

VOL → '5'
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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

ADITYA CHOPRA

VICTORIAM LEGALIS

ADVOCATES AND SOLICITORS

1085, Hotel Sahara Star,

Opp to Domestic Airport,

Vile Parle (E), Mumbai - 400099

Email – aditya@victoriamlegalis.com

Mob - +919818880644

DATE: .09.2021`

PLACE: MUMBAI

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any Finance Document to be delivered by another Person to the Lenders.

(ii) If the Account Bank is replaced, pursuant to this Agreement, such Agent shall transfer to the account in the name of the Company opened with the successor Account Bank t any amount standing to the credit of the Retention Accounts maintained by the Account Bank (together with all accrued interest and/or profit thereon)

4.13 The Account Bank and the Lenders

The Account Bank, *inter alia*, act for the Lenders behalf and for their benefit as their Agent in trust in connection herewith and the Account Bank exercise such rights, powers, authorities and discretion as are specifically delegated to the Account Bank by the terms of this Agreement, together with all such rights, powers, authorities and descriptions as normally incidental hereto. The Account Bank is obliged to carry out the duties only to the extent of balances available in the Retention Accounts and the Account Bank is not under any obligation to meet the expenses in excess of the balances available in Retention Accounts.

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and

The Company	Lenders Agent	Security Agent	Account Bank
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ARTICLE-V
REPRESENTATIONS & UNDERTAKINGS

5.1 Representations & Undertakings of the Company

(i) The Company acknowledges that the Lenders has entered into this Agreement in reliance upon the veracity of the representations and warranties made by the Company in this Agreement, in the Loan Agreement and other Finance Documents. The Company hereby represents and warrants to the Lenders as of the date of this Agreement that:

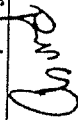
(a) The Company is duly constituted under the Companies Act, 1956 and has all requisite legal power, capacity, authority and resources to (i) enter into, execute and deliver this Agreement and the Loan Agreement, and to perform its duties and obligations hereunder and there under, and (ii) create and grant a security interest by way of a charge in and over the Retention Accounts in favour of the Lenders.
(b) This Agreement constitutes the valid, legal, and binding obligations of Company enforceable in accordance with the terms hereof or thereof.

(c) There are no actions, suits or proceedings pending or, to Company's knowledge, threatened, against or affecting the Company or its property, assets or revenues before any court or administrative body or arbitral tribunal that could reasonably be expected to affect adversely and materially the financial condition or operations of the Company or the ability of the Company to perform its duties and obligations under this Agreement.

(d) The execution, delivery and performance by the Company of this Agreement has been duly authorised by all requisite action, and will not constitute a violation of (i) any statute, judgment, order, decree or regulation of any court, or arbitral tribunal applicable or relating to the Company, its assets or its business or (ii) the Company's constitution or other organisational documents or to the best of the Company's knowledge, any indenture, contract or agreement to which the Company is a party of which the Company or its property may be bound.

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The Company	Lenders Agent	Security Agent	Account Bank
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(c) The Company has not granted or permitted to be created any encumbrance over the Retention Accounts as of the date of this Agreement other than the Security Interest by way of a charge created and granted pursuant to this Agreement in favour of the Lenders, and the Company has not entered into any agreement or undertaking, other than this Agreement, pursuant to which any encumbrance over the Retention Accounts in favour of any other party could arise, and no receiver has been appointed with respect to the Company or any of its properties, assets or revenues.

(ii) The Company hereby unconditionally and irrevocably undertakes to ensure that the Retention Accounts have sufficient balances as on the relevant dates, to enable the Account Bank to make payments towards discharge of the Obligations.

(iii) Without prejudice to the generality of Sub-clause (ii) above, the Company undertakes to ensure that all Project Proceeds are deposited into the Project Proceeds Sub-Account till the Final Settlement Date.

(iv) The Company undertakes to the Lenders that so long as any sum is or may become payable under any Finance Document, the Company will, unless the Lenders otherwise agrees in writing -

- (a) comply with its duties and obligations under this Agreement including but not limited to making all payments into and payments out of the Retention Accounts as set out herein;
- (b) ensure that each Retention Account is, and continues to be, charged in favour of the Lenders;
- (c) not operate any of the Retention Accounts or authorize or permit any other person to do so except in accordance with this Agreement;
- (d) ensure that all amounts standing to the credit of any of the Retention Accounts are utilized / applied only in accordance with this Agreement;
- (e) not close or transfer or purport or attempt to close or transfer any of the Retention Accounts without the prior consent of

[Signature] 47 *[Signature]*

The Company	Lenders Agent	Security Agent	Account Bank
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[Signature]

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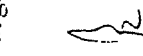
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the Lenders;

- (f) deposit all the Project Proceeds, enforcement proceeds and all other amounts into Retention Accounts as specified in this Agreement; and
- (g) ensure that the Approved Budgets are provided to the Account Bank within 3 Business Days of being Approved and to ensure that any amendment/ modification/ alteration made to any Budget pursuant to any review of the same shall be communicated to the Account Bank within 3 Business Days of such alternation / amendment / modification being carried out.

5.2 Representations, Warranties & Obligations of the Account Bank

- (i) The Account Bank hereby represents and warrants to the Company and the Lenders that:
 - (a) The Account Bank is a [scheduled commercial bank] duly constituted and validly existing under the laws of India and has all requisite legal power, authority and resources to enter into this Agreement and to perform its duties and obligations hereunder.
 - (b) This Agreement constitutes the valid, legal and binding obligations of the Account Bank enforceable in accordance with the terms hereof or thereof.
 - (c) There are no actions, suits or proceedings pending or, to the Account Bank's knowledge, threatened, against or affecting the Account Bank or its property, assets or revenues before any court or administrative body or arbitral tribunal that could reasonably be expected to affect adversely and materially the financial condition or operations of the Account Bank or the ability of the Account Bank to perform its duties and obligations under this Agreement.
 - (d) The execution, delivery and performance by the Account Bank of this Agreement has been duly authorised by all requisite action, and will not constitute a violation of (i) any statute, judgment, order, decree or regulation of any court, or arbitral tribunal applicable or relating to the Account Bank, its assets or its business or (ii) Account Bank's constitution or other organisational


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The Company	Lenders Agent	Security Agent	Account Bank
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And

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documents or to the best of Account's knowledge, any indenture, contract or agreement to which Account Bank is a party of which the Account Bank or its property may be bound.

(c) The Account Bank is not aware of any other charge or security interest or encumbrance granted over the Retention Accounts in favour of any person other than the Lenders.

(ii) The Account Bank -

(a) undertakes not to transfer or allow withdrawal of monies by the Company from the Retention Accounts, except in accordance with this Agreement.

(b) (c)

undertakes to carry out the transfer in the manner specified in Clause 4.5 hereof;

undertakes to perform only such duties as are specifically set forth to be performed in this Agreement and such other duties as are specifically directed by the Lenders. In the absence of clear direction in this Agreement, the Account Bank shall take no action under this Agreement until it has received specific directions from the Lenders;

(d) shall, within seven (7) Business Days after receipt, deliver a copy to the Lenders of any notice or document received by the Account Bank in its capacity as the Account Bank from the Company or any other person in connection with the Retention Accounts;

(e) shall keep the Lenders informed about non-receipt of the proceeds in to the Deposit Accounts;

(f) shall provide monthly statements of Retention Accounts to the Lenders; and

(g) confirms that except for the charge on the Retention Accounts in favour of the Lenders it has no notice of any security interest in favour of any person and undertakes it shall not grant or permit the creation of any security interest in the Retention Accounts in favour of any person.

Signature of Lenders Agent

Signature of The Company

The Company | Lenders Agent | Security Agent | Account Bank

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(iii) Notices from the Account Bank

The Account Bank shall within seven 3 Business Days prior to any date on which any payment is due to the Lenders, provide notice to the Company and the Lenders, of any anticipated shortfall in the Debt Service Account for making any payment due to the Lenders. In the event the Account Bank utilises any amount in the Debt Service Reserve Account to make any payment due to the Lenders in accordance with this Agreement, it shall forthwith provide a notice thereof to the Company and the Lenders

5.3 Closing of Retention Accounts

The Account Bank shall close the Retention Accounts respectively established and maintained pursuant to the terms of this Agreement upon all the Obligations have been fully discharged i.e. all the amounts payable in terms of the Finance Documents having been paid in full to the satisfaction of the Lenders and shall transfer any credit balances thereon to the order of the Borrower or to such account(s) as the Borrower may designate.

5.4 Event of Default

If an Event of Default has occurred and/or is continuing, the Lenders will be entitled (but not obliged), without the consent of the Company, to give notice to the Account Bank (with a copy to the Company) that the Lenders are to be the sole signatory in respect of the Retention Accounts and to apply all amounts in the Retention Accounts in or towards the discharge of debt outstanding and such other liabilities of the Company as the Lenders may decide (and may appropriate such amounts to such obligations in such order as it think fit). After delivery of such notice, no amount will be payable to the Company or may be withdrawn by the Company, with respect to the Retention Accounts save as the Lenders otherwise agrees.

5.5 Access to Books and Records: Audit Rights

(i) The Account Bank and the Company irrevocably grant the Lenders and any of appointed representative's of the Lenders

[Signature] 50 *[Signature]*

The Company	Lenders Agent	Security Agent	Account Bank
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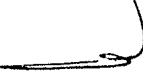


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the access to review the books and records of the Retention Accounts. The Company authorises the Account Bank to give the Lenders unrestricted access to review such books and records held by the Account Bank.

(ii) The Company irrevocably requests Account Bank to provide a full statement of all payments into or from the Retention Accounts and on a monthly basis by the 10th day of every calendar month to the Lenders.

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The Company Lenders Agent Security Agent Account Bank

Board

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ARTICLE VI
MISCELLANEOUS

6.1 Waiver

No waiver by the Lenders or the Account Bank of any provision of, or any right, power or remedy under this Agreement shall be effective unless it is in writing and signed by or on behalf of the Party against whom the waiver is assessed, and such waiver shall be effective only in the specific instance and for the specific purpose for which it was given. No failure or delay by the Lenders or the Account Bank to exercise any right, power or remedy under this Agreement or to insist on strict compliance by any other Party with any obligation under this Agreement, and no custom or practice of the Parties at variance with the terms of this Agreement, shall constitute a waiver of the Lenders or the Account Bank's right to demand exact compliance with this Agreement.

6.2 Notices

(a) Delivery

Each notice, demand or other communication to be given or made under this Agreement shall be in writing and delivered or sent to the relevant Party at its address or telex number or fax number set out below (or such other address or telex number or fax number as the addressee has by not less than 7 days' prior written notice specified to the other Parties):

For the Company

The Managing Director
The Principal Officer
Sahara Hospitality Ltd
Opp. Mumbai Domestic Airport
Mumbai-400099

Tel: 022-26156660

Fax: 022-26156553

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The Company	Lenders Agent	Security Agent	Account Bank
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or such other address and contact number as is designated by the Company by not less than five (5) Business Days written notice to the Lenders.

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
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

[Signature] 53 *[Signature]*
The Company Lenders Agent Security Agent Account Bank

[Signature]

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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 Company.

For 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

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

For Security Agent




The Regional Chief

Mumbai Regional Office

Housing & Urban Development Corporation Ltd.

Block-I, 2nd Floor, MMRDA Building

Bandra-Kurla Complex

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The Company Lenders Agent Security Agent Account Bank

Card

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Bandra (East)
Mumbai - 400 051
Tel.: 022-26591416
Facsimile: 022-26592219

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

For Account Bank


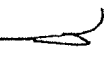


Asst. General Manager,
UCO Bank
Santacruz (W), Mumbai-400054
Tel.: 022-26494752
Facsimile: 022-26002912

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

(b) Deemed Delivery

Any notice, demand or other communication addressed to any relevant Party in accordance with paragraph (a) above shall be deemed to have been delivered:

- (a) Letter: if given or made by letter, when actually delivered to the relevant address;
- (b) Fax: if given or made by fax, when dispatched with a fax transmission report showing that the entire communication was received.

 The Company	 Lenders Agent	55  Security Agent	 Account Bank
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provided that a communication which is received after 5:00 p.m. on a working day, or on a day which is not a full working day, in the place of receipt shall be deemed to be delivered on the next full working day in that place. Provided further that a communication would be deemed to have been received by the Lenders only upon actual receipt of the communication by them.

(c) Language

Each notice or other communication under this Agreement shall be in English. Any other documents required to be delivered under this Agreement shall be either in English or be accompanied by a certified translation into English and, in that case, the English translation shall prevail unless the document is a statutory or other official document.

6.3 Governing Law

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

6.4 Jurisdiction

(a) The Parties irrevocably agree for the benefit of the Lenders that any legal action arising out of or relating to this Agreement may be brought in the courts of Mumbai, India and irrevocably submits to the non-exclusive jurisdiction of such courts. Accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with this Agreement or the Finance Documents may be brought in such courts or the tribunals and the Company irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts or tribunals.

[Signature] 56 *[Signature]*

The Company | Lenders Agent | Security Agent | Account Bank

[Signature]

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(b) The Company irrevocably waives any objection now or in future, to the laying of the venue of any proceedings in the courts and tribunals at Mumbai and any claim that any such proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any proceedings brought in at the courts and tribunals at Mumbai shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction, (subject to the laws of such jurisdiction) by a suit upon such judgment, a certified copy of which shall be conclusive evidence of such judgment, or in any other manner provided by law.

(c) Nothing contained in this Clause, shall limit any right of the Lenders to take proceedings in any other court or tribunal of competent jurisdiction, nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction whether concurrently or not and the Company irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Company irrevocably waives any objection it may have now or in the future to the laying of the venue of any proceedings and any claim that any such proceedings have been brought in an inconvenient forum.

(d) The Company hereby consents generally in respect of any proceedings arising out of or in connection with this Agreement or any other Finance Document to the giving of any relief or the issue of any process in connection with such proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such proceedings.

[Signature] 57 *[Signature]*

The Company	Lenders Agent	Security Agent	Account Bank
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[Signature]

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(c) To the extent that the Company may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Company hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity.

6.5 No Limitation on Right of Action

Nothing in this Agreement shall limit the right of the Lenders to commence any legal action against the Company and/or its assets in any other jurisdiction or to serve process in any manner permitted by law, and the taking of proceedings in any jurisdiction shall not preclude the Lenders from taking proceedings in any other jurisdiction whether concurrently or not.

6.6 Counterparts


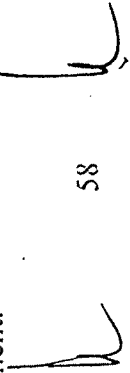
This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

6.7 Assignment

The Company shall not assign or transfer any of its rights, benefits and obligations under this Agreement without the prior written consent of the Lenders.

The Lenders may assign and/or transfer any or all of its rights, benefits and obligations under any Finance Document.

The Account Bank may assign or transfer all its rights, benefits and obligations in whole under this Agreement only in the manner as set forth in this Agreement.

 58 

The Company Lenders Agent Security Agent Account Bank



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6.8 Additional Rights

Any rights conferred on the Lenders by this Agreement shall be in addition to and not in substitution for or in derogation of any other rights and remedies which the Lenders may at any time have under the Finance Documents or otherwise, including, without limitation, rights to seek and obtain from the Company or any party to the Finance Documents reimbursement of or indemnification against payments made or liabilities incurred under the Finance Documents or otherwise

6.9 Severability

Any term or provision of this Agreement which is determined by a competent authority to be invalid, illegal, prohibited or unenforceable, in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality, prohibition or unenforceability without invalidating or rendering illegal, prohibited or unenforceable the remaining terms and provisions hereof, and any such invalidity, illegality, prohibition or unenforceability in any jurisdiction shall not invalidate or render illegal, prohibited or unenforceable such term or provision in any other jurisdiction. To the full extent permitted by Applicable Law, the Parties hereto waive any term provision prohibited or unenforceable in any respect. The Parties shall endeavor to replace such unenforceable or invalid provision with another provision which as far as legally possible captures the intention of the original provision.

6.10 Limitation on Liability

The Lenders shall not have any obligation or liability under this agreement except as expressly set forth herein.

[Signature] *h* 59 *h* *h*

The Company	Lenders Agent	Security Agent	Account Bank
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



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[Signature]

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SCHEDULE

(Permitted Investments)

Any instrument as may be approved by the Lenders from time to time.

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The Company	Lenders Agent	Security Agent	Account Bank	

Card

TRUE COPY

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IN WITNESS WHEREOF the Company has caused its Common Seal affixed hereunto and the copies hereof and the Lenders, the Account Bank have caused these presents and the copies hereof executed by the hand of their respective authorised officials on the day, month and year first hereinabove written as hereinafter appears.



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 Housing & Urban Development Corporation limited representing the Lenders in its capacity as the Lenders Agent by the hand of Mr. K. G. R. Pillay, its Asst. Chief (Law) authorized official.

K.G.R. Pillay

SIGNED AND DELIVERED BY the withinnamed Security Agent viz. Housing & Urban Development Corporation Limited 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 withinnamed the Account Bank viz. UCO BANK by the hand of Mr. Pradeep Prakesh its Chief Manager and authorized official.

कुते यूको बँक / FOR UCO BANK
Pradeep Prakesh
मुख्य प्रबंधक/Chief Manager
साताकुडा (प.) शाखा मुंबई
Santacruz (W), Br. Mumbai

K 61 *L*

<i>Sood</i>	Lenders Agent	Security Agent	Account Bank
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ANNEXURE -A'-18

(818 to 100RS.



महाराष्ट्र MAHARASHTRA

General Stamp Office, Mumbai.

Date.....

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

14 FEB 2005

महाराष्ट्र MAHARASHTRA

General Stamp Office, Mumbai.

Date.....

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

14 FEB 2005

श्री. कांचन हर्षद बोंगाले

हर्षद कांचुडर सेंटर, वादि कोर्टासमोद

वादि (ए) हुबर्-५२, साहारा

महाराष्ट्र/मिवासी

मिवासी नं. ५२, साहारा

मिवासी नं. ५२, साहारा

मिवासी नं. ५२, साहारा

मिवासी नं. ५२, साहारा

मिवासी नं. ५२, साहारा

मिवासी नं. ५२, साहारा

मिवासी नं. ५२, साहारा

B 105694

11 FEB 2005

CG9818

SPITALITY LTD.

Proper Officer

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परवर्तना धारक हुबर्क सेर मिवासी

परवर्तना धारक हुबर्क सेर मिवासी

CORPORATE GUARANTEE AGREEMENT

THIS GUARANTEE AGREEMENT executed at Mumbai this 14th day of February, 2005 by Sahara India Mass Communication Ltd, a company duly incorporated in India under the provisions of the Companies Act, 1956 and having its registered office at Sahara India Point, CTS 40-44, S. V. Road, Goregaon (W), Mumbai-400104 (hereinafter referred to as "the Guarantor", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns).

[Signature]

[Signature]

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IN FAVOUR OF

1. **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);
 2. **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);
 3. **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);
 4. **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" where the context admits or



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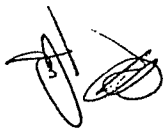
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requires HUDCO is also referred to as the "Security Agent" as the context may admit or require)

WHEREAS:

- (1) 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**") has requested the Lenders to lend and advance to it the financial assistance to the 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-400011 in the State of Maharashtra (hereinafter referred to as the "**Project**").
- 2) The Lenders have agreed in principle to lend and advance to the Borrower sums to the maximum extent set out against their respective names in the Schedule hereto aggregating Rs. 300.00 Crores (hereinafter referred to as "the Loan" or "the Loans" as the context may admit) on the terms and conditions contained in the Loan Agreement dated 14th day of February 2005 entered into between the Borrower and the Lenders (hereinafter referred to as "the Loan Agreement").
- 3) At the request of the Guarantor the Lenders have agreed to make to the Borrower, disbursement(s)/interim disbursement(s) from out of the Loans.




NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

In consideration of the premises, the Guarantor hereby unconditionally, absolutely and irrevocably guarantees to and agrees with the Lenders as follows:

1. The Lenders shall have the sole discretion to make disbursement(s) and/or interim disbursement(s) to the Borrower from out of the Loans at such time, on such conditions and in such manner as the Lenders may decide.
2. The Borrower shall duly and punctually repay the Loans together with all interest, additional interest, liquidated damages, and all other monies payable

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whatsoever as stipulated in the Loan Agreement and the fee, remuneration and expenses payable to the Lenders Agent, the Security Agent, the Account Bank and other agents of the Lenders as stipulated under the agreements and perform and comply with all other terms, conditions and covenants contained in the Loan Agreement.

3. In the event of any default on the part of the Borrower in payment/repayment and in reimbursement of any of the monies referred to above, or in the event of any default on the part of the Borrower to comply with or perform any of the terms, conditions and covenants contained in the Loan Agreement, the Guarantor shall, upon demand, forthwith pay to the Lenders without demur all the amounts payable by the Borrower under the Loan Agreement
4. The Guarantor shall also indemnify and keep the Lenders indemnified against all losses, damages, costs, claims and expenses whatsoever which the Lenders may suffer, pay or incur by reason of or in connection with any such default on the part of the Borrower including legal proceedings taken against the Borrower and/or the Guarantor for recovery of the moneys referred to in Clause 2 above.
5. The Guarantor hereby agrees that without the concurrence of the Guarantor, the Borrower and the Lender shall be at liberty to vary, alter or modify the terms and conditions of the Loan Agreement and of the security created and of the security documents executed by the Borrower in favour of the Lenders/Security Agent and in particular to defer, postpone or revise the repayment of the Loans and/or payment of interest and other monies payable by the Borrower to the Lenders on such terms and conditions as may be considered necessary by the Lenders including any increase in the rate of interest. The Lenders shall also be at liberty to absolutely dispense with or release all or any of the security/securities furnished or required to be furnished by the Borrower to the Lenders/ Security Agent to secure the Loans. The Guarantor agree that the liability under this Guarantee shall in no manner be affected by any such variations, alterations, modifications, waiver, dispensation with or release of security, and that no further consent of the

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Guarantor is required for giving effect to any such variation, alteration, modification, waiver, dispensation with, or release of security.

6. The Lenders shall have full liberty, without notice to the Guarantor and without in any way affecting this guarantee, to exercise at any time and in any manner any power or powers reserved to the Lenders under the Loan Agreement, to enforce or forbear to enforce payment of the Loans or any part thereof or interest or other monies due to the Lenders from the Borrower or any of the remedies or securities available to the Lenders, to enter into any composition or compound with or to grant time or any other indulgence or facility to the Borrower AND the Guarantor shall not be released by the exercise by the Lenders of its liberty in regard to the matters referred to above or by any act or omission on the part of the Lenders or by any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of so releasing the Guarantor AND the Guarantor hereby waives in favour of the Lenders so far as may be necessary to give effect to any of the provisions of this Guarantee, all the suretyship and other rights which the Guarantor might otherwise be entitled to enforce.
7. This Guarantee shall be enforceable against the Guarantor notwithstanding that any security or securities comprised in any instrument(s) executed or to be executed by the Borrower in favour of the Lenders shall, at the time when the proceedings are taken against the Guarantor on this Guarantee, be outstanding or unrealised or lost.
8. The Guarantor hereby agrees and gives consent to the sale, mortgage on prior, pari-passu or second charge basis, release etc., of any of the assets by the Borrower from time to time as may be approved by the Lenders or the transfer of any of the assets of the Borrower from one unit to the other or to the release or leasing out by the Lenders any or whole of the assets charged to the Lenders on such terms and conditions as the Lenders may deem fit and this may be treated as a standing and continuing consent for each and every individual act of transfer, mortgage, release or lease of any of such assets of the Borrower. The Guarantor hereby declare and agree that no separate

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consent for each such transfer, mortgage, release or lease of any of such assets would be necessary in future.

9. The Guarantor hereby agrees and declares that the Borrower will be free to avail of further loans or other facilities from the Lenders or any other financial institution or bank in addition to the Loans and/or to secure the same during the subsistence of this guarantee and in that event the guarantee herein contained will not be affected or vitiated in any way whatsoever but will remain in full force and effect and binding on the Guarantor.
10. The rights of the Lenders against the Guarantor shall remain in full force and effect notwithstanding any arrangement which may be reached between the Lenders and the other Guarantor or notwithstanding the release of that other or others from liability and notwithstanding that any time hereafter the other Guarantor may cease for any reason whatsoever to be liable to the Lenders, the Lenders shall be at liberty to require the performance by the Guarantor of his obligations hereunder to the same extent in all respects as if the Guarantor had at all times been solely liable to perform the said obligations.
11. To give effect to this Guarantee, the Lenders may act as if the Guarantor were the principal debtor to the Lenders.
12. The Guarantor hereby declares and agrees that they have not received and shall not, without the prior consent in writing of the Lenders receive any security or commission from the Borrower for giving this guarantee so long as any monies remain due and payable by the Borrower to the Lenders under the Loan Agreement.
13. The Guarantor shall not in the event of the liquidation of the Borrower prove in competition with the Lenders in the liquidation proceedings.
14. A certificate in writing signed by a duly authorised official of the Lenders/Security Agent shall be conclusive evidence against the Guarantor of the amount for the time being due to the Lenders from the B.

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15. This Guarantee shall not be wholly or partially satisfied or exhausted by any payments made to or settled with the Lenders by the Borrower and shall be valid and binding on the Guarantor and operative until repayment in full of all monies due to the Lenders under the Loan Agreement.
16. This Guarantee shall be irrevocable and the obligations of the Guarantor hereunder shall not be conditional on the receipt of any prior notice by the Guarantor or by the Borrower and the demand or notice by the Lenders, as provided in Clause 20 hereof shall be sufficient notice to or demand on the Guarantor.
17. The liability of the Guarantor under this Guarantee shall not be affected by -
- i) any change in the constitution or winding up of the Borrower or any absorption, merger or amalgamation of the Borrower with any other Company, Corporation or concern; or
 - ii) any change in the management of the Borrower or takeover of the management of the Borrower by Central or State Government or by any other authority; or
 - iii) acquisition or nationalisation of the Borrower and/or of any of its undertaking(s) pursuant to any law; or
 - iv) any change in the constitution of the Lenders; or
 - v) any change in the set-up of the Guarantor which may be by way of change in the constitution, winding up voluntary or otherwise absorption, merger or amalgamation or otherwise; or
 - vi) the absence or deficiency of powers on the part of the Guarantor to give Guarantees and/or Indemnities or any irregularity in the exercise of such power.
18. This Guarantee shall be a continuing one and shall remain in full force and effect till such time the Borrower repays in full the Loans together with all interest, guarantee commission, liquidated damages, costs, charges and all other monies that may from time to time become due and payable and remain unpaid to the Lenders under the Loan Agreement.

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19. The liability of the Guarantor hereunder shall not exceed the sum of Rs. 300.00 Crores (Rupees Three Hundred Crores Only) plus all interest, liquidated damages, costs, charges and other monies payable by the Borrower to the Lenders under the Loan Agreement.
20. Any demand for payment or notice under this Guarantee shall be sufficiently given if sent by post to or left at the last known address of the Guarantor or its personal representative(s), such demand or notice is to be made or given, and shall be assumed to have reached the addressee in the course of post, if given by post, and no period of limitation shall commence to run in favour of the Guarantor until after demand for payment in writing shall have been made or given as aforesaid, and in proving such notice when sent by post it shall be sufficiently proved that the envelope containing the notice was posted and a certificate by any of the responsible officers of the Lenders that to the best of his knowledge and belief, the envelope containing the said notice was so posted shall be conclusive as against the Guarantor, even though it was returned unserved on account of refusal of the Guarantor or otherwise.
- 21 The Guarantor agrees and declares that the rights and powers conferred on the Lenders by these presents be joint and several and shall be deemed always to be so and they may be exercised by the Lenders accordingly.
- 22 The Guarantor agrees and declares that the rights and powers conferred on the Lenders by these presents may be exercised by the Lenders Agent and/ or Security Agent acting on behalf of all or any of the Lenders.

23. DISCLOSURE OF INFORMATION

- (i) The Guarantor agrees that in case of the Guarantor fails in discharging the liability of the Borrower in repayment of the principal amount of the Loan(s) or payment of interest as demanded by the Lenders, 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 Guarantor and of its directors as defaulters in such manner and

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through medium as the Lenders and/or Reserve Bank of India may think fit.

- (ii) The Guarantor hereby agrees and gives consent for the disclosure by the Lenders of all or any such information and data relating to the Guarantor 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 Guarantor hereby further undertakes that-
- (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.




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SCHEDULELENDERS: PARTICULARS OF 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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IN WITNESS WHEREOF the Guarantor has caused its Common Seal to be affixed to these presents on the day, and month and year first hereinabove written.

THE COMMON SEAL OF Sahara India

Mass Communication Ltd has pursuant to

the Resolutions of its Board of Directors

passed in that behalf on 31st 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 Mr. Bimal Kishore Nanda

Authorised signatory, who has

countersigned in token thereof.

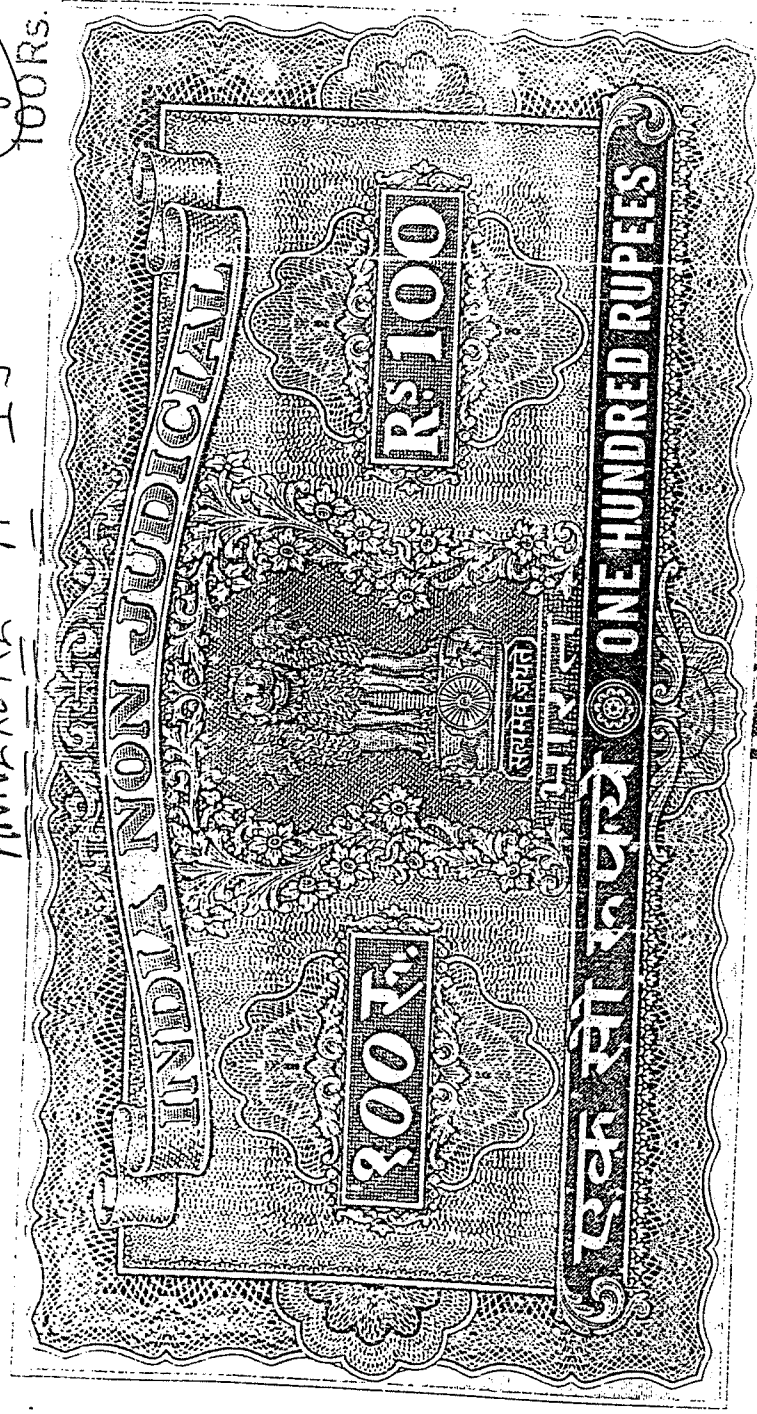
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Investing

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ANNEXURE - A - 19

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महाराष्ट्र MAHARASHTRA

Stamp Office, Mumbai

Date.....

L. S. V. No.

10 FEB 2005

Stamp Officer

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श्री सो. कांचन हर्षद बोंगाळे

B 105693

एशियन कॉम्प्युटर सॉल्यूशन्स, बॉम्बे कोर्टासमोपे

दति (ए) शुद्ध-५-२००५ 1 FEB 2005

श्री/श्रीमती/श्रीमान्

संख्या क.

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परचयाया चारक सुप्रसिद्धि कम्पनी लिमिटेड

GUARANTEE AGREEMENT

THIS GUARANTEE AGREEMENT executed at Mumbai this 14th day of February 2005 by Om Prakash Srivastava, son of Late Shri. F. P. Srivastava aged major, residing at A-706, Sector-C, Mahanagar Lucknow in the State of Uttar Pradesh (hereinafter referred to as "the Guarantor", which expression shall, unless it be repugnant to the subject or context thereof, include his/their heirs, executors and administrators)

Signature

TRUE COPY

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IN FAVOUR OF

1. **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);
2. **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);
3. **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 Bhawan, 239, Vidhan Bhawan 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);
4. **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" where the context admits or requires & HUDCO is also referred to as the "Security Agent" as the context may admit or require)

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WHEREAS

(1) 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") has requested the Lenders to lend and advance to it the financial assistance to meet the 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")

2) The Lenders have agreed in principle to lend and advance to the Borrower sums to the maximum extent set out against their respective names in the Schedule hereto aggregating Rs. 300.00 Crores (hereinafter referred to as "the Loan" or "the Loans" as the context may admit) on the terms and conditions contained in the Loan Agreement dated 14th day of February, 2005 entered into between the Borrower and the Lenders (hereinafter referred to as "the Loan Agreement").

3) At the request of the Guarantor the Lenders have agreed to make to the Borrower, disbursement(s)/interim disbursement(s) from out of the Loans.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS;

In consideration of the premises, the Guarantor hereby unconditionally, absolutely and irrevocably guarantees to and agrees with the Lenders as follows:

1. The Lenders shall have the sole discretion to make disbursement(s) and/or interim disbursement(s) to the Borrower from out of the Loans at such time, on such conditions and in such manner as the Lenders may decide.
2. The Borrower shall duly and punctually repay the Loans together with all interest, additional interest, liquidated damages, and all other monies payable whatsoever as stipulated in the Loan Agreement and the fee, remuneration and expenses payable to the Lenders Agent, the Security Agent, the Account Bank and other agents of the Lenders as stipulated under the agreements and perform

TRUE COPY

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and comply with all other terms, conditions and covenants contained in the Loan Agreement.

3. In the event of any default on the part of the Borrower in payment/repayment and in reimbursement of any of the monies referred to above, or in the event of any default on the part of the Borrower to comply with or perform any of the terms, conditions and covenants contained in the Loan Agreement, the Guarantor shall, upon demand, forthwith pay to the Lenders without demur all the amounts payable by the Borrower under the Loan Agreement.
4. The Guarantor shall also indemnify and keep the Lenders indemnified against all losses, damages, costs, claims and expenses whatsoever which the Lenders may suffer, pay or incur by reason of or in connection with any such default on the part of the Borrower including legal proceedings taken against the Borrower and/or the Guarantor for recovery of the moneys referred to in Clause 2 above.
5. The Guarantor hereby agrees that without the concurrence of the Guarantor, the Borrower and the Lenders shall be at liberty to vary, alter or modify the terms and conditions of the Loan Agreement and of the security created and of the security documents executed by the Borrower in favour of the Lenders/Security Agent and in particular to defer, postpone or revise the repayment of the Loans and/or payment of interest and other monies payable by the Borrower to the Lenders on such terms and conditions as may be considered necessary by the Lenders including any increase in the rate of interest. The Lenders shall also be at liberty to absolutely dispense with or release all or any of the security/securities furnished or required to be furnished by the Borrower to the Lenders/ Security Agent to secure the Loans. The Guarantor agrees that the liability under this Guarantee shall in no manner be affected by any such variations, alterations, modifications, waiver, dispensation with or release of security, and that no further consent of the Guarantor is required for giving effect to any such variation, alteration, modification, waiver, dispensation with, or release of security.
6. The Lenders shall have full liberty, without notice to the Guarantor and without in any way affecting this guarantee, to exercise at any time and in any manner



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any power or powers reserved to the Lenders under the Loan Agreement, to enforce or forbear to enforce payment of the Loans or any part thereof or interest or other monies due to the Lenders from the Borrower or any of the remedies or securities available to the Lenders, to enter into any composition or compound with or to grant time or any other indulgence or facility to the Borrower AND the Guarantor shall not be released by the exercise by the Lenders of its liberty in regard to the matters referred to above or by any act or omission on the part of the Lenders or by any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of so releasing the Guarantor AND the Guarantor hereby waives in favour of the Lenders so far as may be necessary to give effect to any of the provisions of this Guarantee, all the suretyship and other rights which the Guarantor might otherwise be entitled to enforce.

7. This Guarantee shall be enforceable against the Guarantor notwithstanding that any security or securities comprised in any instrument(s) executed or to be executed by the Borrower in favour of the Lenders shall, at the time when the proceedings are taken against the Guarantor on this Guarantee, be outstanding or unrealised or lost.

8. The Guarantor hereby agrees and gives consent to the sale, mortgage on prior, pari-passu or second charge basis, release etc., of any of the assets by the Borrower from time to time as may be approved by the Lenders or the transfer of any of the assets of the Borrower from one unit to the other or to the release or leasing out by the Lenders any or whole of the assets charged to the Lenders on such terms and conditions as the Lenders may deem fit and this may be treated as a standing and continuing consent for each and every individual act of transfer, mortgage, release or lease of any of such assets of the Borrower. The Guarantor hereby declares and agrees that no separate consent for each such transfer, mortgage, release or lease of any of such assets would be necessary in future.

