



We understand your world

Corporate Banking

3rd Floor, HDFC Bank House,
Near Mithakhali Six Roads,
Navrangpura,
Ahmedabad - 380009
Tel: 079 - 6600 1003

22nd April, 2015

Mr. L M Rathod,
Bright AutoPlast Ltd,
Kalol (N. Gujarat) 382 721,
India.

Dear Sir,

SANCTION OF CREDIT FACILITY

Further to our meeting and discussion on 13th April, 2015, we are pleased to inform you that, we have sanctioned following credit facility, subject to periodic review.

1. Borrower : Bright AutoPlast Ltd (BAL)
2. Constitution : Limited Company
3. Nature of the facility :

Sr. No	Facility - Amount	Amount (INR M)
1	Term Loan I	
2	Term Loan II	171
3	Term Loan III	758
		150

4. Purpose : Annexure I
5. Validity : Ongoing

The aforesaid credit facility is subject to the main terms and conditions (subject to change as per RBI directives / bank policies from time to time) set out in Annexure I hereto which is deemed to be a part of the Credit Agreement Letter. The credit assistance is also subject to the conditions that are contained in the documents, which the company shall execute between and in favour of HDFC Bank.

HDFC Bank based on the representations made by the Borrower and the furnishing of financial statements by the Borrower has extended these proposed credit facility. The commitment to the proposed credit facility is contingent upon:

- Absence of any material adverse change in the condition of the borrower
- The Borrower or its associate not having defaulted under any financing obligation to any bank or institution in past
- Compliance by the Borrower of all laws and regulations applicable to its operations
- The Borrower fulfilling all its financial obligations under various taxation, retiral and applicable laws prevalent from time to time

The credit facility is not available for Investments made in shares, debentures, advances and inter-corporate loans/deposits to other companies (including subsidiary companies). The said facility is being extended at the sole discretion of HDFC Bank and the terms and conditions as well as pricing would be subject to periodic review, amendment or cancellation.



Handwritten signature

Handwritten signature



Handwritten signature

- The Bank shall have unfettered right to securitise, transfer, assign, in full or in part, without requiring any consents from the company and/or the Guarantor/s, the rights/benefits under the Loan/credit facilities to any third party who shall then replace the Bank and that the company and the Guarantor/s shall be obliged to deal with such person as if they were a party to the grant of the Loan/credit facilities (however at no extra cost of whatsoever nature, including withholding tax, to the Company)
- The Borrower hereby agrees that the Bank shall have an unqualified right to disclose to the Lead Bank and / or other banks information including the credit history and the conduct of the account(s) of the Borrower, in such manner and through such medium as the Bank in its absolute discretion may think fit. The Borrower agrees that such disclosure shall not be considered to be breach of confidentiality on the part of the Bank
- Nothing contained in this sanction letter should be deemed to create any right or obligation or interest whatsoever in favour of or against any party and the Borrower (you/Company) shall be liable to execute appropriate loan documents as required by the Bank. Stamp duty, if any on the loan documents shall be borne and paid by the Borrower only and the Bank shall not be responsible or liable for the same
- The Borrower unconditionally agrees, undertakes to get itself rated by Credit Rating Agency/ies at such intervals as may be decided by the Bank, failing which / based upon which the Bank shall have the right to review the credit facilities including applicable interest rate and/ or costs, charges and expenses, which shall be payable by the Borrower/ Obligor/ Security Provider and on such date/s or within such period as may be specified by the Bank.

[Signature]

Nashish Bajaj



ADP

[Signature]



HDFC Bank's Right on Default

The borrower further agrees that in addition to any other right enjoyed by HDFC Bank in the event of the Borrower committing any act of default, HDFC Bank shall be entitled to disclose to the Reserve Bank of India or to any other third person, on its being called upon to do so, the name / identity of the Borrower and the fact of its having committed any act of default as aforesaid.

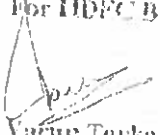
The above letter is valid for 5 days from the date of issue. Kindly sign on the duplicate of this Sanction Letter as a token of your acceptance to the above and return the same, along with the duly completed documentation, in order to proceed ahead.

