

**AMENDED AND RESTATED JOINT DEED OF HYPOTHECATION**

**BY**

**PENNA R INDUSTRIES LIMITED**  
**(as the Borrower)**

**IN FAVOUR OF**

**AXIS TRUSTEE SERVICES LIMITED**  
**(As the Security Trustee)**



**I N D I A L A W**

**INDIALAW LLP**

Mumbai | Delhi | Chennai | Kolkata | Bengaluru | Hyderabad | Cochin | Ahmedabad | Navi

Mumbai | Pune | UAE

(N-J) SL.NO.  
PURCHASER  
EXECUTANT/CLAIMANT

SUB REGISTRAR  
EX OFFICIO STAMP VENDOR  
P.R.O. BANJARA HILLS



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**AMENDED AND RESTATED JOINT DEED OF HYPOTHECATION**

**THIS AMENDED AND RESTATED JOINT DEED OF HYPOTHECATION ("Deed")** is made and executed at Hyderabad on this 10<sup>th</sup> day of May, 2021.



**BY**

**PENNAH INDUSTRIES LIMITED**, a Company incorporated under the Companies Act, 1956 with CIN No. L27109TG1975PLC001919 and having its Registered Office at Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad - 500084 (hereinafter referred to as the "**Borrower**", which expression shall, unless it be repugnant to the subject or context thereof, include its administrators, liquidators, legal representatives, successors and permitted assigns), of the **FIRST PART**;

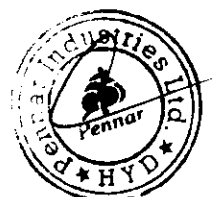
**IN FAVOUR OF**

**AXIS TRUSTEE SERVICES LTD**, a company registered under the Companies Act, 1956 and having its Registered Office at Axis House, Bombay Dyeing Mills Compound, PandhurangBudhkar Marg, Worli, Mumbai, Maharashtra - 400025 and having its corporate office at the Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg, Dadar West, Mumbai - 400028, Maharashtra (hereinafter referred to as "**Security Trustee**", which expression shall, unless it be repugnant to the subject or context thereof, include its administrators, successors and assigns) of the **SECOND PART**;

The Borrower and the Security Trustee shall hereinafter collectively be referred to as "Parties" and individually be referred to as "Party".

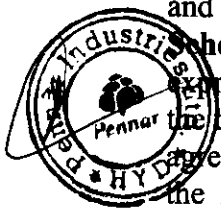
**WHEREAS**

- A. The Borrower is a public limited company engaged in the business of manufacturing and selling of steel strips and sheets of all kinds, sizes, grades varieties, box strapping, stainless steel, strips and sheets, non-ferrous strips and sheets, tubes, double walled tubes, precision tubes, pipes and tin plates.
- B. The National Company Law Tribunal, Hyderabad Bench vide its order dated May 08, 2019 approved the Scheme of Amalgamation ("**Scheme**") between erstwhile Pennar Engineered Building Systems Limited ("**PEBSL**") and erstwhile Pennar Enviro Limited ("**PEL**") and the Borrower pursuant to which PEBSL and PEL amalgamated with the Borrower (Transferee Company) with effect from April 01, 2018 as the Appointed Date.



- C. Pursuant to the Scheme, all the assets, rights and liabilities, duties and obligation of PEBSL and PEL were transferred to the Borrower.
- D. The Existing Lender(s) had, from time to time, sanctioned various facilities to PEBSL, PEL and the Borrower respectively, for the purpose and on the terms and conditions contained in various loan agreements / facility agreements entered among the PEBSL, PEL, Borrower and the Existing Lender(s) and in order to secure such facilities had created security by way of mortgage of its immovable properties and hypothecation of its movable properties.
- E. In line with the Scheme of Amalgamation the Existing Lender(s) have decided to transfer/ re-allocate the existing facilities already granted to PEBSL and PEL to the Borrower and accordingly to renew/ sanction the facilities sanctioned to the Borrower on such terms as set out in their respective Sanction Letters.
- F. Pursuant to the Scheme of Amalgamation and at the request of the Borrower, the Lender(s) have grant/continue to grant various working capital credit facilities sanctioned to the Borrower aggregating to **Rs. 892.50 Crores (Rupees Eight Hundred Ninety Two Crores Fifty Lakhs Only)** for meeting working capital requirements, (hereinafter referred to as the “**Existing Facility**” or “**Existing Facilities**”, together with interest, compound interest, additional interest, penal interest, costs, charges, expenses, etc.), more specifically described in **Part A of Schedule I** hereto, upon the terms and conditions set out in the existing working capital consortium agreement executed on March 19, 2020 (hereinafter referred to as the “**Existing Working Capital Consortium Agreement**”) the other Finance Documents and respective sanction letters of each Existing Lender more specifically described in **Part A of Schedule I** (hereinafter collectively referred to as the “**Existing Sanction Letters**” which expression shall include all amendments made thereto and correspondence).
- G. Pursuant to the said Finance Documents and the respective Sanction Letters, as amended and supplemented from time to time, and in compliance with the terms, conditions and covenants contained therein, repayment of the Facilities together with all upfront fee, interest, additional interest, default interest/ liquidated damages, premium on prepayment, remuneration payable to the Security Trustee costs, expenses and other monies owing by, and all other present and future obligations and liabilities of the Borrower to the Security Trustee as stipulated in the said Finance Documents and the Sanction Letters and all costs, charges and expenses, the costs, legal expenses and costs of preserving the securities and/or enforcement thereof, incurred by the Security Trustee / Lender(s) under the related said Finance Documents were secured, inter alia, by first ranking *pari passu* charge by way of hypothecation over the Borrower’s assets short particulars of which were provided in in **Schedule II** (hereinafter referred to as the “**Hypothecated Assets**”) hereto by executing a Joint Deed of Hypothecation dated March 13, 2020 (hereinafter referred to as the “**Principal Deed**”) in favour of the Security Trustee for the benefit of the Lender(s) being these presents, which the borrower has agreed to do in the manner hereinafter appearing.
- H. Thereafter, at the request of the Borrower, the Existing Lender(s) have revised the Existing Facilities from **Rs. 892.50 Crores (Rupees Eight Hundred Ninety Two Crores Fifty Lakhs Only)** to **Rs. 883.0331 Crores (Rupees Eight Hundred Eighty Three Crores Three Lakh and Thirty One Thousand Only)** (including Guaranteed Emergency Credit Limits aggregating to Rs. 66.5331 Crores (“**GECL Facility**”) sanctioned by YBL, HDFC and ICICI) which shall be backed by a 100% (one hundred percent) guarantee coverage to the extent of the Guaranteed Amount (defined hereinbelow) from National Credit Guarantee Trustee Company Limited (“**NCGTC**”) (hereinafter referred to as the “**Facility**” or “**Facilities**”, together with interest, compound interest, additional interest, penal interest, costs, charges, expenses, etc.), in the





proportion more specifically described in **Part B of Schedule I** hereto, upon the terms and conditions set out in the sanction letters more specifically described in **Part B of Schedule I** hereto (hereinafter referred to as the "**New Sanction Letters**" which expression shall include all amendments made thereto and correspondence) as well as the terms and conditions contained in amended and restated working capital consortium agreement dated May 10, 2021, executed among the New Lender, the Existing Working Capital Lenders, the Borrower and the Security Trustee (the "**Amended and Restated WCCA**") and other Finance Documents.

