

UNATTESTED MEMORANDUM OF HYPOTHECATION

This Memorandum of Hypothecation (this “**Memorandum**”) made at Pune on _____:

By

_____, a private limited company incorporated and registered under the Companies Act, 1956 and having its registered office at _____ -- (hereinafter referred to as the “**Borrower**”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns);

in favour of

BAJAJ FINANCE LIMITED, a company registered under the Company’s Act 1956 and having its registered office at Mumbai-Pune Road, Akurdi, Pune 411035 (hereinafter referred to as “**BFL**”, which expression shall unless repugnant to the subject or context shall mean to include all its successors and assigns)..

The Borrower and the BFL are collectively referred to as the “**Parties**” and individually as a “**Party**”.

WHEREAS

- A. At the request of the Borrower, BFL has sanctioned certain credit facilities to the Borrower, up to a maximum principal amount of Rs. _____/- (Rs. _____) (hereinafter referred to as the “**Facility**”), on the terms and conditions set out in the facility agreement dated _____ as amended, varied, modified or supplemented from time to time (hereinafter referred to as the “**Facility Agreement**”).
- B. One of the condition of BFL agreeing to sanction/agreed to grant, the Facility to the Borrower is that the Borrower shall secure the Secured Obligations (as defined below) by creating a security over the Secured Assets (as defined below) in favour of BFL in the manner set out in this Memorandum.
- C. In view of the above, the Borrower has agreed to execute this Memorandum in favour of BFL in the manner hereinafter appearing.

NOW THIS MEMORANDUM WITNESSETH AS UNDER:

1. INTERPRETATION

- 1.1 The Schedule to this Memorandum shall be considered an integral part of this Memorandum.
- 1.2 In this Memorandum:
 - 1.2.1 words denoting the singular shall include the plural and vice versa;

- 1.2.2 words denoting one particular gender shall include all other genders;
- 1.2.3 unless the context otherwise requires references to clauses or schedule are to clauses or schedule of this Memorandum;
- 1.2.4 headings are inserted for convenience only and shall be ignored in construing this Memorandum;
- 1.2.5 reference to any statute or statutory provision includes a reference to that statute or statutory provision as amended, extended or re-enacted or consolidated (from time to time) and all statutory instruments or orders (including delegated legislation whether by way of rules, notifications, bye-laws and guidelines).

2. COVENANT TO PAY

In consideration of the Facility Agreement and the BFL having sanctioned the Facility to the Borrower, the Borrower covenants and agrees to pay / repay BFL all amounts along with interest, default interest, interest tax, additional interest, further interest, liquidated damages, commitment and other charges / fees, premia on prepayment, indemnification payments, fees, financing charges, costs, and all legal and other charges and expenses relating thereto or incidental to the Facility and the security created by this Memorandum (collectively hereinafter referred to as the **"Secured Obligations"**) in accordance with the terms and conditions contained in the Facility Agreement and this Memorandum.

3. CHARGE

For the consideration aforesaid and as continuing security for the performance of the Secured Obligations, the Borrower, as legal and beneficial owner of the assets set out in the Schedule to this Memorandum (**"Secured Assets"**) hypothecates the Secured Assets

4. COVENANTS

- 4.1 So long as the Secured Obligations or any part thereof remains unpaid, the Borrower shall not deal with or dispose of any interest in the Secured Assets or part thereof in a manner prejudicial to the interests of BFL except as provided in the Facility Agreement.
- 4.2 The Borrower shall file a copy of this Memorandum along with duly completed form 8 prescribed under the Companies Act, 1956 with the Registrar of Companies, Mumbai along with the requisite filing fee within the prescribed period without payment of penalty and shall deliver a copy thereof to BFL.
- 4.3
 - (a) At its own cost and expense, the Borrower undertakes to keep all the Secured Assets fully insured against such risks, and for such amount(s) and for such period and in such form(s) as BFL may from time to time require, either in the joint names of BFL and the Borrower, or with BFL named as loss payee therein, with such reputable insurer(s) as BFL shall approve in writing. The Borrower shall deposit with BFL all such insurances along with any cover notes and receipts evidencing payment of premia etc.
 - (b) In relation to such insurances as are required to be maintained pursuant to sub-clause (a) above, the Borrower shall make punctual payment of all premia to be paid in relation to such insurances, and shall not do or suffer/cause/permit to be done any act which may invalidate such insurance.
 - (c) In the event the Borrower becomes entitled to make any claims under the above insurances, the Borrower undertakes to promptly make a claim under such insurances, and apply all monies received either in reinstatement of the Secured Assets insured or towards repayment of the Secured Obligations.

