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INITIATING COVERAGE
13th Jul 2026

KPI Green Energy Ltd

A Structural Renewable Growth Story

CMP: INR 403

Rating: BUY

Target Price: INR 627

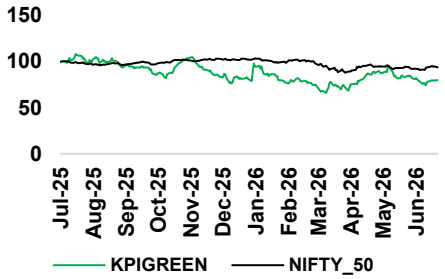
Stock Info	
BSE	542323
NSE	KPIGREEN
Bloomberg	KPIG
Sector	Renewables
Face Value (INR)	5
Mkt Cap (INR Bn)	79.51
52w H/L (INR)	563/336
Avg yearly Vol (in 000')	1570.47

Shareholding Pattern % *(As on Mar, 2026)*	
Promoters	49.49%
Public & Others	50.51%

Stock Performance (%)	1m	6m	12m
KPIGREEN:NSE	3.4	-12.9	-20.6
Nifty_50	4.8	-6.3	-5.0

Valuation summary Y/E Mar, Rs mn	FY26	FY27E	FY28E
Net Sales	26,959	39,896	57,937
EBITDA	9,583	14,592	22,405
EBITDA margin	35.5%	36.6%	38.7%
Net profit (PAT)	5,092	7,077	10,511
EPS (INR)	24.13	35.95	53.39
Net Debt/EBITDA	4.63x	4.41x	3.39x
P/E, x	17.01x	11.38x	7.66x
ROCE (%)	15.3%	13.6%	16.0%

KPI Green Ltd Vs Nifty 50



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KPI Green Energy Limited is an integrated clean energy platform with capabilities spanning the entire renewable energy value chain, from project development and execution to ownership, operation, and maintenance of solar, wind-solar hybrid, floating solar, and other renewable energy assets. The Company generates sustainable value through its Independent Power Producer (IPP) portfolio, supported by long-term PPAs with sovereign and creditworthy counterparties, and its Captive Power Producer (CPP) business, delivering customized renewable energy solutions to government and commercial & industrial (C&I) customers. The company's total renewable energy portfolio has expanded from 3.91 GW in FY25 to 6.26 GW in FY26, comprising 1.62 GW operational capacity and 4.64 GW under construction. The IPP portfolio stands at 2.57 GW, while the CPP portfolio has reached 3.69 GW, supporting the KP Group's target of achieving 10 GW of renewable energy capacity by 2030E.

Investment Rationale:

Unique IPP and CPP Model Driving Long-Term Growth: The company operates through two business segments: IPP and CPP. The company through IPP business owns and operates renewable energy assets backed by 25-year PPAs, generating stable recurring cash flows with EBITDA margins of 85-90%. The company through CPP business develops solar, hybrid, and other renewable energy projects for industrial, commercial, and government customers, earning EBITDA margins of 18-20%. Currently, CPP contributes ~91% of revenue and supports the expansion of the IPP portfolio. With ~1.62 GW of projects expected to be commissioned during FY27-FY28, the revenue mix is likely to shift toward the higher-margin IPP segment, improving earnings visibility and profitability. Management expects revenue growth of 40-50% annually through FY30 while maintaining Blended EBITDA margins of 33-36%.

De-Risked Growth Backed by Execution and Funding Visibility: Unlike many renewable energy companies that announce large projects without confirmed buyers or funding, KPI Green's major projects under construction already have long-term power supply agreements signed with the government. These include a 200 MW AC / 240 MW DC solar plant completed in Jan 2026, and the 92.15 MW solar-wind hybrid project is also commissioned. The company is executing 250 MW AC / 350 MW DC grid connected solar IPP and 370 MW AC / 679 MW DC solar-wind hybrid project under GUVNL PPAs and has bagged 150 MW wind project from GUVNL. It also has various other projects, some under construction and others in pipeline, requiring significant investment. The investments are being funded through an INR 30 bn loan from SBI, sanction of 9.79 bn from Canara Bank, India's first 'enhanced green bond' of up to INR 7 bn with (rated CRISIL A Stable / ICRA AA+(CE)), QIPs and other facilities. PPAs are signed, funding is in place, and construction is underway, significantly reducing the risk typically associated with large infrastructure projects.

Strong Customer Base with a Diversified Order Pipeline, Reduces Concentration Risk: KPI Green sells most of its electricity to GUVNL, Gujarat's state electricity buying authority, which is widely considered as the dependable government electricity buyer in India, with disciplined payment and running a transparent bidding process. This is a significant advantage because delayed payments from state electricity buyers could act as counterparty risk, often disrupting cash flows and reducing actual project returns. KPI Green's battery storage subsidiary, Sun Drops Energia, has further strengthened this relationship by winning government contracts for 565 MW of battery storage capacity in Jan and May 2026 extending the partnership beyond solar into energy storage.

A Structural Advantage Built on Land and Infrastructure: KPI Green owns 7,210 acres of land and has already built the power transmission infrastructure to carry 3.59 GW of electricity more than double its current 1.62 GW of operating capacity. This is a significant advantage because acquiring land and building transmission lines are the two most common reasons renewable energy projects get delayed in India. Having this infrastructure ready means the company can complete and start earning from new projects much faster than competitors. The company also runs a central monitoring centre that tracks solar sites for 285+ clients in real time, and manufactures its own solar panel cleaning robots, with 785 units already deployed helping maintain higher power generation from its solar plants.

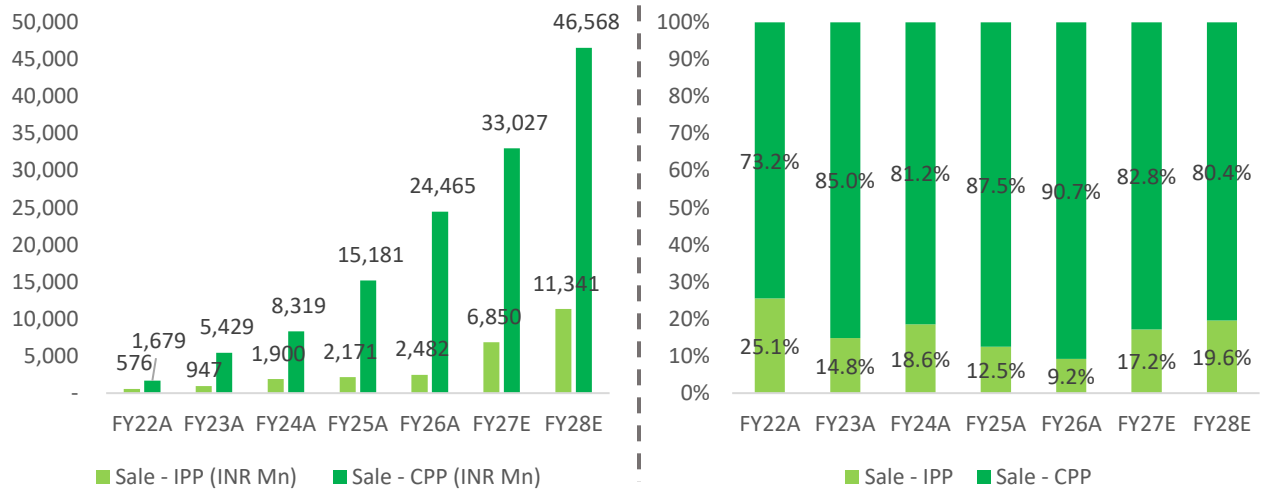
Multi-decadal sector tailwind from India's 500 GW Renewable Energy target: India's non-fossil installed power capacity reached 283 GW as of FY26 and is targeted to increase to 500 GW by 2030E, implying over 217 GW of incremental non-fossil capacity over the next four years. Renewable energy (excluding large hydro) is expected to remain the primary growth driver, supported by annual capacity additions of 40-50 GW, with total installed power capacity projected to reach 700-710 GW by FY30E. FY26 saw record capacity addition of 44.61 GW (+51% YoY), signaling no near-term deceleration. Within this tailwind, KPI Green is positioned in the most structurally attractive pockets: solar IPP under stable GUVNL PPAs (vs 12+ GW of SECI-allocated capacity stranded for want of offtakers), the C&I open-access solar market growing at >20% CAGR with 30-40% landed-cost savings vs grid tariffs, and hybrid configurations where tariff discovery has stabilized at INR 3.25-3.46/kWh, comfortably supporting the company's guided INR 3.4-3.5/unit blended realization on its 1.61 GW DC IPP pipeline. Management has guided 40-50% revenue CAGR over FY26-FY28 with stable 30-35% blended EBITDA margins.

Valuation & Outlook: KPI Green Energy Ltd is expected to benefit from India's strong renewable energy growth, supported by rising solar and hybrid installations. The company's integrated IPP and CPP model provides a balanced mix of execution-led growth and recurring power income, with its portfolio expanding from 3.91 GW in FY25 to 6.26 GW in FY26 and a group target of 10 GW by 2030E. The CPP segment continues to support near-term cash flows, while commissioning of ~1.61 GW IPP capacity over FY27-FY28 is expected to improve earnings stability and profitability through higher recurring income under long-term PPAs. Growth visibility remains strong with PPAs already secured, funding in place for the investments needed in capex pipeline, and operational advantages through its land bank and 3.59 GW evacuation infrastructure. The company is valued at 9x FY28E EV/EBITDA across both the IPP & CPP. **At the CMP of INR 403 per share, we initiate a "BUY" rating at a TP of INR 627, valued at an EV/EBITDA of 9x, implying an upside potential of ~55.5%.**

Investment Rationale

Unique IPP and CPP Model Driving Long-Term Growth: KPI Green operates in two unique but complimentary renewable energy business under one roof. The first is independent power producer (IPP) that sell electricity to the government under 25-year contracts, generates steady, recurring income at operating profit margins of 85-90%. The second is building captive power plants for factories and businesses on a contract basis, generates faster cash with operating profit margins of 18-20%. KPI Green runs both simultaneously making it structurally different.

Segment Revenue & Mix Evolution (FY22-FY28E)



Source: Company, Arihant Capital

The CPP currently contributes ~90.8% of total revenue and generates the day-to-day cash flow and order pipeline that funds the construction of the Independent power producer (IPP) business. As each new power plant is built and starts generating electricity, it adds a layer of predictable, long-term income that requires little ongoing cost to maintain. Operating profit margins have expanded from 28% in FY24 to 33% in FY25 to 37% in FY26, a 9% improvement in just two years even though the IPP segment contributed only ~9.2% of FY26 revenue. As each MW of IPP capacity gets added to the operating base, it earns revenue at 85-90% margins, and that pull raises the company's overall blended margin, even when the larger contract business remains at 18-20%. The operating profit for FY26 grew at 70% yoy to INR 9.58 bn, significantly outpacing the 56% revenue growth, the mix is already beginning to shift in the company's favour.

As of FY26, KPI Green has energized 965 MW of IPP capacity, with an additional 1.62 GW under construction, The segment currently contributes 9% of revenues with ~85% EBITDA margins. The company's long-term contracts generate stable cash flow stream, backed by 25-year PPAs, that continues to grow at over 40-50% annually. The contract business remains a strong growth engine, supported by an active order book of INR 52.46 bn as of FY26, with clients including Coal India, SJVN, Aditya Birla Renewables, Adani, NTPC and several industrial customers. KPI Green's offering remains attractive as solar power under its model costs INR 3.5-4.5p.u. vs grid tariffs of INR 7.5-10p.u., providing 30-40% savings. This positions the company well to benefit from India's expanding corporate solar market.

