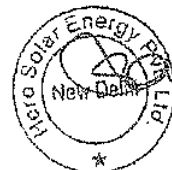
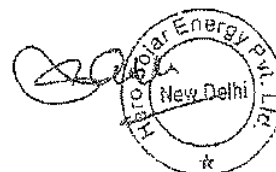


TERM SHEET

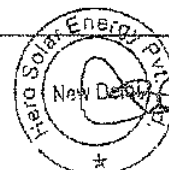
1.	Issuer / Company	Hero Solar Energy Private Limited (HSEPL)
2.	Promoter	Hero Future Energies Private Limited ("HFEPL" or "India HoldCo") and [HFE Global] (UK HoldCo)
3.	Promoter Group	HFE Global, promoted by BCIPPL and BMOP (Part of Hero group)
4.	Sole Arranger & Underwriter	YES Bank Limited
5.	Eligible Investors or Investors	<ul style="list-style-type: none"> • Mutual funds • Public Financial Institutions as defined in section 2(72) of the Companies Act, 2013 • Scheduled Banks and NBFCs • Insurance companies • Foreign Institutional Investors (subject to compliance with the SEBI/ RBI norms) • Provident funds, gratuity funds, superannuation funds and pension funds • Co-operative banks, regional rural banks, NBFCs and infra-financing companies authorized to invest in Debentures • Societies authorized to invest in Debentures • Trusts authorized to invest in Debentures, • Statutory corporations/ undertakings established by Central/ State legislature authorized to invest in Debentures • Any other investor authorized to invest in these Debentures as per extant rules and regulations
6.	Instrument	Senior, unlisted, secured, Rated and Redeemable Non-Convertible Debentures ("Debentures")
7.	Security	Secured
8.	Listing	Unlisted
9.	Purpose of Borrowing	<ul style="list-style-type: none"> • Towards capital expenditure in the Issuer or any of its subsidiaries; • Refinance of existing debt utilised for capital expenditure by the Issuer or any of its subsidiaries availed from any entity other than promoter group or group company; • Any incidental/ transactional expenses & financing costs for issuance of said NCDs <p>The Debenture cannot be utilized for capital markets or for investment in real estate or land acquisition or purchase of land or</p>



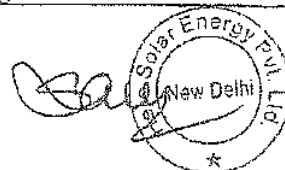
		any other purpose not permitted or prohibited by the Reserve Bank of India. <i>End use certificate to be provided within 90 days from the deemed date of allotment</i>	
10.	Total Issue Amount	INR 200 Crore	
11.	Tenure	Door to Door tenor of 3 years with redemption as detailed below	
12.	Tenor/ Redemption Date		HSEPL
		at the end of 2.5 Years from the deemed date of allotment	STRPP 1: Rs. 100 Crore
		at the end of 3 Years from the deemed date of allotment	STRPP 2: Rs. 100 Crore
13.	Credit Rating/ Initial Rating	'A+' / Negative by ICRA or CRISIL	
14.	Coupon Rate/ Initial Coupon Rate	11.84% p.a.	
15.	Interest Payment Frequency	Annual	
16.	Face Value of NCDs	Rs. 10 Lakhs	
17.	Issue Price of NCDs	Rs. 10 Lakhs	
18.	Put/Call Option	N.A. <i>(subject to other conditions mentioned in the Transaction Documents)</i>	
19.	Redemption Premium	N.A.	
20.	Pay in Date	Issue Opening Date: June 11, 2019 Issue Closing Date: June 11, 2019 Pay-in Date: June 11, 2019 Deemed Date of Allotment: June 11, 2019	



