

CONFIDENTIAL– FOR DISCUSSION PURPOSES ONLY

This indicative discussion paper ("Indicative Discussion Paper") is a summary of certain of the indicative terms of the proposed transaction (the "Transaction") and the documentation related thereto. This Indicative Discussion Paper does not constitute a legally-binding offer, obligation or commitment by SSG Capital Management (Singapore) Pte. Ltd. or any of its affiliates to act as arranger or lender for any credit facility and the terms herein are indicative only. Any such obligation will exist only upon the execution of a final, written loan agreement or commitment letter, in form and substance satisfactory to SSG Capital Management (Singapore) Pte. Ltd. or its designated affiliate, and then only in accordance with the terms and conditions thereof.

Key Terms and Transacting Parties	
Issuer	: Sai Wardha Power Generation Limited ("Sai Wardha" or "Company" or "SWPGL"), a company having its registered office at 8-2-293/82/A/431/A, Road No.22, Jubilee Hills. Hyderabad-500 033;
KSKEF	: KSK Electricity Financing India Private Limited, a company having its registered office at 8-2-293/82/A/431/A, Road No.22, Jubilee Hills. Hyderabad-500 033
New Lenders / Investors	: SSG Capital Management Singapore Pte. Ltd. ("SSG") and other co-investor as acceptable to SSG
Instrument, Currency and Issue Amounts	: INR denominated Senior Secured Non-Convertible Debentures issued by the Company for an aggregate amount of up to INR 1,000m ("NCD") and / or Rupee Term Loan
Issue Date	: On a best efforts basis within 10 days after the approval from JLF, on or before 30 th June, 2017
Security	: The NCD will be secured by the following: <ul style="list-style-type: none"> i. First ranking <i>pari-passu</i> charge on all movable and immovable assets of the Company ii. Pledge of at least 51% shares of the Company to be shared with all senior lenders on a <i>pari passu</i> basis iii. Charge over TRA account with priority on cash flows for servicing of the NCD as per the waterfall mechanism below:
Seniority of NCDs	: The NCDs will be secured obligations of the Company and will rank senior in right of payment to any obligation of the Issuer except for statutory and other such liabilities. The cash flow mechanism to be followed as per the terms under Cash flow Waterfall
Use of Proceeds of the NCDs	: Proceeds from the NCD investment to be utilized towards: <ul style="list-style-type: none"> • Ramp up of working capital for the issuer • Payment of any expenses incurred with respect to issue of NCDs
Transaction Economics	
Cash Interest	: Cash Interest on NCDs shall accrue on a daily basis at a rate of 16.0% per annum over the tenure of the facility, on the outstanding principal amount of the NCD. Cash Interest will be payable monthly with the first cash interest being paid on the last business day of the calendar month in which the Issue Date occurs
Redemption Schedule for NCDs	: Notwithstanding the Cashflow Waterfall, the Company will, at the minimum, redeem the entire face value of NCDs in 48 equal monthly installments beginning twelve month from the Date of issuance of NCD
NCD Maturity	: At the end of 5 years from the Issue Date, subject to early Buyout by KSKEF at any time after the 1 st anniversary of the Issue Date. The Company and KSKEF shall refinance the NCDs if the

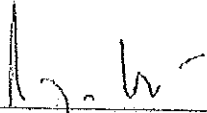
		Company achieves EBITDA of > INR 80 crores in any 6 month period.
Prepayment of NCD	:	<p>The NCDs shall be prepaid based on the Cash flow Waterfall Mechanism to be implemented.</p> <p>In the event of non-completion of Conditions Subsequent to the satisfaction of SSG within a period of 12 months from the Issue Date, the NCDs shall be payable in full including the interest, commitment fee and principal obligations. The prepayment shall be provided as per the extant RBI guidelines.</p>
Cash flow Waterfall	:	<p>The Company shall ensure that the Proposed Refinancing Plan will have rights protective of the NCDs held by the Investor in connection with permitted payments, cash sweep, enforcement by NCD holders, and amendments to the senior loans.</p> <p>The Company shall ensure that at every point in time, the cash accruals in SWPL shall reflect the below waterfall mechanism for debt servicing from free cash flow from operations:</p> <ol style="list-style-type: none"> NCD interest; NCD principal; Scheduled Priority Debt interest; Scheduled Priority Debt principal; Scheduled Working Capital, RTL and ECB interest; Scheduled Working Capital, RTL and ECB principal; and Balance swept to prepay the NCD obligations Balance swept to prepay Priority debt obligations Balance swept to prepay RTL and ECB principal amount <p>Free cash flow from operations during the stand-still period shall be divided between working capital build up in the Company and NCD repayment. For the purpose of clarity, the cash sweep shall be implemented on a monthly basis from the Issue Date of NCDs.</p>
Conditions Precedent	:	<p>Standard conditions precedent for transactions of this nature including, but not limited to:</p> <ul style="list-style-type: none"> In-principal approval from the JLF lenders by way of signed minutes of the JLF meeting for the following: <ul style="list-style-type: none"> Approval for super-priority on cash flows for the NCD financing and pari-passu first charge on all fixed assets of the Company along with all lenders Lenders under the JLF mechanism recognizing the debt refinancing requirements in line with the RBI regulations Appointment of SSG or any of its affiliates as a joint signatory on the TRA account along with the lead lender Recognition of stand-still period under the RBI regulations with no obligation for servicing of the existing financial liabilities of the Company. Utilization of cash accruals during the standstill to be only towards working capital build up in the Company and repayment of the NCDs. All necessary internal corporate approvals (including KYC checks) of Investor; Execution of definitive documentation agreed upon by the parties (and satisfaction of the conditions precedent set out therein);
Conditions Subsequent	:	<ul style="list-style-type: none"> NOC from each lender of SWPL for the proposed super priority

