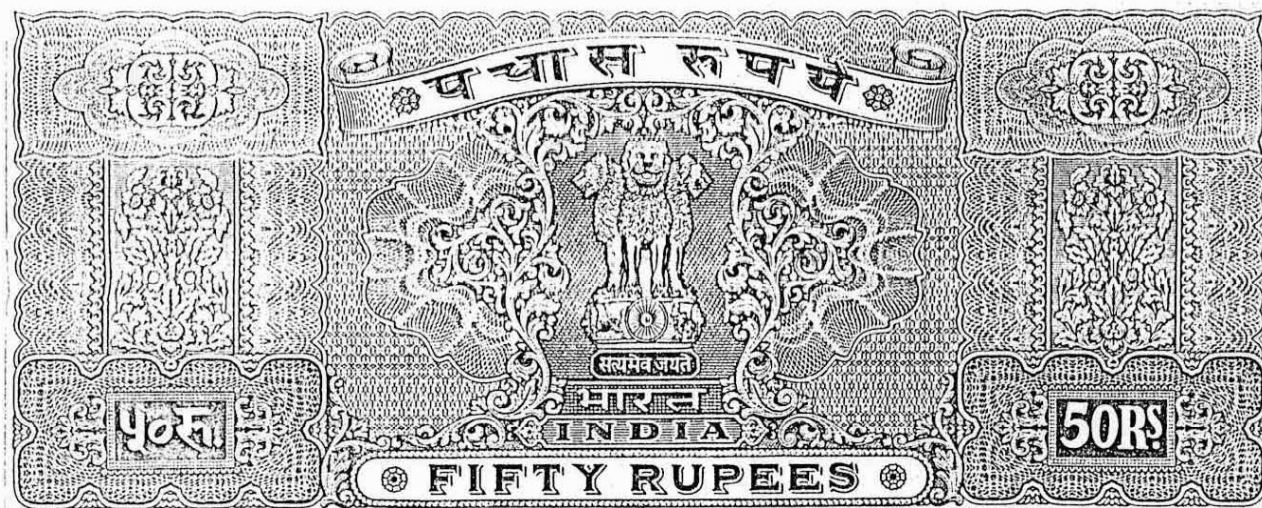


50 Rs.



DEED OF HYPOTHECATION

THIS DEED OF HYPOTHECATION executed at Calcutta this. 22nd day of October, One Thousand Nine Hundred and Ninety Nine by Antarctica Limited, 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).

