MINISTRY OF COMPANY AFFAIRS

PAYMENT RECEIPT

G.A.R.7

Civil

SRN : A11389095 **Service Request Date :** 09-03-2007

Received From:

Name : RAMA RAO A

Address : FLAT NO.501, NORTH BLOCK
RAGHAVA RATNA TOWERS
CHIRAG ALI LANE,
HYDERABAD,Andhra Pradesh
INDIA - 500001

Name & Address of the company on whose behalf payment is received

Name : DILPREET TUBES PRIVATE LIMITED

Address :
PLOT NO.8,NACHARAM INDUSTRIAL ESTATE,,
HYDERABAD,
ANDHRA PRADESH,,Andhra Pradesh,
INDIA, - 500076.

Full Particulars of Remittance

Service Description	Type Of Fee	Amount(Rs.)
Fee For Form8	Normal	500.00
	Additional	500.00
Total		**1,000.00**

Mode of Payment: Credit Card

Received Payment(in words)Rs: One Thousand only

AR RAO & ASSOCIATES
Chartered
Accountants
Ph:40203786
HYDERABAD-01

FORM 8

[Pursuant to sections 125, 127, 132 and 135 and Pursuant to section 600 read with 125, 127, 132 and 135 of the Companies Act, 1956]

Particulars for creation or modification of charges (other than those related to debentures) including particulars of modification of charge by asset reconstruction companies in terms of Securitisation Act and Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest (SARFASI) Act, 2002

Note - All fields marked in * are to be mandatorily filled.

1(a). *This form is for ○ Creation of charge ⦿ Modification of charge

(b). Whether charge is modified in favour of asset reconstruction company (ARC) or assignee ○ Yes ⦿ No

(c). Whether charge holder is authorised to assign the charge as per the charge agreement ○ Yes ○ No

(d). Charge identification (ID) number of the charge to be modified: 90130189

2(a). *Corporate identity number (CIN) or foreign company registration number of the company: U27109AP2002PTC039529 [Pre-fill]

(b). Global location number (GLN) of company:

3(a). Name of the company: DILPREET TUBES PRIVATE LIMITED

(b). Address of the registered office or of the principal place of business in India of the company:
PLOT NO.8,NACHARAM INDUSTRIAL ESTATE,
HYDERABAD
ANDHRA PRADESH
Andhra Pradesh
INDIA
500076

4(a).* Type of charge

A charge on:

- [ ] Uncalled share capital
- [x] Immovable property
- [ ] Any interest in immovable property
- [x] Book debts
- [x] Movable property (not being pledge)
- [x] Floating charge
- [ ] Others
- [ ] Calls made but not paid
- [ ] ship
- [ ] Goodwill
- [ ] Patent, license under a patent
- [ ] Trademark
- [ ] copyright or license under a copyright

(b).If others, specify

5. (a) * Whether consortium finance is involved ○ Yes ⦿ No

(b). *Whether joint charge involved ○ Yes ⦿ No

6.*Number of charge holder(s): 1

7. **Particulars of the charge holder(s)**

CIN	
*Name	STATE BANK OF INDIA
*Address Line I	BALANAGAR BRANCH,
Line II	BALANAGAR
*City	HYDERABAD
*State	Andhra Pradesh-AP
*ISO country code	IN
*Pin code	500037
*e-mail ID	ramuare@gmail.com

Pre-fill

8. *Nature or description of the instrument(s) creating or modifying the charge (copy to be attached)

1) Supplemental Agreement of Loan-Cum-Hypothecation (SME-4)
2) Memorandum for Recording extension of mortgage by deposit of title deeds covering enhanced limits and/or creation of equitable mortgage on additional properties for expanding limits and enhanced limits and additional facilities (SME-7).
3) Letter of Arrangement (SME-1)

9. *Date of the instrument creating or modifying the charge 29/01/2007 (DD/MM/YYYY)

10(a). *Whether charge created or modified outside India ○ Yes ⦿ No

(b). In case of charge created or modified outside India on the property situated outside India, the date of receipt of the document in india. (DD/MM/YYYY)

11. *Amount secured by the charge
(In case the amount is in foreign currency, rupee equivalent to be stated) (in Rs.) 80,000,000.00

12. Brief particulars of the principal terms and conditions and extent and operation of the charge

(a). *Rate of interest

Working Capital: Interest at1.00% above State Bank Advance Rate (SBAR) (SBAR=11.50% w.e.f. 27-12-2006) with a minimum of 12.50% p.a. with monthly rests.

(b). *Terms of repayment

Repayable on demand.

(c). *Margin

1) Raw Materials - Indigenous - 25%
2) Finished Goods - 25%
3) Domestic Receivables - 40%
Cover period: 30 days. The cover period of 30 days for Receivables would be extended only in respect of buyers other than associate/sister concerns.

(d). *Extent and operation of the charge

The charge is operative to the extent of limits sanctioned, interest and other charges payable thereon.

(e). Others

13. In case of acquisition of property, subjected to charge, furnish the details relating to the existing charge on the property so acquired

(a). Date of instrument creating or evidencing the charge (DD/MM/YYYY) (b). Description of the instrument creating or evidencing the charge

(c). Date of acquisition of the property (DD/MM/YYYY)

(d). Amount of the charge (in Rs.)

(e). Particulars of the property charged

14. *Short particulars of the property charged (including location of the property)

1) Hypothecation of all current assets of the Company.
2) Hypothecation of Plant & Machinery both present and future of the company.
3) Equitable Mortgage on Company's factory land and buildings situated at Plot no.P-8, IDA, Nacharam, Uppal Mandal, Kapra Municipality, R. R. Dist. to an extent of shed area of 67,500 sft.

15(a). *Whether any of the property or interest therein under reference is not registered in the name of the company

○ Yes ⦿ No

(b). If yes, in whose name it is registered

Note : If more than one charge holder involved, details of extent of charge, particulars of property charged, amount secured to be provided in attachment.

