



We understand your world

Corporate Banking

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

8th May, 2015

Mr. L M Rathod,
Sintex Industries Ltd,
Kafol (N. Gujarat) 382 721,
India.

Dear Sir,

SANCTION OF CREDIT FACILITY

We refer to our discussion and at your request we are pleased to inform you that, we have sanctioned following facilities, subject to periodic review.

1. Borrower : Sintex Industries Ltd
2. Constitution : Limited Company
3. Nature of the facility :

Sr. No	Facility - Amount	Amount (USD M)
1	ECB	30
4. Purpose	: Details in 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 to subject to periodic review, amendment or cancellation.

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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.

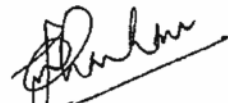
The above letter is valid for 5 days from the date of issue. Kindly sign on the duplicate of this Sanction Letter as a token of your acceptance to the above and return the same, along with the duly completed documentation, in order to proceed ahead.

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

Thanking you,

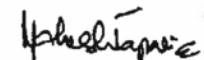
Yours Sincerely,

For HDFC Bank Limited



Kuldipsinh Chauhan
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 Sintex Industries Ltd,



Authorised Signatory/ies

Annexure I

Facility	ECB (in USD)
Lender	HDFC Bank Ltd or any other bank to whom facility is assigned
Amount	USD 30 Million
Purpose	To part finance Capital Expenditure which would include inter alia construction of Corporate House at Ahmedabad, Solar Power Penal for 40 MW at roof top at spinning unit at Lunsapur, dist. Amrei, Gujarat, capex to handle "Swachh Bharat Abhiyan" and other miscellaneous capex
Tenor (Years)	For each tranche - 7 years
Availability Period	Upto 30.09.2015
Rate of interest / Fees	At prevailing market rates.
Interest payment	Interest on ECB facility shall be payable at the end of every 6 month at the applicable rate on the total amount of facility outstanding till the repayment of respective facility
Drawdown Schedule	<ul style="list-style-type: none"> Borrower shall provide a quarterly drawdown at the time of documentation for approval by the lenders. The quarterly drawdown schedule may be amended by the borrower 30 days before the commencement of each quarter. The drawdown to be in maximum 3 tranches with each tranche not less than USD 10 M.
Repayment Schedule	8 Equal half yearly installments starting from end of 3 years moratorium
Upfront Fee	At prevailing market rates of the facility amount plus service tax, payable after obtaining loan key number from RBI but before first drawdown.
Commitment fee	Commitment fee of 2% p.a. would be payable on the undrawn amount with respect to quarterly drawdown schedule given by the borrower for that quarter.
Liquidated damages / penal interest on defaulted payments	The Borrower shall pay penal interest at the rate of 2% p.a. on the total overdue 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
Security	Nil
Pre-Commitment conditions	<p>The borrower shall:</p> <ul style="list-style-type: none"> Have modified MoA and AoA, for enhancement of authorized share capital and borrowing power, if applicable. Have agreed to provide all information required by lender <p>The borrower shall have provided the following undertakings in a form and manner acceptable to the lenders:</p> <ul style="list-style-type: none"> In case of cost overrun, the same shall be met by the borrower without recourse to any borrowing from lender.
Pre-disbursement Condition	<p>Prior to the disbursement under the facility, the borrower shall, to the satisfaction of the lenders, have complied with the following:</p> <ul style="list-style-type: none"> The borrower shall ensure that requisite statutory and other clearances as may be required and applicable up to the stage of implementation have been obtained and agreed to comply with all the conditions of these clearances. Undertaken to amend the MoA and AoA, in the immediately following AGM/EGM. Borrower shall have obtained all corporate authorizations required for availing the facility Shall have submitted a certificate from Chartered Accountant regarding utilization of disbursed funds prior to seeking subsequent disbursements.

