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LOAN AGREEMENT
BETWEEN
ANTARCTICA LTD
AS BORROWER
AND
INDUSTRIAL DEVELOPMENT BANK OF INDIA
AS LENDERS

Chase

Luise Kuthari has,

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Also

Luise Antkari *had*



LOAN AGREEMENT

Alka X THIS AGREEMENT made this ...22nd...day of October... One thousand nine hundred and ninety nine at Calcutta between Antarctica Ltd a company within the meaning of the Companies Act, 1956 (1 of 1956) and having its Registered Office at 1A, Vidyasagar Street, Calcutta 700 009 (hereinafter referred to as "the Borrower" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

AND

INDUSTRIAL DEVELOPMENT BANK OF INDIA (IDBI), a Corporation established by the Industrial Development Bank of India Act, 1964 (18 of 1964) and having its Head Office at IDBI Tower WTC Complex Cuffe Parade, Mumbai 400 005 and a Branch Office at 44, Shakespeare Sarani, Calcutta 700 017 (hereinafter referred to as "the Lenders" which expression shall, unless repugnant to the subject or context thereof, include its successors and assigns).

Alka *Rume kuthari*



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MAY 25 1999

Message Stamp Vendor
C.M.M.'s Court
8, Bankhall Street, Cal.

ARTICLE-I

DEFINITIONS & GENERAL CONDITIONS

1.1 DEFINITIONS

For the purpose of this Agreement the following terms shall have the following meanings :

- (a) "Financing Plan" means the financing plan as described in Schedule II hereto.
- (b) "General Conditions" means the GENERAL CONDITIONS NO.IDBI GC-I-94 APPLICABLE TO ASSISTANCE PROVIDED BY INDUSTRIAL DEVELOPMENT BANK OF INDIA.
- (c) "Project" means the project to be financed as described in Schedule I hereto.

1.2 GENERAL CONDITIONS

The Loan hereby agreed to be granted by the Lenders shall be subject to the Borrower complying with the terms and conditions set out herein and also in the General Conditions a copy of which has been annexed hereto. The General Conditions shall be deemed to form part of this Agreement and shall be read as if they are specifically incorporated herein.

Provided however, that Section 3.9 of Article III of the general condition shall in its application to the agreement, stand modified as under.

"Section 3.9" LIQUIDATED DAMAGES ON DEFAULTED AMOUNTS

In case of default in payment of instalment of principal, interest and all other monies (except liquidated damages) on their respective due dates, the Borrower shall pay on the defaulted amounts, liquidated damages at the rate of 2.10% per annum for the period of default. Liquidated damages shall be payable in the manner and on the dates as specified in section 2.2(i) of Article II of the Loan Agreement for payment of interest. Arrears of liquidated damages shall carry interest as stipulated in Sec. 2.2(i) of Article II.

"Section 3.10" REIMBURSEMENT OF EXPENSES

In case of default in making such reimbursement within 30 days from the date of notice of demand the Borrower shall pay on the defaulted amounts liquidated damages, of the rate of 2.10% per annum from the expiry of 30 days from the date of notice of demand till reimbursement, in accordance with the provisions of Section 3.9

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ARTICLE-II
THE LOAN

2.1 AMOUNT AND TERMS OF LOAN

The Borrower agrees to borrow from the Lenders and the Lenders agree to lend to the Borrower, on the terms and conditions contained herein as also in the General Conditions, the sums aggregating Rs. 375 lacs (Rupees Three hundred Seventy Five lacs Only). The said sums are hereinafter collectively referred to as "The Loan".

2.2. INTEREST

- (i) The Borrower shall pay to the Lenders interest on the principal amount(s) of the Loan outstanding from time to time quarterly in each year on January 1, April 1, July 1 and October 1 at the rate of 17.5% per annum. (exclusive of interest tax)
- (ii) Disbursements made pending creation of final security as stipulated in Article III hereof shall carry further interest at the rate 1.05% per annum till creation of such security.

2.3 UP FRONT FEE

The Borrower confirms having paid to the Lenders up front fee of 1.05% of the Loan at the time of issue of letter of intent dated January 27, 1999.

2.4 LAST DATE OF WITHDRAWAL

Unless the Lenders otherwise agree, the right to make draws from the Loan shall cease on December 31, 2000

2.5 REPAYMENT

The Borrower undertakes to repay the principal amounts of the Loan in accordance with the Amortization Schedule set forth in Schedule III hereto.