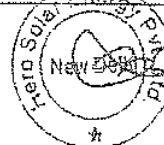
21.	Early Redemption Event	<p>In case the Promoter fails to raise additional equity of a minimum of Rs. 1,000 crs in HFEPL by December 31, 2019:</p> <ol style="list-style-type: none"> 1) any NCD holder shall have the right to demand redemption of 50% of the outstanding issue amount with a [30] days' notice and 2) the balance Debentures shall be re-priced higher by 150 bps for the residual tenor. Further, in case the Promoter fails to raise additional equity even by 31st March 2020, the coupon shall be re-priced higher by another 150 bps for the residual tenor. <p>The repricing in (2) above shall be applicable till such time the Promoter has raised Rs. 1,000 Crore equity.</p>
22.	Security	<p>The Debentures, together with all interest, liquidated damages, fees, costs, charges, expenses and other monies and all other amounts stipulated and payable to Debenture holders, shall be secured by:</p> <ol style="list-style-type: none"> (a) a first ranking exclusive pledge over the 49% equity shares and compulsorily convertible debentures held by the Company in SPV developing Bhadla Solar Power Project; (b) an exclusive charge over the rights, title, benefits, interest, claims and demands of the Company over and in respect of 49% of the loan extended by the Company to the SPV developing Bhadla Solar Power Project and the corresponding loan agreements; (c) an exclusive charge over the rights, title, benefits, interest, claims and demands of Hero Future Energies Private Limited over and in respect of the loans extended by it to the Company and the corresponding loan agreements; and (d) the powers of attorney, <p>such that a security cover based on the book value of the assets secured of 1.12 times the principal amounts of the Debentures is maintained during the tenor of the Debentures and the assets over which the Security is created is free from all other Encumbrances. The security may be replaced by certain other security in accordance with the debenture trust deed.</p> <p>Notwithstanding anything contained in this Offer Letter, the Issuer shall, until the Final Settlement Date, ensure that, the Issuance shall be secured by the creation of a charge on the properties and assets of the Issuer or its Subsidiaries or its holding company or its associate companies, having a value which is sufficient for the due repayment of the amount of Debentures and the Fixed Interest thereon.</p>



23.	Debenture Trustee	Axis Trustee Services Limited
24.	Transaction Legal Counsel	Cyril Amarchand Mangaldas ("CAM")
25.	Pre-disbursement Conditions/ Resolutions Required	<p>Shall include the following:</p> <ul style="list-style-type: none"> • The Company shall have obtained all necessary board / shareholder resolutions under the provisions of the Companies Act, 2013 as are required in relation to the borrowing powers, issue of the Debentures, the appointment of the Debenture Trustee and the execution of necessary documents in connection therewith. • Execution of all the transaction documents to the satisfaction of Investors. • No Event of Default has occurred and is continuing • There is no material adverse effect and there are no circumstances existing which could give rise, with the passage of time or otherwise, to a material adverse effect. • Appointment / Consent of the Trustee • Signing of Information Memorandum/PAS-4 • Rating Letter & Rating Rationale • Any other conditions as the Investors and/or the Debenture Trustee may require.
26.	Conditions Subsequent	<ul style="list-style-type: none"> • Issue of letter of allotment within 2 (two) Business Days of the deemed date of allotment. • Issue of Debentures in dematerialized form within 7 (seven) Business Days from the deemed date of allotment. • Security creation and perfection within a period of 60 (sixty) Calendar Days from the deemed date of allotment.
27.	Credit Rating covenants	<p>Step Up and Step Down</p> <ul style="list-style-type: none"> • In the event of rating downgrade by any of the rating agencies, the increase in Coupon Rate will be 30 basis points (bps) for each notch of downgrade from the date of downgrade. However, only in the case of the first downgrade in rating from the initial rating by any rating agency, the Coupon Rate shall be increased by 30 basis points (bps) for each notch of downgrade from the date of downgrade. In addition, each Debenture Holder shall have the right to require an increase in the Coupon Rate by more than 30 basis points for each notch of downgrade. If the Issuer accepts such increase beyond 30 basis points within 7 days from the first request from a Debenture Holder, the Coupon Rate shall be increased by the rate accepted by the Issuer from the date of the downgrade in rating • In the event of rating upgrade (upto the Initial Rating) by all of the rating agencies, the decrease in Coupon Rate will be 30 basis points (bps) for each notch of upgrade from the date of



