

HDFC BANK LTD.
NAVRANGPURA
AHMEDABAD

GUJ/SOS/AUTH/AV/67/2006

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STAMP DUTY GUJARAT

Franking of INR 800,300/-

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LETTER OF HYPOTHECATION OF STOCKS, BOOK DEBTS & MACHINERY

To,
HDFC Bank Ltd.
Navrangpura,
Ahmedabad
Date: 30/04/2015

Dear Sirs,
WHEREAS at our request, HDFC BANK LIMITED (hereinafter called "the Bank") has granted to us i.e.
BRIGHT AUTOPLAST LIMITED, a Company incorporated and registered under the Companies Act, 1956

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(X)

K6003

and having its registered office at Abhijeet-I, 7th floor, Mithakhali, San. Road, Ellisbridge, Ahmedabad, Gujarat GUJARAT - 380006 hereinafter referred to as "the Bank" (which expression shall unless it be repugnant to the context or meaning thereof shall mean its successors and assigns) credit facility/ies or accommodation upto a maximum Principal amount of Rs 100,00,00,000 (Rupees One Hundred Ten Crores and Sixty Lakhs only), by way of Term Loan I, Term Loan II, Term Loan III (hereinafter collectively called "the said Credit Facilities") to be secured in the manner as follows:

In consideration of the above we hereby HYPOTHECATE BY WAY OF FIRST PARI PASSU CHARGE to the Bank the following:

all the movable Plant and Machinery both present and future consisting of
being movable properties, now stored at or being stored or which may hereafter be brought into or
stored at or at present installed at

(brief particulars whereof are set out in the Schedule hereunder written) and also the Plant and Machinery, which may at any time hereafter belonging to us or at our disposal and now or at any time and from time to time hereafter stored or be stored or brought into or upon or in course of transit or awaiting transit by any mode of transport to our factory or premises or at any other place whatsoever and wheresoever in our possession or occupation or at any other premises or place (all of which herein after collectively referred to as "the said Machinery")

AND BY WAY OF SECOND PARI PASSU CHARGE to the Bank the following:

- I all the stock in trade both present and future consisting of raw materials, finished goods, goods in process of manufacturing and other merchandises whatsoever being movable properties now or at any time hereafter belonging to us or at our disposal and now or at any time and from time to time hereafter stored or to be stored or brought into or upon or in course of transit to our factory or premises or at any other place whatsoever and wheresoever in our possession or occupation or at any other premises or place (all of which hereinafter collectively referred to as "the said goods")
- II all the book debts, outstandings monies receivable, claims and bills which are now due and owing to us which may at any time hereafter during the continuance of this security become due and owing to us in the course of its business by any person, firm, company or body corporate or by the Government Department or office or any Municipal or Local or Public or Semi Government Body or authority or any body corporate or undertaking or project whatever in the public sector, (all of which hereinafter collectively referred to as "the said debts")

TO SECURE AS A CONTINUING SECURITY the due repayment by us to the Bank at any time on demand of:

All the monies now or at any time and from time to time hereafter due /may become due and owing by us to the Bank in respect of and under the above said Credit Facilities and interest and commission thereon and all legal and other costs, charges, payments, re-imbursements and expenses relating thereto and payable hereunder and incidental to this security or for enforcement thereof (hereinafter collectively referred to as "the said dues")

AND IN FURTHER CONSIDERATION AFORESAID: We hereby irrevocably agree, undertake and confirm to the Bank as follows:

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1. That the said dues shall be payable by us to the Bank at the HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013. Forthwith on demand made by the Bank on us. The Bank shall be entitled to demand payment of all or any of the said dues at any time from us.
 2. All monies advanced by the Bank on the security hereof shall be employed solely in and for the purpose of our business.
 3. So long as any monies are outstanding in any of the said credit facility/ies, We shall pay to the Bank interest at the rate as may be communicated by the Bank to us from time to time with quarterly rests on daily debit balances and this document shall be construed as if such revised rate of interest was mentioned herein and thereby secured.
 4. The Bank shall have an absolute discretion for granting or continuance of the said credit facility/ies and determining the amounts to be advanced and/or allowed to be outstanding from time to time within the limit and in the account/s to be opened by the Bank in respect of the said credit facility/ies and be at liberty to close the account/s and refuse to allow further drawing or advances thereon at any time without any previous notice to us.
 5. Unless otherwise directed by the Bank and unless specifically prohibited in writing by the Bank, we shall, be at liberty in the ordinary course of business to sell all or any of the said goods hereby hypothecated or realise the said debts but we will upon receipt of the proceeds of every sale of the said goods or upon realisation of the said debts, pay the same forthwith to the Bank to be applied in reduction of our indebtedness to the Bank in respect of the said Credit facilities. We undertake not to remove or cause or permit to be removed any of the said goods or divert or cause to be diverted while in transit except for the above purpose of sale or dealing in the ordinary course of business.
 6. We shall not remove or cause or permit to be removed any of the said Machinery from the place presently installed/stored/ from the said factory premises save and except the machinery which are in absence, nor shall we divert or cause or permit any of the said Machinery to be diverted while in transit to be brought into or stored at the said place/factory premises. We further declare that the said Machinery hereby hypothecated are tangible movable property and that none of them is embedded in the earth or permanently fastened or attached to the earth.
 7. We shall regulate our drawing out of and the payment into the said account/s in such a manner that the amounts due from time to time for the principal on the said account/s shall be kept as nearly as practicable within the limit of credit facilities.
 8. We shall at all times during the continuance of this security maintain the said goods, said debts and said machinery of a sufficient quantity and value (as estimated by the Bank) so as to provide the margin of security as may from time to time be advised to me/us by the Bank and shall forthwith as the Bank may require hypothecate to the Bank such further goods, debts, machinery and assets approved by the Bank and of sufficient value to make up the deficiency or shall reduce the amount for the time being due to the Bank by the Cash Payment so as to maintain the said margin.

(X) 9. We shall furnish to the Bank whenever required by the Bank full and correct particulars/statements of all the said debts and shall allow the Bank or its authorised agent to take inspection of all the Books of Accounts and will produce such evidence as the Bank may require as to the value thereof. In respect of the said goods and machinery we shall furnish to the Bank whenever required by the Bank full and correct particulars / statements of all the said goods and machinery viz. the quantity, description and the market value thereof, the place where they are stored for the time being or whether they are in transit and are insured as provided herein and shall allow the Bank or its authorised agents to take inspection of such Machinery and of all records and will produce

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such evidence as the Bank may require as to the cost and value thereof. We also authorise the Bank to have all or any of the said goods and machinery valued at our expense by an Appointed Valuer to be appointed by the Bank and shall pay to the Bank on demand fees or other costs charges and expenses of and incidental to such inspection or valuation (the Bank's statement being conclusive). The Bank may be at liberty to debit the amount thereof to our said account in the Bank's books and the same shall be treated as advance until payment thereof.

- i) If We fail to pay on demand any monies which ought to be paid by us hereunder; or
- ii) shall commit any breach of any agreement on our part herein contained or
- iii) if any circumstances shall occur which in the sole judgment of the Bank is prejudicial to or imperils or is likely to prejudice or imperil this security; or
- iv) if any distress or execution is levied or enforced against any of my/our property or assets whatsoever; or
- v) if any person firm or company shall take steps towards applying for or obtaining an order for the appointment of a Receiver of any of my/our property or assets whatsoever; or
- vi) if such Receiver is appointed; or
- vii) if, we being a company, an order is made or a resolution is passed for the winding up of our company or a petition for such winding up is filed or notice of a meeting to pass such resolution is issued; or
- viii) if we shall cease or threaten to cease to carry on business or conduct the business to the satisfaction of the Bank;

