



KALPATARU PROJECTS INTERNATIONAL LIMITED
(Formerly Kalpataru Power Transmission Limited)

KPIL/25-26
09th July, 2025

BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai - 400 001 Scrip Code: 522287	National Stock Exchange of India Ltd. ‘Exchange Plaza’, C-1, Block ‘G’, Bandra-Kurla Complex Bandra (E) Mumbai – 400 051 Scrip Code : KPIL
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Sub.: Intimation of Credit Rating by India Ratings & Research Private Limited to various facilities / instruments of the Company under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Respected Sir / Madam,

This is to inform that India Ratings & Research Private Limited vide its Press Release dated 08th July, 2025, received by the Company on 08th July, 2025 at about 04:00 p.m. (IST), has affirmed/assigned rating of various financial facilities / instruments of the Company, details of which are given below:

Type of facilities / instruments	Rating Assigned	Rating Action
Long Term Bank facilities	IND AA/Stable	Affirmed
Short Term Bank facilities	IND AA/Stable / IND A1+	Affirmed/Assigned*
Commercial Paper	IND A1+	Affirmed
Non-Convertible Debentures	IND AA/Stable	Affirmed

**for proposed limits*

Please note that it has also affirmed credit rating of IND AA/Stable for a future issuance of Non-Convertible Debentures (NCDs) upto Rs. 100 Crores.

The rating for various NCDs (IND AA/Stable) have been withdrawn, as no amount is outstanding against the said instrument. Further, the Long Term Issuer Rating (IND AA/Stable) have been withdrawn at the request of the Company.

The Press Release *inter-alia* containing Rationale from India Ratings & Research Private Limited is enclosed herewith.

Pursuant to Regulation 55 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated 21st May, 2024, the details in respect of Credit Rating for NCDs of the Company is as under:

Details of credit rating									
Current rating details									
Sr. No.	ISIN	Name of the Credit Rating Agency	Credit rating assigned	Outlook (Stable/ Positive/ Negative / No Outlook)	Rating Action (New/ Upgrade/ Downgrade/ Re- Affirm/ Other)	Specify other rating action	Date of Credit rating	Verification status of Credit Rating Agencies	Date of verification
1	2	3	4	5	6	7	8	9	10
1.	INE220B08134	India Ratings & Research Private Limited	IND AA/Stable	Stable	Affirmed	-	08-07-2025	Verified	08-07-2025



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2.	INE220B08142	India Ratings & Research Private Limited	IND AA/Stable	Stable	Affirmed	-	08-07-2025	Verified	08-07-2025
3.	INE220B08084	India Ratings & Research Private Limited	WD (paid in full)	-	Other	With-drawn	08-07-2025	Verified	08-07-2025
4.	INE890A08086	India Ratings & Research Private Limited	WD (paid in full)	-	Other	With-drawn	08-07-2025	Verified	08-07-2025
5.	INE890A08094	India Ratings & Research Private Limited	WD (paid in full)	-	Other	With-drawn	08-07-2025	Verified	08-07-2025
6.	INE890A08060	India Ratings & Research Private Limited	WD (paid in full)	-	Other	With-drawn	08-07-2025	Verified	08-07-2025
7.	INE890A08078	India Ratings & Research Private Limited	WD (paid in full)	-	Other	With-drawn	08-07-2025	Verified	08-07-2025
8.	INE890A08052	India Ratings & Research Private Limited	WD (paid in full)	-	Other	With-drawn	08-07-2025	Verified	08-07-2025
9	Refer Note#	India Ratings & Research Private Limited	IND AA/Stable	Stable	Affirmed	-	08-07-2025	Verified	08-07-2025

#Note: Since the rating has been affirmed for a future issuance of NCDs, ISIN(s) are not available as of date.

Please take the same in your records.