		<p>upgrade. It is noted that the Coupon rate, post reset, shall never be lower than the Initial Coupon Rate.</p> <p>Acceleration option</p> <ul style="list-style-type: none"> • Debenture holder(s) shall have the option to accelerate all the Outstanding Amounts <ul style="list-style-type: none"> ◦ in case credit rating of the Company or the NCDs falls to 'BBB+' or below by CRISIL, ICRA or any external credit rating agency. ◦ in case a new credit rating of the NCDs or any instrument of the Issuer is assigned at BBB+ or lower by any credit rating agency. ◦ If credit rating of the NCDs is withdrawn or suspended • The Company shall be given a 60 days of period to cure the rating down grade. In the event at the end of 60 days the rating is not restored back to levels above BBB+, the Company shall make payment within another 15 days without prepayment penalty. i.e a total of 75 days from the date of exercise of acceleration option by the Debenture Holders. • In the event that, only in respect of the first instance of downgrade in the credit rating of the Debentures by any of the Rating Agencies from the Minimum Initial Rating, where any Debenture Holder has exercised its right to require an increase in the Fixed Interest Rate by more than 30 basis points for each notch of downgrade, which increase is not acceptable to the Issuer, the Issuer shall redeem 100% (One Hundred Percent) of the outstanding amounts within 30 days from the expiry of 7 days of First request in respect of the Debentures held by the Debenture Holders who have required an increase in the Fixed Interest Rate by more than 30 basis points for each notch of downgrade.
28.	Financial Covenants	<ul style="list-style-type: none"> • "Borrowing Cap" shall mean the maximum level of Borrowing without requiring the specific approval of the Debenture Trustee (acting upon the instructions of the Debenture Holders), which Borrowing Cap shall be: <ul style="list-style-type: none"> ◦ On HFEPL, HSEPL and HWEPL on a standalone combined (after netting off inter-company investments) - 1.25x of funded equity/quasi equity till additional equity of Rs. 1000Cr is raised and 1x of funded equity/quasi equity upon raise of additional equity of Rs. 1000Cr. ◦ On HWEPL & HSEPL standalone - 1.25x of funded equity / quasi equity till additional equity of Rs. 1000Cr is raised and 1x of funded equity/quasi equity upon raise of additional equity of Rs. 1000Cr. ◦ Post receipt of additional equity of Rs. 1000Cr, the same may be breached on account of acquisition for a period



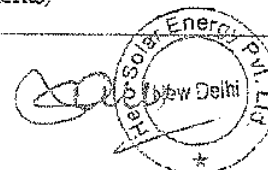
not more than 6 months wherein it can go upto 1.5x of funded equity/ quasi equity and which needs to be cured back to 1.0x within 6 months from the date of any breach. The Company would have to inform the breach and the cure of the same to the Investor.

It is hereby clarified that for the purposes of calculation of the Borrowing Cap, the following Borrowings shall not be considered:

- (a) any Borrowing availed by the Company, HWEPL or HFEPL (as applicable) from the other members of the Promoter Group provided that all the obligations of the Company, HWEPL or HFEPL (as applicable) in respect of such Borrowing shall be unsecured and subordinated evidenced by an agreement to the obligations of the Company in respect of the Debentures and will not have any winding up rights;
- (b) any Additional Borrowing availed of by the Company, HWEPL or HFEPL (as applicable), which has been consented or deemed to be consented to by the Debenture Trustee as more specifically provided herein below;
- (c) any Borrowing which is proposed to be discharged by the Company or HWEPL, using the proceeds of the Debentures or the proceeds of Debentures issued by HWEPL,
- (d) Corporate Guarantees issued by the Company, HWEPL or HFEPL for project debt borrowing of its subsidiaries until the creation and perfection of security required by the lenders providing financial assistance for project being undertaken by such subsidiary,
- (e) Non fund based limits & working capital borrowings,
- (f) any working capital facilities incurred by the Issuer or HWEPL which are secured both by the assets of the Project and cash flows of the project for which such facilities are being or have been availed.

At all times during the tenor of the Debentures, the Company shall ensure that the aggregate value of all the Borrowings availed of by the Company shall not exceed the Borrowing Cap.

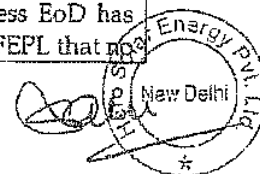
For the purposes of the transaction documents,