(X) then in any such case the Bank shall have a right to forthwith or at any time thereafter and without any notice to me /us :

- a) enter into or upon the above said place or premises where or wherein any of the hypothecated goods or machinery or any records pertaining to the said debts may be or are situated or kept or stored (and for the purpose of such entry to do all acts deeds or things deemed necessary by the Bank) and
- b) inspect, value, insure, take charge of and/or seize, recover, receive appoint receiver of and/or take possession of all or any of the hypothecated assets and at any time thereafter and without any notice (I/We hereby waive any such notice), and
- c) either by public auction or by private contract, sell and dispose of all or any of the said Machinery on such terms and in such manner as the Bank shall think fit, and
- d) to apply the net proceeds of such sale in and towards the payment of all the said dues hereby secured.

The Bank may enforce, realise, settle, compromise and deal with any rights aforesaid, but not bound to exercise any of these powers) without being liable for any damage or losses in the exercise thereof and without prejudice to the Bank's rights and remedies of suit or otherwise. We shall accept the Bank's accounts as sufficient evidence of the amount received on such sale or realisation or receipts and of the amount of costs, charges and expenses thereof and to pay any shortfall or deficiency

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- thereby shown and we shall sign/furnish all such deeds, documents, papers and furnish such other information and do all such acts, deeds and things as may be required by the Bank in connection with the above and on my/our failure to do so within a week of demand in writing by the Bank then the Bank may execute such document itself on our behalf. In respect of the said debts, we shall transfer and deliver to the Bank relative contracts, securities, bazaar chits, bills, notes, hundies and all other documents and sign all deeds, papers and documents required in correction thereto.
11. We shall pay any shortfall or deficiency if the net sum realised by such sale of hypothecated assets and upon realisation of the said debts shall be insufficient to pay the said dues hereby secured and the Bank shall be at liberty to apply any other monies in the hands of the Bank standing to our credit or belonging to us in or towards the payment of the balances, provided that nothing herein contained shall in any manner prejudice or affect the remedy of the Bank against us personally.
 12. If there shall be a surplus available in the hands of the Bank after payment of the said dues hereby secured, such surplus shall be applied by the Bank in payment or liquidation of all and any other monies which shall be or may become due from the Borrower to the Bank whether solely or jointly with any other person or persons or company.
 13. We shall not have any claim whatsoever against the Bank in relation to any act or thing done, omitted, permitted or suffered by the Bank in exercising its rights/powers hereunder and such exercise shall be without prejudice to the Bank's other rights and remedies in law and notwithstanding that there may be any pending suit or proceedings relating to the said goods, We shall not have any claim whatsoever against the Bank in relation to any act or thing done, omitted, permitted or suffered by the Bank in exercising its rights/powers hereunder and such exercise shall be without prejudice to the Bank's other rights and remedies in law and notwithstanding that there may be any pending suit or proceedings relating to the said goods, machineries or the said debts.
 14. We shall at our own expense during the continuance of the security keep the said goods in marketable and good condition and insure and keep insured the said goods and machinery and the premises where the records pertaining to the said debts are for the time being stored at all times against the loss or damage, by fire, theft and such other insurable risks (besides compulsory insurance applicable for the hypothecated assets under any Acts/Rules/Regulations from time to time being in force) as the Bank shall require for the full market value thereof with an Insurance Company approved by the Bank and shall handover/produce the policies of insurance/renewals thereof and the receipts of the premia paid to the Bank on demand and shall assign forthwith the policies to the Bank and punctually pay the premia due for such insurance. In default the Bank may (but shall not be bound to) keep in good condition and render marketable the said goods and machinery or effect or renew such insurance. Any premia paid by the Bank and any such costs, charges and expenses incurred by the Bank shall be forthwith re-imbursed by us to the Bank and shall until repayment with interest at the rate aforesaid be covered by this hypothecation charge. All sums received under such insurance shall be applied in or towards liquidation of the amount for the time being due to the Bank as herein provided. We shall also pay duly and punctually all dues, rents, rates, taxes, payments and outgoings in respect of the said premises wherein the said goods and machinery are stored.
 15. The Bank shall not in any way be responsible in respect of the quantity, quality, value, and condition of the said goods and machinery if the same is or happens to be in possession of the Bank and for any loss, destruction or deterioration thereof or damage thereto occasioned by theft, pilferage, robbery, fire, riot and civil commotion, malicious damage or otherwise howsoever whatsoever may be the circumstances or the reasons under or for which the loss, destruction, deterioration or damage may arise, including any act, omission, negligence, default of any of its servants or nominees or agents.

