

NON-DISPOSAL UNDERTAKING

THIS DEED OF UNDERTAKING executed at this day of 2007(“**Undertaking**”)

By:

(1) **Mr.**, S/o Sri,
R/o.....

(hereinafter referred to as the “**Shareholder**”, which expression shall, unless it be repugnant to the context, be deemed to include (his / her) heirs, executors, administrators, successors in title, nominees, representatives, and permitted assigns); and

(2) **M/s.** a company,
incorporated under the Companies Act, 1956, with its registered office situated at

(the “**Borrower**”, which expression shall, unless it be repugnant to the context, be deemed to include its successors and permitted assigns).

IN FAVOUR OF:

INDIABULLS HOUSING FINANCE LIMITED, a company incorporated under the Companies Act 1956 having its registered office at M – 62 & 63, First Floor, Connaught Place, New Delhi 110 001 and a corporate office amongst other places at 448-451, Udyog Vihar, Phase – V, Gurgaon 122001, as lender (hereinafter referred to as the “**Lender**”, which expression shall include its successors and assigns).

WHEREAS:

Pursuant to the Loan Agreement datedentered into between M/s
..... and the Lender (the “**Loan Agreement**”), the Lender has agreed to lend and advance the Loan to the Borrower and the Borrower has agreed to borrow the Loan from the Lender on the terms and conditions contained in the Loan Agreement.

- A. The Loan together with all interest, costs, charges, expenses, all other monies payable whatsoever as stipulated in the Loan Agreement shall be secured, inter-alia, by a non-disposal undertaking to be provided by the shareholders of the Borrower.
- B. The Shareholder is the legal and beneficial owner ofequity shares constituting% of the issued and paid up equity share capital of the Borrower (the “Shares”).
- C. The Lender has called upon the Borrower and the Shareholder to execute these presents, which the Borrower and the Shareholder have agreed to do in the manner hereinafter expressed.

Each of the parties mentioned above, are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

NOW THEREFORE in consideration of the above recitals the Shareholder hereby irrevocably and unconditionally undertakes and agrees with the Lender as follows:

1. Definitions

Unless otherwise defined herein all capitalized terms shall have the meaning ascribed to it in the Loan Agreement.

- 1.1 “**Security Interest**” shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever including, without limitation, (i) any conditional sale or other title retention agreement, any financing or similar statement or notice filed under any recording or notice statute, and any lease having substantially the same effect as any of the foregoing, and (ii) any designation of loss payees or beneficiaries or any similar arrangement under any insurance contract.

2. Shareholder Undertakings

- 2.1 The Shareholder hereby unconditionally and irrevocably undertakes that, he/she shall not create any Security Interest in or, sell, transfer or dispose of any of the Shares owned by him/her from time to time or his/her interest (whether legal or beneficial) in such Shares, wholly or in part, directly or indirectly, or agree to do so, whether by way of an outright sale, a derivative transaction or otherwise (a “Disposal”), any rights, title, interest conferred, claims or benefits whether directly or indirectly accruing to the Shareholder out of or through the Shares. The Shareholder shall, at all times, remain the legal and beneficial owner of the Shares.
- 2.2 The Shareholder does hereby further undertakes that, he/she shall not do any act or fail to do any act by which any third party whosoever shall acquire any Security Interest in the Shares or on any claims or benefits rights, title or interest conferred upon or accruing to the Shareholder out of or through the Shares.
- 2.3 The Shareholder shall cause the Borrower and the Borrower shall note on its records this Undertaking in confirmation of the terms hereof.
- 2.4 Pursuant to this Undertaking, the Shareholder further undertakes to deposit and deliver to the Lender, the share certificates representing the Shares accompanied by transfer forms duly executed in blank and/or other relevant instruments or documents acceptable to the Lender.

3. Shareholder Representations

- 3.1 The Shareholder has the legal capacity and the full power and authority to enter into and engage in the transactions contemplated by this Undertaking and has taken or obtained all necessary approvals authorizations and consent for the due execution, delivery and performance of this Undertaking and has duly executed and delivered this Undertaking.
- 3.2 Neither the execution of this Undertaking nor the performance by the Shareholder of any of his/her obligations hereunder will conflict with or result in a breach of any provisions of any Law, regulation, judgment, order, authorization, agreement or obligation or document binding on or applicable to the Shareholder (including, without limitation, the memorandum and articles of association of the Borrower), or cause any limitation placed on any of them or result in the creation of or oblige the Shareholder to create any security or a Security Interest.

- 3.3 All consents, approvals, permissions, authorizations or requirements required (if any) from any government and/or regulatory authority, including from any person including lenders for or in connection with the execution, validity and performance of this Undertaking have been obtained and are in full force and effect and there are no proceedings pending or, threatened in witness against the Borrower that seeks, or may reasonably be expected, to rescind, terminate, suspend or otherwise affect any such approvals.
- 3.4 This Undertaking to be executed by the Shareholder pursuant to the terms of this Undertaking are the legal, valid and binding obligations of the Shareholder enforceable in accordance with their terms.
- 3.5 The share certificates in respect of the Shares are the originals and no duplicates thereof have been issued at any time and/or will be issued without the prior written consent of the Lender.
- 3.6 No event is outstanding which constitutes (or with the giving of notice, lapse of time or making of any determination or satisfaction of other conditions, is likely to constitute) a default under any other document or obligation assumed or otherwise binding on the Shareholder or the Borrower to an extent which has or is reasonably likely to have a material adverse effect on the performance of the obligations by the Shareholder and/or the Borrower under this Undertaking.
- 3.7 The Shareholder has not granted or agreed to grant in favour of any person any interest in or any option or first right of refusal or other rights in respect of any of the Shares.

