

# K.P. ENERGY LIMITED

## 7<sup>th</sup> ANNUAL REPORT

### 2015-16



**KP ENERGY**  
Energy is here!

CIN: L40100GJ2010PLC059169



## Message from the Managing Director



**Farukbhai Gulambhai Patel**  
Managing Director

Dear Partners,

हजारों ख्वाहिशें ऐसी कि हर ख्वाहिश पे दम निकले,  
बहुत निकले मेरे अरमाँ, लेकिन फिर भी कम निकले .....

Remembering Mirza Galib's words on this grandeur occasion of presenting Annual Report of KP Energy in a public forum, I want to openly admit that our dreams, our ambitions and our targets are so high that whatever efforts and hard-work we put in will be less! Whatever we will achieve, will turn out to be a miniature and small when compared with final goal! निशान यूँ माई पाए नहि माई नीयुं निशान.

No matter, the FY 2015-16 balance sheets has shown multiplier growth in terms of turnover, asset base, profits and reserves. There is much larger canvas, remaining to be coloured! The market is extremely big, opportunities are ample and we have a very long way to go.

Ever since, when I incorporated business in 1994, word logistics, construction, infrastructure, erection, timelines, etc. have become integral part of life. Our wind energy venture in 2010 was an impulse to utilize these expertise and exposure obtained from telecom industry in almost two decades into renewable sector. We came up with a very practical but innovative module to scale up the volumes by providing windy lands, complete balance of plant and wind-farm infrastructure as an independent entity leaving technology and wind turbines to their masters.

Our journey from 1<sup>st</sup> site acquisition in 2011 to about 13<sup>th</sup> in current financial year is result of unstinted efforts and synergy with requirements of industry with our own systems. To get converted from a closely hold and managed unit into a public limited company, raising public issue, though small in size, big in ideological change is one of the strong move towards destiny and accomplishing the size, volume and accreditation coalesced in those ख्वाहिशें.

We are extremely thankful for overwhelming response to our public offer and faith on our capabilities. We have been enlightened now of the combination of power of capital with exertion.



मेरी जुबाँ पे शिक्वा-ए-अह-ए-सितम नहीं  
मुझको जगा दिया यही एहसान कम नहीं !

We are no more afraid of the challenges of execution and no complaints with resource constraints, we will keep working hard to achieve bigger and better, year over year. Growth of renewable sector in India, positive & pragmatic steps taken by government and phenomenal investments flowing in, now leave us to decide, how much more can team, KP Energy will do? Getting grip over opportunities at right time itself is the biggest blessing today we all have!

*Faithfully yours, Faruk Patel*



## Message from the Whole Time Director



**Ashish Ashwin Mithani**  
Whole Time Director

Dear Stakeholders,

Team KP Energy has accomplished some of the most aspiring accolades in wind industry in the year 2016. On ground performance on some of the most difficult terrains amidst tremendous challenges, risks and constraints proved the mettle of team and glittering future of KP Energy in coming times.

Execution of Project remains the biggest restraint in the growth of wind industry. The installation capacity figures of country are not just a result of the policy & incentives. Rather, it shows that only these numbers were achieved despite availability of suitable measures! Wind Industry operates in the middle of public, beyond guarded gates, bounded walls and trussed roofs, on mostly abandoned terrains, with mighty

logistics carriage infrastructure needs. The limitations are many; hence chances to multiply are not so many!

The revenue growth from about Rs. 9.0 Cr in 2014 to ~ 27 Cr in 2015 and Rs. 41.45 Cr in 2016 is certainly very exciting as it relays the confidence and capability; company has gained, overcoming the aforesaid constraints. Again, project deliveries in time and in budgeted costs are illusions in present era. Here also, company has show extra ordinary efficiency by achieving jump from 5% to 16% in 2015 and again 19% in 2016, which remains best in industry.

Company's operating competence is further demonstrated in expanding the asset base to serve the clients. Against the equity capital of Rs. 3.42 Cr, fixed assets capitalised as on 31<sup>st</sup> March, 2016 stands at Rs. 25.41 Cr. In time inventory management, robust cash flow arrangements and absolutely focussed cost controls have lead us to give these results.

Year 2017 is now going to be extremely exigent as expectations to keep constantly growing remains a top priority. We are targeting to multiply our last year numbers to almost three times! And this will be possible due to large order book already in advance stage of execution at the moment. The team in terms of strength, skill & expertise has also grown manifold.

We do have now, privilege to owe our own power generating asset along with strong EPC business line. Our 2.1MW wind turbine has commenced operating since March 2016 at Matalpar and will give full year revenue from sale of power in the year 2017. This strategy of adding owned wind turbines will be shot in arm during testing times in retaining cash flows and committed manpower for the company.



Moreover, the land bank available to the company will enable it to go much beyond its targeted 291.9MW and ahead of schedules. We have already crossed mark of micro siting 200 WTG Spots on the revenue maps of Gujarat, which will be a prominent destination for wind energy investments in next five years for the country.

Our relationship with the industry leader M/s. Suzlon Energy has got strengthened with about 115.5MW of institutional business under joint execution (55 nos. of S97 2.1MW wind turbines of 120m hub height, the highest in the country at present).

All the parameters of performance and future growth sticks are now in our favour. Our capabilities are proven. Opportunities are abundant. Policies are stable. Investment environment is favourable. Above all, blessings from Almighty are blistering. Let us strike the iron as much as we can, its' already hot!

Gratefully yours, Ashish A Mithani



# ABOUT K.P. ENERGY LIMITED



K.P. Energy Limited provides complete solutions from concept till completion of the project life-cycle of a Wind Project. Activities covered are Siting of Wind-farms, Lands & Permits acquisition, EPCC (Engineering, Procurement, Construction & Commissioning) of Wind Project Infrastructure including power transmission and Operations & Maintenance of entire Balance of Plant of a Utility Scale Wind-farm. Business model of company is designed to bring scalability in wind sector by serving OEMs (Original Equipment Manufacturers) of Wind Turbines, IPPs (Independent Power Producers), Captive Users as well as Institutional Investment Programmes.

The Business model of development of Wind Projects by K.P. Energy Ltd is as explained below:



The goal of the company is to bring together all the key stakeholders of a wind power project and ensure efficiencies of time, cost, quality and resources. We have fully commissioned 33.60 MW Wind Energy projects from our Farm at Ratdi, Porbander. Further we have commissioned 21.00 MW at Matalpar in FY 2015-16, the power evacuation facilities for Matalpar have already been commissioned. Further, Wind Projects at various locations (including those being executed through our subsidiaries) having aggregate proposed capacity of approximately 232 MW are at different stages of implementation where Siting, land acquisition, power evacuation & development tie-up is internally clipped for commissioning by 2017. In addition to the Wind Power Project Development business, Company became an Independent Power Producer in Wind Energy with own generating asset of 2.10 MW commissioned in FY 2016 utilising IPO proceeds.







