

Suzlon Energy Limited
April 03, 2019

Ratings

Facilities	Amount (Rs. crore)	Rating	Remark
Long Term / Short Term Bank Facilities	6406.00(increased from 4442.21)	CARE D	Revised from CARE BB; Negative/CARE A4 (Double B ; Outlook: Negative/ A Four)
Long Term Bank Facilities	9779.46(reduced from 9823.71)	CARE D	Revised from CARE BB; Negative (Double B; Outlook: Negative)
Total facilities	16185.46(Rs. Sixteen thousand one hundred and eighty five crores and forty six lakhs)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities of Suzlon Energy Ltd (SEL) takes into account the on-going delays in delays/defaults in debt servicing on the loans rated by CARE resulting from stretched liquidity position. This has been on account of impaired volumes resulting from wind industry's transitional phase and delay in monetization of assets.

Detailed description of the key rating drivers**Key Rating Weaknesses**

The company has defaulted in term loan obligations and there are irregularities in fund based and non-fund based limits.

Analytical approach:

Combined Financials of SEL along with its three subsidiaries and one jointly controlled entity have collectively been referred to as Suzlon The Group (STG) and the asset and liabilities of the entities are collectively considered co-obligors under Corporate Debt Restructuring (CDR) Scheme.

The details of SEL, its 3 subsidiaries and 1 jointly controlled entity (jointly referred to as Suzlon The Group) are as follows:

Sr. No	Company Name	Activity	SEL Holding
1	Suzlon Energy Limited (SEL)	Manufacturer of Wind Turbine Generator (WTG)	-
2	Suzlon Global Services Limited (SGSL)(formerly known as Suzlon Structures Ltd)	Operation and Maintenance Services	100%
3	Suzlon Gujarat Wind Park Ltd. (SGWPL)	Engaged in erection, installation & commissioning, setting up and sale of power evacuation facility (project execution) & sale and lease/ sublease of land of WTGs	100%
4	Suzlon Power Infrastructure Ltd. (SPIL)	Engaged in business of setting up & sale of Power Evacuation Facility	100%
5	Suzlon Generators Ltd. (SGL)	Manufacturer of Generators of various capacities & its various components, Also engaged in generation of electricity and provides repairing and after sale services for generators	75%

Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)
[CARE's Policy on Default Recognition](#)
[Criteria for Short Term Instruments](#)
[Rating Methodology: Factoring Linkages in Ratings](#)
[Rating Methodology-Manufacturing Companies](#)
[Financial ratios – Non-Financial Sector](#)

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.

Combined Financials of Suzlon The Group

Brief Financials (Rs. crore)	FY17 (A)	FY18 (UA)
Total operating income	11938	8170
PBILDT	2295	1085
PAT	555	(990)
Overall gearing (times)	NM	NM
Interest coverage (times)	2.37	0.86

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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

Analyst Contact:

Name: Mr Pulkit Agarwal

Tel: 022-6754 3505

Email: pulkit.agarwal@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.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 credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. 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.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is 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.

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	-	-	-	3300.00	CARE D
Non-fund-based - LT/ ST-BG/LC	-	-	-	6406.00	CARE D
Term Loan-Long Term	-	-	Sept-2022	2454.26	CARE D
Non-fund-based - LT-Letter of credit	-	-	-	4025.20	CARE D

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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
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)	1)Provisional CARE A+ (SO); Stable / CARE A1+ (SO) (22-Dec-16) 2)Provisional CARE A+ (SO) / CARE A1+ (SO) (01-Apr-16)	-
2.	Fund-based-Working capital facilities	LT	3300.0	CARE D	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)	1)CARE BBB (28-Oct-16)	1)CARE BBB- (08-Oct-15)
3.	Non-fund-based - LT/ ST-BG/LC	LT/ST	6406.0	CARE D / CARE D	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)	1)CARE BBB / CARE A3+ (28-Oct-16)	1)CARE BBB- / CARE A3 (08-Oct-15)
4.	Term Loan-Long Term	LT	2454.26	CARE D	1)CARE BB; Negative	1)CARE BBB; Stable	1)CARE BBB (28-Oct-16)	1)CARE BBB-