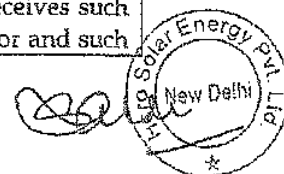
	<p>"Borrowing" shall mean the principal amount of any borrowing appearing in the balance sheet of the Company and accrued interest/premium on a consolidated level. It is hereby clarified that the amount raised by the Company pursuant to the Debentures shall also be deemed to be a Borrowing, availed of, by the Company.</p> <p>"Additional Borrowing" shall mean the portion of the aggregate Borrowing availed of by the Company which is required to be taken into account for the purposes of calculation of the Borrowing Cap, which is over and above than the Borrowing Cap of the Company.</p> <p>Net External Debt/EBITDA for the trailing 12 months (Adjusted for cash, excluding non-fund based limits) of the India Holdco on consolidated basis to be less than 6x which may be breached on account of acquisition for a period not more than 6 months. For the purpose of calculating Debt and EBIDTA, only projects with 12 months of commissioning track record shall be considered. This ratio shall be calculated on a consolidated level.</p> <p>For the purposes of testing above covenant of Net External Debt/EBITDA, the 'Bridge Project Debt' shall be excluded from the numerator.</p> <p>Bridge Project Debt shall be defined as such debt availed by HFEPL, HWEPL or HSEPL, that meets the following requirements-</p> <ul style="list-style-type: none"> - the debt availed is secured by under construction project assets held by underlying SPVs - the long term PPA is signed for such an under-construction project - the debt availed is in lieu of the project debt to be tied up and not in lieu of Sponsor's contribution <p>Further it is agreed that -</p> <ul style="list-style-type: none"> - Post Deemed Date of Allotment, HFEPL, HWEPL and HSEPL shall not raise more than INR 250Cr (net of repayments) on a cumulative basis (other than amount of the standalone Mezzanine Debt of the Issuer, HFEPL and HWEPL as on May 31, 2019) and such incremental Mezzanine Debt shall be raised only post successful raising of equity amount of INR 1000Cr. <p>Mezzanine Debt shall be defined as debt availed by HFEPL, HWEPL or HSEPL that does not classify as Bridge Project Debt as defined above.</p> <p>Financial covenants to be first tested based on Mar-20 financials and on a semi-annual basis thereafter provided the covenant testing as on FY end shall be based on audited financials of the Company. The covenant testing every HY end shall be done on</p>
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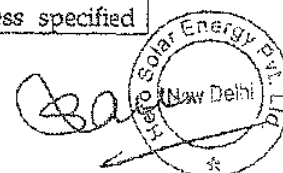
		management accounts/self-certification. The self-certification is to be submitted within 90 days of 31 st March & 30 th September of every financial year & the covenant testing on audited financials to be submitted within 180 days of FY end.
29.	Financial Covenant Linked Call Option	At the end of 18 (Eighteen) months from Deemed Date of Allotment, the Issuer shall have the option to request the Debenture Holders to increase the Consolidated Leverage Ratio to a higher ratio not exceeding 7:1. If the Debenture Holders holding 75% of the outstanding Debentures consent to the increase in the Consolidated Leverage Ratio, such change to the Consolidated Leverage Ratio will be binding on the other Debenture Holders. In the event that the Debenture Holders holding 75% of the Outstanding Debentures do not approve the increase in the Consolidated Leverage Ratio as requested by the Issuer, the Issuer shall have the right to redeem only those Debentures which are held by the Debenture Holders which have not approved the increase in the Consolidated Leverage Ratio in entirety without payment of any redemption or prepayment premium. Such redemption shall not be undertaken on a pro-rata basis across all Debentures
30.	Default Rate / Penal Rate	<ol style="list-style-type: none"> 1) Default in Payment: Amounts unpaid on due date will attract additional interest at 1% per annum, from the date on which such payment is actually due to the date on which the relevant overdue amounts are repaid. 2) Default in Security Creation: Security to be created and perfected within 60 days from the Deemed Date of Allotment. On failure NCD holders shall have a right to recall NCDs and 2% additional coupon for the period of breach. 3) Default in Listing: N.A.
31.	Covenants	<ul style="list-style-type: none"> • The Issuers shall not incur any financial indebtedness such that it leads to a breach of the financial covenants. • Management control and 51% equity shareholding by HFEPL in the Issuers, on a fully diluted basis. • Management control and more than 35% equity shareholding of Hero Group on fully diluted basis through BC IPL and BMOP to be maintained throughout in the Promoters. • Rahul Munjal and members of Munjal family shall be a part of the board of directors of the Promoters and the Issuer during the entire tenor of the NCDs. • The Company to ensure that 'Hero' group name will be part of Company and Promoter names during the currency of this Debentures. • HSEPL, HWEPL and HFEPL will not declare dividend or, buyback equity/equity linked securities during the currency of the Debentures. • Shareholder loans can be serviced/retired unless EoD has occurred provided there is undertaking from HFEPL that no



