

MORTGAGE DEED

This Mortgage Deed is executed is on this the _____ day of _____
20 at Srinagar/Jammu by:

M/S

_____, a sole proprietorship concern of Mr. _____, son of _____, resident of _____, through the said proprietor for himself and on behalf of his said firm, carrying on the business of manufacturing _____, and hereinafter to be called " the Mortgagor " (which expression shall always mean and include his all legal heirs, representatives, executors, administrators, successors and assigns) of the One Part;

in favour of

Jammu and Kashmir Development Finance Corporation Limited, a Company incorporated and registered under the Companies Act of 1956, having its registered Office at Jammu (J&K State) through its Secretary/ General Manager, and hereinafter to be called "the Mortgagee-Corporation" (which expression shall include its successors and assigns where-ever the context or the meaning shall so required or permit) of the Other Part.

Whereas the Mortgagor approached Mortgagee-Corporation seeking Financial Assistance to the tune of Rs. _____ Lakhs (Rupees _____ only) for _____. The Mortgagor offers the land or leasehold rights in the land measuring _____ situated at _____ whereupon the said unit is being established by the Mortgagor, with factory buildings which will be constructed thereon along-with all the machinery and plant which will be installed for the purpose of the said unit and also the other assets of the Mortgagor as the security by way of Simple Mortgage to the Mortgagee-Corporation for the repayment of the said loan amount of Rs. _____ Lakhs along-with the interest thereon and the other moneys. The said unit of the Mortgagor is duly registered with the concerned District industries Centre under the Registration No: _____ dated _____. The copy of the said registration is annexed herewith as the Annexure – A.

(Description of land/lease-hold rights in the land with Lease-Deed etc. and the competence of Mortgagor after clearing the title thereof which is offered as the security to the Corporation is to be inserted here in detail)

Whereas the Mortgagor is absolutely entitled and competent to offer the said leasehold rights/land as security to the Mortgagee-Corporation for the

repayment of the loan amount to be advanced in his favour by the Mortgagee-Corporation with further power to the Mortgagee-Corporation to transfer the same to a third party in case of foreclosure. The copy of the said title deed /or the lease deed as mentioned above is being annexed herewith and form together as Annexure – “ B ”.

Whereas the Mortgagor is fully and absolutely entitled and competent to mortgage the said land or the lease hold rights in the said land situated at _____, as also the other assets of his said unit, present as well as those got in future, along-with the factory buildings to be constructed thereon and the machinery and plant to be installed thereon for the purpose of its said unit as the security by way of mortgage for the repayment of the loan amount of Rs. _____ Lakhs to be advanced hereunder with interest thereon for meeting a part of the cost of completion of factory buildings and acquisition of machinery as detailed out in the schedules herein written as Schedule-I and Schedule-II.

Whereas the Mortgagor's said request to the Mortgagee-Corporation to lend and advance in his favour a total loan amount of Rs. _____ Lakhs (Rupees _____ only) by way of loan as financial assistance for completion of its said project of establishing his _____ unit at _____, has been accepted by the Mortgagee-Corporation and the sanction for the same has been duly conveyed to the Mortgagor by the Mortgagee-Corporation in this behalf vide the letter of Intent/Sanction bearing the No: _____ dated _____ along-with the terms and conditions governing the said loan, the copies whereof are attached herewith as Annexure- “ C ”. The Mortgagor has consented and agreed to borrow the loan amount from the Mortgagee-Corporation on the terms and conditions as laid down by the Mortgagee-Corporation governing the said loan and the Mortgagor has accordingly conveyed his acceptance to the Mortgagee-Corporation vide his letter of Acceptance bearing No: _____ dated _____ with duly signed and accepted/executed Memorandum of terms and conditions, the copy whereof is annexed herewith as the Annexure- “ D ”. The Mortgagee-Corporation has consented to lend and advance the said loan amount of Rs. _____ Lakhs to the Mortgagor and has agreed to do so having repayment thereof with the interest secured on the terms and conditions as laid down in the memorandum of terms and conditions duly executed by the Mortgagor on _____ and in the manner hereinafter provided; nevertheless in case of any sort of variation, contradiction or ambiguity between the terms and conditions as contained in the said Memorandum of Terms and Conditions and the terms and conditions as are laid down hereunder, the terms and conditions of the present deed shall always prevail.

NOW

A 1. In pursuance of the said Agreement and in consideration of the sum of Rs. 1000/- (Rupees One Thousand only) lent and advanced to the Mortgagor by the Mortgagee Corporation today vide the cheque bearing No. _____ dated _____ drawn on _____ Bank Branch office _____ (the receipt whereof the Mortgagor doeth hereby admit and acknowledge) and in further considerations of Rs. _____ lacs (Rupees _____ only) to be lent and advanced by the Mortgagee Corporation to the Mortgagor in such installments as the mortgagee Corporation may think & decide at its sole discretion having regard to the progress of the construction of the factory buildings, installation of the machinery/ equipment/plant and the various other components of the approved cost of project/unit, strictly as per Clause 11 of the Term Lending Policy of the Mortgagee Corporation and the Mortgagor's own investment as envisaged under said policy and in the event of the Mortgagor Complying with all the obligations as applicable here under these presents making a total sum of Rs. _____ lacs (Rupees _____ only) the Mortgagor shall repay to the Mortgagee Corporation said sum of Rs. 1000/- (Rupees One thousand only) advanced today and all other moneys that may hereafter be advanced under these presents to said Mortgagor by the Mortgagee Corporation up to the said total sum of Rs. _____ lacs (Rupees _____ only) and herein after collectively called " the said Principal sum" in _____ Years including _____ year initial moratorium in _____ equal quarterly installments as provided in the schedule here under:-

