

March 26, 2026

## KPI Green Energy Limited: Rating reaffirmed for the NCD programme; ratings reaffirmed and assigned to the enhanced amount for bank lines; outlook revised to Stable from Positive 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	4009.54	[ICRA]A (Stable); reaffirmed and assigned to enhanced amount; outlook revised from Positive
Long term – Fund based – Cash credit	397.00	487.00	[ICRA]A (Stable); reaffirmed and assigned to enhanced amount; outlook revised from Positive
Short term – Working capital demand loan	148.00	223.00	[ICRA]A2+; reaffirmed and assigned to enhanced amount
Short term – Vendor bill discounting	-	50.00	[ICRA]A2+; assigned
Short term – Non-fund based – Bank guarantee	484.00	988.00	[ICRA]A2+; reaffirmed and assigned to enhanced amount
Short term – CEL	16.00	16.00	[ICRA]A2+; reaffirmed
Long term/Short term – Unallocated limits	13.00	1.46	[ICRA]A (Stable)/ [ICRA]A2+; reaffirmed; outlook revised from Positive
Non-convertible debentures (NCD)^	670.00	643.20	[ICRA]AA+ (CE) (Stable); reaffirmed
<b>Total</b>	<b>2,670.00</b>	<b>6418.20</b>	

^ NCDs of Rs. 26.80 crore have been redeemed.

**Rating without explicit credit enhancement** **[ICRA]A**

\*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 table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement.

### Rationale

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

The outlook on the long-term rating of KPI Green Energy Limited (KPI Green, KPIGEL) has been revised to Stable from Positive, factoring in an expected moderation in its leverage and coverage metrics over the medium term. This is primarily on account of the debt-funded nature of the large pipeline of under-development utility-scale independent power producer (IPP) projects aggregating ~1.2 GW of installed capacity, along with battery energy storage system (BESS) projects being implemented through its subsidiary, Sun Drops Energia Limited (Sun Drops; SDEL). Additionally, an increase in working capital borrowings to support the rapidly expanding captive power plant (CPP) and engineering, procurement and construction (EPC) order book is also expected to weigh on the credit metrics. The capex estimate has significantly increased owing to the addition of a utility-scale IPP project and battery energy storage system (BESS) projects. This has, in turn, led to an increase in the debt funding requirement for these under-development projects. Subsequently, the elevated equity requirement for these projects is also to be met, which is likely to be supported by the available free cash balances, internal accruals and the recent preferential warrants issued to the promoter-Group entity. Additionally, the timely execution of these projects without any major cost overruns remains a key credit monitorable, going forward. Notwithstanding this, the utility-scale projects have high revenue visibility and low offtake risk owing to the presence of long-term (25-year) PPAs at highly competitive tariffs with Gujarat Urja

Vikas Nigam Limited (GUVNL), which is a strong counterparty (rated [ICRA]AA (Stable)/[ICRA]A1+). Also, the BESS project is contracted with GUVNL.

Notwithstanding the revision in outlook, the ratings continue to take comfort from the improvement in the company's scale and profitability in FY2025 and the current fiscal, mainly driven by higher execution of CPP/EPC orders. ICRA expects the company to sustain its revenue and profitability growth in the near term. 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. Further, in 9M FY2026, the consolidated revenue and OPBDITA were Rs. 1,900.10 crore and Rs. 667.33 crore respectively, against Rs. 1,166.04 crore and Rs. 402.65 crore, respectively, in 9M FY2025.

The consolidated CPP/EPC order book continues to grow at a rapid pace and stood at ~Rs. 5,300 crore as of January 2026 compared with ~Rs. 4,800 crore as of March 2025 and ~Rs. 3,279 crore as of December 2024. The order book includes a pending order value of ~Rs. 665 crore from Satluj Jal Vidyut Nigam (SJVN), ~Rs. 539 crore from Coal India Limited, ~Rs. 490 crore from Gujarat State Electricity Corporation Limited (GSECL), ~Rs. 200 crore from Maharashtra State Power Generation Co. Ltd. (MAHAGENCO), along with an order of ~Rs. 800 crore from the Adani Group. These orders are expected to be executed over the next 12-15 months approximately. The remaining orders are from the commercial and industrial (C&I) customers, to be executed over the next 6-8 months.

