

## Annex I

### Draft Trust Deed

This Trust Deed is made at ..... this ..... day ..... 20  
between.....Company Ltd. incorporated under the Companies Act, 1956/  
Companies Act, 2013 having its registered office at .....  
(hereinafter referred to as 'The Company') of the One Part, and  
..... Company Ltd. incorporated under the Companies Act,  
1956/Companies Act, 2013.....Bank constituted / incorporated under  
the..... Act and having its registered office at  
..... the trustees (hereinafter referred to as 'The  
Trustees') of the Other Part.

Whereas by its Articles of Association, the Company is authorized to borrow, or raise  
and secure the payment of money by inviting deposits.

And Whereas the Directors of the Company being duly empowered by the Articles of  
Association of the Company have decided by a resolution passed in the meeting of  
the Board held on the ..... day of ..... 20...to raise deposits from the public  
under various schemes.

And as per the instructions of the Reserve Bank, the Company has to create charge  
of the Deposit Holders on the securities purchased by it under the provisions of section  
45IB of the RBI Act, 1934 and the amount deposited in term deposits with the banks  
in terms of Chapter II of these Directions, as amended by the Reserve Bank from time  
to time.

And whereas the Company proposes to create charge of the Deposit Holders on the  
securities purchased by the Company as required under section 45IB of the RBI, 1934  
and the amount deposited in term deposits with the banks in terms of Chapter II of  
these Directions.

And whereas the said Trustees mentioned above have consented to act as Trustee of  
the Deposit Holders by its resolution dated ..... passed by its Board of Directors.

NOW THIS DEED WITNESSETH AND IT IS HEREBY MUTUALLY AGREED TO AND DECLARED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. Unless there be something in the subject or context inconsistent therewith, the following expressions shall have the meaning hereinafter mentioned that is to say:

(a) 'The Company' means M/s..... Company Ltd.

(b) 'The Trustees' means ..... Company Ltd. incorporated under the Companies Act, 1956/Companies Act, 2013..... Bank constituted / incorporated under the .....Act, and having its registered Office at .....

(c) 'Deposits' means a deposit accepted by the Company for the time being outstanding and entitled to the benefits of these presents.

(d) 'Deposit holders' means holders for the time being of the deposit receipt and entered in the register of deposit holders mentioned on the conditions endorsed on the deposit certificates for the holder of the deposits.

(e) 'Charged Securities' means the securities owned by the Company and invested by it under the provisions of section 45IB of the RBI Act, 1934 (in CSGL Account No. .... maintained with ..... and / or in Account in Demat securities deposited with M/s ,the Depository and in physical form and / or the amount deposited in fixed deposits with the banks in terms of notifications issued by the Reserve Bank from time to time in this regard.

(f) 'Act' means the Companies Act, 1956 (1 of 1956) and any modification or re-enactment thereof.

(g) 'Specified bankers' means the banks in which the company keeps the charged securities and any part thereof, an intimation to which will be given to the trustees and the Reserve Bank of India.

The words denoting the singular include the plural and vice-versa, unless the contrary appears from the context.

2. The deposits entitled to the benefit of these presents shall consist of total amount already deposited by the depositors with the company and to be deposited in future to rank pari passu without preference or priority by reason of the date of issue or otherwise and secured by the charge hereby created on securities.

3. The Company hereby covenants with the trustees that the Company on the maturity of the deposits or such earlier days (the maturity of these deposits will take place after the completion of the maturity period of the respective deposits) as amounts shall become payable, will pay the deposit holders the amount secured by their deposit respectively and in the meantime will pay interest to the deposit holders on the day it become due in case, the deposit holders have opted for monthly or periodical payment of interest.

4. All payments due by the Company in respect of the deposits certificates issued hereunder whether of interest or principal shall be made by cheque / warrant / DD / pay order by the Company and the Company shall make at its own expenses all arrangements for the smooth payment of the principal as well as the interest amount on the said deposits.

5. In consideration of the deposits hereby authorized and the deposits to be collected in future the Company as the beneficial owner, hereby create charge with the trustees on all the securities purchased by it under the provisions of section 45-IB of the Reserve Bank of India Act 1934, and the amount deposited in term deposits with the banks in terms of Chapter II of these Directions amounting to ₹..... only existing as well as the securities purchased by the Company in future under the provisions of section 45IB of the RBI Act ,1934 and the amount deposited in term deposits with the banks in terms of Chapter II of these Directions for the benefit of deposit holders for the amounts due and all other charges, expenses and other dues, the payment of which has been secured by a charge on the securities under these presents and the charge as created has been as the floating charge. The trustees may at any time, by notice in writing to the Company, convert the said floating charge into a fixed charge and get it registered as legal charge in case the trustees are of the opinion that the said securities are in danger of being seized or sold under any sort of distress or execution levelled or threatened or in any other case.

6. The Company hereby undertakes that after the execution of these presents, it shall register the charge hereby created, with the Registrar of Companies under section 125 of the Companies Act, 1956 or the corresponding provision of Companies Act, 2013 and furnish the information of the registration of the charge to the Trustees and the Reserve Bank of India. The Company shall also register the trustee's lien on the securities with the concerned bank / depository or any other authority and will advise the Trustees and the Reserve Bank of India about the same.