9. The Guarantor hereby agrees and declares that the Borrower will be free to avail of further loans or other facilities from the Lenders or any other financial institution or bank in addition to the Loans and/or to secure the same during the



834

subsistence of this guarantee and in that event the guarantee herein contained will not be affected or vitiated in any way whatsoever but will remain in full force and effect and binding on the Guarantor.

10. The rights of the Lenders against the Guarantor shall remain in full force and effect notwithstanding any arrangement which may be reached between the Lenders and the other Guarantor or notwithstanding the release of that other or others from liability and notwithstanding that any time hereafter the other Guarantor may cease for any reason whatsoever to be liable to the Lenders, the Lenders shall be at liberty to require the performance by the Guarantor of his obligations hereunder to the same extent in all respects as if the Guarantor had at all times been solely liable to perform the said obligations.
11. To give effect to this Guarantee, the Lenders may act as if the Guarantor were the principal debtor to the Lenders.
12. The Guarantor hereby declares and agrees that they have not received and shall not without the prior consent in writing of the Lenders receive any security or commission from the Borrower for giving this guarantee so long as any monies remain due and payable by the Borrower to the Lenders under the Loan Agreement.
13. The Guarantor shall not in the event of the liquidation of the Borrower prove in competition with the Lenders in the liquidation proceedings.
14. A certificate in writing signed by a duly authorised official of the Lenders/Security Agent shall be conclusive evidence against the Guarantor of the amount for the time being due to the Lenders from the Borrower in any action or proceeding brought on this Guarantee against the Guarantor.
15. This Guarantee shall not be wholly or partially satisfied or exhausted by any payments made to or settled with the Lenders by the Borrower and shall be valid and binding on the Guarantor and operative until repayment in full of all monies due to the Lenders under the Loan Agreement.

TRUE COPY

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16. This Guarantee shall be irrevocable and the obligations of the Guarantor hereunder shall not be conditional on the receipt of any prior notice by the Guarantor or by the Borrower and the demand or notice by the Lenders, as provided in Clause 20 hereof shall be sufficient notice to or demand on the Guarantor.

17. The liability of the Guarantor under this Guarantee shall not be affected by -

- i) any change in the constitution or winding up of the Borrower or any absorption, merger or amalgamation of the Borrower with any other Company, Corporation or concern; or
- ii) any change in the management of the Borrower or takeover of the management of the Borrower by Central or State Government or by any other authority; or
- iii) acquisition or nationalisation of the Borrower and/or of any of its undertaking(s) pursuant to any law; or
- iv) any change in the constitution of the Lenders; or
- v) the insolvency or death of the Guarantor.

18. This Guarantee shall be a continuing one and shall remain in full force and effect till such time the Borrower repays in full the Loans together with all interest, guarantee commission, liquidated damages, costs, charges and all other monies that may from time to time become due and payable and remain unpaid to the Lenders under the Loan Agreement.

19. The liability of the Guarantor hereunder shall not exceed the sum of Rs. 300.00 Crores (Rupees Three Hundred Crores only) plus all interest, liquidated damages, costs, charges and other monies payable by the Borrower to the Lenders under the Loan Agreement.

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20 Any demand for payment or notice under this Guarantee shall be sufficiently given if sent by post to or left at the last known address of the Guarantor or their personal representative(s), such demand or notice is to be made or given, and shall be assumed to have reached the addressee in the course of post, if given by post, and no period of limitation shall commence to run in favour of the Guarantor until after demand for payment in writing shall have been made or given as aforesaid and in proving such notice when sent by post it shall be sufficiently proved that the envelope containing the notice was posted and a certificate by any of the responsible officers of the Lenders that to the best of his knowledge and belief, the envelope containing the said notice was so posted shall be conclusive as against the Guarantor, even though it was returned unserved on account of refusal of the Guarantor or otherwise.

21 The Guarantor agrees and declares that the rights and powers conferred on the Lenders by these presents be joint and several and shall be deemed always to be so and they may be exercised by the Lenders accordingly.

22. The Guarantor agrees and declares that the rights and powers conferred on the Lenders by these presents may be exercised by the Lenders Agent and/ or Security Agent acting on behalf of all or any of the Lenders.

23. DISCLOSURE OF INFORMATION

(i) The Guarantor agrees that in case of the Guarantor fails in discharging the liability of the Borrower in repayment of the principal amount of the Loan(s) or payment of interest as demanded by the Lenders, 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 Guarantor as defaulters in such manner and through medium as the Lenders and/or Reserve Bank of India may think fit.

(ii) The Guarantor hereby agrees and gives consent for the disclosure by the Lenders of all or any such information and data relating to the Guarantor or defaults, if any, committed by the Guarantor in discharge of its obligations under this Guarantee Agreement as the Lenders may deem appropriate and necessary to the Credit Information Bureau (India)

TRUE COPY

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Limited, or any institution or any other agencies authorized in this behalf by the Reserve Bank of India.

(iii) The Guarantor hereby further undertakes that-

(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.



TRUE COPY

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SCHEDULE
LENDERS: PARTICULARS OF LOANS

<u>Name of Lender</u>	<u>Amount of Loans</u>
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)
UCCO	Rs.50 Crores (Rupees Fifty Crores Only)
TOTAL	Rs.300 Crores (Rupees Three Hundred Crores Only)

[Signature]

TRUE COPY
[Signature]

CS8

IN WITNESS WHEREOF the withinnamed Shri Om Prakash Srivastava has set his hand to these presents on the day, and month and year first hereinabove written.



SIGNED AND DELIVERED by)

the withinnamed)

Shri Om Prakash Srivastava)

TRUE COPY

ANNEXURE - A - 20

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100RS.



महाराष्ट्र MAHARASHTRA

General Stamp Office, Mumbai.

Date.....

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

14 FEB 2005

reper Officer

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५५ सा. कॉमन हॉट वॉगले ५५ B 105696
हॉट कॉन्ट्रक्टर सेंटर, वांद्रे फोर्टिसमोड,
वांद्रे (ए) इंडिया-५४
सी/भीमती/मिहलई..... 11 FEB 2005
कंपना ह.....
साहारा होस्पिटैलिटी लिमिटेड
बराका वारुड इन्डिया

Undertaking regarding Non-disposal of Shareholdings

By

Sahara India Commercial Corporation Ltd.

Place: Mumbai

Date: 14 / 02 / 2005

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

All the Lenders (as defined in the Loan Agreement)

Dear Sirs,

Re: Sahara Hospitality Limited-Term Loan of Rs. 300.00 Crores

In consideration of your having agreed at our request and at the request of Sahara Hospitality Limited (hereinafter referred to as the "Borrower") to make available to the Borrower financial assistance for its project envisaging to renovate, reconstruct and operate Hotel Sahara Star (formerly known as Hotel Centaur),

TRUE COPY

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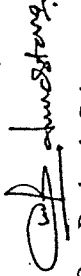
Santacruz, near domestic airport, Mumbai-400099 in the State of Maharashtra (hereinafter referred to as the "Project") in the form of loans aggregating to Rs. 300 crore ("Loans") by the Lenders on the terms and conditions contained in the Loan Agreement dated 14.2.2005 entered into among the Borrower and the Lenders (the "Loan Agreement").

2. We, Sahara India Commercial Corporation Ltd, do hereby undertake to you and to your successors and assigns that We -

- (i) shall pledge and cause pledged in favour of the Security Agent acting on behalf of and for the benefit of the Lenders of no less than 51% of the Borrower's equity share capital, issued and outstanding from time to time, as security for the Loans and for the prompt payment, discharge and performance of its obligations under the Loan Agreement ; and
- (ii) shall not transfer, assign, dispose of, pledge, charge or create any lien or in any way encumber the shares that may be held by us in future shareholdings in the equity capital of Borrower in addition to the shares pledged without your prior approval in writing so long as any moneys remain due by the Borrower to you in respect of the aforesaid Loan.
- (iii) shall not allow our directors to resign from the directorship of the Borrower without your prior approval in writing during the currency of the Loan.

Yours faithfully,

For and behalf of Sahara India Commercial Corporation Ltd


(Om Prakash Srivastava)
Director

TRUE COPY

We note the above and agree and confirm that, we shall not, without your prior approval in writing, recognise or register any transfer of shares subscribed by and issued to Sahara India Commercial Corporation Ltd nor shall we note any lien in respect of such shares in favour of third parties so long as any moneys remain due by us to you in respect of the said aforesaid Loan.

For Sahara Hospitality Limited,



(Om Prakash Srivastava)
Director

TRUE COPY
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ANNEXURE - A! - 21

(842) 5
100RS.



महाराष्ट्र MAHARASHTRA

General Stamp Office, Mumbai.

Date.....

L. S. V. No. 111 FEB 2005

श्री सं. कांचन हर्षद गोंगाळे

B 105692

हर्षद कॉन्सुलर सेक्टर, वांद्रे फोर्टसिटी, 11 FEB 2005

एच (ए) युवई-48, 84, 77/7A

खो/सोमली/मिचली.....

009820

संख्या क.....

SAHARA HOSPITALITY LTD.
बसवामा थारक कुरला बिल्डिंग

Proper Officer

Undertaking regarding Non-disposal of Shareholdings

By

Shri. Om Prakash Srivastava

Place: Mumbai
Date: 14/02/2005

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

Om Prakash Srivastava

All the Lenders (as defined in the Loan Agreement)

Dear Sirs,

Re: Sahara Hospitality Limited-Term Loan of Rs. 300.00 Crores

In consideration of your having agreed at my request and at the request of Sahara Hospitality Limited (hereinafter referred to as the "Borrower") to make available to the Borrower financial assistance for its project envisaging to renovate, reconstruct and operate Hotel Sahara Star (formerly known as Hotel Centaur).

TRUE COPY
Om Prakash Srivastava

Santacruz, near domestic airport, Mumbai-400099 in the State of Maharashtra (hereinafter referred to as the "Project") in the form of loans aggregating to Rs:300 crore ("Loan") by the Lenders on the terms and conditions contained in the Loan Agreement dated 14.2.2005 entered into among the Borrower and the Lenders (the "Loan Agreement").

2. I, Om Prakash Srivastava son of Late Shri F. P. Srivastava, aged major, residing at A-706, Sector-C, Mahanagar, Lucknow- 226010 do hereby undertake to you and to your successors and assigns that I -

- (i) shall pledge and cause pledged in favour of the Security Agent acting on behalf of and for the benefit of the Lenders of no less than 51% of the Borrower's equity share capital, issued and outstanding from time to time, as security for the Loans and for the prompt payment, discharge and performance of its obligations under the Loan Agreement; and
- (ii) shall not transfer, assign, dispose of, pledge, charge or create any lien or in any way encumber the shares that may be held by me in future shareholdings in the equity capital of Borrower in addition to the shares pledged without your prior approval in writing so long as any moneys remain due by the Borrower to you in respect of the aforesaid Loan.
- (iii) shall not resign from the directorship of the Borrower without your prior approval in writing during the currency of the Loan.

Yours faithfully,



(Om Prakash Srivastava)

TRUE COPY
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We note the above and agree and confirm that, we shall not, without your prior approval in writing, recognise or register any transfer of shares subscribed by and issued to Shri. OM PRAKASH SRIVASTAVA nor shall we note any lien in respect of such shares in favour of third parties so long as any moneys remain due by us to you in respect of the said aforesaid Loan.

For Sahara Hospitality Limited,



(Om Prakash Srivastava)
Director

TRUE COPY

ANNEXURE - 'A' - 22

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Place: Lucknow
Date: 21/02/05

Subrata

To,
The Regional Chief
Housing & Urban Development Corporation Ltd.,
Block-I, 2nd Floor, MMRDA Bldg.,
Bandra-Kurla Complex,
Bandra (E), Mumbai-400051

Dear Sirs,

Re: Authorisation of the Lenders' Security Agent to attend the meetings of
Sahara Hospitality Limited and lodgment of the Power of Attorney

Please refer to the Loan Agreement and other Finance Documents Dated
14th February 2005 entered into by Sahara Hospitality Limited with Housing & Urban
Development Corporation Limited (HUDCO), Bank of Baroda (BOB), Union Bank
of India (UBI) and UCO Bank (UCO) (hereinafter referred to as the "Loan
Document"). HUDCO, BOB, UBI and UCO are hereinafter collectively referred to
as the "Lenders"; and are collectively and individually represented by their Security
Agent, HUDCO.

Pursuant to the security stipulations contained in the aforementioned Loan
Document, We Sahara India Commercial Corporation Ltd & Subrata Roy Sahara, the
Pledgors executed a Deed of Pledge of Shares, dated 21st February 2005 (the "Deed of
Pledge") and have pledged our shares held in Sahara Hospitality Limited (the
"Company"), as detailed in the Schedule hereto (the "said Shares"), in favour of the
Lenders who were represented by HUDCO being appointed as the Security Agent by
both the Lenders.

In terms of the Deed of Pledge, the Pledgors have irrevocably authorised the
Lenders through the representative or agent of their Security Agent to attend any
general meeting of members or meeting of any class of members or meeting of
creditors of the Company and to exercise the voting rights in respect of the said
Shares, in any manner, as the representative or agent of the Security Agent may
choose in his absolute discretion.

Subrata

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To enable the representative or agent of the Security Agent to exercise the voting rights, the Pledgors have registered the Deed of Pledge with the Company, with the instructions that as and when any intimation is received from the Security Agent in this behalf, the representative or agent of the Security Agent should be permitted to attend and exercise the voting rights in respect of the said Shares on any matter at any meeting of the Company.

Yours faithfully,

i) For Sahara India Commercial Corporation Ltd.



(Director)



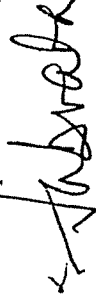
ii) Subrata Roy Sahara

We, the Company have noted the above and agree and confirm to abide by the directions/instructions received by us from the Security Agent in that regard.

Further, we shall also forward copies of the notices of the meeting of the Company, to the Security Agent as and when such notices are issued to the shareholders.

We also confirm that as and when any intimation is received in that behalf, you will be permitted to attend any general meeting of our members or meeting of any class of members or meeting of creditors of the Company through your representative or agent and to exercise the voting rights in respect of the said Shares, in any manner, as you as Security Agent may choose in your absolute discretion.

The Pledgors have also constituted and appointed the Security Agent, as their attorney, in their name and on their behalf, to execute and do all acts and things and to complete, when required, the transfer of the said Shares in favour of the Security Agent or such other person as may be required by the Security Agent/ Lenders or any of them and also to do all such other acts and things for giving effect to the provisions of the Pledge Agreement and the powers reserved for the Security Agent/



2

TRUE COPY

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Lenders. The Pledgors have also agreed and undertaken to ratify and confirm all and whatsoever the Security Agent shall lawfully do or cause to be done, in pursuance thereof. The Pledgors have also executed a separate power of attorney, irrevocably authorising the Security Agent to get the said Shares converted into dematerialised form as also to get the jumbo share certificate(s), if any, so pledged, converted into marketable lots.

To enable the Security Agent to execute such powers as their attorney, the Pledgors have lodged the said power of attorney with the Company (which has issued the said Shares).

We, the Company have noted the above and agree and confirm to abide by the directions/ instructions received by us from the Lenders / Security Agent in this regard.

The obligations of the Company contained herein, shall also be binding on its successors and permitted assigns. The Company has also approved the execution of this letter. in the meeting of our Board of Directors, held on 03/01/2005 a copy of which is enclosed herewith. ✕

Yours faithfully,

For Sahara Hospitality Limited

✕ *Sahara*

(Director)

TRUE COPY
3

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SCHEDULE I
(PARTICULARS OF SHARES)

	Number of equity shares	Face value of shares (Rs)	Aggregate Face value of shares (Rs)	Share certificate Nos.	Distinctive Nos.
Shri. Subrata Roy Sahara	50,000	10	5,00,000	7	5629521 to 5679520
	40,000	10	4,00,000	8	5679521 to 5719520
	22,10,000	10	2,21,00,000	14	7784521 to 9994520
	40,000	10	4,00,000	15	9994521 to 10034520
	3,55,480	10	35,54,800	24	19794521 to 20150000
Total-A	26,95,480		2,69,54,800		
Sahara India Commercial Corporation Ltd	43,50,000	10	4,35,00,000	23	15444521 to 19794520
	18,50,000	10	1,85,00,000	25	20150001 to 22000000
	95,00,000	10	9,50,00,000	35	25000001 to 34500000
Total-B	1,57,00,000		15,70,00,000		
Total A+B	1,83,95,480		18,39,54,800		51%

Subrata

TRUE COPY

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ANNEXURE - 'A' 23

4
850



SAHARA
INDIA PARIWAR

SAHARA HOSPITALITY LIMITED
MUMBAI

Confirmation of Inter Creditor Agreement

February 15, 2005

To,

1. 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
2. Asst. General Manager
Bank of Baroda
Corporate Financial Service Branch
10/12 Mumbai Samachar Marg
Fort
Mumbai-400001
3. Asst. General Manager
Union Bank of India
Industrial Finance Branch
First Floor, Union Bank Bhavan
239, Vidhan Bhavan Marg
Nariman Point
Mumbai-400021
4. Asst. General Manager,
UCO Bank
Santacruz (W)
Mumbai-400054

Dear Sirs,

Memorandum of Confirmation of Inter Creditor Agreement

We have perused the Inter Creditor Agreement dated February 14, 2005 entered into amongst you inter se, inter alia, to share the proceeds

(Opp. Domestic Airport-Mumbai 400 099)
Tel. No. 022-26156660 Fax No. 022-26156535

TRUE COPY

851



SAHARA
INDIA PARIWAR

SAHARA HOSPITALITY LIMITED
MUMBAI

from the enforcement of the Security as therein defined. We hereby agree and undertake that during the subsistence of the Security, we shall not raise any objection or protest whatsoever to any of the terms, conditions and provisions in the said Inter Creditor Agreement, including the terms relating to the distribution of realisation of the securities, in the manner and to the extent provided in the Inter Creditor Agreement.

Yours faithfully,

For and on behalf of Sahara Hospitality Ltd.

Ashu C. Sood

Authorized officer and Company Secretary

Place: Mumbai

(Opp. Domestic Airport-Mumbai 400 099)
Tel. No. 022-26156660 Fax No. 022-26156535

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ANNEXURE - A - 24

852/12
100RS.



महाराष्ट्र MAHARASHTRA
General Stamp Office, Mumbai

Date: 14 FEB 2005
L.S.V. No: 140 FEB 2005

222

Post Officer

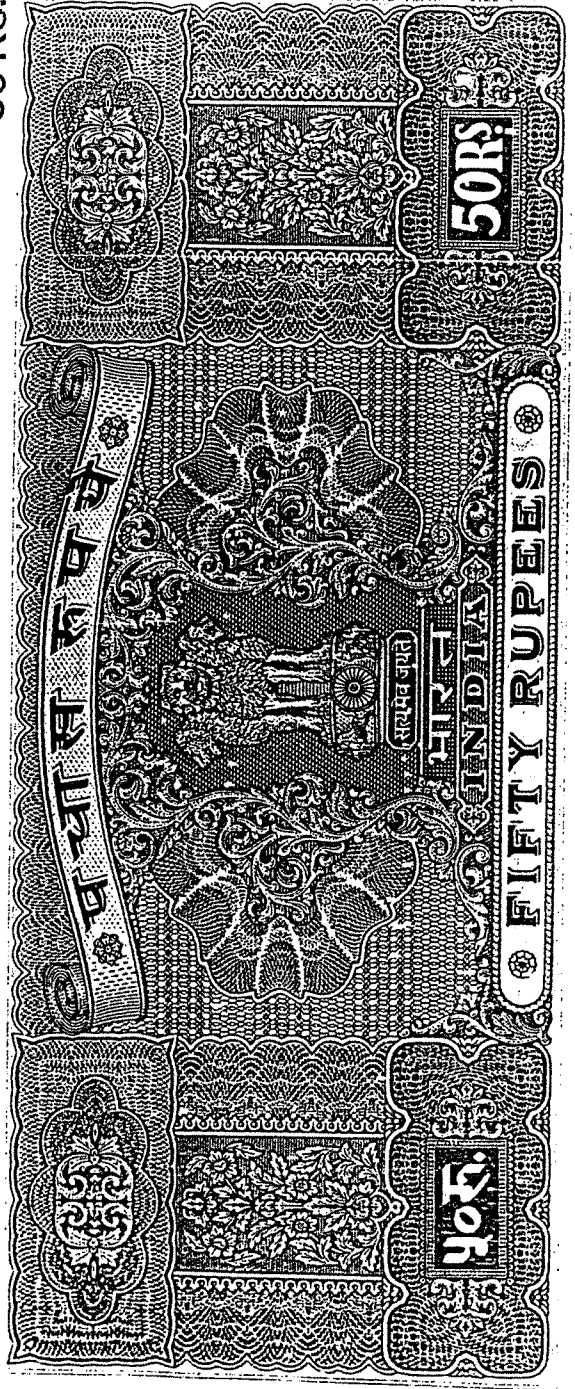
श्री. कांचन हर्षद बोंगाले B 157729
हर्षद कंप्युटर सेंटर, चांदे कोर्टासमोर,
चांदे (पु) हुबर्-५१. रु.
धी/भीमती/मिससे. J. B. R. K.
धर्म क. न्यायोचर सुदंका वेपर विकला.

021320
परधान धारक सुदंका विहाला

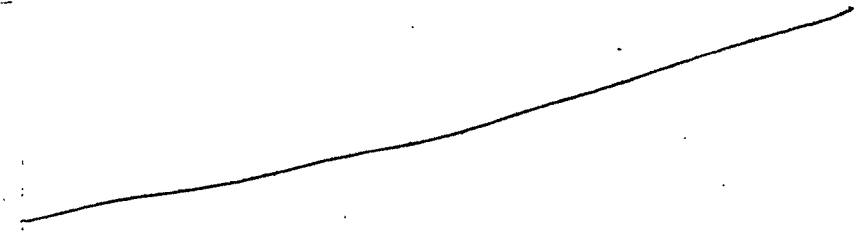
Attached to the Guarantee Agreement dated February 18, 2005 executed
by Joy Broto Roy at New Delhi.

TRUE COPY

853
50RS.



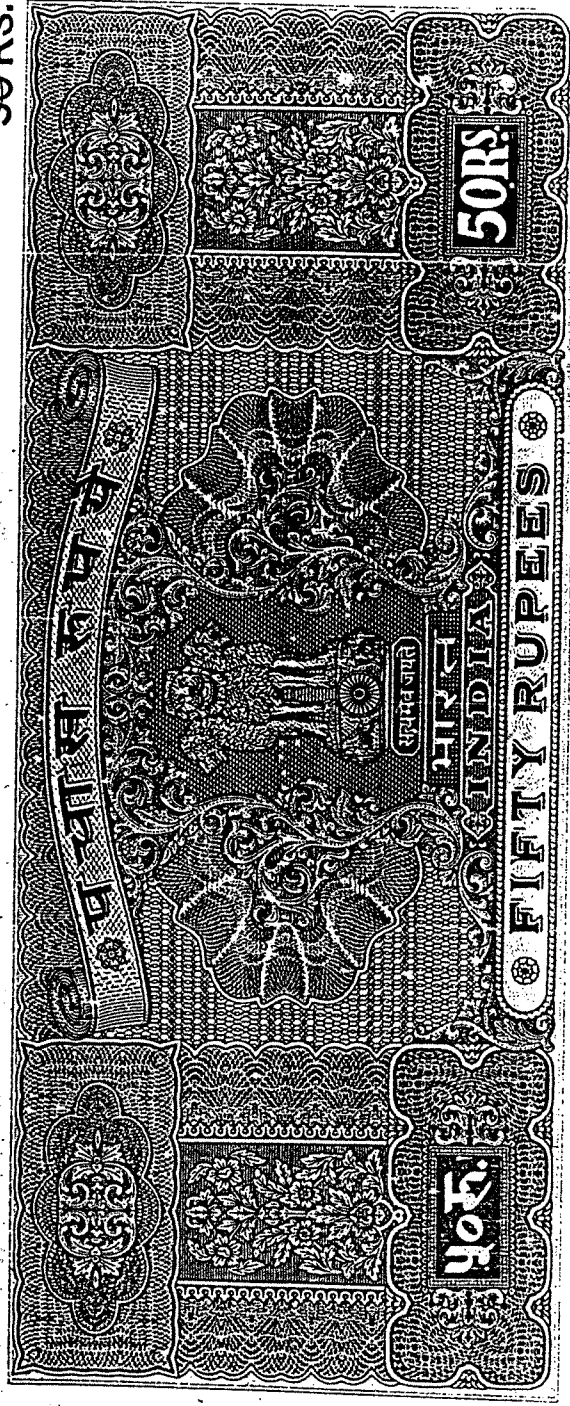
GUARANTEE AGREEMENT



TRUE COPY

Handwritten signature

854
50RS.



THIS GUARANTEE AGREEMENT executed at New Delhi this 18th day of February 2005 by Joy Broto Roy, son of Late S. C. Roy aged major, residing at F-170A, Sainik Farm, New Delhi (hereinafter referred to as "the Guarantor", which expression shall, unless it be repugnant to the subject or context thereof, include his heirs, executors and administrators)

Joy
TRUE COPY

IN FAVOUR OF

1. **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);
 2. **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);
 3. **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)
 4. **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" where the context admits or requires & HUDCO is also referred to as the "Security Agent" as the context may admit or require)


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WHEREAS

1) 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**") has requested the Lenders to lend and advance to it the financial assistance to meet the 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**").


2) The Lenders have agreed in principle to lend and advance to the Borrower sums to the maximum extent set out against their respective names in the Schedule hereto aggregating Rs. 300.00 Crores (hereinafter referred to as "the Loan" or "the Loans" as the context may admit) on the terms and conditions contained in the Loan Agreement dated ___ day of February, 2005 entered into between the Borrower and the Lenders (hereinafter referred to as "**the Loan Agreement**").

3) At the request of the Guarantor the Lenders have agreed to make to the Borrower, disbursement(s)/interim disbursement(s) from out of the Loans.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS;

In consideration of the premises, the Guarantor hereby unconditionally, absolutely and irrevocably guarantees to and agrees with the Lenders as follows:


1. The Lenders shall have the sole discretion to make disbursement(s) and/or interim disbursement(s) to the Borrower from out of the Loans at such time, on such conditions and in such manner as the Lenders may decide.
2. The Borrower shall duly and punctually repay the Loans together with all interest, additional interest, liquidated damages, and all other monies payable whatsoever as stipulated in the Loan Agreement and the fee, remuneration and expenses payable to the Lenders Agent, the Security Agent, the Account Bank and other agents of the Lenders as stipulated under the agreements and perform


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and comply with all other terms, conditions and covenants contained in the Loan Agreement.

3. In the event of any default on the part of the Borrower in payment/repayment and in reimbursement of any of the monies referred to above, or in the event of any default on the part of the Borrower to comply with or perform any of the terms, conditions and covenants contained in the Loan Agreement, the Guarantor shall, upon demand, forthwith pay to the Lenders without demur all the amounts payable by the Borrower under the Loan Agreement.
4. The Guarantor shall also indemnify and keep the Lenders indemnified against all losses, damages, costs, claims and expenses whatsoever which the Lenders may suffer, pay or incur by reason of or in connection with any such default on the part of the Borrower including legal proceedings taken against the Borrower and/or the Guarantor for recovery of the moneys referred to in Clause 2 above.
5. The Guarantor hereby agrees that without the concurrence of the Guarantor, the Borrower and the Lenders shall be at liberty to vary, alter or modify the terms and conditions of the Loan Agreement and of the security created and of the security documents executed by the Borrower in favour of the Lenders/Security Agent and in particular to defer, postpone or revise the repayment of the Loans and/or payment of interest and other monies payable by the Borrower to the Lenders on such terms and conditions as may be considered necessary by the Lenders including any increase in the rate of interest. The Lenders shall also be at liberty to absolutely dispense with or release all or any of the security/securities furnished or required to be furnished by the Borrower to the Lenders/ Security Agent to secure the Loans. The Guarantor agrees that the liability under this Guarantee shall in no manner be affected by any such variations, alterations, modifications, waiver, dispensation with or release of security, and that no further consent of the Guarantor is required for giving effect to any such variation, alteration, modification, waiver, dispensation with, or release of security.
6. The Lenders shall have full liberty, without notice to the Guarantor and without in any way affecting this guarantee, to exercise at any time and in any manner any power or powers reserved to the Lenders under the Loan Agreement, to


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enforce or forbear to enforce payment of the Loans or any part thereof or interest or other monies due to the Lenders from the Borrower or any of the remedies or securities available to the Lenders, to enter into any composition or compound with or to grant time or any other indulgence or facility to the Borrower AND the Guarantor shall not be released by the exercise by the Lenders of its liberty in regard to the matters referred to above or by any act or omission on the part of the Lenders or by any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of so releasing the Guarantor AND the Guarantor hereby waives in favour of the Lenders so far as may be necessary to give effect to any of the provisions of this Guarantee, all the suretyship and other rights which the Guarantor might otherwise be entitled to enforce.

7. This Guarantee shall be enforceable against the Guarantor notwithstanding that any security or securities comprised in any instrument(s) executed or to be executed by the Borrower in favour of the Lenders shall, at the time when the proceedings are taken against the Guarantor on this Guarantee, be outstanding or unrealised or lost.

8. The Guarantor hereby agrees and gives consent to the sale, mortgage on prior, pari-passu or second charge basis, release etc., of any of the assets by the Borrower from time to time as may be approved by the Lenders or the transfer of any of the assets of the Borrower from one unit to the other or to the release or leasing out by the Lenders any or whole of the assets charged to the Lenders on such terms and conditions as the Lenders may deem fit and this may be treated as a standing and continuing consent for each and every individual act of transfer, mortgage, release or lease of any of such assets of the Borrower. The Guarantor hereby declares and agrees that no separate consent for each such transfer, mortgage, release or lease of any of such assets would be necessary in future.

9. The Guarantor hereby agrees and declares that the Borrower will be free to avail of further loans or other facilities from the Lenders or any other financial institution or bank in addition to the Loans and/or to secure the same during the subsistence of this guarantee and in that event the guarantee herein contained

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will not be affected or vitiated in any way whatsoever but will remain in full force and effect and binding on the Guarantor.

10. The rights of the Lenders against the Guarantor shall remain in full force and effect notwithstanding any arrangement which may be reached between the Lenders and the other Guarantor or notwithstanding the release of that other or others from liability and notwithstanding that any time hereafter the other Guarantor may cease for any reason whatsoever to be liable to the Lenders, the Lenders shall be at liberty to require the performance by the Guarantor of his obligations hereunder to the same extent in all respects as if the Guarantor had at all times been solely liable to perform the said obligations.

11. To give effect to this Guarantee, the Lenders may act as if the Guarantor were the principal debtor to the Lenders.

12. The Guarantor hereby declares and agrees that they have not received and shall not, without the prior consent in writing of the Lenders receive any security or commission from the Borrower for giving this guarantee so long as any monies remain due and payable by the Borrower to the Lenders under the Loan Agreement.

13. The Guarantor shall not in the event of the liquidation of the Borrower prove in competition with the Lenders in the liquidation proceedings.

14. A certificate in writing signed by a duly authorised official of the Lenders/Security Agent shall be conclusive evidence against the Guarantor of the amount for the time being due to the Lenders from the Borrower in any action or proceeding brought on this Guarantee against the Guarantor.

15. This Guarantee shall not be wholly or partially satisfied or exhausted by any payments made to or settled with the Lenders by the Borrower and shall be valid and binding on the Guarantor and operative until repayment in full of all monies due to the Lenders under the Loan Agreement.

16. This Guarantee shall be irrevocable and the obligations of the Guarantor hereunder shall not be conditional on the receipt of any prior notice by the

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Guarantor or by the Borrower and the demand or notice by the Lenders, as provided in Clause 20 hereof shall be sufficient notice to or demand on the Guarantor.

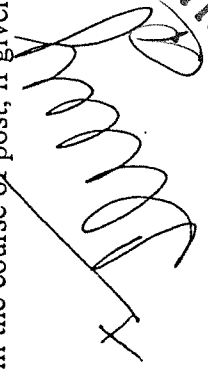
17. The liability of the Guarantor under this Guarantee shall not be affected by -

- i) any change in the constitution or winding up of the Borrower or any absorption, merger or amalgamation of the Borrower with any other Company, Corporation or concern; or
- ii) any change in the management of the Borrower or takeover of the management of the Borrower by Central or State Government or by any other authority; or
- iii) acquisition or nationalisation of the Borrower and/or of any of its undertaking(s) pursuant to any law; or
- iv) any change in the constitution of the Lenders; or
- v) the insolvency or death of the Guarantor.

18. This Guarantee shall be a continuing one and shall remain in full force and effect till such time the Borrower repays in full the Loans together with all interest, guarantee commission, liquidated damages, costs, charges and all other monies that may from time to time become due and payable and remain unpaid to the Lenders under the Loan Agreement.

19. The liability of the Guarantor hereunder shall not exceed the sum of Rs. 300.00 Crores (Rupees Three Hundred Crores only) plus all interest, liquidated damages, costs, charges and other monies payable by the Borrower to the Lenders under the Loan Agreement.

20 Any demand for payment or notice under this Guarantee shall be sufficiently given if sent by post to or left at the last known address of the Guarantor or their personal representative(s), such demand or notice is to be made or given, and shall be assumed to have reached the addressee in the course of post, if given by


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post, and no period of limitation shall commence to run in favour of the Guarantor until after demand for payment in writing shall have been made or given as aforesaid and in proving such notice when sent by post it shall be sufficiently proved that the envelope containing the notice was posted and a certificate by any of the responsible officers of the Lenders that to the best of his knowledge and belief, the envelope containing the said notice was so posted shall be conclusive as against the Guarantor, even though it was returned unserved on account of refusal of the Guarantor or otherwise.


21 The Guarantor agrees and declares that the rights and powers conferred on the Lenders by these presents be joint and several and shall be deemed always to be so and they may be exercised by the Lenders accordingly.

22. The Guarantor agrees and declares that the rights and powers conferred on the Lenders by these presents may be exercised by the Lenders Agent and/ or Security Agent acting on behalf of all or any of the Lenders.

23. DISCLOSURE OF INFORMATION

(i) The Guarantor agrees that in case of the Guarantor fails in discharging the liability of the Borrower in repayment of the principal amount of the Loan(s) or payment of interest as demanded by the Lenders, 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 Guarantor as defaulters in such manner and through medium as the Lenders and/or Reserve Bank of India may think fit.

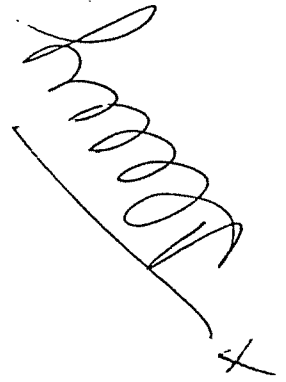
ii) The Guarantor hereby agrees and gives consent for the disclosure by the Lenders of all or any such information and data relating to the Guarantor or defaults, if any, committed by the Guarantor in discharge of its obligations under this Guarantee Agreement as the Lenders may deem appropriate and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



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- (iii) The Guarantor hereby further undertakes that-
- (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.



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SCHEDULE

LENDERS: PARTICULARS OF LOANS

<u>Name of Lender</u>	<u>Amount of Loans</u>
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)

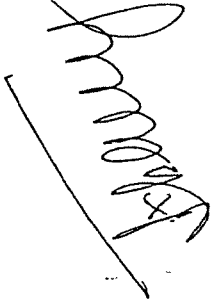
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IN WITNESS WHEREOF the withinnamed Shri Joy Broto Roy has set his hand to these presents on the day, and month and year first hereinabove written.

