

**VALUATION REPORT ON ISSUE OF SECURITIES PURSUANT TO THE PROPOSED
RESTRUCTURING OF CREDIT FACILITIES OF SUZLON ENERGY LIMITED**

February 27, 2020

Prepared by:

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February 27, 2020

Board of Directors

Suzlon Energy Ltd
Shrimali Society,
Near Shri Krishna Complex
Ahmedabad, Gujarat-380009

Dear Sir,

In accordance with our engagement, we have provided a valuation report on the issue price of the securities proposed to be issued by Suzlon Energy Limited ("SEL"/"Company") pursuant to the proposed restructuring of the credit facility in accordance with the provisions of ICDR regulations and RBI guidelines.

In rendering the aforementioned advisory services, we reviewed and relied upon various materials/ information provided by the management of the Company (the "Management"). Our report is based on the information provided to us by the Management. Because of the limited purpose of this report, the financial information presented in this report may be incomplete and contain departures from generally accepted accounting principles. We have not audited, reviewed, or compiled the financial information provided by the Management and express no assurance on it. Had we audited or reviewed the financial information, matters may have come to our attention that could have resulted in our use of the amounts that differ from those provided.

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

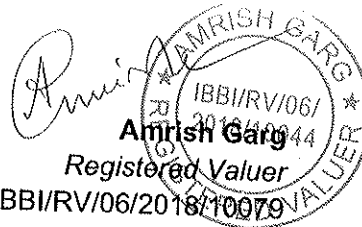
The valuation report on the issue price of the securities to be issued by the Company pursuant to the proposed restructuring of the credit facility in accordance with the provisions of ICDR regulations and RBI guidelines is enclosed herewith.

We have no present or contemplated financial interest in Suzlon Energy Limited or its subsidiary companies. Our fees for this valuation are based upon our normal billing rates and are in no way contingent upon the results of our findings. We have no responsibility to update this report for events and circumstances occurring subsequent to the date of this report.

Date: February 27, 2020

Place: New Delhi

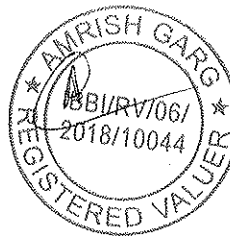
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Amrisha Garg, Registered Valuer

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CHAPTER 1 - DISCLAIMER CLAUSE

This valuation report ("Report") is being furnished at the request of management of Suzlon Energy Limited in relation to issue of securities proposed to be issued pursuant to the proposed restructuring of credit facilities.

The Company vide its letter dated 4th February 2020 to its consortium of lenders requested for restructuring its credit facilities under the provisions of the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 issued by Reserve Bank of India vide its circular dated 7th June 2019 ("RBI Circular"). State Bank of India ("SBI") the lead bank, vide its letter reference no. SAMB-I/Mumbai/Team-10/2019-20/2314 dated 25th February 2020 ("SBI Sanction Letter"), has given sanction to the proposal for restructuring the credit facilities of the Company, inter-alia through conversion of credit facilities into certain specified securities, namely, Equity Shares, Warrants, and Optionally Convertible Debentures (OCDs) in SEL, and Compulsorily Convertible Preference Shares (CCPS) in SGSL. The debt restructuring plan ("DRP"/"Debt Restructuring Plan") awaits approval from the existing shareholders, certain lenders and Foreign Currency Convertible Bond ("FCCB") holders, as may be necessary.

The Company has appointed Amrish Garg, Registered Valuer, Securities or Financial Assets ("AG"/"Registered Valuer") as an independent valuer to certify the conversion price of the aforementioned specified securities being issued by SEL keeping in view the requirements of the provisions of Regulation 158(6) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") and the RBI Circular. Accordingly, this Report is being furnished.

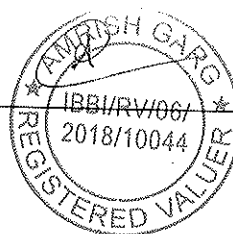
This Report has been issued per the guidelines/provisions of the ICDR Regulations and the RBI Circular in arriving at the conversion price, keeping in view the circumstances prevailing at the time of preparation of this Report and arrives at the valuation opinion on the proposed issuance price considering the facts of the case. The Report shall not be distributed, reproduced, or used, without the express written consent of the Registered Valuer for any purpose other than that mentioned in Chapter 3 of the Report.

This Report assumes that the lenders of SEL have or shall approve the Debt Restructuring Plan as per the terms of the SBI Sanction Letter with requisite majority provided under the RBI Circular.

The Report has been prepared by the Registered Valuer from information extracted from desk research, published reports, discussions with the Management from time to time and other data provided by the Management and their Advisors. The scope of work does not include verification of data submitted by the Management and we have relied upon the factual data, business details, financial statements and other documents that have been provided by the Management. Wherever required, the information and data submitted by the Company has been duly certified by the Management.

While the information provided herein is believed to be accurate and reliable to the best of our knowledge, we do not make any representations or warranties, express or implied, as to the accuracy or completeness of such information.

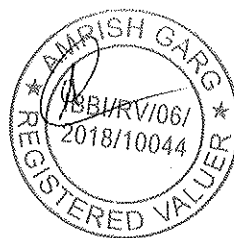
Amrish Garg, Registered Valuer



We do not expect any liability of any kind to any party in relation to the issuance of this report. For the purpose of this assignment, we have not attempted a detailed due diligence review for various aspects i.e., commercial, operational, financial, legal, environmental etc. No change of any item in this report shall be made by anyone other than us, and we shall have no responsibility for any such unauthorized change.

In furnishing the Report, the Registered Valuer reserves the right to amend or replace the same at any time if there is a change in the underlying information or assumptions. The information contained herein is based on certain assumptions and analysis of the information available at the time the valuer's opinion was framed. The Registered Valuer does not purport to give any representation, warranty or other assurance in relation to this document.

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CHAPTER 2 – STANDARDS OF COMPLIANCE

The relevant regulations considered for the purpose of this engagement has been presented below.

A. Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Notice No. SEBI/LAD-NRO/GN/2018/31 dated September 11, 2018)

Chapter V: Preferential Issue

158. (1) The provisions of this Chapter shall not apply where the preferential issue of equity shares is made pursuant to:

a) conversion of a loan or an option attached to convertible debt instruments in terms of sub-sections (3) and (4) of sections 81 of the Companies Act, 1956 or sub-section (3) and (4) of section 62 of the Companies Act, 2013, whichever is applicable;

b) a scheme approved by a High Court under section 391 to 394 of the Companies Act, 1956 or approved by a tribunal or the Central Government under sections 230 to 234 of the Companies Act, 2013, as applicable;

Provided that the pricing provisions of this Chapter shall apply to the issuance of shares under schemes mentioned in clause (b) in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes;

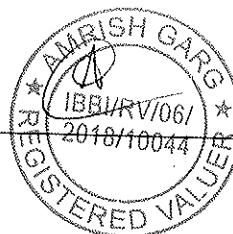
c) a qualified institutions placement in accordance with Chapter VI of these regulations.

(2) The provisions of this Chapter, except the lock-in provisions, shall not apply where the preferential issue of specified securities is made in terms of the rehabilitation scheme approved by the Board of Industrial and Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985 [1 of 1986] or the resolution plan approved under Section 31 of the Insolvency & Bankruptcy Code, 2016 [No. 31 of 2016], whichever is applicable.

(3) The provisions of this Chapter relating to pricing and lock-in shall not apply to equity shares allotted to any financial institution within the meaning of sub-clauses (ia) and (ii) of clause (h) of section 2 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 (51 of 1993).

(4) The provisions of regulation 163 and sub-regulations (1), (2), (3) and (4) of regulation 164 shall not apply to a preferential issue of equity shares and compulsorily convertible debt instruments, whether fully or partly, where the Board has granted relaxation to the issuer in terms of regulation 11 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)

Regulations, 2011, if adequate disclosures about the plan and process proposed to be followed for identifying the allottees are given in the explanatory statement to notice for the general meeting of the shareholders.



(5) The provisions of sub-regulation (1) of regulation 159 and sub-regulation (6) of regulation 167 shall not apply to a preferential issue of specified securities where the proposed allottee is a mutual fund registered with the Board or insurance company registered with Insurance Regulatory and Development Authority of India or a scheduled commercial bank or a public financial institution.

(6) The provisions of this Chapter shall not apply where the preferential issue of specified securities is made to the lenders pursuant to conversion of their debt, as part of a debt restructuring implemented in accordance with the guidelines specified by the Reserve Bank of India, subject to the following conditions:

a) guidelines for determining the conversion price have been specified by the Reserve Bank of India in accordance with which the conversion price shall be determined and which shall be in compliance with the applicable provisions of the Companies Act, 2013;

b) conversion price shall be certified by two independent valuers;

c) specified securities so allotted shall be locked-in for a period of one year from the date of their allotment

Provided that for the purpose of transferring the control, the lenders may transfer the specified securities allotted to them before completion of the lock-in period subject to continuation of the lock-in on such securities for the remaining period, with the transferee;

d) the lock-in of equity shares allotted pursuant to conversion of convertible securities issued on preferential basis shall be reduced to the extent the convertible securities have already been locked-in;

e) the applicable provisions of the Companies Act, 2013 are complied with, including the requirement of a special resolution.

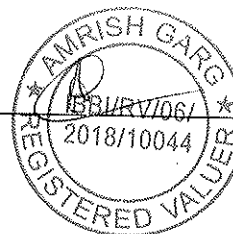
Explanation. – For the purpose of this sub-regulation, “lenders” shall mean all scheduled commercial banks (excluding Regional Rural Banks) and All India Financial Institutions.