					(19-Feb-19) 2)CARE BBB-; Negative (23-Nov-18) 3)CARE BBB; Negative (14-Aug-18)	(17-Oct-17)		(08-Oct-15)
5.	Non-fund-based - LT-Letter of credit	LT	4025.20	CARE D	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)	1)CARE BBB (28-Oct-16)	1)CARE BBB- (08-Oct-15)
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)	1)CARE A3+ (28-Oct-16)	1)CARE A3 (08-Oct-15)

CONTACT**Head Office Mumbai**

Ms. Meenal Sikchi
 Cell: + 91 98190 09839
 E-mail: meenal.sikchi@careratings.com

Mr. Ankur Sachdeva
 Cell: + 91 98196 98985
 E-mail: ankur.sachdeva@careratings.com

Ms. Rashmi Narvankar
 Cell: + 91 99675 70636
 E-mail: rashmi.narvankar@careratings.com

Mr. Saikat Roy
 Cell: + 91 98209 98779
 E-mail: saikat.roy@careratings.com

CARE Ratings Limited**(Formerly known as Credit Analysis & Research Ltd.)**

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
 Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD

Mr. Deepak Prajapati
 32, Titanium, Prahaladnagar Corporate Road,
 Satellite, Ahmedabad - 380 015
 Cell: +91-9099028864
 Tel: +91-79-4026 5656
 E-mail: deepak.prajapati@careratings.com

JAIPUR

Mr. Nikhil Soni
 304, Pashupati Akshat Heights, Plot No. D-91,
 Madho Singh Road, Near Collectorate Circle,
 Bani Park, Jaipur - 302 016.
 Cell: +91 – 95490 33222
 Tel: +91-141-402 0213 / 14
 E-mail: nikhil.soni@careratings.com

BENGALURU

Mr. V Pradeep Kumar
 Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
 No. 30, M.G. Road, Bangalore - 560 001.
 Cell: +91 98407 54521
 Tel: +91-80-4115 0445, 4165 4529
 Email: pradeep.kumar@careratings.com

KOLKATA

Ms. Priti Agarwal
 3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
 10A, Shakespeare Sarani, Kolkata - 700 071.
 Cell: +91-98319 67110
 Tel: +91-33- 4018 1600
 E-mail: priti.agarwal@careratings.com

CHANDIGARH

Mr. Anand Jha
 SCF No. 54-55,
 First Floor, Phase 11,
 Sector 65, Mohali - 160062
 Chandigarh
 Cell: +91 85111-53511/99251-42264
 Tel: +91- 0172-490-4000/01
 Email: anand.jha@careratings.com

NEW DELHI

Ms. Swati Agrawal
 13th Floor, E-1 Block, Videocon Tower,
 Jhandewalan Extension, New Delhi - 110 055.
 Cell: +91-98117 45677
 Tel: +91-11-4533 3200
 E-mail: swati.agrawal@careratings.com

CHENNAI

Mr. V Pradeep Kumar
 Unit No. O-509/C, Spencer Plaza, 5th Floor,
 No. 769, Anna Salai, Chennai - 600 002.
 Cell: +91 98407 54521
 Tel: +91-44-2849 7812 / 0811
 Email: pradeep.kumar@careratings.com

PUNE

Mr. Pratim Banerjee
 9th Floor, Pride Kumar Senate,
 Plot No. 970, Bhamburda, Senapati Bapat Road,
 Shivaji Nagar, Pune - 411 015.
 Cell: +91-98361 07331
 Tel: +91-20- 4000 9000
 E-mail: pratim.banerjee@careratings.com

COIMBATORE

Mr. V Pradeep Kumar
 T-3, 3rd Floor, Manchester Square
 Puliakulam Road, Coimbatore - 641 037.
 Tel: +91-422-4332399 / 4502399
 Email: pradeep.kumar@careratings.com

CIN - L67190MH1993PLC071691

HYDERABAD

Mr. Ramesh Bob
 401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
 Hyderabad - 500 029.
 Cell : + 91 90520 00521
 Tel: +91-40-4010 2030
 E-mail: ramesh.bob@careratings.com