

VOL ⇒ '4'

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, AT MUMBAI**

CA (CAA) NO. _____ OF 2021

IN THE MATTER OF:
The Companies Act 2013,

AND

IN THE MATTER OF:
An Application under section 230 and
231 of the Companies Act 2013

AND

IN THE MATTER OF:
Sahara Hospitality Limited
Through its Authorized Representative
having its registered office at:
Hotel Sahara Star, Opposite Domestic Airport,
Vile Parle East Mumbai
Maharashtra: 400099

... APPLICANT

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Advocate for the Applicant

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DATE: 09.2021

PLACE: MUMBAI

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(b) Unaudited Quarterly Statements

As soon as available and in any event within 30 days after the end of each calendar quarter the Borrower shall furnish to the Lenders a report on the progress of the implementation of the Project, unaudited financial statements of income, retained earnings and cash flow of the Borrower for the quarter then ended and the related balance sheet as at the end of such period, setting forth in each case in comparative form the corresponding figures for the corresponding period in the preceding Fiscal Year.

(c) Certificate of no Default

Concurrently with the financial statements delivered pursuant to Sections 6.1(xxv) (a) and 6.1(xxv) (b), the Borrower shall certify that no Default or Event of Default has occurred during such period or, if any, Default or Event of Default shall have occurred, specifying the nature and period of existence thereof, and what action the Borrower has taken, is taking or proposes to take with respect thereto.

(d) Notice of Proceedings

Promptly, and in any event no later than five (5) Business Days after the Borrower shall have obtained knowledge thereof, the Borrower shall furnish to the Lenders notice of all claims or proceedings (other than any such immaterial claim or proceeding that could not reasonably be expected to have a Material Adverse Effect) before any Government Authority, court, arbitral tribunal or other body against or affecting the Borrower, or for the purpose of revoking, terminating, withdrawing, suspending, modifying or withholding any Government Approval, permit, licenses necessary for renovation and reconstruction or the execution, delivery or performance by the Borrower, or the exercise of its rights, under the Project Documents to which it is a party.

<i>AM</i>	SHL	IIUDCO	BOB	<i>[Signature]</i>
<i>AM</i>	UBI	UJO	Security Agent	Lenders Agent

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(c) Notice of Default

Promptly, and in any event not later than three (3) Business Days after the Borrower obtains knowledge that any default under any Finance Documents or any Project Document has occurred and is continuing, provide to the Lenders' notice of such default, describing the same in reasonable detail and what action the Borrower has taken, is taking or proposes to take to cure such default.

(f) Budgets

i) During the Construction Period, the Borrower shall deliver to the Lenders at least fifteen (15) days prior to the commencement of each calendar half year (each "a budgeted half year") the estimates of the expenditure including the expenditure relating to petroleum business and the flows of Project Equity Capital and the revenues from various sources together with the likely schedule of drawls from the Loans (Construction Budget) for the approval of the Lenders.

ii) During the Operational Period, the Borrower shall deliver to the Lenders at least thirty (30) days prior to the commencement of each Fiscal Year (each "a budgeted fiscal year") the estimates of expenditure, the operation and maintenance and other expenditure including the expenditure relating to petroleum business and the revenues from various sources (Operational Budget) for the approval of the Lenders.

iii) Each of the Construction Budgets/Operational Budget shall also specify the expenditure and revenues estimated for and actually incurred thus far in the immediately preceding budgeted half year/budgeted fiscal year and shall contain an explanation for any variance between the estimates and actuals.

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	UBI	UCO	Security Agent	Lenders Agent
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iv) The Borrower shall make available such further information to the Lenders as may be required by them for taking a view on the Construction Budget / Operational Budget delivered for approval and shall make such modifications to the estimates as may be called for in the light of the observations made by the Lenders to the satisfaction of the Lenders. If no comments have been offered by the Lenders within 15 Business Days from the date of delivery of the Construction Budget / Operational Budget by the Borrower, the estimates given therein shall be deemed to have been approved by the Lenders.

v) The Borrower shall deliver the estimates of expenditure, receivables, implementation plans and other estimates and projections relating to the implementation / operation of the Project for such periods as may be required by the Lenders from time to time and at any time.

vi) The Borrower shall inform to the Lenders the proposals, if any, for revision in the budgeted estimates before commencement or during the relevant budgeted period and the reasons therefore. If the Lenders do not offer any comments within 10 Business Days from the date of delivery by the Borrower, the revised estimates shall be deemed to have been approved by the Lenders.

(g) Insurance Policies

Concurrently with the financial statements and reports delivered pursuant to paras (a) to (f) above of this Section 6.1(xxiv), a notice concerning any change to any coverage, premium or other material aspect of any insurance required pursuant to Section 6.1(viii) occurring subsequent to the last such notice and, in the event of such change, a report from the Borrower's insurers relating to such change (the Lenders, in such circumstances, being entitled to appoint an insurance consultants or advisors at the reasonable expense of the Borrower to advise the Lenders with respect to such change). Within 40 days after any insurance policy is

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issued to the Borrower; a copy of that policy certified true and correct by the insurer, and, within 45 days after the close of each Fiscal Year, a certificate of a duly authorized person of the Borrower (i) confirming that all insurance policies in respect of the Project required to be then in effect are in full force and effect of the date thereof; (ii) confirming the names of the insurers issuing such policies, (iii) confirming the amounts and expiration date or dates of such policies, and (iv) including evidence of payment of the relevant premiums satisfactory to the Lenders. Not less than 45 days prior to the expiration date of any policy of insurance required to be in effect hereunder (or, for insurance with multiple expiration dates, 45 days prior to the expiration date of the policy on the principal asset), the Borrower shall deliver to the Lenders a certificate of insurance with respect to the renewal of the relevant policy certified by a reputed insurance consultant satisfactory to the Lenders or the relevant insurer as the case may be, bearing a notation evidencing payment of the premium for the relevant renewal policy or accompanied by other proof of the payment satisfactory to the Lenders and confirming the renewal, the renewal period, the amounts insured for each asset or item covered by the relevant renewal policy and any change in terms and conditions from the policy's issuance date or last renewal. Promptly after receipt thereof by the Borrower, the Borrower shall deliver to the Lenders each such renewal policy. The Borrower shall provide to the Lenders promptly following the relevant request therefore documents relating to its insurance.

(h) **Progress and Performance**

During the Construction Period, the Borrower shall before the 15th day of each month submit report to the Lenders as to the progress of implementation of the Project vis-à-vis the status envisaged under the approved Project implementation schedule and specifying the reasons for delay(s), if any, in achieving various milestones and the plans for making over the lost time. During the Operational period, the Borrower shall quarterly report the details of the performance within thirty (30) days after the expiry of each quarter.

<i>[Signature]</i>	SHL	HUDCO	<i>[Signature]</i> BOB
<i>[Signature]</i>	UBI	UCO	<i>[Signature]</i> Security Agent
			Lenders Agent

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The Borrower shall furnish such other information regarding the business, affairs, prospects, assets or condition (financial or otherwise) of the Borrower as the Lenders may request from time to time.

(i) Permitted Investments

Concurrently with the financial statements and reports delivered pursuant to para (b) of this Section 6.1 (xxiv) for each Quarter, the Borrower shall deliver to the Lenders, a schedule of the permitted investments, if any, in respect of each Trust and Retention Account as at the end of such Quarter, in such detail as the Lenders may require.

(j) Translation of Documents

In case of any document, agreement, instrument, report or any written information required to be furnished in this Section 6.1 (xxiv) or otherwise, the original of which is in a language other than English, the Borrower shall also simultaneously, furnish a translation, certified by an authorised person of the Borrower, into English of such original.

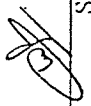



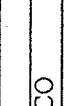
(k) Other Notices

Promptly, and in any event not later than five (5) Business Days upon the Borrower obtaining knowledge thereof or upon their becoming available as the case may be, the Borrower shall notify the Lenders:

- (i) any nationalisation or any proposal by any Government Authority to effect any nationalisation or any action which results in or could reasonably be expected to result in a change in or under Applicable Law which reasonably could be expected to have a Material Adverse Effect;

- (ii) any substantial dispute between the Borrower and Promoter or the Borrower and AAI or any Government Authority relating to the Project;

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	UBI	UCO		Security Agent	Lenders Agent

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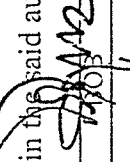


- (iii) any change in the authorised person or directors of the Borrower, giving specimen signatures of any new authorised person or director so appointed and, if requested by any Lender, satisfactory evidence of the authority of such new authorised person or director;
- (iv) any actual or proposed termination, rescission, discharge (otherwise than by performance), amendment or waiver of or under the Lease Agreement or any material provision of any Project Document;
- (v) notice from any tax authority in respect of any material claim, proceeding or hearing or any tax assessment or liability;
- (vi) any notice of force majeure given or received by the Borrower under any Project Document; and
- (vii) copy of each report or letter delivered to the Borrower.

(xxv) Others

The Borrower agrees and confirms that:

- (a) The Promoters shall not disinvest their equity shares in the capital of the Borrower during the currency of the Loans without the prior written approval from the Lenders.
- (b) It shall appoint Lender Engineer, Insurance Consultant, Lenders legal counsel and Lenders auditors or any replacement for any thereof as and when deemed necessary and required by the Lender.
- (c) It shall arrange for carrying out safety and other audits, as and when considered by the Lenders Agent necessary, and comply with the recommendations set out in the said audit reports.

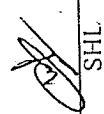
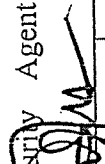
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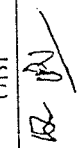
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- (d) It shall resolve/address all issues raised by the Lenders Engineer, Insurance Consultant, Lenders legal counsel and other consultants appointed by for the Lenders in their respective reports and incorporate necessary changes in the Project Documents to the satisfaction of the Lenders.
- (e) It shall appoint mutually agreeable institutions or banks as Lenders Agent, Security Agent and Account Bank and replace any of them from time to time as may be deemed necessary by the Lenders and enter into suitable agreements in this regard in form and manner satisfactory to the Lenders.
- (f) It shall submit E/A clearance from the competent authority before the second Disbursement
- (g) It shall procure and furnish No-objection certificate from AAI to create mortgage over its leasehold rights of the immovable property in favour of Lenders.
- (h) It shall procure and furnish a letter of undertaking/confirmation, from AAI to the effect that:
 - (i) AAI will give 12 months notice to the Security Agent before exercising its right to terminate the Lease Agreement and to re-enter into the leased premises.
 - (ii) No disputes/issues are pending between AAI and the Borrower.
 - (iii) In the event of invocation of clause 18, 19 or 20 or any other clauses of the Lease Agreement or in the event of termination of the Lease Agreement, AAI will also endorse a copy of such invocation or termination notice to the Lender's and /or the Security Agent and pay the

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compensation to the Lenders through Retention Account during the currency of the Loans.

(iv) AAI will not unilaterally amend the Lease Agreement during the currency of the Loan.

(i) It shall not amend or terminate the Lease Agreement without prior permission of the Lenders or in case AAI proposes any such amendment in the Lease Agreement the same shall be notified to the Lenders during the currency of the Loans.

(j) It shall procure and furnish the undertaking for non-disposal of shares during the currency of the Loans from its Promoters.

(k) It shall procure and furnish the undertaking from its Promoters directors for not relinquishing their directorship without prior permission from the Lenders.

(l) It shall inform to the Lenders immediately any dispute(s), if any, relating to the Promoters or with AAI or any other agency during the currency of the Loans.

(m) It shall submit approved layout and engineering design of the project for entire modification with additional FSI along with detailed estimates.

(n) The Borrower agrees that the Lenders shall have right to stipulate additional conditions at their absolute discretion in the event of any material breach of the Financing Documents during the currency of the Loans

(o) The Borrower agrees that, to the satisfaction of the Lenders Agent it shall broad base its Board and appoint suitable technical, financial and executive personnel with appropriate qualifications and experienced for the key posts and ensure that the organisational

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UBI	UCO	Security Agent	Lenders Agent

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set up will be adequately strong to ensure smooth implementation and operation of the Project.

6.2 NEGATIVE COVENANTS

During the currency of the Loans --

(i) Consolidation, Merger, Sale of Assets, Investments and Acquisitions:

(a) The Borrower shall not take and shall not agree to take any action of merger, consolidation, reorganisation, capital restructuring or amalgamation; or for sale, or lease, transfer or otherwise dispose off any assets except to the extent as may be approved by the Lenders in writing.

(b) The Borrower shall not acquire all or part of the assets of any other person or any class of shares or debentures or partnership interest or similar interest of any person except with the prior permission in writing of the Lenders.

(c) The Borrower shall not make any investment by way of deposits, loans including loan to Promoters, bonds, share capital or in any other form other than the investments permitted under the Finance Documents, or as may from time to time be permitted by the Lenders in writing.

(ii) Capital Expenditures

The Borrower shall not make any capital expenditure other than the capital expenditure provided for in the Budget.

(iii) Restricted Payments

The Borrower shall not declare or make any dividend payment during the Moratorium or make payment of interest on unsecured

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	UBI	UCO		Security Agent

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loans or unless on the date of declaring or making the proposed dividend each of the following conditions has been satisfied:

- (i) All the reserve accounts in the Retention Accounts are full and minimum balance is maintained in all payment accounts of the Retention Accounts;
- (ii) No Event of Default shall have occurred and be continuing; and
- (iii) Such dividend is made in accordance with Applicable Law.

(iv) Security Interests




Except for the Security Interest to be created in favour of the Lenders the Borrower shall not create any security interest on or in any of the Secured Property or receivables or any of its other property or assets except with prior permission in writing from the Lenders.


v) Nature of Business, Subsidiaries, Change of Location of Offices

The Borrower shall not engage in any business other than the Project in India, create any subsidiaries, change its name, or change the location of its offices, except with the prior permission, in writing, of the Lenders.

(vi) Amendment etc. of Project Documents

The Borrower shall not take any action to cancel or terminate any Project Document to which it is a party (other than any scheduled termination thereof); sell; assign (other than pursuant to the Security Documents) or otherwise dispose off any part of its interest in such Project Document; waive any default under or breach of any provision material to the Project of any Project

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Document; waive, fail to enforce, forgive or release any right, interest or entitlement, howsoever arising, under or in respect of any provision material to the Project of any Project Document; vary or agree to the variation in any way of a provision material to the Project of any Project Document or of the performance of any other person material to the Project under any such Project Document; amend, supplement or modify any provision of under any Project Document; or petition, request or take any other legal or administrative action that seeks, or may reasonably be expected, to rescind, terminate or suspend any Project Document except with the prior permission in writing from the Lenders.

(vii) Debt

The Borrower shall not directly or indirectly create, incur, contract, assume or suffer or otherwise become or be liable for any debt including financial guarantee obligations on behalf of any other company, except the following without duplication (collectively, "Permitted Debt").

- (a) The obligations under the Finance Documents;
- (b) Liabilities incurred pursuant to the Project Documents;
- (c) Working capital debt in an aggregate not exceeding the amount as may be approved by the Lenders; and
- (d) Subordinated Debt as may be permitted by the Lenders.

(viii) Abandonment

The Borrower shall not Abandon or agree to Abandon the Project.

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(ix) Improper Use

The Borrower shall not use, maintain or operate, or allow the use, maintenance or operation of the Project for any purpose which may constitute a public or private nuisance or give rise to a claim or environmental claim; violate any provision of any Applicable Law; and result in increase in the premium of any insurance then in force with respect to the Project or any part thereof.

(x) Subordinated Debt

The Borrower shall not pay any amounts in respect of any subordinated debt except pursuant to terms permitted by the Lenders and in any event the Borrower shall not pay any amount in respect of subordinated debt if a Default or Event of Default has occurred and is continuing.

(xi) Other Transactions

Except for the Project Documents in effect on the date of this Agreement or the Additional Project Documents, the Borrower will not enter into any partnership, profit-sharing or royalty agreement or other similar arrangement whereby the Borrower's income or profits are, or might be, shared with any other person, or enter into any management contract or similar arrangement whereby its business or operations are managed by any other persons.

(xii) Scope of Project

The Borrower shall not materially alter the scope of the Project without the prior written consent of the Lenders, who may give or refuse such consent in their absolute discretion and their consent on the amendment of the covenants (or any other provisions) of the

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Finance Documents if granted shall be subject to such conditions as they deem fit.

(xiii) Memorandum of Association

The Borrower shall not amend, modify or supplement its Memorandum of Association and Articles of Association in any material manner without the prior written consent of the Lenders.

(xiv) New Project

The Borrower shall not undertake any new project, diversification, modernisation or expansion of the Project described herein or take assets on lease without prior written approval of the Lenders unless the expenditure on such expansion etc. is covered by the Borrower's net cash accruals after providing for dividends, investments or from long term funds received for financing such new projects or expansion.

(xv) Additional Interest

Subject to Section 2.8, the Borrower shall not prepay any facility or debt availed of by it including the Loans without the prior written permission from the Lenders. Any such permission, if granted, shall be subject to the condition that the Borrower shall make proportionate prepayment to the Lenders with additional interest as may be fixed by the Lenders under Section 2.8 and subject to such other conditions as may be deemed fit by the Lenders.

(xvi) Commission

The Borrower shall not pay any commission to its Promoters, directors, managers, or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other

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liability in connection with any financial assistance obtained for or by the Borrower or in connection with any other obligation undertaken for or by the Borrower for the purpose of the Project.

(xvii) Revaluation of Assets

The Borrower shall not revalue its assets at any time during the currency of the Loans without the prior written approval of the Lenders.

(xviii) Existing Management

Unless the Lenders otherwise agree the Borrower shall not change or remove any person, by whatever name called, exercising substantial powers of management of the affairs of the Borrower at the time of execution of this Agreement.

(xix) Restriction against Disposal of Shares / Withdrawal of Monies

The Borrower shall not recognise or register any transfer of shares in the Borrower's capital made or to be made by the Promoters or shall not permit to withdraw any monies brought in by principal shareholders / directors / depositors except as may be permitted by the Lenders.

(xx) No Inequality or Preferential Treatment

The Borrower shall not do or allow to be done any act which may result in unequal treatment including preference of one over the other among the Lenders or any group thereof (such as the Lenders) in any regard whatsoever including discharging the Borrower of its financial obligations.

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ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

7.1 EVENTS OF DEFAULTS

For the purpose of this Agreement, each of the following shall constitute an Event of Default:

a) **Default in Payment of Principal Sums of the Loan**

Default has occurred in the payment of principal sums of the Loans on the due dates.

b) **Default in Payment of Interest etc.**

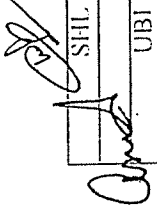
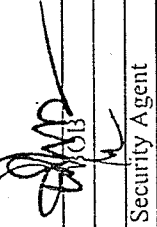

Default has been committed by the Borrower in payment of any installment of interest on the Loans and/or payment of any amount payable in terms or under or pursuant to any Finance Document on respective due dates or on being demanded by the Lenders as the case may be.

c) **Payment Defaults under other Agreements**

Default has been committed by the Borrower in payment of any amount payable under the Lease Agreement, consultant appointment agreements and other Project Documents, which constitutes a default or an event of default thereunder.

d) **Default in Performance of Covenants and Conditions**

Any default has occurred in the performance or observance of any other covenant or condition or agreement on the part of the Borrower under this Agreement or any other Transaction Agreement and such default has continued for a period of 30 (thirty) days after notice in writing thereof has been given to the

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Borrower by the Lender.

e) Supply of Misleading Information





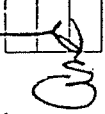
Any information given by the Borrower in its application for any of the Loans, in the reports and other information furnished by the Borrower from time to time in accordance with the provisions of the Finance Documents and the Project Documents; or any representation or warranty made or deemed to have been made by the Borrower in this Agreement, any other Finance Document or any Project Document shall be proved to have been false or misleading in any material respect when made or deemed to be repeated.

f) Inadequate Insurance and Security

If the Secured Properties have not been kept insured by the Borrower or depreciate in value to such an extent that in the reasonable opinion of the Lenders further security to the satisfaction of the Lenders should be given and on advising the Borrower to that effect such security has not been given to the Lenders, or the Borrower shall have acted or allowed any act to be committed as a consequence of which the Security created in favour of the Lenders has become invalid or ineffective or diminished in value and on being notified by the Lenders the Borrower failed to remedy such action to the satisfaction of the Lenders within 30 (thirty) days from the date of notice.

g) Sale, Disposal and Removal of Assets

If, without the prior approval of the Lenders plant and machinery of the Borrower are sold, disposed off, charged or encumbered or alienated or the said building, machinery, plant or other equipment are removed, pulled down or demolished.

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h) Proceedings against Borrower

The Borrower has voluntarily or involuntarily become the subject of proceedings for its winding up or the Borrower is ordered to be wound up.

i) Inability to Pay Debts on Maturity

The Borrower is unable or has admitted in writing its inability to pay its debts as they fall due, or stops, suspends or threatens to stop or suspend payment of all or any material part of its debts, or begins negotiations or takes any proceeding or other step with a view to rescheduling or deferral of any part of its debts or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors generally or any group or class thereof, or files a petition for suspension of payments or other relief of debtors in respect of or affecting all or any part of its debt.

j) Appointment of Receiver or Liquidator

A receiver, trustee, custodian, liquidator or other similar officer has been appointed in relation to the Borrower or of any assets of the Borrower.

k) Attachment and Restraint on Secured Properties

If an attachment, restraint, execution or distress has been levied on whole or part of the Secured Property or any other Borrower's property or proceedings have been taken or commenced for recovery of any dues from the Borrower.

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l) Extra-Ordinary Circumstances

If extra-ordinary circumstances have occurred which make it improbable for the Project to be carried out and for the Borrower to fulfill its obligations under any of the Finance Documents or the Project Documents or prejudices/ imperils/ impair/ depreciate the Secured Interest of the Lenders or prejudices/ adversely affects the capacity of the Borrower to repay the Loans.

m) Abandonment of the Project

The Borrower has abandoned the Project or the Lease Agreement has been terminated for any reason whatsoever or any security, guarantees or performance bonds required to be issued in favour of the Borrower under any Project Documents ceased to be in effect for a period of fifteen days. The Project shall be deemed to have been abandoned if the renovation and reconstruction activity during the Construction Period has been suspended continuously for a period of 30 days or the operations of the Project have been halted for a continuous period of 15 days for reasons other than the force majeure or the Borrower takes or refrains from taking a decision which act or inaction can be reasonably said to be establishing the lack or loss of the interest on the part of the Borrower in the Project.

n) Promoters Failure

Promoters have failed to perform the obligations towards the Borrower and / or the Project including contribution to the Project Equity Capital of the Borrower from time to time, or extending such other committed support for the renovation and reconstruction of the Project.

<i>And</i>	SHL	HUDCO	<i>[Signature]</i>	Security Agent
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o) Expropriation, Nationalisation etc.

Expropriation of the Borrower or an event of total loss or nationalisation of whole or substantially whole of the Project occurs or a material portion of the Project shall temporarily be subject to a nationalisation and such temporary nationalisation could reasonably be expected to have a Material Adverse Effect.

p) Invalidity of Finance Documents

This Agreement or any of the other Finance Documents is or becomes invalid, illegal or unenforceable; or is repudiated by the Borrower or ceases to be in full force and effect, or shall cease to give the Lenders the Security, rights, powers and privileges purported to be created thereby.

q) Material Adverse Effect

One or more of the events, conditions or circumstances shall exist or shall have occurred which has had, or in the reasonable judgment of the Lenders, could be reasonably expected to have a Material Adverse Effect.

r) Revocation of Approvals etc.

(i) Any Government Approval, permits and licenses obtained in compliance with this Agreement or any other Transaction Agreement shall be revoked, terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the reasonable opinion of the Lenders, have Material Adverse Effect on the Project: or

(ii) Any proceeding shall be commenced by any Government Authority/AAI or the purpose of so revoking, terminating,

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withdrawing, suspending, modifying or withholding any Government Approval and such proceeding is not dismissed within 60 days and if adversely determined, could have a Material Adverse Effect.

s) Termination of Project Documents

Any Project Document (unless it shall have been replaced as permitted under this Agreement) shall be terminated prior to its stated termination date or shall be repudiated or shall cease to be in full force and effect otherwise than by performance or efflux of time or any provision of any Project Document is or becomes invalid, illegal or unenforceable or any party thereto shall so assert or any Project Document ceases to be in full force and effect or shall cease to give the Borrower the rights, powers and privileges purported to be created thereby or any party thereto shall so assert and such invalidity, illegality or unenforceability or assertion, termination, repudiation or cessation could reasonably be expected to have a Material Adverse Effect.

t) Litigation etc.

i) One or more judgments or decrees shall be entered against the Borrower and such judgments and decrees shall not be vacated, discharged or stayed pending appeal for any period of 60 consecutive days; or

ii) Any litigation, arbitration or administrative proceeding or claim before any court, tribunal, arbitrator or other relevant authority, which, by itself or together with any other such proceeding or claim, could reasonably be expected to have Material Adverse Effect is commenced against the Borrower and is not discharged, withdrawn or discontinued within 30 days.

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7.2 CONSEQUENCES OF DEFAULT

If one or more of the aforesaid Events of Default shall occur and be continuing, thereupon, and in every such event and at any time thereafter during the continuance of such event, the Lenders shall have the right to terminate their commitments and accelerate the obligations of the Borrower and in exercise of such rights the Lenders may, take one or more of the following actions:

- (i) give written notice of an Event of Default, in which case all commitments and the Lender's obligations to make Loans shall be terminated forthwith,
- (ii) declare the unpaid principal amount of and interest in respect of the Loans and all other Secured Obligations and all other amounts payable by the Borrower hereunder and under the Security Documents to be forthwith due and payable, whereupon such amounts shall become forthwith due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding,
- (iii) exercise any and all rights specified in the Security Documents and other Transaction Agreements including, without limitation, to accelerate the obligations of the Promoters to make equity and other contributions and to enforce all of the Security created pursuant to the Security Documents, and
- (iv) exercise such other rights and remedies as permitted or available under Applicable Law including the right to stipulate additional terms & conditions as may be deemed fit by the Lenders.

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7.3 OTHER CONSEQUENCES OF DEFAULT

On the happening of any of the Events of Default as specified in Section 7.1 and so long as any such event subsists, in addition to the rights specified in Section 7.2, the Lender shall be entitled to the follows:

a) Appointment of Nominee Director/Whole-Time Director

- (i) Each of the Lenders shall be entitled to appoint and remove from time to time their additional nominee directors. The appointment of such additional nominee directors shall be governed by the provisions of Section 2.1.6.
- (ii) The Lenders shall be entitled to appoint and remove from time to time Whole-time Director(s) on the Board of the Borrower (such Director(s) are hereinafter referred to as "the Whole-time Nominee Director(s)"). Such Whole-time Nominee Director(s) shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised by or are available to a Whole-time Director in the management of the affairs of the Borrower. Such Whole-time Nominee Director(s) shall not be required to hold qualification shares nor be liable to retire by rotation and shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Lenders. Such Whole-time Nominee Director(s) shall have the right to receive notices of and attend all general meetings and Board meetings or any committee(s) of the Borrower of which they are members.

Any expenses that may be incurred by the Lenders or such Whole-time Nominee Director(s) in connection with their appointment or directorship shall be paid or reimbursed by the Borrower to the Lenders or, as the case may be, to such Whole-time Nominee

Director(s).

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b) Review of management


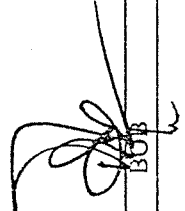

The Lenders shall be entitled to the right to review the management set-up or organisation of the Borrower and to require the Borrower to restructure it as may be considered necessary by the Lenders, including the formation of Management Committees with such powers and functions as may be considered suitable by the Lenders, if in the opinion of the Lenders the business of the Borrower is conducted in a manner opposed to public policy or in a manner prejudicial to the Lenders interests. Further any person, by whatever name called, exercising substantial powers of management shall not be paid any commission in any year unless all the dues of the Lenders in that year have been paid to the satisfaction of the Lenders.

d) Call for Unsubscribed/Uncalled Project Equity Capital

The Lenders shall be entitled to call upon the Promoter and other shareholders of the Borrower who have agreed to contribute to the Project Equity Capital to pay to the credit of the relevant Retention Account, the uncalled capital in respect of shares already issued by the Borrower, the unsubscribed portion of the Project Equity Capital.

7.4 EXPENSES OF PRESERVATION OF ASSETS OF BORROWER AND OF COLLECTION

All expenses incurred by the Lenders after an Event of Default has occurred in connection with preservation of the Borrower's assets (whether then or thereafter existing) and collection of amounts due under the Finance Documents, shall be payable by the Borrower.

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ARTICLE VIII
SUSPENSION AND TERMINATION

8.1 SUSPENSION

Further access by the Borrower to the use of the Loans may be suspended or terminated by the Lenders upon:




- a) failure by the Borrower to carry out all or any of the terms of any of the Finance Document including this Agreement or on the happening of an Event of Default as specified in Article VII; or
- b) if any change in the Borrower's setup has taken place which, in the opinion of the Lenders, would adversely effect the conduct of the Borrower's business or financial position or the efficiency of the Borrower's management or personnel or the execution of the Project.

8.2 SUSPENSION TO CONTINUE TILL DEFAULT REMEDIED

The right of the Borrower to make withdrawals from the Loans shall continue to be suspended until the Lenders have notified the Borrower that the right to make withdrawals has been restored.

8.3 TERMINATION

In case of occurrence and continuance of any events described above or in Section 7.1 or if the Borrower has not withdrawn the Loans by the last date of withdrawal referred to in Section 2.4 or such later date as may be agreed to by the Lenders, then in such event the Lenders may by notice in writing to the Borrower, terminate the right of the Borrower to make withdrawals. Upon such notice, the undrawn amount of the Loans shall stand cancelled. Notwithstanding any cancellation, Suspension or Termination pursuant to the aforesaid provisions, all the provisions of this Agreement and other Finance Documents shall continue to be in full force and effect as specifically provided herein or therein.

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ARTICLE IX

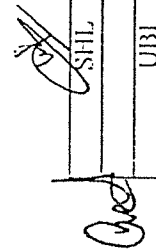
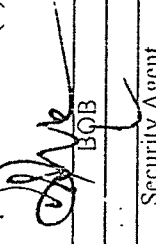
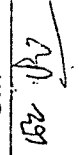
TAXES

9.1 TAXES AND NET PAYMENTS

All payments to be made by the Borrower to the Lenders hereunder shall be made free and clear of and without deduction for or on account of Taxes unless the Borrower is required to make such a payment subject to the deduction or withholding of taxes, in which case the sum payable by the Borrower in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of the required deduction, such Lender receives and retains (free from any liability in respect of any such deduction) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made, except if the deduction or withholding was made in respect of any Taxes calculated with reference to the net income received by any Lender, provided that the Borrower delivers to the Lenders tax withholding or tax deduction certificates in respect of such withholding or deduction.