		money goes beyond HFEPL eco system (no upstreaming above HFEPL)
32.	Representation & Warranties	Customary to transaction of this nature.
33.	Record Date	It shall mean in relation to any due date, the day falling 15 (Fifteen) Days prior to such date provided however that should the Record Date fall on a day other than a Business Day, the immediately preceding business day shall be considered as the effective Record Date for the said due date.
34.	Transaction Documents	1. Information Memorandum; 2. Debenture Trustee Agreement; 3. Debenture Trust Deed; 4. Security Documents 5. Any other document as required by Debenture Trustee.
35.	Mode of Placement	Private Placement
36.	Dematerialized	Yes
37.	Denomination	Rs 10 Lakhs per Debenture
38.	Issue Price	At Par
39.	Day Count Basis	Actual / Actual
40.	Business Days	Mumbai & New Delhi
41.	Business Day Convention	<p>The Issuer shall comply with SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016, as amended thereafter.</p> <p>In case any due date (other than the redemption date of the Debentures) falls on a day, which is not a Business Day, the coupon payment to be made on such due date shall be made on the next Business Day. If the redemption date of the Debentures falls on a day which is not a Business Day, the redemption proceeds (along with any coupon payments) shall be paid on the Business Day immediately preceding such redemption date (whether scheduled or pursuant to exercise of any call or put or any other event of early redemption).</p>
42.	Events of Default	1. Non-payment of any amount due under the Issue on the due dates. 2. Cross default - Other than default under the present issue, if the HSEPL /HWEPL / HFEPL/ Security SPVs is in default under the terms and conditions of any issuances/obligations under other facilities constituting a default and receives such notice of event of default from such lender/investor and such



		<p>default is not cured within the permissible cure period, then that shall also constitute an event of default under the present issue as well.</p> <ol style="list-style-type: none"> 3. Insolvency of the HSEPL/HFEPL/HWEPL/ Security SPVs or winding-up (whether voluntarily or compulsorily). 4. Any reference to Insolvency and Bankruptcy Code / NCLT by any financial creditor(s)/other entities for HSEPL/HFEPL/HWEPL/ Security SPVs and such petition not dismissed within 3 calendar days 5. Application of insolvency petition under bankruptcy code/NCLT by the HSEPL/HFEPL /HWEPL/ Security SPVs 6. Security is not created within stipulated time or it is in jeopardy 7. Breach of representations and warranties. 8. Breach of covenants or other terms and conditions. 9. Any material adverse event. <p>In case of event of default, Debenture holders / Debenture Trustee may initiate recovery proceedings / exercise rights available to recover the outstanding amounts.</p>
43.	Information Covenant	Customary to transaction of this nature
44.	Taxes duties cost and Expenses	<p>Relevant taxes, duties and levies are to be borne by the Company.</p> <p>All charges / fees and any amounts payable under the Debentures by the Company to the Debenture Holders as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Company additionally.</p>
45.	Transfers and Participations	Each Debenture Holder/ Investor shall have the right to freely transfer or assign to one or more persons (without any restrictions on the banks / institutions to be approached) all or a portion of its rights and obligations under the Debenture documentation without any requirement of obtaining prior consent of the Company (s), except consent of the Issuer will be required prior to transfer of the Debentures to any competitors of the Issuer which are primarily engaged in the power sector.
46.	Governing Law	This term sheet and the transaction documents for the Debentures shall be governed by Indian Law and shall be subject to the jurisdiction of courts of Mumbai.
47.	Holiday Convention	Should the Interest or Principal Payment date fall on a public holiday/non- working day/Saturday / Sunday it will be construed to be the succeeding working day in case of Interest and preceding working day in case of Principal unless specified



		otherwise here in above. However, the last interest payment date will coincide with the Principal payment date
48.	Information Provision	The Company and Promoter undertake to provide information pertinent to a credit assessment of the Company by the Sole arranger/potential investors in a timely fashion. This information will include, but not be limited to, latest financial information, rating letter and rating rationale, copies of the resolutions authorizing the borrowing and the latest Company profile.
49.	Publicity & Communication	On successful conclusion of the transaction, the Sole Arranger reserves the right to issue publicity material such as tombstones, advertisements etc.