REPAYMENT SCHEDULE:

S.No.	Year	No. of installment	Amount
1			
2			
3			
TOTAL	Rs. _____	lacs	

Together with the interest on the said Principal sum or the balance thereof remaining unpaid for the time being at the rate of _____ percent per annum with quarterly rests computed on the said sum of Rs. 1000/- now advanced from the date hereof and on the subsequent amounts to be subsequently advanced as aforesaid from the respective dates on which each of the respective installments comprising the said Principal sum has been lent and advanced by the

Mortgagee- Corporation to the Mortgagor and such interest be payable also quarterly with the Principal installment in each year and will in no case so long as the said Principal sum or any part thereof shall remain unpaid, pay to the Mortgagee Corporation interest on the said principal sum or so much thereof as shall for the time being remain unpaid at the same rate aforesaid by the quarterly payments herein before provided. However, in case the Mortgagor commits any default in paying the said installments on account of the principal sum or the interest thereon on due dates, the Mortgagee Corporation shall charge 2 percent per annum as the liquidity damages for the principal default and 2 percent per annum as the penal interest on the interest default over and above the normal rate of the interest as stipulated herein above in respect of the defaulted amount of installments and the interest thereon from their respective dates of the default till the entire repayment thereof.

Provided further that in the event of the continuous default in regular payments of the interest and installments of Principal and other moneys on due dates, the compound interest shall become due and payable by the Mortgagor to the Mortgagee Corporation in respect of the defaulted amount of the installments and the interest thereon from their respective dates of the default till the entire repayment thereof. However, no compound interest will be charged on the amount of penal interest of 2 percent as mentioned above.

Provided always that the Mortgagee Corporation reserves the right to recover any dues on account of the interest and other charges by the adjustment of the undisbursed loan if the Mortgagor fails to make the payment on his own. And further the Mortgagee Corporation reserves the right to adjust any monies received from Mortgagor first against the interest in default and the balance if any, remaining thereafter will be then adjusted against the Principal over dues.

Provided that the parties intend and have always intended that the stipulations in this clause for payments of the liquidity damage and the penal interest or Compound interest (as the case may be) over and above the stipulated rate of the interest as given herein above in case of default in punctual payments of installments of the Principal or interest or other moneys is a part of the Primary contract between the parties and not a stipulation by way of any penalty.

Provided that the lower rate of interest per annum shall cease to be operative while Mortgagee Corporation is in possession of the Mortgaged Properties or after the Mortgagee Corporation's power of sales has become exercisable under these presents and in all such cases the higher rate of interest herein provided shall be applicable; provided that, however, notwithstanding the fact that the full amount of loan, is not availed off by the Mortgagor, the Mortgagor shall in all cases repay the sum lent and advanced by the Mortgagee Corporation in the same amounts and on the dates hereinbefore fixed as if the Mortgagor would have availed off the full amount of loan, till the sum lent and advanced by the Mortgagee Corporation is fully repaid and the Mortgagor in no case shall be

entitled to claim revision or change in the amounts of repayments hereinbefore fixed. Provided further that the Mortgagor may after having not less than 90 days prior notice in writing to the Mortgagee-Corporation from the dates on which installments of the Principal as aforesaid become due for payments, pay amounts larger than the said installments, provided that the excess amounts so paid are not less than Rs. 10,000/- and shall be appropriated towards the reduction of the last installments of Principal sum as aforesaid or at any time during the subsistence of these presents discharge its entire liabilities to the Mortgagee-Corporation and convey the said intention to pay in advance of the due dates, stating the amount, the source of funds and the proposed earlier date of repayment; provided however the Mortgagee-Corporation reserves to itself the right to waive off or reduce the notice period and accept the repayment accordingly, Provided always and its is hereby consented, agreed and declared that all interest which shall during the continuance of this security shall accrue due on the said Principal sum or any part thereof which shall for the time being remain unpaid and all other moneys which become payable under these presents, computed from the respective times of such interest, other monies accruing due upon the footing of compound interest, shall be secured on the lease hold rights in the land and the factory buildings hereby mortgaged & also upon all the assets of the Mortgagor hereby assigned but so that this provision shall not be deemed to authorize the Mortgagor to allow any interest or other moneys as aforesaid to fall in arrears unless permitted to do so by the Mortgagee Corporation nor shall it in any way effect the covenant by the Mortgagor to pay interest every quarterly as stated above and to pay such other moneys as aforesaid or the rights of the Mortgagee- Corporation to take any legal proceedings or other action under these presents to recover the interest or other moneys that may have been in arrears and remain unpaid & the Mortgagor shall immediately after the same shall become due, pay to Mortgagee –Corporation all such interests & all other moneys which may have become due and payable under these presents.

2. The Mortgagor hereby mortgages by way of simple mortgage to the Mortgagee-Corporation the mortgaged properties described herein-before and the schedules hereunder written, together with all rights, easements appurtenances thereto and all rights title and interest to the said premises with the intent that all the said premises hereby mortgaged shall remain and be charged by way of the simple mortgage free from all encumbrances whatsoever, save and except that of the Mortgagee-Corporation which is being created by the Mortgagor through these presents by way of security for the due repayments to the Mortgagee-Corporation of all the monies which may be owing from the said Mortgagor towards the Mortgagee-Corporation in respect of the advance now or hereafter to be made to the said Mortgagor to the extent of Rs. _____ Lakhs only together with the interest at the rate hereinafter provided.

