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08 JUL 2014

For Sonata Finance Pvt. Ltd.
Authorized Signatory

This stamp paper forms an integral part of
The document... DEED OF HYPOTHECAION
Executed by... SONATA FINANCE PVT. LTD.
In favour of... GDA TRUSTEESHIP LIMITED
On... 21-07-2014

For Sonata Finance Pvt. Ltd.
Authorized Signatory

fact
GDA Trusteeship Limited

DEED OF HYPOTHECATION

BY

SONATA FINANCE PRIVATE LIMITED

IN FAVOUR OF

GDA TRUSTEESHIP LIMITED

DATED AS OF JULY 21, 2014

For Sonata Finance Pvt. Ltd.


Authorized Signatory

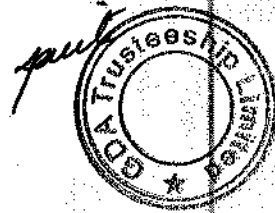
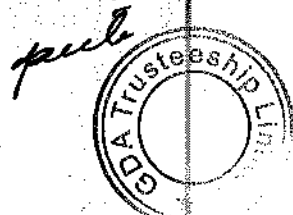


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For Sonata Finance Pvt. Ltd.

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UNATTESTED DEED OF HYPOTHECATION

This unattested deed of hypothecation (hereinafter referred to as this "Deed") executed on this 21st day of July, 2014 at Lucknow by:

SONATA FINANCE PRIVATE LIMITED, a company incorporated under the Companies Act, 1956 (1 of 1956) and registered as a non banking financial company with the Reserve Bank of India, having its registered office at 2nd Floor, CP-1, PG Towers, Vikas Nagar, Kursi Road, Lucknow 226028, Uttar Pradesh (hereinafter referred to as the "Company" / "Issuer", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and permitted assigns)

IN FAVOUR OF

GDA TRUSTEESHIP LIMITED, a company incorporated under the Companies Act, 1956 and having its registered office at GDA House, 1st Floor, Plot No. 85, B. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune - 411 038 (hereinafter referred to as the "Debenture Trustee", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and permitted assigns).

The Persons referred to above are hereinafter collectively referred to as the "Parties" and individually referred to as a "Party".

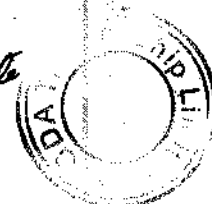
WHEREAS

- (A) With a view to raising debt to meet the funding requirements of the Issuer for on-lending to the under-banked and un-banked sectors, the Company proposes to issue 240 (Two Hundred and Forty) secured, rated, listed, redeemable, transferable, non-convertible debentures having a face value of Rs. 10,00,000/- (Rupees Ten Lakh Only) aggregating to INR 24,00,00,000 (Rupees Twenty Four Crores only) ("Debentures") under the terms of the information memorandum dated July 21, 2014 issued by the Company setting out the broad terms and conditions of the Debentures ("Information Memorandum") and as per the private placement offer letter dated July 21, 2014 (hereinafter referred to as the "Private Placement Offer Letter").
- (B) The Company has obtained the consent of the Debenture Trustee vide letter dated May 9, 2014 to act as the debenture trustee in trust for and on behalf of and for the benefit of the Debenture Holder(s), pursuant to which the Debenture Trustee and the Company have executed a Debenture Trustee Agreement on July 21, 2014 (hereinafter referred to as the "Debenture Trustee Agreement") whereby the Company has appointed the Debenture Trustee and the Debenture Trustee has agreed to be appointed as the debenture trustee for the benefit of the Debenture Holder(s) and for purposes related thereto. As per the terms of the Debenture Trustee Agreement, the Debenture Trust Deed dated July 21, 2014 has been executed between the Company and the Debenture Trustee ("Debenture Trust Deed");
- (C) In consideration of the Debenture Holder(s) subscribing to the Debentures, the Company has agreed to secure the Debentures, by way of a first ranking exclusive charge by way of hypothecation in favour of the Debenture Trustee for the benefit of the Debenture Holder(s) over

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the specified Receivables (defined herein below) in accordance with the conditions set out hereunder;

- (D) Under the terms of the Debenture Trustee Agreement and the Debenture Trust Deed, the Debenture Trustee has agreed to act as the debenture trustee for the benefit of the Debenture Holder(s), and hold in trust for the benefit of the Debenture Holder(s), the Hypothecated Property (defined herein below) in accordance with the terms set out hereunder;
- (E) Accordingly, the Debenture Trustee has called upon the Company to execute these presents, which the Company has agreed to do in the manner hereinafter expressed.

