

MORTGAGE by a Limited Company in favour of a Bank for Securing the Amount due on Cash Credit Account

THIS MORTGAGE made the..... day of..... 2007, Between 'AB' a Limited Company, having its Head Office at..... (hereinafter called "the borrower") of the One Part and the..... Bank Limited, having its Head Office at..... (hereinafter called "the Mortgagees") of the Other Part.

WHEREAS the borrowers are a Limited Company having their Head Office at..... and are carrying on the business of Sugar Manufacturers at their factory known as..... and situate at..... in the State of.....

AND WHEREAS the borrowers are absolute owners of the said factory free from encumbrances.

AND WHEREAS the borrowers have a cash credit account with the mortgagees for the purposes of their business.

AND WHEREAS the mortgagees have already granted and may hereinafter grant accommodation to the borrowers, and it has been agreed that all moneys now owing and which shall hereafter become owing on the said cash credit account or otherwise from the borrowers to the mortgagees should be secured in the manner hereinafter appearing.

NOW THIS DEED WITNESSETH that in pursuance of the said agreement and in consideration of the mortgagees granting the aforesaid accommodation to the borrowers.

1. The borrowers hereby covenant with the mortgagees that the borrowers will on demand pay to the mortgagees the balance which shall be owing on the said cash credit account or any other account or for bills or drafts accepted, paid or discounted or advances made for the accommodation of the borrowers upto the limit of Rs..... together with interest at the rate of..... per cent per annum from the date of the said load or advance until payment.
2. The borrowers as beneficial owners hereby mortgage their property known as..... Sugar Mill, situate at..... together with all the machinery, engine, boiler etc., and buildings, land attached and appurtenant thereto, and more particularly described in the schedule attached hereto as security for payment of the mortgagees of all principal moneys and interest at the aforesaid rate and other moneys hereby secured.
3. The borrowers further covenant with the mortgagees that all accessories to the mortgaged property shall be liable for the amount due under this Deed from the borrowers to the mortgagees.
4. The borrowers hereby further covenant with the mortgagees that the borrowers will during the continuance of this security keep the mortgaged property in good and substantial repairs and insured against loss or damage by fire for Rs..... in General Insurance Corporation of India in the name of the mortgagees, and will duly and punctually pay all premiums and other moneys necessary for effecting and keeping up such insurance. And if default shall be made by the borrowers in keeping the mortgaged property in good and substantial repairs or in effecting or keeping up such insurance, the mortgagees may repair (with power to enter upon the mortgaged premises for that purpose and without becoming liable as mortgagee in possession) or may insure and keep the same insured in any sum not exceeding Rs..... and that all moneys expended by the mortgagees under this provision shall be deemed to be properly paid by them.
5. The borrowers further covenant with the mortgagees that the borrowers shall not lease the mortgaged property for any term exceeding one year or accept, surrender of any existing lease without the previous consent in writing of the mortgagees.
6. And it is hereby further agreed and declared that if the borrowers fail to pay the mortgage money with interest as agreed upon, the mortgagees shall be entitled to realise their dues by sale of the mortgaged property and, if the sale proceeds thereof are insufficient to satisfy the mortgagees' dues, to recover the balance from the person and other property of the mortgagors.
7. It is hereby further agreed and declared that if interest for any two instalments remains in arrears, the mortgagees shall be entitled to have a Receiver appointed of the mortgaged property.

8. Provided always that if the borrowers shall pay to the mortgagees the sum of Rs..... or the amount due on said account with interest thereon from the date hereof at the stipulate rate, the mortgagees will at any time thereafter at the request and cost of the borrowers execute a receipt of the mortgage amount or a deed of redemption and surrender the premises before mortgaged to the borrowers.
9. By a Resolution of the Board of Directors of the 'AB' Company Limited dated..... Mr..... one of the Directors has been authorised to execute this Deed on behalf of the Company.

IN WITNESS WHEREOF the parties hereunder have set their hands on the date and year hereinabove mentioned.

The Schedule above referred to containing description of the machinery and plant, and all buildings and land appertaining thereto.

For and on Behalf of 'AB Co. Ltd.',
Director

For and on Behalf of the..... Bank Ltd.,
Secretary