

Deed of Hypothecation

(Rs.100 NJ Stamp to be affixed before execution)

THIS DEED OF HYPOTHECATION executed at _____ on this the _____ day of _____ among:

1. The _____ DCCB Ltd., _____ Branch represented by its Branch Manager Sri/Smt/Ms/Mr. _____, S/o _____ and _____ hereinafter called the **Bank** (which expression shall, unless it's repugnant to the context mean and include legal representatives, executors, administrators, and assigns)
2. The Government of Andhra Pradesh represented by its _____, Mandal Agriculture Officer, Sri/Smt/Ms/Mr. _____, son of _____, aged about _____ years, hereinafter called the **Government** (which expression shall, unless it's repugnant to the context mean and include legal representatives, executors, administrators, and assigns)
3. _____ PACS/JLG/FPO, represented by its Authorised Representative (Secretary/Group Leader/MD) Sri/Smt/Ms/Mr. _____ aged about _____ years, hereinafter called the **Borrowers** (which expression shall, unless it is repugnant to the context mean and include his/her legal representatives, executors, administrators and assigns);

WHEREAS

The Borrowers has planned to establish a Custom Hiring Centre (CHC) in terms of G.O. Rt. No.476 of Govt. of Andhra Pradesh, dt.07.07.2020 and G.O. Rt. No.547 of Govt. of Andhra Pradesh, dt.30.07.2020, and purchased Equipment/Machinery as detailed in schedule 'A' hereunder, (hereinafter referred to as the Asset), for an amount of Rs. _____ (Rupees _____ only).

The Borrowers has approached the Bank for a loan of Rs. _____, (Rupees _____ only), for the payment of consideration to the suppliers of schedule 'A' mentioned Assets. The Bank, the Government and Borrowers have agreed that the Bank Loan Amount, the Government Subsidy Amount of Rs. _____ and Margin Money of Rs. _____ towards the value of the schedule 'A' mentioned Assets, on the condition that the Borrowers hypothecates the schedule mentioned asset jointly in the names of the Bank and Government, as security for the due repayment of the said loan. The parties have agreed to reduce their agreement to writing.

NOW, THEREFORE IN CONSIDERATION OF THE MUTUAL OBLIGATIONS AND UNDERTAKINGS CONTAINED HEREIN THIS AGREEMENT WITNESSETH AS FOLLOWS:

The Bank shall pay to the said manufacturer/supplier, on behalf of the Borrowers, a sum of Rs. _____/-, (Rupees _____ only), being the Loan Amount plus Margin Money. The Bank shall retain possession of the original invoice of the said asset till the debt is fully discharged by the Borrowers.

The Borrowers hereby hypothecates and creates a charge on the asset more fully described in the schedule 'A' hereunder to and jointly in favour of the Bank and Government, as security for the repayment of the loan with interest.

The Borrowers hereby undertakes to repay the loan amount within a period of 48 months, in eight half yearly instalments commencing from _____ along with interest. The Borrowers shall pay interest at the rate of 4% / 8.3% on the principal on half yearly basis. The Interest and principal are payable in half yearly instalments as per schedule - B hereto.

If the Borrowers defaults in payment of the amount as per schedule-B hereto, then such defaulted instalment will carry penal interest in addition to the normal interest. If the Borrowers fails to pay the instalment amount together with interest due, within 30 days from the due date, the Bank shall have the right for seizure of Equipment/Machinery from the Borrowers, in addition to demanding payment of the entire Loan Amount outstanding. Further, after three (3) months of the due date of the 1st Instalment which is not repaid, the Bank in consultation with the Department Officers, shall take steps for sale of the Equipment/Machinery in order to recover the loan amount, besides taking legal action, for recovery of entire loan amount outstanding.

The Borrowers shall not remove or take the said asset, outside the Village/Mandal without prior intimation/permission from the Bank/Government.

The Borrowers agrees and undertakes to insure the assets against all hazards, till the loan is fully repaid and shall produce the relevant receipts, and other documents, whenever called upon by the Bank to do so.

IN WITNESS WHEREOF the parties hereto affixed their signatures on day month and year mentioned hereinabove

SCHEDULE 'A' (Description of the Assets - Equipment/Machinery)

SCHEDULE 'B' (Describe the payment schedule)

for and behalf of the _____ DCCB Ltd.,
_____.

for Government of Andhra Pradesh,

Mandal Agriculture Officer

(Borrower)

WITNESSES

1.

Name and Signature

Address

2.

Name and Signature

Address