We look forward to your drawal of the proposed facility and assure you of our best services always.

Thanking you,

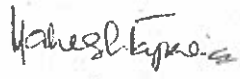
Yours Sincerely,

For HDFC Bank Limited


Vachin Torka
Relationship Manager
Corporate Banking

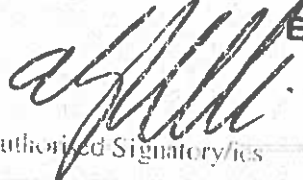


For HDFC Bank Limited


Mahesh Taparia
Sr. Vice President
Corporate Banking

We accept the terms and conditions contained in this sanction letter (including Annexure 1).

For Bright AutoPlast Ltd:


Bright AutoPlast Limited
Authorised Signatory/ies

Authorised Signatory



Annexure

Facility	Rupee Term Loan
Amount	Total - Amount 1106 M. Term Loan I - INR 171 M Term Loan II - INR 785 M Term Loan III - INR 150 M
Purpose	Term Loan I / II - BAPL to pay the existing term loans to Axis Bank directly and disbursement from HDFC Bank in lieu of the same to be taken within 7 working days from the prepayment of Axis Bank Loan with the tenor and repayment terms to be in line with Axis Bank Term loan I / II Term Loan III - For set up the paint shop at Chennai and purchase of new machinery
Tenor (Years)	Term Loan I & II - In line with existing Term Loan of Axis Bank Term Loan III - 5 years and six months (including moratorium of 18 months)
Availability Period	Term Loan I & II - Upto 30 th April 2015 Term Loan III - Upto 31 st May, 2015
Rate of interest / Fees	Term Loan I / II / III - HDFC Bank Base Rate (9.85%) plus spread (0.65%) with monthly rest (plus interest tax or any other statutory levy, if applicable). Benchmark rate to be reset on on-going basis.
Interest payment	Interest shall be payable at monthly rests. Interest shall be payable on the first day of the subsequent month.
Liquidated damages/ penal interest on defaulted payments	The Borrower shall pay penal interest at the rate of 3% p.a. on the total outstanding amount of the Facility in the event of any defaults in payment of interest, principal, upfront fee or any other monies due to HDFC Bank on their respective dates during the currency of the Facility for the relevant period as well as for not meeting any terms and conditions of sanction letter. Penal Interest to be levied from the due date of payment till the date the payment for interest and principal is made in case of event of payment default.
Repayment Schedule	Term Loan I - Four quarterly installments of INR 42.75 M during FY 2015-16 and in line with repayment of existing Term Loan of Axis Bank. Term Loan II - Nineteen quarterly installments of INR 41.3158 M to be fully repaid in December 2019 and in line with repayment of existing Term Loan of Axis Bank. Term Loan III (New Term Loan) - Moratorium of 18 months, with repayment thereafter in sixteen quarterly installments of INR 9.375 M. The proposed average maturity profile of the takeover Term Loans (1 & 2) should be in line with existing residual tenor of Axis Bank Term Loan.
Security	Term Loan I / II / III - First pari passu charge on entire fixed assets of the company both present and future and second pari passu charge on all current assets of the company both present and future.



