

DEED OF HYPOTHECATION

THIS DEED OF HYPOTHECATION (DOH) executed at New Delhi, thisday of Two Thousand and by M/s, a Company within the meaning of the Companies Act, 1956 (1 of 1956) and having its Head/ Registered Office at..... (hereinafter referred to as “the Borrower”, which expression shall, unless it is repugnant to the subject or context thereof, include its successors in interest, liquidators, administrators and permitted assigns).

IN FAVOR OF

The President of India acting through Department of Biotechnology, Ministry of Science & Technology, Government of India and having its Office at Block 2, CGO Complex, Lodhi Road, New Delhi 110 003 (hereinafter referred to as “the DBT” which expression shall, unless excluded by or repugnant to the subject or context be deemed to include its successors and assigns) and DBT has authorized BIPP Management Agency (hereinafter referred to as “the BMA”) which is presently Biotech Consortium India Limited, a company within the meaning of the Companies Act, 1956 and having its Registered Office at 5th Floor, Anuvrat Bhawan, 210, Deen Dayal Upadhyaya Marg, New Delhi-110002 (hereinafter referred to as “BCIL” which expression shall, unless it be repugnant to the subject or context thereof, include its successors in interest, liquidators, administrators and permitted assigns) to execute deed of hypothecation on its behalf.

WHEREAS

1. The DBT operates a scheme entitled Biotechnology Industry Partnership Programme (hereinafter referred to as “BIPP”) having partnership with industries for public support on a cost sharing basis for path-breaking research and development of appropriate technologies in the field of biotechnology.
2. The Borrower has conceived a project entitled “
_____” and submitted a proposal with amendments (hereinafter referred to as “the Project”) under BIPP for loan assistance.

3. By an Agreement dated theday of200.... entered into between the Borrower and the DBT (hereinafter referred to as the “Agreement” which expression shall include any subsequent modifications in the scope of the Project agreed to between the DBT and the Borrower), the DBT has approved the Project and agreed to provide assistance in the form of loan aggregating to Rs.....lakhs and the Borrower has agreed to borrow the same from the DBT(hereinafter referred to as “the Loan” or “the Loans” as the context admits) under BIPP, as per details stated in Annexure 2 of the Agreement and on the terms and conditions contained in the Agreement.
4. Clause 11 of the agreement provides that “The Exact Clause of the Deed of Hypothecation from Original agreement has to be extracted and pasted here”.
5. The DBT 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 Agreement and in consideration of the DBT having lent and advanced and/or agreed to lend and advance the Loans to the Borrower for the purposes and subject to the terms and conditions set out in the Agreement and in consideration of the premises, the Borrower doth hereby covenant with the DBT that it shall repay the Loans to the DBT and shall pay all interest at the respective agreed rates (which is presently Rs. _____ lakhs including Rs. _____ lakhs as interest on loan of Rs. _____lakhs), liquidated damages, costs, charges and expenses and all other monies as stipulated and in the manner set out in the Agreement and shall duly observe and perform all the terms and conditions in the Agreement.
2. In pursuance of the Agreement and for the consideration aforesaid, the whole of the movable properties of the Borrower including its movable plant and machinery, machinery spares, tools and accessories and other movables both present and future (save and except book debts) 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 factories, premises and godowns or wherever else 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 (hereinafter collectively referred to as “the said Goods”) short particulars whereof are given in Schedule hereto, are hereby hypothecated as and by way of first charge to the DBT as security for and be charged with the repayment of the Loans and repayment or payment of other monies including all interest, liquidated damages, costs, charges and expenses and all other monies due to the DBT under the Agreement and/or these presents, provided that the charge of the DBT thereon shall be subject to the charges created and/or to be created by the Borrower in favor of its bankers on the Bankers’ Goods, to secure the borrowings in the ordinary course of the business of the Borrower for its working capital requirements.

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

- i. The Borrower shall at its expense keep the said Goods in marketable and good condition and insure the same and making the DBT beneficiary as provided in the 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 the DBT shall from time to time require, with an insurance company or companies. The Borrower shall deliver to the DBT/BMA the relevant policies of insurance duly assigned to the DBT and maintain such insurance throughout the continuance of the security of these presents and deliver to the DBT/BMA the renewal receipts therefore and shall duly and punctually pay all premia and shall not t or suffer to be done or omit to do or be done any act which may invalidate or avoid such insurance.
- ii. The nominees of the DBT/BMA 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, superintend the disposal of and take particulars of all or any part of the hypothecated goods and check any statement, accounts, reports and information.
- iii. In 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 Agreement or the related security documents or the deeds executed or that may hereafter be executed by the Borrower in favour of the

DBT, or in the event of the Borrower failing to pay either the interest or any installment(s) of the principal of the Loans, or in the event of the charge or the security created in favour of the DBT having become enforceable for any reason whatsoever, the DBT/BMA or their nominees shall, in case such breach or default is not remedied by the Borrower to the satisfaction of the DBT/BMA, within a period of fifteen days from the date of intimation by the DBT/BMA of such breach or default or such extended time as may be granted by the DBT/BMA 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 names 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 realization or otherwise dispose of or deal with all or any part of the said Goods and to enforce, realize, settle, compromise 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 the DBT/BMA's rights and remedies of suit or otherwise legal remedy. Notwithstanding any pending suit or other proceeding, the Borrower undertakes to give immediate possession to the nominees of the DBT/BMA on demand of the said Goods and to transfer, and to deliver to the DBT/BMA all relative bills, contracts, securities and documents and the Borrower hereby agrees to accept the DBT/BMA's account of sales and realizations as sufficient proof of amounts realized and relative expenses and to pay on demand by the DBT/BMA any shortfall or deficiency thereby shown: Provided however that the DBT/BMA 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 the DBT/BMA or by reason of exercise or non-exercise of rights and remedies available to the DBT/BMA as aforesaid and that all such loss, damage or depreciation shall be wholly debited to the account of the Borrower howsoever the same may have been caused.

