

DATED _____

DEED OF HYPOTHECATION

ENTERED INTO BY

BAJAJ HOUSING FINANCE LIMITED

IN FAVOUR OF

**CATALYST TRUSTEESHIP LIMITED
as the Trustee**

DEED OF HYPOTHECATION

This **DEED OF HYPOTHECATION** (this "Deed") is entered into at Chennai on this ____ day of ____, 2020 by:

BAJAJ HOUSING FINANCE LIMITED, a company incorporated in India under the Companies Act, 1956, with CIN U65910PN2008PLC132228 and having its registered office at Bajaj Auto Limited Complex, Akurdi, Pune-411 035 and Corporate Office at Cerebrum IT Park ,B2 building,5th Floor, Kumar city , Kalyani nagar, Pune- 411014 hereinafter referred to as the "**Company**" (which expression shall unless excluded by or repugnant to the context or meaning thereof include its successors and assigns) represented by ____ of the ONE PART

IN FAVOUR OF

CATALYST TRUSTEESHIP LIMITED, a company incorporated under the Companies Act, 1956 and a company within the meaning of Companies Act, 2013 as defined under Section 2(20) and validly existing under the Companies Act, 2013 with corporate identity number U74999PN1997PLC110262, having its registered office at "GDA House," First Floor, Plot No. 85, Sr. No. 94/95, Bhusari Colony (Right), Kothrud, Pune – 411 038 hereinafter referred to as the "**DEBENTURE TRUSTEE**" or "**TRUSTEES**" (which expression shall unless excluded by or repugnant to the context or meaning thereof include its successors and assigns) represented by ____ of the OTHER PART.

(The Company and the Debenture Trustee are hereinafter collectively referred to as the "Parties" and individually as a "Party").

WHEREAS

- A)** The Company is registered with National Housing Bank as a Housing Finance Institution without accepting Public Deposit. The company is primarily engaged in business of housing finance products like home loans, home improvement loans, loans against property etc.
- B)** To augment the long term resources of the Company and for general business purposes including various financing activities, to repay existing loans of the company, investment for liquidity and statutory requirements and capital expenditures of the Company, the company issued Information Memorandum dated ____ for the purpose of issue of private placement of Secured Redeemable Non-Convertible Debentures (hereinafter referred to as 'Debentures') of Rs.____ Crore with an option to retain additional subscription up to Rs.____ Crore aggregating to Rs.____ Crore. The said issue has opened on ____ and closed on _____. In response to the said IM, the Company has allotted ____ Secured Redeemable Non-Convertible Debentures at issue price of Rs.10,00,000 (Rupees Ten lakhs only) and ____ Secured Redeemable Non-Convertible Debentures at issue price of Rs.____ (Rupees ____only) each both having face value of Rs.10,00,000/- (Rupees Ten lakhs only)aggregating to Rs.____ (Rupees ____only) on Private Placement Basis, with Deemed Date of Allotment as ____ under **Series** ___. By virtue of Memorandum of Association of the Company, the Company is authorized to issue debentures and to secure them by mortgage and / or hypothecation and / or charge on the Company's immovable and movable properties on such terms as the Board of Directors may think fit and proper and in the interest of the Company.
- C)** The Special Resolution has been passed, by the Shareholders, at their Extra Ordinary General Meeting held on ____ under Section 180(1) (c) of The Companies Act, 2013, authorizing the Board of Directors of the Company to borrow upto _____, over and above the aggregate of paid-up capital of the Company and free reserves.
- D)** The Special Resolution has been passed, by the Shareholders at their Extra Ordinary General Meeting held on _____ under Section 180(1)(a) of The Companies Act, 2013, authorizing the Board of Directors of the Company, inter alia, for mortgaging, hypothecating, all or any of the company's assets and properties whether immovable or movable, in favour of the banks / financial institutions /other lenders / fixed deposit trustee/ debenture trustee / security trustee as may be agreed by the Board of Directors of the

Company for the purpose of securing the repayment of any loans / financial assistance, debentures or bonds or other instruments issued to the public and/or on private placement basis and/or in any other manner, subject to maximum of Rs.____ Crores.