16. Date of latest modification prior to the present modification (DD/MM/YYYY)

17. Particulars of the present modification

The present limit of Rs.575.00 lakhs is increased to Rs.800.00 lakhs. The details of the limits are as follows:
1) Cash Credit (Hyp) - Rs.700.00 lakhs
2) Stand by line of Credit - Rs.100.00 lakhs.

Attachments

List of attachments: Dilpreet Tubes.pdf

1. Instrument of creation or modification of charge [Attach]
2. Instrument evidencing creation or modification of charge in case of acquisition of property which is already subject to charge [Attach]
3. Particulars of all joint charge holder [Attach]
4. Optional attachment(s) - if any [Attach]

[Remove attachment]

Verification

To the best of my knowledge and belief, the information given in this form and its attachments is correct and complete I have been authorised by the board of directors' resolution dated * 25/01/2007 (DD/MM/YYYY) to sign and submit this form.

To be digitally signed by

Managing director or director or manager or secretary (In case of an Indian company) or an authorised representative (In case of a foreign company)

SUDHIR UTTAMLAL MEHTA

Designation: Director

Director identification number of the director or membership number of the secretary: 01317221

Verification

To the best of my/ our knowledge and belief, the information given in this form and its attachments is correct and complete. I/ we am/ are duly authorised to sign this form.

To be digitally signed by

*Designation: Manager

*Charge holder: MANDLI KISHORE KUMAR REDDY

To be digitally signed by

Designation:

ARC or assignee:

[Modify] [Check Form] [Prescrutiny] [Submit]

For office use only:

It is certified that the above document for charge creation or modification (other than those related to debentures) is hereby registered

Digital signature of the authorising officer [Submit to BO]

EXECT/CLMT
SIG OF S.R.
D.R. OFFICE
R.R. DIST.

Rs.0000100 PB1080 INDIA STAMP DUTY ANDHRA PRADESH

SME-1
Comp No.: 2651001

LETTER OF ARRANGEMENT

(To be issued in duplicate)
(To be stamped as an Agreement)

Joint Sub-Registrar I
Ex-Officio Stamp Vendor
R.O. (OB) Ranga Reddy Dist.

To
M/S Dilpreet Tubes (P) Ltd.
Plot No. 8, Nacharam Indl. Estate,
Hyderabad - 500076
(Borrower's name & address)

Letter No.: RM/ME

Date: 25-01-07

Dear Sirs,

ADVANCES TO SME SEGMENT
SANCTION OF CREDIT FACILITIES

With reference to your application dated 28.12.06 requesting us for sanction / renewal of Working Capital Limits and / or Term Loan Limits at existing / enhanced levels and subsequent correspondence in this regard, we have pleasure in advising sanction of the following credit facilities, which are available subject to your acceptance / fulfillment of the Terms and Conditions detailed in Annexures A & B.

(Rs. in lacs)

SL.	FACILITY	LIMIT
A)	**FUND BASED LIMITS:**	
a	Cash Credit (Hyp)	700.00
b	Stand by Line Of Credit	100.00
c		
d		
e		
f		
Total of Fund Based Limits		800.00
B)	**NON-FUND BASED LIMITS :**	
a		–
b		
c		
Total of Non-Fund Based Limits		–
TOTAL LIMITS		800.00

(Please furnish particulars of inter-changeability between limits, if any)

We are forwarding this letter in duplicate along with Annexure A & B and shall be glad if you return to us the originals duly signed by you and the guarantors in token of having accepted the Terms and Conditions, below the words "We Accept" appearing at the end of the Annexures and retain the duplicate thereof for your record.

Thereafter you may call on us with the guarantors, preferably with prior appointment, to execute the documents in this regard.

Assuring you of your best services at all times.

Yours faithfully,

Branch Manager

For DILPREET TUBES PVT. LTD.,
DIRECTOR

Contd. 2..

Encl.: Terms and Conditions - Annexures A & B

TERMS AND CONDITIONS

ANNEXURE-A

1. SECURITY :

LIMIT	PRIMARY SECURITY	COLLATERAL SECURITY	
		IMMOVABLE PROPERTY	THIRD PARTY GUARANTEE
FUND BASED :			
1) Cash Credit (Hyp)	Hyp. of all	1) EM of land & Bldg	1) Sri Sudhir Uttamlal Mehta
2) SLC	Current Assets	of the Co. with	2) Sri Rahul Bharat Mehta
		S'red area of 67500	3) Sri Anand Mehta
		sft at Nacharam	4) Smt. Aradhana Mehta
		belonging to the Co.	5) Harsha Mehta
NON-FUND BASED :	2) Hyp. of Plant & Machinery.		6) Kusum Mehta
-	- of the	Unit.	7) Varsha Mehta.

2. PERIOD OF ADVANCE & REPAYMENT TERMS:

Working Capital: Repayable on demand. The facility which has been sanctioned on 16-01-07 is available for 12 months from that date, subject to review every 12 months, when it may be cancelled / reduced depending upon the conduct and utilisation of the advance, or as per the Bank's Scheme.

Term Loan: To be availed within a period of — months from the date of sanction.

The Term Loan is to be repaid as per the following repayment schedule.

In — monthly / quarterly installments of Rs. — each, with the first instalment commencing on ______ and the last instalment falling due on —.

Others: Interest shall be payable on the outstandings in the loan accounts computed on daily balances basis duly compounded and debited to the accounts at monthly rests on the last working day of every month, in accordance with the accounting practices of the Bank from time to time.

Commitment charges, as applicable, shall be payable in case of non-utilisation of sanctioned limits.

Pre-payment charges, as applicable, shall be payable in case of pre-payment of Term Loan installments.

3. RATE OF INTEREST:

Working Capital: Interest at 1.00 % above / ~~below~~ State Bank Advance Rate (SBAR) (SBAR = 11.50 % w.e.f. 27-12-06) with a minimum of 12.50 % p.a., rising or falling therewith, on daily products with monthly rests. Present effective rate: 12.50 % p.a. Wherever expedient, interest rate is directly linked to the Credit Risk Assessment of the borrower.