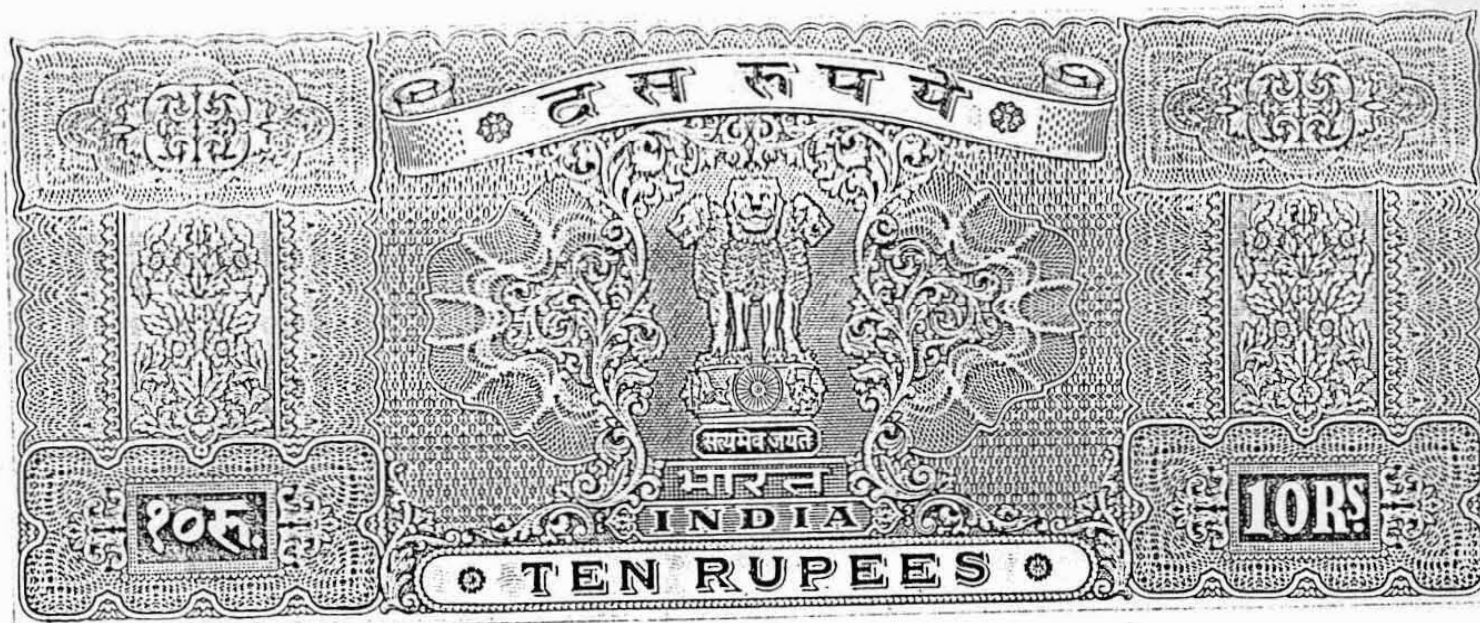
IN FAVOUR OF-

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

Certified True Copy
For ANTARCTICA LIMITED
[Signature]
Managing Director

Rune Anthon

10 Rs.



W H E R E A S

Amne kullai X
(1) By an Agreement dated the 22nd day of October 1999 entered into between the Borrower and the Lenders (hereinafter referred to as "the Loan Agreement") the Lenders has agreed to lend and advance to the Borrower and the Borrower has agreed to borrow from the Lenders on the terms and conditions contained in the Loan Agreement sums to the extent of Rs. 375.00 lacs (Rupees Three hundred Seventy Five lacs only) (hereinafter referred to as "the Loan")

(2) One of the conditions of the Loan Agreement is that the Loan together with all interest at the respective agreed rates, liquidated damages, premia on prepayment, costs, expenses and other monies whatsoever as stipulated in the Loan Agreement shall be secured, inter alia, by a first charge by way of hypothecation 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, semifinished and finished goods, consumable stores, book debts and such other movables as may be agreed to by the Lenders (hereinafter referred to as "the Bankers' Goods") for securing the borrowings for working capital requirements in the ordinary course of business.

Amne kullai

(3) The Lenders have called upon the Borrower to execute these presents which the Borrower has agreed to do in the manner hereinafter expressed.

NOW THEREFORE THESE PRESENTS WITNESSETH THAT:

1. In pursuance of the Loan Agreement and in consideration of the Lenders having lent and advanced and/or agreed to lend and advance the loan to the Borrower for the purposes and subject to the terms and conditions set out in the Loan Agreement and in consideration of the premises, the Borrower doth hereby covenant with the Lenders that it shall repay the loan to the Lenders and shall pay all interest at the respective agreed rates, liquidated damages, premia on prepayment, costs charges and expenses and all other monies as stipulated and in the manner set out in the Loan Agreement and shall duly observe and perform all the terms and conditions of the Loan Agreement.

2. In pursuance of the Loan Agreement and for the consideration aforesaid, the whole of the movable properties of the Borrower including its moveable plant and machinery, machinery spares, tools and accessories and other moveables 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 these presents be brought into or upon or be stored or be in or about all the Borrower's factories, premises and godowns or wherever else the same may be or be held by any party to the order or disposition of the Borrower or in the course of transit or on high seas or on order or delivery (hereinafter collectively referred to as "the said Goods") short particulars whereof are given in Schedule hereto, are hereby hypothecated as and by way of first charge to the Lenders as security for and be charged with the repayment of the loan and repayment or payment of other monies including all interest, liquidated damages, premia on prepayment, costs, charges and expenses and all other monies due to the Lenders under the Loan Agreement and Bridge Loan Agreements(s). If any, and/or these presents, provided that the charge of the Lenders thereon shall be subject to the charges created and/or to be created by the Borrower in favour of its bankers on the Bankers' Goods, to secure the borrowings in the ordinary course of the business of the Borrower for its working capital requirements.