- E)** The shareholders of the company, vide special resolution passed at their ____ Annual General Meeting held on _____, pursuant to provisions of Section 42 of the Companies Act, 2013, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable provisions of Companies Act 2013, has authorized the Board of Directors of the Company to make offer(s) or invitation(s) to subscribe to secured / unsecured, redeemable, non-convertible, debentures ('Debenture / NCDs') in one or more series during the period from the conclusion of said Annual General Meeting till the conclusion of next Annual General Meeting of the Company through private placement in conformity with Rules, Regulations and enactments as applicable from time to time, upto total amount not exceeding the borrowing powers approved by the members from time to time.
- F)** The Board of Directors of the Company resolved in its meeting held on _____, to issue Secured Redeemable Non-Convertible Debentures on private placement basis upto Rs.____Crore in one or more tranches with an authority to ____Bajaj Finance Ltd. severally to change the sub limits and also permit interchangeability within the overall limit of Rs.____ Crore.
- G)** Catalyst Trusteeship Ltd., the Trustee hereinabove mentioned, has been registered as Debenture Trustee under the Regulations of the SEBI and has at the request of the Company agreed and consented to act as sole Trustee for the benefit of the holders of the Debentures as per the terms and conditions contained in the Debenture Trust Cum Mortgage Deed dated _____ for the Debentures under **Series** __("Debenture Trust Deed"), executed separately between the Company and the Trustee.
- H)** One of the terms of the allotment of the said Debentures, is that the principal amount together with the cumulative interest, remuneration of the Trustees and all other costs, charges and expenses and other moneys payable by the Company in respect of the said Debentures will be secured by way of charge by way of hypothecation on Company's Loan Receivables / Book-debts (Receivables under Financing Activity, Current Assets and Receivables, Cash and Bank Balance, Current investment, Advance recoverable, Provided this shall not include any investment made by the Company in unencumbered approved securities invested pursuant to Section 45-IB of the Reserve Bank of India Act, 1934) in cash or in kind with security cover of '1.00 time', on pari-passu basis, more particularly described in SCHEDULE I hereunder written in favor of Trustee and also the immovable property (more particularly described in Debenture Trust Cum Mortgage Deed) of the Company bearing Unit No. 804 admeasuring 2610 sq.ft, Eight Floor, Block A of Wing Delta, bearing Old Door Nos. 113 to 122 and 128 to 134 and New Door No. 177, Raheja Towers, Anna Salai, Mount Road, Chennai-600002, by way of mortgage.
- I)** The Company has agreed to secure the said 4050 Secured Redeemable Non-Convertible Debentures at issue price of Rs.10,00,000/- (Rupees Ten lakhs only)and 300 Secured Redeemable Non-Convertible Debentures at issue price of Rs.____ (Rupees ____only) each both having face value of Rs.10,00,000/- (Rupees Ten lakhs only)aggregating to Rs.____ (Rupees ____only) on Private Placement Basis under **Series** __ together with interest and all other monies payable in respect thereof by creating a pari-passu charge by way of mortgage of its said immovable property more particularly described in Debenture Trust Cum Mortgage Deed and movable property of the Company respectively, more particularly described in **SCHEDULE I** hereunder written.
- J)** This Deed and the Debenture Trust Deed will be read in conjunction with and as part of the same document in relation to such issuance of Debentures.

NOW THIS DEED WITNESSES AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless otherwise defined in this Deed, capitalised terms in this Deed shall have the meaning given to them in the Debenture Trust Deed. In this Deed, the capitalised terms listed below shall have the following meanings:

- (a) **The "Trustee" or "Trustees"**, means Catalyst Trusteeship Ltd., the Party hereto of the Other Part or the Trustee or Trustees for the time being hereof.
- (b) **"Act"**, means The Companies Act, 2013 & as amended from time to time and the Companies Act, 1956 as may be applicable from time to time.
- (c) **"Debentures"**, means ___ Secured Redeemable Non-Convertible Debentures at issue price of Rs.10,00,000/- (Rupees Ten lakhs only)and ___ Secured Redeemable Non-Convertible Debentures at issue price of Rs. ___ (Rupees ___ only) each both having face value of Rs.10,00,000/- (Rupees Ten lakhs only) aggregating to Rs. ___ (Rupees ___ only) on private placement basis and secured by these presents or such of them as may be from time to time outstanding and entitled to the benefits of these presents.
- (d) **"Debenture Holder" or "Holders of Debentures"**, means the several persons who will be the Beneficial Owner(s) of debentures to be allotted in electronic (dematerialized) form and whose names will appear/s in the list of Beneficial Owners prepared / provided by Depository viz., NSDL, as the case may be.
- (e) **"Date of Allotment"**, means the deemed date of allotment mentioned in the Information Memorandum i.e. ___ of Series ___.
- (f) **"Hypothecated Property"** means all book debts and receivables of the Company more particularly described in SCHEDULE I hereunder hypothecated and charged by way of security pursuant to Clause 3 (*Hypothecation and Charge*) of this Deed;
- (g) **"Receiver"** has the meaning ascribed to it in Clause 8 (*Appointment of Receiver*);

2. COVENANT TO PAY

In consideration of the Original Debenture holder having agreed to subscribe to the Debentures subject to the terms and conditions set out in the Transaction Documents, the Company hereby irrevocably and unconditionally undertakes to the Trustee (acting for the benefit of the Debenture holders) that it shall pay each of the Obligations when due in accordance with the Transaction Documents and strictly comply with all of its other obligations under the Transaction Documents.

3. HYPOTHECATION AND CHARGE

- 3.1 The Company, as the sole legal and beneficial owner of the Hypothecated Property and as security for the payment of the Obligations:
 - (i) as on the date of this Deed, hereby creates pari-passu charge in favour of the Trustee, on all book debts and receivables due to the Company under various loans on pari passu basis with Banks which have granted working capital and term loan facilities to the Company, together with the underlying security, more particularly described in Schedule I hereunder, and the details of which will be given to the Trustees, from time to time with such periodicity as may be advised by the Debenture Trustees TO HAVE AND TO HOLD the same UPON TRUST and subject to the powers and provisions contained herein.
 - (ii) The Company shall during the currency of the Debentures maintain a minimum security cover of 1.00 time of the total amount outstanding in respect of NCDs issued under **Series** ___ herein.

- (iii) The Company shall, on the date of this Deed, deliver to the Trustee a certificate from its Auditors, in the form and manner satisfactory to the Trustee, confirming that the Security Cover is maintained by the Company;

4. RANKING OF CHARGE

The hypothecation by way of a charge created over the Hypothecated Property in favour of the Trustee pursuant to Clause 3 (*Hypothecation and Charge*) shall be a first ranking charge at all times to be shared on a *pari passu* basis with the Security created in favour of the Existing First Charge Holders.

5. RELEASE OF SECURITY

If the Trustee is satisfied that all the Obligations have been irrevocably paid in full and that all facilities which might give rise to the Obligations have terminated, the Trustee shall at the request and cost of the Company release the Hypothecated Property from the Security created under this Deed and shall also furnish to the Company, if required by the relevant ROC, a duly executed Form No. CHG-4 (*Particulars for Satisfaction of Charge*) and/ or any other particulars as may be required by the Company to be filed under Section 82 of the Act with the relevant ROC for release of the Hypothecated Property from the Security created hereunder.

6. ENFORCEMENT

6.1 If an Event of Default has occurred and for so long as it is outstanding, the Trustee may, without prejudice to any other rights it may have under any applicable Laws or otherwise:

- (a) enforce the Security created under this Deed over all or any of the Hypothecated Property and call in, collect, convert into money, sell, transfer or otherwise deal with or dispose of all or any of the Hypothecated Property, in such manner and upon such terms and conditions that the Trustee deems fit;
- (b) exercise any and all powers that a Receiver could exercise under this Deed or by Laws;
- (c) appoint, in writing, any Person or Persons to be a Receiver of all or any of the Hypothecated Property, determine from time to time, the remuneration of the Receiver so appointed and remove the Receiver (except where an order of the court is required for such removal) and appoint any other Person in place of such Receiver, whether such Receiver is removed by the Trustee or an order of the court or otherwise ceases to be the Receiver; and
- (d) take any or all such other action, expressly or impliedly permitted under this Deed or under any applicable Law.

6.2 On enforcement of the Security as provided hereunder, the Trustee agrees:

- (a) that if so requested by the Company, the Trustee will provide to the Company a statement of accounts in respect of the collection, conversion into money, sale, transfer, and disposal of the Hypothecated Property; and
- (b) once all Obligations have been paid or discharged to the satisfaction of the Trustee to pay to the Company any surplus amounts recovered by the Trustee or the Receiver, as the case may be, in exercise of their respective rights under this Deed.

7. AFFIRMATIVE COVENANTS OF THE COMPANY

The Company hereby irrevocably undertakes to the Trustee that:

- (a) the Company shall continue to be bound by and will perform its obligations, if any, under any documents governing the Hypothecated Property and shall not take or omit to take any action, which act or omission causes or could cause a

breach in terms of such documents or take or omit to take any steps, which action or omission is inconsistent with its obligations under this Deed;

- (b) the Company shall execute such further documents, deeds and writings and do such further acts, deeds or things as may be necessary or required to protect, preserve or perfect the Security created under this Deed;
- (c) any liability on account of statutory or regulatory dues relating to the Hypothecated Property would be to the account of the Company and in the event the same, for any reason, is borne by the Trustee and/or the Debentureholders and/or any of their duly authorized agent, then the Company shall reimburse the same to the Trustee and/or the Debentureholders and/or their agent and the amounts paid (until reimbursed by the Company) shall constitute a part of the Obligations and be secured under this Deed;
- (d) if so required by the Trustee, the Company shall lend its name as plaintiff or co-plaintiff to any proceedings that the Trustee may institute and will co-operate in recovery proceedings with the Trustee in the manner permissible under any applicable Laws;
- (e) the Company may, if so required by the Trustee and as and when required by the Trustee acting upon Relevant Instructions, execute a power of attorney in favour of the Trustee (in the form as reasonably acceptable to the Trustee), to enable the Trustee to enforce the Security created over the Hypothecated Property;
- (f) the Company shall not sell, transfer, assign, or create any Security (save and except the Permitted Security) until such time as the Obligations are outstanding;
- (g) the Company shall make available to the Trustee, on request and free of charge, all evidence (under the control and possession of the Company) required by the Trustee in any proceedings and strive to ensure the attendance at any hearing of such witnesses as the Trustee may require;
- (h) in the event that the Trustee believes in good faith that the Company is not maintaining the Security Cover as required under the Debenture Trust Deed and this Deed, the Trustee or the respective nominees of the Trustee or both shall, acting on the Relevant Instructions upon prior written notice, be entitled, at the expense of the Company, to inspect, value and take particulars of all or any part of the Hypothecated Property and check any statement, accounts, reports and information;
- (i) in the event of any breach or default by the Company in the performance of its obligations under this Deed or any of the terms, covenants, obligations and conditions stipulated in any other Transaction Document or any related documents or the deeds executed or that may hereafter be executed by the Company in favour of the Trustee, or in the event of the Security created in favour of the Trustee having become enforceable for any reason whatsoever, the Trustee or its nominees, in case such breach or default is not remedied by the Company to the satisfaction of the Trustee within such period, if any, as may be available under the Debenture Trust Deed , with a prior notice and at the risk and expense of the Company and if necessary as attorney for and in the name of the Company be entitled to take charge and/or possession of, seize, recover, receive and remove them and/or sell by public auction or by private contract, dispatch or consign for realisation or otherwise dispose of or deal with all or any part of Hypothecated Property and to enforce, realize, settle, compromise and deal with any rights or claims relating thereto, without being bound to exercise any of these powers or be liable for any losses in the exercise or non-exercise thereof (except in the event of any gross negligence and/or fraud) and without prejudice to the Trustee's rights and remedies of suit or otherwise. Notwithstanding any pending suit or other proceeding, the Company undertakes to give immediate possession to the nominees of the Trustee on demand of the Hypothecated Property and to transfer, and to deliver to the Trustee all related bills, contracts, securities and documents and

the Company hereby agrees to accept the Trustee's account of sales and realisations as sufficient proof of amounts realised and related expenses and to pay on demand by the Trustee, any shortfall or deficiency thereby shown. *Provided however* that, the Trustee shall not be in any way liable or responsible for any loss that the Hypothecated Property may suffer by reason of exercise or non- exercise of rights and remedies available to the Trustee as aforesaid and that all such loss shall be wholly debited to the account of the Company howsoever the same may have been caused;

- (j) the Company shall at all times after the Security hereby constituted shall become enforceable, execute and do all such deeds, documents, acts and things as are necessary for enforcing the Security created hereunder and for realisation of the Hypothecated Property and in particular the Company shall execute all transfers, conveyances, assignments and assurances of the Hypothecated Property, whether to the Trustee or their nominees;
- (k) the Security created hereunder in favour of the Trustee shall become enforceable by the Trustee upon the occurrence of an Event of Default;
- (l) the Company shall at all times during the continuance of this Deed and the Security hereby created, except as expressly otherwise permitted by the Debenture Trust Deed, duly and punctually pay any imposts, duties, Taxes, premium and outgoings which become lawfully payable by the Company in respect of the Hypothecated Property or any part thereof in connection with the execution, issue, delivery or filing, registration or stamping of this Deed and any document, act and filing, registration or stamping executed or performed thereto or the carrying out by the Company or maintenance of any business or operations thereon and shall prevent any part of such Hypothecated Property from becoming charged with the payment of any imposts, duties and Taxes lawfully payable by the Company and shall punctually discharge all such imposts, duties and Taxes, which by Law are lawfully payable by the Company. If the Company fails to pay the imposts, stamp duties, other duties, Taxes, premia, outgoings, which become lawfully payable by the Company, the Trustee may (but shall not be obliged to) pay such amounts on behalf of the Company. Any such monies paid by the Trustee as aforesaid shall constitute a part of the Obligations and be secured under this Deed;
- (m) all costs, expenses and charges paid or incurred by the Trustee or its authorized agents, representatives, successors and assignees in the exercise of any of the rights, remedies or powers granted herein or under the Debenture Trust Deed, shall be for the account of the Company and the Company undertakes promptly on demand to pay the same, or as the case may be to reimburse the Trustee or its authorized agents, representatives, successors and assignees, for any such monies paid by them, with interest thereon at the rate that is applicable to such disbursements by the Trustee under the Debenture Trust Deed, from the date the Company received notice thereof from the Trustee and/or its authorized agents, representatives, successors and assignees until reimbursement by the Company and all such amounts shall be added to the Obligations and be secured under this Deed;
- (n) the Company shall at all times comply with the provisions of Clause 3 (*Security*) of the Debenture Trust Deed; and

For the avoidance of doubt, a breach of any of the covenants set out above not remedied within the cure period as provided under the Debenture Trust Deed shall be an Event of Default under the Debenture Trust Deed.

8. APPOINTMENT OF RECEIVER

The Trustee, at any time after the Security hereby constituted has become enforceable and whether or not the Trustee shall then have entered into or taken possession of and in addition to the powers hereinbefore conferred upon the Trustee after such entry into or taking possession of, may have a receiver or receivers appointed for the Hypothecated Property or any part thereof (the "**Receiver**"):

- (a) Unless otherwise directed by the Trustee, such Receiver shall have and exercise all powers and authorities vested in the Trustee hereinafter set forth or under any applicable Laws or as the Trustee may think expedient, including the following rights, power and authorities:
- (i) to take possession of and collect all or any part of the Hypothecated Property and for that purpose to take any proceedings and enforce any order or judgement in the name of the Company or otherwise as the Receiver shall consider fit;
 - (ii) to make any arrangement or compromise between the Company and any other Person or incur any obligation which the Trustee or the Receiver shall consider fit in relation to the enforcement of the Security created hereunder to safeguard the interests of the Trustee under this Deed;
 - (iii) for the purpose of exercising any of the powers, authorities and discretions conferred on it by this Deed 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 with or without security of the Hypothecated Property or others on such terms (with or without security) as the Trustee or the Receiver shall consider fit and so that, with the prior written consent of the Trustee, any such security may be or include a charge on the whole or any part of the Hypothecated Property ranking wholly or partly in priority to or *pari-passu* with the Security created hereunder;
 - (iv) to assign, sell, grant options to sell, deal with or manage or concur in assigning, selling, granting options to sell, dealing with or managing or otherwise dispose of any part of the Hypothecated Property in such manner and generally on such terms and conditions as the Trustee or the Receiver shall consider fit and to carry any such transactions into effect in the name of and on behalf of the Company or otherwise;
 - (v) to obtain all permissions, clearances, and any other approvals, consents or licenses necessary or appropriate to carry out any of the matters referred to in this Deed or otherwise as the Trustee or Receiver shall consider fit;
 - (vi) to redeem any prior encumbrance, if any, and settle and pass the accounts of the encumbrances so that any accounts so settled and passed shall be conclusive and binding on the Company and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
 - (vii) to appoint and discharge agents and professionals, in a reasonable manner, for the purposes hereof upon such terms as to remuneration or otherwise as the Receiver may consider fit;
 - (viii) 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 Company or relating in any way to the Hypothecated Property or any part thereof;
 - (ix) to bring, prosecute, enforce, defend and discontinue all such actions and proceedings in relation to the Hypothecated Property or any part thereof as the Receiver shall consider fit;
 - (x) to sell or otherwise dispose of all or any part of the Hypothecated Property;
 - (xi) insure and keep insured the property and assets of an insurable nature comprised in the Hypothecated Property against loss or damage by such risks and contingencies in such manner and in all respects as set out in the Debenture Trust Deed;

- (xii) to do all such other acts and things (including, without limitation, signing and executing all documents and deeds) as may be considered by the Trustee 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 Hypothecated Property;
 - (xiii) to exercise all such other powers and authority as the Trustee shall consider fit to confer and so that the Trustee may in relation to such part of the Hypothecated Property as is the subject of a charge hereunder confer any powers and authorities which it could give if it were an absolute beneficial owner thereof; and
 - (xiv) in the exercise of any of the above powers, to expend such sums as the Receiver may think fit and the Company shall forthwith on demand repay to the Receiver all sums so expended together with interest thereon at the rate that is applicable to such costs or expenses incurred by the Trustee under the Debenture Trust Deed, from the date of payment by the Receiver until the date of repayment of such sums, which sums together with such interest, shall be secured by this Deed.
- (b) Such Receiver shall, in the exercise of his powers, authorities and discretions, conform to the regulations, instructions and directions from time to time made and given by the Trustee.
 - (c) The Trustee may from time to time fix a reasonable remuneration of such Receiver and shall direct payment thereof out of the Hypothecated Property, but the Company alone shall be liable for the payment of such remuneration.
 - (d) The Trustee may from time to time and at any time require such Receiver to give security for the due performance of his duties as such Receiver and may fix the nature and amount of the security to be given to the Trustee but the Trustee shall not be bound to require such security in any case.
 - (e) The Trustee may pay over to such Receiver any monies constituting part of the Security to the intent that the same may be applied for the purpose hereof by such Receiver and the Trustee may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver.
 - (f) Every such Receiver shall be the agent of the Company for all purposes and the Company alone shall be responsible for his acts, defaults or misconduct and liable on any contract or engagement made or entered into by him (except in the case of gross negligence or wilful default of the Receiver) and for his remuneration.
 - (g) If the Receiver commits any misconduct or is grossly negligent in exercising any of its rights, powers or remedies hereunder, the Company shall not be liable for the same and the Company shall be entitled to notify the Trustee of the same and request the Trustee to appoint a new Receiver and such request shall not be unreasonably denied by the Trustee.
 - (h) The Trustee 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 in respect of any debts or other liabilities incurred by any such Receiver whether the Company shall or shall not be in liquidation.

