

**Head of Terms**

Below are the Head of Terms for the proposed financing. Please note that these are only Indicative in nature; detailed terms and conditions will be set forth in the term sheet and transaction documents.

<b>Issuer</b>	Waaree Energies Limited
<b>Promoters</b>	<ul style="list-style-type: none"> <li>• Mr. Hitesh C. Doshi</li> <li>• Mr. Viren C. Doshi</li> </ul>
<b>Obligors</b>	Collectively the Issuer and the Promoters
<b>Arrangers/Investors</b>	BPEA Investment Managers or any investor(s) identified by BPEA Investment Managers
<b>Facility</b>	Senior, Secured, Unrated, Unlisted Non-Convertible Debentures
<b>Facility Amount</b>	Upto INR 50 crores
<b>Facility Purpose</b>	To be utilized towards working capital requirements of the Issuer
<b>Disbursement Schedule</b>	To be disbursed as single tranche within 3 days of final documentation
<b>Tenure</b>	Upto 4.0 years - <i>to be finalized during DD</i>
<b>Principal Moratorium</b>	Upto [24] months- <i>to be finalized during DD</i>
<b>Prepayment Charges</b>	<p>Notwithstanding the principal moratorium above, the facility shall be mandatorily prepaid from either (a) balance proceeds from sale of WSPL or (b) sale of 25 MW IPP project at Nagari ("Nagari Project") and no prepayment charges shall be applicable on such prepayment</p> <p>Such prepayment shall be subject to minimum interest payment of 1 quarter along with such prepayment in case the prepayment is made within 3 months of disbursement.</p> <p>Any amount prepaid post 12 months' period, shall carry prepayment charges of 2.0%. Any prepayments shall be made with prior notice of at least 15 days' period</p>
<b>Repayment Schedule</b>	Quarterly installments after the Principal Moratorium period - <i>to be finalized during DD</i>
<b>Interest Rate</b>	<p>13.5% per annum compounded monthly payable quarterly</p> <p>However, if the Facility is not prepaid within 6 months from date of disbursement the Issuer shall pay redemption premium of 3.0% per annum compounded monthly along with each principal repayment / prepayment</p>
<b>Upfront Fees</b>	<p>0.25% of the Facility Amount</p> <p>Rs. 10 lacs shall become payable as Drop Dead Fee on signing of this Term Sheet with residual to be paid on date of first disbursement, which shall be adjusted against Upfront Fees mentioned above</p>
<b>Default Interest rate</b>	Additional 2% p.a. during the default period
<b>Debt Service Reserve Account ("DSRA")</b>	1 quarters' interest DSRA in the form of FDs
<b>Security</b>	<p>The Facility shall be secured by:</p> <ul style="list-style-type: none"> <li>• Pledge over 100% of promoter group's shareholding in the Issuer to be created upfront, amounting to 95% stake in the Issuer</li> <li>• Residual charge over all fixed and current assets of the Issuer</li> <li>• 1<sup>st</sup> charge over all fixed and current assets of Nagari Project</li> <li>• Hypothecation over cash flows to be received from sale of WSPL stake</li> <li>• Guarantees from the Promoters</li> <li>• Demand Promissory Note from the Issuer</li> <li>• PDCs from Promoters and Issuer</li> </ul> <p>Above mentioned security to be shared pari-passu with outstanding NCD of Rs. 55 crores, allotted on</p>

Date: August 21, 2018

	December 11, 2017
<b>Escrow Account</b>	Issuer shall deposit all cash flows from the stake sale of WSPL and / or Nagari Project in the Designated Escrow Account, to be utilized for mandatory prepayment of the Facility
<b>Mandatory Prepayment &amp; Other Key Conditions</b>	<ul style="list-style-type: none"> <li>Any proceeds received from residual stake sale of WSPL and / or Nagari Project shall be utilised towards prepayment of this facility</li> <li>In case Issuer is not able to complete sale of either of WSPL residual stake or Nagari Project within 12 months from date of disbursement the Investors shall have the right to appoint a third party for completion of proposed sale</li> <li>Any event of equity raising in form of primary infusion into Issuer, secondary sale by Promoter(s), IPO, etc. ("Equity Raising") shall be a Mandatory Prepayment event at the option of the Investors. In case where Investors exercise the Mandatory Prepayment rights, no prepayment premium shall be payable on such prepayment amounts.</li> </ul>
<b>Permitted Indebtedness</b>	<p>The Issuer group shall not avail any additional indebtedness (apart from working capital facility in form of cash credit and / or NFB facility subject to adherence to Financial Covenants) without prior written consent of the Investors and – to be finalized during DD</p> <p>Provided however that the Issuer/Group/Promoters will provide a prior intimation in writing of not less than [TBD] days to the Investors in case of availing additional indebtedness even within the Permitted Indebtedness</p>
<b>Financial Covenants</b>	<p>The Issuer will ensure adherence to certain financial ratios customary to transactions of such nature, including the following; these ratios will be tested on quarterly basis.</p> <ul style="list-style-type: none"> <li>Total Debt / Net worth not to exceed 1.5x.</li> <li>Total Debt / EBITDA not to exceed 3.0x.</li> <li>Interest Coverage Ratio (defined as EBITDA/Interest costs) not to fall below 3.0x</li> <li>DSCR not to fall below 1.3x</li> </ul>
<b>Information Undertaking</b>	Issuer shall furnish monthly/ quarterly MIS relating to sales, volumes, order book and such other information finalized during DD
<b>Due Diligence</b>	Standard due diligence as required. All costs to be borne by the Issuer.
<b>Exclusivity period</b>	The Obligors hereby agree that it shall not either by itself or through its directors, officers, employees, agents, representatives, affiliates, subsidiaries, group companies, direct or indirect shareholders, for a period of 60 days from the date of execution of this term sheet, entertain, discuss, encourage, solicit or engage in any discussion, dialogue, negotiation or agreement with any other person in relation to or in connection with a proposal which is in any manner similar to a proposal being contemplated under this term sheet
<b>Validity</b>	This Term Sheet expires after a period of 5 days The expiration may be extended at the sole discretion of the Investors

Agreed and Accepted

For Investor Name:  Designation: Date:	For Issuer Name:  Designation: Date:
For Personal Guarantors Name:	

Strictly Private & Confidential

Date: August 21, 2018

Designation:	
Date:	

*Nothing in this letter constitutes a commitment on behalf of BPEA Investment Managers to lend / arrange the Facility and any such commitment is subject to the execution of the Transaction Documents. BPEA Investment Managers may decide, in its absolute discretion, not to proceed with this transaction.*