- (d) If the Borrower fails to insure and / or keep insured any of the Secured Assets, BFL shall, without prejudice to its rights and liabilities under this Memorandum or at law, be at liberty to insure and keep insured any of the Secured Assets, and the Borrower shall on demand repay BFL all fees, costs, commissions and charges incurred by BFL in doing so.
- 4.4 The Borrower shall not remove or cause or permit to be removed any of the Secured Assets from the place presently kept/stored save and except the machinery which is worn out or needs to be replaced nor shall the Borrower divert or cause to permit any of the Secured Assets -to be diverted while in transit to be brought into or stored at the said place. The Borrower declares that the Secured Assets -are tangible movable property and that none of them is embedded in the earth or permanently fastened or attached to the earth and are movables assets.
- 4.5 The Borrower shall furnish to BFL whenever required by BFL full and correct particulars/statements of all the Secured Assets and shall allow BFL or its authorized agent to take inspection of such Secured Assets and of all records and shall provide such evidence as BFL may require as to the cost and value thereof. At its expense, the Borrower authorizes BFL to have the Secured Assets, valued by an appraiser/valuer that BFL may appoint. BFL shall be entitled to debit all costs and expenses incurred in this regard to Borrower's accounts in BFL's books and until their repayment treat such amounts as an advance secured by this Memorandum. Further if any of the Secured Assets (or any part of it) is shipped at any time, the Borrower shall, if BFL so requires, hand over the bills of lading and / or shipping documents and / or documents of title endorsed in favour of BFL and in default of the Borrower doing so BFL shall (at the cost and expense of the Borrower) be entitled to enter and take possession thereof wherever they may be found.
- 4.6 At its own expense, the Borrower shall keep the Secured Assets in marketable and good condition.
- 4.7 The Borrower shall place notice boards with BFL's name legibly and distinctly printed in a conspicuous position at the entrance of and inside the factory/ godown/ premises or other places where the Secured Assets comprising machinery are kept or shall be brought during the continuance of this Memorandum.
- 4.11 *The Borrower undertakes to give prior written notice to BFL of its intention to change the location of the Secured Assets .*
- 4.12 *The Borrower shall furnish to BFL on the last day of each financial quarter (or other intervals as BFL may demand), full and correct particulars/statements of Secured Assets These particulars shall include the quantity, description and their market value, their place of storage, whether they are in transit, and whether they are insured.*
- 4.13 *The Borrower shall allow BFL or its service providers to inspect the Secured Assets and records and produce such evidence as BFL may require as to their cost and value.*
- 4.14 *At its expense, the Borrower authorizes BFL to have the Secured Assets valued by an appraiser/valuer that BFL may appoint. BFL shall be entitled to debit all costs and expenses incurred in this regard to Borrower's accounts in the BFL's books and until their repayment treat such amounts as an advance secured by this Memorandum.*
- 4.15 *At its own expense, the Borrower shall keep the Secured Assets in marketable and good condition.*
- 4.16 *If required by BFL, the Borrower shall place notice boards with BFL's name legibly and distinctly printed in a conspicuous position at the entrance of and inside the factory/ godown/ premises or other places where the Secured Assets are kept or shall be brought during the continuance of this Memorandum.*

- 4.17 The Borrower shall observe and perform all covenants and undertakings set forth in the Facility Agreement. Such covenants and undertakings are incorporated in this Memorandum by reference as if they were set forth in full.
- 4.18 The Borrower shall punctually pay all taxes and outgoings payable in respect of the Secured Assets, and ensure that the Secured Assets does not become charged with their payment.
- 4.19 Where applicable, at its own cost and expense, the Borrower shall maintain the Secured Assets in good repair and condition, and if required by BFL, repair any defect.