B. Reserve Bank of India Guidelines -

The Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 (Notice No. RBI/2018-19/ 203 dated June 7, 2019)

Prudential Norms Applicable to Restructuring

30. Acquisition of shares due to conversion of debt to equity during a restructuring process will be exempted from regulatory ceilings/restrictions on Capital Market Exposures, investment in Para-Banking activities and intra-group exposure. However, these will require reporting to RBI (reporting



to DBS, CO every month along with the regular DSB Return on Asset Quality) and disclosure by banks in the Notes to Accounts in Annual Financial Statements. Nonetheless, banks will have to comply with the provisions of Section 19(2) of the Banking Regulation Act, 1949.

Exemptions from Regulations of Securities and Exchange Board of India (SEBI)

31. SEBI has provided exemptions, under certain conditions, from the requirements of Securities and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) (ICDR) Regulations, 2018 for restructurings carried out as per the regulations issued by the Reserve Bank.

32. With reference to the requirements contained in sub-regulations 158 (6) (a) of ICDR Regulations, 2018, the issue price of the equity shall be the lower of (a) or (b) below:

(a) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the twenty six weeks preceding the 'reference date' or the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the 'reference date', whichever is lower; and

(b) Book value: Book value per share to be calculated from the latest audited balance sheet (without considering 'revaluation reserves', if any) adjusted for cash flows and financials post the earlier restructuring, if any. The date as on which the latest balance sheet is drawn up should not precede the date of restructuring by more than 18 months. In case the latest audited balance sheet is not available the shares are to be collectively valued at Re.1 per company.

33. In the case of conversion of debt into equity, the 'reference date' shall be the date on which the bank approves the restructuring scheme. In the case of conversion of convertible securities into equity, the 'reference date' shall be the date on which the bank approves the conversion of the convertible securities into equities.

C. Companies Act, 2013

Section 53 of the Companies Act, 2013

Prohibition of Issue of Shares at Discount

53. (1) Except as provided in section 54, a company shall not issue shares at a discount.

(2) Any share issued by a company at a discount price shall be void.

(2A) Notwithstanding anything contained in sub-sections (1) and (2), a company may issue shares at a discount to its creditors when its debt is converted into shares in pursuance of any statutory resolution plan or debt restructuring scheme in accordance with any guidelines or directions or regulations specified by the Reserve Bank of India under the Reserve Bank of India Act, 1934 or the Banking



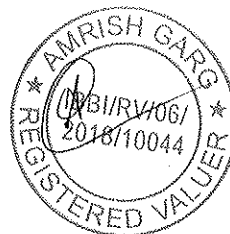
(Regulation) Act, 1949.

(3) Where any company fails to comply with the provisions of this section, such company and every officer who is in default shall be liable to a penalty which may extend to an amount equal to the amount raised through the issue of shares at a discount or five lakh rupees, whichever is less, and the company shall also be liable to refund all monies received with interest at the rate of twelve per cent. per annum from the date of issue of such shares to the persons to whom such shares have been issued.

D. ICAI Valuation Standards

Our analysis and report are in conformity with the "ICAI Valuation Standards" (IVS) issued by the Institute of Chartered Accountants of India.

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CHAPTER 3 –SCOPE OF WORK

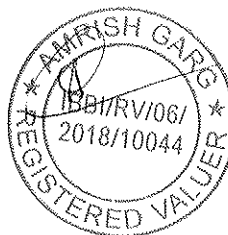
The Company intends to restructure its debts and its lead bank, State Bank of India has sanctioned a proposal for restructuring of its credit facilities under the provisions of the RBI Circular. Amrish Garg has been appointed as an independent valuer to certify conversion price of specified securities being issued to the lenders pursuant to conversion of their debt as part of the comprehensive Debt Restructuring Plan, in view of the requirements of Regulation 158(6) of the ICDR Regulations and the RBI Circular.

Our Report is confidential and prepared for the addressees only. However, we understand that our Report and exhibits thereof will be shared with your directors, employees, advisors and other stakeholders supporting or involved in the Debt Restructuring Plan as well as with stock exchanges where securities of the Company are listed and other regulatory and statutory authorities. We also understand that the Reports and exhibits thereof shall also be made available (for inspection and taking copies thereof) to the shareholders of the respective companies and shall be required to be reproduced in notices, advertisements, forms and other writings, as may be required under applicable laws, for the purposes of implementing the Debt Restructuring Plan. Registered Valuer undertakes that none of the aforementioned shall require his permission, provided, however, that he shall remain responsible and liable only to the Company, and would not have any responsibility or liability to a third party.

Notwithstanding the aforesaid, the addressee of this Report shall be free to disclose this Report to any legal, governmental and juridical authority wherever so required by law.

Valuation Date for this valuation exercise has been assumed to be 25th February 2020, that is the date when the SBI Sanction Letter was issued. ("Valuation Date")

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CHAPTER 4 - DATA RELIED UPON

For the purpose of the Report, we have relied on the data, facts, information, documents and explanations as authenticated and provided to us by the Management.

We have relied upon the following information, as provided by the Management:

1. Audited financial statement of SEL for FY 2018-19.
2. Shareholding Pattern of SEL as on December 31, 2019.
3. SBI letter reference no. SAMB-I/Mumbai/Team-10/2019-20/2314 dated 25th February 2020 ("SBI Sanction Letter").
4. Draft notice to Shareholders for Extraordinary General Meeting proposed to be held on 24th March 2020.
5. Market Prices of SEL on a recognized stock exchange.
6. Other facts and data considered necessary to arrive at the value conclusion.



CHAPTER 4 - BACKGROUND OF THE COMPANY

1. Suzlon Energy Limited

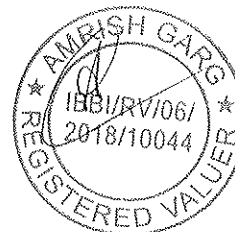
Suzlon Energy Limited is a company listed on BSE Limited and National Stock Exchange of India Limited. The promoters hold approximately 19.79% in the Company and the balance is held by public shareholders. SEL established in 1995, is one of the largest wind turbine suppliers based in India. The Company has incurred significant losses historically, and accordingly proposed to restructure its debt.

The shareholding pattern of the Company as on December 31, 2019 is presented in the table below:

Suzlon Energy Limited
Shareholding Pattern as on December 31, 2019

Shareholders	Number of Shares (in Crores)	%
Promoter and Promoter Group	105.28	19.82%
Public & GDR's	425.87	80.18%
	531.15	100.00%

Face Value of Equity Shares is INR 2 per share

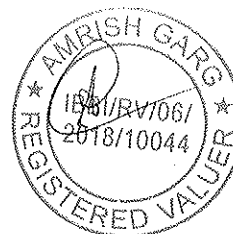


CHAPTER 5 – HISTORICAL FINANCIAL STATEMENTS

The consolidated balance sheet and income statement of the Company is presented in the table below.

Suzlon Energy Limited	
Consolidated Historical Balance Sheet	
	INR Crores
	As of
	31-Mar-19
Assets	
Non-Current Assets	2,356.57
Current Assets	6,424.98
Assets Classified as Held for Sale	89.36
TOTAL	8,870.91
EQUITY AND LIABILITIES	
Shareholders' Funds	
Equity Share capital	1,063.95
Other Equity	(9,567.04)
	(8,503.09)
Non-Current Liabilities	6,424.79
Current Liabilities	10,949.21
TOTAL	8,870.91

Suzlon Energy Limited	
Consolidated Historical Income Statement	
	INR Crores
	For the Year Ended
	March 31:
	2019
Revenue	5,074.64
Total Revenue	5,074.64
Operating Expenses	6,303.35
EBIDTA	(1,228.71)
Depreciation and Amortization	(341.85)
EBT	(1,570.56)
Less: Exceptional Items	(27.57)
Profit before Tax	(1,542.99)
Less: Tax Expense	(11.90)
Net Income	(1,531.09)



CHAPTER 6 – BRIEF BACKGROUND OF THE PROPOSED RESTRUCTURING OF CREDIT FACILITIES

In view of heavy losses and inability to service its debt the Company presented to its lenders, in their core committee meeting held on 15th October 2019 at State Bank of India ("SBI"), World Trade Centre, Mumbai, the contours of a debt restructuring proposal. The lenders opined that it would be prudent to pursue the same. Subsequently, the Company, vide its letter dated 4th February 2020 to its consortium of lenders requested for restructuring its credit facilities submitting along with it a term sheet. SBI, the lead bank vide its letter reference no. SAMB-I/Mumbai/Team-10/2019-20/2314 dated 25th February 2020 has given sanction to the proposal for restructuring the credit facilities of the Company inter alia through conversion of credit facilities into certain specified securities namely Equity Shares, Warrants, Optionally Convertible Debentures (OCDs) in SEL, and Compulsorily Convertible Preference Shares (CCPS) in SGSL. To seek approval of its shareholders on issuance of aforementioned specified securities pursuant to the Debt Restructuring Plan, Suzlon Energy Limited will be conducting an Extraordinary General Meeting.

Debt Restructuring Plan provides for restructuring the credit facilities of the Company under the RBI Circular as enumerated below.

