

THIS IS JUST A FORMAT.

Kindly take proper Legal Advice for Drafting Document as per your requirements.

Debenture Trust Deed

THIS DEED is made at this day of between A B & CO. Ltd., a company registered under the Companies Act, 1956 and having its registered office at hereinafter referred to as 'the Company' of the One Part and (1). (2). (3). hereinafter referred to as the Trustees (which expression shall include the trustee or trustees for the time being of these presents and the heirs, executors and administrators of the last survivor of them) of the Other Part.

WHEREAS -

1. The Company is, pursuant to its main object, carrying the business of manufacturing ...

2. The Company is seized and possessed of freehold lands and premises and movables more particularly described in the First and Second Schedules hereunder written.

3. By its Memorandum of Association the Company is authorised to raise loan by debentures and to secure them by a mortgage of the Company's immovable and movable properties on such terms and conditions that the Board of Directors may think proper and in the interest of the Company.

4. The Company, being duly empowered in that behalf by its Memorandum and Articles of Association, at its Annual General Meeting held on the passed a resolution giving consent under section 293(1) (a) of the Companies Act, 1956, to the Board of Directors of the Company mortgaging and/or charging all its immovable and movable properties, present and future and the whole of the undertaking of the Company with the power to take over management of the business and concern of the Company in certain events to or in favour of the Trustees for the holders of debentures aggregating to Rs. (Rupees) to be issued to the public together with interest, costs, charges expenses.

5. The Board of Directors at their meeting held on the day of resolved, pursuant to the consent granted by the resolution passed by the Company at its Annual General meeting and for financing as part of the rehabilitation and modernisation programme of the Company to issue in the first instance to the public Debentures aggregating to Rs.. . . . (Rupees) bearing interest at the rate of % per annum payable on the First day of and on the First day of in each year., framed in accordance with the form set forth in the Fourth Schedule hereof and to secure the repayment of the principal moneys and payment of interest for the time being payable in respect of such debentures in the manner hereinafter appearing and by entering into the covenants hereinafter contained.

DEBENTURE TRUST DEED

6. The Trustees have consented to act as Trustees of this Deed for the benefit of the debenture holders upon the terms herein contained.

NOW THIS DEED WITNESSETH and it is hereby mutually agreed and declared by and between the parties hereto as follows :-

1. The headnotes hereto shall not affect the construction hereof, and in these presents, unless there be something in the subject or context inconsistent therewith, the expressions following shall have the meaning hereinafter mentioned, that is to say -

Definitions : "The Trustees" means the Trustees abovenamed

"The Act" means the Companies Act, 1956.

"The Debentures" means the Debentures issued by the Company under the provisions of and secured by these presents or as the case may be, the amount thereof for the time being outstanding.

"The mortgaged premises" means the lands and the interest of the Company in the lands, buildings and the fixed machinery and plant equipment articles and things expressed to be granted, conveyed, assigned, assured and transferred and all other property of the Company hereby made a specific security for the payment of the moneys for the time being owing and intended to be secured by these presents or hereinafter expressed to be part of the mortgaged premises and all further property hereafter to be assured and assigned by the Company to the Trustees under the provisions hereof or on the footing that the same shall be considered part of the mortgaged premises.

"The general assets" means the assets of the Company comprised in the floating charge created by Clause 8 hereof and does not include the specifically mortgaged premises.

Words importing the singular number only include the plural and vice versa. Words importing the masculine gender only include the feminine. Words importing persons include companies, and corporations.

2.(a) Debentures covered by these Presents. The debentures to be issued hereunder and which are entitled to the benefits of these presents are. debentures of Rs. 1000 each of the aggregate nominal value of Rs. (Rupees) and shall be in the form set out in the Third Schedule hereto.

(b) The debentures may be issued or re-issued to such persons and on such terms and either at par or at a premium or if and to the extent permissible by law, at a discount as stated in the Prospectus or advertisement.

3. Power to issue further debentures. The Company shall be at liberty with such sanction if any, as may be required by law from time to time hereinafter during the continuance of the security hereby created, to issue at such date or dates and in such amount or amounts on such terms and conditions as the Board of Directors of the Company may from time to time decide upon, further debentures upto an amount not exceeding in the aggregate a further sum of Rs. (Rupees) to be secured upon the mortgaged premises by one or more deeds either supplemental to these in point of security with the debentures hereby created and secured. In the event of the Company at any time or times exercising the right hereby given to issue further Debentures, it shall be entitled to call upon the Trustees to join with the Company in executing such Supplemental or further Deed or Deeds which shall, on execution, be

DEBENTURE TRUST DEED

duly stamped with ad valorem stamp duty (if any) in respect of the mortgage thereby created and covering the issue of such further debentures.

4. Interest payable on debentures. The Company shall, so long as the Debentures are outstanding, pay to the holders for the time being thereof on the nominal amount of the Debentures held by them respectively, interest at the rate of. % per annum (subject to Income Tax) and such interest shall be paid by equal half yearly payments on the 1st day of. and the 1st day of. in each year. Interest shall be deemed to accrue due from day to day and the Company shall pay overdue interest at the same rate from the due date of payment upto the date the interest shall have been actually paid.

5. Covenant to redeem. The Company hereby covenants with the Trustees that the Company shall redeem the debentures issued hereunder in the manner quoted in the debenture by paying to the holders for the time being of the Debentures then outstanding the nominal amount of the debentures together with interest upto the date of redemption against surrender of the debentures to be redeemed.

6. Grant of land and buildings. The Company doth hereby grant and convey unto the Trustees All and Singular the said lands and premises particularly described in the First Schedule hereunder written TOGETHER with all other buildings standing and being thereon or on some part thereof and all things attached thereto together with all liberties, privileges, easements and appurtenances whatsoever to the said lands and premises or any of them or any part thereof respectively belonging or in anywise appertaining or usually held occupied or enjoyed therewith or reputed to belong or be appurtenant thereto AND all the estate, right, title, interest, claim and demand whatsoever of the Company in to and upon the said lands and premises and every part thereof respectively TO HOLD the same unto and to the use of the Trustees so as to secure equally and rateably the repayment of the principal moneys and interest and other moneys secured by these presents but upon the trusts and for the purposes hereinafter expressed declared of and concerning the same.

7. Transfer of movables. The Company doth hereby transfer and assigns unto the Trustees All and Singular the fixed machinery, plant, electrical and other equipment, fixtures, pipelines, implements, tools, appliances, accessories, furniture, articles, and things which now are and which are more particular but broadly set out in the second Schedule hereinunder written and shall from time to time hereafter during the continuance of this security be affixed and installed in or upon or about the premises hereinbefore expressed to be granted, assigned and conveyed or fixed, placed or lying elsewhere and used or intended to be used for the purposes of the undertaking and business of the Company and All the estate, right, title, interest, claim and demand whatsoever of the Company and into and upon the said premises TO HOLD the same unto the Trustees absolutely so as to secure equally and rateably the repayment of the principal moneys and interest and other moneys secured by these presents but upon the Trusts and for the purposes hereinafter expressed declared of and concerning the same.

8. Floating charge. The Company hereby charges in favour of the Trustees with the payment of the debentures and the interest payable in respect of the debentures and all other moneys hereby secured all

DEBENTURE TRUST DEED

the property and assets of the Company for the time being both present and future including uncalled capital of the Company and its goodwill and undertaking and the benefit of all contracts of the Company for the supply of goods, power or energy and any fund created by the Company and investments for the time being representing the same so as to secure equally and rateably the repayment of the principal moneys and interest and other moneys, but upon the trusts and for the purposes hereinafter expressed, declared of and concerning the same and also subject to all subsisting pledges thereof by the Company, and the charge created by this clause shall rank as a floating charge and shall accordingly in no way hinder or prevent the Company from mortgaging, charging, selling, alienating, leasing, paying, dividends out of profits after providing for full and adequate depreciation or otherwise disposing of or dealing with the premises charged by this clause in the ordinary course of its business and for the purpose of carrying on the same but so that the Company shall not, except as herein provided, be at liberty to create without the previous consent in writing of the Trustees any mortgage or charge upon the property and assets charged by this clause or any part thereof ranking in priority to or pari passu with the security hereby created.

9. Security of future assets. The Company will without any demand on the part of the Trustees convey unto the Trustees but upon the Trusts and for the purposes hereinafter expressed, declared of and concerning the same, also all other lands and premises which may hereafter be acquired by the Company for the purposes of the Company's undertaking and business upon and for the trusts and purposes in these presents contained and assign unto the Trustees all machinery plant, equipment articles and things of the nature mentioned in Clause 7 hereof which may hereafter be acquired by the Company for the purposes of the undertaking and business upon and for the trusts and purposes herein contained and all such lands, machinery, plant, equipment, articles and things shall as and when the same shall be acquired by the Company become and be part of the mortgaged premises. Any buildings and structures, machinery and plant, fixtures, fittings, equipment, installations, articles and things which shall from time to time hereafter during the continuance of this security be erected or installed or be in or upon or about the premises hereinbefore expressed to be hereby granted, conveyed, transferred and assigned or upon the lands that may hereafter be granted, conveyed, transferred and assigned or fixed or attached to or be brought in or upon any buildings or structures now standing or hereafter to be erected on the said premises and/or any part thereof respectively and used or intended to be used in connection with the business of the Company whether in substitution or replacement of or in addition to any buildings and structures, machinery and plant now standing or being or fixed or attached or used or intended to be used in connection with the business of the Company or otherwise shall be included in the present security and be subject to the trusts, provisions and covenants in these presents contained and the Company shall at its own cost forthwith vest the same, subject to the said charges thereon, in the Trustees.

