

Agreement of Hypothecation of Standing Crops and other Movable Assets

This Hypothecation agreement is made
at _____
this _____ day of _____ 20_____
BETWEEN

_____ hereinafter called 'The Borrower(s)' (which expression shall include wherever to the context so admits, its/their heirs, executors, administrators, successors and assigns) of the ONE PART and **CAPITAL SMALL FINANCE BANK LIMITED**, a Banking Company established under the Banking Companies Act, 1956 having its Head Office at **Midas Corporate Park, 3rd Floor, 37,G.T.Road, Jalandhar** and one of its branch(s)

a _____ hereinafter called the 'Bank' (which expression shall wherever the context so admits be deemed to include its successors and assigns) of the OTHER PART.

WHEREAS the Borrower(s) have applied to the Bank for granting/continuing certain banking facilities in the nature of Cash Credit facility/Demand Loan, Term Loan/Kisan Credit Card/Investment Credit and or otherwise which the Bank has agreed to grant/continue upon the Borrower(s) agreeing to secure repayment of all and every sum of money which shall for the time being be owing to the Bank for which the Borrower(s) shall be liable on any accounts to the Bank with all interests thereon and all costs charges and expenses and all other money hereafter mentioned in the manner hereinafter appearing by executing these presents.

NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED AND DECLARED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS :-

1.In consideration of Bank granting/continuing certain banking facilities in the nature of Cash Credit facility/Demand Loan/Kisan Credit Card, Medium Term Loan/Investment Credit and/or otherwise of ` _____ (Rupees

_____ only) to the borrowers at their office at _____

_____ and or elsewhere, the Borrower(s) hereby hypothecate to the bank all crops that will be sown and grown and/or now standing growing and being on all those pieces or parcels and land owned by and or belonging to or taken on lease for cultivation and being cultivated by the Borrower(s) and more particularly described in the Schedule I, hereto and all the grains, seeds, sugar,

Jaggery, cotton or other finished or natural agricultural produce derived or resulting from such standing crops after they are harvested wherever stored or lying and the sale proceeds received or receivable in respect thereof if they are sold and all the agricultural implements and machinery, electrical pumping sets and oil engines, all assets purchased with the loan granted by the Bank including tractor, harvester combine and other Agriculture machinery, goods in transit, stock of agricultural inputs such as seeds, fertilizers, manure, pesticides, insecticides, etc. (present as well as future purchased and or belonging to the Borrower(s) and which are bring/will be used for agricultural production on the said lands (hereinafter referred to as the standing crops and other hypothecated assets) as security for the due performance by Borrower(s) of any of the terms subject to which the aforesaid Banking facilities may be granted and for repayment in the manner set out in schedule II hereto to the Bank of all and every sum or sums of money which shall for the time being be owing to the Bank on any account from the owners of Loan, Cash Credits, Kissan Credit Card, Advances, Overdrafts or other Banking accommodation or for any other money for which the Borrower(s) may be liable on any accounts to the Bank whatsoever & interest with all commission discount and Banking charges including legal charges occasioned by or incidental to the said indebtedness to the Bank or to the enforcement of any security held by the Bank. The Borrower(s) confirm that such security shall also be available as a security for repayment to the Bank of any amount which shall be time being be owing to the Bank on any account from the Borrower(s) for loan, cash credit advance, draft and/or any other banking accommodation or for any other money for which the Borrower(s) may be indebted on any account whatsoever with all interest, commission, discount and banking charges legal charges (as between attorney and client) occasioned by or incidental to the said indebtedness to bank or by or to the enforcement of any security held by the Bank. This security(s) hypothecated as above shall be binding as a continuing security and shall not be discharged by any partial payments or fluctuation of accounts or the existence of a credit balance on any account at any time.

2. The Borrower(s) agree(s) to repay the said sum of ` _____ in the manner detailed in the Third schedule hereunder written and to pay interest on the said sum of ` _____ or such sum as may be due by Borrower(s) to the Bank from time to time at the rate of _____ % p.a. over Bank rate/MCLR _____ with a minimum _____ % p.a. with Monthly/Quarterly/Half-Yearly/Yearly rests. The Borrower(s) hereby agree(s) that in the event of failure to pay Installment of interest on its

due date such interest, shall be capitalised and will be treated as an advance need by these presents.