B. For the consideration aforesaid the Mortgagor does hereby grant, convey and assure unto the Mortgagee-Corporation all that the lease-hold rights in the

land and hereditaments together with all the buildings, tenements now standing thereon or which may hereafter be erected thereon or any part thereof situated at _____, more particularly described in the First Schedule hereunder written, together with all and singular the houses, out-houses, wells, waters, water courses, ways, paths, passages, rights, liberties, privileges, easements, advantages and appurtenances whatsoever to the said hereditaments and premises appertaining or with the same or any part thereof now or here- before occupied or enjoyed or reputed or known as part and parcel or member thereof or appurtenant thereto (hereinafter called “ the land and buildings”) and together with all and singular the engines, boilers, machineries (whether fixed or not) whether at site or in transit, plant, electric and other installations, implements, equipments, tools, pipe-lines, fixtures, fittings, furniture’s, cars, trucks, vehicles, tractors, type writers, calculating machines, refrigerators, frigidiares, air-conditioning equipments etc. utensils, appliances, accessories, articles, chattels and things, short particulars of the main items whereof are set out in the second schedule hereunder written, which are or which shall at any time hereafter during the continuance of this security be affixed, installed or erected or be brought in or placed upon the land and buildings by the Mortgagor for the purpose of its business, (and all which assets are hereinafter collectively referred to as “ the plant ”) and all the estate, right, title, interest, claim and demand of the Mortgagor unto and upon the lease-hold rights in the land and the buildings and the plant or any part thereof and also all the deeds and other evidence of title in any way relating to the lease-hold rights in the said land and hereditament and all the receipts, documents and other evidences of title to the plant and the component parts thereof in the possession of the Mortgagor of which it can without suit procure TO HAVE AND TO HOLD the said land and buildings and all other the premises hereinbefore expressed, to be hereby granted with all and every of their appurtenances unto and to the use of the Mortgagee-Corporation for ever and TO HAVE AND TO HOLD the plant unto the Mortgagee-Corporation absolutely but as to all the said premises subject to the provision for redemption hereinafter contained.

C. Provided that the Mortgagor shall duly pay to the Mortgagee-Corporation the said Principal sum and interest hereby secured in the manner hereinbefore provided and all other money, if any, by these presents or by law payable by the Mortgagor to Mortgagee-Corporation then and in such case the Mortgagee-Corporation shall at any time thereafter upon the request and costs of the Mortgagor re-convey the lease-hold rights in the land and the plant (hereinafter collectively called “ the Mortgaged Properties ” unto the Mortgagor or as it shall direct.

D. The Mortgagor does hereby covenant with Mortgagee-Corporation as follows, that is to say:

1) That the lease-hold rights in the land and the buildings and the plant are the sole and absolute property of the Mortgagor and at the sole disposal of Mortgagor and free from any prior charge and encumbrance, and that future assets, the buildings which will be constructed and the plant which will be

installed and which are Mortgaged hereunder shall like-wise be the unencumbered, absolute and disposable property of the Mortgagor and shall be kept so and that the Mortgagor now has good right, full power and absolute authority to grant, assign, transfer and assure the Mortgaged Properties unto and to the use of the Mortgagee-Corporation in the manner aforesaid.

2) That if default shall be made in payment of all or any part of the said Principal sum or interest or in the performance or observance of any of the covenants, conditions or provisions herein contained and on the part of the Mortgagor to be observed and performed, then it shall be lawful for the Mortgagee-Corporation to enter into and upon and take possession of the Mortgaged Properties and thenceforth quietly to hold, possess and enjoy the same and receive the rents, income, profits and benefits thereof without any denial, eviction, interruption, claim or demand by the Mortgagor or any person or persons whomsoever and that in such case the Mortgagee-Corporation shall receive the rents, profits and income and pay all the out-goings of the Mortgaged Properties as the agents of the Mortgagor and shall appropriate the surplus of the rents, profits and income over the out-goings first in payment of the interest accruing towards the Mortgagee-Corporation under these presents and thereafter allow any surplus to accumulate until it amounts to Rs. 10,000/= when it shall be appropriated in payment of the said Principal sum due under these presents and that freed and discharged from or otherwise by the Mortgagor well and sufficiently saved and kept harmless and indemnified of from and against all manner of former or other estates, titles, claims, demands, charges and encumbrances whatsoever.

3. That the Mortgagor and all other persons lawfully and equitably claiming or entitled to claim any estate, right, title or interest into or upon the Mortgaged Properties or any of them or any part thereof respectively shall and will from time to time and at all times hereafter at the cost of the Mortgagor until sale and thereafter of the person or persons requiring the same execute, make and do or cause and procure to be executed, made or done every such assurance, act and things for further or more perfectly assuring all or any of the Mortgaged Properties unto and to the use of the Mortgagee as shall be reasonably required.

4. That all the present assets aforesaid are the absolute property of the Mortgagor and free from any prior charges or encumbrances as mentioned herein-above save and except of the Mortgagee-Corporation as created hereunder, and that all future assets hereunder shall like-wise be absolute, unencumbered, and disposable property of Mortgagor.

5) That the Mortgagor with at all times during the continuance of these presents and the security hereby created pay all the rents, rates and taxes present as well as future and all dues, duties and out-goings payable in respect of the Mortgaged Properties immediately the same shall have become due.