10. Trustee's power to sell the premises. The Trustees shall permit the Company to hold and enjoy the mortgaged premises and every part thereof and to carry on therein and therewith the business or any of the

DEBENTURE TRUST DEED

businesses of the Company authorised by the Memorandum of Association of the Company until the security hereby constituted shall become enforceable as hereinafter provided and at any time after the same shall have become enforceable and the Trustees may in their discretion without any such request as next hereinafter mentioned and shall upon being requested in writing by the holder or holders of at least three fourths of the debentures for the time being outstanding under these presents or by a special Resolution of a meeting of the debenture holders passed in accordance with the provisions of the Fourth Schedule hereunder written (but in either case without any further consent on the part of the Company) enter upon and take possession of the mortgaged premises or any of them respectively and may at the like discretion and shall upon the like request sell, call in, collect and convert into money the mortgaged premises or any part thereof with full power to sell any of the mortgaged premises either together or in parcels (and as to the fixed machinery and plant either together with the buildings or land to or upon which the same shall be fixed or stand or be or separately or detached therefrom) and either by public auction or private contract and with full power upon every such sale to make any special or other stipulations as to title or evidence or commencement of title or otherwise or as to the removal of any property which may be sold separately or detached from the buildings and land or otherwise which the Trustees shall deem proper and with full power to buy in rescind or vary any contract for sale and to resell the same without being responsible for any loss which may be occasioned thereby and with full power to compromise and effect compositions and without the request or concurrence of the Company to do with regard to the mortgaged premises generally all or any of the things which the Trustees are hereby authorised to do or concur in doing with regard to the specifically mortgaged premises and for the purposes aforesaid or any of them to execute and do all such assurances instruments and things as the Trustees shall think fit.

11. The first charge. The principal moneys interest and all other moneys payable in respect of the debentures and the principal moneys and interest and other moneys secured by these presents shall be a first mortgage so as to secure equally and rateably the repayment of the principal moneys and interest and other moneys secured by these presents on the premises hereby respectively granted conveyed transferred assigned and assured or hereby covenanted to be assured and also subject as provided in Clause 8 hereof so as to secure equally and rateably the repayment of the principal money and interest and other moneys secured by these presents on the premises hereby charged and subject as aforesaid shall have precedence except as herein provided over all moneys which may hereafter be raised by the Company by any means whatsoever otherwise than by such dealings with the general assets as are permitted by clause 8 hereof and as between the holders inter of the debentures issued hereunder the debentures shall rank pari passu without any preference or priority by reason of date of issue or allotment or otherwise.

12. Principal amount to become payable of default. The whole of the principal moneys shall be deemed forthwith to have become due and payable and the security hereby constituted shall (subject to the next succeeding clause hereof) become enforceable in each and every one of the following events :—

DEBENTURE TRUST DEED

(a) If the Company makes default in the payment of any principal moneys which ought to be paid in accordance with these presents.

(b) If the Company makes default in the payment of any interest hereby secured on the date when such interest is by these presents made payable.

(c) If a distress or execution is levied upon any part of the mortgaged premises or if a Receiver of the Company's undertaking or property or any part thereof is appointed and such distress or execution is not satisfied or such Receiver discharged within fifteen days from the date of the levy or the appointment of the Receiver as the case may be.

(d) If the Company ceases or threatens to cease to carry on its business or stops payment or if it appears to the Trustees that the Company is carrying on business at a loss and that the further prosecution by the Company of its business will endanger the security of the debenture holders.

(e) If an order shall be made or an effective resolution passed for winding up the Company.

(f) If the Company commits a breach of any of the covenants, conditions or provisions herein contained and on its part to be observed and performed.

(g) If the Company shall make any alteration in the provisions of its Memorandum or Articles of Association which in the opinion of the Trustees is likely detrimentally to affect the interest of the debenture-holders and shall upon demand by the Trustees refuse or neglect or be unable to rescind such alteration.

(h) If the Company shall, except as herein provided, without the consent of in writing of the Trustees, create or purport or attempt to create any charge or mortgage ranking or which by any means may be made to rank on the premises hereby respectively mortgaged and charged pari passu with or in priority to the security hereby constituted.

(i) If at any time it appears from the Balance Sheet of the Company or the Trustees shall certify in writing, that in their opinion the liabilities of the Company exceed its assets including its uncalled capital or that the Company is carrying on its business at a loss.

13. Notice to be given before enforcing power of sale etc. Before enforcing the security hereby created whether by entry, sale, calling in, collection or conversion or other dealing under the aforesaid trust in that behalf (hereinafter referred to as 'the Trust for conversion') the trustees shall, except in the case of such order or resolution for winding up the Company as aforesaid having been made or passed or of the happening of any of the events in sub clauses (d) (g) (h) and (i) mentioned in the last preceding clause and except when the trustees shall certify in writing that further delay would in their opinion be detrimental to the interests of the debenture-holders, give written notice of their intention to the Company and shall not execute the trust for conversion if in the case of such trust arising by reason of any default in payment of any principal moneys or interest the Company shall pay to the trustees payment of the principal moneys or interest so in arrears within one calendar month next after such notice shall have been given to the Company or if in the case of such trust arising by reason of any breach of covenant or provisions as aforesaid the Company shall upon such notice as aforesaid being given, fully perform the covenant or provision so broken if capable of then being performed or make good the breach thereof to the satisfaction of the Trustees : Provided

DEBENTURE TRUST DEED

that, no sale shall be effected in connection with the trust for conversion so far as regards any immovable property of the Company unless and until the conditions for exercise of the power of sale specified in Section 69 of the Transfer of Property Act, 1882 or any statutory amendment thereof have been satisfied.

14. Company to assist trustees in exercise of any power. In case the security hereby created shall become enforceable as hereinbefore provided by Clause 12 hereof the Company shall forthwith upon demand by the Trustees do all things necessary to enable the Trustees to realise the mortgaged premises.

15. Protection to purchasers etc. No purchaser, mortgagor, mortgagee, debtor or other person dealing with the Trustees or any Receiver appointed by them or with their or his attorneys or agents shall be concerned to enquire whether the power exercised or purported to be exercised has become exercisable or whether any money remains due on the security of these presents or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall have been made or otherwise as to the propriety or regularity of such sale, calling in, collection or conversion or to see to the applications of any moneys paid to the Trustees or to any such Receiver, attorneys or agents and in the absence of malafides on the part of such purchaser, mortgagor, mortgagee, debtor or other person such dealing shall be deemed so far as regards the safety and protection of such purchaser, mortgagor, mortgagee, debtor or person to be within the powers hereby conferred and to be valid and effectual accordingly and the remedy of the Company and its assigns in respect of any impropriety or irregularity whatsoever in the execution of such trusts shall be in damages only.

16. Discharge of purchaser on payment. Upon any sale, calling in, collection or conversion or other dealings under any of the provisions herein contained the receipt of the Trustees for the purchase money of the premises sold and for any other moneys paid to them shall effectually discharge the purchaser or person paying the same therefrom and from being concerned to see to the application or being answerable for the loss or misapplication thereof.

17. Application of sale proceeds. The Trustees shall hold the moneys to arise from any sale, calling in, collection or conversion under the Trust for conversion upon trust that they shall thereout, in the first place, pay or retain the costs and expenses incurred in or about the execution of such trust or otherwise in relation to these presents and shall apply the residue of such moneys, first in or towards payment to the debenture holders *pari passu* in proportion to the debentures held by them respectively and without any preference or priority whatsoever of all arrears of interest remaining unpaid on the debentures held by them respectively, and secondly, shall pay the surplus (if any) of such moneys to the person entitled to the mortgaged premises.

18. Shortage of sale proceeds to pay debentures. If the amount of the moneys at any time available under the last preceding clause hereof shall be less than ten per centum of the debentures the Trustees may at their discretion invest such moneys upon some one of the investments hereinafter authorised with power from time to time at the like discretion to vary such investments and such investments with the resulting income

DEBENTURE TRUST DEED

thereof may be accumulated until the accumulations together with any other funds for the time being under the control of the Trustees and applicable for the purpose shall amount to a sum sufficient to pay ten per centum upon the debentures and then such accumulations and funds shall be applied in the manner aforesaid.

19. Payment to debenture holders. The Trustees shall give not less than seven day notice in accordance with the provisions as to notice hereinafter contained, of the day, place and time for any payment to the debenture-holders under the two last preceding clauses hereof and after the day so fixed, holders of the debentures shall be entitled to interest on the balance only (if any) of the principal moneys due on such debentures after deducting the amount (if any) payable in respect thereof on the date so fixed. The receipt of each debenture holder for the principal moneys and interest payable by the Trustees to him in respect of such debentures shall be a good discharge to the Trustees.

20. Debentures to be produced against payment. Upon any payment to the debenture-holders under Clauses 17 and 18 hereof on account of the principal moneys or interest hereby secured, the debenture or debentures must be produced to the Trustees who shall cause a memorandum of the amount and date of payment to be endorsed thereon but the Trustees may in any particular case dispense with the production and endorsement of a debenture upon such indemnity, (if any) being given as they shall deem sufficient.

21. Debentures to be surrendered on discharge. Upon payment to the debenture holders in full discharge of all principal moneys and interest due upon their debentures, the debentures shall be surrendered and delivered up to the Company with receipts in full discharge endorsed thereon and signed by the respective holders.

22. Trustees not bound by any notice of trust. The Trustees shall not be affected by any notice express or implied or the right, equity or claim of any person to moneys due under the debentures, other than the debenture-holder.

23. Trustees to manage business. After the Trustees shall have made such entry or taken possession as aforesaid and until the whole of the mortgaged premises shall be sold, called in collected and converted into money under the power in that behalf herein contained the Trustees may, if they shall think fit so to do, but not otherwise, either themselves carry on and manage the business of the Company or appoint a Receiver or Receivers to carry on and manage the same. The Trustees or the Receiver or Receivers so appointed may for the purpose of carrying on the said business do all or any of the following things namely,

(a) employ such experts, officers, agents, managers, clerks, accountants, servants, workmen and others and upon such terms and with such salaries wages or remuneration as they or he shall think proper.

(b) renew, rehabilitate and modernize such of the machinery, plant and articles as might be thought proper and particularly machinery or plant as shall be worn out or lost or otherwise become unserviceable and repair and keep in repair the buildings, factories, works, machinery plant and other property comprised in the mortgaged premises.

(c) provide all such machinery materials and things as they or he may consider necessary.

DEBENTURE TRUST DEED

(d) insure all or any of the mortgaged premises of an insurable nature against loss or damage by fire or other risk in such sum or sums as they or he shall in their or his absolute discretion think fit.

(e) settle, arrange, compromise and submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the said business or the mortgaged premises or in any way relating to the security and execute releases or other discharges in relation thereto.

(f) bring, take, defend, compromise, submit to arbitration and discontinue any action, suits or proceedings whatsoever civil or criminal in relation to the business of the Company or any portion of the mortgaged premises.

(g) allow time for payment of any debts either with or without security.

(h) execute and do all such acts, deeds and things as they or he may think necessary or proper for or in relation to any of the purposes aforesaid.

(i) demise the mortgaged premises or any part or parts thereof for such terms at such rents and generally in such manner and upon such conditions and stipulations as they or he shall think fit.