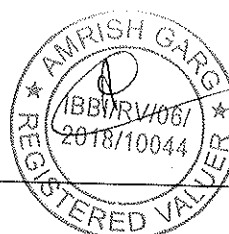
A. Preferential Issue by SEL of the following securities to the lenders of the Company in lieu of conversion of a part of the outstanding debt:

Suzlon Energy Limited		
Details of securities issued to the lenders in lieu of conversion of a part of the outstanding debt		
Nature of Security	# of securities	Issue Price
Equity Shares (Face Value of INR 2 each)	1,000,000,000	INR 1/- for each lender for all equity shares collectively in lieu of part conversion of their debt.
Convertible Warrants (Face Value of INR 2 each)	500,000,000	INR 1/- per lender for all warrants collectively in lieu of part conversion of their debt
Optionally Convertible Debentures (Face Value of INR 100,000 each)	410,000	At face value of INR 1,00,000/- each in lieu of part conversion of their deb

The residual debt of INR 5,288 crores in the form of fund based facilities of INR 3,600 crores, non-fund based facilities INR 1,400 crores and the existing project specific facility (PSF) of INR 288 crores from IREDA will continue as per the restructured terms (as defined in the SBI Sanction Letter).

Issue of Equity Shares

1,00,00,00,000 (One Hundred Crores) equity shares of SEL having a face value of Rs.2/- (Rupees Two Only) each to be issued at an aggregate consideration of Re.1/- (Rupee One Only) for each lender, to one or more lenders, in lieu of part conversion of their debt.



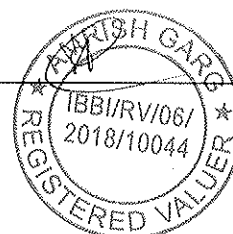
Issue of Convertible Warrants

50,00,00,000 (Fifty Crores) warrants of Rs.2/- (Rupee Two Only) each ("Warrants") convertible into 1 (One) equity share of a face value of Rs.2/- (Rupees Two Only) each at an aggregate consideration of Re.1/- (Rupee One only) for each lender, to one or more lenders, in lieu of part conversion of their debt.

Terms of issue of Convertible Warrants

The issue of Warrants and equity shares to be allotted on exercise of Warrants shall be subject to the following terms and conditions apart from other requirements as prescribed under applicable laws:

1. The Warrants shall be unsecured and unrated and shall be issued and allotted in terms of the Debt Restructuring Plan and shall be in accordance with the RBI Circular and Regulation 158(6) of the ICDR Regulations and accordingly other provisions of ICDR Regulations shall not apply to this preferential issue of Warrants.
2. The Warrants shall be allotted as fully paid- up.
3. All Warrants shall be deposited into a separate escrow agent account. The Warrants shall be released by the escrow agent to the Warrant Holders only upon occurrence of the Conversion Event.
4. In case, the Residual Debt estimated at INR 5,288 crores as per SBI Sanction Letter under the Debt Restructuring Plan are not classified as "Standard" (as per Reserve Bank of India's Master Circular - Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated 1st July 2015 ("IRAC Norms")), by 31st March 2022 ("Conversion Event"), then the Warrants shall be converted into and SEL shall allot, at no additional cost / payment, 1 (One) equity share of a face value of Rs.2/- (Rupees Two Only) each of SEL per Warrant, aggregating to 50,00,00,000 (Fifty Crores) equity shares of SEL in exchange of all the Warrants together, subject to necessary adjustments on account of any subsequent corporate actions, at no additional cost of any nature, such that the Equity Shares arising out of the conversion of the Warrants shall aggregate to not less than 5% of the issued and paid-up share capital of SEL as on the date of allotment of the Warrants.
5. In case the residual debt of INR 5,288 crores under the Debt Restructuring Plan is upgraded as "Standard" (as per IRAC norms) on or before 31st March 2022, then all the Warrants shall expire without any further action required from the Company or the Warrant Holders and the amount subscribed shall stand forfeited.
6. The Warrants by their nature, until converted into equity shares, do not give the Warrant Holders any rights available to shareholders of SEL including voting rights.
7. The equity shares arising from exercise of the Warrants shall be fully paid up at the time of allotment and shall rank pari passu with the existing equity shares of SEL in all respects and the same shall be subject to lock-in for such period as may be prescribed under Regulation 158(6) of the ICDR



Regulations. The said equity shares shall be listed on the National Stock Exchange of India Limited and BSE Limited subject to the receipt of necessary regulatory permissions and approvals, as the case may be.

8. Upon taking delivery of equity shares and subject to the lock-in requirements and other applicable provisions of the ICDR Regulations, Warrant Holders shall be free to immediately sell such shareholding in market and utilize the proceeds for reducing their residual debt of INR 5,288 crores under the Debt Restructuring Plan."

Issue of Optionally Convertible Debentures

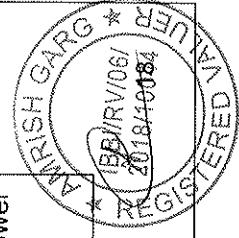
4,10,000 (Four Lacs Ten Thousand) 0.01% Secured Optionally Convertible Debentures (hereinafter referred to as the "OCDs") having a face value of Rs.1,00,000/- (Rupees One Lac Only) each of SEL to be issued at face value aggregating to Rs.4,100,00,00,000/- (Rupees Four Thousand One Hundred Crores Only) to one or more lenders in lieu of part conversion of their debt. The detailed terms of OCD are presented on the following page.



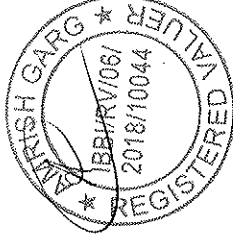
Sr. No.	TOPIC	DETAILS										
1.	Instrument	Secured Optionally Convertible Debenture										
2.	Issuer	Suzlon Energy Limited										
3.	Amount	Up to Rs.4,100 Crores										
4.	Coupon	0.01% p.a., payable annually on 30 th June										
5.	Face value	Rs.1,00,000/- each										
6.	Rating	Unrated										
7.	Listing	Unlisted										
8.	Issue price	At par with Face Value										
9.	Tenor	Initial Tenor of 10 years. At the end of initial tenor, the holders of OCDs shall have the obligation to subscribe to new series of OCDs having tenor of 10 (ten) years. Such new series shall be issued in compliance with the provisions of applicable law, and on similar terms of issuance as that of old series OCDs (save and except for required adjustments needed for payments / pre-payments / conversions of OCDs made during the currency of old series OCDs pursuant to the terms of issuance of the old series and / or the provisions of the Resolution Plan) in accordance with regulatory approvals and such that proceeds of old series shall be utilized for subscription to the new series.										
10.	Redemption of face value of OCDs	Each OCD of face value of Rs.1,00,000/- to be redeemed in the following manner: In the event of any payments / prepayments / conversions made during the currency of OCDs pursuant to the terms of issuance and / or the provisions of the Resolution Plan, such payment / prepayment / conversion amount shall be adjusted against the payment schedule provided below.										
		<table border="1"> <thead> <tr> <th>Date</th><th>Redemption of OCD</th></tr> </thead> <tbody> <tr> <td>30th June 2020</td><td>Rs.10/- each</td></tr> <tr> <td>30th June 2021</td><td>Rs.10/- each</td></tr> <tr> <td>30th June 2022</td><td>Rs.10/- each</td></tr> <tr> <td>30th June 2023</td><td>Rs.10/- each</td></tr> </tbody> </table>	Date	Redemption of OCD	30 th June 2020	Rs.10/- each	30 th June 2021	Rs.10/- each	30 th June 2022	Rs.10/- each	30 th June 2023	Rs.10/- each
Date	Redemption of OCD											
30 th June 2020	Rs.10/- each											
30 th June 2021	Rs.10/- each											
30 th June 2022	Rs.10/- each											
30 th June 2023	Rs.10/- each											

		30 th June 2024	Rs.10/- each
		30 th June 2025	Rs.10/- each
		30 th June 2026	Rs.10/- each
		30 th June 2027	Rs.10/- each
		30 th June 2028	Rs.10/- each
		30 th June 2029	Rs.10/- each
		30 th June 2030	Rs.10/- each or such other amount as may be agreed
		New Series	
		31 st March 2031	Rs.4980/- each
		31 st March 2032	Rs.4990/- each
		31 st March 2033	Rs.9990/- each
		31 st March 2034	Rs.9990/- each
		31 st March 2035	Rs.9990/- each
		31 st March 2036	Rs.9990/- each
		31 st March 2037	Rs.9990/- each
		31 st March 2038	Rs.9990/- each
		31 st March 2039	Rs.14990/- each
		31 st March 2040	Rs.14990/- each
11.	Voting Rights	Nil.	
		Equity shares of the Company issued upon conversion of OCDs shall carry the same voting rights as are available on the existing equity shares of the Company.	
12.	Convertibility Option	In case of default in redemption of OCDs pursuant to its terms, the holders of OCDs shall have the option to convert the defaulted redemption amount into equity shares of the Company. In case of default in servicing OCDs, the OCD holders shall have an option to convert OCDs into equity shares of the Company.	
13.	Conversion Price	Conversion Price of the OCDs for their conversion into equity shares of the Company shall be determined at the time of conversion of the OCDs as per applicable ICDR Regulations, RBI regulations and the Act.	
14.	Security	OCDs will be secured by (a) Corporate Guarantee of Suzlon Global Services Limited, Suzlon Power Infrastructure Limited, Suzlon Gujarat Wind Park Limited and Suzlon Generators Limited and (b) such other security as per the Resolution Plan	

Amrish Garg, Registered Valuer



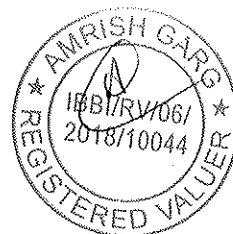
15.	Prepayment	OCDs shall be subject to prepayment terms (including exit price) as agreed to between the Board and the Proposed OCD Holders under the terms of the Resolution Plan. It clarified that there shall not be any prepayment penalty for servicing of OCDs.
16.	Other Conditions	OCDs shall be subject to such other terms and conditions as may be agreed to between the Board and the Proposed OCD Holders under the Resolution Plan."



