**Indian Overseas Bank**

Stamp

(Central Office: 762, Anna Salai, Chennai 600 002)

**LETTER OF HYPOTHECATION**

**(Agricultural Advances)**

This letter of Hypothecation executed at **Avalpoondurai** this day of **29-August-2021** by **Mr Vivek Kumar Mahesh** S/o **Mr Mahesh** aged **27** residing at **36 Soriyampalayam Vazhaithottam Sivagiri Erode Tamil Nadu-638109** hereinafter called the Borrower which expression wherever the context so requires or admits shall be deemed to include his/her heirs, executors, administrators, assigns and all persons deriving title from them in favour of Indian Overseas Bank, a Banking company wholly owned by Government of India under the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970 having its Central Office at 763, Anna Salai, Chennai and a branch among other places at **Avalpoondurai** hereinafter referred to as the ‘Bank’ which expression shall be deemed to include its administrators, successors and assigns witnesseth:

Whereas the borrower is in need of financial assistance for the purpose of raising crops and/or purchase and/or repair of machineries/equipment and/or purchase of livestock and/or development and improvement of his/her land/farm by increasing production and minimizing expenditure, at the request of the Borrower the Bank has agreed to grant to the Borrower credit facility of **₹ 1,00,000.00** ( **Rupees One Lac Only**) out of which **₹ 1,00,000.00** ( **Rupees One Lac Only**) for the purpose of raising crops described in Schedule A hereto and/or Rs. **NIL** (Rupees **NIL** only) is for purchase and/or repair of (nature of goods/ machinery) described in Schedule B hereto and/or Rs **NIL** (Rupees **NIL** only) is for purchase of livestock valued at Rs **NIL** (Rupees **NIL** only) described in Schedule C hereto and/or Rs **NIL** (Rupees **NIL** only) is for construction of structure on sinking of wells in/or development of the land specified in Schedule A hereto on the stipulating that apart from other securities offered or to be offered by way of equitable/ registered mortgage of creation of charge on agricultural lands and lands appurtenant thereto and other properties described in Schedule A hereto, the borrowings should be secured by hypothecation of crops raised and now standing/to be raised on the lands as specified in Schedule A and/or goods/machinery/livestock purchased in future as specified in Schedule B and/or C hereto as the case may be hereinafter called ‘Hypothecated item’ and also such other documents as may be executed by the Borrower hereinafter referred to as “Security Documents”.

1. In consideration of the above premises the borrower hereby agrees undertakes and declares that each and all borrowers present and future crops whatsoever and wherever raised or to be raised including standing crops on the land though not specified by name fully described in Schedule A hereto and/or all the hypothecated goods/ machinery/livestock described in Schedule B and/or C hereto not kept or hereafter kept from time to time at yards, godowns/premises of the borrower or kept in any other premises wheresoever whether in transit or in the possession or control or power of the borrower or of the bank and all other hypothecated goods as may come into existence by natural increase, accretion of purchase or otherwise shall stand hypothecated to the bank as security for the due payment by the bank from time to time and ultimately and by virtue of this agreement.

2. The Borrower hereby agree that he/she shall repay to the Bank the principal sum of **₹ 1,00,000.00** ( **Rupees One Lac Only**) On demand / by fortnightly/monthly/Quarterly/Half yearly / Annually on the due dates described in the Schedule D along with interest, commission, cost, charges and expenses etc., provided the Bank, at the request of any of the Borrower and/or in this absolute discretion may extend the time for repayment from time to time and may convert one type of loan into another type or a Demand Loan/Cash Credit /Overdraft into a Term Loan and the mode of repayment and rate of interest shall be stipulated and intimated by the Bank to the Borrower and the new terms thus stipulated will be binding on the Borrower and shall be deemed to have been incorporated in this Agreement and shall form part of this Agreement and the Borrower agrees) that any such extension of time or conversion will not in any way absolve any of the Borrower from the Borrower liability to the Bank in any manner whatsoever and the nature and extent of the Borrower(s)’s liability and that of the security shall subsist and continue subject to such changes:

Provided further that on the occurrence of any circumstances in the opinion of the Bank hampering repayment of the loan as agreed upon by the Borrower or the repayment period originally provided is found insufficient or in the case of advances to plantations where the area of plantation approved by the appropriate authority is reduced the Bank at the appropriate authority is reduced the Bank at the request of the Borrower and / or in its absolute discretion may reschedule the schedule of disbursement and/or repayment and the new schedule of disbursement and or repayment shall be stipulated and intimated by the Bank to the Borrower and the new terms thus stipulated will be binding on the Borrower and shall be deemed to have been incorporated in this agreement and shall form a part of this Agreement and the Borrower agrees that any such rescheduling will not in any way absolve any of the borrower from the Borrower liability to the Bank in any manner whatsoever and the nature and extent of Borrower(s)’ liability and of the security offered shall subsist and continue subject to such modifications and/or rescheduling.

