



Date – 06 June 2025

Rec Price: 504

Finkhoz Rating: 7.8/10

Guidance : Accumulate

About the company:

KPI Green Energy Ltd, established in 2008 and part of the KP Group, is engaged in solar power generation. The company operates both as an Independent Power Producer (IPP) and as a provider of Engineering, Procurement, and Construction (EPC) services for Captive Power Producers (CPPs). Under its flagship brand 'Solarism,' KPI Green develops, owns, manages, and maintains grid-connected renewable energy projects, including solar and wind-solar hybrid power plants. Its operations are primarily concentrated in Bharuch, Gujarat, where it also provides land and power evacuation infrastructure as part of its integrated offerings.

Company Guidance:

Aggressive- Growth Plan: KPI Green aims to achieve 60–70% year-on-year growth, with a long-term vision of reaching 10 GW of renewable energy capacity by FY2030.

Balance Revenue Model: The company plans to diversify its revenue streams, targeting 25% contribution from Independent Power Producer (IPP) operations, while the remaining 75% will come from Captive Power Producer (CPP) projects.

IPP Capacity Pipeline: KPI Green currently has 1.5 GW of IPP capacity under development, which is expected to become fully operational within the next two years. Meaningful revenue from these plants is anticipated from FY2027–28 onward.

Capex and Funding Plan: To support its upcoming IPP projects, the company has planned ₹4,000 crore in capital expenditure over FY26 and FY27. This is fully funded through recent QIP proceeds, internal accruals, and debt approvals, ensuring no immediate need for further equity dilution.

Expansion:

Geographic Expansion: KPI Green is actively expanding its presence beyond Gujarat by entering new states like Odisha, Rajasthan, and Madhya Pradesh.

Technological Diversification: Company is exploring Battery Energy Storage Systems (BESS) to improve grid reliability as renewable penetration increases. Company evaluating opportunities in offshore wind and green hydrogen, aligning with government policies and future energy demand.

Expert View:

KPI Green Energy Ltd has shown strong business growth with steady profit margins, highlighting good operational performance. Its valuation are lower than similar companies, which may offer future value appreciation. However, a large 45.5% portion of promoter shares is pledged, and institutional investment is declining -1.03%, which could be a concern. Investors should carefully consider both the company's positive performance and these risks before making a decision.

Company Data

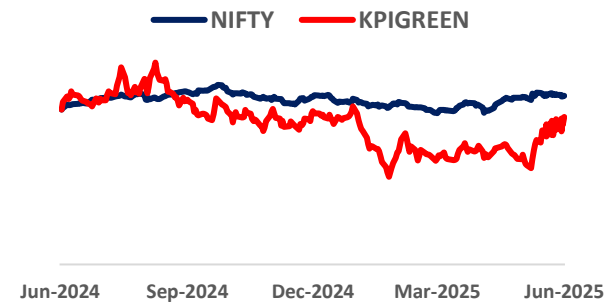
Market cap (INR cars)	: 10,341 (₹)
Segment	: Renewable Energy
52 Weeks H/L	: 312 / 744 (₹)
Institutional Change(%)	: -1.03%
Inst. Holding (till Mar-25)	: 18.55%
Annual Upside	: 31.01%

Debt Metrics

Debt to Equity	: 1.6x
Interest Coverage	: 3.5x

Absolute Returns KPI Green Nifty

1 Year	-14.5%	9.2%
3 Years	730.5%	17.0%
5 Years	3580.4%	21.4%



Financial Performance

Sales 5 Yr CAGR (%)	: 64.1%
PAT 5 Yr CAGR (%)	: 70.7%
Latest Qty Sales Growth YoY	: 24.2%
Latest Qty Profit Growth YoY	: 22.4%
Operating Margin	: 33.5%

Valuation Metrics

Stock PE	: 31.01x
Historic PE	: 19.79x
Segment PE	: 74.07x
TTM EPS (INR)	: 16.25 (₹)

Consensus Estimates

IN INR Cr	FY25	FY26E	FY27E
Revenue	1,735.0	2,665.0	4,093.4
YOY Growth %	68%	54%	54%
PAT	319.6	488.5	750.4
YOY Growth %	98%	53%	54%
EPS (IN INR)	16.2	24.8	38.1

Exhibit 1: Finkhoz’s Evaluation out of 10



Analysis

Track record	Healthy
Valuation	Strong
Outlook	Robust
Reliability	Average
Technical	Moderate

As per the Finkhoz Rating, the stock shows strong potential with a perfect Outlook score of 10.0, backed by a solid Track Record (8.6) and Technical (7.2), indicating strong momentum and investor interest. The Valuation score of 7.5 suggests it’s potentially priced, while the Reliability score of 5.3 indicates average consistency or predictability. Overall, the fundamentals remain solid, making it a favorable candidate for long-term accumulation.