5. SECURITY

- 5.1 The security created by or pursuant to this Memorandum will be a continuing security and shall remain in full force and effect notwithstanding any intermediate payment or settlement of account.
- 5.2 Nothing contained in this Memorandum shall operate so as to merge or otherwise prejudice, affect or exclude:
- 5.2.1 Any other security, guarantee or lien whether of or against the Borrower or of third parties which BFL may for the time being hold or would have held but for this security; or
- 5.2.2 Any of BFL's right or remedies in respect of any present or future security, guarantee, obligation or decree for the Borrower's indebtedness or liability to BFL.
- 5.3 The security created by this Memorandum will be in addition and without prejudice to any other security, guarantee, liens, indemnities or other right or remedy that BFL may now or in the future hold for payment/repayment of the Facility and other amounts secured by this Memorandum.
- 5.4 The Borrower will always keep the Secured Assets distinguishable and hold as exclusive property of, and specifically appropriated to, BFL.
- 5.5 Unless otherwise agreed in writing between BFL and the Borrower, the security created by or pursuant to this Memorandum will remain in full force and effect notwithstanding any amendments to or variation in the terms and provisions of the Facility Agreement and/or transfer or assignment of the Facility or any rights or obligations thereunder by BFL.

6. APPOINTMENT OF A RECEIVER

- 6.1 If after granting or during the continuance of the Facility, the Borrower defaults in paying any moneys secured by this Memorandum or upon a breach of the terms and conditions of this Memorandum or upon any event of default under the Facility Agreement, or in the sole judgment of BFL circumstances occur that may prejudice or imperil the Secured Assets, then in such event, BFL may in writing appoint or remove one or more Receivers of the security created by this Memorandum.

6.2 Status, Powers and Remuneration of Receiver: -

Unless otherwise specified by BFL, the Receiver appointed by BFL shall have the following powers:

- (i) Appointment of any receiver may be made either before or after - BFL shall have entered into or taken possession of the Secured Assets;
- (ii) Such receiver may, from time to time, be invested with such of the rights, powers, authorities and discretions exercisable by BFL set forth herein or under law or as BFL may think expedient including the following rights, powers and authorities in relation to the Secured Assets:

- (a) to enter upon or take possession of, collect, appropriate, set off and get in all or any part of the Secured Assets and for that purpose to take any proceedings and enforce any order or judgement in the name of the Borrower or otherwise as the receiver shall consider fit;
- (b) to manage or carry on or concur in carrying on the business of the Borrower as the receiver shall consider fit, in each case, without being responsible or liable for any loss or damage caused in the normal course;
- (c) to make any arrangement or compromise between the Borrower and any other person or pay any compensation or incur any obligation which BFL shall consider fit;
- (d) for the purpose of exercising any of the powers, authorities and discretions conferred on it by this Memorandum and/or defraying any costs or expenses which may be incurred by it in the exercise thereof or for any other purpose, to borrow moneys on the security of the Secured Assets on such terms (with or without security) as the Receiver or BFL shall consider fit and so that, with the prior written consent of BFL (any such security may be or include a charge on the whole or any part of the Secured Assets ranking *pari passu* with the security created hereunder);
- (e) to make calls, conditionally or unconditionally, in respect of uncalled capital committed under the Facility documents;
- (f) to assign, sell, lease, license, grant options to sell, deal with or manage or concur in assigning, selling, leasing, licensing, granting options to sell, dealing with or managing and to vary, terminate or accept surrenders of leases, licenses or tenancies of or otherwise dispose of any part of the Secured Assets in such manner and generally on such terms and conditions as BFL or as the Receiver shall consider fit and to carry any such transactions into effect in the name of and on behalf of the Borrower;
- (g) to make, effect and do all maintenance, repairs, developments, reconstructions, improvements, furnishings, equipments, insurances, alterations or additions to or in respect of the Secured Assets and maintain, renew, take out or increase insurances in the interest of the Secured Assets for maintaining the value of the Secured Assets, in every such case as BFL or the Receiver shall consider fit;
- (h) to obtain all clearances, planning consents and permissions, building regulations, approvals and any other consents or licences necessary or appropriate to carry out any of the matters referred to in this Memorandum or otherwise as BFL or Receiver shall consider fit;
- (i) to redeem any encumbrance and settle and pass the accounts of the encumbrances so that any accounts so settled and passed shall be conclusive and binding on the Borrower and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
- (j) to settle, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person or body who is or claims to be a creditor of the Borrower or relating in any way to the Secured Assets or any part thereof;
- (k) to bring, prosecute, enforce, defend and discontinue all such actions and proceedings in relation to the Secured Assets or any part thereof as the Receiver shall consider fit;
- (l) to sell, lease, appropriate, set off or otherwise dispose of all or any part of Secured Assets;
- (m) to insure and keep insured the property and assets of an insurable nature comprised in the Secured Assets against loss or damage by all risks and contingencies, and to maintain, renew or increase any insurance or insurances in respect of such property or assets;
- (n) to do all such other acts and things (including signing and executing all documents and deeds) as may be considered by BFL or by Receiver to be incidental or conducive to any of the matters or powers

aforesaid or otherwise incidental or conducive to the preservation, improvement or realisation of the Secured Assets;