The company has forayed into utility-scale power projects in the recent past, signalling its intent to scale-up its renewable energy IPP portfolio. The ratings consider the commissioning of a 200-MWac solar power project and a 50-MW (contracted capacity) hybrid power project, both contracted with GUVNL in December 2025/January 2026. The company 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 remain constrained from the fact that the IPP segment's cash flows are dependent on achieving adequate generation levels, in line with the P-90 PLF assumptions. 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 company's major power generation capacities (IPP+CPP) are in Gujarat. This risk is mitigated to some extent by the CPP order awarded by MAHAGENCO, which is being executed in Maharashtra. ICRA also notes the company's relatively high working capital intensity emanating from the fast-growing CPP/EPC business.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company will continue to benefit from the healthy order book position in the CPP segment providing near-term revenue visibility. Also, ICRA expects the company to make satisfactory progress on the under-development 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 [ICRA]AA+(CE) rating**

ICRA has reaffirmed the rating assigned to the NCD programme (Green bond). The rating is based on the strength of the partial credit guarantee provided by GuarantCo Limited {GuarantCo; rated Moody's A1 (Stable)}. Also, the debt servicing has remained timely for the NCD programme.

### **Adequacy of credit enhancement**

For assigning the rating, ICRA has assessed the attributes of the partial guarantee 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 60 months with a defined quarterly interest and principal repayment schedule. As per the schedule, the principal repayment will be 4.00% each (of the initial NCD

principal of Rs. 670 crore) 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 extended by GuarantCo is 65.0% of the initial NCD issuance amount, sufficient to cover 24-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 had assigned a rating of [ICRA]AA+(CE) (Stable) to the 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 has 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 Rs. 100 crore until 33 months; to amortise thereafter prorate with the guarantee amount provided there is no utilisation of guarantee or no event of non-compliance (EONC), 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 NCD). The issuer shall also ensure that at least 50% of the underlying PPAs (by revenue) are with the 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 terms of the facility, breaching of the below-mentioned financial covenants will be treated as an 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 EBITDA<sup>1</sup> 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 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)**

---

<sup>1</sup> Earnings before interest, taxes, depreciation and amortization

As per the terms of the facility, the following are 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 the 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 licences 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 cash flows lying in the escrow accounts shall not be permitted to be received by the issuer and/or obligor subsidiaries. The cash flows shall be instead utilised 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 the DSRA cannot be made for prepayment of the NCD.
- The issuer is required to top up the DSRA with an additional three 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 utilise, if necessary, the cash flows lying in the escrow accounts to meet the payment of principal, interest, repayment of utilised amount or fees due on the NCD or the guarantee for the relevant period. Such cash flows 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.

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 above-mentioned 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 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 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 (Rs. 670.0

crore), sufficient to cover 24-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 founder of KPI Green, 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 KP 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, KPI Green has energised over 1.1 GW of solar and wind projects till date in the IPP and CPP segments.

**Long-term PPAs with reputed counterparties and healthy order book position in EPC segment provides revenue visibility** - The company 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 utility-scale projects of ~1.5 GW (installation capacity - including commissioned and under-development 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. Also, the BESS project is contracted with GUVNL. Moreover, the consolidated CPP/EPC order book continues to grow at a rapid pace and stood at ~Rs. 5,300 crore as of January 2026 compared with ~Rs. 4,800 crore as of March 2025 and ~Rs. 3,279 crore as of December 2024.

**Steady growth in revenue over the years along with healthy profitability** - The company provides renewable energy power (solar/wind/hybrid) as an independent power producer (IPP) and develops such power plants for the CPP customers as an EPC contractor/service provider. The company'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 company'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 for FY2026 as well. Further, the debt coverage metrics are likely to remain moderate, supported by healthy cash accruals.

### Credit challenges

**Project execution risk** - The company remains exposed to execution risks associated with the under-development IPP projects of ~1.2 GW (installation capacity) contracted with GUVNL, comprising a 250-MWac solar power project (~350 MWdc capacity), a 370-MW hybrid power project (~679-MW installation capacity) and a 150-MW wind power project. 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 commissioning of 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.

Further, the company has recently forayed into BESS projects through its subsidiary, Sun Drops, with the PPA for a 445-MW/890-MWh project awarded by GUVNL having been signed on March 7, 2026. Given that the company is at an early stage of execution and the BESS segment has a limited track record in India, any cost escalations arising from changes in project

specifications or execution delays could adversely impact tariff viability and, consequently, weaken the project's coverage metrics.

**Moderate capital structure and high working capital intensity** - The company's leverage level is expected to increase in the near to medium term because of the debt-funded nature of the utility-scale IPP and BESS projects. The company is expected to incur a capex of ~Rs. 5,300 crore for the under-development utility-scale IPP projects of ~1.2-GW, with ~75% of the project cost to be funded through debt. Additionally, it will also incur capex for the BESS projects. Also, timely equity funding for these projects remains critical and is expected to be met through available free cash balances, internal accruals, and the recent preferential warrants issue of ~Rs. 475 crore to a promoter-Group entity.