7. The Company shall hold and enjoy all the charged securities until the security hereby constituted shall become enforceable under the terms of these presents in which case the Trustees may in their discretion as next hereinafter mentioned or shall upon the request in writing of the 90% deposit holders by value take possession of the charged securities or any of them and may in the like discretion and shall sell, call in, collect and convert into money the same or any part thereof with full power to sell any of the said securities either together or in parcels, and either for a lump sum or for a sum payable by instalments or for a sum on account and a mortgage or charge for the balance and with full power sale to make any special or other stipulations as to title or evidence or commencement of the title, or otherwise, which the Trustees shall deem proper and with full powers to modify or rescind or vary any contract for sale of the said securities or any part thereof and to re-sell the same without being responsible for any loss which may be occasioned thereby and with full power to compromise and effect compositions and for the purposes aforesaid or any of them to execute and do all such assurances and things as they think fit.

8. The amounts due to the deposit holders under this indenture shall become immediately payable and the security hereby constituted shall become enforceable within the meaning of these presents in each and any of the following events :

- a. If the Company makes default in ensuring the full cover for public deposits as stipulated in Chapter II of these Directions.
- b. If the Company without the consent of the deposit holders ceases to carry on its business or indicates its intentions to do so.
- c. If an order has been passed by the Court of competent jurisdiction or a special resolution has been passed by the members of the Company for winding up of the company.

- d. If the Company makes defaults in complying with the orders passed by Company Law Board/ NCLT or any other authority constituted under the Companies Act, 1956 or Companies Act, 2013 directing the company to pay the amount to the deposit holders.
- e. If in the opinion of the Trustees, the security of the deposit holders is in jeopardy.

9. As soon as the amount shall become payable and the security enforceable under the preceding clause 8 (and unless the time for payment and the security to be enforced has been expressly extended by the deposit holders by a resolution passed with simple majority), the Trustees shall take possession of the charged securities and shall forthwith take steps to realize the charged securities and distribute the amount to the deposit holders on pro rata basis.

10. Until the happening of any of the events mentioned in clauses No. 8 and 9 of this Indenture, the Trustees shall not in any manner interfere with the management of affairs of the said business except to the extent they may consider necessary for the preservation of the charged property or any part thereof or ensuring the full cover for deposits as indicated in Clause 8 (a) of these presents.

11. The Trustees shall apply the proceeds of such sale or other mode of realization in the following manner, that is to say, that the Trustees shall pay:

- a. In the first place all costs, charges and expenses in or about such sale or the performance or execution of trust or otherwise in relation to these presents or otherwise in respect of the security, including the remuneration of the trustee, if any.
- b. Secondly, the amount then due and owing to deposit holders.
- c. And lastly, the surplus, if any, to the Company or its assignee.

*Provided that* if the said money shall be insufficient to pay all such amounts in full, then the said amounts shall be paid rateably and without preference or priority among all deposit holders according to the amount due in respect of the deposits held by them.

12. When all the amount secured by these presents been paid and satisfied, the Trustees shall forth with upon the request and at the cost of the Company and on being paid all the costs, charges and expenses properly incurred by the said Trustees in relation to the security, re-convey, reassign, release and surrender the charged securities or so much of the same as shall not have been sold or disposed of to the Company or its assigns.

13. The Company hereby covenants with the Trustees:

- a. That the moneys secured by this deed shall have the first charge on the charged securities
- b. That the Company shall keep the said charged securities and any part thereof with the specified bankers.
- c. That the Trustees will have a right to verify the charged securities at any time and the Company will give its full co-operation to the Trustees in this regard.
- d. The company shall file a copy of the return as prescribed by Department of Supervision, Reserve Bank of India to the Trustees.

14. The Company shall pay to the Trustees all legal, travelling and other costs, charges and expenses incurred by them in connection with execution of trust of these presents including costs, charges and expenses of and incidental to the approval and execution of these presents and all other documents affecting the security herein and will indemnify them against all actions, proceedings, costs, charges, expenses, claims and demands whatsoever which may arise or be brought or made against or incurred by him in respect of any matter or thing done or permitted to be done without their wilful default in respect of or in relation to the charged securities.

15. The Trustees of the deposit holders will execute and exercise all or any of the trusts power, authorities and discretion so vested in them by these presents in a judicious and fair manner and will not be held responsible except for the breach of trust knowingly and intentionally committed by them.

16. In the event of winding up of the Trustees, another Trustee will be appointed having all the powers, authorities as stated under these presents and such appointment will be made by the board of directors of the Company.

17. The Trustees may by agreement with the directors of the Company modify the terms of this deed in any manner that may be necessary to meet any requirement or contingency, provided that they are satisfied that such modifications are in the interest of the deposit holders.

18. The Company hereby covenants with the Trustees that Company will at all times during the continuance of the security carry on and conduct its business in proper and efficient manner with due diligence and efficiency and will take all possible steps to keep the charged securities intact and will keep proper books of account as required under the Companies Act, 1956 or Companies Act, 2013 and give all information to the said Trustees in relation to discharge of his duties under these presents.

19. The Company hereby further covenants with the Trustees that the Company shall duly perform and observe the obligations, hereby imposed upon it by this Trust.

IN WITNESS WHEREOF THE COMPANY has caused its common seal to be affixed to these presents and the Trustees have hereto set their hands the day and year above written.

Witnesses

Common Seal of the Company affixed in the  
presence of  
(Director)  
(Director)  
(Trustee)  
  
(Trustee)