

Suzlon Energy

Suzlon 2.0: Leaner, Stronger, Profitable

Rating: Buy

Target Price (12-mth): Rs.81

Current market price: Rs.66



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Key data	Suzlon IN / SUZL.BO
52-week high / low	Rs86 / 46
Sensex / Nifty	83,570 / 25,499
Market cap	Rs881bn
Shares outstanding	13708m

Shareholding (%)	Sep'24	Dec'24	Mar'25
Promoters	13.25	13.25	13.25
- of which, Pledged	-	-	-
Free float	86.75	86.75	86.75
- Foreign institutions	23.72	22.87	23.04
- Domestic institution	9.02	9.31	8.73
- Public	54.02	54.56	54.98



Summary

Backed by financial restructuring, resulting in a net cash position of Rs8.3bn, market leader Suzlon (15.1GW installed domestic wind capacity), has strongly turned around. Its record-high 5.6GW order book—3.6x FY25 execution—ensures robust assurance. With India targeting 10GW annual wind additions through 2030 and supportive policies (RPO, ISTS, RLMM, hybrids), the sector's tailwinds are strong. The company is set to capitalize on this, with expected deliveries of 2.5GW in FY26 and 3.2GW in FY27. We re-initiate coverage on the stock with a Buy recommendation, valuing it at 40x FY27e PE and a target price of Rs 81.



Market Leader

Leading India's wind turbine market (15.1GW installed capacity), Suzlon has a commanding near 30% market share. Its record-high order book (5.6GW) is 3.6x its FY25 execution volumes, offering strong long-term growth assurance and ensuring a steady project-execution pipeline.



Turnaround story

A turnaround story, the company underwent massive re-structuring to reduce its debt. This financial engineering propelled it to a net cash of a healthy Rs8.3bn today, testament to its disciplined revival strategy.



Industry tailwinds

Demand for electricity is expected to rise at a steady 5-7% over 2025-30. With the greater emphasis on non-fossil-fuel generation (500GW renewables capacity), MNRE targets ~10GW annual wind-capacity addition till 2030. Besides, with policy initiatives such as RPO, ISTS, RLMM and increasing government tenders basis hybrid and/or FDRE, the wind-turbine sector is likely to see an upswing.

Investment summary (cont.)



Valuation

After navigating a difficult decade, Suzlon has staged a robust recovery. Because of its huge order backlog and a robust pipeline supported by national RE targets, we maintain our positive outlook on the stock. We expect deliveries of 2.5GW in FY26 and 3.2GW in FY27. We value the stock at 40x PE on FY27e, given strong tailwinds, and re-initiate coverage with a Buy recommendation and a target price of Rs 81.



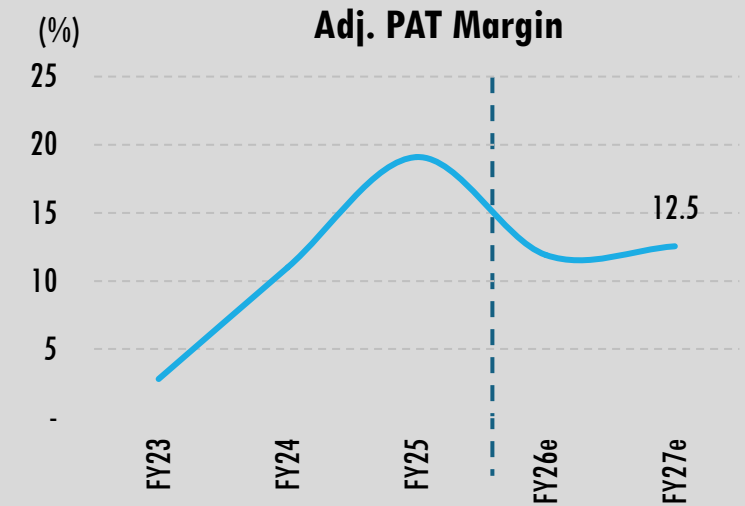
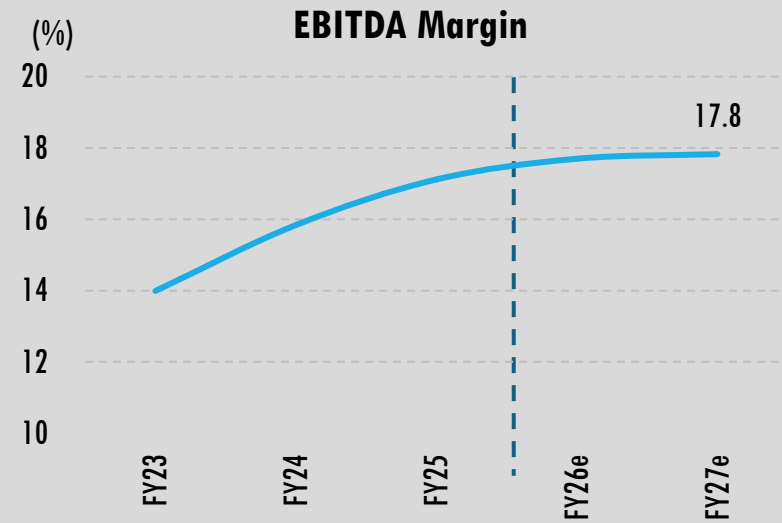
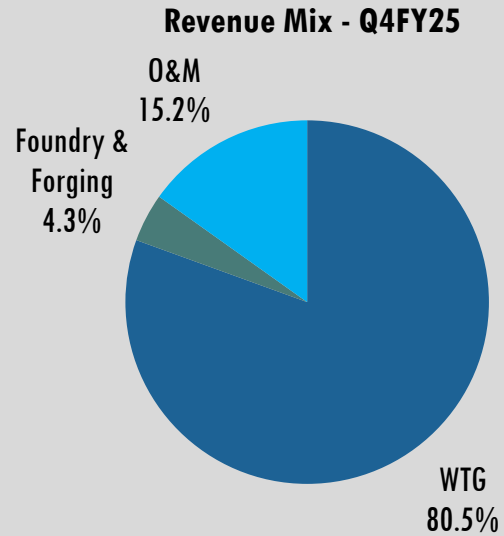
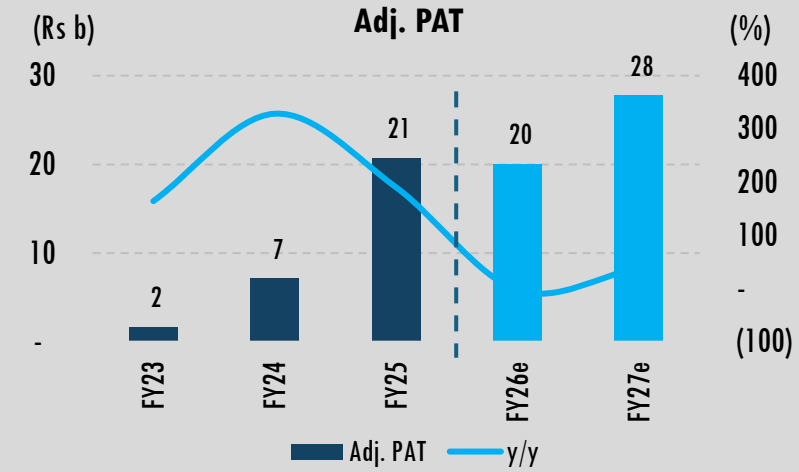
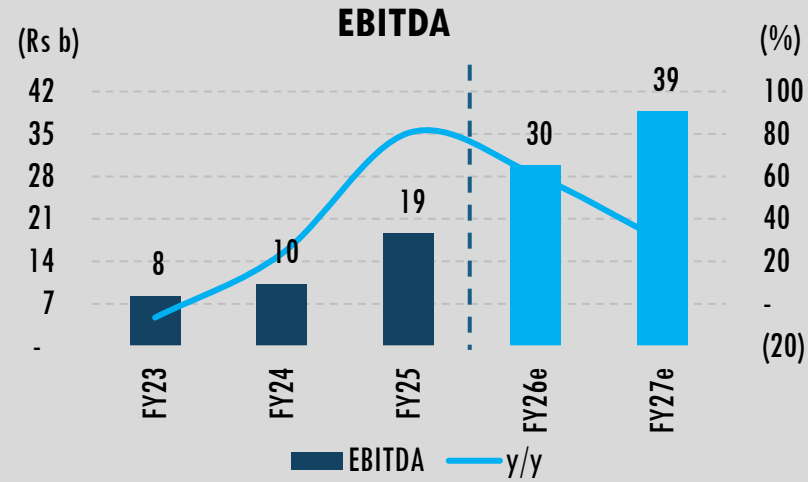
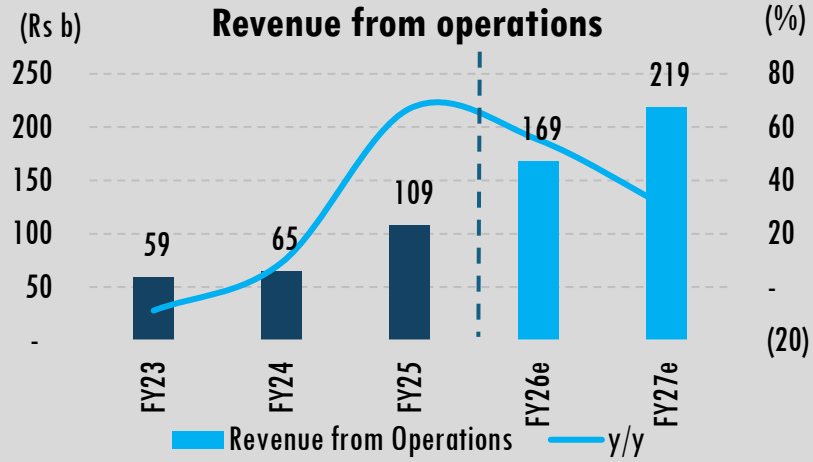
Risks

Government policy shifts, slower-than-anticipated offtake on project commencements, low promoter holding.

Key financials (YE Mar)	FY23	FY24	FY25	FY26e	FY27e
Revenue (Rs m)	59,705	65,291	1,08,897	1,68,990	2,19,900
EBITDA (Rs m)	8,319	10,289	18,572	29,825	39,101
PAT (Rs m)	1,667	7,142	20,716	20,068	27,800
EPS (Rs)	0.1	0.5	1.5	1.5	2.0
P/E (x)	58.2	77.1	43.1	44.4	32.3
EV/EBITDA (x)	13.5	53.3	47.7	29.1	21.6
P/BV (x)	8.8	14.0	14.6	11.0	8.2
RoE (%)	15.2	18.2	33.9	24.7	25.5
RoCE (%)	18.8	20.6	24.9	30.8	31.0
Dividend yield (%)	-	-	-	-	-
Net Debt/EBITDA (x)	1.9	-0.3	-0.4	-1.0	-1.4

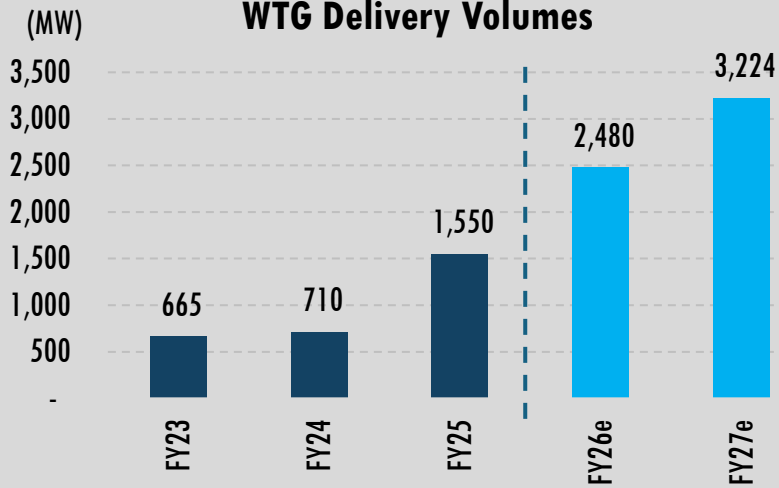
Story in charts

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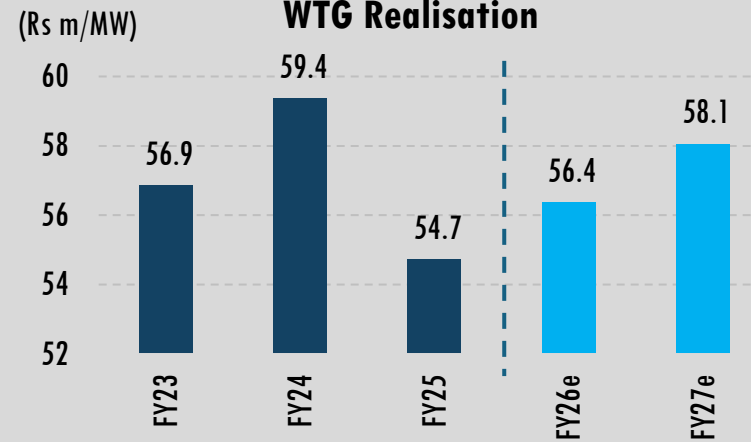


Story in charts (cont.)