6) That the Mortgagor will at all times during the continuance of these presents and the security hereby created keep the Mortgaged Properties and every part and item thereof in good and substantial state of repairs and working

order and will also keep the same insured either by way of joint insurance of the buildings and the plant or separate insurance of the buildings and the plant in joint names of the Mortgagor and the Mortgagee-Corporation against the loss or damage by fire, flood, earthquake, cyclone, typhoon, hurricane, lightening, war, explosion, all kinds of terrorist acts, emergency and other acts of God as also by acts of enemies as may from time to time be required by the Mortgagee-Corporation to be insured against their full value after allowing for normal depreciation and not any special depreciation (to be determined by the Mortgagee-Corporation at its sole discretion) with the Insurance Company of repute to be approved of in writing by the Mortgagee-Corporation as aforesaid, and in case of one joint insurance the value thereof to be apportioned between the Mortgaged Properties in such manner as the Mortgagee-Corporation may prescribe or approve of and shall be bound to pay all premia for renewal and to obtain fresh policies of such insurance or insurances at least two weeks before the expiry of old policies and / or the same shall become due and will deliver to and leave with the Mortgagee-Corporation all policies of such insurances and all receipts of premia thereafter at least seven days before the expiry of the said old policies and shall be upon trust for better securing to the Mortgagee-Corporation for payment of all moneys hereby secured and subject thereto in trust for the Mortgagor.

7) That in case the Mortgagor shall neglect to keep the Mortgaged Properties or any part thereof in good and substantial repairs and working order or to pay the rents, taxes and out-goings, dues and duties as aforesaid or to effect or keep up such insurance or insurances as aforesaid, then and so often as the same shall happen it shall be lawful but not obligatory in any way under law upon the Mortgagee-Corporation to repair them and keep in good and substantial repairs and working order the Mortgaged Properties or any part or item thereof and pay any such rents, rates, taxes, dues, duties, assessments, outgoings and insure and keep the Mortgaged Properties insured in their full value or any less sum and for such time as the Mortgagee-Corporation shall think proper and to pay the renewal premia there-for and all moneys expended by the Mortgagee-Corporation in so doing shall on demand be forthwith repaid by the Mortgagor with interest at the rate aforesaid from the time of same respectively having been expended and until such repayment the same shall be charge upon the Mortgaged Properties jointly with the said Principal sum and interest hereby secured as if they had formed part thereof and further that all the sums of moneys received under or by virtue of any such option of Mortgagee-Corporation either be forthwith applied to the extent of moneys received in or towards substantially rebuilding and reinstating the Mortgaged Properties or any part thereof or in or towards the payment of the said Principal sum and interest and all other moneys for the time being remaining due on the security of these presents.

8) The Mortgagor will permit the Mortgagee-Corporation, its servants and agents either alone or with workmen and others from time to time and at all reasonable times to enter into and upon the land and buildings and to inspect the same and the plant and component parts thereof and if upon such inspection it

appears to the Mortgagee-Corporation that the land and buildings and the plant or any part thereof requires repairs or replacement, the Mortgagee-Corporation shall give notice thereof to the Mortgagor calling upon it to or cause to repair or replace or cause to replace the same including the plant and upon the failure of the Mortgagor to do so within one month of the date of such notice, it shall be lawful but not obligatory upon the Mortgagee-Corporation to replace or repair the same or any part thereof at the expenses in all respect of the Mortgagor and such expenses together with interest thereon at the said rate of interest as provided and given herein-above and shall until repayment be a charge upon the Mortgaged Properties and form part of the Mortgage debt.

9) The Mortgagor shall not without the written consent of Mortgagee-Corporation first had and obtained sell, dispose of, transfer in any manner or alienate any part of its lands, lease-hold rights in the land and buildings or other structures and or its plant and machinery and equipments or any part thereof already installed or to be installed, or pull down or demolish any building/s or house/s, tenements, sheds and structures or any part thereof which now are or hereafter form part of the Mortgaged Properties nor remove the plant and machinery, electric installations, equipments, tools, fixtures, fittings and in case of any such disposal, pulling down, demolition, removal affected by the Mortgagor with such prior consent of the Mortgagee-Corporation as aforesaid, the Mortgagor shall replace the same by land / buildings, houses, sheds and structures and plant and machinery, as the case may be, of equivalent value, nature; and provided that in the event of Mortgagee-Corporation agreeing that any such part so removed as aforesaid is or has become redundant, worn out or obsolete and need not be replaced, the same may be sold and the sale proceeds applied towards satisfaction or payment of the Mortgage debt or as may be directed by the Mortgagee-Corporation in this behalf.

10) If the value of assets already offered as security do not afford the stipulated minimum margin of % or of the market value of any of the Mortgaged Properties depreciates to such an extent that in the opinion of the Board of Directors of the Mortgagee-Corporation further security to satisfaction of the Board should be given, the Mortgagor shall be required to furnish such additional security as may be considered reasonable by the Mortgagee-Corporation and if such further security be not given to the Mortgagee-Corporation then and in such case the Mortgagor shall within a period of not more than Ninety days written notice to that effect being given by the Mortgagee, reduce its indebtedness to the Mortgagee- Corporation to an amount which shall bear the same proportion to the then reduced market value of the Mortgaged Properties as the loan hereby secured bears to the present market value of the Mortgaged Properties provided that for the purpose of this sub-clause Mortgagee- Corporation shall have the right at any time to engage competent valuers or assessors at the expenses of the Mortgagor and the valuation which such valuers or the assessors may make in respect of the Mortgaged Properties, shall be final and conclusively binding upon the Mortgagor and the Mortgagee-Corporation shall be the sole judge in this behalf and its decision shall bind the Mortgagor.

11) The Mortgagor shall give all information and assistance as may be required by the Mortgagee-Corporation or any person appointed by it in relation to the business of the Mortgagor or its accounting and other arrangement or regarding the loan advanced by it and the use made of such loan.