NOW THEREFORE, for the consideration aforesaid, the Company hereby affirms and agrees as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalized terms, not otherwise defined herein, shall have the meaning given to such terms in the Debenture Trust Deed. In this Deed, unless repugnant to the context, capitalized terms listed below shall have the following meanings:

"Asset Cover" means the aggregate value of the portfolio of Receivables which are of an amount no less than 1.10 (One Decimal Point One) times the outstanding principal and coupon of the Debentures as on the date of this Deed and on every Refreshment Date.

"Debenture Trust Deed" shall have the meaning assigned to it in the recitals of this Deed.

"Event of Default" has the meaning given to such term in Clause 4.1 (Events of Default) of this Deed.

"Hypothecated Property" has the meaning given to such term in Section 3 (Charge) of this Deed.

"Loan" means an assistance by way of a rupee loan, which is categorized as a micro finance loan as per the relevant guidelines of the Reserve Bank of India, lent and advanced by the Company to an Obligor pursuant to a Loan Agreement and "Loans" shall mean the aggregate of all such loans lent and advanced by the Company to the Obligors, provided that (i) none of the Loans shall have been restructured with the Obligor; and (ii) all Loans shall be performing loans, the amounts due, not being overdue, as on the date of this Deed and any subsequent Refreshment Date. The details of the Loans, as on the date of this Deed are set out in Schedule I hereto.

"Loan Agreement" means an agreement entered into between the Company and an Obligor (as amended, modified and altered from time to time) setting out the terms and conditions on

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which the Company has agreed to lend and advance a Loan to the Obligor, and "Loan Agreements" shall mean all such agreements collectively.

"Loan Documents" means:

- (i) the Loan Agreements, as amended, modified and altered from time to time;
- (ii) all agreements, instruments, undertakings, indentures, deeds and writings and other documents (whether financing or security) executed or entered into by the Obligors and the Company in relation to or pertaining to the transaction contemplated by, or under, the Loan Agreements, and each such Loan Agreement as amended, modified and altered from time to time.

"Obligor" means a Person who has availed of a Loan from the Company under the terms and conditions set out in the respective Loan Agreement entered into between such Person and the Company, and who is liable to pay the amounts due to the Company, and "Obligors" shall mean all such Persons collectively.

"Person" shall mean any natural person, corporation, company, partnership, firm, voluntary association, joint venture, trust, unincorporated organization, authority or any other entity whether acting in an individual, fiduciary or other capacity.

"Receiver" has the meaning given to such term in Section 6 (Appointment of Receiver) of this Deed.

"Receivables" means the aggregate of all the amounts due together with all other monies whatsoever stipulated in or payable by the Obligors to the Company under the Loan Documents and other related deeds and documents, including without limitation:

- (i) repayment of principal;
- (ii) overdue interest;
- (iii) interest and additional interest; and
- (iv) prepayment amounts and amounts received on account of termination and/or prepayment including liquidated damages and break costs, if any.

The details of the Receivables are more particularly provided in Schedule I and shall be deemed to include any other receivables provided as additional security in terms of Clause 3.3 hereof;

"Refreshment Date" means the day falling one month from the date of this Deed and every month thereafter.

"Secured Obligations" means all present and future obligations (whether actual or contingent or and whether owed jointly or severally or in any capacity whatsoever) of the Company to the Debenture Holder(s) or the Debenture Trustee under the Debenture Trust Deed.

"Top-up" means the hypothecating of such additional Receivables (under the terms of this Deed)

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to ensure that the Asset Cover is maintained at all times.

"Top-up Date" has the meaning given to such term in Section 2 (Charge) of this Deed.