9.2 TAX INDEMNITY

Without prejudice to the provisions of Section 9.1, if any Lender or the Lenders Agent on such Lender's behalf is required to make any payment on account of Taxes (not being Taxes imposed on or calculated by reference to the net income paid) or otherwise on or in relation to any sum received or receivable hereunder by such Lender or the Lenders Agent on its behalf (including, without limitation, any sum received or receivable under this Section 9 hereof) or any liability in respect of any such payment is asserted, imposed, levied or assessed against such Lender or the Lenders Agent on its behalf, the Borrower shall, upon demand, promptly indemnify and pay to such Lender or the Lenders Agent, as the case may be, against such payment or liability, together with any interest, penalties, costs and expenses payable or incurred in connection therewith. Such Lender or the Lenders Agent, as the case may be, shall, on the request of the Borrower, contest such claim provided that (a) they are satisfied in

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their sole discretion that such levy has not been lawfully made; (b) they shall be fully indemnified by the Borrower in respect of any liability arising out of and all costs and expenses incurred by them in respect of such contest; and (c) the Borrower provides security to the satisfaction of the Lenders in respect of such contest prior to and as a condition of initiation of such contest.

9.3 NOTIFICATION BY LENDERS


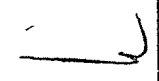
The Lenders intending to make a claim under Section 9.2 hereof shall notify the Lenders Agent promptly and in any event within ten (10) Business Days of becoming aware of the circumstances by which it is entitled to do so and shall deliver to the Lenders Agent a certificate setting out in reasonable detail the basis of such claim, whereupon the Lenders Agent shall promptly, and in any event within ten (10) Business Days from the date on which it receives such certificate, notify the Borrower thereof and shall deliver to the Borrower a copy of such certificate.


9.4 NOTIFICATION BY BORROWER

If at any time the Borrower is required to make any deduction or withholding from any sum payable by the Borrower hereunder (or if thereafter there is any change in the rates at which or the manner in which such deductions or withholdings are calculated) the Borrower shall as soon as practicable notify the Lenders Agent and the Lenders.

9.5 RECEIPT

The Borrower shall deliver to the Lenders Agent and the Lenders within thirty (30) Business Days of receipt (or such other period as the Lenders may agree) a copy of the receipt, if any, issued by the applicable taxation or other authority evidencing the deduction or withholding of all amounts required to be deducted or withheld from such payment or (if the Borrower fails to provide a copy of such receipt) such other evidence as may be requested by the Lenders to whom such payment is made.

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ARTICLE X
MISCELLANEOUS

10.1 EFFECTIVE DATE OF AGREEMENT

This Agreement shall become binding on the Parties hereto on and from the date first above written. It shall be in force till all the monies due and payable in respect of Loans under this Agreement and other Finance Documents are fully paid off.

10.2 BENEFIT OF AGREEMENT

This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the Parties hereto; provided, however, that the Borrower shall not assign or transfer any of its rights or obligations hereunder without the prior written consent of each of the Lenders. Any Lender may transfer or assign all or any part of its Loan without the consent or approval of the Borrower, but the Borrower shall have no responsibility for any stamp duty which arises out of any such transfer or assignment.

10.3 AUTHORISATION

Each of the Lenders hereby appoint and authorise the Lenders Agent and the Security Agent to act as their agent hereunder and under other Finance Documents with such powers as are expressly delegated by terms of this Agreement, the other Finance Documents, together with such other powers as are reasonably incidental thereto. Each of the Lenders hereby authorises and directs the Lenders Agent and the Security Agent to execute and deliver on behalf of all such Lenders all the Finance Documents and ratifies the execution and delivery of all Finance Documents or Security Documents or other Project Documents already been executed and delivered by the Lenders Agent assuming and stating to be the Lenders Agent. Execution of this Agreement is the conclusive evidence of such authorization and direction and ratification.

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10.4 RIGHTS OF LENDERS AGENT AS LENDER

With respect to its respective Loan and commitments, the Lenders Agent or the Security Agent shall have the same powers and rights under this Agreement as any Lender and may exercise the same as though it was not acting as the lenders Agent and the terms "Lender" and "Lenders" in the Finance Documents and the Security Documents shall, unless the context otherwise warrants, include the Lenders Agent in its individual capacity.

10.5 GOVERNING LAW


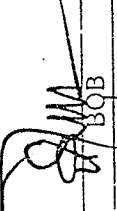


This Agreement and the rights and obligations of the Parties hereunder and the other Finance Documents and the rights and obligations parties thereunder shall be construed in accordance with and be governed by the laws of India.

10.6 INDEMNITY

The Borrower hereby agrees to indemnify each of the Lenders and their respective officers, representatives and agents against any loss or expenses sustained or incurred by them as a result of:

- a) the Borrower failing to comply with the provisions of any Project documents and Applicable Laws; and / or
- b) the Borrower failing to take necessary action to protect the Loans, the Lenders' interests and whole or any part of the Secured Property; and/ or
- c) negligence or default on the part of the Borrower in complying with the provisions of this Agreements and the other Finance Documents; and / or
- d) the occurrence of any Event of Default; and / or

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	UBI	UCO	Security Agent	Lenders Agent	

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- c) any delay in payment of any sums payable or reimbursable by the Borrower to the Lenders under or pursuant to this Agreement and the other Finance Documents; and/or
- f) levy by any Government Authority of any charge, tax or penalty in connection with regularising or perfecting any of the Finance Documents as may be required under law at any time during the currency of the Loans, or getting any of the Transaction Agreements admitted into evidence, or relying on any Transaction Agreement for proving any claim; and/or
- g) the exercise of any of the rights by the Lenders under this Agreement and any other Finance Document.

10.7 ACCOUNTS, CALCULATIONS AND EVIDENCE OF DEBT

- a) The accounts maintained by the Lenders in accordance with the usual practice, are prima facie evidence of the matters to which they relate including the amounts owing to them under the Finance Documents.
- b) Any certification or determination by the Lenders of a rate of calculation of any amount under the Finance Documents is prima facie evidence of the rate of amount to which it relates.
- c) In any legal action or proceedings out of or in connection with this Agreement and any other Finance Document the entries made in the accounts maintained by the Lenders shall be prima facie evidence of the existence and amount of obligations of the Borrower as therein recorded.

10.8 AMENDMENTS

Neither this Agreement nor any of the Finance Documents nor any of the terms or provisions hereof or thereof may be amended, modified,

supplemented, changed, waived, discharged or terminated unless such

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UBI	UCO	Security Agent	Lenders Agent

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amendment, modification, supplement, change, waiver, discharge or termination is in writing and signed by the Borrower and each of the Lenders.

10.9 SEVERABILITY

Any provision of this Agreement or any other Finance Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of prohibition or unenforceability but shall not invalidate the remaining provisions of this Agreement or the Finance Document or affect such provision in any other jurisdiction.

10.10 SURVIVAL

This Agreement shall be in force until all the monies payable under the Finance Documents have been fully and irrevocably paid in accordance with the terms and provisions hereof, provided, that all indemnities set forth in this Agreement and in the other Finance Documents shall survive till Final Settlement Date.

10.11 DELAY ETC. NOT TO IMPAIR THE RIGHTS OF THE LENDERS

No forbearance, indulgence or relaxation or inaction or delay in exercising, or omission to exercise any right, power or remedy accruing to the Lenders upon any default by the Borrower under this Agreement, or any other Finance Documents, or any other agreement or document shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the Lenders in respect of any default or any acquiescence by it in any default shall affect or impair any right, power or remedy of the Lenders in respect of any other default.

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UBI	UCO	Security Agent	Lenders Agent

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10.12 NOTICES

Except as otherwise expressly provided herein, all notices and other communications provided at various places in this Agreement and the other Finance Documents shall be (x) in writing and (y) faxed or sent by overnight courier or by post to the at the address and contact numbers set forth in Schedule VII. All such notices and communications shall be effective (i) if sent by fax, when sent (on receipt of a confirmation to the correct fax number), (ii) if sent by courier, one day after deposit with the overnight courier, and (iii) when sent by post, four days after the notice or communication is put into transmission, provided, however, that no notice or communication to any Lenders shall be effective until received by such Lenders.

10.13 DISCLOSURE OF INFORMATION

(i) The Borrower hereby agrees that in case of Borrower committing default in repayment of the principal amount of the Loan(s) or payment of interest on due dates, the Lenders and/or Reserve Bank of India shall have an unqualified right to disclose or publish the details of the default and the name of the Borrower and of its directors as defaulters in such manner and through medium as the Lenders and/or Reserve Bank of India may think fit.

(ii) The Borrower hereby agrees and gives consent for the disclosure by the Lenders of all or any such information and data relating to the Borrower or to the Loans or defaults, if any, committed by the Borrower in discharge of its obligations as the Lenders may deem appropriate and necessary to the Credit Information Bureau (India) Limited (CIBIL), or any institution or any other agencies authorized in this behalf by the Reserve Bank of India.

(iii) The Borrower hereby further undertakes that-

<i>Amal</i>	SHL	HUDCO	<i>AM</i>	Lenders Agent
<i>ASR</i>	UBI	UCO	BOB	Security Agent

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(a) the Credit Information Bureau (India) Limited, or any institution or any other agency so authorised by the Reserve Bank of India may use, process the said information and data disclosed by the Lenders; and




(b) the Credit Information Bureau (India) Limited, or any institution or any other agency may furnish on consideration, the processed information and data or products thereof prepared by them to banks, financial institutions and other credit grantors as may be specified by the Reserve Bank of India in this behalf.

10.14 NO FORCE OR EFFECT

Notwithstanding anything to the contrary contained in Section 5.1, if the obligation of the Lenders to make the initial Disbursement under this Agreement does not become effective on or prior to the date on which period of 180 days from the date hereof expires, then it shall not thereafter become effective as against the Lenders (unless each of the Lenders agree in writing to extend such date) and this Agreement and the other Finance Documents shall have no force or effect as against the Lenders.

10.15 COUNTERPARTS

This Agreement may be executed in any number of counterparts and by the different Parties hereto on separate counterparts, each of which when so executed and delivered shall be effective for purposes of binding the Parties hereto, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the Parties hereto shall be lodged with the Borrower, the Lenders Agent and each of the Lenders.

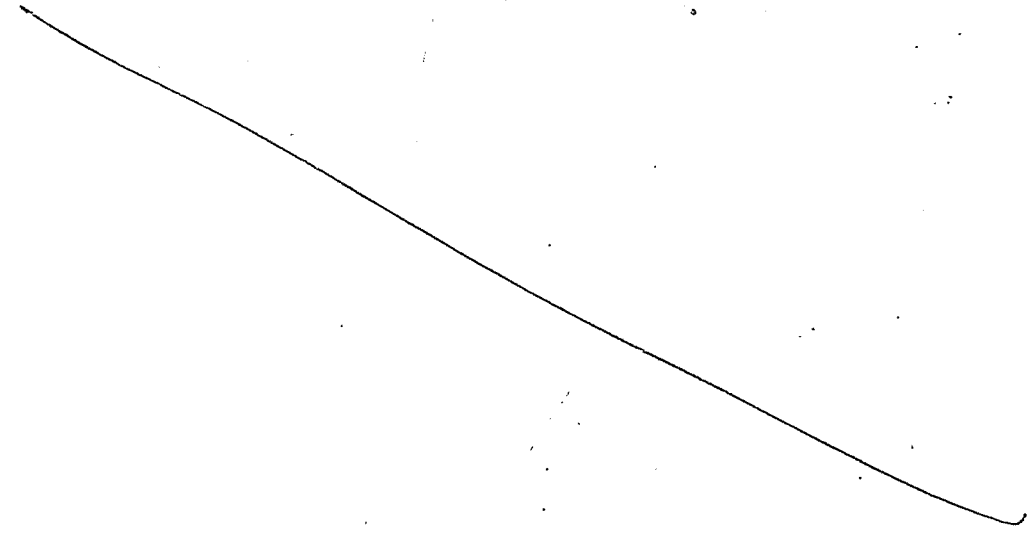
	SHIL	HUDCO		Lenders Agent
	UIBI	UICO	Security Agent	

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SCHEDULE I
PARTICULARS OF LENDERS & LOANS

Name of Lender	Amount of Loans
HUDCO	Rs.150.00 Crores (Rupees One Hundred Fifty Crores Only)
BOB	Rs.50.00 Crores (Rupees Fifty Crores Only)
UBI	Rs.50.00 Crores (Rupees Fifty Crores Only)
UICO	Rs.50.00 Crores (Rupees Fifty Crores Only)
TOTAL	Rs.300.00 Crores (Rupees Three Hundred Crores Only)



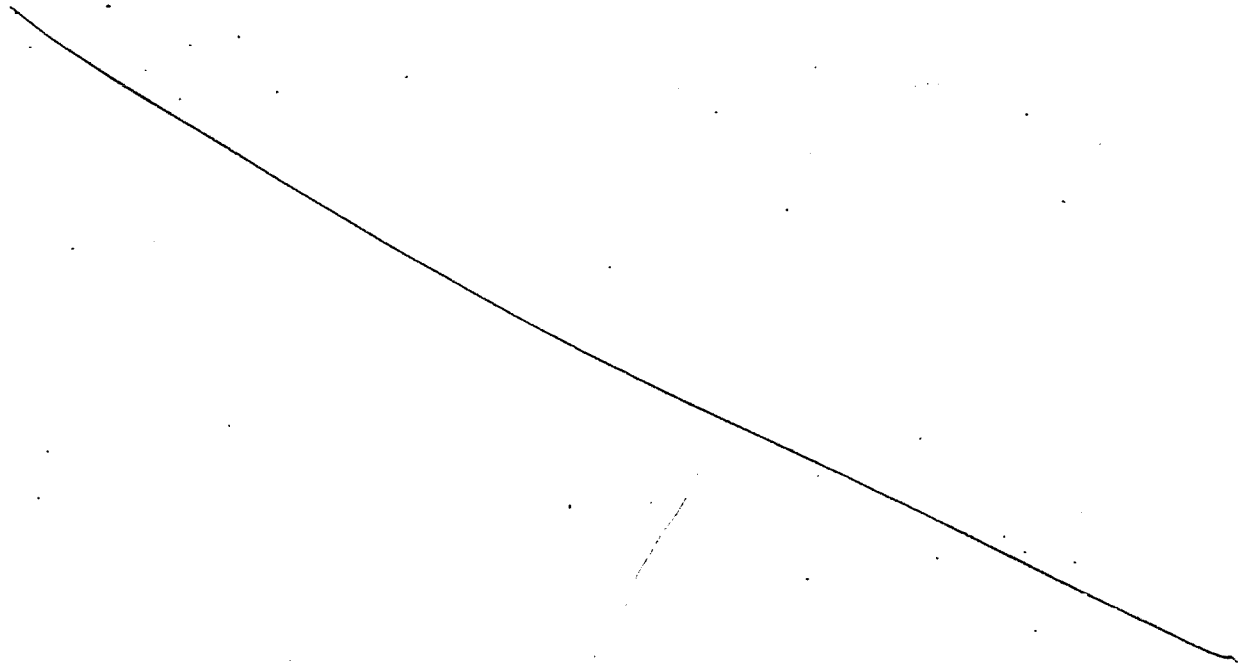
<i>And</i>	SHIL	HUDCO	BOB	
	UBI	UCCO	Security Agent	Lenders Agent

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SCHEDULE II
BRIEF DESCRIPTION OF PROJECT

To design, engineer, procure, finance, renovate & reconstruct and operate, maintain the existing Hotel Sahara Star (formerly known as Centaur Hotel) situate at Santacruz. Mumbai-400099 adjacent to the domestic terminals of the Mumbai airport in the State of Maharashtra.



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UBI	UCO	Security Agent	Lenders Agent
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SCHEDULE III
FINANCING PLAN

A. COST OF THE PROJECT

The total cost of the Project is estimated at Rs. 486.28 Crores as summarised below: -

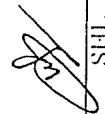
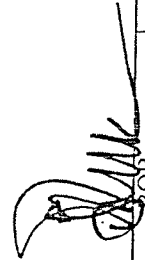


Sr. No.	Project Cost Details	Sanctioned Cost (Rs. in Crores)
1	Acquisition Cost	128.00
2	Civil Works	133.15
3	Mech., Elect., Plumb. Works	52.82
4	Operating Equipments	12.67
5	Operating Supply	2.23
6	Interior Works	103.89
7	Consultancy Fees	6.00
8	Municipal Approval	20.00
9	Contingences	9.24
10	Interest during Construction Capitalised	18.28
	TOTAL	486.28

B. SOURCES OF FINANCING

The Project is propose to be financed in the following manner:

Particulars	Amount (Rs. in Crores)
Project Equity Capital (A)	186.28
Debt (B)	300.00
Total(A +B)	486.28

Note: As per SBI Capital Market, the cost of the Project was Rs. 527.11 Crores

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	UBI	UCO	Security Agent
			Lenders Agent

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SCHEDULE IV
PARTICULARS OF INTEREST

Name of the Lender	Applicable Rate	Dates of Payment of Interest
HUDCO	1.25 % above the HUDCOFBLR (presently HUDCOFBLR is 8.50% per annum), which shall be subject to the right of HUDCO to revise the Applicable Rate at par with the highest rate charged by any one of the lenders, plus interest tax as applicable from time to time. A rebate of 0.50% will be provided if the total Disbursement from HUDCO is Rs. 50.00 Crores or more. In case the total Disbursement is less than Rs. 50.00 Crores, then such rebate shall be withdrawn retrospectively and the Borrower will be liable to pay the additional rate of interest from the date of withdrawn of such rebate.	Monthly on last day of each calendar month.
BOB	1 % below the BOBPTLR (presently BOBPTLR is 10.50 % per annum), which shall be subject to the right of BOB to revise the Applicable Rate at par with the highest rate charged by any one of the lenders, plus interest tax as applicable from time to time.	Monthly on last day of each calendar month.
UBI	1.25 % below the UBIPTLR (presently UBIPTLR is 10.75 % per annum) which shall be subject to the right of UBI to revise the Applicable Rate at par with the highest rate charged by any one of the lenders,	Monthly on last day of each calendar month.

And

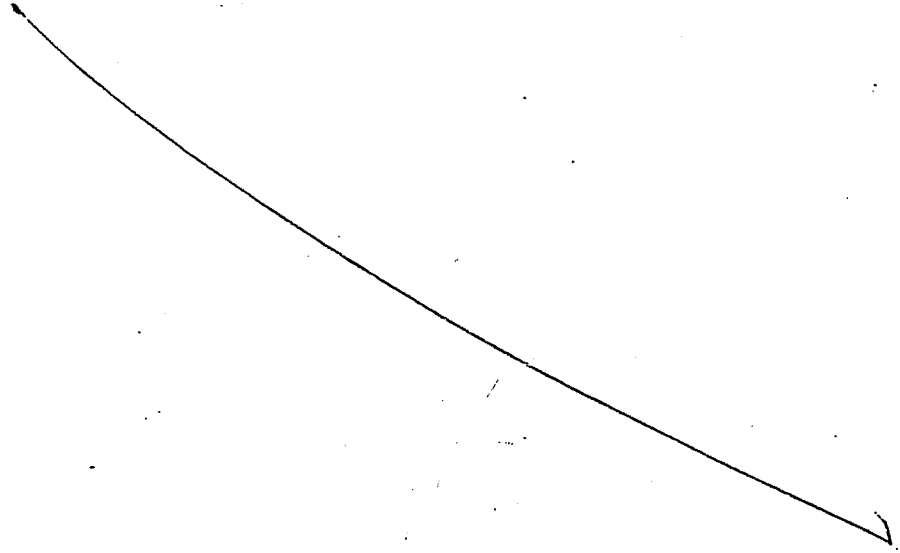
SHL	HUDCO		
UBI	LICO	Security Agent	Lenders Agent

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	plus interest tax as applicable from time to time.	Monthly on last day of each calendar month.
UCO	1.50 % below the UCOPTLR (presently UCOPTLR is 11 % per annum), which shall be subject to the right of UCO to revise the Applicable Rate at par with the highest rate charged by any one of the lenders, plus interest tax as applicable from time to time.	



[Signature] SHL
 [Signature] UBI
 [Signature] R2 R3

SHL	UUDCO	UCO	Lenders Agent
UBI	UCO	Security Agent	Lenders Agent

[Signature] [Signature] [Signature]
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SCHEDULE V
AMORTISATION SCHEDULE

For HUDCO

No. of Months	AMOUNT OF LOAN Rs. in Lacs	REPAYMENT (W.E.F.31/08/06) IN 108 MONTHLY INSTALMENTS Rs. in Lacs	O/S BALANCE AFTER EACH REPAYMENT Rs. in Lacs
August-06	15000	138.89	14861.11
September-06		138.89	14722.22
October-06		138.89	14583.33
November-06		138.89	14444.44
December-06		138.89	14305.56
January-07		138.89	14166.67
February-07		138.89	14027.78
March-07		138.89	13888.89
April-07		138.89	13750.00
May-07		138.89	13611.11
June-07		138.89	13472.22
July-07		138.89	13333.33
August-07		138.89	13194.44
September-07		138.89	13055.56
October-07		138.89	12916.67
November-07		138.89	12777.78
December-07		138.89	12638.89
January-08		138.89	12500.00
February-08		138.89	12361.11
March-08		138.89	12222.22
April-08		138.89	12083.33
May-08		138.89	11944.44
June-08		138.89	11805.56
July-08		138.89	11666.67
August-08		138.89	11527.78
September-08		138.89	11388.89
October-08		138.89	11250.00
November-08		138.89	11111.11
December-08		138.89	10972.22
January-09		138.89	10833.33
February-09		138.89	10694.44
March-09		138.89	10555.56
April-09		138.89	10416.67
May-09		138.89	10277.78
June-09		138.89	10138.89

SHL	HUDCO		
UBI	UCO	Security Agent	Lenders Agent

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July-09	138.89	10000.00
August-09	138.89	9861.11
September-09	138.89	9722.22
October-09	138.89	9583.33
November-09	138.89	9444.44
December-09	138.89	9305.56
January-10	138.89	9166.67
February-10	138.89	9027.78
March-10	138.89	8888.89
April-10	138.89	8750.00
May-10	138.89	8611.11
June-10	138.89	8472.22
July-10	138.89	8333.33
August-10	138.89	8194.44
September-10	138.89	8055.56
October-10	138.89	7916.67
November-10	138.89	7777.78
December-10	138.89	7638.89
January-11	138.89	7500.00
February-11	138.89	7361.11
March-11	138.89	7222.22
April-11	138.89	7083.33
May-11	138.89	6944.44
June-11	138.89	6805.56
July-11	138.89	6666.67
August-11	138.89	6527.78
September-11	138.89	6388.89
October-11	138.89	6250.00
November-11	138.89	6111.11
December-11	138.89	5972.22
January-12	138.89	5833.33
February-12	138.89	5694.44
March-12	138.89	5555.56
April-12	138.89	5416.67
May-12	138.89	5277.78
June-12	138.89	5138.89
July-12	138.89	5000.00
August-12	138.89	4861.11
September-12	138.89	4722.22
October-12	138.89	4583.33
November-12	138.89	4444.44
December-12	138.89	4305.56
January-13	138.89	4166.67
February-13	138.89	4027.78
March-13	138.89	3888.89
April-2013	138.89	3750.00
May-13	138.89	3611.11

<i>SHL</i>	HUDCO	BOB	Lenders Agent
<i>UBI</i>	UCO		Security Agent

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June-13	138.89	3472.22
July-13	138.89	3333.33
August-13	138.89	3194.44
September-13	138.89	3055.56
October-13	138.89	2916.67
November-13	138.89	2777.78
December-13	138.89	2638.89
January-14	138.89	2500.00
February-14	138.89	2361.11
March-14	138.89	2222.22
April-14	138.89	2083.33
May-14	138.89	1944.44
June-14	138.89	1805.56
July-14	138.89	1666.67
August-14	138.89	1527.78
September-14	138.89	1388.89
October-14	138.89	1250.00
November-14	138.89	1111.11
December-14	138.89	972.22
January-15	138.89	833.33
February-15	138.89	694.44
March-15	138.89	555.56
April-15	138.89	416.67
May-15	138.89	277.78
June-15	138.89	138.89
July-15	138.89	0

For BOB

No. of Months	AMOUNT OF LOAN Rs. in Lacs	REPAYMENT (W.E.F.31/08/06) IN 108 MONTHLY INSTALMENTS Rs. in Lacs	O/S BALANCE AFTER EACH REPAYMENT Rs. in Lacs
August-06	5000	46.30	4953.70
September-06		46.30	4907.41
October-06		46.30	4861.11
November-06		46.30	4814.81
December-06		46.30	4768.52
January-07		46.30	4722.22
February-07		46.30	4675.93
March-07		46.30	4629.63
April-07		46.30	4583.33
May-07		46.30	4537.04
June-07		46.30	4490.74
July-07		46.30	4444.44

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UIBI	UCO		

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August-07	46.30	4398.15
September-07	46.30	4351.85
October-07	46.30	4305.56
November-07	46.30	4259.26
December-07	46.30	4212.96
January-08	46.30	4166.67
February-08	46.30	4120.37
March-08	46.30	4074.07
April-08	46.30	4027.78
May-08	46.30	3981.48
June-08	46.30	3935.19
July-08	46.30	3888.89
August-08	46.30	3842.59
September-08	46.30	3796.30
October-08	46.30	3750.00
November-08	46.30	3703.70
December-08	46.30	3657.41
January-09	46.30	3611.11
February-09	46.30	3564.81
March-09	46.30	3518.52
April-09	46.30	3472.22
May-09	46.30	3425.93
June-09	46.30	3379.63
July-09	46.30	3333.33
August-09	46.30	3287.04
September-09	46.30	3240.74
October-09	46.30	3194.44
November-09	46.30	3148.15
December-09	46.30	3101.85
January-10	46.30	3055.56
February-10	46.30	3009.26
March-10	46.30	2962.96
April-10	46.30	2916.67
May-10	46.30	2870.37
June-10	46.30	2824.07
July-10	46.30	2777.78
August-10	46.30	2731.48
September-10	46.30	2685.19
October-10	46.30	2638.89
November-10	46.30	2592.59
December-10	46.30	2546.30
January-11	46.30	2500.00
February-11	46.30	2453.70
March-11	46.30	2407.41
April-11	46.30	2361.11
May-11	46.30	2314.81
June-11	46.30	2268.52

<i>[Signature]</i>	SHL	HUDCO	Security Agent	Leiders Agent
<i>[Signature]</i>	UBI	UCO	Security Agent	Leiders Agent

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July-11	46.30	2222.22
August-11	46.30	2175.93
September-11	46.30	2129.63
October-11	46.30	2083.33
November-11	46.30	2037.04
December-11	46.30	1990.74
January-12	46.30	1944.44
February-12	46.30	1898.15
March-12	46.30	1851.85
April-12	46.30	1805.56
May-12	46.30	1759.26
June-12	46.30	1712.96
July-12	46.30	1666.67
August-12	46.30	1620.37
September-12	46.30	1574.07
October-12	46.30	1527.78
November-12	46.30	1481.48
December-12	46.30	1435.19
January-13	46.30	1388.89
February-13	46.30	1342.59
March-13	46.30	1296.30
April-13	46.30	1250.00
May-13	46.30	1203.70
June-13	46.30	1157.41
July-13	46.30	1111.11
August-13	46.30	1064.81
September-13	46.30	1018.52
October-13	46.30	972.22
November-13	46.30	925.93
December-13	46.30	879.63
January-14	46.30	833.33
February-14	46.30	787.04
March-14	46.30	740.74
April-14	46.30	694.44
May-14	46.30	648.15
June-14	46.30	601.85
July-14	46.30	555.56
August-14	46.30	509.26
September-14	46.30	462.96
October-14	46.30	416.67
November-14	46.30	370.37
December-14	46.30	324.07
January-15	46.30	277.78
February-15	46.30	231.48
March-15	46.30	185.19
April-15	46.30	138.89
May-15	46.30	92.59

<i>Handwritten Signature</i>	SHL	HUDCO	BOR	Lenders Agent
<i>Handwritten Signature</i>	UBI	UCO	Security Agent	Lenders Agent

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June-15	46.30	46.30
July-15	46.30	0

For UBI

No. of Months	AMOUNT OF LOAN Rs. in Lacs	REPAYMENT (W.E.F.31/08/06) IN 108 MONTHLY INSTALMENTS Rs. in Lacs	O/S BALANCE AFTER EACH REPAYMENT Rs. in Lacs
August-06	5000	46.30	4953.70
September-06		46.30	4907.41
October-06		46.30	4861.11
November-06		46.30	4814.81
December-06		46.30	4768.52
January-07		46.30	4722.22
February-07		46.30	4675.93
March-07		46.30	4629.63
April-07		46.30	4583.33
May-07		46.30	4537.04
June-07		46.30	4490.74
July-07		46.30	4444.44
August-07		46.30	4398.15
September-07		46.30	4351.85
October-07		46.30	4305.56
November-07		46.30	4259.26
December-07		46.30	4212.96
January-08		46.30	4166.67
February-08		46.30	4120.37
March-08		46.30	4074.07
April-08		46.30	4027.78
May-08		46.30	3981.48
June-08		46.30	3935.19
July-08		46.30	3888.89
August-08		46.30	3842.59
September-08		46.30	3796.30
October-08		46.30	3750.00
November-08		46.30	3703.70
December-08		46.30	3657.41
January-09		46.30	3611.11
February-09		46.30	3564.81
March-09		46.30	3518.52
April-09		46.30	3472.22
May-09		46.30	3425.93
June-09		46.30	3379.63

SHL	HUBCO	BOB	
UBI	UCO	Security Agent	Lenders Agent

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July-09	46.30	3333.33
August-09	46.30	3287.04
September-09	46.30	3240.74
October-09	46.30	3194.44
November-09	46.30	3148.15
December-09	46.30	3101.85
January-10	46.30	3055.56
February-10	46.30	3009.26
March-10	46.30	2962.96
April-10	46.30	2916.67
May-10	46.30	2870.37
June-10	46.30	2824.07
July-10	46.30	2777.78
August-10	46.30	2731.48
September-10	46.30	2685.19
October-10	46.30	2638.89
November-10	46.30	2592.59
December-10	46.30	2546.30
January-11	46.30	2500.00
February-11	46.30	2453.70
March-11	46.30	2407.41
April-11	46.30	2361.11
May-11	46.30	2314.81
June-11	46.30	2268.52
July-11	46.30	2222.22
August-11	46.30	2175.93
September-11	46.30	2129.63
October-11	46.30	2083.33
November-11	46.30	2037.04
December-11	46.30	1990.74
January-12	46.30	1944.44
February-12	46.30	1898.15
March-12	46.30	1851.85
April-12	46.30	1805.56
May-12	46.30	1759.26
June-12	46.30	1712.96
July-12	46.30	1666.67
August-12	46.30	1620.37
September-12	46.30	1574.07
October-12	46.30	1527.78
November-12	46.30	1481.48
December-12	46.30	1435.19
January-13	46.30	1388.89
February-13	46.30	1342.59
March-13	46.30	1296.30
April-13	46.30	1250.00
May-13	46.30	1203.70