12) The Mortgagor shall keep and maintain separate, distinct and proper books of accounts of its factory / business independent of other business, if any, of his said firm and shall have them at all times duly posted up and shall permit the Mortgagee-Corporation or any person appointed for that purpose by it, to examine such books at all reasonable times and make copies or extracts therefrom.

13) The Mortgagor shall submit to the Mortgagee-Corporation a copy of Balance Sheet and Profit and Loss account duly audited by Chartered Accountant within 4 months of the close of the financial year.

14) No portion of the loan amount shall be utilised for the purpose other than those for which the loan is sanctioned. No amount from the said Bank Account shall also be transferred for being kept in call, short term, fixed, or any other deposit with the aforesaid or any other Bank without obtaining prior written approval of Mortgagee-Corporation and when such permission is granted by the Mortgagee-Corporation, a letter from the Bankers foregoing their right of set off in respect of such deposit/s also shall be obtained before making the deposit/s.

15) The Mortgagor shall not allow any Receiver to be appointed of the said unit/firm of M/S _____, or of Mortgaged Properties or any part thereof or allow distress or execution of to be levied upon or against the Mortgaged Properties or any part thereof or without the previous consent of the Mortgagee-Corporation in writing create or purport or attempt to create any charge or mortgage or any other sort of encumbrance in respect of the Mortgaged Properties or any part thereof.

16) The Mortgagor shall not without the previous permission of the Mortgagee-Corporation obtained in writing invest funds by way of the deposits, loans, share capital or otherwise in any other concern or unit (including its subsidiaries, holding or associate concerns) as long as any money is / are due from it to Mortgagee-Corporation. Provided however, that nothing herein contained shall be construed to restrict or limit the Mortgagor to deposit temporarily such funds as may be necessary with parties who may insist on such deposits as a condition of the transaction by them in normal business with the Mortgagor or with its Bankers in the normal course of business.

17) The Mortgagor will at all times during the continuance of these presents furnish the Mortgagee-Corporation with the information of all occurrences of fire, riot, strike, civil commotion, lock out or any other eventuality in or about its factory premises immediately after such occurrence takes place.

18) The Mortgagor shall keep the Mortgagee-Corporation informed of the existing charges of arrangements with its Bankers and shall also furnish copies

of the documents of arrangements that the Mortgagor may have or be made with its Bankers during the currency of the loan.

19) The Mortgagor shall not at any time during the continuance of this security make or purport or attempt to create without the consent of the Mortgagee-Corporation in writing first had and obtained, any Mortgage, lien or charge by way of hypothecation, pledge or otherwise howsoever or any other encumbrance of any kind, whatsoever, on the Mortgaged Properties or any part thereof or its other tangible moveable assets.

20) During the currency of the loan, the Mortgagor shall not appoint any outside agent or enter into any Agency Agreement for managing the affairs of his firm/unit.

21) The Mortgagor undertakes to arrange to the entire satisfaction of the Mortgagee-Corporation for the steady flow of the raw materials required for the smooth running of the factory and also will make arrangements satisfactory to the Mortgagee-Corporation for meeting its entire working capital requirements as now estimated or as may be revised hereafter.

E. PROVIDED FURTHER AND IT IS HEREBY AGREED AND DECLARED AS FOLLOW :

1) Until repayment of all the moneys due hereunder, the Mortgagee-Corporation shall without prejudice to its other rights referred to above, have the following rights:-

a) To appoint from time to time a member of its Staff or any other qualified person for supervising the accounting and other arrangements of the Mortgagor for ensuring that the moneys lent and advanced to the Mortgagor are used for the purpose referred to in these presents and the right to appoint from time to time a qualified person or an expert approved or selected by the Mortgagee-Corporation for the said purpose of making a technical investigation of the factory and also of the business. And the remunerations payable to and all other expenses relating to the member or auditor or accountant or officer or technical expert so appointed by the Mortgagee-Corporation shall be borne and paid by the Mortgagor and shall be included in the Mortgagee's security in each case.

b) The powers of leasing contained in Section 65A of the Transfer of property Act shall not be exercised by the Mortgagor without the consent of the Mortgagee-Corporation first had and obtained in writing.

c) It shall be lawful for the Mortgagor to retain the possession of and use the Mortgaged Properties until the Mortgagee-Corporation shall be entitled to take the possession thereof under these presents.

d) Section 65A of the T.P. Act 1977 (1920 AD) shall not apply to these presents and the Mortgagee-Corporation notwithstanding that it may hold two or more Mortgages executed by the Mortgagor including these presents in respect of which it may have right to obtain the same kind of decree under Section 67 of the T.P. Act, 1977, shall be entitled to sue and obtain such decree on any such

Mortgages without being bound to sue on all the mortgages in respect of the mortgage moneys which shall have become due.

e) The Mortgagee-Corporation shall not be answerable or accountable for any involuntary losses whatsoever may happen in or about the exercise or execution of any of the powers or trusts which may be vested in Mortgagee-Corporation by virtue of these presents or any Legislative enactment.