Handwritten signature

3. In further pursuance of the Loan Agreement and for the consideration aforesaid, the Borrower doth hereby further agree, declare and covenant with the Lenders as follows:-

(1) The Borrower shall at its expense keep the said goods in marketable and good condition and insure the same in the joint names of the Borrower and the Lenders as provided in the Loan Agreement against any loss or damage by theft, fire, light-ning, earthquake, explosion, riot, strike, civil commotion, storm, tempest, flood, marine risk, erection risk, war risk and such other risks as the Lenders shall from time to time require, with an insurance company or companies. The Borrower shall deliver to the Lenders the relevant policies of Insurance duly assigned to the Lenders and maintain such insurance throughout the continuance of the security of these presents and deliver to the Lenders the renewal receipts therefor and shall duly and punctually pay all premia and shall not do or suffer to be done or omit to do or be done any act which may invalidate or avoid such insurance. In default the Lenders may (but shall not be bound to) keep in good condition and render marketable the said Goods and take out/renew such insurance. Any premium paid by the Lenders and any costs, charges and expenses incurred by the Lenders shall within 30 days of receipt of notice of demand from the Lenders be reimbursed to the Lenders together with interest thereon at the applicable rates for Normal Loan on the date of the Loan Agreement, computed from the date of payment and until such reimbursement by the Borrower the same shall be debited to the Borrower's Loan Account and be a charge on the said Goods.

(2) The nominees of the Lenders shall, without any notice and at the risk and expense of the Borrower, be entitled at all times to enter any place where the said Goods may be and inspect, value, insure, superintend the disposal of and take particulars of all or any part of the said Goods and check any statement, accounts, reports and information.

(3) In the event of any breach or default by the Borrower in the performance of its obligations hereunder or any of the terms, covenants obligations and conditions stipulated in the Loan Agreement or the related security documents or the deeds executed or that may hereafter be executed by the Borrower in favour of the Lenders, or in the event of the Borrower failing to pay either the interest or any installment/s of the principal of the loan, or in the event of the charge or the security created in favour of the Lenders having become enforceable for any reason whatsoever, the Lenders or their nominees shall, in case such breach or default is not remedied by the Borrower to the satisfaction of the Lenders, within a period of fifteen days from the date of intimation by the lenders of such breach or default or such extended time as may be granted by the Lenders in writing, without any notice and without assigning any reason and at the risk and expense of the Borrower and if necessary as Attorney for and in the name of the Borrower be entitled

Lune Kulkarni

to take charge and/or possession of, seize, recover, receive and remove them and/or sell by public auction or by private contract, despatch or consign for realisation or otherwise dispose of or deal with all or any part of the said Goods and to enforce, realise, settle, compromise and deal with any rights or claims relating thereto, without being bound to exercise any of these powers or be liable for any losses in the exercise or non-exercise thereof and without prejudice to the Lenders' rights and remedies of suit or otherwise. Notwithstanding any pending suit or other proceeding, the Borrower undertakes to give immediate possession to the nominees of the Lenders on demand of the said Goods and to transfer, and to deliver to the Lenders all relative bills, contracts, securities and documents and the Borrower hereby agrees to accept the Lenders' account of sales and realisations as sufficient proof of amounts realised and relative expenses and to pay on demand by the Lenders any shortfall or deficiency thereby shown: Provided however that the Lenders shall not be in any way liable or responsible for any loss, damage or depreciation that the said Goods may suffer or sustain on any account whatsoever whilst the same are in possession of the Lenders or by reason of exercise or non-exercise of rights and remedies available to the Lenders as aforesaid and that all such loss, damage or depreciation shall be wholly debited to the account of the Borrower howsoever the same may have been caused.

(4) The Lenders at any time after the security hereby constituted has become enforceable and whether or not the Lenders shall then have entered into or taken possession of and in addition to the powers hereinbefore conferred upon the Lenders after such entry into or taking possession of, may have a receiver or receivers appointed of the said Goods or any part thereof. The following provisions shall also apply to such Receiver:

(a) Unless otherwise directed by the Lenders, such Receiver shall have and exercise all powers and authorities vested in the Lenders;

(b) Such Receiver shall, in the exercise of this powers, authorities and discretions, conform to the regulation and direction from time to time made and given by the Lenders;

(c) The Lenders may from time to time fix the remuneration of such Receiver and shall direct payment thereof out of the sale realisations of the said Goods, but the Borrower alone shall be liable for the payment of such remuneration ;

(d) The Lenders may from time to time and at any time require such Receiver to give security for the due performance of his duties as such Receiver and may fix the nature and amount of the security to be given to the Lenders but the Lenders shall not be bound to require such security in any case ;

Rune Kuttari

(e) The Lenders may pay over to such Receiver any moneys constituting part of the securities to the intent that the same may be applied for the purpose hereof by such Receiver and the Lenders may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver ;

(f) Every such Receiver shall be the agent of the Borrower for all purposes and the Borrower alone shall be responsible for his acts and defaults loss or misconduct and liable on any contract or engagement made or entered into by him and for his remuneration and the Lenders shall not incur any liability or responsibility therefor by reason of their making or consenting to his appointment as such Receiver.