4. Borrower Undertakings

- 4.1 The Borrower covenants with the Lender that neither it nor its board of management or directors will give effect to, recognize or register any actual or purported sale, transfer, assignment, pledge, encumbrance or other disposition of the Shares in violation of the provisions of this Undertaking and shall in any event promptly give notice to the Lender upon receipt of any request to give effect to, recognise or register any such transaction.
- 4.2 The Borrower hereby takes note of this Undertaking in confirmation of the terms hereof.
- 4.3 The Borrower confirms that the Shareholder is the legal and beneficial holder of the Shares and there are no liens and/or Security Interest created in respect of the Shares.
- 4.4 The Borrower covenants with the Lender that during the term of the Undertaking, it shall continue to be the absolute owner of rights in all the trade marks and shall not dispose and/or assign any of its rights in the said trade names without obtaining the prior written consent of the Lenders.

5. Borrower's Representation

- 5.1 The Borrower is duly organized, validly existing and in good standing under the laws of India and has all the requisite power and authority to execute and perform its obligations hereunder and to consummate the transactions contemplated hereby.
- 5.2 The execution, delivery and performance by the Borrower and/or the Shareholder of their respective obligations under this Undertaking and the other documents referenced herein to which the Borrower is or is to be a party have been authorized by all necessary action on the part of the Borrower, and do not and will not: (i) require any authorization, consent or approval other than the approval from the board of directors of the Borrower; (ii) violate any law, rule, regulation, order, or decree presently in effect and having applicability to the Borrower; (iii) violate the Borrower's memorandum and articles of association; (iv) create or impose any Security Interest; (v) violate any Law which as a result of Borrower's actions would render the Shareholder or the Borrower liable thereunder.
- 5.3 This Undertaking creates legal and binding obligations on the Borrower enforceable in accordance with its terms; and any other document required by this Agreement to be delivered by the Borrower, when duly executed and delivered by the Borrower, will create legal and binding obligations of the Borrower, enforceable in accordance with its terms against the Borrower.
- 5.4 The Borrower is the absolute owner and proprietor of the trade name and the right of first use of all those marks in the product category for which they have been used vest with the Borrower. The Borrower is the absolute owner of all the applications filed for the registration of the said trade names.

- 5.5 There is no litigation pending or, threatened against the Borrower or to which the Borrower is a party, which if adversely determined, would have a material adverse effect on the ability of the Borrower to perform its obligations under this Undertaking.
- 5.6 No order has been made and no resolution has been passed for the winding up or the bankruptcy of the Borrower or for a professional liquidator / receiver to be appointed in respect of the Borrower and no petition has been presented and no meeting has been convened for the purpose of winding up of the Borrower.
- 5.7 All consents, approvals, permissions, authorizations or requirements required (if any) from any government and/or regulatory authority, including from any person including lenders for or in connection with the execution, validity and performance of this Undertaking have been obtained and are in full force and effect and there are no proceedings pending or, threatened in witness against the Borrower that seeks, or may reasonably be expected, to rescind, terminate, suspend or otherwise affect any such approvals.
- 5.8 The share certificates in respect of the Shares are the originals and no duplicates thereof have been issued at any time and/or will be issued without the prior written consent of the Lender.
- 5.9 No event is outstanding which constitutes (or with the giving of notice, lapse of time or making of any determination or satisfaction of other conditions, is likely to constitute) a default under any other document or obligation assumed or otherwise binding on the Shareholder or the Borrower to an extent which has or is reasonably likely to have a material adverse effect on the performance of the obligations by the Shareholder and/or the Borrower under this Undertaking.
- 5.10 Neither the Borrower nor the Shareholder have granted or agreed to grant in favour of any person any interest in or any option or first right of refusal or other rights in respect of any of the Shares.

6 Indemnity

6.1 The Shareholder and the Borrower hereby jointly and severally agree, assure and undertake to indemnify, keep indemnified, reimburse and hold the Lender and its officers, directors, employees, representatives and agents (hereinafter referred to individually as the “**Indemnity**” and collectively as “**Indemnities**”) harmless from any and all of the liabilities, obligations, losses, claims, costs, actions, judgments or expenses (including reasonable lawyers’ fees and expenses) which may be imposed, asserted against or incurred by any of Indemnities and is caused by or results from the breach of the terms of this Undertaking by the Borrower and/or the Shareholder. This Clause shall survive the termination of this Undertaking.

EXECUTED as of the date first written above

THE SHAREHOLDER

SIGNED by :

S/o :

R/o :

.....

BORROWER

for:
Authorized Signatory/ Director(s)
 pursuant to the Resolutions of its Board of Directors
 passed in that behalf.

Accepted By:
LENDER:
for : INDIABULLS HOUSING FINANCE LIMITED,

Authorized Signatory/ Director(s)