

India's Suzlon 'agrees \$2 bn debt restructuring'

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A wind turbine near Lezignan, southern France. Troubled Indian wind turbine maker Suzlon Energy has reached an agreement with its lenders to restructure loans of nearly \$2 billion, a report said on Tuesday.

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The company will get a two-year holiday on interest and principal

payments on the debt, which is due five to six years from now, Dow Jones Newswires said, quoting an unnamed person with direct knowledge of the matter.

The report comes after the world's fifth largest wind turbine firm last month made the biggest default on repayments by an Indian company when bondholders rejected its bid for a four-month extension to more than \$200 million of debt.

Suzlon has been hit by weak demand with the [global economic crisis](#) forcing several countries to cut spending on green energy sources.

For Suzlon, the debt recast of 110 billion rupees (\$1.98 billion) will be only for its domestic loans. It has total debt—including local and overseas—of some 140 billion rupees, the news agency said.

News of the [debt restructuring](#) pushed up Suzlon shares on Tuesday by 10 percent to 17.05 rupees.

Suzlon declined any official comment.

Suzlon, once a star of India's [green technology](#), has been facing a stormy future after aggressive expansion left it mired in debt at a tricky time for the industry, analysts say.

Investors are watching with concern to see if founder Tulsi Tanti can steer them out of a desperate fund-crunch over the coming crucial months, in an uncertain global business environment.

Suzlon spent more than \$2 billion, largely raised through debt, on two large acquisitions in Europe—Belgium's Hansen Transmissions, maker of wind gear boxes, and Germany's wind turbine maker giant REpower.

The firm stumbled in 2008 when the [credit markets](#) froze after the collapse of US investment bank [Lehman Brothers](#), a big lender to clean energy projects. Lehman's demise made other banks reluctant to lend to wind farming, which needs large funds.

Suzlon has posted losses for the last three financial years.

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