Provided further that in case of default in payment of any of the installments or interest or any part thereof of any other irregularity on the part of the Borrower, the entire balance outstanding with interest, commissions and charges shall, if the Bank so chooses, become payable at once and in lump. However, nothing in this proviso shall preclude the Bank from granting any extension of time to the Borrower for repayment in lump or otherwise and it shall be deemed that the Bank has granted such extension of time at the request of the Borrower.

3. Interest will be charged at the rate of \_\_\_\_\_\_\_\_ % per annum over Prime Lending Rate of the Bank with monthly rests or such other rates and rests as may be notified by the Bank to me / us from time to time and shall be calculated and charged as the daily balance in the Bank’s favour due upon the said account until the same is fully liquidated and shall be paid by the borrowers as and when demanded by the Bank.

Other to receive such notice for himself and for others. All dealings between the Borrower and the Bank shall be governed by the rules of business of the Bank that are now in force, subject however to the condition that the Bank shall be entitled to charge overdue interest as mentioned in Clause 4(a) here below and also to compound interest every quarter/half year. The bank shall be entitled to compound the interest along with the principal outstanding in case of default of the borrower to repay the installments on due dates.

4. a) The borrower shall be liable to pay additionally, interest at the rate of 2% or at the rate specified by the bank from time to time over and above the normal interest on the amount outstanding upon the happening of any of the following events, namely:

1. When loans/installments are not repaid on the due dates.
2. When the account becomes irregular due to:
   1. Excess drawings over drawing power/sanctioned limit.
   2. non-submission of stock statements.
   3. non-submission of quarterly/ half yearly financial data causing delay in review of limits, consequently the limits expire and the advances still continue.
3. Failure to honor specific borrowing covenants, inter alia relating to diversion of funds, making other borrowing arrangements, taking up new projects or large scale expansion, merger etc.,
4. Excess borrowings arising out of excess current assets as recommended by RBI.
5. Non-payment/non-acceptance demand/usance bills of exchange on presentation/ due dates.

4. (b) Applicable when the loan is repayable in equated instalments comprising of both principal and interest.

The Borrower hereby agreesthat he/she shall repay the Bank the principal sum together with applicable interest in equated instalments as mentioned in Schedule D and in case of delay in repayment of any instalment he/she shall pay overdue interest on the defaulted amount at Rs. ……………. Per Rs.100 per month till the date of the payment of the instalment.

5. The Borrower hereby undertakes that he/she shall use the amount only for the purpose for which it is sanctioned. Further, the Borrower agrees that if the bank suspects or has reason to believe that the Borrower has violated or is violating this understanding, the bank may recall the loan amount or any part thereof at once notwithstanding anything to the contrary contained in this agreement or any other agreement.

6. That in the event of the Borrower committing breach of any of the terms and conditions stipulated by the Bank or misutilization, non-utilization or only partial utilization of the proceeds of the loan, notwithstanding the stipulations if any that the borrower is allowed to pay the amounts due in instalments the bank shall have right to demand payment of entire liability forthwith and to take such other steps as may be necessary to recover the same by enforcing the securities.

7. That the security offered by these presents shall be continuing security for the balance ultimately due to the bank and it is not to be considered as closer for the purpose of this security and he security is not to be considered as exhausted by reason that my loan/advance is cleared or the account/s is brought to credit at any time or from time to time and shall ensure to the benefit of the Bank until the Borrower fully satisfies on demand by the Bank all and every sum or sums of money which are now or at any time owing to the Bank at any offices or in any account whatsoever whether solely due from the Borrower or jointly with other or others as Principal or as surety and whether indebtedness is in respect of the amount presently payable or not including all liability arising out of encashing cheques, hundies, pronotes, bills of exchange and other negotiable instruments drawn, accepted, endorsed or guaranteed by the Borrower interest on all advances at the rates agreed upon in the several instruments, commission Banking charges, etc., costs, expenses incurred by way of rents, taxes, duties, maintenance, management and inspection of any other assets charged in favour of the Bank.