SIGNED AND DELIVERED by)
the withinnamed)
Shri Joy Broto Roy)



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Customer Copy	
The Bank of Rajasthan Ltd.	
Br. <u>Dindherji E.</u> Date <u>28/02/05</u>	
Mumbai	
Pay to: <u>Acct. Stamps Duty Mumbai</u>	
Printing Value	Rs. <u>4,90,000</u>
Service Charges	Rs. <u>10</u>
Total	Rs. <u>4,90,010</u>
Name of stamp duty paying party <u>M/s Sahara Hospitality</u> <u>limited.</u>	
Name of counter party <u>HUDCO, BOB,</u> <u>UBI & UCO Bank</u>	
Purpose of Transaction <u>Deed of Pledge</u> <u>of shares.</u>	
P.O. <u>017</u>	
Cheque No., if any, <u>017</u>	
Cashier	

SFM No

DC No. 111111

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ANNEXURE - 'A' - 25

DEED OF PLEDGE OF SHARES

DATED 21st DAY OF FEBRUARY 2005

BY

SUBRATA ROY SAHARA

SAHARA INDIA COMMERCIAL CORPORATION LTD

As Pledgors

IN FAVOUR OF

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

BANK OF BARODA

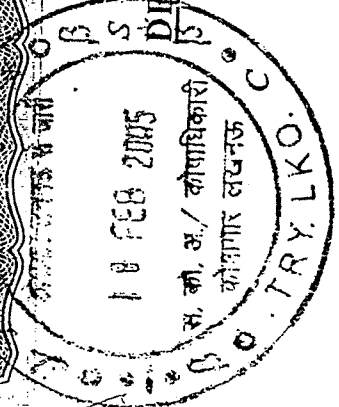
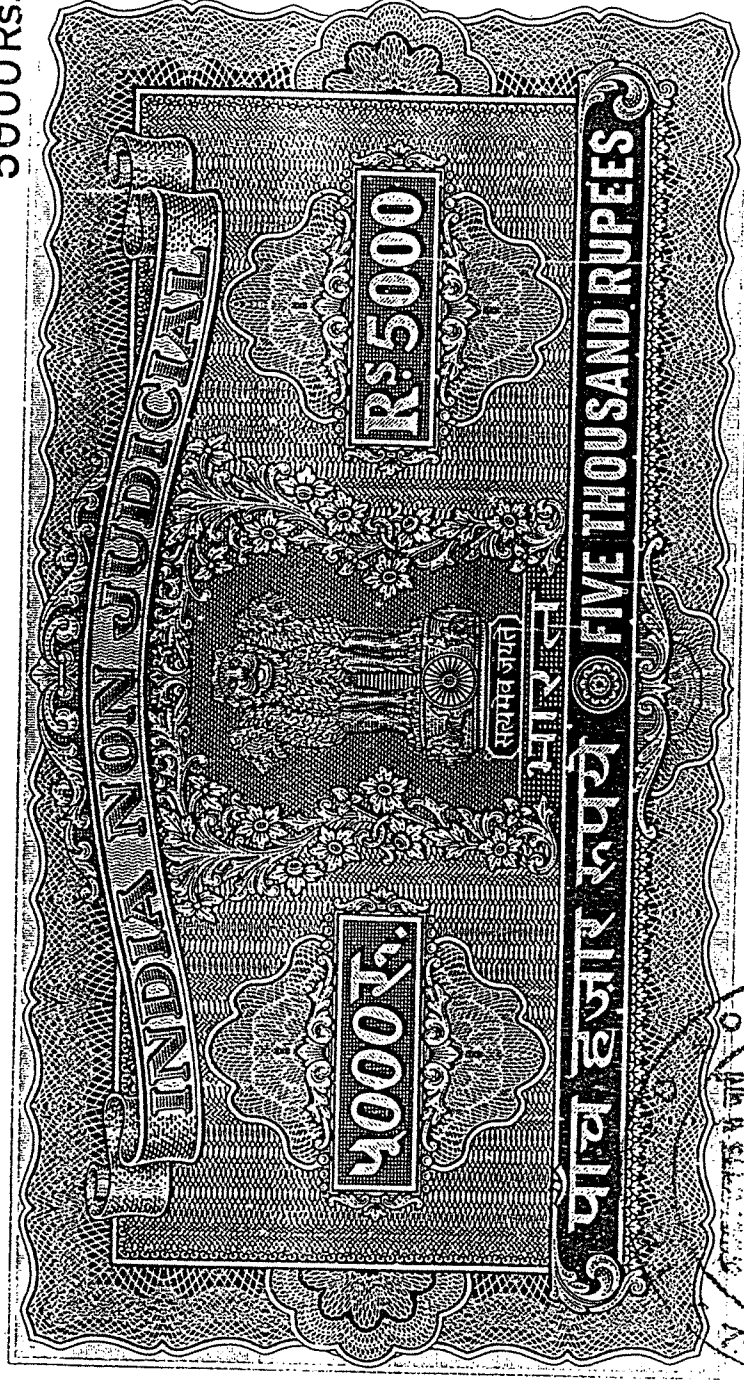
UNION BANK OF INDIA

UCO BANK

(As Lenders being represented by their Security Agent Housing And Urban
Development Corporation Limited)

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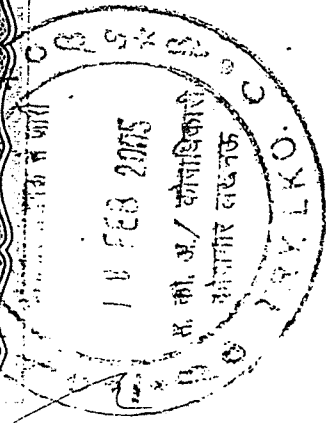
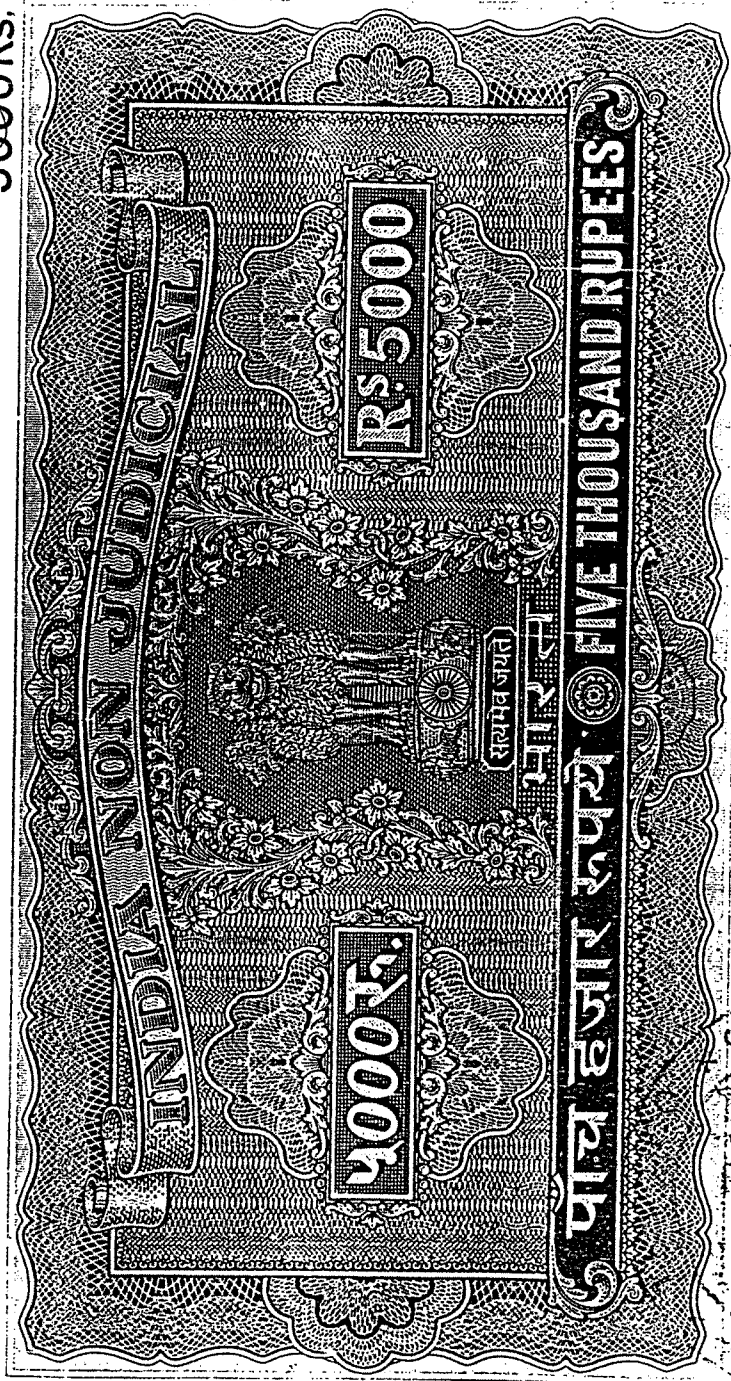
DEED OF PLEDGE OF SHARES

DATED DAY OF FEBRUARY 2005

BY
SUBRATA ROY SAHARA
SAHARA INDIA COMMERCIAL CORPORATION LTD
As Pledgors

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IN FAVOUR OF

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED
BANK OF BARODA
UNION BANK OF INDIA
UCO BANK

(As Lenders being represented by their Security Agent Housing And Urban
Development Corporation Limited)

Subrata

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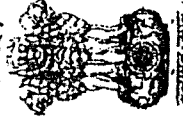


The Bank of Rajasthan
Ltd., Andheri (E)
MUMBAI
D-5/STP(V/C.R.2/2004
/1149-51/04

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HRD 15788
115053

Special
Address
FEB 28 2005



2870 1001 0000 2860 2860 2860 14:46
R.0490000/-PB5140

INDIA

STAMP DUTY MAHARASHTRA

SFM REG. NO. 82321ast

For The Bank of Rajasthan Ltd.

Subrata Roy Sahara

Manager

This is integral part of Document
executed on 21st February, 2005, at Lucknow
by Shri. SUBRATA ROY SAHARA and others.
Since the documents is to be kept in
Maharashtra the difference of Stamp Duty
payable in Maharashtra Rs.4,90,000/- (Rupees
Four Lakh Ninety Thousand Only) paid now and
attached to the documents.

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Deed of Pledge of Shares

Subrata

THIS DEED OF PLEDGE (this "Deed") executed at Lucknow on this 21st day of Feb February 2005 by:

Sahara India Commercial Corporation Limited, a company duly incorporated in India under the provisions of the Companies Act, 1956 and having its registered office at Sahara India Sadan, 2A-Shakespeare Sarani, Kolkata 700 071 in the State of West Bengal (hereinafter referred to as "the first Pledgor" which expression shall unless it be repugnant to the subject or context thereof, include its successors and permitted assigns)

AND

Mr. Subrata Roy Sahara son of Late S. C. Roy, aged major, residing at Sahara Shaher, Vipul Khand, Gomti Nagar, Lucknow 226010 (hereinafter referred to as "the second Pledgor" which expression shall, unless it be repugnant to the subject or context thereof include his heirs, executors and administrators).

(The first Pledgor and second Pledgor are hereinafter collectively referred to as "the Pledgors").

IN FAVOUR OF

1. 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);

Subrata

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2. **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);

3. **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);

4. **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 Branch, Station Road, 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 "**Lender**" and are collectively referred to as the "**Lenders**" where the context admits or requires & HUDCO is also referred to as the "Security Agent" as the context may admit or require).

WHEREAS:

(1) M/s. 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**") has requested the Lenders to lend and advance it the financial assistance to meet the part of the cost of its project envisaging to renovate, reconstruct and

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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").

- 2) In order to finance the Project Cost and to facilitate the implementation of the Project, at the request of the Borrower and the Pledgors, the Lenders 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.300.00 Crores (Rupees Three Hundred Crores only) (hereinafter referred to as the "Loans"):

Subrata

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.300.00 Crores (Rupees Three Hundred Crores Only)

- 3) Pursuant to the Loan Agreement and other Financing Documents and in compliance with the terms, conditions and covenants contained therein, repayments of the Loans with all interest, costs, charges, expenses, and all other monies payable whatsoever as stipulated in the Loan Agreement and the fee, remuneration and expenses payable to the Lenders Agent, the Security Agent, the Account Bank and other agents of the Lenders as stipulated under the Finance Documents shall be secured, inter alia, by pledge of 51% of the total equity shares issued/to be issued by the Borrower.
- 4) Accordingly, the Borrower has requested the Pledgors and the Pledgors have agreed to execute this Deed pledging its shares in the Borrower's equity capital in favour of the Lenders, the Lenders being represented by the

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[Signature]

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Security Agent in the manner hereinafter appearing and to deposit with the Security Agent the certificates relating to their shares together with the duly executed blank transfer deeds in respect of the said shares and have agreed to execute this Agreement.

NOW THIS DEED WITNESSETH AS FOLLOWS:

In consideration of the Lenders having sanctioned the Loans to the Borrower, the Pledgors hereby agree, confirm, undertake and declare as follows:

1.1 The following capitalised terms wherever used in this Deed shall have the meanings given hereunder:

“Finance Documents” shall mean the Loan Agreement, the Lenders Agent Agreement, the Security Agent Agreement and the Security Document and such documents as may be required to be executed or obtained under any of them or to perfect and validate this Agreement and other Finance Document and to protect rights of the Lenders thereunder.

“Loan Agreement” shall have the meaning provided in recital 2.

“Loans” shall have the meaning provided in recital 2.

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

“Security Agent” shall mean HUDCO appointed as such by the Lenders under the Security Agent Agreement and its successors and substitute appointees.

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

“Security Documents” shall mean to include the Security Agent Agreement and all the documents executed or obtained in favour of the Lenders and/or delivered or

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deposited with the Security Agent for creation or effecting creation of security interest and for perfecting and maintaining the security interest.

“Secured Obligations” shall mean the obligations of the Borrower to repay the Loans and pay interest and other moneys payable to the Lenders, the Lenders Agent, the Security Agent and the Account Bank under or pursuant to or arising out of or in connection with the Loan Agreement and other Finance Documents.

“Shares” shall mean the fully paid up equity shares of Rs.10/- each issued by the Borrower to the Pledgors more particularly described in the Schedule I hereto and shall include the Subsequently Acquired Shares as and when acquired by the Pledgors.

“Subsequently Acquired Shares” shall have the meaning specified in Clause 7 hereof.

1.2 In this Deed, 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;
- (iii) references to this Deed 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 Deed shall have the meaning assigned to them under the respective Loan Agreements and the respective other Finance Documents.

2 The Pledgors hereby confirm that for securing the due repayment and discharge of the Secured Obligations, the Pledgors have deposited with the Security Agent, Security Agent acting for and on behalf of the Lenders, by

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way of pledge in favour of the Lenders all the certificates relating to the Shares together with transfer deeds relating to Shares duly executed in blank by the Pledgors.

3 The Pledgors as beneficial owners of the Shares hereby charge all the Shares with the repayment and discharge by the Borrower of all the Secured Obligations.

4 The Pledgors hereby agree that the Security Agent, acting for and on behalf of the Lenders or any of them, as the case may be, may at any time at the sole discretion of itself or of the Lender(s), complete and register the transfer of the Shares or any of them and the Pledgors shall execute all such instruments and do all such acts, deeds and things as may be requisite or necessary to enable the Security Agent to do so.

5 The Pledgors hereby confirm that the Shares are fully paid up equity shares of Rs.10/- each held by the Pledgors in the Borrower. The Pledgors hereby agree that it shall obtain all necessary approvals from all concerned authorities and subscribe the equity shares to be issued by the Borrower, whether by way of rights or otherwise, from time to time after the execution of this Deed for raising capital as per the financing plan approved by the Lenders and/or pursuant to the provisions of any of the Finance Documents.

6 The Pledgors hereby irrevocably authorise the Security Agent to attend any general meeting of members or meeting of any class of members or meeting of creditors or debenture holders of the Borrower and to exercise the voting rights in respect of the Shares in any manner as the Security Agent may choose in their absolute discretion. To enable the Security Agent to exercise the voting rights, the Pledgors shall register this Deed with the Borrower with instructions that as and when any intimation is received from the Security Agent or any of the Lenders in this behalf, the Security Agent should be permitted to attend and exercise the voting rights in respect of the Shares on any matter at any meeting of the Borrower. The Pledgors shall also arrange with the Borrower for forwarding copies of the notices of the meetings of the Borrower to the Security Agent as and when such notices

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are issued to the shareholders. The Pledgors shall also furnish a letter from the Borrower confirming the above arrangement.

7 As and when the Pledgors acquire (by subscription, purchase, conversion, redemption, substitution, rights, bonus, preference, option or otherwise) any shares at any time or from time to time after the date hereof (hereinafter referred to as the "Subsequently Acquired Shares"), the Pledgors shall (i) forthwith and in any event not later than 30 days after such acquisition pledge in favour of the Lenders, the Lenders being represented by the Security Agent that number of Subsequently Acquired Shares by delivering to the Security Agent the certificates relating to such Subsequently Acquired Shares accompanied by share transfer forms duly executed in blank by the Pledgors, power of attorney, or other relevant documents in the form and manner acceptable to Security Agent along with a letter in the form attached as Schedule II, duly authorised and executed by the authorised person of the Pledgors for further securing the repayment and discharge by the Borrower of all the Secured Obligations.

8 The Pledgors hereby agree that if the Secured Obligations or any portion thereof remain unpaid / undischarged in accordance with the Finance Documents, then without prejudice to the rights conferred on the Security Agent/Lenders by Clause 4 herein, the Security Agent/Lenders may at any time thereafter and under intimation to the Pledgors, (a) receive all dividends and other distributions or returns of capital payable in respect of the Shares and /or (b) sell the Shares or any of them and apply the proceeds thereof firstly in payment of the costs of the sale (in the case of sale), secondly in the payment of any costs incurred by the Security Agent/Lenders in connection with the pledge by the Pledgors of the Shares and the balance, towards the repayment/discharge of the Secured Obligations. If there is any balance left after such appropriation, the same shall be returned to the Pledgors.

9 For giving effect to this Deed, the Pledgors hereby agree to constitute and appoint the Security Agent, the Security Agent acting on behalf of the Lenders, as its attorney in its name and on its behalf to execute and do all acts and things and to complete, when required, the transfer of the Shares in

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favour of any person and also to do all such other acts and things for giving effect to the provisions of this Deed and powers reserved to the Lenders/Security Agent including but not limited to getting the jumbo shares certificate split in to marketable lots, getting the Shares and the Subsequently Acquired Shares converted in to dematerialized form and notifying and getting the pledge created pursuant to this Deed registered/noted by the Depository/Depository Participant etc., by executing separate powers of attorney. The Pledgors shall lodge the copies of the said powers of attorney with the Borrower and furnish confirmation from the Borrower that it has noted the authorizations given to the Security Agent and shall do all such acts as may be required to enable the Security Agent to exercise the said authorizations. The Pledgors hereby undertakes to ratify and confirm all and whatsoever the Security Agent shall lawfully do or cause to be done by virtue of this Clause. When the Secured Obligations are discharged and/or repaid by the Borrower in full, the Security Agent shall return the share certificates together with the transfer deeds absolutely to the Pledgors or, as the case may be subject to the Pledgors obtaining approvals of such authorities as may be necessary, transfer at the cost of the Borrower the Shares to the Pledgors. The Pledgors shall indemnify the Security Agent and the Lenders against all costs and liabilities, which may be incurred or sustained in respect of the Shares.

10 The Security Agent shall hold the benefit of this Deed including the covenants and security interest and pledge created by the Pledgors pursuant hereto for the benefit of the Lenders pursuant to the Security Agent Agreements.



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SCHEDULE I
(PARTICULARS OF SHARES)

	Number of equity shares	Face value of shares (Rs)	Aggregate Face value of shares (Rs)	Share certificate Nos.	Distinctive Nos.
Shri. Subrata Roy Sahara	50,000	10	5,00,000	7	5629521 to 5679520
	40,000	10	4,00,000	8	5679521 to 5719520
	22,10,000	10	2,21,00,000	14	7784521 to 9994520
	40,000	10	4,00,000	15	9994521 to 10034520
	3,55,480	10	35,54,800	24	19794521 to 20150000
Total-A	26,95,480		2,69,54,800		
Sahara India Commercial Corporation Ltd	43,50,000	10	4,35,00,000	23	15444521 to 19794520
	18,50,000	10	1,85,00,000	25	20150001 to 22000000
	95,00,000	10	9,50,00,000	35	25000001 to 34500000
Total-B	1,57,00,000		15,70,00,000		
Total A+B	1,83,95,480		18,39,54,800		51%

x Subrata

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SCHEDULE II

(TO BE ISSUED BY THE PLEDGORS)

Place: _____

Date: _____

Dear Sirs,

Re: Pledge of shares held in Sahara Hospitality Limited (the "Borrower") -
Deposit of additional share certificates

We, Sahara India Commercial Corporation Ltd & Subrata Roy Sahara refer to the Deed of Pledge of Shares dated _____ day of February 2005 executed by us as the Pledgors (the "Deed of Pledge").

In pursuance of our obligation in terms of Clause 7 of the Deed of Pledge, we hereby deposit with you the share certificates (in original) relating to the equity shares in the Borrower's capital acquired by us subsequent to the execution of the Deed of Pledge, the particulars whereof are given below, by way of pledge to additionally secure the due repayment and discharge of the Secured Obligations by the Borrower.

<u>Sr.No</u>	<u>Certificate No.</u>	<u>No. of equity Shares</u>	<u>Distinctive numbers</u>
--------------	------------------------	-----------------------------	----------------------------

(Face value of

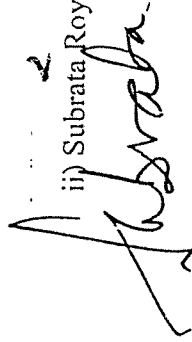
Rs. _____ /- each)

All the above shares of Rs _____/- each are fully paid up and free from encumbrances. The blank share transfer forms pertaining to such shares duly executed by us are enclosed herewith.

Yours faithfully,

i) For and on behalf of Sahara India Commercial Corporation Ltd

(Authorised Person)

ii) Subrata Roy Sahara


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IN WITNESS WHEREOF the Pledgors, have caused these presents executed on the date, month and year first hereinabove written as hereinafter appearing.

THE COMMON SEAL of }

M/s. Sahara India Commercial Corporation Ltd }

pursuant to the Resolution of its Board of Directors }

passed in that behalf on }

the _____ day of _____ 2005 }

been affixed hereunto in the presence of }

Subrata Roy Sahara

Mr. ~~G.P. Srinastara~~, Director, who have }

signed these presents in token thereof. }

Subrata

x

SIGNED AND DELIVERED

the withnamed

Mr. Subrata Roy Sahara

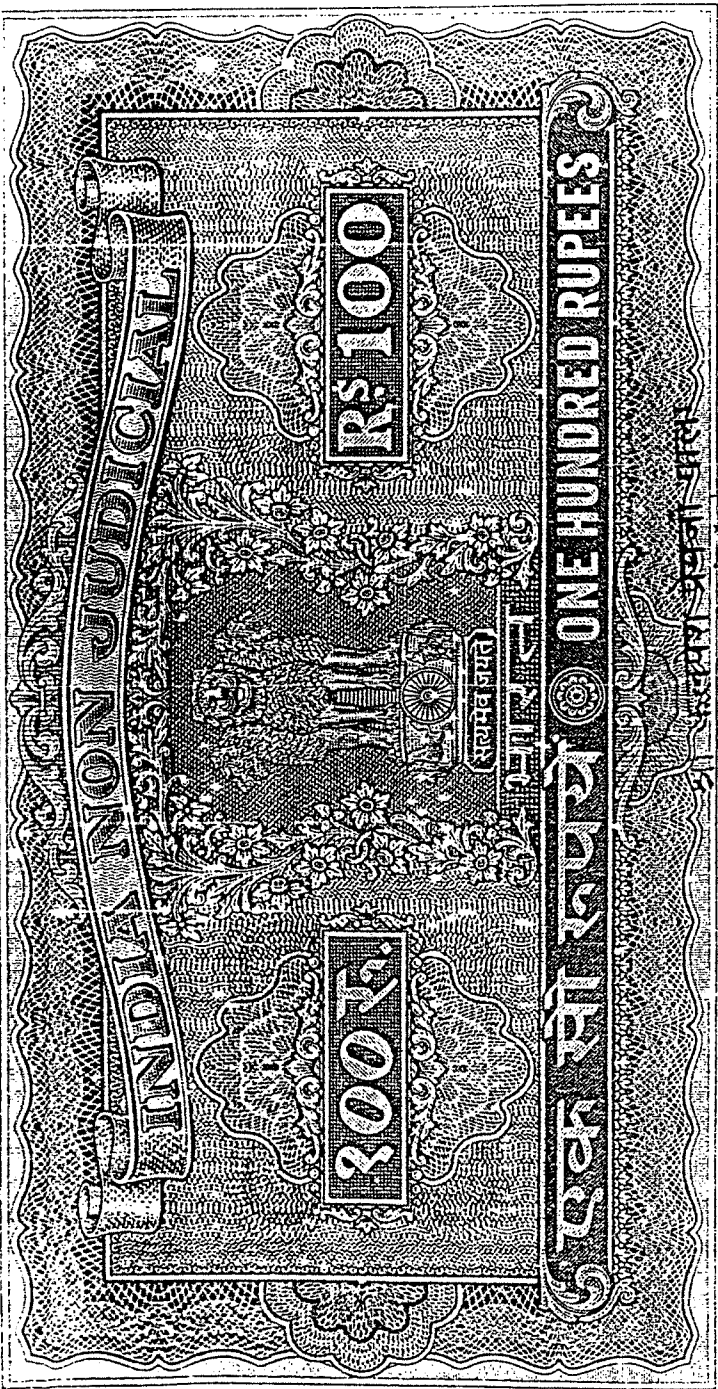
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ANNEXURE - 'A-26'

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MAHARASHTRA
Stamp Office, Mumbai.

Date.....
L.S. 12 FEB. 2005.....

सोमनाथ टेकनो मार्ट, सोप चें. १,
१४४, एच. जी. रोड, एस्केन्डे पंचन, काळा चौक
मुंबई-२३., फोन : २२८७ ५७५५

19147 परवानाधारक मुद्रांक विक्रेता
परवाना क्रमांक नं. २०७

A 953877
28 FEB 2005

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er Officer

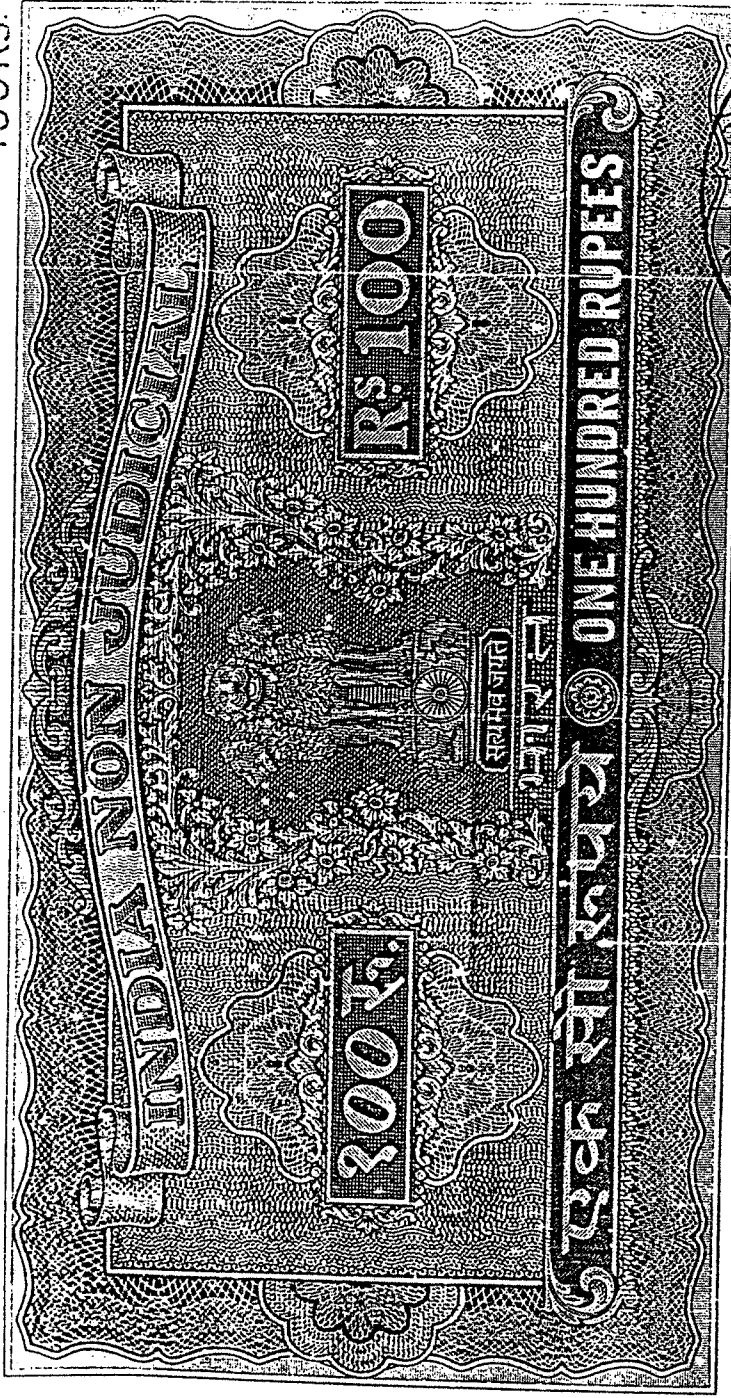
कर्मक.....
Subrata Roy Sahara

M/S/Partners
संज्ञा व्यापारीय मुद्रांक पेपर विक्रेता
परवानाधारक मुद्रांक विक्रेता

Attached to the Undertaking regarding Non-disposal of shareholding
dated February 21, 2005 executed by Shri Subrata Roy Sahara at
Lucknow.

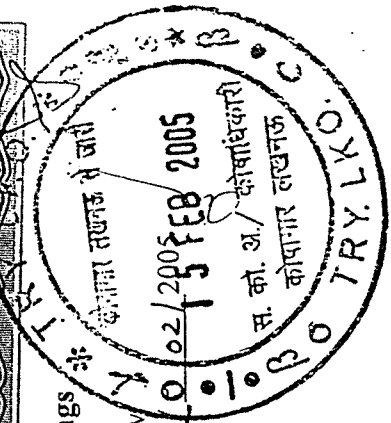
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Undertaking regarding Non-disposal of Shareholdings

Place : Lucknow
Date: 21/02/2005



Housing & Urban Development Corporation Ltd.
Block-I, 2nd Floor, MMRD Building
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051

All the Lenders (as defined in the Loan Agreement)

Dear Sirs,

Re: Sahara Hospitality Limited - Term Loan of Rs. 300.00 Crores

In consideration of your having agreed at my request and at the request of Sahara Hospitality Limited (hereinafter referred to as the "Borrower") to make available to the Borrower financial assistance for 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") in the form of loans aggregating to Rs. 300 crore ("Loan") by the Lenders on the terms and conditions contained in the Loan Agreement dated 14.2.2005 entered into among the Borrower and the Lenders (the "Loan Agreement").

2. I. Subrata Roy Sahara son of Late S.C. Roy, aged major, residing at Sahara Shaher, Vipul Khand, Gomti Nagar, Lucknow- 226010 do hereby undertake to you and to your successors and assigns that I -

(i) shall pledge and cause pledged in favour of the Security Agent acting on behalf of and for the benefit of the Lenders of no less than 51% of the Borrower's equity share capital issued and outstanding from time to time, as security for the Loans and for the prompt payment, discharge and performance of its obligations under the Loan Agreement; and

(ii) shall not transfer, assign, dispose of, pledge, charge or create any lien or in any way encumber the shares that may be held by me in future

✓ Subrata

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Undertaking regarding Non-disposal of Shareholdings

Subrata

Place: Luknow

Date: 21/02/2005

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

All the Lenders (as defined in the Loan Agreement)

Dear Sirs,

Re: Sahara Hospitality Limited-Term Loan of Rs.300.00 Crores

In consideration of your having agreed at my request and at the request of Sahara Hospitality Limited (hereinafter referred to as the "Borrower") to make available to the Borrower financial assistance for 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") in the form of loans aggregating to Rs.300 crore ("Loan") by the Lenders on the terms and conditions contained in the Loan Agreement dated 2.2.2005 entered into among the Borrower and the Lenders (the "Loan Agreement").

2. I, Subrata Roy Sahara son of Late S. C. Roy, aged major, residing at Sahara Shaher, Vipul Khand, Gomti Nagar, Lucknow- 226010 do hereby undertake to you and to your successors and assigns that I -

(i) shall pledge and cause pledged in favour of the Security Agent acting on behalf of and for the benefit of the Lenders of no less than 51% of the Borrower's equity share capital issued and outstanding from time to time, as security for the Loans and for the prompt payment, discharge and performance of its obligations under the Loan Agreement; and

(ii) shall not transfer, assign, dispose of, pledge, charge or create any lien or in any way encumber the shares that may be held by me in future

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shareholdings in the equity capital of Borrower in addition to the shares pledged without your prior approval in writing so long as any moneys remain due by the Borrower to you in respect of the aforesaid Loan.

- (iii) shall not resign from the directorship of the Borrower without your prior approval in writing during the currency of the Loan.

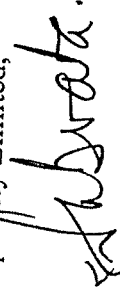
Yours faithfully,



(SUBRATA ROY SAHARA)

We note the above and agree and confirm that, we shall not, without your prior approval in writing, recognise or register any transfer of shares subscribed by and issued to Mr. SUBRATA ROY SAHARA nor shall we note any lien in respect of such shares in favour of third parties so long as any moneys remain due by us to you in respect of the said aforesaid Loan.

For Sahara Hospitality Limited,



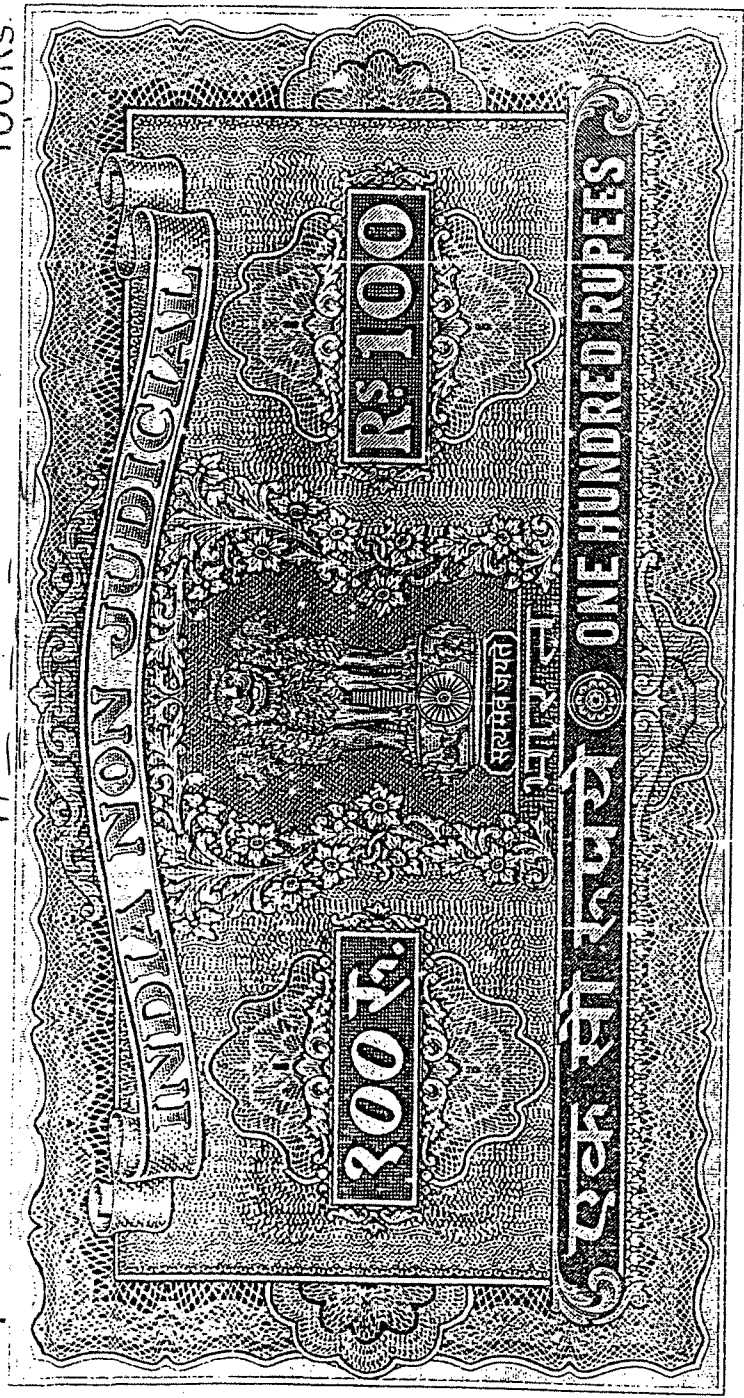
(Om. Prakash Sivastava)

Director

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ANNEXURE - 'A' - 27

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महाराष्ट्र MAHARASHTRA

General Stamp Office, Mumbai

Date..... 18 FEB 2005

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

222

श्री सौ. कांचन हर्षद बोंगाळे

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हर्षद कॉन्स्ट्रक्शन्स प्रైव्हेट लिमिटेड, बांद्रा कोर्टासमोकाय

बांद्रा (पु) मुंबई-५१. क.

श्री/श्रीमती/श्रीमान श्री Subrata Roy Sahara

परमार्थ क. साहारा रोय साहारा प्रॉपर्टी डेव्हलपर्स प्राइवेट लिमिटेड.

per Officer

परमार्थ बांद्रा मुंबई निवेदन
Rajale 021318

Attached to the Guarantee Agreement dated February 21, 2005 executed
by Subrata Roy Sahara at Lucknow.

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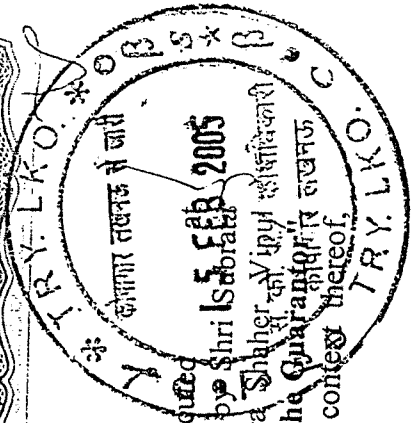
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Subrata

GUARANTEE AGREEMENT

THIS GUARANTEE AGREEMENT executed
Lucknow this 21st day of February 2005 by Shri Sabraha
Roy Sahara, son of Late S.C. Roy aged major, residing at Sahara Shaher
Khand, Gomti Nagar, Lucknow-226010 (hereinafter referred to as "the Guarantor" श्री साबराहा
which expression shall, unless it be repugnant to the subject or context thereof, के.ए.ए.ए.ए.
include his heirs, executors and administrators)



IN FAVOUR OF

1. HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, a company registered under the Companies Act, 1965 (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, MMRD 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);
2. 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);
3. 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)

Subrata

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GUARANTEE AGREEMENT

THIS GUARANTEE AGREEMENT executed at Lucknow this 21st day of February 2005 by Shri Subrata Roy Sahara, son of Late S. C. Roy aged major, residing at Sahara Shafer, Vipul Khand, Gomti Nagar, Lucknow- 226010 (hereinafter referred to as "the Guarantor", which expression shall, unless it be repugnant to the subject or context thereof, include his heirs, executors and administrators)

IN FAVOUR OF

1. **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", Indira Habitat Center Complex, Lodhi Road, New Delhi-110 003 and its Mumbai Regional Office at Block No.1, 2nd Floor, MMRD 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);
2. **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);
3. **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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4. 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" where the context admits or requires & HUDCO is also referred to as the "Security Agent" as the context may admit or require)

WHEREAS

(1) 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") has requested the Lenders to lend and advance to it the financial assistance to meet the 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")

2) The Lenders have agreed in principle to lend and advance to the Borrower sums to the maximum extent set out against their respective names in the Schedule hereto aggregating Rs. 300.00 Crores (hereinafter referred to as "the Loan" or "the Loans" as the context may admit) on the terms and conditions contained in the Loan Agreement, dated 14th day of February, 2005 entered into between the Borrower and the Lenders (hereinafter referred to as "the Loan Agreement").