Thanking you,

Yours faithfully,
For **Kalpataru Projects International Limited**

Shweta Girotra
Company Secretary

Encl.: As above

India Ratings Affirms Kalpataru Projects International’s NCDs and Bank Facilities at ‘IND AA’/Stable; CPs at ‘IND A1+’; Rates Additional Limits; Withdraws Long-Term Issuer Rating

Jul 08, 2025 | Civil Construction

India Ratings and Research (Ind-Ra) has taken the following rating actions on Kalpataru Projects International Limited (KPIL) and its debt instruments:

Details of Instruments

Instrument Type	Coupon Rate	Date of Issuance	Maturity date	Size of Issue (billion)	Rating assigned along with Outlook/Watch	Rating Action
Long-Term Issuer Rating\$	-	-	-	-	WD	Withdrawn
Proposed commercial paper	-	-	-	INR7.5	IND A1+	Affirmed
Non-convertible debentures#	-	-	-	INR5 (reduced from INR5.99)	IND AA/Stable	Affirmed
Proposed non-convertible debentures	-	-	-	INR1 (reduced from INR3)	IND AA/Stable	Affirmed
Fund-based working capital limit	-	-	-	INR25	IND AA/Stable/IND A1+	Affirmed
Non-fund-based working capital limit	-	-	-	INR197	IND AA/Stable/IND A1+	Affirmed
Term loan	-	-	31 March 2028	INR1.075 (reduced from INR1.88)	IND AA/Stable	Affirmed
Fund-based working capital limit	-	-	-	INR0.45	IND AA/Stable/IND A1+	Assigned
Proposed fund-based working capital limit	-	-	-	INR7.55	IND AA/Stable/IND A1+	Assigned
Non-fund based working capital limit	-	-	-	INR8.25	IND AA/Stable/IND A1+	Assigned
Proposed non-fund based working capital limit	-	-	-	INR21.86	IND AA/Stable/IND A1+	Assigned

Proposed fund-based limit of INR0.45 billion has been merged with fund-based working capital limit

Proposed non-fund-based limit of INR1.75 billion has been merged with non-fund-based working capital limit

\$Ind-Ra has withdrawn the rating based on the company's request. This is consistent with Ind-Ra's Policy on Withdrawal of Rating.

Details in Annexure

Analytical Approach

To arrive at the ratings, Ind-Ra has revised its analytical approach to take a fully consolidated view (excluding road special purpose vehicles (SPVs)) from the standalone view earlier, due to the moderate-to-strong strategic, operational, and legal linkages among the parent and its subsidiaries. The ratings factor in the standalone financials of KPIL and all its Indian along with those of its offshore and step-down subsidiaries, while excluding road SPVs — Vindhyachal Expressway Private Limited (VEPL; holds 100%), Wainganga Expressway Private Limited (WEPL; 100%), Brij Bhoomi Expressway

Private Limited (BBEPL; 100%). Ind-Ra has also factored in potential need-based cash flow support to these road SPVs. KIPL has extended a corporate guarantee and provided letter of comfort (LOC) towards the debt of its subsidiaries.

Detailed Rationale of the Rating Action

The ratings reflect Ind-Ra's expectation of sustained consolidated profitability growth over the medium term, driven by a strong revenue momentum, modest margins improvements, and healthy order book supported by robust project pipeline. KPIL, one of the top five engineering, procurement and construction (EPC) companies in the country, benefits from a strong market position with healthy business diversification across segments, geographies and orders. The improvement in the company's credit metrics is likely to remain stable with the net leverage remaining below 1.5x over the medium term and a gradual improvement in the interest coverage ratios.

Although its working capital cycle marginally elongated in FY25, it is likely to reduce in FY26, led by healthy performance in segments such as transmission and distribution (T&D), buildings and factories (B&F), oil and gas and urban infrastructure; a recovery in water projects supported by likely improved funding; and reduced pressure from railways projects. However, the ratings are constrained by likely support to road SPVs and subsidiaries (Shree Shubham Logistics Ltd and Fasttel- Brazil).

