

## DEBT RESOLUTION PLAN

*Disclaimer: The description of the Debt Resolution Plan in this section is a summary only for the members to have an overall view in relation to the Restructuring Scheme being implemented under the Prudential Framework Guideline of RBI dated June 7 (referred to as (“**June 7 Circular**”). The summary set out below (and the amounts discussed therein) is indicative only and is subject to change as a result of a change in circumstances (including implementation date) and the discussions between Suzlon The Group and the Group Lenders. Accordingly, the final amounts under Debt Resolution Plan may be different from the summary set out below.*

*Note: For definitions of acronyms, please refer Annexure-1*

Suzlon Energy Limited along with its four wholly owned Indian subsidiaries (known as “Suzlon The Group” or “STG”) have been in discussions with the Group Lenders for resolution of its outstanding debt under the credit facilities it has obtained from the Group Lenders.

As a consequence of certain discussions between STG and the Group Lenders, STG presented a debt resolution plan (the “**Debt Resolution Plan**”, and any agreement or other documents entered into by STG with, or any letters received from, the Group Lenders in order to implement or give effect to the Debt Resolution Plan, including any amendments thereto, the “**Debt Resolution Documents**”) to State Bank of India, in its capacity as the lead bank (“**SBI**” or the “**Lead Bank**”) for the proposed Debt Resolution Plan appointed by signatories of an inter-creditor agreement dated 1 July 2019 (as amended from time to time, the “**ICA**”) entered into among: (i) State Bank of India, (ii) Bank of Baroda, (iii) Bank of India, (iv) Power Finance Corporation, (v) Central Bank of India, (vi) IDBI Bank, (vii) Punjab National Bank, (viii) Indian Overseas Bank, (ix) ICICI Bank, (x) Yes Bank, (xi) Bank of Maharashtra, (xii) EXIM Bank, (xiii) Union Bank of India, (xiv) Saraswat Cooperative Bank, (xv) Corporation Bank, (xvi) Life Insurance Corporation of India, (xvii) Indian Renewable Energy Development Agency Limited (“**IREDA**”), (xviii) Axis Bank, and (xix) Oriental Bank of Commerce (collectively referred to as the “**Group Lenders**”).

In response to STG’s proposal, the Group Lenders approved certain credit facilities, on certain terms and conditions which reflected proposed Debt Resolution Plan, a summary of certain key elements of which is also set out below. Given the high debt levels, high leverage ratio, constrained liquidity position and near-term debt maturities of STG, the STG believes that implementation of the Debt Resolution Plan will be in the best interest of all stakeholders.

As on date, the Debt Resolution Plan had been approved by 100% of Group Lenders (both by value and numbers) and the Conditions Precedents as per the agreed Term Sheet are currently being fulfilled by STG in consultation with Lead Bank for Resolution Plan implementation to complete.

The Debt Resolution Plan involves, among other things, the following:

No.	Heading	Details
1.	Borrowers and Co-Borrowers	STG comprises of SEL, SGSL, SGWPL, SPIL and SGL (individually referred to as Borrower or Co-Borrower).
2.	Summary of Debt Resolution Plan	The Debt Resolution Plan inter alia includes the following parts: (a) Restructuring of outstanding debt facilities of STG into Part A Facility, Part B Securities (OCDs) and Part C Securities (Equity Shares and CCPS) ; (b) Implementation of the Bonds Restructuring by the Effective Date; (c) STG to raise Project Specific Financing (both fund and non-fund based) up to INR 1,315 crores as per the terms mentioned in the Debt Resolution Plan; (d) Pre-payment of AERH FC Facilities of approximately US\$39.15 million by invocation / remittance by STG SBLC Onshore and offshore Lenders as per the Debt Resolution Plan;

