

Company's total debt stands at ₹6,859 cr, its FY21 annual report shows

SWARAJ BAGGONKAR

Mumbai, February 7

It is a race against time for the financially challenged Suzlon Group, India's largest provider of wind energy solutions, to clear its entire debt under the one-time settlement (OTS) proposal made by the company to lenders which needs to be met by February 28.

Suzlon had approached PFC (Power Finance Corporation) and its subsidiary REC (formerly Rural Electrification Corporation) to underwrite ₹4,200 crore of its debt, split equally between the two state-owned companies. The lenders were to

approve this proposal before December 31, 2021. "REC and PFC come in with specialised knowledge about the power sector and would be better placed to address the specific needs of the company," Suzlon said in a presentation.

According to the presentation made to the joint lenders' forum, Suzlon has an estimated debt obligation of ₹882 crore till September 2022, which will be 'extremely challenging for it to service going forward,' the company said.

'Potential bad cycle'

"Under existing structure, the company cannot sustain any potential bad cycle in future - very challenging to meet total debt obligations (sustainable + unsustainable) without growth," the presentation said.



The company did not reply to *BusinessLine's* questions seeking details of its latest net and gross debt position as well as the OTS proposal. According to details shared by the company in its FY21 annual report, its total borrowings stood at ₹6,859 crore.

A Suzlon Group spokesperson merely said, "As a company we explore opera-

tional and strategic growth plans from time to time. Also, as a policy we do not comment on speculative news. The company is on schedule to meet its commitments to its lenders."

Suzlon had held discussions with financial institutions, international banks, special situation/credit funds and strategic investors. But the company got 'subdued response and no meaningful outcomes due to various reasons, including concerns over industry etc.'

Incurs losses

The Suzlon Group continued to incur losses (before exceptional items and tax) during the quarter ended December 31, 2021 and the Group's net worth stands negative at ₹3,356.40 crore at the end of the same

quarter. The Group also has an obligation to repay the principal amount to the lenders, including ₹450 crore, due on June 30, 2022.

Financial obligations

"These events and conditions indicated a significant doubt on the Group's ability to continue as a going concern on the balance sheet date. The management has plans to meet the financial obligations in the foreseeable future through various options such as cash flows from operations by way of execution on the pipeline orders in hand, future business plans, realisation of trade receivables and financial assets, sale of non-core assets and conversion of share warrants," Suzlon said during the announcement of the December quarter results.

CORPORATE

Suzlon racing to clear debts by February 28

Mumbai, February 7

It is a race against time for Suzlon Group, India's largest provider of wind energy solutions, to clear its entire

Suzlon Energy racing against time to clear debts

Company's total debt stands at ₹6,859 cr, its FY21 annual report shows

Mumbai, February 7

It is a race against time for the financially challenged Suzlon Group, India's largest provider of wind energy solutions, to clear its entire debt under the one-time settlement (OTS) proposal made by the company to lenders which needs to be met by February 28.



According to the presentation made to the joint lenders' forum, Suzlon has an estimated debt obligation of ₹882 crore till September 2022, which will be 'extremely challenging for it to service going forward,' the company said.

"Under existing structure, the company cannot sustain any potential bad cycle in future - very challenging to meet total debt obligations (sustainable + unsustainable) without growth," the presentation said.

The Suzlon Group continued to incur losses (before exceptional items and tax) during the quarter ended December 31, 2021 and the Group's net worth stands negative at ₹3,356.40 crore at the end of the same

quarter. The Group also has an obligation to repay the principal amount to the lenders, including ₹450 crore, due on June 30, 2022.

"These events and conditions indicated a significant doubt on the Group's ability to continue as a going concern on the balance sheet date. The management has plans to meet the financial obligations in the foreseeable future through various options such as cash flows from operations by way of execution on the pipeline orders in hand, future business plans, realisation of trade receivables and financial assets, sale of non-core assets and conversion of share warrants," Suzlon said during the announcement of the December quarter results.