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K.P. ENERGY LIMITED
CIN: L40100GJ2010PLC059169

Since 1994
KP GROUP
E-mail : info@kpenergy.in
Website : www.kpenergy.in

KPEL/MAT/NOV/2025/608 November 12, 2025

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001

Scrip Code: 539686

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400051

Symbol: KPEL

Sub.: Intimation of reaffirmation of credit rating by CARE Ratings Limited

Dear Sir/Madam,

With reference to the captioned subject and pursuant to Regulation 30 read with Para A Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to inform you that **CARE Ratings Limited has reaffirmed the Long-term bank facilities to CARE A-; Stable and Long-term / Short-term bank facilities to CARE A-; Stable / CARE A2+.** The summary of rating action is mentioned below:

Facilities/Instruments	Amount (₹ crore)	Rating	Rating Action
Long Term Bank Facilities	513.01 (Enhanced from 386.21)	CARE A-; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	150.00 (Enhanced from 90.00)	CARE A-; Stable / CARE A2+	Reaffirmed

The rating rationale letter issued by CARE Ratings Limited, dated November 11, 2025, is annexed herewith.

This is for your information and records.

Thanking you,

For K.P. Energy Limited

AFFAN FARUK PATEL Digitally signed by AFFAN FARUK PATEL Date: 2025.11.12 19:56:27 +05'30'

Affan Faruk Patel
Whole Time Director
DIN: 08576337

Encl. a/a

K. P. Energy Limited
November 11, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	513.01 (Enhanced from 386.21)	CARE A-; Stable	Reaffirmed
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Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to bank facilities of K.P. Energy Limited (KPEL) continues to consider the significant increase in scale of operations and order book position while maintaining healthy profitability in FY25 (refers to April 01, 2024 to March 31, 2025) and Q1FY26 (refers to April 01, 2025 to June 30, 2025). The total operating income (TOI) grown by 97% in FY25 over FY24 while orderbook has increased from ₹1,320 crore as on June 01, 2024, to ₹3,086 crore as on June 30, 2025, which provides medium-term revenue visibility. It also factors in strong recovery of debtors and successful completion of the critical wind independent power production (IPP) project of 28.6 MW installed and commissioned in Vagra, Gujarat without cost and time overrun, which is expected to provide stable income from IPP projects. CARE Ratings Limited (CareEdge Ratings) notes that major part of its outstanding orderbook is from its group company KPI Green Energy Limited (KPIGEL) for its upcoming IPP projects, where funding tie-up is in place and is expected to support its cash flow from operations.

Ratings continue to derive strength from vast experience of the promoter group in the renewable infrastructure business, its established execution track record, integrated services offered by KPEL and comfortable debt coverage indicators.

Rating strengths are partially tempered due to moderation in the capital structure, susceptibility of power generation to climatic variations, presence in a fragmented and competitive renewable power industry and geographically concentrated orderbook position.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in order book and successful execution thereof, reducing concentration risk leading to increase in TOI and sustenance in the profit before interest, lease rentals, depreciation and tax (PBILDT) margin over 20% on a sustained basis.
- Improvement in total debt to PBILDT below 1.50x on a sustained basis.
- Improvement in capital structure with total outside liabilities to tangible net worth (TOL/TNW), reaching below 2x and substantial increase in tangible net worth on a sustained basis.

Negative factors

- Declining order book to TOI ratio below 1.5x on a sustained basis.
- Deteriorating adjusted overall gearing over 1.5x and total debt to PBILDT over 2.50x on a sustained basis.
- Elongating operating cycle above 120 days leading to deteriorating liquidity position on a sustained basis.
- Deterioration in the credit profile of the group entities

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CareEdge Ratings expectation that KPEL will be able to sustain its financial risk profile in medium term considering its established market position, healthy order book and longstanding customer relationships.

Detailed description of key rating drivers:

Key strengths

Experienced promoter group and established track record in renewable infrastructure sector

KPEL is part of the KP group, which has an established track record of over two decades in the renewable infrastructure industry. The group is engaged in utility-scale renewable energy projects, microgrid solar projects, construction, fabrication and galvanizing,

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

and telecom infrastructure (telecom tower and optical fibre cable [OFC] network through its group companies. KPEL is promoted by Faruk Patel, who has over two decades of experience in the renewable energy industry and over a decade in the wind energy segment. He is supported by his son, Affan Patel, and a team of experienced professionals, forming a strong second line of management for project execution.

The group has diversified operations in the renewable energy sector with presence across solar, wind and hybrid engineering, procurement, construction and commissioning (EPCC) and IPP businesses, and backward integration for renewable infrastructure solutions. KPEL sources most of its structural requirements from a group company KPIGEL and receives significant orders from it. This results in strong operational linkages among the group entities.

