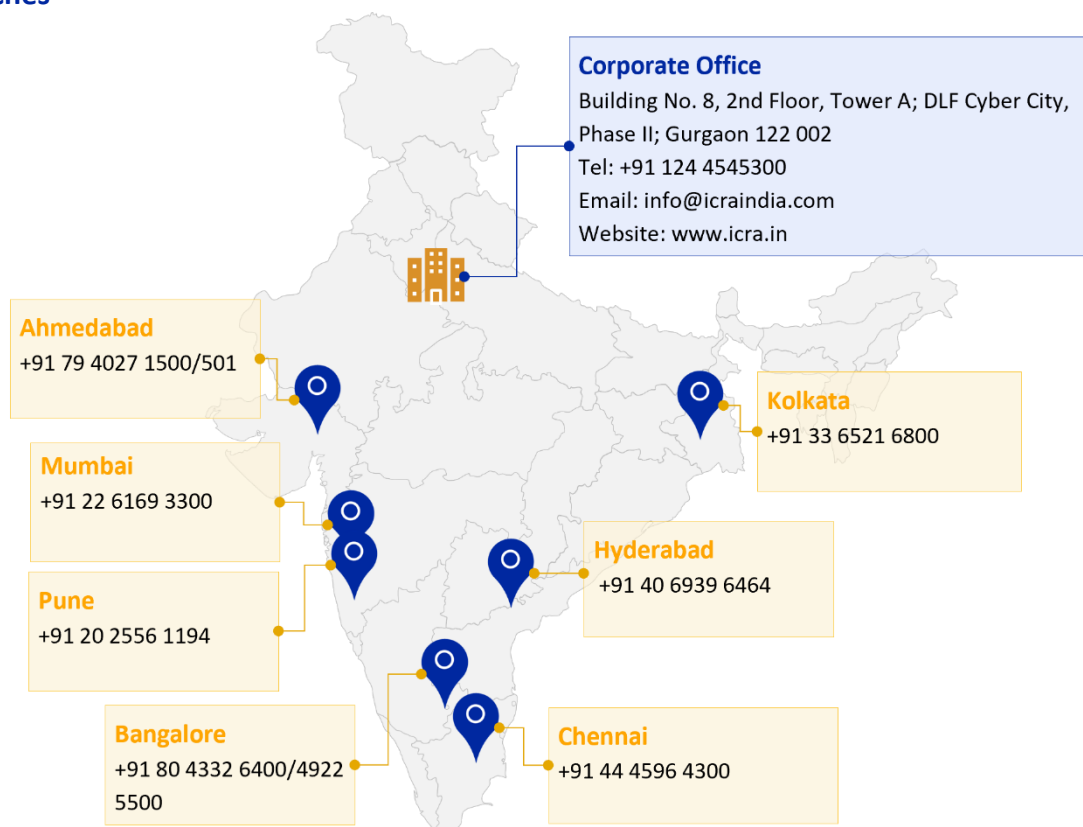


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