Alka *Lucre Kuthari* *Wail*

ARTICLE-III

SECURITY

3.1 SECURITY FOR THE LOAN

(A) The Loan together with all interest, liquidated, damage, premia on prepayment or on redemption, costs, expenses and other monies whatsoever stipulated in this Agreement shall be secured by :

- (a) a first mortgage and charge in favour of the Lenders in a form satisfactory to the Lenders of all the Borrower's immovable properties both present and future and
- (b) a first by way of hypothecation in favour of the Lenders of all the Borrower's movables (save and except book debts), including movable machinery, machinery spares, tools and accessories, present and future, subject to prior charges created and/or to be created in favour of the Borrower's Bankers on the Borrower's stocks of raw-materials, semi-finished and finished goods, consumable stores and such other movables as may be agreed to by the Lenders for securing the borrowings for working capital requirements in the ordinary course of business;

The mortgage and charge referred to above shall rank pari passu with the mortgages and charges created and/or to be created in favour of :

IDBI for its loan (eqv. to approx about) of
Rs. 425 lacs
IFCI for its loan (eqv. to approx about) of
Rs. 565 lacs

(B) Borrower shall make out a good and marketable title to its properties to the satisfaction of the Lenders and comply with all such formalities as may be necessary or required for the said purpose.

3.2 CREATION OF ADDITIONAL SECURITY

If, at any time during the subsistence of this Agreement, the Lenders are of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the Loans then outstanding, then on the Lenders advising the Borrower to that effect, the Borrower shall provide and furnish to the Lenders, to their satisfaction such additional security as may be acceptable to the Lenders to cover such deficiency.

Meer Kame Kuthari Contd. Page No..5

[Signature]

3.3 ACQUISITION OF ADDITIONAL IMMOVABLE PROPERTIES

So long as any monies remain due and outstanding to the Lenders, the Borrower undertakes to notify the Lenders in writing of all its acquisitions of immovable properties and as soon as practicable thereafter to make out a marketable title to the satisfaction of the Lenders and charge the same in favour of the Lenders by way of first charge in such form and manner as may be decided by the Lenders.

3.4 GUARANTEE

The Borrower shall procure irrevocable and unconditional personal guarantee from Shri Ranjan Kuthari in favour of the Lenders for the due repayment of the Loan and the payment of all interest and other monies payable by the Borrower in the form prescribed by the Lenders and to be delivered to the Lenders before any part of the Loan is advanced. The Borrower shall not pay any guarantee commission to the said Guarantor.

Witness

Ranje Kuthari

[Signature]

ARTICLE-IV

APPOINTMENT OF NOMINEE DIRECTOR

The Borrower agrees that the Lenders shall be entitled to appoint and withdraw from time to time a nominee director on the Board of Directors of the Borrower at any time during the currency of this Agreement.

[Signature]

Luma Kullani

[Signature]

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(Page-7)

ARTICLE-V

SPECIAL CONDITIONS

The Loan hereby granted shall also be subject to the Borrower complying with the special conditions set out in Schedule IV hereto.

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(Page-8)

ARTICLE-VI

EFFECTIVE DATE OF AGREEMENT

This Agreement shall become binding on the Borrower and the Lenders on and from the date first above written. It shall be in force till all the monies due and payable under this Agreement are fully paid off.

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Contd Page No..9

SCHEDULE-1

THE PROJECT

The Borrower, an existing company proposes to acquire certain equipments to widen its product base and de bottleneck some of the existing line of production, at the company's existing premises at Falta Export Processing Zone, West Bengal. The cost of the project estimated at Rs. 500 lacs. Detail is as under :

<u>Particulars</u>	Amount (Rs. in lac)
Plant and Machinery Imported	375
Miscellaneous fixed assets	45
Preoperative Expenses	35
Provision for Contingencies	20
Margin money for working capital	25

	500
	=====

Shri *Kumar Kuthari*

Verma

SCHEDULE-II

FINANCING PLAN

The cost of the project as detailed in Schedule-I is proposed to be financed as under:

(Rs. in lacs)

I. Equity

Preference Share (Promoters and
Private investors)

