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RESEARCH ARTICLE

CORPORATE TURNAROUNDS IN INDIA: STRATEGIC REVIVAL MODELS AND LESSONS FROM CASE STUDIES

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Abstract

This study examines corporate turnarounds in India's renewable energy sector using qualitative case studies of Suzlon Energy, ReNew Power, and Tata Power Solar. It analyzes the causes of corporate decline and evaluates the effectiveness of turnaround strategies including financial restructuring, operational efficiency, strategic repositioning, and govern ance interventions. The findings highlight that successful turnarounds are context dependent, shaped by regulatory frameworks like the Insolv ency and Bankruptcy Code (IBC), market conditions, and institutional support. The study proposes four Strategic Revival Models: Financial Restructuring, Operational Efficiency, Strategic Repositioning, and Hybrid Turnaround, as a framework for guiding recovery in distressed firms in India's renewable energy sector. These models are theoretically grounded in Resource-Based View (RBV) and institutional theory, and are differentiated from prior frameworks (Hofer, 1980; Trahms et al., 2013) by their specific applicability to emerging-market, capital-intensive, policy-sensitive sectors. Overall, the research emphasizes the need for an integrated approach combining financial, strategic, and governance reforms to achieve sustainable turnaround.

Introduction:-

Overview of Corporate Turnarounds:-

Corporate turnaround refers to the set of strategic, operational, and financial actions undertaken by firms to reverse performance decline and restore organizational stability. The literature conceptualizes turnaround as a multi-phase process involving retrenchment to stop decline followed by recovery-oriented initiatives aimed at renewed growth. Contemporary research adopts an integrative perspective, emphasizing not only turnaround actions but also contextual factors, managerial decision-making, and process dynamics. Drawing on insights from multiple disciplines, turnaround studies highlight that successful recovery depends on the alignment of strategy, execution, timing, and firm-specific conditions rather than on isolated corrective measures alone (Schweizer & Nienhaus, 2017).A broader view of corporate turnaround emphasizes the complexity of factors influencing successful recovery beyond traditional strategic and operational responses, particularly the role of corporate governance structures. Hansen (2012) argues that while retrenchment and strategy changes have been central in turnaround literature, governance mechanisms such as ownership composition and decision-making processes can critically affect a firm's ability to reverse decline and sustain performance improvements. The study suggests that misaligned governance may hinder necessary corrective actions, and that understanding how ownership structure interacts with turnaround

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dynamics can explain why some distressed firms fail to recover despite undertaking conventional turnaround measures.

Importance in the Indian Economic Context:-

In the Indian economic context, corporate turnaround is particularly important given the combined effects of firm-specific weaknesses and external institutional constraints. Maheshwari (2000) highlights that organizational decline in India is often shaped by factors such as regulatory pressures, labour rigidities, and broader economic conditions, as well as managerial inaction or inappropriate strategic responses. As a result, turnaround strategies must be context-sensitive rather than universally applied.Analyses of Indian corporate cases demonstrate that turnaround efforts often span operational restructuring, management change, and financial revitalisation, aimed at halting decline and re-establishing sustained growth across diverse sectors such as manufacturing and services. Such turnarounds help preserve employment, support creditor confidence, and prevent value destruction that ripples through financial markets and supply chains (Yadav, 1992).

Research Objectives and Scope:-

The primary objective of this study is to examine corporate turnarounds in India's renewable energy sector by identifying strategic revival models adopted by distressed firms and evaluating their effectiveness through selected case studies. The research analyzes the causes of corporate decline, the nature and sequencing of turnaround strategies, and the role of managerial, financial, and governance interventions in enabling recovery. The scope is explicitly delimited to the renewable energy sector, where institutional challenges such as IBC proceedings, DISCOM payment delays, and policy dependence create a distinctive turnaround context not fully captured by existing frameworks developed in advanced economies.

Research Questions:-

This study addresses three research questions:

• What are the primary causes of corporate decline among Indian renewable energy firms, and how do these factors shape the need for turnaround strategies?

• Which strategic revival models and turnaround actions have proven effective in restoring performance in the selected Indian corporate case studies?

• How do the proposed Strategic Revival Models advance beyond existing frameworks such as Hofer (1980) and Trahms et al. (2013) in the context of emerging-market, policy-sensitive industries?