- (o) to exercise all such other power and authority as BFL shall consider fit to confer and so that BFL may in relation to such part of the Secured Assets as is the subject to the security expressed to be created hereunder confer any powers and authorities which it could give if it were an absolute beneficial owner thereof; and
- (p) in the exercise of any of the above powers, to expend such sums as the receiver may think fit, and the Borrower shall forthwith on demand repay to the Receiver all sums so expended together with interest thereon at the rate applicable under the Facility documents, from time to time. From the date of payment by the Receiver until the date of repayment such sums, together with such interest, shall be secured by this Memorandum. The Receiver shall be entitled to pay out of any money received by him all costs, charges and expenses incurred by him as Receiver and shall also be entitled to retain out of any such money as commission at the rate of 5% on the gross amounts of all moneys received by him.
- (iii) Unless otherwise directed by BFL, the Receiver may exercise all the rights, powers, authorities and discretions herein or by law vested in BFL;
- (iv) BFL may from time to time fix the remuneration of Receiver and may direct payment thereof out of the Secured Assets, provided that all costs and expenses incurred in respect of such remuneration shall be borne by the Borrower;
- (v) BFL from time to time and at any time, may require any such Receiver to give security for the due performance of its duties as such Receiver, and may fix the nature and amount of security to be so given;
- (vi) BFL shall not be in no way responsible for any misconduct, misfeasance, malfeasance or negligence on the part of any such Receiver and shall be in no way liable for or in respect of any debts or other liabilities incurred by any such Receiver whether the Borrower shall or shall not be in liquidation or insolvency or winding up;
- (vii) Every Receiver appointed under the provisions hereof shall be deemed to be the agent of the Borrower and the Borrower shall be solely responsible for such receiver's acts, loss caused by him, defaults or misconduct and liable on any contract or engagement made or entered into by the receiver and for his remuneration;
- (viii) Without prejudice to the generality of the foregoing, the Receiver upon his appointment becoming effective shall have the following powers: -
 - (a) To carry on and continue the business of the Borrower;
 - (b) To rank and claim in the bankruptcy, insolvency, sequestration or liquidation of any person or company indebted to the Borrower and to receive dividends, and to accede to trust deeds for creditors of any such person;
 - (c) To present or defend a petition for the winding up / insolvency of the Borrower; and
 - (d) Generally do and cause to be done all such acts, deeds and things and to enter into such arrangements and contracts respecting the business of the Borrower and the working thereof as BFL would do or cause to be done if BFL had absolute ownership of the Secured Assets and had carried on the said business for the benefit of BFL without being responsible for any loss or damage which may happen thereby.

- (ix) 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 BFL.

7. ENFORCEMENT & REMEDIES

- 7.1 Events of Default (however described) as mentioned in the Facility Agreement or any other document in relation to the Facility occurs or is continuing, then without further notice to the Borrower and without prejudice to its rights and remedies under this Memorandum and under law, BFL may:
 - 7.1.1 Through authorized agents and representatives, enter any place or premises where the Secured Assets or their records may be situated kept or stored. For such entry, BFL may do all acts deeds or things deemed necessary by BFL.
 - 7.1.2 Inspect, value, insure, take charge of, enforce, seize (without Court's intervention), recover, realize, receive or convert into money, all or any of the Secured Assets.
 - 7.1.3 Either by public auction or by private contract, sell or assign all or any of the Secured Assets on such terms and conditions as BFL thinks fit.
 - 7.1.4 Apply the net proceeds of such sale/assignment towards repayment of the Secured Obligations.
 - 7.1.5 Compromise or settle with any third party.
- 7.2 The Borrower undertakes not to take any action inconsistent with or prejudicial to these rights of BFL.
- 7.3 The Borrower agrees to accept the BFL's accounts as sufficient evidence of the amount received on sale/realization and of all charges and expenses incurred by BFL.
- 7.4 The Borrower confirms that BFL or any Receiver that BFL appoints will not be liable for any loss or damage the Borrower may suffer if BFL or such Receiver exercises any of its rights and powers under law or this Memorandum.
- 7.5 The Borrower shall pay the shortfall or deficiency, if the net sum realized by such sale/assignment is insufficient to pay the dues secured by this Memorandum. BFL shall not be in any way responsible or liable for any loss or damage that may be suffered by the Borrower by reason of BFL exercising or not exercising its rights under this Memorandum.
- 7.6 If any surplus remains with BFL after payment of the dues secured by this Memorandum, then it will apply it in payment or liquidation of any other moneys due from the Borrower to BFL, whether solely or jointly with any other person.
- 7.7 BFL shall be at liberty to apply any other moneys in the hands of BFL standing to Borrower's credit or belonging to Borrower in or towards the payment of the balances under the Facility/Secured Obligations, provided that nothing herein contained shall in any manner prejudice or affect any other remedy of BFL against the Borrower.

