

DEED OF HYPOTHECATION

THIS DEED OF HYPOTHECATION executed at New Delhi on this ____ day of _____, ____ by M/s _____ Ltd. a Company within the meaning of the Companies Act, 1956 (1 of 1956) and having its Registered Office at _____, in the State of _____ (hereinafter referred to as "the Borrower" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns) in favour of

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD, a Company incorporated under the Companies Act,1956 and having its Registered Office at India Habitat Centre Complex, Core 4-A, East Court, Ist Floor, Lodi Road, New Delhi - 110 003 (hereinafter referred to as the "IREDA", which expression shall unless it be repugnant to the subject or context thereof include its successors and assigns).

WHEREAS

- a) By an Agreement dated ____ day of _____, _____ entered into between the Borrower and the IREDA (hereinafter referred to as the "Loan Agreement") IREDA has agreed to lend and advance to the Borrower and the Borrower has agreed to borrow from IREDA on the terms and conditions contained in the Loan Agreement sum not exceeding Rs. _____ lakhs (Rupees _____ only) (hereinafter referred to as "the Loan").

- b) One of the conditions of the Loan Agreement is that the Loan together with all interest at the agreed rate, further interest, liquidated damages, premia on prepayment or on redemption, costs, charges expenses and other monies whatsoever stipulated in the Loan Agreement shall be secured, inter alia, by an exclusive first charge by way of hypothecation of -
- * all the Borrower's movables wherever situate including movable machinery, machinery spares, tools and accessories pertaining to _____ (Project No.____), both present and future and
 - * all Receivables of Power generated from the above proposed _____ Project wherever lying or held in Trust and Retention Account opened /to be opened with a Scheduled Commercial Bank including any other monies credited therein or held by or due from any purchaser of power including the _____.
- c) IREDA have called upon the Borrower to execute these presents which the Borrower has agreed to do in the manner hereinafter expressed.

NOW THEREFORE THESE PRESENTS WITNESSETH THAT :

1. In pursuance of the Loan Agreement and in consideration of IREDA having lent and advanced and/or agreed to lend and advance the Loan of Rs. _____ lakhs (Rupees _____ only) to the Borrower for the purposes and subject to the terms and conditions set out in the Loan Agreement and in consideration of the premises, the Borrower doth hereby covenant with IREDA that it shall repay the Loan to IREDA and shall pay interest at the agreed rates, further interest, liquidated damages, premia on prepayment or on redemption, costs, charges and expenses and all other monies as stipulated and in the manner set out in the Loan Agreement and shall duly observe and perform all the terms and conditions of the Loan Agreement.
2. In pursuance of the Loan Agreement for the consideration aforesaid
 - i. the whole of the movables properties of the Borrower wherever situate including its moveable plant and machinery, machinery spares, tools and accessories and other movables pertaining to _____ (Project No.____) both present and future whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereafter from time to time during the continuance of these presents be brought into or upon or be stored or be in or about all the Borrower's _____Project, factories, premises and godowns wherever the same may be or be held by any party to the order or disposition of the Borrower or in the course of transit or on high seas or on order or delivery and

- ii. all Receivables of Power generated from the above proposed Small Hydro Project wherever lying or held in Trust and Retention Account opened /to be opened with a Scheduled Commercial Bank including any other monies credited therein or held by or due from any purchaser of power including the

_____.

(hereinafter collectively referred to as "the said Goods") short particulars whereof are given in the Schedule hereto, are hereby hypothecated as and by way of exclusive first charge to IREDA as security for and be charged with the repayment of loan and repayment or payment of other monies including all interest, further interest, liquidated damages, premia on prepayment or on redemption, costs, charges and expenses and all other monies due to IREDA under the Loan Agreement if any, and these present.

3. In further pursuance of the Loan Agreement and for the consideration aforesaid the Borrower doth hereby further agree, declare and covenant with IREDA as follows :-