Structure of the Paper:-

This paper is structured as follows: Section 2 reviews the theoretical and empirical literature on corporate turnarounds. Section 3 details the qualitative case study methodology, including case selection justification and thematic coding procedure. Section 4 presents detailed case analyses of Suzlon Energy, ReNew Power, and Tata Power Solar. Section 5 provides a cross-case comparative analysis supported by a structured comparison matrix. Section 6 proposes and theoretically grounds four Strategic Revival Models. Sections 7 and 8 discuss implications and limitations respectively, before a concluding section summarizes contributions and future research directions.

Literature Review:-

Concept and Evolution of Corporate Turnarounds:-

Early research in this field, emerging in the 1970s and 1980s, conceptualized turnarounds largely as sequences of retrenchment and recovery actions aimed at stabilising a distressed firm and returning it to viability. Over time, scholarly work has expanded this view by integrating insights from organizational change theory to recognise a broader set of strategic responses as well as the interplay of internal and external factors affecting turnaround outcomes. This evolution reflects a shift from simplistic dichotomous classifications toward more comprehensive frameworks that consider content (what actions are taken), process (how and when they are implemented), and context (the environmental conditions surrounding a distressed firm), thereby deepening understanding of the multifaceted nature of corporate turnarounds (Möst & Henssler, 2017).Academic research has long acknowledged the interdisciplinary complexity of the phenomenon. Liou and Smith (2006) demonstrate that academic inquiry spans multiple disciplines and emphasises not just the identification of effective strategic responses, but also the conditions under which recovery is feasible and the role of implementation processes in determining success outcomes.

Causes of Corporate Decline:-

Corporate decline stems from a complex interplay of firm-level weaknesses and external environmental pressures. Decline often reflects an inability to adapt strategic orientation, organizational structure, or competitive positioning in response to rapidly evolving market conditions, technological change, and competitive disruptions (Oliveira Saraiva et al., 2024).

Internal Factors. Internal factors relate to weaknesses within the organization's structure, strategy, and managerial processes. Contemporary research shows that strategic inertia, a firm's failure to adapt its strategy when faced with environmental change can significantly contribute to continuing decline. This inability to renew strategy often stems from cognitive, structural, or cultural rigidity within decision-making processes (Perini, Carneiro, & Miller, 2024).

External Factors. External factors encompass industry-level and environmental pressures that negatively affect firm performance, often beyond direct managerial control. These include intensified competition, rapid technological evolution, regulatory changes, and macroeconomic shocks that disrupt established business models (Esteve-Pérez, Pieri, & Rodriguez, 2024).

Turnaround Strategy Frameworks:-

Turnaround strategy frameworks conceptualize the coordinated set of actions firms deploy to reverse decline and restore performance. Contemporary scholarship frames turnaround as a multiphase process involving both short-term stabilisation and long-term renewal actions (Schweizer & Nienhaus, 2017). Key strategy types include retrenchment (cost cutting, divestment), restructuring (financial and organisational reorganisation), repositioning (market and business model renewal), and leadership change.Retrenchment strategies are defensive measures that improve liquidity and organisational focus, making them foundational in early turnaround stages, though insufficient alone for long-term recovery (Tangpong, Lehmberg, & Li, 2025). Restructuring strategies redefine the organisation's internal architecture and financial position to support sustainable recovery. Repositioning strategies redefine a firm's competitive stance through market entry, innovation, or value proposition renewal. Leadership change is recognised as a pivotal catalyst, particularly where existing management's strategic inertia contributed to decline (Trahms et al., 2013).

Theoretical Underpinnings: RBV and Institutional Theory:-

Two theoretical perspectives are particularly relevant to understanding corporate turnarounds in emerging markets. The Resource-Based View (RBV) holds that competitive advantage stems from unique, inimitable resources and capabilities (Barney, 1991). In turnaround contexts, RBV explains why firms with distinctive operational capabilities, brand equity, or technological assets are better positioned for recovery than those whose resources have been eroded. The proposed Strategic Revival Models draw on RBV by emphasizing capability preservation and selective redeployment as central to effective turnaround.Institutional theory (DiMaggio & Powell, 1983; North, 1990) highlights the role of formal and informal institutions, regulatory frameworks, industry norms, and governance structures in shaping organizational behaviour. In the Indian context, the IBC represents a formal institutional intervention that fundamentally altered the turnaround landscape by shifting power from promoters to creditors. Institutional theory explains why turnaround strategies must be aligned not only with market conditions but also with evolving regulatory constraints, making it indispensable for analyzing India-specific recovery dynamics.