		<p>financing including pari-passu charge on fixed assets of the Company, and acceptance of the Cash flow Waterfall as proposed in this Indicative Discussion Paper</p> <ul style="list-style-type: none"> • Implementation of a longer dated debt refinancing in line with the RBI guidelines. • Others [TBD]
Company Covenants	:	<p>Typical covenants, to be specified, without limitation, covenants restricting the ability to, among other things:</p> <ul style="list-style-type: none"> • any change in capital structure including issuance, consolidation, sub-division, reconstruction or conversion of the share capital or any transfer of shares by the shareholders of the Issuer; • amendment of articles of association or memorandum of association; • advance/loans etc to other companies; • declare dividends or distributions on capital stock or purchase or redeem capital stock, unless as agreed by the NCD Holders; • make investments or other specified restricted payments;
Default Interest	:	<p>Additional Interest over and above the agreed return shall be paid by the Issuer to the Investor in case of an Event of Default:</p> <ul style="list-style-type: none"> • Payment Default: 2.00% per annum • Covenant Default: 1.00% per annum
Proposed Refinancing Plan	:	<ul style="list-style-type: none"> • Refers to the debt refinancing plan of SWPL to achieve sustainability and additional equity funding support.
Representations and Warranties	:	<p>The definitive documentation shall contain customary representations and warranties <i>inter alia</i> from the Issuer and the Put Parties including without limitation, representations relating to anti money-laundering and bribery.</p>
Taxes	:	<p>All payments made by any of the Issuers under this facility shall be subject to withholding taxes, as may be applicable to the domicile of the Investor. Issuer shall provide a certificate for any such taxes paid by it within 30 days of such withholding being made</p> <p>The Payments thereafter would be free and clear of any other present and future taxes, withholdings, levies, duties, imposts, and deductions of whatever nature. Should such deductions or withholdings be applied, Issuer shall gross up its payments such that the recipients shall receive the same after tax return. Any value added tax or similar tax chargeable on amounts due to the Investors in connection with facility shall be paid by the Issuer.</p>
Confidentiality	:	<p>The contents of this document and any attachment hereto are strictly confidential. Unless otherwise stipulated in this document, no part of this document may be released to any other person without the prior written consent of Investor</p>
Out of Pocket Expenses	:	<p>All out of pocket expenses pertaining to the transaction including but not limited to legal advice shall be borne by the respective parties</p>
Non-Definitive; Non-Exhaustive; Non-Binding	:	<p>This Indicative Discussion Paper is intended only as a basis for further discussions and is not intended to be, and does not constitute, a legally binding agreement between the Company and the Investor, except as provided under the sections headed "Confidentiality," and "Out of Pocket Expenses", which shall be binding and these binding sections shall be governed by the laws of</p>


	<p>India and any disputes arising from them shall be subject to exclusive jurisdiction of courts at Mumbai.</p> <p>This Indicative Discussion Paper does not contain all the terms to be included in the definitive agreements, and the parties expect to proceed expeditiously towards the execution of definitive agreements. Notwithstanding anything to the contrary, any obligations of Investor to complete or provide funding for any transaction, whether contemplated herein or otherwise, are subject to the receipt of internal approvals, completion of due diligence to the satisfaction of the Investor in its sole discretion, and the parties having negotiated, approved, executed and delivered the appropriate definitive agreements. Until the execution and delivery of such definitive agreements, the Investor shall have the right to terminate negotiations without liability. For the avoidance of doubt, no third party may rely on this Indicative Discussion Paper as evidence of any obligation or commitment by the Investor or its affiliates to participate in any transaction.</p>
Jurisdiction and Governing Law for the transaction documents	: Indian law; Mumbai

SIGNATURE PAGE FOLLOWS

SSG Capital Management (Singapore) Pte. Ltd.

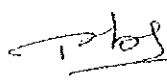

Name: RAJESH K. LAL
Designation: DIRECTOR
Date: 12 JUNE 2017

Sal Wardha Power Generation Limited


Name: DEEPA DUTTA
Designation: COMPANY SECRETARY
Date: 12-06-2017



KSK Electricity Financing India Private Limited


Name: RANJITH KUMAR SHETTY
Designation: COMPANY SECRETARY
Date: 12/06/2017