*(The Existing Sanction Letters and the New Sanction Letters, shall hereinafter be collectively referred to as the "**Sanction Letters**".)*

*(The Existing Facility Agreement and the Amended and Restated WCCA shall collectively be referred to as the "**Facility Agreement**".)*

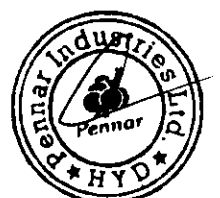
- I. Pursuant to the above, the Parties have decided to enter into this Deed in substitution and supersession of the Principal Deed by amending and restating the Principal Deed and this Deed shall replace the same from the date hereof. Provided that all acts already validly done by the parties, prior to supersession and in accordance with the terms of the Principal Deed shall not be considered contrary to the terms of this Deed.

(Any capitalized term used in this Deed but not defined shall have the meaning given to such term in the Facility Agreement and/or other Finance Documents)

**NOW THIS DEED WITNESSETH AND IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:**

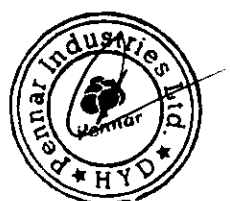
1. A. The Borrower hereby agrees with the Security Trustee and each of the Lender(s) that it will abide by the terms and conditions contained in this Deed and the Security Trustee Agreement, as may be modified or amended or varied and in force from time to time during the tenure of this security. These presents shall be read in conjunction with the said Finance Documents as aforesaid and shall be construed accordingly. In the event of any inconsistency or repugnancy between the two, the provisions of this Deed as aforesaid shall prevail so far as hypothecation of the Hypothecated Assets is concerned.
- B. The Borrower agrees to repay to each of the Lender(s) therein respective Facility amounts on demand as mentioned in this Deed.
- C. The Borrower agrees with each of the Lender(s) that so long as the said Facilities or any portion thereof will remain outstanding or unpaid, the Borrower will pay to each of the Lender(s) interest and commission at the rates per annum as indicated in the said Finance Documents.

In pursuance of this Deed and in consideration of the Lender(s) having granted and agreed to grant to the Borrower all or some of the said Facilities for the purposes and subject to the terms and conditions specified in the said Finance Documents, the Borrower does hereby hypothecate to and charge in favour of the Security Trustee acting for the benefit of and on behalf of the Lender(s) jointly and to each of them severally, the short particulars whereof are given in the **Schedule II** (all assets comprised in this security are hereinafter for brevity's sake referred to as the "**Hypothecated Assets**"), for securing the due repayment and discharge on demand of the said Facilities to the Lender(s) together with interest thereon at agreed rates and rests as mentioned in the said Finance Documents and all costs, charges, expenses, and other moneys payable in respect of the Facilities and also for the due observance, performance and discharge by the Borrower of all obligations arising out of or in respect of the Facilities or which may give rise to a pecuniary liability and for all costs (between attorney and client) on full

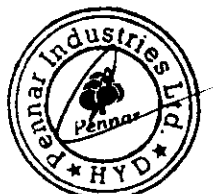


indemnity basis, charges, expenses and other moneys whatsoever paid or incurred by the Lender(s)/Security Trustee in connection with the insurance, protection, observance, enforcement or realisation of the security and for the recovery of their respective dues as also as security for the payment and discharge of all indebtedness whatsoever or liability of the Borrower to the Lender(s) in respect of any liability undertaken by the Lender(s) under any letter of credit opened or guarantee or indemnity issued by the Lender(s) for the Borrower or otherwise in respect of any account at any office of the Lender(s) (whether in India or elsewhere and whether accrued, accruing or contingent and whether solely or jointly with others) and any bills of exchange, promissory notes or instruments at any time drawn, made, accepted or endorsed by the Borrower solely or jointly with others which the Lender(s) may discount or become interested in together with all interest, discount, commission, charges, costs (between attorney and client), and expenses payable to or incurred by the Lender(s) in relation thereto so that the security hereby created shall be and shall always be and remain a continuing security for all moneys, indebtedness and liabilities aforesaid notwithstanding the existence of a credit balance on the said Account(s) at any time or any partial payments or fluctuations of accounts and the said security shall be in addition to any other security for any such indebtedness or liability, including fees and expenses of the Security Trustee, now held or hereafter to be held by the Security Trustee for the Lender(s) and all other monies whatsoever payable by the Borrower under the Consortium Agreement and these presents. Provided, however, that where the Lender(s) have at the specific request of the Borrower and in their sole discretion communicated in writing to the Borrower that in respect of any specific items of goods, book-debts, movables and other assets, this charge by way of hypothecation will not operate, such goods, book-debts, movables and other assets shall be deemed as not having been hypothecated to the Security Trustee for the benefit of the Lender(s) as stated hereinabove.

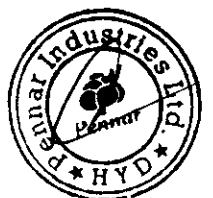
2. The Borrower further represents and warrants to the Lender(s) that as of the date hereof and on each date throughout the continuance of this Deed:
- (a) this Deed has been duly and validly executed and delivered by the duly authorised representatives of the Borrower and constitutes legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with its terms;
  - (b) all permissions/ approvals/ consents necessary or required on the part of the Borrower have been taken to authorise and empower the Borrower to enter into and perform its obligations under this Deed;
  - (c) the execution, delivery and performance by the Borrower of this Deed and the acts and transactions contemplated hereby do not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent under or result in a breach of or default under:
    - (i) any applicable law to which the Borrower is subject;
    - (ii) any order, judgment or decree applicable to the Borrower; or
    - (iii) any term, condition, covenant, undertaking, agreement or other instrument to which the Borrower is a party or by which the Borrower is bound;
  - (d) the execution and delivery by the Borrower of this Deed has been duly authorised by all requisite corporate actions including but not limited to the actions required to be taken under the Companies Act, 2013 and the hypothecation over the Hypothecated Assets has been created by the Borrower in the ordinary course of its business;



- (e) the Borrower is the sole legal and beneficial owner of the Hypothecated Assets;
  - (f) no Encumbrance exists over all or any of the Hypothecated Assets;
  - (g) the Borrower has full right to hypothecate the Hypothecated Assets in favour of the Lender(s) and no third party has any claim thereto or any part thereof;
  - (h) there is no prohibition, order, or any suit/s pending before any court, or tribunal, which would materially adversely affect the ability of the Borrower to meet and carry out its obligations under this Deed;
  - (i) no Tax proceedings are pending against the Borrower including without limitation under the Income Tax Act, 1961 and the permission of the assessing officer is not required under Section 281 of the Income Tax Act, 1961 for the execution and the performance of this Deed by the Borrower;
  - (j) all information set forth in this Deed and other related deeds and documents and all information furnished by the Borrower to the Lender(s) is true and correct and is not/shall not be misleading whether by reason of omission to state a material fact or otherwise
  - (k) The Borrower hereby declares and guarantees that, save to the extent of the rights hereby conferred on the Lender(s), all the Hypothecated Assets present and future whether now hypothecated or which may become hypothecated in future is and shall be the sole, absolute and unencumbered property of the Borrower with full power of disposition over all such Hypothecated Assets free from any mortgage, pledge, charge (whether fixed or floating), lien or any other form of encumbrance or security interest of any kind whatsoever and howsoever arising (hereinafter collectively referred to as the "Encumbrances" and individually as an "Encumbrance") on or over the Hypothecated Assets. The Borrower shall not at any time create or attempt to create any Encumbrance upon /in respect of the Hypothecated Assets or any part thereof, without obtaining the prior written consent of the Lender(s). The Borrower shall not permit or suffer to be done any act or thing which may adversely affect or prejudice the Lender(s) security thereon. The Borrower shall not any time assign or transfer or deal with or create or permit to be created any assignment or transfer of the Hypothecated Assets, without obtaining the prior written consent of the Lender(s).
  - (l) The Borrower shall, at all times, during the continuance of these presents and the charge hereby created duly and punctually pay any imposts, duties, Taxes, and outgoings which become lawfully payable by the Borrower in respect of the Hypothecated Assets and shall prevent any part of such Hypothecated Assets from becoming charged with the payment of any imposts, duties and Taxes lawfully payable by the Borrower.
  - (m) The Borrower shall take all necessary and requisite actions, including the making of all filings with the relevant authorities including the Registrar of Companies within the period(s) permitted under applicable law, in order to perfect the charge hereby created by the Borrower.
3. The Borrower hereby declares, covenants, engages and agrees with the Security Trustee and the Lender(s) jointly and with each of them severally as follows:
- (a) All moneys drawn from the Lender(s) and credited in the Account(s) shall be solely applied for the working capital needs of the Borrower in its usual ordinary course of business and for no other purpose;