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16. We shall if so required by the Bank cause and in default the Bank itself cause a Board or Boards with the name of the Bank legibly and distinctly painted or written thereon to be placed and at all times maintained in a conspicuous position upon the said machinery or any of them or any part thereof or upon and within factory/ godown/ premises or other places where the said Machinery and said goods are kept or shall be brought during the continuance of this Agreement and duly and punctually pay all dues, rents, rates, taxes, payment and outgoings in respect of the above premises in or on which the said Machinery and said goods may for the time being be lying and shall keep such property insured against loss or damage by fire or such other risks as the Bank shall require and produce the policies of insurance to the Bank on demand by the Bank.
- (X)
17. We hereby declare and guarantee that all the said machinery and the said goods present and future whether now hypothecated or which may become hypothecated in future are and shall be our absolute and unencumbered property with full power of disposition over all such Machinery and We shall not create any pledge, charge, mortgage or lien whatsoever upon /in respect of the said Machinery and the said goods or any part thereof specially or otherwise in favour of any other party nor create any security ranking paripassu with and/or subject to the security hereby created. We shall not permit or suffer to be done any act or thing which may adversely affect or prejudice the Bank's security thereon.
18. Pending seizure by the Bank of the said goods, debt and machinery and any documents, any sale proceeds of obsolete hypothecated goods, debts and machinery received by us or any realisation of the said debt by us or any sales proceeds in the ordinary course of the said goods and any insurance monies received shall be held as the Bank's exclusive property specifically appropriated to this security.
19. Notwithstanding anything contained herein, in cases when the dues become due and repayable by me/us to the Bank, as per the terms of sanction of the said Credit Facilities and as mentioned herein and I/we fail to pay the same then the Bank and its officers and agents shall be entitled at any time and without notice to me/us (I/we the Borrower hereby waives any such notice). (a) but at my/our risks and expenses and if so required as attorneys for me/us and in my/our name, to enter and remain at any place or premises where or wherein any of the records pertaining to the said debts may be kept or stored (and for the purpose of such entry to do all acts deeds or things deemed necessary by the Bank); and (b) inspect, value, insure, recover, receive, to take possession of and/or appoint as receiver for the said debts in such manner as the Bank shall think fit; and (c) without any further consent from me/us, sell enter into contract or otherwise dispose/assign of or deal with all or any part of the said debts, whether with or without any special conditions or stipulation relative to title or evidence of title or other matters as the Bank may think fit; and with power also to execute assurances and give effectual receipts for the purchase money and do all other acts and things for completing the sale which the person or persons exercising the power of sale shall think proper and the aforesaid power shall be deemed to be a power to sell and concur in selling the said debts without the intervention of any court of law (d) To ask, demand, sue for, recover and receive of and from all our constituents, customers, agents and dealers and all other persons liable to pay, transfer and deliver all and every debt or debts sum or sums of money goods, chattels and effects due and owing to us by virtue of any security or upon any balance of account or otherwise howsoever and upon receipt thereof or any part thereof for us and in our name to give, sign and execute good and sufficient receipts, release, reconveyances and other discharges for the same respectively. (e) Upon non-payment, non-transfer or non-delivery thereof or any part thereof respectively to commence, carry on and prosecute any action, suit or other proceedings whatsoever for recovering and compelling the payment, transfer or delivery thereof respectively and for that purpose to engage solicitors and advocates and to settle and pay their fees (f) To settle, compound and submit to arbitration all actions, suits, accounts, claims and demands whatsoever which now are or hereafter shall or may be pending between us and any such constituent, dealers, agents, customers and all other persons as aforesaid in such manner and in all respects as the Bank shall think fit. and (g) to apply the net proceeds of such sale towards liquidation of all the dues hereby secured in such manner and in