List of Key Rating Drivers

Strengths

- Robust business profile; likely to strengthen led by strong order inflows
- Strong track record of execution; likely recovery in EBITDA margins
- Comfortable credit metrics

Weaknesses

- Support to subsidiaries/group companies; likely upside from monetisation
- Elongated working capital cycle; likely to moderate over short- to-medium term

Detailed Description of Key Rating Drivers

Robust Business Profile; Likely to Sustain, led by Strong Order Inflows: KPIL is among the top five Indian EPC players with its consolidated operating revenue (excluding three road SPVs) at over INR220 billion in FY25. In FY25, its total order inflows stood at INR254 billion (FY23: INR300 billion), with a strong orderbook of INR645 billion at end-March 2025 (including INR44 billion orders from its offshore stepdown EPC subsidiaries: Linjemontage I Grastorp AB in Sweden (LMG Sweden) and Fasttel Engenharia S.A., Brasil (Fastell Brazil)). The orderbook-to-sales ratio stood comfortably at around 3x in FYE25. Ind-Ra believes that the strong orderbook position in FY25 would drive double digit revenue growth over FY26-FY27.

KPIL's total orderbook (including subsidiaries) at end-March 2025 was well diversified, with T&D accounting for 41%, followed by B&F (22%), water business (15%), oil and gas infrastructure (12%), urban infrastructure (5%) and railways (5%). Geographically, domestic orders accounted for 59% of its total orders, with overseas orders comprising the balance. The domestic orders comprised government counterparties such as central government/central-state joint ventures (JVs)/public sector undertakings mainly in the transmission, railways, and oil and gas segments and moderate-to-strong private counterparties (mainly in B&F).

Outside India, the company mainly focuses on the T&D and oil and gas business with modest exposure to buildings and roads. A substantial portion of the international orders are backed by multi-lateral agencies such as EXIM Bank of India, Affrican Development Bank, Islamic Development Bank, Gulf Cooperation Council Interconnection Authority, World Bank among others. Ind-Ra draws comfort from the orderbook size as well as its segmental and geographic diversification.

Strong Track Record of Execution; Likely Recovery in EBITDA Margins: On a standalone basis, KIPL's operating revenue increased 13% to INR188.8 billion (FY24: INR167.6 billion) whereas the group's consolidated operating revenue rose 14% yoy to INR220.7 billion (INR193.8 billion; FY23: INR161.6 billion), led by its strong execution. Ind-Ra expects the group to post high-double digit revenue growth in FY26, driven by the strong execution momentum and the robust orderbook position, with a healthy mix of new and ongoing orders.

KIPL's standalone EBITDA margins (adjusted for bank charges) improved to 9.3% in FY25 (FY24: 9.1%; FY23: 9.1%), led by a stable raw material price environment, rising scale, reduced supply chain issues, and completion of legacy fixed-price contracts bagged during the COVID-19 period. However, the consolidated margin remained steady at 8.5% in FY25 (FY24: 8.5%; FY23: 9.6%), primarily due to moderate margins reported by Fasttel and a few international legacy contracts. The absolute consolidated EBITDA recovered to INR18.8 billion in FY25 (FY24: INR16.5 billion; FY23: INR14.0 billion). Ind-Ra expects the company's standalone as well as consolidated EBITDA margins to recover in the medium term, driven by scale-driven operating leverage in an environment of stable raw material pricing (with optimal mix of fixed and variable price contracts). The management expects the standalone profit before tax margins to improve 35bp-40bp in FY26.

Comfortable Credit Metrics: The consolidated reported net leverage reduced to 0.94x in FY25 (FY24: 1.8x), largely supported by improved profitability and a reduction in its working capital debt. The consolidated gross interest coverage (EBITDA/gross interest) remained stable at 2.8x in FY25 (FY24: 2.8x; FY23: 2.8x). Ind-Ra expects the credit metrics to improve steadily over FY26-FY27, driven by the improvement in its profitability, modest moderation in its working capital intensity, and likely inflows from its monetisation.