- (b) All advances made by the Lender(s) under the Account(s) and the balance due to the Lender(s) thereunder shall be repayable to the Lender(s) on demand;
- (c) Subject to the powers conferred hereunder on the Security Trustee, the Borrower may in the ordinary course of business sell and dispose of any of the hypothecated assets, but the Borrower shall on any and every such sale or on receipt of documents or sale proceeds thereof deliver the documents or pay the net proceeds of the sale in satisfaction (so far as the same shall extend) of the balances then due and owing on the Account(s) to the Lender(s) or any of them as hereinafter provided. Provided further that the Borrower shall not make sale of any of the Hypothecated Assets upon being prohibited in writing by the Security Trustee or any of the Lender(s) from doing so;
- (d) The Borrower will regulate its drawings out of and payments into each of the Account(s) in such manner that the amount due from time to time on each of the Account(s) shall be kept as nearly as practicable pro rata to the respective drawals by the Borrower from the other Banks in the SBI Consortium;
- (e) (i) The Borrower shall from time to time on demand by the Security Trustee furnish to the Security Trustee a list of all the book debts with the particulars of the debts and the debtors and produce to the Security Trustee its books of accounts and other documents to enable the Security Trustee to ascertain the book debts from time to time and the Borrower shall whenever required produce the evidence in support thereof. The Borrower shall also without such demand furnish to the Security Trustee on the first day of each calendar month a similar list of all the book debts;
- (ii) The Borrower shall execute on demand by the Security Trustee such further documents as may be required by the Security Trustee to vest the said book debts or any of them in the Security Trustee for the benefit of the Lender(s) and to render the same readily realisable or transferable by the Security Trustee at any time;
- (iii) The Borrower declares that the said book debts shall always be the Borrower's absolute property at its sole disposal and free from any prior charge or encumbrance and declares that nothing contained in this Deed shall operate to prejudice the rights and remedies of the Lender(s) in respect of any present or future security, guarantee, obligation or decree for any indebtedness or liability of the Borrower to the Lender(s);
- (iv) The Borrower agrees that it will not compound or release any of the said book debts nor do anything whereby the recovery of the same may be impeded, delayed or prevented without the consent of the Security Trustee and further agrees to keep proper books of account of its business(es) and will at all times as and when required produce such books of accounts and all vouchers, papers and documents relating thereto for the inspection by the Security Trustee and any of its officers or agents and allow free access to them without any demur;
- (v) Subject as aforesaid, the Borrower shall be at liberty to deal with the said book debts and claims in due course of business on the express understanding that the said book debts and all proceeds and/ or realisations thereof and documents of title relating thereto are always kept distinguishable and held as the exclusive property of the Security Trustee for the benefit of the Lender(s) especially appropriated to this security to be dealt with only under the directions of the Security Trustee/Lender(s) and the Borrower shall not create or suffer any



mortgage, charge, lien or encumbrance to affect the same or any part thereof nor do or allow anything to be done that may prejudice the security of the Security Trustee/Lender(s) created hereunder;

(vi) The Borrower shall furnish and verify all such statements, reports, returns, certificates, vouchers and information as may from time to time be required by the Security Trustee in regard to the above;

(vii) The Borrower shall submit to the Security Trustee punctually monthly or as and when required by the Security Trustee full particulars of all the assets of the Borrower and of the Hypothecated Assets and shall allow such Security Trustee or its authorised agent to take inspection of such Hypothecated Assets and of all records and will produce such evidence as such Security Trustee may require as to the cost and value of any such Hypothecated Assets and it shall be lawful for the Security Trustee at any time and from time to time during the continuance of this security to appoint and employ at the expense of the Borrower in all respects and either temporarily or for such periods as such Security Trustee shall think fit a person or persons or firm or company to inspect and value on behalf of the Security Trustee all or any of the Hypothecated Assets and the Borrower shall pay to the Security Trustee on demand the fees or other remuneration payable to any such person, firm or company and the costs, charges and expenses of and incidental to such valuation (the Lender(s)/ Security Trustee's statement therefore being conclusive in that behalf) and in default the Security Trustee shall be at liberty to debit the amount thereof from the respective Account of the Borrower. Any such valuation shall be conclusive against the Borrower;

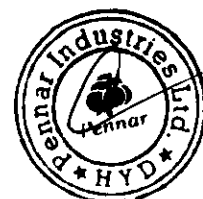
(f) Appointment of Receiver

- (i) Security Trustee/Lenders, at any time after the security interest hereby created has become enforceable and whether or not Security Trustee/Lenders shall then have been entitled to or taken possession of and in relation to the powers herein before conferred upon Security Trustee/Lenders after such entry into or taking possession of, may have a receiver or receivers appointed in respect of the charged assets or any part thereof.
- (ii) The Borrower shall irrevocably appoint the Security Trustee/Lenders and each receiver as the Borrower's attorney vesting the Security Trustee/Lenders and each receiver with inter alia full power and authority to act in the place and instead and on behalf of itself and in its name in order to fulfill the obligations of the Borrower under this Deed and the Borrower further agrees and acknowledges that such power of attorney would be coupled with interest and irrevocable and shall remain in force and effect till the Secured Obligations have been repaid to the satisfaction of the Security Trustee/Lenders.
- (iii) Such receiver shall have and exercise all rights, powers and authorities vested in the Security Trustee/Lenders herein set forth or as such receiver may have under the Applicable Law or equity or as the Security Trustee/Lenders may think expedient, including the following rights, power and authorities which shall be in addition to the rights, powers and authorities of the Security Trustee/Lenders:
  - a. Unless otherwise directed by the Security Trustee/Lenders, such receiver shall have and exercised all powers and authorities vested in SecurityLenders;