For DILPREET TUBES PVT. LTD

Aradhana S. Mehta

For DILPREET TUBES PVT. LTD

For DILPREET TUBES PVT. LTD

Term Loan: Interest at ___—___ % above / below State Bank Advance Rate (SBAR) (SBAR = ___—___% w.e.f.___—___) with a minimum of ....—.....% p.a., rising or falling therewith, on daily products with monthly rests. Present effective rate: ___—___% p.a. Wherever expedient, interest rate is directly linked to the Credit Risk Assessment of the borrower.

Accrued but unapplied interest, if any, shall be governed by RBI's directives on IRAC norms. Interest rates on facilities extended in foreign currency shall be linked to LIBOR rates.

Application of interest in respect of Agricultural Advances shall be in line with the harvesting seasons.

Enhanced Interest:

a) Enhanced rate of interest at 1% cumulatively subject to a maximum of 2% will be charged for the period of delay in respect of:

i) Delayed/non-submission of financial data required for review / renewal of limits.

ii) Delayed/non-submission of annual financial statements.

iii) Delayed/non-submission of stock statements.

b) Enhanced rate will be charged on the excess drawings in case any irregularity / breach is continuously less than 60 days, and if it exceeds beyond 60 days, on the entire outstandings from the date of irregularity / breach. Enhanced interest will be compounded monthly.

c) The Bank shall also be entitled to charge at its discretion, enhanced interest rates on the accounts either on the entire outstandings or on a portion thereof, for any irregularity including non-observance or non-compliance of the Terms and Conditions of the advances, for such period as the Bank deems it necessary.

4. MARGINS:

SL.	ITEM	MARGIN (IN %)
A	**FUND BASED LIMITS:**	
a	Raw Materials : Imported	
b	Raw Materials : Indigenous	25
c	Semi-Finished Goods	–
d	Finished Goods	25
e	Components / Consumables / Spares	
f	Domestic Receivables	40
g	Export Packing Credit	
h	Term Loan	
B	**NON-FUND BASED LIMITS**	
a	Letters of Credit	
b	Bank Guarantees	

For DILPREET TUBES PVT. LTD
MANAGING DIRECTOR

5) **TENOR / RETENTION PERIOD OF BILLS:**

30 days. The cover period of 30 days for Receivables would be extended only in respect of buyers other than associate / sister concerns. Receivables beyond 30 days will not be reckoned for computing Drawing Power. Drawing Power will also not be available on unpaid stocks.

For DILPREET TUBES PVT. LTD.
MANAGING DIRECTOR

Aravthaman S. Mehta
Varsha V. Mehta
Kusum - S. Mehta
Jnasha D. Mehta

6) **INSURANCE:**

All the assets charged to the Bank should always be fully insured by the Borrower against fire, lightning, riots, strikes, floods, cyclones, earthquakes, civil commotion, and other natural calamities, etc., with a company approved by the Bank in the joint names of the Bank and yourselves, at your cost for full market value or Bank's interest, whichever is higher. The policies / cover notes should be lodged with the Bank. The policies should be kept alive (current) during the currency of the advance. In the event of non-compliance, the Bank reserves the right (but not be bound to exercise) to take the insurance cover as required by the Bank by debit to your account. The machinery to be purchased out of the Term Loan, if any, to be insured for the full market value or original cost of the machinery, whichever is higher. Likewise all the renewals of the policies should also be effected / done by the Borrower at all materials.

7) **CREDIT GUARANTEE COVER:**

a) Pre-shipment Credit, if any, will be covered by the Bank under the individual Packing Credit Guarantee (IPCG) of ECGC, with premium payable by debit to your account.

b) Post-shipment policy of ECGC with buyer-wise limits for non/L/C exports to be obtained by you at your cost, if applicable.

c) ECGC officials have the right to inspect the Unit, if considered necessary.

d) Credit Guarantee under CGTSI Scheme to be covered, wherever applicable.

8) **STOCK STATEMENTS:**

Statements of Stocks / Receivables hypothecated / pledged to the Bank are to be submitted regularly at monthly intervals as on the last day of every month before the 10th of the following month / within 10 days from the date of stock statement and / or whenever there is a large variation in stocks / Book Debts and also as on the date of the Balance Sheet (31st March). The statement should not include stagnant / obsolete / rejected stocks. Bills / Sundry Debtors outstanding beyond cover period should be shown separately in the statement. Sales and purchases figures for the month are to be reported. The details of unpaid stock with value should be shown separately. The Stock Statement should be signed by the authorised signatory. Suitable books / registers of the stock position are to be maintained at the factory / business premises.

The Stock Statement should invariably contain complete particulars of stocks, debtors (along with complete address), creditors, usance L/Cs opened, etc. It is essential that the outstanding borrowings at all times are fully covered by the value of security hypothecated, less the stipulated margins to be reckoned as per valuation of inventory given under Para 11 below. If at any time, the Drawing Power yielded by the stocks, debtors, etc., held by you falls below the amount borrowed, such excess drawings shall be adjusted forthwith. Partywise / agewise details for each bill raised shall be submitted on a monthly basis for computation of Drawing Power against Book Debts. Further, the level of Creditors / Acceptances over and above the accepted level will be deducted while computing Drawing Power.

9. **INSPECTIONS:**

The Bank's officials / inspectors are to be permitted in the factory / business premises as and when required to inspect the stocks / books / equipment. Where the premises are leased / hired, necessary approvals to the effect from the lessor, if any required, are to be obtained. All assistance to be extended to the Bank's officials in conducting and completing such inspections smoothly. Necessary remedial steps also to be taken to rectify any shortcomings, if any, pointed out by the Bank's officials. The cost of such inspections shall be borne by you.

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

Aradhana. S. Mehta
Varsha. V. Mehta
Kusum. S. Mehta
Jharsha D. Mehta.
A. Mehta.

10. VALUATION OF INVENTORY:

ITEM	TO BE VALUED AT
Imported Raw Material	Landed cost (i.e., invoice value plus Customs Duty but excluding Sales Tax and demurrage, if any) or market price, whichever is lower
Indigenous Raw Material packing materials, consumable stores and spares	Invoice price or market price or Govt. controlled price, whichever is is the lowest
Semi-Finished Goods and Finished Goods	Cost of Production or Selling Price or market price or Govt. controlled rates, whichever is the lowest.