f) Over and above the other provisions herein contained and without prejudice thereto, in the event of the Mortgagor making any default in the repayment of the mortgage debt hereby secured or failing to comply with any of the terms and conditions of these presents or in the event of its appearing to the Mortgagee-Corporation that the security created is likely to be in jeopardy (of which the Mortgagee-Corporation shall be the sole judge and its decision shall bind the Mortgagor) Mortgagee-Corporation shall have the right after giving twenty-four hours written notice to the Mortgagor to enter into and upon to take the possession of the Mortgaged Properties and/or to take over the management of the whole concern and the business of the Mortgagor as well as the right to transfer by way of lease or sale and realise all the properties and the assets mortgaged or assigned to the Mortgagee-Corporation hereunder and the Mortgagor shall in such event forthwith on the expiry of such notice as aforesaid deliver the Mortgaged Properties and/or hand-over the charge and management of the whole of the business and the undertaking of its concern/firm to the Mortgagee-Corporation And any transfer of any of the properties and assets made by the Mortgagee-Corporation in exercise of any of the powers made under the foregoing provisions shall vest in the transferee all rights in or to the property or assets transferred as if the lease or sale and transfer made by the Mortgagor itself AND lastly that if and when Mortgagee-Corporation shall take over the management of the business and the concern/Firm of the Mortgagor under the foregoing provisions, the Mortgagee-Corporation shall be deemed to be the owner of the assets and concerns of the Mortgagor and its said firm/concern for the purpose of all the suits by or against the Mortgagor and/or its said firm/concern and shall sue and be sued in the name of the Mortgagor provided that if the management of the concern/firm and business of the Mortgagor shall be taken over by the Mortgagee-Corporation and/or any property shall be transferred and realised by the Mortgagee-Corporation, all costs, charges and the expenses properly incurred by the Mortgagee-Corporation incidental to such management and/ or transfer and realisation shall be recoverable from Mortgagor and the moneys which shall be received by the Mortgagee-Corporation from such management and/or transfer and the realisation shall be held by the Mortgagee-Corporation in trust to be applied firstly in payment of all costs, charges and expenses of taking over the management and/or transfer and realisation of any such property and secondly in discharge of the debt due to the Mortgagee for Principal, interest, costs, charges and expenses under these presents and the residue of such moneys shall be paid over to the Mortgagor or the person entitled thereto provided lastly that when the management of the concern/firm and the business of the Mortgagor shall be taken over by the Mortgagee-Corporation, then Mortgagee-Corporation shall

have right to appoint an administrator or administrators and a manager or managers of the concern/firm and business of the Mortgagor on such terms and the conditions as it shall think fit and proper provided lastly that the Mortgagee-Corporation shall not in any event be liable for any loss or damage caused by or arising out of the exercise of any of the powers and rights herein contained nor shall it be subject to any of the liabilities of the mortgage in possession.

2. The Mortgagee-Corporation may by notice require the Mortgagor to discharge in full other liabilities to the Mortgagee-Corporation in the following events namely:-

a) If it appears to the Board of Directors of the Mortgagee-Corporation that false and misleading information in any material particular was given in the application made by Mortgagor to the Mortgagee-Corporation for the loan hereby secured; or

b) If the Mortgagor shall fail to comply with any of the terms of the contract with the Mortgagee-Corporation in the matter of the said loan which terms are herein incorporated or incorporated in the terms and conditions of the Sanction Letters of the Mortgagee-Corporation and the Director of Industries and Commerce of State Government as mentioned herein-above; or

c) If there is any reasonable apprehension that the Mortgagor is unable to pay its debts or that the insolvency proceedings may be taken against the Mortgagor/its proprietor; or

d) If the properties and assets hereby Mortgaged to the Mortgagee-Corporation for its benefits as security for the loan hereby secured are not insured and kept uninsured by the Mortgagor to the satisfaction of the Mortgagee-Corporation or if the Mortgaged Properties depreciates in valuation in the opinion of the Board of Directors of the Mortgagee-Corporation to such an extent that further security should be given as stipulated and provided herein-before and such security to satisfaction of the Board is not given; or

e) If contrary to the provisions herein-contained if any lands, buildings and structures are sold, disposed of, alienated, pulled down, alienated or demolished in any manner whatsoever or any machinery, plant or any other equipment is sold, disposed of in any manner without being replaced.

f) If for any reason it is necessary in the opinion of the Board of Directors of the Mortgagee-Corporation to protect its interests; or

F. AND IT IS FURTHER AGREED AND DECLARED AS FOLLOWS:

1. After the Mortgagee-Corporation shall have entered into or taken possession of the Mortgaged Properties or any part thereof it shall be lawful for but not obligatory upon the Mortgagee-Corporation to carry on the business in and with the Mortgaged Properties or any of them and to manage and conduct the same as it shall in its absolute discretion think fit and proper and for the purpose of the said business appoint and employ such agents, managers, engineers, technical men, solicitors, servants, workmen, accounts and legal advisors upon such term and conditions as to remunerations or otherwise as it

may think fit and proper and to renew, repair and replace such of the plant, machinery and effects of the Mortgagor as shall be worn out / damaged, lost or otherwise become unfit in any way for use and generally to do and cause to be done all such deeds, acts and things and to enter into all such arrangements and contracts respecting the Mortgaged Properties of the working of the same or any part thereof as it could be if it were absolutely entitled thereto and without being responsible in any way for loss or damage which may be occasioned thereby PROVIDED that all the powers, provisions and trusts referred to above, shall be independent of any over and above all powers, rights and privileges which Mortgagee- Corporation is by virtue of these presents or any other law for the time being in force, entitled to exercise.