- i. The Borrower shall at its expense keep the said Goods in marketable and good condition and insure the same in the joint names of the Borrower and IREDA as provided in the Loan agreement against any loss or damage by theft, fire, lightning, earthquake, explosion, riot, strike, civil commotion, storm, tempest, flood, marine risk, erection risk, war risk and such other risks as IREDA shall from time to time require, with an insurance company or companies. The Borrower shall deliver to IREDA the relevant policies of insurance duly assigned to IREDA and maintain such insurance through out the continuance of the security of these presents and deliver to IREDA the renewal receipts therefor and shall duly and punctually pay all premia and shall not do or suffer to be done or omit to do or be done any act which may invalidate or avoid, such insurance. In default IREDA may (but shall not be bound to) keep in good condition and render marketable the said Goods and take out/renew such insurance. Any premium paid by IREDA and any costs, charges and expenses incurred by IREDA shall forthwith on receipt of a notice of demand from IREDA be reimbursed to IREDA together with interest thereon at the applicable rates from the date of payment and until such reimbursement by the Borrower the same shall be debited to the Borrower's Loan Account and be a charge on the said Goods.
- ii. The nominees of IREDA shall, without any notice and at the risk and expense of the Borrower, be entitled at all times to enter any place where the said Goods may be and inspect value insurance, superintend the disposal of and take particulars of all or any part of the said Goods and check any statement, accounts, reports, and information.

- iii. In the event of any breach or default by the Borrower in the performance of its obligations, hereunder or any of the terms, covenants, obligations and conditions stipulated in the Loan Agreement or the related security documents or the deeds executed or that may hereafter be executed by the Borrower in favour of IREDA or

in the event of the Borrower failing to pay either the interest or any instalment/s of the principal of the Loan, or in the event of the charge or the security created in favour of IREDA having become enforceable for any reason whatsoever, IREDA or their nominees shall, in case such breach or default is not remedied by the Borrower to the satisfaction of IREDA within a period of 15 days from the date of intimation by IREDA of such breach or default or such extended time as may be granted by IREDA in writing, without any notice and without assigning any reason and at the risk and expense of the Borrower and if necessary as Attorney for and in the name of the Borrower be entitled to take charge and or possession of seize, recover receive and remove them and or sell by public auction or by private contract dispatch or consign for realisation or otherwise dispose of or deal with all or any part of the said Goods without the intervention of the Courts/Tribunals and to enforce, realise, settle, compromise dispose and deal with any rights or claims relating thereto without being bound to exercise any of these powers or be liable for any losses in the exercise or non-exercise thereof and without prejudice to IREDA's rights and remedies of suit or otherwise and Notwithstanding any pending suit or other proceeding, the Borrower undertakes to give immediate possession to the nominees of IREDA on demand of the said Goods and to transfer, and to deliver to IREDA all relative bills, contracts, securities and documents and the Borrower hereby agrees to accept IREDA's account of sales and realisations as sufficient proof of amounts realised and relative expenses and to pay on demand by IREDA any shortfall or deficiency thereby shown, provided however that IREDA shall not be in any way liable or responsible for any loss, damage or depreciation that the said Goods may suffer or sustain on any account whatsoever whilst the same are in possession of IREDA or by reason of exercise or non exercise of rights and remedies available to IREDA as aforesaid and that all such loss, damage or depreciation shall be wholly debited to the Loan Account of the Borrower, howsoever the same may have been caused.

4. IREDA at any time after the security hereby constituted has become enforceable and whether or not IREDA shall then have entered into or taken possession of and in addition to the powers herein before conferred upon IREDA after such entry into or taking possession of may have Receiver or Receivers appointed of the said Goods or any part thereof. The following provisions shall also apply to such Receiver.

- i. Unless otherwise directed by IREDA, such Receiver shall have and exercise all powers and authorities vested in IREDA.
 - ii. Such Receiver shall, in the exercise of his powers, authorities and discretions, conform to the regulations and directions from time to time made and given by IREDA.
 - iii. IREDA may from time to time fix the remuneration of such Receiver and shall direct payment thereof out of the said Goods, but the Borrower alone shall be liable for the payment of such remuneration.
 - iv. IREDA may from time to time and at any time require such Receiver to give security for the due performance of his duties as such Receiver and may fix the nature and amount of the security to be given to IREDA but IREDA shall not be bound to require such security in any case.
 - v. IREDA may pay over to such Receiver any monies constituting part of the securities to the intent that the same may be applied for the purpose hereof by such Receiver and IREDA may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver.
 - vi. Every such Receiver shall be the agent of the Borrower for all purposes and the Borrower alone shall be responsible for his acts and defaults loss or misconduct and liable on any contract or engagement made or entered into by him and for his remuneration and IREDA shall not incur any liability or responsibility therefor or by reason of their making or consenting to his appointment as such Receiver.
5. All the said Goods and all sale realisations and insurance proceeds thereof and all documents under this security shall always be kept distinguishable and held as the exclusive property of IREDA specifically appropriated to this security and be dealt with only under the directions of IREDA and the Borrower shall not create any charge, mortgage, lien or other encumbrances upon or over the same, or any part thereof except in favour of IREDA nor suffer any such charge, mortgage, lien or other encumbrance or any attachment or distress to affect the same or any part thereof nor do or allow any thing that may prejudice this security and IREDA shall be at liberty to incur all cost and expenses as may be necessary to preserve this security and to maintain the same undiminished and claim reimbursement thereof as mentioned in sub clause (i) hereof PROVIDED that except to the extent specifically permitted by IREDA, the Borrower shall not sell all or any of the said Goods. The Borrower shall on any and every such sale pay to IREDA, if so, required by them, the net proceeds of the sale or disposal in satisfaction, so far as the same shall extent, of the monies, due and payable by the Borrower may without payment to IREDA, if IREDA so agree, replace the outmoded equipment by equipment of equivalent or greater value.

