May 21, 2026

KP Green Engineering Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based – Term loan	1.08	28.19	[ICRA]A- (Stable); reaffirmed and assigned for enhanced limit
Long term – Fund based – Cash credit	108.75	209.75	[ICRA]A- (Stable); reaffirmed and assigned for enhanced limit
Short term– Fund based – WCDL	-	65.00	[ICRA]A2+; assigned
Short term – Non-fund based - BG	1.50	23.00	[ICRA]A2+; reaffirmed and assigned for enhanced limit
Short term – Non-fund based - LC	4.00	119.50	[ICRA]A2+; reaffirmed and assigned for enhanced limit
Short term – Non-fund based – BG/LC	15.00	15.00	[ICRA]A2+; reaffirmed
Long term/Short term – unallocated limits	64.67	34.56	[ICRA]A- (Stable)/ [ICRA]A2+; reaffirmed
Total	**195.00**	**495.00**	

**Instrument details are provided in Annexure II*

Rationale

The reaffirmation of the ratings factors in the established track record of KP Green Engineering Limited (KPGEL) in the design, manufacturing and fabrication of products, mainly for the renewable energy, transmission and telecom verticals. The company is a part of the KP Group, promoted by Dr. Faruk G. Patel, which has an established track record in the renewable energy sector. The ratings also consider the company's comfortable credit profile, driven by healthy revenue growth, low long-term debt and strong debt coverage metrics.

The company's revenue increased at a healthy CAGR of ~100% to Rs. 1,245.57 crore in FY2026 from Rs. 38.61 crore in FY2021, supported by the increase in demand for the company's products, primarily from the power sector. The order book position remains robust at ~Rs. 1,800 crore as of May 2026 with an execution timeline of 1-1.5 years, indicating healthy revenue growth for the near term. Moreover, its strong association with the customers and the diversified product offerings ensure repeat orders.

ICRA notes that the company has successfully undertaken capacity expansion for the existing line of products, along with adding new products to the portfolio through the manufacturing facility set up at Matar, Bharuch, Gujarat. The facility became fully operational from April-May 2025. The project was predominantly funded through the proceeds of the initial public offering (IPO) of Rs. 189.50 crore, which concluded in March 2024.

Further, the company incurred additional capex in FY2026 towards installing new product lines at the Matar facility to diversify its product portfolio and enhance the capacity. Consequently, KPGEL's total installed capacity increased to ~4,00,000 MTPA covering 23 products across the renewable energy, power & transmission, telecommunications, railways, highways, and other infrastructure-related sectors. The Matar facility now accounts for a significant share of this capacity at 3,47,500 MTPA, substantially higher than the 53,050-MTPA capacity of the other facility at Dabhasa in Vadodara, Gujarat. The total capex incurred over FY2025-FY2026 stood at around Rs. 450 crore, which was largely funded through IPO proceeds and internal accruals, leading to limited external long-term borrowings for the company.

The ratings are, however, constrained by the company's high client concentration risk with the top five customers contributing around 59% to the total sales in FY2026. Further, around 23% of the current pending order book (reduced from 48% previously) is from the Group companies, which makes it susceptible to the overall Group performance and demand outlook, along with the transfer pricing policy among the Group entities.

The revenue also remains dependent on the capital investments undertaken by the end-user industries and, thus, makes it susceptible to cyclicality. Further, the company's profitability remains exposed to the adverse fluctuations in raw material prices. However, the price variation clause in some of the contracts mitigates this risk to an extent. The ratings also continue to be constrained by the high working capital intensity of operations and the highly fragmented and competitive nature of the industry.

The Stable outlook on the rating reflects ICRA's opinion that KPGEL's revenues and accruals will be supported by its healthy order book. Also, the company will continue to benefit from its established track record in the manufacturing/fabrication industry.

Key rating drivers and their description

Credit strengths

Established track record with a diversified product portfolio of products - KPGEL was incorporated in 2001 by Dr. Faruk G. Patel and is involved in the manufacturing, fabrication and galvanising (hot-dip) of heavy steel structures, primarily catering to the renewable energy, transmission, telecom, railways, highways and other infrastructure-related sectors. It is a part of the KP Group, which has an established presence in the renewable energy sector. The company has around 23 products in its portfolio. As part of its service portfolio, KPGEL also provides various services to its clients, such as fault rectification services (FRT) for optical fibre cables to telecom operators, job work for galvanizing and solar rooftop installation.

Capacity expansion and product diversification drive growth prospects - The company has set up a new manufacturing facility at Matar, Bharuch, Gujarat, with a capacity of 3,47,000 MTPA, which is substantially higher than the 53,050-MTPA capacity of its other facility at Dabhasa, Vadodara, Gujarat.

At the Matar facility, the company has also introduced new products to cater to roads, railways and other infrastructure-related sectors, in addition to its existing verticals of renewable energy, transmission and telecom.