B. Preferential Issue by SGSL of CCPS to the lenders of the Company in lieu of conversion of a part of the outstanding debt Issue of Compulsorily Convertible Preference Shares:

Issuance by Suzlon Global Services Limited ("SGSL") of up to 4,20,000 (Four Lacs Twenty Thousand) 0.0001% Compulsorily Convertible Preference Shares having a face value of Rs.1,00,000/- (Rupees One Lac Only) each to be issued at par aggregating to Rs.4,20,00,00,000/- (Rupees Four Thousand Two Hundred Crores Only) to the lenders towards part conversion of their debt. The CCPS have a conversion date of 31st March 2040, the latest.

As per other terms, in certain conditions, CCPS may be converted (at the conversion date or earlier (including anytime within 3 months from the effective date of the Debt Restructuring Plan)) into the equity shares of SGSL (causing dilution in the shareholding of SEL in SGSL or a change in control of SGSL) or, be given to SEL against issuance of its Equity Shares of an equivalent value subject to necessary approvals.



CHAPTER 7 – CONCLUSION OF VALUE

The issue of specified securities that are part of this Report being issued by the Company is under a preferential issue to its lenders pursuant to conversion of their debt, as part of a debt restructuring implemented in accordance with the provisions of the RBI Circular. In our opinion the issue of specified securities has to be looked at, as part of a comprehensive debt restructuring plan and requirement of provisions of financial relief to the Company and its group companies, without which the Company shall not be able to sustain its operations.

In view of the facts and information given to us and in light of the objective of the Debt Restructuring Plan, we opine the following:

A. Equity Shares and Warrants being issued to lenders on preferential basis by SEL.

As per Regulation 158(6) of the ICDR Regulations, subject to certain conditions, the provisions of Chapter V (Preferential Issue) of ICDR Regulations are not applicable in case where the preferential issue of specified securities is made to the lenders pursuant to conversion of their debt, as part of a debt restructuring implemented in accordance with the guidelines specified by the Reserve Bank of India.

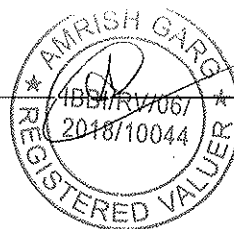
Further RBI through its Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 dated June 7, 2019 ("RBI Circular") lays out the framework for resolution of stressed assets. Clause 32 of Annex 1 to the RBI Circular, provides for conversion to be at a price which is lower of:

- 26 week average of the weekly high and low of the volume weighted average prices quoted on a recognized stock exchange or 2 week average of the weekly high and low of the volume weighted average prices quoted on a recognized stock exchange whichever is lower. (See Annexure 1)
- Book value per share calculated in accordance with the said Clause 32 from the latest audited balance sheet not being older than 18 months from restructuring date or Re. 1 collectively incase the balance sheet is not available (See Annexure 2)

Conclusion:

Equity Shares: The book value of SEL as per the latest audited balance sheet of March 31, 2019 is in the **negative** and therefore, all the equity shares to be issued to lenders under the Debt Restructuring Plan can be collectively valued at Re. 1 per lender. Hence, the issue price of equity shares of SEL per the Debt Restructuring Plan collectively at Re. 1 per lender is in compliance with Regulation 158(6)(a) of the ICDR Regulations and the provisions of the RBI Circular.

Warrants: In accordance with Regulation 158(6) of the ICDR Regulations read with Clause 31-33 of Annex 1 to the RBI Circular, the 'reference date', for conversion of convertible securities into equity



shares is the date on which the lenders approve the conversion of the convertible security in equity. As the conversion of warrants into equity shares with pre-determined ratio has already been approved by the lenders as part of the Debt Restructuring Plan, the 'reference date' for determining valuation of the warrants shall also be similar to that of equity shares above. Thus, as the book value of SEL as per the latest audited balance sheet of March 31, 2019 is in the **negative**, all the warrants to be issued by SEL to lenders under the Debt Restructuring Plan can be collectively valued at Re. 1 per lender. Hence, the issue price of warrants of SEL per the Debt Restructuring Plan collectively at Re. 1 per lender is in compliance with Regulation 158(6)(a) of the ICDR Regulations and the provisions of the RBI Circular.

B. 0.01% Secured Optionally Convertible Debenture of face value Rs 1,00,000 each being issued to lenders by SEL

Key Terms:

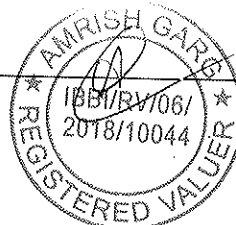
Tenor - Initial Tenor is of 10 years. At the end of initial tenor, the holders of OCDs shall have the obligation to subscribe to new series of OCDs having tenor of 10 (ten) years in compliance with applicable law, and on similar terms of issuance as that of old series OCDs (save and except for required adjustments needed for payments / pre-payments / conversions of OCDs made during the currency of old series OCDs pursuant to the terms of issuance of the old series and / or the provisions of the Debt Restructuring Plan) in accordance with regulatory approvals and such that proceeds of old series shall be utilized for subscription to the new series.

Redemption of face value of OCDs – In case of any payment/prepayments/conversion made during the currency of OCD pursuant to the terms of issuance the same shall be adjusted against the payment schedule provided as part of the terms of issue.

Conversion Option - In case of default in redemption or servicing of OCDs pursuant to its terms, OCD holders shall have the option to convert the OCD into equity shares of SEL.

Conversion Price – The conversion price shall be determined at the time of conversion of the OCDs as per applicable ICDR Regulations, RBI regulations and the Companies Act, 2013.

Conclusion: SEL is issuing 4,10,000 OCDs of Rs. 100,000 each issued at par value to lenders for an aggregate consideration of Rs. 4100 Crore in lieu of part conversion of lender's debt. At face value the OCDs consideration is equivalent to the amount of Rs. 4100 Crores of debt being converted into OCDs. Generally, the value of convertible instrument (in the present case OCDs) is dependent upon the equity shares to be allotted upon conversion. Based on the above terms and conditions w.r.t proposed issuance of 0.01% OCDs, we understand that, conversion of the OCDs is linked to various future events of conversion and that the conversion price of OCDs shall be determined at the time of conversion of the OCDs as per applicable ICDR Regulations, RBI regulations and the Companies Act, 2013. Though conversion price of OCDs into equity shares cannot be determined as of now (and the same shall have to be determined at the time of conversion per the Debt Restructuring Plan), we are of the view that issuance of OCDs at par value currently as well as conversion methodology of conversion of OCDs into Equity Shares per the Debt Restructuring Plan in lieu of part conversion of



lenders' debt as above is in compliance with Regulation 158(6)(a) of the ICDR Regulations and the provisions of the RBI Circular, and that in our view the same is fair and reasonable in the given circumstances.



ANNEXURE 1

Calculation of 26-week/2-week average of the weekly high and low of the volume weighted average prices

Suzlon Energy Limited

Computation of Value as per Clause 32 of Annex 1 to the RBI Circular

Particulars	INR
Average of 26 Week	2.59
Average of Last 2 Week	2.49
Value Conclusion (Lower)	2.49

Reference Date: February 25, 2020

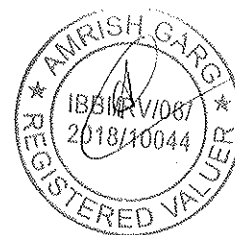


ANNEXURE 2

Calculation of Book Value per Share (based on the audited balance sheet as of March 31, 2019)

Suzlon Energy Limited
Net Asset Value Method

<i>INR Crores</i>	
Particulars	Book Value as on March 31, 2019
ASSETS	
Non-Current Assets	2,356.57
Current Assets	6,424.98
Assets Classified as Held for Sale	89.36
Total Assets (A)	8,870.91
LIABILITIES	
Non-Current Liabilities	6,424.79
Current Liabilities	10,949.21
Total Liabilities (B)	17,374.00
Book Equity Value (A - B)	(8,503.09)
<u>Add/(Less): Adjustments</u>	
Equity Component of Compound Financial Instruments	(28.50)
Capital Reserve	(23.30)
Capital Redemption Reserve	(15.00)
Foreign Currency Monetary Item Translation Difference Account	16.21
Foreign Currency Translation Reserve	663.02
Non-Controlling Interests	5.48
Net Asset Value	(7,885.18)
Number of Shares	5,319,774,121
Value Per Share (INR)	(14.82)



VALUER'S REPORT ON ISSUE OF SECURITIES PURSUANT TO THE PROPOSED RESTRUCTURING OF CREDIT FACILITIES OF SUZLON ENERGY LIMITED

February 27, 2020



Prepared by:

Mahim Singh Mehta, ACA, CMA

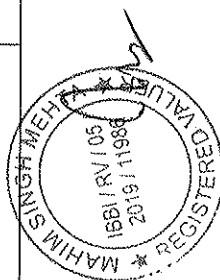
Registered Valuer (Securities or Financial Assets)

D-21 Geetanjali Enclave,

New Delhi - 110017

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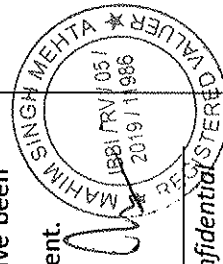


CHAPTER 1 - DISCLAIMER CLAUSE

This valuer's report ("Report") is being furnished by Mahim Singh Mehta ("Registered Valuer") at the request of the Management ("Management") of Suzlon Energy Limited ("SEL") and its subsidiaries, including Suzlon Global Services Limited ("SGSL"), singularly and collectively referred to as ("The Company"). The Company vide its letter dated 4th February, 2020 to its consortium of lenders requested for restructuring its credit facilities under the provisions of the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 issued by Reserve Bank of India vide its circular dated 7th June 2019 ("RBI Circular"). State Bank Of India ("SBI") the lead bank has given sanction to the proposal for restructuring the credit facilities of The Company, *inter-alia*, through conversion of credit facilities into certain specified securities, namely, Equity Shares, Warrants, and Optionally Convertible Debentures (OCDs) in SEL, and Compulsorily Convertible Preference Shares (CCPS) in SGSL. The Debt Restructuring Plan ("DRP") awaits approval from the existing shareholders, certain lenders and Foreign Currency Convertible Bond ("FCCB") holders, as may be necessary. The Company has appointed the Registered Valuer as an independent valuer to certify the conversion price of the aforementioned specified securities being issued by SEL keeping in view the requirements of the provisions of Regulation 158(6) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") and the RBI Circular. Accordingly, this Report is being furnished.