3.The Borrower(s) agree(s) to utilise the loan for the purpose for which it has been sanctioned and not for other purpose whatsoever, failure of which will entitle the Bank to call back the entire amount of loan or amount at once and to take any such legal steps to recover the same. The Borrower(s) further agree(s) that in case of default to pay any two installments on its due dates as shown in the Schedule III to this agreement, the Bank shall be entitled to demand payment of full amount of loan or entire amount due and recover the same and the Borrower(s) agree(s) to pay such sum at once with interest.

4.This security shall not be in any way prejudiced or affected by any collateral or other security now or to be held or taken by the Bank for all or any part of the moneys hereby secured nor shall such collateral or security or any lien to which the Bank may be otherwise entitled to in anyway be prejudiced or affected by present security.

5.Any demand or intimation hereunder may be effectually made by verbal notice to the Borrower(s) or their legal representatives by any officer of the Bank including the Manager of the _____ or other officer of the Bank or any Branch or Office thereof by notice in writing under the hand of any officer either served personally on the Borrower(s) or at their usual last known place of residence or operation of agricultural activity.

6.It is further agreed that if the said loan facility is eligible for refinance from NABARD in accordance with terms laid down for the same, then the Bank shall be entitled to seek refinance from NABARD for the said cash credit account and if there is delay in disbursement or availment of the moneys on account of default on the part of the Borrower(s) and consequent delay in availing refinance from NABARD, then in such event the Borrower(s) agree to pay the amount of the commitment charges payable by the Bank to NABARD and on the failure of the Borrower(s) to pay the same the Bank will be entitled to debit the amount to the said loan/Kisan credit card/cash credit account of the Borrower(s) and it shall be treated as part of the cash credit/KCC/ loan hereby agreed to be advanced and shall carry interest at the same rate and in the same manner. Such additional terms and

conditions as may be imposed by NABARD while granting refinance shall also be binding on the Borrower(s).

7. The Bank, its Manager and Nominee shall be entitled at all times without any notice to put at the risk and expenses of the Borrower(s) to enter upon the properties described in the Schedule hereto and to inspect, evaluate and insure and supervise all or any part of the said standing crops and other hypothecated assets and in the event of any money hereby secured remaining unpaid after becoming payable or the value of the said standing crops and other hypothecated assets at any time being insufficient in the Bank's opinion then to take possession, cut, harvest and remove and to sell either by public auction or private contract the said standing crops and other movable assets or any part thereof at such time and prices and in such manner as the Bank in its absolute discretion shall think fit without being liable for any loss or damage. The Borrower(s) undertake to accept the Bank's account of sales as conclusive evidence of the matters therein.

8. That all the said standing crops and other movable assets hypothecated as aforesaid shall be kept distinguishable and held as the Bank's exclusive property specifically appropriable to this security to be dealt with only after the direction of the Bank and the Borrower(s) shall not create any mortgage, charge, lien or encumbrance upon the properties described in the Schedule hereto and further undertake not to create or suffer any attachment charge, lien or encumbrance on the same or any part thereof nor do or allow anything which may prejudice the security hereby created.

9. The Borrower agrees to pay interest at% spread over the prevailing Base Rate/MCLR (presently being %) of the Bank i.e. _____% per annum with Monthly/Quarterly/Half-Yearly/Yearly rests (the "Applicable Interest Rate"), as and when due / leviable whether debited or not in the Loan account, other expenses, applicable interest tax and incidental charges, etc. as applicable from time to time. The interest shall be calculated on daily balance basis due to the Bank and shall be charged monthly so long as the amount due is not repaid in its entirety and shall form part of the principal and carry interest at the Applicable Interest Rate.

10. The Base Rate/MCLR and/or the spread are subject to changes made by the Bank/RBI from time to time and interest at the revised rate shall accordingly be charged from time to time in the Loan account.

