

DEED OF HYPOTHECATION

Loan Case No. _____ Sanctioned Amount Rs. _____

Name of the Borrower _____

Son / Daughter / Wife of _____

of Vill. _____ P.O. : _____

Dist. _____ Medinipur.

VIDYASAGAR CENTRAL CO-OPERATIVE BANK LTD., MIDNAPORE

(hereinafter called "the Bank") having at the request of _____

_____ (hereinafter

called "the Borrower") granted a Term Loan / Cash Credit to the extent of Rs. _____

(Rupees _____ only)

Which loan the Borrower hereby undertakes to repay in _____

Monthly / Qtly. / Annually instalments of Rs. _____

each, the first of such instalments commencing on _____

and to be secured by the article/s which the borrower hereby hypothecates to the Bank, it is

hereby agreed between the Bank and the Borrower as follows :-

1. That in consideration of the Bank having granted the above noted loan to the Borrower under the Bank's loan scheme with the express object of enabling the Borrower to purchase with the said loan amount article/s / Properties described in the schedule annexed hereto (hereinafter called "the article/s / properties which expression shall be deemed to include all fittings, tools, parts and accessories whatsoever pertaining to the said article/s and all replacements or additions made therein or thereto from time to time) and the Borrower having purchased the said article/s with the loan amounts and having the said article/s under his/her possession or control for his/her personal use at _____ - hereby hypothecates to the Bank as security to the Bank for all moneys for the time being owing by the Borrower to the Bank or at any time or ultimately on the closing of the said loan account and for the payment of all debts and liabilities mentioned herein below.
2. That the Borrower shall not during the continuance of this Agreement sell, dispose of pledge or otherwise charge or encumber the article/s which is/are the subject of this Agreement or do or permit any act whereby the security hereinbefore expressly given to the Bank shall be in anywise prejudicially affected.

P.T.O.

3. That the Borrower hereby undertakes that he/she will not at any time so long as any money remain due in respect of the said loan account remove or cause or permit to be removed the said article/s from the premises where it/they is / are presently kept as mentioned in the schedule without the consent in writing of the Bank having been obtained first and that the Borrower will not do any other act by means of which the Bank's security over the said article/s may be in anywise impaired or affected.
4. That the borrower hereby undertakes to keep the article/s in through working order and good condition and to make no alteration therein without the previous written consent of the Bank.
5. That the Borrower hereby undertakes to indemnify the Bank against loss by reason of damage to or destruction or loss of the article/s from any cause whatsoever or by reasons of claims by third parties.
6. That the Borrower hereby agrees to notify the Bank at once of any change in his/her own address and the address of the premises to which the article/s may be moved.
7. That the Borrower hereby empowers the Bank or anyone from time to time authorised by them in that behalf and without previous notice to the Borrower to enter the said premises or places of storage whatsoever, wherever situate, for the purpose of inspecting and taking account of the said article/s under hypothecation to the Bank.
8. That where so required by the Bank, the Borrower shall at all time during the continuance of this agreement and so long as any money shall remain due and owing to the Bank by virtue hereof, insure and keep insured the article/s to the full extent of its/their value from time to time against fire and theft risks in some insurance office or offices approved by the Bank and in the name of the bank and shall duly and punctually pay the premium payable in respect thereof at least one week before the same shall have become due or payable and shall hand over the policies of Insurance and the receipts for premium paid in respect thereof to the Bank and the Borrower agrees not to raise at any time any dispute as to the amount or nature of insurable interest of the Bank. If default be made in payment of such premium or in keeping the article/s so insured, then and in such case it will be lawful for but not obligatory upon the Bank to pay such premium and to keep the articles/s so insured and to recover from the Borrower the expenses incurred by the Bank with interest.
9. That all sums received under any such insurance as aforesaid shall be applied to or towards the liquidation of the balance due to the Bank for time being and in the event of there being a surplus the same shall be applied as provided hereinafter.

P.T.O.

