

STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED,
19-A, RUKMANI LAKSHMIPATHY ROAD, EGMORE, CHENNAI 600 008.

Ref. No.D-II/GMP/GCPL/07

Dated: 13.12.2007

✓ M/s. Gupta Cables Pvt. Ltd.,
Shed No.18, SIDCO Industrial Estate,
Gummidipoondi - 601 201.

Sirs,

Sub: SIPCOT Industrial Complex, Gummidipoondi - Plot No. D-10/S-1
with an extent of 2.55 acres allotted to M/s Gupta Cables Pvt.
Ltd. - Permission to mortgage lease hold rights of the
plot - Accorded.

- Ref: 1. SIPCOT's allotment Lr. No. D-I/GMP/659/2005, Dt. 16.3.2005.
2. Your Letter dt.21.9.2007 and 12.12.2007
3. Canara Bank, Buxi Bazar Branch, Mangalore, Cuttack-753 001
sanction letter No.6C/46/07-08, dtd.8.9.2007 & 8.12.2007.

In your letter second and Bank's letters third cited, you have requested permission to mortgage Plot No.D-10/S-1 with an extent of 2.55 acres in the SIPCOT Industrial Complex, Gummidipoondi in favour of Canara Bank, Buxi Bazar Branch, Mangalore, Cuttack - 753 001 for getting the following credit facilities for the manufacture of AAC, AAAC, ACSR Power conductors.

Rs.in Crores

Nature of limit	Now sanctioned	
	Amount	Margin
A) Fund based :		
1. OCC/ODBD	8.25	25%
Sub Limit		
PC/FDB/FBE	(8.25)	10% for PC Nil for FDB/FBE
WCDL	33.00	25%
BE-SSI(With/without LC)	10.00	Nil
B) Non fund based :		
ILC/FLC (DA/DP)	49.50	10% for ILC/FLC (DA) 5% for ILC/FLC (DP)
Bank Guarantee	82.50	10% for APGS and 5% for other BGs
Total FB+NFB)	183.25	
Term Loan	7.50	
	190.75	

The Plot No.D-10/S-1 with an extent of 2.55 acres at a tentative cost of Rs.12.00 lakhs (Rupees twelve lakhs only) per acre in SIPCOT Industrial Complex, Gummidipoondi was allotted to the company. The Lease Deed was executed and registered by them on 7.4.2005 as Doc.No.877/05 and have paid a sum of Rs.30,60,000 (Rupees Thirty Lakhs and sixty thousand only) being 100% of the plot deposit. You have also to pay an annual rent of Rs.1/- per year for 98 years and Rs.2/- for the 99th year.

In the circumstances stated above, we have 'NO OBJECTION' in mortgaging your lease hold right of the Plot No. D-10/S-1 with an extent of 2.55 acres in SIPCOT Industrial Complex, Gummidipoondi which will have first charge with Canara Bank, Buxi Bazar Branch, Mangalore, Cuttack - 753 001 for getting term loan of Rs.190.75 Crores (One hundred and ninety crores and seventy five lakhs only) subject to the allotment order for the plot and the terms and conditions of lease deed/modified lease deed executed by you with SIPCOT.

SIPCOT has no objection to the above mentioned Bank advancing loan on the Plant, Machinery and other Fixed Assets/Current Assets/Others provided the regular payment of plot deposit amounts/rent or water charges, maintenance charges and other charges in respect of the said plot payable to SIPCOT for the use and occupation of the premises of the plot wherein the plant and machinery are erected in the plot in SIPCOT's Industrial Complex, Gummidipoondi are assured by you or regularly paid by you when demanded by us and that such advancing will not affect the terms and conditions of allotment and the lease deed executed by the unit concerning the land.

This NOC is subject to the following terms and conditions:

1. In the event of the Bank taking legal action against the unit they can only enforce the limited right or the lease hold rights and not the land as such.
2. Banks should note that if the mortgaged assets including the lease hold right is sold, the auction purchaser should apply to SIPCOT for transfer of the plot and also agree to comply with all the terms and conditions that may be stipulated by SIPCOT.
3. We have also to inform you that a Notice of 90 days will be issued to you to remedy any breach of conditions (or) default under the lease deed executed by you before we decide to resume possession of the land under the conditions set out in the lease deed. A copy of such notices will also be sent to the Financial Institutions / Banks mentioned above.

4. NOC shall be valid so long as the dues of SIPCOT have not become over due or outstanding.

5. The Bank should undertake to prevail upon the auction purchaser, when it invokes No Objection Certificate and sells the lease hold right, to pay the differential land cost to SIPCOT at the time of execution of modified lease deed or effecting transfer of allotment as the case may be.

6. In the event of allotted area of land is not fully utilised by the allottee unit to the satisfaction of SIPCOT, SIPCOT reserves the right to resume the unutilised portion of the land from the unit pursuant to the lease deed free from any encumbrances.

7. SIPCOT also reserves the right to have first charge paripassu or second charge paripassu wherever necessary, if the IFST or any other State Government Incentives are offered to the allottees by State Government and such schemes requiring charge.

8. SIPCOT as a lessor, shall have superior rights over the plot of land and before Financial Institutions/Banks take steps to recover their dues it may resume the plot of land free from encumbrances for non-compliance of terms and conditions of allotment order under TNPP(E) Act by giving 90 days notice to the Financial Institutions/Banks and the allottee. As per the Lease Deed terms and conditions, SIPCOT is free from payment of any superstructure made by the allottee when the land was evicted under TNPP(E) Act for non-compliance of terms and conditions.

Please acknowledge receipt of this letter.

Yours faithfully,


General Manager (D) I/c.

Copy to :

The Branch Manager,
Canara Bank,
Buxi Bazar Branch,
Mangalore,
Cuttack - 753 001

The Senior Project Manager,
SIPCOT Industrial Complex,
Gummidipoondi.