11. The Borrower agrees to pay additional interest at _____% p.a. with agreed rests in case of following default:

a). Payment of interest and/or any installment on the due dates, on the amount in default from the date of default; or

b). Furnishing information as prescribed/called for by the Bank; or

c). In case of excess borrowing due to overdrawal of limits, on the amount of excess borrowing;

d). In case of default in complying with the terms & conditions of the scheme under which financed or of this deed or the said Account becomes irregular or for non-compliance of any other terms of sanction and the Bank's general guidelines, on the amount outstanding from the date of said Account becomes irregular/from the day of non-compliance of any conditions;

e). In case the Facilities are recalled, on the amount outstanding from the date of demand/recall.

f). Non-compliance of any other terms & conditions of the agreement/sanction letter.

g). Besides this, the Bank shall have the option to recall the entire outstanding and the Borrower undertakes to pay the amount outstanding upon demand by the Bank.

h). In case the information required for renewal and reviewal of the limit is not submitted to the Bank on yearly basis or as per periodicity fixed by the Bank and the credit facilities are not reviewed/renewed on annual basis or as per the periodicity fixed by the Bank.

12 (i) The Borrower irrevocably authorizes the Bank to recover the amount of Installment and other charges from his SF/CA/OD/KCC accounts no. _____ maintained at the Bank's BO: _____ until the Loan is fully repaid and adjusted. The Borrower further undertakes to keep sufficient balance in his said account for recovery of the Installment by the Bank.

(ii) The Borrower hereby deposits post-dated cheques to facilitate the due payment of the Installments of the Loan.

(iii) The Borrower is willing to make the payment of Installments of the Loan, through participation in Electronic Clearing Service (ECS) of National Clearing Cell of RBI and authorizes the Bank to raise the debits against the Installment from his SF/CA/OD/KCC account No. _____ maintained at BO: _____ of _____ Bank (Give name and address of the Bank) through ECS for repayment of the Loan and understands that in the event of the Bank not realizing payment from ECS for any reason whatsoever, the Borrower shall pay the Installment to the Bank by cash or cheque along with the interest for the delayed period.

The Borrower has given the necessary mandate/will comply with the procedural requirements for participation in ECS and also bear any service charges/fees as prescribed by Bank/RBI from time to time.

13. (A) The Borrower agrees to pay additional interest @ _____ % p.a. with agreed rests-

- a) In case of default in payment of interest or installments on the due date, on the amount in default, from the date of default;
- b) In case of default in complying with the terms & conditions of the Loan or of this agreement or the Loan account becomes irregular or for non-compliance of any other Terms of sanction and the Bank's general guidelines, on the amount outstanding from the date the account becomes irregular/from the day of non-compliance of any condition; and
- c) In case the Loan is recalled, on the amount outstanding from the date of demand/recall.

(B). Charging of additional interest shall be without prejudice to any other right available to the Bank.

(i)The Borrower agrees that the amount of the Loan together with interest will be paid by him regularly in _____ number of Equated Monthly/Quarterly/Half-Yearly/Yearly Installments of Rs. _____ (Rupees _____) comprising of principal and interest and the first Installment shall become due for payment commencing on _____.

14.The amount of Installment shall be subject to change in accordance with the change/revision in the Applicable Interest Rate to be charged in the Loan account, in which event, the borrower shall exercise one of the following options for repayment of the Loan :

- a) To pay increased amount of Installment.
- b) To continue to pay the existing amounts of Installment with the condition that the balance outstanding in the Loan account would be paid in one go with last Installment of the originally applicable repayment tenor.
- c) To prolong the repayment period.

(ii) In case no option is exercised by the borrower on account of change in the Applicable Interest Rate affecting the Installment, the option as given at (c) above will be deemed to have been exercised by the borrower

15.The Borrower agrees to pay and bear the -

- a. Incidental charges at the rates fixed by the Bank from time to time at its discretion and shall be debited to the account for every half year or part thereof;
- b. The borrower agrees to pay the pre payment/pre-closure charges as per bank norms prescribed from time to time.
- c. Any other charges leviable from time to time as per the guidelines of the Bank.

16.(A) The Bank shall be entitled at its option to recall the entire outstanding together with interest and other charges in the following cases:-

- a) In case the Borrower defaults in payment of any installment or interest;
- b) In case the Borrower fails to create the security as undertaken within the period prescribed of such extended period as the Bank may allow;
- c) In case the Borrower contravenes any of the terms and conditions of the Facility, agreement and/or of the sanction letter;
- d) In such other cases/circumstances as the Bank may deem fit and proper.