Significant growth in order book position providing medium term revenue visibility
KPEL's order book position significantly improved and stood at ₹3,086 crore as on June 30, 2025 (3.33x of TOI of FY25) from ₹1,320 crore as on June 30, 2024 (2.81x of TOI of FY24). The total capacity of these orders stands at 2.1 gigawatt (GW), executable in the next three years. The company has secured high value orders from reputed customers such as Aditya Birla Renewables Subsidiary Limited, ABReL EPC Limited, Indian Oil NTPC Green Energy Private Limited and NTPC Renewable Energy Limited. Majority unexecuted orders (74% of unexecuted orderbook value) are from KPIGEL, indicating concentration risk. However, per the management, funding for these orders have already been arranged by KPIGEL, which is expected to support timely payment recovery. Timely execution and debtors' recovery of these orders remain key credit monitorable.

Significant growth scale of operations
KPEL's TOI has grown at a compound annual growth rate (CAGR) of 46% in the last three years ending FY25. In FY25, TOI increased by 98% to ₹926.57 crore compared to ₹469.50 crore in FY24, primarily due to higher EPC income from healthy order execution and increased wind and solar IPP income. The revenue from EPC segment registered multi-fold increase on y-o-y basis and stood at ₹903.35 crore in FY25 from ₹450.61 crore in FY24. In FY25, the wind power plants reported a satisfactory plant load factor (PLF) at four locations with an average PLF of 24% (PY: 23.47%) and 26% in Q1FY26. Solar power plants reported PLFs in the range of 17% in FY25 and 19% in Q1FY26. It reported revenue of ₹22.92 crore in FY25 from power sale (₹18.09 crore in FY24). In Q1FY26, the company reported TOI of ₹218.32 crore (₹125.67 crore in Q1FY25) including ₹10.14 crore from power sale (₹6.63 crore in Q1FY25). Overall scale is expected to increase in the near-to-medium term, supported by healthy orderbook and higher execution in Q1FY26.

Healthy profit margins
KPEL's PBILDT margin remained healthy at 18.86% in FY25, compared to 18.16% in FY24, supported by EPC nature of operations and high-margin IPP business. Slight improvement was due to increased sales from both segments, leading to slight decline in cost of material consumed. Profit after taxes (PAT) margin remained at 12.10% in FY25 (12.49% in FY24), with marginal decline due to higher interest cost from increased debt owing to term loan availed for wind IPP project. In Q1FY26, PBILDT and PAT margins were 22.19% and 11.65% respectively, compared to 17.74% and 14.72% in Q1FY25. Improvement in the PBILDT margin was driven by continuous increase in EPC and higher revenue from the IPP segment. Profit margins are expected to remain healthy in the near-to-medium term.

Comfortable debt coverage indicators
Debt coverage indicators remained comfortable, supported by healthy profit margins, with interest coverage and total debt to PBILDT stood at 6.07x and 2.04x respectively in FY25 against 6.79x and 1.91x respectively in FY24. Slight moderation was due to increased interest cost led by increase in the debt levels in the year. In Q1FY26, interest coverage moderated despite remained comfortable at 5.11x (4.63x in Q1FY25). Debt coverage indicators are expected to remain comfortable in the near term due to expected increase in gross cash accrual (GCA) levels supported by increase in scale of operations.

Key weaknesses

Moderate capital structure
The company's capital structure moderated in FY25 with overall gearing at 1.17x as on March 31, 2025, compared to 0.90x as on March 31, 2024. It was due to an increase in debt level in the form of term loan for setting up wind power plant and higher utilisation of working capital borrowings as on March 31, 2025. After adjusting loans and advances of ₹17.33 crore extended to subsidiaries from net worth, adjusted overall gearing remained moderate at 1.27x as on March 31, 2025, compared to 1.07x as on March 31, 2024. The company is in process of raising equity of ₹28.38 crore through share warrants, of which ₹7.10 crore was raised in August 2024. The balance is to be raised over 18 months from first issuance, by February 2026. The capital structure is likely to remain moderated in the near term, considering expected increase in debt level to support working capital requirements.

Working capital intensive operations

The company's operations remain working capital intensive, with a gross current asset period of 263 days in FY25 (FY24: 298 days), due to funds blocked in debtors and inventory. The collection period improved to 113 days in FY25 (121 days in FY24) due to improved realisation from debtors. Absolute receivables stood at ₹259.24 crore as on June 30, 2025, compared ₹203.92 as on June 30, 2024. The inventory holding also improved despite remained high at 80 days in FY25 (87 days in FY24). It was partially offset by a higher credit period from suppliers, with creditors period stood at 120 days in FY25 (FY24: 125 days). As a result, the operating cycle improved to 73 days in FY25 from 84 days in FY24. The company fund its working capital requirements through internal accruals and external borrowing leading to higher utilisation of working capital limits.

Geographical concentration of revenue profile

KPEL's entire order book is concentrated in Gujarat, exposing it to risks associated with the geographical concentration. Changes in government policies on wind and hybrid power projects, land acquisition, and local issues may significantly impact revenue and profitability. However, Gujarat has the second highest share in the India's total installed wind capacity, supported by financially healthy discoms, favourable wind sites, and readiness of IPPs to undertake projects in the state offset the risk to an extent. The group signed a memorandum of understanding (MOU) and plans to expand operations in Maharashtra, Madhya Pradesh, and Rajasthan, among others. This diversification remains a key monitorable.