And

SHL	HUDCO	BOB	Lenders Agent
UBI	UCO	Security Agent	

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June-13	46.30	1157.41
July-13	46.30	1111.11
August-13	46.30	1064.81
September-13	46.30	1018.52
October-13	46.30	972.22
November-13	46.30	925.93
December-13	46.30	879.63
January-14	46.30	833.33
February-14	46.30	787.04
March-14	46.30	740.74
April-14	46.30	694.44
May-14	46.30	648.15
June-14	46.30	601.85
July-14	46.30	555.56
August-14	46.30	509.26
September-14	46.30	462.96
October-14	46.30	416.67
November-14	46.30	370.37
December-14	46.30	324.07
January-15	46.30	277.78
February-15	46.30	231.48
March-15	46.30	185.19
April-15	46.30	138.89
May-15	46.30	92.59
June-15	46.30	46.30
July-15	46.30	0

For UCO

No. of Months	AMOUNT OF LOAN Rs. in Lacs	REPAYMENT (W.E.F. 31/08/06) IN 108 MONTHLY INSTALMENTS Rs. in Lacs	O/S BALANCE AFTER EACH REPAYMENT Rs. in Lacs
August-06	5000	46.30	4953.70
September-06		46.30	4907.41
October-06		46.30	4861.11
November-06		46.30	4814.81
December-06		46.30	4768.52
January-07		46.30	4722.22
February-07		46.30	4675.93
March-07		46.30	4629.63
April-07		46.30	4583.33
May-07		46.30	4537.04
June-07		46.30	4490.74

SHL	HUDCO	BOB	Lenders Agent
UBI	UCO	K	Security Agent

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July-07	46.30	4444.44
August-07	46.30	4398.15
September-07	46.30	4351.85
October-07	46.30	4305.56
November-07	46.30	4259.26
December-07	46.30	4212.96
January-08	46.30	4166.67
February-08	46.30	4120.37
March-08	46.30	4074.07
April-08	46.30	4027.78
May-08	46.30	3981.48
June-08	46.30	3935.19
July-08	46.30	3888.89
August-08	46.30	3842.59
September-08	46.30	3796.30
October-08	46.30	3750.00
November-08	46.30	3703.70
December-08	46.30	3657.41
January-09	46.30	3611.11
February-09	46.30	3564.81
March-09	46.30	3518.52
April-09	46.30	3472.22
May-09	46.30	3425.93
June-09	46.30	3379.63
July-09	46.30	3333.33
August-09	46.30	3287.04
September-09	46.30	3240.74
October-09	46.30	3194.44
November-09	46.30	3148.15
December-09	46.30	3101.85
January-10	46.30	3055.56
February-10	46.30	3009.26
March-10	46.30	2962.96
April-10	46.30	2916.67
May-10	46.30	2870.37
June-10	46.30	2824.07
July-10	46.30	2777.78
August-10	46.30	2731.48
September-10	46.30	2685.19
October-10	46.30	2638.89
November-10	46.30	2592.59
December-10	46.30	2546.30
January-11	46.30	2500.00
February-11	46.30	2453.70
March-11	46.30	2407.41
April-11	46.30	2361.11
May-11	46.30	2314.81

And	SFL	HUDCO	BOB	Lenders Agent
	UBI	UCO	Security Agent	

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June-11	46.30	2268.52
July-11	46.30	2222.22
August-11	46.30	2175.93
September-11	46.30	2129.63
October-11	46.30	2083.33
November-11	46.30	2037.04
December-11	46.30	1990.74
January-12	46.30	1944.44
February-12	46.30	1898.15
March-12	46.30	1851.85
April-12	46.30	1805.56
May-12	46.30	1759.26
June-12	46.30	1712.96
July-12	46.30	1666.67
August-12	46.30	1620.37
September-12	46.30	1574.07
October-12	46.30	1527.78
November-12	46.30	1481.48
December-12	46.30	1435.19
January-13	46.30	1388.89
February-13	46.30	1342.59
March-13	46.30	1296.30
April-13	46.30	1250.00
May-13	46.30	1203.70
June-13	46.30	1157.41
July-13	46.30	1111.11
August-13	46.30	1064.81
September-13	46.30	1018.52
October-13	46.30	972.22
November-13	46.30	925.93
December-13	46.30	879.63
January-14	46.30	833.33
February-14	46.30	787.04
March-14	46.30	740.74
April-14	46.30	694.44
May-14	46.30	648.15
June-14	46.30	601.85
July-14	46.30	555.56
August-14	46.30	509.26
September-14	46.30	462.96
October-14	46.30	416.67
November-14	46.30	370.37
December-14	46.30	324.07
January-15	46.30	277.78
February-15	46.30	231.48
March-15	46.30	185.19
April-15	46.30	138.89

<i>[Signature]</i>	SFL	HUDCO	BWB	Lenders Agent
<i>[Signature]</i>	UBI	UCO	<i>[Signature]</i>	Security Agent

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May-15	46.30	92.59
June-15	46.30	46.30
July-15	46.30	0

SHL	HUDCO	BIB	Lenders Agent
UBI	UCO	Security Agent	

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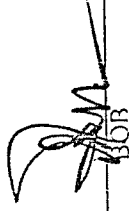
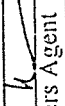
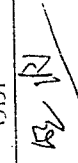

SCHEDULE VI

LIST OF PROJECT DOCUMENTS

Sr. No. Construction Contract Description

1. Lease Agreement dated 5th April 2002 executed between Hotel Corporation of India Ltd. & Batra Hospitality Pvt. Ltd.
2. Construction Contracts.
3. Trust and Retention Account Agreement.
4. Agreement to Sell dated 18th April, 2002 executed between Hotel Corporation of India Ltd. & Batra Hospitality Pvt. Ltd.
5. Deed of Transfer of Business entered into between Hotel Corporation of India Ltd. & Batra Hospitality Pvt. Ltd.
6. Indenture For Conveyance of Hotel Structure dated 5th June 2002 entered into between Hotel Corporation of India Ltd. & Batra Hospitality Pvt. Ltd.

The above is only an indicative list of Project Documents entered into / procured by the Borrower for and in connection with the completion of the renovation and reconstruction of the Project and the maintenance and operation thereof and the Parties hereto never intended to understand this schedule as a comprehensive list of Project Documents, the rights and interest of the Borrower under which are required to be assigned in favour of the Lenders.

	SHIL	HUDCO		BOB	
	UJBI	UCO		Security Agent	Lenders Agent

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SCHEDULE VII

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Addresses And Other Particulars for Notices and Communications

For the Borrower

The Principal Officer
 Sahara Hospitality Ltd
 Opp. Mumbai Domestic Airport
 Mumbai-400099
 Tel: 022-26156660
 Fax: 022-26156535

or such other address and contact number as is designated by the Borrower by not less than five (5) Business Days written notice to the Lenders, Security & Lenders Agents.

For the Lenders





For HUDCO

The Regional Chief
 Mumbai Regional Office
 Housing & Urban Development Corporation Ltd.
 Block-I, 2nd Floor, MMRDA Building
 Bandra-Kurla Complex
 Bandra (East)
 Mumbai - 400 051
 Tel: 022-26591416
 Facsimile: 022-26592219

For BOB

Asst. General Manager
 Bank of Baroda
 Corporate Financial Service Branch
 10/12 Mumbai Samachar Marg,
 Fort, Mumbai-400001

Tel: 022-22021434
 Fax: 022-22021445

	SHL	HUDCO	BOB	
	LIBI	LICO	Security Agent	Lenders Agent
				

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For UBI

Asst. General Manager
 Union Bank of India
 Industrial Finance Branch
 First Floor, Union Bank Bhavan
 239, Vidhan Bhavan Marg
 Nariman Point,
 Mumbai-400021
 Tel: 022-22092000
 Facsimile: 022-22855037





For UCO

Asst. General Manager
 UCO Bank
 Santacruz (W)
 Mumbai-400054
 Tel: 022-26494752
 Facsimile: 022-26002912

or such other address and contact number as is designated by the Lenders by not less than five (5) Business Days written notice to the Borrower.

For Security & Lenders Agents

The Regional Chief
 Mumbai Regional Office
 Housing & Urban Development Corporation Ltd.
 Block-I, 2nd Floor, MMRDA Building
 Bandra-Kurla Complex
 Bandra (East)

	SHL	HUDCO	
	UBI	UCO	Lenders Agent
			Security Agent

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652

Mumbai - 400 051

Tel: 022-26591416

Facsimile: 022-26592219

or such other address and contact number as is designated by the Security & Lenders Agents by not less than five (5) Business Days written notice to the Borrower.

[A large diagonal line is drawn across the page, likely indicating a redaction or a signature line.]

<i>[Signature]</i>	SHL	HUDCO	<i>[Signature]</i>	Security Agent
<i>[Signature]</i>	UIBI	UCO	<i>[Signature]</i>	Lenders Agent

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SCHEDULE VIII

FORMS.

FORM No. 1

NOTICE OF DRAWAL AND DRAWDOWN CERTIFICATE

The Regional Chief,
Mumbai Regional Office
Housing & Urban Development Corporation Ltd.
Block-1, 2nd Floor, MMRDA Building
Bandra-Kurla Complex.
Bandra (East)
Mumbai - 400 051

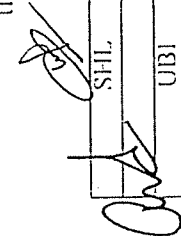
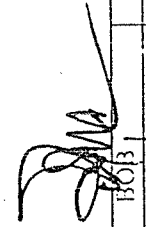

Notice of Drawal and Drawdown Certificate of the Borrower

Ladies and Gentlemen:

I, the undersigned Authorised Officer of M/S Sahara Hospitality Limited (the "Borrower"), DO HEREBY CERTIFY that:

1. This certificate is furnished pursuant to Section 2.5 (ii) (a) of the Loan Agreement, dated as of _____ (the "Loan Agreement"), among the Borrower, the Lenders, the Lenders Agent and Security Agent. (Unless otherwise defined herein, all capitalized terms used herein have the meanings assigned to those terms in the Loan Agreement.

2. The Borrower hereby irrevocably requests a Disbursement from;
(a) Housing and Urban Development Corporation Ltd. on [insert Business Day] in the amount of _____ [insert amount] in accordance with Section 2.4 of Loan Agreement (the "Proposed Disbursement"). After giving effect to the Proposed Disbursement, the aggregate principal outstanding under the Loan Agreement [insert aggregate of all Disbursements made under the Loans and the Proposed Disbursement].

	SHL	HUDCO	BOB	
	UBI	UCO	Security Agent	Lenders Agent

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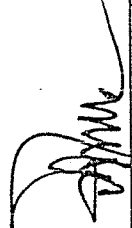
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3. The Borrower hereby certifies that the following statements are true on the date hereof and that the acceptance by the Borrower of the benefits of the Proposed Disbursement shall constitute a representation and warranty by the Borrower to each of the Lenders and the Lenders Agent that as of the date of such Proposed Disbursement. Remaining amount of the Loans after giving effect to the Proposed Disbursement are as under:

Name of the Lender Remaining Amount of the Loan after Proposed Disbursement

- (a) All representations and warranties of the contained in the Loan Agreement and in the other Finance Documents are true, complete and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of the date hereof and as of the date of the Proposed Disbursement;
- (b) No Event of Default or Potential Event of Default has occurred and is continuing;
- (c) All of the conditions in Section [Insert 5.2/5.3 as appropriate] of the Loan Agreement have been satisfied and all the necessary certificates and documentation required thereunder is attached herewith or has already been made available to the Lenders Agent and the Lenders; and
- (d) The proceeds of the Proposed Disbursement shall be used for the following purposes, all of which form a part of the Project Cost as are permitted under the Finance Documents:

	<u>Purpose</u>	<u>Amount</u>
(i)	SHL	HUDCO
(ii)	UJI	UCO
(iii)	B0B	Security Agent
		Lenders Agent

 10.10.12

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4. If any of the certifications set forth in Para 3 above shall cease to be valid on, as of or prior to the date of the Proposed Disbursement, the Borrower shall immediately notify each of the Lenders and the Lenders Agent in writing.

5. The Borrower hereby certifies that all proceeds of the Project Equity Capital required to be funded have been made and have been or, as of the date of the Proposed Disbursement and will be applied for the following purposes, all of which form a part of the Project Cost and allowed or approved by the Lenders Agent and the Lenders:

Purpose Amount

6. The Borrower hereby certifies that both before and after giving effect to the Proposed Disbursement, the ratio of:

- (i) the sum of the principal amount outstanding of all the Loans and other borrowings of the Borrower over
- (ii) the sum of all paid-up Equity is not greater than ----:----


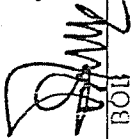

7. The Borrower hereby certifies that the sum of (A) the aggregate of all amounts available but undrawn under the Loans. (B) all undisbursed moneys in the Retention Accounts, (C) proceeds of insurance received and available to the Borrower, (D) Loss Proceeds, (E) liquidated damages and other amounts which are due and payable pursuant to the Transaction Agreements (F) any unfunded Project Equity Capital, equals or exceeds the sum of the amount necessary to pay all remaining Project Costs which have been or are reasonably likely to be incurred in connection with the Project in order to achieve final completion.

IN WITNESS WHEREOF, I have hereunto set my hand this day of _____ M/S Sahara Hospitality Ltd

By: _____

Name: _____

Designation: _____

	SHL	HUDCO	BOI	
	UBI	UCO	Security Agent	Lenders Agent

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DRAWDOWN CERTIFICATE OF LENDER'S ENGINEER

To: The Regional Chief
Mumbai Regional Office
Housing & Urban Development Corporation Ltd.
Block-I, 2nd Floor, MMRDA Building
Bandra-Kurla Complex,
Bandra (East)
Mumbai - 400 051

HUDCO as Lenders Agent

Cc: Lenders

Drawdown Certificate of the Lenders Engineer

Ladies and Gentlemen:

We, the undersigned [Authorised Officer] of [] (the "Lenders Engineer"), DO HEREBY CERTIFY that:

1. This certificate is furnished pursuant to Section 2.5 (ii) (b) of the Loan Agreement dated the _____ (the "Loan Agreement"), among the Borrower the Lender and Lenders Agent in connection with the, Notice of Drawl and Drawdown Certificate of the Borrower dated _____ 20__ . Unless otherwise defined herein, all capitalized terms used herein have the meanings assigned to those terms in the Loan Agreement.
2. To the best of our knowledge, (a) the information material to the construction of the Project contained in each of the construction progress reports delivered pursuant to Section 6.1 (xxv) of the Loan Agreement is true, complete and correct in all respects and the Disturbment is reasonably and timely needed by the Borrower to make payment for Project Costs in accordance with the Project Schedule, (b) each of the certifications made by

the Borrower in para 3 of the Notice of Drawl are true, complete and correct

<i>[Signature]</i>	SHIL	HUDCO	<i>[Signature]</i>	Lenders Agent
<i>[Signature]</i>	UJI	UCO	<i>[Signature]</i>	Security Agent

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and (c) during the course of performance of the scope of work, we have obtained no knowledge of the existence of any Event of Default or Potential Event of Default which has not been waived or cured.

IN WITNESS WHEREOF, we have hereunto set our hands this ___ day of _____, 20__.

By: _____

Name:

Title:

[A large diagonal line is drawn across the signature area.]

<i>[Signature]</i>	SHL	HUDCO	BQB	<i>[Signature]</i>
<i>[Signature]</i>	UBI	UCO	Security Agent	Lenders Agent

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LENDING CONFIRMATION NOTICE

To: M/S Sahara Hospitality Ltd
 Cc: Lenders

Lending Confirmation Notice

Ladies and Gentlemen:

This notice is issued pursuant to Section 2.5 (iii)(b) of the Loan Agreement, dated as of _____ (the "Loan Agreement"), among the Borrower, the Lenders, and the Lenders Agent in connection with the, Notice of Drawl and Drawdown Certificate of the Borrower dated _____, 20__.

1. We hereby state that as of the date hereof, we have not received an Unsatisfied CP Notice from any Lender in accordance with the Loan Agreement.


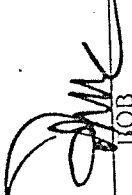
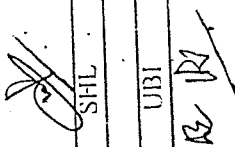
2. Based on the information supplied to us by the Borrower, we also state that the conditions precedent to Disbursement stipulated in Article V of the Loan Agreement have been satisfied.

3. Pursuant to Section 2.5 (iii)(a) of the Loan Agreement, Disbursement may occur in terms of the Notice of Drawl and Drawdown Certificate of the Borrower dated _____, 20__.

For and on behalf of [Housing and Urban Development Corporation Limited], as Lenders Agent

Name: _____

Designation: _____

	SHL	HUDCO	IOB	
	UBI	UCO	Security Agent	Lenders Agent

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IN WITNESS WHEREOF the Borrower has caused its Common Seal to be affixed hereto and to the counter copies hereof on the date, month and year first hereinabove written and the Lenders, the Lenders Agent and the Security Agent have caused the same to be executed by the hands of their respective authorized officials or attorney as hereinafter appearing.

THE COMMON SEAL OF
Sahara Hospitality Limited has
pursuant to the Resolutions of its
Board of Directors passed in that
behalf on 3rd day of January, 2005
hereunto been affixed in the
presence of Mr. O. P. Srivastava, Director,
who has signed these presents in token
thereof and Mrs. Ashu C. Sood,
Authorised signatory, who has
countersigned in token thereof.

O.P. Srivastava

Ashu C Sood

SIGNED AND DELIVERED BY the
within named Lender Housing &
Urban Development Corporation Ltd.
by the hand of Mr. K. G. R. Pillay,
its Asst. Chief (Law) and authorized official}

K.G.R. Pillay

SIGNED AND DELIVERED BY the
within named Lender Bank of Baroda
by the hand of Mr. Ashok Gupta
its Asst. General Manager and authorized
official.

Ashok Gupta

SIGNED AND DELIVERED BY the
within named Lender
Union Bank of India by the hand of


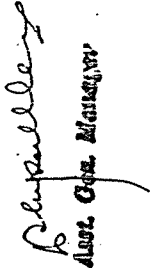
<i>[Signature]</i>	SHL	HUDCO	<i>[Signature]</i>	Lenders Agent.
<i>[Signature]</i>	UBI	UCO	Security Agent	

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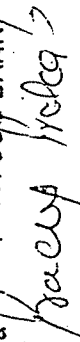
For UNION BANK OF INDIA
Industrial Finance Branch

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Mr. D. S. Tripathi & Mr. T. L. V. Rao its }
Asst. General Manager & Chief Manager }
and authorized officials. }


Chief Manager

Asst. Chief Manager

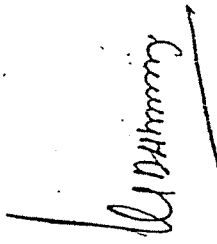
SIGNED AND DELIVERED BY the }
within named Lender UCO Bank }
by the hand of Mr. Pradeep Prakesh its }
Chief Manager and authorized official. }

कृते युको बैंक/FOR UCO BANK/

मुख्य प्रबंधक/Chief Manager
सिता कुंझ (प.) शाखा मुंबई
Santacruz (W), Br. Mumbai


SIGNED AND DELIVERED BY the }
within named Lenders Agent, }
Housing & Urban Development }
Corporation Limited by the hand }
of Mr. K. G. R. Pillay, its Asst. Chief (Law) }
and authorized official. }




SIGNED AND DELIVERED BY the }
within named Security Agent, }
Housing & Urban Development }
Corporation Limited by the hand of }
Mr. K. G. R. Pillay, its Asst. Chief (Law) }
and authorized official. }





	SHIL	HUDCO	BOB
	UBI	UCO	Lenders Agent

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ANNEXURE - A - 14

INTER CREDITOR AGREEMENT

(HOTEL SAHARA STAR)

AMONG

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

BANK OF BARODA

UNION BANK OF INDIA

UCO BANK

(As Creditors)

AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

As Lender Agent

&

As Security Agent

DATED 14th DAY OF FEBRUARY 2005

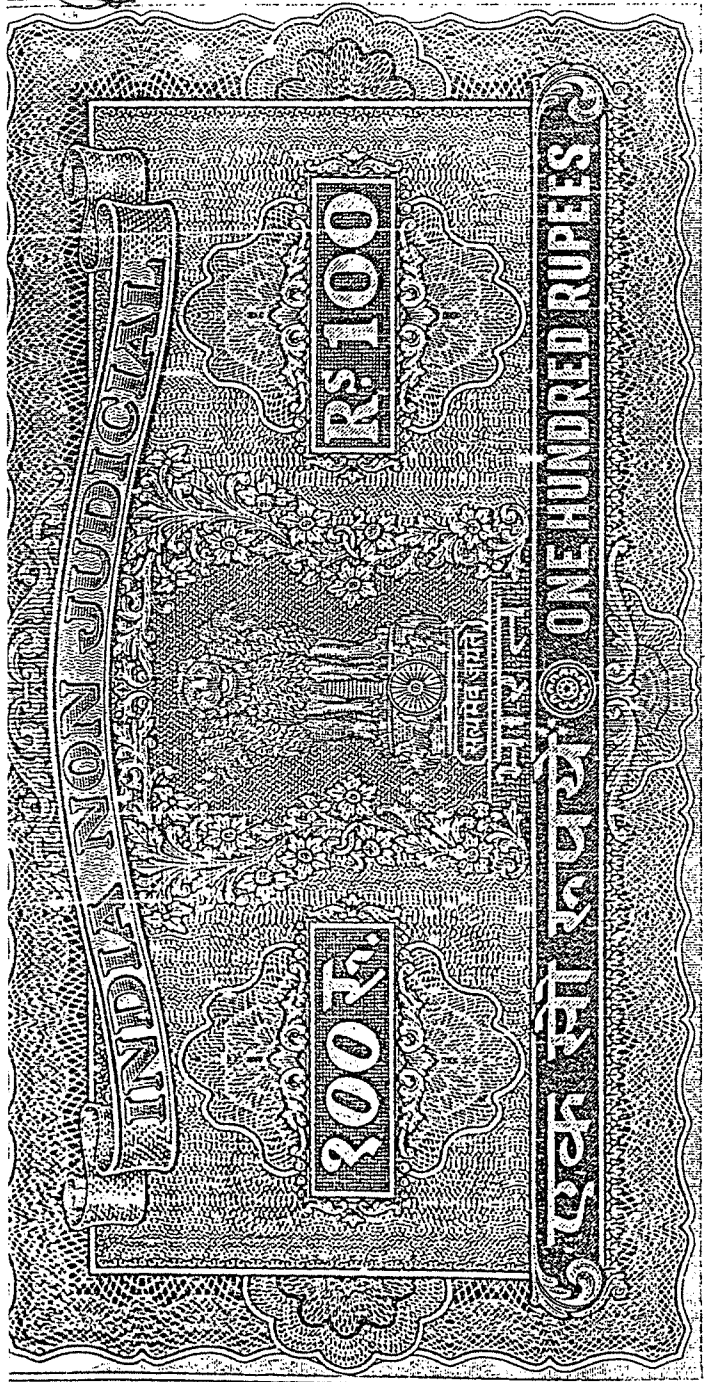
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HUDCO	BOB	UBI	UCO
Security Agent			
Lenders Agent			

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महाराष्ट्र MAHARASHTRA

General Stamp Office, Mumbai.

Date.....

L. S. V. No.....

4 FEB 2005

श्री. कांचन हर्षद बोंगाळे B 105699

हर्षद कॉन्व्हेटर सेंटर, गांधी कोर्टासमोर,

धारे (पु) दुर्गा-१२, का. 1 FEB 2005

श्री/श्रीमती/श्रीमान... SAHARSA 009813

पंजाब ए... .. SAHARSA

पंजाब ए... .. SAHARSA

222

श्री. कांचन हर्षद बोंगाळे

पंजाब ए... .. SAHARSA

INTER CREDITOR AGREEMENT

This Inter creditor Agreement made at Mumbai on 14th day of February 2005 among:

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, a company registered under the Companies Act, 1956 (I of 1956) and having its Registered Office at "HUDCO BHAWAN", India Habitat Center Complex, Lodhi Road, New Delhi-110 003 and its Mumbai Regional Office at Block No.1, 2nd Floor, MMRDA Building, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051 (hereinafter referred to as "HUDCO" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

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[Signature]		[Signature]	[Signature]
Security Agent		Lenders Agent	

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महाराष्ट्र MAHARASHTRA

General Stamp Office, Mumbai.

Date.....

L. S. V. No. 11 FEB 2005

श्री सो. कांचन हर्षद बोंगळे

हर्षद कांचुडर सेंडर, चदि कोर्टासोफ, 11055B 2905

चदि (ए) डुबई-५१-४४

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परमना चरक गुणवत्ता QUALITY LTD.

B 105700

BANK OF BARODA, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at Mandvi, Baroda and having a branch office at Corporate Financial Service Branch, 10/12 Mumbai Samachar Marg, Fort, Mumbai-400001 (hereinafter referred to as "BOB", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

UNION BANK OF INDIA, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and having its Head Office & its Industrial Finance Branch, First Floor, Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai-400021 (hereinafter referred to as "UBI", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

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Security Agent		Lenders Agent	

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UCO BANK, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at 10, B.T.M. Sarani, Kolkata 700001 and having a branch office at Santacruz (W), Mumbai-400054 (hereinafter referred to as "UCO", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

(Each of HUDCO, BOB, UBI and UCO are individually referred to as "Creditor" and are collectively referred to as the "Creditors", which expression shall include all or any one or more of them as the context may require or admit) of the **FIRST PART.**

AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, a company registered under the Companies Act, 1956 (I of 1956) and having its Registered Office at "HUDCO BHAWAN", India Habitat Centre Complex, Lodhi Road, New Delhi 110 003 and its Mumbai Regional Office at Block No.1, 2nd Floor, MMRDA Building, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 (hereinafter referred to as "HUDCO" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns); as **confirming party in its capacity as the Lenders Agent of the SECOND PART.**

AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, a company registered under the Companies Act, 1956 (I of 1956) and having its Registered Office at "HUDCO BHAWAN", India Habitat Centre Complex, Lodhi Road, New Delhi 110 003 and its Mumbai Regional Office at Block No.1, 2nd Floor, MMRDA Building, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 (hereinafter referred to as "HUDCO" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns); as **confirming party in its capacity as the Security Agent of the THIRD PART.**

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Security Agent	Lenders Agent		

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WHEREAS:

(A) Sahara Hospitality Limited, a company registered under the Companies Act, 1956 (1 of 1956) and having its Registered Office at Sahara India Point, CTS, 40 & 44, S. V. Road, Goregaon (West), Mumbai-400104 in the State of Maharashtra (hereinafter referred to as "the Borrower" which expression shall, unless repugnant to the subject or context thereof include its successors and assigns) has sought financial assistance from the Lenders to enable it to meet part of the cost of its Project envisaging to renovate, reconstruct and operate Hotel Sahara Star (formerly known as Hotel Centaur), Santacruz, near domestic airport, Mumbai-400099 in the State of Maharashtra (hereinafter referred to as the "Project").

(B) In order to finance the Project Cost and to facilitate the renovation and reconstruction of the Project, at the request of the Borrower, Guarantors and the Pledgor, HUDCO, BOB, UBI and UCO have agreed to lend and advance to the Borrower and the Borrower has agreed to borrow from each of them on the terms and conditions contained in the Loan Agreement dated 14th Day of February, 2005 (hereinafter referred to as the "Loan Agreement"), the rupee term loans to the maximum extent set out against each of their names herein below, aggregating Rs. 300Crore (hereinafter referred to as the "Loan" or Loans "as the case may be):

Name of the Lender	Amount of the Loan
HUDCO	Rs.150 Crores (Rupees One Hundred Fifty Crores only)
BOB	Rs.50 Crores (Rupees Fifty Crores only)
UBI	Rs.50 Crores (Rupees Fifty Crores only)
UCO	Rs.50 Crores (Rupees Fifty Crores only)
Total	Rs.300 Crores (Rupees Three Hundred Crores only)

HUDCO	BOB	UBI	UCO
Security Agent			Lenders Agent

(C) The Loans granted by the Creditors to the Borrower for the Project are secured/ to be secured (i) by a first charge on all the immovable and movable assets of the Project; (ii) by a first charge by way of assignment of all project contracts, insurance policies, bank accounts, all Government Approvals assets of the Project; (iii) by way of pledge of shares held in the Borrower by the Promoters; and (iv) by way of irrevocable and unconditional personal guarantees from S/Shri. Subrata Roy Sahara, O.P. Srivastava and J. B. Roy & corporate guarantee from M/s Sahara India Mass Communication Ltd.

(D) The Creditors acknowledge that exercise by any of the Creditors of the rights, powers and discretions available under the Loan Agreement or under other Transaction Agreement including giving any consent or waiver, accepting any modifications or amendments to the Loan Agreement or any Transaction Agreement, Acceleration and Enforcement Action will have a direct effect on the interests of all the other Creditors and therefore are desirous that there should be a coordinated approach and all the Creditors shall use all efforts to adopt singular stand or a coordinated course of action.

(E) The parties hereto have agreed to enter into this Agreement for the purpose of coordinating the exercise of their rights, powers and remedies under the Transaction Agreements and other matters of mutual interest.

NOW IN CONSIDERATION OF THE ABOVE PREMISES, THE PARTIES
HERETO AGREE AS FOLLOWS:

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ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following terms wherever used in this Agreement, shall, unless the context otherwise requires, have the meaning given below:

“**Acceleration**” shall mean a notice referred to in Section 4.3(a) accelerating amounts outstanding under the Loan Agreements, declaring all amounts thereunder to be due and payable forthwith.

“**Account Bank**” shall mean the bank with which the Retention Accounts are opened pursuant to the Trust and Retention Account Agreement.

“**Controlling Enforcement Action**” shall have the meaning described in Section 4.3(c).

“**Creditors**” shall mean to include all or any of HUDCO, BOB, UBI and UCO.

“**Enforcement**” shall mean, with respect to all or any portion of the Security, a sale, execution pursuant to any proceedings for sale or any other disposition of the Security or applicable portion thereof or exercise of any right available or conferred under or pursuant to any Finance Documents or under any special or general law in connection with an Enforcement Action.

“**Enforcement Action**” shall mean exercise of any right available or conferred under or pursuant to any Finance Documents or under any special or general law including Acceleration of the Loans and Secured Obligations related thereto and/or initiation of legal proceedings before any court or tribunal for realisation of Security by sale or otherwise for recovery of all or any of the dues owed by the

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Borrower to the Creditors or any of them and shall also include any preparatory action pertaining thereto.

“Enforcement Action Notice” shall have the meaning described in Section 4.3 (b).

“Enforcement Intending Party” shall have the meaning assigned thereto in Section 4.3 (b).

“Event of Default” shall mean any event of default as specified in the respective Loan Agreements.

