

TERM SHEET FOR TRANSFER OF SOLAR BUSINESS UNDERTAKING ON SLUMP SALE BASIS

This Term Sheet for Transfer of Solar Business Undertaking on Slump Sale Basis ("**Term Sheet**") is made and entered into on this 26th day of July, 2024, by and between:

Dhari Solar Park Private Limited, a company registered under the laws of India, having its registered office at 206, 2nd Floor, Platinum Mall, Platinum Commercial Centre, Opp. Via Ground, Plot no. CM-13, GIDC, Vapi I.E., Valsad, Pardi, Gujarat, India, 396 195, represented herein by its authorized signatory (hereinafter referred to as "**the Seller**" or "**DSPPL**", which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its affiliates, associates and subsidiaries), of the First Part;

And

Waaree Energies Limited, a company registered under the laws of India, having its registered office at 602, 6th Floor, Western Edge - I, Western Express Highway, Borivali (East), Mumbai – 400066 represented herein by its authorized signatory (hereinafter referred to as "**the Purchaser**" or "**WEL**", which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its affiliates, associates and subsidiaries) of the Second Part.

The Seller and Purchaser shall individually be referred to as "**Party**" and collectively as "**Parties**".

WHEREAS

- a) The Seller is engaged in the business of setting up of solar power project including related activities such as business to survey, feasibility study design, build, own in relation to contract for execution/management and/or contract implementation on annuity or Engineering, Procurement and Construction (EPC) or Build, Operate and Transfer (BOT) and/or Build, Operate, Own and Transfer (BOOT) type projects, in Private or Government or Public-Private Partnership models with or without debt funding or execution of such Project Management Consultancy work and all incidental and/or allied activities required to carry out for fulfilment of assignment/project/contracts. The Seller has set up a 36 MWp solar power plant at Amreli, Gujarat which is yet to be commissioned.
- b) The Purchaser is engaged in the business of Solar PV module manufacturing having 12 GW capacity at its plants situated at Chikhli, Surat, Tumb and Nandigram in Gujarat and is providing solar energy solutions and setting up projects in Solar Space.
- c) The Seller is desirous of transferring the Solar Business Undertaking (as defined hereinafter) in the name of the Purchaser. As a result of the proposed arrangement, the Solar Business Undertaking shall be housed, managed and carried out exclusively by the Purchaser. The proposed hive off of Solar Business Undertaking will endeavour the management of WEL, being a public company to expand its business activities in the renewable energy industry,

enhanced visibility of the business, reducing its carbon footprints and support in the ESG journey of the Purchaser and efficacy of the solar business.

- d) Thus, for the purpose of giving effect to the same, the Purchaser is desirous of taking over the Solar Business Undertaking along with all rights, assets, liabilities, contracts, deposits relating to the Solar Business Undertaking, owned or used by the Seller for conducting the solar business in India and the Seller has agreed to transfer the Solar Business Undertaking as a going concern on a slump sale basis for a lump sum payment without values being assigned to individual assets and liabilities, as contemplated under the provisions of Section 2(42C) read with Section 50B of the Income Tax Act 1961.
- e) Therefore, to formalise the aforementioned intent and handing over of possession of the solar power plant the Parties are hereby entering into this Term Sheet to record the broad terms and conditions for transfer of the Solar Business Undertaking on Slump Sale Basis. The critical terms not defined herein shall be defined in the Definitive Agreement along with all other terms and conditions in detail.

Sr. No.	Title	Description
1	Solar Business Undertaking	<p>Activities as carried out on the piece and parcel of land at Amreli bearing survey numbers 342 paikée 12, 342 paikée 7/ paikée 2, 342 paikée 4/ paikée 2, 342 paikée 8/ paikée 2, 360 paikée 2 187/1, 189/1, 189/2, 176/1, 176/2/B, 177/2 situated at Village Waghdari, Taluka Akkalkot District Solapur Village Monvel, Taluka Dhari, District Amreli, Gujarat, India along with 36 MWp solar power plant, transmission lines including in particular all the Assets & Liabilities of the Solar Business Undertaking existing as on the Transfer Date.</p> <p>Without prejudice to the generality of the above, the Solar Business Undertaking shall include the Assets, Contracts, Loans and Advances, Insurances, Approvals, Business Information, Supply Chain Network, Business Records and all other rights and powers of any nature and description and the industrial and commercial activities of the Seller in relation to the Solar Business Undertaking including all the liabilities of the Seller in relation to the Solar Business Undertaking.</p>