Presence in a fragmented and competitive renewable power industry

KPEL operates in a fragmented and competitive renewable energy industry. It faces competition from the IPPs and EPCC arms of several wind turbine generator (WTG) manufacturers, who holds high bargaining power. It also faces competition from several small and medium players, executing wind power projects. However, the company has been able to mitigate it to a certain extent considering the comprehensive services from concept to commissioning, delivering end-to-end solutions covering site identification and acquisition, site preparation and engineering, construction, erection and commissioning, power evacuation, necessary permits and approvals thereof provided under one roof.

Liquidity: Adequate

The liquidity position remained adequate as characterised by sufficient expected gross accruals against repayment obligations of ₹25.32 crore in FY26 and ₹23.46 crore in FY27 and capital commitments towards capex. KPEL has free cash balance of ₹1.42 crore as on March 31, 2025 (against ₹0.84 crore as on March 31, 2024) apart from lien-marked fixed deposits of ₹42.92 crore (against ₹22.45 crore as on March 31, 2024). Average of maximum utilisation of fund-based limits remained at 95% with average utilisation stood at 82% for 12-months ended August 2025. Average utilisation of non-fund-based limits remained at 79% for the same period. Reported cash flow from operating activities stood at ₹163.72 crore in FY25 against ₹27.00 crore in FY24. The current ratio and quick ratio stood moderate at 1.37x and 0.96x respectively as on March 31, 2025.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks:

Risk factors	Compliance and action by company
Environment	Being in the renewable energy sector, KPEL inherently contributes to environmental sustainability through its core business. It is generating power from renewable source, which aid in reducing greenhouse gas emissions. The company is also supporting its customers to meet carbon emission reduction goals. Extensive plantation drives were carried out in rural communities and students, deepening awareness of forest and biodiversity significance while building ownership for ecological preservation. It also facilitated renewable energy adoption in Surat, such as 15KW rooftop solar systems, and supporting wildlife conservation and animal welfare programs that protect native species across locations.
Social	Implementation of diverse CSR programs in education, infrastructure, and health. Focusing on employee welfare and development. Recognised as a 'Great Place to Work'.
Governance	Compliance with SEBI regulations. Providing transparency in disclosures. Implementation of best governance practices.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non-financial Sector
Construction Sector
Solar Power Projects
Short Term Instruments
Wind Power Projects

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

Surat-based KPEL is part of the KP Group founded and promoted by Faruk Patel in 1994. KPEL incorporated in 2010 and is involved in the development of utility scale wind power generation infrastructure. Major activities encompass siting of windfarms, land & permits acquisition, EPCC of wind power projects and Balance of Plant (BoP) infrastructure. KPEL also owns wind IPP with an installed capacity of 37 MW, as of which 28.6 MW was installed and commissioned in Vagra, Gujarat in January 2025. It also has a solar power plant (11.5 MW capacity) as an IPP in Gujarat, which was commissioned in April 2023.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	June 30, 2025 (UA)
Total operating income	469.50	926.57	218.32
PBILDT	85.68	174.71	48.44
PAT	58.65	112.07	25.43
Overall gearing (times)	0.90	1.17	NA
Interest coverage (times)	6.79	6.07	5.11

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Term Loan-Long Term		-	-	January 2033	163.53	CARE A-; Stable
Fund-based - LT-Cash Credit		-	-	-	349.48	CARE A-; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	150.00	CARE A-; Stable / CARE A2+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Term Loan-Long Term	LT	163.53	CARE A-; Stable	1)CARE A-; Stable (06-Oct-25)	1)CARE BBB; Negative (03-Sep-24)	1)CARE BBB; Stable (03-Aug-23)	1)CARE BBB; Stable (06-Jul-22)
2	Fund-based - LT-Cash Credit	LT	349.48	CARE A-; Stable	1)CARE A-; Stable (06-Oct-25)	1)CARE BBB; Negative (03-Sep-24)	1)CARE BBB; Stable (03-Aug-23)	1)CARE BBB; Stable (06-Jul-22)
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	150.00	CARE A-; Stable / CARE A2+	1)CARE A-; Stable / CARE A2+ (06-Oct-25)	1)CARE BBB; Negative / CARE A3+ (03-Sep-24)	1)CARE BBB; Stable / CARE A3+ (03-Aug-23)	1)CARE BBB; Stable / CARE A3+ (06-Jul-22)
4	Fund-based - ST-Standby Line of Credit	ST	-	-	-	-	-	1)Withdrawn (06-Jul-22)

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

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Term Loan-Long Term	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Akhil Goyal Director **CARE Ratings Limited** Phone: 022-67543590 E-mail: akhil.goyal@careedge.in Ashish Kambli Associate Director **CARE Ratings Limited** Phone: 022-67543597 E-mail: Ashish.k@careedge.in Saurabh Darak Analyst **CARE Ratings Limited** E-mail: Saurabh.darak@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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