- b. Such Receiver shall, in exercise of his powers, authorities and discretion, confirm to the regulation and directions from time to time made and given by Security Trustee/Lenders;
- c. Security Trustee/Lenders, may from time to time fix the remuneration of such Receiver and shall direct payment thereof out of the charged assets, but the Borrower alone shall be liable for the payment of such remuneration;
- d. Security Trustee/Lenders may from time to time and at any time, require such Receiver, to give security for the due performance of his duties as such Receiver and may fix nature and amount of the security to be given to Security Trustee/Lenders, but Security Trustee/Lenders shall not be bound to require such security in any case;
- e. Security Trustee/Lenders may pay over to such Receiver any monies constituting part of the securities to the intent that the same may be applied for the purpose hereof by such Receiver and Security Trustee/Lenders may, from time to time, determine what funds the Receiver shall be at liberty to keep in hand with a view to performance of his duties as such Receiver;
- f. Every such Receiver shall be the agent of the Borrower for all purposes and the Borrower alone shall be responsible for his acts and defaults, loss or misconduct and liable on any contract or engagement made or entered into by him and for his remuneration and Security Trustee/Lenders shall not incur any liability or responsibility therefore by reason of their making or consenting to his appointment as such Receiver.
- g. shall have the authority to act upon and enforce the provisions of this Deed or to adopt appropriate remedies in that behalf and may in that behalf adopt remedies in relation thereto as appropriate and shall exercise all powers under this Deed in accordance with Indian law and may exercise, without further notice.
- h. declare by notice to the Borrower that all or part of the Secured Obligation to be immediately due and payable (or on such dates as the Security Trustee/Lenders, or the receiver may specify), whereupon they shall become so due and payable;
- i. enter into the premises where the charged assets are kept, whether installed or not and whether lying loose or in cases or which are lying or stored in or about or shall hereafter from time to time be brought into or upon or be stored or be in or about all the Borrower's premises, warehouses and godowns or wherever else the same may be or be held by any party to the order or disposition of the Borrower, and seize, take possession and/or dismantle and/or remove the charged assets from wherever they are located. Upon the Security Trustee/Lenders or the receiver exercising any of the rights detailed above, the Borrower shall, thereafter, take no action inconsistent with or prejudicial to the right of the Security Trustee/Lenders or the receiver to appropriate the charged assets in such manner as it deems fit (including the right to use and enjoy the same and to receive the income, profits and benefits without interruption or hindrance by the Borrower or by any other Person). The Security Trustee/Lenders or the receiver shall be freed and discharged from the Borrower or otherwise be well and sufficiently saved and kept harmless and indemnified from and against all former and other estates, title, claims, demands and Security Interests whatsoever in connection with the charged assets or in pursuance of the exercise of the rights and powers of the Security Trustee/Lenders or the receiver under this Deed. The Security Trustee/Lenders or the receiver shall not be in any way liable or responsible for any loss or damage that the charged assets may suffer or sustain on any account whatsoever whilst the same are in possession of the Security Trustee/Lenders and/or the receiver or by reason of exercise or non-exercise of rights and remedies available to

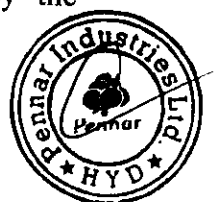


the Security Trustee/Lenders and/or the receiver, as aforesaid and all such loss, damage or deterioration shall be wholly debited to the account of the Borrower howsoever the same may have been caused. The Security Trustee/Lenders or the receiver shall receive the income and profits over the outgoings, first in payment of the expenses incurred in managing the charged assets and thereafter in payment of the amounts accruing to the Security Trustee/Lenders or the receiver under this Deed and the Borrower shall take no action prejudicial to the right of the Security Trustee/Lenders or the receiver to quietly possess, use and enjoy the same and to receive the income, profits and benefits thereof without interruption or hindrance by the Borrower or by any person whatsoever.

- j. sell by public auction or private treaty or otherwise dispose of or deal with the charged assets in such manner for such consideration and generally on such terms and subject to such conditions as it may think fit, with full power to convey, assign or otherwise transfer the charged assets on behalf of the Borrower or the other legal or registered owner. Subject to Applicable Laws, the consideration may be in the form of cash, debentures, shares, stock or other valuable consideration and may be payable immediately or by installments spread over such period as the Security Trustee/Lenders or the receiver shall think fit so that any consideration received in a form other than cash shall forthwith on receipt be and become charged towards the payment of the Secured Obligations and for the said purpose the charged assets or any part thereof may be severed and sold, separately from the premises containing them and the Security Trustee/Lenders or the receiver may apportion any rent and the performance of any obligations affecting such sold or disposed of premises without the consent of the Borrower;
- k. institute, prosecute and defend any proceedings in the name of the Borrower or otherwise as may seem expedient in relation to the charged assets;
- l. to manage or carry on or concur in carrying on the business of the Borrower (including, without limitation, the management and operation of the facilities of the Borrower as the receiver shall consider fit, in each case, without being responsible or liable for any loss or damage);
- m. to make any arrangement, settlement or compromise between the Borrower and any other Person or pay any compensation or incur any obligation which the Security Trustee/Lenders or the receiver shall consider fit;
- n. enter into any contracts in relation to the charged assets which the Security Trustee/Lenders or the receiver shall think expedient;
- o. to sell, call in, collect, convert into money, license, grant options to sell, deal with or manage or concur in, selling, licensing, granting options to sell, dealing with or managing and to vary, terminate or accept surrenders of, licenses or otherwise dispose of any part of the charged assets on an installment basis or otherwise and generally in such manner and upon such terms and conditions as the Security Trustee/Lenders or the receiver may consider fit;
- p. insure and keep insured the charged assets against loss or damage by such risks and contingencies as the Security Trustee/Lenders or the receiver may think fit, in such manner and in all respects as the Security Trustee/Lenders may think fit, and to maintain, renew or increase any insurances in respect of the charged assets;
- q. to make and effect all repairs, renewals, alterations, improvements, additions and developments, to or in respect of the charged assets;
- r. execute and do all such acts, deeds and things as may appear to the Security Trustee/Lenders or the receiver necessary or proper in relation to any of the aforesaid purposes;



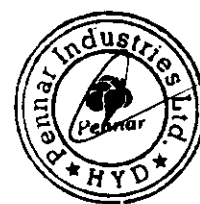
- s. perform all such acts, deeds and assurances as may be necessary or proper for the purpose of securing and for more perfectly assuring the repayment, redemption and discharge of the Secured Obligation or any part thereof;
- t. operate the accounts and appropriate all monies lying therein in the manner as deemed fit;
- u. sign and file any applications, statements, declarations and other papers as may be required under the provisions of any Applicable Law and in particular, to apply for and obtain the permissions and consents of any Government entity for execution and registration of such Security Interest in such form as the Security Trustee/Lenders may require and all such other deeds and documents for the purpose of enforcing the Security Interest created under this Deed and for the above purposes to and appear for and on behalf of the Borrower before the Government Entity and/or the competent authority;
- v. appoint valuers, managers, agents, officers, solicitors, accountants, auctioneers, brokers, architects, engineers, workmen or other professional or non-professional advisers, agents or employees for any of the aforesaid purposes at such salaries or for such remuneration and for such periods as the Security Trustee/Lenders or the receiver may determine or to dismiss any of the above and to delegate to any Person any of the powers hereby conferred on the Lenders or the receiver; and
- w. do all such other acts and things as may be considered by the Security Trustee/Lenders or the receiver to be incidental or conducive to any of the matters or powers aforesaid or otherwise incidental or conducive to the preservation, perfection, improvement, realisation or enforcement of the Security Interest created by this Deed.
- x. for the purpose of exercising any of the powers, authorities and discretions conferred on it by this Deed and/or defraying any costs or expenses which may be incurred by the receiver in the exercise thereof or for any other purpose, to borrow from the Security Trustee/Lenders or any other Person on such terms (with or without security) as the Security Trustee/Lenders shall consider fit and so that, with the prior written consent of the Security Trustee/Lenders, any such security may be or include a charge on the whole or any part of the charged assets ranking wholly or partly in priority to or pari passu with the security created hereunder provided that no person lending such money shall be concerned to enquire as to the existence of such consent or the terms thereof or as to the propriety or purpose of the exercise of such power or to see to the application of any money so raised or borrowed;
- y. to obtain all clearances, planning consents and permissions, approvals and any other consents or licenses necessary or appropriate to carry out any of the matters referred to in this Deed or otherwise as the Lenders or receiver shall consider fit;
- z. to bring, prosecute, enforce, defend and discontinue all such actions and proceedings in relation to the charged assets or any part thereof as the Security Trustee/Lenders or the receiver, as the case may be, shall consider fit or relating in any way to the charged assets or part thereof;
- aa. to sell, lease or otherwise dispose of all or any part of the charged assets including plant, machinery or other fixtures;
- bb. to implement or continue the development of and/or complete any assembly or installation of any property comprised in the charged assets and do all acts and things incidental thereto, including obtaining all licenses and other consents required in connection therewith;
- cc. in the exercise of any of the above powers, to expend such sums as the Security Trustee/Lenders or the receiver, as the case may be, may think fit. All such sums incurred by the Security Trustee/Lenders or the receiver shall forthwith, on receipt of a notice of demand from the Security Trustee/Lenders or the receiver, be reimbursed by the



Borrower together with interest thereon at the rate which is equal to the Default Interest Rate and until such reimbursement by the Borrower, such amounts shall form part of the Secured Obligation.