“Finance Documents” shall mean the Loan Agreement, the Lenders Agent Agreement, the Trust and Retention Account Agreement, the Security Documents, all documents as may be required to be executed or obtained under this Agreement or any other Finance Document, any other agreement designated as a Finance Document by the Lenders Agent and all documents that are required to perfect and validate this Agreement and other Finance Documents or to protect rights of the Creditors hereunder and thereunder.

“Government” shall mean to include Government of India and the Government of State of Maharashtra.

“Government Authority” shall mean any Government department, local authority (such as Corporation, Municipality, Panchayat) Commission, board, bureau, agency, regulators, authority, instrumentality, court or other financial or administrative body having jurisdiction over the matter or matters in question.

“Independent Enforcement Action” shall have the meaning described in Section 4.3 (b) (vi).

“Insurance Proceeds” shall mean all monies payable under, and all claims arising out of, any insurance policy in effect and held by or for the benefit of the Borrower.

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"Lenders Agent" shall mean Housing and Urban Development Corporation Limited appointed as such by the Lenders under the Lenders Agent Agreement and its successors and substitute appointees.

"Lenders Agent Agreement" shall mean an agreement dated 14th day of February 2005 entered into among others the Lenders and HUDCO whereby HUDCO is appointed as the Lenders Agent.

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"Loan(s)" shall have the meaning as set out in Recital B.

"Loan Agreement" shall have the meaning as set out in Recital B.

"Pro-Rata" shall mean as of any date of determination the proportion which the then outstanding amount of principal Secured Obligations owed to a Creditor at such date bears to the aggregate amount of the principal Secured Obligations then outstanding and owed to all the Creditors at such date.

"Retention Accounts" shall mean the accounts opened with the Account Bank pursuant to Trust and Retention Account Agreement.

"Revocation Notice" shall have the meaning described in Section 4.3 (d).

"Revocation Notice" shall have the meaning described in Section 4.3 (d).

"Secured Obligations" shall mean the Borrower's all payment obligations including but not limited to principal, interest, additional interest, further interest, liquidated damages prepayment premium, costs, charges, expenses and other moneys for the time being outstanding and secured under the Security and due to each of the Creditors arising under the Loan Agreement and other Finance Documents.

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	Security Agent		<i>[Handwritten signature]</i>	<i>[Handwritten mark]</i>	<i>[Handwritten mark]</i>	Lenders Agent

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“Security” shall mean the charge by way of hypothecation, mortgage, assignment of all project contracts, insurance policies, bank accounts and all Government Approvals, pledge, guarantee or any other interest or any priority, preferential or advantage created under the Security Documents in favour of the Security Agent or Creditors to secure the due redemption and discharge of all payment and other obligations of the Borrower under the Loan Agreement and Security Documents.

“Security Agent” shall mean Housing and Urban Development Corporation Limited appointed as such by the Lenders under the Security Agent Agreement.

“Security Agent Agreements” shall mean an agreement dated 14th day of February 2005 entered into among the Lenders and HUDCO whereby HUDCO is appointed as the Security Agent.

“Security Documents” shall mean all the documents executed/ to be executed and/or procured and furnished/ to be procured and furnished by the Borrower for creation or effecting creation of Security.

“Trust and Retention Account Agreement” shall mean the agreement dated 14th February 2005 entered into among, *inter-alia*, the Borrower, the Creditors, the Lenders Agent, the Security Agent and the Account Bank.

1.2 Interpretation

In this Agreement, unless the context otherwise requires:

- (i) the singular includes the plural and vice versa and reference to any gender includes a reference to all other genders; .
- (ii) references to the words “include” or “including” shall be construed without limitation;

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(iii) references to this Agreement or to any other agreement or any deed or other instrument shall be construed as a reference to such agreement, deed or other instrument as the same may from time to time be amended, varied, supplemented or novated; and

(iv) Capitalised terms used and not defined in this Agreement shall have the meaning assigned to them under the Transaction Agreements.

1.3 Rights against the Borrower not affected

Nothing in this Agreement is intended or meant to alter, modify, and impair any of the rights of any of the Creditors against the Borrower under the Transaction Agreements.

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ARTICLE II

EXCHANGE OF VIEWS AND SHARING INFORMATION

2.1 Sharing of Information

Each of the Creditors shall use reasonable efforts to promptly make available to the Lenders Agent any material information which it receives having a bearing on:-

- (a) the operation of the Project or the financial condition or business of the Borrower;
- (b) the Borrower's ability to pay the Secured Obligations undertaken under the Finance Documents when due;
- (c) the Security created by or pursuant to the Security Documents;
- (d) failure of any Sponsor to perform its obligations under any of the Finance Documents;
- (e) any circumstance affecting the availability of material or other facilities or services for the Project;
- (f) occurrence of an Event of Default; and
- (g) any other matter pertaining to the Borrower, and Loans including without the limitation (i) information obtained by a Creditor from its nominee director on the board of directors of the Borrower and (ii) any material communication of common interest with the Government, Reserve Bank of India and Government Authority regarding Loans, Project or any of the Finance Documents;

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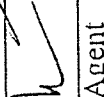
Provided, however that this Section 2.1 shall not cast an obligation on any of the Creditors to make available to any other Creditors or the Lenders Agent (i) information which is subject to confidentiality or similar restriction which prohibit such disclosure (ii) any analyses, data, memoranda or reports prepared by a Creditor for its own internal review of the Project, the Borrower, any Promoters or in compliance with any law, regulation or accounting guidelines applicable to it and (iii) any information which is required by the express terms of any of the Finance Documents to be made available to all Creditors by the Borrower or any other person.

For removal of doubt it is further clarified that no Creditor shall incur any liability for any inaccuracy or incompleteness of any information made available by it in good faith pursuant to this Section or for any failure to furnish any information pursuant to this Section 2.1 except for its wilful concealment/suppression of such information when requested by any other Creditor or the Lenders Agent.

2.2 No reliance

(a) Notwithstanding any other provision of this Agreement to the contrary, it is hereby agreed and understood that no Creditor has relied or shall rely on any other Creditor/ Lenders Agent/Security Agent (i) to inquire into or verify the accuracy or completeness of any information provided by or on behalf of the Borrower, Promoters or made available by any Creditor to the other Creditor on or prior to the date hereof or hereafter pursuant to Section 2.1; or (ii) to review or evaluate the conditions of the Borrower, Project, the Government or any other person.

(b) Each of the Creditors has decided or determined to make its Loan(s) on the basis of its own independent judgement, without reliance on

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any information provided by or views expressed by any other Creditors or the Lenders Agent.

2.3 Notice of Excess Payment

Each of the Creditors hereby agrees and undertakes to notify the Lenders Agent of any payment received in respect of the Secured Obligations which is known to such Creditor to be in excess of the amount to which such Creditor is then entitled pursuant to the Loan Agreement(s).

2.4 Exchange of views

All the Creditors agree that (a) in addition to their respective obligations mentioned in this Agreement elsewhere, to the extent practicable, at the request of any Creditor, they shall consult with each other about any action they have taken, or taking or proposes to take that could affect the Project, the Borrower, the Security or the Secured Obligations and (b) at the request of any Creditor, they shall exchange views on any perceived change by any Creditor in the financial and operating health of the Borrower, the Security created pursuant to the Security Documents, the construction, operation, and maintenance of the Project or the prospects of the timely payment of the Secured Obligations.

2.5 Meetings of the Creditors

(a) Any of the Creditors may, at any time following the occurrence and during the continuance of an Event of Default request the Lenders Agent to convene a meeting of the Creditors within reasonable time and upon such request having been given in accordance with this Section, such meeting shall be convened as provided herein.




(b) A request for a meeting of the Creditors shall be made by way of a written notice given to the Lenders Agent as provided in Section 5.4. Upon receipt of such request the Lenders Agent shall within a period

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of 15 days notify each of the Creditors the date of such meeting, the location thereof and the broad outlines of the issues to be discussed at such meeting. Each Creditor shall bear its own expenses and costs for attending of the meeting and participating in such meeting.

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ARTICLE III

SHARING & EQUAL TREATMENT

3.1 Basic Agreement

(a) All the Creditors expressly acknowledge and agree that it is the intention of the Creditors in committing to make, and in making, their respective Loans that, except as expressly provided herein or in the Trust Retention Account Agreement, the proceeds of the Security by way of Enforcement Action, Insurance Proceeds, any compensation money received from requisition, acquisition of any property covered by Security, any termination payment made by AAI and all other revenues, cash, investments and other assets of the Borrower which are available for payment of the Secured Obligations due and payable at any time to the Creditors are to be shared Pro-Rata amongst the Creditors and the Creditors, as amongst themselves, agree that, such proceeds, revenues, cash, investments and other assets shall subject to clause (g) hereof be shared on such basis. Each of the Creditors hereby agrees that it shall direct the Security Agent to make distributions of all monies held by them from time to time pursuant to the Security Documents in accordance with the aforesaid intention and agreement.

(b) During the subsistence of the Security, all insurance policies in respect of the assets covered by the Security which are taken out by the Borrower in the joint names of the Borrower and the Creditors with an insurance company or companies in such manner and for such value and against such risks as may be determined by the Creditors shall be held and retained by the Security Agent in its custody for the mutual benefit of the Creditors and the same shall be made available by the Security Agent or the Lenders Agent

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whenever required by them or any of them against their accountable receipt for the same.

(c) All the title deeds and documents relating to the assets covered by the Security shall be held by and remain in custody of the Security Agent for the mutual benefit of the Creditors and the Security Agent shall as and when required by one or more of the Creditors, make available to them the said title deeds and documents against its/their accountable receipt or furnish at the expense of the Borrower photo copies thereof.

(d) If, pursuant to any permission in writing that may be given by the Creditors to the Borrower to sell any assets forming part of the Security, the Borrower sells any such assets, the sale proceeds realised by the Borrower out of the sale of such assets shall, if the Relevant Creditors so consent, be allowed to be utilised by the Borrower in acquiring additional capital assets and in the absence of such consent, the sale proceeds thereof shall be utilised by the Security Agent for appropriation in the same manner as provided in Section 3.1 (a) hereof.

(e) Unless otherwise agreed to in writing among the Creditors, the Borrower shall not be allowed to prepay any part of the Secured Obligations of the Borrower without offering to prepay and prepaying a proportionate amount of the Secured Obligations due to the other or others of the Creditors.

(f) Notwithstanding anything contained in clause (e) above, no Creditors shall be under any obligation to accept any prepayment of the Secured Obligations due to them.

(g) Notwithstanding anything to the contrary contained in or by virtue of

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of or arising from or implied by the Security or the Security Documents, all monies available for distribution, shall be received and applied/distributed by the Security Agent with all convenient despatch in the manner hereinafter provided:

i) Firstly, to pay such monies or provisions made thereat for the costs, charges, expenses incurred by the Security Agent and/or the Creditor (s) for and incidental to the enforcement and realisation of the Security;

ii) Secondly, the balance of such monies shall:

(a) in the event of the monies so available for distribution being sufficient to pay to each of the Creditors the full amount of the Secured Obligations owed to each of the Creditors, be applied simultaneously in the payment to each of the Creditors their respective Secured Obligations in full;

(b) in the event of the monies available for distribution being insufficient to pay to each of the Creditors the full amount of the respective Secured Obligations owed to each of them, be applied Pro-Rata as nearly as may be practicable towards payment to each of them without any preference or priority whatsoever;

(iii) thirdly, the surplus, if any, out of such moneys shall be paid to the person or persons entitled thereto.

(h) Any payment made to any of the Creditors in accordance with the provisions of this clause shall be in pro-rata to satisfaction of its Secured Obligations under the Loan Agreement.

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3.2 Equal Treatment

In furtherance of the agreement contained in Section 3.1, each Creditor agrees that it shall neither solicit nor accept whether on its own behalf or on behalf of any other person any compensation or consideration, whether direct or indirect, in cash or in kind, in connection with any consent, waiver, amendment, modification, permission or similar approval or action under the Loan Agreement or related Security Documents unless each of the other Creditors shall have been offered compensation or consideration in connection therewith which is no less favourable than that to be solicited by or offered to be paid to any other Creditor.

3.3 Redistribution of non-Pro Rata payments

Each Creditor agrees that in the event (i) such Creditor shall obtain payment of any amounts in respect of the Secured Obligations, whether through exercise of a right of set-off, lien or counterclaim or from any Security or from any realisation (whether through attachment, foreclosure or otherwise) of the Security or from any revenue, cash, investments or other assets of the Borrower or from or as a result of any proceedings before any civil court, administrative body or special recovery tribunal (including any such proceeding brought under the Recovery of Debt Due to Banks and Financial Institution Act, 1993) or as a result of proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 or the substitution legislation or any replacement therefore, or shall obtain any other like payment and (ii) such payment is not a Pro-Rata payment to such Creditor vis-à-vis other Creditors, then, such Creditor shall promptly remit the full amount of such payment together with a statement to the Account Bank and the Security Agent, for Pro-Rata distribution according to Section 3.1 (g) to the Creditors all in accordance with the terms of this Agreement and the Trust and Retention Account

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Agreement(s). On such distribution, the liability of the Borrower to each of the Creditors shall stand reduced correspondingly.

3.4 Sharing of expenses

During the subsistence of the Finance Documents all expenditure incurred by the Lenders Agent or the Security Agent or any of the Creditors, as the case may be, towards -

- (a) payment of insurance premium;
- (b) meeting court fees, advocates fees, other litigation expenses including out-of-pocket costs and expenses in connection with preservation and protection of the Security;
- (c) meeting court fees, advocates fees, other litigation expenses including out-of-pocket costs and expenses in connection with Enforcement Action; or
- (d) discharge of other obligations under the Finance Documents and Security Documents

shall, in case the same being not reimbursed on demand by the Borrower for any reason whatsoever and in case sufficient funds being not available in the related Retention Account, be shared by the Creditors on a Pro-Rata basis. The amounts to be shared as such by each of the Creditors shall bear to the total expenses the same proportion which the outstanding principal amounts of the Secured Obligations due to each of such Creditor bears to the aggregate of the outstanding principal amount of the Secured Obligations due to all such Creditors under the Loan Agreement.

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ARTICLE IV

WAIVERS, CONSENTS AND AMENDMENTS, ACCELERATION AND ENFORCEMENT ACTION

4.1 Co-ordination of Action

It is the objective of the Creditors to have a co-ordinated and synchronised approach to the taking of all actions under the Finance Documents. In furtherance of such objective, the Creditors hereby agree and confirm that any waiver or consent, or approval to any amendment, modification or supplement to any Finance Documents, Acceleration and any Enforcement Action shall be only in accordance with the provision of this Article IV.

4.2 Waivers, consents and amendments; other actions

(a) For any waiver or relaxation, consent, instruction, authorisation or approval under or any amendment, modification or supplement to the Finance Documents or any of them, after receiving the request of the Borrower, the Lenders Agent may on its own and shall on the request of any of the Creditors convene a meeting of the Creditors to take a view on such waiver, consent, instruction, authorisation or approval in accordance with Section 2.5 hereof.

(b) Any amendment, modification and supplement to any Finance Documents shall only be with the unanimous approval of the Creditors.

(c) Any waiver or relaxation, consent, instruction, authorisation, or approval under or pursuant to any Finance Documents shall be with the approval of the Creditors holding more than 50% of the then outstanding Secured Obligations.

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4.3 Provisions relating to Acceleration and Enforcement Action

(a) If any Event of Default shall have occurred and then be continuing, each of the Creditors shall have the right without prejudice to its other rights and to the rights of any other Creditor to enforce its claims against the Borrower, to declare the un-disbursed portion of the Loans terminated, and to declare the principal of and any accrued interest or reimbursement of all monies on all of its said Loans, as the case may be, and all Secured Obligations owed under the Loan Agreement or the Security Documents to such Creditor to be immediately due and payable without presentment, demand, protest or other notice of any kind; provided, however, that no such declaration shall be made by any Creditor unless and until such Creditor complies with the procedure laid down in clause (b) of this Section.

(b) No Enforcement Action shall be initiated except after complying with the procedure and requirements set out herein below:

(i) Any Creditor intending to take any Enforcement Action ("Enforcement Intending Party") shall give notice of its intention to initiate Enforcement Action substantially in the form set out in Schedule 1 ("Enforcement Action Notice") to all the other Creditors and the Lenders Agent. Such Enforcement Action Notice shall specify the particular Enforcement Action, which the Enforcement Intending Party proposes. After receipt of such notice from the Enforcement Intending Party, the Lenders Agent shall convene a meeting of the Creditors in this behalf in accordance with Section 2.5 hereof to take a view on such Enforcement Action Notice. If the course of action proposed by the Enforcement Intending Party in the Enforcement Action Notice or any other course of action is approved by the Creditors holding more than 75

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Bank does not happen, then the Creditors shall, with in 15 days following the day on which the 45 days time frame specified in Section 4.3 (b) (iii) above expires, hold consultations among them and take a review of the situation. If pursuant to such consultations and review the Creditors holding more than 50% of the then outstanding Secured Obligations approve the action proposed by the Enforcement Intending Party in the Enforcement Action Notice or any other course of action, then all the Creditors shall jointly take or cause to be taken by the Lenders Agent/Security Agent such approved course of action.

(v) In the event of the Creditors arriving at unanimity or the action proposed by the Enforcement Intending Party secures approval of the Creditors holding such percentage of the outstanding Secured Obligations as prescribed under Section 4.3 (i), Section 4.3 (ii) and Section 4.3 (iv) above, the Security Agent shall co-ordinate with all the Creditors and endeavour to ensure that the approved course of action is initiated and diligently pursued. The Security Agent shall act in accordance with the instructions in this regard of the Creditors.

(vi) In case the course of action mentioned in the Enforcement Action Notice or any other specific course of action is not approved by the Creditors holding more than 50 % of the then outstanding Secured Obligations then Enforcement Intending Party and any Creditor approving said course of action shall be free to take the Enforcement Action proposed in its Enforcement Action Notice after expiry of said period of 15 days.

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Security Agent	Lenders Agent		

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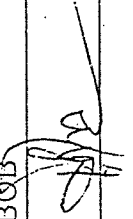
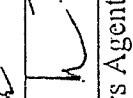
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% of the then outstanding Secured Obligations, then all the Relevant Creditors shall jointly take or cause to be taken by the Lenders Agent/Security Agent such approved course of action.

(ii) In case the course of action mentioned in the Enforcement Action Notice or any other specific course of action is not approved by the Creditors holding more than 75 % of the then outstanding Secured Obligations, then the Creditors shall continue to discuss and make good faith efforts for a period of 45 days following the date such disapproval to arrive at unanimity as to the need or otherwise for taking Enforcement Action, and the course of action to be adopted. If the Creditors arrive at unanimity or the Creditors holding more than 60% of the then outstanding Secured Obligations approve the course of action proposed in the Enforcement Action notice or any other course of action, then all the Creditors shall jointly take or cause to be taken by the Lenders Agent/Security Agent such approved course of action.

(iii) In case the Creditors fail to arrive at unanimity after consultations and negotiations as envisaged under Section 4.3 (b) (ii) above, then the Lenders Agent shall call upon the Borrower to find another bank/financial agency ("New Bank") and arrange for takeover of the relevant Loan of the Enforcement Intending Party by the New Bank after the following day on which the period of 45 days referred to in Section 4.3 (b) (ii) above expires.

(iv) In case the Borrower fails to identify a New Bank or the takeover of Enforcement Intending Party's loan by the New

HUDCO	BOB	UBI	BO	UICO
 Security Agent		 Lenders Agent		

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(c) If any Creditor, or a group of Creditors acting collectively, shall have commenced an Independent Enforcement Action in accordance with Section 4.3 (b) (vi) above and, subsequent thereto there is a fresh consultation process resulting in the Creditors holding more than 50% of the total Secured Obligations agreeing on a different course of Enforcement Action, then such course of action shall become the Controlling Enforcement Action and those Creditors involved in prosecuting the Independent Enforcement Action shall thereupon take steps to do whatever is required to fully synchronise the Independent Enforcement Action with the Controlling Enforcement Action and if such synchronisation is not possible, shall conduct the Independent Enforcement Action in such a way so as not to come in direct or indirect conflict with the Controlling Enforcement Action or shall give up the Independent Enforcement Action and join the Controlling Enforcement Action.

(d) An Enforcement Action Notice may be revoked by the Enforcement Intending Party that has issued such notice by the delivery of a notice to each of the Security Agent and the Lenders Agent substantially in the form set out in Schedule 2 (a "Revocation Notice"). Any such Revocation Notice shall be effective when the Revocation Notice is received by the Lenders Agent and the Security Agent.

4.4 Restricted Actions

Except as is specifically permitted pursuant to and following compliance with the requirements under Sections 4.1 to 4.3 hereinabove, no Creditor shall:

- (a) accelerate the maturity of, or institute any proceedings to enforce the payment of, any of the Secured Obligations;

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Security Agent		Lenders Agent	

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- (b) take any other action under the Loan Agreement that would require payment by the Borrower of any amount in advance of any repayment schedule date;
- (c) cancel any un-disbursed Loan as a consequence of the occurrence of any Event of Default or otherwise except as expressly provided in the Loan Agreement;
- (d) agree to any amendment to or waiver of any of the provisions of, or make any other agreement affecting, the Loan Agreement except in compliance with Section 4.2;
- (e) enforce any interest in the Security;
- (f) sell, repossess or take possession of any goods or assets of the Borrower's forming part of Security as a consequence of Event of Default or otherwise;
- (g) take any action for the winding-up, liquidation, official management, receivership, bankruptcy, insolvency or dissolution of the Borrower or any analogous process; and
- (h) levy distress against the Borrower or its property forming part of Security on account of Event of Default (or otherwise) or attach, levy, execute, arrest or otherwise exercise any creditor's process in respect of any asset of the Borrower unless such action is taken to preserve or protect any interest in the Security and without causing a sale of the Security.

4.5 Recourse against Security

Each Creditor acknowledges and agrees that Security Agent acting on the instruction of one or more of the Creditors pursuant to the terms of this

HUDCO	BOB	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
Security Agent	Lenders Agent		

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Agreement, as provided in the Enforcement Provisions, shall have the right to bring any Enforcement Action in relation to the Security.

4.6 Without Prejudice

The aforesaid provisions shall take effect between the Creditors without prejudice to any other rights any of them may have against the Borrower.

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<i>h</i>	<i>h</i>	<i>h</i>	<i>h</i>
Security Agent	Lenders Agent		

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ARTICLE V

MISCELLANEOUS PROVISIONS

5.1 Partial Invalidity and Exercise of Remedies

If at any time any provision hereof is or becomes illegal, invalid or unenforceable that provision shall not invalidate or in any way impair or affect the legality, validity or enforceability remaining provisions of this Agreement.

5.2 No Waiver, Cumulative Remedies

No failure to exercise, and no delay in exercising any right, power or privilege hereunder, shall operate as a waiver or relaxation thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude or require any other. All rights, powers and remedies granted to any party hereto and all other agreements, instruments and documents executed in connection with this Agreement shall be cumulative, may be exercised singly or concurrently and shall not be exclusive of any rights or remedies provided by law.

5.3 Benefit of Agreement

- (a) This Agreement shall be binding upon and enure for the benefit of each party hereto and its successors and assigns.
- (b) Subject to the Finance Documents, any of the Creditors may at any time assign to anyone or more banks or other institutions or other persons to whom such Creditor has assigned or transferred all or any part of its rights and obligations under (and in accordance with the terms of) any of the Finance Documents all or, as the case may be, such equivalent part of such Creditor's rights and benefits

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Security Agent			Lenders Agent		

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hereunder, and in that event any such assignment or transfer shall be made expressly subject to the terms and conditions of this Agreement and the assignee will get the benefit of the Agreement only if it signs a Deed of Adherence agreeing to the provisions of this Agreement. The assignee shall have the same rights and obligations hereunder as it would have had if it had been a party hereto.

5.4 Notices

(a) All notices or other communications to be given or made under these presents, shall be in writing, shall either be delivered personally or sent by courier, registered or certified mail or facsimile. The address for service of each of the Security Agent, the Lenders Agent and the Creditors are as follows:

For the Lenders

For HUDCO

The Regional Chief
Mumbai Regional Office
Housing & Urban Development Corporation Ltd.
Block-I, 2nd Floor, MMRDA Building
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051
Tel.: 022- 26591416
Facsimile: 022-26592219

HUDCO	BOB	UBI	UCO
[Signature]		[Signature]	[Signature]
Security Agent		Lenders Agent	

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For BOB


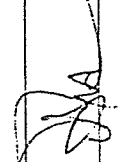


Asst. General Manager
Bank of Baroda
Corporate Financial Service Branch
10/12 Mumbai Samachar Marg
Fort, Mumbai-400001
Tel: 022-22021434
Facsimile: 022-22021445

For UBI

Asst. General Manager
Union Bank of India
Industrial Finance Branch
First Floor, Union Bank Bhavan
239, Vidhan Bhavan Marg
Nariman Point
Mumbai-400021
Tel: 022-22092000
Facsimile: 022-22855037

For UCO

Asst. General Manager
UCO Bank
Santacruz (W),
Mumbai-400054
Tel: 022-26494752
Facsimile: 022-26002912

HUDCO	BOB	UBI	UCO
			
Security Agent		Enders Agent	

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For the Lenders Agent

The Regional Chief
Mumbai Regional Office
Housing & Urban Development Corporation Ltd.
Block-I, 2nd Floor, MMRDA Building
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051
Tel.: 022-26591416
Facsimile: 022-26592219

For the Security Agent

The Regional Chief
Mumbai Regional Office
Housing & Urban Development Corporation Ltd.
Block-I, 2nd Floor, MMRDA Building
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051
Tel.: 022-26591416
Facsimile: 022-26592219

(b) All notices shall be effective upon actual receipt. Without prejudice to the foregoing, a party giving a notice or communication by facsimile shall promptly deliver a copy of such notice or communication personally or by courier or by mail to the addressee of such notice or communication.

(c) Any party may in writing to the Lenders Agent and Security Agent change its designated address. Such change shall take effect from the date the Lenders Agent and Security Agent receives the same. Similarly, the

HUDCO	BOB	UBI	UCO
Security Agent		Lenders Agent	

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Lenders Agent and Security Agent may change their respective addresses by giving notice to all the Creditors.

5.5 Effective Date

This Agreement shall become binding on the parties on and from the date first above written.

5.6 Amendments

Any amendments of any provision of this Agreement shall be in writing and be valid and binding only if signed by the parties hereto.

HUDCO	BOB	UBI	UCCO
Security Agent		Lenders Agent	

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Copy

SCHEDULE 1
FORM OF ENFORCEMENT ACTION NOTICE

[Letterhead of Lender]

[Lenders Agent]

[Security Agent]

[Other Creditors]

Re: Sahara Hospitality Limited—HOTEL SAHARA STAR – Enforcement
Action Notice

This notice is delivered pursuant to the Intercreditor Agreement, dated _____ (the “Agreement”), among the Lenders, the Lenders Agent and the Security Agent. Capitalized terms used herein without definition shall have the meaning specified in the Agreement.

Pursuant to Section 4.3 (b) (i) of the Agreement, the undersigned (the “Enforcement Intending Party”) hereby notifies you that:

An Event of Default has occurred in respect of the obligations under Loan Agreement and Finance Documents.

[The Secured Obligations are entitled to be, and have been, accelerated.]

The Enforcement Intending Party [intends] / [hereby directs] [the Lenders Agent] and/or [the Security Agent] to take the Enforcement Action specified below.

[Name]

By _____

Name: _____

Title: _____

HUDDCO	BOB	UBI	UCO
Security Agent		Lenders Agent	

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Date: _____

SCHEDULE II
FORM OF REVOCATION NOTICE

[Letterhead of Lender]

[Lenders Agent]

[Security Agent]

Re: Sahara Hospitality Limited – HOTEL SAHARA STAR – Enforcement
Action Notice

This notice is delivered pursuant to the Intercreditor Agreement, dated [] (the “Agreement”), among the Lenders, the Lenders Agent and the Security Agent. Capitalized terms used herein without definition shall have the meaning specified in the Agreement.

Pursuant to Section 4.3 (d) of the Agreement, the undersigned (the “Enforcement Intending Party”) hereby revokes its Enforcement Action Notice dated _____.



[Institution Name]

By _____

Name: _____

Title: _____


Date: _____

HUDCO	BOB	UBI	UCO
			
Security Agent		Lenders Agent	

TRUE COPY

IN WITNESS WHEREOF the Creditors, the Lenders Agent and the Security Agent have caused these presents and the copies hereof on the date, month and year first hereinabove written as hereinafter appearing.

SIGNED AND DELIVERED BY the within named Creditor HUDCO by the hand of Mr. K. G. R. Pillay, its Asst. Chief (Law) and authorized official.


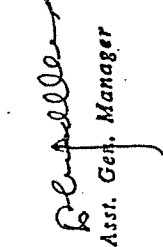


SIGNED AND DELIVERED BY the within named Creditor BOB by the hand of Mr. Ashok Gupta, its Asst. General Manager and authorized official.



SIGNED AND DELIVERED BY the within named Creditor UBI by the hand of Mr. D. S. Tripathi & Mr. T. L. V. Rao, its Asst. General Manger & Chief Manager, and authorized official.

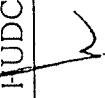

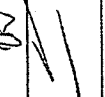
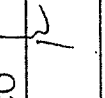
**For UNION BANK OF INDIA
Industrial Finance Branch**



Chief Manager Asst. Gen. Manager

SIGNED AND DELIVERED BY the within named Creditor UCO by the hand of Mr. Pradeep Prakash, its Asst. General Manager and authorized official.

कृते यूको बँके FOR UCO BANK
मुख्य प्रबंधक/Chief Manager
सांताक्रुझ (प.) शाखा मुंबई
Santacruz (W); Br. Mumbai



HUDCO	BOB	UBI	UCO
			
Security Agent		Lenders Agent	

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W. Pillay

SIGNED AND DELIVERED BY the
within named Lenders Agent,
HUDCO by the hand of Mr. K. G. R.
Pillay, its Asst. Chief (Law) and
authorized official.

W. Pillay

SIGNED AND DELIVERED BY the
within named Security Agent,
HUDCO by the hand of Mr. K. G. R.
Pillay, its Asst. Chief (Law), and
authorized official.