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such proportion as the Bank may agree. The Bank may enforce, realise, settle, compromise and deal with any rights aforesaid (but is not bound to exercise any of these powers) without being liable for any damage or losses in the exercise thereof and without prejudice to the Bank's rights and remedies of suit or otherwise. I/We shall accept the Bank's accounts as sufficient evidence of the amount received on such sale or realisation or receipts and of the amount of costs, charges and expenses thereof; and I/we shall sign/furnish all such deeds, documents, papers and furnish such other information and do all such acts, deeds and things as may be required by the Bank in connection with the above and on the Borrower's failure to do so within 2 week of demand in writing by the Bank then the Bank may execute such document itself on my/our behalf and I/we shall also execute such further documents and provide and furnish all information, reports, returns, certificates and statements as may be required by the Bank from time to time in connection with this security.

20. Nothing herein contained shall operate so as to merge or otherwise prejudice, affect or exclude any other security, guarantee or lien whether of or against us or of third parties which the Bank may for the time being hold or would have held but for this security or any of the Bank's right or remedies in respect of any such present or future security guarantee, obligation or decree for our indebtedness or liability to the Bank.
21. This security shall be and remain as a continuing security for all our indebtedness and liabilities either alone or jointly with any other person/s on any account whatsoever and for the ultimate balance due to the Bank and will not be affected by any fluctuations in the said account or by the account being brought to credit at any time.
22. If and whenever this security held by the Bank for our liability to the Bank for any third party's obligation to the Bank then the Bank without prejudice to its rights hereunder, shall be free without reference to us to deal with the principal debtor and with any securities, obligations or decrees and generally to act as if we were primarily liable.
23. Any demand or notice to be made or given to us shall be deemed to have been duly made or given by (X) leaving the same at or posting the same by registered post at our office at the address hereinabove mentioned and in the case of the Bank at the office where the said credit facilities granted to us are maintained by the Bank and every such demand or notice shall be deemed to be received by either party as the case may be at the time at which it is left or on the expiry of the 4th day after date of posting in case of Regd. A. D. post.
24. We shall pay on demand to the Bank all costs, charges, expenses legal or otherwise in connection with creation, preservation, defence and/or realisation of this security and recoveries of monies hereunder.
25. This Agreement we, being a company will bind our successors and permitted assigns and shall inure for the benefit of the Bank's successors and assigns.

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26. We specifically agree and confirm that these presents and all matters concerning these presents and the security created hereunder or arising therefrom or relating thereto, shall be construed in all respects, in accordance with the laws in India and shall be subject to the exclusive jurisdiction of the courts at Ahmedabad/Mumbai only.

IN WITNESS WHEREOF the common seal of Bright AutoPlast Limited has been hereunto affixed the day and year first hereinabove mentioned at Ahmedabad

The Common Seal of Bright AutoPlast Limited has been affixed hereto pursuant to the Resolution

of the Board of Directors dated 30 Apr 2015
in the presence of
1. AMITATGL
2. Authorised Signatory
the Director/s and/or the
....., who have in token thereof,
subscribed their signature hereto



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_____ charge on all the fixed assets (immovable assets and movable assets including plant and machinery) of BRIGHT AUTOPLAST LIMITED located at _____

[illegible]

ADP

X Authorised Signatory