3) At the request of the Guarantor the Lenders have agreed to make to the Borrower, disbursement(s)/interim disbursement(s) from out of the Loans.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

In consideration of the premises, the Guarantor hereby unconditionally, absolutely and irrevocably guarantees to and agrees with the Lenders as follows:

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1. The Lenders shall have the sole discretion to make disbursement(s) and/or interim disbursement(s) to the Borrower from out of the Loans at such time, on such conditions and in such manner as the Lenders may decide.
2. The Borrower shall duly and punctually repay the Loans together with all interest, additional interest, liquidated damages, and all other monies payable whatsoever as stipulated in the Loan Agreement and the fee, remuneration and expenses payable to the Lenders Agent, the Security Agent, the Account Bank and other agents of the Lenders as stipulated under the agreements and perform and comply with all other terms, conditions and covenants contained in the Loan Agreement.
3. In the event of any default on the part of the Borrower in payment/repayment and in reimbursement of any of the monies referred to above, or in the event of any default on the part of the Borrower to comply with or perform any of the terms, conditions and covenants contained in the Loan Agreement, the Guarantor shall, upon demand, forthwith pay to the Lenders without demur all the amounts payable by the Borrower under the Loan Agreement.
4. The Guarantor shall also indemnify and keep the Lenders indemnified against all losses, damages, costs, claims and expenses whatsoever which the Lenders may suffer, pay or incur by reason of or in connection with any such default on the part of the Borrower including legal proceedings taken against the Borrower and/or the Guarantor for recovery of the moneys referred to in Clause 2 above.
5. The Guarantor hereby agrees that without the concurrence of the Guarantor, the Borrower and the Lenders shall be at liberty to vary, alter or modify the terms and conditions of the Loan Agreement and of the security created and of the security documents executed by the Borrower in favour of the Lenders/Security Agent and in particular to defer, postpone or revise the repayment of the Loans and/or payment of interest and other monies payable by the Borrower to the Lenders on such terms and conditions as may be considered necessary by the Lenders including any increase in the rate of interest. The Lenders shall also be at liberty to absolutely dispense with or release all or any of the security/securities furnished or required to be furnished by the Borrower to the Lenders/ Security Agent to secure the Loans. The Guarantor agrees that the

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liability under this Guarantee shall in no manner be affected by any such variations, alterations, modifications, waiver, dispensation with or release of security, and that no further consent of the Guarantor is required for giving effect to any such variation, alteration, modification, waiver, dispensation with, or release of security.

6. The Lenders shall have full liberty, without notice to the Guarantor and without in any way affecting this guarantee, to exercise at any time and in any manner any power or powers reserved to the Lenders under the Loan Agreement, to enforce or forbear to enforce payment of the Loans or any part thereof or interest or other monies due to the Lenders from the Borrower or any of the remedies or securities available to the Lenders, to enter into any composition or compound with or to grant time or any other indulgence or facility to the Borrower AND the Guarantor shall not be released by the exercise by the Lenders of its liberty in regard to the matters referred to above or by any act or omission on the part of the Lenders or by any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of so releasing the Guarantor AND the Guarantor hereby waives in favour of the Lenders so far as may be necessary to give effect to any of the provisions of this Guarantee, all the suretyship and other rights which the Guarantor might otherwise be entitled to enforce.

7. This Guarantee shall be enforceable against the Guarantor notwithstanding that any security or securities comprised in any instrument(s) executed or to be executed by the Borrower in favour of the Lenders shall, at the time when the proceedings are taken against the Guarantor on this Guarantee, be outstanding or unrealised or lost.

8. The Guarantor hereby agrees and gives consent to the sale, mortgage on prior, pari-passu or second charge basis, release etc., of any of the assets by the Borrower from time to time as may be approved by the Lenders or the transfer of any of the assets of the Borrower from one unit to the other or to the release or leasing out by the Lenders any or whole of the assets charged to the Lenders on such terms and conditions as the Lenders may deem fit and this may be treated as a standing and continuing consent for each and every individual act of transfer, mortgage, release or lease of any of such assets of the Borrower. The

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Guarantor hereby declares and agrees that no separate consent for each such transfer, mortgage, release or lease of any of such assets would be necessary in future.

9. The Guarantor hereby agrees and declares that the Borrower will be free to avail of further loans or other facilities from the Lenders or any other financial institution or bank in addition to the Loans and/or to secure the same during the subsistence of this guarantee and in that event the guarantee herein contained will not be affected or vitiated in any way whatsoever but will remain in full force and effect and binding on the Guarantor.
10. The rights of the Lenders against the Guarantor shall remain in full force and effect notwithstanding any arrangement which may be reached between the Lenders and the other Guarantor or notwithstanding the release of that other or others from liability and notwithstanding that any time hereafter the other Guarantor may cease for any reason whatsoever to be liable to the Lenders, the Lenders shall be at liberty to require the performance by the Guarantor of his obligations hereunder to the same extent in all respects as if the Guarantor had at all times been solely liable to perform the said obligations.
11. To give effect to this Guarantee, the Lenders may act as if the Guarantor were the principal debtors to the Lenders.
12. The Guarantor hereby declares and agrees that they have not received and shall not, without the prior consent in writing of the Lenders receive any security or commission from the Borrower for giving this guarantee so long as any monies remain due and payable by the Borrower to the Lenders under the Loan Agreement.
13. The Guarantor shall not in the event of the liquidation of the Borrower prove in competition with the Lenders in the liquidation proceedings.
14. A certificate in writing signed by a duly authorised official of the Lenders/Security Agent shall be conclusive evidence against the Guarantor of the amount for the time being due to the Lenders from the Borrower in any action or proceeding brought on this Guarantee against the Guarantor.

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15. This Guarantee shall not be wholly or partially satisfied or exhausted by any payments made to or settled with the Lenders by the Borrower and shall be valid and binding on the Guarantor and operative until repayment in full of all monies due to the Lenders under the Loan Agreement.

16. This Guarantee shall be irrevocable and the obligations of the Guarantor hereunder shall not be conditional on the receipt of any prior notice by the Guarantor or by the Borrower and the demand or notice by the Lenders, as provided in Clause 20 hereof shall be sufficient notice to or demand on the Guarantor.

17. The liability of the Guarantor under this Guarantee shall not be affected by -

- i) any change in the constitution or winding up of the Borrower or any absorption, merger or amalgamation of the Borrower with any other Company, Corporation or concern; or
- ii) any change in the management of the Borrower or takeover of the management of the Borrower by Central or State Government or by any other authority; or
- iii) acquisition or nationalisation of the Borrower and/or of any of its undertaking(s) pursuant to any law; or
- iv) any change in the constitution of the Lenders; or
- v) the insolvency or death of the Guarantor.

18. This Guarantee shall be a continuing one and shall remain in full force and effect till such time the Borrower repays in full the Loans together with all interest, guarantee commission, liquidated damages, costs, charges and all other monies that may from time to time become due and payable and remain unpaid to the Lenders under the Loan Agreement.

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19. The liability of the Guarantor hereunder shall not exceed the sum of Rs. 300.00 Crores (Rupees Three Hundred Crores only) plus all interest, liquidated damages, costs, charges and other monies payable by the Borrower to the Lenders under the Loan Agreement.

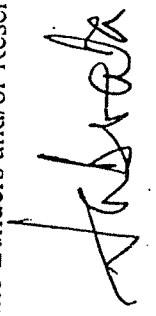
20. Any demand for payment or notice under this Guarantee shall be sufficiently given if sent by post to or left at the last known address of the Guarantor or their personal representative(s), such demand or notice is to be made or given, and shall be assumed to have reached the addressee in the course of post, if given by post, and no period of limitation shall commence to run in favour of the Guarantor until after demand for payment in writing shall have been made or given as aforesaid and in proving such notice when sent by post it shall be sufficiently proved that the envelope containing the notice was posted and a certificate by any of the responsible officers of the Lenders that to the best of his knowledge and belief, the envelope containing the said notice was so posted shall be conclusive as against the Guarantor, even though it was returned unserved on account of refusal of the Guarantor or otherwise.

21. The Guarantor agrees and declares that the rights and powers conferred on the Lenders by these presents be joint and several and shall be deemed always to be so and they may be exercised by the Lenders accordingly.

22. The Guarantor agrees and declares that the rights and powers conferred on the Lenders by these presents may be exercised by the Lenders Agent and/ or Security Agent acting on behalf of all or any of the Lenders.

23. DISCLOSURE OF INFORMATION

(i) The Guarantor agrees that in case of the Guarantor fails in discharging the liability of the Borrower in repayment of the principal amount of the Loan(s) or payment of interest as demanded by the Lenders, 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 Guarantor as defaulters in such manner and through medium as the Lenders and/or Reserve Bank of India may think fit.



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(ii) The Guarantor hereby agrees and gives consent for the disclosure by the Lenders of all or any such information and data relating to the Guarantor or defaults, if any, committed by the Guarantor in discharge of its obligations under this Guarantee Agreement 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 Guarantor hereby further undertakes that-

- (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.

SCHEDULE

LENDERS: PARTICULARS OF LOANS

<u>Name of Lender</u>	<u>Amount of Loans</u>
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)

Subrata

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IN WITNESS WHEREOF the withinnamed Shri Subrata Roy Sahara has set his hand to these presents on the day, and month and year first hereinabove written.

SIGNED AND DELIVERED by) *Subrata*
the withinnamed)
Shri Subrata Roy Sahara)

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ANNEXURE - 'A' - 28

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INDENTURE OF MORTGAGE
(SAHARA STAR HOTEL)

BETWEEN

SAHAR HOSPITALITY LIMITED

(As Borrower)

AND

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED
BANK OF BARODA
UNION BANK OF INDIA
UCO BANK

(Lenders being represented by their Security Agent
HOUSING AND URBAN DEVELOPMENT CORPORATION
LIMITED)

DATED 25th DAY OF FEBRUARY 2005

TRUE COPY

897A

Original/Duplicate

Regn. 39 M

Friday, February 25, 2005
4:54:25 PM

RECEIPT

Receipt No.: 1870 Date: 25.02.2005

Name of Village : Vileparle

Serial Number of Agreement : VDR4-01872-2005

Type of Agreement : Mortgage Deed

Name of Submitter : Hudco Six Chief (Law) K G R Pille

Registration Fee :- Rs. 30000.00

Copy (A.11(1)), Pg. Copy (A.11(2)), :- 1280.00

Rooting (A.12) and photography (A.13)

Total Fee:- (64)

Total: Rs.31280.00

This original agreement, thumbnail print, index-ii and

CD shall receive to you at 5:09 PM.

Sd/-
Joint Sub-Registrar Andheri
2 (Andheri)

Market value: Rs. 0/-

Consideration: Rs. 300000000/-

Paid Stamp Duty : Rs. 500120/-

Type of bill : DD/by Cheque / Pay Order:

Name and address of bank: UCO Bank

DD/by Cheque No.: 855460; Amount: Rs.300000;

Date: 25/02/2005

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Customer Copy	
The Bank of Rajasthan Ltd.	95029
Br. Anandhevi E.	2000
Ms. mboy	
Pay to: Acct. Stamp Duty	
Banking Value	Rs. 500/20/-
Service Charges	Rs. (10/-) Cent
Total	Rs. 500/20/-
Name of stamp duty paying party	
<i>Sahara Hospitality Pvt. Ltd.</i>	
Name of counter party	<i>HUDEO BOB,</i>
<i>UPLA UCO Bank</i>	
Purpose of Transaction	<i>Interbank</i>
<i>of 10/1/2010</i>	
Check No. if any	<i>17478</i>
Drawn on Bank	<i>UTI Bank Ltd.</i>
Branch	<i>J.V.P.D. Viji Park (W).</i>
	<i>For BSB, USE ONLY</i>
Tean Id.	
<i>Banking Same</i>	
Cashier	Authorized signatory

STAMPED



SFM NO 9X

DCNO

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SFM REG. NO. 97
For The Bank of Rajasthan



The Bank of Rajasthan
Ltd., Andheri (E)
MUMBAI
D-5/STP(V)/C.R.2/2004
/1149-51/04

Manager
Andheri (East), Mumbai-69.

BRD 15320

Special Adhesive
FEB 24 2005

Rs 500/20/-

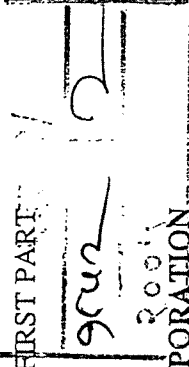
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R.0500120/-PB5140

INDIA STAMP DUTY MAHARASHTRA

THIS INDENTURE OF MORTGAGE at Mumbai on the 25th day of Feb
February 2005 BY AND BETWEEN:

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" Or "the Mortgagor" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and permitted assigns) of



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, MMRD 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);

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);

[Handwritten signature]

के. जी. आर. पिल्लो
सहायक प्रमुख (नि.नि.)
रुडको मुंबई.

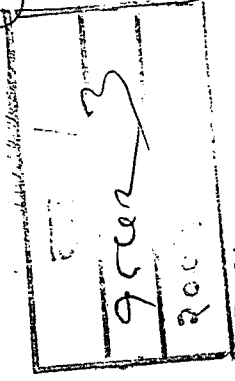
For SAHARA HOSPITALITY LTD.

[Handwritten signature]

Principal Officer



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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)

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 "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 and are represented by their Security Agent Viz, Housing And Urban Development Corporation Limited of SECOND PART.

W H E R E A S

1. The Borrower 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")

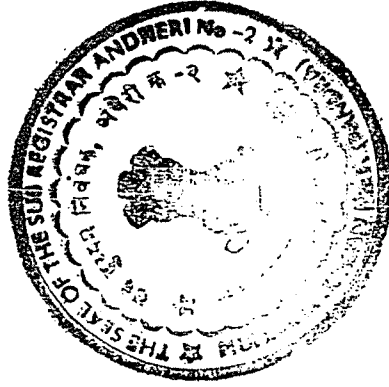
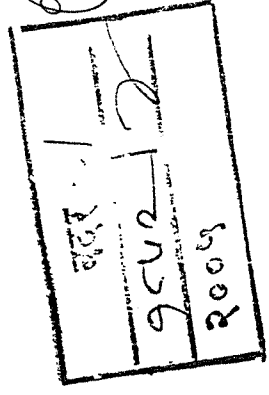


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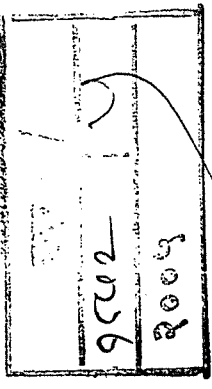
2. In order to finance the Project Cost and to facilitate the implementation of the Project, at the request of the Borrower, the Lenders have agreed to lend and advance to the Borrower and the Borrower has agreed to borrow from each of the Lenders the Loans in amounts as setout against the names of each of the Lenders in Schedule I hereto in aggregate not exceeding Rs. 300.00 Crore (Rupees Three Hundred Crore only) on the terms and conditions contained in the Loan Agreement.

3. Pursuant to the Loan Agreement and other Finance Documents and in compliance with the terms, conditions and covenants contained therein, the Loans with all interest, liquidated damages, costs, charges, expenses, and all other moieties payable whatsoever as stipulated in the Loan Agreement and the fee, remuneration and expenses payable to the Lenders Agent, the Security Agent, the Account Bank and other agents of the Lenders as stipulated under the related Finance Documents shall be secured, *inter alia*, by –

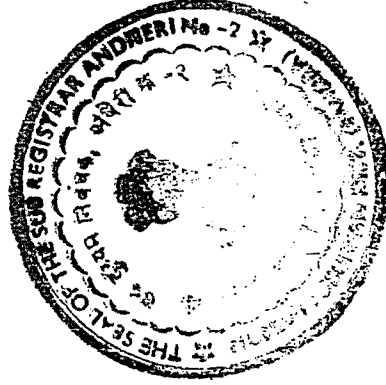
- (a) a first mortgage and charge in a form satisfactory to the Lenders of the Borrower's all immovable properties, both present and future;
- (b) a first charge by way of hypothecation of the Borrower's all moveable properties including equipments, plant & machinery, screw water chilling machines, pumps, 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;



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- (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 Contractors under the Project Documents, after obtaining the written consent of the parties thereto, if necessary,
 - 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;
- by way of mortgage in English form in favour of the Lenders in accordance with the terms and conditions hereinafter contained.



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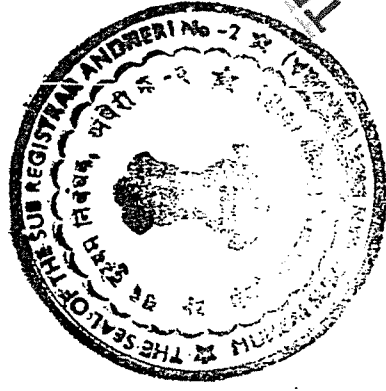
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(4) Accordingly, the Lenders have called upon the Borrower to execute this Indenture, which the Borrower has executed in the manner hereinafter expressed.

NOW, THEREFORE, this Indenture witnesseth as follows: -

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1 Definitions and Principles of Interpretation and Construction

1.1 Definitions

Unless otherwise defined herein, capitalised terms in this Indenture shall have the meanings given to them in the Loan Agreement in its application to the Loans and Loan Agreement:

“Fifth Mortgaged Premises” shall have the meaning ascribed to it under Clause 3.1(v).

“First Mortgaged Premises” shall have the meaning ascribed to it in Clause 3.1(i).

“Fourth Mortgaged Premises” shall have the meaning ascribed to it under Clause 3.1(iv).

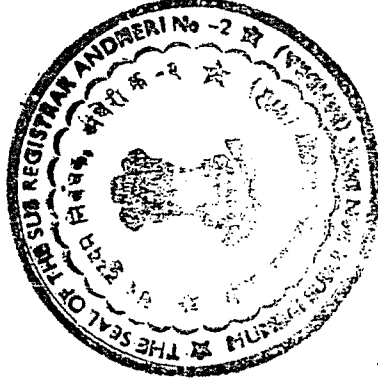
“General Assets” means all the assets of the Borrower comprised in the floating charge created by the Borrower pursuant to Clause 3.1(viii), but does not include the Specifically Mortgaged Premises.

“Indenture” shall mean this Indenture of Mortgage.

“Maximum Lending Rate” shall have the meaning ascribed to it in Clause 11(b).

“Mortgage Debt” shall mean the principal amounts of the Loans, together with all interest, costs, charges, expenses and other monies including fee, remuneration and reimbursable expenses to the various agents of the Lenders,






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payable to all or any of the Lenders, the Lenders Agent, the Security Agent, the Account Bank and other agents of the Lenders under the Loan Agreement and/or this Indenture and/or other Finance Documents.

“Mortgaged Premises” shall mean the Specifically Mortgaged Premises and the General Assets.

“Loan Agreement” shall mean the Loan Agreement dated 14th day of February 2005 between the Borrower and the Lenders.

“Rupees” and the sign of “Rs.” shall mean the lawful currency of India.

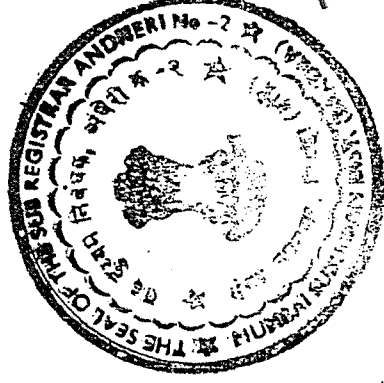
“Second Mortgaged Premises” shall have the meaning set forth in Clause 3.1(ii).

“Security Agent” shall mean Housing And Urban Development Corporation Ltd (HUDCO) appointed as such under the Security Agent Agreement.

“Security Agent Agreement” shall mean the agreement dated 14th day of February 2005 entered into the Borrower, the Lenders and HUDCO where by HUDCO has been appointed as the Security Agent, as may be amended or supplemented from time to time.

“Sixth Mortgaged Premises” shall have the meaning ascribed to it under Clause 3.1(vi).

“Seventh Mortgaged Premises” shall have the meaning ascribed to it under Clause 3.1(vii).



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“Specifically Mortgaged Premises” shall mean the First Mortgaged Premises, the Second Mortgaged Premises, Third Mortgaged Premises, the Fourth Mortgaged Premises, the Fifth Mortgaged Premises, the Sixth Mortgaged Premises and the Seventh Mortgaged Premises.

“Third Mortgaged Premises” shall have the meaning set forth in Clause 3.1(iii).

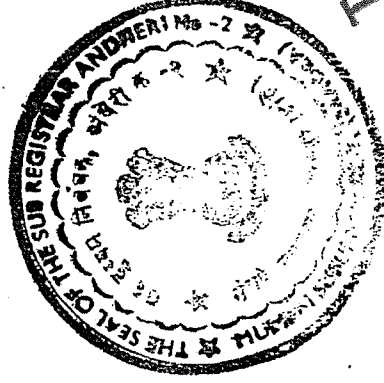
1.2 Principles of Interpretation and Construction

In this Indenture unless the context otherwise requires:

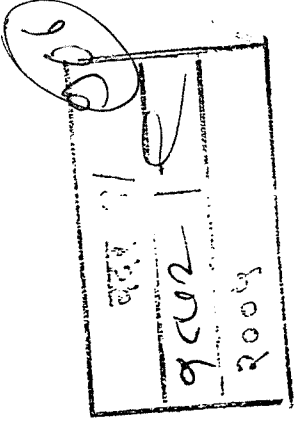
- (i) reference to an Account includes a reference to any sub-account of that Account;
- (ii) unless the context otherwise requires, the singular includes the plural and vice-versa;
- (iii) headings and the use of bold typeface shall be ignored in its construction;
- (iv) a reference to a Clause, Section or Schedule is, unless indicated to the contrary, a reference to a clause, section or schedule to this Indenture;
- (v) references to this Indenture shall be construed as references also to any separate or independent stipulation or agreement contained in it;
- (vi) the words “other”, “or otherwise” and “whatsoever” shall not be construed *ejusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
- (vii) references to the word “includes” or “including” are to be construed without limitation;
- (viii) references to a person shall include any individual, partnership, firm,

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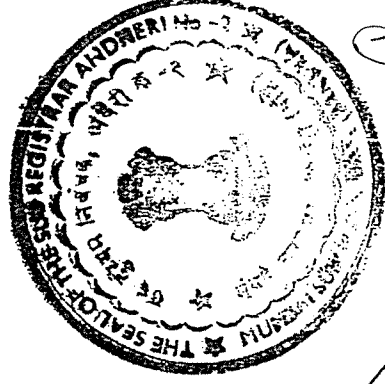
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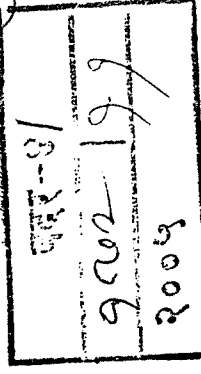
trust, body corporate, government, governmental body, authority, agency, unincorporated body of persons or association and wherever the context so admits and requires such person's successors and permitted assignees or transferees;

- (ix) all references to agreements, documents or other instruments include (subject to all relevant approvals) a reference to that agreement, document or instrument as amended, supplemented, substituted, novated or assigned from time to time;
- (x) the words "herein", "hereto" and "hereunder" refer to this Indenture as a whole and not to the particular Clause in which such word may be used;
- (xi) words importing a particular gender include all genders;
- (xii) any reference to a public organisation shall be deemed to include a reference to any successor to such public organisation or any organisation or entity which has taken over the functions or responsibilities of such public organisation;
- (xiii) references to "Party" means a party to this Indenture and references to "Parties" shall be construed accordingly; references to any law shall include references to such law as it may, after the date of this Indenture, from time to time be amended, supplemented or re-enacted; and
- (xiv) words and abbreviations, which have, well known technical or trade/commercial meanings are used in this Indenture in accordance with such meanings.

2. Covenant to pay



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Pursuant to the Loan Agreement and in consideration of each of the Lenders agreeing to lend and advance the Loans under the Loan Agreement, the Borrower covenants and agrees with each of the Lenders that the Borrower shall comply with the terms and conditions of the Loan Agreement and the Security Documents and shall irrevocably and unconditionally discharge and repay the Mortgage Debt in accordance with the Loan Agreement, this Indenture and the other Finance Documents.

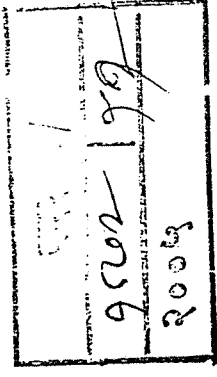
3 Grant and Transfer

3.1 For the consideration aforesaid and as continuing security for the payment and discharge of the Mortgage Debt, the Borrower as legal and/or beneficial owner doth hereby: -

- i) grant, assign, convey, assure, charge and transfer unto the Lenders by way of continuing security all and singular the beneficial lease holds right, title and interest of the Borrower in respect of the leased Premises more particularly described in Schedule II hereunder written situate at Santacruz, Mumbai adjacent to the domestic terminals of the Mumbai airport in the State of Maharashtra together with all hotel structure, buildings, erections, Commercial Complexes, shops, godowns and constructions of every description which are standing, erected or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected and standing or attached to the aforesaid lands and premises or any part thereof and all rights to use common areas and facilities and incidentals attached thereto, together with all

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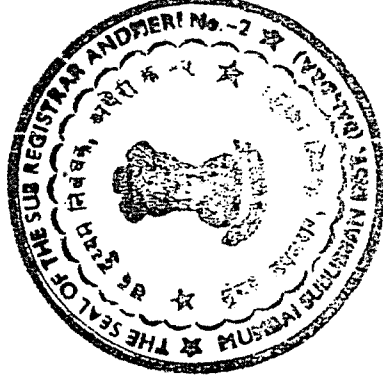




trees, fences, hedges, ditches, ways, sewers, drains, waters, watercourses, liberties, privileges, easements and appurtenances whatsoever to the said lands, hereditaments or premises or any part thereof whether presently in existence or in the future belonging to or in anyway appurtenant thereto or usually held, occupied or enjoyed therewith or expected to belong or be appurtenant thereto **AND ALL** the estate, right, title, interest, property, claims and demands whatsoever of the Borrower into and upon the same (the "First Mortgaged Premises"), **TO HAVE AND TO HOLD** by way of security all and singular the First Mortgaged Premises unto and to the use of the Lenders absolutely.

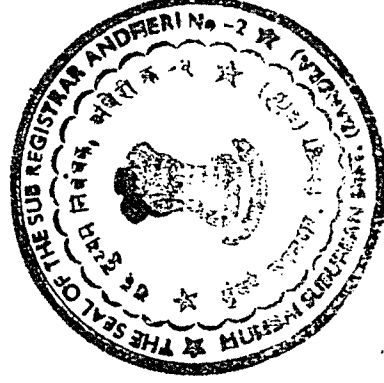
ii) grant, assign, convey, assure, charge and transfer unto the Lenders by way of continuing security all and singular the beneficial right, title and interest of the Borrower in respect of the residential flats more particularly described in Schedule III hereunder written situate at Parsi Lane, Andheri (East), Mumbai in the State of Maharashtra together with all buildings, erections, and constructions of every description which are standing, erected or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected and standing or attached to the aforesaid lands and premises or any part thereof and all rights to use common areas and facilities and incidentals attached thereto, together with all trees, fences, hedges, ditches, ways, sewers, drains, waters, watercourses, liberties, privileges, easements and

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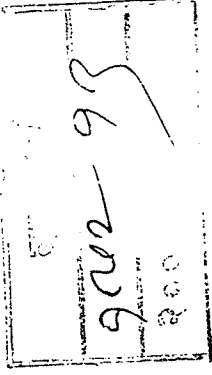
appurtenances whatsoever to the said lands, hereditaments or premises or any part thereof whether presently in existence or in the future belonging to or in anyway appurtenant thereto or usually held, occupied or enjoyed therewith or expected to belong or be appurtenant thereto **AND ALL** the estate, right, title, interest, property, claims and demands whatsoever of the Borrower into and upon the same (the "Second Mortgaged Premises"), **TO HAVE AND TO HOLD** by way of security all and singular the Second Mortgaged Premises unto and to the use of the Lenders absolutely.

iii) grant, convey, assign, assure, transfer and charge unto the Lenders by way of continuing security all its rights, title, interest and benefit in all and singular, the Borrower's all tangible moveable assets, both present and future, and in particular including, without limitation, all moveable properties 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, and other movables pertaining to the Project, short particulars whereof are given in the Schedule IV hereto, whether installed or not and whether lying loose or in cases or which are lying or are stored in or to be stored in or to be brought into or upon any of the Project Site, Borrower's premises, warehouses,



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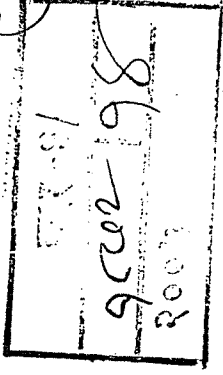
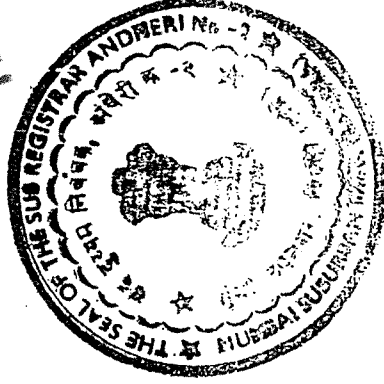


stockyards and godowns or those of the Borrower's agents, affiliates, associates or representatives or at various work sites or at any place or places wherever else situated or wherever else the same may be, whether now belonging to or that may at any time during the continuance of this Indenture belong to the Borrower and/or that may at present or hereafter be held by any party anywhere to the order and disposition of the Borrower or in the course of transit or delivery, and all replacements thereof and additions thereof whether by way of substitution, replacement, conversion, realisation or otherwise howsoever together with all benefits, rights and incidentals attached thereto which are now or shall at anytime hereafter be owned by the Borrower **AND ALL** estate, right, title, interest, property, claims and demands whatsoever of the Borrower unto and upon the same which description shall include all properties of the above description whether presently in existence, constructed or acquired hereafter (collectively, the "Third Mortgaged Premises") **TO HAVE AND TO HOLD** by way of security all and singular the Third Mortgaged Premises unto and to the use of the Lenders absolutely;

- iv) assure, convey, assign, charge and transfer unto the Lenders by way of continuing security all right, title, interest, benefit, claims and demands whatsoever of the Borrower, in, to, under and/or in respect of the Project Documents, all performance



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guarantees, contractor guarantees, letters of credit, performance bonds, the Government Approvals, clearances pertaining to Project (including those more particularly described in Schedule V hereto) which are now executed or hereafter be executed including, without limitation, the right to compel performance thereunder, and to substitute, or to be substituted for, the Borrower thereunder, and to commence and conduct either in the name of the Borrower or in its own name or otherwise any proceedings against any person in respect of any breach of, the Project Documents and the Government Approvals and clearances to the extent capable of assignment and, including without limitation, rights and benefits to all amounts owing to, or received by, the Borrower and all claims thereunder and all other claims of the Borrower under or in any proceedings against all or any such Persons and together with the right to further assign any of the Project Documents and the Government approvals and clearances (collectively, the "Fourth Mortgaged Premises") TO **HAVE AND TO HOLD** by way of security all and singular the Fourth Mortgaged Premises unto and to the use of the Lenders absolutely;

v) assign, convey, assure, charge and transfer unto the Lenders by way of continuing security all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in, to under and/or in respect of the insurance policies pertaining the assets pertaining to the Project both present and future

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(along with "agreed bank clause" in favour of the Lenders in a manner acceptable under Applicable Law) and all rights, claims and benefits to all monies receivable thereunder and all other claims thereunder (collectively, the "Fifth Mortgaged Premises") **TO HAVE AND TO HOLD** by way of security all and singular the Fifth Mortgaged Premises unto and to the use of the Lenders;

vi) assign, convey, assure, transfer and charge unto the Lenders by way of continuing security all right, title, interest, benefits, claims and demands whatsoever of the Borrower in, to, under and in respect of all its Accounts, Retention Account, Other Bank Accounts together with permitted investments and all other assets and securities which represent all amounts on such accounts and all the moneys lying to the credit of such accounts or liable to be credited to such accounts, (collectively, the "Sixth Mortgaged Premises") **TO HAVE AND TO HOLD** by way of security all and singular the Sixth Mortgaged Premises unto and to the use of the Lenders;

vii) grant, convey, assign, assure, charge and transfer, by way of security unto and in favour of the Lenders all amounts owing to, and received by, the Borrower and all rights, title, interest, benefits, claims and demands whatsoever of the Borrower in, to or in respect of all amounts owing to, and received by, the Borrower, which description shall include all properties of the above description whether presently in existence or acquired

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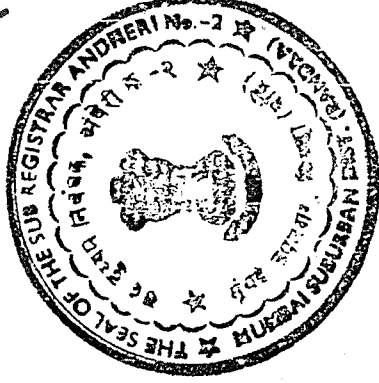
hereafter (collectively, the "Seventh Mortgaged Premises")
TO HAVE AND TO HOLD by way of security all and singular the Seventh Mortgaged Premises unto and to the use of the Lenders; and

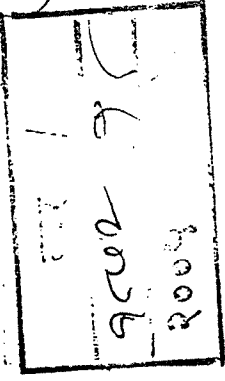
viii) assign, convey, assure, charge and transfer by way of security unto and in favour of the Lenders by way of continuing security all the other assets of the Borrower, both present and future (other than the property effectively charged pursuant to the provisions of Clause 3.1 (i) through (vii), including the Borrower's uncalled capital, cash in hand, intellectual property rights, goodwill, and also including without limitation, the rights, title and interest in the undertakings of the Borrower (collectively, the "General Assets") **TO HAVE AND TO HOLD** by way of security all and singular the General Assets unto and to the use of the Lenders. Provided however the charge created over the General Assets shall rank as a floating charge and shall not hinder the Borrower from selling, leasing or otherwise disposing of the same or any part thereof in the ordinary course of its business and in each case subject to and only as expressly permitted by the Finance Documents and the Security Documents. The Borrower shall not, without the prior written consent of the Lenders, create or attempt to create any mortgage, charge, lien, pledge, hypothecation upon the General Assets.

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Provided that the Borrower has not given possession of the First & Second Mortgaged Premises to the Lenders and also not agreed hereunder to give the possession of the First & Second Mortgaged Premises

Provided that the aforesaid mortgages, charges and assignments shall in all respects rank pari passu interse.

3.2 Conversion of Floating Charge

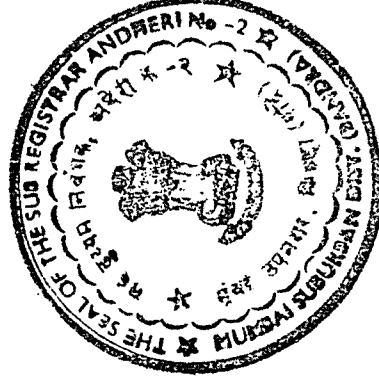
The floating charge created pursuant to Clause 3.1(viii) hereinabove shall be, automatically and without prior notice by the Lenders through Security Agent to the Borrower, converted into a fixed charge as regards General Assets upon the occurrence of any Event of Default. No sale or other dealings in such General Assets, shall be made after the occurrence of an Event of Default.

4 Security

4.1 Continuing Security

The security created by or pursuant to this Indenture is a continuing security and shall remain in full force and effect, notwithstanding the insolvency or liquidation or incapacity or change in constitution or status of the Borrower any intermediate payment or settlement of account or other matter or thing whatsoever and in particular the intermediate satisfaction by the Borrower of the whole or any part of the Mortgage Debt in accordance with the Finance Documents and is in addition and without prejudice, to any other security, lien, indemnity or other right or remedy which the Lenders may now or hereafter hold for the Mortgage Debt or any part thereof. This security may be

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enforced without first having recourse to any other rights of the Lenders, the Lenders Agent, the Security Agent and the Account Bank against the Borrower or any other person, or may be enforced for any balance due after resorting to any one or more means of obtaining payment or discharge of the Mortgage Debt.

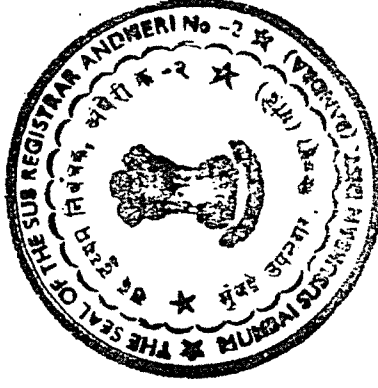
4.2 Other Security

This security is in addition to, and shall neither be merged in, nor in any way excluded or prejudiced, or be affected by any other security interest, right of recourse or other right whatsoever (or the invalidity thereof) which the Security Agent, and/or the Lenders may now or at any time hereafter hold or have (or would apart from this security hold or have) as regards the Borrower or any other person in respect of the Mortgage Debt.

4.3 Cumulative Powers

The powers which this Indenture confers on the Lenders and any receiver appointed hereunder are cumulative, without prejudice to their respective powers under the general law and Loan Agreement or Security Documents, and may be exercised as often as the Lenders or the receiver thinks appropriate in accordance with this Indenture. The Lenders or the receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever; and the Borrower acknowledges that the respective powers of the Lenders and the receiver shall in no circumstances whatsoever be suspended, waived or otherwise prejudiced by anything other than an express waiver or variation in writing.

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4.4 Avoidance of Payments

If any amount paid by the Borrower in respect of the Mortgage Debt is avoided or set aside on the liquidation or administration of the Borrower or otherwise, then for the purpose of this Indenture such amount shall not be considered to have been paid.

5 Further Acquisition

5.1 The Borrower hereby covenants with the Lenders that the Borrower shall, so long as the Mortgage Debt remains outstanding, promptly upon acquisition of any other immovable property or upon entering into or executing any other agreement or arrangement in relation to the Project inform the Lenders and the Security Agent and as soon as practicable thereafter at its own expense without any demand on the part of the Lenders or the Security Agent, grant, convey, transfer, assign, secure and charge on the terms of this Indenture unto the Lenders by way of a first charge as and by way of additional security, such after acquired property or properties, rights and benefits in such property and such agreements and arrangements according to their respective tenures, and pending formal execution by the Borrower of assurances by way of additional security in favour of the Lenders such after acquired property or properties and such agreements and arrangements shall be deemed to have always been comprised in this Indenture.