No.	Heading	Details
		(e) Non-core asset monetisation and divestment plan of STG; (f) STG business restructuring and cost reduction plan; (g) Equity infusion in SEL or other capital raising plan by the SEL; and (h) Restructuring of debt facilities availed by SWECO.
3.	Reconciliation Date and Voting Date	<p>Reconciliation Date shall be the date mutually agreed between the Group Lenders and STG on which all STG Lenders have confirmed their outstanding debt facilities (the “<b>Reconciliation Date</b>”).</p> <p>As per June 7 Circular, the Debt Resolution Plan is required to be voted on by the existing Group Lenders on such date as may be agreed by them (the “<b>Voting Date</b>”).</p> <p>As of the Voting Date, the voting on the Debt Resolution Plan shall be recorded by an electronic or physical voting mechanism such that decision agreed by existing Group Lenders representing 75% by value (including fund and non-fund based) and 60% of lenders (the “<b>Assenting Lenders</b>”) shall be binding upon all Group Lenders.</p> <p>The final voting threshold for approval of the resolution plan will be determined as per the Debt Resolution Plan.</p>
4.	Effective Date	<p>31 March 2020 or such date as is mutually agreed by Group Lenders and STG (the “<b>Effective Date</b>”).</p> <p>In terms of the RBI (Reserve Bank of India) Stressed Assets Framework, Effective Date shall be the date on which certain events to implement the Debt Resolution Plan would have occurred.</p>
5.	Treatment of Existing Facilities before Effective Date	<p>The terms of the existing debt facilities (including interest rate, penal interest rate, etc.) shall continue until the implementation of the Debt Resolution Plan. There will be no default interest between Reconciliation Date and the Effective Date.</p>
6.	Waiver of Right of Recompense under 2013 MRA (Master Restructuring Agreement)	<p>The right to recompense available with CDR Lenders pursuant to 2013 Master Restructuring Agreement will be waived under the extant Debt Resolution Plan.</p>
7.	Estimation of Part A Facilities and Envisaged Asset Classification Upgrade Date	<p>Part A Facilities are such debt facilities (both FB and NFB) which have received RP-4 rating from two credit rating agencies (CRAs) specifically authorised by the RBI for this purpose. Based on reports from certain third parties appointed by the Group Lenders for estimating Part A Facilities, the Part A Facilities have been estimated to be INR 5,288 crores of which INR 3,600 crores would be in form of FB facilities, INR 1,400 crores would be in form of NFB facilities and INR 288 crores would in form of IREDA existing PSF facility.</p> <p>Based on the repayment schedule, the Debt Resolution Plan envisages that asset classification status for Part A Facilities would be classified as “Standard” (as per IRAC norms) on or before 31 March 2022 (the “<b>Envisaged Asset Classification Upgrade Date</b>”).</p> <ul style="list-style-type: none"> <li>In case the Part A Facilities are not classified as “Standard” (as per IRAC</li> </ul>

No.	Heading	Details
		<p>norms) by the relevant date prior to the Envisaged Asset Classification Upgrade Date mentioned in the Debt Resolution Plan, SEL shall raise such amount of capital from the Promoters or other investors to make up for any shortfall in 10 per cent. of outstanding principal debt in accordance with the June 7 Circular and proceeds of such capital raised, subordinated and unsecured loan, shall be applied for repayment to Part A Lenders for any shortfall in the aforementioned amounts.</p> <p>•</p>
8.	Part B Securities	0.01% unrated, unlisted, secured OCDs (0.01% OCD) having face value of INR 100,000 each to be issued at face value by STG aggregating up to approximately INR 4,100.00 crore for period of 10 years with a rollover for another 10 years aggregating the overall tenor of 20 years to be issued in favour of Assenting Lenders of existing FBWC, RTL, FITL, CAPEX TL and SBLC Facilities.
9.	Part C Securities	<p>0.0001% unrated, unlisted, unsecured CCPS (0.0001% CCPS) having face value of INR 100,000 each to be issued by SGSL, aggregating up to approximately INR 4,121.36 crore, with a right to convert into equity shares of SGSL on 1 March 2040, to be issued in favour of Assenting Lenders of existing FBWC, RTL, FITL, CAPEX TL and SBLC Facilities. The exercise of conversion right attached to the CCPS is subject to certain conditions. The aggregate amount for which CCPS shall be issued will be subject to change based on the final reconciliation with the Group Lenders.</p> <p>Upto 100 Cr Shares of SEL (based on the final outcome of FCCB restructuring) to be issued at aggregate consideration of INR 1, to be issued in favour of Assenting Lenders of existing FBWC, RTL, FITL, CAPEX TL and SBLC Facilities. Such Shares will be subject to a lock-in under the terms of the SEBI ICDR Regulations and thereafter the contractual lock-in of additional 1 year.</p> <p>In addition to above and in case Part A Facilities are not classified as “Standard” (as per IRAC norms) by the Envisaged Asset Classification Upgrade Date, then SEL shall allot upto 50 Cr Shares (based on the outcome of FCCB restructuring) of SEL, proportionately to Part A Assenting Lenders through issuance of warrants at an aggregate nominal value of INR 1 for entire shareholding. The relevant Part A Assenting Lenders’ ability to sell such shares shall be subject to satisfaction of the specified lock-in restrictions under the SEBI ICDR Regulations and similarly thereafter the contractual lock-in of additional 1 year. In case Part A Facilities are upgraded on or before the Envisaged Asset Classification Upgrade Date, then such warrants shall expire.</p>
10.	Strategic Sale of the STG and STG entities	STG and its Promoters should endeavour that one time settlement (for FB and NFB) is provided to all Group Lenders at a negotiated value (as per price indicated in the Debt Resolution Plan subject to approval of competent authority of respective lenders) within pre-agreed timelines.
11.	Sale of OCDs or CCPS or Shares by the holders of Part B Securities and Part C Securities	(a) <u>0.01% OCDs and 0.0001% CCPS</u> : On and after Effective Date and till fifth anniversary of issuance of 0.01% OCDs and the 0.0001% CCPS, the Promoters of STG shall have option to buy the OCDs and the CCPS, from their respective holders through a secondary market transaction at a price determined in accordance with the prevailing regulations issued by the SEBI and the RBI or the prevailing market price, and shall be subject to approval by competent authority of respective lenders at the time of sale