(j) exchange any part or parts of the mortgaged premises for any other securities or property suitable for the purposes of the Company upon such terms as may seem expedient and either with or without payment or receipt of money for equality of exchange or otherwise.

(k) assent to the modification of any contracts or arrangements which may be subsisting in respect of the mortgaged premises and in particular the terms of any concession or licences for the time being held.

(l) generally do and cause to be done such acts and things respecting the business of the Company and the mortgaged premises as they or he could do or cause to be done if they or he had the absolute ownership of the mortgaged premises and had carried on the said business for their or his own benefit without being answerable for any loss or damage which may happen thereby.

24. Trustees power to borrow. The Trustees may with the consent in writing of the holder or holders of at least three fourths in value of the debentures for the time being outstanding or by a Special Resolution passed at a meeting of the holders of the debentures for the time being outstanding held in accordance with the provisions of the Fourth Schedule hereunder, for the purposes of this clause or any of them borrow or raise money on the security of the mortgaged premises or any part thereof either in priority to or pari passu with the debentures and at such rate of interest and on such terms as the Trustees may think fit.

25. Trustees' power to release possession. If and when the Trustees shall have made an entry into or taken possession of the mortgaged premises under the powers conferred upon them by these presents they, with the authority of a Special Resolution of the debenture-holders passed at a meeting held in accordance with the provisions contained in the Fourth Schedule hereunder written or with the consent in writing of the holders of at least three fourths in nominal amount of the debentures for the time being outstanding, may at any time afterwards give up possession of the mortgaged premises or any of them or any part thereof to the Company either unconditionally or upon such terms and conditions as may be specified in such resolution or consent.

26. Trustees' power to make expenses for business. The Trustees shall, out of the moneys received by them in carrying on the said busi-

DEBENTURE TRUST DEED

ness and out of the rents, profits and income of the mortgaged premises, pay and discharge the costs, charges and expenses incurred in carrying on the business including the remuneration of the Receiver (if any) and in the management of the mortgaged premises or in the performance or exercise or the attempted performance or exercise of their powers and duties under the trusts of these presents and all other outgoings which they shall think fit to pay and shall pay and apply the residue of the said receipts, rents, profits and moneys in the manner hereinbefore directed with respect to the moneys to arise from any sale, calling in, collection and conversion under the trust for conversion.

27. Trustees' power to appoint Receiver. At any time after the security hereby constituted shall have become enforceable the Trustees whether or not they shall then have entered into or taken possession may by writing appoint any one or more of the officers of the Company as a Receiver or Receivers or appoint any other person or persons in his or their stead and the following provisions shall have effect.

(1) Such appointment may be made either before or after the Trustees shall have entered into or taken possession of the mortgaged premises or any part thereof.

(2) Such Receiver or Receivers may be invested by the Trustees pursuant to the power of delegation hereinafter contained with such of the powers and discretions exercisable by the Trustees hereunder as the Trustees may think expedient.

(3) Unless otherwise directed by the Trustees such Receiver or Receivers may exercise all the powers and authorities vested in the Trustees by Clauses 23 and 24 hereof.

(4) Such Receiver or Receivers shall in the exercise of his or their powers, authorities and discretions conform to the regulations and directions from time to time made and given by the Trustees.

(5) The Trustees may from time to time fix the remuneration of such Receiver or Receivers and direct payment thereof out of the mortgaged premises.

(6) The Trustees may from time to time and at any time require any such Receiver or Receivers to give security for the due performance of his or their duties as such Receiver or Receivers and may fix the nature and amount of the security to be so given but the Trustee shall not be bound in any case to require any such security.

(7) Save so far as otherwise directed by the Trustees all moneys from time to time received by such Receiver or Receivers shall be paid over to the Trustees to be held by them on the trusts declared by Clause 17 hereof and concerning the moneys to arise under Clause 10 hereof.

(8) The Trustees may pay over to such Receiver or Receivers any moneys constituting part of the mortgaged premises to the intent that the same may be applied for the purposes hereof by such Receiver or Receivers and the Trustees may from time to time determine what funds the Receiver or Receivers shall be at liberty to keep in hand with a view to the performance of his or their duties as such Receiver or Receivers.

(9) The Trustees shall be in no way responsible for any misconduct or negligence on the part of any such Receiver or Receivers and shall be in no way liable for or in respect of any debts or other liabilities incurred by

DEBENTURE TRUST DEED

any such Receiver or Receivers whether the Company shall or shall not be in liquidation.

(10) Every Receiver appointed under the provisions hereof shall be deemed to be an agent of the Company and the Company shall be solely responsible for such Receiver's acts and defaults and for his remuneration.

(11) Subject as aforesaid the provisions of the Transfer of Property Act 1882 and the powers thereby conferred so far as applicable shall apply to such Receiver or Receivers.

28. Trustees' or Receivers' liability to account. The Trustees shall not, nor shall any such Receiver aforesaid by reason of the Trustees or such Receiver entering into or taking possession of the mortgaged premises or any part thereof respectively be liable to account for anything except actual receipts or be liable for any loss upon realisation or (so far as by law allowed) for any default or omission for which a mortgagee in possession might be liable.

29. Trustees not bound to replace the property etc. Until the happening of some or one of the events on which this security becomes enforceable the Trustees (subject to the exercise of the powers of the Trustees under the provisions of Clause 30 hereof) shall not be in any manner bound or concerned to interfere with the management or affairs of the Company or its business or the custody, care, preservation or repair of the mortgaged premises or any part thereof.

30. Powers of the Trustees at Company's request. At any time before the security hereby constituted becomes enforceable the Trustees may upon the request and at the expense of the Company but only if and so far as in their opinion the interest of the debenture-holders shall not be prejudiced thereby do or concur in doing all or any of the things following, that is to say:—

(1) Sell, call in, collect and convert any part or parts of the specifically mortgaged premises in such manner and generally on such terms and conditions as the Trustees may deem expedient and give any option to purchase.

(2) Let out or lease any part or parts of the mortgaged premises in such manner and on such terms as to the Trustees may deem expedient and either for a rent, fixed, fluctuating or contingent and with or without premium and with or without powers to purchase the reversion and allow the whole or any part of any premium to be secured by a mortgage of the lessee's interest in the lease.

(3) Exchange any part or parts of the mortgaged premises for any other property suitable for the purposes of the Company and upon such terms as the Trustees may deem expedient and either with or without payment or receipt of money for equality of exchange or otherwise.

(4) Acquire a new or renew a lease of any part of the mortgaged premises which may at any time be held on lease for such term and at such rents and subject to such covenants, conditions and terms as the Trustees may deem expedient and for that purpose surrender the then existing lease of such premises.

(5) Permit the Company or any nominee of the Company or of the Trustees to exercise any powers or rights incidental to the ownership of any of the mortgaged premises and permit the Company or its agents

DEBENTURE TRUST DEED

to receive any purchase or other moneys forming part of the mortgaged premises on an undertaking to deal with the same in a specified manner.

(6) Set out, appropriate, grant or dedicate, without consideration any land forming part of the mortgaged premises for the purpose of roads, ways, canals, watercourses, gardens, places of religious worship, schools, places of amusement, places of recreation and other purposes public or private whether of the Company or otherwise which the Trustees may deem expedient.

(7) Assent to the modification of the Licenses of any leases, contracts covenants or arrangements relating to the specifically mortgaged premises or any part thereof.

(8) Settle, adjust, refer to arbitration, compromise and arrange all accounts, reckonings, controversies, questions claims and demands whatsoever, which may be open, unsettled or pending with any person or persons in relation to the mortgaged premises.

(9) Release, surrender or abandon, on such terms as may seem to the Trustees expedient, any of the mortgaged premises which in the opinion of the Trustees may have become unprofitable or a source of loss or damage to the Company.

(10) Release in favour of the Company or its nominees any of the mortgaged premises provided that, in the judgment of the Trustees the security hereby constituted will not be thereby materially diminished in value or prejudicially affected or provided that, the Company shall vest in or charge in favour of the Trustees as part of the mortgaged premises any property or rights suitable for the purposes of the Company and of at least equal value to the property released notwithstanding that such substituted property may at any time be part of the general assets.

(11) Apply moneys forming part of the mortgaged premises in the purchase or acquisition of any property of any tenure including fixed machinery and plant thereon or any rights of way or other easements or rights which may seem suitable for any of the purposes of the Company including any reversion whether in fee simple or otherwise expectant on the determination of any term forming part of the mortgaged premises and acquire any such property which may have been purchased by the Company out of the general assets by payment to the Company of the price paid for the same or any lesser amount and where so arranged with the Company leave unpaid part of the purchase money on the footing that it is to be payable out of moneys subsequently becoming available for the purpose under this clause.

(12) Apply moneys forming part of the mortgaged premises in the erection or construction of new or on the improvement of any existing works buildings fixed machinery and plant or other works and erections suitable for the purposes of the Company upon or in any land forming part of the specifically mortgaged premises.

(13) Apply moneys forming part of the mortgaged premises in developing, improving, protecting or preserving the mortgaged premises or any part thereof or in preventing or endeavouring to prevent loss or apprehended loss thereof or detriment thereto.

(14) Apply moneys forming part of the mortgaged premises in repaying to the Company (by way of recoupment to the general assets) any sums which the Company may from time to time have expended out of

DEBENTURE TRUST DEED

the general assets upon any purpose specified in the two last preceding sub-clauses of this clause.

(15) Enter into, make, execute, sign and do all such contracts, agreements, receipts, payments, assignments, transfers, conveyances, assurances, acts and things and bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the mortgaged premises as the Trustees may deem expedient.

(16) Ratify, sanction and confirm anything done or suffered by the Company in relation to the mortgaged premises.

(17) Do all or any of these things from time to time and at such time or times and on such terms and conditions and in such manner as the Trustees may approve.

(18) Generally and without being limited to the specific powers above given, act in relation to the mortgaged premises in such manner and on such terms as the Trustees may in the interests of the debenture-holders think expedient.

All capital moneys arising from any dealings under this clause and all property and assets acquired pursuant to the provisions of this clause shall become and be part of the mortgaged premises and shall be paid to or vested in or specifically charged in favour of the Trustees in such manner as the Trustees shall require.