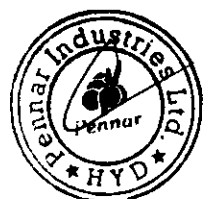
(iv) Conditions of appointment of the Receiver

- a. Where more than one receiver is so appointed any reference in this Deed to a receiver shall apply to both or all of the receivers so appointed and the appointment shall be deemed to be a joint and several appointment so that the rights, powers, duties and discretions vested in the receiver may be exercised jointly by the receivers so appointed or severally by each of them.
- b. In the exercise of any of the above powers, Lenders may expend such sums as it may think fit and the Borrower shall forthwith on demand reimburse all such sums so expended together with interest at the rate which is equal to the Default Rate and until such reimbursement by the Borrower, such amounts shall form part of the Secured Obligations.
- c. Lenders may at any time and from time to time delegate to any Person or persons or fluctuating body of persons of all or any of the powers, authorities and discretions which are for the time being exercisable by it under this Deed in relation to the charged assets or any part thereof and any such delegation may be made upon such terms and conditions (including power to sub-delegate) and subject to such regulations as may be necessary or desirable by Lenders and the Lenders shall not be in any way liable or responsible to any other person for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.
- d. The Borrower shall not raise any objections regarding the regularity of the sale and/or auctions undertaken by the Lenders and/or the receiver nor shall the Lenders and/or the receiver be liable for any loss that may be caused or occasioned from the exercise of such power and/or may arise from any act or default on the part of any broker or auctioneer or other person or body engaged by the Lenders and/or the receiver for the said purpose.
- e. The Lenders may, from time to time, fix the remuneration of such receiver and shall direct payment thereof out of the charged assets, but the Borrower alone shall be liable for the payment of such remuneration.
- f. The Lenders may pay over to the receiver any monies constituting part of the securities with the intent that the same may be applied for the purpose hereof by such receiver and the Lenders may, from time to time, determine what funds the receiver shall be at liberty to keep in hand with a view to enable the performance of his duties as such receiver.
- g. The Borrower alone shall be responsible for the remuneration of any such receiver and the Lenders shall not incur any liability or responsibility thereof by reason of their making or consenting to his appointment as such receiver. The Lenders shall be in no way responsible for any acts, defaults, misconduct, misfeasance, malfeasance or negligence on the part of any such receiver and losses, if any, caused thereby. The Lenders shall not be liable in respect of any debts or other liabilities incurred by any such receiver whether the Borrower shall or shall not be in liquidation. Any such receiver appointed shall be the agent of the Borrower for all purposes as provided under this Deed and the Borrower alone shall be responsible for any acts, defaults, misconduct, misfeasance, malfeasance or negligence on the part of any such receiver and losses, if any, caused thereby. The Borrower shall be liable in respect of any debts or other



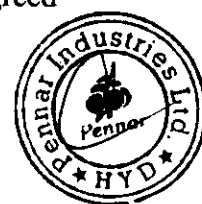
liabilities incurred by any such receiver whether the Borrower shall or shall not be in liquidation.

- h. The receiver shall, in the exercise of the receiver's powers, authorities and discretions, conform to the instructions, directions and regulations from time to time given or made by the Lenders.
- (g) If the Borrower shall fail to repay on demand any moneys which ought to be paid by it under this Deed or under the said Finance Documents or hereunder including principal, interest and other moneys or shall commit any breach of any covenant, agreement, undertaking or declaration on its part to be performed as herein contained or it appears to the Security Trustee that false or misleading information in any material particular was given in the Borrower's proposals made to the Lead Bank and such breach or default is not remedied forthwith and on the failure of the Borrower to remedy the same or if any circumstance shall occur which, in the opinion of the Security Trustee or any of them, is prejudicial to or imperil or is likely to prejudice or imperil this security or if any distress of execution is levied or enforced against any property or assets whatsoever of the Borrower or if any person, firm or company shall take steps towards applying for or obtaining an order for the appointment of a receiver of any property or assets whatsoever of the Borrower or if such receiver is appointed or if any person, firm or company shall apply or obtain an order for the winding up or insolvency of the Borrower or if any such order is made or if any step is taken by any person, firm or company shall apply or obtain an order for the winding up or insolvency of the Borrower or if any such order is made or if any step is taken by any person, firm or company towards passing any resolution for winding up or insolvency of the Borrower or if any such resolution shall be passed or if the Borrower shall suspend or cease to carry on business or to conduct its business to the satisfaction of the Security Trustee / Lender(s) or any of them then and in any such the entire sums in respect of the said Facilities due to the Lender(s) together with interest, costs, charges and other moneys payable in respect thereof shall forthwith become, at the option of the Security Trustee/Lender(s), payable at once and further it shall be lawful, for the Security Trustee forthwith or any time thereafter and without any notice to enter into or upon any place or premises where or wherein any of the Hypothecated Assets may be or are situated or kept or stored (and for the purpose of such entry to do all acts, deeds or things as are deemed necessary by the Security Trustee) and to inspect, value, insure and/or to take charge of and/or to seize, recover, receive, appoint receivers of and/or take possession of all or any of the Hypothecated Assets and thereupon either forthwith or at any time and from time to time and without any notice either by public auction or tender or private contract or tender to sell and dispose of all or any part of the Hypothecated Assets in such manner as the Security Trustee shall think fit and to apply the net proceeds of such sale in or towards the payment of all principal and interest then outstanding on all the Account(s) or any of them in such manner and in such proportions as are hereafter specified and subject thereto in payment of all other moneys due hereunder to any of the Lender(s) in such manner and in such proportions as the Lender(s) may agree among themselves and to enforce, realise, settle compromise and deal with any rights aforesaid without being bound to exercise any of such powers or being liable for any losses in the exercise thereof and without prejudice to the Lender(s) right and remedies of suit or otherwise and notwithstanding there may be any pending suits or other proceedings, the Borrower hereby undertakes to transfer and deliver to the Security Trustee all relative contracts, securities, bills, notes, hundies and documents, and agrees to accept the Lender(s) accounts and sales and realisations and to pay any shortfall or deficiency thereby shown and if the net sum realised by such sale shall be insufficient to pay the amount secured, the Security Trustee shall be at liberty to apply any other money or moneys in the hands of the Security



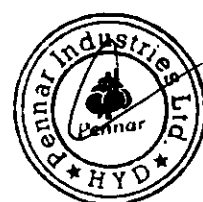
Trustee held for the benefit of the Lender(s) standing to the credit of or belonging to the Borrower in or towards the payment of the balance and in the event of there being still a deficiency, the Borrower shall forthwith pay such deficiency, provided that nothing herein contained shall in any manner prejudice or affect the rights or remedies of the Security Trustee/Lender(s) or any of them against the Borrower individually. The Security Trustee shall not be responsible in any way for the quantity, condition or safety of the said properties of which possession shall be given to or taken or obtained by the Security Trustee in accordance with the terms of this Deed;