10. That the Borrower hereby empowers the Bank or any one authorised by them for the purpose so long as any instalment remains due to the Bank in respect of the said loan account beyond the due date fixed for the payment of the said instalment, to take possession of the said article/s and if necessary to break open any place of storage whatsoever, wherever situate where the said article/s is/are stored, with or without notice to the Borrower.
11. That notwithstanding what has been stated hereinbefore the loan amount outstanding shall become payable on demand and in one lump sum and the Bank shall also become entitled to possession of the article/s and to sell it/them and to apply the sale proceeds as stated in para 13 infra towards the loan in case :-
 - a) The Borrower commits or suffers any breach of the conditions and obligation stipulated to be observed and performed by him.
 - b) The Borrower dies, becomes insolvent, or has a receiving order made against him/her allows the article to be seized in distress or execution or under any other process of law.
12. That the Borrower hereby agrees that if he/she fails to pay the Monthly / Quarterly / Annually instalments punctually on or before the due dates he / she shall be liable to pay additional interest @2% on the defaulted amount of loan.
13. That in the event of the Borrower failing to pay the loan instalment of the due date, the Bank reserves the right to sell the article/s and apply the proceeds thereof towards the loan amount due and the borrower hereby agrees to accept the account of the Bank for such sale or realisation signed by their manager or Accountant or other duly authorised officer of the Bank as sufficient proof of the amount realised by the bank and the costs, charges and expenses in such sale or realisation.
14. That if the net sum realised by such sale be insufficient to cover the balance of loan due to the Bank, the Bank shall be at liberty to apply any other money or moneys in the hands of the Bank standing to the credit of or belonging to the Borrower in or towards payment of the balance for the time being due to the bank and in the event of there being no such money or moneys as aforesaid in the hands of the bank or in the event of such money or moneys being still insufficient for discharge in full of such balance the Borrower hereby promises and agrees forthwith on production to him / her of an account to be prepared and signed as in the 17th clause hereof to pay any further balance which may be shown herein to be due by the Borrower provided always that nothing herein contained shall be deemed to negative qualify or otherwise prejudicially affect the right of the Bank (Which is hereby expressly agreed the Bank shall have) to recover from the Borrower, the balance for time being remaining due from the Borrower to the Bank upon the said loan account notwithstanding that the security may not have been realised.

P.T.O.

15. That in the event of there being a surplus available out of the net proceeds of such sale after payment in full of the balance due to the Bank it shall be lawful for the Bank to apply the sale surplus together with any other money or moneys belonging to the Borrower for the time being in the hands of the Bank in or under whatever accounts as for as the same shall extent in or towards payment or liquidation of any and all other moneys which shall be or become due from the borrower whether solely or jointly with any other person, firm or company to the Bank by way of loans, Letters of credit, Guarantees, charges or of any other demands legal or equitable which the Bank any have against the Borrower or which the law of set off or mutual credit would in any case admit and whether the Borrower shall become or be adjudicated bankrupt or insolvent or be in liquidation or other wise and interest thereon from the date on which any and all advance or advances in respect thereof shall have been made at the rate or respective rates at which the same shall have been so advanced.
16. That any surplus of the net proceeds of any such sale after payment of loan amount penal interest and all other moneys due by the Borrower to the Bank for or in respect of the said loan account or in anywise relating thereto and off all other moneys due from him/her to the bank on any account whatsoever as aforesaid, shall be paid to him/her by the bank as and when he/she may so direct.
17. That the Borrower agrees to accept as conclusive proof of the correctness of any sum claimed to be due from his/her to the Bank under this Agreement and a statement of account made out from the books of the Bank and signed by the Accountant and or other duly authorised officer of the Bank without production of any other voucher document or paper.
18. That the Bank shall not be in any way liable or responsible for any damage or depreciation which the article for the time being hypothecated to the Bank and forming part of the security, the subject of this Agreement or any part thereof may suffer or sustain on any account whatsoever while the same shall at any time come into possession of the Bank.
19. That any notice required to be served hereunder shall be in writing and shall be deemed to be sufficiently served if addressed to the Borrower at his / her (address registered in the Bank or in the event of no such address being registered, at his / her known place or residence or business and left at such address or forwarded to him/her) by post at the address or place aforesaid. A notice sent by post shall be deemed to have been served at the time when in due course of post it would be delivered at the address to which it is sent.

P.T.O.

20. That the Borrower affirms that the security is free from any prior charge of lien or encumbrance whatsoever.
21. That the Borrower agrees to open and maintain with the Bank a current account or savings Bank account and keep the account in sufficient funds and hereby authorises the Bank to debit the same with the amount of each instalment of the loan as and when it falls due.

Signed on this _____ day of _____
in the Christian year Two Thousand _____

Signature of Borrower

SCHEDULE OF PROPERTY :-

Signature of Borrower

Witness :-

1. _____
S/o _____
Vill. _____
Dist. _____
2. _____
S/o _____
Vill. _____
Dist. _____

ACCEPTED

For Vidyasagar Central Co-operative Bank Ltd. Midnapore
_____ Branch

Branch Manager