

Printed from

THE TIMES OF INDIA

Suzlon Energy to sell assets, raise debt to pay its bond holders

Piyush Pandey, TNN | Jun 11, 2012, 09:21 PM IST

Tweet 0

MUMBAI: Suzlon Energy, world's fifth largest wind turbine maker is looking at selling some of its non-core assets and raise fresh \$300 million debt to pay \$360 million to its bond holders, who agreed to extend deadline to the beleaguered firm by another 45 days to July 27 this year.

The Tulsi Tanti promoted firm will have to pay another \$200 million, for the foreign currency convertible bonds (FCCBs) maturing in October, exactly a quarter after its pays \$360 million to its June FCCB holders.

The debt-laden firm is learnt to be in talks with banks to raise fresh debts at high interest rates of 500 basis points above the LIBOR (London inter-bank offer rate).

"We requested for extension in order to ensure that there is adequate time to obtain the requisite approvals and to close administrative documentation necessary to complete this refinancing exercise. We have also received the necessary permission from the RBI for this extension," said Suzlon's CFO Kirti Vagadia, adding that I am happy to report that the process is on track and, along with our plans to divest non-critical assets, we are confident of meeting our near term FCCB obligations.

Analysts are sceptical about Suzlon's plans to raise fresh debt at competitive rates to pare existing debt. "Raising debt at 500 basis points above LIBOR shows the desperation of the loss making firm. Again they (Suzlon) will have to honour \$200 million of FCCBs in October. If they are unable to raise fresh funds, I think eventually they will have to sell out RePower for which, the firm became debt-laden," said a Mumbai based analyst.

Shares of Suzlon gained 1% to close at Rs 18.20 in a weak Mumbai market on Monday.

FEATURED ARTICLES



Soon, petrol prices may change daily



Coca-Cola raises India spend by \$3bn till 2020



Sebi to allow full IDR fungibility

More:

- Mumbai property rates touch the sky
- Parekh lambasts govt on urbanisation
- US, India trade blows over commerce
- Is US default deadline truly August 2?
Analysts say no
- Walmart Stores to snap ties with cos involved in corrupt practices
- Policy paralysis triggers Standard & Poor warning

THE TIMES OF INDIA

Powered by *INDIATIMES*

- [About us](#)
- [Advertise with us](#)
- [Terms of use](#)
- [Privacy policy](#)
- [Feedback](#)
- [RSS](#)
- [New sletter](#)
- [TOI Mobile](#)
- [ePaper](#)
- [Sitemap](#)
- [Archives](#)

Other Times Group news sites

Times Crest | The Economic Times
इकनॉमिक टाइम्स | एडिनेमिस्टाइम्स
Mumbai Mirror | Times Now
Indiatimes | नवभारत टाइम्स
महाराष्ट्रा टाइम्स | ವಿಜಯವಾರ್ತೆ
Go Green

Living and entertainment

Timescity | iDiva | Bollywood | Zoom
Healthmeup | Luxpresso | Technoholik
Gyulife

Network

itimes | Dating & Chat | Email

Hot on the Web

Hotklix

Services

Book print ads | Online shopping | Business solutions | Book domains | Web hosting
Business email | Free SMS | Free email | Website design | CRM | Tenders | Remit
Cheap air tickets | Matrimonial | Ringtones | Astrology | Jobs | Property | Buy car
Bikes in India | Deals | Free Classifieds

Copyright © 2012 Bennett, Coleman & Co. Ltd. All rights reserved. For reprint rights: [Times Syndication Service](#)