8. The Borrower hereby declare/s and confirm that he/she is/ are the absolute owner/s of the hypothecated goods and/or is in possession of the lands mentioned in Schedule A hereto and is raising crops on the said land for his/her benefits. The Borrower agreesto hold the hypothecated goods and other accessories as trustees and agents for and on behalf of the Bank. The Borrower expressly undertakes not to mortgage, pledge, charge, hypothecate, sell or cause to be sold/disposed of in any manner, to keep the hypothecated goods in good in good condition and to make no alteration thereon, deletion or addition thereto without the previous written consent of the Bank. The hypothecated goods, sales realizations and the insurance benefits and proceeds of goods shall be held by the borrower as trustee for the Bank and paid to the Bank as and when received by the Borrower. The security afforded by this agreement shall remain in force until all sums due to the Bank by the Borrower either by way of this loan or otherwise are fully paid or adjusted.

9. That the Bank shall be at liberty at their absolute discretion to reduce the limit or to call for such margin as they shall deem fit for any reasons whatsoever or for any anticipating shortage of said crops, reduction in the market value or for any other reasons whatsoever at any time during the continuance of these presents.

10. The Borrower hereby request/s the Bank to credit the amount under …........……....................... loans to his/ their SB/CA/OD account /remit the amount on his/ their behalf to concerned supplier//seller at his/her cost risk and responsibility and the Borrower shall and the Bank shall not be considered as liable for any default or non-supply or defective implements/ inputs/ machinery/ livestock to any extent if the said supplier/seller does not comply with any of the terms and conditions as agreed to or at any time with the Borrower alone shall be liable for any loss, damage or claim and the Borrower shall not be entitled to require the Bank to proceed against the supplier/seller for recovery of any monies receivable by him/them or the claim diminution of liability or discharge from liability in respect of any sums advanced by the Bank under the Borrower’s loan account/s.

11. The Borrower hereby request/s and authorise/s the Bank to debit an amount of Rs.……………………… (Rupees …………………………….…………) to his/her SB/CA A/C. No. ……… with them towards margin for the loan hereby sanctioned and to deal with the same in the manner agreed to in clause 10 herein above. The Borrower further agrees to maintain sufficient balance in his/her aforesaid account for this purpose.

12. This agreement shall continue to remain in force and be available to the Bank at all times and the Bank shall be at liberty at its absolute discretion to grant such further advances as it deems fit under this agreement and such advances shall stand secured and covered under this agreement until this agreement is specifically cancelled in writing with respect to future transactions only and without prejudice to the antecedent rights and obligations of the respective parties to this agreement.

13. In the event of the Borrower availing any further or additional loans fro the Bank either under anyone or more of the heads of account or under any other category the Borrower hereby expressly agrees that the Bank shall have the right of securities as provided in this agreement on the assets purchased/to be purchased by availing further and/or additional loans and such assets shall automatically become and stand hypothecated to the Bank as security for the due repayment of all the amounts outstanding with interest., cost expenses and charges including overdue interest as if such security is given under this agreement.

14. That if the Borrower be more than one individual, each one or any of them is authorized and empowered by the other/s of them including the co-obligant/surety to admit and acknowledgement his/her liability to the Bank by any payment into the accounts/s or by way of express writing in any manner or otherwise and any such admission and acknowledgement of the liability by one or more of them including the co-obligant/surety shall be construed to have been made on behalf of each of them and shall save limitation against all of them jointly and/or severally for the purpose of law of limitation.

15. The Borrower hereby agrees and undertakes the following:

1. To pay all taxes, rates and rents regularity and in time and to meet all charges relating to maintenance and all outgoings in respect of hypothecated goods and also the premises where they may be kept and to keep the goods free from distress attachments, sale or the like.

b) To pay to the Bank on demand all costs charges and expenses anywise incurred by the bank in the negotiation, execution or carrying into effect of this agreements or in relation to the exercise of any powers hereto or other power in relation to any act, deed, matter or things arising out of this agreement and incidental thereto and also to pay interest thereon at the rate and in the manner aforesaid.