6. The Borrower shall, whenever required by IREDA, give full particulars to IREDA of all the assets of the Borrower and of the said Goods and shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by IREDA and make furnish and execute all necessary documents to give effect to.
7. This security shall be a continuing security for repayment of the loan together with all interest, further interest, liquidated damages, premia on prepayment or on redemption and repayment or payment of all other monies due to IREDA under the Loan Agreement and these presents, and shall not affect, impair or discharge the liability of the Borrower by winding up (voluntary or otherwise) or by any merger or amalgamation, reconstruction or otherwise of the management or nationalization of the undertaking of the Borrower.
8. The Borrower hereby declare that the said Goods are and will at all times be the absolute property of the Borrower at the sole disposal of the Borrower and subject to the charges created and/or to be created with the specific permission of IREDA be free from any prior charge, trust, pledge, lien, claim or encumbrance and as to future goods the same shall likewise be the unencumbered absolute and disposable property of the Borrower with full power of disposition over the same provided that the Borrower shall be entitled at all times to sell or dispose of the Bankers' Goods in the ordinary course of business and also to hypothecate the Bankers Goods by way of first charge in favour of its Bankers such charge(s) in favour of the Bankers to rank in priority over the charge hereby created.
9. The Borrower hereby appoints IREDA as its attorney and authorises IREDA to act for and in the name of the Borrower to do whatever the Borrower may be required to do under these presents and generally to use the name of the Borrower in the exercise of all or any of the powers by these presents conferred on IREDA and the Borrower shall bear the expenses that may be incurred in this regard.
10. Nothing herein shall prejudice the rights or remedies of IREDA in respect of any present or future security, guarantee, obligation or decree for any indebtedness or liability of the Borrower to IREDA.
11. The provisions contained herein shall be read in conjunction with the provisions of the Loan Agreement as amended from time to time and to the extent of any inconsistency or repugnancy the latter shall prevail to all intents and purposes.

12. The Borrower hereby agrees and confirms that Civil Courts/Tribunals in Delhi/ New Delhi alone shall have jurisdiction to entertain any suit or other legal proceedings arising out of this Deed of Hypothecation.

SCHEDULE REFERRED TO ABOVE

(Short particulars of movables properties)

1. The whole of the movables properties of the Borrower, wherever situate, including those pertaining to

_____ situate at _____ (Project No.____) and elsewhere including its movables plant and machinery, machinery spares, tools and accessories and other movables, both present and future whether installed or not and whether now lying loose or in cases or which now lying or stored in or about or shall hereafter from time to time during the continuance of security of these presents be brought into or upon or be stored or be in or about all the Borrower factories, _____ Project, premises and godowns wherever the same may be or be held by any party to the order disposition of the Borrower or in the course of transit or on high seas or on order, or delivery, however/ and wheresoever in the possession of the Borrower and either by way of substitution or addition and

all Receivables of Power generated from the above proposed _____ Project wherever lying or held in Trust and Retention Account opened /to be opened with a Scheduled Commercial Bank including any other monies credited therein or held by or due from any purchaser of power including the _____, by way of exclusive first charge.

IN WITNESS WHEREOF the Borrower has caused its Common Seal to be affixed hereto on the day, month and year first above.

THE COMMON SEAL OF THE
M/s. _____
Ltd. has pursuant to the
Resolutions of its Board of
Directors passed in that behalf
on the ____ day of
_____, ____ hereunto
been affixed in the presence
of Shri _____ and
Shri _____,
Directors and Shri
_____,
(designation) Authorised
Person who have signed these
presents in token thereof.