11. SECURITY DOCUMENTS :

The following security documents shall be executed by you and the Guarantors:

a) Agreement of Loan - cum - Hypothecation
b) Guarantee Agreement
c) Mortgage documents
d) any other documents as may be required by the Bank

12. OPEN TERM LOAN:

The following Terms and Conditions, amongst others, shall apply in respect of Open Term Loan Facility if any, sanctioned to you by the Bank:

a) The loan has been considered for the following genuine commercial purposes in line with the regular business activity of the Unit:

i)

ii)

iii)

iv)

v)

vi)

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

b) The said facility is to be availed within _—_ months from the date of sanction (currency of sanction). If the limits are not availed & utilised or only partially availed & utilized within _—_ months from the date of sanction, the limit or unutilized portion of the limit, as the case may be will lapse and shall, therefore, not be disbursed.

c) The total amount that would be disbursed will not exceed the overall limit sanctioned under this facility and multiple withdrawals also may be permitted only within the currency of sanction.

d) Every disbursal under this facility shall be made on receipt of a written request from you within the currency of sanction and release shall be subject to scrutiny of basic financial information.

e) The Bank shall be free to treat each disbursement as an individual loan or limit for accounting or any other purposes.

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

Aradhana. S. Mehta
Varsha. V. Mehta
Kusum S. Mehta
Trasha. D. Mehta.

f) The period of repayment will commence from the date of the first drawdown for each sub-limit or loan in the facility.

g) The Bank may club together the repayment of the installments of different sub-limits or loan disbursed and may be done on a month end/calendar quarter end, etc.

h) In the event of multiple disbursals, the Bank shall stipulate the repayment installments for each purpose of drawal.

i) At the end of the currency of sanction, the Bank may combine and constitute all sub-limits or loans as one limit or loan by re-arranging or re-scheduling the repayment schedules in such a manner that the maximum period of repayment shall not exceed ______ period.

The letters exchanged between the Bank and you shall form an integral part of the security documents and shall be annexed to the General Agreement for Term Loan / Agreement of Loan-cum-Hypothecation.

The primary security shall be hypothecation of the machinery purchased out of the Open Term Loan and the collateral security shall be

i)

ii)

iii)

For DILPREET TUBES PVT. LTD.

MANAGING DIRECTOR

For DILPREET TUBES PVT. LTD.

MANAGING DIRECTOR

Aradhana. S Mehta

Varsha. V. mehta

Kusum - S. mehta

Jlansha D. Mehta

Anand Mehta

TERMS & CONDITIONS

a) Disbursement will be made only after completion of security documentation and formalities in respect of mortgage creation / extension. In respect of companies, in addition to these two requirements, charge to be filed with the Registrar of Companies within the prescribed period for creating a charge in favour of the Bank.

b) Drawings in the account will be regulated on the basis of Drawing Power computed as per the latest Stock Statement.

c) The Bank will have the right to examine at all times the Unit's books of account and to have the Unit's factories / offices / showrooms inspected from time to time by the officials of the Bank and / or qualified auditors and / or technical experts and / or management consultants or other persons of the Bank's choice.

d) The Unit should not be dissolved / reconstituted without obtaining Bank's prior approval in writing. Post-facto approval of reconstitution / dissolution will not be accorded nor the existing guarantors shall be released if the dissolution / reconstitution is effected without prior approval in writing.

e) The Unit should maintain adequate books and records which should correctly reflect their financial position and scope of operations and should submit at stipulated intervals such statements as may be prescribed by the Bank. The Unit should produce books of accounts for the inspection of Bank staff as and when called for.

The Unit should submit provisional financial statements within one month and audited financial statements within three months from the date of closure of the accounting year. The returns submitted to the Sales Tax and Income Tax authorities should also be submitted to the Bank.

g) The Unit should confine their entire business including foreign exchange business to us.

h) The Bank will have the option of appointing its nominee on the Board of Directors of the Unit to look after its interests.

i) The Capital invested in the business by the proprietor / partners / directors should not be withdrawn during the currency of our advance.

j) In case the Unit fails to complete the formalities with regard to creation of a charge in favour of the Bank within a period of two months from the date of this letter, an enhanced interest of 1% on the outstandings or reduction of Drawing Power by 10% / 20% or both will be considered without any reference to the Unit.

k) The Unit should keep the Bank informed of the happening of any event likely to have a substantial effect on their profits or business and the remedial measures taken in this regard.

l) The Unit should keep the Bank informed of any circumstances adversely affecting the financial position of their sister / associate / family / subsidiary / group concerns in which it has invested, including any action taken by any creditor against the said Units legally or otherwise.

m) After accounting for provision for taxation, the Bank will have the first charge on the profits of the Unit towards repayment of installments under Term Loans sanctioned / DPGs executed by the Bank or other repayment obligations, interest and any other dues from the Unit to the Bank.

n) The proprietor / partners / directors should not withdraw the profits earned in the business / capital invested in the business without meeting the instalment(s) payable under the Term Loan. In the case of Companies, dividend should be declared only after meeting the dues to the Bank.

o) All moneys raised by way of deposits from friends, relatives and / or from any other source should not be withdrawn / repaid during the currency of the Bank's advance. Suitable stamped letters of undertaking from the Unit and 'No Withdrawal' letters from the depositors should be submitted to this effect to the Bank.

p) The Bank's name board (s) should be displayed prominently or painted on the machines pledged / hypothecated to the Bank and / or in the premises where the machines are installed and a list of such assets should also be displayed in the Unit.

q) The Unit and other depositors of title deeds should possess a clear, absolute and marketable title to the properties proposed to be legally / equitably mortgaged in favour of the Bank to the satisfaction of the Bank's solicitors / advocates. Further, the said properties are to be revalued as and when required at your cost.

