

July 29, 2025^(Revised)

Suzlon Energy Limited: Ratings assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term/Short Term – Unallocated Limits	2635.00	[ICRA]A+ (Stable)/[ICRA]A1; assigned
Total	2635.00	

*Instrument details are provided in Annexure I

Rationale

The ratings assigned to the bank lines of Suzlon Energy Limited (SEL) considers its leadership position in the domestic wind turbine generators (WTG) market, with strong in-house technical capabilities and integrated manufacturing infrastructure. SEL holds a healthy market share of ~30-35% of the total installed base of WTGs (of ~50 GW) within the country. Further, the company has witnessed sizeable order booking over the past couple of years (3.66/2.99 GW in FY2025/FY2024 vs ~0.5 GW each during FY2021-FY2023), which has led to revenue ramping up from Rs. 6,497 crore in FY2024 to Rs 10,851 crore in FY2025. Revenues are expected to grow by more than 50% YoY in FY2026 (SEL has guided for 60%+ YoY growth in FY2026), backed by healthy order book of Rs. 5.5 GW as on May-2025 as compared to 0.65 GW/2.93 GW as on Mar-2023/Mar-2024.

This is aided by steady revenues and strong profitability from the OMS (operations and maintenance services) division, derived from its large installed base of WTGs totalling over 15+ GW. This division has now been further augmented by acquisition of a controlling stake in Renom Energy Services Private Limited (Renom), a leading multi-brand OMS provider. The acquisition is being executed in two phases, with acquisition of 51% stake for Rs. ~400 crore in FY2025, followed by an additional 25% stake to be acquired within 18 months, subject to certain precedent conditions. Renom manages a diverse portfolio of ~3GW, comprising 1,905MW in wind energy, 148MW in solar energy, and 963MW in BoP (balance of plant) services for several customer segments. While Suzlon's in-house OMS division will prioritize servicing its existing fleet of ~15GW and new Suzlon make WTGs being sold now, Renom will continue to target the non-Suzlon wind turbine service market.

The ratings also factor in the company's strong balance sheet with net cash of Rs. 833 crore as on March 31, 2025, apart from encumbered cash of Rs. 1,071 crore (towards margin requirements for NFB limits), post equity infusion via rights issue (Rs. ~1,200 crore) and QIP (Rs. ~2,000 crore) in Oct-2022 and Aug-2023 respectively. Coverage indicators also remain comfortable with interest coverage of 7 times and debt/OPBITDA of 0.18 times, in FY2025. TOL/TNW also remained comfortable at 1 times as on March 31, 2025.

However, due to lower margin in the manufacturing business and high operating leverage, any material decline in delivery volumes could adversely impact profitability as well as debt indicators. ICRA notes that the company has made efforts over the past few years to bring down the fixed costs.

At a consolidated level, SEL's revenue increased by 67% on a YoY basis in FY2025 supported by 101% YoY growth in the WTG segment due to strong opening order book as well as healthy order inflows during FY2025, while OMS revenues grew steadily by 8% YoY. OMS revenue contribution stood at 20% in FY2025. OMS PBIT margins also remained steady and stood at 34% in FY2025 vs 36% in FY2024 and these provide a stability to the cash flows as well as profitability. WTG PBIT margins improved from 2% in FY2024 to 10% in FY2025 and is expected to improve even further with significant revenue growth expected in FY2026 along with cost control measures undertaken by the company. ROCE also improved from 23.4% in FY2024 to 33.1% in FY2025.

Notwithstanding the above strengths in the business and healthy balance sheet, the ratings remain constrained by working capital intensive nature of operations, given sizeable inventory requirements and moderately high debtor days, with NWC (net working capital)/OI (operating income) at 26%/30%/22% in FY2023/FY2024/FY2025. Having said that, reputed clientele provides comfort and provision and write-offs are expected to remain low.

Further, the company remains vulnerable to concentration of revenue towards sale of WTGs, and the wind energy industry has witnessed high cyclicity in the past due to change in bidding regimes for projects, and industry's reliance on government support in the form of subsidies or regulatory interventions. In terms of current policies and regulations, MNRE's (Ministry of New and Renewable Energy) push for domestic manufacturing is expected to benefit Suzlon, given their fully domestic setup. This should also help create a level playing field against Chinese competition. The ratings also remain constrained by the company's history of restructuring of debt, twice in the past, due to sizeable debt funded acquisitions in the past, and decline in WTG industry volumes due to change in bidding regime from feed-in-tariff mechanism to reverse competitive bidding in 2017. A consortium of 16 lenders entered in a debt resolution plan to implement the company's restructuring in 2020-2021. However, post that, there has been significant improvement in business prospects as well as balance sheet.