- (h) If there shall be a surplus available in the hands of the Security Trustee or any of them after payment of all the moneys hereby secured and owing to the Lender(s) and to each of them, such surplus shall be applied by the Security Trustee and each of them in or towards the payment or liquidation of any or all other moneys which shall be or may become due from the Borrower to the Lender(s) or each of them solely or jointly with any other person or persons or company by way of loans, discounting bills, credit guarantees, charges or by way of any other debts or liability including bills, notes, credits and other obligations current though not then due or payable legal or any other demand, equitable, which the Lender(s) or any of them may have against the Borrower or any moneys in respect of any funded or non-funded facilities availed of by the Borrower from the Lender(s) either prior to or during the tenure of the said Finance Documents and these presents or of which the law of set off or mutual credit would in any case admit and where the Borrower is taken into or is in liquidation or otherwise and interest thereon from the date on which any and all advances in respect thereof shall have been made at the rate of respective rates at which the same shall be so advanced and the application of any moneys to be applied under this sub-clause shall be in such manner and proportions as are hereinafter specified.
- (i) The Borrower shall not be in any way concerned with the proportion in which any moneys applicable under this clause are appropriated and shall not have any claim whatsoever against the Security Trustee in relation to any act or thing done, omitted, permitted or suffered by the Security Trustee in regard to the appropriation among the Lender(s) of any moneys applicable as aforesaid.
- (j) The Borrower shall not remove or dismantle any of the Hypothecated Assets without the consent in writing of the Security Trustee / all of the Lender(s) except in any case where such removal or dismantling shall in the opinion of the Borrower be rendered necessary by reason of the same being worn out, obsolete, discarded, injured, damaged or broken and in such case will replace those so worn out, obsolete, discarded, injured, damaged or broken by others of a similar nature and of at least equal value and shall also whenever necessary renew or replace all such assets to be used for the purpose of or in connection with the business of the Borrower when and as the same shall be worn out, obsolete, discarded, injured, damaged or broken.
- (k) The Borrower agrees that pending seizure by the Security Trustee or any of them of the said Hypothecated Assets and any documents therefor, any insurance moneys received by the Borrower shall be held by the Borrower as the exclusive property of the Security Trustee for the benefit of the Lender(s) specifically appropriated to the security created hereunder and the Borrower will not without the written consent of the Security Trustee (acting on the instructions of the Lender) first had and obtained, make or suffer nor attempt to make or suffer any mortgage, charge, lien or encumbrance to effect the same or any part thereof nor do or allow anything which may prejudice the security hereby created or agreed



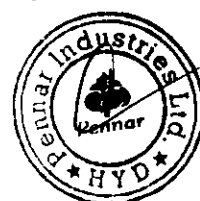
to be created nor create any security whatsoever save as approved by the Lender(s).

- (l) The Borrower shall if so required by the Security Trustee or any of them, cause, and in default the Security Trustee or any of them may themselves or itself cause, a board or boards with the name of the Security Trustee acting for the benefit of the Lender(s) legibly and distinctly printed or written thereon to be placed and at all times maintained in a conspicuous position upon and within all godowns, jaithas or other places of storage into or upon which any of the Hypothecated Assets for the time being hypothecated and charged as aforesaid are or shall be brought in during the continuance of this security.
- (m) The Borrower shall forthwith upon obtaining any lease or tenancy, leave or license to occupy any godown or jaitha or any place containing any of the Hypothecated Assets which is not its own property if so required by the Security Trustee or any of them (and subject to the provisions of any law in this behalf) register the same in the names of the Security Trustee for the benefit of the Lender(s) and hand over the receipts for any rents or other dues payable in respect thereof to the Security Trustee and keep the Security Trustee indemnified against any and all liability in consequence of such transfer or registration in the Security Trustees' names and shall pay any sum becoming payable to the Lender(s) or any of them under the Account(s) and all such sums shall carry like interest and shall be treated as an advance secured by this security.
- (n) The Borrower shall pay all rents, rates, taxes, payments and outgoings in respect of any immovable property in or in which the Hypothecated Assets may for the time being be lying and shall keep such property and Hypothecated Assets insured against loss or damage by fire and shall also insure the same against such other risks as the Lead Bank/ Security Trustee shall require and as provided for in the said Finance Documents and shall produce the policies of insurance to the Lead Bank/ Security Trustee whenever required by it.
- (o) The Borrower hereby declares and guarantees that the Hypothecated Assets now in existence are save as aforesaid the absolute and unencumbered property of the Borrower and that subject to the maintenance of the security cover, the Borrower has full power of disposition thereover and that all Hypothecated Assets which may belong to the Borrower in future shall likewise be the absolute and unencumbered property of the Borrower with full power of disposition thereover of the Borrower without thereby in any manner impairing or prejudicing the rights of the Lender(s)/Security Trustee..
- (p) The Borrower shall furnish and verify all statements, reports, returns, certificates and information from time to time as required by the Lead Bank or the Security Trustee or any of them in respect of the Hypothecated Assets and execute any documents as required by the Lead Bank / Security Trustee as in its opinion necessary to give effect to this security and if the Borrower shall fail to do so within 30 days of demand in writing by the Lead Bank/ Security Trustee, the Lead Bank/ Security Trustee may execute such documents on behalf of the Borrower for its own benefit and the benefit of the Lender(s) in the SBI Consortium.
- (q) This security shall be a continuing security for the balance from time to time due to the Lender(s) and each of them under the Account(s) and shall not affect, impair or discharge the liability of the Borrower by winding up (voluntary or otherwise) or by any merger or amalgamation, reconstruction or otherwise of the



Borrower with any other company or takeover of the management or nationalisation of the undertaking of the Borrower.

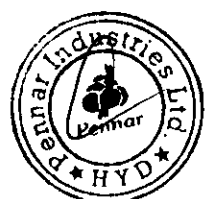
- (r) Nothing herein contained shall prejudice any other security present or future or any right or remedy of the Security Trustee or any of the Lender(s) otherwise than hereunder for the recovery of any moneys due by the Borrower to the Security Trustee and/or the Lender(s) or any of them.
  - (s) If and whenever this security shall be held by the Security Trustee for the benefit of the Lender(s) for the Borrower's liability to the Lender(s) or any of them in respect of any third party's obligations to the Lender(s) or any of them, then the Security Trustee concerned shall be free without reference to the Borrower to deal with and the Borrower hereby consents to such Lender(s)/Security Trustee dealing with the principal debtor and with any securities, obligations or decrees and generally to act as if the Borrower was primarily liable and to give time or other indulgence or make any variation, without thereby in any manner impairing or prejudicing the rights of the Lender(s)/Security Trustee or any of them against the Borrower who declares that the liability of the Borrower shall be deemed that of a co-promisor with such third party.
- 4. No payments into or drawing out of any of the Account(s) or any transactions, dealings, agreements or arrangements whatsoever in connection with any of the Account(s) shall affect the state of the other accounts or any transaction, dealing, agreement or arrangement in connection therewith.
  - 5. It is expressly hereby agreed by the Borrower with the Security Trustee that it shall be lawful for the Security Trustee to exercise any power or authority hereby expressed to be exercisable by the Security Trustee or through the Lead Bank and that the rights and powers conferred on the Security Trustee by these presents shall be joint and several and shall be deemed always to be so and they may be exercised by the Security Trustee / through the Lead Bank accordingly on behalf of all or any of the Lender(s) to bring or take any suit or other proceedings or take any steps for enforcement of the securities created in their respective favour or otherwise for realisation of their respective dues from the Borrower in the sole name of the Lead Bank and in the event of institution of any suit or proceeding by the Lead Bank/ Security Trustee, it shall join the Lender(s) as party defendants/respondents in such suit or proceedings, if it is not willing to join as a party plaintiff but so that the Lender(s) will inter-se always act in mutual consultation and co-operation.
  - 6. Any demand or notice to be made or given to any party hereto may be made or given by leaving the same at or by posting the same by registered post in an envelope addressed in the case of the Borrower at its registered office and in the case the Security Trustee, at its registered office and every such demand or notice shall be deemed to be received as the case may be at the time at which it is left or at the time at which it would have been delivered in the ordinary course of post at the office in question.
  - 7. The Borrower shall pay on demand to the Security Trustee and each of them the costs (between Attorney and Client) incurred by them or any of them in connection with the preparation, engrossment and stamping the counterparts in quintuplicate and execution of this Deed and of any guarantee or other security executed contemporaneously herewith in connection with the said Facilities hereby secured and of the registration of this security with the Registrar of Companies and all other costs (between Attorney and Client), incurred or to be incurred by the Security Trustee / Lender(s) or any of them in connection herewith or with the enforcement or attempted enforcement of the security hereby created or the protection or defence or perfection thereof or for the recovery of





any moneys hereby secured and of all suits and proceedings of whatsoever nature for the enforcement or realisation of the security hereby created or the recovery of such moneys or otherwise in connection herewith or in which the Security Trustee / any of the Lender(s) may be joined as a party or otherwise involved by reason of the existence of the security hereby created.