Corporate Turnarounds in the Indian Context:-

Corporate turnarounds in India are shaped by a distinctive institutional, regulatory, and market environment. The introduction of the Insolvency and Bankruptcy Code (IBC) in 2016 marked a structural shift by strengthening creditor rights, improving resolution timelines, and disciplining managerial behavior (Sengupta, Sharma, & Thomas, 2017). Contemporary research emphasizes that turnaround success in India depends not only on firm-level strategic actions but also on the interaction between legal frameworks, financial institutions, and market dynamics (Gopalan & Purnanandam, 2020).Governance challenges including ownership concentration, promoter dominance, and weak board independence have historically constrained effective strategic renewal. Research emphasizes that governance reforms like leadership changes, improved board oversight, and enhanced transparency are often necessary complements to financial and operational restructuring (Khanna & Palepu, 2010; Balasubramanian, Black, & Khanna, 2010). Market dynamics, liberalization, technological disruption, and competitive pricing further intensify the challenge, requiring firms to realign with evolving conditions through strategic repositioning (Bapat, 2020; Venkatesh & Sultana, 2018).

Critical Analysis of Existing Literature and Research Gaps:-
The corporate turnaround literature provides a strong theoretical foundation but exhibits a contextual bias toward developed economies with mature capital markets and dispersed ownership. Frameworks by Hofer (1980) and Trahms et al. (2013) classify turnaround actions into retrenchment, restructuring, and repositioning, but were developed without accounting for institutional voids, regulatory complexity, or policy dependence characteristic of emerging markets (Gopalan & Purnanandam, 2020).Additionally, existing literature lacks sufficient integration of governance and institutional factors as central rather than peripheral elements of turnaround frameworks. Methodologically, there is a paucity of longitudinal and case-based studies from emerging economies, and failed turnaround cases remain underexplored, leading to survivorship bias (Möst & Henssler, 2017). This study addresses these gaps by: (i) explicitly scoping analysis to the renewable energy sector in India; (ii) grounding proposed models in RBV and institutional theory; (iii) differentiating the four Strategic Revival Models from prior frameworks; and (iv) incorporating thematic coding to enhance analytical rigour.

Key Takeaways:-
Corporate turnaround is a multi-stage and multidimensional process. Existing frameworks provide strong theoretical foundations but lack applicability to emerging-market, policy-sensitive sectors. This study addresses these gaps by developing India-focused, theoretically grounded Strategic Revival Models through rigorous qualitative case analysis.

Research Methodology:-
This chapter outlines the methodological approach, including research design, data sources, case selection justification, analytical coding procedure, and limitations.

Research Design:-
The study adopts a qualitative case study research design (Yin, 2018) to explore corporate turnarounds in India in depth. A qualitative approach is appropriate given the exploratory nature of the research and the need to understand complex strategic, managerial, and institutional factors that influence turnaround outcomes. Case studies allow for rich contextual analysis and enable the examination of process, sequencing, and decision-making dynamics often overlooked in large-sample quantitative studies. By focusing on successful turnaround cases within a single sector, the design facilitates intra-industry comparison and theory-building grounded in real-world evidence (Eisenhardt, 1989).

Data Sources:-
The study relies exclusively on secondary data due to accessibility and feasibility considerations. Data sources include: published annual reports and financial statements (2015–2022); regulatory filings and insolvency resolution documents under the IBC; press releases and corporate disclosures; industry reports from IREDA, IEA, MNRE, and RBI; business news from credible publications; and prior peer-reviewed case studies. The use of multiple secondary sources enables data triangulation, enhancing robustness. The analytical time frame covers the period from each firm's crisis onset through observed recovery, spanning approximately 2014 to 2022.

Case Selection Justification:-
Cases were selected using purposive sampling to ensure relevance, analytical depth, and sectoral coherence. The three firms: Suzlon Energy, ReNew Power, and Tata Power Solar were chosen because they represent three distinct turnaround pathways within the same industry: insolvency-led (Suzlon), market-led pre-distress intervention (ReNew Power), and parent-supported strategic repositioning (Tata Power Solar). This variation enables meaningful intra-industry comparison while holding sector-level institutional factors constant.All three firms are major, well-documented players in India's renewable energy sector with sufficient publicly available data covering crisis, intervention, and recovery phases. The deliberate exclusion of failed turnaround cases is acknowledged as a limitation discussed in Section 8 and reflects data availability constraints rather than a methodological preference. Future research should incorporate failed cases to mitigate survivorship bias.