The revenue mix is expected to shift to 25:75 between owned assets and contract business by FY30 from 9:91 currently, implying significant growth in annuity revenues alongside CCP expansion. The IPP segment alone could contribute INR 14-15 bn of annual revenue at 85-90% margins on a 2.57 GW+ owned portfolio, while overall revenue is guided to grow at 40-50% annually over FY27-FY30E, creating a business that combines execution-led growth with recurring high-margin cash flows.

De-Risked Growth Backed by Execution and Funding Visibility: The most common reason Indian renewable energy projects fail to deliver is the gap between announced and contracted, funded, and built. KPI Green's IPP pipeline is already secured with every project in construction carries a signed government power supply contract, fully arranged capital, and active construction ground.

Project	Capacity	Type	Offtaker	Tariff (INR/unit)	Commissioning
Khavda Solar Plant	200 MW AC / 240 MW DC	Solar	GUVNL (25-yr)	2.7/kWh	Fully Commissioned
Solar-Wind Hybrid Plant	50 MW AC/ 92.15 MW DC	Solar-Wind Hybrid	GUVNL	2.99/kWh	Fully Commissioned
Solar Plant	250 MW AC / 350 MW DC	Solar	GUVNL (Oct 24)	2.64/kWh	Partly commissioned Oct 2026 - Target
Solar-Wind Hybrid Plant	370 MW AC / 679 MW DC	Solar-Wind Hybrid	GUVNL (Oct 24)	3.24/kWh	Partly commissioned Oct 2026 - Target
Wind Plant	300 MW	Wind	SJVN	3.64/kWh	FY28
Wind Plant	150 MW	Wind	GUVNL (Nov 25)	3.64/kWh	Oct 2027 - Target
GUVNL Phase VII BESS (Sun Drops)	445 MW / 890 MWh	BESS	GUVNL	-	FY28
GUVNL Phase VIII BESS (Sun Drops)	120 MW / 240 MWh	BESS	**GUVNL**	IPP Project	FY28

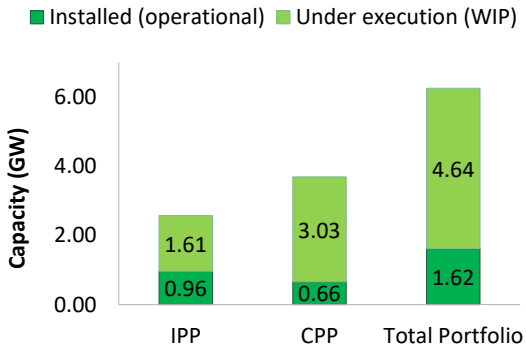
The pipeline covers five owned power plant projects. A 200 MW AC/240 MW DC solar plant at Khavda was commissioned in January 2026 at a tariff of INR 2.70/kWh under a 25-year PPA, contributing to the 965 MW already operational as of FY2026. Also, a 50 MW AC/92.15 MW DC solar-wind hybrid project awarded by GUVNL at a tariff of INR 2.99/kWh has also been commissioned. The funding for this pipeline is fully structured. The company has a diversified funding plan without any funding gap. The largest portion of funding, around INR 30 bn, is sanctioned through a secured SBI term loan in September 2025, covering significant chunk of the project-level capital requirement and sanction of 9.7 bn from Canara Bank availed among other facilities. Additionally, the company has raised INR 7 bn through an Enhanced Green Bond, India's first such instrument, supported by CRISIL A (Stable) and ICRA AA+(CE) ratings, QIPs. The balance is funded through long-term loans and internal accruals from the contract business over FY26-FY28E. Overall, the structure is balanced across debt, promoter contribution and internal cash. The blended realization is expected to ~INR 3.4-3.5 p.u across the full 1.61 GW DC IPP pipeline. The 2.57 GW (operational + pipeline), with 965 MW already energized as of March 2026 and the balance under phased execution. It is expected to generate ~INR 14-15 bn of annual recurring operating revenue with EBITDA generation of 10 bn.

Strong Customer Base with a Diversified Order Pipeline, Reduces Concentration Risk: KPI Green's IPP business is anchored to GUVNL, Gujarat's state electricity buying authority and widely regarded as India's strongest government power buyer under 25-year contracts. GUVNL holds the distinction of running India's most disciplined competitive bidding process and the longest track record of transparent tariff discovery, including the landmark INR 1.99/unit utility-scale solar tariff in 2020, a global benchmark at the time. GUVNL is described as 'one of the best paymasters' addressing the most persistent risk in Indian renewable energy investing. Delayed payments from state electricity buyers impair day-to-day cash flows and reduce actual project returns; GUVNL's consistent payment record eliminates this drag entirely for KPI Green's owned power plant portfolio. The broader Indian electricity distribution sector's financial health has deteriorated over the past decade due to irregular tariff increases, high losses, and delayed government subsidy payments, an environment that further elevates GUVNL's relative quality and makes KPI Green's counterparty anchoring a genuine competitive advantage rather than a coincidence of geography.

Capacity Highlights

Asset Composition (GW)	Installed (GW)	Under WIP (GW)	Total (GW)	Share
IPP Segment	0.96	1.61	2.57	41%
CPP Segment	0.66	3.03	3.69	59%
Total Portfolio	1.62	4.64	6.26	100%

Capacity Build-up by Segment



IPP scales to 2.57 GW (0.96 GW installed + 1.61 GW WIP) majorly under signed 25-yr GUVNL PPAs at 85-90% EBITDA margins, while CPP at 3.69 GW total capacity (0.66 GW + 3.03 GW) drives near-term cash.

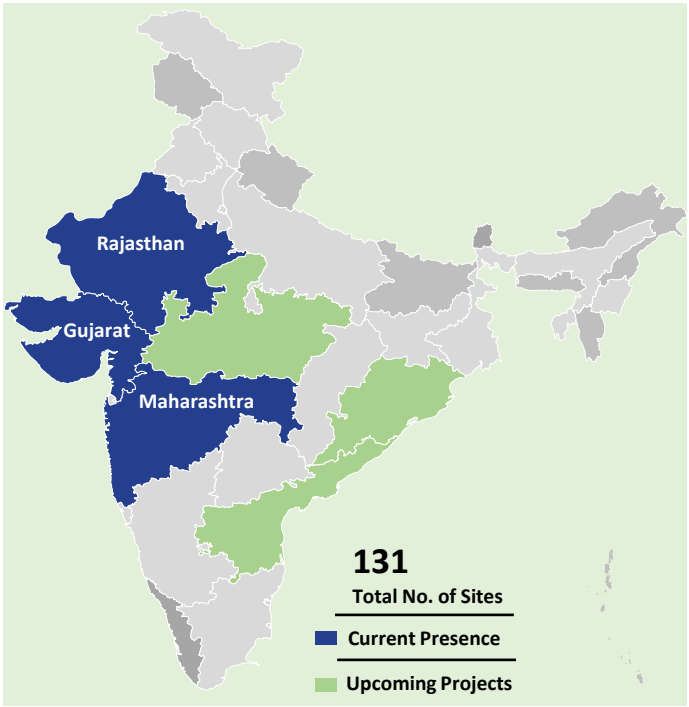
KPI Client Base

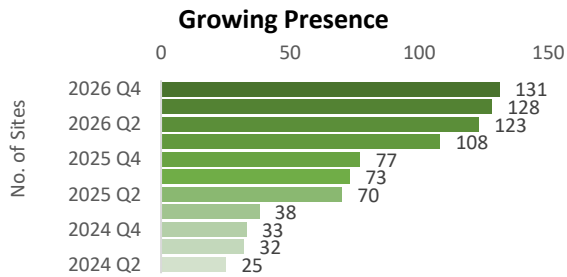
GUVNL	DGVCL	MAHAGENCO	Indian Air Force
Coal India Limited	SJVN	Adani Green Energy	Larsen & Toubro Limited
Tata Motors	Aditya Birla Renewable Energy	Ayana Renewables	Zydus Lifesciences Limited
Micro Life Sciences	Colourtex Industries	& 250+ More	

KPI Green serves 285+ clients across 131 sites, spanning private industry and government buyers, with marquee names including GUVNL, Coal India, SJVN, MAHAGENCO, Adani Green Energy and others. KPI's edge is that it bundles land, grid evacuation, construction, ownership and O&M into one package, turning land and evacuation access into a competitive advantage, with O&M delivered at 100% contractual compliance through an IBM Maximo-powered operations centre, which keeps the client stickiness.

Growing Geographical Presence and Market Expansion: In Indian renewable energy capacity, Gujarat accounts for 47.18 GW of installed renewable energy capacity, representing 17.18% of India's national base, and hosts one of the deepest industrial electricity demand pools in the country, C&I factories and businesses that form the pillar of KPI Green's contract business and generate savings of 30-40% vs grid electricity rates. While GUVNL protects the quality of KPI Green's IPP revenue, the company has diversified its order base to reduce single-counterparty concentration. The active total contracted order book of ~INR 52.46 bn. On the government side, SJVN awarded a 300 MW wind project at INR 3.64/unit; the company also secured its 150 MW GUVNL wind PPA in November 2025 and a 500 MW AC/650 MW DC from NTPC Renewable Energy. A separate 200 MW AC/240 MW EPC and O&M contract at Khavda worth INR 6.97 bn was awarded from SJVN. GSECL awarded a 142 MW floating solar project at Kadana Dam, while Coal India awarded a 300 MW AC/405 MW DC solar project valued at INR 13.11 bn. On the private side, the order book spans high-quality industrial clients including Adani Green solar project (834 MW AC / 1,134 MW DC), ABREL (96 MW), Avichal Power (100 MW), and a broad base of C&I businesses.

Geographical Presence		
State	**Client**	**No. of Sites**
Gujarat	DGVCL	103
	UGVCL	03
	PGVCL	15
	MGVCL	04
	CTU	05
Rajasthan	NTPC	1
Maharashtra	MSEDCL	01





It has rapidly scaled from 25 sites in mid-2024 to 131 sites, more than 5x in last 2 years. Gujarat accounts to majority of sites, spread across the state's DISCOMs, 103 sites under DGVCL, 15 under PGVCL and more. The first site out of Gujarat is under Maharashtra's MSEDCL, plus 5 connected to the CTU, which opens the door to inter-state supply. That CTU access is reinforced by the new inter-state trading license from CERC and intra-state license from GERC, which together let KPI sell power pan-India through exchanges and bilateral contracts rather than being confined to Gujarat buyers. Alongside domestic widening, the group is building an international layer: an MoU with the Government of Botswana targeting nearly 5 GW (500 MW in Phase 1), a Sun Drops Energia order for a solar-plus-BESS plant to power a containerized data centre in the UAE, and a green-hydrogen partnership with South Korea's Jeonbuk Province.

Expanding Growth Optionality Beyond Core Renewables: KPI Green has expanded into battery energy storage, a segment that is expected to see strong growth as India's renewable energy capacity scales up. The business is housed under its subsidiary Sun Drops Energia. Sun Drops signed a Battery Energy Storage Purchase Agreement with GUVNL for a 120 MW / 240 MWh standalone BESS project under Phase-VIII competitive bidding at a tariff of INR 0.21 Mn/MW/month. This follows the earlier 445 MW / 890 MWh GUVNL project, taking the total standalone BESS portfolio to 565 MW / 1,130 MWh.

Project	Capacity	Type	Offtaker	Commissioning
GUVNL Phase - VII BESS	445 MW / 890 MW	Standalone BESS	GUVNL	Target - FY28
GUVNL Phase - VIII BESS	120 MW / 240 MWh	Standalone BESS	GUVNL	Target - FY28
Solar + BESS	33 kWp solar + 573 kWh BESS	BESS	UAE – FVE Lifecare General Trading	-

These projects will be developed on a Build-Own-Operate model, supported by Viability Gap Funding under the Power System Development Fund, with commissioning scheduled within 18 months of signing. This places commercial operations in FY27, while meaningful revenue contribution is expected from FY29 onwards. The commissioning of the under-construction IPP portfolio is expected to strengthen recurring revenue, supported by the higher margins of the IPP business and the gradual scaling of the BESS. Sun Drop Energia, reported INR 5.8 Bn revenue and INR 970 Mn PAT in FY26. The policy environment also remains supportive. In June 2025, the Ministry of Power approved a second INR 54 Bn VGF program covering 30 GWh of battery storage, with Gujarat receiving one of the largest allocations at 4,000 MWh. Sun Drops is also being prepared for a listing in FY27 to support the expansion of its storage business, while KPI Green plans to retain a controlling stake of at least 51%, ensuring the subsidiary continues to remain consolidated.

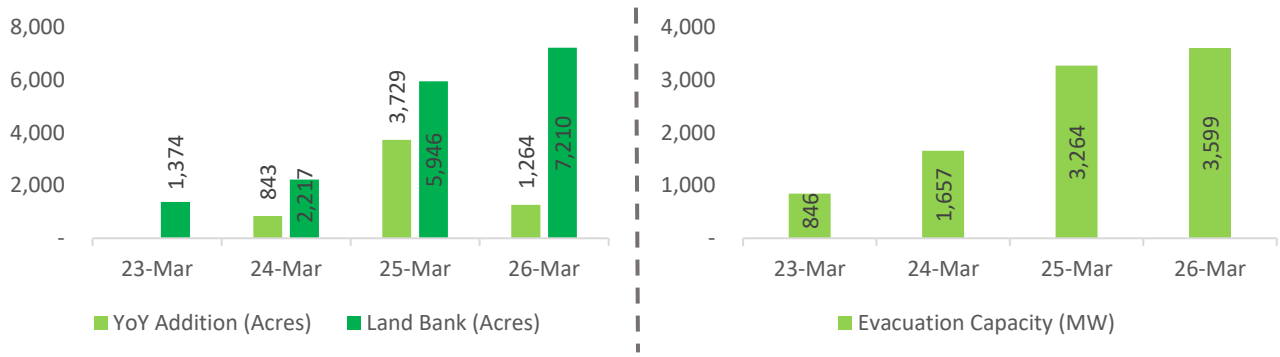
Floating Solar - In floating solar, the company secured a INR 4.89 Bn EPC contract from GSECL for a 142 MW DC / 110 MW AC project at the Kadana Dam reservoir in Mahisagar, Gujarat, which includes an 18-month execution period followed by a 10-year operations and maintenance contract. The project also covers the development of supporting evacuation infrastructure, including a 33 kV underground transmission line connecting the plant to the pooling station, along with 33/220 kV bay infrastructure at the Kadana substation.

Expanding into Energy Trading - The company has obtained both inter-state and intra-state power trading licenses from CERC and GERC, respectively, enabling it to participate across India's electricity markets. The approvals allow the company to market power through exchanges, bilateral transactions, and products such as RTC and FDRE. This broadens its market reach, offers greater flexibility in power offtake, and creates opportunities to price the market.

A Structural Advantage Built on Land and Infrastructure: KPI Green Energy's land bank of 7,210+ acres as of FY2026, a 21.3% expansion from 5,946 acres at end-FY25 and a 5.25x increase from the 1,374 acres held at end-FY23, represents one of the most structurally significant competitive advantages in the Indian listed renewable energy universe.

The Indian wind and solar energy sectors have repeatedly faced land acquisition delays and inadequate transmission connectivity, the two binding constraints that cause project timelines to slip by 12-24 months and compress effective project IRRs by 100-200 bps relative to bid assumptions. The challenge of this bottleneck is most prominent in Gujarat which accounts for 47.18 GW of India's installed RE capacity (17.18% of the national base as of FY2026), where industrial-belt land parcels in proximity to DGVCL, PGVCL, UGVCL, and MGVCL grid infrastructure command a scarcity premium that is nearly impossible to recreate within typical project development timelines. KPI Green has aggregated this land bank over a 10+ year development cycle, building a ~7,210-acre land bank with 3.59 GW of power evacuation capacity as of FY26, a combination that de-risks execution and is hard for new entrants to replicate. The company's exposure at Khavda exceeds 2 GW including both IPP & CPP orders, and incremental land additions in the Kutch-Banaskantha-Patan corridor continue to be absorbed into the pipeline.

Land Bank Expansion & Evacuation Capacity Growth (FY23-FY26)



Source: *KPI Green Inv Pres, Arihant Capital*

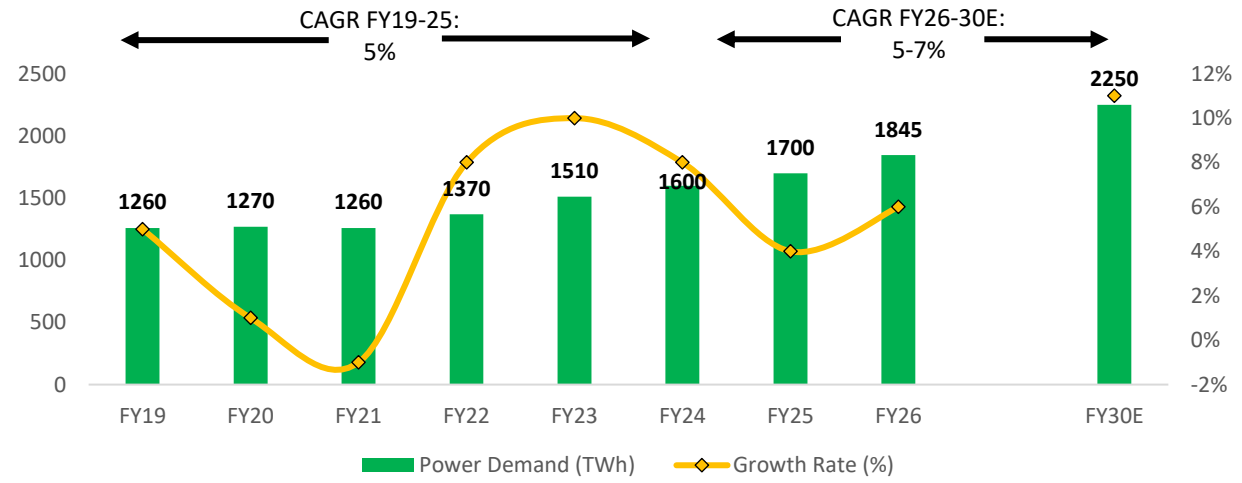
The evacuation build-out has followed a trajectory from 846 MW in FY23 to 3.59 GW at end FY26 with the company consistently building transmission capacity ahead of the operational portfolio. KPI Green commissioned the 250 MW AC / 350 MW DC Khavda solar project ahead of schedule, but billing was delayed because the government substation (GSS) in GSECL's scope. The reason for getting very good margin in the CPP also is that company have evacuation, land bank, so it charge a premium because it can give plant within the shortest period resulting in premium embedded in KPI Green's 18-20% CPP EBITDA margins, vs 12-15% typical of pure EPC peers. The company also operates a Network Operations Centre (NOC) powered by IBM Maximo, monitoring 285+ clients in real time with 100% O&M compliance, and manufactures its own solar panel cleaning robots 785+ units deployed, 1,500+ manufacturing capacity/mnth, supporting plant performance and underpinning the 85-90% EBITDA margins the IPP annuity portfolio is designed to deliver.

Multi-decadal sector tailwind from India's 500 GW non-fossil target: India's power sector is in the middle of a structural inflection, that is shifting the country from severe under-capacity to an accelerated, clean-energy-led build-out. India targets 280 GW of solar by FY30, implying 35-40 GW of annual additions. The combination of rising electricity demand, an aging thermal fleet, and explicit policy targets creates a multi-year volume opportunity that a well-positioned EPC providers.

Demand: Rising Faster Than the Historical Trend, India's electricity consumption grew at a 4.7% CAGR from FY2015-2025, reaching ~1845 TWh in FY2026. Looking forward, the Central Electricity Authority (CEA) projects power demand to grow at a 7% CAGR through FY2030, effectively 1.4x consumption between FY26E and FY30E. Peak demand is equally telling, it crossed 271 GW in May 2026, and the CEA projects this reaching 335 GW by FY2030E. These are load projections backed by observable drivers, industrialization, electrification of mobility, and a population moving up the income ladder.

Power demand to grow at ~5-7% CAGR, reaching ~2,255-2,265 TWh by FY30E

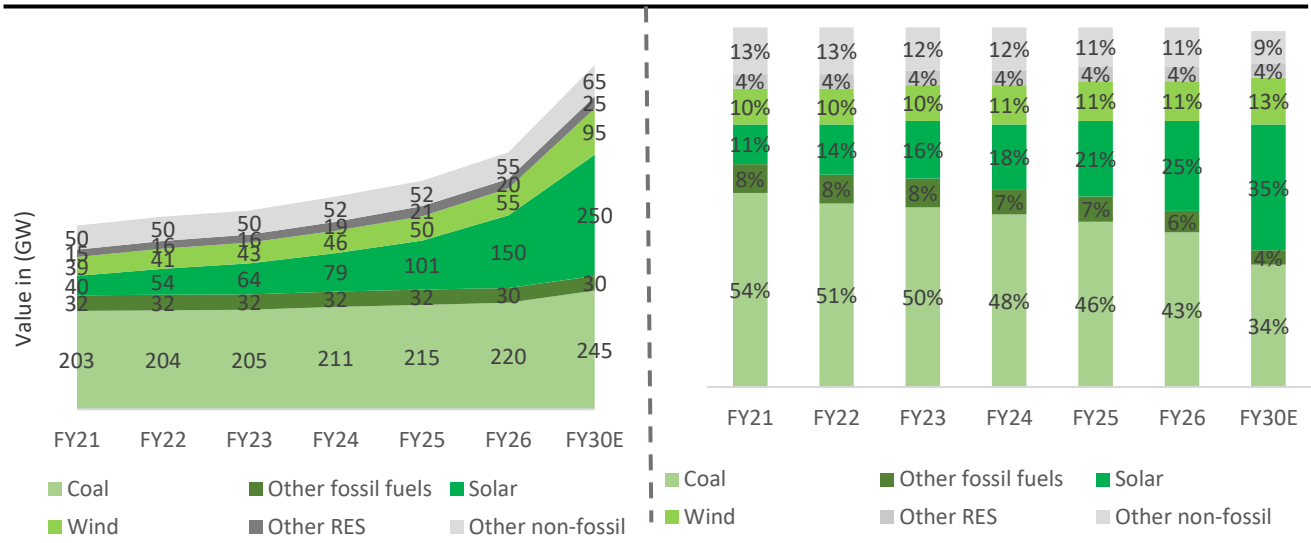
Power Demand (TWh)	CAGR (2019-2025)	CAGR (2026 - 2030E)
Total	5%	~5-7%



Source: *PIB, Industry reports, Arihant Capital*

Supply: Renewable Energy Leading the Capacity Build, India's installed power capacity stood at ~524 GW in FY26, with renewables (excluding hydro) now constituting nearly 40-45% of the total. Solar alone has grown from 2.8 GW in March 2014 to over 150 GW by Mar 2026, this includes 114.87 GW of Utility scale, 25.73 GW of Roof top and 14.10 GW of KUSUM & off grid projects. India added its highest ever distributed solar of 16.31 GW, which includes 8.71 GW of Rooftop Solar and 7.67 GW of KUSUM projects, almost 36% of the total installed capacity in this FY 2025-26. The National Electricity Plan (NEP) targets 900+ GW of total installed capacity by 2032E. To bridge the gap from current levels, renewable additions are expected to grow at a 12% CAGR over the next decade, with solar leading at 150-170 GW of additions between FY26-FY30, and BESS-backed capacity rising sharply to 25-30 GW by FY28.

