

Suzlon shrugs off rating suspension on \$1.2b bank debt



PLAYING RATERS: Suzlon says Icra rating is dated and immaterial when it has current investment grade rating from Care

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INDIAN wind turbinemaker Suzlon Energy shrugged off a decision by Icra to suspend coverage on Rs 8,018 crore (\$1.2 billion) of bank debt, saying that its investment-grade rating by another agency shows it's adequately capitalised.

"It is dated and immaterial when we have current investment grade rating from Care," Suzlon chief financial officer Kirti Vagadia wrote in an e-mail reply to questions. Care Ratings assigned a BBB- credit rating on long-term bank facilities in October 2015, an investment grade representing a "moderate degree of safety," according to the Mumbai-based company.

Icra said September 29 that it was suspending ratings on long- and short-term bank facilities "in the absence of the requisite information" from Suzlon.

The ratings agency had cut Suzlon to D from BB in

June 2012 citing payment delays that risked the turbine maker's ability to service long-term debt.

Suzlon subsequently defaulted on \$209 million of dollar-denominated convertible bonds.

Now the Pune-based company, India's second-biggest wind turbinemaker, plans to exit a corporate-debt restructuring programme offered by its lenders before March 31.

Suzlon has been working under the nation's debt restructuring rules to repair its finances and it returned to profit for the full year for the first time since 2009.

"The government's clear thrust on renewable and our constant efforts to bring down the cost of energy has resulted in a favorable business outlook" Vagadia wrote. Care's investment grade rating demonstrates our restored credibility on account of significant deleveraging," he said.

SUZLON ENERGY/BSE Rs 14.64 ▼

NSE Rs 14.60 ▼