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# Vikran Engineering Limited

*Q4 & FY26 Results Update | 26th May 2026*

Vikran Engineering delivered a strong set of numbers for Q4FY26 and the full year FY26, marking a record revenue year for the company. Revenue more than doubled on a quarter-on-quarter basis and grew 82% year-on-year in Q4, driven by accelerating execution across Power T&D and rapidly scaling Solar EPC projects. For the full year, the company posted its highest-ever revenue of Rs. 1,249 crore, up 36% from FY25. The defining theme of FY26 has been transformation from a pure-play Power T&D EPC player to an integrated renewable energy infrastructure company, capped by the strategic acquisition of NOPL Solar Projects Private Limited.

## Financial Snapshot

| Particulars (Rs. Cr) | Q4FY26 | Q4FY25 | Q3FY26 | FY26 | FY25 |
|---|---|---|---|---|---|
| **Revenue from Operations** | **647** | 355 | 266 | **1,249** | 916 |
| **YoY Growth** | **82.2%** | - | - | **36.4%** | — |
| **QoQ Growth** | **143.0%** | - | - | **-** | - |
| **EBITDA** | 92 | 68 | 34.9 | **175** | 160 |
| **EBITDA Margin** | **14.2%** | 19.1% | 13.1% | **14.0%** | 17.5% |
| **PAT** | 56 | 38 | 20.9 | **92** | 78 |
| **PAT Margin** | **8.6%** | 10.6% | 7.8% | **7.3%** | 8.5% |

## Key Operational Highlights

### Record Revenue — Highest in Company History

FY26 revenue came in at Rs.1,249 crore, up 36% from Rs.916 crore in FY25  the highest annual revenue the company has ever reported. Q4FY26 was particularly strong at Rs. 647 crore, more than 143% higher than Q3FY26, reflecting the typical second-half billing ramp-up in EPC businesses.

### EBITDA Margin at 14% — Transitional Pressure Explained

Full year EBITDA margins came in at 14%, lower than the 15-17% range seen in the prior three years. Two one-off factors explain most of this dip:

- Provisions taken against delayed Jal Jeevan Mission (JJM) water project receivables (Rs. 20 crore, mostly in Q4). These provisions are expected to reverse as payments resume, which management says has already started in this financial year.
- Solar EPC projects were in early-stage execution during FY26 and early-stage projects typically carry lower billing milestones and margin recognition. As these projects mature, margins should improve.

Management has guided for 14-15% EBITDA margins in FY27 as a sustainable level.

## Order Book Jumps to Rs. 5,737 Crore — Solar Dominates

The order book has surged from Rs. 2,044 crore in FY25 to Rs. 5,737 crore as of 22nd May 2026, a near-tripling in just one year. Solar EPC now accounts for 49% of the order book, a segment that was virtually absent a year ago. An additional Rs.1,000 crore of solar EPC work (from the acquired NOPL subsidiary) is expected to be formalised and added to this number.

| Segment | As on 31st March 2026 (Rs. Cr) | % Share | As on 31st March 2025 (Rs.cr) |
|---|---|---|---|
| Solar | **2,825** | **54%** | Nil |
| Power T&D | 1,706 | 33% | 1,237 |
| Water | 634 | 12% | 765 |
| Railway | 41 | 1% | 42 |
| Total | **5,206** | **100%** | **2,044** |

## The Big Strategic Move: NOPL Solar Acquisition

The most significant development in FY26 is Vikran's acquisition of 100% stake in NOPL Solar Projects Private Limited. This acquisition is a game-changer for the company's long-term earnings profile.

### What is NOPL?

- NOPL holds 969 MW of PM-KUSUM Power Purchase Agreements (PPAs) signed with MSEDCL (Maharashtra State Electricity Distribution Company Limited).
- PPA Tariff: Rs. 3.074/kWh for a 25-year period, government-backed, inflation-protected revenue.
- Central Financial Assistance (CFA) of Rs. 1,017 crore from the central government provides significant subsidy support, de-risking the project.

### Why Does This Matter?

- Total project investment: Rs. 4,200 crore (largely debt-funded lender sanction already in place).
- Expected average annual revenue: Rs. 525+ crore per year for 25 years.
- EBITDA margins of 85-88% pure annuity-style cash flows once fully commissioned.
- 80% of land identified; 100+ installation partners in place. 20 MW already commissioned (April 2026), with more locations expected by end of May2026.
- Project deadline extended to March 2027 by both MNRE and MSEDCL giving adequate time for completion.

This acquisition fundamentally shifts Vikran from a project-execution-only model to a company with stable, long-duration asset-backed recurring revenues.

## Credit Rating Upgraded

Vikran's credit rating has been upgraded from BBB+ to A- (Stable Outlook). This reflects improving financial discipline, better order book quality and institutional confidence. A higher rating should reduce borrowing costs going forward important as the company scales up debt-funded project investments.

## Outlook & Management Guidance for FY27

### Revenue Target: Rs. 2,200 - 2,500 Crore

Management has guided for FY27 revenues in the range of Rs.2,200 to 2,500 crore nearly double FY26 levels. This is backed by the existing RS. 5,737 crore order book and improving execution pace. Revenue mix: 60% Solar, 30% Power T&D, 10% Water.

### Cash Flow Positive by FY28

Operating cash flows remain negative in FY26 and FY27 due to working capital investment required supporting rapid revenue growth. The company has guided for positive free cash flows starting FY28, with no plans for further equity dilution. FY28 revenue visibility is estimated at Rs. 3,000+ crore.

### New Business Initiatives

- **Data Center EPC**: Vikran is targeting its first data center EPC order (initial target of Rs.100 crore). The company is engaged with E&Y as consultants. It will pursue EPC execution mode only (not as a developer), leveraging its existing capabilities in power and cooling infrastructure.
- **International Markets**: Cautious evaluation of opportunities in the Middle East and select African regions underway.
- **Smart Metering**: Monitoring emerging opportunities aligned with government rollout programs.

## Key Risks to Watch

- **Working Capital Stress**: Trade receivables jumped to Rs.1,013 crore in FY26 from RS. 605 crore in FY25. JJM-related receivables (Rs. 280-300 crore) remain elevated, though management says payments have resumed.
- **Execution Risk on NOPL**: 969 MW spread across 150 locations is a large, complex distributed project. Any land acquisition or grid evacuation delays could push timelines.
- **Solar Margin Dilution**: Blended margins may remain under short-term pressure as large solar contracts ramp up. Historically, solar EPC carries thinner margins than Power T&D.
- **Supply Chain Concentration**: Dependence on Chinese suppliers for solar components. Management has proactively pre-purchased critical items and is working with large supply chain partners to hedge geopolitical risk.
- **Debt Burden from NOPL**: Rs.4,200 crore investment is largely debt-funded. Consolidated leverage will increase significantly; execution and tariff realisation are critical to service this debt.

## Outlook

Vikran Engineering is at an inflection point. The company has delivered record revenue in FY26, built a large and diversified order book and made a bold strategic move into solar asset ownership through the NOPL acquisition. The near-term earnings profile will be a function of how quickly solar projects scale up and JJM receivables are recovered. For investors with a 2-3 year horizon, the key re-rating catalyst is the commissioning and stabilisation of the NOPL portfolio, which could unlock significant long-duration annuity value. The management has demonstrated execution discipline no project delays on record and the credit rating upgrade validates improving institutional standing. One to watch closely as execution unfolds in FY27.