31. Trustees' power to invest moneys. The Trustees shall, pending any application thereof under the provisions of the last preceding clause hereof, invest the capital moneys arising from any sale or other dealing under the said clause upon some or one of the investments authorised by the next succeeding clause hereof or place the same upon deposit with a Scheduled bank or banks as in the next succeeding clause hereof provided with power from time to time at their discretion to vary such investments and to resort to and realise and apply the proceeds of realisation of any such investment for any of the purposes for which such moneys are under the last preceding clause hereof authorised to be applied or expended and subject as aforesaid the Trustees shall stand possessed of the said investments upon trust until the primary trust for conversion shall arise to pay the income thereof and any net moneys in the nature of income arising therefrom to the Company or its assigns and after the primary trust for conversion shall have arisen shall hold the said investments and the income thereof respectively and the net moneys in the nature of income upon and for the trusts and purposes hereinbefore expressed concerning the moneys to arise from any sale calling in collection and conversion under the primary trust for conversion PROVIDED ALWAYS that, in default of such trust for conversion arising and after payment and satisfaction of all moneys intended to be secured by these presents the said investments and the income thereof shall be and remain in trust for the Company or its assigns.

32. Authorised investments. Any moneys which under the trusts or powers herein contained ought to be invested by the Trustees may be invested in the name or names or under the legal control of the Trustees in any of the securities of the Government of India or of any State Government in India or any other debentures, funds, shares or securities for the time being authorised by law in India for the investment of trust moneys with power to vary and transpose such investments and insofar as the

DEBENTURE TRUST DEED

same shall not be invested shall be placed on deposit in the names of the Trustees in such Scheduled bank or banks as the Trustees may think fit.

33. Company's duties to carry on business etc. The Company shall and will at all times during the continuance of this security:-

(a) Carry on and conduct as required by law from time to time in force the business of the Company in a proper and efficient manner.

(b) Keep proper books of account and therein make true upto date and proper entries of all dealings and transactions of and in relation to its business and keep the said books of accounts and all other works and registers and all other documents relating to the affairs of the Company at its Registered Office or other place or places where the said books of accounts and documents of a similar nature ought in the ordinary course to be kept and allow the Trustees or any person nominated by the Trustees in writing at all reasonable times to have full access to all books of accounts and documents of the Company.

(c) Give to the Trustees or to such person as aforesaid such information as they or he or any of them shall require as to all matters relating to the business property and affairs of the Company and the mortgaged premises and after acquired property of the Company and furnish to the Trustees six copies of every report, balance sheet, profit and loss account, circular or notice issued to the shareholders of the Company and to each of the debenture holders one copy of the report, balance sheet and profit and loss account and every other document required by law to be annexed or attached to the balance sheet at the time of its issue to the shareholders and the Trustees shall be entitled if they think fit from time to time to nominate an accountant, lawyer or agent to examine the books of accounts documents and property of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow any such accountant, lawyer or agent to make such examination and investigation and shall furnish him with all such information as he may require and shall forthwith pay all the costs, charges and expenses of and incidental to such examination and investigation.

(d) Keep all buildings, works, machinery, plant, equipment, and other property for the time being forming part of the mortgaged premises in a good state of repair and in good working order and condition and shall not without the previous consent in writing of the Trustees pull down or remove any such building works, machinery, plant, equipment and other property except in the ordinary course of repair and renewal or otherwise in the course of and for the bona fide purposes of the Company and the carrying on of its business and will in such case forthwith repair renew or replace the property pulled down or removed by the property of a similar nature and of atleast equal value and when necessary renew and replace all movables engines, plant, machinery, tools implements, apparatus, utensils and other effects of a like nature now used or hereafter to be used for the purpose of or in connection with the business of the Company forthwith when and as the same shall be worn out or destroyed.

(e) Permit the Trustees and such persons as they shall from time to time in writing for that purpose appoint to enter into and upon the mortgaged premises to view and inspect the state and condition thereof and to pay the travelling, hotel and other expenses of any agent whom the Trustees may depute for the purpose of such viewing and inspection.

DEBENTURE TRUST DEED

(f) Insure and keep insured such of the mortgaged premises as are of an insurable nature against loss or damage by fire and such other risks as are normally insured against (and in the time of war in which India shall be engaged and after the outbreak of the same but only if feasible against explosion or damage by aircraft or other hostile means) in the joint names of the Company and the Trustees on the properties hereby charged in such office or offices as the Trustees shall reasonably approve, deliver the policies of such insurance to the Trustees if required and duly pay the premiums and other sums of money payable in respect of such insurance and produce to the Trustees the receipt for every such payment within 7 days of the same becoming due and all moneys to be received by virtue of any such policy shall if received in respect of any part of the specifically mortgaged premises be paid to and applied by the Trustees upon the Company's request in making good any loss or damage which may so arise to the same premises or any of them or for any other purpose for which moneys forming part of the mortgaged premises may be applied under the provisions of Clause 30 hereof which may seem to the Trustees expedient in the interest of the Company and the debentureholders, and if received in respect of the general assets shall be applied in making good the loss or damages sustained or in such other manner as the Company shall think fit.

(g) If default shall be made in keeping the aforesaid premises in a good state of repair and in good working order and condition and so insured as aforesaid or in delivering any such receipt as aforesaid the Trustees, without any obligation or liability to do so, may repair the same premises or such of them as shall in their opinion require repairs and may insure and keep insured such of them as they may deem fit. And the Company will on demand repay to the Trustees every sum of money expended for the above purposes or for any of them by the Trustees with interest at the rate of ___ per cent per annum from the time of the same respectively having been expended and until such payment the same shall be a charge upon the mortgaged premises in priority to the debentures.

(h) Duly and punctually pay all rents, royalties, rates, taxes, assessments, stamp duties charges and other proper or usual outgoings imposed on or payable in respect of the mortgaged premises or any part thereof and observe perform and comply with all covenants and obligations which ought to be observed, by the Company in respect of the mortgaged premises or any part thereof and also punctually pay and discharge all debts and obligations to or in respect of workmen, clerks and others employed by the Company and all other debts and liabilities that may have priority over the security hereby created and as and when required by the Trustees produce the receipts of such payments.

(i) Duly register this Trust Deed in all respects so as to comply with the provisions of the Companies Act, 1956, and the Indian Registration Act, 1908, or any statutory amendment thereof or any Act ordinance or regulation of or relating to any part of India within which any portion of the mortgaged premises is or may be situated and generally do all other acts, if any, necessary for the purpose of ensuring the legal validity of this Trust Deed.

(j) If the Company shall issue any part of its unissued capital or shall increase its capital, apply the capital so raised in the first place in the

DEBENTURE TRUST DEED

extension of its works, buildings, plant and machinery for the improvement or extension of the business of the Company and subject thereto either in the redemption of the debentures under the powers conferred by Clause 1 of the form of debenture set out in the Third Schedule hereunder written or in the purchase of further property which will become subject to the debenture-holders security or in improvements of property already so subject whereby the value of such property will be increased or in the execution of works or otherwise for the purposes of the Company having regard to the objects or any of the objects for which it is formed as set out in its Memorandum of Association.

(k) Without the consent of the Trustees which they shall have an unfettered discretion to grant or to withhold unless and until the Company shall have first paid the half yearly interest then due and payable on the debentures, not to make any gratuitous payment under any provision of the Company's Memorandum of Association or under the Company's Articles of Association nor without the previous consent in writing of the Trustees to apply any part of its assets for forming any funds specified in Article ... of the Company's Articles of Association nor accept any surrender of shares from or by any shareholder under the said Articles of Association.

(l) Not to pay out of its net earnings or profits or any of the Reserves any dividend to any shareholder or any interest or principal or any part of interest or principal which may be secured or payable to any subsequent encumbrances or any interest on any sums which may have been paid to the Company by any shareholder under the Articles of Association of the Company unless and until the Company shall have first paid the interest then due and payable on the debentures or has made provision satisfactory to the Trustees for making such payment.

(m) Make such alterations in the Memorandum and Articles of Association of the Company from time to time as may be required to give due effect to the provisions of these presents.

(n) Forthwith give notice in writing to the Trustees of commencement of any proceedings directly affecting the mortgaged premises.

(o) Not to sell or dispose of the mortgaged premises or any part thereof or create thereon any mortgage, lien or charge by way of hypothecation, pledge or otherwise howsoever or other encumbrances of any kind whatsoever to the intent and purpose that the mortgaged premises and all parts thereof shall remain and continue to remain free from any further encumbrances whatsoever during the continuance of these presents.

(p) Undertake that the net depreciated book value of the fixed assets of the Company shall at all times be at least double the amount of the debentures and the amount of the term borrowings secured on a pari passu basis and that should the net value of the fixed assets go down because of depreciation or any other reason, it would deposit with the Trustees an amount equal to half the difference between the actual net value of the fixed assets on the one hand and twice the aggregate of the amount of the debentures now being issued and outstanding and the outstanding amount of term borrowing secured on a pari passu basis provided that, the Trustees shall release the deposit on production of evidence by the Company of having created additional fixed assets equal to the amount of the difference.

DEBENTURE TRUST DEED

34. Company's duties qua debenture-holders. The Company hereby further covenants with the Trustees as follows :-

(a) The Company shall at all times keep at the Company's Registered Office an accurate Register of the holders of its debentures and enter therein the following particulars, namely :-

- (i) the name, address, and occupation, if any of each holder,
- (ii) the debentures held by each holder distinguishing each debenture by its number, and the amount paid or agreed to be considered as paid on those debentures,
- (iii) the date on which each person was entered in the Register as a debenture holder,
- (iv) the date on which any person ceased to be a debenture holder and
- (v) the subsequent transfers thereof.

The Trustees and the debenture holders or any of them shall be at liberty at all reasonable times to inspect the said Register and to take copies of or extracts from the same or any part thereof.

(b) The Company will issue to each Debenture holder free of charge a Debenture or Debentures, under the Seal of the Company, in respect of his holding showing on the face thereof the denomination number and amount of the Debenture or Debentures and referring to this Deed.

(c) If any Debenture be worn out or defaced or where the pages on the reverse for recording transfers have been fully utilised then upon production thereof the Company may cancel the same and may issue a duplicate Debenture in lieu thereof free of cost and if any Debenture be lost or destroyed, then upon proof thereof to the satisfaction of the Company or in default of proof, on such indemnity as the Company may deem requisite, being given and on payment to the Company of any such expenses incurred by the Company in connection with the proof of such loss or in investigation of the title to the Debentures by or in connection with such indemnity a new Debenture in lieu thereof may be given to the person entitled to such lost or destroyed Debentures. An entry as to the issue of the duplicate Debenture and indemnity (if any) shall be made in the Register. There shall be paid to the Company in respect of any duplicate Debenture issued under this condition such sum as the Company shall determine not exceeding the sum of Rupee One and all stamp duty (if any) payable on the fresh Debenture.

(d) Upon the request in writing of the registered holder for the time being of any Debentures and upon the surrender of such Debentures for consolidation, the Company will issue in substitution therefor one Debenture for the principal moneys secured by the surrendered Debentures or each for a portion of such moneys and upon the like request and upon the surrender of any Debenture for sub-division will issue in substitution therefor several Debentures each for a fraction of the principal moneys secured by the surrendered Debenture every such fraction to be for one thousand rupees or a multiple thereof and the surrendered Debenture or Debentures shall be cancelled by the Company.

35. Company's obligations when Govt. Financial Institution is a debenture holder. The Company hereby further covenants with the Trustees that -

DEBENTURE TRUST DEED

So long as any Government Financial Institution shall be the holders of the Debentures the Company shall not without the prior permission of such of them as are then holding the Debentures, obtained in writing:

(a) raise any secured loans or borrowings or create any encumbrances except to the extent provided herein.

(b) issue any equity or preference capital or change its capital structure.

(c) prepay the whole or any part of the debentures.

(d) give any guarantee except normal trade guarantees in the ordinary course of business.

(e) undertake any new line of manufacturing activity or any general trading activity other than the sale of products arising out of its own manufacturing operations.

(f) purchase or sell any capital goods on hire purchase or deferred payment basis.

(g) declare and/or pay any dividend on its share capital if it fails to meet its obligations to pay interest and/or instalment or instalments and/or other moneys payable under these presents in respect of the debentures as and when they fall due so long as it is in such default.

(h) effect any scheme for amalgamation merger or reconstruction during the period the debentures or any part thereof remain outstanding.

(i) appoint/reappoint or alter the terms and conditions of appointment (whether existing or future) of its Managing Director/s or General Manager/s or of any selling agents whether sole selling agents or otherwise, or distributors for the sale and distribution of any of its products.

(j) change its practice with regard to remuneration of non-whole-time Directors, whether by means of ordinary remuneration or otherwise save the sitting fees of such Directors.

(k) radically change its accounting system.

(l) utilise any portion of the debentures for purpose other than those for which the same are issued.

(m) create any charge or lien or other interest on or in any security created or to be created under these presents in favour of the machinery suppliers or bankers or others on account of deferred payments and/or any guarantees arranged therefor save as provided in sub-clause (c) above.

(n) undertake any new project or expansion/diversification of the project.

(o) invest its funds by way of deposits other than investing in the shares of Companies by way of rights issue and also other than in co-operative societies or limited companies for staff welfare or for business premises.

(p) invest its funds by way of deposits other than in the normal course of business or for staff welfare.

(1) subscribe to share capital in any concern other than investing in the shares of Companies by way of rights issue and also other than in co-operative societies or limited companies for staff welfare or for business.

36. Covenants for title etc. The Company hereby further covenants with the Trustees that (a) notwithstanding anything by the Company done, omitted or knowingly suffered, the Company now has full power to grant convey or otherwise transfer the immovable and movable property hereby expressed to be granted, conveyed and transferred unto the Trustees and to charge in favour of the Trustees by way of floating charge the property and assets mentioned in Clause 8 hereof (b) and that it shall be lawful for the Trustees, upon entering into or taking possession of all or any

DEBENTURE TRUST DEED

of the mortgaged premises pursuant to the provisions of these presents or otherwise, to hold and enjoy the same and to receive the rents and profits thereof without any interruption or disturbance by the Company or any other person and that freed and discharged from or otherwise by the Company sufficiently indemnified against all encumbrances, actions, suits, proceedings and demands, costs, charges and expenses whatsoever (c) And further that the Company will from time to time and at all times at the cost of the Company execute and do all such assurances, acts and things as the Trustees may reasonably require for effectuating and completing the security intended to be hereby created and at any time and from time to time; after the security hereby has become enforceable the Company shall from time to time and at all times execute and do all such conveyances, transfers, assignments, assurances, acts and things as the Trustees may reasonably require for facilitating the realisation of the mortgaged premises and for exercising all the powers, authorities and discretions hereby conferred on the Trustees. And for the purposes of this clause a Certificate in writing by the Trustees to the effect that any particular assurance, act or thing required by them is reasonably required by them shall be conclusive evidence of the fact.

37. Trustees constituted as Attorneys of the Company. The Company hereby irrevocably appoints the Trustees to be the Attorneys of the Company in the name and on behalf of the Company to execute and do all assurances, acts, deeds, matters and things which in the opinion of the Trustees the Company ought to execute and do under the covenants and provisions herein contained and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred upon the Trustees or any Receiver appointed by them.

38. Trustee power to apply to courts. The Trustees may at any time after the security hereby constituted becomes enforceable apply to the Court for an Order that the trusts hereof be carried into execution under the direction of the Court and for the appointment of a Receiver or a Receiver and Manager of the mortgaged premises or any part thereof and for any other order in relation to the administration of the trusts hereof as the Trustees shall deem expedient and they may assent to or approve of any application to the Court made at the instance of any of the debenture holders and shall be indemnified by the Company against all the costs, charges and expenses incurred by and in relation to any such application or proceedings.

39. Company to pay remuneration and expenses to trustees. The Company shall during the continuance of this security pay to the Trustees as and by way of remuneration for their services as Trustees the sum of Rs. ... per annum. Such remuneration shall be paid by equal half yearly instalments payable respectively on each first day of ... and the first day of ... and in addition the Company shall pay all reasonable and proper travelling and other costs and charges and expenses which the Trustees or their agents may incur in relation to the execution of the trusts hereof. The said remuneration shall be deemed to accrue from day to day and shall continue payable until the trusts hereof shall be finally wound up and whether or not a Receiver and/or a Manager shall have been appointed either by or at the instance of the Trustees or otherwise or the trust hereof shall be in course of administration by or under the direction of the Court.

DEBENTURE TRUST DEED

40. Privileges of the trustees. By way of supplement to any powers conferred upon Trustees by law and not by way of limitations or derogations of anything in these presents it is hereby expressly declared as follows, that is to say:-

(a) The Trustees may in relation to any of the provisions of these presents act on the opinion or advice of any solicitor, counsel, lawyer, valuer, surveyor, broker, auctioneer, accountant, auditor or other expert obtained by the Trustees or by the Company or otherwise and shall not be responsible for any loss occasioned by so acting. Any such advice or opinion may be sent or obtained by letter, cablegram, telex, telephone or telegram and the Trustees shall not be liable for acting on any advice or information purporting to be so sent, obtained or conveyed.

(b) The Trustees shall not be bound to take any steps to ascertain whether any event has happened upon the happening of which the security hereby constituted or the rights under the debentures become enforceable.

(c) The Trustees shall not be bound to give notice to any person of the execution hereof or to see to the performance or observance of any of the obligations hereby imposed on the Company or in any way to interfere with the conduct of the Company's business unless and until the security hereby constituted shall have become enforceable and the Trustees shall have decided to enforce the same.

(d) The Trustees shall be at liberty to accept as sufficient evidence a Certificate signed by the Chairman of the Company and any two Directors of the Company to the effect that any particular dealing or transaction or step or thing is in the opinion of the persons so certifying expedient or that any property is suitable for the purposes of the Company or worth a specified sum or as to any other fact or matter upon which the Trustees may in the exercise of the trusts powers and provisions hereof require to be satisfied and the Trustees shall be in nowise bound to call for further evidence or be responsible for any loss that may be occasioned by acting on any such Certificate.

(e) The Trustees shall as regards all the trusts powers, authorities and discretions hereby vested in them have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and, in the absence of fraud, shall be in nowise responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.

(f) No Trustee shall be liable for anything whatsoever except a breach of trust knowingly and intentionally committed by such Trustee.

(g) The Trustees shall be at liberty to place all title deeds and other documents certifying, representing or constituting the title to any of the mortgaged premises for the time being in their hands in any safe deposit safe or receptacle selected by the Trustees or with any banker or banking company or Advocate or firm of Advocates and to make such arrangements as they may think fit for allowing the Company or its Advocates access to such title deeds or other documents or possession thereof when necessary or convenient and the Trustees shall not be responsible for any loss incurred in connection with any such deposit access or possession and the Trustees may pay all sums required to be paid on account or in respect of any such deposit.

(h) The Trustees shall have full power to determine all questions and doubts arising in relation to any of the provisions hereof and every such

DEBENTURE TRUST DEED

determination whether made upon a question actually raised or implied in the acts or proceedings of the Trustees shall be conclusive and shall bind all persons interested under these presents.

(i) The Trustees may in the conduct of the trust business, instead of acting personally, employ and pay an agent whether being a solicitor, an advocate or an officer or other employee of the Trustees or other person to transact or concur in transacting all business and to do or concur in doing all acts required to be done in the trust including the receipt and payment of money and any Trustee being a solicitor, advocate or broker or other person engaged in any profession or business shall be entitled to be paid all professional and other charges for business transacted and acts done by him or his firm in connection with the trusts hereof including acts which a Trustee not being in any profession or business could have done personally PROVIDED FURTHER that the Trustees may retain and pay to themselves or any one of themselves out of any moneys in their hands upon or subject to the Trusts of these presents any sum or sums which may be due to them or any of them for or in respect of any costs, expenses, charges, emoluments, claims or demands incurred or arising in any way from or in connection with or relative to the premises.

(j) The Trustees shall not be under any obligation to examine or inquire into the title of the Company to the mortgaged premises or any part thereof and the Trustees shall not be responsible for any loss arising through any defect or insufficiency of title whether the same might have been discovered upon an examination and remedied or not.

(k) With a view to facilitating any dealing under any provision of these presents the Trustees shall have full power prospectively to consent (where such consent is required) to a specified transaction or class of transactions either conditionally or the same conforming to specified conditions laid down or approved by the Trustees or otherwise.

(l) Subject to the provisions of section 119 of the Act, the Trustees shall not be responsible for the consequences of any mistake or oversight or error of judgment or forgetfulness or want of prudence or for any misconduct on the part of any Attorney, Receiver, Agent or other person appointed by them hereunder or bound to supervise the proceedings of any such appointee.

(m) The Trustees shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debenture-holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debenture-holders.

41. Trustees to be indemnified : Without prejudice and in addition to the right to indemnity given to the Trustees by law the Trustees and every Receiver, Attorney, Manager, Agent or other person appointed by the Trustees hereunder shall be entitled to be indemnified out of the mortgaged premises in respect of all liabilities, costs, charges and expenses incurred in the execution or purported execution of the trusts hereof or of any powers, authorities or discretions vested in them or him pursuant to these presents including liabilities and expenses consequent on any mistake oversight error of judgment forgetfulness or want of prudence on the part of the Trustees or any such appointee and Against all actions,

DEBENTURE TRUST DEED

proceedings, costs, claims and demands in respect of any matter or thing done or omitted in anywise relating to the premises and the Trustees may retain and pay out of any moneys in their hands upon the trusts of these presents all sums necessary to effect such indemnity and also the expenses of the Trustees as hereinbefore provided.

42. Company to pay expenses of Trustees etc. The Company shall on demand by the Trustees or any Receiver Attorney, Manager, Agent or other person appointed by the Trustees pursuant hereto pay every sum of money which shall from time to time be payable to any such person pursuant to any provision hereof together with interest at the rate of ___ per cent per annum as from the date when the same shall have been advanced or paid or become payable or due and as regards liabilities the Company will on demand pay, satisfy or obtain the release of such person from such liabilities, and if any sum or sums payable under this Clause shall be paid by the Trustees out of the mortgaged premises the Company shall forthwith on demand recoup the same to the specifically mortgaged premises.

43. Company at liberty to substitute property. The Company shall be at liberty at any time or times during the continuance of this security with the prior permission in writing of the Trustees to withdraw any of the mortgaged premises from such of the trusts, powers and provisions hereof as exclusively relate to the mortgaged premises, upon substituting other property whether of the same or different tenure or kind but of a value equal to or greater than the value of the property proposed to be withdrawn.

But before the Trustees permit the Company to withdraw any property under this Clause, the Trustees (without prejudice to the powers of the Trustees under provisions of Clause 30) shall be entitled to require the Company to prove to the satisfaction of the Trustees that the property proposed to be substituted for the same is of a value equal to or greater than the property proposed to be substituted for the same or proposed to be withdrawn and that such property is suitable for the purposes of the Company and upon such proof being made, must convey or assign or cause to be conveyed or assigned such property to the Trustees in such manner as they shall direct upon the trusts hereof relating to the specifically mortgaged premises and thereupon the Trustees shall be at liberty to reconvey to the Company or as the Company may direct the property proposed to be withdrawn TO HOLD the same free from such of the trusts, powers and provisions hereof as exclusively relate to the specifically mortgaged premises and a declaration in writing signed by the Trustees that the proof aforesaid has been furnished to their satisfaction shall be conclusive evidence in favour of the Trustees and the following provisions shall have effect, that is to say:-

(a) The Trustees may accept a certificate signed by a majority in number of the Directors of the Company or by the Managing Director of the Company to the effect that any such property proposed to be substituted is in their or his opinion suitable for the purpose of the Company's business as sufficient evidence of the fact.

(b) The Trustees if furnished a like certificate in that behalf, shall be at liberty to accept the fact that the Company has given a specified price of any such property proposed to be substituted as sufficient evidence

DEBENTURE TRUST DEED

that the same is worth such price, but, they may in their discretion require a written report of a valuer believed by them to be of a good repute as to such value.

(c) The Trustees shall be in nowise responsible for any error in any such certificate or valuation or for any loss that may be occasioned by acting thereon and shall be at liberty to accept such title to such property as the Company shall obtain provided that, the Trustees shall be advised that the title so obtained is one which is a reasonably good holding title or a title not likely to be disturbed.

(d) The property withdrawn shall so far as the Company be or remain interested therein be and be deemed part of the general assets and be subject to the floating charge hereinbefore created and otherwise to the trusts, powers and provisions herein declared and contained of and concerning the general assets.

44. Schedules to form part of this Deed. All the provisions contained in the Schedules hereunder written shall have full effect in the same manner as if such provisions were herein set forth in extenso.

45. Trustees power to waive breach. The Trustees may from time to time and at any time whenever they think it expedient in the interest of the Debenture holders waive unconditionally or on such terms and conditions as to the Trustees shall seem expedient any breach or non-performance by the Company or any of the covenants, conditions, provisions or obligations in these presents contained without prejudice to the rights of the Trustees in respect of subsequent breach thereof.

46. Trustees power to delegate. The Trustees may whenever they think it expedient in the interest of the Debenture-holders to delegate to any person all or any of the trusts, powers and discretions vested in the Trustees by these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including powers to sub-delegate) as the Trustees may in the interest of the Debenture-holders think fit and the Trustees shall not be in anywise responsible for any loss incurred by any misconduct or default on the part of any such delegate or sub-delegates.

47. Trustees not liable for default . The Trustees shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained or any of them or in enforcing the covenants herein contained or any of them or in giving notice to any person or persons of the execution hereof or in making, taking any other steps which may be necessary, expedient or desirable for the purpose of perfecting and/or enforcing the security hereby intended to be created or of perfecting and/or enforcing the security hereby intended to be created or of completing or perfecting or protecting the title of or rights of the Trustees to or over any of the mortgaged premises or for any loss or injury which may be occasioned by reason thereof unless the Trustees shall have been previously requested to perform exercise or do any of such powers, trusts, acts or things or to take any such steps as aforesaid by notice in writing by the holder or holders of at least three fourths of the debentures for the time being outstanding or by a Special Resolution of a meeting of the debenture-holders passed in accordance with the provisions of the fourth Schedule hereunder written. And the Trustees shall not be bound to perform, exercise or do any such powers, acts or things

DEBENTURE TRUST DEED

or take any such steps unless and until sufficient moneys shall have been provided or provision to the satisfaction of the Trustees made for providing the same by or on behalf of the debenture-holders or some of them in order to provide for any costs and expenses which the Trustees may incur or may have to pay in connection therewith.

48. Service of Notice. (a) Any notice required to be served on the Trustees may be served by sending through post in a prepaid letter addressed to the Trustees in case of the present Trustees at their Head Office in ... and in respect of the successors in the Office of the Trustees similarly at such address as may be notified by such new Trustees in this behalf.

(b) Any notice required to be served on the Company may be duly served by sending through post in a prepaid letter at its Registered Office.

(c) Any notice may be served by the Company or the Trustees upon the holder of any debentures issued under these presents by sending through post in a prepaid letter addressed to such debenture-holder at his registered address and any notice so sent by post, shall be deemed to have been duly served on the third day following the day on which it is posted and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office.

(d) Where a document is sent by post, service thereof shall be deemed to be effected by properly addressing and prepaying and posting a letter containing the document, provided that, where intimation has been given in advance that the document should be sent under a certificate of posting or by Registered Post with or without acknowledgement due and a sum sufficient to defray the expenses has been deposited service of the document shall not be deemed to be effected unless it is sent in the manner so intimated by the Debenture-holder.

49. Trustees power to do business or hold office with Company . The Trustees shall not, by reason of their trusteeship, be in anywise precluded from entering into any financial or business contract or transaction with the Company in the ordinary course of business whether in relation to the placing, underwriting, purchasing or subscribing for or lending money upon the debentures or any shares, debenture stock or other securities of the Company in which the Company is interested or from accepting any office or place of profit under the Company and the Trustees shall be in nowise accountable to the Company or the debenture holders for any profits arising from any such contract, transaction or office or place.

50. Trustees to pay as per tenor of debentures. The Company shall pay the principal moneys and interest secured by the debentures in accordance with the tenor thereof and the conditions endorsed thereon respectively and shall observe and perform the several conditions endorsed thereon respectively and such conditions shall be binding on the Company and the debenture-holders and all persons claiming through them respectively and shall be deemed to be incorporated in and to form part of these presents.

51. Company to act in good faith. Subject as herein provided the Company further covenants with the Trustees that it will diligently preserve its corporate existence and all rights, contracts, privileges, franchises and concessions now held or hereafter acquired by it which may be of value in the conduct of its business and that it will comply with each and every of the terms of the said franchises and concessions and

DEBENTURE TRUST DEED

all acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the mortgaged premises as the same shall be constituted from time to time or any part thereof PROVIDED THAT, the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the debenture or the security for the debentures is not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal or of interest on the debentures might or could be hindered or delayed.

52. Trustees to declare liability to debenture-holders. At any time after the security hereby constituted becomes enforceable, and the Trustees shall have determined or become bound to enforce the same, they may by notice in writing to the Company declare that the Debentures are payable and the principal moneys thereby secured shall thereupon become payable accordingly.

53. Trustees' power to modify this Deed. The Trustees may concur with the Company in making any modifications in these presents which in the opinion of the Trustees it shall be expedient to make with a view to obtaining a quotation of the debentures on the Stock Exchange, provided that, the Trustees shall be of opinion that such modifications will not be prejudicial to the interest of the debenture-holders and provided further that, any such change shall first be approved by a Special Resolution of the debenture-holders and the Trustees shall give effect to the same by executing the necessary Deed or Deeds.

54. Removal of Trustees. The power to remove the Trustees and to nominate new Trustees hereof shall vest in the debenture-holders to be exercised by them by a Special Resolution passed at a meeting held in accordance with the provisions contained in the Fourth Schedule hereto and the Company shall appoint such nominee or nominees as new trustees. A corporation, statutory or otherwise, or a company may be appointed a trustee or sole trustee hereof but save as aforesaid there shall always be at least two trustees. Whenever there shall be more than two trustees hereof the majority of such trustees shall be competent to exercise all the powers, authorities and discretions hereby vested in the Trustees.

55. Retirement of Trustees. Any Trustee hereof may retire from the trusteeship at any time on giving three calendar months' notice in writing to the Company of such Trustees' intention so to do and at the expiration of such notice such Trustee shall be discharged from the trusts hereof and such Trustee shall not be responsible for any loss or costs occasioned by such retirement.

56. Company's liability to stamp duty etc. The Company shall pay all such stamp duty (including any additional stamp duty) other duties, taxes, charges and penalties if and when the Company may be required to pay according to the laws for the time being in force in the State in which its properties are situated or otherwise, and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Trustees will be at liberty (but shall not be bound) to pay the same and the Company shall repay the same to the Trustees on demand

DEBENTURE TRUST DEED

with interest thereon at the rate of Rs. per cent per annum and until such repayment the same shall be secured by these presents.