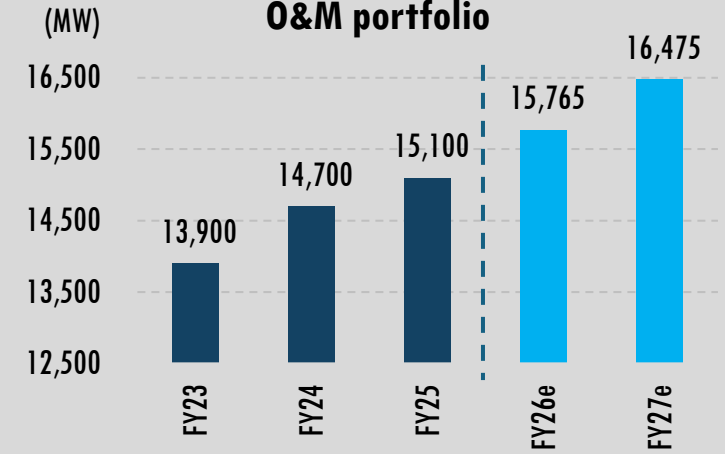
WTG Delivery Volumes



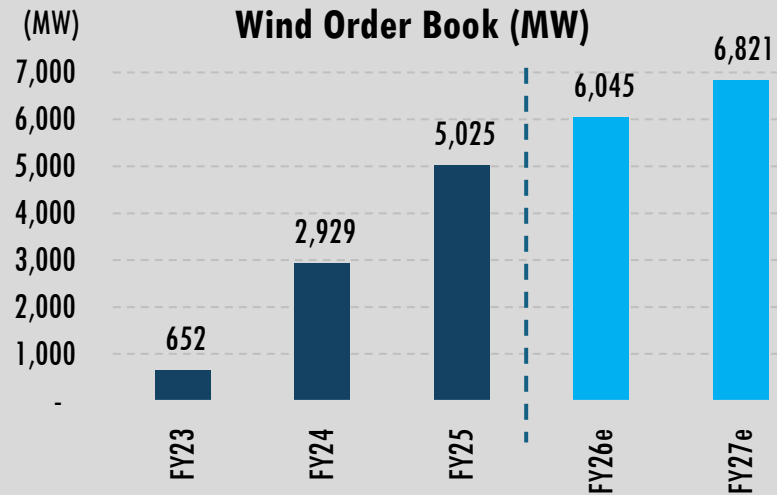
WTG Realisation



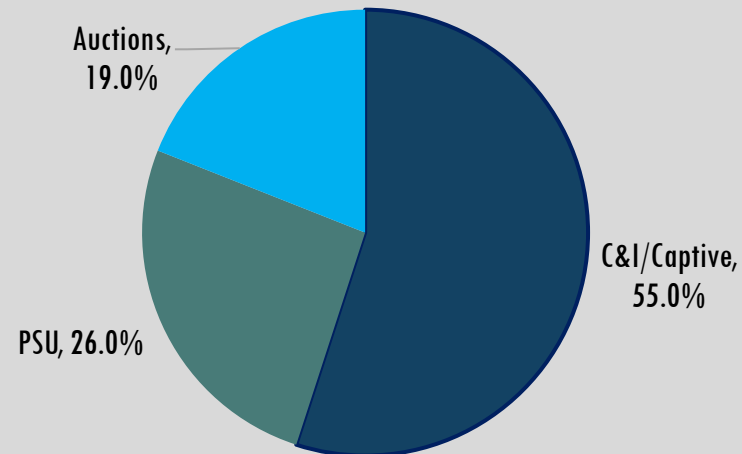
O&M portfolio



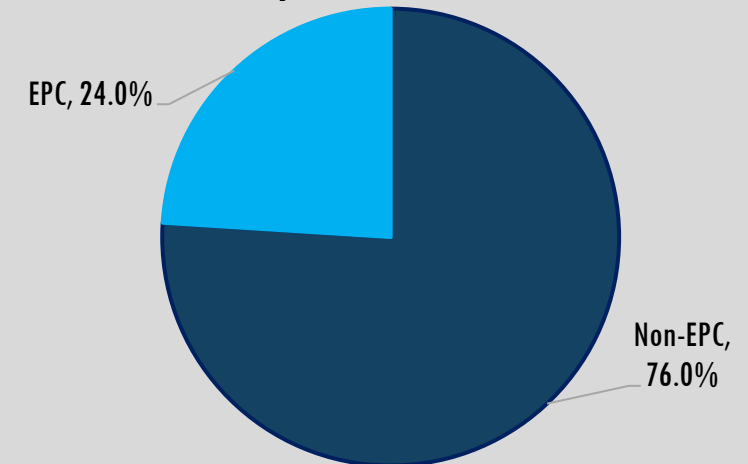
Wind Order Book (MW)



Order Book mix as of FY25



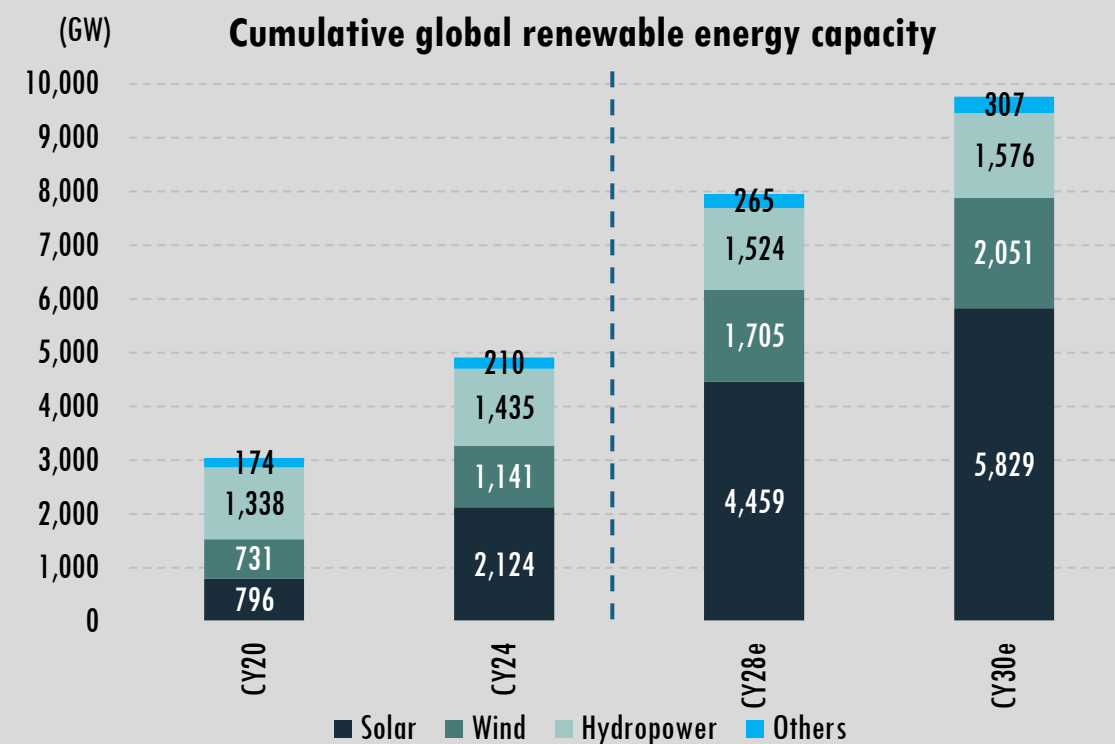
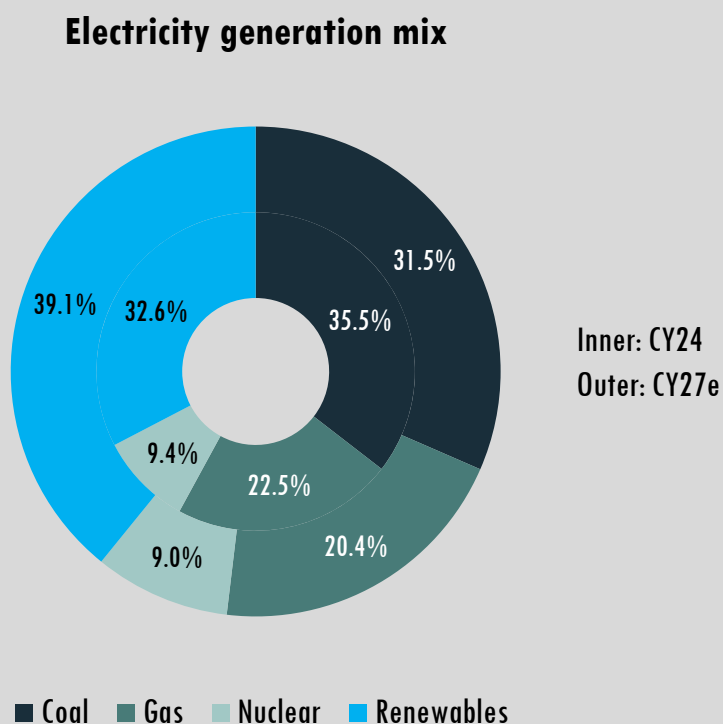
Scope mix as of FY25



Global renewables capacity additions remain strong

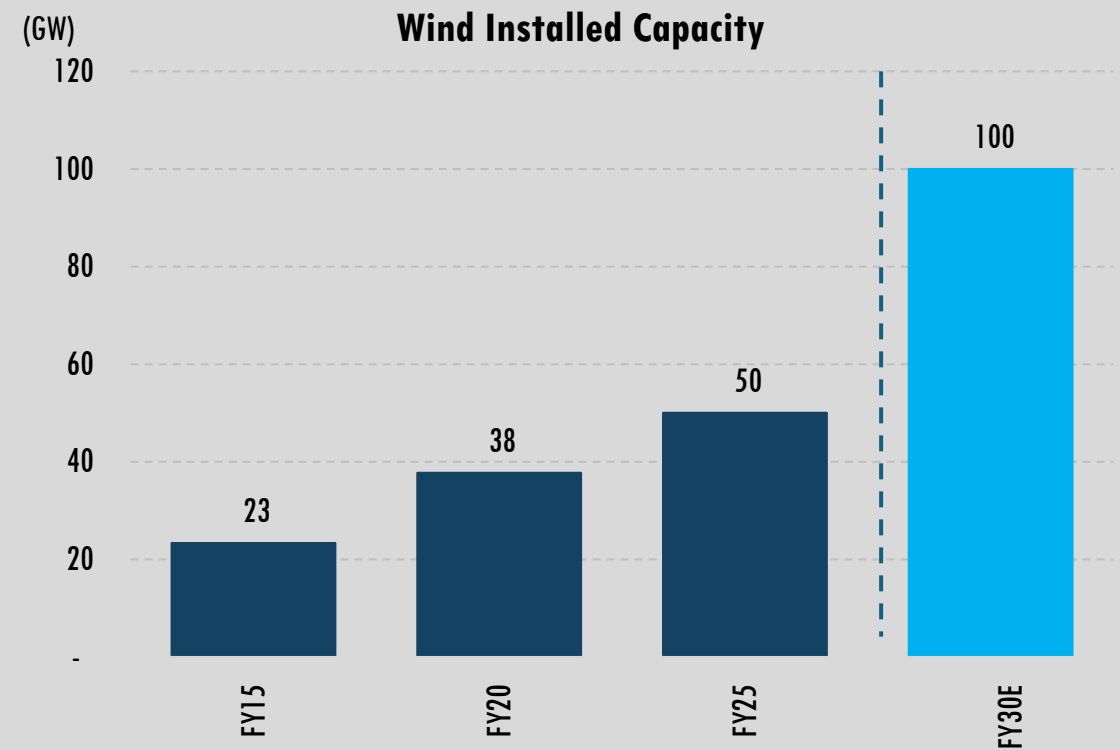
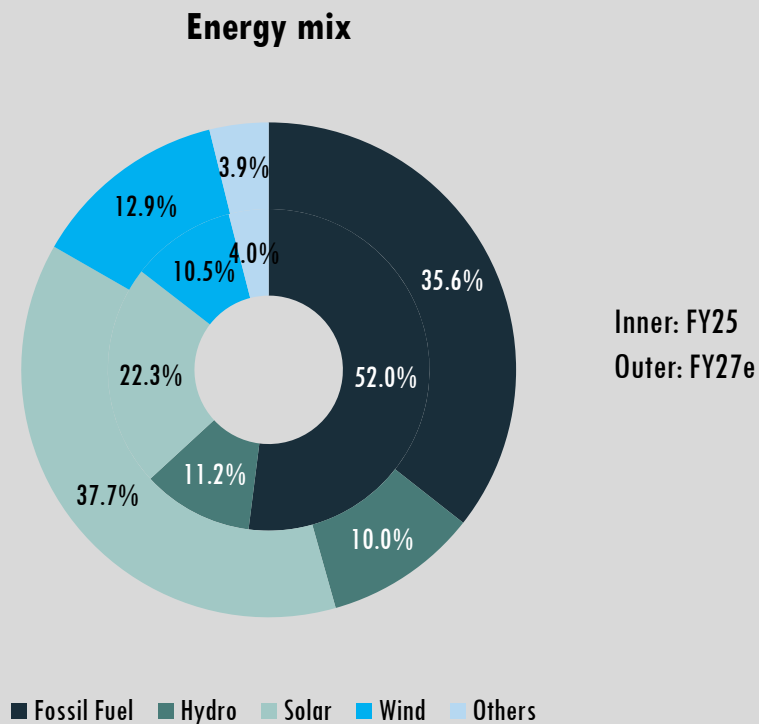
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- The International Energy Association (IEA) expects global demand for electricity to grow $\sim 4\%$ by CY30. On the supply side, renewable energy capacity addition and generation are expected to grow faster and contribute $\sim 39\%$ to the generation mix by 2027, up from 32% now.
- Wind energy, $\sim 23.2\%$ of renewable installed capacity, is set to rise from 1,141GW to 1,550GW, largely due to 75GW added in China.
- Of the 117GW wind capacity addition in CY24, the top five markets (China, the USA, Germany, India, Brazil) added 94.6GW. These countries now account for 81% of annual additions and 73% of global wind-turbine capacity.