Support to Subsidiaries/Group Companies; Likely Upside from Monetisation: The company has a portfolio of three build-operate-transfer toll road projects: BBEPL, WEPL, and VEPL. The company continues to support its toll portfolio for any debt servicing requirements. The company is looking to monetise its investments in VEPL for which it signed a definitive agreement in 3QFY25 for selling its entire stake in it. The deal is likely to be completed over 2QFY26-3QFY26, resulting in a net cash inflow of around INR5 billion. Furthermore, to manage repayment obligations of VEPL until asset monetisation, KIPL will continue to provide need-based support of INR200 million-250 million in FY26 (FY25: INR355 million), which will be adjusted in the sale proceeds. WEPL had been served an intention of termination notice by National Highway Authority of India (NHAI; debt rated at '[IND AAA/Stable](#)'), claiming INR3,514.6 million against a payment in premiums and other issues. WEPL has also issued an intention of termination notice to NHAI, due to various contractual defaults. The company does not expect any significant financial implications given the favourable decision awarded by the arbitration tribunal in July 2024.

Elsewhere, the company is looking to monetise its investments in Shree Shubham in the medium term, after a recovery of profitability in the warehousing services. The company is also looking to infuse liquidity in Fasttel for debt repayments. In FY25, the management monetised the entire investments in its Indore real estate business and is likely to receive the sale proceeds of INR1.3 billion in 2025.

KIPL's JV toll project, Kurukshetra Expressway Private Limited (KEPL) — in which it held a 49.7% stake with the remaining held by Bharat Road Networks Limited —was terminated in October 2021 and arbitration for termination payment was in favour of the company. NHAI has challenged the award, and the matter is under appeal. Due to the termination, the lenders of KEPL filed an application to the Debt Recovery Tribunal in July 2024, regarding the project's outstanding debt. KIPL has been made a party to the proceeding, due to its termination debt shortfall undertaking. Any potential financial liability arising for KIPL from this matter is a key rating monitorable. However, the management does not expect any shortfall on the basis of the likely termination payment/claims. Overall, Ind-Ra factors in support of INR600 million-700 million for the road SPVs (including VEPL of INR200 million-250 million which will be adjusted in sales proceeds) and any additional amount will remain a key rating monitorable.

Working Capital Intensive Business; likely to Moderate over Short- to Medium Term: The gross working capital (GWC), at the standalone level, remained at 83% of revenue in FY25 (FY24: 81%; FY23: 81%; FY21-FY22: 74%-75%), largely due to the accumulation of contract assets. This was due to certain milestone-based contracts with elongated payments / work-in-progress stuck due to right-of-way issues as well as the mobilisation expenditure incurred for early-stage projects. The elongated GWC cycle in FY25 was also due to delayed recoveries especially in its water projects. This

has been offset to some extent by the incremental customer mobilisation advances; however, the improved payment cycle of the trade payables led to its net working capital of revenue at 23% in FYE25 (FYE24: 22%). Ind-Ra expects a modest improvement in the GWC over the medium term as continued robust order inflows is likely to lead to further mobilisation advances. Furthermore, a recovery in some of the older receivables is likely to materialise gradually. However, the elevated GWC levels are likely to be supported by a recovery in the EBITDA in absolute and margin terms, leading to an overall improvement in the credit metrics.

Liquidity

Adequate: On a consolidated basis, KPIL had aggregate unencumbered cash and bank balances (including liquid investments) of INR17.4 billion at FYE25. The average monthly peak utilisation of its fund-based working capital limits for the 12 months ended May 2025 stood at 76% while that of the non-fund-based limit stood at 81% till March 2025. The company has repayment obligations of INR1.4 billion in FY26, which the management expects to meet through internal accruals. The management also looks to incur a capex of INR6 billion-6.5 billion in FY26 (FY25: INR5.97 billion). Ind-Ra draws comfort from the available access to the capital markets. Furthermore, to support the liquidity, the company raised qualified institutional placement of INR9.9 billion in FY25. The company has recently enhanced its fund-based working capital facilities by INR8 billion, further improving the liquidity position.

Rating Sensitivities

Positive: A steady increase in the profitability while maintaining segmental, geographic and project-wise diversification with the net leverage (including acceptances) remaining below 1.5x and Ind-Ra-adjusted interest coverage rising above 4x, on a sustained basis, could lead to a positive rating action.