The details of scope of work have been mentioned in Chapter 2 below. This Report must be considered in that context only and not as an advisory document for any other purpose like tax advice or investment advice or assurance as to achievability or viability of The Company operations. The Report shall not be distributed, reproduced, or used, without the express written consent of the Registered Valuer for any purpose other than that mentioned in Chapter 2 below.

The Report has been prepared by the Registered Valuer from information extracted from desk research, published reports, discussions with the Management from time to time and other data provided by the Management and their Advisors. The scope of work does not include verification of data submitted by the Management and we have relied upon the factual data, business details, financial statements and other documents that have been provided by the Management. Wherever required, the information and data submitted by The Company has been duly certified by the Management.



While the information provided herein is believed to be accurate and reliable to the best of our knowledge, we do not make any representations or warranties, express or implied, as to the accuracy or completeness of such information.

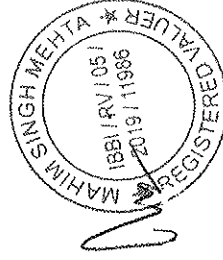
We do not expect any liability of any kind to any party in relation to the issuance of this report. For the purpose of this assignment, we have not attempted a detailed due diligence review for various aspects i.e., commercial, operational, financial, legal, environmental etc. No change of any item in this report shall be made by anyone other than us, and we shall have no responsibility for any such unauthorized change.

In furnishing the Report the Registered Valuer reserves the right to amend or replace the same at any time if there is a change in the underlying information or assumptions. The information contained herein is based on certain assumptions and analysis of the information available at the time the valuer's opinion was framed. The Registered Valuer does not purport to give any representation, warranty or other assurance in relation to this document.

This Report certifies compliance with ICDR Regulations and the RBI Circular in arriving at the conversion price, keeping in view the circumstances prevailing at the time of preparation of this Report and arrives at the valuer's opinion on the proposed issuance price considering the facts of the case.

This Report also assumes that the lenders of SEL have or shall approve the Debt Restructuring Plan as per the terms of the SBI Sanction Letter with requisite majority provided under the RBI Circular.

This Report is to be read in whole.



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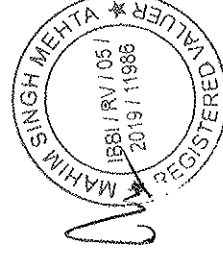
CHAPTER 2 – SCOPE OF WORK

The Company intends to restructure its debts and its lead bank, State Bank of India has sanctioned a proposal for restructuring of its credit facilities under the provisions of the RBI Circular. Mahim Singh Mehta has been appointed as an independent valuer to certify Conversion Price of specified securities being issued to the lenders pursuant to conversion of their debt as part of the comprehensive Debt Restructuring Plan, in view of the requirements of Regulation 158(6) of the ICDR Regulations and the RBI Circular.

Our Report is confidential and prepared for the addressees only. However, we understand that our Report and exhibits thereof will be shared with your directors, employees, advisors and other stakeholders supporting or involved in the Debt Restructuring Plan as well as with stock exchanges where securities of The Company are listed and other regulatory and statutory authorities. We also understand that the Reports and exhibits thereof shall also be made available (for inspection and taking copies thereof) to the shareholders of the respective companies and shall be required to be reproduced in notices, advertisements, forms and other writings, as may be required under applicable laws, for the purposes of implementing the Debt Restructuring Plan. Registered Valuer undertakes that none of the aforementioned shall require his permission, provided, however, that he shall remain responsible and liable only to the Addressees, and would not have any responsibility or liability to a third party.

Notwithstanding the aforesaid, the recipients of this Report and the Exhibits thereof shall be free to disclose this Report and the Exhibits thereof to any legal, governmental and juridical authority wherever so required by law.

Valuation Date for this valuation exercise has been assumed as 25th February 2020, that is the date when the SBI Sanction Letter was issued. ("Valuation Date")



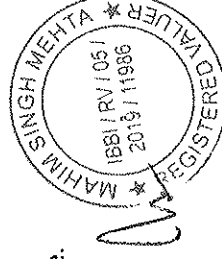
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CHAPTER 3 - DATA RELIED UPON

For the purpose of the Report, we have relied on the data, facts, information, documents and explanations as authenticated and provided to us by the Management.

We have relied upon the following information, as provided by the Management:

1. Statement of Consolidated Profit and Loss, Balance Sheet of SEL for FY 18-19.
2. Statement of Standalone Profit and Loss and Balance Sheet of SEL for FY 18-19.
3. Provisional financial statements of SEL for the period April 01, 2019 to December 31, 2019.
4. Shareholding Pattern of SEL as on 31st December 2019
5. SBI letter reference no. SAMB-1/Mumbai/Team-10/2019-20/2314 dated 25th February 2020 ("SBI Sanction Letter").
6. Draft Notice to Shareholders for Extraordinary General Meeting proposed to be held on 24th March 2020.
7. Market Prices of SEL on a recognized stock exchange.
8. Other facts and data considered necessary to arrive at a fair value.



CHAPTER 4 - BACKGROUND OF THE COMPANY

1. Suzlon Energy Limited

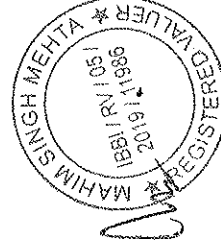
Suzlon Energy Limited is a company listed on BSE Limited and National Stock Exchange of India Limited. The promoters hold approximately 19.79% in the Company and the balance is held by public shareholders. SEL established in 1995, is a wind turbine supplier based in Pune, India, formerly ranked by MAKE as the world's fifth largest wind turbine supplier. It has since dropped out of the Global top ten rankings (as of 2014) due to extensive losses and inability to repay debts. Despite financial issues, it continues to be a major manufacturer of wind turbines. In 2018-19, the company posted a net loss. The company operates with multiple subsidiaries and looks forward to restructure its current debt with SBI and other lenders.

Financial Summary

Consolidated Profit and Loss Account of SEL

(INR Cr)

Particulars	2018-19
Total Revenue	5,074.64
Less: Operating Expenses	5,033.44
EBITDA	41.20
Less: Depreciation and Amortisation Expenses	341.85
Less: Finance Cost	1,269.91
Exceptional Items	-27.57
Profit before tax	-1,542.99
Profit for the year	-1,537.19
Add: Depreciation	341.85
Cash Profits	-1,195.34



Consolidated Balance Sheet of SEL

(INR Cr)

Particulars	March 31, 2019
EQUITY & LIABILITIES	
Equity Share Capital	1,063.95
Other Equity	-9,561.56
Non-Controlling Interests	-5.48
Non-Current Liabilities	6,424.79
Current Liabilities	10,949.21
Total	8,870.91
Non-Current Assets	2,356.57
Current Assets	6,424.98
Assets held for sale	89.36
Total	8,870.91

Capital structure of SEL as on December 31, 2019:

	INR Cr	
Authorized Capital		
12,49,00,000 Equity Shares of INR 2 each	2498.00	
Paid-up Share Capital		
Promoters (1,05,27,84,456 Equity Shares of INR 2 each)	210.55	19.82%
Public & GDR's (4,25,87,08,825 Equity Shares of INR 2 each)	853.40	80.18%
Total	1063.96	100.00%



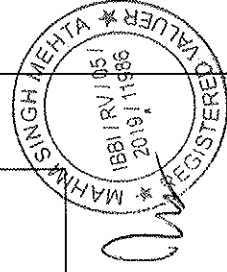
CHAPTER 5 – BRIEF BACKGROUND OF THE PROPOSED RESTRUCTURING OF CREDIT FACILITIES

In view of heavy losses and inability to service its debt The Company presented to its lenders, in their core committee meeting held on 15th October 2019 at State Bank of India ("SBI"), World Trade Centre, Mumbai, the contours of a debt restructuring proposal. The lenders opined that it would be prudent to pursue the same. Subsequently, The Company, vide its letter dated 4th February 2020 to its consortium of lenders requested for restructuring its credit facilities submitting along with it a term sheet. SBI, the lead bank vide its letter reference no. SAMB-I/Mumbai/Team-10/2019-20/2314 dated 25th February 2020 ("SBI Sanction Letter") has given sanction to the proposal for restructuring the credit facilities of The Company *inter alia* through conversion of credit facilities into certain specified securities namely Equity Shares, Warrants, Optionally Convertible Debentures (OCDs) in SEL, and Compulsorily Convertible Preference Shares (CCPS) in SGSL. To seek approval of its shareholders on issuance of aforementioned specified securities pursuant to the Debt Restructuring Plan, Suzlon Energy Limited will be conducting an Extraordinary General Meeting.