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

Aradhana. S. Mehta.
Varsha. V. Mehta
Kusum - S. mehta
Harsha. D. Mehta.

r) Any legal expenses such as a solicitor's / advocate's fees, stamp duty, registration charges and other incidental expenses incurred in connection with the advance should be borne by the Unit.

s) In respect of Working Capital Limits of Rs. 1 Crore and above, Financial Follow-up Report (FFR I) should be submitted at quarterly intervals within six weeks (42 days) from the close of relative quarter. FFR II (Half-yearly Operating Statement) should be submitted at half-yearly intervals within 8 weeks (56 days) from the close of the relative half-year. Non-submission of the statements will be construed as non-compliance of the convenants.

t) A charge of Rs. —/- will be levied per branch allocation in respect of limits allocated to other branches of the Bank.

u) In respect of creation / extension of Equitable Mortgage in respect of property offered as collateral security to the Bank, a charge of Rs. 11,200 /- will be levied.

v) Processing charges as applicable (presently Rs. 250/- /- per lac or part thereof) on the Working Capital limits sanctioned will be charged annually or at the time of renewal, whichever is earlier. Upfront fee at the rate of – % of limits sanctioned will be charged in respect of Term Loan.

w) If the Credit Rating awarded to the Unit is below SB-4, the risk rating will be reviewed half-yearly. The Unit should provide necessary information to facilitate such a review. In the absence of half-yearly review for want of such information, the risk rating will automatically slip by one step.

x) Next renewal of the above facilities is due on 16-01-08. The Unit is required to submit financial data one month before the due date.

y) In respect of Term Loans, enhanced rate of interest is payable under the following circumstances:

a) Non-payment of interest / installments.

b) Cross default

c) Adverse deviation by more than 20% from stipulated level in respect of any two of the following items : (i) Current Ratio, (ii) TOL / TNW and (iii) Interest Coverage Ratio.

z) In respect of certain schemes such as Swarojgar Credit Card, etc., the facility should be covered under the Group Insurance Scheme.

aa) In case of Company being the borrower, the following terms are applicable:

a) A resolution to be passed in a meeting of the Board of Directors of the Company for availing the credit facilities sanctioned by the Bank and a duly certified extract to be submitted to the Bank. The resolution should contain, inter alia, the following particulars:

i) Acceptance for the Terms & Conditions of the credit facilities sanctioned to the Company.

ii) Authority in favour of Directors / Authorised Signatory to execute the security documents for availing the credit facilities sanctioned to the company.

iii) Authority in favour of Directors / Authorised Signatory for filing the documents and Form 8 and 13 with the Registrar of Companies for creating a charge over the assets of the Company in favour of the Bank.

iv) Affixation of the Company's Common Seal on the security documents and vesting of authority to authenticate such affixation.

v) Requesting the guarantors to offer their Personal Guarantee / Corporate Guarantee in favour of the Bank for the credit facilities sanctioned to the Company.

vi) Creation of first charge on the assets of the Company in favour of the Bank for the credit facilities sanctioned to the Company.

b) The charge over the assets of the Company in respect of the limits sanctioned herein should be registered with the Registrar of Companies within 30 days from the date of execution of documents and filed copies of Form 8 and Form 13, together with receipt should be deposited with us. The Certificate of Registration is to be produced to the Bank within reasonable time for our records.

ab) During the currency of the Bank's credit facilities, the Unit / Guarantors will not, without the Bank's prior permission in writing:

i) Effect any change in the Unit's capital structure.

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

Aradhana. S. Mehta

Varsha. V. Mehta

Kusum- S- Mehta

Trusha. D. Mehta.

ii) Implement any scheme of expansion / modernization / diversification / renovation or acquire any fixed assets during any accounting year, except such schemes which have already been approved by the Bank.

iii) Formulate any scheme of amalgamation or reconstruction.

iv) Invest by way of share capital or lend or advance funds to or place deposits with any other concern, including sister / associate / family / subsidiary / group concerns. However, normal trade credit or security deposits in the normal course of business or advances to employees can be excluded.

v) Enter into borrowing arrangements either secured or unsecured with any other bank, Financial Institution, company or person.

vi) Undertake guarantee obligations on behalf of any other company, firm or person.

vii) Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.

viii) Effect any drastic change in their management setup.

ix) Effect any change in the remuneration payable to the Directors/ Partners, etc. either in the form of sitting fees or otherwise.

x) Pay guarantee commission to the guarantors whose guarantees have been stipulated / furnished for the credit limits sanctioned by the Bank.

xi) Create any further charge, lien or encumbrance over the assets and properties of the Unit / Guarantors to be charged / charged to the Bank in favour of any other bank, Financial Institution, firm or person.

xii) Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank.

xiii) Undertake any trading activity other than the sale of produce arising out of its own manufacturing / trading operations.

xiv) Open any account with any other bank. If already opened, the details thereof is to be given immediately and a confirmation to this effect given to the Bank.

For DILPREET TUBES PVT. LTD
MANAGING DIRECTOR

ac) The following particulars / documents are to be furnished / submitted to the Bank:

i) Permanent Account Number (PAN) of each Borrower / Guarantor and Corporate Identity Number (CIN) in the case of companies.

ii) Passport Number and other details including photocopies.

iii) 3 self-attested photographs of the Borrower and Guarantors.

iv) Location / site-map of immovable properties with important landmarks.

v) Names and addresses / occupations of all the legal heirs of Borrower and Guarantors.

vi) Details of properties not charged to the Bank.

Common Seal Witness

We accept

Borrower/s

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

Guarantor/s

Aradhana. s Mehta
Varsha V. Mehta
Kusum. S- mehta
Harsha. D. Mehta

29/01/07

100
10250

PASSPORT SIZE PHOTOGRAPHS OF BORROWER(S)

PASSPORT SIZE PHOTOGRAPHS OF GUARANTOR(S)

Aradhana. S. mehta.	Varsha. V. Mehta	Kusum S mehta	Trasha. D Mehta.	

Note : Self attested passport size photograhs of the Borrowers and the Guarantors to be affixed.

Paramount Press,

10041

PURCHASER
EXECT/CLMT
SIG OF S.R.
D.R. OFFICE
R.R. DIST.

132067 JAN 27 2007
Rs.0001000 PB1080
INDIA STAMP DUTY ANDHRA PRADESH

Joint Sub Registrar
Ex- Officio Stamp
S.O. [OB] Ren...

SME - 7
Comp. No. 2651007

MEMORANDUM FOR RECORDING EXTENSION OF MORTGAGE BY DEPOSIT OF TITLE DEEDS COVERING ENHANCED LIMITS AND/OR CREATION OF EQUITABLE MORTGAGE ON ADDITIONAL PROPERTIES FOR EXPANDING LIMITS AND ENHANCED LIMITS AND ADDITIONAL FACILITIES

(To be stamped as per stamp duty applicable in the State for Mortgage by Deposit of Title Deeds)

1.	Borrower's Name *(Father's/Husband's name also to be mentioned)*	M/s Dilpreet Tubes (P) Ltd.
2.	Borrower's address/s	Plot No. 8, Nacharam Indl. Estate, Hyderabad - 500 076
3.	Mortgagor's Name *(Father's/Husband's name also to be mentioned)*	M/s Dilpreet Tubes (P) Ltd.
4.	Mortgagor's address	Plot No. 8, Nacharam Industrial Estate, Hyderabad - 76
5.	Name/age/designation of the person creating the mortgage, for and on behalf of the Mortgagor/representing the Company/Firm / Trust/ Society/ HUF etc.)	Sri Rahul Bharat Mehta as MD of the Company

Contd. 2..

6.	Name of the Mortgagee/s (Bank/s) & Address/s	**State Bank of India,** Balanagar ....Branch Hyderabad-37 ....(Full address to be given.)
7.	Mortgage debt originally secured (in figures & in words)	Existing Limits : Rs. 5,75,00,000/- Rupees. Five crores seventy five lakhs Only - (referred to as the mortgage debt)
8.	Description of the mortgaged property (original) Descrip → **(Schedule - A)**	Regd. Sale deed No. 9916/02 dt 2/11/02 Shed on Plot No. P-8, IDA, Nacharam, Uppal Mandal, Kapra Municipality, R.R.Dist. Extent - Shed area of 67,500 sft.
9.	Date of original deposit.	05-12-02
10.	Amounts now secured by the Mortgage (in figures & in words)	Enhanced portion in Limits: Rs. 2,25,00,000/- Rupees. Two crores twenty five lakhs Only - Total Additonal Facility (if any): Rs. 8,00,00,000/- Rupees. Eight crores Only - (hereinafter referred to as the "enhanced mortgage debt")
11.	Date of visit to Branch for extension of the original Mortgage	29-01-07
12.	Description of additional properties given as additional security, if any, **(Schedule - B)**	—
13.	Date of visit to the Branch for deposit of title deeds relating to additional security	—
14.	Name of the Bank's authorised officer with whom deposit of title deeds relatingadditional properties was made	Sri M.K.K. Reddy.

1. The Mortgagor/s admitted, acknowledged and confirmed the creation of mortgage by deposit of title deeds relating to the mortgaged properties on..05|12|02.......(Date of original deposit)

2. The Mortgagor/s has further declared that the benefit of the aforesaid mortgage shall also continue and be available and secured for the aforementioned enhanced portion of the limits / additional facility/s comprising the enhanced mortgaged debt and for discharge of all indebtedness and liabilities of the Borrower to the Bank together with all interest, discount, commission, costs, charges, and expenses until the same shall have been paid and satisfied in full.

11|02

3. The Mortgagor/s on.........—.........(date of deposit of additional property) have also delivered to and deposited with the Bank's authorised officer the additional title deeds relating to Schedule B properties with intent to create security by way of equitable mortgage in favour of the Bank not only for securing the due repayment of the original mortgage debt but also for the due repayment of the enhanced limits and/or the additional facilities comprised in the enhanced mortgage debt granted or agreed to be granted by the Bank and for all interest, costs, charges, expenses until the same shall have been paid and satisfied in full by the Borrower/s.

4. Consequent to the grant of above enhanced mortgage debt, the Mortgagor/s have further confirmed that the benefit of the mortgage/s on the Schedule A and B properties shall also apply for, stand extended to and cover the enhanced mortgage debt and also for discharge of all other liabilities and indebtedness together with all interest, discount, commission, costs, charges by the Borrowers to the Bank.

5. The Mortgagor/s confirmed that the mortgage/s shall subsist notwithstanding the granting of totally new limits, facilities or account/s coming into credit or inter-changeability of limits, cancellation of certain limits, etc.

6. The Mortgagor/s confirmed that no proceedings for recovery of any statutory dues, taxes, etc. are being installed not were initiated in the past nor any proceeding or levy or tax is pending against the Mortgagor/s under the Income Tax Act, 1961 or the Sales Tax Laws, and that no notice has been issued / or served on the Mortgagor/s under Rules 2, 16 or 51 or any other Rules of the Second Schedule to the Income Tax Act, 1961, or under any other law for the time being in force.

For and on behalf of State Bank of India

Balanagar ....Branch

Sarlalel

Signature, Name & Designation of the Officer

Dated 29-01-07

For and on behalf of State Bank of India

Balanagar ....Branch

Sunlus

Signature, Name & Designation of the Officer

Dated 29-01-07

Ajanta Art Printers, Hyd.

1250/-

(N.J.) SL.NO. 73807 PURCHASER 155068 JAN 27 2007
EXECT/CLMT
SIG OF S.R. Rs.0001250 PB1080
D.R. OFFICE
R.R. DIST. INDIA STAMP DUTY ANDHRA PRADESH

Joint Sub-Registrar II
EX-Officio Stamp Vendor
S.O. [OB] Ranga Reddy Dist

SME - 4

Comp. No. 2651004

SUPPLEMENTAL AGREEMENT OF LOAN-CUM-HYPOTHECATION

(To be stamped as an Agreement + Hypothecation)

(Not to be witnessed)

1.	Date of execution	29-01-07
2.	Place of execution	Hyderabad
3.	Name of the Borrower(s) *(Full Name in Block letters)* *(Father's/Husband's name also to be mentioned)*	M/s Dilpreet Tubes (P) Ltd.
4.	Address of the Borrower(s)	Plot No. 8, Nacharam Industrial Estate, Hyderabad - 76
	Telephone No Office : Residece : Fax No. : E-mail Id :	040 - 27177358 27176845 27176846 Fax 040 - 2170988
5.	Date of Borrower(s)'s application enhancement of limit/additional facilities	28.12.06
6.	Full name, age, designation / capacity of the person/s executing the Agreement for and on behalf of the Borrower(s) (Ex.: Firm / Company / Society/ HUF etc.)	1. Mr. Rahul Bharat Mehta 2. 3. as MD of the company. 4.