India's power mix structurally pivots toward clean energy and reducing coal dominance over FY21-FY30E



Source: *CEA, Industry reports, Arihant Capital*

Within this multi-year tailwind, KPI Green's positioning captures the most structurally attractive points: (i) solar + wind + BESS IPP under stable GUVNL PPAs vs the broader SECI tender universe where ~12 GW of awarded capacity remains stranded for want of offtakers as of April 2026; (ii) CPP/open-access C&I solar where cumulative open-access solar capacity reached 27.9 GW by Sept 2025 and has since crossed 32.9 GW as of March 2026, with 30-40% landed-cost savings vs grid retail tariffs driving sustained corporate demand; (iii) BESS where the 92 GWh pipeline provides multi-year execution visibility; and (iv) hybrid configurations (solar+wind combinations) where tariff discovery has stabilised at INR 3.25-3.46/kWh across SECI Hybrid Tranches VIII and IX (1,800 MW awarded, February 2026), a profitable tariff floor that supports the company's blended INR 3.4-3.5/unit realization guidance upcoming 1,511 MW DC IPP capacity. The combination of macro tailwind and micro positioning is unusually well-aligned for KPI Green.

Outlook and Valuation

KPI Green Energy Ltd is expected to benefit from India's expanding renewable energy ecosystem, supported by rising clean power demand, increasing solar and hybrid installations, and strong policy support toward the country's 500 GW non-fossil capacity target by 2030E. Backed by the KP Group, the company has built a diversified renewable platform with presence across both IPP and CPP businesses, enabling a balanced mix of recurring power income and execution-led growth. Its total portfolio has expanded from 3.91 GW in FY25 to 6.26 GW in FY26, with a clear roadmap to reach 10 GW by 2030E.

The company's dual IPP and CPP business model is expected to support sustained growth and improving earnings quality over the medium term. The CPP business continues to drive near-term revenue and cash generation through project execution, while the IPP portfolio provides long-duration recurring income under 25-year PPAs. As nearly 1.6 GW of projects are commissioned over FY27-FY28, the revenue mix is expected to gradually shift toward higher contribution from the IPP segment, supporting better profitability and earnings stability. Management has guided for revenue growth of 40-50% through FY30 with blended operating margins remaining in the 30-35% range.

KPI Green's ongoing IPP expansion is supported by strong project visibility and lower execution risk. The company has already secured long-term PPAs for its key projects under construction, including solar, hybrid and wind assets. The company also benefits from strong operating readiness through its sizeable land bank and evacuation infrastructure. With 7,210 acres of land and transmission capacity of 3.59 GW already available, KPI Green remains better positioned for faster project commissioning compared to peers, where land acquisition and grid connectivity often remain key bottlenecks. Its in-house monitoring capabilities and operational tools further support plant performance and execution efficiency.

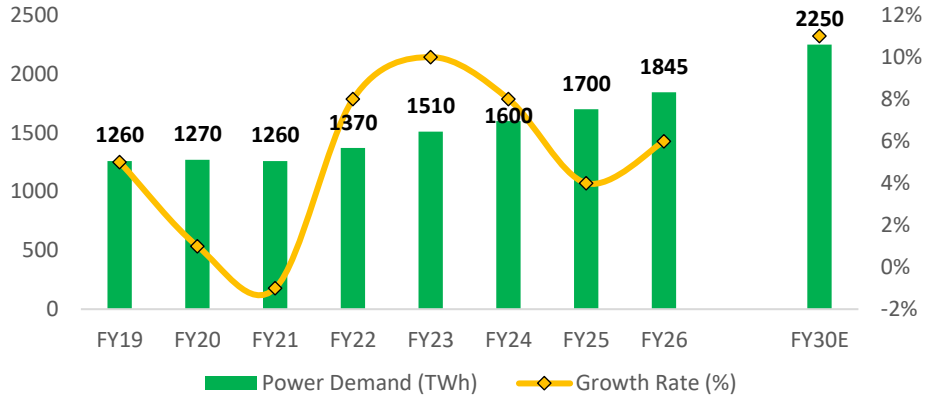
GUVNL continues to remain an important anchor customer, providing payment visibility and stable offtake for the company's IPP portfolio. At the same time, the recent battery storage wins through its subsidiary, Sun Drops Energia, indicate gradual diversification into adjacent renewable opportunities and help reduce concentration risk over time. We expect KPI Green to deliver strong growth over the medium term, supported by continued execution in the CPP business, rising contribution from the higher-margin IPP portfolio, secured project funding, and favourable renewable energy demand trends. Margin profile is also expected to remain healthy with improving operating leverage and increasing share of recurring power income. The company is valued at 9x FY28E EV/EBITDA across both the IPP & CPP and BESS EPC. **At the CMP of INR 403 per share, we initiate a "BUY" rating at a TP of INR 627, valued at an EV/EBITDA of 9x, implying an upside potential of ~55.5%.**

KPI Green Energy Solutions FY28E based implied valuation	
FY28E EBITDA (INR Mn)	22,405
EV/EBITDA (x)	**9.0x**
EV (INR Mn)	201,644
Net Debt/(cash) (INR mn) - FY28E end	(78,242)
Market Cap (INR mn)	123,402
Share outstanding (mn)	197
Value per share (INR) - FY28E	626.75
CMP (INR)	403.00
Upside/Downside (%)	**55.5%**
Rating	**Buy**

Source: Company reports, Arihant Capital Research

Industry Overview

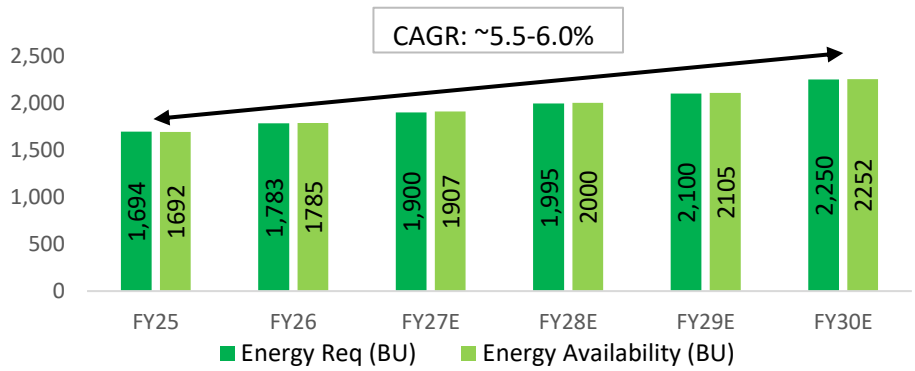
Power demand to grow at ~5-7% CAGR, reaching ~2,255-2,265 TWh by FY30



Source: Crisil, Industry Reports, Arihant Capital

India's renewable energy, led by solar, is expected to account for most India's incremental capacity additions through FY30E, supported by the government's 500 GW non-fossil capacity target, a robust tender pipeline and strong policy support. According to CRISIL, India is expected to add 150-170 GW of solar capacity between FY26 and FY30E, with a potential upside of 45-50 GW from green hydrogen-linked projects. To support this growth, the government has established an annual bidding trajectory of 50 GW of renewable energy capacity, including 40 GW of solar tenders each year, providing strong execution visibility for developers and EPC contractors. Capacity additions are expected across all major segments, utility-scale, open-access C&I, and residential rooftop driving sustained growth in the sector.

Aggregate power demand supply (in billion units, or BUs)

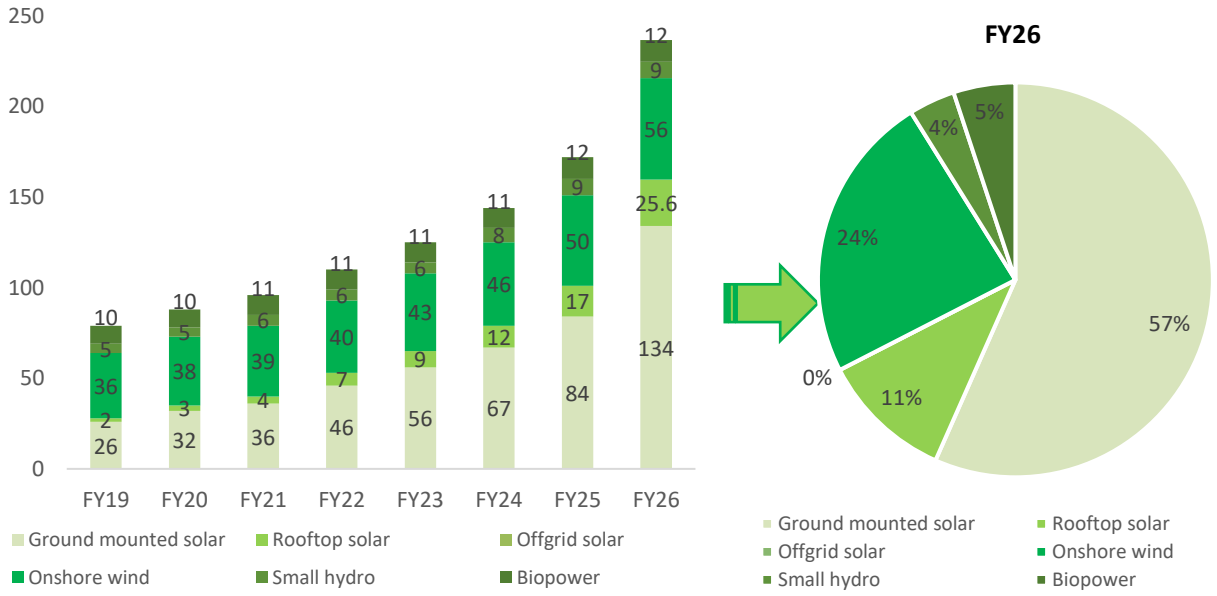


Source: Industry Reports, Arihant Capital

Within this, utility-scale solar commissioning is projected to increase from ~16-17 GW in FY26 to 23-24 GW by FY30E, while the open-access solar segment is expected to grow from ~4 GW to 9-11 GW annually, driven by strong demand from commercial and industrial (C&I) consumers.

The discom and offtake risk overlay: Distribution remains the weakest link in India's power value chain, with deteriorated discom financial position due to irregular tariff hikes, high AT&C losses and delayed subsidy payments. For developers, this elevates counterparty risk, making the choice of offtaker materially important. KPI Green's strategic positioning around GUVNL, which is one of the reliable payer and its 25-year PPAs against IPP projects materially de-risk receivable cycles compared to weaker-state discoms. The Government of India has tightened the discipline through the Electricity in terms of late payment surcharge and related matters, which mandate timely payment by distribution licensees, and through the Green Energy Open Access Rules, 2022 which formalize direct corporate procurement, opening the CPP/open-access segment that is KPI Green's primary revenue driver.