9. NEGATIVE COVENANTS

The Company hereby irrevocably undertakes with the Trustee that:

- (a) all Hypothecated Property and all sale realizations and insurance proceeds thereof and all documents under the Security created pursuant to this Deed shall always be kept distinguishable and specifically appropriated to this Security and be dealt with only under the directions of the Trustee and the Company shall not create any Security upon or over the same, or any part

thereof (save and except the Permitted Security), nor suffer any such Security or any attachment or distress to affect the same or any part thereof, nor do or allow any thing that may prejudice this Security and the Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve this Security and to maintain the same undiminished and claim reimbursement thereof as mentioned in Clause 7 (*Affirmative Covenants of the Company*) of this Deed; and

- (b) the Company shall not sell, transfer or dispose all or any of the Hypothecated Property other than as permitted under this Deed or the Debenture Trust Deed.

PROPOSED CHANGES

The Company hereby irrevocably undertakes with the Trustee that:

a.all Hypothecated Property and all sale realizations and insurance proceeds thereof and all documents under the Security created pursuant to this Deed shall always be kept distinguishable and specifically appropriated to this Security and be dealt with only under the directions of the Trustee and the Company shall not create any Security upon or over the same, or any part thereof (save and except the Permitted Security), nor suffer any such Security or any attachment or distress to affect the same or any part thereof, nor do or allow any thing that may prejudice this Security and the Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve this Security and to maintain the same undiminished and claim reimbursement thereof as mentioned in Clause 7 (*Affirmative Covenants of the Company*) of this Deed; and the Company shall not sell, transfer or dispose all or any of the Hypothecated Property other than as permitted under this Deed or the Debenture Trust Deed.

PROVIDED THAT the Company may securitise or create further charge on exclusive or pari-passu basis on security hereby created, for securing the future borrowings, subject to maintenance of the Minimum Security Cover mentioned herein throughout the tenor of the debentures. The Company shall inform immediately to the Debenture Trustee, the details of the securitisation or creation of charge in favour of other lender, along with a certificate of an independent practicing Chartered Accountant confirming maintenance of minimum security cover after securitisation or fresh borrowing and also give the details of total amount of borrowing against security of book debts and loan receivables

10. REPORTING REQUIREMENTS

The Company shall, whenever required by the Trustee, give full particulars to the Trustee of the Hypothecated Property and shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Trustee and make, furnish and execute, all necessary documents to give effect to the Security created under this Deed.

11. NATURE OF SECURITY

- (a) The Security created under this Deed shall be a continuing security for repayment of the Obligations and shall not be affected, impaired or discharged by winding up (voluntary or otherwise) or by any merger or amalgamation, reconstruction or otherwise, of the Company with any other company or take-over of the management or nationalisation of the undertaking of the Company.
- (b) The Security created herein is in addition to, and independent of, any Security or any other security or right or remedy now or at any time hereafter held by or available to the Trustee.
- (c) If any amount paid by the Company in respect of the hypothecation and charge hereby created is held to be void or set aside on the liquidation or winding up of the Company or otherwise, then for the purposes of this Deed, such amount shall not be considered to have been paid.

- (d) The rights and benefits of the Trustee hereunder shall be in addition to, and not in derogation of any of their rights, benefits and privileges under any applicable Law (including the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002).

12. REPRESENTATIONS

12.1 The Company hereby represents and warrants to the Trustee that:

- (a) the Hypothecated Property is and will at all times be the absolute property of the Company, at the sole disposal of the Company and be free from any prior Security other than the Security created pursuant to this Deed and the existing Security created in favour of the Existing First Charge Holders;
- (b) it shall be lawful for the Company to retain possession of and the Company may use the Hypothecated Property in accordance with the Debenture Trust Deed (including any disposal expressly permitted and subject to the terms of the Debenture Trust Deed) until the Trustee shall be entitled to take possession thereof under this Deed and shall take possession thereof accordingly;
- (c) there are no claims, suits, actions, administrative, arbitration or other proceedings or governmental investigations, including without limitation any counterclaims or claims by the Company or any other statutory authority, pending or to the knowledge of the Company, threatened against the Company, in respect of the Hypothecated Property;
- (d) the Company has borne all liabilities on account of fiscal levies or taxes relating to the Hypothecated Property that have arisen or otherwise were payable in the regular course;
- (e) all information provided in the Deed is true and correct in all respects as on the date of this Deed; and
- (f) the Current Assets comprising the Hypothecated Property are sufficient to maintain the Security Cover.