No.	Heading	Details
		<p>of such OCDs or CCPS. CCPS holders have certain put options, the detailed terms of which are set out in the Debt Resolution Plan.</p> <p>(b) <u>Shares of SEL</u>: Promoters shall have right of first offer (ROFO) in case the lenders decide to sell the Shares.</p>
12.	Proposed Capital Raising Plan in STG or STG	On or before the Effective Date, STG is required to undertake a capital raising exercise by way of appropriate mechanism by way of preferential allotment and/or convertible instruments from Promoters or other investors, up to INR 375 crores. The proceeds of the capital raising exercise shall be utilized in the manner set out in the Debt Resolution Plan.
13.	Permitted Indebtedness	STG shall not avail any limits, other than as approved under the Debt Resolution Plan.
14.	Restructuring of Existing Bonds	On the terms of the Proposal set out in this Consent Solicitation and Information Memorandum issued to the Bond Trustee for and on behalf of Bondholders.
15.	Negative Covenants	Certain standard negative covenants which are typically set by lenders in a restructuring of debt which restrict STG from undertaking certain activities without written consent of Assenting Lenders.
16.	Certain additional Conditions	<p>Other key conditions include:</p> <p>(a) Mandatory cash sweep in case of cash flows over and above certain DSCR (Debt Service Coverage Ratio) towards (i) repayment of balance to Dissenting Lenders, repayment of Part A Debt Facility; (iii) servicing of Part B Securities; and (iv) towards sinking fund requirement; and</p> <p>(b) In case of default in secured OCD redemption by STG, the Assenting Lenders shall have the option to convert into Shares of STG.</p>
17.	Event of Default and Consequences of Event of Default	Events of Default under the Debt Resolution Plan and actions available to Group Lenders on occurrence of an Event of Default are those that are typically requested by lenders in a restructuring transaction.

**Annexure-1: Acronym Table**

<b>Acronym</b>	<b>Definition</b>
<b>AERH</b>	AE-Rotor Holding B.V.
<b>CAPEX TL</b>	Capital Expenditure Term Loan
<b>CCPS</b>	Compulsorily Convertible Preference Shares
<b>IRAC</b>	Income Recognition & Asset Classification
<b>FBWC</b>	Fund Based Working Capital
<b>FCCB</b>	Foreign Currency Convertible Bond
<b>FITL</b>	Funded Interest Term Loan
<b>OCD</b>	Optionally Convertible Debentures
<b>RTL</b>	Rupee Term Loan
<b>SBLC</b>	Standby Letter of Comfort/Credit.
<b>SEBI ICDR Regulations</b>	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
<b>STG</b>	Suzlon Energy Limited
<b>SGL</b>	Suzlon Generators Limited
<b>SGSL</b>	Suzlon Global Services Limited
<b>SGWPL</b>	Suzlon Gujarat Wind Park Limited.
<b>SPIL</b>	Suzlon Power Infrastructure Limited.
<b>STG</b>	STG, along with SPIL, SGL, SGWPL and SGSL.
<b>SWECO</b>	Suzlon Wind Energy Corporation