

AGREEMENT TO UNDERWRITE DEBENTURE STOCK

THIS AGREEMENT made on theday of.....BETWEEN XYZ Ltd. (hereinafter called the company) of the one part and AB, etc (hereinafter called the underwriter) of the other part.

WHEREAS the company is about to offer for public subscription4 p.c. mortgage debenture stock which to be constituted and secured by a trust deed framed in accordance with the terms of the draft which has already been prepared, and for the purpose of identification subscribed by D., a solicitor of the Supreme Court.

AND WHEREAS the company is desirous of insuring the said debenture stock.

NOW THEREFORE IT IS HEREBY AGREED as follows :

1. The company is to offer for public subscription the said.....debenture stock.
2. Such offer is to be made by a prospectus framed in accordance with the terms of the draft prospectus annexed hereto, but with full power for the company, prior to the publication of such prospectus, to modify the same in such

manner as the company shall think fit, provided that such modification shall be approved by the said D.

3. The underwriter shall take up and pay for at par the whole of the debenture stock aforesaid which shall not have been taken up and allotted to other persons within days after the first publication of the said prospectus and in consideration of the obligation so imposed on him he shall be entitled to or to p.c. of the premises on the said stock which shall be received by the company upon the issue of that portion which shall be subscribed for and allotted to persons other than the said underwriter.

4. The underwriter shall pay up the full nominal value of the debenture stock taken up by him as aforesaid by the instalments and at the times specified in the prospectus aforesaid, less, however, the amount of the premium according to the terms of prospectus as issued payable in respect thereof.

5. It shall rest with the underwriter to fix the premium on which the said debenture stock shall be offered for subscription by the said prospectus, and if he shall not within (time) after notice in writing from the company requiring him to specify the same comply with such request, then it shall rest with the company to fix the premium.

6. Any notice the underwriter may be given by sending the same through the post addressed to him at his above mentioned address, and a notice so sent shall be deemed to be served at the expiration of twelve hours after it is posted.

IN WITNESS WHEREOF, etc.,

(ii) General.-In business transactions brokers are appointed for various purposes and the expenditure on payment of borkerge is deductible as revenue expenditure under the income-tax Act. [CIT v. Hoechst Pharmaceuticals Ltd., (1978 113 ITR 877 (Bom))]

LETTER OF CONSENT FOR ACTING AS BROKERS

DATE.....

Ref. No.

To

The Board of Directors,

ABC Co. Ltd.,

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Dear Sirs,

Re: Your public issue of 10% Secured Non-convertible Redeemable Bonds for the aggregate value of Rs. 200 crores.

We, the undersigned, hereby testify and consent to act as Brokers to the aforesaid issue and to our name being inserted as Brokers to the Issue in the Prospectus which the Company intends so issue in respect thereof and we authorise : the said Company to deliver this letter of consent to the Registrar of Companies Act, 1956.

We are agreeable to accept brokerage at 1.5% on the nominal value on allotment of Bonds made in respect of application bearing our stamps as Brokers and we confirm that a copy of this letter may be delivered to the Registrar of Companies pursuant to the provisions of section 76 (1) (v) of the Companies Act, 1956.

Yours faithfully,

Signature