**SEBI Debenture Trust Deed**

This Debenture Trust. Deed is made at...... this...... day of....... between A 13 and Company Limited, a Public Limited Company registered under the Companies Act, 1956 and having its registered office at........ hereinafter referred to as "the Company" of the one part and M/s X Y Z Bank, a Banking Corporation constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 having its head office at...... hereinafter referred to as the Trustee of the other part.

WHEREAS

1.     The Company is a public Company limited by shares under the provisions of the Companies Act, 1956 and has an authorised capital of rupees........ issued capital of rupees..... and subscribed capital of rupees..... divided into....... equity of rupees 100 each

2.     The Company is carrying oil business of manufacturing....... and proposes to expand the production by introducing a scheme of production of certain additional items of goods.

3.     The Company therefore proposes to raise capital by issuing debentures of the face value of rupees 1000 each and aggregating to rupees.............the debentures being partly convertible and partly non convertible.

4.     By its Memorandum of Association the Company is authorised to raise loan by issuing debentures and to secure them by a mortgage- and hypothecation of the Company's immovable and moveable properties on such terms as the Board of Directors may think fit and proper and in the interest of the Company.

5.     In the extraordinary general meeting of the share holders of the Company held on the...... day of........ a resolution has been passed unanimously under section 293(1) (a) of the Companies Act authorising the Board of Directors of the Company to raise the capital by issuing debentures as aforesaid and securing the same by mortgage and hypothecation of the immoveable and moveable assets of the Company by executing a deed of debenture trust in favour of the trustees.

6.     The Security and Exchange Board constituted under the SEBI Act of 1992, on the application of the Company has given its approval to the Company raising the capital by offering debentures to the public as proposed by the Company as aforesaid by letter (order) dated........

7.     The X Y Z Bank the Trustee herein above mentioned has been registered as debenture trustee under the Regulations of the SEBI and has consented to act as sole trustee: under this deed.

8.     The trustee has on the day of...... 2001 entered into an agreement With the company whereby he has agreed to act as the trustee under these presents for securing an issue of debentures for the company and this agreement also prescribes the time limit within which the security for the debentures shall be created that is within.... period from the date of an agreement.

9.     The trustee declares that it is not. an associate of the company and that it has not lent nor proposes to lend any moneys to the company.

10.  The SEBI has also approved the name of the trustee above named to be the sole trustee under this deed draft of whose has also been approved by the SEBI.

11.  The Company has also issued and published a prospectus as required by the Companies Act regarding the issue of the debentures.

12.  The Board of Directors in its meeting held on...... by a resolution proposed to issue debentures in terms and of the value and kind mentioned in the fourth schedule hereunder written.

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

1.     The head notes given to the clauses hereinafter appearing shall not affect the construction thereof and in these Presents the expressions or words following shall have the meaning given to (hem as hereinafter mentioned namely

a.     'The Trustee' means the Party hereto of the second or other part or the Trustee for (he lime being this draft deed.

b.    'Act means the Companies Act, 1956

c.     'Regulations' means the Regulations, 1993 made by SEBI with the modifications made therein made by SEBI from lime to time and any substituted Regulations made by SEBI or the Govt. of India for and governing the issue of debentures by a corporate body.

d.    'Debenture' means the debenture issued by the Company under the provisions of and secured by this deed.

e.     the SEBI' or 'Board' means the Board constituted by and under the Regulations made under SEBI Act of 1992.

f.     'The mortgaged premises' means the land and interest of the Company in the land, the buildings, the fixed machinery and the plant and the equipment, articles and things and expressed to be granted or transferred by this Deed and all other property of the Company hereby made specific security for the repayment of the monies for the time being owing and intended to be secured by these Presents and all future property hereafter to be assigned or transferred to the Trustee by the Company under the provisions hereof.

g.    The general assets means assels of the Company comprised in the floating charge created by clause 8 hereof and does not include specifically mortgaged properly.

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 Trustee to join with the Company in executing such Supplemental or further Deed or Deeds which shall, on execution, be 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 Trustee 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 moveable’s. The Company doth hereby transfer and assign 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 in the second Schedule herein-under written and shall from time to time hereafter during the continuance of this security be brought in 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 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 rateataly 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 Trustee any mortgage or charge upon the property and assets charged by this clause or any part thereof ranking in priority to or part passu with the security hereby created.

9.     Security of future assets. The Company will without any demand on the part of the Trustee convey unto the Trustee 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 Trustee 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 Trustee.

10.  Trustee's power to sell the premises. The Trustee 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 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 Trustee 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 cither 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 Trustee 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 Trustee is 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 passa 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:--

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 Trustee 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 Trustee 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 Trustee, 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 Trustee 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 trustee shall certify in writing that further delay would in its opinion be detrimental to the interests of the debenture-holders, give written notice of its 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 trustee 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 Trustee: Provided that, no sale shall be effected in connection with the trust for conversion so far as regards any immoveable 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 trustee 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 Trustee do all things necessary to enable the Trustee to realise the mortgaged premises.

15.  Protection to purchasers etc. No purchaser, mortgagor, mortgagee, debtor or other person dealing with the Trustee 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 Trustee 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 Trustee 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 there from and from being concerned to see to the application or being answerable for the loss or misapplication thereof.

17.  Application of sale proceeds. The Trustee shall hold the moneys to arise from any sale, calling in, collection or conversion under the Trust for conversion upon trust that they shall there out, 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 Trustee may at its 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 thereof may be accumulated until the accumulations together with any other funds for the lime being under the control of the Trustee 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 Trustee 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 Trustee to him in respect of such debentures shall be a good discharge to the Trustee.