Exhibit 2: Product-wise Revenue Breakup FY25

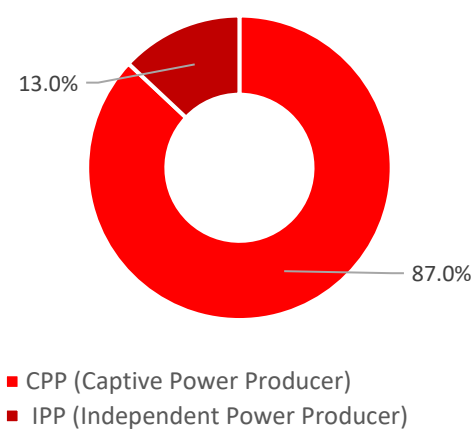


Exhibit 3: Marquee Investors in KPI

Vanguard	BlackRock	Quadrature Capital
SBI General Insurance	Bengal Finance	Abu Dhabi Investment Authority
Govt Pension Fund-Norway	Goldman Sachs	Eminence Global Fund
Motilal Oswal	HSBC	Citigroup
Okoworld	ITI Value Fund	BofA Securities

Q4 FY25 Result Update:

In Q4 FY25, KPI Green Energy Ltd delivered a strong financial performance across all key metrics. The company reported a revenue of ₹569.80 crore, marking a 97% year-on-year growth, primarily driven by robust execution in its Captive Power Producer (CPP) segment and initial contributions from its Independent Power Producer (IPP) projects. EBITDA stood at ₹161.43 crore, up 76% YoY, reflecting improved operational efficiency and margin stability.

Profit before tax rose by 131% YoY to ₹138.70 crore, while profit after tax surged 142% YoY to ₹104.18 crore. This impressive growth underscores the company’s strong execution capabilities, expanding project pipeline, and disciplined financial management.

Exhibit 4: Revenue trend (In ₹ Cr.)

(Exhibit 5: QoQ Revenue trend In ₹ Cr.)

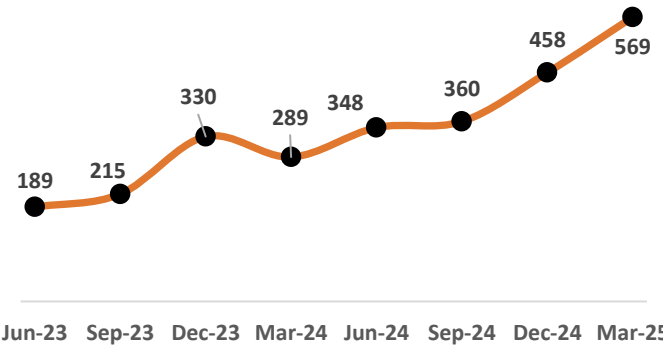
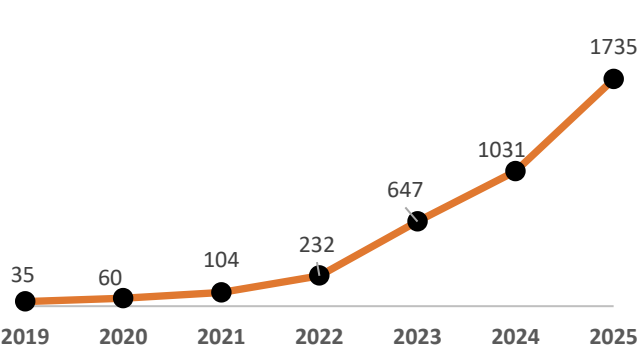


Exhibit 6: Net profit trend (In ₹ Cr.)

Exhibit 7: QoQ Net profit trend (In ₹ Cr.)