5.2 For the consideration aforesaid, the Borrower doth hereby irrevocably grant full and free rights and liberty as and by way of easement to enter, re-enter and have unfettered access at all times, for the purposes permitted under the Loan

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Agreement and Security Documents, to the Lenders and their respective successors-in-title and assigns over the vacant lands, hereditaments and the Mortgaged Premises or any part thereof mortgaged and charged by this Indenture in common with all other persons entitled to like rights at all time thereafter.

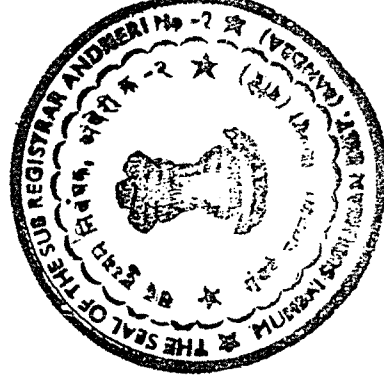
5.3 Any buildings and structures, machinery, plant, equipment, fixtures, articles and things which shall from time to time hereafter during the continuance of this security be erected or installed or be in or upon or about the Mortgaged Premises hereinbefore expressed to be hereby granted, transferred, charged, assured and assigned or fixed or attached to any buildings or structures now standing or hereafter to be erected on the Mortgaged Premises and/or any part thereof respectively and used or intended to be used in connection with the business of the Borrower whether in substitution or replacement of or in addition to any buildings and structures, machinery and plant, equipment, fixtures, articles and things now standing or being fixed or attached or used or intended to be used in connection with the business of the Borrower or otherwise shall be included in the present security and be subject to the provisions and covenants in this Indenture contained and the Borrower shall at its own costs forthwith vest the same in the Lenders by way of continuing security by way of first charge.

5.4 Continuing Liability of the Borrower

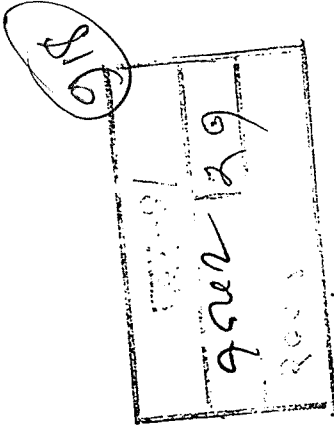
Notwithstanding the assignments and transfer by way of security made or to be made under Clause 3.1, the Borrower shall at all times be liable to perform all its obligations (whether financial, performance or otherwise) under each of the Project Documents and to perform all its obligations to the Lenders under the Finance Documents. Nothing contained herein or in any other Finance

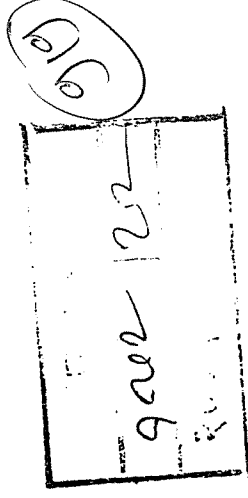
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Document shall constitute or be deemed to constitute settlement of any obligations of the Borrower under the Project Documents or secured obligations to the Lenders.

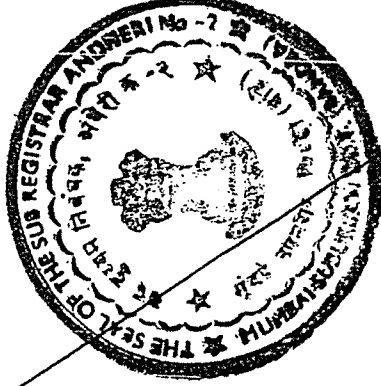
6 Provision for Redemption

If the Borrower shall have paid in full the Mortgage Debt, the Lenders shall, with reasonable promptness, upon the written request and at the expense of the Borrower, reassign, re-convey, re-transfer and release unto the Borrower or as the Borrower shall direct and do all such other things as may be reasonably necessary to release the Mortgaged Premises from the security created hereunder, without recourse and without any representation or warranty of any kind by or on behalf of the Lenders such of the Mortgaged Premises or only such part of the Mortgaged Premises as constitute the security as have not theretofore been sold or otherwise foreclosed, applied or released pursuant to this Indenture. **PROVIDED** that such reassignment, retransfer or release of the security created under this Indenture shall not thereby affect or cause the reassignment, retransfer or release of any property or assets secured under any other mortgage or charge.

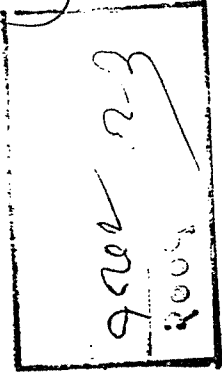
7 Declarations and Warranties

7.1 The Borrower acknowledges and accepts that the Lenders have agreed to enter into this Indenture on the basis of, and in full reliance of the representations and warranties made herein.

7.2 The Borrower further confirms and warrants that:



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- (i) The Borrower is legally entitled and possessed of the corporate powers to execute, deliver and perform the terms and provisions of this Indenture and has taken all necessary corporate action to authorize the execution, delivery and performance by it of this Indenture;
- (ii) This Indenture when executed and delivered will constitute its legal, valid and binding obligation;
- (iii) Neither the execution and delivery by the Borrower of this Indenture, nor the Borrower's compliance with or performance of the terms and provisions hereof will contravene any provision of applicable law or any order, writ, injunction or decree of any court or any governmental authority (collectively, 'Applicable Law') or will violate any provision of the Memorandum of Association and Articles of Association of the Borrower or any agreement or other document by which the Borrower (or any of its properties) may be bound;
- (iv) The Mortgaged Premises are not encumbered in any manner whatsoever except by way of mortgage, charge and assignment under this Indenture;
- (v) The Borrower is lawfully possessed of a valid and subsisting title in and to the Mortgaged Premises;
- (vi) The provisions of this Indenture are effective to create in favour of the Lenders, a legal, valid and binding security expressed to be created in Clause 3 on all of the Mortgaged Premises on which the Borrower purports to grant Security Interest pursuant hereto, including without limitation, a legal, valid and binding security over all Project



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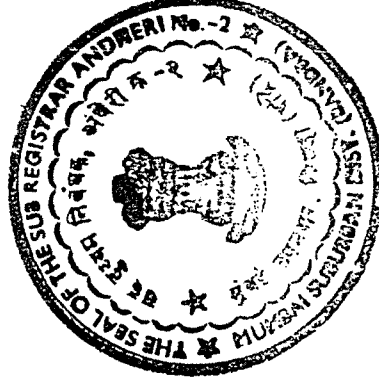
Documents, and all necessary and appropriate recordings and filings have been made in all appropriate public offices, and all other necessary and appropriate action has been taken so that this Indenture creates effective security on all right, title, estate and interest of the Borrower in the Mortgaged Premises, and all necessary and appropriate consents, licences, approvals, permissions and authorisations required under applicable law for the creation, effectiveness, priority and enforcement of such security have been obtained; and

(vii) The provisions of the Urban Land (Ceiling and Regulation) Act, 1976 (hereinafter referred to as "ULCRA") are not applicable to the aforesaid immovable properties. The Borrower has complied with all legal requirements and has obtained all consents and approvals required for creation of the security expressed to be created under Clause 3 in favour of the Security Agent for securing the Mortgage Debt.

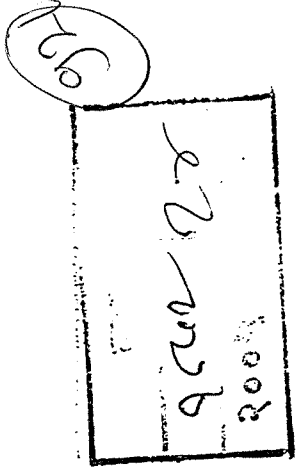
7.3 All the representations made and warranties given by the Borrower under the Loan Agreement, unless repugnant to the context hereof, shall have been deemed to have been made and given by the Borrower as if specifically incorporated herein.

8 Covenants and Permitted Use

8.1 The Borrower shall observe and perform each of the conditions and covenants set forth in the Articles 5 and 6 of the Loan Agreement, which covenants are hereby incorporated herein by reference and made a part of the Indenture as if



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such conditions, covenants and other relevant provisions were set forth in full herein.

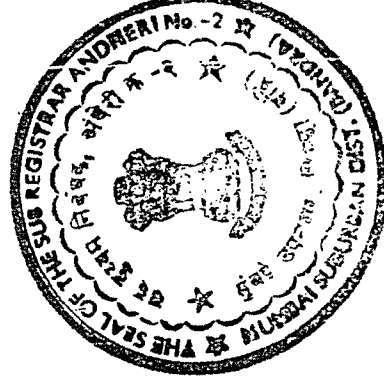
8.2 In addition to the covenants set forth in Clause 8.1 the Borrower does hereby further covenant that: -

(a) **Enter Possession etc.**

Upon happening of an Event of Default, it shall be lawful for the Lenders to enter into and upon and take possession of the Mortgaged Premises and any future assets comprised in this Indenture and thenceforth the Borrower shall take no action inconsistent with or prejudicial to the right of the Lenders quietly to possess, use and enjoy the same and to receive the income, profits and benefits thereof without interruption or hindrance by the Borrower or by any Person or Persons whomsoever, and upon the taking of such action, the Lenders shall be freed and discharged from or otherwise by the Borrower well and sufficiently saved and kept harmless and indemnified of, from and against all former and other estates, title, claims, demands and encumbrances whatsoever.

(b) **Further Assurances**

The Borrower and all other persons lawfully or equitably claiming or being entitled to claim any estate, right, title or further assurances, interest in, to or upon the Mortgaged Premises and any future assets comprised in this Indenture or any of them or any parts thereof respectively shall and will, from time to time and at all times, at the cost of the Borrower or the other person (as appropriate), execute, make and do or cause and procure to be executed, made and done every such assurance, act and thing for further and more perfectly assuring all or any of the Mortgaged Premises and any future assets comprised



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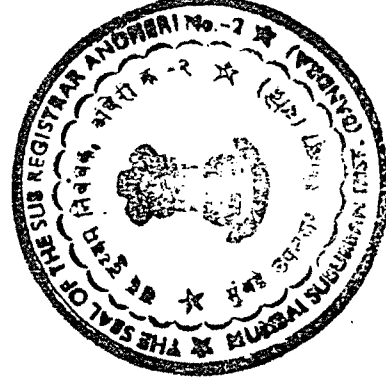
in this Indenture unto and to the use of the Lenders on the terms of this Indenture as shall be reasonably required.

(c) Payment of all Taxes, Rates, etc.

The Borrower shall at all times during the continuance of this Indenture and the security hereby created, except as expressly otherwise permitted by the Loan Agreement and the Security Documents, duly and punctually pay any imposts, duties, taxes, premium and outgoings which become lawfully payable by the Borrower in respect of the Mortgaged Premises or any part thereof or the carrying out by the Borrower or maintenance of any business or operations thereon and shall prevent any part of such Mortgaged Premises from becoming charged with the payment of any imposts, duties and taxes lawfully payable by the Borrower pari passu with or in priority to the security created hereunder and shall punctually discharge all security which it creates and, which by the general law are lawfully payable by the Borrower and would or might come to rank pari passu with or in priority to the security created hereunder.

(d) Maintenance of Assets

The Borrower shall at all times and at its own cost and expense keep and maintain all buildings and erections forming part of the First & Second Mortgaged Premises and all plant, machinery, fixtures, (including trade and tenant's fixtures) fittings and other equipment and effects thereon and therein forming part of the Third Mortgaged Premises in good and substantial repair and in good working order and condition and when necessary rebuild or renew the same and without prejudice to the generality of the foregoing, forthwith after service by the Security Agent of any notice of defect or warrant of repair



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given pursuant to paragraph (e) below, repair and make good the same to the satisfaction of the Security Agent.

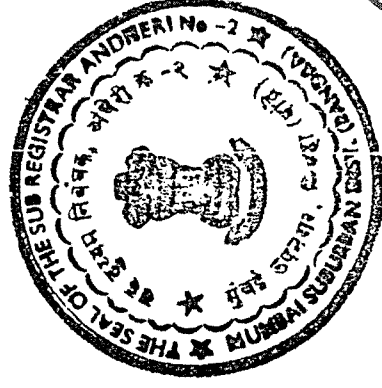
(e) **Inspection, Repairs, etc.**

The Borrower shall permit the Lenders, their Security Agent and their/its representatives, servants and agents either alone or with workmen and others from time to time and at all times, upon prior written notice, to enter into and upon the First & Second Mortgaged Premises and any other properties where any part of the Mortgaged Premises are situate to inspect the same and if there shall be any want of repair thereof or if the Lenders/Security Agent in the reasonable discretion considers any other works, matters, or things are required in order to preserve its security hereunder, then the Lenders/Security Agent shall give notice thereof to the Borrower calling upon the Borrower to repair or replace the same. Upon the Borrower's failure to do so within a reasonable period after receipt of such notice, it shall be lawful for but not obligatory upon the Lenders/Security Agent to repair or replace the same or any part hereof at the expense of the Borrower.

Nothing herein contained shall be deemed to affect or prejudice the rights and powers of the Lenders or any of them under this Indenture including the right to call for the whole of the Mortgage Debt following an Event of Default.

9 **Specific Actions**

Without limiting the generality of the assurances and covenants hereinabove, the Borrower will promptly upon receiving a request from the Lenders/Security Agent -



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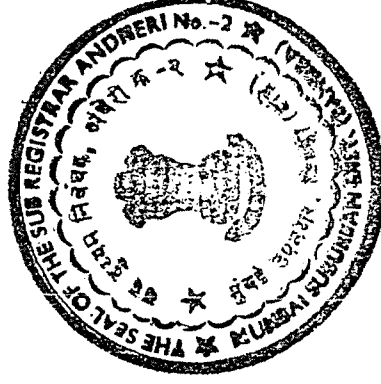
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- (a) execute a valid legal mortgage in English form (or in such other form as the Lenders/Security Agent shall require), of any freehold or leasehold properties or other interests in immovable property presently or in the future belonging to the Borrower and which is not hereby effectively charged or secured;
- (b) execute such documents as may be necessary or, in the opinion of the Lenders/Security Agent expedient to transfer to Lenders all of the Borrower's right, title and interest in the Mortgaged Premises to enable the Lenders to be registered as the holder, owner or proprietor or otherwise obtain all of the Borrower's right, title and interest to any of the Mortgaged Premises, in each case in accordance with the terms of this Indenture;
- (c) execute such further writings and take all such further actions as may be necessary for creating security in accordance with the terms of this Indenture over the Accounts or in any account established in place or in lieu thereof, including any substituted security or any permitted investments made from such accounts, any insurance proceeds, permits or such other tangible or intangible assets of the Borrower of the same category as are intended to be secured or charged under this Indenture; and
- (d) otherwise execute all transfers, conveyance, assignments, assurances and other instruments of security whatsoever and give all notices, orders, instructions and directions whatsoever which the Lenders/Security Agent may reasonably or by normal practice or by law require in relation to the Mortgaged Premises or in relation to the

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creation, perfection or enforcement of the security expressed to be created hereunder in accordance with the terms of this Indenture.

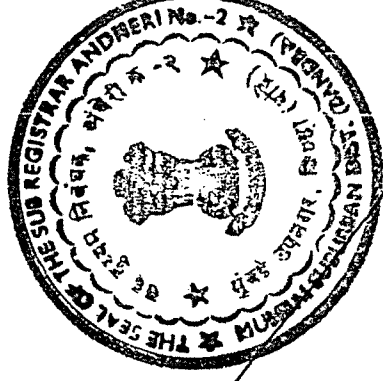
10 Additional Covenants

The Borrower shall comply with the following obligations in addition and supplemental to the financial covenants and obligations of the Borrower as are already contained in the Finance Documents hitherto entered into with the Lenders:

- (a) Ensure that the Mortgaged Premises mortgaged and charged hereunder continue to remain the property of the Borrower and at the disposal of the Borrower save and except to the extent of the mortgages, charges and encumbrances which are expressly permitted to be created under the Loan Agreement and Security Documents and as are disclosed to the Lenders.
- (b) Ensure that all the First Mortgaged Premises are duly and effectively insured jointly in the name of the Borrower and the Lenders in accordance with the requirements of the Finance Documents and in respect of First Mortgaged Premises being charged, the names of the Lenders are duly endorsed as "Beneficiary" / "Loss Payee" on such insurance policies and all renewals thereof and that the conditions and stipulations provided for in the Finance Documents in that behalf are duly and effectually observed and performed by the Borrower.

11 Undertakings

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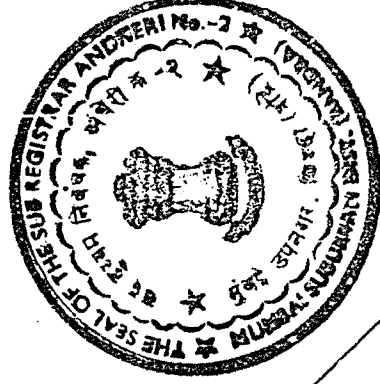
The Borrower undertakes and agrees with the Lenders that, throughout the continuance of this Indenture and so long as the Mortgage Debt or any part thereof remains owing, the Borrower will, unless the Lenders/Security Agent otherwise agrees:

(a) except as expressly otherwise permitted by the Finance Documents, punctually pay all rents, rates, taxes, duties, premium and outgoings in connection with any part of Mortgaged Premises so as to keep the same free from any other Security Interest, other than the Security Interest created hereunder and under the Security Documents;

(b) if any penalty or legal costs or any other charges are paid for the stamping and registration of this Indenture or any supplement or addition thereto or any other additional security documents by the Lenders/Security Agent, pay to the Lenders/Security Agent (as the case may be) the amount thereof with interest as aforesaid at the Maximum Lending Rate which shall, for the purposes of this Indenture be taken to mean the respective Lenders'/Security Agent's, maximum lending rate for Loans prevailing at the time of any such payment by the Lenders/Security Agent, whichever is higher (the "Maximum Lending Rate"), from the date of payment by the Security Agent or such Lender until the date of repayment by the Borrower; and

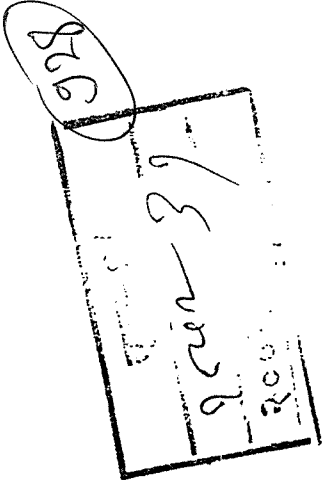
(c) deliver to the Security Agent originals of the receipts evidencing payment of stamp duty and other charges in connection with the stamping and registration of this Indenture.

12 Failure to Pay



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It is hereby agreed and declared that if upon the occurrence of an Event of Default, the Borrower shall fail to pay to the Lenders, the Mortgage Debt or any part thereof in the manner provided herein or in the Finance Documents then and in that event the Mortgaged Premises hereby granted, conveyed, assured, assigned, transferred and charged or expressed so to be shall not be redeemed or be redeemable by the Borrower or any other person or persons interested in the equity of redemption thereof at any time thereafter and, if the Borrower seeks to redeem the Mortgage Properties, the Lenders shall be entitled to refuse to accept payment of the Mortgage Debt unless the Borrower or such person or persons shall have given to the Lenders one months' previous notice in writing making an appointment to pay off the Mortgage Debt on any Business Day during banking hours unless otherwise agreed to by the Lenders, and shall pay the same accordingly and in conformity with such notice on such appointed day or unless and in the alternative and in default or in lieu of such notice the Borrower or such person or persons shall pay to the Lenders in addition to the Mortgage Debt and at the same time a further sum equivalent to one months' interest on the Mortgage Debt at the respective agreed rates as aforesaid and every failure on the part of the Borrower or such person or persons to pay off the Mortgage Debt strictly in accordance with such notice as aforesaid and on the day thereby appointed shall entitle the Lenders to a fresh notice of the same part of the default thereof to one months' further interest at the rate aforesaid.

13 Enforcement

13.1 Enforceability of Security

The security created hereunder in favour of the Lenders shall become enforceable by the Lenders/Security Agent upon happening of Event of Default.



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13.2 General Enforcement Powers

At any time after the Security shall have become enforceable pursuant to the terms of any of the Finance Documents or by the terms of this Indenture, the Lenders may, without prejudice to any other rights it may have and without prior notice to the Borrower:

- (a) declare all or part of the Mortgage Debt to be immediately due and payable (or on such dates as the Lenders may specify), whereupon they shall become so due and payable;
- (b) sell, call in, collect, convert into money or otherwise deal with or dispose of the Mortgaged Premises or any part thereof on an instalment basis or otherwise and generally in such manner and upon such terms whatever as the Lenders may consider fit;
- (c) exercise any and all powers which a receiver could exercise hereunder or by law;
- (d) appoint by writing any Person or Persons to be a receiver of all or any part of the Mortgaged Premises, from time to time determine the remuneration of the receiver and remove the receiver (except where an order of the courts is required therefor) and appoint another in place of any receiver, whether such receiver is removed by Lenders or an order

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of the court or otherwise ceases to be the receiver or one of two or more receivers;

- (e) substitute their assignee or designee for the Borrower under any or all of the Project Documents and the Borrower's residual interest in the Trust and Retention Account Agreement;
- (f) enter into and upon and take possession of the Mortgaged Premises and any future assets comprised in this Indenture and after the taking of such action the Borrower shall take no action inconsistent with or prejudicial to the right of the Lenders quietly to possess, use and enjoy the same and to receive the income, profits and benefits thereof without interruption or hindrance by the Borrower or by any Person or Persons whomsoever, and upon the taking of such action, the Lenders shall be freed and discharged from or otherwise by the Borrower well and sufficiently saved and kept harmless and indemnified of, from and against all former and other estates, titles, claims, demands and encumbrances whatsoever, unless caused by the fraud, gross negligence or wilful misconduct of the Lenders or that of their officers or employees or assignee or designee or agent;
- (g) operate the Accounts and appropriate all monies lying therein; and
- (h) take all such other action expressly or impliedly permitted under this Indenture and/or in law.

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13.3 Powers of the Security Agent



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The Security Agent, acting for and on behalf of the Lenders, has the authority to and may act upon and enforce the provisions of this Indenture in accordance with this Indenture or to adopt appropriate remedies in that behalf and may in that behalf adopt remedies in relation thereto and shall exercise all powers which the Lenders have under this Indenture and the other Finance Documents in accordance with law.

14 Expenses

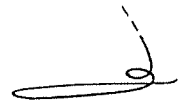
All expenses incurred by the Lenders or the Security Agent, as the case may be, after an Event of Default has occurred in connection with preservation of the Borrower's assets (whether then or thereafter existing) and collection of amounts due to the Lenders shall be payable by the Borrower and shall stand secured under this Indenture.

15 Sale without Intervention of Court

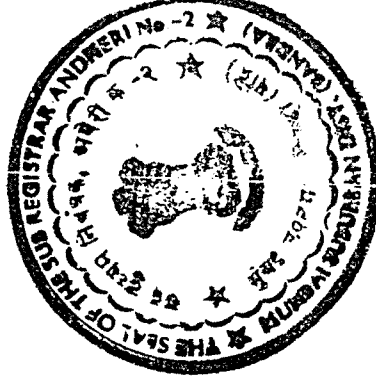
PROVIDED ALWAYS AND IT IS HEREBY AGREED AND DECLARED

as follows: -

- (a) Upon the occurrence of an Event of Default, it shall be lawful for the Lenders, acting on their own and/or through and represented by the Security Agent, at any time without any further consent of the Borrower, to sell, assign or concur with any other Person in selling, assigning the Mortgaged Premises and any future assets comprised under the present security or any part thereof, either by public auction or private contract, the land, leasehold estate, buildings and structures or separately therefrom with liberty to make any arrangements as to removal of the plant, machinery, fixtures, fittings and other implements



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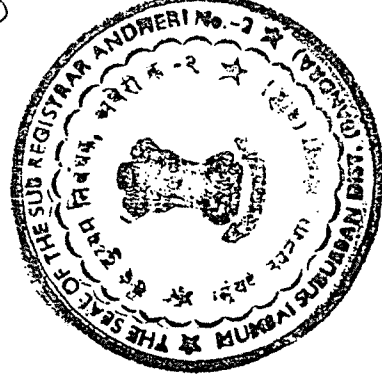


from the land, building and structures and with liberty also to make such conditions or stipulations respecting title or evidence of title or other matters as the Lenders may deem proper, with power to buy or obtain assignment of the Mortgaged Premises at any sale and to resell or reassign the Mortgaged Premises at any sale by auction or to rescind or vary any contract for sale and to resell or reassign the Mortgaged Premises without being answerable or accountable for any loss or diminution occasioned thereby and with power also to execute assurances and give effectual receipts for the purchase money and do all other acts and things for completing the sale / assignment which the person or persons exercising the power of sale / assignment shall think proper, and the aforesaid power shall be deemed to be a power to sell and concur in selling the Mortgaged Premises without the intervention of the Court in accordance with the provisions of Section 69 of the Transfer of Property Act, 1882;

(b) The power of sale and/or assignment hereinbefore contained shall not be exercised by the Lenders unless and until: -

- (i) default shall have been made by the Borrower in payment of any principal or part thereof for the time being owing to the Lenders for the space of three calendar months next after the notice in writing required by sub-section (2) of Section 69 of the Transfer of Property Act, 1882, requiring the payment of such amounts principal or any part thereof as may for the time being be due shall have been served on the Borrower, or
- (ii) interest on the Mortgage Debt amounting at least to Rs.500 (Rupees Five Hundred Only) shall be in arrears and remain unpaid for three months after becoming due;

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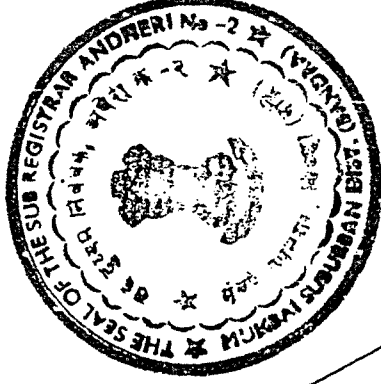
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- (c) No purchaser or other person dealing with the Lenders/Security Agent and/or any receiver upon any sale purporting to be made in pursuance of the aforesaid power in that behalf shall be bound or concerned to see or inquire whether either of the events mentioned in Sub-clause (b) above of this Clause 15 has happened or whether any default has been made in payment of any moneys intended to be hereby secured or whether any money remains owing on the security of this Indenture or as to the necessity or expediency of the stipulations subject to which such sale and/or assignment shall have been made or otherwise as to the propriety or regularity of such sale and/or assignment and notwithstanding any impropriety or irregularity whatsoever in any such sale and/or assignment the same shall as regards the safety and protection of the purchaser or purchasers be deemed to be within the aforesaid power in that behalf and be valid and effectual and the remedy of the Borrower in respect of any breach of any of the Clauses or provisions hereinbefore contained or of any impropriety or irregularity whatsoever in any such sale and/or assignment shall be in damages only;
- (d) All other provisions and trusts ancillary to the power of sale which are contained in Section 69 of the Transfer of Property Act, 1882, shall apply to this security as if the same were incorporated herein; and
- (e) Upon any such sale /assignment as aforesaid the receipt by the Security Agent for the purchase money shall effectually discharge the purchasers or purchaser therefrom and from being concerned to see to the application thereof or being answerable for the loss or misapplication thereof.

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16 Non-Applicability of certain provisions of the Transfer of Property Act, 1882

16.1 Section 67A

The provisions of Section 67A of the Transfer of Property Act, 1882, shall not apply to this Indenture and the Lenders notwithstanding that the Lenders may hold two or more mortgages executed by the Borrower including this Indenture in respect of which the Lenders have the right to obtain the kind of decrees under Section 67 of the Transfer of Property Act and shall be entitled to sue and obtain such decree on any of such mortgages without being bound to sue on all such mortgages in respect of which the mortgage moneys shall have become due.

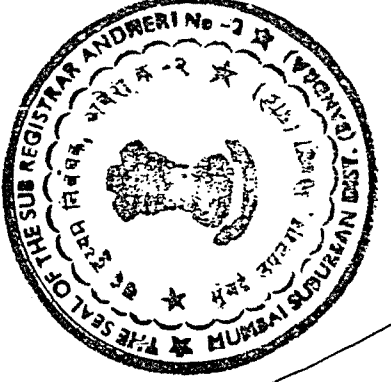
16.2 Continued Possession

It shall be lawful for the Borrower to retain possession of and the Borrower may use the Mortgaged Premises in accordance with the Finance Documents (including any disposal expressly permitted and subject to the terms of the Finance Documents) until the Lenders shall be entitled to take possession thereof under this Indenture and shall take possession thereof accordingly.

16.3 Section 65A

The Borrower shall while in lawful possession of the Mortgaged Premises have no power to make leases thereof, save and except in pursuance of the terms of the Finance Documents and with the consent in writing of the

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Lenders first had obtained (which consent the Lenders shall not be bound to give) on such terms and conditions as the Lenders shall in their absolute discretion consider fit and the provisions of Section 65A of the Transfer of Property Act, 1882, shall not apply.

16.4 Proceeds of the Mortgaged Premises

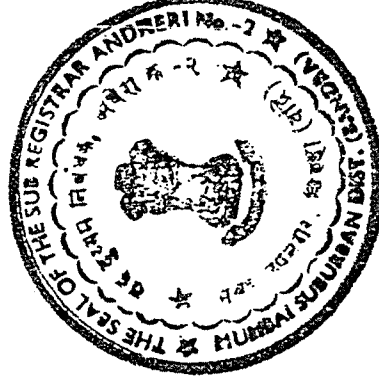
All the amounts received from time to time received by the Lenders or the Security Agent from or in respect of the Mortgaged Premises shall be deposited to the credit of the Escrow Account and for distribution amongst the Lenders as specified in the Loan Agreement or other Finance Documents.

17 Appointment of Receiver

17.1 Appointment

Subject to the observance of such restrictions as may be imposed by Section 69A of the Transfer of Property Act, 1882, or any other applicable statutory provisions, the Lenders, acting on their own and/or through and represented by Security Agent at any time after the security hereby constituted shall have become enforceable may by writing appoint as receiver of the Mortgaged Premises or any part thereof one or more Persons entities or any Authorised Officer or Officers of such Person and may remove any receiver so appointed and appoint another in his stead. Where more than one receiver is appointed, any reference in this Indenture to a receiver shall apply to all the receivers so appointed and the appointment shall be deemed to be joint and several so that the rights, powers, duties and discretions vested in the receivers may be exercised jointly by all the receivers so appointed or severally by each of them.

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17.2 Status, Powers and Remuneration of Receiver

(a) Appointment of any receiver may be made either before or after the Lenders shall have entered into or taken possession of the Mortgaged Premises;

(b) Such receiver may, from time to time, be invested with such of the rights, powers, authorities and discretions exercisable by the Lenders set forth herein or under law or as the Lenders may think expedient including the following rights, powers and authorities;

- (i) to enter upon or take possession of, collect, and get in all or any part of the Mortgaged Premises and for that purpose to take any proceedings and enforce any order or judgement in the name of the Borrower or otherwise as the receiver shall consider fit;
- (ii) to manage or carry on or concur in carrying on the business of the Borrower (including, without limitation, the management and operation of the facilities and/or the performance of the Project Documents, the clearances) as the receiver shall consider fit, in each case, without being responsible or liable for any loss or damage caused by the negligence or wilful default of the receiver;
- (iii) to make any arrangement or compromise between the Borrower and any other Person or pay any compensation or incur any obligation which the Lenders or the receiver shall consider fit;
- (iv) for the purpose of exercising any of the powers, authorities and discretions conferred on it by this Indenture and/or defraying any costs or expenses which may be incurred by it in the exercise thereof or for any other purpose, to borrow moneys on

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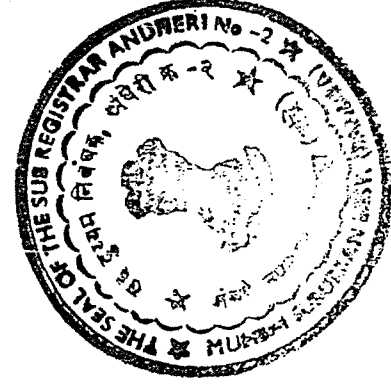
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the security of the Mortgaged Premises on such terms (with or without security) as the receiver or the Lenders shall consider fit and so that, with the prior written consent of the Lenders, any such security may be or include a charge on the whole or any part of the Mortgaged Premises ranking wholly or partly in priority to or pari passu with the security created hereunder;

- (v) to make calls, conditionally or unconditionally, on the shareholders of the Borrower in respect of uncalled capital committed under the Finance Documents;
- (vi) to assign, sell, lease, license, grant options to sell, deal with or manage or concur in assigning, selling, leasing, licensing, granting options to sell, dealing with or managing and to vary, terminate or accept surrenders of leases, licenses or tenancies of or otherwise dispose of any part of the Mortgaged Premises in such manner and generally on such terms and conditions as the Lenders or the receiver shall consider fit and to carry any such transactions into effect in the name of and on behalf of the Borrower or otherwise;
- (vii) to make, effect and do all maintenance, repairs, developments, reconstructions, improvements, furnishings, equipment, insurances, alterations or additions to or in respect of the Mortgaged Premises and maintain, renew, take out or increase insurances in the interest of the Lenders for maintaining the value of the Mortgaged Premises, in every such case as the Lenders or the receiver shall consider fit;

- (viii) to obtain all clearances, planning consents and permissions, building regulations, approvals and any other consents or licenses necessary or appropriate to carry out any of the matters

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referred to in this Indenture or otherwise as the Lenders or receiver shall consider fit;

- (ix) to redeem any prior encumbrance and settle and pass the accounts of the encumbrances so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Borrower and the money so paid shall be deemed to be an expense properly incurred by the receiver;
- (x) to settle, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any Person or body who is or claims to be a creditor of the Borrower or relating in any way to the Mortgaged Premises or any part thereof;
- (xi) to bring, prosecute, enforce, defend and discontinue all such actions and proceedings in relation to the Mortgaged Premises or any part thereof as the receiver shall consider fit;
- (xii) to sell, lease or otherwise dispose of all or any part of Mortgaged Premises including plant, machinery or other fixtures (whether situate on the First & Second Mortgaged Premises or otherwise);
- (xiii) to implement or continue the development of (and obtain all clearances and other consents required in connection therewith) and/or complete any buildings or structures on, any real property comprised in the Mortgaged Premises and do all acts and things incidental thereto;
- (xiv) to do all such things and take all such actions as may be required in order to ensure the continued safe, efficient and economic operation of Project;
- (xv) insure and keep insured the property and assets of an insurable nature comprised in the Mortgaged Premises against loss or

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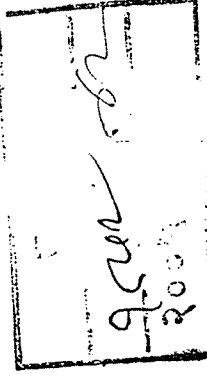
damage by such risks and contingencies in such manner and in all respects, and to maintain, renew or increase any insurance or insurances in respect of such property or assets;

- (xvi) promote the formation of companies with a view to purchasing all or any of the undertaking, property, assets and rights of the Borrower or otherwise;
- (xvii) to do all such other acts and things (including, without limitations, signing and executing all documents and deeds) as may be considered by the Lenders or receiver to be incidental or conducive to any of the matters or powers aforesaid or otherwise incidental or conducive to the preservation, improvement or realisation of the Mortgaged Premises;
- (xviii) to exercise all such other power and authority as the Lenders shall consider fit to confer and so that the Lenders may in relation to such part of the Mortgaged Premises as is the subject to the security expressed to be created hereunder confer any powers and authorities which it could give if it were an absolute beneficial owner thereof; and
- (xix) in the exercise of any of the above powers, to expend such sums as the receiver may think fit and the Borrower shall forthwith on demand repay to the receiver all sums so expended together with interest thereon at the Maximum Lending Rate of the Lenders from time to time, and until such repayment, such sums, together with such interest, shall be secured by this Indenture;

- (c) Unless otherwise directed by the Lenders such receiver may exercise all the rights, powers, authorities and discretions herein or by law vested in the Lenders;



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(d) Such receiver shall exercise its powers, authorities and discretion from time to time in accordance with instructions made and given by the Lenders;

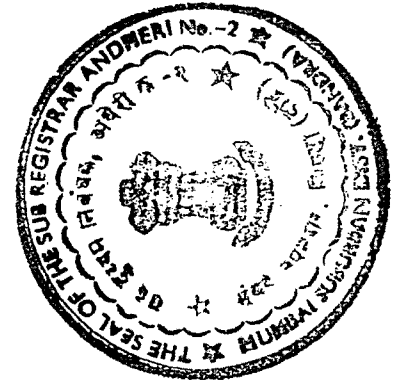
(e) Subject to the provisions of Section 69A of the Transfer of Property Act, 1882, the Lenders may from time to time fix the remuneration of such receiver and may direct payment thereof out of the Mortgaged Premises;

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

(g) The Lenders shall be in no way responsible for any misconduct, misfeasance, malfeasance or negligence on the part of any such receiver and shall be in no way liable for or in respect of any debts or other liabilities incurred by any such receiver whether the Borrower shall or shall not be in liquidation;

(h) All the powers, provisions and trusts contained in Section 69 A of the Transfer of Property Act, 1882, shall apply to the receiver appointed under this Clause;

(i) Every receiver appointed under the provisions hereof shall be deemed to be the agent of the Borrower and the Borrower shall be solely




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responsible for such receiver's acts and defaults and for his remuneration; and

- (i) The receiver shall, in the exercise of the receiver's powers, authorities and discretions, conform to the directions and regulations from time to time given or made by the Lenders.