Along with the existing product portfolio comprising tower structures, substation structures, solar module mounting structures, cable trays, earthing strips, and beam crash barriers, the new products being manufactured at the Matar facility include high mast poles, lighting poles, floor gratings, pre-engineered buildings and windmill tubular towers. This capacity expansion and product diversification will help the company meet the evolving market demand and support its future revenue growth.

Comfortable credit profile, evident from healthy revenue growth, low long-term debt and strong debt coverage metrics - The company's revenue grew at a robust CAGR of ~100% from Rs. 38.61 crore in FY2021 to Rs. 1,245.57 crore in FY2026, driven by increased demand for its products, primarily from the power sector, supported by capacity additions undertaken by the company. On a YoY basis, revenue grew by ~78% in FY2026 to Rs. 1,245.57 crore from Rs. 697.97 crore, reflecting healthy growth in the fiscal.

The company's capital structure remains comfortable with a gearing of 0.76x as on March 31, 2026 compared with 0.31x as on March 31, 2025. The capital structure has been supported by the initial public offering of Rs. 189.50 crore, the proceeds from which were mainly utilised towards capacity addition at the new facility at Matar. The debt coverage metrics also remain strong due to low long-term debt with an interest coverage of 5.91x and DSCR of 4.65x in FY2026, compared with an interest coverage of 11.53x and DSCR of 7.03x in FY2025. However, the leverage metrics moderated in FY2026, reflected in the

TOL/TNW of 2.47x as of March 2026 compared with 1.27x as of March 2025, because of the increase in working capital debt to support the higher scale of operations.

Healthy order book position - The company's order book stood at over Rs. 1,800 crore as of May 2026, providing healthy near-term revenue visibility. In January 2026, the company received a huge order from Bharat Sanchar Nigam Limited (BSNL), aggregating Rs. 819 crore (including GST), for two clusters across multiple states under the 4G Saturation Project. This is the largest order win in the company's history, to be executed over FY2027–FY2028.

The scope of this order includes supply and erection of telecom towers on an Infrastructure as a Service Provider (IaaSP) basis and undertaking O&M for 5 years (extendable to 10 years).

Credit challenges

High client concentration; exposure to Group companies - The company's customer profile remains highly concentrated, with around 60% of the revenue derived from the top five customers in FY2026. Moreover, Group companies contributed around 47% to the revenue in FY2026. However, the share of the Group company in the order book has declined to ~23% as of May 2026 from ~48% previously (as of January 2025). Notwithstanding this, the dependence on Group companies continues to make KPGEL susceptible to risks associated with the overall Group performance and transfer pricing policies. Going forward, the contribution of the Group companies to the total sales is expected to remain in the range of 25–30% in value terms.

Intense competition - The company operates in a highly fragmented and competitive industry, marked by the presence of many organised and unorganised players. However, the proven track record of KPGEL in the industry for more than 20 years, supported by the extensive experience of the promoter and the established presence of the KP Group in the power sector (through KPI Green Energy Limited and its subsidiaries, and K.P. Energy Limited), mitigate the competitive risk to an extent. Also, the company has a large portfolio of products, which enables it to become a one-stop solution provider for all the renewable energy infrastructure needs of the clients. Additionally, the company is an accredited vendor for GETCO (Gujarat Energy Transmission Corporation Limited) and MSETCL (Maharashtra State Electricity Transmission Company) for lines up to 400 KV and 220 KV, respectively, which adds to its credibility. The company is also empanelled with major PSUs and government bodies across multiple sectors.

Profitability exposed to raw materials price fluctuations - The company's profitability remains exposed to any adverse fluctuations in the prices of raw materials, mainly steel and zinc. This risk is mitigated to an extent by the presence of price variation clause in some of the contracts.

Environmental and Social Risks

Environmental considerations - KPGEL operates as a one-stop solution provider for the infrastructure needs of the renewable energy sector, which aligns with the global sustainability goals of supporting clean energy generation and reducing dependence on conventional power sources. The company ensures strict compliance with environmental regulations, holding all the necessary statutory approvals and permits for its manufacturing facilities. Also, the company has implemented robust environmental management systems to minimise emissions, optimise resource usage and ensure responsible waste management, exhibiting low environment risks.

Social considerations - On the social front, KP Green Engineering Limited ensures that its growth and expansion initiatives do not adversely impact communities. During its recent land acquisition, the company planned the process to avoid any negative effects on the local livelihood or ecosystem, while providing proper compensation to the landowners. Additionally, the company has established a robust safety organisation structure for its employees and conducts regular certification programmes, safety audits and assessments to uphold the highest safety standards across its facilities.

