

A large circular graphic is centered on the page. The left half of the circle is a solid dark blue. The right half is a photograph showing a large blue and yellow crane on the right, lifting a component of a wind turbine. In the background, several wind turbines are visible on a hilly landscape under a blue sky with clouds.

# KP ENERGY LIMITED

9th Annual Report  
2017-18

**KP ENERGY**  
Energy is here!







Mass Plantation Drive 2017-18,  
Matalpar & Mahuva, District Bhavnagar





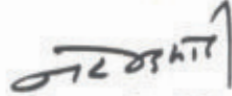
પ્રધાન મંત્રી  
Prime Minister

સંદેશ

કે.પી એનઈ બિમિટેડ દ્વારા મહુવા વિસ્તારમાં લોકપયોગી વૃક્ષો  
અને દરિયાકાંઠે ચેરના વૃક્ષારોપણનો કાર્યક્રમ હાથ ધરાયો તે જાણી આનંદ થયો.

પર્યાવરણનું જતન આપણી જવાબદારી છે અને આ પ્રકારના  
પ્રયાસ સરાહનીય છે.

શુભેચ્છા સહ,

  
(નરેન્દ્ર મોદી)

નવી દિલ્લી

૦૬ ઓગસ્ટ, ૨૦૧૮

**Shri Ashish Mithani**  
Director & CEO  
K P Energy Ltd.  
A-1/2, Firdos Tower  
Adajan Patia, Surat  
Gujarat- 395009





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# CORPORATE INFORMATION

Name	Designation	Director's Identification No.
Mr. Bhupendra Vadilal Shah	Non-Executive Non Independent Director	06359909
Mr. Ashish Ashwin Mithani	Whole Time Director	00152771
Mrs. Bhadrabala Dhimantrai Joshi	Non-Executive Non Independent Director and Chairperson	07244587
Mr. Farukbhai Gulambhai Patel	Managing Director	00414045
Mr. Raghavendra Rao Bondada	Non-Executive Independent Director	01883766
Mr. Sajesh Bhaskar Kolte	Non-Executive Independent Director	07277524

## COMPANY SECRETARY & COMPLIANCE OFFICER:

Mr. Karmit H. Sheth

## CHIEF FINANCIAL OFFICER:

Mr. Pravin R. Singh

## STATUTORY AUDITORS

M/s K A Sanghavi & Co. LLP  
1001/02/03, Rajhans Bonista,  
Ram Chowk, Ghod dod Road, Surat.

## REGISTERED OFFICE

A-1/2, Firdos Tower,  
Behind Fazal Shopping Centre,  
Adajan Patia, Surat-395 009  
Gujarat, India  
Tel.: +91-261-2764757  
Fax : +91-261-2764757  
Email: info@kpenenergy.in  
Website: www.kpenenergy.in

## SECRETARIAL AUDITOR

M/s SJV & Associates  
Prop. Ms Janki Shah

## BANKER TO THE COMPANY

State Bank of India  
Specialised Commercial Branch  
1st Floor, Kiran Chambers,  
Opp. J K Tower,  
Ring Road, Surat-395002.

## REGISTRAR & SHARE TRANSFER AGENT

M/s Big Share Services Pvt. Ltd  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri (East), Mumbai-400059,  
Maharashtra, India  
Email: ipo@bigshareonline.com  
Website: www.bigshareonline.com.

## INTERNAL AUDITOR

Mr. Harsh Shaileshkumar Shah  
Chartered Accountant

## COMMITTEES OF BOARD

### AUDIT COMMITTEE

Mr. Sajesh Bhaskar Kolte, Chairman  
Mr. Raghavendra Rao Bondada, Member  
Mr. Farukbhai Gulambhai Patel, Member

### STAKEHOLDER RELATIONSHIP COMMITTEE

Mr. Raghavendra Rao Bondada, Chairman  
Mr. Sajesh Bhaskar Kolte, Member  
Mr. Ashish Ashwin Mithani, Member