The company'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 tariffs; 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 company has not witnessed any major PPA termination from its key clients. Also, under the third-party open access route, 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. 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 company has majority of the 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 company 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 utility-scale IPP projects and the newly awarded BESS projects, the debt coverage metrics of the company remain exposed to interest rate movement as the tariff under the PPAs is fixed.

## Environmental and Social Risks

**Environmental considerations** - KPI generates power through renewable energy (solar, wind and hybrid), 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.

**Social considerations** - 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

### For the [ICRA]A (Stable)/[ICRA]A2+ rating: 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 presently). 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.

### For [ICRA]AA+(CE)(Stable) rating: Strong

The rated NCD is credit enhanced by an unconditional, irrevocable and payable-on-demand partial guarantee from GuarantCo. GuarantCo's liquidity buffer is strong with sizeable liquid assets at the end of 2024 compared to the likely cash outflows over the coming 18 months, assuming there are a few guarantees. The company performs regular and detailed liquidity stress tests under various scenarios for guarantee calls. Around 36% of the treasury assets were rated AAA as of the end of 2024, with all treasury assets rated in the investment-grade category. The treasury portfolio is also highly liquid and is managed by external asset managers; a large share of these managed assets can be liquidated on short notice. GuarantCo's liquidity management has been further improved by the new \$50-million revolving liquidity facility with Standard Chartered Bank (SCB) in Q1 2025, which, in turn, is backed by GuarantCo's treasury portfolio. The SCB facility, which is undrawn, provides an additional timely funding buffer along with increased flexibility to help GuarantCo meet its business plan objectives.

## Rating sensitivities

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

**Positive factors** – The ratings may be upgraded if there is satisfactory progress in the under-development IPP projects without any major cost overrun along with a sustained increase in the company's earnings while maintaining a healthy profitability, leading to an improvement in the leverage and coverage 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 company's leverage and coverage metrics. 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 [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
---------------------	----------

<b>Applicable rating methodologies</b>	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Power - Solar and Wind</a> <a href="#">Rating Methodology for Partially Guaranteed Debt</a>
<b>Parent/Group support</b>	Not Applicable
<b>Consolidation/Standalone</b>	The ratings are based on the consolidated financials of KPIGEL and its subsidiaries — listed in Annexure II

## About the company

KPI Green Energy Limited (KPIGEL), 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 the 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)

Consolidated	FY2024	FY2025	9M FY2026*
<b>Operating income</b>	1,024.15	1,736.00	1,900.10
<b>PAT</b>	161.96	327.88	353.76
<b>OPBDIT/OI</b>	32.91%	32.51%	35.12%
<b>PAT/OI</b>	15.81%	18.89%	18.62%

<b>Total outside liabilities/Tangible net worth (times)</b>	1.91	0.82	-
<b>Total debt/OPBDIT (times)</b>	3.07	2.61	-
<b>Interest coverage (times)</b>	3.92	7.10	5.14