India Renewable Energy Capacity Mix & Growth Trend



Source: Crisil, Industry Reports, Arihant Capital

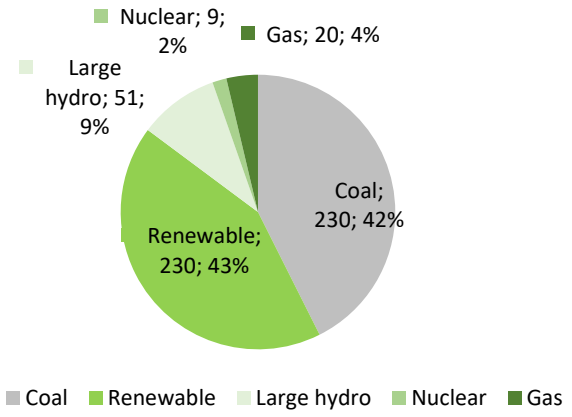
India is the world's third-largest renewable energy producer and targets 500 GW of non-fossil fuel-based installed capacity by 2030, supported by strong policy initiatives and an expanding tendering ecosystem led by MNRE, SECI, NTPC, SJVN and NHPC. Renewable energy capacity (excluding large hydro) increased from 178.98 GW in FY25 to 223.27 GW in FY26, driven by a record 44.61 GW of capacity additions. Solar capacity reached 150.26 GW, while wind capacity stood at 56.09 GW as of March 2026. Distributed renewable energy also gained momentum, with PM-KUSUM (7.59 GW) and rooftop solar (8.66 GW) together contributing over 36% of FY26 capacity additions, reflecting broad-based growth beyond utility-scale projects.

Tendering activity has accelerated significantly, with over 135 GW of utility-scale renewable energy tenders issued since FY21 across solar, wind, hybrid and round-the-clock (RTC) projects. Gujarat, Rajasthan and Maharashtra continue to account for a significant share of renewable capacity additions, reinforcing western India as the country's primary renewable energy hub. The robust execution pipeline, coupled with sustained policy support and record annual capacity additions, positions India on a strong growth trajectory toward achieving its 2030 renewable energy ambitions.

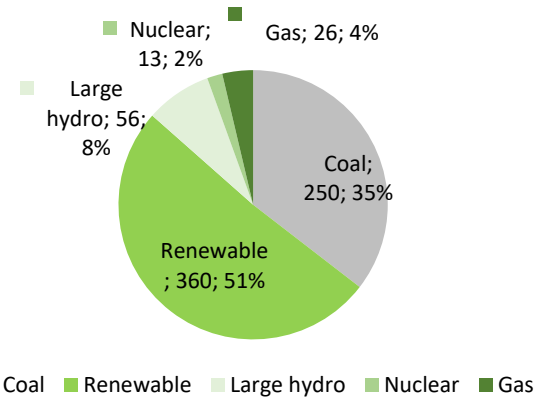
Capacity addition projections through FY30: India's installed generation capacity, which stood at 356 GW at the end of FY2019, has reached ~533 GW as of FY2026, driven by a record 55.3 GW of non-fossil additions during the year, even as additions in coal and other fossil fuels have declined; the non-fossil share of installed capacity crossed 50% in June 2025, five years ahead of the NDC target. By FY2030, RE capacity (excl. large hydro) is expected to rise from 230 GW in FY2026 to ~350-365 GW, implying ~130-140 GW of incremental additions, driven by various government initiatives, favourable policies, competitive tariffs, innovative tenders, development of solar parks and green energy corridors, etc. Battery energy storage system (BESS) capacity additions, aimed at storing renewable energy during off-peak hours to support peak supply, are expected at 23-24 GW through FY2030.

India Total Energy Capacity Addition Outlook by FY30E

Installed capacity FY2026 (GW)

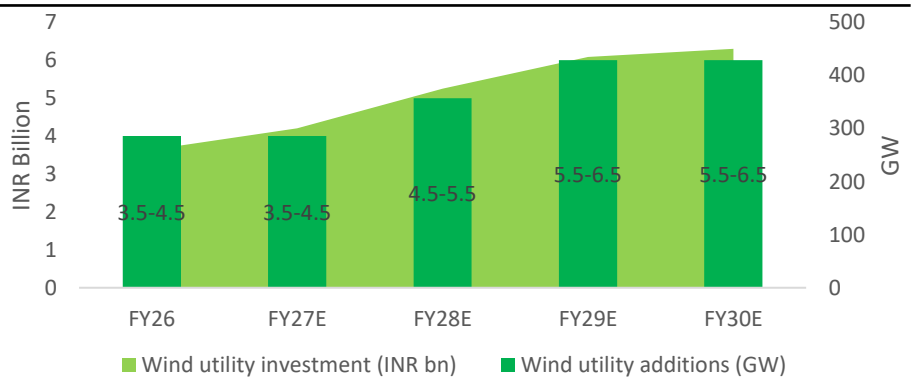


Expected capacity FY2030E (GW)



Crisil Intelligence expects wind capacity additions of 25-30 GW over FY2026 to 2030E. As per Crisil, investment of ~INR 23.7 trn capex is required to fund the broader RE build-out, with ~INR 2 trn directed to wind.

India Wind Energy Capacity & Investment Outlook (FY26-FY30E)



Source: Crisil, Industry Reports, Arihant Capital

Solar Energy Sub-sector Building Foundation for KPI Green: India's solar capacity has expanded 53x from 2.82 GW in FY14 to 150.26 GW in FY26, comprising 134 GW of ground-mounted utility-scale and 25.73 GW of rooftop solar. India has remained the world's fastest-growing major solar market for nearly a decade, supported by favorable irradiation with ~300 sunny days annually, sharply declining tariffs, strong policy backing, solar parks, green

energy corridors, and the PLI scheme for high-efficiency PV modules. Against the Government of India's 2030 target of 280 GW solar capacity within the broader 500 GW non-fossil goal, momentum remains strong, with H1CY25 solar additions of 17.5 GW (+~50% YoY), including 14.3 GW utility-scale and 3.2 GW rooftop capacity.

Renewables are now cheaper and faster to construct than conventional power plants

Parameters	Coal	Hydro	Solar	Wind
Construction time (Years)	4 to 6 years	5 to 8 years	1 to 2 years	1 to 2 years
Input availability/ Potential	149 bn tons of domestic proven coal reserves	1,869 cubic km mean annual flow in rivers	748 GW	1,164 GW (at 150 m)
Tariff range of the fuel	INR 5.0-6.0	INR 4.0-5.0	INR 2.6-2.8	INR 3.6-3.85

Pricing difference pushes renewables growth: The pricing for renewables is now more competitive than coal, the predominant fuel for India. With volatility in coal pricing as well leading to rapid increases in coal power pricing in the past, stable long-term pricing agreements for renewables is also another positive driver for clean power purchase agreements. Given a potential, renewables can be scaled up or down depending energy requirements across the country, making it adaptable to both small residential needs and large industrial demands.

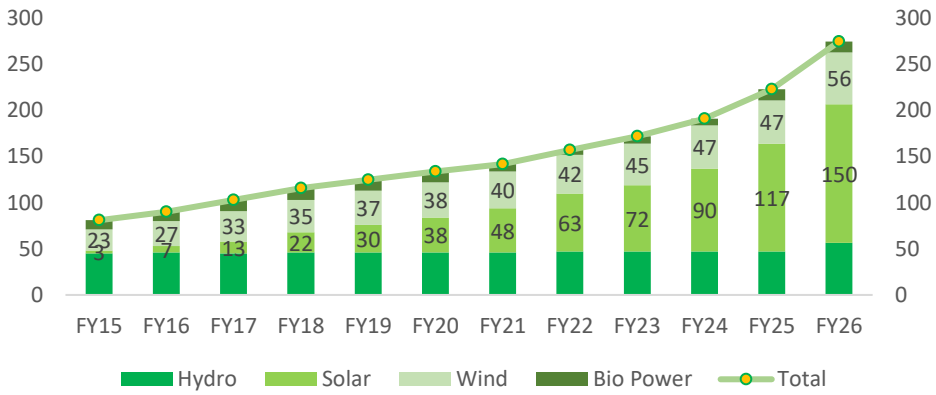
Tender mix has evolved from plain-vanilla solar to Solar+BESS /Hybrids: India's renewable tender ecosystem has evolved considerably, with SECI accounting for only about one-fourth of FY24 awarded RE tenders, while agencies such as NTPC, SJVN, NHPC, GUVNL, RVUNL and PFC Consulting collectively represented nearly three-fourths of allotments. The solar tender landscape has moved beyond traditional utility-scale PPAs toward more complex structures incorporating Solar+BESS, wind-solar hybrids, peak-power, RTC and FDRE configurations. As per Crisil, FDRE tenders may require installed renewable capacity up to 4x contracted capacity to meet assured supply and higher CUF requirements. Tariffs vary materially by dispatch obligation, with the lowest FDRE tariffs recorded in tenders requiring only two hours of peak supply, while higher tariffs are associated with four-to-six-hour peak commitments. KPI Green's portfolio positioning aligns with this higher-value tender evolution through its 250 MW pure solar IPP, 370 MW hybrid IPP, and 445 MW/890 MWh standalone BESS award secured through its Sun Drops Energia subsidiary, placing the company within the more value-accretive segment of India's evolving renewable tender ecosystem.

Structure	Tariff range	Complexity	Key feature / example
Utility-scale solar PPA	~INR 2.42+	Low	Plain vanilla; manufacturing-linked tranche at lowest tariff
Solar + BESS (ISTS)	INR 2.86-3.13	Medium	SECI Tranche XX/XXI; storage adds tariff premium
Wind-Solar Hybrid (WSH)	INR 3.25-3.46	Medium	Hybrid Tranche VIII/IX (Feb 2026)
FDRE / RTC	Higher	High	Installed RE capacity up to 4× contracted; assured 24×7 supply

Solar and Wind Comprises the Large portion of RE expansion: India added a record 44.6 GW of solar and 6.05 GW of wind capacity in FY26, taking cumulative installed renewable capacity to 284 GW. Despite this strong momentum, annual renewable additions must be sustained at 40-50 GW to achieve the country's 500 GW non-fossil capacity target by 2030.

India added a record 44.6 GW of solar and 6.05 GW of wind capacity in FY26, taking cumulative installed renewable capacity (exc large hydro) to 223.3 GW. Despite this strong momentum, annual renewable additions must be sustained at 40-50 GW to achieve the country's 500 GW non-fossil capacity target by 2030E.

Solar and Wind Comprises the Large portion of RE expansion (Inst Cap - GW)

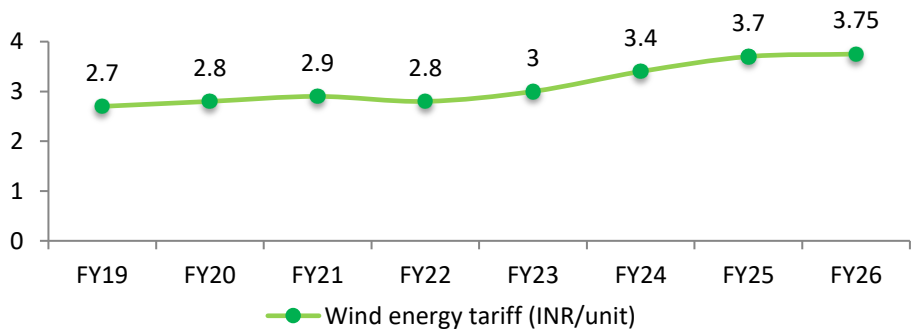


Source: Crisil, Industry Reports, Arihant Capital

Wind energy formed ~5% of average power consumption among top states: India's wind resource is concentrated in a few high-potential states. According to the latest NIWE assessment, India has an estimated ~695.5 GW of onshore wind potential at 120-metre hub height, increasing to 1,163.9 GW at 150 metres. Rajasthan has 284.2 GW and Gujarat (180.8 GW) lead the resource potential, followed by Maharashtra, Karnataka, etc. On the deployment front, Gujarat remains India's largest wind market with 15.64 GW of installed capacity as of FY26, led by large-scale development in Khavda RE Park and Saurashtra, contributing significantly to India's cumulative installed wind capacity of 56.09 GW.

Tariffs have stabilized at INR 3.2/unit on average in FY23-FY25 vs the lower INR 2.8/unit average historically, supporting developer IRRs of 10-15% per CRISIL Ratings. SECI Wind Tranche XIX cleared at INR 3.67-3.69/kWh in February 2026. KPI Green's SJVN-awarded 300 MW wind project cleared at INR 3.64/kWh.