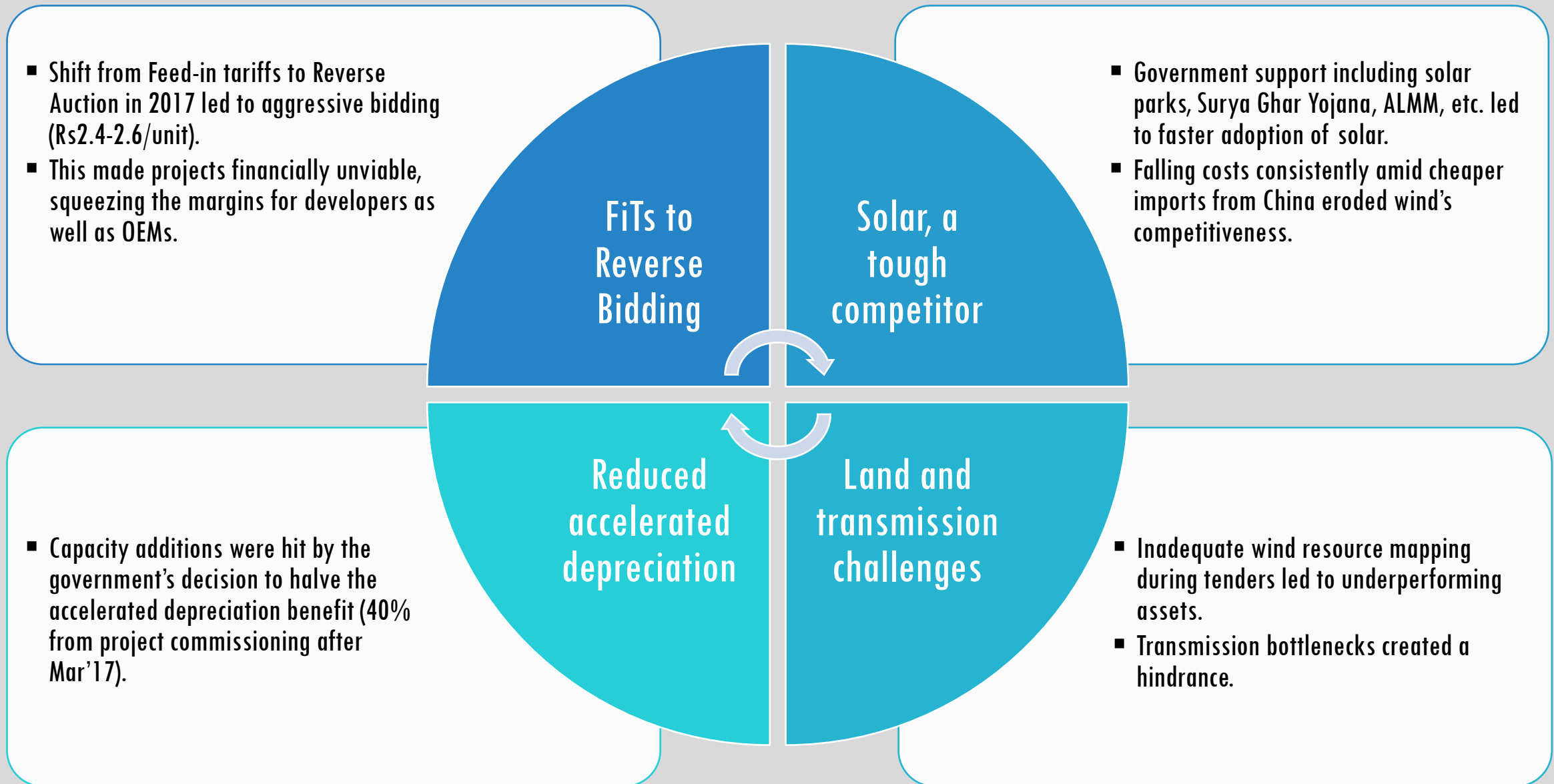


India targets 500GW renewable capacity by 2030

- India's installed power generation capacity was 475GW in FY25 (MNRE). By 2030, this is projected to rise to 777GW, with renewables contributing 500GW, signaling a major shift in the country's energy landscape. This clean-energy transition will be primarily driven by solar, hybrid (solar+wind), FDRE (solar+wind+battery) projects, underpinned by supportive policies, falling technology costs and India's broader de-carbonisation goals.
- In wind energy, India is the fourth-largest producer globally with 50GW installed capacity. The government targets 100GW of wind-turbine installations by 2030, which translates to a target of adding ~10GW annually.



The struggle – After peaking in 2017



The change – A structural shift

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Increased government focus

- Wind capacity additions surged to 4.2GW in FY25, a significant jump from just 1.1GW in FY22. To achieve its target of 100GW by 2030, the government aims to add around 10GW of wind capacity each year.
- Increased emphasis from the government on hybrid (wind + solar) and FDRE (firm and dispatchable renewable energy) projects is expected to aid higher demand for wind.

Bidding emphasis on commercial viability

- New guidelines mandate stricter evaluation of bidders' financial capacity and track record with emphasis on calibrating financial criteria to attract more bidders without compromising project viability.
- In February 2025, the Ministry of Power amended tariff-based competitive bidding process guidelines with key amendments including revised penalties for generators failing to meet minimum Capacity Utilization Factor (CUF) targets.

Key Policies and Initiatives

- National Repowering and Life Extension Policy (2023) allows replacement of older wind turbines with more efficient models before end of design life. Potential estimated at 25.4GW for wind turbines below 2MW capacity.
- Green Energy Corridor aims to integrate renewable energy into the national grid through high-voltage transmission lines connecting resource-rich regions to demand centers.

The change – A structural shift (cont.)

RPOs/ISTS waivers

- Government stipulated 43.3% RPO (Renewables Purchase Obligation) for newly established power plants. Within this, wind RPO is targeted to reach ~6.9% by 2030.
- ISTS (Inter State Transmission System) charges have been waived off for wind projects until 2028 (onshore) - reducing by 25% every year for projects commissioning after June 2025.

C&I demand

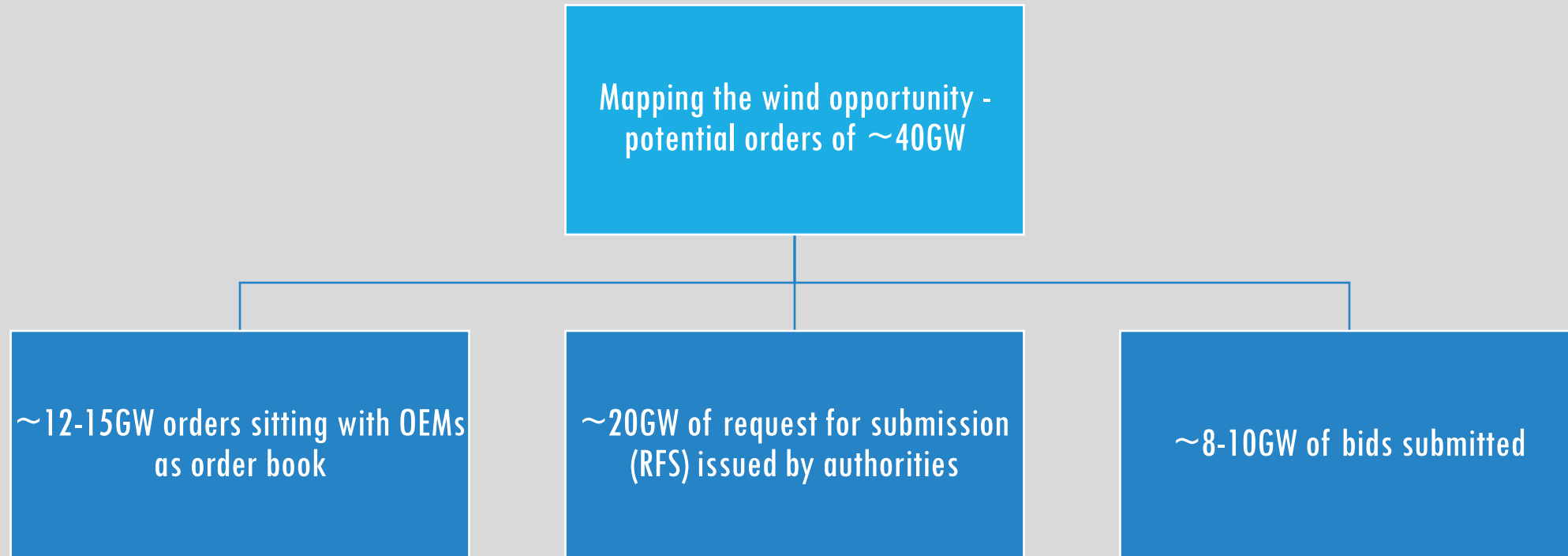
- Under the new Green Energy Open Access Rules, 2022, the eligibility limit for open access was reduced from 1 MW to 100 kW, expanding access to smaller consumers.
- Rising C&I demand — expected to add 50GW of renewable energy over the next 5 years, per MNRE. This will reduce dependence on government projects.

Lower Competition

- The erstwhile market challenges and lower demand led to reduced competition. Currently, only Suzlon and Inox Wind are the end-to-end market players.
- Siemen Gamesa (which scaled down its India operations), Nordex and Vestas (both mainly export oriented) are other significant players. Envision is scaling up fast with its operations.
- MNRE's draft amendment mandates local sourcing of wind turbine components to reduce reliance on Chinese imports and address cybersecurity concerns.

Wind energy demand pipeline

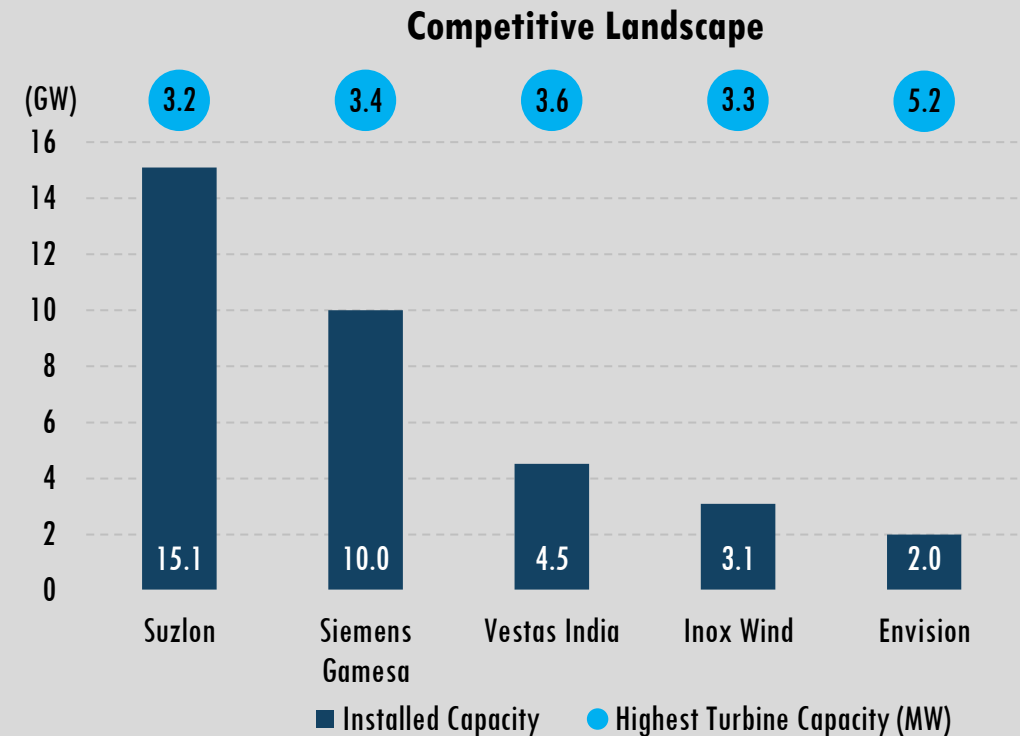
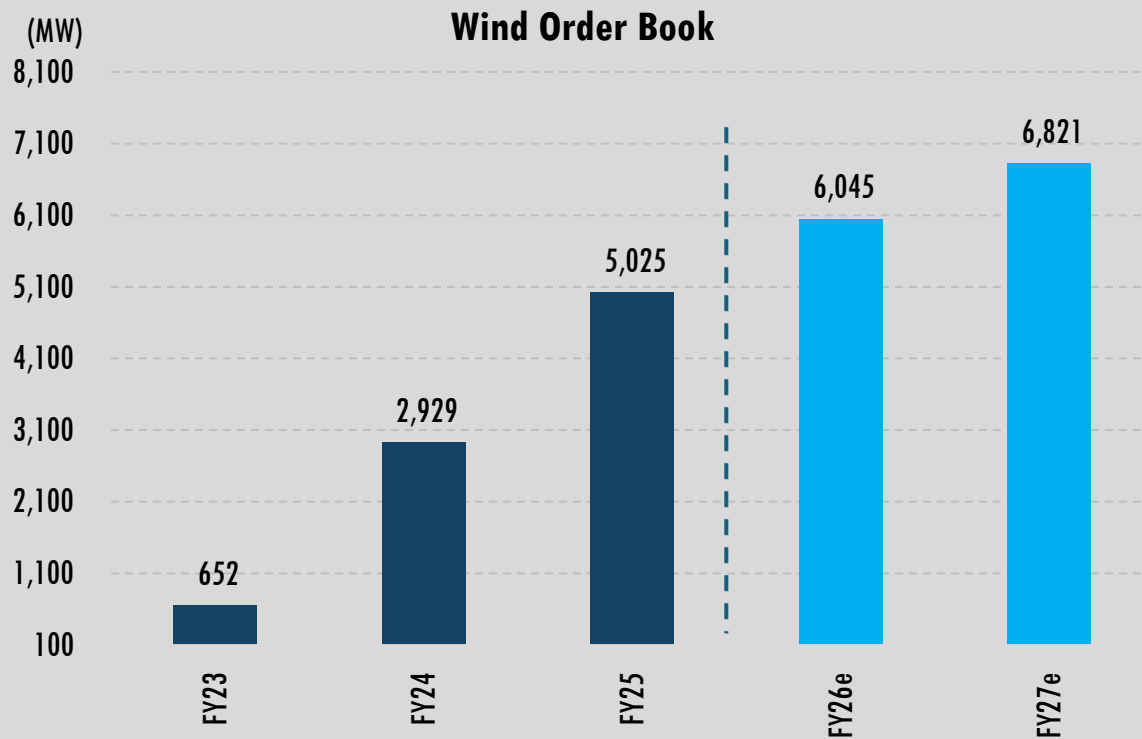
- Current domestic wind energy bid potential is $\sim 40\text{GW}$, with a strong policy and tendering focus on hybrid and FDRE-linked projects over standalone wind or solar.
- This pipeline includes $\sim 12\text{--}15\text{GW}$ of the OEM order book, $\sim 20\text{GW}$ in the active RFS stage, and $\sim 8\text{--}10\text{GW}$ at the bid submission stage.