100

Unsecured loan/private placement/
internal cash accruals

25

125

II. Debt

Rupee term loan from IDBI

375

500

=====

Alor *Heare Kuthan*

Heare

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SCHEDULE-III

AMORTISATION SCHEDULE

<u>Date of payment due</u>	<u>Payment of Principal</u>	(Rs. in Lacs) <u>Principal amount outstanding after each payment</u>
April 1, 2000	18.75	356.25
July 1, 2000	18.75	337.50
October 1, 2000	18.75	318.75
January 1, 2001	18.75	300.00
April 1, 2001	18.75	281.25
July 1, 2001	18.75	262.50
October 1, 2001	18.75	243.75
January 1, 2002	18.75	225.00
April 1, 2002	18.75	206.25
July 1, 2002	18.75	187.50
October 1, 2002	18.75	168.75
January 1, 2003	18.75	150.00
April 1, 2003	18.75	131.25
July 1, 2003	18.75	112.50
October 1, 2003	18.75	93.75
January 1, 2004	18.75	75.00
April 1, 2004	18.75	56.25
July 1, 2004	18.75	37.50
October 1, 2004	18.75	18.75
January 1, 2005	18.75	-
	-----	-----
	375.00	
	=====	=====

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*[Signature]**Rune Kuthari**[Signature]*

SCHEDULE-IV

SPECIAL CONDITIONS

Before seeking any disbursement from the Lender, Borrower shall to the satisfaction of the Lender

a) arrange to bring in atleast 50% of the additional promoters' contribution of Rs. 62.50 lakh.

b) furnish an unconditional and irrevocable personal guarantee of Shri Ranjan Kuthari in favour of the Lender for repayment of loan, interest and other money due under the loan. No guarantee commission shall be payable to the guarantor.

c) furnish an undertaking from Shri Ranjan Kuthari agreeing to bring in additional funds if required, to meet shortfall in the means of financing envisaged and/or further overrun, if any in the cost of the project.

d) obtain and furnish no objection letter from existing charge holders for extension of charge on the fixed assets.

The Borrower shall arrange to-

- a) tie-up arrangements with bankers for financing working capital;
- b) agree that the Lender shall have the right to accelerate the repayment of the loan in such manner as it may deem appropriate after a review of profitability and cash flow.
- c) ensure that physical progress as well as the expenditure incurred on the project as per the original schedule and to this effect the Borrower shall agree and undertake to furnish to the Lender such information and such data may be required;
- d) agree that the Lender shall have the right to review the cost of the project before final disbursement of the loan. Pending completion of such review, the Borrower shall obtain prior approval from the Lender for utilising the amount of loan equivalent to the contingency provision in the cost of the project;
- e) agree that the Lender may, at its discretion, withhold disbursement of the amount of loan equivalent to the provisions against margin money for working capital till such time the project is completed and build up of working capital commences;
- f) obtain prior approval of the Lender before making any change in composition of Board of Directors and capital structure of the Borrower.
- g) the Borrower shall not escrow its future cash flow/s to create any charge or lien or interest of whatsoever nature thereon without prior approval of the Lender.
- h) Clear entire overdues as on that date.
- i) All the terms and conditions for the earlier loan shall apply mutatis mutandis to this loan also.

Contd Page No..13

Shri Ranjan Kuthari

[Signature]

IN WITNESS WHEREOF the Borrower has caused its Common Seal to be affixed hereto and to a duplicate hereto on the day, month and year first hereinabove written and the Lenders have caused the same and the said duplicate to be executed by the hand of Shri A.K. De, DGM and an authorised official of the Lender as hereinafter appearing.

THE COMMON SEAL OF THE ANTARCTICA LTD has pursuant to the Resolutions of its Board of Directors passed in that behalf on the 30th day of January, 1999 read with resolution dated 30th June, 1999 hereunto been affixed in the presence of Miss Ruma Kuthari Director, who has signed these presents in token thereof and Shri Ranjan Kuthari, Managing Director, who has countersigned the same in token thereof.

SIGNED AND DELIVERED BY the withinnamed Lenders by the hand of Shri A.K. De, DGM and an authorised official of the Lender.

Ruma Kuthari

Ruma Kuthari

Ranjan Kuthari

FORM NO. 8

Registration Number : 21-51949
Nominal Capital : Rs 11,50,00,000

THE COMPANIES ACT, 1956

Particulars of Charges created
by a Company registered in India/
Modification of Charge.