1. To indemnify and keep the Bank indemnified at all times.
2. No to obtain any financial assistance from any other person/institutions while any liability with the Bank is outstanding.
3. To execute and completed any other records and create such other or additional charge, mortgage or lien in favor of the Bank whenever called upon by the Bank to do so at his/her expenses.
4. To arrange for registration of charge/lien or hypothecation in favour of the Bank with the prescribed authorities within the time prescribed or allowed by the Bank.
5. To sell the cardamom/coffee through the registered auctioner/coffee board/ curers with whom his/her power of attorney is registered. A copy of the Registered Power of Attorney is enclosed/will be submitted within 30 days.

16. In the event of the Borrower failing to pay the balance or any other moneys due to the Bank under or by virtue of this agreement or in the event of the Borrower becoming bankrupt or if for any reason the Bank thinks the security is in jeopardy the Borrower undertakes to deliver to the Bank on demand made by the Bank the said hypothecated goods without raising any question to enable the Bank to sell or otherwise dispose of the same for the purpose of realization of the balance due.

17. The Bank and their Officers or nominees shall be entitled at any time but at the Borrower’s risk and expenses and if need be as Agents or Attorneys for and on behalf of the borrower and the borrower shall render to the bank or its Officers or its nominees all such facilities as may be required for any of the purposes herein below mentioned viz., to enter, repose and remain at any place or places where the hypothecated goods may be kept to view, inspect and value the same and to make any inventories thereof or to take possession of the said hypothecated goods, to use or utilize the same for the purposes of plying, to sell or use otherwise dispose of all or any of the hypothecated goods by public auction or by private treaty. The banks shall have the above said rights without in any way being bound to exercise any of the rights or being liable for any loss occasioned thereby and also without prejudice to Bank/s rights or remedies against the Borrower personally and to apply the net proceeds of such sale or other dealings after deduction of the expenses incurred towards the liquidation of all sums due by the Borrower in his loan accounts with the Bank. The Borrower hereby agrees to accept the Bank’s account of any such sale or realization and the Borrower shall not be entitled to raise any question or dispute about the sale or the amount realized. If net sales proceeds of the hypothecated goods or the net proceeds of the policies hereinbefore mentioned shall be insufficient to cover the amount due by the Borrower, the Bank shall be at liberty to apply any other money or moneys in the hands of the Bank standing to the credit or belonging to the Borrower or any one or more of them towards payments of the Balance due to the Bank and in the event of there being no such money or such moneys being still insufficient to discharge such balances in full the Borrower promises to forthwith on production to him a statement of the account by the Bank, to pay such further balance as may be due by the borrower thereon.

18. In the event of there being a surplus In such sale proceeds or other realization of the hypothecated goods after payment in full of the balance due to the Bank, it shall be lawful for the Bank to retain and apply the said surplus so far as the same shall extend in or towards payment or liquidation of any other moneys due from the Borrower by way of loans, discount of bills, Letter of Credit, Guarantee Charge of any other demand, legal or equitable against the Borrower or any other indebtedness of the Borrower or any other indebtedness of the Borrower future or contingent and whether matured or not due solely by the Borrower or in conjunction with any person or persons which the law of set off or mutual credit would in any case admit, together with interest on the said claims at such rates as the said documents provide and after adjustment of all liabilities as stated above, the surplus if any shall be held by the Bank at the disposal of the Borrower.

19. Nothing herein contained shall operate or be deemed to negative, quality or otherwise prejudicially affect any of the Bank’s rights or remedies (which it is expressly agreed the bank shall have) in respect of any present or future securities, guarantees, obligations or decree for any indebtedness or liability of the borrower to the Bank Whether the said securities referred to herein are renewed/altered to any extent or modified in any manner.

20. The Borrower hereby authorise/s the Bank to debit the loan account and/or SB or any account at its absolute discretion all charges, cost, etc., as mentioned in clause 15 hereof and the Borrower hereby undertakes to maintain sufficient balance at all times in his SB or other account as the case may be to enable the bank to appropriate such amounts as may be necessary from time to time.