(5) All the said Goods and all sale realisations and insurance proceeds thereof and all documents under this security shall always be kept distinguishable and held as the exclusive property of the Lenders specifically appropriated to this security and be dealt with only under the directions of the Lenders and the Borrower shall not create any charge, Mortgage, lien or other encumbrance upon or over the same, or any part thereof except in favour of the Lenders nor suffer any such charge, mortgage, lien or other encumbrance or any attachment or distress to affect the same or any part thereof nor do or allow any thing that may prejudice this security and the Lenders shall be at liberty to incur all costs and expenses as may be necessary to preserve this security and to maintain the same undiminished and claim reimbursement thereof as mentioned in Sub-clause (1) hereof PROVIDED that except to the extent specifically permitted by the lenders, the Borrower shall not sell all or any of the said Goods. The Borrower shall on any and every such sale pay to the lenders, if so required by them the net proceeds of the sale or disposal in satisfaction, so far as the same shall extend, of the monies, due and payable by the Borrower to the Lenders provided that the Borrower may without payment to the Lenders, if the Lenders so agrees, replace the outmoded equipment by equipment of equivalent or greater value.

(6) The Borrower shall, whenever required by the Lenders, give full particulars to the Lenders of all the assets of the Borrower and of the said Goods and shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Lenders and make furnish and execute all necessary documents to give effect to this security.

(7) This security shall be a continuing security for repayment of the loan together with all interest liquidated damages, premia on prepayment and repayment or payment of all other monies due to the Lenders under the Loan Agreement and these presents, and shall not affect, impair or discharge the liability of the Borrower by winding up (voluntary or otherwise) or by any merger or amalgamation, reconstruction or otherwise of the Borrower with any other company or take over of the management or nationalisation of the undertaking of the Borrower.

Gene Kuttan

(8) The Borrower hereby declares that the said Goods are and will at all times be the absolute property of the Borrower at the sole disposal of the Borrower and subject to the charges created and/or to be created with the specific permission of the Lenders be free from any prior charge, trust, pledge, lien, claim or encumbrance and as to future goods the same shall likewise be the unencumbered, absolute and disposable property of the Borrower with full power of disposition over the same: Provided that the Borrower shall be entitled at all times to sell or dispose of the Bankers' Goods in the ordinary course of business and also to hypothecate the Bankers' Goods by way of first charge in favour of its Bankers, such charge(s) in favour of the Bankers to rank in priority over the charge hereby created.

(9) The Borrower hereby appoints the Lenders as its Attorney and authorises the Lenders to act for and in the name of the Borrower to do whatever the Borrower may be required to do under these presents and generally to use the name of the Borrower in the exercise of all or any of the powers by these presents conferred on the Lenders and the Borrower shall bear the expenses that may be incurred in this regard.

(10) Nothing herein shall prejudice the rights or remedies of the Lenders in respect of any present or future security, guarantee, obligation or decree for any indebtedness or liability of the Borrower to the Lenders.

(11) The provisions contained herein shall be read in conjunction with the provisions of the Loan Agreement as amended from time to time and to the extent of any inconsistency or repugnancy the latter shall prevail to all intents and purposes.

Rune Kulkarni

SCHEDULE

(Short particulars of moveable properties)

(Please describe a few of the movables being charged)

The whole of the moveable properties of the Borrower including its moveable plant and machinery, machinery spares, tools and accessories and other moveables, 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 of these presents be brought into or upon or be stored or be in or about all the Borrower's factories, premises and godowns or wherever else the same may be or beheld by any party to the order or disposition of the Borrower or in the course of transit or on high seas or on order, or delivery, howsoever and wheresoever in the possession of the Borrower and either by way of substitution or addition.

Luno Kuthari

IN WITNESS WHEREOF the Borrower has caused its Common Seal to be affixed hereto on the day, month and year first above written.

Common Seal of Antarctica Limited has, pursuant to the Resolution 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 have signed these presents in token thereof and Shri Ranjan Kuthari, Managing Director who has countersigned the same in token thereof.



Ruma Kuthari

Ranjan Kuthari

Certified True Copy

For ANTARCTICA LIMITED

[Signature]
Managing Director