2. All the rights in the piece or parcels of land, lease hold rights in the land, hereditaments and premises including buildings and structures erected and to be erected thereon which may at any time during the continuance of this security be acquired, obtained or possessed of by the Mortgagor or to which it may become entitled to and all the singular the engines, motors, machinery (whether fixed or moveable and whether attached to the said premises or not) plant, electricity and all other installations, implements, tools, pipe-lines, fixtures, fittings, furniture's, cars, trucks, vehicles, tractors, type-writers, calculating machines, refrigerators, frigidaries and air conditioning equipments, cutlery, utensils, crockery, furnishing materials, kitchen appliances, accessories, articles and things which may at any time hereafter during continuance of this security to affixed, installed or erected or brought in or upon the Mortgaged Properties or used in connection therewith and which may belong to the Mortgagor or are capable of being transferred by the Mortgagor and either in addition to or in substitution for the land and buildings and the plant hereby Mortgaged and assigned or any part thereof shall be included in the security of the Mortgagee and shall for the purpose of these presents be deemed to form part of the Mortgaged Properties and Mortgagor shall upon request of the Mortgagee and its own costs forthwith execute and register in favour of the Mortgagee such Mortgages, pledges, charges, hypothecation, lien or other instruments as may be required by Mortgagee-Corporation, granting, conveying, assigning and assuring to the Mortgagee-Corporation upon the same terms and conditions as are herein contained and for the purpose aforesaid the Mortgagor shall do or cause to be done all such deeds and things as may be required by the Mortgagee-Corporation.

3. If the Mortgaged Properties or any part thereof shall at any time or times be taken upon by the Government or by any Public Body entitled to do so for public purpose, the Mortgagee-Corporation shall be entitled to receive the whole of the compensation which the Mortgagor shall be entitled or be declared entitled to and to apply the same or a sufficient part thereof towards repayment of the said Principal sum and all proceedings for ascertainment and apportionment of the compensation payable for the Mortgaged Properties or any part thereof shall be conducted by the Mortgagor through the Attorneys and the Engineers of the Mortgagee-Corporation and if the Mortgagor shall not do so then the Mortgagee-Corporation shall and shall be entitled to engage another set of Attorneys and

Engineers and the Mortgagor shall on demand pay to the Mortgagee-Corporation with interest thereon at the rate aforesaid from the time of the same having been so incurred and until such repayment the same shall be a charge upon the Mortgaged Properties and in all proceedings in Courts of law or Tribunals or before the Public Body or other Offices wherein the Mortgagee-Corporation shall be entitled to appear or take part, Mortgagee-Corporation shall be entitled to appear by attorneys, counsels, architects, engineers and all other professional persons, and all costs, charges and expenses between the Attorney and the Client incurred by the Mortgagee-Corporation shall be repaid by the Mortgagor to the Mortgagee-Corporation with the interest at the rate aforesaid and all such moneys and interests shall until repayment be a charge on the Mortgaged Properties.

G. It is hereby further agreed and declared that so long as any moneys are due and owing to the Mortgagee-Corporation under these presents the Mortgagor shall not make any change in the ownership of the Mortgaged Properties or lease-hold rights of land without the prior written consent of Mortgagee and if any change is made in the ownership of the Mortgaged Properties or the lease-hold rights of the land without such approval, the Mortgagee-Corporation shall be within the rights to call the loan advanced to the Mortgagor and lastly that in case of breach of any of the conditions herein contained the Mortgagee-Corporation shall be within its rights to recall the loan advanced to the Mortgagor.

H. For all or any of the purpose aforesaid the Mortgagor doth hereby irrevocably appoint the Mortgagee-Corporation under these presents to be its ATTORNEY and in the name of on behalf of the Mortgagor M/S _____, to execute and do all such acts, matters and things which the Mortgagor ought to do and execute under these presents, covenants, terms and the provisions herein contained, generally to use the name of Mortgagor, M/S _____, in the exercise of all or any of the powers by these presents conferred on the Mortgagee-Corporation or any receiver appointed by it.

I. Any notice required to be served on the Mortgagor shall for the purpose of these presents be deemed to be sufficiently served if it is left at the last known place of business of the Mortgagor or at the last known place of abode of its proprietor or left or affixed to any part of the land and buildings of the plant and such notice shall also be deemed to be properly and duly affected if it is sent by post in a registered letter addressed to Mortgagor, M/S _____, at its factory site address or at the last known place of abode of its Proprietor and shall be deemed to have been made at the time at which such registered letter would in the ordinary course of post be delivered even though returned un-served on account of refusal by the said Proprietor.

J. The Mortgagor shall when required by Mortgagee-Corporation and at its own costs forthwith execute and register in favour of the Mortgagee-Corporation such other deeds and documents in such form and manner as may be required

by Mortgagee-Corporation for more effectively assigning, conveying and assuring Mortgagee-Corporation the Mortgaged Properties hereby assigned, conveyed and assured to the Mortgagee-Corporation.

K. The Mortgagor shall pay all the costs, charges and expenses between Attorney and Client in anywise incurred or paid by Mortgagee-Corporation and incidental to or in connection with these presents or this security including expenses of inspection of Mortgaged Properties from time to time incurred and as well as for the assertion or defense of rights of the Mortgagee-Corporation or for the protection and security of Mortgaged Properties and for the demand and realisation and recovery of the said Principal sum, interest or other moneys payable to Mortgagee-Corporation and the same shall be on demand paid by the Mortgagor to the Mortgagee-Corporation with the interest thereon at the rate aforesaid from the time of the same having been so incurred and until such repayment the same shall be a charge upon the said Mortgaged Properties.

L. In case the Mortgagor hereby further agrees to allow the Mortgagee-Corporation the right of assignment of the debt and the benefits of the mortgage security documents and the securities for the loan in favour of the State of Jammu and Kashmir, as security of the refinance obtained by the Mortgagee-Corporation from it and if and when required by the Mortgagee-Corporation the Mortgagor shall at its own expenses do and execute and join doing and executing all such acts, things and documents or assurances as the Mortgagee-Corporation may require for effectuation of such assignment and for availing of refinance facility. The Mortgagor shall also fulfill and comply with all such terms and conditions as may be imposed by the State for refinancing the loan and the additional conditions that may be imposed by the Mortgagee-Corporation in this behalf.