### NOMINATION & REMUNERATION COMMITTEE

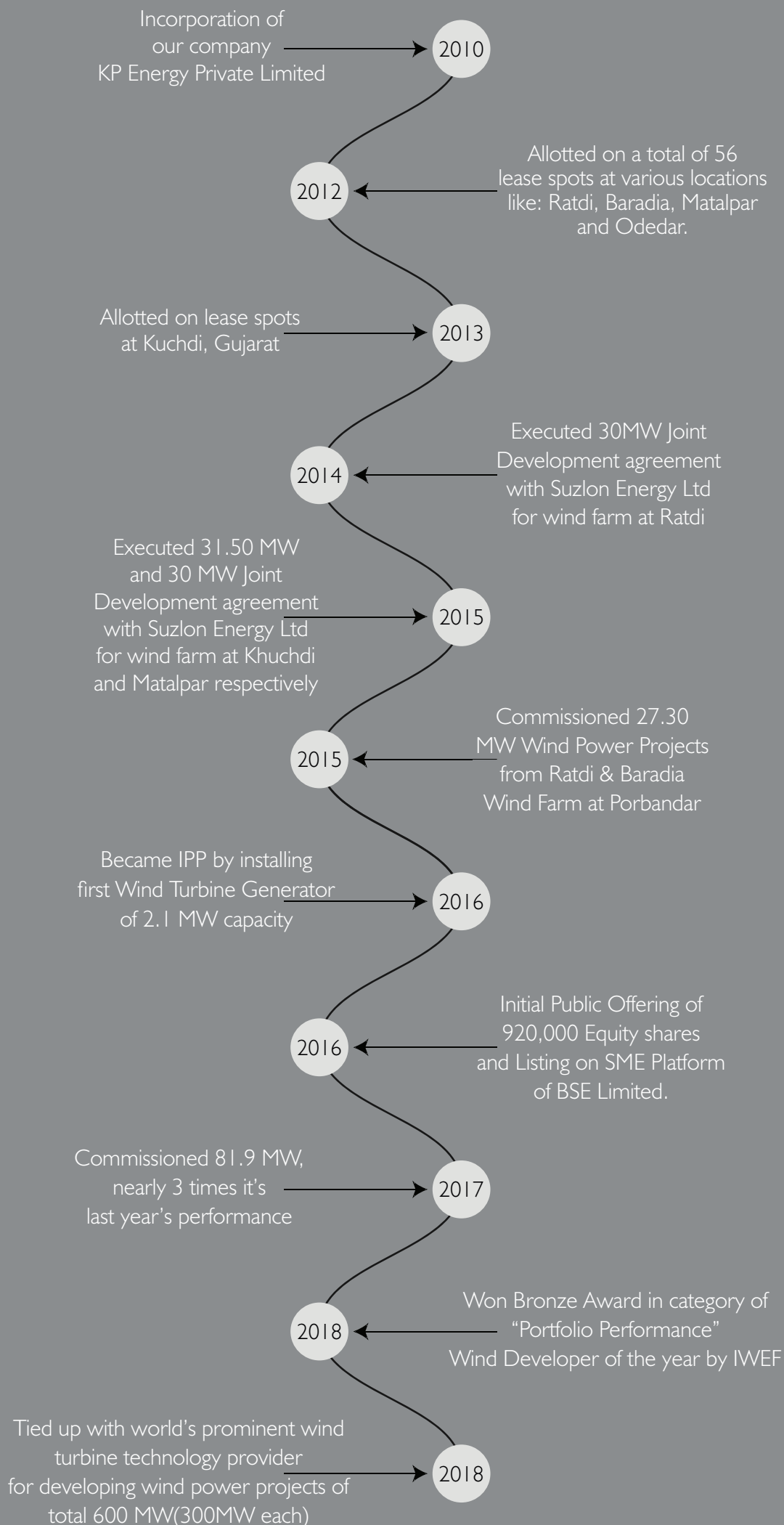
Mr. Sajesh Bhaskar Kolte, Chairman  
Mr. Raghavendra Rao Bondada, Member  
Mrs. Bhadrabala Dhimantrai Joshi, Member

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Sajesh Bhaskar Kolte, Chairman  
Mr. Farukbhai Gulambhai Patel, Member  
Mr. Ashish Ashwin Mithani, Member



# OUR JOURNEY





# MESSAGE FROM THE MANAGING DIRECTOR



*Dear Partners,*

सीढ़िया उन्हें मुबारक हो;  
जिन्हे छत तक जाना है,  
मेरी मंज़िल तो आसमान है,  
रास्ता मुझे खुद बनाना है।

A target of 175GW of Renewable Energy Capacity by 2022 was looking like an impulse and naive few years back. Achieving Utility Scale Project Capacity of 60GW Wind & 60GW Solar, virtually in 6-7 years appeared to be a fantasy, too good to hear, too difficult to deliver! It now appears that current pace of projects, bids, investors, bankers, manufacturers and developers put together would over-achieve this once-upon-a-time, sky-high target.

Like India, KP Energy also has determined very aggressive targets and a company doing capacities around 50MW-100MW is now on spree to get into manifold numbers and accomplishing 1231MW projects before 2022. Looking from projects on hand and on the anvil, the inroads to *Manzil* though appearing far is being paved!

From a magnificent year for the country in 2017 with about 5.5GW wind capacity addition, the journey tumbled to about 1.7GW in 2018. It was a tremor felt by each and every stakeholder in the Wind Industry. In stark contrast, solar capacity addition of 5.5GW in 2017 grew by 9GW in 2018! All these appeared as if in India, winds have stopped blowing and solar generation have become 24x7!

वह पथ क्या, पथिक कुशलता क्या,  
जिस पर बिखरे शूल न हो,  
नाविक की धैर्य परीक्षा क्या,  
यदि धाराएं प्रतिकूल न हो,

The capacity addition in Gujarat in 2018 was ~ 258MW (20% of Last year) and contribution of KP Energy was ~29MW (35% of Last year). And here lies the inherent strengths of your company and its driving mechanism! It has registered a downfall close to half of its turnover, but managed to still remain in green! It actually, with changed winds, changed regulatory norms, bids from pre-determined tariffs, State off-taker to Central off-taking arrangements, because of its flexibility to change, adoptability to mould, visionary maturity to convert adversities into opportunities, have aligned well immediately.