B) In event of the Bank exercising its power to recall as aforesaid, the Borrower undertakes that irrespective of the period for which the Loan is made, the Borrower shall pay to the Bank immediately, after demand whereby the recall is made, the balance then outstanding in the Loan account together with interest and all other charges due there under. In case the borrower fails to pay the Loan amount, the Bank would also be at its sole discretion be entitled to without assigning any reason whatsoever and shall initiate the legal proceeding against the borrower for recovery of the entire outstanding amount.

17.The Borrower agrees and hereby gives to the Bank during the currency and for the repayment of the Loan, a general lien and right to set-off and combine accounts without notice and charge on all movable property of every description coming into their possession on account of the Borrower or any one or any one of the Borrowers for the time being held by the Bank on behalf of the Borrower or any one of the Borrowers whether singly or jointly with others in India or elsewhere including, without prejudice to the generality, any monies, bullion, deposits, deposit receipts, promissory notes, bill of exchange, cheques, railway receipts, Govt. bills and other documents of every description.

18.The Borrower agrees that in case, at any stage, the Bank finds, for which the Bank's decision shall be final, that the Borrower has furnished wrong certification as to the end use of the borrowed funds; and/or has diverted/siphoned off any amount of the borrowed funds; and/or has utilized the funds for the purpose other than that for which the Loan/Facility has

been allowed by the Bank, the Bank shall have the rights to stop making further advance under the Loan; to recall the entire amount outstanding under the Loan with immediate effect; and/or take any other action as the Bank deems fit and proper and the Borrower shall immediately comply with the directions of the Bank without any demur.

19. (i) The Borrower(s) agrees that its liability to the Bank for the dues on the Loan account shall be JOINT AND SEVERAL with authority and right to the Bank to settle/compromise and/or give indulgence to any of the Borrower, reserving its right and remedies against all or any of them.

(ii) The Borrower hereby agrees to hold himself liable on all confirmation letters signed by any one of the Borrower and on all accounts stated to any one of the Borrower. The Borrower agrees that each one of the Borrower is an agent for the other Borrower and is authorized to acknowledge and admit liability outstanding in the account from time to time and extend the limitation against all of us.

20.a) The Borrower hereby agrees as a pre-condition of the Loan/Facility given to the Borrower by the Bank that in case the Borrower commits default in the repayment of the Loan/Facility or in the repayment of interest thereon or any of the agreed installment of the Loan on due dates, the Bank and/or the Reserve bank of India will have an unqualified right to disclose or publish the Borrower's name or the name of the Borrower's company/firm/unit and its director/partners/proprietors as default in such manner and through such medium as the Bank or of in their absolute discretion may think fit.

b) The borrower understands that as a pre-condition, relating to grant of the Loan/Facility to the Borrower, the Bank, requires the Borrower's consent for the disclosure by the Bank of information and data relating to the Borrower, of the Loan/Facility availed of/to be availed, by the Borrower, obligations assumed/to be assumed, by the Borrower, in relation thereto and default, if any, committed by the Borrower, in discharge thereof.

c) Accordingly, the Borrower hereby agrees and gives consent for the disclosure by the Bank of all or any such –

(i) Information and data relating to the Borrower;

(ii) Information or data relating to any loan / credit facility availed of/to be availed, by the Borrower, and

(iii) Default, if any, committed by the Borrower, in discharge of the Borrower's such obligation, as the Bank may deem appropriate and necessary, to disclose and furnish to the

Credit Information Bureau (India) Ltd. and/or any other agency authorized in this behalf by RBI.

d) The Borrower declares that the information and data furnished by the Borrower to the Bank are true and correct.

e) The Borrower agrees that –

(i) The Credit Information Bureau (India) Ltd. and / or any other agency so authorized may use/ process the said information and data disclosed by the Bank in the manner as deemed fit by them; and

(ii) The Credit Information Bureau (India) Ltd. and/or any other agency so authorized may furnish for consideration, the processed information and data or products thereof prepared by them, to banks/financial institutions and other credit grantors or registered users, as may be specified by the Reserve Bank of India in this behalf.

In case the legal proceedings are initiated by the Bank on account of default by the borrower, all dues together with cost, charges and expenses incurred on the same, shall be debited to the loan account of the borrower(s) and shall be recoverable/payable as a part of the principal amount.