8. FURTHER ASSURANCES

- 8.1 The Borrower assures BFL that, subject to the security created under this Memorandum, all security (present and future) whether now hypothecated or which may be hypothecated in future, are and will be the Borrower's absolute and unencumbered property with full power of disposition and realization. The Borrower further assures that it shall not create any security over or part with possession of the Secured Assets or any part thereof specially or otherwise in favour of any other party. The Borrower

assures not to create any security interest over the Secured Assets without obtaining the prior written consent of BFL.

- 8.2 To enable BFL to exercise its rights under this Memorandum and more fully assure the Secured Assets to the use of BFL, the Borrower agrees to:

8.2.1 Transfer and deliver to BFL the relative contracts, securities and all other documents;

8.2.2 To sign/furnish all deeds, documents, and papers; and

8.2.3 To furnish such other information and do such acts, deeds and things as may be required by BFL.

The Borrower unconditionally agrees that on the Borrower's failure to do 8.2.1, 8.2.2 and / or 8.2.3 above within a week of written demand by BFL, then BFL may execute such documents itself on behalf of the Borrower.

- 8.3 The Borrower shall not have any claim whatsoever against BFL in relation to any act or thing done, omitted, permitted or suffered by BFL in exercising its rights/powers under this Memorandum and such exercise shall be without prejudice to BFL's other rights and remedies in law and notwithstanding that there may be any pending suit or proceedings relating to the Secured Assets or the security created by this Memorandum.

9. ATTORNEY

- 9.1 BFL shall have all powers incidental and necessary to enforce and realize the security created by this Memorandum. At the Borrower's risk and expense, the Borrower irrevocably appoints BFL as its attorney to do all acts, deeds and things necessary to so enforce and realize the security created by this Memorandum. Without prejudice to powers conferred on BFL under this Memorandum, the Borrower agrees:

- 9.2 If necessary, to execute a formal power of attorney(ies) in favour of BFL in such form and name as may be advised by BFL; and

- 9.3 To furnish information, reports, returns, certificates and statements as BFL may require in connection with the security created by this Memorandum.

10. REPRESENTATIONS AND WARRANTIES

- 10.1 On a continuing basis, the Borrower represents and warrants to and undertakes with BFL as follows:

- 10.1.1 The Borrower is legally and properly organized and in existence as a *private* limited company incorporated and registered under the Companies Act, 1956 and has obtained all necessary consents, approvals, licences and permissions for the conduct of its business;

- 10.1.3 No change whatsoever in the constitution of the Borrower during the continuance / validity of this Memorandum and the Facility Agreement shall be made without the prior written consent of BFL;

- 10.1.9 The Borrower has not and shall not induct any person as a director on its / their Board of Directors as promoter or director, which has been identified as a willful defaulter as per guidelines issued by Reserve Bank of India. The Borrower further undertakes that in case, such a person is found to be on its / their board, it/they would take expeditious and effective steps for removal/retirement of the person from its board.