18 Protection of Security Agent and Receiver: Limitation of Liability

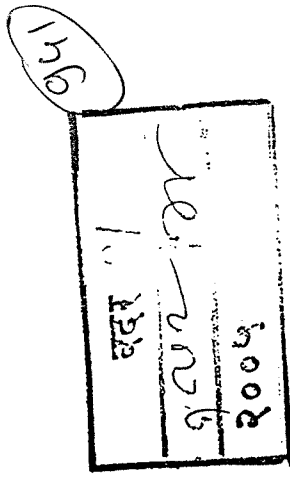
18.1 Limitation of Liability

Neither the Lenders nor the Security Agent nor any receiver shall be liable in respect of any loss or damage which arises out of the exercise or the attempted or purported exercise of or the failure to exercise any of their respective rights, powers, authorities, discretion's and trusts that may be vested in the Lenders.

18.2 Not Mortgagee-in-Possession

Without prejudice to the generality of Clause 18.1 the Borrower does hereby expressly agree with the Lenders that neither the Lenders nor the Security Agent nor any receiver appointed as aforesaid shall, by reason of the Lenders or such receiver entering into or taking possession of the Mortgaged Premises or any part thereof, be liable to the Borrower to account as a mortgagee-in-possession for anything except actual receipts or be liable for any loss or for any default or omission for which a mortgagee-in-possession might be liable.

19 Costs and Expenses



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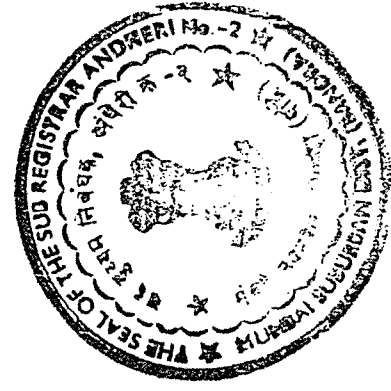
19.1 Mortgagee's Costs and Expenses

The Borrower shall, upon notice from the Lenders/Security Agent pay or reimburse to the Lenders/Security Agent all agreed fees for services performed by the Lenders/Security Agent, all out of pocket, and travelling expenses and other costs, charges and expenses in any way incurred by the Lenders/Security Agent or their respective officers, employees or agents in connection with the negotiation, preparation, execution, modification or amendment of or the preservation, protection or release of the rights of the Lenders under this Indenture and/or any documents or instruments contemplated or in connection with or relating to this Indenture including, without limitation, costs of investigation of title, travelling expenses and legal fees for drafting, stamping and registration of the documents and any other expenses pursuant to this Indenture, and further covenants and agrees to indemnify Security Agent and the Lenders against all actions, proceedings, costs, charges, expenses, claims and demands whatsoever which may be brought or made against or incurred by any or both of them in respect of any matter or thing done or omitted to be done without their wilful default or gross negligence in respect of or in relation to the Mortgaged Premises.

19.2 Legal Fees and Expenses

The Borrower shall pay all legal fees, costs, charges and expenses of the external legal counsel of the Lenders/Security Agent and each of the Lenders and all such sums incurred or paid by the Security Agent, the Lenders or any of them in connection with and incidental to or in connection with this Indenture and incurred as well for the assertion or defence of the rights of the Lenders as for the protection and security of the Mortgaged Premises and for

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the demand, realisation and recovery of the Mortgage Debt shall be added to the Mortgage Debt respectively and be secured hereby.

19.3 Stamp Duty and Other Fees on Execution, Registration, etc

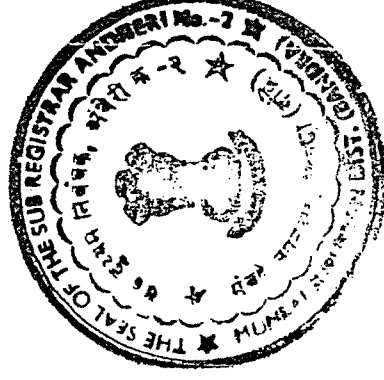
The Borrower shall pay all stamp duty, other duties, taxes, fees, penalties or other charges payable on or in connection with the execution, issue, delivery, registration of this Indenture, the Security Agent Agreement and any document, act and registration performed pursuant hereto, if and when the Borrower may be required to pay the same according to the Loan Agreement or according to the laws for the time being or at any time in force in the state in which its properties are situated. If the Borrower fails to pay the stamp duty, other duties, taxes, fees, penalties or other charges payable hereinabove, then the Lenders may pay such amounts, on behalf of the Borrower. Any money paid by the Lenders as aforesaid, shall constitute a part of the Mortgage Debt.

19.4 Reimbursement Obligations

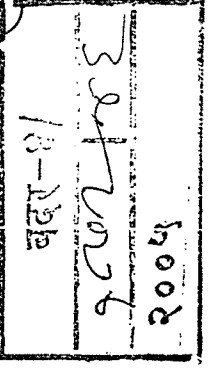
All costs, expenses, charges and fees paid or incurred by the Lenders in the exercise of any of the rights, remedies or powers granted hereunder including without limitation, for payment of any costs, expenses, charges or fees in this Clause shall be for the account of the Borrower and the Borrower undertakes promptly on demand to pay the same or, as the case may be to reimburse the Security Agent or its authorised agents, representatives, successors and assignees for any such monies paid by the Lenders or any of them with interest thereon at the Maximum Lending Rate from the date the Borrower receives notice thereof from the Lenders and/or their agents, representatives, successors

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and assigns until reimbursed by the Borrower, and all such sums and costs shall be added to the Mortgage Debt and be secured under this Indenture.

20 Indemnity

The Lenders and Security Agent every receiver, attorney, manager, agent or other Person appointed by the Lenders shall be entitled to be indemnified out of Mortgaged Premises in respect of all liabilities and expenses incurred by it in the execution or purported execution of the powers and trusts thereof including liabilities and expenses consequent to any mistake, oversight or error of judgement (other than those liabilities and expenses arising out of gross negligence or wilful default) on the part of the Lenders, the Security Agent or any such appointee and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted to be done in anyway relating to the Mortgaged Premises.

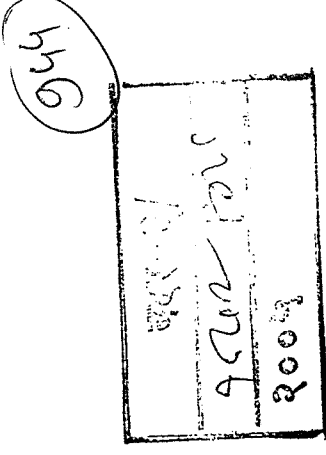
21 Attorney

21.1 Appointment

The Borrower hereby irrevocably appoints the Lenders and the Security Agent as well as each receiver to be appointed under this Indenture to be its attorney or attorneys, and in the name and on behalf of the Borrower to act and execute all deeds and things which the Borrower is authorised to execute and do under the covenants and provisions herein contained and generally to use the name of the Borrower in the exercise of all or any of the powers by this Indenture or by law conferred on the Lenders or any receiver appointed by the Lenders and also to execute on behalf of the Borrower at the cost of the Borrower the powers hereunder or by law conferred on the Lenders or any receiver



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appointed by it and also to execute on behalf of the Borrower at the cost of the Borrower such documents and deeds as may be necessary to give effect to the provisions referred to hereinabove and also for preservation enforcement and realisation of the security and the Borrower shall bear the expenses that may be incurred by the Lenders or the Security Agent or any receiver in that behalf. *Provided* at any time prior to the occurrence of an Event of Default, the Lenders shall exercise its powers under this clause only if the Borrower fails to comply with the instructions of the Lenders under this Indenture.

21.2 Ratification

The Borrower covenants with the Lenders to ratify and confirm all acts or things made done or executed by any attorney as contemplated by Clause 21.1 hereinabove.

22 Application of monies

All monies received by the Lenders or the Security Agent or any receiver appointed under this Indenture whether prior to or as a result of the enforcement of the security constituted hereunder shall be held upon trust and shall be applied by the Lenders or the Security Agent (except as otherwise required by law) in the first place, to reimburse themselves and pay, retain or discharge all the costs, charges and expenses including those incurred in or about the entry, appointment of receiver, calling in, collection, conversion or the exercise of the powers under this Indenture including their and the receiver's remuneration as herein provided and shall apply the residue of the aforesaid monies:

- (a) Firstly, to the Mortgage Debt that is owed to the Lenders whether the same shall be due or not; and

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(b) Secondly, to pay the remainder of said proceeds if any to the Person or Persons entitled thereto.

23 Liability to Lenders for Deficiency

The Borrower shall remain liable to the Lenders for any deficiency.

24 Waiver

24.1 No implied waiver or impairment

No delay or omission of the Lenders or any receiver in exercising any right, power or remedy accruing of the Lenders upon any default hereunder shall impair any such right power or remedy or be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the Lenders or any receiver in respect of any default or any acquiescence by it in any default affect or impair any right power or remedy of the Lenders in respect of any other defaults nor shall any single or partial exercise of any such right power or remedy preclude any further exercise thereof or the exercise of any other right power or remedy. The rights and remedies of the Lenders herein provided are cumulative and not exclusive of any rights or remedies provided by law or equity or in any of the other Finance Documents or the Security Documents.

24.2 Express Waiver

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A waiver or consent granted by the Lenders under this Indenture will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

25 Miscellaneous

25.1 Discharges and Releases

Notwithstanding any discharge, release or settlement from time to time between the Lenders and the Borrower, if any discharge or payment in respect of the Mortgage Debt by the Borrower or any other person is avoided or set aside or ordered to be surrendered, paid away, refunded or reduced by virtue of any provision of law or enactment relating to bankruptcy, insolvency, liquidation, winding up, composition or arrangement for the time being in force or for any other reason resulting in the above, the Lenders shall be entitled hereafter to enforce this Indenture as if no such discharge, release or settlement had occurred.

25.2 Amendment

The Borrower and the Lenders may amend or supplement the terms of this Indenture only by agreement in writing.

25.3 Other Remedies

The rights and remedies conferred upon the Lenders under this Indenture:

- a) shall not prejudice any other rights or remedies to which the Lenders may, independently of this Indenture, be entitled; and

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- b) shall not be prejudiced by any other rights or remedies to which the Lenders may, independently of this Indenture, be entitled, or any collateral or other security (including, without limitation, guarantees) now or hereafter held by the Lenders.

25.4 Limitation on Rights of Others

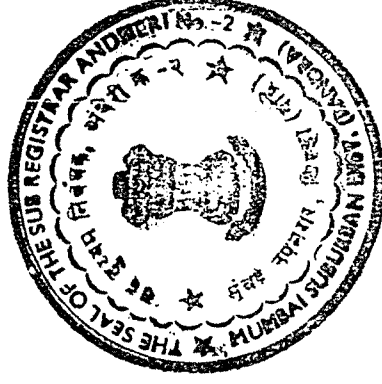
Nothing in this Indenture, whether express or implied, shall be construed to give to any Person other than the Lenders any legal or equitable right, remedy or claim under or in respect of this Indenture, except as expressly provided in this Indenture, any covenants, conditions or provisions contained herein or in the Mortgaged Premises, all of which are, and shall be construed to be, for the sole and exclusive benefit of the Lenders.

25.5 Inconsistency

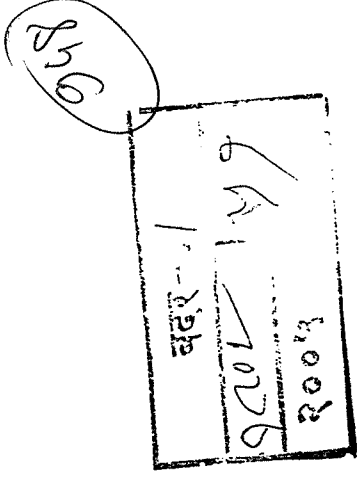
If there is any inconsistency between (i) the rights and obligations of the Borrower in relation to the Lenders under this Indenture and (ii) the rights and obligations of the Borrower in relation to the Finance Documents the provisions of this Indenture shall be deemed modified so that the rights and obligations of the Borrower under this Indenture are consistent with the rights and obligations of the Borrower under the Finance Documents.

25.6 Communications

- (i) All notices and other communications provided for hereunder shall be
- (a) in writing (including telex and telecopier, except as noted below)
 - and (b) telexed, telecopied or sent by person, overnight courier (if for



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inland delivery) or international courier (if for overseas delivery) and (if to the Borrower shall be at its address specified in sub-clause (iv) below; and if to the Lenders shall be on the Security Agent at its address specified in sub-clause (v) , or at such other addresses as is designated by such party in a written notice.

- (ii) All such notices and communications shall be effective (a) if sent by telex, when sent (with the correct answerback); (b) if sent by telecopier, when sent (on receipt of a confirmation to the correct telecopier number); (c) if sent by person, when delivered; (d) if sent by courier, one Business Day after deposit with an overnight courier if for inland delivery and five Business Days after deposit with an international courier if for overseas delivery; and (e) if sent by registered letter when the registered letter would, in the ordinary course of post, be delivered whether actually delivered or not.

Provided however that any notice or communication to the Lenders shall be effective only on actual receipt by the officer of the Lenders for whose attention the notice or communication has been expressly marked.

- (iii) An original of each notice and communication sent by telex or telecopy shall be dispatched by person, overnight courier (if for inland delivery) or international courier (if for overseas delivery) and, if such person or courier service is not available, by registered airmail (or, if for inland delivery, registered first class mail) with postage prepaid, *provided* that the effective date of any such notice shall be determined in accordance with sub-clause (ii)(a) or (b) above, as the case may be, without regard to the dispatch of such original.

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(iv) The address for service of the Borrower shall be:

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 Security Agent.

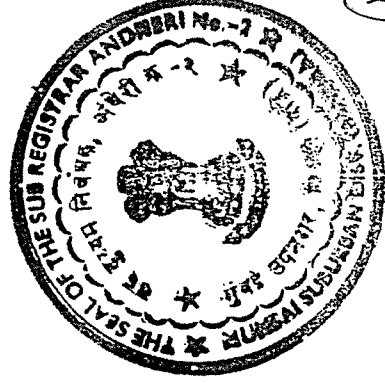
(v) The address for service of the Lenders and the Lenders Agent shall be:

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)





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Mumbai - 400 051
Tel:022-26591416
Facsimile No. 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

For UBI

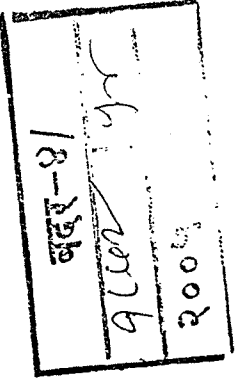
Asst. General Manager,
Union Bank of India,
Industrial Finance Branch,
First Floor, Union Bank Bhavan,
239, Vidhan Bhavan Marg,
Nariman Point,
Mumbai-400021
Tel:022-22892000
Facsimile:022-22855037

For UCO

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

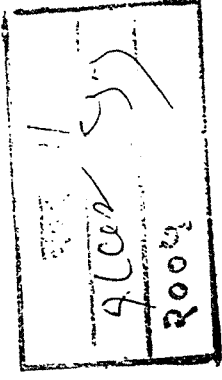


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Facsimile:022-26002912

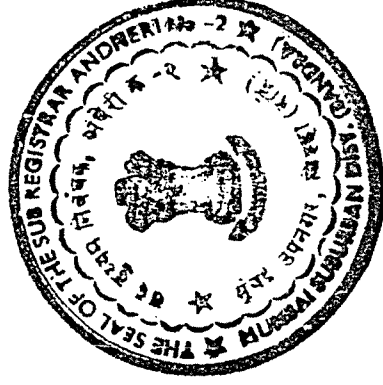
or such other address and contact number as is designated by the Lenders by not less than five (5) Business Days written notice to the Borrower.

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)
Mumbai - 400 051
Tel:022-26591416
Facsimile No. 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.

[Handwritten signature]



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25.7 Severability

Every provision contained in this Indenture shall be severable and distinct from every other such provision and if at any time any one or more of such provisions is or becomes invalid illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof shall not be in any way affected or impaired thereby.

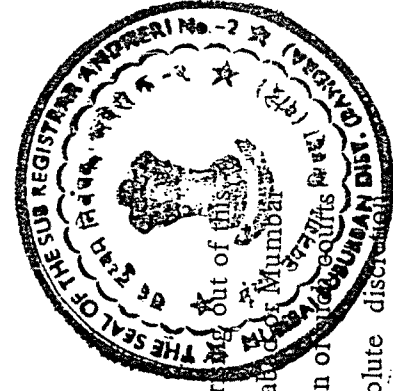
25.8 Governing Law

This Indenture shall be governed by and construed in accordance with Indian law.

25.9 Jurisdiction

The Borrower agrees that any legal action or proceedings arising out of this Indenture may be brought in the courts or tribunals at Hyderabad in India and irrevocably submits themselves to the jurisdiction of such courts or tribunals. The Lenders may, however, in their absolute discretion commence any legal action or proceedings arising out of this Indenture in any other court, tribunal or other appropriate forum, and the Borrower hereby consents to such jurisdiction.

AGH



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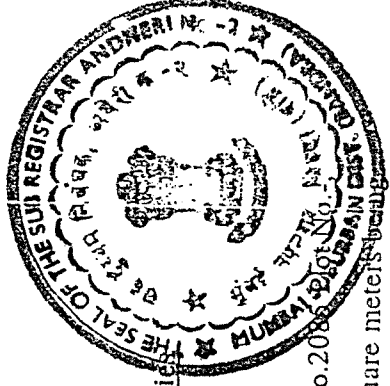
१८८२१५०
 २००९
 ४५४-४

SCHEDULE I

PARTICULARS OF LENDERS & LOANS

<u>Name of Lender</u>	<u>Amount of Loans</u>
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)
UCO	Rs.50.00 Crores (Rupees Fifty Crores Only)
TOTAL	Rs.300.00 Crores (Rupees Three Hundred Crores Only)

SCHEDULE II



Short Description of Immoveable Properties
(First Mortgaged Premises)

All leaseholds rights of the Lease Premises bearing C.T.S.No.2085 of Village Vile Parle admeasuring 30,047.12 square meters being part of the larger area covered by Survey Nos.2085 of Village vile Parle east, Taluka Andheri west, District Mumbai, in the State of Maharashtra together with all hotel structure, Commercial Complexes, shops, buildings, erections, godowns and constructions of every description which are standing, erected or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected and standing or attached thereto.

[Handwritten Signature]

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555

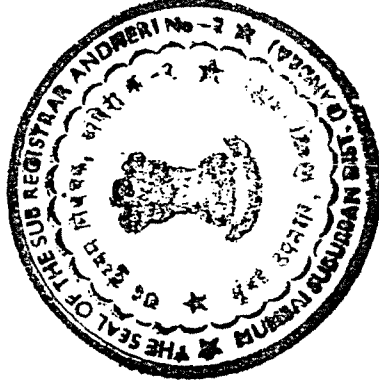
Plot	55
Rock	

SCHEDULE III

Short Description of Immoveable Properties

(Second Mortgaged Premises)

All that piece and parcel of land or ground with the message tenements or dwelling houses standing thereon having six residential flats, two admeasuring 620 square feet and four admeasuring 664 square feet each, situate and located at Plot no. 5348, City Survey Nos. 536 and 537, Survey No. 21 Hissa No. 2, Near Gold Spot Factory, Parsi Lane, Andheri (E), Mumbai 400 093 in the Registration District and Sub District of Bombay City and Bombay Suburban in the State of Maharashtra together with all fixtures, erections, godowns and constructions of every description which are standing, erected or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected and standing or attached thereto.

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YR

SCHEDULE IV

Short Description of Moveable Properties

(Third Mortgaged Premises)

The whole of the moveable properties of the Borrower including its all 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, and other movables pertaining to the Project, both present and future, whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereafter from time to time during the continuance of this Indenture be brought into or upon or be stored or be in or about the Project Site, all the Borrower's premises, warehouse, stockyards and godowns or those of the Borrowers agents, affiliates, associates, contractors or representatives or at various work sites or at any place or places wherever else situated or wherever else the same may be or be held by any party to the order or disposition of the Borrower or in the course of transit or on high seas or on order, or delivery, howsoever and wheresoever in the possession of the Borrower and either by way of substitution addition.

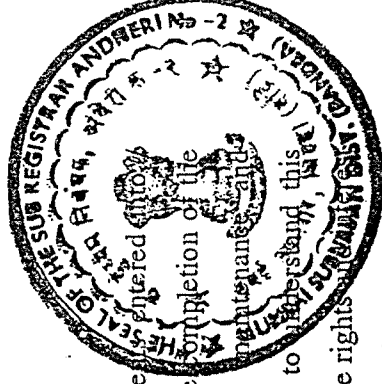


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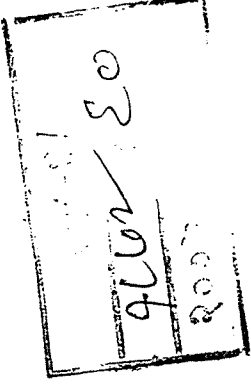
SCHEDULE VLIST OF PROJECT DOCUMENTS

- | | |
|-----|-----------------------------------|
| Sr. | Construction Contract Description |
|-----|-----------------------------------|
1. Lease Agreement dated 5th April 2002 executed between Hotel Corporation of India & Batra Hospitality Pvt. Ltd.
 2. Construction Contracts.
 3. Trust and Retention Account Agreement dated 14th February 2005.
 4. Agreement To Sell dated 18th April 2002 executed between Hotel Corporation of India & Batra Hospitality Pvt. Ltd.
 5. Deed of Transfer of Business entered into between Hotel Corporation of India & Batra Hospitality Pvt. Ltd.
 6. Indenture For Conveyance of Hotel Structure dated 5th June 2002 entered into between Hotel Corporation of India & Batra Hospitality Pvt. Ltd.
 7. Indenture For Conveyance of Residential Flats dated 5th June 2002 entered into between Hotel Corporation of India & Batra Hospitality Pvt. Ltd.

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

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957

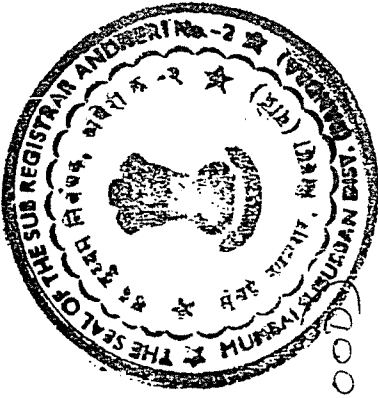
IN WITNESS WHEREOF the Borrower and the Lenders have caused these presents and the copies hereof executed by the hand of the authorised official of the Security Agent on the day and year first hereinabove written as hereinafter appears.

For SAHARA HOSPITALITY LTD.

SIGNED AND DELIVERED BY }
the within named Borrower through }
the hand of Mr Vivek Kumar }
authorized }
official of Sahara Hospitality Limited)



[Signature] Principal Officer



In the presence of:

1. *[Signature]* CHEMANT DAVE
2. Ashu e Sood (MRS ASHU e SOOD)

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

[Signature]

के. जी. आर. पिल्ले
सहायक प्रमुख (विधि)
हडको मुंबई.

In the presence of:

1. *[Signature]* Ganesh Shetty
2. *[Signature]* D. Ravishankar.

TRUE COPY

958
[Signature]

959'A'

PROPERTY REGISTERED CARD

Division/Mauje – Sadashivas Peth Taluka/N.B.No.

1, District – Pune Maharashtra

Survey No.	City No.	Area Sq.mts.	Tenure	Particulars of assessment for remittance paid to Government and when due for revision
2085				
	Area Sq.mtr .69808 2.8 - 00477 3.1 CTS 2101 Myself Area	61		

959 'B'

	69330					
	9.7					
Easement						
Holder of the title so far as traced						
Lease		-				
Other Encumbrances		-				
Other remarks		-				
Date	Transaction	Vol. No.	New Holder (H) Lessee (L) or Encumbrances (O) %	Attestation		
31.10.1998	Hon'ble Superintendent Land Records Mumbai Suburban No. Nabhus Vile Parle (W) N.B.No. As per 2085.98 dated 12.10.98, town			Sd/- 21-10-1998		

959'2'

	surveyor V. Holder Aircraft Crash Authority of India			
08.12.1999	Appeal from Hon'ble Superintendent of Land Records Mumbai Suburban District under SR 370.99 dated 31.5.99 and Corrigendum dated 10.8.99 Land area 8993.1 sq.m. S.No. 2101 as new income magazine was opened. Out of the total area of 2085, 4773.1 sq. M. Maintained an area of 693309 square			

959'91

	meters of 2085.			
--	-----------------	--	--	--

Investigator

True copy

Entries-3

60/-

2/-

60/-

Municipal Survey Officer Vile Parle
Mumbai Suburban District

True Copy

Municipal Survey Officer Vile Parle

960 'A'

25.02.2005	Sub.	AGREEMENT	VDR 4
4:55:49pm	Registrar: Andheri 2	INDEX PART-I	Agreement No. 1872/2005

Document number : 1872/2005

Date of document: Mortgage Deed

Sr. No.	Name and & address of Parties	Type of parties	Photographs	Thumb mark
(1)	1) Name: Hoodco's Six Heads (Laws) KGR Pillai, House/Flat No., Gali/ Road: M.M.R.D, Building Name: Hood's Mumbai Regional Office, Building No.:	Writing taker Age 46 Years Signature	Photograph	Thumb Mark Impression

960B

	Block No.1; Peth/Colony: City/Village, Taluka:				
(2)	Name: Sahara Hospitality Limited Principal Officer Vivek Kumar, House/Flat No., Gali/ Road: S.V.Road, Building Name: Sahara India Point, Building No.: Peth/Colony: City/Village, Taluka:	Executants Age 35 Years Signature	Photograph	Thumb Mark Impression	

961'A'

DOCUMENT		VDR4
INDEX PART-2		Document Number : (1872/2005)
Index of document no. VDR-4-		Receipt No.:1870
1872-2005		Date: 25.02.2005
Market value: 0/-		Description of receipt Name:
paid compensation Rs.		Hudco's Six Heads (Laws) KRG
300000000/-		Pillai,
Stamp fee :500120/-		
Document Submitted Date:		30000.00 : Registration fee
25.02.2005 04:48 PM		1280 : Copy (A.11(1)), Pg. Copy
Execution date: 25.02.2005		(A.11(2)),
Sd/-		Rooting (A.12) and photography
Document sign by		(A.13)
Type of document : 40) Mortgage		Total Fee
Time of seal no. 1 : (submission)		-----
25.02.2005 04:48 PM		31280 : Total
Time of seal no. 2 : (Fee)		-----
25.02.2005 04:54 PM		Sd/-
Time of seal no. 3 : (Confession)		Asst. Registrar, Andheri 2
25.02.2005 04:55 PM		(Andheri)
Time of seal no. 4 : (Identity)		

961 B'

25.02.2005 04:55 PM	
Document Registered Date:	
25.02.2005 04:55 PM	
Identified :	
The Following person stated that they know personally the deed executors and conformed there a indentified	
Name and & address of Parties	
1) Hemant Dave : Room /Flat No.:	
Galli/Road:	
Name of Bldg: Sahara Hospitality	
Bldg No.:	
Peth /Society:	
City/Village: Mumbai Airport	
Taluka:	
Pin:	
2) Ashu C Sood: Room /Flat No.: As above	
Galli/Road:	
Name of Bldg:	
Bldg No.:	
Peth /Society:	
City/Village:	

9615'

Taluka:
Pin:

It can be verified that this document has a total of 64 pages

Assistant Secondary Registrar Andheri no. 2
Mumbai Suburban District

Sd/-
Sub-Registrar Andheri 2
(Andheri)

962 'A'

Sub Registrar: Andheri 2 (Andheri)

Document Number & Year : 1872/2005

Friday, February 25, 2005

4:56:01PM

Regd.63 M

INDEX NO.II

VILLAGE NAME: VILEPARLE

(1) Type of deed,Amount	Mortgage Deed
Market value (Amount paid by lessee for lease to be noted)	Rs. 3,000,000,000.00 Rs.0.00
(2) Land-Survey, Sub Hissa and House No. (if any)	Description: Sahar Star, CTS no. 2085, Area 30047.12 Sq. M., Mumbai Airport, Vile Parle East. 500120 / -
(3) Area	1)
(4) Amount and any annexure	1)
(5) Name & address of the party executing document or any order/decreree of the civil court then respondents name and address	1) Name: Sahara Hospitality Limited Principal Officer Vivek Kumar, House/Flat No., Gali/ Road: S.V.Road, Building Name: Sahara India

962B

	Point, Building No.: Peth/Colony: City/Village, Taluka: Goregaon, Pin: 104; Pan No. AABSB7619L
(6) Name & address of the party claiming document or any order/decreed of the civil court then petitioners name and address	1) Name: Hoodco's Six Heads (Laws) KGR Pillai, House/Flat No., Gali/ Road: M.M.R.D., Building Name: Hood's Mumbai Regional Office, Building No.: Block No.1; Peth/Colony: City/Village, Taluka: Bandra (East), Pin: 51; Pan No.:
(7) Date prepared	25/02/2005
(8) Date of registration	25/02/2005
(9) Serial No., Vol. & Page	1872/2005
(10) Stamp duty as per market value	Rs. 0.00
(11) Registration as per market value	Rs. 30000.00
(12) Remarks	

ANNEXURE - 'A' - 29

963



MAHARASHTRA

General Stamp Office, Mumbai
Date: 23 JAN 2005
L. S. V. No.

B 190088
श्री. कांचन हर्षद बोगळे
हर्षद कांचन हर्षद बोगळे, 1 FEB 2005
वधि (T) ...
श्री/साहस्री ...
पंजाब ...
परावता धारक ... LTD.

Undertaking cum Indemnity for compliance of conditions

Place: Mumbai
Date: 25 th February, 2005

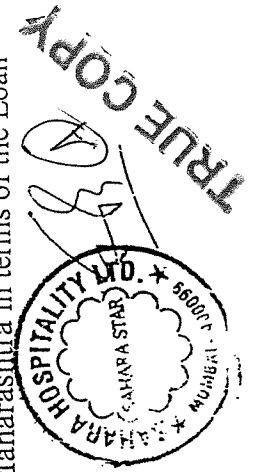
Housing & Urban Development Corporation Ltd.
Block-I, 2nd Floor, MMRDA Building
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051

All the Lenders (as defined in the Loan Agreement)

Dear Sirs,

Re: Sahara Hospitality Limited
Rupee Loans of Rs. 300 Crores

In consideration of your having agreed at our request to grant to us, the financial assistance in the form of Loans to the extent of Rs. 300 Crores for the purpose of meeting part of the cost of our 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 in terms of the Loan



Official

964

Agreement dated February 14, 2005 entered into by us with the Lenders, we do hereby undertake that we shall-

- (i) obtain and furnish a letter from Airport Authority of India ("AAI") to the effect that AAI will endorse a copy of 12 months notice to the Lenders before exercising its right to determine the lease of the Hotel Premises pursuant to Clause 18 of the Lease Agreement dated June 5, 2002 (the "Lease Agreement") executed by and between AAI and Batra Hospitality Private Limited ("BHPL"), within a period of six months from the date hereof;
- (ii) obtain and furnish a letter from AAI to the effect that AAI will give 60 (sixty) days notice to the Lenders before exercising its right to re-enter upon the Hotel Premises pursuant to Clause 21(b) of the Lease Agreement, within a period of six months from the date hereof;
- (iii) obtain and furnish a letter from AAI to the effect that if AAI exercises its right to determine the lease under Clause 18 of the Lease Agreement, AAI shall issue a cheque in favour of the Account Bank appointed under the Trust and Retention Account Agreement dated February 14, 2005 for compensation amount payable to us pursuant to Clause 19 of the Lease Agreement, within a period of six months from the date hereof;
- (iv) pay any outstanding Non Agriculture Assessment Tax pertaining to the Residential Flats to the revenue authorities before 30th April 2005;
- (v) have the property records pertaining to Mergaged Properties mutated in our name in the City Survey Office within a period of six months from the date hereof; and
- (vi) have our name mutated in the records of Brihanmumbai Municipal Corporation (BMC) and any other relevant authority within a period of six months from the date hereof.

2. We further undertake to indemnify and keep each of the Lenders indemnified for all losses, damages, claims, costs, expenses, whatsoever which the Lenders may suffer, pay or incur by reason of or in connection with any action taken by the Government of Maharashtra in connection with the demand raised by the Tehsildar under the Maharashtra Land Revenue Code, 1966.





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3. We hereby agree and confirm that our above undertaking and indemnity shall be binding on our successors and assigns and shall inure for the benefit of the successors and assigns of the Lenders.
4. We further acknowledge that the Lenders' decision to extend the Loans to us is in reliance upon the execution, delivery and performance by us of our above undertakings.

Yours faithfully,

For and on behalf of Sahara Hospitality Limited



Vivek Kumar
Principal Officer

TRUE COPY

ANNEXURE - 'A' - 30

966

1

HOTEL SAHARA STAR
PHASE-2 PROJECT

PHASE-2 COMMON LOAN AGREEMENT

BETWEEN

SAHARA HOSPITALITY LIMITED
(AS BORROWER)

AND

ANDHRA BANK
BANK OF BARODA
CORPORATION BANK
IDBI BANK LIMITED
KARNATAKA BANK LIMITED
UNION BANK OF INDIA
UCO BANK
(AS PHASE-2 LENDERS)

AND

UNION BANK OF INDIA
(AS LENDERS' AGENT FOR PHASE-2 LENDERS)

DATED 3rd DAY OF MARCH
FEBRUARY 2010

India Law Services
Advocates and Solicitors
Dubash House,
15 J.N. Heredia Marg,
Ballard Estate,
Mumbai - 400 001

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१) शासन परिपत्रक क्रमांक.२०००/९४/प्र.क्र.२५/म-१, दि. २४/३/२०००.
 २) नो.म.नि.व.मु.नि. मुणे यांचे पत्र क्र.का-३/संगणक/मुद्रांक पावती दुरुस्ती/०६/३९९, दि. ४/१०/२००६.

Head Office : GENERAL STAMP OFFICE, TOWN HALL, FORT, MUMBAI - 400 001.
 Office.: COLLECTOR OF STAMP (ANDHERI), M.M.R.D.A. BUILDING, 1STFLOOR,
 BANDRA-KURLA COMPLEX, BANDRA(E), MUMBAI-400 051,
D 062186

RECEIPT FOR PAYMENT TO GOVERNMENT

NOT TRANSFERABLE
 21/04/2010

Receipt No.:

SAHARA HOSPITALITY LTD

Receipt Date:

Received From : 103--(II)

MMRDA Counter No.: 2

On Account of :

Mode of Payment DD/PO/CHQ/ RBI-Challan No Date Bank Name & Branch Area Code Amount (In Rs)

PO 91777 21/04/2010 0 800.00

Bank Name : UNITED BANK OF INDIA (UMI)
 Branch Name : BANDRA KALANAGAR (BNK)

RECEIVED
 APR 22 2010

Case No.: ADJ/A/1509/2010

Lot Date :

Lot Date Lot Date Total D.O.:

Sr. No	Description of Stamps / Franking	Quantity	Denomination	Amount (In Rs.)
Total :				

Rs: 800.00 Rupees : Eight Hundred Only

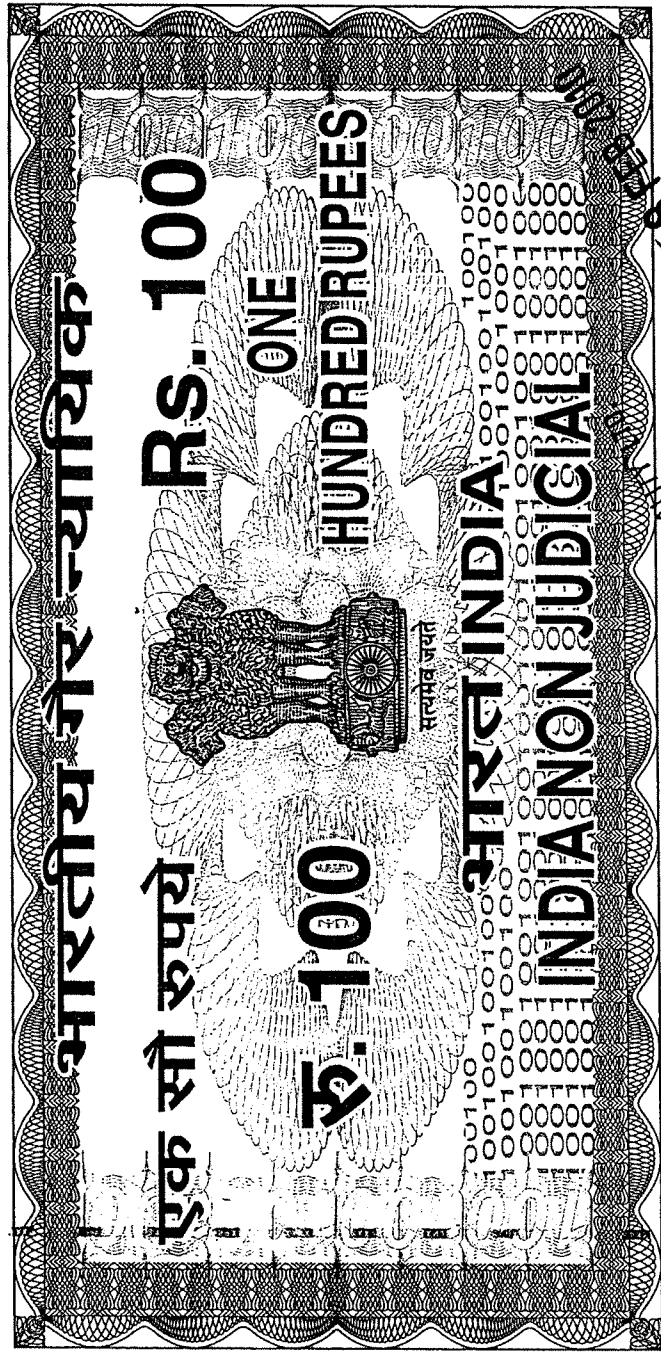
Cashier / Accountant

Signature / Designation


Bhagwati and Co. Printers


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Gen. महाराष्ट्र MAHARASHTRA
L. S. V. No. 840

-2 FEB 2010


Propriet Officer

SHRI. M. D. KADAM



सि. क्र. 896610
साहारा होस्टेलिटी लिमिटेड, साहारा इंडिया पॉइंट, मुंबई-४००१०४
अधिकारी: मुंडेस र. व. साहारा इंडिया पॉइंट, मुंबई-४००१०४
दिनांक: _____
मार्ग श्री: _____
भना प्रयोक्तार: _____
विकला: _____
व्यवसाय धातक मंत्रालय, _____

CR 896610









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PHASE-2 COMMON LOAN AGREEMENT

THIS AGREEMENT made at Mumbai this 5th day of MARCH February Two Thousand and Ten among:

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

AND

								
Borrower	AB	BOB	Corp.B	FBI	KBL	UBI	UCO	Lenders' Agent

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ANDHRA BANK, a body corporate constituted by and under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 and having its Head Offices at Dr. Pattabhi Bhavan, Saifabad, Hyderabad 500 004, in the State of Andhra Pradesh, India and having a specialized corporate finance branch, at 16th Floor, Earnest House, NCPA Marg, Nariman Point, Mumbai - 400 021, in the State of Maharashtra, India (hereinafter referred to as the "AB", which expression shall, unless it be repugnant to the context or meaning thereof, include its successors in office 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, in the State of Maharashtra, India (hereinafter referred to as "BOB", which expression shall, unless it be repugnant to the subject or context thereof, include its successors in office and assigns);

CORPORATION BANK, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1980, having its Head Office at P.B. No. 88, Mangladevi Temple Road, Mangalore - 575 001, in the State of Karnataka, India and having its large corporate branch office at 301-302, the Eagle's Flight, Andheri Kurla Road, Andheri (E), Mumbai - 400 093 in the State of Maharashtra, India (hereinafter referred to as "Corp.B", which expression shall, unless it be repugnant to the subject or context thereof, include its successors in office and assigns);

IDBI BANK LIMITED, a company incorporated under the Companies Act, 1956 (1 of 1956) and a banking company within the meaning of Section 5(c) of the Banking Regulation Act, 1949 having its registered office and a mid corporate group at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005, in the State of Maharashtra, India (hereinafter referred to as "IDBI", which expression shall, unless it be repugnant to the subject or context thereof, include its successors in office and assigns);

KARNATAKA BANK LIMITED, a company incorporated under the Indian Companies Act, 1913 having its registered office and head office at Mahaveera Circle, Kanaknady, Mangalore - 575 002, in the State of Karnataka, India and having its branch amongst other places at Fort, Perin Nariman point Street, Amar Building, Opp. R.B.I., Fort, Mumbai - 400 054, in the State of Maharashtra, India (hereinafter referred to as "KBL", which expression shall, unless it be repugnant to the subject or context thereof, include its successors in office 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 at Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai - 400021, in the State of Maharashtra and its Industrial Finance Branch, at First Floor, Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai-400021, in the State of Maharashtra, India (hereinafter referred to as "UBI", which expression shall, unless it be repugnant to the subject or context thereof, include its successors in office 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 RNA Classic, North Avenue, S.V. Road, Santacruz (W), Mumbai-400054, in the State of Maharashtra, India (hereinafter referred to as "UCO", which expression shall, unless it be repugnant to the subject or context thereof, include its successors in office and assigns);

(Each of AB, BOB, Corp.B, IDBI, KBL, UBI and UCO are individually referred to as "Phase-2 Lender" and are collectively referred to as the "Phase-2 Lenders", which expression shall include all or any one or more of them as the context may require or admit) of the **SECOND PART**.