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

Current rating (FY2026)				Chronology of rating history for the past 3 years							
Instrument	Type	Amount rated (Rs. crore)	March 26, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash credit	Long-term	487.00	[ICRA]A (Stable)	Jul 29, 2025	[ICRA]A (Positive)	Sep 04, 2024	[ICRA]A (Positive)	May 09, 2023	[ICRA]A-(Stable)	Jun 21, 2022	[ICRA]A-(Stable)
				Aug 08, 2025	[ICRA]A (Positive)	Jan 07, 2025	[ICRA]A (Positive)	Mar 31, 2024	[ICRA]A-(Stable)	-	-
				Aug 20, 2025	[ICRA]A (Positive)	-	-	-	-	-	-
				Sep 16, 2025	[ICRA]A (Positive)	-	-	-	-	-	-
Unallocated limits	Long-term/Short-term	1.46	ICRA]A (Stable)/[ICRA]A2+	Jul 29, 2025	[ICRA]A (Positive)/[ICRA]A2+	Sep 04, 2024	[ICRA]A (Positive)/[ICRA]A2+	May 09, 2023	[ICRA]A-(Stable)/[ICRA]A2+	-	-
				Aug 08, 2025	[ICRA]A (Positive)/[ICRA]A2+	Jan 07, 2025	[ICRA]A (Positive)/[ICRA]A2+	Mar 31, 2024	[ICRA]A-(Stable)/[ICRA]A2+	-	-
				Aug 20, 2025	[ICRA]A (Positive)/[ICRA]A2+	-	-	-	-	-	-
				Sep 16, 2025	[ICRA]A (Positive)/[ICRA]A2+	-	-	-	-	-	-
Fund-based-Term loan	Long-term	4,009.54	[ICRA]A (Stable)	Jul 29, 2025	[ICRA]A (Positive)	Sep 04, 2024	[ICRA]A (Positive)	May 09, 2023	[ICRA]A-(Stable)	Jun 21, 2022	[ICRA]A-(Stable)
				Aug 08, 2025	[ICRA]A (Positive)	Jan 07, 2025	[ICRA]A (Positive)	Mar 31, 2024	[ICRA]A-(Stable)	-	-
				Aug 20, 2025	[ICRA]A (Positive)	-	-	-	-	-	-
				Sep 16, 2025	[ICRA]A (Positive)	-	-	-	-	-	-
Non-fund based-Bank guarantee	Short-term	988.00	[ICRA]A2+	Jul 29, 2025	[ICRA]A2+	Sep 04, 2024	[ICRA]A2+	May 09, 2023	[ICRA]A2+	-	-
				Aug 08, 2025	[ICRA]A2+	Jan 07, 2025	[ICRA]A2+	Mar 31, 2024	[ICRA]A2+	-	-
				Aug 20, 2025	[ICRA]A2+	-	-	-	-	-	-
				Sep 16, 2025	[ICRA]A2+	-	-	-	-	-	-
Fund-based-Bill discounting	Short-term	50.00	[ICRA]A2+	-	-	-	-	-	-	-	
Short term – CEL	Short-term	16.00	[ICRA]A2+	Jul 29, 2025	[ICRA]A2+	Sep 04, 2024	[ICRA]A2+	May 09, 2023	[ICRA]A2+	Jun 21, 2022	[ICRA]A2+
				Aug 08, 2025	[ICRA]A2+	Jan 07, 2025	[ICRA]A2+	Mar 31, 2024	[ICRA]A2+	-	-
				Aug 20, 2025	[ICRA]A2+	-	-	-	-	-	-
				Sep 16, 2025	[ICRA]A2+	-	-	-	-	-	-
Fund-based-Working capital	Short-term	223.00	[ICRA]A2+	Jul 29, 2025	[ICRA]A2+	Sep 04, 2024	[ICRA]A2+	May 09, 2023	[ICRA]A2+	-	-
				Aug 08, 2025	[ICRA]A2+	Jan 07, 2025	[ICRA]A2+	Mar 31, 2024	[ICRA]A2+	-	-

Current rating (FY2026)					Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	March 26, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
demand loan				Aug 20, 2025	[ICRA]A2+	-	-	-	-	-	-
				Sep 16, 2025	[ICRA]A2+	-	-	-	-	-	-
NCD	Long term	0.00	-	Aug 08, 2025	Provisional [ICRA]AA+ (CE) (Stable)	-	-	-	-	-	-
				Aug 20, 2025	Provisional [ICRA]AA+ (CE) (Stable)	-	-	-	-	-	-
				Sep 16, 2025	[ICRA]AA+ (CE) (Stable)	-	-	-	-	-	-
Proposed NCD	Long term	0.00	-	Aug 20, 2025	Provisional [ICRA]AA+ (CE) (Stable)	-	-	-	-	-	-
				Sep 16, 2025	Provisional [ICRA]AA+ (CE) (Stable); reaffirmed & withdrawn	-	-	-	-	-	-
NCD	Long term	643.20	[ICRA]AA+ (CE) (Stable)	Aug 20, 2025	Provisional [ICRA]AA+ (CE) (Stable)	-	-	-	-	-	-
				Sep 16, 2025	[ICRA]AA+ (CE) (Stable)	-	-	-	-	-	-

## 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 – Working capital demand loan	Simple
Short term – Vendor bill discounting	Simple
Short term – Non-fund based - Bank guarantee	Simple
Short term – CEL	Simple
Long term/Short term - Unallocated limits	NA
Non-convertible debentures	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	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loans	FY2025	-	FY2042	4009.54	[ICRA]A (Stable)
NA	Cash credit	NA	NA	NA	487.00	[ICRA]A (Stable)
NA	Working capital demand loans	NA	NA	NA	223.00	[ICRA]A2+
NA	Vendor Bill Discounting	NA	NA	NA	50.00	[ICRA]A2+
NA	Bank guarantee	NA	NA	NA	988.00	[ICRA]A2+
NA	CEL	NA	NA	NA	16.00	[ICRA]A2+
NA	Unallocated limits	NA	NA	NA	1.46	[ICRA]A (Stable)/ [ICRA]A2+
<b>INE542W07014</b>	<b>NCD*</b>	11-Sep-2025	8.50%	11-Sep-2030	643.20	[ICRA]AA+(CE) (Stable)

