

Suzlon Energy Limited

March 12, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term/Short Term Bank Facilities	0.00 (reduced from 6406.00)	-	Withdrawn
Long Term Bank Facilities	0.00 (reduced from 9779.46)	-	Withdrawn
Total Facilities	0.00 (reduced from 16185.46)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has withdrawn the outstanding ratings of 'CARE D (Single D)' assigned to the bank facilities of Suzlon Energy Limited with immediate effect. The above action has been taken at the request of the company and significant changes in the characteristics of the rated bank facilities post implementation of resolution plan as informed by Suzlon Energy Limited.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

SEL, promoted by Mr Tulsi Tanti, is fully-integrated wind power solution provider and its activities include wind resource mapping, land & infrastructure development, creation of power evacuation facilities, component manufacturing, wind turbine installation, commissioning and Operation & Maintenance Services (OMS) both in domestic and international markets. SEL, through its wholly owned subsidiary namely SE Forge Limited undertakes the manufacturing and machining of large forging and casting products. SEL has formed a number of subsidiaries in India & overseas for component manufacturing, Wind Turbine Generator (WTG) marketing and for providing Engineering Procurement & Construction (EPC) and OMS. SEL along with its three subsidiaries (catering to captive usage as well) and one joint venture has collectively been referred to as Suzlon the Group (STG) and the asset and liabilities of the entities are collectively considered under CDR Scheme. In FY13, STG was referred to the CDR Cell for restructuring of its debt considering positive long-term outlook of the wind energy sector and the package was approved by CDR Empowered Group in December 2012. The approved CDR package was implemented by execution of Master Restructuring Agreement (MRA) by all CDR lenders on March 28, 2013.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	4222.73	2023.05
PBILDT	250.49	(473.2)
PAT	(5671.82)	(2443.56)
Overall gearing (times)	NM	NM
Interest coverage (times)	0.25	NM

A: Audited, NM: Non-meaningful

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based-Working capital facilities	-	-	-	0.00	Withdrawn
Non-fund-based - LT/ST-BG/LC	-	-	-	0.00	Withdrawn
Term Loan-Long Term	-	-	-	0.00	Withdrawn
Non-fund-based - LT-Letter of credit	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT/ ST-Working Capital Limits	LT/ST	-	-	-	-	-	1)Withdrawn (12-Jan-18) 2)CARE A+ (SO); Stable / CARE A1+ (SO) (29-Dec-17)
2.	Fund-based-Working capital facilities	LT	-	-	-	1)CARE D (27-Mar-20) 2)CARE D (03-Apr-19)	1)CARE BB; Negative (19-Feb-19) 2)CARE BBB-; Negative (23-Nov-18) 3)CARE BBB; Negative (14-Aug-18)	1)CARE BBB; Stable (17-Oct-17)
3.	Non-fund-based - LT/ST-BG/LC	LT/ST	-	-	-	1)CARE D / CARE D (27-Mar-20) 2)CARE D / CARE D (03-Apr-19)	1)CARE BB; Negative / CARE A4 (19-Feb-19) 2)CARE BBB-; Negative / CARE A3 (23-Nov-18) 3)CARE BBB; Negative / CARE A3+ (14-Aug-18)	1)CARE BBB; Stable / CARE A3+ (17-Oct-17)
4.	Term Loan-Long Term	LT	-	-	-	1)CARE D (27-Mar-20) 2)CARE D	1)CARE BB; Negative (19-Feb-19) 2)CARE BBB-; Negative	1)CARE BBB; Stable (17-Oct-17)

						(03-Apr-19)	(23-Nov-18) 3)CARE BBB; Negative (14-Aug-18)	
5.	Non-fund-based - LT-Letter of credit	LT	-	-	-	1)CARE D (27-Mar-20) 2)CARE D (03-Apr-19)	1)CARE BB; Negative (19-Feb-19) 2)CARE BBB-; Negative (23-Nov-18) 3)CARE BBB; Negative (14-Aug-18)	1)CARE BBB; Stable (17-Oct-17)
6.	Commercial Paper	ST	-	-	-	-	1)Withdrawn (19-Feb-19) 2)CARE A4 (14-Feb-19) 3)CARE A3 (23-Nov-18) 4)CARE A3+ (14-Aug-18)	1)CARE A3+ (17-Oct-17)

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities

Name of the Instrument	Detailed explanation
A. Mandatory covenants	1. The borrower should maintain adequate books of accounts
	2. Promoter's shares in the borrowing entity should not be pledged to any Bank/NBFC/institution without prior consent.
	3. In case of event of default, or where signs of inherent weakness are apparent, the bank shall have the right to securities the assets charged and in the event of such securitization; the bank will suitably inform the borrower(s) and guarantor(s). In addition, the bank shall have the right to novate/assign the assets charged.

Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based-Working capital facilities	Simple
2.	Non-fund-based - LT-Letter of credit	Simple
3.	Non-fund-based - LT/ ST-BG/LC	Simple
4.	Term Loan-Long Term	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Mradul Mishra

Contact no. – +91-22-6754 3573

Email ID – mradul.mishra@careratings.com

Analyst Contact

Group Head Name - Ratnam Raju N

Group Head Contact no.- +91-22-6837 4472

Group Head Email ID- ratnam.nakka@careratings.com

Relationship Contact

Name: Saikat Roy

Contact no. : +91-22-6754 3404

Email ID: saikat.roy@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**