HUDCO	BOB	UBI	LUCO
Security Agent		Lenders Agent	

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ANNEXURE - 'A' - 15

LENDERS AGENT AGREEMENT

HOTEL SAHARA STAR

AMONG

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

BANK OF BARODA

UNION BANK OF INDIA

UCO BANK

(As Lenders)

AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED
As Lender Agent

And

SAHARA HOSPITALITY LIMITED
As Borrower

DATED 14th DAY OF FEBRUARY 2005

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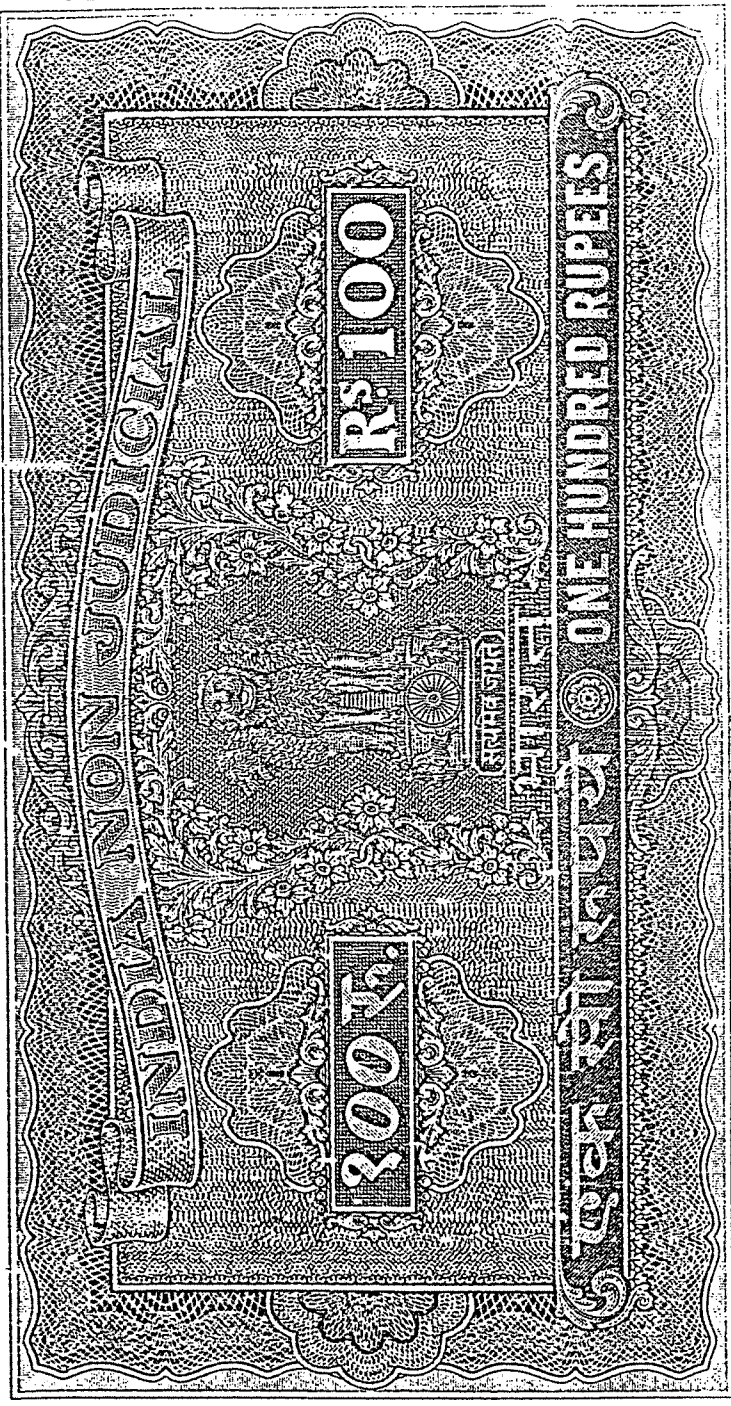
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HUDCO	BOB	UBI	UCO
The Borrower		The Lenders Agent	

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100RS.



महाराष्ट्र MAHARASHTRA

श्री. सा. को. हर्षद बोगाळे

General Stamp Office, Mumbai.

हर्षद कांयुटर सेंटर, बॉम्बे कोरालिमोर,

Date.....
L. S. V. No. 24 FEB 2005

बॉम्बे (ए) शुल्क-५१. क्र. SAH/4/19A 11 FEB 2005

श्री/श्रीमती/सि.सर्वे.....

Inspector

पर्याया धारक सुमंजस/विकसित
HOSPITALITY LTD.

LENDERS AGENT AGREEMENT

THIS LENDERS AGENT AGREEMENT, made at Mumbai on this 14th day of February Two Thousand and Five among:
[Signatures]

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, a company registered under the Companies Act, 1956 (I of 1956) and having its Registered Office at "HUDCO BHAWAN", India Habitat Center Complex, Lodhi Road, New Delhi 110 003 and its Mumbai Regional Office at Block No 1, 3rd Floor, MMIRDA Building, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051 (hereinafter referred to as "HUDCO" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

HUDCO | BORN | 3 FEB | MUMBAI | HUDCO

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BANK OF BARODA, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at Mandvi, Baroda and having a branch office at Corporate Financial Service Branch, 10/12 Mumbai Samachar Marg, Fort, Mumbai-400001 (hereinafter referred to as "BOB", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

UNION BANK OF INDIA, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and having its Head Office & its Industrial Finance Branch, First Floor, Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai-400021 (hereinafter referred to as "UBI", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns)

UCO BANK, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at 10, B.T.M. Sarani, Kolkata 700001 and having a branch office at Santacruz (W), Mumbai-400045 (hereinafter referred to as "UCO", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

(Each of HUDCO, BOB, UBI and UCO are individually referred to as "Lender" and are collectively referred to as the "Lenders", which expression shall include all or any one or more of them as the context may require or admit) of the **FIRST PART.**

AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, a company registered under the Companies Act, 1956 (1 of 1956) and having its Registered Office at "HUDCO BHAWAN", India Habitat Center Complex, Lodhi Road, New Delhi-110 003 and its Mumbai Regional Office at Block No.1, 2nd Floor, MMRDA Building, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051 (hereinafter referred to as "HUDCO" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns), in its capacity as the Lenders Agent of the **SECOND PART.**

HUDCO	BOB	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>

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AND

SAHARA HOSPITALITY LIMITED, a company registered under the Companies Act, 1956 (1 of 1956) and having its Registered Office at Sahara India Point, CTS, 40 & 44, S.V.Road, Goregaon (West), Mumbai-400104 in the State of Maharashtra (hereinafter referred to as the "Borrower" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and permitted assigns) of the **THIRD PART**.

WHEREAS:

A. The Borrower has sought financial assistance from the Lenders to enable it to meet part of the cost of its Project envisaging to renovate, reconstruct and operate Hotel Sahara Star (formerly known as Hotel Centaur), Santacruz, near domestic airport, Mumbai-400099 in the State of Maharashtra (hereinafter referred to as the "Project").

B. For the purpose of part financing the Project Cost, at the request of the Borrower, the Lenders have agreed to lend and advance to the Borrower and the Borrower has agreed to borrow from the Lenders rupee loans, to the maximum extent set out against their respective names in Schedule 1 hereto, aggregating Rs.300 Crore (Rupees Three Hundred Crore only) (hereinafter individually referred to as "the Loan" and collectively as "the Loans") on the terms and subject to the conditions contained in the Loan Agreement dated 14th day of February 2005 entered into, inter alia, between the Borrower and the Lenders (hereinafter referred to as "the Loan Agreement").

[Handwritten signatures and initials]

C. At the request of the Borrower, the Lenders have agreed to appoint and to authorise one of them, as the 'Lenders Agent' through whom the Borrower might deal with the Lenders in matters arising out of or relating to the Loan Agreement and the other Finance Documents, subject to (i) certain limitations as to the authority of the Lenders Agent and (ii) the Lenders

HUDCO	BOB	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>

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Agent undertaking to carry out certain duties and to discharge certain obligations, as are considered necessary and authorised by the Lenders.

D. At the request of the Borrower and as agreed to between the Lenders, HUDCO is required to be appointed as the Lenders Agent.

NOW, THEREFORE, in consideration of the mutual agreement herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

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<i>[Signature]</i>	<i>[Signature]</i>			<i>[Signature]</i>

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ARTICLE I
INTERPRETATION

1.1 Interpretation

(a) Capitalised terms used in this Agreement shall have the meanings assigned to them in the Loan Agreement dated 14th day of February, 2005 entered into among the Borrower, the Lenders, the Lenders Agent and the Security Agent (hereinafter referred to as the "Loan Agreement")

Be N
[Signature]

(b) A Finance Document or any other document is a reference to that Finance Document or other document as amended, replaced, novated or supplemented.

(c) Any reference to the powers, functions, duties, liabilities or obligations of the Lenders Agent under this Agreement shall, wherever the context so permits, mean a reference to the powers, functions, duties, liabilities or obligations of the Lenders Agent under the Finance Documents and all other documents and agreements executed and entered into by the Lenders Agent by virtue of its authority flowing from the Finance Documents and these presents.

(d) The provisions of Section 1.1 and Section 1.2 of Article I of the Loan Agreement are hereby incorporated in this Agreement and shall apply as if the same are set out herein in full.

HUDCO	BOB	UBI	UCO
[Signature]	[Signature]	[Signature]	[Signature]
The Borrower			The Lenders Agent

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ARTICLE II
APPOINTMENT OF LENDERS AGENT

Subject to the terms, conditions and covenants contained in this Agreement, the Lenders hereby appoint HUDCO and HUDCO hereby agrees to act as the Lenders Agent and perform the actions as are required of by the Lenders Agent under this Agreement, the Loan Agreement and the other Finance Documents acting for all the Lenders.

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HUDCO	BOB	8 152	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>			

The Lenders Agent

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ARTICLE III
DUTIES OF LENDERS AGENT

3.1 Duties

The Lenders Agent shall, acting on behalf of the Lenders or any of them as the case may be required or necessary to:

- (a) receive and deal with any request or proposal for waiver, modification, relaxation or other indulgence sought by the Borrower with regard to any of the terms or conditions of the Finance Documents (provided that the Lenders Agent shall consult the Lenders or the Lender concerned as the case may be on any such proposal relating to (i) waiver or modification of any condition precedent to disbursement(s), (ii) modification in any of the financial terms and conditions, (iii) release or substitution of any security, (iv) waiver of any material default, (v) rescheduling or postponement of repayments, (vi) prepayment of the amounts outstanding otherwise than stipulated, and act in accordance with the decision/instruction thereon of the Lenders or the Lender concerned as the case may be);
- (b) receive requests made by the Borrower for Disbursements, review the requirement of funds and compliance with the conditions precedent to disbursements, if any, and advise the Lenders regarding the same (provided, the final decisions regarding the Borrower's requests and the eventual disbursements shall however, be made by the Lenders or the Lender concerned, as the case may be);
- (c) monitor and require from time to time, compliance by the Borrower of the terms, conditions and covenants contained in the Loan Agreements and apprise the Lenders of any significant or persistent defaults committed by the Borrower;

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<i>ch</i>	<i>h</i>	<i>h</i>	<i>h</i>

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... .. Agent

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(d) follow up, receive and review from time to time, the reports, statements including financial statements and any information required to be submitted by the Borrower to the Lenders pursuant to the Loan Agreements, and to advise the Lenders of any material change in the status of the Borrower or the Project observed therefrom;

(e) convene, where necessary, meetings of the Lenders to facilitate decisions on matters giving rise to or arising on account of recall of the Loans and to initiate steps to implement the decisions taken at such meetings or otherwise by the Lenders;

(f) finalise the structure of the Trust and Retention Accounts and related documents in consultation with the Lenders and the Borrower;

(g) issue instructions to the Account Bank regarding the release of payments from the Retention Accounts in accordance with the provisions of the Trust & Retention Account Agreement, to deal with (where required or deemed necessary in consultation with the Lenders) any request for consent, permission, approval authorisation or clarification, made by the Account Bank and carry out such of its other duties under the Trust & Retention Account Agreement;

(h) deal with (where required or deemed necessary in consultation with the Lenders) any request for consent, permission, approval, authorisation or clarification, made by the Security Agent;

(i) carryout the other duties as may be provided for under any other Finance Documents; and

(i) generally, facilitate the Borrower in dealing with the Lenders and vice versa, coordinate the meetings of and consideration of issues or matters by the Lenders where required or necessary, facilitate the

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HUDCO	BOB	10	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower			The Lenders Agent	

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effective functioning of the Account Bank and the Security Agent by providing timely and appropriate instructions and act in accordance with specific and lawful instructions, if any, given by the Lenders or any of them (to the extent such instructions can be given by them) with regard to any of its duties undertaken under this Agreement.

3.2 Notice of Certain Events

The Lenders Agent shall, in the event of its knowledge of occurrence of an Event of Default under the Loan Agreement, give prompt notice thereof to all of the Lenders. The Lenders Agent shall take or refrain from taking such action with respect to such Event of Default, as shall be instructed by the Lenders in writing.

Provided that pending receipt of Lenders' instruction, and if the circumstances so warrant, the Lenders Agent may (but is not obliged to) take or refrain from taking such action with respect to the Event of Default as it deems necessary or advisable in the interest of the Lenders, unless any such action requires prior express consent of the Lenders under this Agreement or otherwise outside the scope of this Agreement.

3.3 Action upon Instructions

Upon the written instructions of the Lenders or any of them consistent with the provisions of this Agreement and the Loan Agreements, the Lenders Agent shall take or refrain from taking any action as the Lenders or any of them shall have specified in such instructions.

Provided that if there are conflicting or ambiguous instructions issued by the Lenders, the Lenders Agent shall promptly endeavor to obtain consensus of or clarity from the Lenders on such instructions, before acting upon the same. The Lenders Agent shall not incur any liability on account of non-compliance or delayed compliance with any such instructions.

HUDCO	BOB	UBI	UCO
The Borrower			The Lenders Agent

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3.4 Furnishing of Documents

The Lenders Agent shall furnish to each of the Lenders promptly, copies of any reports, certificates, statements, documents, or information submitted or furnished to it by the Borrower pursuant to the Loan Agreement or otherwise. The Borrower agrees and undertakes to submit all such reports, certificates, statements, documents or information in duplicate to enable the Lenders Agent to comply with the provisions of this Section 3.4.

HUDCO BOB 12 15th 12 UCO
[Signature] *[Signature]* *[Signature]*
The Lenders Agent

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ARTICLE IV
AUTHORITY OF THE LENDERS AGENT

4.1 Authority

The Lenders Agent shall, in carrying out its duties under this Agreement, have such authority as is necessary or incidental thereto. Without prejudice to this, the Lenders Agent may:

- (a) execute and deliver and/or accept delivery of all documents, deeds and writings as are all other documents, agreements, instruments, amendments and certificates, as may be contemplated under and/or required pursuant to the Loan Agreement and other Finance Documents, to be executed and delivered by the Lenders;
- (b) represent and act on behalf of the Lenders before any authority, court or tribunal or any person;
- (c) engage and pay for the advice or service of any experts / professionals including lawyers, accountants, surveyors or other experts whose advice or services are reasonably necessary in connection with the due discharge of its duties hereunder;
- (d) rely upon the authenticity of any communication or document believed by it to be authentic;
- (e) receive money or instruments representing money, issue accountable receipt therefore, realise the instruments and deal with the cash or the proceeds of instruments in accordance with the Lenders' instructions; and
- (f) exercise such authority and to do such acts and things as it deems fit and necessary to protect Lenders' interest, in case of an exigency.

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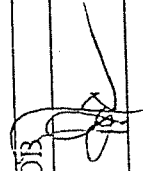

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<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower		The Lenders Agent	

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4.2 Limitation on Liability

The Lenders Agent acting in good faith shall not, in respect of any acts done or omitted to be done under or pursuant to this Agreement, incur any liability or be answerable except for its willful misconduct or negligence.

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HUDCO	BOB	UBI	UCO
			
			The Lenders Agent

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ARTICLE V
FEE AND EXPENSES

The parties hereto hereby acknowledge and agree that pursuant to a fee letter dated 12th February, 2005, the Borrower has agreed to pay to the Lenders Agent fee for services performed by the Lenders Agent under or pursuant to this Agreement (the "Fee") and to pay/reimburse all out-of-pocket, legal, travelling and other costs, charges and expenses (the "Expenses") incurred by the Lenders Agent in the discharge of its duties under this Agreement.

[Handwritten signatures and initials]

Notwithstanding the above, in the event that the Borrower has failed to pay the fee and/or reimburse the Expenses when due and payable and in the event of sufficient funds being not available in the related retention account, each of the Lenders shall, upon receipt of written notice thereof given by the Lenders Agent stating the Fee and Expenses due, pay to the Lenders Agent its pro rata share of the Fee and Expenses computed on the basis of the principal sum due to respective Lenders under the Loan Agreement and the Security Documents.

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HUDCO	BOB	15	AR	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>			<i>h</i>	<i>h</i>

The Lenders Agent

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ARTICLE VI
RESIGNATION, TERMINATION AND SUCCESSOR

6.1 Resignation

The Lenders Agent may resign its appointment hereunder at any time without assigning any reason therefor by giving not less than ninety (90) days prior written notice to that effect to each of the other parties hereto.

The Lenders Agent shall cease to act as such, from the expiry of the said period of ninety (90) days.

6.2 Termination

The Lenders may at any time terminate the appointment of the Lenders Agent hereunder without assigning any reason therefor by giving not less than sixty (60) days prior written notice to that effect to the Lenders Agent and the Borrower.

6.3 Consequences of Resignation/Termination

Nothing contained in the Section 6.1 and Section 6.2 shall relieve the Lenders Agent from its obligation to make over to the Lenders (or any of them appointed by them to succeed the Lenders Agent) any cash or instruments representing cash held by it on account and for the benefit of the Lenders or to account for the same, nor relieve the Borrower and the Lenders to pay or reimburse as the case may be any fees and expenses incurred and outstanding under this Agreement.

6.4 Successor

Following the notice of resignation issued by the Lenders Agent or the notice of termination of the Lenders Agent appointment issued by the Lenders, the Lenders representing at least 60 (sixty) percent of aggregate of the outstanding principal amounts of the Loans may appoint and designate any other Lender to succeed the Lenders Agent, by a written notice to the

HUDCO	BOB	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower			The Lenders Agent

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Lenders Agent and the Borrower. Such appointment shall be effective from the effective date of resignation or termination.

In the absence of such appointment by the Lenders at least, fifteen (15) days prior to the date of resignation or termination becoming effective, the Lender with the largest outstanding financial stake or exposure by way of the Loan extended to the Borrower (other than the resigning agent), shall be entitled to select the successor Lenders Agent or shall act as the successor Lenders Agent with such rights, duties, responsibilities, obligations and liabilities identical as that of the Lenders Agent who has resigned or been removed.

The successor Lenders Agent appointed in accordance thereof shall sign a deed of accession, ("Agent's Deed of Accession") substantially in the form set out in Schedule 2.

HUDCO	BOB	UBI	17	UCO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower		The Lenders Agent		

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ARTICLE VII
MISCELLANEOUS

7.1 Amendments

No amendments or modification to this Agreement shall be valid and effective unless agreed to by all the parties hereto and evidenced in writing.

7.2 Benefit of Agreement

This Agreement shall be binding upon and enure to the benefit of each party hereto and its successor and assigns. This Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

Provided, the Lenders Agent may not assign or transfer any of its obligations, rights or benefits hereunder without the written consent of all the Lenders.

7.3 Notice

Any notice, demand, communication or other request (individually, a "Notice") to be given or made under this agreement shall be in writing. The Notice shall be delivered in any of the following modes viz., by hand, registered mail (postage prepaid), facsimile or electronic mail, by addressing to the party to whom the same is intended, at such party's address specified below or at such other address as such party shall from time to time have designated by at least fifteen (15) days' written Notice to the parties hereto. The Notice shall be deemed to have been duly given or made when delivered as aforesaid.

HUDCO	BOB	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
			The Lenders Agent

TRUE COPY

For the Lenders

790

For HUDCO

The Regional Chief
Mumbai Regional office
Housing & Urban Development Corporation Ltd.
Block-I, 2nd Floor, MMRDA Building
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051
Tel.: 022-26591416
Facsimile: 022-26592219



For BOB





Asst. General Manager
Bank of Baroda
Corporate Financial Service Branch
10/12 Mumbai Samachar Marg
Fort, Mumbai-400001
Tel: 022-22021434
Facsimile: 022-22021445



For UBI

Asst. General Manager
Union Bank of India
Industrial Finance Branch
First Floor, Union Bank Bhavan
239, Vidhan Bhavan Marg
Nariman Point
Mumbai-400021
Tel: 022-22892000
Facsimile: 022-2855037

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HUDCO	BOB	UBI	UCO
			
The Borrower		The Lenders Agent	

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For UCO

Asst. General Manager,
UCO Bank
Santacruz (W), Mumbai-400054
Tel: 022-26002912 / 26494752
Facsimile: 022-26002912

For the Lenders Agent

The Regional Chief
Mumbai Regional Office
Housing & Urban Development Corporation Ltd.
Block-I; 2nd Floor, MMRDA Building
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051
Tel.: 022- 26591416
Facsimile: 022- 26592219

For the Borrower

The Principal Officer
Sahara Hospitality Ltd.
Opp. Mumbai Domestic Airport
Mumbai-400099
Tel: 022-26156660
Facsimile: 022-26156553

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<i>[Signature]</i>	<i>[Signature]</i>				
The Borrower	The Lenders Agent				

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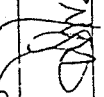


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SCHEDULE I
PARTICULARS OF LENDERS & LOANS

Name of Lender	Amount of Loans
HUDCO	Rs.150 Crores (Rupees One Hundred Fifty Crores Only)
BOB	Rs.50 Crores (Rupees Fifty Crores Only)
UBI	Rs.50 Crores (Rupees Fifty Crores Only)
UCO	Rs.50 Crores (Rupees Fifty Crores Only)
TOTAL	Rs. 300 Crores (Rupees Three Hundred Crores Only)

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HUDCO	BOB	UBI	UCO
			

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SCHEDULE II
Agent's Deed of Accession

THIS DEED dated [], [] is supplemental to the Lenders Agent Agreement dated ___ day of ___ 2005 (the "Lenders Agent Agreement") entered into by and among the Lenders, the Lenders Agent and the Borrower.

Words and expressions defined in the Loan Agreement and the Lenders Agent Agreement have the same meaning when used in this Deed.

[Name of new agent] (the "New Lenders Agent") hereby agrees with each other Person who is or who becomes a Party to the Lenders Agent Agreement that with effect on and from the date hereof it will be bound by the Lenders Agent Agreement as the Lenders Agent as if it had been party to the Lenders Agent Agreement in that capacity.

Address for notices of the New Lenders Agent for the purposes of Section 7.3 of the Lenders Agent Agreement is:

This Deed is governed by Indian law.

[Execution under seal]
[or appropriate execution clause]

k

HUDCO	BOB	22	UBI	UCO
The Borrower		The Lenders Agent		

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IN WITNESS WHEREOF the Lenders and the Lenders Agent have caused these presents and copies hereof to be executed by the hands of their respective authorized officials and the Borrower has caused its common seal affixed to these presents and the copies hereof on the date, month and year first hereinabove as hereinafter appearing.

SIGNED AND DELIVERED BY the within named Lender HUDCO by the hand of Mr. K. G. R. Pillay, its Asst. Chief (Law) and authorized official.

SIGNED AND DELIVERED BY the within named Lender BOB by the hand of Mr. Ashok Gupta, its Asst. General Manager and authorized official.

SIGNED AND DELIVERED BY the within named Lender UBI by the hand of Mr. D. S. Tripathi & T. L. V. Rao, its Asst. General Manger & Chief Manager and authorized officials.

For UNION BANK OF INDIA
Industrial Finance Branch

Chief Manager Asst. Gen. Manager

SIGNED AND DELIVERED BY the within named Lender UCO by the hand of Mr. Pradeep Prakash, its Asst. General Manager and authorized official.

वृत्त यूको बँक/FOR UCO BANK

मुख्य प्रबंधक/Chief Manager
सांताक्रुझ (प.) शाखा मुंबई
Santacruz (W), Br. Mumbai

SIGNED AND DELIVERED BY the within named Lenders Agent, HUDCO by the hand of Mr. K. G. R. Pillay, its Asst. Chief (Law) and authorized official.

HUDCO	BOB	23	UBI	UCO
The Borrower				The Lenders Agent

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THE COMMON SEAL OF Sahara Hospitality Ltd. has pursuant to the Resolutions of its Board of Directors passed in that behalf on 3rd day of January, 2005 hereunto been affixed in the presence of Mr.

O. P. Srivastav, Director, who has signed these presents in token thereof and Mrs. Ashu C. Sood, Authorised signatory, who has countersigned in token thereof.

[Signature]

Ashu C Sood

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HUDCO	BOB	UBI	24	62	UCO
<i>[Signature]</i>	<i>[Signature]</i>				<i>[Signature]</i>
The Enders Agent					

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ANNEXURE - A' - 16

SECURITY AGENT AGREEMENT

HOTEL SAHARA STAR

AMONG

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

BANK OF BARODA

UNION BANK OF INDIA

UCO BANK

(As Lenders)

AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

As Lender Agent

&

As Security Agent

And

SAHARA HOSPITALITY LIMITED



As Borrower


DATED 14th DAY OF FEBRUARY 2005

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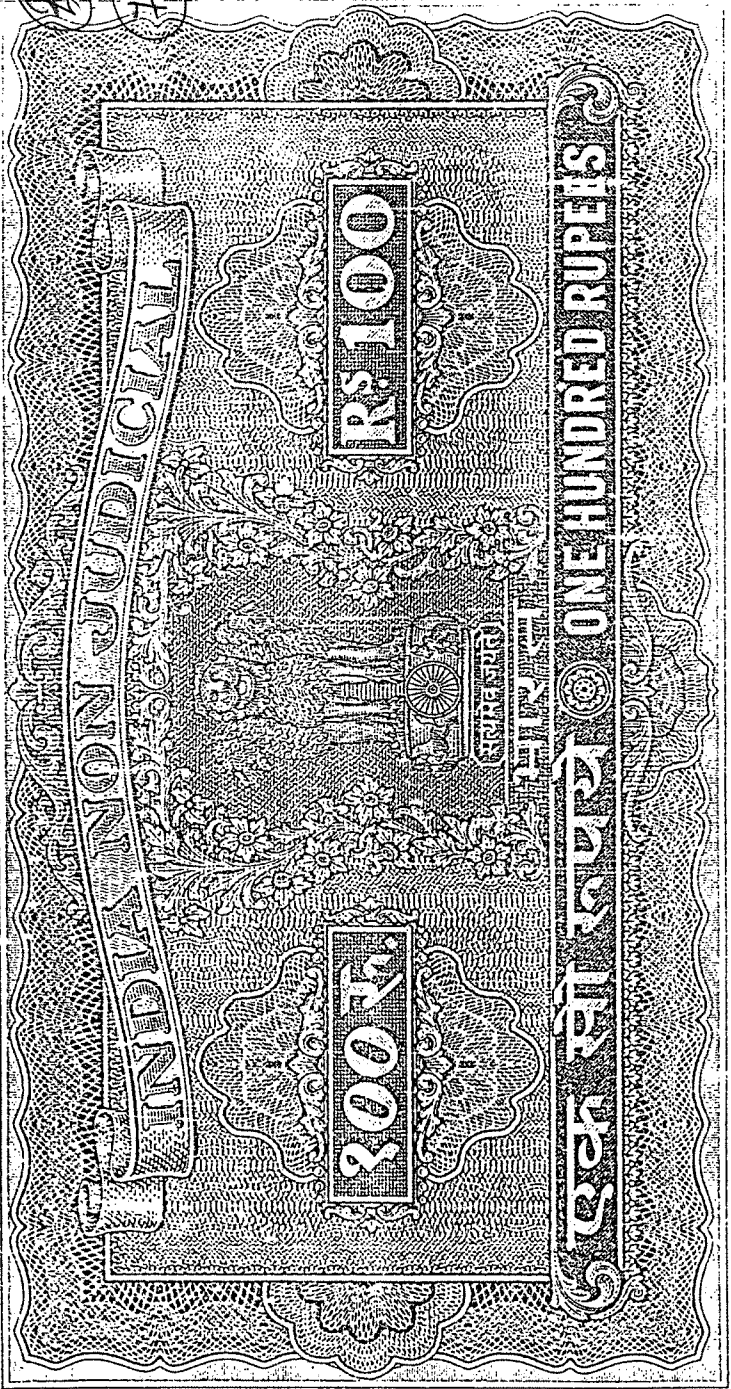
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	HUDCO	BOB	UBI	UCO
	The Lenders Agent			
	The Borrower			The Security Agent



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महाराष्ट्र MAHARASHTRA

General Stamp Office, Mumbai.

Date.....

L. S. V. No.....

4 FEB 2005

रिपोर्टर Office

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एच.डी. कॉम्पल हॉमिंग बॉगाळे

हॉमिंग कॉम्प्युटर सॉल्यूट बॉदि फोर्टासमोर,

पॉस्ट (व) मुंबई-४०० ००८

अ/अभिजात प्रॉपर्टी ... SAHARA

पॉस्ट ए. ... SAHARA

संस्थापक ... SAHARA

(Signature) SAHARA REALTY LTD.

B 105698

11 FEB 2005

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SECURITY AGENT AGREEMENT

THIS SECURITY AGENT AGREEMENT, made at Mumbai on this 14th day of February, February Two Thousand and Five among:

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, a company registered under the Companies Act, 1956 (1 of 1956) and having its Registered Office at "HUDCO BHAWAN", India Habitat Center Complex, 1, Odhi Road, New Delhi-110 003 and its Mumbai Regional Office at Block No.1, 2nd Floor, MMRDA Building, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051 (hereinafter referred to as "HUDCO" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

HUDCO	BOB	UBI	UCO
The Borrower	The Lenders Agent	The Security Agent	

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BANK OF BARODA, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at Mandvi, Baroda- and having a branch office at Corporate Financial Service Branch, 10/12 Mumbai Samachar Marg, Fort, Mumbai-400001 (hereinafter referred to as "BOB", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

UNION BANK OF INDIA, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and having its Head Office & its Industrial Finance Branch, First Floor, Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai-400021 (hereinafter referred to as "UBI", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

UCO BANK, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at 10, B.T.M. Sarani, Kolkata 700001 and having a branch office at Santacruz (W), Mumbai-400045 (hereinafter referred to as "UCO", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

(Each of HUDCO, BOB, UBI and UCO are individually referred to as "Lender" and are collectively referred to as the "Lenders", which expression shall include all or any one or more of them as the context may require or admit) of the **FIRST PART.**

AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, a company registered under the Companies Act, 1956 (1 of 1956) and having its Registered Office at "HUDCO BHAWAN", India Habitat Center Complex, Lodhi Road, New Delhi-110 003 and its Mumbai Regional Office at Block No.1, 2nd Floor, MMRDA Building, Bandra-Kurla Complex, Bandra (East), Mumbai-400

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HUDCO	BOB	UBI	UCO
<i>h</i>	<i>h</i>	<i>h</i>	<i>h</i>
The Borrower	The Lenders Agent	The Security Agent	

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051 (hereinafter referred to as "HUDCO" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns), in its capacity as the Lenders Agent of the **SECOND PART**.

AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, a company registered under the Companies Act, 1956 (I of 1956) and having its Registered Office at "HUDCO BHAWAN", India Habitat Center Complex, Lodhi Road, New Delhi-110 003 and its Mumbai Regional Office at Block No.1, 2nd Floor, MMRDA Building, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051 (hereinafter referred to as "HUDCO" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns), in its capacity as the Security Agent of the **THIRD PART**.