21. In case of any dispute between the bank and all or any one or more of the parties, guarantor or and such other person(s) connected with the agreement, regarding the interpretation or meaning of any of the terms of this agreement, or any nature of differences, disputes, rights, claims, recovery and obligation or their enforcement or performance or to enforce payment of money secured by a mortgage or otherwise charged upon immovable property covered by this agreement or touching this agreement directly or indirectly, however, remotely it may be, including the disputes or breach, violating, contravening any condition or term of this agreement, assessment of damages, compensation, interest, additional interest prior to reference, pendente lite and future interest, for such breach violation or contravention, termination, determination of the agreement/contract, also covering disputes or matter(s) relating to section 13(10), 17 to 18, 18B to 19 in chapter III of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, as amended by the Enforcement of Security Interest and Recovery of Debts Laws (Amendment) Act 2012 (1 of 2013) read with the corresponding Rules under the Security Interest (Enforcement) Rules, 2002 as amended from time to time, and all other matter(s) shall be referred by either party to this

agreement, promissory note, agreements and guarantee deed to the sole Arbitration, by any one of the arbitrators on the named Panel of Arbitrators herein below at the option of the party raising the dispute or difference referred to above. In the event of appointed Arbitrator's inability, incapacity, death or refusal to act, the vacancy shall be filled from amongst the remaining Arbitrators named in the Panel of the Arbitrators at the option of the party raising the matter in difference. The reference shall not be determined by the death of the borrowers or on the winding up of the Bank and this shall be deemed to be agreement of arbitration between the Legal Representatives, heirs liquidators, administrators & the like.

Panel of Arbitrators

1. _____
2. _____
3. _____
4. _____

The jurisdiction of Courts, Consumer Forums, Rent Controllers under the EPURR Act, Rent Authorities under the Punjab Rent Act 1995, as amended by 2014 Act, Tribunals(Including Debt Recovery Tribunals) and their appellate authorities, other than the jurisdiction exclusively and specifically exercisable by the concerned, authorized officer of the creditor or Chief Metropolitan Magistrate or District magistrate, under section 13(1) to 13(9) & 13(11) to 13(13) to section 16 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act,2002 as amended by the Enforcement of Security Interest and Recovery of Debts Laws(Amendment) Act 2012(1 of 2013) read with the corresponding Rules under The Security Interest(Enforcement) Rules, 2002 as amended from time to time, are ousted in the light of the above arbitration clause.

It is clarified that all matter(s) coming within the ambit of section 13(1) to 13(9) & 13(11) to 13(13) to section 16 in chapter III of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 as amended by the Enforcement of Security Interest and Recovery of Debts laws (Amendment) Act 2012 (1 of 2013) read with the corresponding Rules under the Security Interest (Enforcement) Rules, 2002 as amended from time to time, exclusively and specifically exercisable by the concerned, authorized officer of the creditor or Chief Metropolitan Magistrate or District Magistrate, as the case

may be, are not covered by the above arbitration clause and cannot be referred to arbitration.

The party raising dispute shall give 15 days notice of their intention to make the reference to the other party or parties addressed to his/her/their usual place of business or residence or at his/her/their last notified address and the notice by post or courier or e-mail/SMS etc shall be deemed to have been served when sent on such address(s). On the expiry of said period of 15 days, the party giving the notice shall also be entitled to make a reference to arbitrator and it will not be necessary to make a joint submission of reference to arbitration, which reference shall not be objected to by other party as being unilateral, Arbitrator's decision by way of award and can also make award of selling the mortgage property to enforce payment of money secured against such mortgage or otherwise charged upon immovable property under mortgage , shall be final and binding and shall not be challenged in any court of law. The proceeding before the Arbitrator and all arbitral matters shall be followed as per the existing and then prevailing arbitration law or its substituted arbitration law as amended from time to time, with place of Arbitration at Jalandhar City.

In Witness whereof the Borrower(s) has/have subscribed his/their signature(s) hereunto on this _____ day of _____ 20

Borrower(s) Signature

Bank

Address:

SCHEDULE-I

Description of Land on which Crops sown

Village	Location	Ownership	Area under Cultivation
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Details of Other Movable Assets Hypothecated

Description	Present Market Value
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SCHEDULE-III

Repayment Programme/Schedule

Signature of Borrower(s)

Name

Address