4. The DBT/BMA at any time after the security hereby constituted has become enforceable and whether or not the DBT/BMA shall then have entered into or taken possession of and in addition to the powers hereinbefore conferred upon the DBT/BMA after such entry

into or taking possession of, may have a receiver or receivers appointed of the said Goods or any part thereof. The following provision shall also apply to such Receiver:

- a. Unless otherwise directed by the DBT/BMA, such Receiver shall have and exercise all powers and authorities vested in the DBT;
- b. Such Receiver shall, in the exercise of his powers, authorities and discretions, conform to the regulation and direction from time to time made and given by the DBT/BMA;
- c. The DBT/BMA may from time to time fix the remuneration of such Receiver and shall direct payment thereof out of sale realization of the said Goods, but the Borrower alone shall be liable for the payment of such remuneration;
- d. The DBT/BMA 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 the DBT/BMA but the DBT/BMA shall not be bound to require such security in any case;
- e. The DBT/BMA may pay over to such Receiver any moneys constituting part of the securities to the intent that the same may be applied for the purpose hereof by such Receiver and the DBT/BMA 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;
- f. 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 the DBT/BMA shall not incur any liability or responsibility therefore by reason of their making or consenting to his appointment as such Receiver;
- g. All the said Goods and all sale realizations and insurance proceeds thereof and all documents under this security shall always be kept distinguishable and held as the exclusive property of the DBT specifically appropriated to his security and be dealt with only under the directions of the DBT/BMA and the Borrower shall not create any charge, mortgage, lien or other encumbrance upon or over the same, or any part thereof except in favour of the DBT 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 anything that may prejudice this security and the DBT/BMA shall be at liberty to incur all costs 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 (1) hereof PROVIDED that except to the extent specifically permitted by the DBT/BMA, the Borrower shall not sell all or any of the said Goods. The Borrower shall on any and every such sale pay to the DBT/BMA, if so required by them, the net proceeds of the sale or disposal in satisfaction, so far as the same shall extend, of the monies, due and payable by the Borrower to the DBT provided that the Borrower may without payment to the DBT if the DBT/BMA so agrees, replace the outmoded equipment by equipment of equivalent or greater value.

5. The Borrower shall, whenever required by the DBT/BMA, give full particulars to the DBT/BMA 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 the DBT/BMA and make furnish and execute all necessary documents to give effect to this security.
6. The security shall be a continuing security for repayment of the Loans together with all interest, liquidated damages and repayment or payment of all other monies due to the DBT under the 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 Borrower with any other company or takeover of the management or nationalization of the undertaking of the Borrower.
7. The Borrower hereby declares 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 the DBT/BMA 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.

8. The Borrower hereby appoints the DBT/BMA as its attorney and authorizes the DBT/BMA 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 the DBT/BMA and the Borrower shall bear the expenses that may be incurred in this regard.
9. Nothing herein shall prejudice the rights or remedies of the DBT/BMA in respect of any present or future security, guarantee, obligation or decree for any indebtedness or liability of the Borrower to the DBT/BMA.
10. The provisions contained herein shall be read in conjunction with the provision of the Agreement as amended from time to time and to the extent of any inconsistency or repugnancy, the later shall prevail to all intents and purposes.

IN WITNESS WHEREOF the parties hereto through its duly authorized representatives have signed this Deed on the day, month and year mentioned above.

For and on behalf the Borrower duly authorized vide Resolution No. dated.... of the Board of Directors of the Borrower

Signature with Common Seal

Name:

Designation:

Signed by the said Borrower in the presence of

Witness:

(Signature)

Full Name:

Occupation:

Address:

FOR AND ON BEHALF OF BMA

Signature:

Name:

Designation

IN PRESENCE OF WITNESS:

Signature:

Full Name:

Occupation:

Address:

SCHEDULE

(Short particulars of movable properties)

The whole of the movable properties of the Borrower including its moveable plant and machinery spares, tools and accessories and other movables, both present and future (save and except book debts) 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 the security of these presents by brought into or upon or be stored or be in or about all the Borrower's factories, premises and godowns or wherever else 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, howsoever and whosoever in the possession of the Borrower and either by way of substitution or addition.

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

For and on behalf the Borrower duly authorized vide Resolution No. dated.... of the Board of Directors of the Borrower

Signature with Common Seal

Name:

Designation:

Signed by the said Borrower in the presence of

Witness:

(Signature)

Full Name:

Occupation:

Address:

FOR AND ON BEHALF OF BMA

Signature:

Name:

Designation

IN PRESENCE OF WITNESS:

Signature:

Full Name:

Occupation:

Address: