

Suzlon redeems \$647-million debt

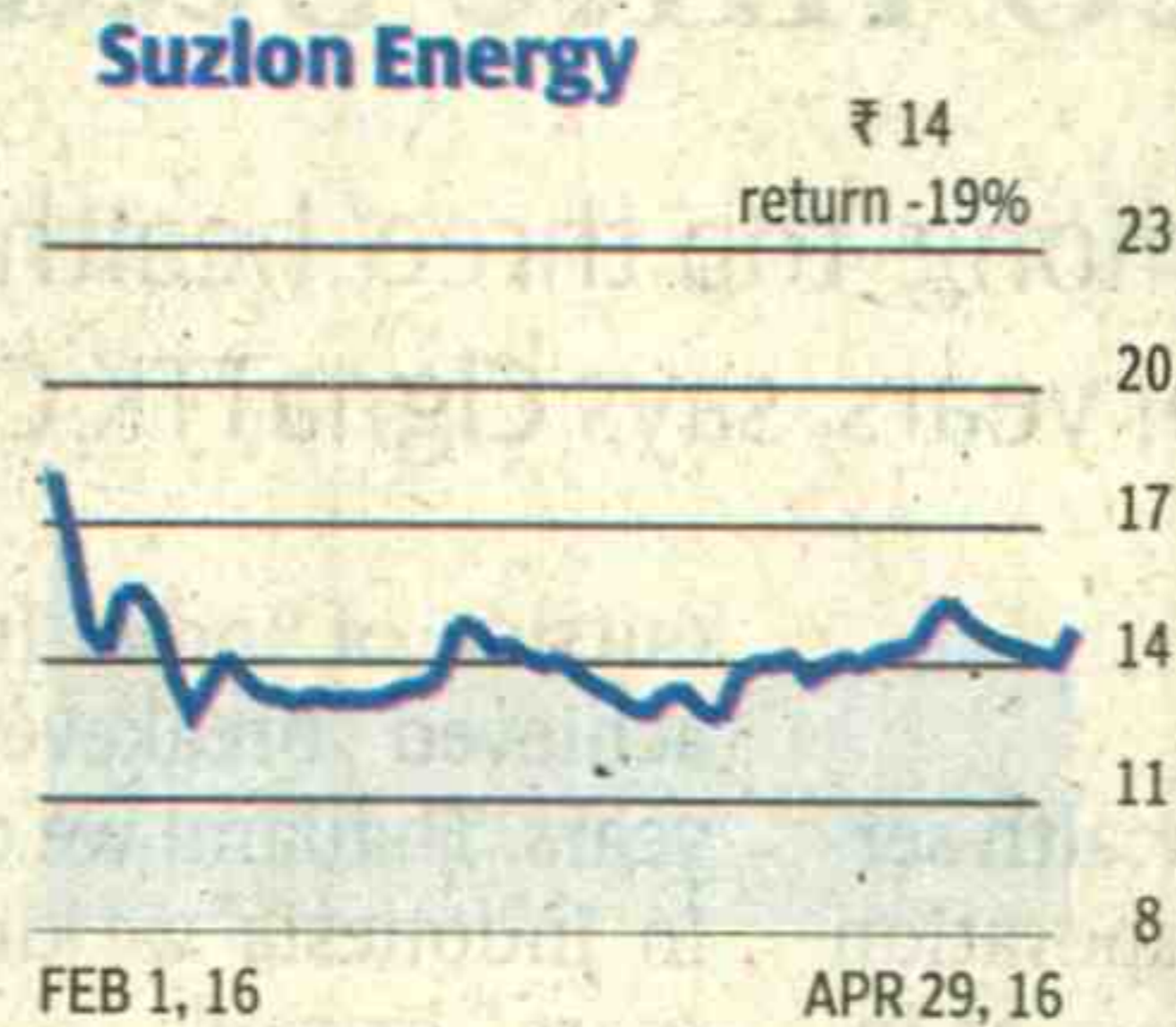
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Suzlon Energy refinanced the biggest portion of its foreign currency debt, another step toward rehabilitating its balance sheet after becoming India's biggest corporate default in 2012.

The wind turbine manufacturer said the measures covering \$647 million in credit enhanced bonds will lower interest costs and extend the maturity of a portion of the debt that was taken on by its unit AE-Rotor Holding BV, according to a regulatory statement released in Mumbai on Friday. The unit obtained a credit line at 3 per cent from State Bank of India and Export-Import Bank of India for \$590 million. It used that money to repay most of the \$647 million in 4.969 per cent bonds, which are due in 2018.

Suzlon said owners of the bonds, including the State Bank of India, agreed to extend until 2023 the maturity of the \$57-million of



bonds that remain outstanding after the transaction.

"The said credit facility would also get extended up to year 2023, post obtaining the required regulatory approvals," Kirti Vagadia, Chief Financial Officer at Suzlon, said in the statement.

Suzlon shares closed up 5.3 per cent on Friday in Mumbai, the biggest increase in a month.

Forex loss

The prepayment of these bonds will result in a charge of ₹267 crore (\$40 million) in the fourth quarter

of the financial year ending in March because of foreign exchange losses on the securities that had accumulated since they were first sold in 2013, the statement said.

Earlier this month, Suzlon retired \$28.8 million of foreign currency convertible bonds. That issue and the one detailed on Friday were part of the \$971 million in foreign currency debt Suzlon had at the end of December.

Profits elude

Suzlon has not posted an annual profit since the fiscal year ended in March 2009, and the ₹6.7 per cent decline against the dollar over the past year makes paying the debt more expensive.

The turbine maker's loss narrowed to ₹113 crore in the fiscal third quarter ended December 31 compared with ₹6,500 crore in the same period a year earlier.

The company has 15 gigawatts of wind installations globally, of which nine gigawatts are in India.