However, with improving competitiveness of wind tariffs, maturing of technology and decline in cost of production, and strong impetus given to the sector with policy support, bodes well for OEMs like Suzlon. GoI's focus towards setting up more hybrid projects (RTC/FDRE) vis-à-vis solar, and the target to achieve 100 GW of wind capacity by FY2030 vs ~50 GW currently, is expected to result in gradual pick-up in capacity additions. The industry also remains exposed to execution challenges due to land acquisition and right of way and power evacuation-related challenges, which are inherent in the business.

The ratings also factor in the low promoter shareholding level, which stood at around 11.8% as on date. The Stable outlook on the long-term rating reflects ICRA's opinion that the company will continue to benefit from its market leadership position, and healthy order book to generate healthy cash flows from the business and maintain an adequate liquidity position.

Credit strengths

Strong balance sheet and coverage metrics post multiple rounds of equity infusion – SEL had sizeable net cash (gross debt less unencumbered cash) of Rs. 833 crore as on March 31, 2025, apart from encumbered cash of Rs. 1,071 crore. The company has deleveraged its balance sheet post equity infusion via rights issue (Rs. 1,200 crore) and QIP (Rs. 2,000 crore), in Oct-2022 and Aug-2023, respectively.

Coverage indicators also remain comfortable with interest coverage of 7 times and debt/OPBITDA of 0.18 times, in FY2025. TOL/TNW also remained comfortable at 1 times as on March 31st, 2025. All debt metrics are expected to remain comfortable over the medium term with minimal reliance on debt and finance costs stemming mainly from non-fund based utilization.

Strong order book lends revenue visibility over the medium term, with expectations of healthy prospects to continue amid conducive government policy – The company has witnessed sizeable order booking over the past couple of years (3.66/2.99 GW in FY2025/FY2024 vs ~0.5 GW each during FY2021-FY2023), which has led to revenue ramping up from Rs. 6497 crore in FY2024 to Rs 10,851 crore in FY2025 and the same is expected to grow by more than 50% YoY in FY2026, backed by record high order book of Rs. 5.5 GW as on May-2025 as compared to 0.65 GW/2.93 GW as on Mar-2023/Mar-2024.

There is a broader thrust by the GoI towards expansion for renewable energy capacities in the country, including wind power, in the form of waiver of ISTS charges for wind projects, ramping up power evacuation via GECs (green energy corridors), continued focus on hybrid projects (RTC/FDRE) and grid modernization, RPO targets, Green Open Access Rules, repowering of old wind turbines, and push for offshore wind development with draft tenders. Strong intermediate procurers like SECI and NTPC are supporting the growth of solar and wind capacities, despite the challenges associated with discom finances.

Such policy initiatives and investments towards this goal, by various state governments and the GoI, have created a conducive investment environment and crowded in private investments from C&I customers.

Healthy and improved margin profile driven by increasing scale of operations – At a consolidated level, SEL's revenue increased by 67% on a YoY basis in FY2025 supported by 101% YoY growth in the WTG segment due to strong opening order book as well as healthy order inflows during FY2025, while OMS revenues grew steadily by 8% YoY. OMS revenue contribution

declined to 20% in FY2025 from 30% in FY2024, owing to healthy growth in WTG segment. OMS PBIT margins also remained steady and stood at 34% in FY2025 vs 36% in FY2024. WTG PBIT margins improved from 2% in FY2024 to 10% in FY2025 and the same is expected to improve even further with significant revenue growth expected in FY2026. ROCE also improved from 23.4% in FY2024 to 33.1% in FY2025.

With expectation of improvements in wind capacity additions in the country over the next 5 years and expectation of SEL maintaining its market share, revenues are expected to grow at a healthy pace over the medium term with sustenance of profitability at current levels. Expansion of scope of business and efforts towards increasing exports should further augment growth.