57. Company's bankers' rights. : Notwithstanding anything herein contained the powers reserved to the Trustees under these presents shall insofar as they relate to the bankers' goods be subservient and subject to the charges created and/or to be hereafter created by the Company thereon in favour of its Bankers and the same shall not be exercised by the Trustees except after prior consultation with the Bankers of the Company.

58. Redemption. Upon proof being given to the reasonable satisfaction of the Trustees that all Debentures entitled to the benefit of the trusts herein contained and for the time being issued have been paid off or satisfied or that provision for such payment or satisfaction has been made and upon payment of all costs, charges and expenses secured by the Trustees or by the Receiver in relation to these presents the Trustees shall at the request and cost of the Company reconvey and reassign to the Company or as the Company may direct the mortgaged premises or such part thereof as may remain vested in the Trustees freed and discharged from the trusts hereby declared and otherwise release the mortgaged premises from the security hereby instituted.

59. Company's covenant. The Company hereby covenants with the Trustees that the Company will duly perform and observe all the covenants, conditions, provisions and obligations on its part in these presents contained.

IN WITNESS WHEREOF the Company has caused its Common Seal to be hereunto affixed and the Trustees have hereunto set their hands and seal the day and year first hereinabove written.

The Common Seal of A. B. & Co. Ltd., is)
affixed pursuant to the Resolution)
dated ... of the Board of Directors)
in the presence of ... (1)...)
Managing Director (2)... a Director)
and ... (3)... the Secretary of the)

Company duly authorised in that behalf)
and who in token thereof have put)
their hands opposite in the presence)
of ...)

1.)
2.)
Signed by the withinnamed Trustees)
(1)...(2)...(3)... in the)
presence of ...)

THE FIRST SCHEDULE ABOVE REFERRED TO
(Description of Immovable Property)
THE SECOND SCHEDULE ABOVE REFERRED TO
(Description of Machinery Etc.)

DEBENTURE TRUST DEED

THE THIRD SCHEDULE ABOVE REFERRED TO

Form of Debenture

The A.B & Company Limited

(Registered under the Indian Companies Act, of 1956)

Registered Office :

Authorised Capital Rs.

Subscribed and Paid-up Capital :

Issue of. Mortgage Debentures of Rs. (Rupees
. . .) each of the aggregate nominal value of Rs... (Rupees.), made
in terms of the Debenture Trust Deed (hereinafter called "the Trust Deed")
dated ... day of ... and made between the A B & Co. Ltd., (hereinafter
called "the Company") of the one part and (1)... (2)... (3)... (hereinafter
called "the Trustees") as Trustees of the Other Part, and carrying interest
at ...% per annum.

The issue is made in terms of the power reserved by the Company by
Clause ... of its Memorandum of Association and by Article ... of its Articles
of Association and in pursuance of the resolution of the Company passed
at its Annual General Meeting held on the ... day of ... under the provisions
of section 293 (1) (a) of the Companies Act, 1956, and the resolution of
the Board of Directors of the Company passed on the ... day of ...

1. The Company shall redeem the Debentures issued hereunder in
four equal annual instalments commencing from the ... day of ... and
ending on the ... day of ... by paying to the holders for the time being of
the Debentures then outstanding the nominal amount of the Debentures
together with interest upto the date of redemption against surrender of
the Debentures to be redeemed.

2. The Company hereby covenants with the Trustees that the Com-
pany will, so long as the Debentures are outstanding, pay to the holders
for the time being thereof, on the nominal amount of the Debentures held
by them respectively, interest at the rate of ...% (... per cent) per annum
subject to Income tax and such interest shall be paid by equal half yearly
payments on the ... day of ... and on the ... of ... in each year. Interest
shall be deemed to accrue due from day to day and the Company shall
pay overdue interest at the same rate from the due date of payment upto
the date the interest shall have been actually paid.

3. The Company shall pay all amounts of principal and interest due
hereunder in accordance with the tenor hereof and such payments shall
be made in ...

4. This Debenture is issued subject to the provisions of the Trust Deed
and also subject to and with the benefit of the conditions endorsed hereon
which are deemed to be part hereof for all purposes and in all respects.

Mortgage Debentures each of Rs...

Amount paid-up per Debenture Rs...

DEBENTURE TRUST DEED

Reg. Folio No.

Certificate No.

Name(s) of Holder(s)

Number of Debenture(s) held

Distinctive No.(s)

GIVEN at ... under the Common Seal of the Company this ... day of ...
Director,
Under Authority of the Board.

(here enter the Certificate of Registration of Charge of the Registrar of Companies).

THE CONDITIONS WITHIN REFERRED TO

1. This Debenture is one of series of Debentures of Rupees ... each issued by the Company for securing the aggregate principal amount of Rs... (Rupees...) and which is secured by the mortgage and charge created over the mortgaged premises as defined in the Trust Deed. All the Debentures of the series shall rank pari passu, inter se, without any preference or priority of one over the other or others with a power to the Company to issue further Debentures of an amount not exceeding Rs... (Rupees...) secured on the said mortgaged premises on a pari passu basis.

2. The following provisions shall have effect as to the redemption of the Debentures:

(a) The Company shall redeem the Debentures in four equal annual instalments commencing from the ... day of ... and ending on the ... day of ... by paying to the holders for the time being of the Debentures then outstanding the nominal amount of the Debentures together with interest upto the date of redemption against the surrender of the Debentures to be redeemed;

(b) The Debentures to be redeemed on each occasion as aforesaid shall be determined by a drawing which the Trustees shall cause to be made at least two months before the date of redemption at the instance of the Company and every such drawing as aforesaid shall be made at the Registered Office of the Company or at the Registered Office of the Trustees, as the case may be, and shall be made in the presence of the Trustees;

(c) Forthwith after every such drawing the Trustees shall notify to the Company in writing the numbers of the Debentures which shall have been drawn for redemption and the Company shall thereupon give to such Debenture-holders whose Debentures have been so drawn, at least one months' prior notice in the manner provided hereinafter of the Company's intention to redeem such Debentures by payment at a time and on a date named, at the Registered Office of the Company against surrender of the Debentures to be redeemed;

(d) At the time, date and place so notified each Debenture-holder whose Debenture or Debentures is or are notified for redemption shall be bound

DEBENTURE TRUST DEED

to surrender to the Company the Debenture or Debentures which is or are to be redeemed and upon receiving evidence of such surrender the Trustees shall cause to be paid to the Debenture-holders the amount payable to him in respect of such redemption. The interest on the Debentures notified for redemption shall cease from the date mentioned therefor in such notification unless, upon the registered holder of such Debentures demanding on or after the date and at the place fixed for redemption monies payable in respect thereof and rendering the certificate for such Debentures, payment of the redemption monies shall have been refused;

(e) All such Debentures as and when redeemed shall be cancelled;

(f) The Company hereby further covenants with the Trustees that in the event of the principal monies under the Debentures becoming due and payable earlier under or by virtue of the provisions hereof, the Company will pay to the holders of the Debentures then outstanding the nominal amount of the Debentures together with interest accrued up to the date of payment.

3. Every Debenture-holder shall in the first instance be entitled in respect of all the Debentures held by him to one certificate under the Common Seal of the Company to be affixed in accordance with the proviso of the Articles of Association of the Company stating the nominal amount of the Debentures held by him, and every such certificate shall refer to the said Trust Deed. Upon payment to the Debenture-holders in full discharge of all principal moneys and interest due upon the Debenture, the Certificate shall be surrendered and delivered unto the Company with receipts in full discharge endorsed thereon and signed by the respective holders.

4. If any Debenture Certificate issued hereunder be worn out, or defaced, or where the pages on the reverse for recording transfers have been fully utilised then, upon production thereof to the Company, the Company shall cancel the same and shall issue a new certificate in lieu thereof free of cost and if any Debenture Certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Company or in default of such proof on such indemnity as the Company may deem adequate, being given and on payment to the Company of any expenses incurred by the Company in connection with the proof of such loss or in investigating the title to the Debenture Certificate or in connection with such indemnity, a new Certificate in lieu thereof may be given to the person entitled to such lost or destroyed certificate.

5. No fees shall be charged for sub-division of such Certificate into marketable lots or otherwise or for consolidation. Every Certificate shall bear the denoting number. The Company shall only be bound to register individuals (excluding trustees, firms, or partnerships, minors and persons of unsound mind) and statutory corporations, limited companies or bodies corporate including registered societies as the holder or holders of any Debentures and in the case of joint holders the Company shall not be bound to register more than four persons as the joint-holders of any Debentures and delivery of a Certificate to one of such persons shall be sufficient delivery to all.

DEBENTURE TRUST DEED

6. Except as otherwise required by law, the Company will recognise the registered holder of any Debentures as the absolute owner thereof and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Debenture may be subject and the receipt of such registered holder or in the case of joint registered holders the receipt of any of them for the interest from time to time accruing due in respect thereof or for any other monies payable in respect thereof shall be a good discharge to the Company notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other person to or in such Debenture or interest or moneys. No notice of any trust, express, implied or constructive shall be entered in the register in respect of any Debenture.

7. Every Debenture-holder will be recognised by the Company as entitled to his Debenture free from any equity set-off or crossclaim on the part of the Company against the original or any intermediate holder of the Debentures.

8. Every Debenture-holder will be entitled to transfer the Debentures held by him by an instrument in writing in the usual common form and such instrument may be under his hand only. No fee shall be charged therefor.

9. Every instrument of transfer must be signed both by the transferor and by the transferee and the transferor shall be deemed to remain the owner of the Debentures until the name of the transferee is entered in the register in respect thereof.

10. Every instrument of transfer of Debentures must be left at the registered office of the Company for registration accompanied by the Certificate of the Debentures to be transferred and such other evidence as the Directors of the Company may require to prove the right of the transferor to transfer the Debentures (and if the instrument of transfer is executed by some other person on his behalf the authority of that person to do so).

11. All instruments of transfer which shall be registered shall be retained by the Company.

12. A Register of the Debenture-holders will be maintained at the registered office of the Company. The Register may be closed at such times for such period as the Company may determine in accordance with the provisions of the Companies Act, 1956. The Register will at all reasonable times, during business hours be open to the inspection of the Registered Holder of this Debenture his Executors, his Administrators and any person authorised in writing by him. Any change of name and address on the part of the Registered Holder of this Debenture shall forthwith be notified to the Company, which on satisfactory proof thereof, shall alter the Register accordingly.