Suzlon — Proxy for India's wind energy sector

Strong product portfolio with turnkey capabilities

- India's largest wind-turbine manufacturer with 21GW installed capacity, incl. 15.1GW in India, Suzlon has a ~30% share of cumulative domestic installations.
- As one of the few Indian OEMs offering end-to-end solutions—from design and manufacturing to EPC and O&M—it has a strong advantage in execution and reliability.
- It has a 5.6GW order book as of May'25 and is expected to receive orders of 3.5GW in FY26 and 4.0GW in FY27. Notably, it secured orders of 699.4MW from Apr to Jun'25.



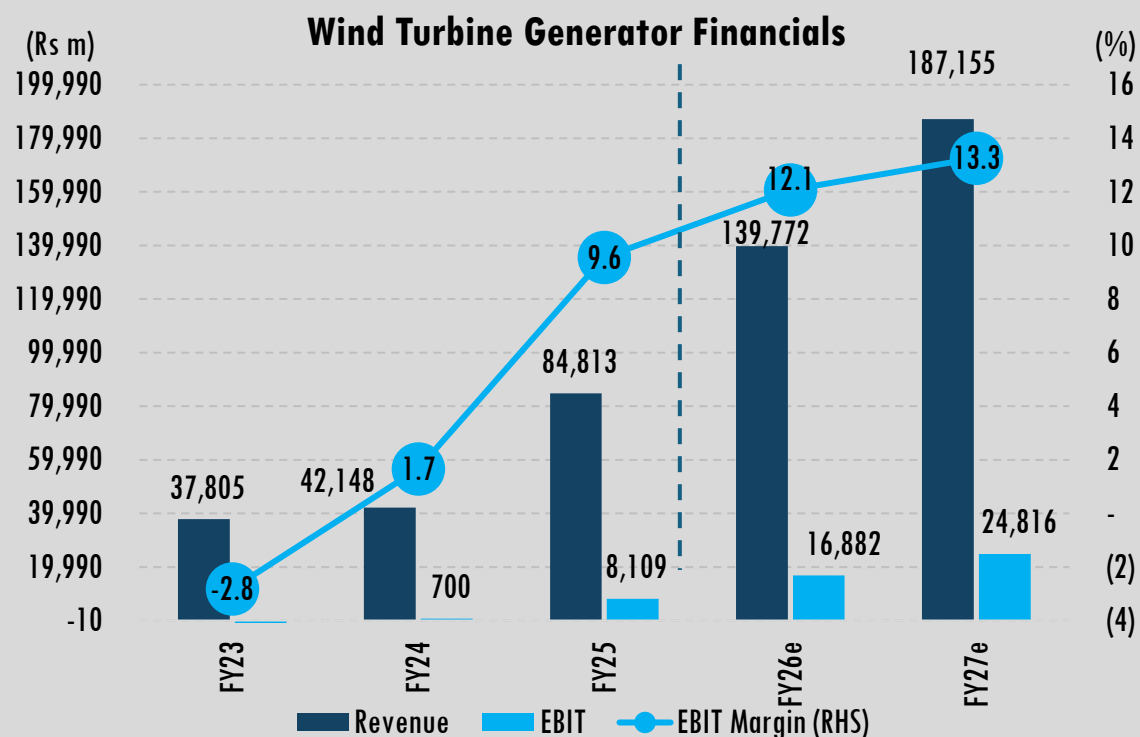
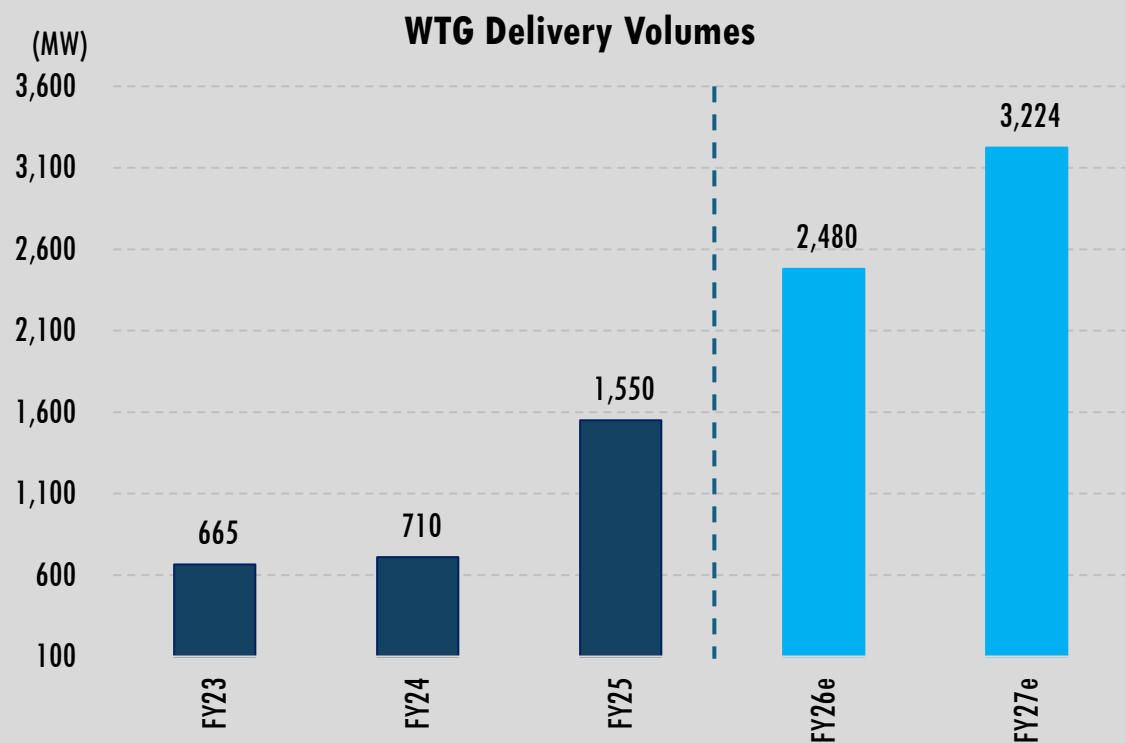
End-to-end turbine manufacturing



- Suzlon's in-house R&D team, in Denmark, Germany, the Netherlands, and India, drives innovation across product design, manufacturing and operations & maintenance.
- The company boasts of in-house manufacturing capacity for all major components of wind turbines (nacelles, hubs, blades, towers). With current manufacturing capacity of 4.5GW, (scalable to 5.5GW with minimum capex), it has strategically placed its manufacturing plants in all the windy states of India.
- It offers a diverse range of wind turbines, from 2.1MW to 3.15MW with varying rotor diameters and hub heights to suit different wind conditions. It recently added 10 production lines for its S144 model (its 3.15MW flagship product) and completed its nacelle expansion at Daman and Pondicherry.
- It operates India's largest O&M portfolio with 15.1GW domestically and ~6GW globally, further expanding its reach on acquiring Renom Energy, adding 3.1GW of multi-brand assets under management.

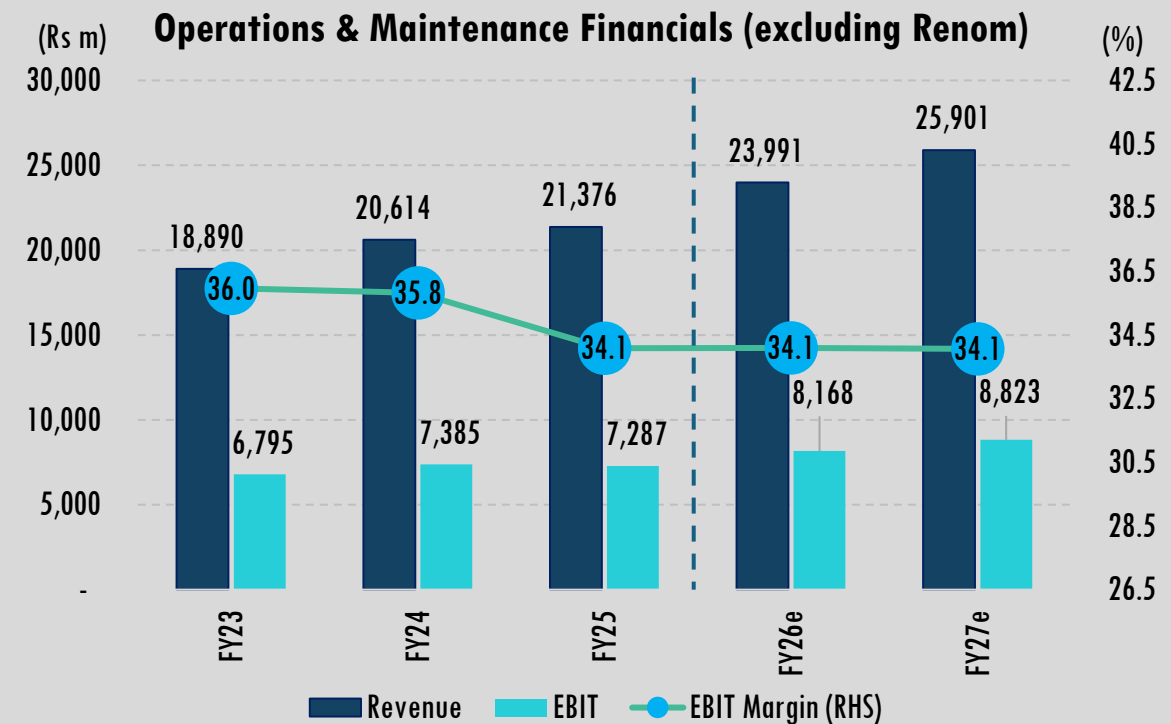
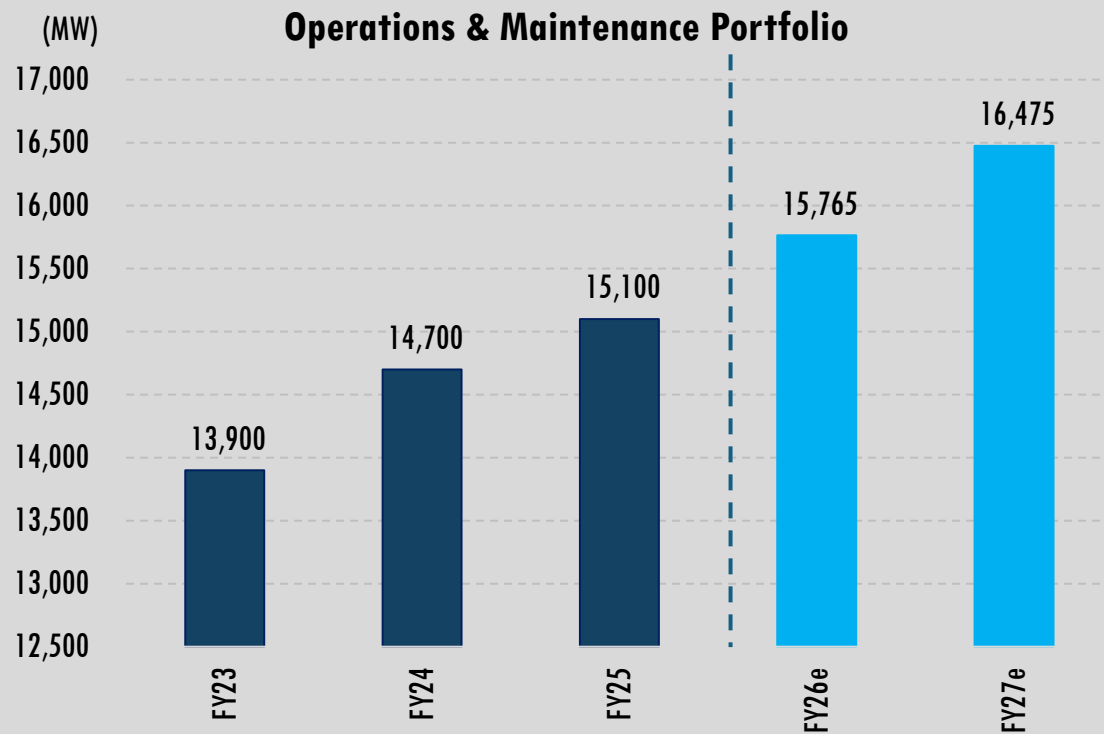
WTG sales expected to grow at 60%

- Deliveries of Wind Turbine Generators (WTG) increased 2.2x in FY25 to 1,550MW, bringing 78.2% to revenue. The flagship S144 model, accounted for >1.25GW of the 1.5GW of FY25 deliveries. It is one of the largest wind turbines in India at 160 metres hub height, generating ~40% more than Suzlon's S120s.
- Deliveries are expected to increase at a strong 60% led by the highest order book of 5.6GW, with the S144 turbine accounting for the majority.
- Due to operating-leverage benefits, the EBIT margin is expected to expand 370bps to 13.3% by FY27.



Largest O&M portfolio

- Suzlon has the largest O&M services portfolio of 15.1GW of assets and additional ~6 GW installed outside India. Its portfolio consists of ~10,000 wind turbines including advanced 2.x MW and 3.x MW series of wind turbines. Contributing 20.5% to revenues, the segment has high earnings assurance, given long-term agreements with customers spanning 20 years.
- Through its recent acquisition of 51% stake in Renom Energy Services for Rs4bn, it has expanded into the multi-brand renewable O&M space. Renom manages ~3.1GW of assets in India, providing maintenance services across turbines from multiple manufacturers. This acquisition will add ~Rs2bn over the two years.
- A higher margin business, the EBIT is expected to grow at a CAGR of 11.6% over FY25-27.