Negative: Deterioration in the profitability, an increase in the working capital lock-up, leading to a rise in the debt, and/or higher-than-expected cash outflows to its SPVs resulting in the net leverage (including acceptances) remaining above 2.0x, on a sustained basis, could lead to a negative rating action.

Any Other Information

Standalone Performance: In FY25, KIPL recorded revenue of INR188.8 billion (FY24: INR167.59 billion), EBITDA margin of 9.3% (9.1%). Its interest coverage was 3.2x in FY25 (FY24: 3.1x) and the net leverage was 0.83x (2x).

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on KPIL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra’s ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

About the Company

KPIL is part of the Kalpataru group which was established in 1969. The Kalpataru group is a diversified conglomerate with interests in EPC and real estate. KPIL, established in 1981 by Mofatraj P Munot, is involved in EPC segment mainly in power T&D segment, railway infrastructure and oil & gas infrastructure and has presence in 70 countries. KPIL has extended its reach in the European market through its subsidiary LinjemontageiGrastorp AB in Sweden and Latin America through its subsidiary Fasttel Engenharia Ltda in Brazil.

Key Financial Indicators

Consolidated	FY25	FY24
Revenue (INR billion)	220.7	193.8
EBITDA (INR billion)	18.8	16.5

EBITDA margin (%)	8.5	8.5
Net leverage	0.94	1.8
Interest coverage	2.8	2.8
Source: Ind-Ra, KPIL		

Standalone	FY25	FY24
Revenue (INR billion)	188.88	167.59
EBITDA (INR billion)	17.56	15.26
EBITDA margin (%)	9.3	9.1
Net leverage	0.83	2.0
Interest coverage	3.2	3.1
Source: Ind-Ra, KPIL		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (billion)	Current Ratings/Outlook	Historical Rating/Outlook			
				10 July 2024	06 June 2024	10 April 2024	11 April 2023
Issuer rating	Long-term	-	WD	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable
Non-fund-based working capital limits	Long-term/Short-term	INR227.11	IND AA/Stable/IND A1+	IND AA/Stable / IND A1+	IND AA/Stable / IND A1+	IND AA/Stable / IND A1+	IND AA/Stable / IND A1+
Non-convertible debentures	Long-term	INR6	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable
Proposed commercial paper	Short-term	INR7.5	IND A1+	IND A1+	IND A1+	IND A1+	IND A1+
Fund-based working capital limits	Long-term/Short-term	INR33	IND AA/Stable/IND A1+	IND AA/Stable / IND A1+	IND AA/Stable / IND A1+	IND AA/Stable / IND A1+	IND AA/Stable / IND A1+
Term loan	Long-term	INR1.075	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Commercial paper	Low
Fund-based working capital limit	Low
Non-convertible debenture	Low
Non-fund-based working capital limit	Low
Term loan	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity- indicators>.

Annexure

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
NCDS	INE220B08134	13 June 2024	8.35	11 June 2027	INR3	IND AA/Stable

NCDs	INE220B08142	12 November 2024	8.32	12 November 2027	INR2	IND AA/Stable
NCDs	INE220B08084	12 January 2022	6.15	10 January 2025	INR2	WD (paid in full)
NCDs	INE890A08086	04 November 2022	Repo Rate Linked	4 November 2025	INR0.5	WD (paid in full)
NCDs	INE890A08094	04 November 2022	Repo Rate Linked	4 November 2024	INR0.5	WD (paid in full)
NCDs	INE890A08060	17 October 2022	Repo Rate Linked	17 October 2024	INR0.375	WD (paid in full)
NCDs	INE890A08078	17 October 2022	Repo rate linked	17 October 2025	INR0.375	WD (paid in full)
NCDs	INE890A08052	15 December 2021	9.8	13 December 2024	INR0.24	WD (paid in full)
Proposed NCDs	-	-	-	-	INR1	IND AA/Stable
Source: KPIL, Ind-Ra						

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About India Ratings and Research: India Ratings and Research (Ind-Ra) is committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit www.indiaratings.co.in.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

The Rating Process

Short-Term Ratings Criteria for Non-Financial Corporates

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