AND

								
Borrower	AB	BOB	Corp.B	IDBI	KBL	UBI	UCO	Lenders' Agent

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- And

UNION BANK OF INDIA, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and having its head office at Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai - 400021, in the State of Maharashtra and its Industrial Finance Branch, at First Floor, Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai-400021, in the State of Maharashtra, India (hereinafter referred to as "Lenders' Agent" which expression shall, unless it be repugnant to the subject or context thereof, include its successors in office and permitted assigns); as confirming party in its capacity as the lenders' agent of the **THIRD PART**.

WHEREAS:

a) Initially, the Borrower had sought financial assistance from Housing and Urban Development Corporation Limited, Bank of Baroda, Union Bank of India and UCO Bank (Housing and Urban Development Corporation Limited, Bank of Baroda, Union Bank of India and UCO Bank are hereinafter referred to as the "Project Lenders") to enable it to meet part of the cost of its project envisaging the renovation and reconstruction of the Hotel Sahara Star (formerly known as Hotel Centaur, Mumbai Airport) situate at Vile Parle (east), near Domestic Airport, Mumbai-400099, in the State of Maharashtra, India ("Project").

b) Accordingly, the Borrower and the Project Lenders entered into a loan agreement dated February 14, 2005 (hereinafter referred to as "Loan Agreement") and other finance and security documents dated on or about February 14, 2005. In terms of the Loan Agreement, the Project Lenders agreed to grant to the Borrower, rupee term loans of an aggregate amount not exceeding **Rs.300,00,00,000 (Rupees Three Hundred Crores only)** for part financing the cost of the Project and the Borrower agreed to borrow the same from the Project Lenders and pursuant to the finance and security documents, the parties thereto appointed Housing and Urban Development Corporation Limited, as the lenders' agent and the security agent, whereas UCO Bank was appointed as the account bank for the Project.



c) Subsequently, the Borrower has entered into an amendatory agreement ("Amendatory Agreement") with the Project Lenders dated September 7, 2006, for the purpose of bifurcating the Project into two phases viz. FSI-1 project and FSI-2 project, pursuant to which the Project Lenders have divided their entire sanctioned loan of **Rs.300,00,00,000.00 (Rupees Three Hundred Crores only)** into two phases i.e. **Rs.178,00,00,000.00 (Rupees One Hundred and Seventy Eight Crores only)** ("Phase - 1 Loans") for implementation of the Phase - 1 project based on FSI-1 and **Rs.122,00,00,000.00 (Rupees One Hundred and Twenty Two Crores only)** for implementation of the Project based on FSI-2 (the Loan Agreement and the Amendatory Agreement are hereinafter collectively referred to as the "Agreements").

d) The Borrower has availed the entire Phase-1 Loans for implementation of the project based on FSI-1 and has successfully completed the renovation and reconstruction and commenced operations of the Project based on FSI-1 comprising of 223 (two hundred and twenty three) rooms, 10 (ten) restaurants, 6 (six) banquet halls, 5 (five) business centers and 4500 (four thousand five hundred) square feet of commercial space. The Project based on FSI-1 is hereinafter referred to as the "Phase-1 Project" and the Project Lenders as the Phase-1 Lenders.

e) Pending receipt of statutory approvals for FSI-2, the Borrower was unable to avail **Rs.122,00,00,000.00 (Rupees One Hundred and Twenty Two Crores)** for implementation of the Project based on FSI-2, accordingly pursuant to a termination agreement entered into amongst the Phase-1 Lenders and the Borrower on **3rd MARCH 2010** ("Termination Agreement"), the parties thereto have cancelled the loan amount of **Rs. 122,00,00,000.00 (Rupees One Hundred and Twenty Two Crores)** sanctioned for the Project based on FSI-2 and all other terms and conditions relating to the Project, based on FSI-2 thereby superseding the earlier understanding recorded under the Amendatory Agreement in relation to the Project based on FSI-2 and all other terms and conditions relating to the Phase-1

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<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
Borrower	AB	BOB	Corp.B	IDBI	KBL	UCO
					UBI	Lenders' Agent

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Project shall remain effective and binding on the parties to the Amendatory Agreement.

- f) In terms of the statutory approval for Additional FSI, the Borrower is proposing to expand and develop additional facilities viz., 185 (one hundred and eighty five) rooms, 5 (five) restaurants, 2 (two) banquet halls, 21 (twenty one) business centers and 2,00,000 (two lakhs) square feet commercial space (hereinafter referred to as the "Phase-2 Project").
- g) In order to implement the Phase-2 Project, the Borrower has approached the Phase-2 Lenders for financial assistance, to enable it to part finance the Phase-2 Project Cost (as defined in Article I) and the Phase-2 Lenders have agreed to make available to the Borrower rupee term loan of an aggregate principal amount not exceeding *Rs.310,00,000.00 (Rupees Three Hundred and Ten Crores only)* (including the project letter(s) of credit facility, as a sub limit of the Phase-2 Loans) ("Phase-2 Loans") on the terms and conditions of this Agreement.

NOW, THEREFORE, in view of the foregoing and in consideration of the mutual covenants and agreements hereinafter set forth, the Borrower and the Phase-2 Lenders agree as follows:



Borrower	AB	BOB	Corp.B	IDBI	KBL	UBI	UCO	Lenders' Agent

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ARTICLE I
DEFINITIONS

1.1 DEFINITIONS

The following capitalized terms wherever used in this Agreement and in any other Finance Document, unless otherwise defined in any other Finance Document in their application to such other Finance Document shall have the meanings given hereunder:

“AB” shall mean Andhra Bank, a body corporate constituted by and under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980.

“AB – Bank Prime Lending Rate” or “ABBPLR” shall mean the rate of interest for rupee term loans of AB as fixed and notified by AB as such or by any other substitute name from time to time.

“Abandonment” shall mean giving up of the Project by the Borrower and to include all or any of the events or situations set forth in Section 7.1(xiv). The term “Abandon” and “Abandoned” shall be construed to mean accordingly.

“Accounts” shall mean, collectively, the Retention Accounts and the Other Bank Accounts and any replacement or substitute accounts for any thereof as may be opened by or among others for the benefit of the Borrower for the Project and an ‘Account’ shall mean any of them.

“Account Bank” shall mean UCO Bank having its address at RNA Classic, North Avenue, S.V. Road, Santacruz (W), Mumbai - 400 054 and its successors and substitute appointees appointed by the Lenders in consultation with the Borrower to maintain the Retention Accounts under the Amended and Restated Trust and Retention Account Agreement.

“Additional FSI” shall mean to include the FSI-2 and any additional FSI (as required for implementation of the Phase-2 Project as envisaged in the information memorandum) as may be granted to the Borrower in accordance with the Development Control Regulations for Greater Mumbai or acquisition of transfer of development rights (TDR) from the open market.

“Additional Project Documents” shall have the meaning assigned to it under Section 3.3.

“Agreement” shall mean this agreement as of the date hereof entered into among the Borrower, the Phase-2 Lenders and the Lenders’ Agent in connection with the Phase-2 Loans as may be amended or supplemented from time to time.

“Agreements” shall have the meaning assigned to it in Recital (c) of this Agreement.

“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.

“Amendatory Agreement” shall have the meaning assigned to it in Recital (c) of this Agreement.

“Amended and Restated Inter Creditor Agreement” shall mean the agreement dated 3-11 day of MARCH 2010 entered into among the Phase-1 Lenders, the Phase-2 Lenders recording their understandings, *inter-alia*, as to ranking / sharing of Security, enforcement action and administration of the provisions of the Finance Documents by the Phase-1 Lenders and Phase-2 Lenders.

Borrower	AB	BOB	Corp.B	IDBI	KBL	UBI	UCO	Lenders' Agent

and

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"Amended and Restated Security Agent Agreement" shall mean the agreement dated 27-1 day of MARCH entered into among the Phase-2 Lenders, the respective Lenders' Agent of the Phase-1 Lenders and the Phase-2 Lenders, the Security Agent and the Borrower with respect to appointment of the Security Agent, terms and conditions thereof and other matters connected therewith, as may be amended or supplemented from time to time.

"Amended and Restated Trust and Retention Account Agreement" shall mean the agreement entered/to be entered into among the Borrower, the Lenders' Agents of the Phase-1 Lenders and the Phase-2 Lenders, the Security Agent and the Account Bank.

"Amortisation Schedule" shall mean the schedules of repayment of the Phase-2 Loans as set forth in Schedule IV of this Agreement and as may be modified from time to time.

"Applicable Rate" means at any relevant time, and in relation to Phase-2 Lenders' Phase-2 Loans, the interest rate (s) as set out in Schedule III.

"Applicable Law" shall mean any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, by-law, Government Approval, directive, guideline, requirement or other governmental restriction or any decision or determination by, or any interpretation, policy or administration of any of the foregoing, by any Government Authority having jurisdiction over the matter in question, whether in effect as of the date of this Agreement or thereafter.

"Availability Period" shall mean the period of 36 (thirty six) months beginning from the Effective Date.

"BOB" shall mean Bank of Baroda, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970.

"BOB - Bank Prime Lending Rate" or "BOBPLR" shall mean the rate of interest for rupee term loans of BOB as fixed and notified by BOB as such or by any other substitute name from time to time.

"Board" shall mean the Board of Directors of the Borrower.

"Borrower" shall mean Sahara Hospitality Limited.

"Budget" shall mean, the forecasts of the expenditure including the expenditure relating to the operation of petrol pump during the Construction Period and the Operational Period and the forecasts of the operating and maintenance expenditure, any other expenditures, revenue and cash flows during the Operational Period as the Borrower may be required to furnish to the Phase-2 Lenders in accordance with the provisions of this Agreement or as may from time to time or at any time be called for by the Lenders' Agent.

"Business Day" shall mean a day which is not Sunday or a bank holiday.

"Chartered Accountant" shall mean a reputed firm of chartered accountants practicing in India appointed by the Borrower for verifying the adequacy of its accounting and monitoring systems and procedures and to carry out periodic audit of accounts, subject to the satisfaction of the Lenders' Agent.

"Commercial Operation Date" or "COD" shall mean the April 1, 2013.

"Construction Budget" shall have the meaning specified in Section 6.1 (xxv)(f).

"Construction Period" shall mean the period from the date of Financial Close till COD.

"Construction Contracts" shall mean agreements/arrangements entered/to be entered into between the Borrower and the Contractors in respect of designing, renovation &

Borrower	AB	BOB	Corp. B	IDBI	KBL	UBI	UCO	Lenders' Agent

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reconstruction of hotel rooms by way of civil, interior, electrical, plumbing & sanitary, finishing and wood work and erection & construction of structural steel frame along with steel cables for fabric glass combination roof system and for providing any other services & materials, plant & machinery and equipments required for completion of the Phase-2 Project.

“Construction Contractors” shall mean parties to Contracts who have agreed to design, execute renovate & reconstruct the hotel rooms and to erect & construct the structural steel frame along with steel cables for fabric glass combination roof system and to provide plant and machinery, equipments and other material required for renovation and reconstruction of the Phase-2 Project and other services for the Phase -2 Project on the terms set forth in the Contracts.

“Corp.B” shall mean Corporation Bank, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1980.

“Corp.B – Bank Prime Lending Rate” or “Corp.BBPLR” shall mean the rate of interest for rupee term loans of Corp.B as fixed and notified by Corp.B as such or by any other substitute name from time to time.

“Credit Card Receivables” shall mean all monies received or to be received by the Borrower from bank(s) who are members of Master Card International and/or Visa Card International or any other credit card agencies.

“Credit Card Agreement” shall mean the merchant establishment agreements entered/to be entered into between the Borrower and the member’s banks of Master Card International and/or Visa Card International or any other credit agencies recording their understanding for payment of Credit Card Receivables.

“Commercial Complex Rents/License Fees” shall mean all rentals income received/to be received from the shops & business/convention complexes of the Project.

“Debt” means the aggregate of all present and future obligations of the Borrower to pay or repay money borrowed from the Lenders and/or any other lenders having pari-passu charge over the assets of the Borrower.

“Debt Service” shall mean with respect to the interest, repayment of installments of principal amounts of the Debt and costs, charges, expenses, fees and other financing costs, payable to the Phase-2 Lenders and any other lenders having pari-passu charge over the assets of the Borrower, under or pursuant to any Finance Document and/or any other documents.

“Debt Service Coverage Ratio” or “DSCR” shall mean the ratio of (a) Gross Cash Accruals of the Borrower plus the interest payments to the Lenders; to (b) Debt Service obligations of the Borrower.

“Default” shall mean any event, act, omission or condition, which with the giving of notice, making of a determination, or lapse of time, or any of them, or the fulfillment of any other requirement, would become an Event of Default.

“Disbursement” shall mean such amounts of the Phase-2 Loans including the Letter of Credit, as the Phase-2 Lenders make available to the Borrower for meeting cost of the Phase-2 Project pursuant to Notice of Drawl. The terms ‘Disburse’ and ‘Disbursed’ shall be construed to mean accordingly.

“Disbursement Procedure” shall mean the disbursement procedure prescribed under Section 2.5 as may, from time to time be modified by the Phase-2 Lenders by way of intimation in writing to the Borrower.

“Drawstop Notice” shall have the meaning provided in Section 2.5 (iv)(a).



Borrower	AB	BOB	Corp.B	IDBI	KBL	UBI	UCO	Lenders' Agent

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“Due Date” shall mean;

- (a) for payment of any principal installment, the date on which that installment falls due in accordance with the Amortization Schedule;
- (b) for payment of interest, further interest, additional interest, liquidated damages; the Interest Payment Date(s); and
- (c) any other amount payable under this Agreement; date on which such amounts falls due in terms of this Agreement.

“Effective Date” shall mean the date of execution of this Agreement by all the Parties.

“Events of Default” shall mean all or any of the events specified in Section 7.1.

“Final Settlement Date” shall mean the date on which all the obligations of the Borrower under this Agreement and other Finance Documents or arising out of the commitments and agreements made by the Borrower under or pursuant to any of this Agreement and other Finance Documents shall have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Phase-2 Lenders.

“Financial Close” shall mean the date on which the Finance Documents have been executed and delivered to the Phase-2 Lenders, the Lenders’ Agent and the Security Agent and the Borrower has become eligible to avail the Phase-2 Loans granted by the Phase-2 Lenders.

“Finance Documents” shall mean the this Agreement, the Amended and Restated Inter creditor Agreement, the Lenders’ Agent Agreement, the Amended and Restated Trust and Retention Account Agreement and the Security Documents and such documents as may be required to be executed or obtained under this Agreement and any other Finance Document or to perfect and validate this Agreement and other Finance Documents and to protect rights of the Phase-2 Lenders hereunder and thereunder.

“Financing Plan” means the financing plan as described in Schedule II.

“Fiscal Quarter” shall mean, in any Fiscal Year, any of the following three-month periods:

- (a) April 1 to June 30
- (b) July 1 to September 30
- October 1 to December 31
- January 1 to March 31.



“Fiscal Year” shall mean the accounting period commencing from April 1st of each year till March 31st of next year.

“FSI” shall mean floor space index, which is the ratio of the combined gross floor area of the entire building to the total area of the plot on which the building stands and such FSI as may required by the Borrower for the Project implementation and permitted by Brihanmumbai Municipal Corporation under the Applicable Law.

“GAAP” shall mean the generally accepted accounting principles consistently applied and as in effect from time to time in India.

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

“Government Approvals” shall mean the approvals, clearances, licenses, actions, authorisations, consents, rulings, permits, certifications and exemptions in relation to the Phase-2 Project, Project Site and creation of Security issued by the Government, and Government Authority.

“Government Authority” shall mean any government department including Airports Authority of India, local authorities (such as corporation, municipality, panchayat),

Borrower	AB	BOB	Corp.B	IDBI	KBL	UBI	UCO	Lenders' Agent

And

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commission, board, agency, regulatory authority, instrumentality, court or other judicial or administrative body having jurisdiction over the matter or matters in question.

“Gross Cash Accruals” shall mean net profit after tax plus non-cash adjustments like depreciation and amortisation, which do not result in any cash out go.

“IDBI” shall mean IDBI Bank Limited, a company incorporated under the Companies Act, 1956 (1 of 1956) and a banking company within the meaning of Section 5(c) of the Banking Regulation Act, 1949.

“IDBI – Bank Prime Lending Rate” or “IDBIBPLR” shall mean the rate of interest for rupee term loans of IDBI as fixed and notified by IDBI as such or by any other substitute name from time to time.

“Interest Payment Date” shall mean the dates as set out in Schedule III.

“KBL” shall mean Karnataka Bank Limited, a company incorporated under the Indian Companies Act, 1913 having its registered office and head office at Mahaveera Circle, Kankanady, Mangalore – 575 002, in the State of Karnataka, India.

“KBL – Bank Prime Lending Rate” or “KBLBPLR” shall mean the rate of interest for rupee term loans of KBL as fixed and notified by KBL as such or by any other substitute name from time to time.

“Lease Agreement” shall mean Lease Agreement dated June 5, 2002 entered into between AAI and the Borrower whereby AAI transferred the Leased Premises to the Borrower for a period of 29 (twenty nine) years i.e. upto June 4, 2031 for the purpose of maintaining and operating the Project.

“Leased Premises” shall have the meaning ascribed to it under the Lease Agreement.



“Lenders” shall mean collectively the Phase-1 Lenders and the Phase-2 Lenders and shall mean to include any one or more of them or their respective successors and assigns as the context may admit or require.

“Lenders’ Agent” shall mean Union Bank of India appointed as such by the Phase-2 Lenders and the Borrower under the Lenders’ Agent Agreement and its successors and substitute appointees.

“Lenders’ Engineer” shall mean any person appointed/to be appointed or any replacement thereof by the Lenders in consultation with the Borrower.

“Lending Confirmation Notice” shall have the meaning provided in Section 2.5(iii)(b).

“Letter of Credit” means facilities extended by the Phase-2 Lenders out of their Phase-2 Loans to the Borrower for the purpose of making the payment to the supplier of the machinery and/or equipment required for the reconstruction and renovation of the Phase-2 Project.

“Loans” shall mean collectively the Phase-1 Loans aggregate not exceeding to Rs. 178,00,00,000.00 (Rupees One Hundred and Seventy Eight Crores only) agreed to be provided by the Phase-1 Lenders in accordance with the terms of the Agreements read with the Termination Agreement and the Phase-2 Loans aggregate not exceeding Rs.310,00,00,000.00 (Rupees Three Hundred and Ten Crores only) agreed to be provided by the Phase-2 Lenders in accordance with this Agreement.

“Loan Agreement” shall have the meaning assigned to it in Recital (b) of this Agreement.

And

Borrower	BOB	Corp.B	IDBI	KBL	UBI	UCO	Lenders' Agent

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“**Material Adverse Effect**” shall mean any material change having adverse effect on (i) the Security provided to the Lenders under the Security Documents, (ii) the business or financial condition of the Borrower or renovation and reconstruction or operation of the Phase-2 Project, (iii) the ability of the Borrower to observe or perform any of its obligations under the Finance Documents, (iv) the legality, validity and enforceability of any Finance Document and (v) the realization of the rights and remedies of the Phase-2 Lenders.

“**Notice of Drawl**” shall have the meaning provided in Section 2.5 (ii).

“**Operational Period**” shall mean the period commencing from the Commercial Operation Date onwards.

“**Other Bank Accounts**” shall mean the accounts, other than the Retention Accounts, opened or established by or for the benefit of the Borrower with any bank including the Account Bank.

“**Parties**” shall mean the parties to this Agreement.

“**Phase -1 Lenders**” shall mean the Phase-1 Lenders listed in **Schedule I** to the Amendatory Agreement and shall mean to include any one or more of them or their respective successors and assigns as the context may admit or require.

“**Phase -1 Loan**” shall mean with reference to each of the Phase-1 Lender the amount agreed to be provided not exceeding the amount set out against its name in Schedule-I of the Amendatory Agreement.

“**Phase-1 Project**” shall mean designing, renovation and reconstruction of existing building of Hotel Sahara Star comprising of 223 (two twenty three) well equipped modern rooms with attached balconies, 10 (ten) restaurants, 6 (six) banquet halls, 5 (five) business centers and 4500 (four thousand five hundred) square feet of commercial space pillarless clear to sky dome over the courtyard, lift structures, global multi cuisine restaurant, indian specialty restaurant, pan asian restaurant, crew restaurant, bar, tea lounge, SPA, gymnasium, banquet hall, business centers, three level basement car parking, and all areas pertaining to central courtyard including aquarium, etc. alongwith plant & machinery and other amenities and facilities required for proper functioning of hotel by of way civil, interior, electrical, plumbing & sanitary, finishing and wood work etc. and as may be approved by the competent authority as per the Applicable Law.

“**Phase -2 Lenders**” shall mean the Phase-2 Lenders listed in Schedule I hereto and shall mean to include any one or more of them or their respective successors and assigns as the context may admit or require.

“**Phase - 2 Debt Service Reserve**” shall mean the reserve required to be created from the Receivables, by the Borrower under the Amended and Restated Trust and Retention Account Agreement, which shall be equivalent to a minimum of 3 (three) months interest and principal payment obligations of the Borrower to the Phase-2 Lenders under this Agreement.

“**Phase - 2 Debt Service Reserve Account**” shall have the meaning ascribed to it in the Amended and Restated Trust and Retention Account Agreement.

“**Phase-2 Equity Contributions**” shall mean, at any time, that aggregate amount actually paid by the shareholders of the Borrower in respect of the outstanding equity of the Borrower and any sums received by the Borrower as an advance against equity for part financing the Phase-2 Project Cost, at such time.

“**Phase -2 Loan**” shall mean with reference to each of the Phase-2 Lender the amount agreed to be provided not exceeding the amount setout against its name in Schedule-I under this Agreement.



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“Phase -2 Loans” shall mean the aggregate of loans agreed to be provided by the Phase-2 Lenders to the Borrower not exceeding in aggregate Rupees 310.00 Crores (Rupees Three Hundred and Ten Crores only) under this Agreement.

“Phase-2 Project” shall mean designing, construction and development of additional facilities i.e 185 rooms, 5 restaurants, 2 banquet halls, 21 business centers and 2,00,000 square feet commercial space on 4th, 5th and 6th floor of existing building of Hotel Sahara Star, club building and additional areas for health club, SPA, gymnasium, banquet hall, specialty restaurant, night club, preview theatre, swimming pool, etc alongwith plant & machinery and other amenities and facilities required for proper functioning of hotel by of way civil, interior, electrical, plumbing & sanitary, finishing and wood work etc. and erection & construction of structural steel frame alongwith fabric glass combination roof system as may be approved by the competent authority as per the Applicable Law.

“Phase -2 Project Cost” shall mean the estimated cost for completion of the Phase-2 Project as specified in Financing Plan.

“Phase-2 Project Equity Capital” shall mean the Promoters’ Phase-2 Equity Contribution, preference share capital, internal cash accruals, deposit and unsecured loan to be raised by the Borrower under the Financing Plan for financing the Phase-2 Project Cost.

“Phase-2 Secured Obligations” shall mean all the payment obligations of the Borrower under this Agreement including, to repay the Phase-2 Loans, and to pay interest, additional interest, further interest, premium on prepayment, costs, expenses and other monies payable to the Phase-2 Lenders, the Lenders’ Agent, the Security Agent and the Account Bank under or pursuant to or arising out of or in connection with the Phase-2 Loans in accordance with the terms of this Agreement and other Finance Documents.

“Potential Event of Default” shall mean happening or occurrence of any event, which with the lapse of time as specified in Section 7.1 would become an Event of Default.

“Project” shall collectively mean designing, renovation & reconstruction of Hotel Sahara Star as per Phase-1 Project and Phase-2 Project.

“Project Assets” shall mean to include (a) all movable and immovable properties, present and future, forming part of the Project; (b) all rights and interests in the land needed for and/or occupied for the Project in the form of ownership, lease, license, right of way or otherwise, (c) all assets such as civil works including the foundations, 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; (d) financial assets; (e) all the rights, title, interests, benefits, claims and demands of the Borrower under any Project Documents; (f) all the Borrower’s book debts, receivables, commissions, revenues of whatsoever nature and wheresoever arising; (g) all intangibles, goodwill, uncalled capital; (h) all the rights, title, interest, benefits, claims and demands of the Borrower in the Government Approvals, clearances and claims or proceeds arising in relation to or out of insurance policies obtained by the Borrower pertaining to any assets of the Borrower, and (i) all the Accounts including but not limited to the Retention Accounts and Other Bank Accounts of the Borrower.

“Project Documents” shall mean (a) all the contracts, agreements and writings entered into or obtained by the Borrower in connection with (i) supply of plant & machinery, equipment, other material, engineering and specialised services for renovation & reconstruction of the Project and related facilities; (ii) supply of plant & machinery, equipments, material and technical and specialised services for operating and maintaining the Project; (iii) raising Phase 1 and Phase 2 Project Equity Capital; and Promoter support to the Project; (iv) control and management of the Borrower; (b) all performance bonds and other security documents and arrangements furnished by any of the parties under the documents above referred to in favour of or for the benefit of the Borrower, and (c) all



Borrower	AB	BOB	Corp.B	IDBI	KBL	UBI	UCO	Lenders' Agent
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>

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the agreements and arrangements entered/to be entered by the Borrower for Credit Card Receivables. An indicative list of the Project Documents is given as Schedule V.

“Project Proceeds” shall mean all Disbursements by the Lenders and all monies due and to become due to the Borrower at any time including without limitation, subscriptions to shares in the share capital of the Borrower, contingent equity / subordinated debt contributions of the Promoters, working capital, cash credit, Credit Card Receivables, Commercial Complex Rents / License Fees, club membership fees and any other monies due or to become due to the Borrower under the Project Documents, 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.

“Project Site” shall mean Hotel Sahara Star (formerly known as Hotel Centaur, Mumbai Airport) situate at Vile Parle (east), near Domestic Airport, Mumbai-400099, in the State of Maharashtra, India.

“Promoters” shall mean S/Shri Subrata Roy Sahara, Om Prakash Srivastava, J. B. Roy and Sahara Prime City Limited.

“Receivables” shall mean all Project Proceeds other than Disbursements to be made by the Lenders, working capital and cash credit provided by the Working Capital Lenders or any other receivables as may be excluded by the Phase-2 Lenders from their Security.

“Restricted Payments” shall mean all dividends and other distributions of the Borrower (in cash, property or obligations) on, or other payments or distributions on account of the purchase, redemption, retirement or other acquisition of, any share capital of the Borrower or any warrants or options therefore or any payment by the Borrower of interest, principal or other sum in relation to any subordinated debt.

“Retention Account” means the account to be opened with the Account Bank pursuant to the Amended and Restated Trust and Retention Account Agreement into which the monies would be credited for meeting various payment and Phase-2 Debt Service Reserve maintenance requirements.

“Rupees” and the sign of “Rs.” shall mean the lawful currency of India.

“Sahara Prime City Limited” shall mean a company incorporated in India under the provisions of the Companies Act, 1956 and having its registered office at Sahara India Centre, 2, Kapoorthala Complex, Aliganj, Lucknow - 226024, in the State of Uttar Pradesh, India.

“Secured Property” shall mean all the assets (whether tangible or intangible or movable or immovable) of the Borrower and of the Promoter over which Security is created under the Security Documents in favour of the Lenders.

“Security” shall mean any mortgage, hypothecation, guarantee, charge, pledge, assignment, lien of any kind, and any interest including any preferential arrangement required to be created by the Borrower and/or the Promoters and others in favour of the Phase-2 Lenders as required under Article III or under any other provision this Agreement.

“Security Agent” shall mean Housing and Urban Development Corporation Limited appointed as such by the Lenders and the Borrower under the Amended and Restated Security Agent Agreement and its successors and substitute appointees.

“Security Documents” shall mean to include all the documents executed or obtained in favour of the Lenders and/or delivered or deposited with the Lenders for creation or effecting creation of Security and for perfecting and maintaining the Security.

								
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“Security Interest” shall mean any mortgage, pledge, lien, hypothecation, charge, assignment, security interest or interest in the nature of security, deed of trust or other encumbrance of any kind, or any other type of preferential arrangement, including without limitation, any agreement to give same effect as any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof and any designation of loss payees or beneficiaries or any similar arrangement under any insurance policies.

“Termination Agreement” shall have the meaning assigned to it in Recital (e) of this Agreement.

“Transaction Agreements” shall mean the Finance Documents and the Project Documents.

“UCO” shall mean UCO Bank, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970.

“UCO – Bank Prime Lending Rate” or “UCOBPLR” shall mean the rate of interest for rupee term loans of UCO as fixed and notified by UCO as such or by any other substitute name from time to time.

“UBI” shall mean Union Bank of India, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970.

“UBI–Bank Prime Lending Rate” or “UBIBPLR” shall mean the rate of interest for rupee term loans of UBI as fixed and notified by UBI as such or by any other substitute name from time to time.

“Unsatisfied CP Notice” shall have the meaning provided in Section 2.5 (iii)(a) (3).

“Working Capital Lenders” shall mean any bank, financial institution rendering financial assistance for meeting the Working Capital Requirements for the Project.

“Working Capital Requirements” shall mean such amounts as may be made available by the Working Capital Lenders to the Borrower, *inter alia*, for meeting the day to day requirements incurred in the ordinary course of business, relating to the Project.

1.2 PRINCIPLES OF CONSTRUCTION

In this Agreement unless the context otherwise requires:

- i) the singular includes the plural and vice versa;
- ii) headings and the use of bold typeface shall be ignored in its construction;
- iii) a reference to a Section, or Schedule is, unless indicated to the contrary, a reference to a section in, or schedule to, this Agreement;
- iv) references to this Agreement shall be construed as references also to any separate or independent stipulation or agreement contained in it;
- v) the words “other”, “or otherwise” and “whatsoever” shall not be construed *ejusdem generis* or as any limitation upon the generality of any preceding words or matters specifically referred to;
- vi) references to the word “includes” or “including” are to be construed without limitation;
- vii) references to a Party to this Agreement or a person shall include their respective successors, assignees or transferees (to the extent assignment or transfer is permitted under the relevant agreement);
- viii) all references to agreements, documents or other instruments include (subject to all relevant approvals) a reference to that agreement, document or instrument as amended, supplemented, substituted, novated or assigned from time to time;
- ix) the words “herein”, “hereto” and “hereunder” refer to this Agreement as a whole and not to the particular section in which such word may be used;
- x) words importing a particular gender shall include all genders;

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- xi) "person" includes any individual, partnership, firm, trust, body corporate, government, governmental body, authority, agency, unincorporated body of persons or association; and
- xii) references to any law shall include references to such law as it may, after the date of this Agreement, from time to time be amended, supplemented or re-enacted.



And

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**ARTICLE II
AGREEMENT AND TERMS OF PHASE-2 LOANS**

2.1

AMOUNT AND TERMS OF PHASE-2 LOAN

The Borrower agrees to borrow from the Phase-2 Lenders and the Phase-2 Lenders agree to lend to the Borrower the Phase-2 Loans (including issuance of Letter of Credit), on the terms and conditions contained herein, the sums to the maximum extent set out against their respective names in Schedule I aggregating to **Rs.310,00,000.00 (Rupees Three Hundred and Ten Crores only)**.

The obligations of Phase-2 Lenders hereunder are several. No Phase-2 Lender shall be responsible for the obligations of any other Phase-2 Lender(s). The rights of each Phase-2 Lender under the Finance Documents are separate and independent. Any Phase-2 Lender may separately enforce any of its rights arising out of any of the Finance Documents.

2.1A LETTER OF CREDIT AND PAYMENT OF COMMISSION

(a) The Borrower agrees that in case the Phase-2 Lenders issue a Letter of Credit as a sub limit of their Phase-2 Loans for the purpose of making the payment to the supplier of the machinery and/or the equipment required for the reconstruction and renovation of the Phase-2 Project, the issuance of such Letter of Credit shall be treated as deemed Disbursement to the Borrower and as Disbursement at the time of maturity of such Letter of Credit under this Agreement.

(b) The Borrower shall pay commission, at the rate as may be advised by the Phase-2 Lenders at time of issuance of the Letter of Credit to the Phase-2 Lenders till the maturity of such Letter of Credit.

(c) Such Letters of Credit shall be secured in accordance with the provisions of Article III of this Agreement.

2.2

UPFRONT FEES

The Borrower shall pay to each of the Phase-2 Lenders, an up-front fee (non-refundable and non adjustable) at the rate of 0.25% (zero point two five percent) (plus applicable service tax) of their respective amounts of the Phase-2 Loans, on or before the Effective Date.

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INTEREST ETC.

(i) **Interest:**

The Borrower shall pay to the Phase-2 Lenders interest at the Applicable Rate on the principal amounts of their respective Phase-2 Loans outstanding from time to time, and on all monies accruing due under this Agreement and not paid on Due Dates in each year on the dates set out in **Schedule III**. The payment of interest shall commence on the Interest Payment Date falling immediately after the date of first Disbursement.

(ii) **Liquidated Damages:**

In case of (a) default in payment of installment of principal of the Phase-2 Loans, interest, and all other monies on their respective Due Dates; (b) breach of any representation and warranties set forth in Article IV; and (c) breach of any other covenant or condition of this Agreement, the Borrower shall pay on the defaulted amounts, liquidated damages at the rate of 2.00% (two percent) per annum for the period of default. Such liquidated damages shall be payable immediately on demand and in the absence of such demand on the next Interest Payment Date. Arrears of liquidated damages shall carry interest at the Applicable Rate, till the date of payment of the defaulted amount or the compliance of the representation, warranties, covenant or conditions of this Agreement.

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(iii) **Non-Creation of Security**

The Borrower shall pay an additional interest at the rate of 1.00% (one percent) per annum over and above the Applicable Rate (plus interest tax, service tax, etc. if applicable), if the Security, as stipulated in Article III, is not created within a period of one hundred and eighty (180) days from the Effective Date. Such additional interest shall be charged from the Effective Date till creation of the Security as stipulated in Article III. Such additional interest shall be paid on the Interest Payment Dates.

2.4 AVAILABILITY PERIOD OF LOAN

Unless the Phase-2 Lenders otherwise agree, the right to make draws from the Phase-2 Loans shall cease on expiry of the Availability Period which period may be extended by the Phase-2 Lenders at their absolute discretion on such terms and conditions as they may deem appropriate. Any amount not Disbursed during the Availability Period, unless otherwise agreed to by the Phase-2 Lenders, shall stand automatically cancelled on expiry of the Availability Period.

2.5 DRAWDOWN

(i) **Drawdown Schedule**

The Borrower shall forthwith provide to the Phase-2 Lenders an indicative draw down schedule in writing for the Phase-2 Loans. The Phase-2 Lenders may, however, allow changes in the dates of drawl indicated in the said draw down schedule provided that the Borrower approaches for such change(s) adequately in advance and the attending circumstances, in the opinion of the Phase-2 Lenders, justify such change.