AND

SAHARA HOSPITALITY LIMITED, a company registered under the Companies Act, 1956 (I of 1956) and having its Registered Office at Sahara India Point, CTS, 40 & 44, S.V. Road, Goregaon (West), Mumbai-400104 in the State of Maharashtra (hereinafter referred to as the "Borrower" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and permitted assigns) of the **FOURTH PART**.

WHEREAS:

A. The Borrower has sought financial assistance from the Lenders to enable it to meet part of the cost of its Project envisaging to renovate, reconstruct and operate Hotel Sahara Star (formerly known as Hotel Centaur), Santacruz, near domestic airport, Mumbai-400099 in the State of Maharashtra (hereinafter referred to as the "Project").

B. For the purpose of part financing the Project Cost, at the request of the Borrower, the Lenders have agreed to lend and advance to the Borrower and

<i>k</i>	HUDCO	<i>BOBI</i>	<i>UBI</i>	<i>UGO</i>
<i>UB</i>	The Borrower	The Lenders Agent	The Security Agent	

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And

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the Borrower has agreed to borrow from the Lenders rupee loans, to the maximum extent set out against their respective names in Schedule I hereto, aggregating Rs. 300.00 Crore (Rupees Three Hundred Crore only) (hereinafter individually referred to as "the Loan" and collectively as "the Loans") on the terms and subject to the conditions contained in the Loan Agreement dated 14th day of February 2005 entered into, inter alia, between the Borrower and the Lenders (hereinafter referred to as "the Loan Agreement").

[Handwritten signature]

- C. At the request of the Borrower, the Lenders have agreed to appoint and to authorise one of them, as the 'Security Agent' through whom the Borrower may deal with the Lenders in matters arising out of or relating to the Loan Agreement and the other Finance Documents, subject to (i) certain limitations as to the authority of the Lenders Agent and (ii) the Lenders Agent undertaking to carry out certain duties and to discharge certain obligations, as are considered necessary and authorised by the Lenders.
- D. One of the conditions of the Loan Agreement is that, the repayment, as the case may be, of the principal amount of the Loans, payment of interest, additional interest in case of default, additional interest on premature payment of the Loans, reimbursement of all costs, charges and expenses and other monies payable by the Borrower in respect of the Loans in accordance with the Loan Agreement and the Security Documents shall be secured by (a) by a first charge on all the immovable and movable assets of the Project; (b) by a first charge by way of assignment of all project contracts, insurance policies, bank accounts, all Government Approvals assets of the Project; (c) by way of pledge of shares held in the Borrower by the Promoters; and (d) by way of irrevocable and unconditional personal guarantees from S/Shri Subrata Roy Sahara, O. P. Srivastava and J. B. Roy & corporate guarantee from M/s Sahara India Mass Communication Ltd.

- E. The Lenders and the Borrower have agreed to appoint and to authorise HUDCO as the Security Agent in respect of security mentioned in recital D above subject to (i) certain limitations as to the authority of the Security

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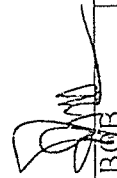
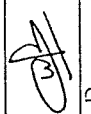

HUDCO	BOB	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower	The Lenders Agent	The Security Agent	

[Handwritten signature]

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Agent and (ii) the Security Agent undertaking to carry out certain duties and to discharge certain obligations, as are considered necessary and authorised by the Lenders.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

HUDCO.		UBI ¹⁶³	UCO
	The Lenders Agent		The Security Agent



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ARTICLE I
INTERPRETATION

1.1 Interpretation

- (a) Capitalised terms used in this Agreement shall have the meanings assigned to them in the Loan Agreement dated 14th day of February 2005 entered into among the Borrower, the Lenders, the Lenders Agent and the Security Agent (hereinafter referred to as the "Loan Agreement").
- (b) A Finance Document or any other document is a reference to that Finance Document or other document as amended, replaced, novated or supplemented.
- (c) Any reference to the powers, functions, duties, liabilities or obligations of the Security Agent under this Agreement shall, wherever the context so permits, mean a reference to the powers, functions, duties, liabilities or obligations of the Security Agent under the Finance Documents and all other documents and agreements executed and entered into by the Security Agent by virtue of its authority flowing from the Finance Documents and these presents.

- (d) The provisions of Section 1.1 and Section 1.2 of Article I of the Loan Agreement are hereby incorporated in this Agreement and shall apply as if the same are set out herein in full.

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HUDCO	BOB	UBI	UGO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower	The Lenders Agent	The Security Agent	

[Signature]

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ARTICLE II
APPOINTMENT OF SECURITY AGENT

2.1 Appointment



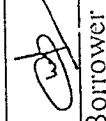

Subject to the terms, conditions and covenants contained in this Agreement, the Lenders hereby appoint HUDCO and HUDCO hereby agrees to act as the Security Agent. The Borrower shall in accordance with the Loan Agreement create Security Interest in the following assets and accounts relating to the Project in favour of the Lenders and the Security Agent shall act on behalf of the Lenders in accordance with the provisions of this Agreement;

- (a) all the Borrower's immovable properties, both present and future;
- (b) all the Borrower's movables, including equipments, plant & machinery, screw water chilling machines, pumps, inverters, air handling units, fans, air conditioners, coil units, cooling towers, piping, air distribution system, power generators insulation, installations, storage facilities, machinery spares, tools and accessories, furniture, fixtures, crockery, vehicles, both present and future;

c) an assignment by the Borrower of:

- i) all the Borrower's Receivables, Accounts and book debts, present and future,
- ii) the right, title and interest of the Borrower by way of first charge into and under all (a) of the Project Documents, and (b) the guarantees other performance warranties, indemnities and securities that may be furnished in favour of the Borrower by the various Construction Contractors under the Project Documents, after obtaining the written consent of the parties hereto, if necessary.

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	The Lenders Agent		The Security Agent	

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- iii) the right, title and interest of the Borrower by way of first charge in the Accounts, and
- iv) the right, title and interest of the Borrower by way of first charge in, to and under all the Government Approvals, insurance policies and uncalled capital of the Borrower;
- (d) a first charge on all intangible assets of the Borrower including but not limited to goodwill, undertaking and uncalled capital of the Borrower;
- (e) pledge of 51% the equity shares issued or to be issued by the Borrower during the currency of the Loans;
- f) irrevocable and unconditional personal guarantees from Mr. Subrata Roy Sahara, O.P. Srivastava and J. B. Roy;
- g) irrevocable and unconditional corporate guarantee from M/s Sahara India Mass Communication Ltd.

2.2 Declaration by the Security Agent

The Security Agent hereby declares that, pursuant to this Agreement and in accordance with the Finance Documents, it shall hold in good faith and for the benefit of the Lenders and all the beneficiaries of the Security Interest created under the Security Documents:-

- (i) all the documents of title and other documents and information, if any, delivered to it pursuant to creation of Security Interest, and
- (ii) all the benefits and rights under or pursuant to the Security Documents and all monies or instruments representing monies received by it on account of or upon enforcement of Security and

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	The Lenders Agent		
	The Security Agent		

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realisation of Security Interest or otherwise received under this Agreement or under the Security Documents (save for any sums received solely for its own account).

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The Borrower	The Lenders Agent	The Security Agent	

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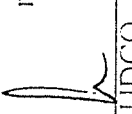
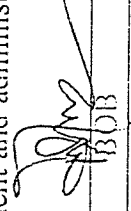
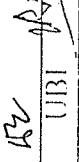
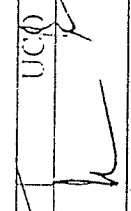

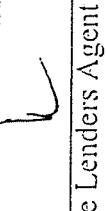
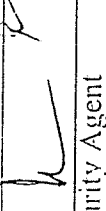
ARTICLE III
DUTIES OF THE SECURITY AGENT

3.1 Duties

The Security Agent shall, acting on behalf of the Lenders, or any of them, as the case may be or as may be required or as may be necessary:

- (a) investigate or cause to be investigated by a legal counsel or firm of solicitors the title of the Borrower to its immovable assets, including but not limited to requisite searches in the records of the concerned land registry and scrutiny of the records of the concerned Registrar of Companies (ROC);
- (b) obtain Security Documents, and obtain Security Interest in favour of all the Lenders in accordance with this Agreement, the Loan Agreement and the Applicable Laws;
- (c) ensure that the particulars of Security Interest created in favour of the Lenders by the Borrower, where required under law, are duly filed with the concerned Registrar of Companies (ROC) for registration within the prescribed time limit and obtain satisfactory evidence and proof of such registration and preserve the same;
- (d) monitor and require from time to time, compliance by the Borrower of the terms, conditions and covenants contained in the Security Documents and apprise the Lenders of any significant or persistent defaults committed by the Borrower and take such action as the Lenders Agent may instruct in writings;
- (e) accept, manage and administer the Secured Property and to perform all such acts, deeds and things which the Security Agent may from time to time deem necessary or appropriate for or incidental to the management and administration of the rights and security from time

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 The Borrower	 The Lenders Agent	 The Security Agent	

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to time vested in the Lenders as the Security Agent under, pursuant to or in connection with the Finance Documents;

- (f) take all relevant actions (or refrain from taking any, as the case may be) to preserve the rights and Security Interest constituted under the Security Documents as and where necessary to do so and to refrain from any acts and avoid any omission which might prejudice the value or the validity of the rights and Security Interest constituted under the Security Documents, all in accordance with the terms and conditions of this Agreement and the other Finance Documents;
- (g) to perform all such acts, deeds and things which the Security Agent may from time to time deem necessary or appropriate for or incidental to enable the Lenders to enforce their rights and foreclose the Security constituted by the Security Documents, all in accordance with the terms and conditions of this Agreement and the other Finance Documents;
- (h) disburse / distribute the proceeds received or realised through enforcement or otherwise of any security interest created in favour of the Lenders pursuant to the Security Documents, in accordance with the terms of the Loan Agreement / Trust & Retention Account Agreement or instructions of the Lenders Agent; and
- (i) forward notice of any tax or Security Interest of any third party received by the Security Agent to the Lenders and when monies are deposited by the Borrower or the Lenders (at their absolute discretion) pay or discharge any tax or any third party's Security Interest with respect to or passed or levied against any part of the Security.

Provided that the Security Agent shall not do any act, deed or thing which is prejudicial or detrimental to the interest of the Lenders or is not for the benefit of the Lenders.

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The Borrower	The Lenders Agent	The Security Agent	

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Provided further that the Security Agent shall have only those duties, obligations and responsibilities expressly specified in this Agreement and in other Finance Documents, and shall not have any other implied duties, obligations or responsibilities except to the extent provided by Applicable Law.

3.2 Notice of Certain Events





In the event that the Security Agent shall have knowledge of occurrence of any Event of Default, it shall give notice thereof to all of the Lenders. The Security Agent shall not take or refrain from taking such action, which are inconsistent with the provisions of the Loan Agreement/Security Documents with respect thereto or take such action as the Lenders Agent shall direct by written instructions, with simultaneous notice to the other Lenders.


Provided that pending receipt of Lenders' instruction, and if the circumstances so warrant, the Security Agent may (but not obliged to) take or refrain from taking such action with respect to the Event of Default as it deems necessary or advisable in the interest of the Lenders, unless any such action required prior express consent of the Lenders under this Agreement or otherwise outside the scope of this Agreement.

3.3 Action upon Instructions

Upon the written instructions of a Lender with notice to the other Lenders of such instruction consistent with the provisions of this Agreement and the Loan Agreement/Security Documents, the Security Agent shall take or refrain from taking such actions in relation to the Security Interest pursuant to this Agreement, as may reasonably be specified in such instructions. The Security Agent shall be under no obligation to exercise any of the rights and remedies conferred under any Security Document unless the Security Agent receives directions so to do from the Lenders.

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The Borrower	The Lenders Agent	The Security Agent	



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Provided that if there are conflicting or ambiguous instructions issued by the Lenders or the Lenders Agent, the Security Agent shall promptly endeavour to obtain consensus of or clarity from the Lenders Agent on such instruction, before acting upon the same. The Security Agent shall not incur any liability on account of non-compliance or delayed compliance with any such instructions.

3.4 Furnishing of Documents

The Security Agent shall furnish to each of the Lenders promptly, copies of any reports, certificates, statements, documents or information submitted or furnished to it by the Borrower pursuant to the Security Documents or otherwise. The Borrower agrees and undertakes to submit all such reports, certificates, statements, documents or information in quadruplicate to enable the Security Agent to comply with the provisions of this Article.

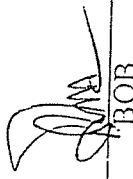
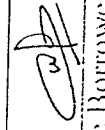
3.5 Books and Records

The Security Agent shall keep all customary books and records relating to the receipt and payment of all money, which it may receive or be entitled to receive under the Security Documents. The Security Agent, upon request, shall furnish to the Lenders all such information as may reasonably be required by them.

3.6 Safe Custody of Documents

The Security Agent shall be at liberty to keep the Security Documents, this Agreement and any other documents including documents of title relating to the Security Interest, if any, delivered to or deposited with the Security Agent pursuant to this Agreement, at its office or elsewhere or if the Security Agent so decides with any Lender or body corporate whose business includes undertaking the safe custody of documents or with any advocates or firm of solicitors and the Security Agent may incur/pay all

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	The Lenders Agent	The Security Agent	

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sums required to be paid on account of or in respect of any such deposit/custody.

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3.7 Segregation of Funds and Property Interest

Monies and other property received by the Security Agent pursuant to this Agreement/Security Documents shall, until used or applied as herein-provided, be held in trust for the purposes for which they were received and shall be segregated and held distinct from its own monies and assets. For the avoidance of doubt, the parties agree, acknowledge and confirm, that the monies and other assets constituting or representing Security Interest held by the Security Agent shall not to be considered as part of the assets of the Security Agent, shall not, in the case of bankruptcy or liquidation of the Security Agent, be considered as its assets and shall not be available to the liquidator, bankruptcy trustee or other creditor of the Security Agent and such monies and properties shall be wholly excluded from the assets of the Security Agent in such bankruptcy.

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The Borrower	The Lenders Agent	The Security Agent	

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ARTICLE IV
 AUTHORITY OF THE SECURITY AGENT

4.1 Authority

The Security Agent shall, in carrying out its duties under this Agreement, have such authority as is necessary or incidental thereto. Without prejudice to this, the Security Agent may:

- (a) execute where necessary and or accept delivery of all documents, deeds and writings as are necessary in connection with creation of Security Interest in favour of the Lenders as contemplated herein, except execution of Trust & Retention Account Agreement;
- (b) represent and act on behalf of the Lenders before any authority, court or tribunal or any person;
- (c) engage and pay for the advice or service of any experts/professionals including lawyers, accountants, surveyors or other experts whose advice or services are reasonably necessary in connection with the due discharge of its duties hereunder;
- (d) receive money or instruments representing money, issue accountable receipts therefore, realise the instruments and deal with the cash or the proceeds of instruments in accordance with the Lenders Agent's instructions;
- (e) rely upon the authenticity of any communication or document believed by it to be authentic; and
- (f) exercise such authority and to do such acts and things as it deems fit and necessary to protect Lenders' interest, in case of any exigency.

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[Signature]	[Signature]	[Signature]	[Signature]	[Signature]
The Borrower	The Lenders Agent	The Security Agent		

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4.2 Acceptance of Responsibility and Liability

- (i) The Security Agent accepts (in relation to the Lenders), its obligations and duties set out hereunder and agrees to perform the same, but only upon the terms and provisions of this Agreement.
- (ii) The Security Agent shall be answerable to or accountable to the Lenders for any loss in relation to the Security or the title deeds or any rights in respect thereto only under circumstances arising out of its gross negligence, wilful default, fraud or breach of or failure to comply with the terms and conditions of the Finance Documents or written instructions of the Lenders.

4.3 Delegation

The Security Agent may act through its personnel and agents and may, with prior written consent of the Lenders delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint agent or not) all or any of the trusts, powers and authorities vested in it by this Agreement, any Finance Document or any document relating to any of them and such delegation may be made upon such terms and subject to such conditions (including power to sub-delegate) and subject to such regulations as the Lenders think fit after having due regard to the nature of trusts, powers or authorisations it proposes to delegate.

4.4 Release of Security

Subject to the terms of this Agreement and the other Finance Documents and with the written consent of the Lenders, the Security Agent shall, execute all necessary releases of any Security, the Security Documents and/or title deeds given by the Borrower in relation to the disposal or substitution, temporarily or permanently, of any asset which is permitted

HUDCO	BOB	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower	The Lenders Agent	The Security Agent	

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under or consented to in accordance with the Finance Documents including, without limitation:

- (i) any formal release of any asset which the Lenders consider necessary or desirable in connection with that disposal or release; and
- (ii) any release of any Security or at any time after the Final Settlement Date.

4.5 Reliance

The Security Agent may:

- (i) rely on any notice or document reasonably believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper Person;
- (ii) rely on any statement made by a director or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify; and
- (iii) engage and rely on legal or other professional advisers (including those in its employment and those representing a party other than itself) and shall not be liable for anything done or omitted to be done by it acting in good faith and in accordance with the advice of any legal or other professional advisers (other than for its gross negligence, willful default, fraud or failure to comply with the terms of the Finance Documents or express instructions of the Lenders).

4.6 Limitation on Liability

- (a) The Security Agent acting in good faith shall not, in respect of any acts done or omitted to be done under or pursuant to this Agreement,

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<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower	The Lenders Agent	The Security Agent	

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incur any liability or be answerable except for its wilful misconduct or negligence.

(b) Notwithstanding anything to the contrary contained herein or in the Loan Agreement or in any Security Documents, the Security Agent shall not be required to expend or risk its own funds or otherwise incur any personal financial liability in the performance of any of its duties or in the exercise of any of its authority, unless indemnified to its satisfaction by the Borrower. The Security Agent shall not be required to initiate any legal action or proceedings pursuant to this Agreement unless it has been provided with requisite funds as would reasonably be indicated by it in that behalf, or unless it has been indemnified to its satisfaction against any and all liability, costs and expense which may be incurred by it by reason of such legal action or proceedings.

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The Borrower	The Lenders Agent	The Security Agent	

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ARTICLE V
FEES AND EXPENSES

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5.1 Fees and Expenses

The parties hereby acknowledge and agree that pursuant to a fee letter dated 12 February, 2005, the Borrower has agreed to pay to the Security Agent fee for services performed by the Security Agent under or pursuant to this Agreement (the Fee), and to pay/reimburse all out of pocket, legal, travelling and other costs, charges and expenses (the "Expenses") incurred by the Security Agent in the proper discharge of its duties under this Agreement.

[Handwritten signatures]

Notwithstanding the above, in the event that the Borrower has failed to pay the Fee and/or reimburse the Expenses when due and payable and in the event of sufficient funds being not available in the related retention account, each of the Lenders shall, upon receipt of written notice thereof given by the Security Agent stating the Fee and the Expenses due, pay to the Security Agent its pro rata share of the Fee and Expenses computed on the basis of the principal sum due to respective Lenders under the Loan Agreements and the Security Documents.

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HUDCO	<i>[Signature]</i> BOB	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower	The Lenders Agent	The Security Agent	

[Signature]

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ARTICLE VI
RESIGNATION AND REMOVAL OF SECURITY AGENT

6.1 Resignation

The Security Agent may resign its appointment hereunder at any time without assigning any reason therefore by giving not less than ninety (90) days prior written notice to that effect to each of the other parties hereto. The Security Agent shall cease to act as such, from the expiry of the said period of ninety (90) days.

6.2 Termination

The Lenders may at any time terminate the appointment of the Security Agent hereunder without assigning any reason therefore by giving not less than sixty (60) days prior written notice to that effect to the Security Agent and the Borrower.

6.3 Consequences of Resignation/Termination

Nothing contained in the Section 6.1 and Section 6.2 shall relieve the Security Agent from its obligation to make over to the Lenders (or any of them appointed by them to succeed the Security Agent) any cash or instruments representing cash and documents and books of accounts relating to the Security Interest held by it pursuant to this Agreement, nor relieve the Borrower and the Lenders to pay or reimburse as the case may be any Fee or Expenses accrued/incurred and outstanding under this Agreement.

6.4 Successor

Following the notice of resignation issued by the Security Agent or the notice of termination of the Security Agent appointment issued by the Lenders, the Lenders representing at least sixty percent of aggregate of the outstanding principal amounts of the Loans may appoint and designate any other agency to succeed the Security Agent, by a written notice to the

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<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower	The Lenders Agent	The Security Agent	

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Security Agent and the Borrower. Such appointment shall be effective from the effective date of resignation or termination.

In the absence of such appointment by the Lenders at least (15) fifteen days prior to the date of resignation or termination becoming effective, the Lender with the largest outstanding financial stake or exposure by way of Loan extended to the Borrower (other than the resigning agent), shall be entitled to select the successor Security Agent or shall act as the successor Security Agent with such rights, duties, responsibilities, obligations and liabilities identical as that of the Security Agent who has resigned or been removed.

The successor Security Agent appointed in accordance thereof shall sign a deed of accession ("Agent's Deed of Accession") substantially in the form set out in Schedule 2.

HUDCO	BOB	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower	The Lenders Agent	The Security Agent	

and

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ARTICLE VII
MISCELLANEOUS

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7.1 Benefit of Agreement

This Agreement shall be binding upon and enure to the benefit of each party hereto and its successors and assigns. This Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder. Provided, the Security Agent shall not assign or transfer any of its obligations, rights and benefits hereunder without the written consent of all of the Lenders.

7.2 Amendments

No amendments or modification to this Agreement shall be valid and effective unless agreed to by all the parties hereto and evidenced in writing.

7.3 Relationship between the Security Agent and the Borrower

The Security Agent shall not in any respect be an agent of, or trustee for, the Borrower by virtue of this Agreement.

7.4 No Waiver, Cumulative Remedies

No failure to exercise, and no delay in exercising any right, power or privilege hereunder, shall operate as a waiver or relaxation thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude or require any other or future exercise thereof or the exercise of any right, power or privilege hereunder preclude or require any other or future exercise thereof or the exercise of any right, power or privilege. All rights, powers and remedies granted to any party hereto and all other agreements, instruments and documents executed in connection with this Agreement shall be cumulative, may be exercised singly or concurrently and shall not be exclusive of any rights or remedies provided by law.

HUDCO	<i>[Signature]</i> BOB	UBI	UCO
<i>[Signature]</i> The Borrower	<i>[Signature]</i> The Lenders Agent	<i>[Signature]</i> The Security Agent	

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7.5 Notices

Any notice, demand communication or other request (individually, a "Notice") to be given or made under this Agreement shall be in writing. Such Notice shall be delivered by hand, airmail (postage prepaid), internationally-recognised overnight courier service, facsimile, cable or telex to the party to which it is addressed at such party's address specified below or at such other address as such party shall from time to time have designated by fifteen (15) days written Notice to the party giving such Notice, and shall be deemed to have been duly given or made when delivered as aforesaid.

For the Lenders

For HUDCO

The Regional Chief
Mumbai Regional Office
Housing & Urban Development Corporation Ltd.
Block-1, 2nd Floor, MMRDA Building
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051
Tel.: 022-26591416
Facsimile: 022-26592219

For BOB

Asst. General Manager
Bank of Baroda
Corporate Financial Service Branch
10/12 Mumbai Samachar Marg
Fort, Mumbai-400001
Tel.: 022-22021434

Facsimile: 022-22021445

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HUDCO	BOB	UBI	UQO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower	The Lenders Agent	The Security Agent	

[Signature]

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For UBI

Asst. General Manager,
Union Bank of India,
Industrial Finance Branch,
First Floor, Union Bank Bhavan,
239, Vidhan Bhavan Marg,
Nariman Point,
Mumbai-400021
Tel: 022-22092000
Facsimile: 022-22855037

For UCO

Asst. General Manager,
UCO Bank,
Santacruz (W), Mumbai-400054
Tel: 022-26002912/ 26494752
Facsimile: 022-26002912

For the Lenders Agent

The Regional Chief
Mumbai Regional Office
Housing & Urban Development Corporation Ltd.
Block-I, 2nd Floor, MMRDA Building
Bandra-Kurla Complex,
Bandra (East)
Mumbai - 400 051
Tel.: 022-26591416
Facsimile: 022-26592219

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HUDCO	BOB	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower	The Lenders Agent	The Security Agent	

[Signature]

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For the Security Agent

The Regional Chief
Mumbai Regional Office
Housing & Urban Development Corporation Ltd.
Block-I, 2nd Floor, MMRDA Building
Bandra-Kurla Complex,
Bandra (East)
Mumbai - 400 051
Tel.: 022-26591416
Facsimile: 022-26592219

For the Borrower

The Principal Officer
Sahara Hospitality Ltd
Opp. Mumbai Domestic Airport
Mumbai-400099
Tel: 022-26156660
Fax: 022-26156553

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HUDCO	BOB	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower	The Lenders Agent	The Security Agent	

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SCHEDULE I

PARTICULARS OF LENDERS & LOANS

753

Name of Lender	Amount of Loans
HUDCO	Rs 150 Crores (Rupees One Hundred Fifty Crores only)
BOB	Rs.50 Crores (Rupees Fifty Crores only)
UBI	Rs.50 Crores (Rupees Fifty Crores only)
UCO	Rs.50 Crores (Rupees Fifty Crores only)
TOTAL	Rs.300 Crores (Rupees Three Hundred Crores only)

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<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower		The Security Agent	
<i>[Signature]</i>		<i>[Signature]</i>	

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SCHEDULE 2

Agent's Deed of Accession

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THIS DEED dated [], [] is supplemental to the Security Agent Agreement dated ___ day of ___ 2005 (the "Security Agent Agreement") entered into by and among the Lenders, the Security Agent and the Borrower.

Words and expressions defined in the Loan Agreement and the Security Agent Agreement have the same meaning when used in this Deed.

[Name of new agent] (the "New Security Agent") hereby agrees with each other Person who is or who becomes a Party to the Security Agent Agreement that with effect on and from the date hereof it will be bound by the Security Agent Agreement as the Security Agent as if it had been party to the Security Agent Agreement in that capacity.

Address for notices of the New Security Agent for the purposes of Section 7.5 of the Security Agent Agreement is:

This Deed is governed by Indian law.

[Execution under seal]

[or appropriate execution clause]

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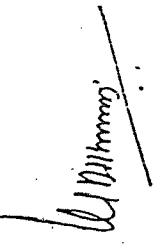
HUDCO	BOB	UBI	UCO
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
The Borrower	The Lenders Agent	The Security Agent	

And

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IN WITNESS WHEREOF the Lenders, the Security Agent and the Lenders Agent have caused these presents and copies hereof to be executed by the hands of their respective authorized officials and the Borrower has caused its common seal affixed to these presents and the copies hereof on the date, month and year first hereinabove as hereinafter appearing.

SIGNED AND DELIVERED BY the within named Lender HUDCO by the hand of Mr. K. G. R. Pillay, its Asst. Chief (Law) and authorized official.


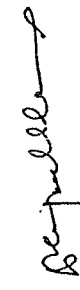


SIGNED AND DELIVERED BY the within named Lender BOB by the hand of Mr. Ashok Gupta, its Asst. General Manager and authorized official.




SIGNED AND DELIVERED BY the within named Lender UBI by the hand of Mr. D. S. Tripathi & T. L. V. Rao, its Asst. General Manger & Chief Manager and authorized officials.

FOR UNION BANK OF INDIA
Industrial Finance Branch


Chief Manager

Asst. Gen. Manager

SIGNED AND DELIVERED BY the within named Lender UCO by the hand of Mr. Pradeep Prakash, its Asst. General Manager and authorized official.


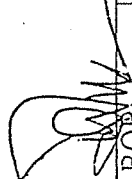

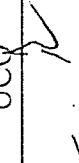
कृते यूको बँके FOR UCO BANK



मुख्य प्रबंधक/Chief Manager
सांताक्रुझ (प.) शाखा मुंबई
SANTACRUZ (W), Br. Mumbai

SIGNED AND DELIVERED BY the within named Security Agent, HUDCO by the hand of Mr. K. G. R. Pillay, its Asst. Chief (Law) and authorized official.



30

HUDCO	BOB	UBI	UCO
			
The Borrower	The Lenders Agent	The Security Agent	



TRUE COPY

SIGNED AND DELIVERED BY the within
named Lenders Agent, HUDCO by the hand
of Mr. K. G. R. Pillay, its Asst. Chief (Law),
and authorized official.

THE COMMON SEAL OF Sahara
Hospitality Ltd. has pursuant to the
Resolutions of its Board of Directors passed
in that behalf on 3rd day of January, 2005
hereunto been affixed in the presence of Mr.
O. P. Srivastava, Director, who has signed
these presents in token thereof and Mrs.
Ashu C. Sood, Authorised signatory, who
has countersigned in token thereof.

OP Srivastava

Ashu C Sood

31

HUDCO	BOB	UBI	UCO
<i>h</i>	<i>h</i>	<i>h</i>	<i>h</i>
The Borrower	The Lenders Agent	The Security Agent	

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W. Pillay

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ANNEXURE - 'A' - 17

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TRUST AND RETENTION ACCOUNT AGREEMENT

AMONG

SAHARA HOSPITALITY LTD
(Company)

And

HOUSING AND URBAN DEVELOPMENT
CORPORATION LIMITED
BANK OF BARODA
UNION BANK OF INDIA
UCO BANK
(As Lenders)

AND

HOUSING AND URBAN DEVELOPMENT
CORPORATION LIMITED
(As Lenders Agent)

And

HOUSING AND URBAN DEVELOPMENT
CORPORATION LIMITED
(As Security Agent)




And

UCO BANK
(As Account Bank)

DATED 14th DAY OF FEBRUARY 2005

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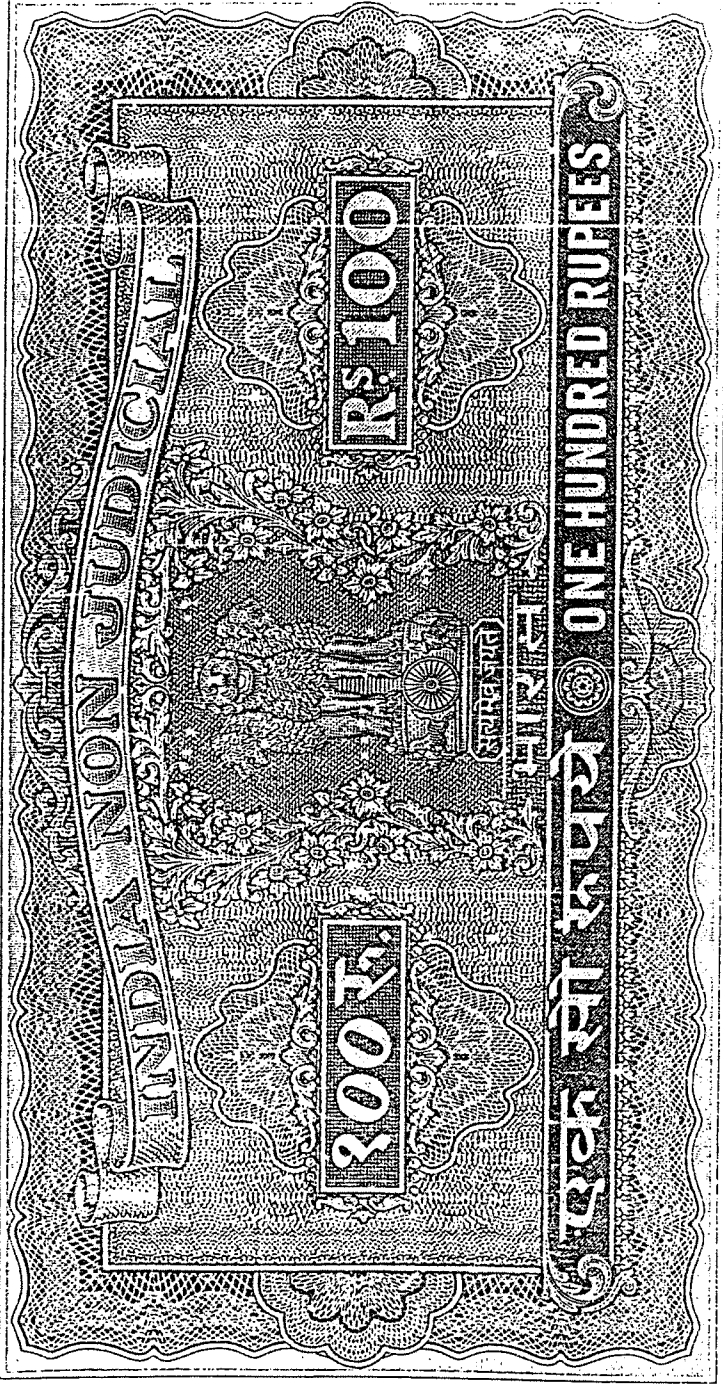
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The Company	Lenders Agent	Security Agent	Account Bank
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महाराष्ट्र MAHARASHTRA

Stamp Office, Mumbai.