Leading market share and strong in-house technical capabilities – SEL stands as the market leader in India’s domestic wind turbine generator (WTG) industry, backed by a legacy of over three decades in renewable energy. With a cumulative installed base of more than 16 GW across the country (holds a healthy market share of ~30-35% of the total installed base of WTGs of ~50 GW), SEL has consistently maintained its leadership through innovation, localized manufacturing, and end-to-end project execution capabilities. Its understanding of India’s wind energy sector, combined with a strong operations and maintenance (O&M) network, has enabled it to deliver reliable performance to customers. The company has four main research centres in Denmark, Germany, the Netherlands, and in India, and SEL uses in-house proprietary technology for WTGs manufacturing.

Credit challenges

History of restructuring in the past – SEL has a history of restructuring of debt twice in the past. It defaulted on its obligations in 2019 due to change in bidding regime from feed in tariff mechanism to reverse bidding. In addition to above, there was a huge debt in the books on account of Suzlon’s aggressive debt funded acquisitions. Debt restructuring took place in 2020 wherein a resolution plan was formulated under RBI’s Framework for Resolution of Stressed Assets. The consortium of 16 lenders entered into a resolution plan wherein the debt was converted into sustainable and unsustainable debt. This was then refinanced in 2022 wherein all the 16 lenders were replaced with REC and IREDA and the entire term loan was refinanced, and unsustainable debt was converted into equity. With the rights issue in Oct’22 and QIP in Aug’23, the entire debt of REC and IREDA was repaid. Since, then there has been significant improvement in business prospects as well as balance sheet. The company’s strategy to utilize available cash and future cashflow towards capex, acquisitions, working capital, geographic expansion, etc. is a key monitorable.

Vulnerable to industry cyclicity and concentration of revenues towards wind sector – The company remain vulnerable to concentration of revenue towards sale of WTGs, and the wind energy industry has witnessed high cyclicity in the past due to change in bidding regimes for projects, and industry’s reliance on government support in the form of subsidies or regulatory interventions.

Wind energy is expected to command a dominant share in hybrid/RTC (round the clock)/FDRE (firm and dispatchable renewable energy) projects in order to achieve the lowest LCOE (levelized cost of energy). This is backed by the fact that wind generation typically peaks during high-demand hours, and benefits from the complementary nature of solar and wind generation — both in terms of intra-day variability and seasonal patterns.

While the medium-term prospects are healthy amidst a favorable energy landscape, SEL remains exposed to threats from slowdown in the longer run due to shift towards other energy sources like battery storage or increase in competitive intensity. Sizeable installed base of SEL’s WTGs, which is growing steadily with more installations, generates steady revenue for its OMS division, with better profitability. This lends some stability to the overall revenue profile and profits, and accounts for ~20-30% of the overall revenues typically.

Working capital intensive nature of operations – Debtor days have increased over FY2024-FY2025 (104 days/130 days in FY2024/FY2025) due to a growing share of orders from PSUs (public sector undertakings) and large C&I (Commercial and Industrial) clients (e.g., Aditya Birla Renewable, Jindal Renewable, NTPC Green) often involves longer payment cycles and milestone-based disbursements. Further debtor days also appear optically high due to build-up of debtors toward year end, but more so due to inclusion of substantial unbilled revenue in debtors. Typically, customer collections takes around ~30-60

days post billing milestone is achieved (similar credit period in OMS division as well), which can increase due to certification/inspection or documentation related delays, especially for EPC projects.

Order book has increased significantly in FY2025, leading to higher customer advances as well (5-7% of unexecuted order book as on Mar-2025). Inventory holding period is also ~3 months typically. High debtor and inventory days results in relatively long working capital cycle, even as the same is supported by creditors and customer advances.

Vulnerability to raw material price risk - Steel is one of the major raw materials for the company, the prices of which are volatile. The company's margins remain vulnerable to any adverse fluctuations in commodity prices. Nevertheless, larger orders (barring PSU tenders like NTPC which are entirely fixed price) are covered under a price-variation clause, which provides some comfort.

Low promoter shareholding - Promoter shareholding stands at ~11.75% as on date, as the promoters had to sacrifice their stake to raise capital during downturns in the past. However, the promoters maintain control and have assured long term commitment towards SEL.

Environmental and social risks

Environmental considerations – The company focuses on wind energy solutions, contributing significantly to India's clean energy capacity. It has implemented robust waste management, energy efficiency, and resource conservation practices across its manufacturing and operational sites. Also, there were no pending show cause/ legal notices from CPCB/SPCB at the end of FY2025. This indicates that SEL has been able to mitigate the regulatory risks by demonstrating a sound operational track record and ensuring regulatory compliance.

