

March 26, 2026

KPIG Energia Private Limited: Ratings reaffirmed and withdrawn; outlook revised to Stable from Positive

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Fund-based – Term loan	39.98	39.98	[ICRA]A(CE) (Stable); reaffirmed and withdrawn; outlook revised to Stable
Long-term - Fund-based – Cash credit	50.00	50.00	[ICRA]A(CE) (Stable); reaffirmed and withdrawn; outlook revised to Stable
Short-term - Non-fund based	20.00	20.00	[ICRA]A2+(CE); reaffirmed and withdrawn
Short-term – CEL	1.50	1.50	[ICRA]A2+(CE); reaffirmed and withdrawn
Short-term – Unallocated	7.52	7.52	[ICRA]A2+(CE); reaffirmed and withdrawn
Total	119.00	119.00	

Rating without explicit credit enhancement

[ICRA]BBB+

*Instrument details are provided in Annexure I

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is 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 last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

Rationale

The above ratings are based on the strength of the corporate guarantee provided by KPI Green Energy Limited (KPI Green; KPIGEL, rated [ICRA]A (Stable)/A2+), the parent of KPIG Energia Private Limited (KPIG Energia; KPIGEPL), for the rated bank lines. The rating action takes into account the credit profile of the guarantor as per rating rationale published for KPIGEL on ICRA's website.

ICRA has reaffirmed and withdrawn the ratings assigned to the bank facilities of KPIGEPL, at the company's request, based on the no-dues certificate (NDC) received from the banker.

Adequacy of credit enhancement

For assigning the ratings, ICRA has assessed the attributes of the guarantee issued by KPIGEL in favour of the rated instruments of KPIGEPL. The guarantee is legally enforceable, irrevocable, unconditional, covers the entire amount and tenor of the rated instrument and has a well-defined payment and invocation mechanism, although the same is post default in nature. Given these attributes, the guarantee provided by KPIGEL is adequately strong to result in an enhancement in the rating of the said instrument to [ICRA]A(CE)(Positive) against the rating of [ICRA]BBB+ without explicit credit enhancement. In case the rating of the guarantor undergoes a change in future, the same would be reflected in the rating of the aforesaid instrument as well.

Salient covenants of the rated facility

- » Pledge of 30% of the company's shares to the bank and undertaking on non-disposal of minimum 21% of shares of promoters as security
- » Promoters' undertaking that in case of insufficient cash accruals, fresh funds shall be brought in to repay the term loan liabilities from their own sources
- » Debt service coverage ratio (DSCR) of at least 1.20 times; no penalty up to 10% deviation in the same
- » Debt service reserve account (DSRA) equivalent to three months' debt servicing (interest + principal)

Key rating drivers and their description

Credit strengths

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 (previously known as KP Buildcon Private Limited, which provides 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, at the consolidated level, KPI Green has energised over 1.1 GW of solar and wind projects till date in the IPP and CPP segments.

Explicit support through corporate guarantee from parent - KPIGEPL's credit profile is enhanced by the corporate guarantee provided by KPIGEL (rated [ICRA]A (Stable)/[ICRA]A2+) for the above-rated bank limits.

Long-term PPAs with reputed counterparties; healthy CPP/EPC order book - KPIGEPL has entered into long-term PPAs with reputed counterparties for the total installed IPP capacity of ~25 MWdc. Also, the company 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. This provides revenue visibility for the company's IPP business, mitigating the PPA termination risk to an extent.

The company's revenue declined by ~32% Year-on-Year (YoY) to Rs. 183.97 crore in FY2025 compared with Rs. 272.01 crore in FY2024 owing to lower allocation of CPP/EPC orders to the entity by the Group, and higher allocation to the other subsidiary of KPI Green Energy Limited, i.e., Sun Drops Energia Limited (Sun Drops; SDEPL). Further, revenue was Rs. 104.85 crore in 9M FY2026. Notwithstanding this, owing to the healthy growth in the Group's CPP/EPC order book, KPIG Energia's CPP/EPC order book stood decent at ~Rs. 238 crore as of January 2026, to be executed over the next 9-12 months. The company's operating profit margin witnessed a moderate improvement to 20.86% in FY2025 from 18.74% in FY2024, primarily due to a reduced share of CPP/EPC revenues in the total revenue, which carry lower margins compared to the IPP segment. In 9M FY2026, the operating profit margin improved further and stood at 26.12% (provisional), driven by a lower contribution of the CPP segment to total revenues and the execution of certain CPP/EPC orders with better margins.