- 10.1.10 The Borrower is empowered and authorised to enter into this Memorandum and to execute all documents executed / required to be executed under or in relation to this Memorandum, and the Borrower has taken all necessary action for the execution of this Memorandum, and to avail the Facility;
- 10.1.11 This Memorandum and all documents required to be executed under and / or in relation to this Memorandum and/or the Facility constitute / will constitute valid and binding obligations of the Borrower enforceable in accordance with their own terms, and the person(s) executing such document(s) on behalf of the Borrower have been duly authorised to do so;
- 10.1.12. By executing this Memorandum or any related documents, the Borrower will violate any (i) covenants or conditions under any existing agreement / document entered into by it with any third party; (ii) provision of any decree of any competent authority; and/or (iii) any applicable law;
- 10.1.13 There is no action, suit, proceeding or investigation pending and/or continuing or to the knowledge of the Borrower threatened by or against the Borrower or the property of the Borrower before any court of law, government authority or other competent authority which may:
- (a) have a adverse effect on the business or financial condition, assets, operations, prospects of the Borrower; or
 - (b) have a adverse effect on the Borrower's ability to perform and comply with its obligations under this Memorandum and/or the Facility Agreement and/ or the Facility; or
 - (c) have a adverse effect on the validity, legality or enforceability of, or the rights or remedies of BFL under this Memorandum and/or the Facility Agreement and/ or any other document in respect the Facility; or
 - (d) have a adverse effect on the validity, legality or enforceability of any security created / to be created by the Borrower in respect of the Facility or on the priority or ranking of any such security.
- 10.1.14 No Event of Default or potential Event of Default has occurred and/or is in existence or continuing;
- 10.1.15 All factual and other information provided to BFL in relation to the Facility and /or this Memorandum was true and accurate as at a date no earlier than the date on which it was provided; and
- 10.1.16 The Borrower will promptly inform BFL about any litigation, dispute, arbitration or other proceeding pending or threatened against it or any proposal by a regulatory body to acquire the Secured Assets, or any part of it.
- 10.2 The Borrower hereby agrees to indemnify and keep BFL indemnified against any costs, fees, charges or expenses that may be incurred by BFL as a result of breach of any of the representations / warranties set out above. For this purpose BFL shall be entitled to debit the account(s) of the Borrower maintained with BFL, and until satisfaction of all such amount(s) due, treat such amount(s) as an advance secured under this Memorandum.

11. COVENANTS

11.1 Affirmative Covenants

For so long as the Facility or part thereof is still outstanding, the Borrower:

- 11.1.1 shall allow the representative(s) and / or nominee(s) of BFL to enter into its premises in order to inspect the property, books of account and other relevant accounts, documents and records provided to BFL as security for the obligations of the Borrower under / in respect of this the Facility. The Borrower shall promptly repay BFL all costs and expenses incurred in respect of such inspection.

- 11.1.2 shall execute in favour of BFL and / or its / their nominee(s) such further documents, forms and / or papers as BFL may in its absolute discretion require in connection with the Facility/this Memorandum .
- 11.1.3 shall utilise the Facility only for the purpose for which it was extended by BFL.
- 11.1.4 shall immediately notify BFL upon becoming aware of any Event of Default or potential Event of Default.
- 11.1.5 shall not breach, or cause to be breached, the financial covenants stipulated by BFL.
- 11.1.6 shall ensure that the security provided under this Memorandum is of such value as is sufficient to meet the security margin requirements of BFL. In the event either the value of the security provided under this Memorandum deteriorates, or BFL advances further sum(s) to the Borrower such that the value of the security provided under this Memorandum does not meet the security margin requirements of BFL, the Borrower shall deposit with BFL (as BFL may direct) the additional security in the form of cash or such other securities as are acceptable to BFL, failing which BFL may at its discretion sell, dispose of, or realise any or all of the security provided under this Memorandum without being liable for any loss or damage or diminution in value of the security provided under this Memorandum.

11.2 Negative Covenants

For so long as any of the Facility or any part thereof is still outstanding, the Borrower shall not without the prior written consent of BFL;

(i) make or permit any change in its constitution or management; or

(ii) create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over the security provided under this Memorandum in favour of any person other than BFL.

12. INDEMNITY

- 12.1 The Borrower shall indemnify BFL against all costs, charges, expenses, losses and / or damages incurred or suffered by BFL by reason of any false or misleading information given by the Borrower to BFL, or as a result of the occurrence of any Event of Default or the enforcement of the security provided under this Memorandum.
- 12.2 The Borrower shall reimburse BFL for all costs, charges and expenses, losses and / or damages incurred or suffered by BFL relating to this Memorandum (including, the preparation of, negotiation, modification(s) and / or enforcement) and any related and / or incidental documents.
- 12.3 BFL shall have the right at any time to debit any of the Borrower' accounts with BFL for principal, interest, commission, charges, fees and all other monies owed to BFL by Borrower .

13. NOTICES

- 13.1 Any notices to be provided by either party shall be in writing, signed by an authorised officer, if sent by post, delivered to the addresses set out below or to such other address as may be notified for the purpose by the Parties from time to time, and if sent by facsimile, sent to the numbers notified below or to such other number as may be notified for the purpose by the parties from time to time. Notices shall be deemed to have been delivered two (2) business days following dispatch.