1.2 Interpretation

- 1.2.1 Headings are for convenience only and do not affect the interpretation of this Deed.
- 1.2.2 Words denoting the singular shall include the plural and vice-versa.
- 1.2.3 Words denoting one gender only shall include the other gender.
- 1.2.4 All references in these presents to any provision of any statute shall be deemed also to refer to the statute as modified, supplemented, amended or re-enacted and to any statutory rule, order or regulation made thereunder or under such re-enactment.
- 1.2.5 Unless otherwise specified, all references in these presents to Schedules, Sections, Sub-sections, Paragraphs, Recitals or Sub-paragraphs shall be construed as references respectively to the schedules, sections, sub-sections, paragraphs, recitals and sub-paragraphs of these presents.
- 1.2.6 The provisions contained in the Schedule, if any, hereunder written shall have effect in the manner as if they were specifically herein set forth.
- 1.2.7 A reference to any document includes an amendment or supplement to, or replacement or novation of, that document, but disregarding any amendment, supplement, replacement or novation made in breach of this Deed.
- 1.2.8 All references to the word "including" are to be construed without limitation.
- 1.2.9 Words and expressions contained herein but not defined shall have the meanings assigned to them in the Debenture Trust Deed.

2. COVENANT TO REPAY

In pursuance of the Debenture Trust Deed and in consideration of the Debenture Holder(s) having subscribed to and/or agreed to subscribe to the Debentures issued by the Company for the purposes, and subject to the terms and conditions set out in the Debenture Trust Deed, the Company does hereby covenant with the Debenture Trustee that it shall repay the Secured Obligations to the Debenture Holders or the Debenture Trustee.

3. CHARGE

- 3.1 For the consideration aforesaid and as continuing security for the payment and discharge of the Secured Obligations, the Company as the legal and/or beneficial owner of the Hypothecated Property (defined herein below) does hereby hypothecate, to the Debenture Trustee by way of a first ranking and exclusive charge over all the right, title, interest, benefits, claims and incidentals of the Company, in, to, or in respect of the Receivables (referred to as the "Hypothecated Property")

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Signature



as continuing security for the Secured Obligations TO HAVE AND TO HOLD all and singular the Hypothecated Property, present and future unto and to the use of the Debenture Trustee, acting in trust for and on behalf of and for the benefit of all the Debenture Holder(s).

- 3.2 The charge created on the Hypothecated Property in favour of the Debenture Trustee hereunder shall rank as a first and exclusive charge.
- 3.3 In the event the value of the Hypothecated Property get diminished and the Company is unable to maintain the Asset Cover in accordance with the terms of this Deed, the Company shall, immediately and in any case no later than 30 (Thirty) calendar days of being notified of the same by the Debenture Trustee (the "Top-up Date"), ensure that it shall Top-up the Receivables to maintain an aggregate value that equals or exceeds the Asset Cover.
- 3.4 It is clarified that any additional or new security so provided under this Clause will constitute and shall be deemed always to have constituted a part of the Receivables. The description of the assets comprising the additional or new security specified by the Company to the Debenture Trustee in its letter(s) addressed to the Debenture Trustee shall be deemed to be the description of the assets which are to form part of the Receivables pursuant to this Clause and all such letter(s) addressed by the Company to the Debenture Trustee shall be deemed to be as if the contents thereof were specifically set out in the said Schedule I.
- 3.5 The Company shall, on and from the date hereof till the Maturity Date, ensure that the required Asset Cover is maintained. The value of the Hypothecated Property for this purpose (both for initial and subsequent valuations), shall be the amount reflected as the value thereof in the books of account of the Company.
- 3.6 Notwithstanding anything else that may be provided under this Deed or under any other Transaction Document, the Company may, subject to the Asset Cover being maintained at all times, at any time add and/ or substitute the aforesaid specific Receivables. It shall be the responsibility of the Company to identify from time to time and indicate the specific Receivables that are hypothecated under this Deed. The Company will indicate the same by furnishing the Monthly Hypothecated Property Report. Upon such intimation, the assets so identified would deem to have been hypothecated under these presents. The Company and the Debenture Trustee acknowledge that for so long as no Event of Default has occurred and is continuing, the Debenture Trustee shall not be required to obtain any prior consent of, or provide any prior intimation to, the Debenture Holder(s) for any addition / substitution / release of the Secured Property and doing all such acts as is required in this regard. The Debenture Holder(s) shall be deemed to have authorized the Debenture Trustee to execute such deeds or such other documents as may be required to give effect to such addition / substitution / release of the Secured Property without requiring the Debenture Trustee to provide specific notice to or obtaining consent from the Debenture Holder(s) for so long as no Event of Default has occurred and is continuing.

Pursuant to the creation of additional security under Clause 3.3 or any substitution of specific Receivables in terms of Clause 3.6 above, the Company shall take all steps necessary to perfect such security including filing the necessary forms for recording the modification of the charge with

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