Social considerations - Entities like SEL face social risks stemming from the health and safety concerns of workers, which could invite regulatory or legal action, besides reputational harm. SEL though has a track record of maintaining healthy relationships with its workers/ employees, including contractual labour, with no material incidents of slowdown in execution because of workforce management issues. Failure to hire, motivate and retain talent pool with necessary competencies may impact the organisation's ability to maintain and expand its business operations, and consequently its profitability. While SEL remains exposed to the aforementioned social risks, it does not materially affect its credit profile as of now.

Liquidity position: Adequate

SEL's liquidity remained healthy with unencumbered cash and cash equivalents of Rs. 1,156 crore as on March 31, 2025 (apart from encumbered cash of Rs. 1,071 crore). Cash flow from operations are also expected to remain healthy, more than sufficient to meet modest debt obligations at a consolidated level. However, the liquidity profile may moderate to some extent on account of high working capital intensity due to sizeable order book, due to moderately long collection period as well as inventory holding period of ~3 months. Further investments towards capex, acquisitions and business expansion into adjacent areas might bring down cash levels.

Rating sensitivities

Positive factors – ICRA may upgrade the ratings if the company is able to maintain a healthy execution run-rate in a sustained manner, along with sustenance of healthy operating margins along with improvement in liquidity profile, amid steady improvement in working capital intensity.

Negative factors – Pressure on the ratings may arise if any large debt-funded capex or acquisition, or significantly higher working capital intensity, adversely impacts SEL's capitalisation indicators and liquidity. TOL/TNW above 1.3 times on a sustainable basis will also be a rating trigger. Ratings may also be downgraded if the order intake is significantly impacted.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of SEL. As on March 31, 2024, the company had subsidiaries which are all enlisted in Annexure II.

About the company

Founded in 1995, Suzlon is one of the leading global renewable energy solutions providers. Over the past 29 years, the group has installed over 21GW of wind energy in 17 countries. The Suzlon Group comprises Suzlon Energy Limited and its various subsidiaries. It is a vertically integrated WTG manufacturer with a strong presence across the value chain and customer segments. It also undertakes installation and O&M of all WTG sales. Suzlon designs, develops and manufactures all major components, including rotor blades, tubular towers, generators, control equipment, gears and nacelles. It holds a cumulative ~30% market share in India (~15+ GW installed capacity in India as of March-2025). Apart from manufacturing, it offers a full gamut of wind project planning and execution services, including wind resource assessment, infrastructure and power evacuation, technical planning and execution of wind power projects. It also offers O&M services in India and overseas.

Key financial indicators (audited)

Suzlon Energy Limited (consolidated)	FY2024	FY2025
Operating income	6,497	10,851
PAT	660	2,072
OPBDIT/OI	15.6%	16.5%
PAT/OI	10%	19%
Total outside liabilities/Tangible net worth (times)	0.8	1.0
Total debt/OPBDIT (times)	0.15	0.18
Interest coverage (times)	6.17	7.04

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)					Chronology of rating history for the past 3 years					
					FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Unallocated Limits	Long-Term/Short-Term	2635.00	July 29, 2025	[ICRA]A+ (Stable)/[ICRA]A1	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term – Unallocated Limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Unallocated Limits	NA	NA	NA	2635.00	[ICRA]A+ (Stable)/ [ICRA]A1