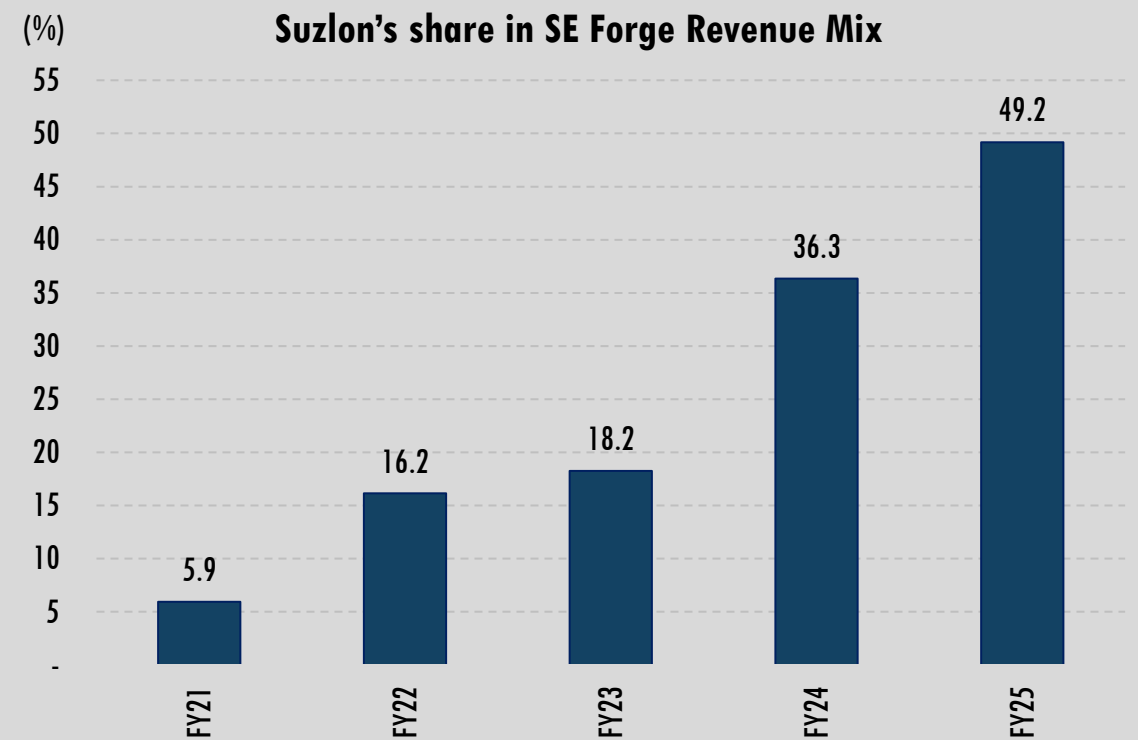
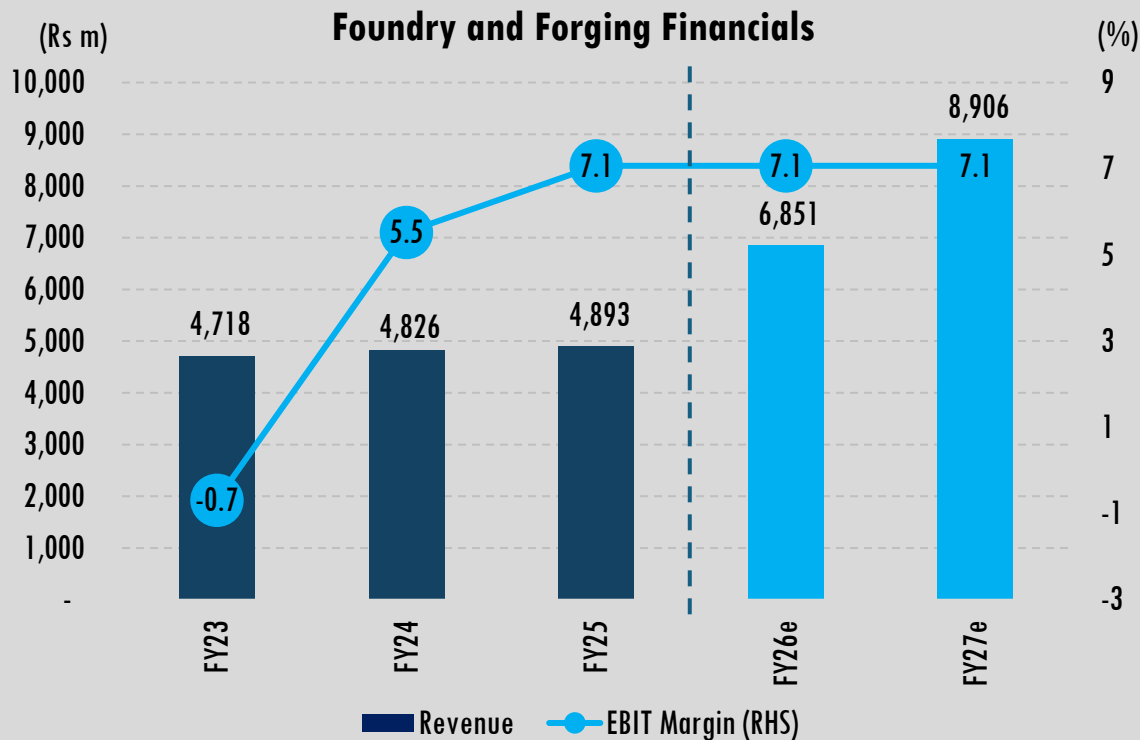
Negligible dependence on China for materials

Suzlon sources ~80% of the components to manufacture wind turbines domestically; with the balance being sourced from various countries including Germany, the USA, China, etc. This makes it compliant with the proposed RLMM (Revised List of Models and Manufacturers)

Component	Primary Source	Country of Origin
Rotor Blades	In-house	India
Nacelles & Hubs	In-house - Castings by SE Forge, Nelcast, Premier, GIFA	India
Towers	In-house (Gandhidham); sourcing from EPC partners (e.g. L&T)	India
Gearbox Housings & Castings	SE Forge (Vadodara), Bhaskar Steel, Premier, occasional Chinese vendors (select)	India + China (declining)
Gearboxes	In-house via SE Forge + past support from Winergy, Bosch Rexroth, ZF	India + Germany (legacy)
Main Shafts / Forgings	SE Forge (Vadodara), Ramkrishna Forgings, Sakthi Auto, Bharat Forge	India
Bearings	SKF, Timken, Schaeffler (domestic & imported plants)	Sweden / USA / Germany
Generators	SE Electricals (of the Suzlon group), CG Power, Siemens	India + Germany
Control Systems / SCADA	In-house (Daman), PLCs from Siemens, ABB, L&T	India + Germany + Switzerland
Cables & Switchgear	KEI, Polycab, RR Kabel, Schneider, ABB	India + France + Switzerland
Power Evacuation	SECI, Sterlite Power, KEC, Adani Transmission	India

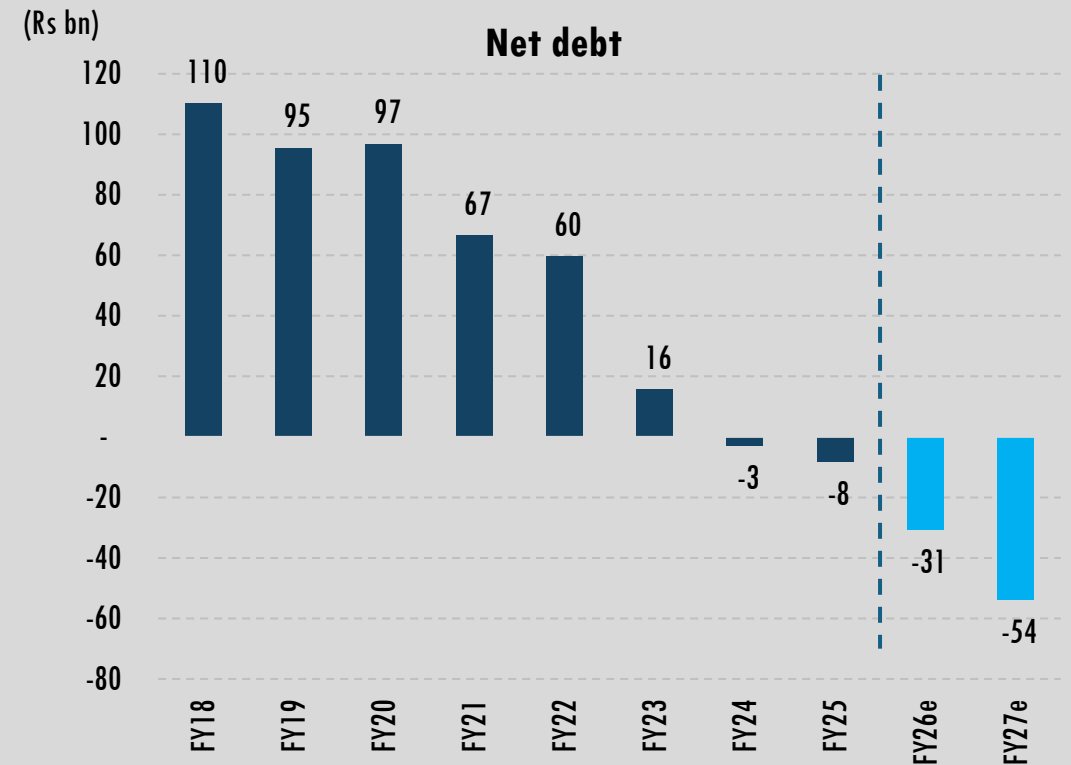
SE Forge – A key sourcing partner

- SE Forge, Suzlon's wholly-owned subsidiary, is integral to its wind energy value chain, producing large castings and forged rings. Its Vadodara unit has capacity of ~42,000 precision rings annually for wind, oil & gas, Defence and the Railways, while the Coimbatore foundry has capacity of ~120,000 MT of castings for wind and other industries. With >30 specialized products, it caters to turbines and gearboxes.
- In FY25, it reported Rs4.9bn in revenue and Rs346m EBIT, with 49.2% of revenue from Suzlon. Operating at just 21% capacity, it has significant room to grow amid rising wind-energy demand.



Financial turnaround

- Earlier, to expand its geographical footprint, the company made many global acquisitions like Hansen Technologies, a global leader in wind-gearbox technology, and RE Power Systems, a German company with capabilities of manufacturing 3.5-6GW turbines.
- These debt-funded acquisitions drove net debt from a Rs1bn net cash in FY06 to Rs117bn by FY09. The global financial crisis hit wind demand hard, weakening performance, and by FY15, net debt peaked at Rs150bn. To ease the burden, Suzlon sold RE Power for \$1bn.
- From FY20 to FY23, it significantly deleveraged, reducing debt from Rs120bn in FY20 through many debt-to-equity conversions. A successful Rs20bn equity raise in Q2 FY24 to further strengthen its balance sheet.
- With the improving demand landscape, profitability climbed with its current net cash position a strong Rs8.3bn.



Source: Company, Anand Rathi Research

Financial analysis – Expect revenue to clock a 42% CAGR

- In the past the company faced turbulence due to weak demand and high debt, dimming its prospects. However, brighter demand prospects, reflected by its rising order-book, would drive earnings.
- We have factored in deliveries of 2,480MW in FY26 and 3,224MW in FY27 driven by improving demand and more offtake. This segment is expected to contribute 85.3% to revenue from operations in FY27, a 48.5% CAGR over FY25-27.
- The O&M portfolio is likely to grow 4.5%, with Renom contributing Rs4,334m revenue over two years. Foundry and Forgings is expected to grow 34.9% over FY25-27, contributing 4.1% to revenue in FY27.

Operational	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e
Delivery Volumes (MW)	204	808	665	710	1,550	2,480	3,224
WTG Realisation (Rs m/MW)	58.5	54.2	56.9	59.4	54.7	56.4	58.1
Wind Order Book (MW)	817	788	652	2,929	5,025	6,045	6,821
O&M Portfolio (MW)	12,900	13,400	13,900	14,700	15,100	15,765	16,475
O&M Realisation (Rs/MW)	1.5	1.4	1.4	1.4	1.5	1.5	1.6

Financial (Rs m)	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e
Wind Turbine Generator	11,934	43,764	37,805	42,148	84,813	1,39,772	1,87,155
Operations & Maintenance	18,845	18,250	18,890	20,614	22,216	26,007	28,219
Foundry & Forging	3,343	4,767	4,718	4,826	4,893	6,851	8,906
Others	95	77	73	78	105	115	127
(Less): Inter segment revenue	1,270	1,659	2,018	2,698	3,514	4,216	5,060
Total Revenue	32,947	65,200	59,468	64,968	1,08,513	1,68,529	2,19,347

Financial analysis – Margins expansion to continue

- With increasing WTG delivery, we expect operating leverage to kick in. We expect EBIT margins to expand 370bps to 13.3% by FY27 from 9.6% in FY25.
- For the O&M portfolio, we expect margins to remain stable at 33%. Renom is expected to add Rs1,317m to EBIT over two years. EBIT margin for SE Forge, the third business segment, is expected to be a stable at 7.1%.
- Further, while the company has benefited from past losses, we expect it will now have to pay taxes; hence, 15.8% PAT growth will be lower than the operating profit growth of 45.1% over FY25-FY27.