Contd. 2..

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

7.	Name and full address of the Bank / Branch	**STATE BANK OF INDIA**, a body corporate constituted under the State Bank of India Act, 1955, and having its Central Office at Madam Cama Road, Mumbai 400 021. and a branch among other places at Balanagar, Hyderabad-37. *(Full address of the branch to be given)*	
8.	Aggreement of Loan-cum-Hypothecation (in figures and words)	Date	Agreegate Limit
		27-05-06	Rs. 5,75,00,000/-
9.	Supplemental Agreement/s of Loan-cum-Hypothecation, if any	Date(s)	Amount
		1. 29-01-07	Rs. 8,00,00,000/-
		2.	Rs.
		3.	Rs.
		4.	Rs.
		5.	Rs.

(The expression 'the Borrower(s)" wherever the context permits shall include Proprietor/s, Partners in a partnership firm, coparceners of a Joint Hindu Family, Trustees of a Trust, Society, Company and its / his / her / their respective heirs, executors, administrators ad legal representatives, successors and assigns and the expression "the Bank/Branch" shall include its successors and assigns)

WHEREAS by the aforesaid Agreement of Loan-cum-Hypothecation as modified and / or extended by Supplemental Agreement(s) of Loan-cum-Hypothecation (hereinafter referred to as "the said Agreements"), the Borrower/s have hypothecated all the present and future stocks, goods, raw materials, book-debts, movable plant and machineries and other movable assets, referred to in the said agreements as "the said assets" in favour of the Bank as security as and by way of first charge for the various credit facilities upto the aggregate limit mentioned thereunder on the terms and conditions contained in the said agreements as modified as aforesaid.

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

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Amount

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AND WHEREAS at the request of the Borrower/s, the Bank has agreed to enhance or enhanced the aforesaid aggregate limit by way of additional facilities or increasing the limits in the existing facilities mentioned in Schedule A hereunder subject to the Borrower/s inter alia, agreeing to extend the hypothecation charge over the said assets and / or create charge by way of hypothecation on all the additional assets in favour of the bank to cover also the said facilities and the enhanced limits and / or the additional facilities now granted or agreed to be granted being these presents on the terms contained herein.

NOW IN CONSIDERATION OF THE PREMISES it is agreed by the Borrower/s as follows:-

1. This Agreement is and shall be supplemental to the agreements and documents recited hereinabove. Save and except as hereby expressly provided, nothing herein contained shall or be dee ned to limit or prejudicially affect the rights and benefits created in favour of the Bank by/ under the said agreement(s).

2. The Borrower/s agrees that the said assets hypothecated and charged in favour of the Bank under the said agreements shall stand charged in favour of the Bank as a continuing security by way of F irst Charge for the due repayment of all monies including the principal sums, interest, costs, charges and expenses to the Bank under or in respect of all or any of the enhanced limits in the existing facilities and / or the additional facilities now granted or agreed to be granted and / or continued by the Bank. All the terms and conditions AND THAT all the covenants, terms and conditions to be observed and performed by the Borrower/s AND ALL the rights and remedies conferred on the Bank by / under the said agreements shall apply and extend to the enhanced limits in the existing facilities granted or agreed to be granted now and / or continued by the Bank up to the enhanced aggregate limit as mentioned in the Schedule A herein, as if all the said terms and conditions and convenants and the said rights and remedies were incorporated herein.

3. As further security, the Borrower/s hereby agrees and hypothecates all the movable assets both present and future more particularly described in the Schedule B hereunder (hereinafter referred to as " the additional assets") as and by way of first charge for the due repayment of all the balances from time to time due and outstanding not only in the accounts relating to the said facilities granted under the said agreements but also in respect of the enhanced limits in the existing facilities and/or the additional facilities granted or agreed to be granted now and / or continued by the Bank up to the enhanced aggregate limit as mentioned in Schedule "A" hereunder together with interest, costs, charges, expenses payable by the Borrower/s to the Bank.

4. The Borrower/s admits and acknowledges that their existing liability to the Bank under various credit facilities granted under all the earlier documents, said agreements executed by them is subsisting and that all and each of the said documents are in full force and effect even on this day with all relative securities, agreements and obligations and that they are liable for the repayment of all outstandings with interest, costs, charges, expenses and other monies payable thereunder.

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

SCHEDULE "A" HEREINBEFORE MENTIONED

5) WORKING CAPITAL FACILITIES (Rs. in lacs)

Sl.	Name of the Facility	Existing Limit (A)	Enhanced limit / Additional Facilities (B)	Interest	Rests	Enhanced aggregate amount (A) + (B)
1	Cash Credit (Hyp)	500.00	200.00	1% above SBAR, i.e., 12.50% p.a	monthly	700.00
2	Stand by Line of Credit	75.00	25.00	2% above SBAR, i.e., 13.50% P.a	monthly	100.00
3						
4						
5						

All the working capital facilities are payable on demand

b) TERM LOAN

Sl.	Amount	No. of Instalments	Amount of Instalment	Periodicity Monthly/Quarterly Half-Yearly/Yearly	Rests	Interest

The first instalment commences on........—.........and the last instalments falls due..........

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

c) OPEN TERM LOAN

Sl.	Amount	No. of Instalments	Amount of Instalment	Periodicity Monthly/Quarterly Half-Yearly/Yearly	Rests	Interest
			—			

The first instalment commences on.......—.......................and the last instalments falls due on............

SCHEDULE "B" HEREINABOVE MENTIONED

DESCRIPTION OF THE ADDITIONAL ASSETS HYPOTHECATED

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

Enhanced aggregate amount (A) + (B)
₹ 700.00
100.00

Interest

due.............