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	SEL ownership	Consolidation approach
SE Forge Limited	100.00%	Full consolidation
Suzlon Gujarat Wind Park Limited	100.00%	Full consolidation
AE-Rotor Holding B.V.	100.00%	Full consolidation
Gale Green Urja Limited	99.99%	Full consolidation
Manas Renewables Limited	100.00%	Full consolidation
SE Blades Technology B.V.	100.00%	Full consolidation
Sirocco Renewables Limited	100.00%	Full consolidation
Suryoday Renewables Limited	100.00%	Full consolidation
Suyash Renewables Limited	99.99%	Full consolidation
Suzlon Energy A/S	100.00%	Full consolidation
Suzlon Energy Australia Pty. Ltd.	100.00%	Full consolidation
Suzlon Energy B.V.	100.00%	Full consolidation
Suzlon Energy Korea Co., Ltd.	100.00%	Full consolidation
Suzlon Energy Limited, Mauritius	100.00%	Full consolidation
Suzlon Wind Energy (Lanka) Pvt. Limited	100.00%	Full consolidation
Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd.	100.00%	Full consolidation
Suzlon Wind Energy Espana, S.L	100.00%	Full consolidation
Suzlon Wind Energy Limited	100.00%	Full consolidation
Suzlon Wind Energy Nicaragua Sociedad Anonima	100.00%	Full consolidation
Suzlon Wind Energy Portugal Energia Elocia Unipessoal Lda	100.00%	Full consolidation
Suzlon Wind Energy Romania SRL	100.00%	Full consolidation
Suzlon Wind Energy South Africa (PTY) Ltd	80.00%	Full consolidation
Suzlon Wind Energy Uruguay SA	100.00%	Full consolidation
Suzlon Wind Enerji Sanayi Ve Ticaret Limited Sirketi	100.00%	Full consolidation
SWE Renewables Limited	100.00%	Full consolidation
SWE Wind Project Services Limited	100.00%	Full consolidation
Vakratunda Renewables Limited	100.00%	Full consolidation
Varadvinayak Renewables Limited	100.00%	Full consolidation
Vignaharta Renewable Energy Limited	100.00%	Full consolidation
Suzlon Energy (Tianjin) Limited	58.33%	Equity Method

Source: Annual report

Corrigendum

Document dated July 29, 2025 has been corrected with revisions as follows:

- One of the entities was deleted from the “List of entities considered for consolidated analysis” (Annexure 2) .

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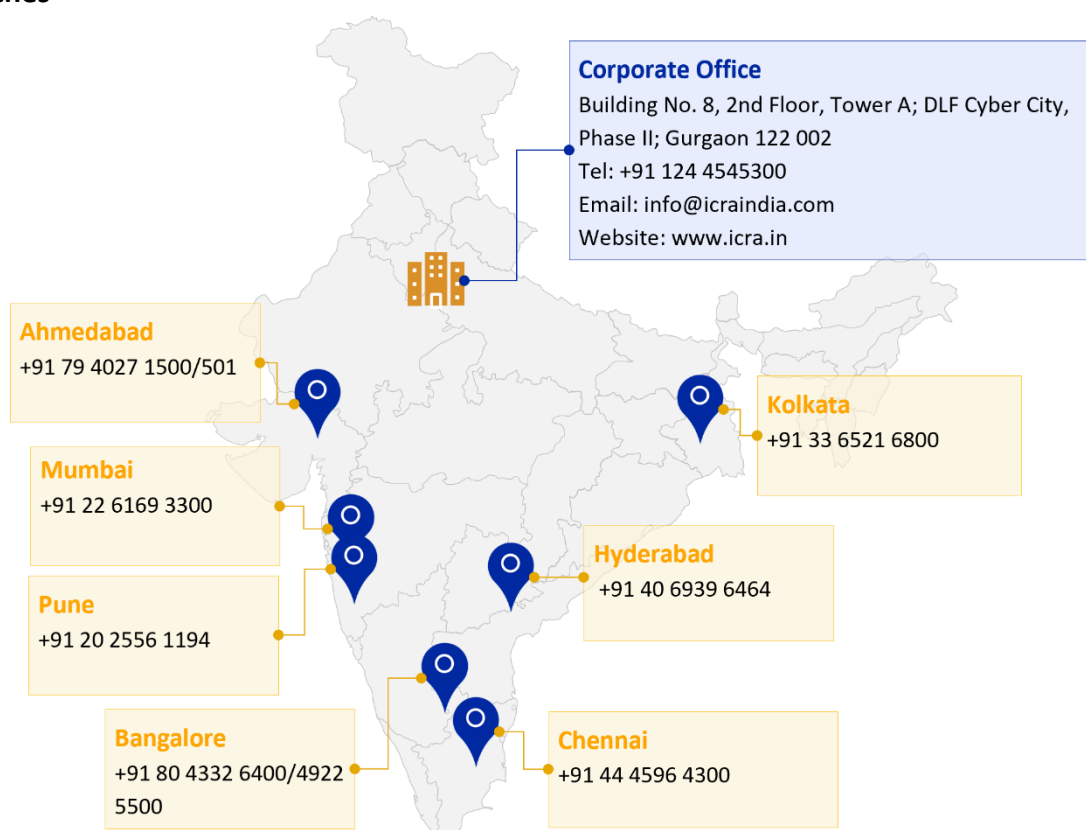
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