Address of the Borrower: _____ -

Address of BFL: **BAJAJ FINANCE LIMITED,** _____

- 13.2 The Borrower agrees that all instructions and / or correspondence sent by the Borrower to BFL are sent at its risk, and BFL does not assume any responsibility for any inaccuracy, interruption, error, delay or failure in transmission or delivery whether sent by post, courier, e-mail or any other form of written or electronic communication.

14. COSTS

- 14.1 The Borrower shall reimburse and pay to BFL immediately on demand actual stamp duty and other charges and expenses (including legal expenses) as may be applicable / payable and /or incurred in connection with preparation, perfection and execution of this Memorandum. If at any time hereafter it is found or required that any extra stamp duty is payable on this Memorandum and /or if it is ascertained that stamp duty at a rate higher than the duty presently paid on this Memorandum, is payable/required to be paid then the Borrower shall immediately pay the same with penalty (if any) and keep BFL indemnified and save harmless at all times from the payment thereof.
- 14.2 The Borrower further agrees to bear and pay all present and future stamp, registration and similar taxes or charges which may be payable in connection with the acceptance, delivery, performance or enforcement of this Memorandum. The Borrower agrees to indemnify and keep BFL indemnified at all times against any and all loss, costs, charges, expenses and liabilities including penalties with respect to or resulting from delay or omissions to pay any such stamp, registration and similar taxes or charges. Such stamp, registration and similar taxes or charges (if not paid or reimbursed by the Borrower) shall be deemed to be the amounts due under/in relation to the Facility/secured under this Memorandum.
- 14.3 The Borrower agrees to accept, as conclusive proof of the correctness of any sum claimed to be due from it to BFL under this Memorandum, a statement of account made out from the books of BFL and signed by any duly authorised officer of BFL without the production of any other voucher, document or paper.

15. ASSIGNMENT

The Borrower shall not be entitled to assign or transfer any of its rights, benefits and obligations under the Facility or under this Memorandum. The Borrower agrees that notwithstanding anything to the contrary contained in any documents executed under / in relation to this Memorandum or the Facility, BFL shall have the right to assign and / or transfer and / or novate and / or otherwise securitise its rights or obligations under this Memorandum and / or the Secured Obligations whether with or without recourse, to one or more banks or any other entity, trust, any association whether located / placed in India or outside India, without any reference or notice to the Borrower. The Borrower shall not, however, claim any privity of contract with any such entity to whom the Secured Obligations and / or any rights and obligations under this Memorandum have been assigned / transferred / securitized.

16. DISCLOSURES

- 16.1 The Borrower hereby accepts and confirms that as a pre-condition to grant of the credit facilities including, the Facility by BFL to the Borrower, BFL requires consent of the Borrower to make certain disclosures in relation to the Borrower including information and data relating to the Borrower and any credit facility availed of by the Borrower and any default committed in discharge of any such obligations. Accordingly, the Borrower hereby agrees and gives consent to the disclosure by BFL of all or any such:
- 16.1.1 information and data relating to the Borrower;
- 16.1.2 the information or data relating to the Borrower's obligations in any credit facility granted / to be granted by BFL; and
- 16.1.3 default, if any, committed by the Borrower in discharge of such obligation,

as BFL may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Ltd. and any other agency authorized in this behalf by Reserve Bank of India or any other regulatory authority.

- 16.2 The Borrower further declares that the information and data furnished by it to BFL is/shall be true and correct.
- 16.3 The Borrower further undertakes and declares that:
- 16.3.1 the Credit Information Bureau (India) Ltd. and any other agency so authorized may use, process the said information and data disclosed by BFL in the manner as deemed fit by them; and
- 16.3.2 the Credit Information Bureau (India) Ltd. and any other agency so authorized may furnish for consideration, the processed information and data or products thereof prepared by them to banks/financial institutions and other credit grantors or registered users, as may be specified by the Reserve Bank of India in this behalf.
- 16.4 The Borrower hereby consents to BFL, its officers and agents disclosing information relating to the it and its account(s) and/or dealing relationship(s) with BFL, including but not limited to details of its facilities, any security taken, transactions undertaken and balances and positions with BFL, to
- (i) the head office of BFL, any of their subsidiaries or subsidiaries of its holding company, Affiliates, representative and branch offices in any jurisdiction (together with BFL, the “**Permitted Parties**”);
 - (ii) professional advisers and service providers of the Permitted Parties who are under a duty of confidentiality to the Permitted Parties;
 - (iii) any actual or potential assignee, novatee, transferee, participant or sub-participant in relation to any of BFL’s rights and/or obligations under any agreement (or any agent or adviser of any of the foregoing);
 - (iv) any rating agency, insurer or insurance broker of, or direct or indirect provider of credit protection to any Permitted Party;
 - (v) any court or tribunal or regulatory, supervisory, governmental or quasi-governmental authority with jurisdiction over the Permitted Parties

