

HYPOTHECATION DEED

This hypothecation deed is made executed this _____ day of _____ By Sri/Smt. _____ Aged about _____ years, S/o ,D/o ,W/o _____ residing at _____ and having its place of business at _____ herein after called the BORROWER which term wherever the context so applied shall mean and includes his legal representatives and assigns in favour of the Karnataka Minorities Development Corporation Limited represented by its Managing Director having its Registered Office at 12th Floor Vishveswarayya Centre Main Tower, Ambedkar Veedhi, Bangalore-01, herein after called the Corporation which term wherever the context so applied shall mean and include the successors in office and assignee.

Whereas the Borrower has approached the Corporation for financial assistances to establish a _____ Scheme with a project cost of R. _____ (Rs. _____ only).

Whereas the Corporation has agreed to advance a sum of Rs. _____ as a working capital/terms loan for the project.

Whereas at the request of the borrower the Corporation has sanctioned of Rs. _____ (Rs. _____ only) vide sanction order No. _____ dated _____ on condition interlaid that assets of the borrower be secured to the Corporation for due repayment of the aforesaid loan.

NOW THIS DEED WITNESSETH

1. In Consideration of the above said Rs. _____ (Rs. _____) lent and advanced by the Corporation to the borrower in such manner and in such sums specified in the sanction order, the Borrower agreed to repay to the Corporation the said sum of Rs. _____ in _____ Monthly/quarterly/half yearly instalment. The first instalment being payable on _____ and every subsequent instalments being paid on the corresponding day of every Month/quarter/half year/year provided that in case any instalments is not paid within the date on which it becomes due such amount in arrears shall carry interest at such rate as may be prescribed by the Corporation in this behalf and intimated to the borrower shall be the rate so communicated, provided that in the event of an increase in the rate of interest the borrower shall have the position to repay the Corporation forthwith, the entire outstanding and until repayment the outstanding shall be treated as a charge on properties secured here under and

provided also on failure by the borrower to pay any instalment or outstanding due to the Corporation under this deed on or before the due dates or not which time for payment may have been extended by the Corporation they shall have the right to recall the entire loan and other outstanding thereon, that have been in arrears and remained unpaid.

2. For the Consideration of the aforesaid _____
 - a) The borrower binds personally the repayment of the principal sum with interest and other moneys due to the Corporation under this deed.
 - b) The borrower hereby hypothecated in favour of the Corporation by way of security for the said principal and interest that become due to the Corporation, moveable assets situated at the above place of business or elsewhere and more fully and particularly described in the schedule hereunder, to have and to hold the same absolutely until their payment of all the sums due under this deed.
3. The borrower confirms that the schedule properties are his absolute properties and free from any charges or encumbrances till the aforesaid loan stands fully discharged. It shall also be unlawful for the borrower to create any further charge or encumbrance on the schedule properties in any manner what so ever without the prior consent and written sanction of the Corporation.
4. The Borrower undertakes that during the substance of this Deed to keep the Schedule properties and every part thereof in good condition and to keep the same insured against loss or damage whatsoever for its full value with any of the Nationalized insurance companies and that he shall not do any act of commission or commission so as to render the schedule properties less valuable than they are at present and to keep the same in good and proper condition.
5. The Borrower agrees that from the date of this Deed and so long as any part of the loan remains outstanding they shall at all reasonable at times permit the Corporation or any of its authorized representatives to carry out periodic inspection of the schedule properties and that he shall extent full co-operation and assistance in the conduct and the performance of such inspections.

6. The Borrower agrees that in the event of default in payment of all or any part of the principal or any interest or in performance and observance of any of the conditions or provisions herein contained on the part of the borrower, then and in such an event it shall be lawful for the Corporation to call upon the borrower to discharge his liability in full by deemed fit for recovery of the **entire** arrears due from the borrower to the Corporation under the Deed entirely at the cost and expenses of the borrower including that of recovery as arrear of land revenue.
7. The Borrower also agrees that in the event of default it shall be lawful for the Corporation at any time.
 - I. To enter and remain at any place where the securities shall be
 - II. To take possession of the same or any part thereof, and
 - III. To sell or otherwise dispose of the schedule property either by public sanction, to private contractor by any other legal proceedings and to enforce settle, compromise or deal with any of the rights aforesaid.
8. The aforesaid loans shall be subject to the terms and conditions of sanctions of sanction beside any amendment from time to time, the rules, regulations, notifications and orders there under framed by the corporation from time in addition to the terms, conditions and arrangement agreed upon hereunder, and the borrower Shall comply with the same as and when imposed during the subsistence of the Deed.

SCHEDULE

1. Machinery

Sl. No.	Description	Invoice Value Market Value Rs.	Place of Location or instalment or storage

2. Vehicles

Sl. No.	Made & Description of the Vehicle	Engine No.	Chassis No.	Registration No.	Invoice Value/ estimated Value

3. Goods/Other/Movables

Sl. No.	Description	Place of Storage/ Stocking	Present Market Value

4. Live Stock

Sl. No.	Description	Age	Breed	Identification Mark	Value (Rs.)

IN WITNES WHERE OF THE BORROWER has signed these present on this _____ day of _____ 20__ at _____

Witness:

BORROWER/S

1.

2.