12.2 The Company also makes and repeats the representations and warranties set out in Schedule V (*Company's Representations, Warranties and Covenants*) of the Debenture Trust Deed (which are incorporated herein by reference and shall apply *mutatis mutandis*, as if set out in full in this Deed) to the Trustee.

12.3 The representations and warranties set out in Clauses 12.1 (*Representations*) and 12.2 (*Representations*) above shall be deemed to be repeated by the Company on the dates of each Supplemental Deed delivered by the Company under this Deed and on each Interest Payment Date.

13. APPOINTMENT OF RECEIVER AS ATTORNEY

The Company irrevocably appoints each Receiver to be its attorney with full power of substitution and in its name or otherwise on its behalf, to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which may be desirable or necessary or which the Receiver shall think proper or expedient for carrying out any obligations imposed on the Company hereunder or for exercising any of the powers hereby conferred in connection with any sale or disposition of any part of the Hypothecated Property or the exercise of any rights in respect thereof or for giving to the Trustee, the full benefit of the Security created herein and so that the appointment hereby made shall operate to confer on the Receiver authority to do on behalf of the Company anything which it can lawfully do as its attorney. The Company ratifies and confirms and agrees to ratify and confirm any deed, instrument, act or thing which such attorney or substitute may execute or do.

14. INDEMNITY

The Trustee and every Receiver, attorney, manager, agent or other person appointed by it shall be entitled to be indemnified by the Company in respect of all liabilities and

expenses incurred by it in the execution or purported execution of the powers and trusts of the Trustee and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted to be done in any way (except in the event of gross negligence and/or fraud) relating to the Hypothecated Property charged/to be charged to the Trustee.

15. MISCELLANEOUS

15.1 Modifications

The Trustee shall concur with the Company in making any modifications in this Deed which in the opinion of the Trustee would not be prejudicial to the interests of the Debenture holders, and to any modification of the terms of the Debentures or any of the Transaction Documents which is of a formal, minor or technical nature or is to correct a manifest error.

Other remedies

The rights and remedies conferred upon the Trustee under this Deed:

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

15.2 No Legal Title for Debenture holders

The Trustee shall not have legal title to any part of the Hypothecated Property; *provided however*, that the Trustee shall have a beneficial interest in the Hypothecated Property and shall be entitled to act only in accordance with the Transaction Documents.

15.3 Communications and Notices

The provisions of Clause 26 (*Service of Notice*) of the Debenture Trust Deed shall apply hereto as if the provisions thereof have been expressly set out herein.

15.4 Severability

Every provision contained in this Deed 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 applicable Law, the validity, legality and enforceability of the remaining provisions hereof shall not be in any way affected or impaired thereby. To the full extent permitted by any applicable Law and regulations, the Company hereby waives any term or provision prohibited or unenforceable in any respect.

IN WITNESS WHEREOF, the Parties hereto have caused this Deed to be executed and acknowledged by their respective officers or representatives hereunto duly authorized as hereinafter appearing.

1. **By:** _____

Name: Mr.

Title:

2. **By:** _____

Name: Mr.

Title:

ACKNOWLEDGED AND ACCEPTED by CATALYST TRUSTEESHIP LIMITED

By : _____

Name :

Title : Authorised Signatory

SCHEDULE I

All those book-debts and receivables due to the Company under various loans, (Receivables under Financing Activity, Current Assets and Receivables, Cash and Bank Balance, Current investment, Advance recoverable, Provided that this shall not include any investment made by the Company in unencumbered approved securities invested pursuant to Section 45-IB of the Reserve Bank of India Act, 1934;) on first pari-passu basis with Banks which granted working capital limits and / or term loan to the company and the debenture-holders.