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 Trustee who shall cause a memorandum of the amount and date of payment to be endorsed thereon but the Trustee 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.  Trustee 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.  Trustee to manage business. After the Trustee 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 Trustee may, if it shall think fit so to do, but not otherwise, either itself carry on and manage the business of the Company or appoint a Receiver or Receivers to carry on and manage the same. The Trustee 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 modernise 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.

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 It or he could do or cause to be done if or he had the absolute ownership of the mortgaged premises and had carried on the said business for its or his own benefit without being answerable for any loss or damage which may happen thereby.

24.  Trustee's power to borrow. The Trustee 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 Trustee may think fit.

25.  Trustee's 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 the Trustee, 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.  Trustee's power to make expenses for business. The Trustee shall, out of the moneys received by them in carrying on the said business 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 the Trustee 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.  Trustee's power to appoint Receiver. At any time after the security hereby constituted shall have become enforceable the Trustee 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 Trustee 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 Trustee with such of the powers and discretions exercisable by the Trustee hereunder as the Trustee may think expedient.

3.     Unless otherwise directed by the Trustee such Receiver or Receivers may exercise all the powers and authorities vested in the Trustee 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 Trustee.

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

6.     The Trustee 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 Trustee all moneys from time to time received by such Receiver or Receivers shall be paid over to the Trustee 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 Trustee 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 Trustee 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 Trustee 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 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.  Trustee's or Receivers' liability to account. The Trustee shall not, nor shall any such Receiver aforesaid by reason of the Trustee 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.  Trustee not bound to replace the property etc. Until the happening of some or one of the events on which this security becomes enforceable the Trustee (subject to the exercise of the powers of the Trustee 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 Trustee at Company's request. At any time before the security hereby constituted becomes enforceable the Trustee may upon the request and at the expense of the Company but only if and so far as in its 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 Trustee 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 Trustee 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 Trustee 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 Trustee 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 Trustee to exercise any powers or rights incidental to the ownership of any of the mortgaged premises and permit the Company or its agents 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 Trustee expedient, any of the mortgaged premises which in the opinion of the Trustee 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 Trustee 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 Trustee 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 endeavoring 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 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 mariner 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 Trustee 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 Trustee in such manner as the Trustee shall require.

31.  Trustee's power to invest moneys. The Trustee 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 Trustee 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 alter 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 Trustee may be invested in the name or names or under the legal control of the Trustee 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 same shall not be invested shall be placed on deposit in the names of the Trustee in such Scheduled bank or banks as the Trustee 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 Trustee or any person nominated by the Trustee 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 the trustee 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 Trustee 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 Trustee shall be entitled if it thinks 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 Trustee 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 moveables 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 Trustee and such persons as it 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 Trustee may depute for the purpose of such viewing and inspection.

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 Trustee on the properties hereby charged in such office or offices as the Trustee shall reasonably approve, deliver the polices of such insurance to the Trustee if required and duly pay the premiums and other sums of money payable in respect of such insurance and produce to the Trustee 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 Trustee 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 Trustee expedient in the interest of the Company and the debenture-holders, 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 Trustee 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 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 Trustee, which consent the Trustee 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 o[ Association nor without the previous consent in writing of the Trustee 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 Trustee for making such payment.

m.   Make such alterations in the Memorandum and Articles of Association of t he 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 Trustee 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 Trustee 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 Trustee shall release the deposit on production of evidence by the Company of having created additional fixed assets equal to the amount of the difference.

34.  The company shall

                      i.        furnish whenever required information to debenture trustee including copies of reports, balance-sheets, profit and loss accounts

                     ii.        permit debenture trustee to enter and inspect the state and condition of charged assets

                    iii.        inform the debenture trustee before declaring or distributing dividend

                    iv.        comply with all guidelines, directions issued by the Board of SEBI with respect to the debenture issue

                     v.        create debenture redemption reserve as per SEBI (Disclosure and Investor Protection) Guidelines 2000 and the provisions of the Companies Act and submit an Auditor's certificate to the trustee

                    vi.        convert the debentures into equity in accordance with the terms of the issue if applicable

                   vii.        inform debenture trustee about any change in the nature and conduct of business by the company before such change

                  viii.        keep the debenture trustee informed of all orders, directions notices of Court/Tribunal affecting or likely to affect the charged assets

                    ix.        inform the debenture trustee of any major change in composition of its Board of Directors which may amount to change in control as defined by SEBI (Substantial Acquisition of Shares and Takeovers) Regulations. 1997

                     x.        inform the debenture trustee of any change in business

                    xi.        send to the debenture trustee an updated list of names and addresses of debenture holders, a statement of interest unpaid on debentures and grievances received from debenture holders.

35.  Company's duties qua debenture-holders. The Company hereby further covenants with the Trustee 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 Trustee 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 there for 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 there for 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.

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

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 installment or installments 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 cooperative societies or limited companies for staff welfare or for business.

37.  Covenants for title etc. The Company hereby further covenants with the Trustee 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 immoveable and moveable property hereby expressed to be granted, conveyed and transferred unto the Trustees and to charge in favour of the Trustee by way of floating charge the property and assets mentioned in Clause 8 hereof (b) and that it shall be lawful for the Trustee, upon entering into or taking possession of all or any 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 (c) 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 (d) 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 (e) at any time and from time to lime; 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.