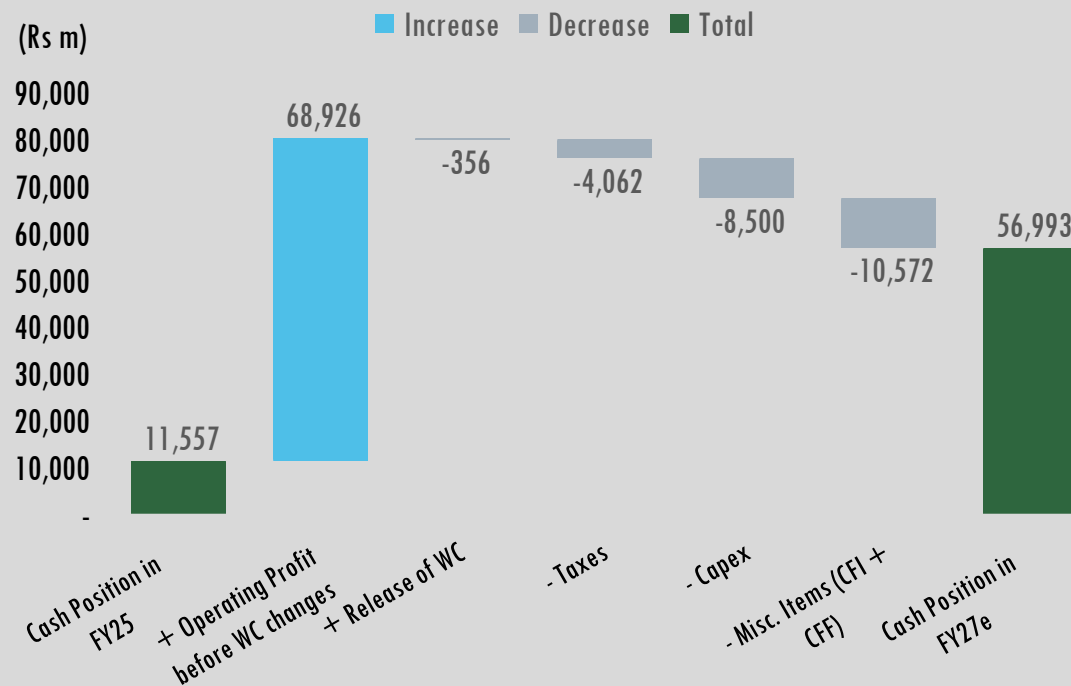
Segment-wise EBIT (Rs m)	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e
Wind Turbine Generator	-4,272	-1,630	-1,063	700	8,109	16,882	24,816
Operations & Maintenance	6,900	7,561	6,795	7,385	7,455	8,571	9,287
Foundry & Forging	133	332	-33	267	346	484	630
Others	-2	33	23	41	71	78	86
Total	2,759	6,296	5,722	8,393	15,980	26,015	34,819

Segment-wise EBIT margins (%)	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e
Wind Turbine Generator	-35.8	-3.7	-2.8	1.7	9.6	12.1	13.3
Operations & Maintenance	36.6	41.4	36.0	35.8	33.6	33.0	32.9
Foundry & Forging	4.0	7.0	-0.7	5.5	7.1	7.1	7.1
Others	-1.9	42.4	32.1	52.6	67.9	67.9	67.9
Total EBIT margin	8.2	9.6	9.6	12.9	14.7	15.4	15.9

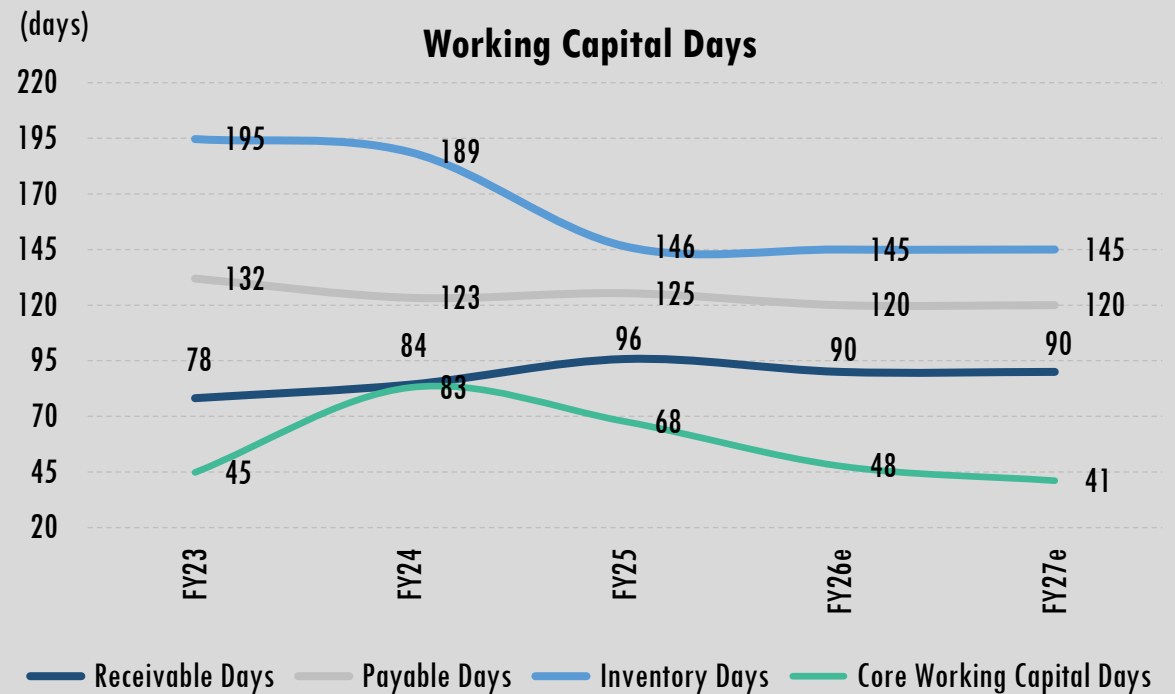
Financial analysis – Improving cash position

- With debt restructuring behind, brighter demand prospects are driving more deliveries. With higher operating leverage in WTG and lower maintenance capex required in future, we expect the cash position to improve. We build in Rs54bn net cash by FY27.
- With increase in revenue, receivables days would fall (from 96 in FY25 to 90 in FY27) and, with the better cash position, core working-capital days would decrease from 68 in FY25 to 41 in FY27.

Movement in Cash Position from FY25-FY27e

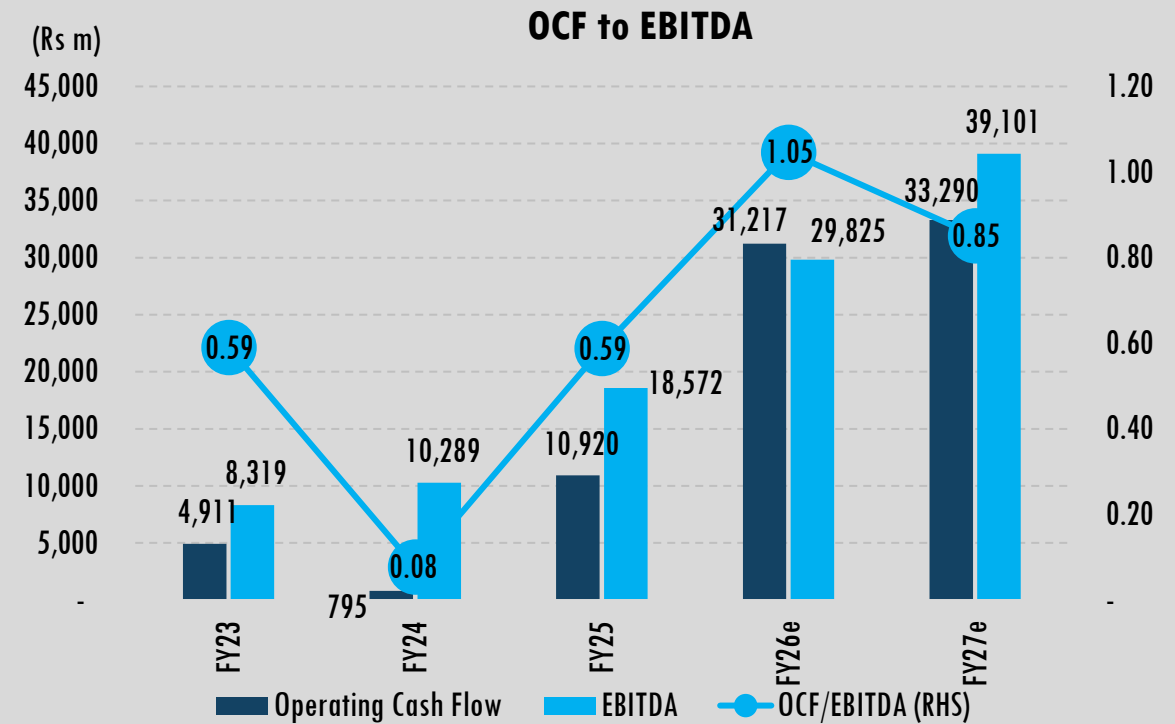
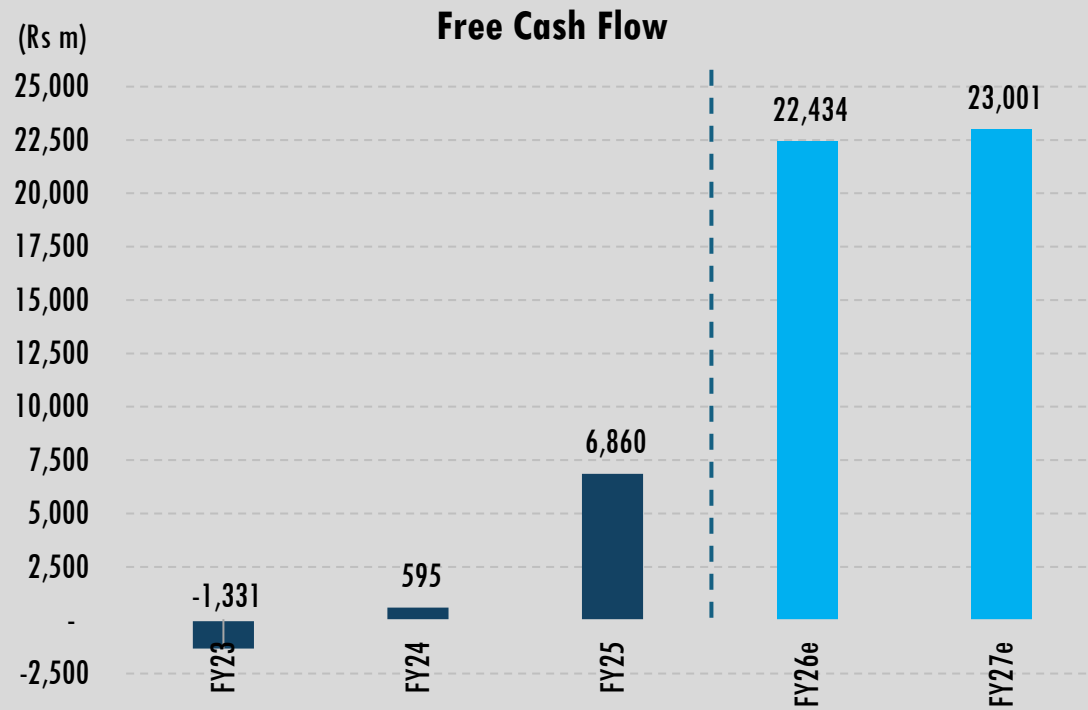


Working Capital Days



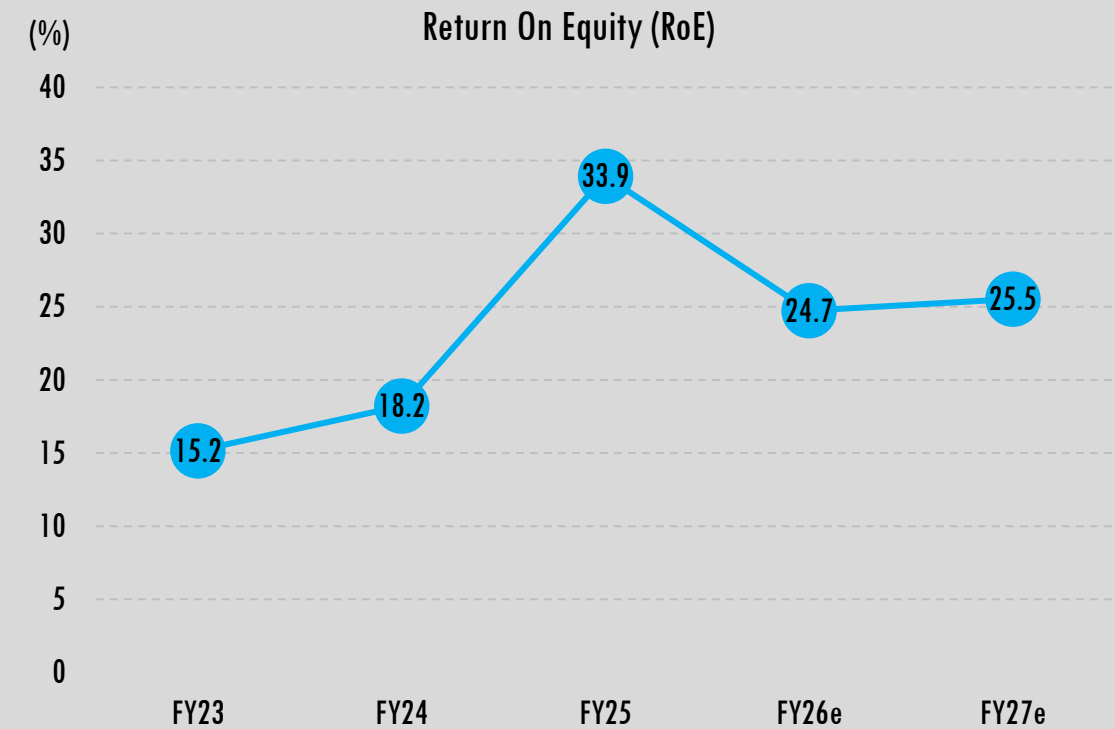
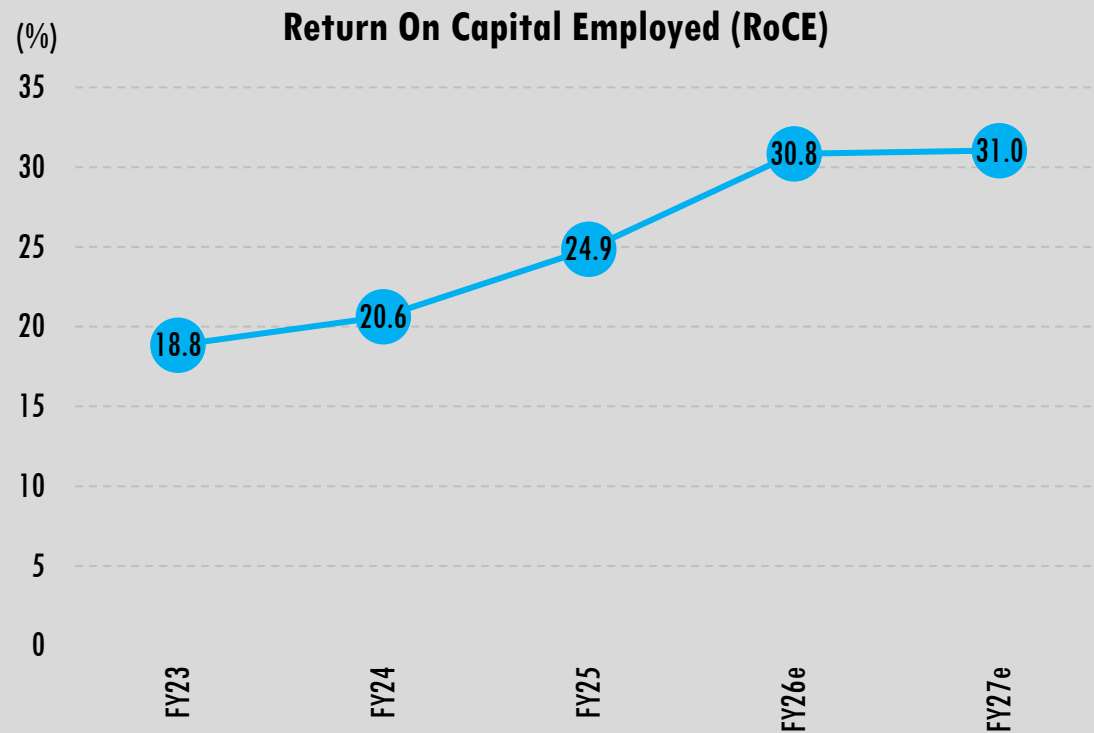
Financial analysis – Cash conversion ratio analysis