13. In the case of death of a Registered Debenture-holder the survivors or survivor, where the deceased was a joint holder and the executors or Administrators of the deceased or the holder of a succession Certificate, where he was a sole or only surviving holder shall be the only persons who

DEBENTURE TRUST DEED

will be recognised by the Company as having any title to such Debentures. Provided nevertheless that, the Directors of the Company may dispense with the production of proper legal representation upon production of such evidence and upon such terms as to indemnity or otherwise as the Directors of the Company may deem fit.

14. Any person becoming entitled to the Debentures in consequence of the death or insolvency of any holder of such Debentures, may upon producing such evidence that sustains the character in respect of which he proposes to act under this condition or of his title as the Directors shall think sufficient, be registered himself as the holder of such Debentures or subject to the preceding conditions as to transfer may transfer such Debentures. The Directors shall be at liberty to retain the interest payable upon any Debentures which any person under the last preceding condition and this condition is entitled to transfer until such person shall be registered or duly transfer the same as aforesaid.

15. Any interest or other moneys payable on or in respect of any Debenture may be paid by cheque or warrant sent through the post to the registered address of the Debenture holder or person entitled thereto or in the case of joint holders to the registered address of that one of the joint holders who is first named on the register in respect of such Debenture or to such person or to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person or persons as the Debenture-holder or joint-holders may in writing direct and payment of the cheque if purporting to be fully endorsed shall be a satisfaction of the moneys represented thereby. Every such cheque or warrant shall be sent at the risk of the person entitled to the moneys represented thereby.

16. If several persons are entered in the register as joint holders of any Debenture then without prejudice to the last preceding condition the receipt of any of such persons for any interest or other moneys payable on or in respect of such Debenture shall be as effective a discharge to the Company as if the person signing such receipt were the sole registered holder of such Debenture.

17. Any notice may be given to any Debenture-holder by sending the same by post in a prepaid letter addressed to such Debenture-holder at his registered address. In the case of joint registered holders of any Debenture a notice given to the Debenture-holder whose name stands first in the register in respect of such Debenture shall be sufficient notice to all the joint-holders.

18. Any notice served by post shall be deemed to have been served on the third day following that on which it is posted and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed, stamped and posted. In the case of any Debenture-holder registered with an address outside India airmail postage shall be used for the service of notice whenever practicable.

19. This Certificate is issued subject to the provisions of the Trust Deed whereby all remedies for the recovery of the principal moneys, inter-

DEBENTURE TRUST DEED

est and all other moneys due thereunder are vested in the Trustees on behalf of the Debenture-holders as mentioned in the Trust Deed and it is accordingly expressly stipulated that this Debenture shall operate only according to the tenor thereof.

20. The Company shall be entitled to deduct from the interest payable under any of the Debentures any tax which the Company may be bound by law to deduct in respect of such interest and pay the same to the relevant authorities.

The Memorandum of Transfer within Debenture.

Date	Transfer No.	Name(s) of Transferee(s)	Register Folio	Initial	Authorised Signatory
------	--------------	--------------------------	----------------	---------	----------------------

THE FOURTH SCHEDULE ABOVE REFERRED TO

Rules Regarding the proceedings at Meetings of Debenture-Holders

1. The Trustees or the Company may respectively at any time convene a meeting of the Debenture-holders. Whenever the Company is about to convene any such meeting, it shall forthwith give notice in writing to the Trustees of the place, day and hour thereof and of the nature of the business to be transacted thereat. And the Trustees shall do so upon a requisition in writing of holders of one fifth or more of the nominal amount of Debentures for the time being outstanding. All such meetings shall be held at the Registered Office of the Company.

2. Twenty one days' notice at least to the Debenture-holders specifying the place, day and hour of meeting shall be given prior to any meeting of the Debenture-holders. Such notice shall be given in accordance with Clause 48 of the foregoing Trust Deed.

3. Subject to the provisions of Clause 18 hereof, at any such meetings persons present in person or by proxy and holding at least one fifth of the nominal amount of the Debentures for the time being outstanding shall form a quorum for the transaction of business and no business shall be transacted at any meeting unless the requisite quorum be present at the commencement of business.

4. Some person nominated by the Trustees shall be entitled to take the chair at every such meeting and if no such person is nominated or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting the Debenture-holders present shall choose one of their number to be the Chairman.

5. The Trustees and their Solicitor or Solicitors or Advocate and any Director or Secretary of the Company or its Solicitor may attend any such meetings.

6. Subject to the provisions of Clause 18 hereof, if within half an hour from the time appointed for any meeting of the Debenture holders a quorum is not present the meeting shall stand adjourned to the same

DEBENTURE TRUST DEED

day in the next week at the same time and place or to such other day and such other time and place as the Trustees may decide and if at such adjourned meeting a quorum is not present the Debenture holders present shall form a quorum and may transact any business which a meeting of Debenture-holders is competent to transact.

7. Every question submitted to a meeting of the Debenture-holders shall be decided in the first instance by a show of hands, and in case of an equality of votes the Chairman shall both on the show of hands and at the poll, have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Debenture holder.

8. At any General Meeting of the Debenture-holders unless a poll is demanded by the Chairman or by the holder or holders of at least three Debentures, present in person or by proxy, a declaration by the Chairman that a Resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

9. If at any such meeting a poll is demanded as aforesaid it shall be taken in such manner and either at once or after an interval or adjournment, as the Chairman directs, and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

10. The Chairman may, with the consent of any such meeting adjourn the same from time to time and from place to place.

11. Any polls demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.

12. The registered holder of a Debenture or in the case of joint-holders the one whose name stands first on the register as one of the holders thereof, shall be entitled to vote in respect of such Debenture, either in person or by proxy, but every instrument appointing a proxy must be in writing under the hand of the appointer, or in the case of a corporation under its Common Seal or signed by any one of its officers duly authorised in that behalf or its Attorney and must be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. A proxy need not be a Debenture-holder. Every such proxy must be in the terms or to the effect following, that is to say "I ... of ... a Debenture-holder of the ... Company Limited holding ... Debentures of Rs. ... each under Certificate no. ... dated ... hereby appoint ... of ... or failing him ... of ... to vote on my behalf at the meeting of the Debenture holders of the said Company, which is to be held on the ... day of ... and at any adjournment thereof. As witness my hand etc." A vote given in accordance with the terms of the proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the Debenture in respect of which the vote is given provided no intimation in writing of the death or revocation or transfer shall have been received by the Trustees or at the Registered Office of the Company before the date of the meeting.

DEBENTURE TRUST DEED

13. At every such meeting each voter shall on a show of hands be entitled to one vote only, but at a poll he shall be entitled to one vote in respect of every Debenture of Rs. ... in respect of which he is entitled to vote.

14. If and when the Trustees shall have made entry or taken possession under the powers conferred by the foregoing Trust Deed, they with the authority of a special resolution of the Debenture-holders may at any time afterwards give up possession of the mortgaged premises or any part thereof to the Company, either unconditionally or upon such terms and conditions as may be specified in such resolution.

15. A General Meeting of the Debenture-holders, shall, in addition to the powers hereinbefore given have the following powers exercisable by special resolution viz:-

(1) Power to sanction the surrender or release of any of the mortgaged premises.

(2) Power to sanction any compromise or arrangement proposed to be made between the Company and the Debenture-holders.

(3) Generally, power to sanction any modification of the rights of the Debenture-holders against the Company or against its property whether such rights shall arise under these presents or otherwise.

(4) Power to assent to any modification of the provisions contained in these presents which shall be proposed by the Company and assented to by the Trustees.

(5) Power to appoint New Trustees.

16. A special resolution passed at a General Meeting of the Debenture-holders duly convened and held in accordance with these presents or a writing addressed by a holder or holders of all the Debentures to the Company or the Trustees as provided by Clause 20 below shall be binding upon all the Debenture-holders whether present or not present at such meetings and each of the Debenture-holders shall be bound to give effect thereto accordingly, and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof, the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of such resolution.

17. The expression "Special Resolution" when used in this Schedule as also in the foregoing Trust Deed means a resolution passed at a meeting of the Debenture-holders duly convened and held in accordance with the provisions herein contained by a majority consisting of not less than the three fourths of the votes given on such poll.

18. The quorum for any meeting convened for the purpose of passing a special resolution shall be Debenture-holders holding a clear majority in value of the debenture issue then outstanding present in person or by proxy, but so that if within one hour from the time appointed for the meeting, such Debenture-holders are not present so as to form a quorum, the meeting shall stand adjourned for atleast 28 days, and shall accordingly be held on the corresponding day of the week, and at the same time and place as that originally fixed by the notice convening the meeting or

DEBENTURE TRUST DEED

on such other day and at such other time and place as the Trustees may decide, and if at such adjourned meeting a quorum as above defined is not present then those Debenture-holders who are present shall be a quorum and may transact the business for which the meeting was originally convened and a resolution passed thereat by a majority consisting of not less than three fourth of the votes given in such poll, shall be considered a Special Resolution within the meaning of this Schedule and the foregoing Trust Deed. Notice of the adjourned meeting shall be given, as prescribed in Clause 2 of this Schedule, to every Debenture-holder and such notice shall state that if a quorum as above defined shall not be present at the adjourned meeting Debenture-holders then present will form a quorum.

19. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustees at the expense of the Company and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings had by the Chairman of the next succeeding meeting of the Debenture-holders shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all Resolutions thereat or proceedings taken to have been duly passed and taken.

20. A resolution in writing or a letter or letters duly signed by or on behalf of the holders of all the Debentures for the time being outstanding shall be as effective for all purposes as a resolution, special or otherwise, duly passed in accordance with the provisions of this Schedule.

IN WITNESS WHEREOF the Company has caused its Common Seal to be hereunto affixed and the Trustees have hereunto set their hands and seal the day and the year first hereinabove written.

The Common Seal of ... Co. Ltd.,)
is hereto affixed pursuant to the)
Resolution dated ... of the Board)
of Directors in the presence of)

(1) Managing, Director)
(2) ... a Director, and)
(3) ... The Secretary of the)
Company duly authorised in that)
behalf and who in token thereof)
have put their hands opposite in)
the presence of ...)

DEBENTURE TRUST DEED

1))
2))

Signed by the withinnamed Trustees)

(1) ...)
(2) ...)
(3) ...)
in the presence of ...)

www.advocateshah.com