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Condition precedent to subsequent draw-down	<ul style="list-style-type: none"> Ensure that no Event of Default arises. Ensure that there is no breach of any representation or warranty contained in the facility agreement Agree and undertake to furnish to the lenders such information and data as may be required by the lenders, in respect of physical progress and financial expenditure on the project.
Post Disbursement Conditions	<ul style="list-style-type: none"> The Borrower shall furnish half yearly Chartered Accountant's certificate as regards expenditure incurred and such other information as may be required by the Bank. No Event of Default is outstanding. Ensure that there is no breach of any representation or warranty contained in the facility agreement. All other documents, opinions, certificates, consents and allowances then required, under this Financing Agreements have been delivered.
Documents	<ul style="list-style-type: none"> Certified True Copy of Memorandum and Articles of Association Certified True Copy of Audited Financials in Printed Format Board Resolution, Request Letter, Accepted Sanction Letter ECB Agreement Letter confirming that the Term Loan is under the overall borrowing powers under section 293 / applicable section of Companies Act. CA certificate with regards to end use of funds within 6 months from each disbursement. Any other documents, as may be needed
Financial Covenants (to discuss)	<p>The following financial covenants would be tested annually on the audited accounts of the Borrower for each 12 month period ending on the last day of each Financial year from FY 2015-16</p> <p>In case of continuous default/decline in performance levels, HDFC Bank may stipulate any other conditions as deemed necessary. Deviation > 1 year to be treated as an Event of Default.</p> <p>The following covenants will be calculated and interpreted on a consolidated basis in accordance with the GAAP applicable to the Borrower:</p> <ol style="list-style-type: none"> (1) Gearing- Net Debt (including contingent guarantees) to Tangible Net Worth will at no time exceed 1.50 x (2) Leverage- Net Debt (including contingent guarantees) to LTM EBITDA on the last day of any Relevant Period will not exceed 4.50x (3) DSCR (Debt Service Coverage Ratio) - DSCR greater than 1.25 to be maintained <p>DSRA to be opened if the ECB is for specific project. This is waived.</p> <p>Financial Covenants to be tested semi-annually based on the latest consolidated financial statements of the Borrower (which will consist of the audited financial statements in the case of year-end testing).</p>
Status	All outstanding obligations of the Borrower under the Facility Documentation will represent direct, unconditional, unsecured and unsubordinated obligations of the Borrower and will at all times rank pari passu among themselves and with all other unsecured, unsubordinated obligations of the Borrower, save for those preferred by law.
Mandatory Prepayment:	<p>Mandatory Prepayment events to include:</p> <ol style="list-style-type: none"> (a) Change of control, meaning the Promoter Group ceases own, directly and indirectly, the controlling interest in the Group and Borrower. (b) Illegality.

[Signature]
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Other conditions	<ul style="list-style-type: none"> - All guidelines pertaining to ECB from regulatory authorities to be complied with. The end use of the proceeds of the facility shall strictly conform to the extant ECB guidelines in force and shall be utilized only towards capital expenditure. - All necessary regulatory clearances, approvals, consents in relation to the Project as may be required to be in place before starting construction. The borrower undertakes to comply with all provisions and requirement of such clearances and shall take all necessary steps well in time so as to ensure smooth implementation and operations of the project. - Obtain the credit rating of the Company including details of facility taken from HDFC Bank within 6 months from the date of first disbursement 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 project site inspected from time to time by officers of HDFC Bank and/or outside consultants. 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 (a) 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, and (b) if the DSRA is not funded and /or arranged as required by the lenders; and - 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 regulatory compliance in connection with FEMA and other regulations at all times during the tenure of the facility; and - Borrower to undertake to ensure that the end use of funds in is line with the RBI guidelines. - Parking of ECB proceeds outside India to be done with HDFC Bank only - In case of Hedging of ECB, HDFC Bank to have first right of refusal comparative to competitive rates offered by other bankers. - The borrower shall pay to the lenders, all actual cost incurred on site visits by lenders at stipulated frequency or cost incurred by solicitors /Advocates / Company Secretaries used by the lenders in connection with the transaction document, creation and registration of documents; stamp duties, other fees payable in respect of the financing documents, or other similar matters for the project and submission of certificates/ invoices wherever applicable.
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	<ul style="list-style-type: none"> - The borrower to the satisfaction of the lender will keep the lenders informed of the occurrence of any event likely to have an adverse impact on the project and / or any Material Project Participant. - The borrower to arrange for confirmation from legal counsel that all required approvals and clearances as per extant guidelines for the aforesaid capital expenditure are in place - 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 of ECB allowed upto 5 years from the date of first disbursement. The prepayment can only be made at the end of 5th year from the date of first disbursement.
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"> - Undertake guarantee obligations on behalf of any other person except in the ordinary course of business. - The Borrower shall not enter into any amalgamation, demerger, merger or reconstruction without the prior consent of the Leader Bank/ Consortium, which is not to be unreasonably withheld. - The Borrower shall not, without the prior written consent of Leader Bank, amend or modify any of its constitutional documents, which have a Material Adverse Effect.
Events of Default	<ul style="list-style-type: none"> - Payment Default; - Failure to obtain necessary approvals; - Breach of Covenants; - Breach of other obligations; - Non-maintenance of stipulated balances in the DSRA; - 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; - Repudiation, termination, unenforceability or invalidity of any of the license

Operational terms and conditions

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	At prevailing market rates.		

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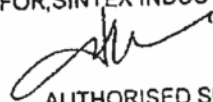
Applicable Laws : Indian / Ahmedabad / Mumbai / applicable jurisdiction

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
- 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.



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