

Debt-recast exit, exports blowing on Suzlon's mind

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Mumbai: Suzlon Energy plans to exit Corporate Debt Restructuring (CDR) by the end of this financial year and is in talks with its lead banker for it. The wind-turbine maker is also targeting to export its products to the US and Australian markets instead of eyeing foreign acquisitions to grow into other markets.

Suzlon's current debt stands at Rs 6,646 crore as against Rs 17,811 crore in March 2015. With its equity being in negative, the company plans to increase its business and profitability.

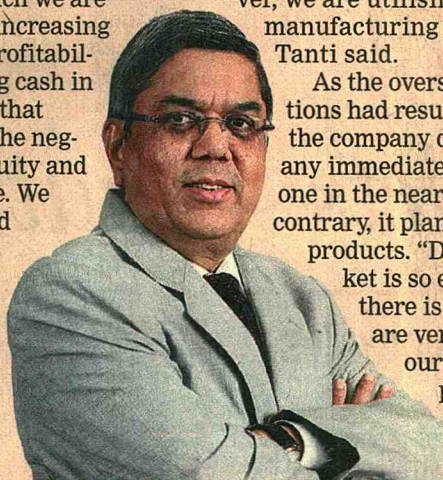
"We are not comfortable with the debt-equity ratio, but we are working on that to improve year-on-year performance. The debt level is very comfortable, equity is negative, which we are working on by increasing our business, profitability and bringing cash in the system. So, that should reduce the negative side of equity and become positive. We have back-ended most of the debt," said Tulsi Tanti, founder and chairman of Suzlon Energy.

In August, the Board had

passed a resolution to raise equity to the tune of Rs 2,000 crore, which was disapproved by the shareholders.

"Every company does it, it's called omnibus resolution. We do not have any plan to raise equity or there is no need for it. It's from the governance and compliance point of view, basically every company has to pass a resolution so if within a year any need comes there won't be a need to call an Annual General Meeting or Extraordinary General Meeting. In order to avoid expenses attached to calling for such a meeting we had proposed it. As we don't have any plans for raising equity, so the decision of shareholders is right. We are not expanding or have any capital expenditure. Moreover, we are utilising half of the manufacturing potential," Tanti said.

As the overseas acquisitions had resulted in losses, the company doesn't have any immediate plans to go for one in the near future. On the contrary, it plans to export its products. "Domestic market is so excellent that there is no need. We are very competitive, our target is to export more and more wind turbines."



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— Tulsi Tanti, founder and chairman