जांचे.....

L. S. V. No. 4 FEB 2005

222

Officer

श्री. कांचन हर्षद बोंगळे

हर्षद कॉन्स्ट्रक्शन प्रॉपर्टी डेव्हलपर्स प्राइवेट लिमिटेड

प्लॉट (ए) सुबई-५१. फ. सा. ५५/५५

श्री/श्रीमती/सि/सर्वी.....

पंजाब कॉन्स्ट्रक्शन प्रॉपर्टी डेव्हलपर्स प्राइवेट लिमिटेड

परपना घाटक सुविक्र विक्रय

B 105701

11 FEB 2005

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SAHARA HOSPITALITY LTD,

TRUST AND RETENTION ACCOUNT AGREEMENT

[Handwritten initials]

THIS ESCROW ACCOUNT AGREEMENT (this "Agreement") is made at Mumbai on the 14th day of February 2005 by and among:

SAHARA HOSPITALITY LIMITED a company registered under the Companies Act, 1956 (1 of 1956) and having its Registered Office at Sahara India Point, CTS, 40 & 44, S. V. Road, Goregaon (West), Mumbai-400104 in the State of Maharashtra (hereinafter referred to as the "the Company" which expression shall, unless it be repugnant to the subject of context thereof, include its successors and permitted assigns) of the **FIRST PART;**

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

The Company _____ Lenders Agent _____ Security Agent _____ Account Bank _____

[Handwritten signature]

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AND



HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED. a company registered under the Companies Act, 1956 (I of 1956) and having its Registered Office at "HUDCO BHAWAN", India Habitat Center Complex, Lodhi Road, New Delhi-110 003 and its Mumbai Regional Office at Block No.1, 2nd Floor, MMRDA Building, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 (hereinafter referred to as "HUDCO" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

BANK OF BARODA, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at Mandvi, Baroda and having a branch office at Corporate Financial Service Branch, 10/12 Mumbai Samachar Marg, Fort, Mumbai-400001 (hereinafter referred to as "BOB", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns);

UNION BANK OF INDIA, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and having its Head Office & its Industrial Finance Branch, Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai-400021 (hereinafter referred to as "UBI", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns); and

UCO BANK, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at 10, B.T.M. Sarani, Kolkata 700001 and having a branch office at Santacruz (W), Mumbai-400054 (hereinafter referred to as "UCO", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns).

(Each of HUDCO, BOB, UBI and UCO are individually referred to as "Lenders" and are collectively referred to as the "Lenders" and are represented by the HUDCO in its capacity as the Lenders Agent of the **SECOND PART**;

 4 

The Company Lenders Agent Security Agent Account Bank



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AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, a company registered under the Companies Act, 1956 (1 of 1956) and having its Registered Office at "HUDCO BHAWAN", India Habitat Center Complex, Lodhi Road, New Delhi-110 003 and its Mumbai Regional Office at Block No.1, 2nd Floor, MMRDA Building, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051 (hereinafter referred to as "the Lenders Agent" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns), acting for itself and as attorney for and on behalf of the Lenders of the **THIRD PART**;

AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, a company registered under the Companies Act, 1956 (1 of 1956) and having its Registered Office at "HUDCO BHAWAN", India Habitat Center Complex, Lodhi Road, New Delhi-110 003 and its Mumbai Regional Office at Block No.1, 2nd Floor, MMRDA Building, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051 (hereinafter referred to as "the Security Agent" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns), acting for itself and as attorney for and on behalf of the Lenders of the **FOURTH PART**;

AND

UCO BANK, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at 10, B.T.M. Sarani, Kolkata 700001 and having a branch office at Santacruz (W), Mumbai-400054 in the State of Maharashtra (hereinafter referred to as "Account Bank", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns) of the **FIFTH PART**.

WHEREAS-

(A) The Company has sought financial assistance from the Lenders to enable it to meet part of the cost of its Project envisaging renovation,

[Signature] 5 *[Signature]*

The Company	Lenders Agent	Security Agent	Account Bank
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[Signature]

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reconstruction and operation of Hotel Sahara Star (formerly known as Hotel Centaur), Santacruz, near domestic airport, Mumbai-400099 in the State of Maharashtra (hereinafter referred to as the "Project").

(B) To enable the Company to finance the part of the Project Cost and to facilitate the renovation and reconstruction of the Project and at the request of the Borrower, the Lenders have agreed to lend and advance to the Borrower and the Borrower has agreed to borrow from each of them their respective Loans in aggregate not exceeding Rupees 300.00 Crores on the terms and conditions contained in the Loan Agreement dated 14th Day of

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February 2005 ("Loan Agreement").

(C) All monies disbursed under the Loan Agreement are to be applied for or in connection with financing the Project.

(D) It is one of the conditions precedent for the Lenders making available the Loans to the Company for its Project that the Retention Accounts shall have been opened / established with Account Bank into which all the Project Proceeds of the Company be deposited and appropriated in the manner specified in this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO HEREBY AGREE AS FOLLOWS:

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The Company Lenders Agent Security Agent Account Bank

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ARTICLE - I

DEFINITIONS AND INTERPRETATION

1.1 Definitions

Each term used herein and not otherwise defined shall have the definition assigned to such term in the Loan Agreement. Unless the context otherwise requires the following terms shall have the following meanings:

“Airports Authority of India” Or “AAI” shall mean a body corporate constituted under the Airports Authority of India Act, 1994 (55 of 1994) and having its corporate office at Rajiv Gandhi Bhavan, Safdarjung Airport, New Delhi-110003.

“Annual Cash Transfer Date” means the 15th day of April each calendar year and if that day is not a Business Day on any year, then the immediately following Business Day.

“Approved Budget” means the budget for the relevant year starting on 1st April and ending on 31st March of the succeeding year or part thereof including the variations and or modifications duly approved in accordance with the Loan Agreement.





“AAI Lease Rental Payment Sub-Account” means the account established under Clause [4.2. & 4.3].

“Cash Transfer Date” means any of the Annual Cash Transfer Date or the Distribution Date, as the case may be.

“Compensation Proceeds Sub-Account” shall mean the account established under Clause 4.2 & 4.2.

“Construction Contract” means the Contract as defined under the Loan Agreement.

“Construction Contractor” shall mean the Contractor as defined under the Loan

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The Company	Lenders Agent	Security Agent	Account Bank
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Agreement.

“Construction Contractor Expenses Sub-Account” means the account established under Clause 4.2.& 4.3

“Construction Fund Sub-Account” means the account established under Clause 4.2.

“COD” shall have the meaning assigned to it under the Loan Agreement.





“Completion Certificate” shall have the meaning assigned to it under the Construction Contracts.

“Construction Phase” means the period from the time of commencement of Construction pursuant to notice, if any, to commence being issued under the Construction Contract till the COD.

“Current Debt Service Sub-Account” shall mean the account established under Clause 4.2.

“Debt Service”, with respect to - Construction Period, means the payment by the Borrower during the relevant calendar month of the interest on the Loans and the other financing costs to the Lenders, the Lenders Agent, the Security Agent and the Account Bank under or pursuant to any Finance Document; and Operational Period, means the payments by the Borrower during the relevant calendar month of (a) the interest on the Loans; (b) the interest payable on the Working Capital Facilities; (c) repayment of installments of principal amounts of the Loans as per the Amortisation Schedules, and (d) other financing costs to the Lenders, the Lenders Agent, the Security Agent and the Account Bank under or pursuant to any Finance Document.

“Debt Service Reserve Requirement” at any point of time means the amount equivalent to the aggregate of (a) the interest on the Loans; (b) interest on the Working Capital Facilities; and (c) installments of principal amounts of the Loans as per the Amortisation Schedules, payable by the Borrower during the

			
The Company	Lenders Agent	Security Agent	Account Bank

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immediately following two consecutive quarters during the Operation Period.

“Debt Service Reserve Sub-Account” means the account established under Clause 4.3.

“Default” means any event, act, omission or condition which is or which amounts to non-compliance of any of the obligations of the Transaction Agreement and which with notice, lapse of time, or both, or the fulfillment of any other requirement provided for in the Transaction Agreement would become an Event of Default.

“Deposit Account” means:

- (1) During the Construction Phase:
 - i) Equity Subscription Sub-Account;
 - ii) Loan Sub-Account;
 - iii) Petrol Pump Income/Earning Sub-Account
 - iv) Revenue Collection Sub-Account
 - v) Sponsors (Completion) Support Sub-Account;
 - vi) Liquidated Damages Sub-Account;
 - vii) Insurance Proceeds Sub-Account;
 - viii) Permitted Investment Earnings/Realisation Sub-Account;
 - ix) Fixed Assets Replacement Fund Sub-Account;
 - x) Construction Fund Sub-Account;
 - xi) Enforcement Proceeds Sub-Account; and
 - xii) Compensation Proceeds Sub-Account.

- (2) After the COD:
 - i) Project Proceed Sub-Account;
 - ii) Insurance Proceeds Sub-Account;
 - iii) Liquidated Damages Sub-Account;
 - iv) Permitted Investment Earnings/Realisation Sub-Account;
 - v) Fixed Assets Replacement Fund Sub-Account;
 - vi) Operating Fund Sub-Account Unit
 - vii) Enforcement Proceeds Sub-Account; and
 - ix) Compensation Proceeds Sub-Account.

“Distribution Date” means each date for re-payment of instalment of principal or payment of interest or both stipulated under the Loan Agreement which shall

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The Company	Lenders Agent	Security Agent	Account Bank
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also be the dates of distribution of amounts out of the Retention Account towards the Company's payment obligations under the Loan Agreement and includes each date on which proceeds of any security upon realisation, proceeds of Insurance Contract or otherwise are distributed.

"Equity Contributions" means, at any time, that aggregate amount actually paid by the shareholders of the Company in respect of the fully paid-up and outstanding equity shares of the Company and any sums paid by the shareholders of the Company as an advance against equity, at such time, including the Project Equity Capital.

"Equity Subscription Sub-Account" means the account established under Clause 4.2.





"Enforcement Action" means any action or proceedings by the Lenders against the Company, the Project or all or any part of the Security Interest taken for the purpose of (i) enforcing the rights of the Lenders under or in respect of the Security, the Security Interest or the Security Documents, including without limitation, the initiation of any non-judicial action or any action in any court or before any administrative agency or governmental tribunal to enforce such rights, including any action initiated under or pursuant to the special recovery statute, any action to appoint a receiver or liquidator and any action to exercise any rights provided under various financing documents or (ii) adjudicating or seeking a judgement on a claim.

"Enforcement Proceeds Sub-Account" means the account established under Clause 4.2 & 4.3.

"Retention Accounts" mean to refer to and include all the accounts established pursuant to this Agreement.

"Event of Default" shall have the meaning ascribed to it under the Loan Agreement.

"Finance Documents" shall have the meaning ascribed to it under the Loan

The Company	Lenders Agent	Security Agent	Account Bank
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Agreement.

“Financial Officer” means either the Managing Director/Chief Executive Officer of the Company or nominee of the Company duly authorised in each case by the Board of Directors of the Company to provide instructions/certificates hereunder.

“Fixed Assets Replacement Fund Sub-Account” means the account established under Clause 4.2 & 4.3.

“Lenders Engineer” means the Lenders Engineer as defined in the Loan Agreement.

“Insurance Contract” means the insurance contracts and policies, any substitutes therefore and any additional Insurance Contracts or policies required under any of the financing documents.

“Insurance Proceeds Sub-Account” means the account established under Clause 4.2 & 4.3.

“Liquidated Damages” means the damages payable to the Company under the Project Documents.

“Liquidated Damages Sub-Account” means the account established under Clause 4.2& 4.3.

“Loan Agreement” means the term loan agreement entered into by the Company on 14th day of February, 2005.

“Loan Sub-Account” means the account established under Clause 4.2.

“Major Maintenance Reserve Account” means an account in the name of the Company designated as such and established with the Account Bank.

“Major Maintenance Reserve Contribution” means an amount as certified by the Lender Engineer towards the cost of major maintenance on annual

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The Company	Lenders Agent	Security Agent	Account Bank
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basis (as specified in the Budget, if any) that are to be transferred from the Operating Fund Sub-Account into the Major Maintenance Reserve Account on every Annual Cash Transfer Date.

"Notice of Debt Service" shall have the meaning ascribed to in Clause 4.11 hereof.

"Obligations" means the obligations of the Company to the Lenders to pay all monies when due under and in accordance with the Trust And Retention Account Agreement or any other Finance Document.

"Operational Period" shall mean the period from the Commercial Operation Date onwards.

"Operating and Maintenance Expenses" mean the aggregate of the expenditure necessary for Operation and Maintenance of the Project including any miscellaneous expenses & petroleum related expenses, the fees and expenses payable to the Agents for and/or in connection with performance of their respective services in accordance with the related agreements and/or the appointment letters.

"Operating and Maintenance Expenses Sub-Account" means the account established under Clause 4.3.


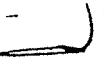
"Operating Fund Sub-Account" means the account established under Clause 4.3.

"Permitted Investment" means investment in compliance with the criteria any of the instruments set out in Schedule hereto.

"Permitted Investments Sub-Account" means the account established under Clause 4.2 & 4.3.

"Permitted Investment Earnings/Realisation Sub-Account" means the account established under Clause 4.2 & 4.3.

"Person" means any individual, corporation, a partnership, association or trust or any other entity or organisation, including any government or political

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The Company	Lenders Agent	Security Agent	Account Bank
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subdivision or any agency or instrumentality thereof.

“**Petrol/HSD Pump Dealer Agreement**” mean the agreement dated 23rd day of January 2004 entered into between the Company and Indian Oil Corporation Ltd (IOC), whereby IOC appoints the Company as the Dealer for the retail sale or supply of certain petroleum products at the premises situate at Santacruz (East) Opp. Mumbai Domestic Airport, Mumbai- 400 099 on the terms and conditions mentioned therein and other matters connected therewith, as may be amended or supplemented from time to time.

“**Petrol Pump Income/Earning**” means any income/earning received/to be received from sale of certain petroleum product under Petrol/HSD Pump Dealer Agreement.

“**Petrol Pump Income/Earning Sub-Account**” means the account established under Clause 4.2.

“**Project Construction Phase Accounts**” means the following sub accounts to the Retention Accounts that would be maintained during the Construction Period:

1. Equity Subscription Sub-Account;
2. Loan Sub-Account;
3. Petrol Pump Income/Earning Sub-Account
4. Revenue Collection Sub-Account
5. Sponsors (Completion) Support Sub-Account;
6. Liquidated Damages Sub-Account;
7. Insurance Proceeds Sub-Account;
8. Fixed Assets Replacement Fund Sub-Account;
9. Permitted Investment Earnings/Realisation Sub-Account;
10. Construction Fund Sub-Account;
11. Construction Contractor Expenses Sub-Account;
12. Operating and Maintenance Expenses Sub-Account;
13. Current Debt Service Sub-Account;
14. Permitted Investments Sub-Account;
15. AAI Lease Rentals Payment Sub-Account;
16. Taxes Payable Sub-Account;
17. Enforcement Proceeds Sub-Account;
18. Compensation Proceeds Sub-Account; and
19. Reimbursement Sub-Account

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The Company	Lenders Agent	Security Agent	Account Bank
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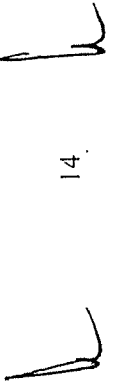
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"Project Documents" shall have the meaning ascribed to it under the Loan Agreement.

"Project Operation Phase Accounts" means the following sub-accounts of the Retention Accounts that would be maintained from the COD:

1. Project Proceeds Sub-Account;
2. Insurance Proceeds Sub-Account;
3. Liquidated Damages Sub-Account;
4. Permitted Investment Earnings/Realisation Sub-Account;
5. Fixed Assets Replacement Fund Sub-Account;
6. Operating Fund Sub-Account;
7. Taxes payable Sub-Account;
8. Operating and Maintenance Expenses Sub-Account;
9. Current Debt Service Sub-Account;
10. Debt Service Reserve Sub-Account;
11. AAI Lease Rentals Payment Sub-Account;
12. Major Maintenance Reserve Sub-Account;
13. Permitted Investments Sub-Account;
14. Enforcement Proceeds Sub-Account;
15. Construction Contractor Expenses Sub-Account;
16. Company's Sub-Account; and
17. Compensation Proceeds Sub-Account.

"Project Proceeds" shall mean all Disbursements by the Lenders and all monies due and to become due to the Company at any time including without limitation, subscriptions to shares in the share capital of the Company, Fees, subordinated debt contributions of the promoters, working capital, cash credit, Credit Card Receivables, Commercial Complex Rents / Licence Fees, Petrol Pump Income/Earning, all monies including compensation from AAI due or to become due to the Company under the Project Documents or any other agreements, and under all performance bonds, letters of credit, insurance policies and instruments of a similar nature issued in its favour in respect of the Project.

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The Company	Lenders Agent	Security Agent	Account Bank
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“Quarter” means each three months period commencing on January 1, April 1, July 1 or October 1.

“Reimbursement” shall have the meaning ascribed to it under the Loan Agreement.

“Reimbursement Sub-Account” shall mean the account established under Clause 4.2.

“Required Amounts” means the amounts required to be transferred from the Construction Fund & Operating Fund Sub-Accounts into the other Retention Accounts on the relevant Cash Transfer Date as specified in the Approved Construction Budget or the Approved Operational Budget, as the case may be.

“Restricted Payments” means all dividends and other distributions of the Company (in cash, property or obligations) on, or other payments or distributions on account of, or the setting apart of money for a sinking or other analogous fund for (other than those specifically permitted under this Agreement or any Financing Document) or the purchase, redemption, retirement or other acquisition of, any share capital of the Company or any warrants or options therefor or any payment by the Company of interest, principal or other sum in relation to any subordinated debt.

“Revenue” means all operation revenues generated including the club’s deposits from the Project during the Construction Phase

“Revenue Collection Sub-Account” means the account established under Clause 4.2.

“Sponsors (Completion) Support Sub-Account” means the account established under Clause 4.2.

“Tax” means any present or future tax, levy, impost, duty, stamp tax, charge, fee, deduction or withholding in the nature of tax wherever imposed, levied, collected, withheld or assessed by any Competent Authority or taxing division thereof pursuant to Applicable Law.

[Signature] 15 *[Signature]*

The Company	Lenders Agent	Security Agent	Account Bank
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"Taxes Payable Sub-Account" means the account established under Clause 4.2 & 4.3.



"Transaction Agreement" shall have the meaning ascribed to it under the Loan Agreement.

"Withdrawal Account" means:

- (1) **During the Construction Phase;**
 - i) Construction Fund Sub-Account;
 - ii) Taxes Payable Sub-Account;
 - iii) Construction Contractor Expenses Sub-Account;
 - iv) Operating and Maintenance Expenses Sub-Account;
 - v) Current Debt Service Sub-Account;
 - vi) AAI Lease Rentals Payment Sub-Account;
 - vii) Permitted Investments Sub-Account;
 - viii) Enforcement Proceeds Sub-Account;
 - ix) Compensation Proceeds Sub-Account; and
 - x) Reimbursement Sub-Account; and
 - xi) Compensation Proceeds Sub-Account;

- (2) **After the COD:**
 - i) Operating Fund Sub-Account;
 - ii) Taxes payable Sub-Account;
 - iii) Operating and Maintenance Expenses Sub-Account;
 - iv) Construction Contractor Expenses Sub-Account;
 - v) Current Debt Service Sub-Account;
 - vi) Debt Service Reserve Sub-Account;
 - vii) Major Maintenance Reserve Sub-Account
 - viii) Permitted Investments Sub-Account;
 - ix) Company's Sub-Account;
 - x) AAI Lease Rentals Payment Sub-Account;
 - xi) Enforcement Proceeds Sub-Account; and
 - xii) Compensation Proceeds Sub-Account;

"Written Instructions" means the written instructions issued by the Company and/or the Lenders, as the case may be, to the Account Bank, instructing Account Bank to withdraw a specified amount from the Deposit Accounts and deposit the same in a specified account(s). The written instructions shall specify the purpose for which the said amounts would be utilised.

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The Company	Lenders Agent	Security Agent	Account Bank
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1.2. Construction

- (a) Capitalised terms used but not otherwise defined in this Agreement shall have the meaning given to those terms in the Loan Agreement.
- (b) Clause 1.1 (Definitions) and Clause 1.2 (Interpretation) of the Loan Agreement apply to this Agreement as if expressly set out herein with each reference to the Loan Agreement being a reference to this Agreement.

1.3 Miscellaneous

In this Agreement, unless the context requires otherwise, a bank account includes each sub or ledger account of that account and any replacement account.

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The Company	Lenders Agent	Security Agent	Account Bank
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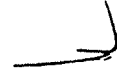
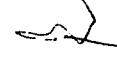
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ARTICLE - II
APPOINTMENT, RESIGNATION AND REMOVAL

2.1. Acceptance of Appointment of Account Bank

- (i) The Company hereby nominates, appoints and constitutes UCO Bank as the Account Bank to act as its agents in connection with the agreement and the security documents for the purposes and in accordance with the terms and provisions set forth herein and therein.
- (ii) The Account Bank hereby agrees to act as such and to accept all payments and other amounts to be delivered to or held by the Account Bank pursuant to the terms of this Agreement. The Account Bank shall hold and safeguard the Retention Accounts respectively during the term of this Agreement and shall treat the amount in the Retention Accounts as monies deposited with the Account Bank as agent for the benefit of the Lenders and the Company, or its nominee, successor or assigns, in trust in accordance with the provisions of this Agreement. In performing its functions and duties under this Agreement the Account Bank shall act as an agent for the Lenders
- (iii) The Company also hereby declares that all rights, title and interest in and to the Retention Accounts and Permitted Investment made from the Retention Accounts shall be vested in the Account Bank and held in trust for the Lenders and the Company in accordance with the terms of this Agreement and as their respective interests are provided for herein. Amounts deposited in the Retention Accounts from time to time shall be held by the Account Bank in trust and received and applied as provided in and in accordance with this Agreement. No person other than the Lenders and the Company shall have any rights hereunder as the beneficiaries of or as third party beneficiaries under this Agreement.

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 The Company	 Lenders Agent	 Security Agent	 Account Bank
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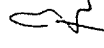
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2.2 Resignation and removal of the Account Bank

- (i) The Account Bank may after giving at least 90 days of notice in writing, resign from acting as the Account Bank in terms of this Agreement. Provided however, no such resignation of the Account Bank shall be effective if the Lenders and the Company are unable to find a successor bank acceptable to the Lenders within the period prescribed by this Agreement.
- (ii) If in the judgment of the Lenders, exercised reasonably, the long term credit rating of the Account Bank has deteriorated significantly or the Account Bank commits breach of any of the terms of this Agreement or if any proceedings for winding-up of the Account Bank or any other insolvency proceedings are committed against the Account Bank, the Lenders shall have the right to terminate the appointment of the Account Bank by giving a written notice of 60 days to the Account Bank.

(iii) In the event of the notice of resignation by the Account Bank or a notice of termination of the appointment of the Account Bank by the Lenders in accordance with Clause 2.2 (ii) above, the Lenders and the Company shall forthwith take steps to appoint successor bank as the Account Bank and shall not later than 30 days of before the effectiveness of such resignation or termination or in the case of termination as a result of any winding-up or insolvency proceedings as soon as is reasonably practicable and in any event within 30 days of the notice of the termination, execute and cause such successor bank to execute an agreement on the terms substantially similar to those contained in this Agreement. All expenses arising due to termination or appointment of the Account Bank shall be borne by the Company.

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The Company	Lenders Agent	Security Agent	Account Bank
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ARTICLE - III

DECLARATION OF TRUST: VESTING AND CONTROL OF
RETENTION ACCOUNT

(i) The Company hereby settles on trust the sum of Rs.100/- with the Account Bank. The Company also hereby declares that all rights, title and interests in and to the trust, the Retention Accounts, the documents relating to the Permitted Investments, funds in the Retention Accounts and investments made with funds from the Retention Accounts shall be vested in the Account Bank and held in trust for the Lenders and the Company in accordance with the terms of this Agreement.

(ii) The Account Bank hereby accepts the above amount of Rs.100/- in the trust hereby declared and provided for upon the terms and conditions set forth in this Agreement. The said amounts and all amounts deposited in the Retention Accounts from time to time shall be held in trust, received and applied as provided in this Agreement and shall be subject to the obligations set forth in this Agreement. No Person (including without limitation, any person entitled to receive any payment hereunder), other than the Lenders, AAI and the Company shall have any rights hereunder, as the beneficiaries of or as third party beneficiaries under this Agreement.

(iii) Nothing in this Agreement, expressed or implied, shall give or be construed to give to any Person (including, without limitation, any Construction or other contractor or any other Person entitled to receive payments hereunder) other than AAI, the Lenders and the Company any legal or equitable right, remedy or claim under this Agreement, or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of AAI, the Lenders and the Company.

[Signature] 20 *[Signature]*

The Company	Lenders Agent	Security Agent	Account Bank
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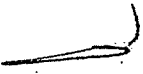


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(iv) Monies and other property received by the Account Bank in accordance with this Agreement and/or the other financing documents and/or comprised in the Security Interests therein shall, until used or applied as herein provided or as provided in any other financing document, be held in trust for the benefit of the Lenders and for the purposes for which they were received and will be maintained in a separate account so far as proceeds received from the realisation out of the property comprised in the Security Interest upon enforcement of Security. For the avoidance of doubt, the monies and properties held by the Account Bank relating to this Agreement, and/or the other financing documents and/or the Security Interests therein shall not be considered as part of the assets of the Account Bank, and, being trust property shall not, in the case of a bankruptcy or liquidation of the Account Bank, be considered as their assets and shall not be available to the liquidator, bankruptcy trustee or other creditor of the Account Bank and such monies and properties shall be wholly excluded from the assets of the Account Bank in such bankruptcy. All payments to be made by the Account Bank under the this Agreement shall be made only from the income and proceeds arising from the Security Interests in the Secured Property and only to the extent that the Account Bank shall have received income and proceeds therefrom.

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 The Company	 Lenders Agent	 Security Agent	 Account Bank
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ARTICLE-IV

ESTABLISHMENT OF RETENTION ACCOUNTS


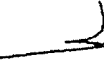

4.1. Establishment of Retention Accounts

The Company shall forthwith establish and thereafter maintain each of the Retention Accounts in its name with the Account Bank at Account Banks Branch at Santacruz, Station Road, Santacruz (W), Mumbai-400054 in accordance with the terms of this Agreement. All accounts, sub-accounts now or in the future maintained hereunder shall be located only in the aforesaid branch for the entire duration of this Agreement. In order to facilitate the day-to-day operations of the Company, the Account Bank shall open such of the Retention Accounts as described in this Article IV as may be determined in consultation with the Company and the Lenders

4.2 Project Construction Phase Accounts

The Company shall establish forthwith the following Retention Accounts to be maintained during the Construction Phase:

- a) Equity Subscription Sub-Account into which all the proceeds from the subscription of the equity share capital issued by the Company including preference shares capital; deposit & unsecured loans shall be deposited.
- b) Loan Sub-Account into which all the proceeds of draw down from the Loan provided by Lenders under the Loan Agreement shall be deposited.
- c) Petrol Pump Income/Earning Sub-Account into which all income/earning received from sale of certain petroleum product under Petrol/HSD Pump Dealer Agreement shall be deposited.
- d) Revenue Collection Sub- Account into which all Revenues collected by the Company shall be deposited;

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The Company	Lenders Agent	Security Agent	Account Bank



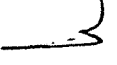



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- c) Sponsors (Completion) Support Sub-Account into which all the proceeds from the promoters of the Company under the overrun and shortfall undertaking given by the promoters of the Company shall be deposited.
- f) Liquidated Damages Sub-Account into which any monies received by the Company as liquidated damages under any Project documents shall be deposited.
- e) Insurance Proceeds Sub-Account into which any monies received by the Company under the Insurance Contracts other than the monies received in the event of loss of fixed assets requiring replacement shall be deposited.
- h) Permitted Investment Earnings/Realisation Sub-Account into which all the earnings and realisations from the Permitted Investments shall be deposited.
- i) Fixed Assets Replacement Fund Sub-Account into which the monies received under Insurance Contracts in the event of loss of fixed assets, requiring replacement of the fixed assets, of the Project shall be deposited.
- (j) Construction Fund Sub-Account into which the monies placed in the
 - (i) Equity Subscription Sub-Account; (ii) Loan Sub-Account; (iii) Petrol Pump Income/Earning Sub-Account; (iv) Revenue Collection Sub-Account; (v) Sponsors (Completion) Support Sub-Account; (vi) Liquidated Damages Sub-Account; (vii) Insurance Proceeds Sub-Account; (viii) cash surplus, if any, available in the Fixed Assets Replacement Fund Sub-Account after replacing the lost fixed assets; and (ix) surplus, if any, available in the Permitted Investment Earnings/Realisation Sub-Account after transferring such portion of the realisation back into the relevant Construction Phase Sub-Account(s) from which the amount for investment has

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 The Company	 Lenders Agent	 Security Agent	 Account Bank
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been allocated for investment and transferred into the Permitted Investments Sub-Account, shall be deposited.

k) Taxes payable Sub-Account into which the amounts required for payment of statutory dues of the Borrower shall be deposited from the Construction Fund Sub-Account from time to time.

l) Construction Contractor Expenses Sub-Account into which the amounts necessary for all payments to the Construction Contractor under the Construction Contract shall be deposited from the Construction Fund Sub-Account, from time to time.

m) Operating & Maintenance Expenses Sub-Account into which all the amounts necessary for making the Operating and Maintenance Expenses during the Construction Phase shall be deposited from the Construction Fund Sub-Account, from time to time;

n) Current Debt Service Sub-Account into which all amounts necessary for meeting the Debt Service obligations from time to time, to the Lenders under the Finance Documents during the Construction Phase shall be deposited from the Construction Fund Sub-Account;

o) AAI Lease Rentals Payment sub-Account into which the lease rental and other amounts payable to AAI by the Company under the Lease Agreement shall be deposited from the Construction Fund Sub-Account on Annual Cash Transfer Date in accordance with the Lease Agreement.

p) Permitted Investments Sub-Account into which all from the monies in the Project Construction Phase Accounts possible and allowed to be invested in the Permitted Investments shall be deposited.