Weighted average wind tariff rise (Tariff INR/Unit)



Source: Industry Reports, Arihant Capital

Rising Hybrid & Dispatchable Renewable Opportunity: Hybrid and complex hybrid projects, including peak power, FDRE and RTC tenders have witnessed strong growth since FY23 as discoms increasingly prioritize stable and dispatchable renewable energy supply over intermittent standalone solar or wind projects. This is a structural shift in India's renewable tendering framework, with hybrid projects accounting for a rising share of new capacity awards. Recent SECI auctions supports this trend, with wind-solar hybrid, FDRE and peak power tenders attracting strong developer participation and tariffs ranging between INR 3.25-4.73/kWh, reflecting higher CUF commitments, assured peak supply obligations and growing demand for round-the-clock clean power solutions. For KPI Green Energy, this transition aligns directly with its long-term IPP strategy, where hybrid projects form a core growth pillar.

Tender / Configuration	Tariff (INR/kWh)	Source
Pure solar (ISTS, manufacturing-linked, SECI Feb-2026)	2.42	SECI ISTS allocation
Solar + BESS (SECI ISTS Tranche XX, Feb-2026)	2.86-2.87	SECI
Solar + BESS (SECI ISTS Tranche XXI, Feb-2026)	3.12-3.13	SECI
WSH Hybrid (SECI Tranche VIII/IX, Feb-2026)	3.25-3.46	SECI
WSH with assured peak (SECI Tranche VI, Feb-2025)	4.64-4.73	CERC tariff adoption
Pure wind (SECI ISTS Tranche XIX, Feb-2026)	3.67-3.69	SECI
Wind (SJVN, awarded to KPI Green)	3.64	KPI Green disclosure
Wind historical baseline (FY23-FY25)	3.20	CRISIL Ratings
Lowest historical solar L1 (GUVNL, 2020)	1.99	GUVNL tender record

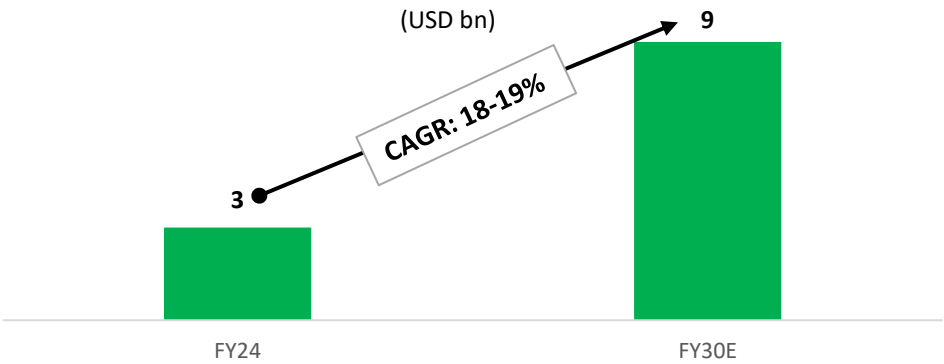
Captive Power Producer (CPP) & Open Access Solar Market: The CPP and open-access solar segment remains the primary revenue driver for KPI Green Energy, contributing 85-90% of revenue as of FY26. The company has a strong order book of INR 52.46 bn as of FY26 along with diversified client base that includes Coal India, SJVN, Aditya Birla Renewables and a many industrial customers. The structural appeal for C&I consumers lies in meaningful cost savings, with group-captive solar power typically delivered at INR 3.5-4.5/kWh and third-party open-access at INR 5.0-6.0/kWh, compared with industrial grid tariffs of INR 7.5-10/kWh, translating into 30-40% annual energy-cost savings. This value proposition has supported strong market growth, with India's cumulative C&I renewable open-access capacity expanding from 18.7 GW at FY24-end to 27.9 GW by September 2025, while Q1CY26 alone recorded 2.7 GW of solar OA additions (+55% QoQ, +160% YoY). The ease of policy frameworks and better accessibility arising from the state government results in efficient implementation of projects.

Integrated CPP Model with Embedded Infrastructure Advantage: KPI Green's CPP model, offering turnkey solar solutions, develops, transfers, operates and maintains grid-connected solar power projects for industrial and commercial clients, with integrated land and evacuation infrastructure, addresses key adoption bottlenecks in the C&I solar market. The company mitigates land and connectivity challenges through a 7,210-acre land bank supported by 3.59 GW of evacuation infrastructure, while its Gujarat-focused strategy benefits from a relatively stable open-access and banking framework. The model also simplifies financing for clients by retaining project ownership.

BESS Emerged as Fastest Growing Structural Opportunity: India's rapidly emerging Battery Energy Storage Systems (BESS) market represents one of the most attractive adjacent growth opportunities for solar EPC players as rising solar penetration drives demand for storage solutions enabling round-the-clock power supply, grid balancing, frequency regulation, and peak shaving. To accelerate adoption, the Ministry of Power in February 2025 mandated all new solar projects to co-locate storage equivalent to at least 2 hours for 10% of installed solar capacity, with implementation guidelines reinforced in June 2025. This alone is expected to create ~14 GW / 28 GWh of incremental BESS capacity by 2030.

The BESS opportunity in India is scaling rapidly. Around ~23 GW of standalone BESS capacity had been tendered, with ~19 GW already awarded and under execution. CRISIL projects 23-24 GW of BESS additions during FY26-FY30, while the National Electricity Plan estimates India will require ~236 GWh of BESS by FY32 alongside 27 GW of pumped hydro storage. The overall BESS investment market, valued at ~USD 3 bn in FY24, is projected to expand to USD 8-10 bn by FY30 at an 18-19% CAGR.

India BESS Market Growth Opportunity (FY24-FY30E)



BESS is particularly suited for 2-6 hour storage applications due to millisecond response times vs 5+ minutes for pumped hydro, significantly lower land requirements of ~100 sqm/MW compared with ~2,000 sqm/MW for pumped storage, and faster deployment timelines of ~1.5 years versus 4-5 years. Lithium-ion BESS costs have declined from USD 130-140/kWh in 2023 to USD 110-115/kWh in FY25 and are projected by CRISIL to reduce further to USD 75-85/kWh by FY30. Correspondingly, discovered tariffs have fallen sharply from INR 1.084 mn/MW/month in SECI's first BESS tender in August 2022 to INR 0.448 mn/MW/month in Gujarat's March 2024 tender and further to between INR 3.1-3.5/kWh in solar-plus-storage tender in May 2026. The competitive landscape is currently led by large integrated energy players. The market remains early-stage and fragmented, creating opportunities for technically capable EPC players with expertise in battery integration, balance of plant, and performance management. KPI Green subsequently disclosed a further 120 MW/240 MWh GUVNL standalone BESS award in May 2026, taking the group's BESS portfolio to 565 MW/1,130 MWh.

KPI Green Energy Ltd: Peer Comparison

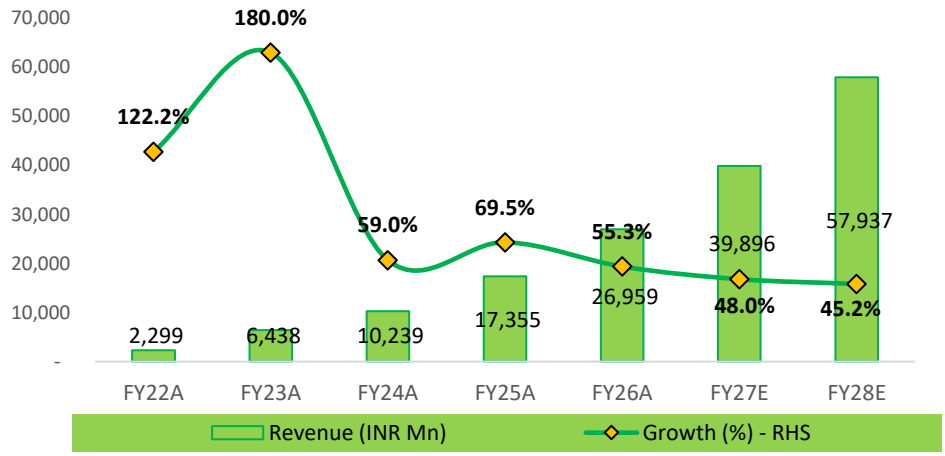
Particulars	KPI Green Energy	Waaree Renewable Tech.	Oriana Power	Sterling & Wilson Renewable	Solarworld Energy Solutions
	KPIGREEN	WAAREERTL	ORIANA	SWSOLAR	SOLARWORLD
Core activity	Solar/wind/hybrid IPP + CPP turnkey EPC + O&M (asset owner)	Solar EPC + O&M (asset-light) + small own IPP	Solar EPC + RESCO + BESS EPC	Pure-play utility solar EPC + O&M (global)	Utility solar EPC + O&M & Module Manufacturing
Revenue mix	~91% CPP/EPC · ~9% IPP power sales	~98% EPC · small IPP	~98% EPC · ~2% RESCO	~100% EPC + O&M	~86% EPC & 13% Module
Portfolio / capacity	6.26 GW total (1.62 GW operational + 4.64 GW WIP)	5.06 GW commissioned to date; 54.8 MW own IPP	835+ MW solar delivered FY26; 1,000+ MWh BESS	17.2 GW commissioned and 10.1 GW under construction in FY26	1.552 GW Topcon solar module line, Total capacity completed - 264 MW AC/ 348 MW DC
EBITDA (%) - FY26	35.5%	19.2%	22.0%	6.4%	10.8%
PAT (%) - FY26	18.9%	14.4%	13.9%	-	8.8%
P/E (x, TTM)	16.5x	21.9x	12.6x	-	12.9x

Against its listed renewable peers, KPI Green stands out as a fully integrated renewable player, combining CPP/EPC execution with owned IPP generation. This integrated model gives it a more balanced revenue base than a pure contractor, alongside the EPC business (~91% of revenue), the owned-asset IPP portfolio (~9%) provides a recurring, annuity-like stream that lends stability to earnings. That structural difference shows up clearly in profitability. KPI's FY26 EBITDA margin of 35.5.0% is the highest in the peer set by a wide margin, followed by Oriana (22.0%) and Waaree (19.2%), and others. Its net margin, is similarly sector-leading. In a space where EPC margins are typically thin and cyclical, KPI's mix lets it retain its topline. Growth visibility is also stronger. KPI carries a 6.26 GW portfolio (1.62 GW already operational and 4.64 GW under implementation), a committed, multi-year build-out that supports forward earnings. On valuation, KPI trades at 16.5x TTM earnings, given its superior margins, diversified model and sizeable committed pipeline, makes it a more reasonable for the quality and visibility of revenue stream.

Financial Analysis

Strong Order Inflows Set Up a ~45% Revenue CAGR (FY26-FY28E): The revenue is expected to grow from INR 26.9 bn in FY26 to INR 57.9 bn in FY28E, a ~46.6% CAGR. With the two core IPP & CPP businesses running and other segments also start contributing, we expect company to grow in the range of 45-50% on topline level. The CPP business is execution led resulting in better liquidity. The company must maintain fresh order to maintain its growth, which company resolves by providing its customer the solar power at ~INR 3.5-4/unit vs grid tariffs of INR 7.5-10/unit, a 30-40% savings that sustains strong demand. The pipeline is well stocked, with an order book of INR 52.46 bn as of FY26, ~2x of CPP revenue, spanning marquee names such as Coal India, NTPC, SJVN, Adani and Aditya Birla Renewables. This segment contributes ~91% of FY26 revenue and is the source of the cash and order flow that funds the IPP build.

