WEARIT GROUP | HIND SYNTEX LTD.

भारतीय मानक ब्यूरो IS / ISO 9001:2008
मानकः पथप्रदर्शकः Bureau of Indian Standards QMS

Date: October 06, 2016

To
The Manager Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

Sub: Clarification for Hind Syntex Limited

Dear Sir,

Kind Attn: Shri Vishnu Vyas (NSE – Listing compliance)

With reference to your mail dated 27.09.2016 regarding clarification of business transacted in the Board Meeting held on September 27, 2016. We hereby provide the following clarification:

1. M/s. Hind Syntex Ltd. (HSL) has 'Exclusive Job Work' arrangement with M/s. Wearit Global Ltd. (WGL) vide agreement dated 25th November 2012. M/s. Hind Syntex Ltd. was acquired by the present promoters in March 2013. HSL has availed the scheme of OTS from its previous bankers, under the erstwhile management. As per accepted banking principle, HSL shall not qualify for fresh credit limits from Banks. On various instances, HSL proposal for new credit limit from Banks have been turned down. In such circumstances where HSL is unable to arise sufficient funds to invest in modernisation or up-gradation or expansion of its production facility, the Company has agreed to provide Corporate Guarantee to the consortium bankers of WGL on terms and conditions which are not prejudicial to the interest of the Company to avail financial assistance facilitated by WGL for working capital requirement of the Company and to derive mutual commercial benefits under the 'Job Work' arrangement.

   Hence Promoter and Promoter's group are interested in this Corporate Guarantee to the extent of their shareholdings in both the Companies. Further Mr. Manish Kumar, Promoter Director is also Managing Director of WGL.

   As per Section 186 Arm's Length Price does not apply in case of guarantee.

2. Details of guarantee are as follows:

Name of Bank	Limit
Allahabad Bank	Rs.211.19 crore
Dena Bank	Rs.88.12 crore
Oriental Bank of Commerce	Rs.18.50 crore
Total	Rs. 317.81 crore

3. The impact of such guarantees on HSL will arise only in case of default made by WGL. There is no adverse impact on the Company rather the Company is deriving benefit out of the said guarantee as it is able to run its operations smoothly without having Working Capital facilities from Banks.

Thanking You,

Yours sincerely,
For **Hind Syntex Limited**

Nidhi Rathi

Company Secretary

HIND SYNTEX LTD.

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