Analytical Framework: Thematic and Comparative Analysis:-
A two-stage analytical procedure was employed. In the first stage, thematic analysis was used within each case to identify recurring patterns related to: (i) causes of decline, (ii) turnaround strategies adopted, (iii) governance and institutional factors, and (iv) outcomes. Themes were derived inductively from the data through iterative reading and categorization, then validated against the theoretical constructs of RBV and institutional theory (Braun & Clarke,

2006). A thematic coding scheme organized findings under four primary theme categories: Crisis Triggers, Strategic Responses, Institutional Context, and Performance Outcomes.In the second stage, cross-case comparative analysis examined similarities and differences across the three firms to identify common patterns, contextual divergences, and theory-building opportunities. This dual approach facilitates systematic interpretation while preserving the richness of individual case narratives.

Limitations of Methodology:-

Reliance on secondary data limits access to internal managerial perspectives and informal decision-making dynamics. The qualitative approach restricts generalizability beyond the selected cases. Survivorship bias is present given the focus on successful turnarounds. Data availability variations across firms may affect analytical depth. These limitations are partly mitigated through triangulation of multiple data sources and a clearly delimited analytical scope.

Key Takeaways:-

The qualitative case study methodology, combined with a structured thematic coding procedure and cross-case comparison, provides a rigorous foundation for generating contextually grounded insights and informing the development of Strategic Revival Models in subsequent chapters.

Case Studies of Corporate Turnarounds in India:-

This chapter presents detailed analyses of three Indian renewable energy firms. Each case is structured to cover: company background, crisis phase (including financial timeline), turnaround strategy, implementation process, outcomes, and critical analysis.

Case Study 1: Suzlon Energy Limited:-

Background. Suzlon Energy Limited is a leading Indian renewable energy company primarily engaged in wind energy solutions, with a presence across manufacturing, project execution, and operations and maintenance services. Founded in 1995, Suzlon played a pioneering role in India's renewable energy expansion and benefited from favorable government policies. During its growth phase, it expanded aggressively both domestically and internationally (Venkatesh & Sultana, 2018; IREDA, 2021).

Crisis Phase (2012–2019). Suzlon entered a prolonged crisis due to excessive leverage, foreign currency debt exposure (totaling approximately ₹12,000 crore by 2013), declining demand, and execution challenges. The firm faced mounting debt obligations, repeated defaults, and eroding investor confidence, eventually leading to insolvency proceedings under the IBC in 2019 (Gopalan & Purnanandam, 2020).

Turnaround Strategy. Suzlon's strategy focused primarily on financial restructuring under the IBC framework large-scale debt restructuring including conversion of debt into equity, repayment deferrals, and fresh capital infusion. Strategically, the company narrowed its focus to core wind energy operations, exited non-core international assets, and emphasized service-based revenues such as operations and maintenance contracts to stabilize cash flows (Gopalan & Purnanandam, 2020).

Implementation. The turnaround was largely creditor-driven. Financial institutions played a central role in approving the resolution plan and monitoring execution. Leadership continuity was maintained to preserve operational knowledge, while governance oversight increased through lender supervision. Cost rationalization, workforce optimization, and supplier contract renegotiation were implemented gradually (Sengupta et al., 2017; RBI, 2021).

Outcomes (2019–2022). Post-restructuring, Suzlon achieved improved liquidity, a reduced debt-equity ratio (from approximately 8:1 to under 2:1 by 2022), and gradual recovery in order inflows. EBITDA margins stabilized, and capacity utilization improved. The IBC-enabled resolution prevented liquidation and preserved productive assets (IREDA, 2021; MNRE, 2022).

Critical Analysis. Suzlon's case highlights the central role of institutional mechanisms in capital-intensive renewable firms. While the IBC-enabled resolution was effective, the turnaround remained constrained by sectoral challenges including pricing pressure, policy uncertainty, and competition. Financial restructuring alone was insufficient without sustained market support and strategic repositioning illustrating the need for the Hybrid Turnaround Model proposed in Section 6.

Case Study 2: ReNew Power Limited:-

Background. ReNew Power Limited is one of India's largest renewable energy producers with a strong portfolio in solar and wind power generation. Established in 2011, the company experienced rapid growth driven by India's ambitious renewable energy targets and increasing private sector participation. ReNew adopted an asset-heavy, project-based business model relying on long-term power purchase agreements (PPAs) (IEA, 2021; MNRE, 2022).

Crisis Phase (2016–2018). Despite strong capacity expansion, ReNew faced financial stress due to high capital expenditure, rising debt (exceeding ₹25,000 crore by 2018), tariff compression from competitive bidding, and DISCOM receivable delays of 12–18 months. Declining solar tariffs falling from ₹12/kWh in 2010 to below ₹3/kWh by 2018, put severe pressure on margins (Ghosh & Nanda, 2020; IREDA, 2021).

Turnaround Strategy. ReNew Power's strategy focused on balance sheet optimization, portfolio rationalization, and proactive financial restructuring- without formal insolvency intervention. The company refinanced high-cost debt, diversified funding through green bonds and international investors, pursued selective asset monetization, and emphasized operational efficiency at the project level (IEA, 2021; Ghosh & Nanda, 2020).

Implementation. The implementation was management-led and market-driven, supported by institutional investors and development finance institutions. ReNew strengthened governance mechanisms, enhanced risk management, adopted advanced monitoring systems to optimize plant performance, and renegotiated supplier contracts (IREDA, 2021).

Outcomes (2018–2022). ReNew achieved improved financial stability with EBITDA margins recovering to 85%+, sustained capacity expansion beyond 9 GW, and enhanced access to global capital markets. Debt maturity profiles improved and investor confidence was restored (IEA, 2021; BloombergNEF, 2022).

Critical Analysis. ReNew's turnaround illustrates a proactive, pre-distress revival model distinct from insolvency-driven cases. The case supports the Operational Efficiency Model proposed in Section 6, demonstrating that early financial intervention, governance strengthening, and diversified financing are critical for sustainable turnaround in competitive bidding-based markets (Ghosh & Nanda, 2020).

Case Study 3: Tata Power Solar Systems Limited:-

Background. Tata Power Solar Systems Limited is one of India's oldest solar energy companies, operating across solar manufacturing, EPC services, and rooftop solar solutions. Originally Tata BP Solar, it was acquired by Tata Power in 2012 and rebranded. Despite strong technological capabilities and brand backing, the firm faced challenges amid intense competition and a rapidly changing policy environment (Tata Power, 2021; MNRE, 2022).

Crisis Phase (2014–2017). The company experienced operational and financial stress due to sustained losses in its manufacturing segment, competition from low-cost Chinese imports (with landed prices 30–40% below domestic costs), and margin pressure from aggressive tariff-based bidding. High fixed costs and underutilization of manufacturing capacity(below 40% utilization) weakened financial performance (Ghosh & Kathuria, 2016; MNRE, 2022).

Turnaround Strategy. Tata Power Solar pursued strategic repositioning rather than insolvency-led restructuring. The company exited unviable product lines, shifted from standalone manufacturing to integrated EPC and rooftop solar solutions, and leveraged Tata Power's balance sheet support. Renewed emphasis was placed on 'Make in India' and PLI scheme alignment (Tata Power, 2021; Kapoor et al., 2020).

Implementation. The process was internally driven with strong corporate governance and parent company oversight. Tata Power Solar invested in operational efficiency, modernized facilities, and expanded rooftop and distributed solar offerings. Strategic alignment with Tata Group's broader renewable strategy enabled smoother execution (Kapoor et al., 2020).

Outcomes (2017–2022). Following realignment, Tata Power Solar achieved improved revenue stability with rooftop solar revenues growing over 200% by 2021, increased EPC contract values exceeding ₹4,000 crore, and manufacturing capacity utilization recovering to above 70%. Order book and contribution margins improved substantially (Tata Power, 2021; IEA, 2021).

Critical Analysis. Tata Power Solar demonstrates the effectiveness of strategic repositioning and parent-led support in overcoming sectoral distress. Unlike insolvency-driven cases, the company relied on governance strength and policy alignmentexemplifying the Strategic Repositioning Model in Section 6. Continued exposure to global price competition highlights the need for sustained innovation (Ghosh & Kathuria, 2016).

Comparative Analysis of Case Studies:-

Cross-Case Comparison Matrix:-

The following table presents a structured cross-case comparison of the three firms across key turnaround dimensions, enabling systematic identification of common patterns and divergent pathways.

Dimension	Suzlon Energy	ReNew Power	Tata Power Solar
Nature of Distress	Severe financial distress; IBC proceedings	Financial stress; pre-distress intervention	Operational losses; manufacturing viability
Crisis Period	2012–2019	2016–2018	2014–2017
Primary Turnaround Driver	Financial restructuring (IBC-led)	Balance sheet optimization; operational efficiency	Strategic repositioning; parent support
Institutional Mechanism	IBC / creditor-led resolution	Market-driven; development finance	Parent company governance
Governance Role	Lender supervision post-IBC	Strengthened board & risk management	Parent oversight & Tata Group governance
Revenue Strategy Post-Crisis	O&M service contracts; wind project focus	Green bonds; asset monetization	EPC services; rooftop solar; PLI alignment
Key Financial Metric (Recovery)	Debt-equity: 8:1 → <2:1	EBITDA margins: ~85%+	Capacity utilization: <40% → >70%
Revival Model Applied	Hybrid Turnaround	Operational Efficiency	Strategic Repositioning
Theoretical Lens	Institutional Theory (IBC)	RBV (operational capabilities)	RBV + Institutional (policy alignment)
Key Lesson	Financial restructuring enables survival; governance reform needed for sustainability	Early intervention prevents deeper distress	Business model transformation is viable without formal insolvency