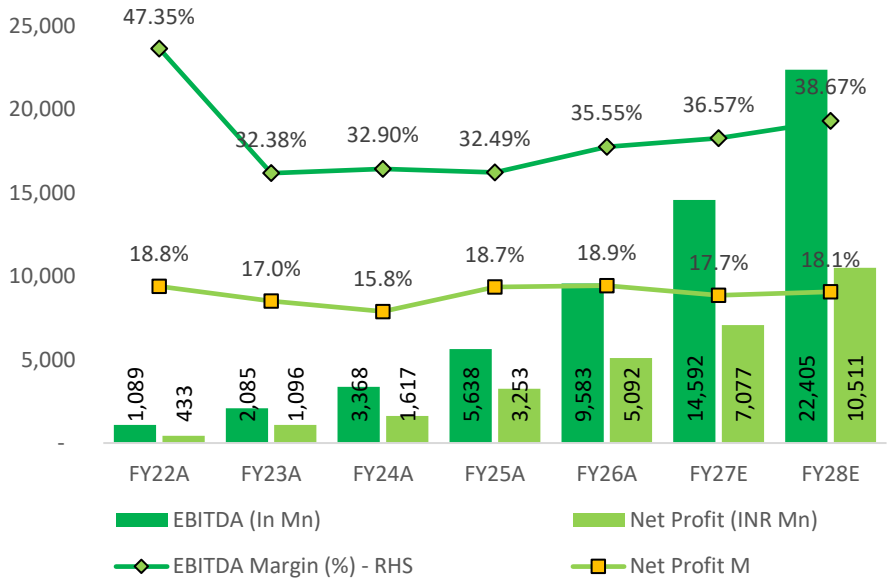
Strong order book growth drives ~46.6% revenue CAGR through FY28E



In IPP business, KPI owns the plant and sells its output under a 25-year PPA, at a blended realization of around INR 3.4-3.5/unit. The revenue is recurring, highly predictable and earned at 85-90% margins. As of FY26, KPI had energized ~965 MW of IPP capacity, contributing ~9% of revenue, with a further ~1.6 GW under construction. As the ~1.6 GW of owned capacity commissions over FY27–FY28, we expect the IPP share to rebuild toward ~17% in FY27E and ~20% in FY28E, with management guiding to a 25:75 IPP:CPP mix by FY30. With PPAs already signed, 4.64 GW under construction, and evacuation infrastructure pre-built, revenue visibility through FY30E is remarkably high for the sector.

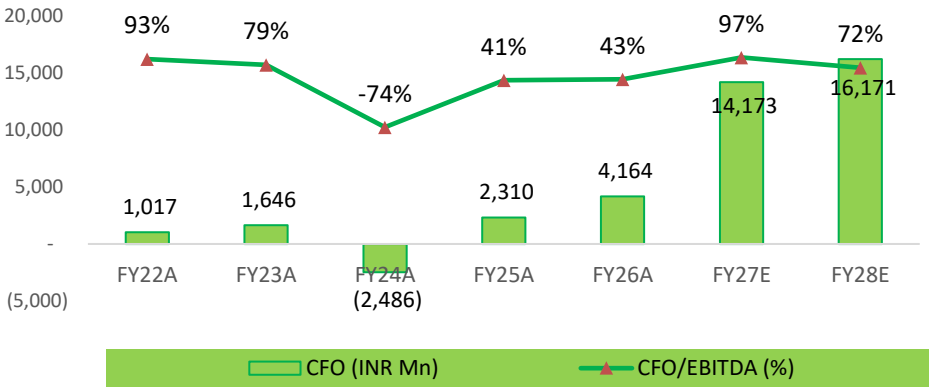
Mix shift toward IPP to drive blended EBITDA margin to ~38.7% by FY28E: On the profitability side, we expect EBITDA to rise from INR 9.58 bn in FY26 to INR 22.4 bn in FY28E, a ~52.9% CAGR growing with the margin also expanding. The EBITDA margin widens from 35.5% to 38.7%. The expansion is driven by the mix shift. Because each incremental unit of IPP revenue arrives at 85-90% margins while the larger CPP base sits at 18-20%, even with modest rise in the IPP share lifts the blended margin. The company's operating margin climbed from ~28% in FY24 to ~33% in FY25 to ~37% in FY26 a significant jump in last 2 years, even though IPP was still only ~9% of revenue. As the annuity layer scales, we expect this pull to continue, taking the blended margin toward the high-30s and, on management's framing, toward 40%+ over the medium term.

EBITDA Margin Set to Cross 38.7% by FY28E on ~52.9% CAGR



The IPP project company enters are capital intensive, resulting into higher cash outflow at INR 15 bn in FY26 and expects to reach at INR 33-35 bn in FY28E, of which the core IPP pipeline would require a significant investment, resulting into higher debt and negative FCF. As IPP generates higher EBITDA margins, the return would be reinvested into the future capex required to fund the project executions. The funding gap for the projects are funded through the mix of debt and equity. Operating cash keeps rising as more IPP capacity commissions and begins earning at 85-90% margins; capex, by contrast, is front-loaded and is expected to peak around FY28 as the current ~1.6 GW IPP pipeline and supporting CPP work are completed. As the bulk of the pipeline is energized, capex falls back toward maintenance levels while the annuity revenue continues for the remaining ~24 years of each PPA. The crossover to positive free cash flow therefore follows the commissioning peak rather than any change in profitability. The ~INR 14-15 bn of annual recurring revenue and ~INR 10 bn of EBITDA that the completed IPP portfolio is expected to generate gives a clear line of sight to sustainably positive free cash generation once the current investment phase is behind the company.

Operating cash flow recovers post-FY24 dip as IPP capacity commissions and contributions increases.



KPI Green Energy Ltd: Company Overview

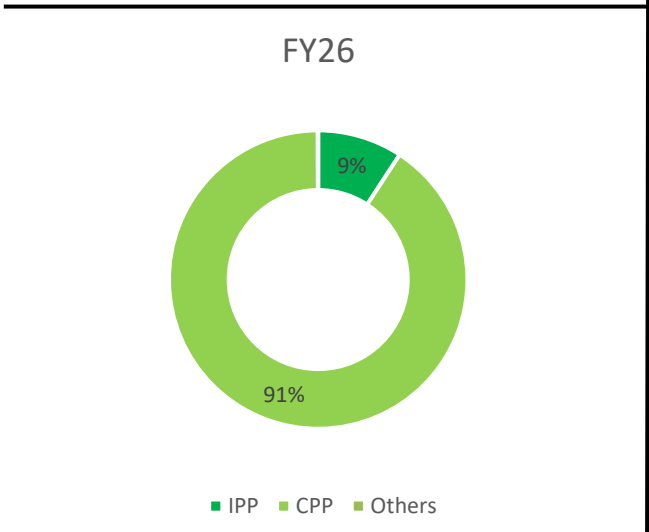
KPI Green Energy Ltd. is the flagship listed renewable energy platform of the Surat-based KP Group, established in 1994. It is an integrated renewable energy company engaged in the development, ownership, operation, and maintenance of solar, wind-solar hybrid, floating solar, and other renewable energy projects. It operates through two core verticals Independent Power Producer (IPP) and Captive Power Producer (CPP) making it the only listed Indian RE developer to run both a 25-year annuity (IPP) and a project-execution engine (CPP) at scale simultaneously. In FY26, KPI Green has scaled its total renewable portfolio to 6.26 GW (1.62 GW operational + 4.64 GW under execution), anchored almost entirely to GUVNL, India's strongest discom counterparty with a 7,210-acre land bank and 3.59 GW of pre-built power evacuation infrastructure supporting an ambitious 10 GW target by 2030E.

The KP Group's vertically integrated structure with KP Green Engineering supplying steel mounting structures and KP Energy providing wind BoP/EPC capability gives KPI Green embedded supply-chain advantages that most standalone Indian RE developers cannot replicate. The CPP segment currently contributes ~91% of revenues with IPP at ~9%, but the mix is expected to evolve toward 25:75 IPP:CPP by 2030E, which would structurally expand the blended EBITDA margin from the current 37% toward 40%+ as the IPP annuity layer commissions.

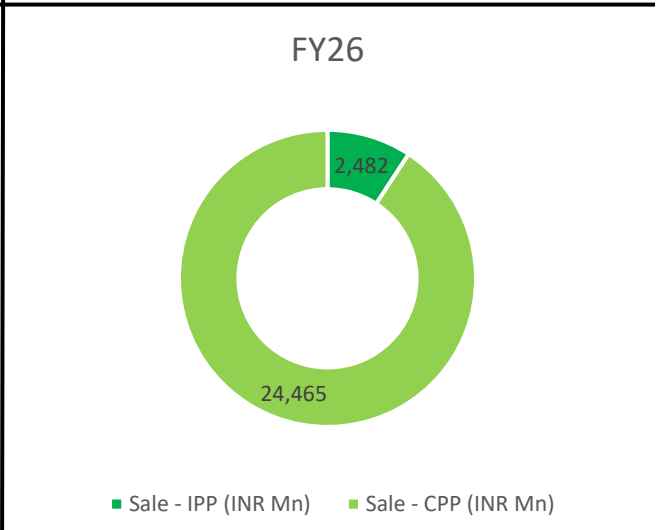
Beyond the core IPP+CPP business, KPI Green has built a compelling optionality stack: its wholly-owned BESS subsidiary Sun Drops Energia holds a 565 MW / 1,130 MWh pipeline under GUVNL's VGF-backed program and is targeted for a standalone IPO in FY27, with KPI Green retaining a minimum 51% stake to unlock dedicated capital and SOTP value for shareholders.

The company also has in-house solar panel cleaning robot capability improving O&M efficiency through smart and automated cloud-based system and smart docking. With 785+ robots deployed, 100% in-house R&D and production, and 1,500 robots/month manufacturing capacity, built a technology-led operating advantage.

KPI Green Energy Revenue Mix (%) By Segments - FY26



KPI Green Energy Revenue Contribution By Segments - FY26



Promoters and Directors

Name	Position	Experience
Dr. Faruk G. Patel	Chairman & Managing Director	• Founding promoter and Chairman & Managing Director of KPI Green Energy and KP Group. • Entrepreneurial journey began in 1994 through logistics and construction before building KP Group across solar, wind, hybrid and infrastructure businesses. • Over 30 years of entrepreneurial and renewable energy leadership experience. Recognized with multiple business and social impact awards and honored with an honorary doctorate.
Sunil Kumar Maheshwari	Vice Chairman	• Served in senior leadership roles with the Indian Railway Personnel Service (IRPS) and as Advisor to the Ministry of HR Development. • Extensive experience in leadership, human resources, strategy, and governance across public and private sectors.
Moh. Sohil Yusufbhai Dabhoya	Whole-Time Director	• Associated with KPI Green Energy and involved in execution and operational management of renewable energy projects. • Experience in renewable energy project development and business operations within KP Group.
Bhadrabala D. Joshi	Non-Executive Director	• Non-Executive Director with governance and board oversight responsibilities. • Associated with KP Group and listed group entities. • Experience in strategic guidance, governance and corporate management.
Amit S. Khandelwal	Non-Executive Director	• Executive leadership experience within KP Group and KP Energy. • Involved in business development, project execution and strategic initiatives across renewable businesses. • Experience in renewable energy and infrastructure operations.
Rajesh Shrivastava	Executive Director	• Executive leadership with 37 years of experience, has led the development and execution of over 30 GW of power projects, including 10+ GW of renewable energy capacity, and spearheaded several large-scale energy transition, EPC, and infrastructure development initiatives.
Mohamed Hanif Dalchawal	Independent Director	• Independent Director providing oversight and independent guidance. • Experience in governance, business advisory and corporate oversight matters.
Sharadchandra B. Patil	Independent Director	• Chairman of the Audit Committee and Risk Management Committee. • Experienced in accounting, finance and governance matters. • Provides oversight on risk, audit and compliance frameworks.
Shanker Baheria	Independent Director	• Chartered Accountant and Independent Director. • Experience in finance, taxation and corporate advisory functions. • Provides financial and governance expertise to the Board.
Dr. Tejpalsingh J. Bisht	Independent Director	• Independent Director with academic and professional leadership experience. • Contributes expertise in governance, policy and strategic oversight.
Satya Gopal	Independent Director	• Appointed as Independent Director in FY25. • Brings industry and governance experience along with independent board oversight.