Debt Restructuring Plan provides for restructuring the credit facilities of The Company under the RBI Circular as enumerated below.

A. Preferential Issue by SEL of the following securities to the lenders of The Company in lieu of conversion of a part of the outstanding debt:

Sr. No.	Nature of Security	No. of securities	Issue Price
1)	Equity Shares having Face value of INR 2/-each	1,00,00,00,000 Equity Shares	INR 1/- for each lender for all equity shares collectively in lieu of part conversion of their debt.
2)	Convertible Warrants having Face value of INR 2/-each	50,00,00,000 Convertible warrants	INR 1/- per lender for all warrants collectively in lieu of part conversion of their debt
3)	OCD's having a face value of INR 1,00,000/- each	4,10,000 OCD's	At face value of INR 1,00,000/- each in lieu of part conversion of their debt.



The residual debt of INR 5,288 crores in the form of fund based facilities of INR 3,600 crores, non-fund based facilities INR 1,400 crores and the existing project specific facility (PSF) of INR 288 crores from IREDA will continue as per the restructured terms (as defined in the SBI Sanction Letter).

Issue of Equity Shares

1,00,00,00,000 (One Hundred Crores) equity shares of SEL having a face value of Rs.2/- (Rupees Two Only) each to be issued at an aggregate consideration of Re.1/- (Rupee One Only) for each lender, to one or more lenders, in lieu of part conversion of their debt.

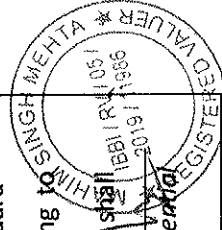
Issue of Convertible Warrants

50,00,00,000 (Fifty Crores) warrants of Rs.2/- (Rupee Two Only) each ("Warrants") convertible into 1 (One) equity share of a face value of Rs.2/- (Rupees Two Only) each at an aggregate consideration of Re.1/- (Rupee One only) for each lender, to one or more lenders, in lieu of part conversion of their debt.

Terms of issue of Convertible Warrants

The issue of Warrants and equity shares to be allotted on exercise of Warrants shall be subject to the following terms and conditions apart from other requirements as prescribed under applicable laws:

- 1) The Warrants shall be unsecured and unrated and shall be issued and allotted in terms of the Debt Restructuring Plan and shall be in accordance with the RBI Circular and Regulation 158(6) of the ICDR Regulations and accordingly other provisions of ICDR Regulations shall not apply to this preferential issue of Warrants.
- 2) The Warrants shall be allotted as fully paid-up.
- 3) All Warrants shall be deposited into a separate escrow agent account. The Warrants shall be released by the escrow agent to the Warrant Holders only upon occurrence of the Conversion Event.
- 4) In case, the Residual Debt estimated at INR 5,288 crores as per SBI Sanction Letter under the Debt Restructuring Plan are not classified as "Standard" (as per Reserve Bank of India's Master Circular - Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated 1st July 2015 ("IRAC Norms")), by 31st March 2022 ("Conversion Event"), then the Warrants shall be converted into and SEL shall

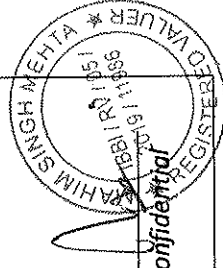


allot, at no additional cost / payment, 1 (One) equity share of a face value of Rs.2/- (Rupees Two Only) each of SEL per Warrant, aggregating to 50,00,00,000 (Fifty Crores) equity shares of SEL in exchange of all the Warrants together, subject to necessary adjustments on account of any subsequent corporate actions, at no additional cost of any nature, such that the Equity Shares arising out of the conversion of the Warrants shall aggregate to not less than 5% of the issued and paid-up share capital of SEL as on the date of allotment of the Warrants.

- 5) In case the residual debt of INR 5,288 crores under the Debt Restructuring Plan is upgraded as "Standard" (as per IRAC norms) on or before 31st March 2022, then all the Warrants shall expire without any further action required from the Company or the Warrant Holders and the amount subscribed shall stand forfeited.
- 6) The Warrants by their nature, until converted into equity shares, do not give the Warrant Holders any rights available to shareholders of SEL including voting rights.
- 7) The equity shares arising from exercise of the Warrants shall be fully paid up at the time of allotment and shall rank pari passu with the existing equity shares of SEL in all respects and the same shall be subject to lock-in for such period as may be prescribed under Regulation 158(6) of the ICDR Regulations. The said equity shares shall be listed on the National Stock Exchange of India Limited and BSE Limited subject to the receipt of necessary regulatory permissions and approvals, as the case may be.
- 8) Upon taking delivery of equity shares and subject to the lock-in requirements and other applicable provisions of the ICDR Regulations, Warrant Holders shall be free to immediately sell such shareholding in market and utilise the proceeds for reducing their residual debt of INR 5,288 crores under the Debt Restructuring Plan."

Issue of Optionally Convertible Debentures

4,10,000 (Four Lacs Ten Thousand) 0.01% Secured Optionally Convertible Debentures (hereinafter referred to as the "OCDs") having a face value of Rs.1,00,00,000/- (Rupees One Lac Only) each of SEL to be issued at face value aggregating to Rs.4,10,00,00,000/- (Rupees Four Thousand One Hundred Crores Only) to one or more lenders in lieu of part conversion of their debt;



Terms of issue of Optionally Convertible Debentures

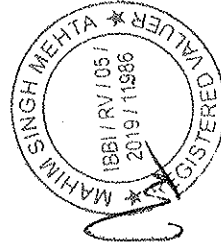
Sr. No.	TOPIC	DETAILS																																
1.	Instrument	Secured Optionally Convertible Debenture																																
2.	Issuer	Suzlon Energy Limited																																
3.	Amount	Up to Rs.4,100 Crores																																
4.	Coupon	0.01% p.a., payable annually on 30 th June																																
5.	Face value	Rs.1,00,000/- each																																
6.	Rating	Unrated																																
7.	Listing	Unlisted																																
8.	Issue price	At par with Face Value																																
9.	Tenor	Initial Tenor of 10 years. At the end of initial tenor, the holders of OCDs shall have the obligation to subscribe to new series of OCDs having tenor of 10 (ten) years. Such new series shall be issued in compliance with the provisions of applicable law, and on similar terms of issuance as that of old series OCDs (save and except for required adjustments needed for payments / pre-payments / conversions of OCDs made during the currency of old series OCDs pursuant to the terms of issuance of the old series and / or the provisions of the Resolution Plan) in accordance with regulatory approvals and such that proceeds of old series shall be utilised for subscription to the new series.																																
10.	Redemption of face value of OCDs	Each OCD of face value of Rs.1,00,000/- to be redeemed in the following manner: In the event of any payments / prepayments / conversions made during the currency of OCDs pursuant to the terms of issuance and / or the provisions of the Resolution Plan, such payment / prepayment / conversion amount shall be adjusted against the payment schedule provided below. <table><thead><tr><th>Date</th><th>Redemption of OCD</th></tr></thead><tbody><tr><td>30th June 2020</td><td>Rs.10/- each</td></tr><tr><td>30th June 2021</td><td>Rs.10/- each</td></tr><tr><td>30th June 2022</td><td>Rs.10/- each</td></tr><tr><td>30th June 2023</td><td>Rs.10/- each</td></tr><tr><td>30th June 2024</td><td>Rs.10/- each</td></tr><tr><td>30th June 2025</td><td>Rs.10/- each</td></tr><tr><td>30th June 2026</td><td>Rs.10/- each</td></tr><tr><td>30th June 2027</td><td>Rs.10/- each</td></tr><tr><td>30th June 2028</td><td>Rs.10/- each</td></tr><tr><td>30th June 2029</td><td>Rs.10/- each</td></tr><tr><td>30th June 2030</td><td>Rs.10/- each or such other amount as may be agreed</td></tr><tr><td colspan="2">New Series</td></tr><tr><td>31st March 2031</td><td>Rs.4980/- each</td></tr><tr><td>31st March 2032</td><td>Rs.4990/- each</td></tr><tr><td>31st March 2033</td><td>Rs.9990/- each</td></tr></tbody></table>	Date	Redemption of OCD	30 th June 2020	Rs.10/- each	30 th June 2021	Rs.10/- each	30 th June 2022	Rs.10/- each	30 th June 2023	Rs.10/- each	30 th June 2024	Rs.10/- each	30 th June 2025	Rs.10/- each	30 th June 2026	Rs.10/- each	30 th June 2027	Rs.10/- each	30 th June 2028	Rs.10/- each	30 th June 2029	Rs.10/- each	30 th June 2030	Rs.10/- each or such other amount as may be agreed	New Series		31 st March 2031	Rs.4980/- each	31 st March 2032	Rs.4990/- each	31 st March 2033	Rs.9990/- each
Date	Redemption of OCD																																	
30 th June 2020	Rs.10/- each																																	
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Report on the issue of securities pursuant to the proposed restructuring of credit facilities