8. The Borrower hereby appoints the Security Trustee as its Attorney and authorises the Security Trustee and each of them to act for and in the name of the Borrower to do whatever the Borrower may be required to do under these presents and generally to use the name of the Borrower in the exercise of all or any of the powers by these presents conferred on the Security Trustee and the Borrower shall bear the expenses that may be incurred in this regard.
9. The Borrower hereby declares, covenants and agrees to disclose the information and provide inspection rights to the Lender(s) as follows:
  - (a) The Borrower shall furnish to the Lender(s) whenever required by the Lender(s) full and correct particulars/ statements of all the Hypothecated Assets and shall allow the Lender(s) or its authorised agents to take inspection of all the books of accounts and will produce such evidence as the Lender(s) may require as to the value thereof. In respect of the Hypothecated Assets the Borrower shall furnish to the Lender(s) whenever required by the Lender(s) full and correct particulars / statements of all the Hypothecated Assets viz. the quantity, description and the book value thereof, the place where such Hypothecated Assets is stored for the time being or whether such Hypothecated Assets is in transit and shall allow the Lender(s) or its authorised agents to take inspection of such Hypothecated Assets and of all records and will produce such evidence as the Lender(s) may require as to the cost and value thereof. The Borrower also authorises the Lender(s) to have all or any of the Hypothecated Assets valued at the mutually agreed expense of the Borrower by an appraiser/valuer to be appointed by the Lender(s) and shall pay to the Lender(s) on demand mutually agreed fees or other costs charges and expenses of and incidental to such inspection or valuation (the Lender(s) statement being conclusive).
  - (b) The Borrower understands that as a pre-condition relating to grant of the Facilities to him/her/it, the Lender(s) requires consent of the Borrower for the disclosure by the Lender(s) of information and data relating to his/her/it of the Facilities availed / to be availed, by his/her/it, obligations assumed / to be assumed, by him/her/it, in relation thereto and default, if any, committed by him/her/it, in discharge thereof. Accordingly, the Borrower hereby agrees and give consent for the disclosure by the Lender(s) of all or any such:
    - (i) Information and data relating to him/her/it;
    - (ii) Information or data relating to any credit facility availed of / to be availed, by him/her/it; and
    - (iii) Default, if any, committed by him/her/it, in discharge of his/her/its such obligation,as the Lender(s) may deem appropriate and necessary to disclose and furnish to Credit Information Companies authorised in this behalf by RBI and any other Lender(s) as may be determined by the Lender(s).
  - (c) The Borrower undertakes that:
    - (i) the Credit Information Companies may use and process the said information and data disclosed by the Lender(s) in the manner as deemed fit by them; and

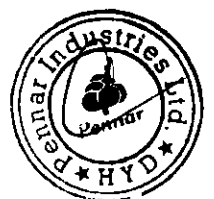


- (ii) the Credit Information Companies as may be determined by the Lender(s) may furnish for consideration, the processed information and data or products thereof prepared by them, to Lender(s) / financial institutions and other credit grantors or registered users, as may be specified by the RBI in this behalf.

10. It is expressly agreed by and between the Parties hereto that:-

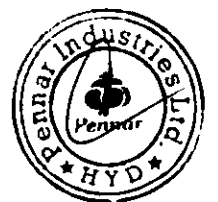
- (i) Nothing herein shall prejudice the rights or remedies of the Lender(s) in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Borrower to the Lender(s) or any of them;
- (ii) The Borrower agrees and declares that the rights and powers conferred on the Security Trustee by these presents shall be joint and several shall be deemed always to be so and they may be exercised by the Security Trustee for the benefit of the Lender(s) accordingly provided however all such action shall, as far as possible, be taken through the Lead Bank;
- (iii) The Borrower declares, agrees and confirms that the powers and rights conferred under the provisions of this Deed shall inure to the benefit of the Security Trustee for the benefit of the SBI Consortium as presently constituted as also to the consortium as may be reconstituted during the currency of the said Facilities as aforesaid and the Borrower hereby agrees to execute such documents or deeds as may be deemed necessary by the Security Trustee/Lead Bank for safeguarding the interests of the SBI Consortium and the consortium as so reconstituted and to file such particulars in such form as may be appropriate with the Registrar of Companies and other authorities as may be expedient or necessary for the aforesaid purpose;
- (iv) The Borrower agrees and declares that the rights and powers conferred on the Security Trustee by these presents may be exercised by the Lead Bank acting on behalf of all or any of the Lender(s).

11. Lien and set off: Notwithstanding anything to the contrary in this Deed or any other document/arrangement: (i) in respect of all and any of Borrower's present and future liabilities to Lender(s) whether under this Deed or under any other obligation/loan/facilities/borrowings/document, whether such liabilities are/be crystallised, actual or contingent, primary or collateral or several or jointly with others, whether in same currency or different currencies, whether as principal debtor and/or as guarantor and/or otherwise howsoever (collectively "Liabilities"), Lender(s) shall have general lien in addition to or similar right to which any of them as Lender(s) may be entitled by law, practice, custom or otherwise, on all the Borrower's present and future moneys in all accounts whether current, savings, overdraft, fixed or other deposits, held with or in custody, legal or constructive, with Lender(s), now or in future, whether in same or different capacity of the Borrower, and whether severally or jointly with others, whether for any Lending relationship, safe custody, collection, or otherwise, whether in same currency or different currencies; and (ii) separately, Lender(s) shall have the specific and express right to, without notice to and without consent of the Borrower, set-off, transfer, sell, realize, adjust, appropriate all such amounts in all accounts (whether prematurely or upon maturity as per Lender(s) discretion), securities, amounts and property as aforesaid for the purpose of realizing or against any of dues in respect of any of the Liabilities whether ear-marked for any particular Liability or not, combine or consolidate all or any of accounts of the Borrower and set-off any monies, whether of same type or nature or not and whether held in same capacity or not including upon happening of any of the events of default mentioned in any of the documents pertaining to the respective Liabilities or upon any default in payment of any part of any of the



Liabilities. (iii) This credit facility is secured by an exclusive charge on book debt and future receivables and Lender(s) shall be deemed to have and hold and continue to have exclusive charge on specific assets on which security has been/will be created in respect of the Facilities, as security and all the rights and powers vested in Lender(s) in terms of any security or charge created for the Facilities shall be available to Lender(s) till this Facilities has been repaid or prepaid.