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The Company	Lenders Agent	Security Agent	Account Bank
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q) Reimbursement Sub-Account into which the fund arranged by the Company for implementation of the Project before the Financial Close, in addition to the Project Equity Capital, from its Promoters and/or its group companies are required to be reimbursed to such Promoter (s) and the company (s) by the Company shall be deposited from the Construction Fund Sub-Account.

r) Compensation Proceeds Sub-Account into which all the proceeds received by the Company after the termination of the Lease Agreement from AAI and the balances standing to the credit of all the other Retention Accounts at the time of termination of the Lease Agreement shall be deposited.

s) Enforcement Proceeds Sub-Account into which (i) all the proceeds of any Enforcement Action; (ii) all the proceeds received by the Company after the Enforcement Action decision notification by the Lenders to the Account Bank; and (iii) balances standing to the credit of all the other Retention Accounts at the time of the Enforcement Action decision notification by the Lenders shall be deposited.

4.3. Project Operation Phase Accounts

The Company shall establish forthwith the following Retention Accounts to be maintained during the Project Operation Phase from the COD.

- a) Project Proceeds Sub-Account into which all Project Proceeds collected by the Company after the COD shall be deposited;
- b) Insurance Proceeds Sub-Account into which any monies received by the Company under the Insurance Contracts other than the monies received in the event of loss of fixed assets requiring replacement shall be deposited.

[Signature] 25 *[Signature]*


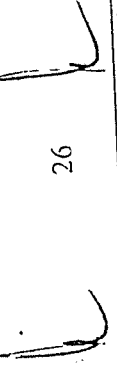
The Company	Lenders Agent	Security Agent	Account Bank
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- c) Liquidated Damages Sub-Account into which any monies received by the Company, as liquidated damages under any Project Documents shall be deposited.
- d) Permitted Investment Earnings / Realisation Sub-Account into which all the earnings /realisations from the Permitted Investments shall be deposited.
- e) Fixed Assets Replacement Fund Sub-Account into which the monies received under Insurance Contracts in the event of loss of fixed assets, requiring replacement of the fixed assets, of the Project shall be deposited.
- f) Operating Fund Sub-Account into which the monies placed in the (i) Project Proceeds Sub-Account; (ii) Insurance Proceeds Sub-Account; (iii) Liquidated Damages Sub-Account; (iv) surplus, if any, available in the Permitted Investment Earnings / Realisation Sub-Account after transferring such portion of the realisation back into the relevant Operation Phase Sub-Account(s) from which the amount for investment has been allocated for investment and transferred into the Permitted Investments Sub-Account; (v) cash surplus, if any, available in the Fixed Assets Replacement Fund Sub-Account after replacing the lost fixed assets; and (vi) balance available in the Construction Fund Sub-Account and other Project Construction Phase Accounts, after meeting the Construction Phase payment requirements shall be deposited.
- g) Taxes payable Sub-Account into which the amounts required for payment of statutory dues of the Company shall be deposited from the Operating Fund Sub-Account from time to time.
- h) Operating & Maintenance Expenses Sub-Account into which all the amounts necessary to meet the Operating and Maintenance Expenses, from the Operating Fund Sub-Account shall be deposited from time to time.

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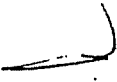

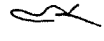
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- i) Current Debt Service Sub-Account into which all amounts necessary for meeting the debt service obligations as due from time to time to the Lenders under the Finance Documents and payable after the COD shall be deposited from time to time from the Operating Fund Sub-Account.
- j) Debt Service Reserve Sub-Account into which the Debt Service Reserve Requirement shall be deposited, from time to time, from the Operating Fund Sub-Account.
- k) AAI Lease Rentals Payment sub-Account into which the lease rental and other amounts payable to AAI by the Company under the Lease Agreement shall be deposited from the Operating Fund Sub-Account on Annual Cash Transfer Date in accordance with the Lease Agreement.
- l) Permitted Investments Sub-Account into which such amounts from the Project Operation Phase Sub-Accounts possible and allowed to be invested in Permitted Investments shall be deposited.
- m) Construction Contractor Expenses Sub-Account into which the Required Amounts necessary for all payments to the Construction Contractor under the Construction Contract shall be deposited from the Operating Fund Sub-Account, from time to time.
- n) Major Maintenance Reserve Sub-Account an amount equivalent to the Major Maintenance Reserve Contribution to be transferred by the Account Bank from the Operating Fund Sub-Account into the Major Maintenance Reserve Account to be made by the Account Bank on every Annual Cash Transfer Date as required by and in accordance with the approved Budget in order to meet the cost of the periodical maintenance of the Project;

The Company	Lenders Agent	Security Agent	Account Bank
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o) Company's Sub-Account into which all surplus amounts i.e. the amount that remain to the credit of the Operating Fund Sub-Account after transferring the Required Amounts into the respective Retention Accounts shall be deposited.

p) Compensation Proceeds Sub-Account into which all the proceeds received by the Company after the termination of the Lease Agreement from AAI and the balances standing to the credit of all the other Retention Accounts at the time of termination of the Lease Agreement shall be deposited.

q) Enforcement Proceeds Sub-Account into which (i) all the proceeds of any Enforcement Action; (ii) all the proceeds received by the Company after the Enforcement Action decision notification by the Lenders to Account Bank; and (iii) balances standing to the credit of all the other Retention Accounts at the time of the Enforcement Action decision notification by the Lenders shall be deposited.

4.4 Deposits into the Retention Accounts

(i) On and from the Effective Date and during the Construction Phase, the Account Bank shall, subject to the provisions of Clause 4.6 below, deposit into the Project Construction Phase Accounts in the following manner:

a) The Account Bank shall deposit the proceeds from the subscription of the Equity share capital of the Company into the Equity Subscription Sub-Account;

b) The Account Bank shall deposit all proceeds from the borrowing under the Loan Agreement of Lenders into the Loan Sub-Account:



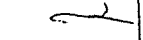
The Company	Lenders Agent	Security Agent	Account Bank

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- c) The Account Bank shall deposit all Petrol Pump Income/Earning into the Petrol Pump Income/Earning Sub-Account;
- d) The Account Bank shall deposit all Revenues collected by the Company from its operation of the Project into the Revenue Collection Sub-Account;
- e) The Account Bank shall deposit the proceeds under the promoters overrun and shortfall undertakings into the Sponsors (Completion) Support Sub-Account;
- f) The Account Bank shall deposit the liquidated damages into the Liquidated Damages Sub-Account;
- g) The Account Bank shall deposit the proceeds from the Insurance Contracts other than the Insurance Proceeds that have to be deposited into the Fixed Assets Replacement Reserve Sub-Account into the Insurance Proceeds Sub-Account;
- h) The Account Bank shall deposit all the proceeds from investment in the Permitted Investments into the Permitted Investments Earnings/Realisation Sub-Account;
- i) The Account Bank shall deposit all the monies received under the Insurance Contracts for loss of fixed assets required to be replaced into the Fixed Assets Replacement Fund Sub-Account;


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The Company	Lenders Agent	Security Agent	Account Bank
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j) The Account Bank shall deposit into the Construction Fund Sub-Account all proceeds from the monies placed in; (i) Equity Subscription Sub-Account; (ii) Loan Sub-Account; (iii) Petrol Pump Income/Earning Sub-Account; (iv) Revenue Collection Sub-Account (v) Sponsors (Completion) Support Sub-Account; (vi) Liquidated Damages Sub-Account; (vii) Insurance Proceeds Sub-Account; (viii) surplus, if any, available in the Permitted Investment Earnings / Realisation Sub-Account after transferring such portion of the realisation back into the relevant Construction Phase Sub-Account(s) from which the amount for investment has been allocated for investment and transferred into the Permitted Investments Sub-Account and (ix) cash surplus, if any, available in the Fixed Assets Replacement Fund Sub-Account after replacing the lost fixed assets.

k) The Account Bank shall deposit all the proceeds received by the Company after the termination of the Lease Agreement from AAI and the balances standing to the credit of all the other Retention Accounts at the time of termination of the Lease Agreement in Compensation Proceeds Sub-Account

l) The Account Bank shall deposit (i) all the proceeds of any Enforcement Action; (ii) all the proceeds received by the Company after the Enforcement Action decision notification by the Lenders to the Account Bank; and (iii) balances standing to the credit of all the other Retention Accounts at the time of the Enforcement Action decision notification by the Lenders, into the Enforcement Proceeds Sub-Account.

(ii) After the COD, the Account Bank shall, subject to the provisions of Clause 4.6 below, deposit into the Project Operation Phase Accounts in the following manner:

[Signature] 30 *[Signature]*


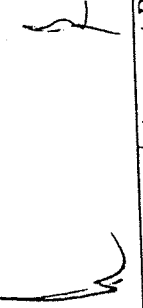
The Company	Lenders Agent	Security Agent	Account Bank
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- a) The Account Bank shall deposit all the Project Proceeds received from the Company into the Project Proceeds Sub-Account.
- b) The Account Bank shall deposit the proceeds from the Insurance Contracts, other than the Insurance Proceeds that have to be deposited into the Fixed Assets Replacement Reserve Sub-Account into the Insurance Proceeds Sub-Account;
- c) The Account Bank shall deposit the liquidated damages into the Liquidated Damages Sub-Account;
- d) The Account Bank shall deposit all the proceeds from investment in the Permitted Investments into the Permitted Investments Earnings/ Realisation Sub-Account;
- e) The Account Bank shall deposit all the monies received under the Insurance Contracts for loss of fixed assets required to be replaced, into the Fixed Assets Replacement Fund Sub-Account;
- f) The Account Bank shall deposit into the Operating Fund Sub-Account all the proceeds from; (i) Project Proceeds Sub-Account; (ii) Insurance Proceeds Sub-Account; (iii) Liquidated Damages Sub-Account; (iv) surplus, if any, available in the Permitted Investment Earnings/Realisation Sub-Account after transferring such portion of the realisation back into the relevant Operation Phase Sub-Account(s) from which the amount for investment has been allocated for investment and transferred into the Permitted Investments Sub-Account; (vi) cash surplus, if any, available in the Fixed Assets Replacement Fund Sub-Account after replacing the lost fixed assets and (vii) balance after meeting the Construction Fund Phase payment requirements available in the Construction Fund Sub-Account and other Project Construction Phase Accounts.
- g) The Account Bank shall deposit all the proceeds received by the Company after the termination of the Lease Agreement from AAI and the balances standing to the credit of all the other Retention Accounts at the time of termination of the Lease Agreement in Compensation Proceeds Sub-Account
- h) The Account Bank shall deposit (i) all the proceeds of any Enforcement Action; (ii) all the proceeds received by the


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The Company	Lenders Agent	Security Agent	Account Bank
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Company after the Enforcement Action decision notification by the Lenders to the Account Bank; and (iii) balances standing to the credit of all the other Retention Accounts at the time of the Enforcement Action decision notification by the Lenders, into the Enforcement Proceeds Sub-Account.

(iii) The Account Bank shall have the discretion to deposit monies that have not been specifically allocated into such Sub-Account that would in the reasonable opinion of the Account Bank be the most appropriate and shall thereafter notify the Lenders of such deposit.

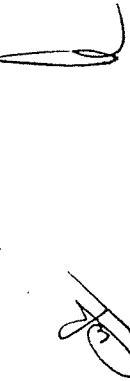

4.5 Withdrawals from the Retention Accounts

Subject to the provisions of Clause [4.6] below:

(i) The Account Bank, upon receiving the relevant Written Instructions from the Financial Officer of the Company as approved in writing by the Lenders, withdraw from the Deposit Accounts and place the amount so withdrawn, in the specified Withdrawal Account. The Lenders shall provide the Account Bank with the drawdown schedule, which may be revised or modified, from time to time, by the Lenders under notification to the Account Bank. The amounts from the Withdrawal Accounts shall be utilised only as per the drawdown schedule and in accordance with the Approved Budget and as contained in this Clause. The Lenders shall, for every six months in advance or at such periodicity as mutually agreed upon between the parties, provide to the Account Bank a budget duly approved by the Lenders for making payments out of the Withdrawal Accounts to meet all the expenses/ payments/ investments in terms of the Approved Budget. Any changes or amendments in the Approved Budget shall be approved by the Lenders.

(ii) During the Construction Phase:

(a) The Amounts withdrawn from the Deposit Accounts (except Compensation Proceeds Sub- Account, Enforcement Proceeds Sub-

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The Company	Lenders Agent	Security Agent	Account Bank
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Account, and Fixed Assets Replacement Fund Sub-Account) shall first be deposited into the Construction Fund Sub-Account and thereafter all amounts to be deposited into the Withdrawal Accounts shall be withdrawn from the Construction Fund Sub-Account and deposited into the specified Withdrawal Accounts, unless the contrary has been specified elsewhere in this Agreement. The order of application of monies from the Construction Fund Sub-Account shall be as follows:




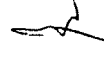
- Taxes Payable Sub-Account;
- Construction Contractor Expenses Sub-Account;
- Operating and Maintenance Expenses Sub-Account;
- Current Debt Service Sub-Account;
- AAI Lease Rentals Payment Sub-Account; and
- Reimbursement Sub-Account

b) The amounts in the Taxes Payable Sub-Account shall be appropriated for meeting the statutory dues of the Company.

c) The amounts in the Construction Contractor Expenses Sub-Account shall be appropriated towards the payments due to the Construction Contractor under the Construction Contract.

d) The amounts in the Operating and Maintenance Expenses Sub-Account shall be appropriated towards payments for meeting the operation and maintenance expenses incurred and payment of fees to and reimbursement of expenses of the agents during the Construction Phase.

e) The amounts in the Current Debt Service Sub-Account shall be appropriated towards payment of interest, re-payment of installments of principal and other financing charges due to the Lenders under the Finance Documents during the Construction Phase.

The Company	Lenders Agent	Security Agent	Account Bank
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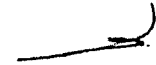


- f) The amounts in the AAI Lease Rentals Payment Sub-Account shall be appropriated towards amount payable to AAI towards the Lease Rentals and other charges in accordance with the Lease Agreement.
- g) The amounts in the Reimbursement Sub-Account shall be appropriated towards the payments due to Promoters and its group companies as approved by the Lenders
- h) The amounts in the Permitted Investments Sub-Account shall be such amounts allocated by the Company to be appropriated towards investment in the Permitted Investments.

(iii) After the COD:

(a) The Amounts withdrawn from the Deposit Accounts (except Compensation Payment Sub-Account, Enforcement Proceeds Sub-Account, and Fixed Assets Replacement Fund Sub-Account) shall first be deposited into the Operating Fund Sub-Account and thereafter all amounts to be deposited into the Withdrawal Accounts shall be withdrawn from the Operating Fund Sub-Account and deposited into the specified Withdrawal Accounts, unless the contrary has been specified in the this Agreement. The order of application of monies from the Operating Fund Sub-Account shall

be as follows:


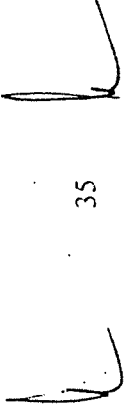
- Taxes Payable Sub-Account;
- Construction Contractor Expenses Sub-Account;
- Operating and Maintenance Expenses Sub-Account;
- Current Debt Service Sub-Account;
- Debt Service Reserve Sub-Account;
- AAI Lease Rentals Payment Sub-Account;
- Major Maintenance Reserve Sub-Account; and
- Company's Account.

 The Company	 Lenders Agent	 Security Agent	 Account Bank
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- b) The amount in the Tax Payable Sub-Account shall be appropriated for meeting the statutory dues of the Company.
- c) The amounts in the Construction Contractor Expenses Sub-Account shall be appropriated towards the balance payments due to the Construction Contractor under the Construction Contract.
- d) The amounts in the Operating and Maintenance Expenses Sub-Account shall be appropriated towards the payments due towards the operation and maintenance expenses of the Project and payment of fees to and reimbursement of expenses of the Account Bank after the COD.
- e) The amounts in the Current Debt Service Sub-Account shall be appropriated towards payment of interest, re-payment of installments of principal and other financing charges due to Lenders under the Finance Documents.
- g) The amounts in the Debt Service Reserve Sub-Account shall be a reserve for the payment of interest, and re-payment of installments of principal, for meeting the Debt Service Reserve Requirement and the same shall be utilised for being transferred to Current Debt Service Sub-Account to met the requirement of the Current Debt Service Sub-Account in case of non-availability of sufficient proceeds therein. The funds shall be used from the Operating Fund Sub-Account shall also be transferred into the Debt Service Reserve Sub-Account, after meeting the claims of other parties, including Construction Contractor, on such monies.
- h) The amounts in the AAI Lease Rentals Payment Sub-Account shall be appropriated towards amount payable to AAI towards the Lease Rental and other charges on every Annual Cash Transfer Date in accordance with the Lease Agreement.
- h) The amount in the Major Maintenance Reserve Sub-Account shall be shall be appropriated towards the cost of the periodic


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maintenance of the Project.

i) The amount available in the Operation Fund Sub-Account after providing for the Withdrawal Accounts specified in sub clauses b, c, d, e, f, g & h of this Clause 4.5 (iii) shall be deposited into Company's Account to be utilised towards meeting (i) unsecured/ subordinate debt payment obligations; (ii) dividend payments as approved by the Lenders in the Approved Budget; (iii) prepayment of principal amounts of the loan under the Loan Agreement at the instance of the Lenders.

j) The amounts in the Permitted Investments Sub-Account shall be such amounts allocated by the Company from the monies in the Project Operation Phase Sub-Accounts possible and allowed to be invested and the same shall be appropriated towards investment in the Permitted Investments.

(iv) The Account Bank is authorised to make investments, at the Company's request as duly approved by the Lenders, in respect of the balances available in Debt Service Reserve Sub-Account and Major Maintenance Reserve Sub-Account in any one or more of the Permitted Investments.

(v) The amount specified, by the Board of Directors of the Company, for the purposes of distribution as dividend among the shareholders of the Company after obtaining prior approval of the Lenders, shall be deposited by the Account Bank into the Company's Sub-Account and distributed among the shareholders as dividend.

(vi) In the event no specific directions or guidelines being available in the Approved Budget as to appropriation or application of the amounts in any of the Retention Accounts, the Account Bank shall act according to the Written Instructions of the Lenders.

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4.6 **Overriding Provision**

In the event of notification by the Lenders of the initiation of steps for Enforcement Action, notwithstanding any thing to the contrary contained in Clauses 4.1, 4.4 and 4.5 above or any other provisions hereof, the Account Bank shall deposit all the earnings, receivables and proceeds of the Company or the Company's assets or the securities including the balances standing to the credit of any of the other Retention Accounts into the Compensation Proceeds Sub-Account and the Enforcement Proceeds Sub-Account respectively. The amounts so deposited in the Compensation Proceeds Sub-Account and the Enforcement Proceeds Sub-Account shall be withdrawn and appropriated/applied in accordance with the instructions to be given, in writing, by the Lenders.

4.7 **Duty of Account Bank to notify Deposits and Withdrawals.**

The Account Bank on or before [the tenth (10th) day of each Quarter] shall notify the Company and the Lenders of (i) the amounts deposited in and withdrawn from the Retention Accounts, and each of the sub-accounts thereof. (ii) the Permitted Investments made and proceeds realised therefrom during the preceding Quarter or during such other period, (iii) the aggregate balances of the Retention Accounts, and the balance of each sub-account thereof, and (iv) such other information as the Company or the Lenders may reasonably request.

4.8 **Permitted Investments.**

(i) Except as otherwise provided herein, the Company shall instruct the Account Bank in a certificate (containing specific instructions) signed by a Financial Officer from time to time to invest amounts then deposited in any Retention Account (and not otherwise then due and payable to the Lenders) in Permitted Investments and where such Permitted Investments are made, the Company by delivery of a certificate containing specific instructions in

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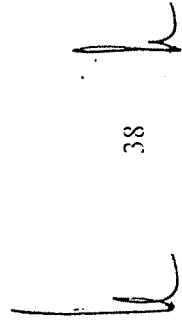
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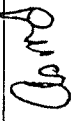
accordance with paragraph (ii) of this section may thereafter instruct Account Bank to realise the same (to the extent that the same are not self realising). The Account Bank shall act in accordance with such instructions, provided that, in the case of instructions to invest any amount, the Account Bank shall not have been notified, that a Default or Event of Default has occurred or is continuing.

(ii) All instructions given by the Company pursuant to paragraph (i) shall be signed by a Financial Officer and shall be immediately acted upon. Upon the realisation of any investment made pursuant to this sub clause, the Account Bank shall credit to the Retention Accounts (the moneys of which were utilised to purchase the relevant Permitted Investment) the proceeds of such realisation and will deposit to the Permitted Investments Earnings/realisation Sub-Account any interest or other amounts received in respect of that Permitted Investment.

(iii) Any such Permitted Investment shall be made in the name of the Company. However, Permitted Investments shall be deemed to be the amounts to the credit of the Retention Accounts while the same remain in existence. The Account Bank shall hold on behalf of the Company any Permitted Investment document arising in respect of any Permitted Investment. On expiry of every Quarter, the Account Bank shall send the Lenders a confirmation and receipts of the Permitted Investment Documents and realisations therefrom. The Company is obliged to deliver all the Permitted Investment Documents along with the requisite authorisation in favour of the Account Bank to realise the Permitted Investments any time within 72 hours of the receipt of the same by the Company. In the event of any failure by the Company in this regard, the Account Bank shall notify the Lenders who shall initiate further necessary action.

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(iv) Except as otherwise set forth herein, Account Bank shall not be responsible for monitoring the performance of any Permitted Investment or for any loss in value thereto unless such loss arises as a consequence of it's the Agent's fraud, willful misconduct or negligence.

(v) On and after the occurrence of an Event of Default under the Finance Documents, the Lenders may instruct the Account Bank to liquidate any investments and to transfer the proceeds to the Debt Service accounts in accordance of the terms of this Agreement.

(vi) Any action under this Clause 4.8 may be taken by the Account Bank only on the specific instructions to that effect by the Company and the Account Bank shall not be responsible for the result of such action. The tenure of the Permitted Investments shall be as determined by the Lenders. In the absence of such determination, the Company shall have the complete discretion to determine the tenure of the Permitted Investments.

4.9 Transfer of Funds

- i) The funds would be deemed to have been made available in the Retention Account by the Account Bank from twenty four (24) hours of deposit of funds.
- ii) The Account Bank shall be notified by the Lenders Agent of the COD of the Project.
- iii) Within 3 days from the receipt of such notice, the Account Bank shall-
 - a) determine the amounts in deposit in the Project Construction Phase Accounts as on date of receipt of the notice and as of the date of transfer of funds.

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- h) establish all the Project Operating Phase Accounts under Clause 4.3. herein.
- c) transfer all the amounts in deposit in the Retention Account, as on the date of transfer under Clause 4.9(i) above, and deposit such monies into the Operating Fund Sub-Account.


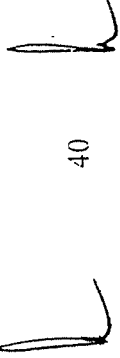
Provided, however, that for any cheques and/or negotiable instruments outstanding for payment against the Project Construction Phase Account as on the date of transfer and closing of the Project Construction Phase Account, the Account Bank shall ensure that, subject to adequacy of funds in the closed accounts as on the date of transfer, such cheques and/or negotiable instruments are honoured from the Operating sub-account and no dishonour for inadequacy of funds or closing of the bank accounts results from the transfer of monies deposited and the opening of Project Operation Phase Accounts as provided in Clause [4.3] hereof.


4.10 Project Proceeds received by the Company.

Except as otherwise provided herein, the Company shall ensure that all Project Proceeds are paid directly by itself or the Person, handling the same for and on behalf of the Company, to or for the credit of, or the Retention Account for credit to the relevant Retention Account and agrees, in the event that it actually receives any Project Proceeds, that it will hold the same in the form received, in trust for Account Bank on behalf of the Lenders, and will forthwith, and without any notice or demand whatsoever, pay, endorse, transfer and deliver the same to the Account Bank for credit to the relevant Retention Account as aforesaid.

4.11 Notice of Debt Service

- (i) Commencing with the date that is fifteen days prior to the first Distribution Date and prior to each Distribution Date, the Lenders herein shall notify Account Bank, the amounts due and payable to each of them in accordance with the Loan Agreement as on the Distribution Date towards:


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1. Costs, charges and expenses;
 2. Amount of additional interest/penal interest if any; and
 3. Amount of interest payment
 4. Amount of principal repayment

The aforesaid Notices of Debt Service shall be issued by the Lenders as part of normal invoicing procedure of the amount of each item of Obligations which is due to the Lenders as applicable during the succeeding Distribution Dates or at the Lenders's option, any such other period, the date or dates (as the case may be) on which each such item is due, the payee authorised to receive payment and address and telephone and facsimile number, the method of payment and account numbers and locations of banks where such payments are to be made. If an interest rate is not yet determinable for any month or other period as the case may be, the amounts in respect of the Obligations referred to in this Article II shall be calculated initially by assuming that the interest rate for any such period will be the same as the most recent prevalent interest rate for the last preceding Distribution Date for which an interest rate has been determined, but the Lenders may thereafter provide the accurate interest rate and shall be entitled to payment hereunder in accordance with such rate on the next succeeding Distribution Date. In the event that the Lenders fail to submit to the Account Bank, a Notice of Debt Service for any Distribution Date fifteen days prior to the commencement of such period, Account Bank shall promptly notify the failure to the Lenders and the Company of such failure and the Lenders shall thereafter promptly submit to the Account Bank such Notice of Debt Service. In the event that after such reasonable efforts the Account Bank is unable to ascertain such information from the Lenders or the Company, the Account Bank shall pay Debt Service payable to the Lenders as specified in such Lenders's Notice of Debt Service most recently received by Account Bank. Notwithstanding any of the foregoing, in the event the Lenders fails to submits a Notice of Debt Service that

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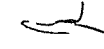
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is inaccurate, such failure shall not impair the Lenders's right to receive payments of Debt Service or other amounts hereunder, under the applicable Finance Document or otherwise, and the Lenders may at any time submit the applicable Notice of Debt Service or corrected Notice of Debt Service, as the case may be.

(ii) Notwithstanding anything to the contrary contained herein, it is understood and agreed that the Notice of Debt Service is intended to serve as a means of notifying the Account Bank when and where to make payments of Debt Service and shall not modify, as between the Company and the Lenders the obligations to pay Debt Service in accordance with the applicable Finance Documents.

(iii) The Account Bank shall verify the Notices of Debt Service, and comply with the priority of appropriation detailed in Clause 4.5 so that the respective amounts details are available prior to the Distribution Date, and the Account Bank shall remit on the Distribution Date the respective amounts to the Lenders in full, if the balances in the Current Debt Service Sub-Account so permit and monies are available. In the event of a shortfall in money balances available in the Retention Account for payment of Current Debt Service the amounts available under the Debt Service Reserve shall be utilised in full in so far as payment to the Lenders is concerned. However, in the event of a continuing short fall, after exhaustion of all amounts available under the Debt Service Reserve, then from out of the balance amount as is available, shall be paid to the Lenders on the Distribution Date in the following order or priority:

- i) Expenses incurred by the Lenders and recoverable under the provisions of this Agreement.
- ii) Interest tax /Service tax (if applicable).
- iii) Prepayment premium.

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- iv) Additional/Penal interest.
- v) Interest including compound interest.
- vi) Repayment of instalments of principal due and payable under the Loan Agreement.

It is expressly agreed and recorded that all the amounts of the Lenders which are overdue and outstanding to be paid on a previous Distribution Date, shall be cleared first and the remaining balances shall be utilised for distribution on the succeeding Distribution Dates.

- (iv) In the event of any shortfall to Lenders still persisting beyond a period of three months the Account Bank shall forthwith notify the Lenders. The Lenders may, at its absolute discretion initiate further action against the Company.

4.12 The Account Bank

- (i) The Account Bank shall, maintain each Retention Accounts maintained by it in accordance with the Account Bank's usual practices and the terms of this Agreement. Furthermore, it is understood and agreed that the Account Bank shall perform the following duties:
 - (a) maintain Retention Accounts as a separate account;
 - (b) keep proper books of account relating to each sub account of the Account maintained by the Account Bank;
 - (c) provide reports to the each of the Lender at such frequencies and as per the format which would be evolved by consensus amidst the Lenders and Account Bank;
 - (d) shall not allow any syndication charges to be paid out of the Retention Accounts for any equity funding provided to the Company;

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- (e) shall not allow any payment out of the Retention Accounts in respect of the Restricted Payments unless duly approved by the Lenders;
- (f) shall undertake to act in accordance with this Agreement;
- (g) shall irrevocably and absolutely waive all present and future rights to make or exercise any claims or demands, any rights of counter claim, lien/set-off and all other present or future rights against the standing to the credit of the Retention Accounts, to make any withholding or balancing of any accounts or to effect any transfer (except on instructions from the Lenders) between entries in the account or the monies credited to the accounts;
- (h) irrevocably and absolutely waive all present and future rights to combine or consolidate any account at any offices anywhere with the Account Bank and provide no cheque facilities except in the case of such Retention Accounts for such amounts as may be agreed to by the Lenders: provided the limits for drawl by the Company by use of cheques shall be reviewed and restored every [quarter] in accordance with the Approved Budget;
- (i) as promptly, as is reasonably practical, after receipt of any reasonable written request from the Lenders or the Company, provide such Person with such information as such Person may request, regarding all categories, amounts, maturities and issuers of investments made pursuant to this Agreement and regarding amounts available in the Retention Accounts and the various accounting balances thereunder.
- (j) shall promptly after the receipt thereof (and, in any case, within Fifteen (15) Business Days thereafter), forward to the Lenders a copy of each document, notice, agreement or opinion which, in its capacity as the Account Bank, it receives from or delivers to the Company and which is not otherwise required under the terms of

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The Company	Lenders Agent	Security Agent	Account Bank
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