21. The Borrower hereby expressly undertakes and declares as follows:

1. That he/she shall take insurance cover against such risk as may be directed by the Bank with Bank Clause appended there to at his/her cost and in case this cover against such risks is not taken he/she hereby authorize the Bank to take such insurance cover at borrower’s risks and cost and to debit the premia payable on the policy renewed from time to time to his/her account with the Bank which he/she hereby undertake to repay on demand made on Borrower failing to repay the amount so debited he/she hereby declare and agree that he/she shall be liable to pay interest at the rate charged or to be charged by the Bank from time to time and the Bank shall be entitled to hold the policy referred to as security until payment is made in full and to the satisfaction of the Bank.
2. The Bank is at liberty and is bound to effect such insurance, at the risk, responsibility and expenses of the borrower with any insurance company only to the extent of the value of the security as estimated by the Bank and that in the event of insuring the security, the Bank shall not be considered or deemed to be responsible or liable for non-admission or rejection to the claim wholly or in part whether the claim is made by the bank or the Borrower.
3. That he/it shall himself/itself of his/its own accord take all steps like initiation of filing claims/furnishing necessary information to the Bank/ Insurance Company without being informed of details of loss/damage for any reasons whatsoever.
4. In the event of claim either in whole or in part on account of loss/damage to the security the Borrower shall be liable to repay to the Bank the entire outstanding liability without requiring the Bank to proceed in the first instance against the insurance Company at the Borrower’s cost and responsibility and to make a demand on him/it only in the event of non-recovery of the amounts from the Insurance Company. In the event of non-settlement of claim the Bank may at its absolute insurance Company without being under any obligation to do so or require the borrower himself/itself to take action in which the Borrower shall not be entitled to question the decision of the Bank.
5. If the Bank does not lodge any claim under the Policy within the time limit prescribed under such policy the Bank shall not filing any claim or suit for recovery of the insured amount against the Insurance company or any other person.

22. The Borrower hereby declares and authorises the Bank to take insurance cover against such risk as may be deemed fit by the Bank under comprehensive Crop Insurance scheme or any revised scheme introduced by the Government of India at Borrower risk and cost and to debit the premia payable under the Policies renewed from time to time to his/her account with the Bank and remit to GIC which he/she hereby undertakes to repay on demand made on him/them failing to repay the amount so debited, he/she hereby declare and agree that he/she shall be liable to pay interest at the rate charged or to be charged by the Bank from time to time and the Bank shall be entitled to hold the policy referred to as security until payment is made in full and to the satisfaction of the Bank.

23. In case the loan is eligible for Guarantee cover under Small Loans Guarantee Scheme 1971/Small Loans (SSI) Guarantee Scheme 1981 of DICGC, the Borrower is agreeable to bear the guarantee fee on the said loan at the rates specified from time to time in accordance with the rules relating thereto and hereby expressly authorizes the Bank to debit his/her SBI/CA/Loan A/c. or such other account with the said guarantee fee and undertakes to maintain sufficient balance in his/her SB/CA or such other account for the above purpose.

24. The Borrower hereby gives his/her consent for the loans being recovered as a public demand/money is terms of any legislation relating to recovery/ies thereof where such consent is necessary under such legislation and hereby deal in any manner with any rights, debts, claims of the Borrower relating to the security.

In Witness Whereof the Borrower have hereunto set their hands on the date mentioned above.

Place : **Avalpoondurai**

Date : **29-August-2021**

Borrower

The contents of this deed and the Bank’s rules of business have read by/read over/explained to me/us and I/We have understood the same and signify my/our consent to abide by the same.

Borrower

**SCHEDULES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SCHEDULE ‘A’** | | | | |
| Village Taluk & District | Survey No | Extent | Crops Hypothecated | Estimated Value |
|  | 582/2,3,4 567/1,2,3 | 5 | SUGARCANE |  |

BORROWER

**SCHEDULE ‘B’**

Sl.No. Trade Name & Mark Model New/Old Engine Regn. Value Location

Description of the (Year) Description HP No./ No. Installation

Goods/machinery Chassis No.

**NIL**

**SCHEDULE ‘C’**

Sl.No. Nature of Livestock(Cow, Buffaloes, etc.) Breed/identification Mark Age Value

**NIL**

BORROWER(S)

**SCHEDULE ‘D’**

**Due Date Amount Rs. Due Date Amount Rs.**

In case of any discrepancy between the English version and translated version in other languages. English version shall prevail.

Place : **Avalpoondurai**

Date : **29-August-2021**

BORROWER