(Pursuant to Section 125/127/135)

Name of the Company : Antarctica Limited
(hereinafter referred to as
"the Company")

Presented by : Mr Ranjan Kuthari, Managing Director
(Name and Designation of the Official
of the Company)

1. Date and description of the instrument creating charge : 22nd October, 1999. Deed of Hypothecation executed by the Company in favour of Industrial Development Bank of India (IDBI) (hereinafter referred to as "the Lenders"). A certified copy of the said Deed of Hypothecation is enclosed.
2. Amount secured by the : The Term Loan of Rs. 375 lacs (Rupees Three hundred Seventy Five lacs only) agreed to be charge/amount owing on security of the charge. lent and advanced by IDBI to the Company together with interest, additional interest, liquidated damages, premia on prepayment, cost, charges, expenses and all other moneys payable by the Company to IDBI in terms of the Term Loan Agreement dated the 22nd day of October, 1999 between the Company of the One Part and the Lenders of the other Part.
3. Short particulars of the property charged : The whole of the movable properties of the Company including its movable plant and machinery, machinery, machinery spares, tools and accessories and other movables, both present and future (save and except book debts) whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereafter from time to time during the continuance of the security by brought into or upon or be stored or be in or about the Company's factories, premises and godowns or wherever

"प्रमाणित किया जाता है कि उपरोक्त
प्रमाण पत्र सही किया गया"
"Certified that the above
is registered."

Dr. जयप्रकाश कश्यप (पं. नं. ०) कलकत्ता
Addl. Asstt. Registrar of Companies (W.B.) Cal



else the same may be or be held by any party to the order or disposition of the Company or in the course of transit or on high seas or on order, or delivery, howsoever and wheresoever in the possession of the Company and either by way of substitution or addition.

4. Gist of the terms and :
conditions and extent
and operation of the
charge

(a) The Charge operates as first Charge as security, inter alia, for the due repayment by the Company to IDBI of its Term Loan Rs. 375 lacs, together with interest, additional interest liquidated damages, premia on prepayment, costs, charges, expenses and all other moneys payable by the Company to IDBI in terms of the said Loan Agreement.

(b) The Charge in favour of IDBI under the said Deed of Hypothecation is subject to the charge(s) created by the Company in favour of its bankers on the Company's stocks of raw materials, semifinished and finished goods and consumable stores and book debts and such other movables as may be specifically

permitted to secure its working capital requirements in the ordinary course of business.

(c) The Company has undertaken to keep the goods hypothecated in marketable and good condition at its own costs and to insure the same in the joint names of the Company and the Lenders.

(d) All the goods hypothecated and all realisations and insurance proceeds thereof and all documents in respect of the said

security are to be kept distinguishable and held as the exclusive property of the Lenders. The security created under the laid Deed of Hypothecation is to be a continuing security.

Signature

5. Names, address and description of the persons entitled to charge. .

Industrial Development Bank of India,
IDBI Tower, WTC Complex,
Duffe Parade,
Colaba,
Mumbai 400 005

6. Date and brief description of instrument modifying the charge.

7. Particulars of modification specifying the terms and conditions or the extent or operation of the charge in which modification is made and the details of the modification.

Signature :



Name : S.C. DAS
(In Block Capitals)

Designation : D.G.M.
(Lenders)

Date : the

19th day of November,

1999.

Signature :



Name : **for ANTARCTICA LIMITED**
RANJAN KUTHARI
(In Block Capitals)

Designation : *Managing Director*
(Borrower)



Registration Number : 21-51949
 Nominal Capital : Rs 11,50,00,000
 REGISTER OF CHARGES

(Pursuant to Section 130, 135, 137 & 138)

Particulars of Charges : Created by a company registered in India subject to which property has been acquired by company registered in India.

Name of the Company : Antarctica Limited
 Presented by : Mr Ranjan Kuthari, Managing Director

Particulars of Charges : Created

subject to which property has been acquired
 Limited

a Company Registered in India

PARTICULARS OF CHARGE UNDER SECTION 125

1. Date and description : 22nd October, 1999. Deed of Hypothecation executed by the Company in favour of Industrial Development Bank of India (IDBI) (hereinafter referred to as "the Lenders"). A certified copy of the said Deed of Hypothecation is enclosed.
2. Amount secured by the : The Term Loan of Rs. 375 lacs (Rupees Three hundred Seventy Five lacs only). agreed to be lent and advanced by Lenders to the Company under Project Finance Scheme (PFS) together with interest, liquidated damages, premia on prepayment costs, charges, expenses and all other moneys payable by the Company to the Lenders in terms of the Loan Agreement dated the 22nd day of October 1999 between the Company of the One Part and the Lenders of the other Part.
3. Short particulars of the property charged : The whole of the movable properties of the Company including its movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future (save and except book debts) whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereafter from time to time during the continuance of the security be brought into or upon or be stored or be in or about the



Company's factories, premises and godowns of wherever else the same may be or be held by any party to the order or disposition of the Company or in the course of transit or on high seas or on order, or delivery, howsoever and where-soever in the possession of the Company and either by way of substitution or addition.