Credit challenges

Risks of adequate generation levels and remunerative tariffs - KPIGEPL is exposed to the risks associated with adequate generation levels in line with the P-90 PLF levels and remunerative rates under the PPAs with the C&I customers.

PPA termination risk - The cash flows from the IPP segment are susceptible to PPA termination, given the weak exit clause of the PPAs. 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.

Susceptibility of IPP cash flows to tariffs and other factors - The IPP segment’s cash flows are susceptible to tariff realisation, which remains exposed to the grid rates and the open access/transmission charges. Further, as the company has the entire 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 a regional level, which may impact its margins.

IPP cash flows vulnerable 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 performance may impact the PLF and consequently the cash flows. The geographic concentration of the assets amplifies the generation risk.

Liquidity position

For the rated entity KPIGEPL: Adequate

KPIGEPL’s liquidity position remains Adequate. The company repaid the entire bank debt availed in the current fiscal. Additionally, the company does not have any major capex requirement in the near term.

For the guarantor KPIGEL: Adequate

At a consolidated level, the liquidity position of KPI Green remains Adequate, supported by healthy cash accruals, 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, and the recent preferential warrants of ~Rs. 475 crore issued to the promoter-group entity (~Rs. 118 crore infused currently). The Group had healthy free cash and liquid investments of around Rs. 700 crore as of December 2025. The free cash along with the cash accruals, will be largely utilised towards the equity requirement for the under-development projects. 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. 115-229 crore over FY2027-FY2028.

Rating sensitivities

Positive factors – Not applicable.

Negative factors – Not applicable.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power - Solar and Wind Policy on withdrawal of Credit Ratings
Parent/Group support	Parent Company: KPI Green Energy Limited The assigned CE rating is based on the unconditional and irrevocable corporate guarantee extended by KPIGEPL’s parent company.
Consolidation/Standalone	The ratings are based on the standalone financials of the entity

About the company

KPIG Energia Private Limited (KPIGEPL), incorporated in 2019, is a wholly-owned subsidiary of KPI Green Energy Limited (KPIGEL). It provides solar power as an independent power producer (IPP) and is a service provider (EPC contractor) to CPP customers. The company has an installed IPP capacity of ~20 MWAc/ 25 MWDC. The entire capacities (IPP+CPP) are located at Bharuch, Gujarat.

About the parent

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, KPIG Energia Private Limited (KPIG Energia, KPIGEPL), Sun Drops and KPark Sunbeat Private Limited (KPark), respectively. Most of the company's installed capacity is at Bharuch, Gujarat. At the consolidated level, the current installed IPP capacity under the third-party open access route stands at over 160 MW.

The company has also forayed into utility-scale IPP projects in the recent past, entering into power purchase agreements (PPA) with GUVNL. As part of this, the company has recently commissioned power supply for the 200-MWAc solar project at Khavda and a 50-MW hybrid project (92.15-MW installed capacity; solar + wind) at Bharuch, in Gujarat. Also, the company successfully commissioned 16.1-MW solar capacity under PM KUSUM scheme in FY2026. Additionally, on a consolidated basis, the company had commissioned/installed CPP projects of more than 610 MW as of December 2025 (360 MW as of December 2024).