- The cash conversion ratio (OCF to EBITDA) is expected to improve from 0.59 in FY25 to 0.85 in FY27 driven by reduced core working capital days in FY26 and FY27.
- While tax liability arises in FY26 and FY27, the company would utilise its deferred tax asset minimizing its cash outflow in FY26. However, FY27 would entail cash outflow on account of tax payments, thus reducing the OCF to EBITDA to 0.85.



Financial analysis – Return analysis

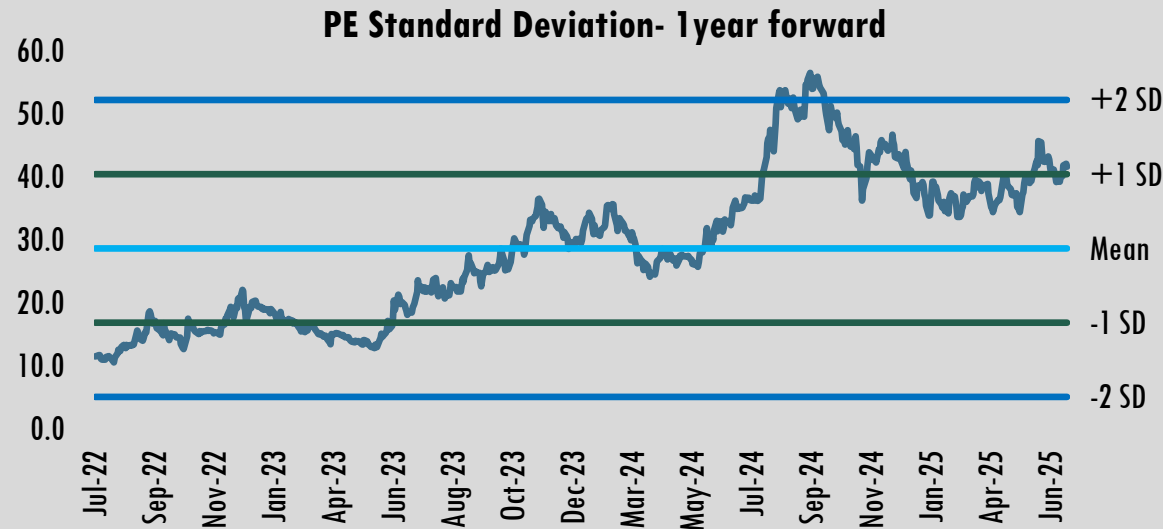
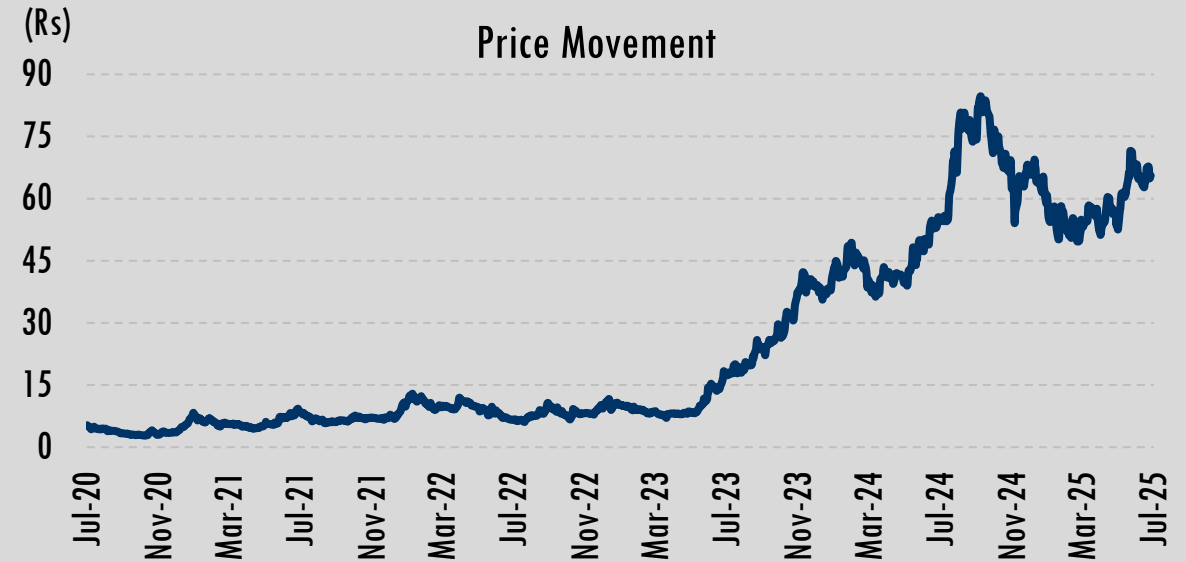
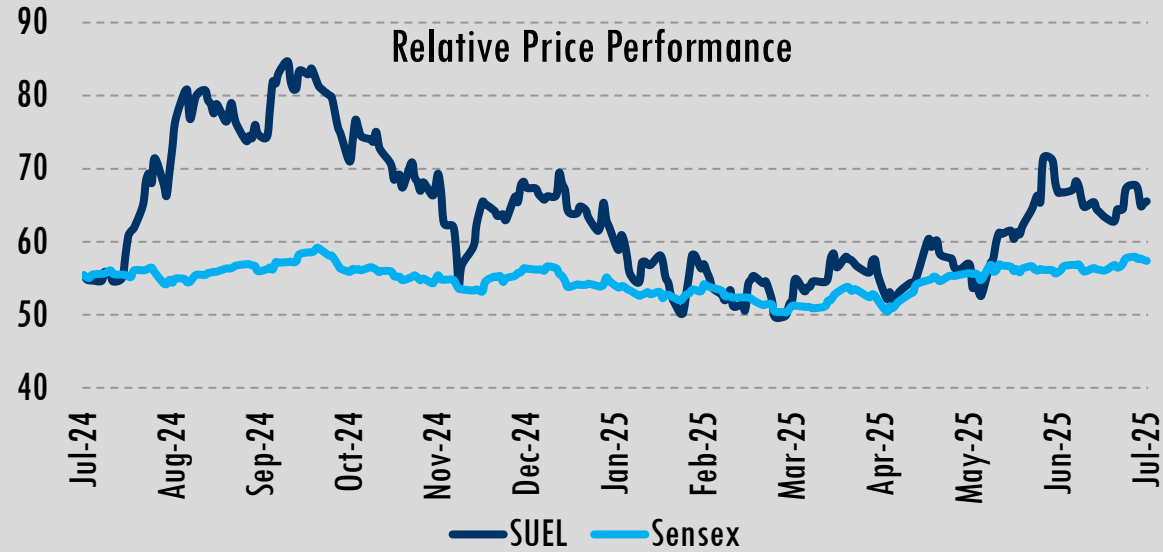
- EBIT is projected to increase 62.8% in FY26 due to strong increase in WTG delivery volumes and operating leverage benefits, improving the RoCE to 30.8% in FY26 from 24.9% in FY25. The EBIT margin is expected to increase a bit in FY27, which would lead to only a slight increase in RoCE.
- With the phasing out of the tax shield, the company is expected to incur tax liabilities of Rs4,405m in FY26 and Rs6,102m in FY27. However, it plans to offset this using its deferred tax asset of Rs6,446m, resulting in no cash tax outflow in FY26 and a reduced outflow of Rs4,062m in FY27. The tax liability would lead to the RoE falling from 33.9% in FY25 to 25.5% in FY27.



- Suzlon has faced headwinds in the past due to subdued demand and a stretched balance sheet. However, a sharp turnaround in its financials, supported by rising demand and ambitious government targets, is expected to drive a robust earnings before tax CAGR of 53% over FY25–27e. However, the company will come under the tax net which will reduce the PAT growth to 15.8%.
- Despite the sustained sectoral challenges of delayed land acquisition and transmission bottlenecks, increased government focus on renewables target with higher emphasis on grid stability will aid higher adoption of wind energy. These policy tailwinds will aid increased uptick in project execution leading to achieving the government's target of 10 GW annual addition. This, besides continued demand from C&I and PSU segments (~5-6 GW annually), will likely sustain earnings momentum over the next 5 years.
- With current manufacturing capacity of 4.5GW (scalable to 5.5GW), Suzlon is well placed to capture this demand uptick. Further, with continued focus on R&D and efforts to innovate better capacity turbines, we expect the company to continue to capture increased market share.
- Further, we expect the company to generate operating cash worth ~Rs60bn over the next two years that could further fuel the growth trajectory. From a financially stressed balance sheet that questioned the company's survival, this turnaround to self sustaining growth will sustain premium valuation to its historical average multiple of 29x (3-year median).
- At the current market price, the stock trades at 44.4x/32.1x FY26/FY27 expected earnings. We re-initiate coverage with a Buy rating and a 12-month target price of Rs 81, valuing the stock at 40x FY27e EPS of Rs 2.04.
- Key risks to our call include 1. Adhoc changes in government policies 2. Slower-than-expected deliveries 3. Low promoter holding

Price band and sensitivity analysis

ANANDRATHI



Sensitivity of FY27e EPS to WTG Delivery Growth

		Delivery Growth y/y in FY26 (%)						
Delivery Growth y/y in FY27e (%)		45%	50%	55%	60%	65%	70%	75%
	15%	1.54	1.61	1.68	1.75	1.82	1.89	1.95
	20%	1.63	1.70	1.77	1.84	1.92	1.99	2.06
	25%	1.71	1.79	1.86	1.94	2.01	2.09	2.16
	30%	1.80	1.88	1.96	2.04	2.11	2.19	2.27
	35%	1.89	1.97	2.05	2.13	2.21	2.29	2.37
	40%	1.98	2.06	2.14	2.23	2.31	2.40	2.48
	45%	2.06	2.15	2.24	2.32	2.41	2.50	2.58