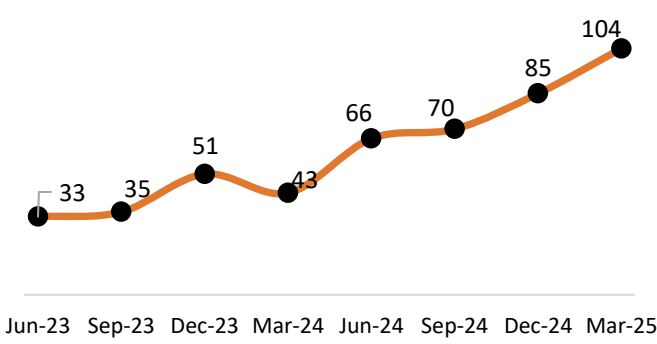
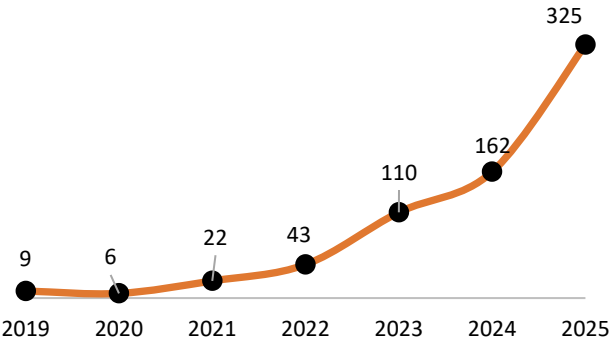


Exhibit 8: EBITDA Margin Trend (%)

Exhibit 9: QoQ EBITDA Trend (In ₹ Cr.)

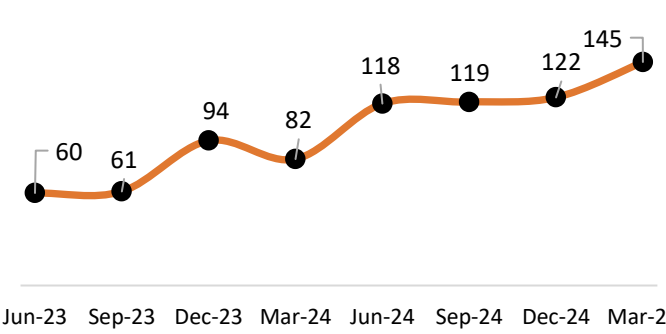
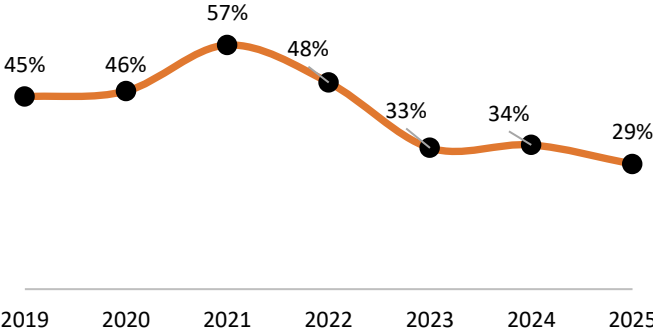
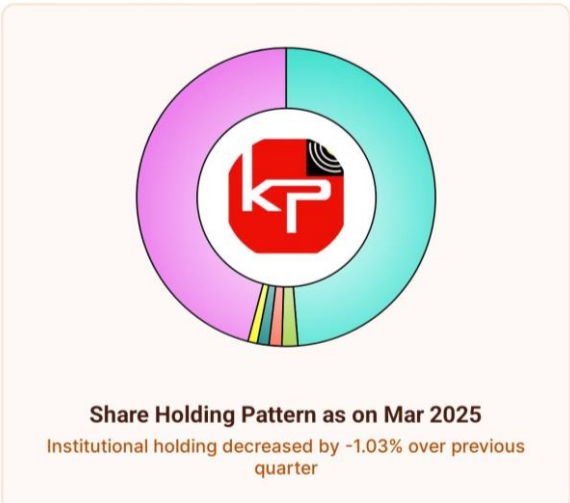