for purposes in connection with the services/facilities provided or to be provided by BFL and facilitating the BFL’s management of the relationship between BFL and/or their Affiliate and the Borrower.

Affiliate means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company.

Holding Company of any other person, means a company in respect of which that other person is a Subsidiary.

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent of the voting capital or similar right of ownership and **control** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

17. WAIVER

The Borrower confirms that no delay of BFL in exercising or not exercising any right, power or remedy accruing/available to it on the Borrower's default or otherwise under Facility Agreement, this Memorandum or any other security documents/ letters of guarantee shall impair or prejudice such right, power or remedy or shall be construed as its waiver or acquiescence. The Borrower further confirms that any single or partial exercise of any right, power or remedy by BFL shall not preclude further exercise thereof. Every right and remedy of BFL shall continue in full force until they specifically waives it by a written instrument.

18. FACILITY LETTER / FACILITY AGREEMENT

The terms of the Facility Agreement including, any subsequent facility letter(s) issued by BFL regarding the Facility from time to time shall form part of this Memorandum and shall be in addition to and be read in conjunction with the terms of this Memorandum. If there are any inconsistencies between the terms of the Facility Agreement and this Memorandum then, the terms of this Memorandum shall prevail.

19. LIENS/RIGHT OF SET OFF

In addition to all liens upon, and rights of set off against the monies, securities or other property of the Borrower given to BFL by law, BFL shall have a lien upon and a right of set off against, all monies, securities and other property of the Borrower now or hereafter in the possession of or on deposit with BFL, whether held in a general or special account or deposit, or for safe keeping or otherwise; and every such lien and right of set off may be exercised without demand upon or notice to the Borrower. No lien or right of set off shall be deemed to have been waived by any act or conduct on the part of BFL, or by any neglect to exercise such right of set off or to enforce such lien, or by any delay in so doing and every rights of set off and lien shall continue in full force and effect.

No right of set off shall be deemed to have been waived by any act or conduct on the part of BFL, or by any neglect to exercise such right of set off, or by any delay in so doing and every rights of set off shall continue in full force and effect until such rights of set off is specifically waived or released by an instrument in writing executed by BFL.

20. SEVERABILITY

Any provision of this Memorandum which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of prohibition or un-enforceability but that shall not invalidate the remaining provisions of this Memorandum nor affect such provision in any other jurisdiction.

21. GOVERNING LAW AND JURISDICTION

- 21.1 Unless prohibited by any applicable law in force, all claims, disputes, differences or questions of any nature arising between the Parties to this Memorandum, whether during or after the termination of this Memorandum, in relation to the construction, meaning or interpretation of any term used or clause of this Memorandum or as to the rights, duties, liabilities of the Parties arising out of this Memorandum, shall be referred to the sole arbitrator to be appointed by BFL. The Parties hereto mutually agree and confirm that the arbitration proceedings shall be conducted in English and in accordance with the Arbitration and Conciliation Act, 1996 and the proceedings shall be held at Pune. It is clarified that this arbitration clause shall not apply to any claim and/or dispute and/or difference in respect of which a summary suit under Order 37 of the Civil Procedure Code can be instituted by BFL.

21.2 This Memorandum and all documents executed under or in relation to this Memorandum shall be governed by and construed in accordance with the laws of India. Any disputes arising under or in relation to this Memorandum shall be subject to the exclusive jurisdiction of the Courts at Pune. This shall not however limit the rights of BFL to take proceedings in any other court of competent jurisdiction.

Schedule

(Description of Assets)

IN WITNESS WHEREOF, the Borrower has executed this Memorandum on the day and the place mentioned hereinabove

Pursuant to the Resolution of its Board of Directors)
passed in their meeting held on, the Common)
Seal of company has been affixed in the presence of)
Mr _____)
)
Director/s of the company who has in)
token thereof signed this Memorandum)