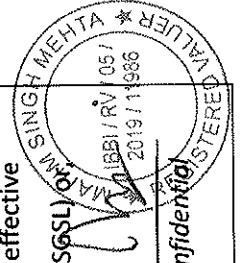
	31 st March 2034	Rs.9990/- each
	31 st March 2035	Rs.9990/- each
	31 st March 2036	Rs.9990/- each
	31 st March 2037	Rs.9990/- each
	31 st March 2038	Rs.9990/- each
	31 st March 2039	Rs.14990/- each
	31 st March 2040	Rs.14990/- each
11.	Voting Rights	Nil.
	Equity shares of the Company issued upon conversion of OCDs shall carry the same voting rights as are available on the existing equity shares of the Company.	
12.	Convertibility Option	In case of default in redemption of OCDs pursuant to its terms, the holders of OCDs shall have the option to convert the defaulted redemption amount into equity shares of the Company. In case of default in servicing OCDs, the OCD holders shall have an option to convert OCDs into equity shares of the Company.
13.	Conversion Price	Conversion Price of the OCDs for their conversion into equity shares of the Company shall be determined at the time of conversion of the OCDs as per applicable ICDR Regulations, RBI regulations and the Act.
14.	Security	OCDs will be secured by (a) Corporate Guarantee of Suzlon Global Services Limited, Suzlon Power Infrastructure Limited, Suzlon Gujarat Wind Park Limited and Suzlon Generators Limited and (b) such other security as per the Resolution Plan
15.	Prepayment	OCDs shall be subject to prepayment terms (including exit price) as agreed to between the Board and the Proposed OCD Holders under the terms of the Resolution Plan. It clarified that there shall not be any prepayment penalty for servicing of OCDs.
16.	Other Conditions	OCDs shall be subject to such other terms and conditions as may be agreed to between the Board and the Proposed OCD Holders under the Resolution Plan."

B. Preferential issue, by SGSL, of CCPS to the lenders of The Company in lieu of conversion of a part of the outstanding debt

Issue of Compulsorily Convertible Preference Shares

Issuance by Suzlon Global Services Limited ("SGSL") of up to 4,20,000 (Four Lacs Twenty Thousand) 0.0001% Compulsorily Convertible Preference Shares having a face value of Rs.1,00,000/- (Rupees One Lac Only) each to be issued at par aggregating to Rs.4,20,00,00,000/- (Rupees Four Thousand Two Hundred Crores Only) to the lenders towards part conversion of their debt. The CCPS have a conversion date of 31st March 2040, the latest.

As per other terms, in certain conditions, CCPS may be converted (at the conversion date or earlier (including anytime within 3 months from the effective date of the Debt Restructuring Plan)) into the equity shares of SGSL (causing dilution in the shareholding of SEL in SGSL or a change in control of SGSL) or be given to SEL against issuance of its Equity Shares of an equivalent value subject to necessary approvals.



CHAPTER 6 – RELEVANT REGULATIONS

- Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

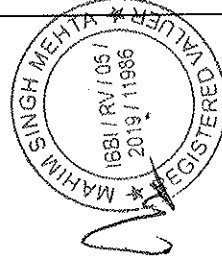
Notice No. SEBI/LAD-NRO/GN/2018/31 dated September 11, 2018

Chapter V: Preferential Issue

158. (1) The provisions of this Chapter shall not apply where the preferential issue of equity shares is made pursuant to:

- a) conversion of a loan or an option attached to convertible debt instruments in terms of sub-sections (3) and (4) of sections 81 of the Companies Act, 1956 or sub-section (3) and (4) of section 62 of the Companies Act, 2013, whichever is applicable;
- b) a scheme approved by a High Court under section 391 to 394 of the Companies Act, 1956 or approved by a tribunal or the Central Government under sections 230 to 234 of the Companies Act, 2013, as applicable;
Provided that the pricing provisions of this Chapter shall apply to the issuance of shares under schemes mentioned in clause (b) in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes;
- c) a qualified institutions placement in accordance with Chapter VI of these regulations.

(2) The provisions of this Chapter, except the lock-in provisions, shall not apply where the preferential issue of specified securities is made in terms of the rehabilitation scheme approved by the Board of Industrial and Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985 [1 of 1986] or the resolution plan approved under Section 31 of the Insolvency & Bankruptcy Code, 2016 [No. 31 of 2016], whichever is applicable.



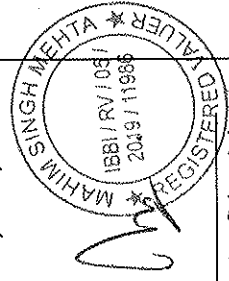
- (3) The provisions of this Chapter relating to pricing and lock-in shall not apply to equity shares allotted to any financial institution within the meaning of sub-clauses (ia) and (ii) of clause (h) of section 2 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 (51 of 1993).
- (4) The provisions of regulation 163 and sub-regulations (1), (2), (3) and (4) of regulation 164 shall not apply to a preferential issue of equity shares and compulsorily convertible debt instruments, whether fully or partly, where the Board has granted relaxation to the issuer in terms of regulation 11 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)

Regulations, 2011, if adequate disclosures about the plan and process proposed to be followed for identifying the allottees are given in the explanatory statement to notice for the general meeting of the shareholders.

- (5) The provisions of sub-regulation (1) of regulation 159 and sub-regulation (6) of regulation 167 shall not apply to a preferential issue of specified securities where the proposed allottee is a mutual fund registered with the Board or insurance company registered with Insurance Regulatory and Development Authority of India or a scheduled commercial bank or a public financial institution.

- (6) The provisions of this Chapter shall not apply where the preferential issue of specified securities is made to the lenders pursuant to conversion of their debt, as part of a debt restructuring implemented in accordance with the guidelines specified by the Reserve Bank of India, subject to the following conditions:

- a) guidelines for determining the conversion price have been specified by the Reserve Bank of India in accordance with which the conversion price shall be determined and which shall be in compliance with the applicable provisions of the Companies Act, 2013;
- b) conversion price shall be certified by two independent valuers;
- c) specified securities so allotted shall be locked-in for a period of one year from the date of their allotment



Provided that for the purpose of transferring the control, the lenders may transfer the specified securities allotted to them before completion of the lock-in period subject to continuation of the lock-in on such securities for the remaining period, with the transferee;

d) the lock-in of equity shares allotted pursuant to conversion of convertible securities issued on preferential basis shall be reduced to the extent the convertible securities have already been locked-in;

e) the applicable provisions of the Companies Act, 2013 are complied with, including the requirement of a special resolution.

Explanation. – For the purpose of this sub-regulation, “lenders” shall mean all scheduled commercial banks (excluding Regional Rural Banks) and All India Financial Institutions.

- **Reserve Bank of India Guidelines -**

The Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019
Notice No. RBI/2018-19/ 203 dated June 7, 2019

Prudential Norms Applicable to Restructuring

30. Acquisition of shares due to conversion of debt to equity during a restructuring process will be exempted from regulatory ceilings/restrictions on Capital Market Exposures, investment in Para-Banking activities and intra-group exposure. However, these will require reporting to RBI (reporting to DBS, CO every month along with the regular DSB Return on Asset Quality) and disclosure by banks in the Notes to Accounts in Annual Financial Statements. Nonetheless, banks will have to comply with the provisions of Section 19(2) of the Banking Regulation Act, 1949.

Exemptions from Regulations of Securities and Exchange Board of India (SEBI)

31. SEBI has provided exemptions, under certain conditions, from the requirements of Securities and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) (ICDR) Regulations, 2018 for restructurings carried out as per the regulations issued by the Reserve Bank.



32. With reference to the requirements contained in sub-regulations 158 (6) (a) of ICDR Regulations, 2018, the issue price of the equity shall be the lower of (a) or (b) below:

- (a) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the 'reference date' or the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the 'reference date', whichever is lower; and
- (b) Book value: Book value per share to be calculated from the latest audited balance sheet (without considering 'revaluation reserves', if any) adjusted for cash flows and financials post the earlier restructuring, if any. The date as on which the latest balance sheet is drawn up should not precede the date of restructuring by more than 18 months. In case the latest audited balance sheet is not available the shares are to be collectively valued at Re.1 per company.

33. In the case of conversion of debt into equity, the 'reference date' shall be the date on which the bank approves the restructuring scheme. In the case of conversion of convertible securities into equity, the 'reference date' shall be the date on which the bank approves the conversion of the convertible securities into equities.

- Companies Act, 2013

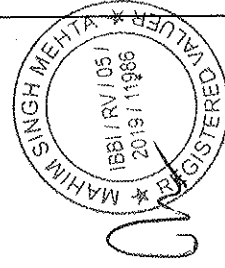
Section 53 of the Companies Act, 2013

Prohibition on Issue of Shares at Discount

53. (1) Except as provided in section 54, a company shall not issue shares at a discount.

(2) Any share issued by a company at a discount price shall be void.

(2A) Notwithstanding anything contained in sub-sections (1) and (2), a company may issue shares at a discount to its creditors when its debt is



Report on the issue of securities pursuant to the proposed restructuring of credit facilities

converted into shares in pursuance of any statutory resolution plan or debt restructuring scheme in accordance with any guidelines or directions or regulations specified by the Reserve Bank of India under the Reserve Bank of India Act, 1934 or the Banking (Regulation) Act, 1949.

- (3) Where any company fails to comply with the provisions of this section, such company and every officer who is in default shall be liable to a penalty which may extend to an amount equal to the amount raised through the issue of shares at a discount or five lakh rupees, whichever is less, and the company shall also be liable to refund all monies received with interest at the rate of twelve per cent. per annum from the date of issue of such shares to the persons to whom such shares have been issued.