Key Managerial Personnels

Name	Position	Experience
Dr. Alok Das	Group Chief Executive Officer	• Group CEO appointed during FY25. • Oversees strategic direction, operations and sustainability initiatives across the group. • Extensive leadership and energy-sector management experience.
Surinder Kumar Negi	Chief Operating Officer	• COO appointed during FY25. • Responsible for operational execution and project management. • Experience in operations and infrastructure execution.
Salim Yahoo	Chief Financial Officer	• CFO and Key Managerial Personnel of the Company. • Responsible for finance, treasury, capital management and financial controls. • Experience in financial management and corporate finance.
CS Krunal Bhatt	Company Secretary & Compliance Officer	• Company Secretary and Compliance Officer. • Responsible for corporate governance, secretarial compliance and regulatory matters. • Experience in listed-company compliance and stakeholder management.
Chandravadan Raval	Vice President - Projects	• Senior management professional overseeing project execution. • Experience in renewable energy project implementation and execution management.

KPI Green Energy Ltd. - Key Milestones

- **2008**: Company was established.
- **2013:** Received the GEDA registration certificate and GETCO power evacuation (PE) approval for the first 15 MW solar plant project in Bharuch.
- **2014:** Initiated construction of the 66 kV transmission line connecting the Sudi plant to GETCO's Amod Substation to facilitate power evacuation.
- **2015:** Executed the first PPA, commenced construction of the solar plant, signed an additional 15 MW MoU with the Government of Gujarat during Vibrant Gujarat, and successfully completed and charged the 66 kV transmission line.
- **2016:** Received the "Solar Innovation & Excellence Award - Excellence in Solar Park - Rise" and commissioned the first 1.5 MW of the solar plant, marking the commencement of power sales.
- **2017:** Secured GETCO approvals expanding evacuation capacity to 30 MW and signed an additional 20 MW MoU at Vibrant Gujarat.
- **2018:** Received GEDA tration and PFC financing approval for the next 25 MW solar plant, while launching and commissioning the first CPP solar project.
- **2019:** Listed BSE SME, commenced PFC loan disbursals, and successfully commissioned 15 MW Phase 1 capacity under the IPP category.
- **2020:** Successfully commissioned an additional 25 MW capacity, taking total commissioned IPP capacity to 40.7 MW.
- **2021:** Migrated to the main boards of BSE and NSE, while expanding total IPP capacity to 49.2 MW and charging a new 11 kV transmission line for CPP evacuation.
- **2022:** Crossed 100+ MW IPP and 65+ MW CPP capacity milestones, reduced borrowing costs through refinancing with State Bank of India and achieved a record EPS of INR 43.09 in 9MFY23.
- **2023:** Achieved 300+ MW cumulative capacity, commissioned the first 26.10 MW IPP hybrid project, secured an ICRA rating upgrade to A, and rebranded as KPI Green Energy Limited.
- **2024:** KPI Green Energy Limited achieved major project wins, strategic tie-ups, a INR10,000 Mn QIP, and key industry recognitions in 2024.
- **2025:** KPI Green Energy Limited secured major RE projects and MoUs, including a INR 13.1 bn for 300 MW AC / 405 MW DC solar project order from Coal India.
- **2025 (Sept):** KPI Green Energy issued India's first externally credit-enhanced green bond India's first externally credit-enhanced green bonds.

Valuation summary Y/E Mar, Rs mn	FY24	FY25	FY26	FY27E	FY28E
Net Sales	10,239	17,355	26,959	39,896	57,937
EBITDA	3,368	5,638	9,583	14,592	22,405
EBITDA margin	32.9%	32.5%	35.5%	36.6%	38.7%
Net profit (PAT)	1,617	3,253	5,092	7,077	10,511
EPS (INR)	9.41	16.09	24.13	35.95	53.39
Net debt / EBITDA	2.57x	1.86x	4.63x	4.41x	3.39x
P/E, x	43.46x	25.42x	17.01x	11.38x	7.66x
ROCE (%)	23.5%	19.4%	15.3%	13.6%	16.0%

Income Statement Y/E Mar, Rs mn	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY30E
Net sales	**10,239**	**17,355**	**26,959**	**39,896**	**57,937**	**71,944**	**84,089**
Growth, %	**59.0%**	**69.5%**	**55.3%**	**48.0%**	**45.2%**	**24.2%**	**16.9%**
Raw material expenses	5,361	9,144	14,132	21,468	30,269	39,350	47,220
Employee expenses	144	519	632	1,287	1,613	1,774	1,952
Other Operating expenses	1,366	2,054	2,613	2,550	3,650	3,833	4,024
EBITDA (Core)	**3,368**	**5,638**	**9,583**	**14,592**	**22,405**	**26,987**	**30,892**
Growth, %	61.56%	67.37%	69.98%	52.27%	53.55%	20.45%	14.47%
Margin, %	32.90%	32.49%	35.55%	36.57%	38.67%	37.51%	36.74%
Depreciation	404	605	1,329	2,221	3,273	3,273	3,273
Interest paid	861	795	1,823	3,333	5,565	5,342	4,721
Other Income	69	197	456	420	480	480	500
Non-recurring Items	3.05	26.00	-22.05	-	-	-	-
Pre-tax profit	**2,170**	**4,409**	**6,909**	**9,458**	**14,047**	**18,852**	**23,399**
Tax provided	554	1,156	1,817	2,381	3,536	4,713	5,850
Profit after tax	**1,617**	**3,253**	**5,092**	**7,077**	**10,511**	**14,139**	**17,549**
Growth, %	47.46%	101.21%	56.55%	38.98%	48.52%	34.51%	24.12%
EPS	9.41	16.09	24.13	35.95	53.39	71.81	89.13

Balance Sheet					
Y/E Mar, Rs mn	FY24	FY25	FY26	FY27E	FY28E
PPE	8,981	22,786	44,288	78,567	100,894
CWIP	1,014	1,635	9,180	11,000	8,000
Financial assets	211	2,439	2,137	2,226	2,267
Other non-current assets	814	1,817	9,769	9,776	9,784
Total non-current assets	**11,021**	**28,677**	**65,374**	**101,569**	**120,946**
Inventories	3,339	4,662	14,491	12,939	14,927
Receivables	4,271	5,781	7,405	10,930	15,873
Cash & cash equivalents	1,700	4,273	7,581	3,799	10,762
Other current assets	4,026	4,482	3,398	3,398	3,398
Other financial assets	3	46	571	685	822
Total current assets	**13,339**	**19,243**	**33,446**	**31,752**	**45,783**
Total assets	**24,359**	**47,921**	**98,821**	**133,321**	**166,728**
Total equity	8,357	26,298	32,734	47,070	57,582
Non-current borrowings	4,171	8,616	36,660	52,900	71,048
Other non-current liabilities	2,882	5,049	9,020	9,020	9,020
Total non-current liabilities	**7,053**	**13,665**	**45,680**	**61,920**	**80,068**
Current borrowings	4,147	2,639	8,660	8,527	8,900
Trade payables	4,166	4,201	4,584	6,490	9,102
Other current liabilities	636	1,117	7,164	9,313	11,077
Total current liabilities	**8,949**	**7,957**	**20,407**	**24,330**	**29,079**
Total equity & liabilities	**24,359**	**47,921**	**98,821**	**133,321**	**166,728**

Cash Flows					
Y/E Mar, Rs mn	FY24	FY25	FY26	FY27E	FY28E
Profit after tax	**1,617**	**3,253**	**5,092**	**7,077**	**10,511**
Adjustments: add					
Depreciation & amortisation	404	605	1,329	2,221	3,273
Interest adjustment	861	795	1,823	3,333	5,565
Change in assets & liabilities					
Inventories	(1,689)	(1,323)	(9,830)	1,552	(1,988)
Trade receivables	(2,804)	(1,510)	(1,624)	(3,525)	(4,943)
Trade payables	1,892	35	383	1,907	2,611
Other liabilities & provisions	102	373	4,860	1,723	1,278
Other assets	(3,224)	(499)	559	(114)	(137)
Taxes	356	582	1,571	-	-
Net cash from operating activities	**(2,486)**	**2,310**	**4,164**	**14,173**	**16,171**
Net sale/(purchase) of tangible assets	(2,393)	(15,030)	(30,377)	(38,320)	(22,600)
Net sale/(purchase) of investments	(118)	(2,228)	302	(89)	(42)
Others	(740)	(806)	(7,495)	413	472
Net cash (used) in investing activities	**(3,251)**	**(18,065)**	**(37,569)**	**(37,995)**	**(22,170)**
Interest expense	(861)	(795)	(1,823)	(3,333)	(5,565)
Dividend paid	(18)	(118)	(102)	(142)	(210)
Other financing activities	7,792	19,240	38,639	23,514	18,738
Net cash (used) in financing activities	**6,913**	**18,327**	**36,714**	**20,040**	**12,962**
Net increase/(decrease) in cash	1,176	2,573	3,308	(3,782)	6,963
Opening cash balance	524	1,700	4,273	7,581	3,799
Closing balance	**1,700**	**4,273**	**7,581**	**3,799**	**10,762**

Ratios	FY24	FY25	FY26	FY27E	FY28E
Growth					
Revenue growth	59.0%	69.5%	55.3%	45.8%	45.3%
EBITDA growth	61.6%	67.4%	70.0%	50.1%	53.7%
PAT growth	47.5%	101.2%	56.6%	38.1%	50.8%
Margins					
EBITDA margin	32.7%	32.1%	35.0%	36.3%	38.4%
EBIT margin	29.4%	29.8%	31.8%	32.0%	33.8%
PAT margin	15.7%	18.5%	18.6%	17.8%	18.4%
Returns					
Return on equity (avg)	29.6%	18.8%	17.3%	17.6%	20.3%
ROCE	23.5%	19.4%	15.3%	13.8%	16.7%
ROIC	17.6%	14.6%	11.5%	10.4%	12.5%
Leverage & coverage					
Net debt	8,664.6	10,475.8	44,388.4	59,341.5	69,124.8
Net debt / EBITDA	2.57x	1.86x	4.63x	4.13x	3.13x
Debt / equity	1.24x	0.56x	1.59x	1.43x	1.43x
Interest coverage	3.53x	6.58x	4.78x	3.87x	3.70x
Efficiency					
Fixed-asset turnover	1.21x	1.09x	0.80x	0.66x	0.67x
Debtor days (on revenue)	102	106	89	100	100
Inventory days (on COGS)	170	160	247	220	180
Creditor days (on COGS)	171	130	92	100	100
Per share & valuation					
EPS (INR)	9.41	16.09	24.13	35.72	53.87
DPS (INR)	0.09	0.60	0.52	0.71	1.08
BV/ share (INR)	42.44	133.57	166.25	238.84	292.72
P / E	43.46x	25.42x	17.01x	11.45x	7.59x
P / B	9.64x	3.06x	2.46x	1.71x	1.40x
EV / EBITDA	26.48x	16.14x	13.04x	9.72x	6.77x
EV / Sales	8.71x	5.24x	4.63x	3.56x	2.62x

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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