4. Gist of the terms and conditions and extent and operation of the charge.

:(a) The Charge operates as security, inter alia, for the due repayment by the Company to Lenders of its Term Loan of Rs. 375 lacs, together with interest, additional interest liquidated damages, premia on prepayment costs, charges, expenses and all other moneys payable by the Company to Lenders in terms of the said Loan Agreement.

(b) The Charge in favour of Lenders under the said Deed of Hypothecation is subject to the charge(s) created and/or to be created by the Company in favour of its bankers on the company's stocks of raw materials, semifinished and finished goods and consumable stores and book debts and other movables as may be specifically permitted to secure its working capital requirements in the ordinary course of business.

(c) The company has undertaken to keep the goods hypothecated in marketable and good condition at its own costs and to insure the same in the joint names of the Company and the Lenders.

(d) All the goods hypothecated and all realisations and insurance proceeds thereof and all documents in respect of the said security are to be kept distinguishable and held as the exclusive property of the Lenders.

(e) The security created under the said Deed of Hypothecation is to be a continuing security.

5. Names, address and description of the persons entitled to charge.

: Industrial Development Bank of India,
WTC Complex, IDBI Tower, Cuffe Parade, Mumbai - 400 005.



PARTICULARS REGARDING CREATION OF CHARGE IN CASE OF SERIES
OF DEBENTURE UNDER SECTION 128/129

	DATE	AMOUNT	TOTAL
6. Date and amount of each series of debentures :	NOT APPLICABLE.		-
7. Date and amount of the present issue of series. :	NOT APPLICABLE		-
8. Date of resolution authorising the issue of the series :	NOT APPLICABLE		-
9. Date of the covering deed (if any) by which the security is created or defined or if there is no such deed, the first execution of any debenture, of the series. :	NOT APPLICABLE		-
10. Names and addresses of the trustee (if any) for the debenture holders. :	NOT APPLICABLE		-
11. Date of registration of series :	NOT APPLICABLE		-
12. Particulars as to the amount or rate percent of the commission, allowances or discount (if any) paid, or made either directly or indirectly by the company to any person in consideration of subscribing or agreeing to subscribe, whether absolutely or conditionally or procuring or agreeing to procure subscription whether absolute or conditional; for any of the debentures included in this return. :	NOT APPLICABLE		-

PARTICULARS OF MODIFICATION OF CHARGE UNDER SECTION 135

13. Date and brief description of instrument modifying the charge. :	NOT APPLICABLE	-
14. Particulars of modification already registered/filed in the office registrar of companies. :	NOT APPLICABLE	-
15. Particulars of modification specifying the terms & conditions or the extent of operation of the charge in which modification is made and the details of the modification. :	NOT APPLICABLE	-

Handwritten signature

16. APPOINTMENT OF RECEIVER UNDER SECTION 137

- (a) Names, address : NOT APPLICABLE.
and date of
appointment of
receiver.
- (b) Date of which : NOT APPLICABLE
the receiver
ceased to act.

17. MEMORANDUM OF COMPLETE SATISFACTION OF CHARGE
UNDER SECTION 138

- (a) Date of creation of original charge and amount secured NOT APPLICABLE
- (b) Date of : NOT APPLICABLE
registration/date of
filing of the parti-
culars with the
Registrar of companies.
- (c) Date of filing of the memorandum of satisfaction/date of entry of satisfaction. NOT APPLICABLE

Signature :

Name : S. C. DAS
(In Block Capitals)

Designation : Deputy General Manager
(Lenders)

Date : 19th day of November, 1999

Signature :

Name : RANJAN KUTHARI
(In Block Capitals)

Designation : Managing Director
(Borrower)

for **ANTARCTICA LIMITED**

Managing Director

(FOR OFFICE OF REGISTRAR OF COMPANIES ONLY)

18. Date of Registration

19. Serial No. of the document
in file

Signature of Registrar of Companies.

22/11/99
Addl. Asstt. Registrar of Companies (W.B.) Sw