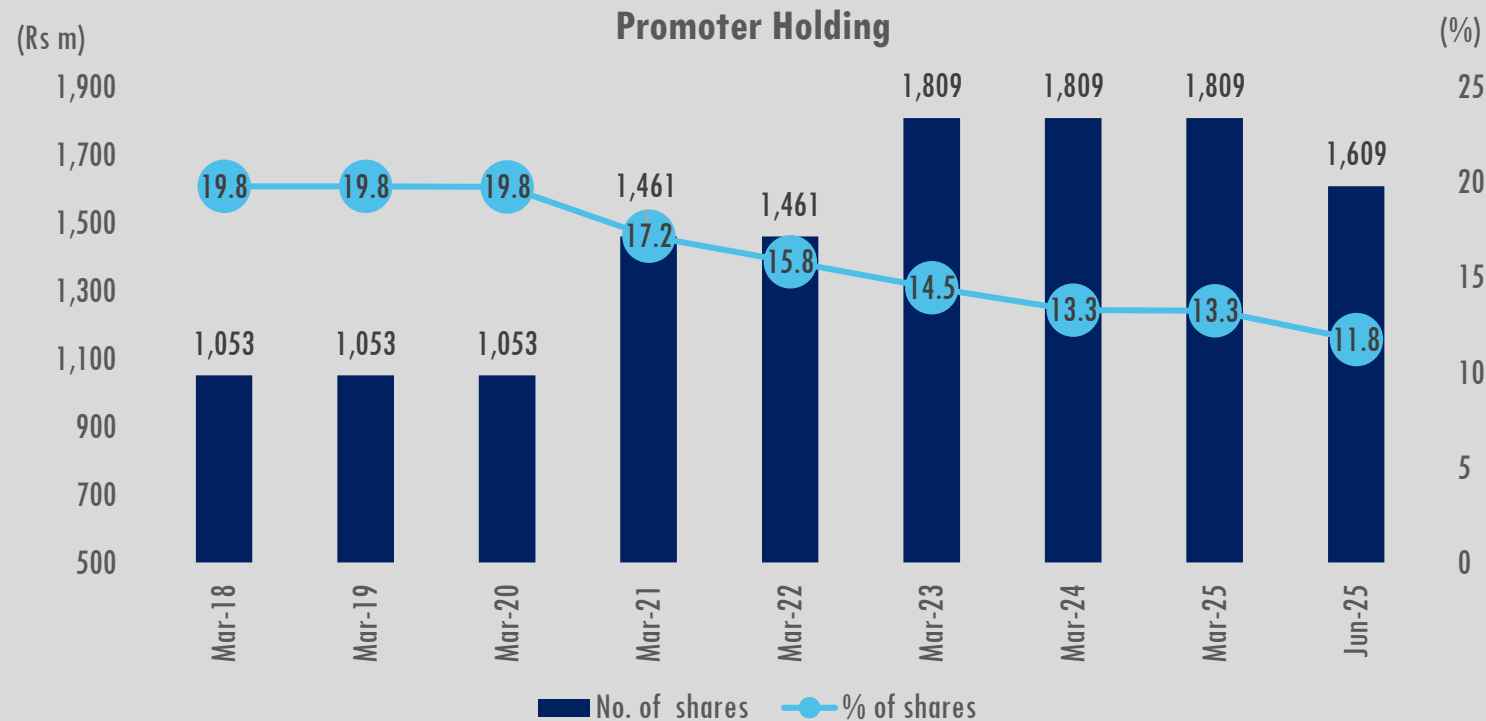
- Founded in 1995 by Tulsi R. Tanti, Suzlon Energy began as a solution to high power costs in his textile business. Recognizing the wind energy potential, he shifted entirely to renewable power, launching Suzlon as a turnkey wind-energy solutions provider. Early technical collaboration with Germany's Südwind enabled Suzlon to commission its first turbine in India and quickly integrate manufacturing capabilities—from blades to control systems.
- It expanded relentlessly in the 2000s, acquiring firms like AE-Rotor (the Netherlands), Hansen Transmissions (Belgium), and REpower (Germany), strengthening its R&D and large-turbine expertise. These acquisitions and a successful IPO in 2005 propelled Suzlon to a ~10% global market share by 2009, ranking it the world's third-largest wind turbine manufacturer at its peak.
- However, the global financial crisis of 2008 crippled demand for WTG, weakening Suzlon's operating performance. With declining WTG installations its net debt rose to a peak in FY15. Following years of financial restructuring, the company has deleveraged significantly, returned to profitability and built a strong order book, signaling a renewed phase of growth and resilience in the global wind energy landscape.
- Today, Suzlon has installed 21GW of wind capacity across 17 countries, incl. 15.1GW in India at >111 wind farms, some of the largest in Asia. Its 14 manufacturing facilities in India are supported by R&D centres in Germany, Denmark, the Netherlands and India, enabling a robust in-house innovation eco-system. With current manufacturing capacity of 4.5GW (scalable to 5.5GW), Suzlon is strategically positioned across India's key windy states.

Management profile

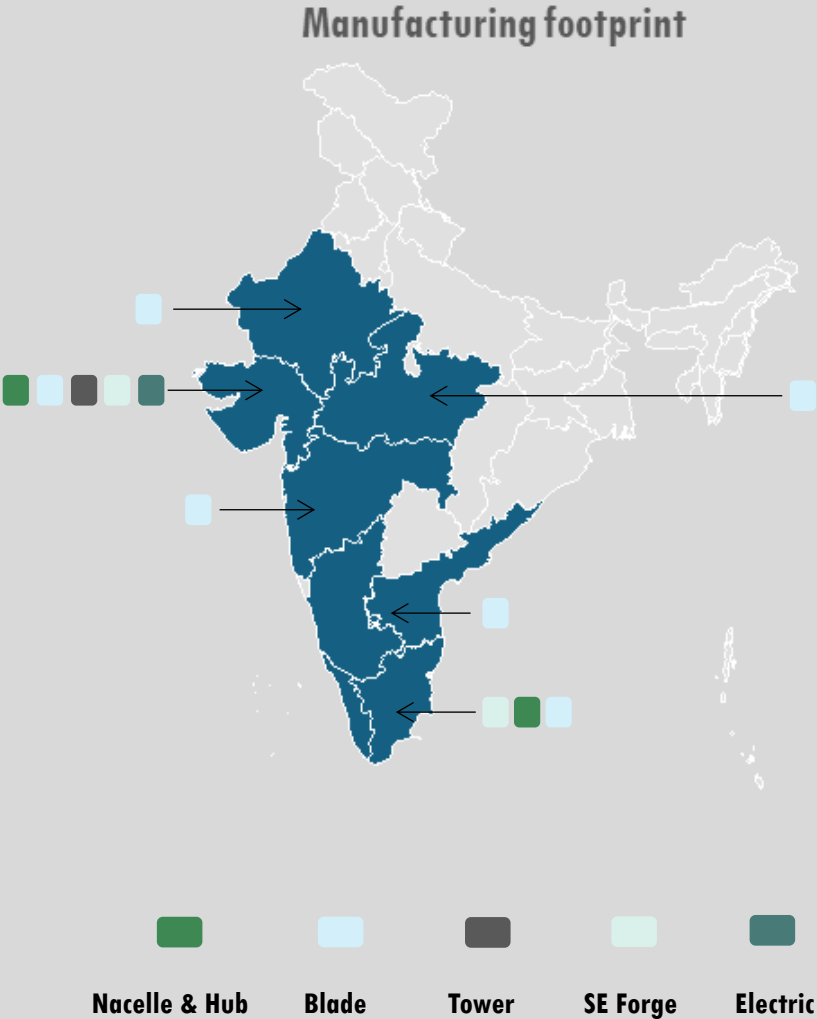
Management	Designation	Background
Vinod Tanti	Chairman & MD	Founding member and brother of Late Mr. Tulsi Tanti Over 34 years of experience managing various key functions at Suzlon; B.E. (Civil)
Girish Tanti	Vice Chairman	Founding member and youngest brother of Late Mr. Tulsi Tanti Over 27 years of experience in renewables and international business; B.E. (Electronics & Communication)
JP Chalasani	Group CEO	Joined as CEO in April 2016 Over 40 years of experience of working in Indian power sector; B.E.
Himanshu Mody	Group CFO	Joined as CFO in July 2021 Over 20 years of experience in finance and strategy; MS, Finance (Glasgow, Scotland)
Bernhard Telgmann	Group CTO	Joined in 2017 Over 28 years of experience across engineering thermal power plants, consulting in fuel cells and wind energy; B.E. (Mechanical)

Promoter holding

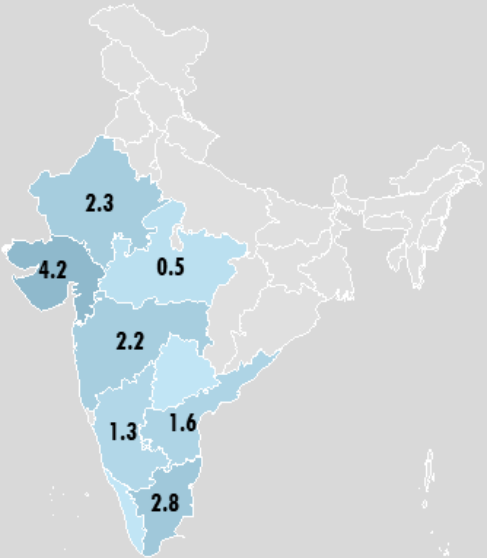
- While low promoter holding remains an overhang for investor sentiment, it is largely attributable to the equity dilution that occurred during the company's financial restructuring. As part of the recapitalization process, fresh equity was issued, which significantly reduced the promoters' stake.
- It is in June 2025 only, that the promoters have monetized part of their holding by selling 200m shares which is $\sim 1.46\%$ of the total share capital. Currently, their shareholding stands at 11.75%



Manufacturing and O&M footprint

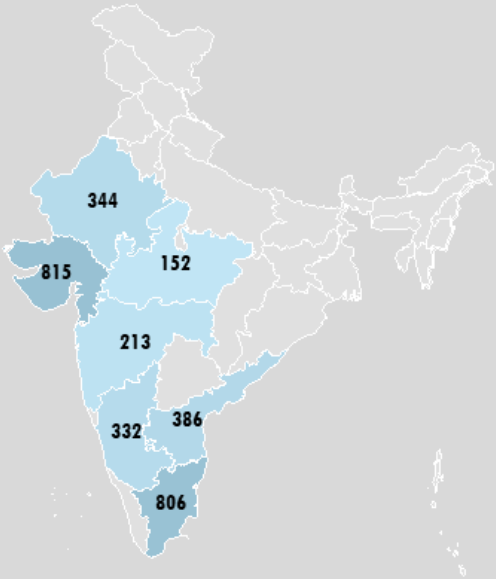


Installed base of 15+GW



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Renom Assets of ~3048 MW



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Related party transactions

Transaction detail	EKMP (Rs m)	JV and Associate (Rs m)	KMP (Rs m)	RKMP (Rs m)
Subscription to equity shares of the Company under Right Issue	0 (1128.3)	0 0	0 (1.0)	0 (610.8)
Purchase of goods and services including Reimbursement	0 (77.7)	0 0	0 0	0 0
Sale of goods and services	22.0 (1.89)	0 (7.1)	2.9 (4.8)	8.9 (7.2)
Managerial Remuneration	0	0	211.9 (212.3)	0
Director Sitting Fees	0	0	7.3 (4.8)	0
Share Based Payments	0	0	22.6	0

Note: 1. The numbers in brackets represents the figures for FY23

Financials

Income statement (Rs m)	FY23	FY24	FY25e	FY26e	FY27e
Gross Sales (Rs m)	59,705	65,291	1,08,897	1,68,990	2,19,900
Growth (%)	-9.3	9.4	66.8	55.2	30.1
Direct costs	37,827	39,821	68,866	1,07,859	1,40,736
SG&A	13,560	15,181	21,459	31,306	40,064
EBITDA	8,319	10,289	18,572	29,825	39,101
EBITDA margins (%)	13.9	15.8	17.1	17.6	17.8
- Depreciation	2,597	1,896	2,592	3,810	4,282
Other income	196	384	1,034	1,690	2,639
Interest Exp	4,208	1,643	2,548	3,232	3,555
Adj. PBT	1,711	7,134	14,466	24,473	33,903
Effective tax rate (%)	0	0	1	18	18
Associates/Minorities	-	-	-	-	-
Adj. PAT (Rs m)	1,667	7,142	20,716	20,068	27,800
WANS (No. m)	12,272	13,609	13,659	13,659	13,659
Adj. EPS (Rs)	0.14	0.52	1.52	1.47	2.04

Balance sheet (Rs m)	FY23	FY24	FY25	FY26e	FY27e
Share capital	24,544	27,217	27,318	27,318	27,318
Reserves / Other Equity	-13,553	11,986	33,739	53,807	81,607
Total debt (LT+ST)	19,379	1,502	3,232	3,232	3,232
NCI	-	-	-	-	-
Deferred tax Liability/(Asset)	-2	-38	-6,446	-2,040	-
Capital employed	30,369	40,668	57,843	82,317	1,12,157
Net tangible assets	8,369	8,595	12,740	12,965	13,213
Net Intangible assets	34	35	4,963	4,963	4,963
Other assets	6,673	6,727	8,322	12,294	15,775
Capital W.I.P	26	162	887	887	887
Strategic Investments (Non-Current)	292	270	258	223	193
Financial Investments (Current)	-	84	429	429	429
Current Assets	36,164	51,612	84,425	1,13,970	1,43,218
Cash	3,673	2,496	9,011	31,445	54,446
Bank	-	1,773	2,118	2,118	2,118
Current Liabilities	24,863	31,085	65,307	96,976	1,23,084
Working capital	11,301	20,527	19,118	16,994	20,134
Capital deployed	30,369	40,668	57,843	82,317	1,12,157
Contingent Liabilities	-	-	-	-	-

Financials

Cash-flow (Rs m)	FY23	FY24	FY25	FY26e	FY27e
PBT	28,917	6,595	14,466	24,473	33,903
+ Non-cash items	-18,669	5,014	5,371	5,352	5,198
Operating profit before WC changes	10,248	11,609	19,837	29,825	39,101
- Incr./ (decr.) in WC	-5,188	-10,610	-8,902	1,392	-1,748
Others including taxes	-149	-203	-15	-	-4,062
Operating cash-flow	4,911	795	10,920	31,217	33,290
- Capex (tangible + Intangible)	-1,007	-2,274	-3,706	-4,000	-4,500
Free cash-flow	3,904	-1,478	7,214	27,217	28,790
Acquisitions	-	-	-4,413	-	-
- Dividend (including buyback & taxes)	-	-	-	-	-
+ Equity raised	10,797	20,652	-	-	-
+ Debt raised	-	-	-	-	-
- Fin Investments	-	-397	-725	-	-
- Misc. Items (CFI + CFF)	-16,032	-18,181	4,785	-4,783	-5,789
Net cash-flow	-1,331	595	6,860	22,434	23,001

Ratio analysis	FY23	FY24	FY25	FY26e	FY27e
P/E (x)	58.2	77.1	43.1	44.8	32.3
EV/EBITDA (x)	13.5	53.3	47.7	29.1	21.6
EV/Sales (x)	1.9	8.4	8.1	5.1	3.8
P/BV (x)	8.8	14.0	14.6	11.1	8.2
RoE (%)	15.2	18.2	33.9	24.7	25.5
RoCE (%)	18.8	20.6	24.9	30.8	31.0
DPS (Rs per share)	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-
Dividend payout (%) - Inc. DDT	-	-	-	-	-
Net Debt/EBITDA (x)	1.9	-0.3	-0.4	-1.0	-1.4
Inventory (days)	195	189	146	145	145
Receivables (days)	78	84	96	90	90
Payables (days)	132	123	125	120	120

Appendix

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