IN WITNESS WHEREOF the Borrowers hereto have executed these presents the day, month and year first hereinabove written.

Witness

For DILPREET TUBES PVT. LTD

MANAGING DIRECTOR

SIGNATURE OF THE BORROWER(S)

(Name/s in Block letters)

THE COMMON SEAL OF M/s Dilpreet Tubes (P) Ltd. Limited

was hereunto affixed pursuant to the resolution of the Board of Directors passed in that behalf on the

25th day of January 2007, in the presence of

(i) Sri Sudhir U. Mehta Director

and

(ii) Sri Anand S. Mehta Director

Note : Names of the Guarantors to be written in BLOCK LETTERS under their signatures.
In the case of a Company, Board Resolution must be passed and obtained for Bank's record. Common Seal must be affixed as per the Articles of Association of the Company.

✆ : 27177358, 27176845, 27176846
Cell : 9885000519, 9246377493
65226846
Fax : 040-27170988
E-Mail : dilpreet_tubes@rediffmail.com

An ISO 9001 : 2000 Company

DILPREET TUBES PVT. LTD.

REGD. OFFICE & FACTORY : PLOT NO. 8, NACHARAM INDUSTRIAL ESTATE,
HYDERABAD-500 076. ANDHRA PRADESH

Manufacturers of : Steel Tubes & Pipes.

EXTRACT OF MINUTES OF BOARD MEEETING OF M/s. DILPREET TUBES PVT. LTD., HELD AT REGD OFFICE PLOT NO.8, IDA, NACHARAM, HYDERABAD – 500 076. ANDHRA PRADESH

Letter No. RM/MT dated the 25th day of January, 07 received from the State Bank of India, Balanagar Branch, Hyderabad in connection with grant of various credit facilities to the Company was placed before the meeting and after consideration thereof, IT WAS RESOLVED that the Company / do obtain various credit facilities either in Indian or foreign currencies to the tune of Rs.8,00,00,000/- (Rupees Eight Crores only total of all advance limits) by way of overdrafts, cash credits, issusing of gurantees, including deferred payment gurantees including deferred payment gurantees and indemnities, negotiation and discounting of demand and / or usance bills and cheques, inland as well as foreign and such other facilities as may be agreed upon from time to time between the Bank and the Company / secured by hypothecation / pledge of the Company's entire goods, movables and other assets, present and future, including documents of title to goods and other assets such as book-debts, outstanding moneys, receivables, claims, bills invoices, documents, contracts, engagements, securiteies, investments and rights and all machinery, present and future, and further secured by deposit of all title deeds of the existing immovable properties of the Company with intent to create a security thereon in favour of the Bank or mortgage by way of first legal Mortgage in English form of the existing immovable properties of the Company AND gurantees of Shri. Sudhir U. Mehta Executive Director, Rahul B. Mehta Managing Director, Anand S. Mehta Joint Managing Director, Smt. Varsha V. Mehta Gurantor, Smt. Aradhana S. Mehta Gurantor Smt. Kusum S. Mehta Gurantor, Smt. Harsha D. Mehta Gurantor.

**FURTHER RESOLVED to request Shri. Sudhir U. Mehta Executive Director, Rahul B. Mehta Managing Director, Anand S. Mehta Joint Managing Director, Smt. Varsha V. Mehta Gurantor, Smt. Aradhana S. Mehta Gurantor Smt. Kusum S. Mehta Gurantor, Smt. Harsha D. Mehta Gurantor.to furnish the required gurantees to the Bank for the various credit facilities granted to the Company.

FURTHER RESOLVED that the enclosed security documents, received under cover of the Bank's aforementioned letter and which have been placed before the meeting be and are hereby approved for execution by the Company in accordance with the Articles of Association of the Company.

© : 27177358, 27176845, 2717684
Cell : 9885000518, 988500051
924637749
Fax : 040-27170988

An ISO 9001 : 2000 Company

DILPREET TUBES PVT. LTD.

REGD. OFFICE & FACTORY : PLOT NO. 8, NACHARAM INDUSTRIAL ESTATE,
HYDERABAD - 500 076, ANDHRA PRADESH

Manufacturers of : Steel Tubes & Pipes.

FURTHER RESOLVED that Shri Rahul B. Mehta, Managing Director of the Company be and is hereby authorized to execute the necessary security documents required by the Bank in this connection and that the Common Seal of the Company affixed wherever necessary in the presence of Sri. Sudhir U. Mehta, Anand S. Mehta Directors(s) of the Company in terms of Articles of Association of the Company.

FURTHER RESOLVED that the Revival letters and / or the Balance Confirmation letters as well as any other instrument or document or papers including the counter-gurantees, counter-indemnities or Revival letters as may be required by the Bank to be executed by the Company in respect of the above credit facilites from time to time be executed by the Company under its Common Seal to be affixed in the presence of any two directors of the Company as per the Articles of Association of the Company.

FURTHER RESOLVED that the various borrowal/loan accounts be opened in the name of the Company with the Bank Sri Rahul B. Meht and that Sri Sudhir U. Mehta Sri/Smt. Sri Anand S. Mehta and/or Sri/Smt — and/or Sri/Smt — the directors of the Company be and are hereby authorised severally (or jointly as the case may be) to operate on the said accounts with the Bank whether in debit or credit and to operate on the said accounts with the Bank whether in debit or credit and to draw or endorese cheques, make, endorese and accept bills, withdraw and deposit money, sigh receipts and give discharges for and on behalf of the Company, sign stock statements and do any or all things necessary for the conduct of the said accounts.

FURTHER RESOLVED that a certified copy of these Minutes be forwarded to the State Bank of India, Balanagar Branch for their record and they be requested to act upon.

We, M/s. Dilpreet Tubes Pvt. Ltd., Plot No.8, IDA, Nacharam, Hyderabad – 500 076. hereby certify that the above written copy is an extract from the Minutes of the proceedings of the meeting of the Board of Directors of the Company / held on the 25th day of January, 2007 and is true and correct copy of the position of the proceedings to which it relates as recorded in the said Minute Book.

// Certified True Copy //

Chairman of the Meeting