12. The Borrower hereby agrees to indemnify the Security Trustee, the Lenders and every receiver, attorney, manager, agent or other Person appointed and the Finance Parties (collectively the "Indemnified Parties") from and against all claims, demands, actions and proceedings, losses, damages, costs, charges and expenses that may be suffered, sustained or incurred by any Indemnified Party in connection with execution or purported execution of the powers in respect to the protection, defence, perfection and enforcement of the Security hereby created or recovery of any monies hereby secured, including liabilities and expenses consequent to any mistake, oversight or error of judgement (other than those involving negligence or wilful default) and for all suits and proceedings of whatever nature in relation to any of the aforesaid purposes or in which any Indemnified Party may be joined as a party or otherwise involved by reason of existence of the Security in its favour.
13. The Borrower hereby gives specific consent to the Lender(s) for disclosing / submitting the "Financial Information" as defined under Section 3(13) of the Insolvency and Bankruptcy Code, 2016 ("I&B Code") read with relevant Rules and Regulations framed thereunder and as amended from time to time, in respect of the financial facilities availed from the Bank, from time to time, to any 'Information Utility' ("IU") as defined under Section 3(21) of the I&B Code, in accordance with the relevant Regulations framed and directions issued by the Reserve Bank of India and hereby specifically agree to promptly authenticate the 'financial information' submitted by the Lender(s) as and when requested by the concerned IU.
14. The Borrower shall not assign any of their rights under this Deed to any other person or company or institution. However, the Lender(s) may in their absolute discretion assign in full or in parts all rights/benefits under this Deed, to any bank or financial institution or any other body corporate and the Borrower hereby undertakes to execute necessary documents in such event as required by the Lender(s)/Assignee.
15. This Agreement shall be governed by and construed in all respect with the Indian laws and the parties hereto agree that any matter or issues arising hereunder or any dispute hereunder shall at the option/discretion of the banks be subject to the non-exclusive jurisdiction of the Courts or Tribunals of the city of Hyderabad in India. This shall not however limit rights of the Security Trustee or any of the Lender to take proceedings in any other court of Competent jurisdiction.



**SCHEDULE I**  
**PART A**  
**DETAILS OF EXISTING FACILITIES**

(Rupees in crores)

Bank	Funded Limits (INR)	Non Fund (INR)	Total (INR)
SBI	185.00	157.50	342.50
AXIS	63.00	187.00	250.00
YBL	30.00	120.00	150.00
ICICI	10.00	30.00	40.00
HDFC	40.00	45.00	85.00
SBM	5.00	20.00	25.00
<b>Total</b>	<b>333.50</b>	<b>559.50</b>	<b>892.50</b>

**DETAILS OF EXISTING SANCTION LETTERS**

Sl. No	Name of Bank	Details of the Sanction Letter
1	SBI	Letter No. IFB/AMT-VII/AL/2019-20/04 dated January 24, 2020
2	YBL	Letter No. YBL/BLR/FL/5149/2019-2020 dated January 21, 2020
3	AXIS	Letter No. AXISB/LC-HYD/2019-20/291 dated September 20, 2019 and modified Letter No. AXIS/CCG- HYD/2019-20/398 dated October 29, 2019
4	HDFC	Letter No. CAMM011110190026 dated January 29, 2020
5	ICICI	Letter No. CAL84362915324 dated April 25, 2019
6	SBM	Letter No. SBM/MUM/CB/2020/07 Dated: January 10, 2020

**PART B**  
**DETAILS OF FACILITY**

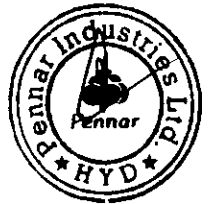
(Rupees in crores)

Bank	Fund based Limits (INR)	Non Fund (INR)	GECL Facility (INR)	Total (INR)
SBI	185.00	157.50	-	342.50
AXIS	63.00	137.00	-	200.00
YBL	30.00	120.00	8.6731	158.6731
ICICI	3.50	5.50	6.7000	15.70
HDFC	40.00	45.00	51.1600	136.16
SBM	5.00	25.00	-	30.00
<b>Total</b>	<b>326.50</b>	<b>490.00</b>	<b>66.5331</b>	<b>883.0331</b>



### DETAILS OF NEW SANCTION LETTERS

Sl. No	Name of Bank	Details of the Sanction Letter
1	SBI	Letter No. IFB/AMT-VII/AL/2020-21/67 dated, February 19, 2021
2	YBL	Letter No. YBL/BLR/FL/5814/2020-2021 dated, February 11, 2021 read with letter bearing reference number YBL/BLR/FL/5757/2020-2021 dated January 25, 2021
3	AXIS	Letter No. AXISB/LC-HYD/2020-21/451 dated November 3, 2020 and modified sanction letter no. AXISB/LC-HYD/2020-21/451A dated 03 <sup>rd</sup> November 2020
4	HDFC	Letter No. CAM011412200029 dated December 30, 2020 read with Letter No. CAM012603210028 dated April 23, 2021
5	ICICI	Letter No. CAL428971310653 dated, August 31, 2020 read with letter bearing reference number CAL157248294523 dated March 24, 2021
6	SBM	Letter No. SBM/HYD/CB/2021/001 dated, February 17, 2021.



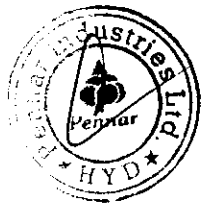
**SCHEDULE II**  
**DETAILS OF THE HYPOTHECATED ASSETS**

**For Facility (excluding GECL Facility):**

By way of first ranking *pari passu* hypothecation/charge on whole of the current assets of the Borrower namely, stock in trade consisting of raw materials, semi-finishes goods and finishes goods, stores, bills receivable and book debts, and all other current assets, both present and future, all the Borrower's movable properties and assets present and future including movable plant and machinery, machinery spares, equipments, tools and accessories, furniture, fixtures and vehicles, and all other movable assets, present and future, intangible, goodwill, uncalled capital, present and future, whether in the possession or under the control of the Borrower or not, whether installed or not, whether now lying loose or in cases or which are now lying or stored in or about or shall hereinafter from time to time during continuance of the security of these presents be brought into or upon or be stored or be in or about of the Borrower's factories, premises and godowns or whatever else the same may be or be held by any party to the order or disposition of the Borrower or in the course of transit or on high seas or on disposition of the Borrower or in the course of transit or on the high-seas or on order or delivery, whatsoever in the possession of the Borrower and either by way of subtraction or addition.

**For GECL Facility:**

By way of second ranking *pari passu* hypothecation/charge on whole of the current assets of the Borrower namely, stock in trade consisting of raw materials, semi-finishes goods and finishes goods, stores, bills receivable and book debts, and all other current assets, both present and future, all the Borrower's movable properties and assets present and future including movable plant and machinery, machinery spares, equipments, tools and accessories, furniture, fixtures and vehicles, and all other movable assets, present and future, intangible, goodwill, uncalled capital, present and future, whether in the possession or under the control of the Borrower or not, whether installed or not, whether now lying loose or in cases or which are now lying or stored in or about or shall hereinafter from time to time during continuance of the security of these presents be brought into or upon or be stored or be in or about of the Borrower's factories, premises and godowns or whatever else the same may be or be held by any party to the order or disposition of the Borrower or in the course of transit or on high seas or on disposition of the Borrower or in the course of transit or on the high-seas or on order or delivery, whatsoever in the possession of the Borrower and either by way of subtraction or addition.



IN WITNESS WHERE OF the Common Seal of the Borrower has hereunder been affixed and the Borrower has caused these presents to be executed by their respective authorized officials on the day, month and year first hereinabove written.

The Common Seal of the Company within named **PENNAR INDUSTRIES LIMITED**, pursuant to the authority granted by the Resolution of the Board of Directors of the Company passed on the 05<sup>th</sup> day of May, 2021, hereunto affixed in the presence \_\_\_\_\_ of Mr.

JS KRISHNA PRASAD \_\_\_\_\_, of the Borrower and Mr. MIRZA MOHAMMED ALI BAIG \_\_\_\_\_, who have signed these presents in token thereof.

Witnessed by:

1

2

For Pennar Industries Ltd.,

For [Signature]  
Authorized Signatory