At present, KPI Green Energy Limited has an under-development IPP capacity of ~0.8 GWAc/ ~1.2 GWDC, including the recently awarded utility-scale wind project as below:

- 250-MWAc (340 MWDC) solar power project contracted with GUVNL at a tariff of Rs. 2.65 per unit
- 370-MW (658-MW installed capacity) hybrid power project contracted with GUVNL at a tariff of Rs. 3.24 per unit
- Recently awarded 150-MW wind power contracted with GUVNL at a tariff of Rs. 3.64 per unit

Additionally, the company has been recently awarded new BESS projects under its subsidiary, Sun Drops as detailed below:

- 445-MW/890-MWh standalone BESS project contracted with GUVNL at a tariff of Rs. 1,85,390 per MW per month. The PPA for the project was signed on March 07, 2026
- 120-MW/240-MWh standalone BESS project contracted with GUVNL at a tariff of Rs. 2,12,000 per MW per month. The PPA for the project is yet to be signed

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

Key financial indicators (audited)

KPIG Energia Private Limited	FY2024	FY2025	9M FY2026*
Operating income	272.01	183.97	104.85
PAT	30.57	21.21	17.78
OPBDIT/OI	18.74%	20.86%	26.12%
PAT/OI	11.24%	11.53%	16.96%
Total outside liabilities/Tangible net worth (times)	1.47	1.49	0.84
Total debt/OPBDIT (times)	0.95	3.83	1.89
Interest coverage (times)	7.17	5.55	8.49

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

PAT: Profit after tax; OPBDITA: 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	Type	Amount rated (Rs. crore)	Current (FY2026)		Chronology of rating history for the past 3 years						
			March 26, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
1 Term loans	Long-term	39.98	[ICRA]A(CE) (Stable); reaffirmed and withdrawn	29- July-25	[ICRA]A (CE) (Positive)	30- Aug-24	[ICRA]A (CE) (Stable)	09- May-23	[ICRA]A- (CE) (Stable)	18- Jan-23	[ICRA]A- (CE) (Stable)
				11- Sep-24	[ICRA]A (CE) (Positive)	-	-	21- Jun-22	[ICRA]A- (CE) (Stable)		
				-	-	-	-				
2 Cash credit	Long-term	50.00	[ICRA]A(CE) (Stable); reaffirmed and withdrawn	29- July-25	[ICRA]A (CE) (Positive)	30- Aug-24	[ICRA]A (CE) (Stable)	09- May-23	[ICRA]A- (CE) (Stable)	18- Jan-23	[ICRA]A- (CE) (Stable)
				11- Sep-24	[ICRA]A (CE) (Positive)	-	-	21- Jun-22	[ICRA]A- (CE) (Stable)		
				-	-	-	-				
3 Non-fund based	Short-term	20.00	[ICRA]A2+(CE); reaffirmed and withdrawn	29- July-25	[ICRA]A2+ (CE)	30- Aug-24	[ICRA]A2+ (CE)	09- May-23	[ICRA]A2+	-	-
				11- Sep-24	[ICRA]A2+ (CE)	-	-	-	-		
				-	-	-	-				
4 CEL	Short-term	1.50	[ICRA]A2+(CE); reaffirmed and withdrawn	29- July-25	[ICRA]A2+ (CE)	30- Aug-24	[ICRA]A2+ (CE)	09- May-23	[ICRA]A2+	-	-
				11- Sep-24	[ICRA]A2+ (CE)	-	-	-	-		
				-	-	-	-				
5 Unallocated	Short-term	7.52	[ICRA]A2+(CE); reaffirmed and withdrawn	29- July-25	[ICRA]A2+ (CE)	30- Aug-24	[ICRA]A2+ (CE)	09- May-23	[ICRA]A2+	-	-
				11- Sep-24	[ICRA]A2+ (CE)	-	-	-	-		
				-	-	-	-				

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based – Term loan	Simple
Long-term fund-based – Cash credit	Simple
Short-term - Non-fund based	Simple
Short-term – CEL	Simple
Short-term – Unallocated	Not Applicable

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	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	FY2021	-	FY2032	39.98	[ICRA]A(CE) (Stable); reaffirmed and withdrawn
NA	Cash credit	NA	NA	NA	50.00	[ICRA]A(CE) (Stable); reaffirmed and withdrawn
NA	Non-fund based	NA	NA	NA	20.00	[ICRA]A2+(CE); reaffirmed and withdrawn
NA	CEL	NA	NA	NA	1.50	[ICRA]A2+(CE); reaffirmed and withdrawn
NA	Unallocated	NA	NA	NA	7.52	[ICRA]A2+(CE); reaffirmed and withdrawn

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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