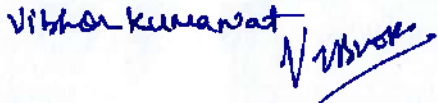
2	Consideration and Terms of Payment	<p>(i) The Seller hereby agrees to sell and transfer to the Purchaser and the Purchaser hereby agrees to purchase and acquire from the Seller, the Solar Business Undertaking as a going concern, free from all Encumbrances, on a slump sale basis with effect from the Transfer Date (<i>to be defined in the Definitive Agreement</i>) for a Consideration which shall not exceed ₹ 1,25,00,00,000 (Rupees One Hundred and Twenty-Five Crores Only), which shall be determined by a registered valuer of repute. However, in any case the Consideration shall be solely based on the report of registered valuer.</p> <p>(ii) The aforesaid Consideration shall be paid to the Seller in two tranches, in the manner as enumerated below -</p> <p>(a) ₹ 90,00,00,000 (Rupees Ninety Crores Only) as a part of the Consideration at the time of signing of this Term Sheet after deducting any duties/ taxes as per applicable laws and subject to Purchaser handing over all the original documents including the land documents, approvals, permissions, etc. to the Purchaser ;</p> <p>(b) ₹ 15, 00,00,000 (Rupees Fifteen Crores Only) as a part of the Considerations shall be paid by August 30, 2024 after deducting any duties/taxes as per applicable laws.</p> <p>(b) remainder of the Consideration shall be paid at the time of execution of the Definitive Agreement and transfer of Solar Business Undertaking.</p>
3	Possession	<p>Upon signing of this Term Sheet and payment of part Consideration as aforesaid to the Seller in terms hereof, the Seller shall handover the possession of the Solar Business Undertaking to the Purchaser. The Seller shall also handover to the Purchaser all the original documents including the land documents, approvals, permissions, etc. pertaining to the solar power plant</p> <p>The Seller hereby grants to the Purchaser an exclusive, royalty free and irrevocable right to use the Connectivity Approval along with all the rights and appurtenance associated with the Connectivity Approval, associated with the solar power plant forming a part of the Solar Business Undertaking. Seller's obligations in relation to the Connectivity Approval shall be detailed in the Definitive Agreement.</p>
4	Transfer of the Solar Business Undertaking	<p>On the Transfer Date, the Seller shall transfer the Solar Business Undertaking, as a going concern and on a "as is where is basis" to the Purchaser.</p>

5	Obligation of the Parties	<p>(i) The Parties shall carry out the valuation of the Solar Business Undertaking by a certified valuer of repute. Such valuer shall be appointed in consultation with the Purchaser.</p> <p>(ii) The Seller shall file the required application seeking permission to undertake the contemplated slump sale as per Clause 281 of the Income Tax Act, 1961.</p> <p>(iii) The Seller shall handover all the original documents including the land documents, approvals, permissions, etc. to the Purchaser.</p> <p>(iv) The Seller shall carry out all such other deeds and acts as may be reasonably required by the Purchaser to cause the smooth transfer of the Solar Business Undertaking in favour of the Purchaser.</p>
6	Remedies	<p>Both the Parties agree that upon signing of this Term Sheet, neither Party shall be allowed to step-back and any termination or rescission of this Term Sheet shall not be allowed.</p> <p>In case the remainder payment is not made by the Purchaser, subject to valuation, the Seller may seek specific performance by the Purchaser.</p> <p>Similarly, in case if the Business Transfer Agreement is not executed by the Seller, the Purchaser may seek specific performance by the Seller for execution of the Business Transfer Agreement.</p> <p>In case the transaction is not completed for any reason attributable to applicable laws, the Seller shall refund the amount paid by the Purchaser within 5 days of becoming aware of such impediment due to applicable laws. Thereafter, the Purchaser shall return the possession of the solar power plant back to the Seller.</p>
7	Confidentiality	<p>The Parties shall keep this Term Sheet and its contents confidential and shall not disclose the same to any third party. This obligation shall not apply where any disclosure is sought as a statutory obligation or in cases where the information becomes public without any involvement of the Parties.</p>

8	Indemnities	<p>The Seller and each of the directors jointly and severally, shall indemnify the Purchaser against any loss, damage, claim, liability, judgments or causes of action, assessments, interest, penalties and other costs or expenses incurred or suffered by the Purchaser or that may be suffered or incurred by Purchaser as a result of any breach of any of the terms and condition of this Term Sheet or definitive Agreements.</p>
9	Governing law and Jurisdiction	<p>This Agreement shall be governed by and construed in accordance with the laws of India and courts in Mumbai shall have exclusive jurisdiction over the matters arising here form or incidental hereto.</p>
10	Validity and Definitive Agreement	<p>This Term Sheet shall be valid for a period of 60 (sixty) days from the date of its signing or any extended date as may be agreed between the Parties in writing. Both the parties, shall strive to enter into definitive Agreement before expiry of the aforesaid period.</p>
11	Miscellaneous	<p>No failure or delay on the part of any of the Parties to this Term Sheet relating to the exercise of any right, power, privilege or remedy provided under this Term Sheet shall operate as a waiver of such right, power, privilege or remedy or as a waiver of any proceeding or succeeding breach by the other Party to this Term Sheet nor shall any single or partial exercise of any right, power, privilege or remedy, preclude any other or further exercise of such or any other right, power, privilege or remedy provided in this Term Sheet all of which are several and cumulative and are not exclusive of each or of other rights or remedies otherwise available to a Party at Law.</p> <p>No amendment to this Term Sheet shall be valid or binding unless the amendment is agreed to in writing by all Parties.</p> <p>If any provision of this Term Sheet shall be prohibited by or adjudged by a court to be unlawful, void or unenforceable, such provision shall to the extent required be severed from this Term Sheet as far as possible without modifying the remaining provisions of this Term Sheet and shall not in any way affect any other circumstances or the validity or enforcement of this Term Sheet.</p> <p>The headings of the clauses in this Term Sheet are purely for convenience. These have no legal connotations and shall not be subject to legal interpretations.</p> <p>This Term Sheet may be executed in any number of counterparts, which together shall be deemed one original,</p>

and delivery of copies of or facsimile signatures shall be deemed of equal force as delivery of original signatures.

IN WITNESS WHEREOF, this Term Sheet is executed through the authorised representatives of the Parties on the day and year first written hereinabove.

<i>For and on behalf of Dhari Solar Park Private Limited,</i>   Viren Doshi Authorised Signatory	<i>For and on behalf of Waaree Energies Limited,</i>   Hitesh Mehta Director
Witnesses:	
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