In the new era, KP Energy have added skill sets, sites, technology and orders to mark up FY2019 a robust performance display in stormy winds! And we are going aggressive in building pathways to Utopia! I, on behalf of Team KP Energy, am quite eager to greet you at Avadh Utopia, Surat on 29<sup>th</sup> September, 2018 AGM.

***Very truly yours,  
Faruk Patel***



# MESSAGE FROM CEO



*Dear Patrons,*

Namaste. Immensely overwhelmed by your patronage! Your faith on us actually prompted us to scoop out our hidden potential and natural instinct to stay afloat in deep & drifting waters. Your company have actually stood out uncommon amongst the peers in the industry.

While the whole of Indian Wind Industry was flabbergasted on tragic end of feed-in-tariffs, Gujarat, a torch-bearer for Renewable Platform too got ruffled on prices/bids/capacities/RPO, we took some distinct and precise changes in the year 2018 –

***Change Site to suit the Requisite!*** - Immediate work on acquisition of new sites close to Central Grid within Gujarat where it had no presence, as it was must to feed SECI bids.

***Change Scale to fit the Whale!*** – Scout & plan each site of ~300MW and in multiples instead of its size of 30-50MW in last decade, must to fit large capacity bids.

***Change Order to hit the Border!*** – Growth & scalability would not be accomplished with one OEM, had tied up and signed business pacts with world class players – GE & Servion.

***Change Class to beat the Blast!*** – Drew and led a consortium with FII to bid lowest tariff of Rs. 2.43, demonstrated that even on small projects, tariffs can be most competitive!

***Change weapons and not the warriors!*** – With almost same team mates & tools, but change in style, process and practices, company will multiply delivery within dates.

The post mortem of Annual Results of 2018 certainly unfolds many great lessons – few worth sharing with you are:

1. Topline of EPC revenues will keep changing, secure bottom line. Your company have started acting on the measures.

2. Illuminate growth drivers, profits would automatically brighten. Your company has given core attention to win & whip projects through addressing key elements which are pain points of clients, meeting expectations from both ends

3. Cash-flow is vital to propel growth, invest on liquid assets. Yes, when topline declines or when industry encounters lull hours, it is vital to invest of immediate opportunities to overcome existence challenges.



Today, we are back on driver's seat. Current Year trends too are very encouraging. Our top, bottom and middle, all lines are reverberating. From almost 30MW in entire last year, we are queuing up multiplication this year. Mahuva definitely went too slow on execution with devastating floods & groundless unrests, but demonstration of team spirit and skills went upright with a quick execution of 2.5MW proto of technology amidst many challenges. This WTG will be used at first 300MW project site at Gadhsisa, Kutch. Plantation drive of the team was honoured by none other than Prime Minister of India, Shri Narendrabhai Modi, and many other dignitaries.

This year will see completion of 50.4MW Torrent Project rolled over from last year. Efforts are also laid to see completion of major actions on 31.5MW project won under bid at Mahuva-II. The actions at Kutch in early commissioning of the power evacuation and other challenging activities on SECI bid would drive the topline of the company.

I do recollect one of my question to Finance Minister of India in a CEO Conclave, organised at Vibrant Summit, Gujarat 2015 where I asked, when India needs wind energy (being majorly indigenised) to bring energy security & environment benefits, why it is added only in MWs every year? With bids of 2GW in series and in flow, I get answer by actions for energy vitality of my Country & all stake holders of Industry.

I see many avenues meeting the milestone targets of 31<sup>st</sup> March, 2019. This year, shall not only make up the unachieved dreams of 2018 but will set pace & pathways for your company to cross the expected top line mark of Rs. 5 billion gross & expected bottom line mark of Rs. 1 billion by next year.

I do recollect a lesson from preaching of Swami Vivekananda –

**“Persevere on, my brave lads,  
We have only just begun, Never  
despond! Never say enough!”**

We shall persevere on our goal to make this world a better place to live.

***Jay Hind,  
Gratefully yours,  
Ashish A Mithani***



## KPEs VALUE PROPOSITION

KPE is involved in providing complete end to end, Balance of Plant (BoP) solutions to wind energy investors and wind turbine generator (WTG) manufacturers.

Company's **E**ngineering, **P**rocurement, **C**onstruction and **C**ommissioning business is uniquely positioned to address to the problems and headaches of IPPs and WTGs.

KPEs offerings comprehensively address the key issues in setting up of a wind farm. At our proposed project, usually a WTG manufacturer needs to only supply the WTG and supervision, specification and construction drawing. Rest all the activities for installing and energising WTG is taken care of by us. We also undertake to Operate and Maintain these BoP facilities through-out project life.