Liquidity position: Adequate

KPGEL's liquidity profile remains adequate. The cash flow from operations and the available cash balances are expected to be sufficient to service the debt repayment obligations of Rs. 8.8-9.0 crore (excluding small repayments towards vehicle loans) over FY2027-FY2028.

Rating sensitivities

Positive factors – ICRA could upgrade KPGEL's ratings if the company is able to significantly scale up its operations while maintaining its profitability and healthy debt metrics, along with improving its customer diversification, working capital intensity and liquidity.

Negative factors – Pressure on the ratings could arise if the scale of operations and/or profitability declines. A stretched working capital cycle impacting the cash flows and liquidity, or large liquidated damage (LD) claims affecting the profitability could be the other negative triggers. A specific credit metric for downgrade would be the interest coverage remaining at 4.0x or below on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

The company was founded by Dr. Faruk G. Patel in 1994 as a proprietorship concern and was later converted into a private limited company in 2001 with the name KP Buildcon Private Limited. The name of the company was changed to KP Green Engineering Private Limited (KPGEL) in July 2023. The company got listed on the BSE SME platform in March 2024.

KPGEL traditionally catered primarily to the renewable energy, transmission and telecom verticals, manufacturing fabricated and hot-dip galvanized heavy engineering steel products. The company has recently undertaken capacity expansion along with adding new products to its portfolio through its new manufacturing facility at Matar, Bharuch, Gujarat, thereby diversifying into roads, railways and other infrastructure-related verticals.

The company is an accredited vendor for GETCO (Gujarat Energy Transmission Corporation Limited) and MSETCL (Maharashtra State Electricity Transmission Company) for lines up to 400 KV and 220 KV, respectively. The company is also empanelled with major PSUs and government bodies across multiple sectors.

As part of its service portfolio, the company also provides various services to its clients, including fault rectification services (FRT) for optical fibre cables to various telecom operators, job work for galvanising and solar rooftop installation.

Key financial indicators (audited)

KPGEL (Standalone)	FY2024	FY2025	FY2026*
Operating income	351.33	697.97	1245.57
PAT	35.32	74.20	135.87
OPBDIT/OI	16.4%	16.6%	19.7%
PAT/OI	10.1%	10.6%	10.9%
Total outside liabilities/Tangible net worth (times)	0.59	1.27	2.47
Total debt/OPBDIT (times)	0.79	0.86	1.43
Interest coverage (times)	9.81	11.53	5.91

*Source: Company, ICRA Research; * Results; All ratios as per ICRA's calculations; Amount in Rs. crore*
PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount rated (Rs. crore)**	**May 21, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund based – Term loan	Long term	28.19	[ICRA]A-(Stable)	-	-	Mar 06, 2025	[ICRA]A-(Stable)	-	-
Fund based – Cash credit	Long term	209.75	[ICRA]A-(Stable)	-	-	Mar 06, 2025	[ICRA]A-(Stable)	-	-
				-	-	Feb 10, 2025	[ICRA]A-(Stable)	-	-
Fund based – WCDL	Short term	65.00	[ICRA]A2+	-	-	-	-	-	-
Non-fund based – BG	Short term	23.00	[ICRA]A2+	-	-	Mar 06, 2025	[ICRA]A2+	-	-
Non-fund based – LC	Short term	119.50	[ICRA]A2+	-	-	Mar 06, 2025	[ICRA]A2+	-	-
Non-fund based – BG/LC	Short term	15.00	[ICRA]A2+	-	-	Mar 06, 2025	[ICRA]A2+	-	-
Unallocated limits	Long term/ Short term	34.56	[ICRA]A-(Stable)/ [ICRA]A2+	-	-	Mar 06, 2025	[ICRA]A-(Stable)/ [ICRA]A2+	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

($) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based – Term Loan	Simple
Long term – Fund based – Cash Credit	Simple
Short term– Fund based – WCDL	Simple
Short term – Non-fund based - BG	Simple
Short term – Non-fund based - LC	Simple
Short term – Non-fund based – BG/LC	Simple
Long term/Short term – Unallocated limits	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Fund based – Term loan**	Nov-2021	-	Nov-2026	28.19	[ICRA]A-(Stable)
NA	**Fund based – Cash credit**	NA	NA	NA	209.75	[ICRA]A-(Stable)
NA	**Fund based – WCDL**	NA	NA	NA	65.00	[ICRA]A2+
NA	**Non-fund based - BG**	NA	NA	NA	23.00	[ICRA]A2+
NA	**Non-fund based – LC**	NA	NA	NA	119.50	[ICRA]A2+
NA	**Non-fund based – BG/LC**	NA	NA	NA	15.00	[ICRA]A2+
NA	**Unallocated limits**	NA	NA	NA	34.56	[ICRA]A- (Stable)/ [ICRA]A2+

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure III: List of entities considered for consolidated analysis – Not Applicable

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ABOUT ICRA LIMITED

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

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

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