Source: Company; \*Initial NCD amount was Rs. 670 crore, of which Rs. 26.80 crore has been redeemed as per scheduled repayments

[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 (KPIGEL)	-	-
KPIG Energia Private Limited (KPIGEPL)	100.00%	Full consolidation
Sun Drops Energia Limited (Formerly known as Sun Drops Energia Private Limited; SDEL)	65.87%	Full consolidation
KPark Sunbeat Private Limited (KPark)	100.00%	Full consolidation
Miyani Power Infra LLP (MPIL)	99.00%	Full consolidation
KPIN Clean Power Two LLP (KPIN Two)	100.00%	Full consolidation
KPIN Clean Power Three LLP (KPIN Three)	100.00%	Full consolidation
KPIN Clean Power Four LLP (KPIN Four)	100.00%	Full consolidation
KPIN Clean Power Five LLP (KPIN Five)	100.00%	Full consolidation

Source: Company

## ANALYST CONTACTS

**Girishkumar Kadam**

+91 22 6114 3406

[girishkumar@icraindia.com](mailto:girishkumar@icraindia.com)

**Ankit Jain**

+91 124 4545 865

[ankit.jain@icraindia.com](mailto:ankit.jain@icraindia.com)

**Rachit Mehta**

+91 22 6169 3328

[rachit.mehta2@icraindia.com](mailto:rachit.mehta2@icraindia.com)

**Rishi S Tekchandani**

+91 79 6923 3066

[rishi.tekchandani@icraindia.com](mailto:rishi.tekchandani@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



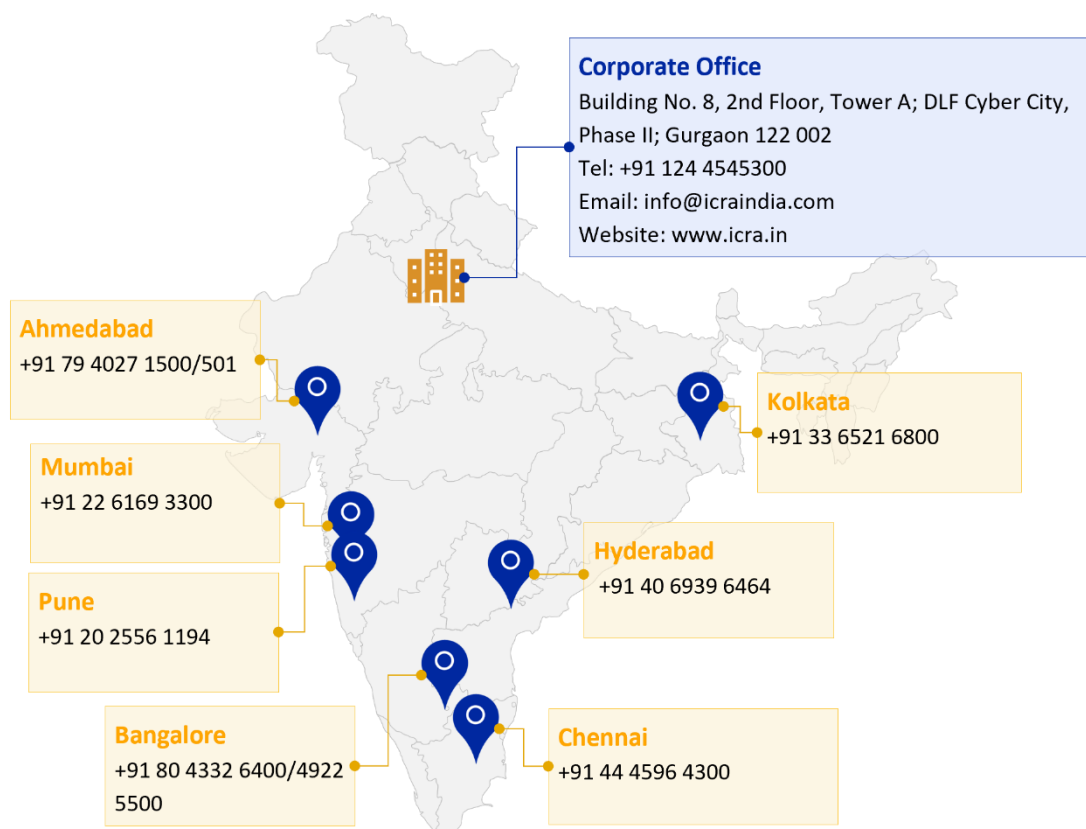
### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.