ABP

V

Other conditions	<ul style="list-style-type: none"> • All necessary clearances, approvals, consents in relation to the Capital Expenditure as may be required to be in place • Ensure that all requisite insurance policies are taken in respect of the Capital Expenditure and are suitably endorsed with standard bank clause. Insurance policy to be taken from HDFC Ergo on best effort basis. • Obtain the credit rating of the Company including details of facility taken from HDFC Bank by 30th June, 2015 from an external credit rating agency to the satisfaction of HDFC Bank. • Interest tax / other levies / duties, if any, applicable shall be payable by the Borrower over and above the interest rates mentioned above. • Actual legal expenses incurred by HDFC Bank for documentation, filing of charges, etc. to be borne by the company • In case of default in repayment of the principal amount or Payment of interest or any other dues on due dates, HDFC Bank / RBI / CIBIL shall have right to disclose details of the default and/or other information and the name of the Borrower and of its directors as defaulters • HDFC Bank will have the right to examine the books of accounts of the Borrower and to have the site inspected from time to time by officers of HDFC Bank Ltd. Reasonable expenses incurred by the Bank in this regard will be borne by the Borrower. • Undertake not to declare any dividend on its share capital without obtaining prior consent of HDFC Bank if it fails to meet its obligations to pay interest and/or instalments and/or other monies due to the lenders as long as it is in such default. Keep HDFC Bank informed of the happening of any event likely to have material adverse effect on its profit and business with explanations and the remedial steps proposed to be taken • Keep HDFC Bank advised of any circumstances adversely affecting the financial position of its Subsidiaries including any action taken by the creditor against the said companies legally or otherwise. • All terms and conditions relating to the Facility would be subject to RBI regulations and directives from RBI from time to time; • Borrower to undertake to ensure that the end use of funds in is line with the RBI guidelines. • The Company at all times shall comply with the environmental, health, safety and social (EHSS) requirements, all environmental laws and clearances issued there under, and maintenance of documents to be able to demonstrate compliance with the same to the lenders. • No prepayment allowed during currency of the term loan
Negative Covenants	<p>During the currency of the Facility, the Borrower shall not without prior approval of HDFC Bank:</p> <ul style="list-style-type: none"> • Create any Security Interest over the assets / properties charged to the bank. • Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the bank in without consent of the bank. • Undertake guarantee obligations on behalf of any other person except in the ordinary course of business. • Enter into any amalgamation, demerger, merger or reconstruction without the prior consent of the Lender Bank/ Consortium, which is not to be unreasonably withheld. • Cease to hold directly or indirectly 51% ownership of total paid up equity of the Borrower(s) and/or ceases to have management control • Amend or modify any of its constitutional documents, which have a Material Adverse Effect



Documents	<p>From BAL</p> <ul style="list-style-type: none"> • Certified True Copy of Memorandum and Articles of Association • Certified True Copy of Audited Financials in Printed Format • Request Letter, Accepted Sanction Letter, Board Resolution • DP Note, Letter of Continuity for DP Note, Secured Loan Agreement • Letter confirming that the Term Loan is under the overall borrowing powers under section 293/appropriate section of Companies Act. • Security creation documents as applicable (hypothecation agreement to be done upfront while mortgage to be created within 180 days/ including providing title search report). • CA certificate to be taken with regards to book value of the assets charged to bank. Valuation report to be waived. • CA certificate with regards to end use of funds within 30 days of first disbursement and quarterly thereafter till completion of the project. • Undertaking from BAL that penal interest to be paid in case of non-creation of security in time • Any other documents, as may be needed
Financial Covenants	<p>Applicable on the standalone financials of BAL</p> <p>Starting from FY 2015-16 once in a year with reference to the last standalone annual audited statement of accounts. In case of continuous default/decline in performance levels, HDFC Bank may stipulate any other conditions as deemed necessary in consultation with the Borrower. Bank Reserves the right to treat Deviation > 1 year as an Event of Default. Cure period of 7 days allowed.</p> <ul style="list-style-type: none"> i. TNW (including Unsecured Loan and preference share from promoters) of INR 1500 M. ii. TOL/TNW : 2.00/1 iii. DSCR – Not less than 1.00 times during FY 2015-16 and 1.25 times then after iv. FACR – 1.50x <p># TNW= Paid up equity share capital + Preference Share Capital + reserves + Unsecured loan from promoters – revaluation reserve – intangible assets</p> <p># TOL (Total Outside Liabilities) = To include the outstanding balances of all secured / unsecured loans including short term/working capital debt and long term debt and long term borrowings of any nature and other current and non-current liabilities (excluding Unsecured Loan and preference share from promoters)</p> <p># DSCR = (PAT + Depreciation + Interest + Deferred Tax Liability) / (Interest + Long Term Loan installment due within one year)</p> <p># FACR = Net Fixed Assets charged to HDFC Bank Ltd / Loan Outstanding with HDFC Bank Ltd. Revaluation not to be considered.</p> <p>The financial covenants stated above will be tested every financial year starting from FY 2015-16. These will be tested within 6 months from the closure of the financial year on the basis of Audited Annual Report.</p> <p>BAL to be subsidiary of SIL during the tenor of facility and unsecured loan from SIL to be converted into equity before 31st July, 2015. Unsecured loan / preference shares from SIL to be unsecured and subordinated to the Term Loan given by HDFC Bank and the same shall not be withdrawn during the currency of the Term Loan.</p> <p>BAL not to do further capex in FY 2016-17 & thereafter without approval from HDFC Bank if EBITDA is below INR 650 M in FY 2015-16 and thereafter.</p>