(ii) **Procedure for Requesting Disbursements**

(a) The Borrower shall request Disbursements against the Phase-2 Loans by delivering a Notice of Drawl substantially in the form attached hereto as Form No. 1 in Schedule VII, to the Lenders' Agent with a copy to each of the Phase-2 Lenders, no later than 10 (ten) Business Days prior to the expected drawdown date in the Notice of Drawl ("**Drawdown Date**").

Provided that in any month in which the Borrower is required to make an interest payment to the Phase-2 Lenders, the Borrower shall, to make such interest payment, be obliged to request an additional Disbursement to the extent of such interest payment (hereinafter referred to as "**Additional Disbursement**"). The Notice of Drawl in respect of an Additional Disbursement shall be delivered to the Lenders' Agent with a copy to each Phase-2 Lender at least 10 (ten) Business Days before the relevant Interest Payment Date (such interest payment date shall be deemed to be the Drawdown Date in respect of Additional Disbursement).

(b) Each Notice of Drawl shall contain a certification by an authorised person of the Borrower as to the following, in addition to such other information as may be required by the Phase-2 Lenders:

- 1) the aggregate amount of the proposed Disbursement and the amount to be disbursed by each of the Phase-2 Lenders (if any);
- 2) the Drawdown Date for the proposed Disbursement, which shall be a Business Day and shall be the same date for Disbursement by each of the Phase-2 Lenders;
- 3) outstanding amount due from out of each of the Phase-2 Lenders including the amounts of the proposed Disbursement on such Drawdown Date;
- 4) that all proceeds of the Phase-2 Project Equity Capital then required, have been funded and applied or allocated, as the case may be, to pay for the Phase-2 Project Cost;

<i>And</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
Borrower	AB	BOB	Corp.B	IDBI	KBL	UBI	UCO	Lenders' Agent	

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- 5) both before and after giving effect to proposed Disbursement and taking into account, the Phase-2 Project Equity Capital then required to have been funded concurrently therewith, the ratio of 'the sum of the principal amount outstanding in respect of the Phase-2 Loans, of the Borrower' over 'the sum of Phase-2 Project Equity Capital is no greater than 3:1
- 6) a certificate from a Chartered Accountant certifying that (i) the proceeds of the earlier Disbursements have been applied only to pay for the Phase-2 Project Cost.; (ii) the proceeds of the proposed Disbursement shall be applied to only such estimated Phase-2 Project Cost as are permitted under this Agreement; and (c) there is no cost overrun in the Phase-2 Project Cost or shortfall in the means of finance or that the cost overrun or shortfall have been duly funded by the Borrower/Promoters', as the case may be.
- 7) each representation and warranty of the Borrower made in Article IV shall be true, complete and correct in all respects, in each case, with the same force and effect as though each such representation and warranty were made in and as of the date of such Notice of Drawl, except for any representation and warranty which expressly related to earlier date and is not surviving; and
- 8) no Potential Event of Default or Event of Default has occurred or is continuing.
- (c) The Notice of Drawl shall include as attachments (A) all certificates and documentation required thereby; and (B) a Drawdown Certificate substantially in the form contained in Form No. 1 in Schedule VII, to be correct as of the corresponding Drawdown Date and signed by an authorised person of the Borrower; provided, however, that those certificates and documentation required under Section 5.2 in connection with the initial Disbursement shall not be required to be attached to any subsequent Notice of Drawl delivered in connection with any subsequent Disbursement, unless this Agreement specifically contemplates otherwise pursuant to Section 5.2.

(iii) Disbursements

(a) Procedure for Disbursement

- 1) The Phase-2 Loans will be Disbursed in one or more installment(s) or in such other manner as may be decided by the Phase-2 Lenders subject to the Borrower complying with the provisions of this Agreement generally and this Section 2.5, Section 5.2 of this Agreement specifically. Promptly after each receipt of a Notice of Drawl (and in any event no later than 10 (ten) days prior to the Drawdown Date), the Lenders' Agent shall (A) review such Notice of Drawl and attachments thereto to determine whether all required documentation has been provided and whether all applicable conditions precedent pursuant to this Agreement have been satisfied and (B) notify each of the Phase-2 Lenders of their determination; provided that in case of an Additional Drawdown, the Lenders' Agent shall inform the Phase-2 Lenders of their determination not later than 5 (five) days prior to the Drawdown Date. In making such determination, the Lenders' Agent shall be entitled to assume that each condition precedent under this Agreement have been satisfied if no Unsatisfied CP Notice (as defined in subparagraph (3) below) have been received by it with respect to such conditions prior to the time required therefore pursuant to such subparagraph (3).

Borrower	AB	BOB	Corp.B	IDBI	KBL	UBI	UCO	Lenders' Agent
	<i>AB</i>	<i>BOB</i>	<i>Corp.B</i>	<i>IDBI</i>	<i>KBL</i>	<i>UBI</i>	<i>UCO</i>	<i>Lenders' Agent</i>

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2) Subject to Section 2.4 and the other subparagraphs of this Section 2.5(iii) and satisfaction or waiver of all applicable conditions precedent and any other applicable provisions under this Agreement, at such time as the Lenders' Agent has determined that all applicable conditions precedent set forth in Article V have been satisfied or waived, Disbursements may occur; *provided*, however, that there is nothing to the contrary contained in any Finance Document (it being understood that in the event of any conflict between this Agreement and any other Finance Document in respect of the matters set forth in Section 2.5, this Agreement shall prevail.)

3) If in connection with any Disbursement, any Phase-2 Lender determines that any applicable condition precedent under Article V has not been satisfied, such Phase-2 Lender shall notify the Borrower and the Lenders' Agent no later than 5 (five) Business Days prior to the Drawdown Date that the Disbursement may not be made and shall give the reasons therefore (any such notice, is referred to as an "**Unsatisfied CP Notice**"). Any such notice received less than 5 (five) Business Days (in the case of an Additional Disbursement, at least 3 (three) Business Days) prior to the Disbursement date shall not be effective as an Unsatisfied CP Notice.

4) If the Lenders' Agent, (A) on or prior to the Drawdown Date determines pursuant to subpara (1) of Section 2.5 (iii) (a) that the conditions precedent to a Disbursement have not been satisfied or; (B) at least 5 (five) Business Days (in the case of an Additional Disbursement, at least 3 (three) Business Days) prior to the Drawdown Date receives an Unsatisfied CP Notice, then the Lenders' Agent shall notify the Borrower thereof in writing within 2 (two) Business Days of such determination or receipt, as the case may be. The notice from the Lenders' Agent shall specify the conditions precedent, which have not been satisfied and/or attach a copy of the Unsatisfied CP Notice received by the Lenders' Agent with respect to such Disbursement. Upon such written notice from the Lenders' Agent, none of the Phase-2 Lenders shall have any obligation to make the proposed Disbursement under the Notice of Drawl.

5) At such time, if ever, as (a) the Lenders' Agent determines that the condition precedent to the Disbursement which had not been satisfied/ has been satisfied; or (b) those Phase-2 Lender (s) which gave an Unsatisfied CP Notice to the Lenders' Agent with respect to such Disbursement inform the Lenders' Agent in writing that the event giving rise to such Unsatisfied CP Notice no longer exists, the Lenders' Agent shall notify the Borrower thereof. *Provided* that where the Borrower provides the Lenders' Agent and the Phase-2 Lenders information as to the satisfaction of the condition precedent, which is the subject of such Unsatisfied CP Notice, the Unsatisfied CP Notice shall be deemed to be revoked if, within 8 (eight) Business Days of receipt of such information from the Borrower, none of the Phase-2 Lenders issue a fresh Unsatisfied CP Notice.

6) No Phase-2 Lender or the Lenders' Agent shall have any liability to the Borrower or the other Phase-2 Lender or any other person claiming any interest through the Borrower



Borrower	AB	BOB	Corp.B	IDBI	KBL	UBI	UCO	Lenders' Agent
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>

[Signature]

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arising from the issuance of an Unsatisfied CP Notice, if the Unsatisfied CP Notice is issued in good faith.

(b) If the Lenders' Agent has not received an Unsatisfied CP Notice pursuant to Para 3 of Section 2.5 (iii) (a) and is satisfied that the conditions precedent to a Disbursement have been satisfied, or at such time as the Lenders' Agent has issued a notice to the Borrower under Para 5 of Section 2.5 (iii) (a) and is otherwise satisfied that the conditions precedent to a Disbursement are satisfied or an Unsatisfied CP Notice is deemed revoked pursuant to Para 5 of Section 2.5 (iii) (a) and the Lenders' Agent is satisfied that the conditions precedent have been fulfilled, the Lenders' Agent shall issue a notice confirming the Disbursement, (hereinafter referred to as the "Lending Confirmation Notice") substantially in the form attached hereto as Form No. 2 in Schedule VII to the Borrower no later than 2 (two) Business Days prior to the Drawdown Date to which the Drawdown Certificate relates or, in the event of the issuance by the Lenders' Agent of any notice pursuant to Para iv of Section 2.5 (iii) (a) above, promptly upon the issuance of the related notice under Para 5 of Section 2.5 (iii) (a), approving such proposed Disbursement.

(c) On the proposed Drawdown Date following the issue of a Lending Confirmation Notice, each of the Phase-2 Lenders, from whom each relevant Disbursement respectively had been requested, if any, shall, on the Drawdown Date make the proceeds of Disbursement being made to the Borrower by depositing such proceeds into the relevant Retention Account under the Amended and Restated Trust and Retention Account Agreement.

(d) Subject to the foregoing provisions of this Section 2.5, so long as no Drawstop Notice is in effect, the failure of any Phase-2 Lender to make a Disbursement shall not relieve the other Phase-2 Lender of its obligation hereunder in respect of its Phase-2 Loan (provided no Event of Default or Potential Event of Default has occurred) to make the proposed Disbursement, but no Phase-2 Lender shall be responsible for the failure of the other Phase-2 Lender to make any Disbursement or any portion thereof.

(iv) Drawstop Notices

(a) In addition to the ability to issue an Unsatisfied CP Notice pursuant to Section 2.5 (iii) and notwithstanding the issuance of any Lending Confirmation Notice by the Lenders' Agent pursuant to Section 2.5 (iii) (b) in connection with any Disbursement, any Phase-2 Lender or the Lenders' Agent upon the occurrence of an Event of Default or a Potential Event of Default may issue a notice (a "Drawstop Notice") to the Borrower with a copy to each of the Phase-2 Lenders, the Security Agent and the Account Bank, notifying the Borrower that no Disbursements shall be made under any Notice of Drawl.

(b) A Drawstop Notice issued pursuant to Section 2.5 (iv) (a) shall remain in full force and effect until the Potential Event of Default or Event of Default which led to the issuance of such Drawstop Notice has been remedied by the Borrower or waived by the Phase-2 Lenders. Upon the Potential Event of Default or Event of Default which led to the issuance of such Drawstop Notice being remedied, such Drawstop Notice shall be deemed to be revoked and the Phase-2 Lender who issued the Drawstop Notice or the Lenders' Agent, as the case may be, shall promptly notify the Borrower and the Phase-2 Lenders, whereupon the Phase-2 Lenders shall make the proposed



<i>Qub</i>	<i>CP</i>	<i>AB</i>	<i>BOB</i>	<i>Corp.B</i>	<i>IDBI</i>	<i>KBL</i>	<i>UBI</i>	<i>UCO</i>	<i>Lenders' Agent</i>
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Disbursement as soon as practicable thereafter (and in any event no later than 5 (five) Business Days thereafter).

2.6 ADJUSTMENT OF OVERDUES

The Phase-2 Lenders may deduct from sums to be lent to the Borrower any monies then remaining due and payable by the Borrower to the Phase-2 Lenders. The sums so deducted or adjusted shall be deemed to be Disbursements made by the Phase-2 Lenders notwithstanding anything contained in Section 2.5.

2.7 REPAYMENT

- (i) The Borrower undertakes to repay the principal amounts of the Phase-2 Loans to each of the Phase-2 Lenders in 96 (ninety six) monthly installments, the repayment shall commence after a moratorium period of 6 (six) months from COD ("Moratorium"), in accordance with the Amortization Schedule set forth in **Schedule IV** of this Agreement.
- (ii) The Phase-2 Lenders may, in suitable circumstances and with the prior consent of the Borrower, revise, vary or postpone the repayment of the principal amounts of the Phase-2 Loans or the balance outstanding for the time being or any installment (s) of the principal amounts of the Phase-2 Loans or any part thereof.
- (iii) In the event of any default in the payment of installments of the principal, any interest and additional interest, postponement, if any, allowed by the Phase-2 Lenders shall be at the rate of interest as may be stipulated by the Phase-2 Lenders at the time of postponement.
- (iv) If, for any reason, the amount finally disbursed by the Phase-2 Lenders out of the Phase-2 Loans is less than the amount of the Phase-2 Loans, the installment (s) of repayment of the Phase-2 Loans shall stand reduced proportionately but shall be payable on the Due Dates as specified in the Amortization Schedule(s).
- (v) If the Due Date in respect of any installment of principal, interest and additional interest and all other monies payable under the this Agreement and other Finance Documents falls on a day which is not a Business Day at the place where the payment is to be made, the immediately preceding Business Day shall be the Due Date for such payment.

2.8 PREMATURE REPAYMENT OF THE LOANS

- (i) The Borrower may prepay the outstanding principal amounts of the Phase-2 Loans in full or in part, before the Due Dates subject to payment of penalty (premium) of 1.00% (one percent) per annum on the prepaid amount for the period from the Due Date until prepayment.
- (ii) Notwithstanding anything contained hereinabove, the Borrower may prepay the outstanding principal amount of the Phase -2 Loans in full or in part before the Due Dates without any penalty, provided such prepayment is made from securitization of the Lease Rentals, internal accruals, the cash surplus of the Borrower or by fresh infusion of equity with 30 (thirty) days' prior notice given to the Phase -2 Lenders for such prepayment.
- (iii) Any amount prepaid will be applied to the repayment installment in the inverse order of their maturity.



2.9 APPROPRIATION OF PAYMENTS

(A) For IDBI

Unless otherwise agreed to by IDBI, any payments due and payable under this Agreement and made by the Borrower shall be appropriated towards such dues in the following order, viz.,

- (i) Interest on costs, charges, expenses and other monies;
- (ii) Costs, fees, charges, expenses and other monies;
- (iii) Further interest and liquidated damages on defaulted amounts;
- (iv) Interest including additional interest, payable in terms of this Agreement;
- (v) Premium on prepayment; and

<i>Und</i>	<i>AW</i>	<i>BOB</i>	<i>Corp.B</i>	<i>IDBI</i>	<i>KBL</i>	<i>UBI</i>	<i>UCO</i>	<i>Lenders' Agent</i>
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- (vi) Repayment of principal/installments of principal due and payable under this Agreement.

(B) For Phase-2 Lenders other than IDBI

Unless otherwise agreed to by the Phase-2 Lenders other than IDBI, any payments due and payable under this Agreement and made by the Borrower shall be appropriated towards such dues in the following order, viz.,

- (i) Premium on prepayment;
- (ii) Costs, fees, charges, expenses and other monies;
- (iii) Interest on costs, charges, expenses and other monies;
- (iv) Interest including additional interest payable in terms of this Agreement;
- (v) Further interest and penal interest on defaulted amounts; and
- (vi) Repayment of Phase-2 Loans due and payable under this Agreement.

Notwithstanding anything contained above, the Phase-2 Lenders may, in their absolute discretion, appropriate in any manner, each payment towards the dues, if any, payable by the Borrower under or in terms of any Finance Document or Security Document.

2.10 INCREASED COSTS

If any Phase-2 Lender incurs any increased cost as a result of:

- (i) the introduction of, or change in interpretation or application of any law or regulation by any court of law or competent authority; or
- (ii) compliance with any regulation made after the Effective Date including any law or regulation relating to taxation, monetary union, or reserve asset, special deposit cash ratio, or capital asset requirements or any other form of banking or monetary control


The Phase-2 Lenders shall notify the Borrower of the circumstances leading to increase in costs and the amount of such increase. The Borrower shall within 7 (seven) Business Days from the date of receipt of such notification from any Phase-2 Lender discuss with such Phase-2 Lender regarding the possible mitigation in the increase and shall pay to the Phase-2 Lender the amount so claimed as increase in cost.

2.11 IMPOSTS COSTS, SERVICE TAX AND CHARGES

- (i) The Borrower shall, during the currency of the Phase-2 Loans bear all such imposts, duties and Taxes (interest tax, service tax and other taxes, if any) as may be levied from time to time by any Government Authority pertaining to or in respect of the Phase-2 Loans.
- (ii) The Borrower shall pay all the other costs, charges, expenses (including cost for the protection of the Phase-2 Lenders interest including for enforcement of Security and recovery of dues) and expenses in anyway incurred by the Phase-2 Lenders in connection with the making and protection of the Phase-2 Loans and such additional stamp duty, other duties, Taxes, charges and other penalties if and when the Borrower is required to pay according to the laws for the time being in force.
- (iii) In the event of the Borrower failing to pay the monies referred to in (i) and (ii) above, the Phase-2 Lenders will be at liberty (but shall not be obliged) to pay the same. The Borrower shall reimburse all sums paid by the Phase-2 Lenders in accordance with the provisions contained herein.

2.12 COMPUTATION OF INTEREST AND OTHER CHARGES

Interest and all other charges shall accrue from day to day and shall be computed on the basis of a 365 (three hundred and sixty five) days year and the actual number of days elapsed.

								
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2.13 PLACE AND MODE OF PAYMENT BY THE BORROWER

All monies payable by the Borrower to the Phase-2 Lenders shall be remitted to them at the loan Disbursing Phase-2 Lenders branch or at such office(s) as may be specified by them from time to time, preferably by Real Time Gross Settlement System (RTGS), by telegraphic, telex or mail transfer to the account of such office(s) or by cheque or by bank draft drawn in favour of the Phase-2 Lenders on a scheduled bank at the centre of the respective Phase-2 Lender branch or such other place or to such other account as the Phase-2 Lenders may notify to the Borrower and shall be so paid to enable the Phase-2 Lenders to realise, at par, the amount on or before the Due Date. Credit for payments by local cheque/bank draft will be given on the date of realisation or the Due Date, whichever is later.

2.14 REIMBURSEMENT OF EXPENSES

(i) The Borrower shall reimburse all expenses incurred or paid by the Phase-2 Lenders including Security Agent, Lenders' Agent and Account Bank under the provisions of this Agreement and other Finance Documents within 30 (thirty) days from the date of notice of demand. All such sums shall be debited to the Borrower's loan account and shall carry interest from the date of payment till such reimbursement at the Applicable Rate or the maximum lending rate of the relevant Phase-2 Lender for rupee term loans whichever is higher.

(ii) In case of default in making such reimbursement within 30 (thirty) days from the date of notice of demand, the Borrower shall also pay on the defaulted amounts, liquidated damages at the rate of 2.00% (two percent) per annum (plus interest tax, service tax, if applicable) from the expiry of 30 (thirty) days from the date of notice of demand till reimbursement thereof and such liquidated damages shall be payable on Interest Payment Date(s).

2.15 LEGAL CHARGES

The Borrower shall pay to the Phase-2 Lenders legal fees and the expenses incurred in connection with the filing of registration of charges, documentation and due diligence of Project Documents and/or investigation of title and/or carrying out searches in respect of the Borrower's properties and the Phase-2 Project undertaken and/ or to be undertaken or arranged by the Phase-2 Lenders.

2.16 APPOINTMENT OF NOMINEE DIRECTORS

(i) The Phase-2 Lenders together shall have the right to appoint and remove from time to time nominee directors on the Board of Directors of the Borrower at any time during the currency of this Agreement (such directors are hereinafter referred to as "Nominee Directors").

(ii) The Nominee Directors shall not be required to hold qualification shares and not be liable to retire by rotation.

(iii) The Nominee Directors shall be entitled to all the rights and privileges of other directors including the sitting fees and expenses as payable to other directors but, if any other fees, commission, monies or remuneration in any form are payable to the directors, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Phase-2 Lender and the same shall accordingly be paid by the Borrower directly to the Phase-2 Lenders.

Provided that if any such Nominee Directors are an officer of the Phase-2 Lenders the sitting fees in relation to such Nominee Director shall also accrue to the Phase-2 Lenders and the same shall accordingly be paid by the Borrower directly to the Phase-2 Lenders.

Any expenditure reasonably incurred by the Phase-2 Lenders or the Nominee Directors in connection with the appointment or directorship shall be borne by the Borrower.



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- (iv) The Nominee Directors so appointed shall be a member of the Phase-2 Project management committee, audit subcommittee and other committees of the Board, if so desired by the Phase-2 Lenders.
- (v) The Nominee Directors shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.
- (vi) If at anytime, the Nominee Directors are not able to attend a meeting of Board or any of its committees, of which he is members, the Phase-2 Lenders may depute an observer to attend the meeting. The expenses incurred by the Phase-2 Lenders in this connection shall be borne by the Borrower.
- (vii) The appointment/removal of the Nominee Directors shall be by a notice in writing by the Phase-2 Lenders addressed to the Borrower and shall (unless otherwise indicated by the Phase-2 Lenders) take effect forthwith upon such a notice being delivered to the Borrower.

2.17 REVIEW OF THE PROGRESS

The Phase-2 Lenders have right to review the Phase-2 Project Cost, means of finance, physical progress of implementation and expenditure incurred on the Phase-2 Project at any time and from time to time as the Phase-2 Lenders may deem fit and the Borrower shall furnish such information and reports as may be required for the purpose.

2.18 REVIEW OF PROJECT COST

The Phase-2 Lender shall have right to review the cost of the Phase-2 Project before the final Disbursement of the Phase-2 Loans. The preliminary and preoperative expenses prior to the COD shall be allowed as part of the Phase-2 Project Cost only to the extent that are certified by the Chartered Accountant that they have been actually incurred and relate to the Phase-2 Project and are found reasonable.

2.19 PROMOTERS' UNDERTAKINGS

The Borrower shall procure and furnish from the Promoters the following undertakings, assurances, confirmations etc.:

- (i) that the Promoters shall not reduce their shareholding in the share capital of the Borrower below 51% (fifty one percent) of its total paid up and voting equity share capital during the currency of the Phase-2 Loans and also retain the management control in the board of the Borrower to the satisfaction of the Phase-2 Lenders.
- (ii) that Promoters shall bring additional funds, if any, required due to cost overrun during the Project implementation or due to shortfall in resources envisaged under the Financing Plan, and the funds so brought in or arranged shall be in the form of equity or unsecured debt or preference capital subordinated to the Phase-2 Loans and shall not be paid during the currency of the Phase-2 Loans without prior permission of the Phase-2 Lenders.

2.20 OTHER TERMS

- (i) The Borrower shall arrange the Phase-2 Project Equity Capital of **Rs. 105,76,00,000.00 (Rupees One Hundred Five Crores and Seventy Six Lakhs only)**, during the currency of the Phase-2 Loans.
- (ii) The Borrower shall maintain from the Receivables, Phase-2 Debt Service Reserve equivalent to a minimum of one Fiscal Quarters debt service obligations, i.e., the repayment of the principal amounts of the Phase-2 Loans and payment of interest on the Phase-2 Loans of the Phase-2 Lenders. Any deficit in maintenance of the Phase-2 Debt Service Reserve out of the Receivables shall be met by way of unsecured debt/subordinated debt to be brought in the Borrower/Promoter, as the case may be.

								
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- (iii) The Borrower agrees that all Credit Card Receivables and Commercial Complex Rents/ License Fees shall be routed through the Retention Accounts.
- (iv) The Borrower agrees to submit the list of its group companies and/or any other companies to whom the Borrower has advanced any monies or loans, which are outstanding and recoverable from such company and/or companies.
- (v) The Borrower shall file the returns with the concerned Registrar of Companies (ROC) in connection with the charges to be created in favour of the Phase-2 Lenders within a period of 30 (thirty) days from the date of creation of charges.
- (vi) The Borrower agrees that the non-cumulative optionally convertible preference shares aggregating to **Rs. 234,88,19,830 (Rupees Two Hundred Thirty Four Crores and Eighty Eight Lakhs Nineteen Thousand Eight Hundred and Thirty only)** of 15 (fifteen) years shall not be redeemed and no dividend on them shall be paid during the currency of the Phase-2 Loans, without the prior written permission of the Lenders.
- (vii) The Borrower shall abide by directives issued from time to time in respect of the rate of interest, margin and other terms and conditions by the Phase-2 Lenders and Reserve Bank of India.
- (viii) The Borrower agrees that the Phase-2 Lenders shall have right to stipulate the additional conditions or modify the terms and conditions, on examination of Project Documents or any other documents relating the Phase-2 Project or in the event of any material breach of the Finance Documents during the currency of the Phase-2 Loans.
- (ix) The Borrower shall appoint an accredited rating agency and obtain the credit risk rating on or before March 31, 2010 or within a period of 180 (one hundred and eighty) days from this Agreement, whichever is earlier, to enable the Phase-2 Lenders to comply with Basel-II norms.
- (x) Any other terms and conditions stipulated by other lenders or other banks and financial institutions shall apply mutatis mutandis to the Phase-2 Loan or loans sanctioned by the Phase-2 Lenders provided that such terms and conditions shall not be prejudicial to the interest of the Phase-2 Lenders.



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**ARTICLE III
SECURITY**

3.1 SECURITY

- (i) The Phase-2 Loans together with all the interest, liquidated damages, additional interest, costs, expenses and other monies whatsoever stipulated in the Finance Documents shall be secured by-
- a) a first mortgage and charge in a form satisfactory to the Phase-2 Lenders of the Borrower's (1) leasehold rights on the land together with the hotel structure situate at Vile Parle bearing CTS No. 2085, Plot No. -, Gat No.-, admeasuring 30,047.12 square meters being part of the larger area covered by Survey Nos. 2085 of Village Vile Parle east, Taluka Andheri west, District Mumbai, in the State of Maharashtra, India (2) 6 (six) residential flats, 2 (two) admeasuring 620 (six hundred and twenty) square feet and 4 (four) admeasuring 664 (six hundred and sixty four) square feet each, situate and located at Plot no. 5348, City Survey Nos. 536 and 537, Survey No. 21 Hissa No. 2, Near Gold Spot Factory, Parsi Lane, Andheri (E), Mumbai 400 093 in the Registration District and Sub District of Bombay City and Bombay Suburban in the State of Maharashtra; and (3) all other immovable properties, both present and future;
 - b) a first charge by way of hypothecation of the Borrower's all fixed assets including moveable properties, 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) A second charge by way of hypothecation on the Borrower all current assets including stocks of raw materials, consumable stores, book debts and such other movables as may be agreed to by the Phase -2 Lenders.
 - d) an assignment by the Borrower of:
 - 1) all the Borrower's Receivables and Accounts present and future,
 - 2) 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 Contractors under the Project Documents, after obtaining the written consent of the parties thereto, if necessary,
 - 3) the right, title and interest of the Borrower by way of first charge in, to and under all the Government Approvals, clearances, insurance policies and insurance proceeds;
 - e) a first charge on all intangible assets of the Borrower including but not limited to goodwill, undertaking and uncalled capital of the Borrower;
 - f) pledge of 51% (fifty one percent) of the paid up and voting equity shares held by the Promoters in the equity share capital of the Borrower during the currency of the Phase-2 Loans;
 - g) irrevocable and unconditional personal guarantees from S/Shri Subrata Roy Sahara, O. P. Srivastava and J. B. Roy;



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h) irrevocable and unconditional corporate guarantee from Sahara Prime City Limited.

Provided that the aforesaid mortgages, charges and assignments created under Section 3.1 shall in all respects rank *pari passu* on first charge basis interse the Lenders i.e the Phase-1 Lenders and the Phase-2 Lenders.

Provided further that, the Working Capital Lenders shall have first *pari passu* charge over the current assets (as may be permitted by the Phase-2 Lenders) and a second and subservient charge on the fixed assets of the Borrower, as permitted by the Lenders.

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

3.2 CREATION OF ADDITIONAL SECURITY

(i) So long as the Phase-2 Loans are outstanding, the Borrower undertakes to notify the Phase-2 Lenders in writing of all its acquisitions of immovable properties as soon as practicable thereafter to make out a marketable title to the satisfaction of the Phase-2 Lenders and charge the same in favour of the Lenders.

(ii) If, at any time during the subsistence of this Agreement, the Phase-2 Lenders are of the opinion that the security provided by the Borrower has become inadequate to cover the amounts outstanding under the Finance Documents, then, on the Phase-2 Lenders advising the Borrower to that effect, the Borrower shall provide and furnish to the Phase-2 Lenders to their satisfaction such additional security as may be acceptable to the Phase-2 Lenders or advised the Phase-2 Lenders and/Lenders' Agent to cover such deficiency.

3.3 ADDITIONAL PROJECT DOCUMENTS

So long as any monies remain due and outstanding to the Phase-2 Lenders, the Borrower undertakes to notify the Phase-2 Lenders in writing and furnish a copy each of all the Project Documents the Borrower may enter into or obtain at any time subsequent to the Financial Close (Additional Project Documents) and as soon as practicable thereafter to assign its rights and interest in such Additional Project Documents in favour of or for the benefit of the Phase-2 Lenders as the case may be by way of a first charge in such form and manner as may be decided by the Lenders' Agent.

3.4 RETENTION ACCOUNTS

The Borrower shall enter into the Amended and Restated Trust and Retention Account Agreement to establish special purpose no-lien accounts viz. Retention Accounts with the Account Bank and make firm arrangements (i) for prompt deposit of all Project Proceeds to the credit of the said Retention Accounts and (ii) for transfer by the Account Bank of the proceeds among various Retention Accounts and utilization thereof in the manner and priority as may be specified/prescribed by the Lenders' Agent in a form to be agreed to between the Lenders and the Borrower, which shall, *inter alia*, provide for maintenance at all times of Phase-2 Debt Service Reserve equivalent to one Fiscal Quarters repayment of principal and payment of interest obligations of the Borrower in respect of the Phase-2 Loans and withdrawal of the monies from the Retention Accounts to meet Phase-2 Project Costs, Interest payments on the Phase-2 Loan, fees and other amounts payable under the Finance Documents and such other Phase-2 Project related expenses.

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**ARTICLE IV
BORROWER'S REPRESENTATIONS AND WARRANTIES**

Except to the extent already disclosed in writing by the Borrower to each of the Phase-2 Lenders and the Lenders' Agent, the Borrower shall be deemed to have assured, confirmed and undertaken as follows in order to urge and make each of the Phase-2 Lenders to enter into this Agreement and the other Finance Documents. Each of the following representations, warranties and undertakings shall be deemed to have been made as of the date hereof, as of the each drawdown date, as of each Interest Payment Date and as of each repayment date other than those made as of a particular date. These representations and warranties shall survive the execution and delivery of as also termination of this Agreement and other Finance Documents.

4.1 EXISTENCE

The Borrower (i) is a limited company duly organised, validly existing under the laws of India, (ii) has all requisite corporate or other power to own its assets and carry on its business as now being conducted or as proposed to be conducted by it as contemplated under the Finance Documents and the Project Documents.

4.2 PROCEEDINGS

There is no action, suit or proceeding before any Government Authority, arbitral tribunal, court of law or other body, to the best of the Borrower's knowledge, initiated and pending or threatened against the Borrower, having a Material Adverse Effect on the Project or any of the Secured Property.

4.3 NO BREACH, NO CONFLICT

The execution, delivery and performance by the Borrower of each of the Finance Documents and Project Documents to which it is a party and the consummation of the transactions contemplated thereby do not and will not (i) require any consent or approval of any of its shareholders or any other person (other than Government Approvals and shareholders' consents which have been obtained and are in full force and effect), (ii) violate or conflict with any provision of any Applicable Law or Government Approval applicable to the Borrower or the Phase-2 Project, as the case may be, or of the Memorandum of Association and Articles of Association of the Borrower, (iii) conflict with, result in a breach of or constitute a default under any Project Document or any other indenture or loan or credit agreement or any other material agreement, lease or instrument to which the Borrower is a party or by which it or its properties may be bound.

4.4 ACTION

The Borrower has all necessary power and authority to execute, deliver and perform its obligations under each of the Finance Documents and the Project Documents; and each of the Finance Documents and the Project Documents to which the Borrower is a party has been duly and validly executed and delivered by person(s) duly authorised to do so acting on behalf of the Borrower. Each of the Finance Documents and Project Documents constitutes the legal, valid and binding obligations enforceable against the Borrower in accordance with its terms. All acts and conditions required to be performed and fulfilled under the Applicable Law have been performed and fulfilled in order (i) to enable the Borrower to lawfully enter into, exercise its rights and perform its obligations under the Finance Documents and the Project Documents, (ii) to ensure that the obligations of the Borrower under the Finance Documents and the Project Documents to which the Borrower is a party are legal, valid, binding and enforceable and (iii) to make the Finance Documents and the Project Documents admissible in evidence.

4.5 GOVERNMENT APPROVALS, COMPLIANCE WITH LAWS

(i) All Government Approvals relating to the operation of the Phase-2 Project under the Applicable Law that are necessary for the renovation, reconstruction and operation of the Phase-2 Project and delivery of and performance by the Borrower of its obligations under the Finance

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Documents and the Project Documents and for the exercise by the Borrower of its rights under the Finance Documents and Project Documents have been duly obtained.

- (ii) There is no proceeding pending or, to the best of the Borrower's knowledge, threatened that seeks or may reasonably be expected to seek, to rescind, terminate, modify or suspend the Lease Agreement or any Government Approval including various permits and license. To the best knowledge of the Borrower, there exists no basis for the suspension, amendment, revocation or termination of the Lease Agreement or any such Government Approval.
- (iii) The information set forth in each application and other written material submitted by the Borrower to the applicable Government Authority is accurate and complete in all material respects.
- (iv) The Phase-2 Project conforms to and complies in all material respects with all covenants, conditions, restrictions and reservations in the Government Approvals and the Project Documents applicable thereto.
- (v) The Borrower is not in arrears of any Taxes, levies and other charges payable to any Government Authority.

4.6 REGISTRATION AND FILING

Except for filing and registration of the appropriate Security Documents relating to the creation of the mortgage with the Registrar/Sub-Registrar of Assurances, and filing of Forms 8 and 13 for registration of charges under Section 125 of the Companies Act 1956 in relation to the Security created, it is not required that any Finance Document be filed, registered, recorded or enrolled with any Government Authority.

4.7 TITLE AND SECURITY DOCUMENTS

- (i) The Borrower owns and has good and marketable title to its property free and clear of any Security Interest, encumbrance or lien or charge or third party interest other than the Security Interest created in favour of the Lenders.
- (ii) The provisions of the Security Documents are effective to create in favour of the Lenders, in accordance with Applicable Law, a legal, valid and enforceable Security on or in all of the Secured Property, and all necessary and appropriate recordings and filings have been made in all necessary and appropriate public offices, and all other necessary and appropriate action such as payment of stamp duty on the Security Documents has been taken, so that the Security created by each Security Document constitutes first priority and perfected Security on and in all right, title and interest of the Borrower and on the Secured Property.



LICENSES AND OTHER RIGHTS

The Borrower has all licenses, permits, trademarks, trade names, brand names, service marks, copyrights, patents or agreements with respect to the usage of technology or other permits that are necessary for the renovation & reconstruction, establishment, operation or maintenance of the Phase-2 Project.

4.9 PROJECT DOCUMENTS

The Borrower has delivered to the Phase-2 Lenders a true and complete certified copy of each Project Document. All of the Project Documents (other than Additional Project Documents) are or will be, by the or prior to the Financial Close, in full force and effect and all conditions precedent thereunder have been satisfied in full or waived pursuant to the terms thereof. The Borrower is not in default under or with respect to any Project Document. To the best of the Borrower's knowledge, no other party to any Project Document is in default under any material covenant or obligation set forth therein.

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The Borrower confirms that all representations and warranties of the Borrower set forth in the Project Documents are true, complete and correct in all respects at the time as of which such representations and warranties were made and deemed made.

4.10 SUBSIDIARIES

The Borrower has no subsidiaries.

4.11 NATURE OF BUSINESS

The Borrower has not engaged and has no intention to engage in any business other than the operation and maintenance of the Project and is not a party to any material agreement other than the Transaction Agreements.

4.12 PROJECT BUDGETS: CONSTRUCTION BUDGET

- (i) The Budgets for the Phase-2 Project are based on assumptions which are reasonable in the light of prudent operating practices and is in accordance in all material respects with the terms and conditions contained in the Project Documents.
- (ii) Construction Budget accurately specifies all costs and expenses incurred and the Borrower's best reasonable estimate of all costs and expenses anticipated by the Borrower to be incurred under the Contracts prior to the date on which Project completion is then anticipated, as confirmed by the Phase-2 Lenders' Engineer.
- (iii) All projections and Budgets furnished or to be furnished to the Lenders' Agent by or on behalf of the Borrower and the summaries of significant assumptions related thereto (a) have been and will be prepared with due care, (b) fairly present, and will fairly present, the Borrower's expectation as to the matters covered thereby as of such date, (c) are based on, and will be based on, reasonable assumptions as to all factual and legal matters material to the estimates therein (including interest rates and costs) and (d) are and will be in all material respects consistent with the provisions of the Transaction Agreements.



NO BREACH

The Borrower is not in breach of or in default under any agreement to which it is a party or which is binding on it or any of its assets, Project Assets or Receivables.

4.14 INTELLECTUAL PROPERTY

The Borrower has lawful and valid right to use free and clear of any pending or threatened Security Interest, all patents, patent applications, trademarks, permits, service marks, trade names, trade secrets, proprietary information and knowledge, technology, computer programs, databases, copy rights, licenses, franchises and formulas, or rights with respect thereto necessary for renovation & reconstruction and operation of the Phase-2 Project.

4.15 FEES AND ENFORCEMENT

No fees or taxes, including without limitation stamp, transaction, registration or similar taxes, are required to be paid (other than the stamp duty already paid) for the legality, validity, or enforceability of the Project Documents. The Project Documents are in proper legal form for the enforcement thereof without any further action on the part of any person party thereto or successor to such person by way of assignment or otherwise.

4.16 MATERIAL ADVERSE EFFECT

There are no facts or circumstances, conditions or occurrences in any case or collectively that could reasonably be expected to result in a Material Adverse Effect.

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