CHAPTER 7 – CONCLUSION

The issue of specified securities that are part of this Report being issued by The Company is under a preferential issue to its lenders pursuant to conversion of their debt, as part of a debt restructuring implemented in accordance with the provisions of the RBI Circular. In our opinion the issue of specified securities has to be looked at, as part of a comprehensive debt restructuring plan and requirement of provisions of financial relief to The Company and its group companies, without which The Company shall not be able to sustain its operations.

In view of the facts and information given to us and in light of the objective of the Debt Restructuring Plan, we opine the following:

- **Equity Shares and Warrants being issued to lenders on preferential basis by SEL.**

- As per Regulation 158(6) of the ICDR Regulations, subject to certain conditions, the provisions of Chapter V (Preferential Issue) of ICDR Regulations are not applicable in case where the preferential issue of specified securities is made to the lenders pursuant to conversion of their debt, as part of a debt restructuring implemented in accordance with the guidelines specified by the Reserve Bank of India.

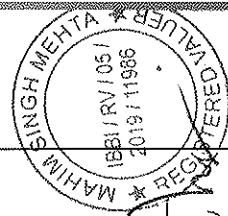
- Further RBI through its Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 dated June 7, 2019 ("RBI Circular") lays out the framework for resolution of stressed assets. Clause 32 of Annex 1 to the RBI Circular, provides for conversion to be at a price which is lower of:

- 26 week average of the weekly high and low of the volume weighted average prices quoted on a recognised stock exchange or 2 week average of the weekly high and low of the volume weighted average prices quoted on a recognised stock exchange whichever is lower.

(Calculation has been annexed at Annexure 1)

- Book value per share calculated in accordance with the said Clause 32 from the latest audited balance sheet not being older than 18 months from restructuring date or Re. 1 collectively incase the balance sheet is not available *(Calculation has been annexed as Annexure 2)*

- **Conclusion:** The book value of SEL as per the latest audited balance sheet of March 31, 2019 is in the negative and therefore, all the equity shares to be issued to lenders under the Debt Restructuring Plan can be collectively valued at Re. 1 per lender. Hence, the issue price of equity shares of SEL per the Debt Restructuring Plan collectively at Re. 1 per lender is in compliance with Regulation 158(6)(a) of the ICDR Regulations.



Report on the issue of securities pursuant to the proposed restructuring of credit facilities

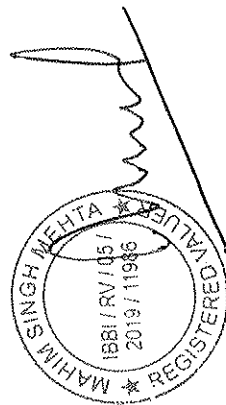
and the provisions of the RBI Circular. Similarly, for Warrants, in accordance with Regulation 158(6) of the ICDR Regulations read with Clause 31-33 of Annex 1 to the RBI Circular, the 'reference date', for conversion of convertible securities into equity shares is the date on which the lenders approve the conversion of the convertible security in equity. As the conversion of warrants into equity shares with pre-determined ratio has already been approved by the lenders as part of the Debt Restructuring Plan, the 'reference date' for determining valuation of the warrants shall also be similar to that of equity shares above. Thus, as the book value of SEL as per the latest audited balance sheet of March 31, 2019 is in the negative, all the warrants to be issued by SEL to lenders under the Debt Restructuring Plan can be collectively valued at Re. 1 per lender. Hence, the issue price of warrants of SEL per the Debt Restructuring Plan collectively at Re. 1 per lender is in compliance with Regulation 158(6)(a) of the ICDR Regulations and the provisions of the RBI Circular.

• **0.01% Secured Optionally Convertible Debenture of face value Rs 1,00,000 each being issued to lenders by SEL**

- Tenor - Initial Tenor is of 10 years. At the end of initial tenor, the holders of OCDs shall have the obligation to subscribe to new series of OCDs having tenor of 10 (ten) years in compliance with applicable law, and on similar terms of issuance as that of old series OCDs (save and except for required adjustments needed for payments / pre-payments / conversions of OCDs made during the currency of old series OCDs pursuant to the terms of issuance of the old series and / or the provisions of the Debt Restructuring Plan) in accordance with regulatory approvals and such that proceeds of old series shall be utilised for subscription to the new series.
- Redemption of face value of OCDs – In case of any payment/prepayments/conversion made during the currency of OCD pursuant to the terms of issuance the same shall be adjusted against the payment schedule provided as part of the terms of issue.
- Conversion Option - In case of default in redemption or servicing of OCDs pursuant to its terms, OCD holders shall have the option to convert the OCD into equity shares of SEL.
- Conversion Price – The conversion price shall be determined at the time of conversion of the OCDs as per applicable ICDR Regulations, RBI regulations and the Companies Act, 2013.



- **Conclusion:** SEL is issuing 4,10,000 OCDs of Rs. 100,000 each issued at par value to lenders for an aggregate consideration of Rs. 4100 Crore in lieu of part conversion of lender's debt. At face value the OCDs consideration is equivalent to the amount of Rs. 4100 Crores of debt being converted into OCDs. Generally, the value of convertible instrument (in the present case OCDs) is dependent upon the equity shares to be allotted upon conversion. Based on the above terms and conditions w.r.t proposed issuance of 0.01% OCDs, we understand that, conversion of the OCDs is linked to various future events of conversion and that the conversion price of OCDs shall be determined at the time of conversion of the OCDs as per applicable ICDR Regulations, RBI regulations and the Companies Act, 2013. Though conversion price of OCDs into equity shares cannot be determined as of now (and the same shall have to be determined at the time of conversion per the Debt Restructuring Plan), we are of the view that issuance of OCDs at par value currently as well as conversion methodology of conversion of OCDs into Equity Shares per the Debt Restructuring Plan in lieu of part conversion of lenders' debt as above is in compliance with Regulation 158(6)(a) of the ICDR Regulations and the provisions of the RBI Circular, and the above in our view is also fair and reasonable in attendant circumstances.



Date: 27 February, 2020

Place: New Delhi

Mahim Singh Mehta

CA Membership No: 086117

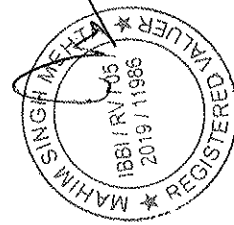
RV Membership No: IBB/ RV/05/2019/11986

UDIN: 20086117AAAAAD2139

ANNEXURE 1

COMPUTATION OF BOOK VALUE PER SHARE

Computation of Book Value and Book Value per Share			(INR cr.)
Sr. No.	Particulars	As on March 31, 2019	
1	Equity Share Capital	1,063.95	
2	Other Equity	(8,898.54)	
a	Equity component of compound financial instruments	28.50	
b	Capital reserve	23.30	
c	Capital redemption reserve	15.00	
d	Capital reserve on consolidation	0.03	
e	General reserve	916.89	
f	Securities premium	9,239.10	
g	Foreign currency monetary item translation difference account	(16.21)	
h	Retained earnings	(19,106.26)	
i	Legal and Statutory reserves	1.11	
3	Total net worth (1+2)	(7,834.59)	
	LESS:		
4	Total of 4 (a + b + c + d)	50.59	
a	Equity component of compound financial instruments	28.50	
b	Capital reserve	23.30	
c	Capital redemption reserve	15.00	
d	Foreign currency monetary item translation difference account	(16.21)	
5	Book Value (3-4)	(7,885.18)	
6	Number of Shares as on 31st March, 2019	5,31,97,74,121	
7	Book Value Per Share	(14.82)	



COMPUTATION OF VOLUME WEIGHTED AVERAGE PRICE

(In INR)

Week No.	Week Ending on	Weekly Volume Weighted Average Price			Average
		High	Low	Average	
1	03-Sep-19	3.62	4.16	3.89	3.89
2	09-Sep-19	2.88	3.55	3.22	3.22
3	17-Sep-19	2.94	3.15	3.05	3.05
4	24-Sep-19	2.96	3.18	3.07	3.07
5	01-Oct-19	2.19	2.95	2.57	2.57
6	07-Oct-19	2.23	2.50	2.37	2.37
7	15-Oct-19	2.35	2.74	2.55	2.55
8	22-Oct-19	2.49	2.67	2.58	2.58
9	29-Oct-19	2.54	2.68	2.61	2.61
10	05-Nov-19	2.68	2.89	2.79	2.79
11	11-Nov-19	2.85	3.00	2.93	2.93
12	19-Nov-19	2.41	2.78	2.60	2.60
13	26-Nov-19	2.33	2.41	2.37	2.37
14	03-Dec-19	2.25	2.33	2.29	2.29
15	10-Dec-19	2.15	2.28	2.22	2.22
16	17-Dec-19	1.97	2.13	2.05	2.05
17	24-Dec-19	1.99	2.03	2.01	2.01
18	31-Dec-19	1.84	2.02	1.93	1.93
19	07-Jan-20	1.89	3.49	2.69	2.69
20	14-Jan-20	2.42	3.22	2.82	2.82
21	21-Jan-20	2.44	2.59	2.52	2.52
22	28-Jan-20	2.38	2.52	2.45	2.45
23	04-Feb-20	2.34	2.45	2.40	2.40
24	11-Feb-20	2.21	2.63	2.42	2.42
25	18-Feb-20	2.25	2.64	2.45	2.45
26	25-Feb-20	2.26	2.82	2.54	2.54
Average of 26 Week		(A)			2.59
Average of Last 2 Week		(B)			2.49
Lower of (A) or (B)					2.49