ADP

Handwritten signature

Events of Default	<p>In the event of occurrence of any of the following events, the Bank reserves the right to call it as an event of default at its discretion:-</p> <ul style="list-style-type: none"> • Payment Default; • Breach of Covenants; • Breach of other obligations; • Change in control of borrower; • Misrepresentation or Insolvency; • Any of the Financing agreements becoming ineffective, unenforceable or invalid; • Re-organization, if any, violating management ownership control. • Liquidation or dissolution of the obligors without permission of the Bank; • Any security ceasing to be effective; provided alternative security not provided. • Repudiation, termination, unenforceability or invalidity of any of the license <p>7 day cure period to be provided before it is treated as event of default except in case of Payment Default. Penal interest to be applicable after the cure period</p>
-------------------	--

Operational terms and conditions

Insurance	<ul style="list-style-type: none"> • Company has to ensure comprehensive insurance cover against all risks for all security • Value of insurance policy should be at least equal to the value of the security at any point of time • Any shortfall in the value of insurance cover shall be covered immediately by the company or by the Bank by debiting the former's operative account with the Bank • The policies should be either in the joint names of the company and the Bank or bank's lien should be noted on the policies 		
Plant Inspection	<ul style="list-style-type: none"> • The unit will be inspected at regular intervals by the bank's functionaries. • Regular & periodic unit / plant inspections and security verification / audit would be conducted by the bank officials from time to time. • Frequency of such inspections / audits would be minimum once in a year or as stipulated by the bank from time to time. • Such inspections / audits would be conducted either by the bank officials or by bank appointed inspection agency / audit firm. • Bank reserves right to call for a surprise inspection / Audit giving 24/48 hours notice to the company. • All costs / expenses in this regard shall be borne by the company. 		
Periodicity of submission of information to the Bank	<table border="1"> <tr> <td>Annual Financial statements</td><td> <ul style="list-style-type: none"> • Quarterly financial statements – 90 days from end of a quarter • Annual Financial statement - Provisional results to be received within 90 days after the financial year-end - Audited results to be received within 180 days after the financial year-end </td></tr> </table>	Annual Financial statements	<ul style="list-style-type: none"> • Quarterly financial statements – 90 days from end of a quarter • Annual Financial statement - Provisional results to be received within 90 days after the financial year-end - Audited results to be received within 180 days after the financial year-end
Annual Financial statements	<ul style="list-style-type: none"> • Quarterly financial statements – 90 days from end of a quarter • Annual Financial statement - Provisional results to be received within 90 days after the financial year-end - Audited results to be received within 180 days after the financial year-end 		
Processing charges	<p>Term loan I / II - 0.10% plus applicable taxes</p> <p>Term loan III - 0.50% plus applicable taxes</p>		

Applicable Laws : Indian / Ahmedabad / Mumbai

General Covenants -

- Aforesaid credit facilities are subject to the main terms and conditions (subject to change as per applicable RBI guidelines and banks policies from time to time) set out in this Credit agreement letter. The credit facilities are also subject to the conditions that are contained in the documents, which the company shall execute between and in favour of the bank. The Bank reserves an unconditional right to cancel the undrawn/unused/unavailed portion of the loan/facility sanctioned at any time during the currency of the Loan/Facility, without any prior notice to the borrower.
- Please note that the facilities as mentioned in this letter are sanctioned at the sole discretion of the bank. The above is an indicative list of the general terms and conditions and the Bank reserves the right to vary the same. This is a demand facility and the Bank reserves the right to assign the same, also reprice and withdraw the same without giving any prior notice. The facility is subject to annual review

[Signature]

[Signature]

