

Form DPT-2

Deposit Trust Deed

*[Pursuant to rule 7(2) of the Companies (Acceptance of Deposits)
Rules, 2014]*

The deposit trust deed shall, inter alia, contain the following:-

DESCRIPTION OF DEPOSIT SCHEME -

1. Covenants stating the purpose of raising finance through the deposit scheme ;
2. Details of deposit scheme as regards amount, tenure, interest or coupon rate, periodicity of payment, mode of payment and period of redemption;
3. An undertaking by the company to pay the interest and principal amount of such deposits to the Deposit holders as and when it becomes due, as per the terms of the scheme ;
4. Covenants stating the terms of redemption of the deposits in terms of the scheme to the deposit holders, options available, and debt equity ratio and debt service coverage ratio, if applicable.

DETAILS OF CHARGE CREATED:-

1. Nature of charge created;
2. Rank of charge created viz. first, second, pari passu, residual, etc;

3. Minimum security cover to be provided;
4. Asset(s) on which charge is created;
5. Other particulars of the charge, e.g., time period of charge, rate of interest, name of the charge holder;
6. Provision for subsequent valuation;
7. Undertaking by the company not to create further charge or encumbrance over the trust property without the approval of the trustee;
8. A statement that the company may hold and enjoy all the mortgaged premises and carry on the business of the company until the security becomes enforceable.

DETAILS OF DEPOSIT INSURANCE

1. Name of the insurer;
2. Amount of the insurance cover;
2. Other terms and conditions governing deposit insurance contract.

PARTICULARS OF THE APPOINTMENT OF DEPOSIT TRUSTEE(S):-

1. The conditions for the appointment, resignation and removal of such trustee, which shall ensure that-
 - (a) the appointment of the trustee must be confirmed by the resolution passed by the Board of Directors.
 - (b) any removal of a trustee and subsequent appointment of a substitute trustee by the company must also be approved by the Board of Directors.
 - (c) the casual vacancy, if any, arising in the office of the

trustees, shall be filled by the board.

2. Remuneration, legal cost, travelling and other expenses payable to the trustee(s) for their services; and
3. Powers and duties of the trustee.

REPORTING REQUIREMENTS

A covenant to the effect that:-

1. the company will carry on its business in a proper and efficient manner with due diligence and efficiency;
2. the company will give to the trustee any information to the extent required by law relating to business, mortgage property and affairs of the company which the trustee may require in order to discharge its duties and obligations as trustee under the trust deed;
3. the company will not utilize any portion of the deposit for purposes other than those for which the same are accepted;
4. the company will inform the trustee of any material changes in the existing management set up;
5. the company will not declare any dividend to the shareholders in any year until the company has paid or made satisfactory arrangements for the payment of the principal amounts of matured deposits and interest due on the deposits; and
6. the company shall immediately notify the trustee if it becomes aware of any event of default or any other circumstance which

may prejudice the interests of the deposit holders.

EVENTS OF DEFAULTS:-

1. Events which may invite actions by the deposit trustee shall include the following events:
 - a. If the company commits default in the payment of any interest and principal which ought to be paid in accordance with the terms of the acceptance of deposits;
 - b. If the company without the consent of deposit holders ceases to carry on its business or gives notice of its intention to do so;
 - c. If an order has been made by the Court or a special resolution has been passed by the members of the company for winding up of the company;
 - d. If any breach of the terms of the circular or advertisement inviting deposits or of the covenants of this deed is committed;
 - e. If the company creates or attempts to create any further charge on the mortgaged premises or any part thereof without the prior approval of the trustees or deposit holders;
 - f. If the company fails to comply with provisions of the Act;
 - g. If the Trustees have reasonable grounds to conclude that the security of the deposit holders is in jeopardy.
2. Covenant to the effect that in case of the security becoming enforceable , the trustees shall enter into and take possession

of the property on which charge is created and shall, in consultation with the other charge holders forthwith take steps to determine whether the business of the company may be allowed to be carried on, the steps to be taken for changes in management of the company, if any, actions necessary for protection of the mortgaged property and other steps required for protecting the interests of the depositors.

3. Covenant to the effect that the trustees may lodge a claim under insurance for payment to depositors in terms of deposit insurance.
4. Covenant to the effect that the balance proceeds of any sale of the mortgaged premises shall, after setting off of all costs, charges and expenses incurred for the sale and payment of interest and the principal money due to deposit holders, be paid to the company or its assignee

MISCELLANEOUS

1. The conditions under which the provisions of the trust deed or the terms and conditions of the deposits may be modified;
2. The mode of service of notices and other documents on the borrower company, the trustee and the holders of the deposits;
3. The borrower company to be responsible for paying any stamp duty on the trust deed or the deposits (if applicable);
4. Provisions regarding the meeting of the deposit holders