Common Turnaround Strategies:-
Across all three cases, financial discipline and strategic focus on core competencies emerge as central elements. Each firm adopted measures to improve cash flow stability, reduce financial strain, and align operations with India's renewable energy policy environment. Cost rationalization, emphasis on long-term revenue visibility through PPAs or service contracts, and governance strengthening were common to all three revivals.

Key Success Factors:-
The comparative analysis identifies several critical success factors. Early intervention and proactive financial restructuring, as seen in ReNew Power and Tata Power Solar, prevented deeper distress. Strong governance and institutional supportwhether through IBC creditor mechanisms or parent company oversight played a decisive role. Operational efficiency, technological capability, and business model adaptability to declining tariffs and competitive pressures further contributed to successful revival.

Key Failure Factors:-
Common failure antecedents include excessive leverage from aggressive expansion without adequate risk management, overdependence on policy incentives, delayed receivables from DISCOMs, and tariff volatility. Where turnaround efforts focused primarily on financial restructuring without sufficient strategic repositioning, recovery remained partial and vulnerableas evidenced by Suzlon's continued sectoral exposure post-IBC resolution.

Industry-Specific Observations:-
The renewable energy sector presents unique turnaround challenges due to its capital-intensive nature, long project gestation periods, and regulatory dependence. Competitive reverse bidding has compressed margins, necessitating

continuous efficiency improvements. Structural risks including DISCOM payment delays and policy uncertainty require firms to build financial buffers and diversified revenue streams as core turnaround elements.

Key Takeaways:-
Corporate turnarounds in India's renewable energy sector are highly context-dependent and multidimensional. Effective revival requires not only financial restructuring but also strategic clarity, institutional alignment, and governance strength. These insights provide the foundation for the Strategic Revival Models presented in the next chapter.

Strategic Revival Models: Core Contribution:-
Conceptualizing and Differentiating the Revival Models:-
Based on the comparative analysis, this study proposes four Strategic Revival Models. Before presenting these models, it is important to differentiate them from prior frameworks. Hofer's (1980) foundational typology classifies turnaround strategies as operating or asset/financial restructuring, but was developed for manufacturing firms in mature economies without accounting for institutional mechanisms such as the IBC or policy-driven market structures. Trahms et al.'s (2013) integrative framework incorporates retrenchment, recovery, and leadership dimensions but treats institutional factors as contextual rather than central to model design.The four Strategic Revival Models proposed here advance beyond these frameworks in three ways. First, they are explicitly grounded in RBV (explaining which firm capabilities drive each recovery path) and institutional theory (explaining how regulatory frameworks shape viable strategies). Second, they are calibrated to emerging-market, capital-intensive, policy-sensitive sectors where institutional voids and regulatory dependencies create turnaround dynamics absent from prior models. Third, they incorporate a sequential contingency logic: the appropriate model depends on distress severity, governance quality, and institutional context rather than applying uniformly.

The following table summarizes the four models and their theoretical grounding:

Model	Primary Focus	Distress Context	RBV Dimension	Institutional Dimension	Case Illustration
Financial Restructuring	Balance sheet correction; debt resolution	Severe; insolvency-stage	Financial capital resource restoration	IBC / creditor-led resolution	Suzlon Energy
Operational Efficiency	Cost structure, process efficiency, project-level discipline	Moderate; pre-formal distress	Operational capabilities as competitive resource	Development finance; market-driven	ReNew Power
Strategic Repositioning	Business model transformation; market reorientation	Structural; sector-level disruption	Dynamic capabilities; strategic asset redeployment	Policy alignment (PLI, Make in India)	Tata Power Solar
Hybrid Turnaround	Integrated financial + operational + strategic intervention	Complex; multi-dimensional distress	Multi-resource restoration	Multi-institutional engagement	Suzlon (post-IBC recovery phase)

Financial Restructuring Model:-
The Financial Restructuring Model emphasizes balance sheet correction as the primary driver of turnaround in highly leveraged firms. It involves debt restructuring, repayment deferrals, conversion of debt into equity, and infusion of fresh capital to restore liquidity and solvency. From an RBV perspective, this model focuses on restoring financial capital- the foundational resource enabling subsequent operational and strategic recovery. Institutional theory explains why IBC-enabled creditor control is the key mechanism: it realigns incentives, reduces information asymmetry, and enforces time-bound resolution. Critically, unlike Hofer's (1980) financial restructuring category,

this model explicitly incorporates the IBC's role as an institutional enabler and recognizes that financial restructuring must be accompanied by governance reform to prevent moral hazard and ensure sustainability.

Operational Efficiency Model:-

The Operational Efficiency Model focuses on improving internal processes, cost structures, and asset utilization to enhance cash flow generation without formal insolvency intervention. Key elements include cost rationalization, supply chain optimization, technological upgrades, and improved project execution capabilities. From an RBV lens, this model targets the preservation and enhancement of operational capabilities as the primary competitive resource. It is most appropriate for firms facing financial stress but retaining viable business models and governance strength. Unlike generic efficiency frameworks, this model is calibrated to renewable energy sector dynamics specifically, maintaining profitability under competitive reverse bidding and DISCOM payment delays.

Strategic Repositioning Model:-

The Strategic Repositioning Model involves redefining the firm's business scope, market focus, or value proposition in response to structural industry disruption. This may include exiting unviable segments, diversifying revenue streams, developing service-oriented offerings, or aligning with national policy priorities such as PLI schemes. From an RBV perspective, this model emphasizes dynamic capabilities- the firm's ability to reconfigure assets and redeploy competencies in new strategic directions (Teece, Pisano, & Shuen, 1997). Institutionally, it requires alignment with evolving policy frameworks to leverage regulatory incentives. This model advances beyond Trahms et al.'s (2013) recovery stage by specifying the mechanisms through which business model transformation is achieved in policy-sensitive emerging markets.

Hybrid Turnaround Model:-

The Hybrid Turnaround Model integrates financial restructuring, operational efficiency, and strategic repositioning into a coordinated revival approach. This model recognizes that complex distress situations require multi-dimensional solutions rather than isolated interventions. It is most suited for firms facing both internal weaknesses and adverse external conditions simultaneously. From an RBV perspective, the hybrid approach recognizes that multiple resource dimensions like financial, operational, and strategic, must be restored concurrently. Institutionally, it requires engagement with multiple mechanisms: IBC creditor resolution, market-based financing, and policy alignment. This model is the most comprehensive but also most demanding in terms of leadership capability, coordination, and governance strength.

Model Selection Contingency Logic:-

Model selection should be contingent on three factors: (i) distress severity: more severe distress (insolvency-stage) calls for the Financial Restructuring or Hybrid Model; (ii) governance quality: firms with strong governance can execute the Operational Efficiency or Repositioning Models without formal insolvency mechanisms; and (iii) institutional context: the presence of enabling mechanisms (IBC, PLI, parent support) determines which institutional levers are available. This contingency logic aligns with Hofer's (1980) original insight that turnaround strategy must fit the competitive position, while extending it to incorporate governance quality and institutional availability as additional contingency variables.

Critical Evaluation of Models:-

Each model has inherent limitations. Financial restructuring may lead to moral hazard if not accompanied by governance reforms. Operational efficiency gains may be insufficient in structurally unviable business models. Strategic repositioning carries execution and market risks in uncertain policy environments. The hybrid model, though comprehensive, requires strong coordination, leadership capability, and institutional support. Models derived from three cases within a single industry have limited generalizability- a limitation acknowledged explicitly and addressed through the theoretical grounding in RBV and institutional theory, which extends applicability to other capital-intensive, policy-sensitive sectors.

Key Takeaways:-

Successful corporate turnaround in India's renewable energy sector requires a strategic fit between the nature of distress and the revival model adopted. The four Strategic Revival Models advance beyond prior frameworks (Hofer, 1980; Trahms et al., 2013) by incorporating India-specific institutional mechanisms, RBV and institutional theory grounding, and a contingency logic for model selection. These models provide a structured framework for managers, policymakers, and researchers in emerging-market, capital-intensive contexts.

Implications for Practice and Policy:-

Managerial Implications:-

Corporate turnaround requires early recognition of distress signals and timely intervention through financial discipline, operational efficiency, and strategic realignment. Managers must avoid aggressive leverage without adequate risk assessment, particularly in tariff-driven markets. Aligning turnaround strategies with core competencies, strengthening governance, and adopting flexible business models are critical for sustaining recovery. The proposed models offer a diagnostic framework: managers should first assess distress severity and governance quality before selecting an appropriate revival pathway (Trahmset al., 2013; Venkatesh & Sultana, 2018).

Policy and Regulatory Implications:-

The study underscores the significance of a stable and predictable regulatory framework. The IBC has played a vital role in enabling time-bound resolution and asset preservation. However, persistent DISCOM payment delays, tariff uncertainty, and frequent policy changes continue to undermine sectoral stability. Policymakers must focus on improving contract enforcement, payment discipline, and long-term policy clarity. The success of PLI schemes in incentivizing Tata Power Solar's domestic manufacturing repositioning suggests that targeted industrial policy can be a powerful complement to insolvency mechanisms (Sengupta et al., 2017; Kapoor et al., 2020).

Role of Financial Institutions and Governance:-

Financial institutions have increasingly moved from passive lenders to active participants in resolution and revival processes. Strengthened governance frameworks, enhanced disclosure norms, and lender supervision have contributed positively to turnaround effectiveness. Institutions such as RBI and MNRE shape turnaround success by influencing financial discipline and policy alignment across the renewable energy ecosystem (RBI, 2021; MNRE, 2022). Development finance institutions and green bond markets represent under-utilized mechanisms for supporting pre-distress revival in the sector.

Key Takeaways:-

Effective corporate turnaround requires coordinated efforts among managers, policymakers, and financial institutions. Managerial agility, regulatory stability, and governance strength collectively determine revival sustainability. These implications extend beyond renewable energy to other infrastructure-intensive sectors facing similar financial and regulatory challenges.

Limitations of the Study:-

Data Constraints:-

The study relies exclusively on secondary data, limiting access to internal managerial perspectives and informal decision-making dynamics. Variations in disclosure quality across companies may affect the completeness and comparability of information used in the analysis (Yin, 2018).

Methodological Limitations:-

The qualitative case study approach restricts generalizability of findings. The selected cases represent only successful turnarounds within the renewable energy sector, introducing survivorship bias. All three cases are drawn from the same industry, which while enabling controlled intra-sector comparison limits cross-sector applicability of the proposed models. The absence of failed turnaround cases, despite this study's original intention to include them (constrained by data availability), is acknowledged as a significant limitation. Causal relationships between strategies and outcomes cannot be empirically established given the interpretive methodology (Eisenhardt, 1989).

Scope for Improvement:-

Future research could enhance this study by incorporating quantitative performance analysis, longitudinal data, and cross-country comparisons. Inclusion of failed turnaround cases from renewable energy and other sectors would strengthen theoretical robustness and address survivorship bias. Extending the case sample to include firms from manufacturing, infrastructure, and services would test the broader applicability of the proposed Strategic Revival Models. Primary data collection through management interviews and regulatory stakeholder engagement would provide richer insights into decision-making and implementation dynamics (Trahms et al., 2013).

Key Takeaways:-

Despite its limitations, the study provides a structured and context-specific understanding of corporate turnarounds in India's renewable energy sector. The identified constraints offer clear directions for future research aimed at strengthening empirical validity and broadening theoretical contribution.

Conclusion:-

This study examined corporate turnarounds in India's renewable energy sector through a qualitative case study approach, focusing on the development and theoretical grounding of four Strategic Revival Models. By analyzing Suzlon Energy (insolvency-led), ReNew Power (market-driven pre-distress), and Tata Power Solar (parent-supported strategic repositioning), the research demonstrates that revival is a multidimensional process shaped by financial restructuring, operational efficiency, strategic repositioning, and governance quality.The study's core contribution lies in four theoretically grounded Strategic Revival Models that advance beyond prior frameworks (Hofer, 1980; Trahms et al., 2013) by incorporating IBC institutional mechanisms, RBV and institutional theory foundations, and a contingency logic for model selection appropriate to emerging-market, capital-intensive, policy-sensitive sectors. A structured cross-case comparison matrix and thematic coding procedure enhance analytical rigor relative to the submitted version.Overall, the research reinforces that sustainable turnaround requires not only corrective financial measures but also strategic adaptability, governance reform, and long-term policy alignment. The study contributes to theory by extending turnaround frameworks to emerging-market contexts, to practice by offering a diagnostic model selection logic for managers, and to policy by highlighting the complementary role of IBC mechanisms and targeted industrial policy in enabling sectoral recovery.

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