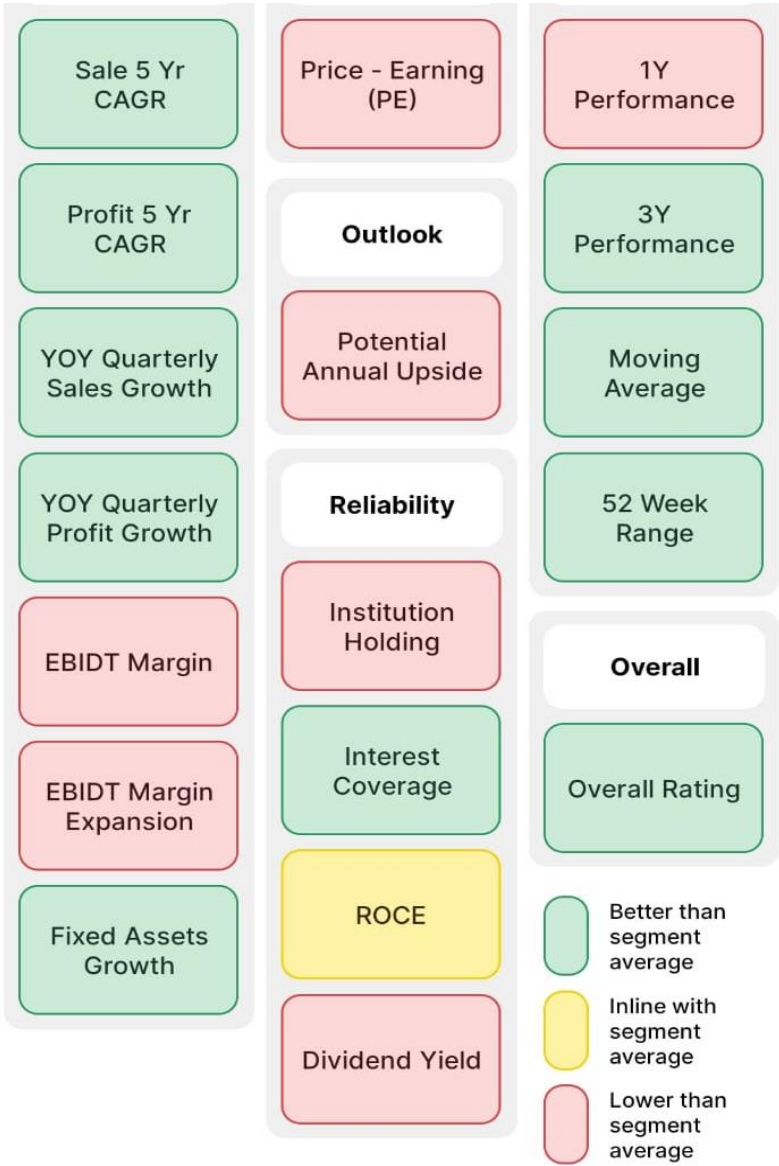
Exhibit 10: Shareholding Pattern

Exhibit 11: Share-holders with > 1%



MORE THAN 1%		% STAKE HOLDING
	Farukbhai Gulambhai Patel	48.73%
	Irfanahmed Shahabuddin Mombasawala	1.72%
	Dhimantrai Chandrashanker Joshi	1.39%
	V Joshi Impex Private Limited	1.26%
	Kutir Navinchandra Patel	1.01%

Exhibit 12: Performance compared to peers in the segment



Top Peer Comparison: Performance & Valuation

Name	Market Cap (Rs. Cr.)	P/E (TTM)	EV/EBITDA	ROCE (%)	ROE (%)	Sales 5Yr CAGR (%)	OP Growth TTM (%)	NP Growth TTM (%)
KPI Green Energy	10,341	32.2	19.2	17.5	18.7	96.2	28.3	18.5
NTPC	3,24,256	13.8	9.0	10.8	13.6	12.4	29.6	12.4
Adani Green	1,62,854	97.9	22.7	8.7	14.6	29.8	78.2	14.8
JSW Energy	92,850	47.6	22.5	6.8	8.1	12.9	37.8	16.6
NHPC Ltd	92,334	30.7	18.1	7.4	7.7	4.3	46.5	29.0
SJVN	41,231	50.4	25.8	4.9	5.8	8.3	47.8	26.6
LC India	33,203	12.7	8.5	10.8	14.9	8.2	22.5	17.2
Median		39.1	20.3	8.0	10.8	10.3	42.1	16.9

Note: OP/NP Growth TTM (%) based on YoY Q3 comparison; all other data reflects latest available financials.

KPI Green demonstrates robust financial health, with a net profit margin of 18.5% — the highest among its industry peers. Additionally, it recorded a Return on Equity (ROE) of 18.7% and Return on Capital Employed (ROCE) of 17.5% in FY25, both outperforming the sector average.

From a valuation standpoint, the company appears undervalued, trading at a Price-to-Earnings (P/E) ratio of 32.2x, which is lower than the peer group average of 39.1x. Given its superior profitability metrics and relatively attractive valuation, the stock holds strong potential for future price appreciation.

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