M. AND IT IS FURTHER AGREED AND DECLARED AS UNDER:

a) That the Mortgagor shall not make any change in the constitution of the firm as is indicated in the opening para of this deed without the prior permission obtained in writing from the Mortgagee-Corporation.

b) It is further declared that the Mortgagor will be also and always bound by the terms and conditions laid down in the Memorandum of terms and conditions which has been accepted and executed by him on _____.

c) The Proprietor of the Mortgagor-Firm shall guarantee the repayment of the loan and the interest thereon and other moneys which shall become due to the Mortgagee-Corporation under this deed and its presents in his personal capacity as well.

d) That if the Mortgagee-Corporation initiates proceedings against the Mortgagor for the recovery of any outstanding amount against it at any time or for the whole of the loan amount under the provisions of the securities and reconstruction of financial assets and enforcement of security interest Act,2002, the Mortgagor hereby undertakes, agrees and declares that it will not object to or

challenge the said proceedings if initiated by Mortgagee-Corporation against it for making recovery of any outstanding or whole of the amount of the loan.

f) That it is further agreed and declared here that no disbursement of the term loan will be made by the Mortgagee-Corporation to the Mortgagor unless a request in writing in prescribed form supported by audited balance sheet and bills and vouchers of the expenditure already incurred, is received by the Mortgagee-Corporation. The Mortgagee-Corporation will not be responsible for any delay caused due to incomplete information furnished by the Mortgagor.

IN WITNESS WHEREOF M/S
_____, a sole proprietorship concern of
Mr. _____ son of
_____ resident of
_____, through the said proprietor for
himself and on behalf of his said firm, has set and subscribed his hands to this
deed of Mortgage and the copies thereof in token of the acceptance of its
contents and the execution on the date and place herein-before written:

Witnesses:

Executants:

Sig: _____

Name: _____

Mr. _____

S/O: _____

For himself and for and on behalf of :
M/S _____

Sig: _____

Name: _____

(MORTGAGOR)

S/O: _____

R/O: _____

Accepted:

(_____)
Secretary/G. Manager J&K DFC
For and on behalf of J&K DFC.

(MORTGAGEE-CORPORATION).

FIRST SCHEDULE HEREINBEFORE REFERRED TO.

(Description of Land and Buildings)

LAND:

Lease-hold rights in the land measuring _____ Kanals situated at _____ taken on lease by the Mortgagor-from _____ in terms of a proper Lease Deed dated _____ registered on _____ and whereupon the Mortgagor shall raise the following buildings:

BUILDINGS:

S.NO.	PARTICULARS
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- 1.
- 2.
- 3.

.....
.....

SECOND SCHEDULE HEREINBEFORE REFERRED TO.

(Description of main items of Plant & Machinery)

- 1.
- 2.
- 2.

STATEMENT OF MISC. FIXED ASSETS

S. NO.	PARTICULARS
---------------	--------------------

- 1.

IRREVOCABLE POWER OF ATTORNEY

By this power of Attorney **M/S** _____, sole proprietorship concern of Mr. _____ son of _____ resident of _____, carrying on the business of manufacturing of _____ and hereinafter to be called "the Principal" (which expression shall mean and include his/its all legal heirs, executors, representatives, successors, administrators and the assigns) do hereby APPOINT **J & K Development Finance Corporation Limited**, a Company established and registered under Companies Act of 1956 having its Regd. Office at Jammu, hereinafter called "the Attorney-Corporation" (which expression shall include its/his heirs, executors, representatives, administrators, assigns and successors) its/his Attorney in writing in its/his name and on its/his behalf to do and execute all or any acts and things following namely:

1. To demand, collect and receive and to give effective and bona-fide discharge in his/its name and on his/its behalf, of all debts, advances and claims due to it. They shall have further power to take and use all the lawful proceedings and means of receiving and recovering the said debts, advances and claims and to commence and to prosecute and to defend at law all actions, suits, claims, demands and disputes and to refer to arbitration and to adjust and settle and or any of the proposed aforesaid to do and execute such instruments or things as shall be thought necessary of expedient.
2. To borrow from time to time such sum of moneys and upon such terms as to the attorney may appear fit and expedient, upon the security of any of its property /properties whether moveable or immoveable and for such purpose to execute such mortgages or other securities upon such covenants terms and conditions as may be thought expedient by the said Attorney- Corporation.
3. To sell, mortgage, exchange, surrender or dispose of any of houses, buildings or land belonging to it or held by it and to transfer or release any mortgage and also to execute or enforce any power of sale or other powers under any such mortgage or charge or otherwise take steps to realise or alter the benefits thereof or run the factory in such manner as may be thought expedient by the Attorney-Corporation.
4. To invest any of its moneys upon such investments as the Attorney may in their absolute discretion think fit with power from time to time to vary any investments or pending investments and to deposit any of its moneys at any Bank.
5. To draw, accept, endorse, negotiate, retire, pay bills of the exchange, promissory notes, cheques or other negotiable instruments, which its Attorney deems necessary or proper relating to its affairs.

6. To operate any Banking account opened by the Principal, to open and operate any fresh Banking account/s at any Bank/s, which its/his Attorney may think proper and expedient.
7. To pay calls upon shares holding to the Principal and to vote at any meeting/s of any of the Company of which Principal is or may become a shareholder.
8. To appoint and remove any agent/s or substitute for Principal in respect of any of the matters pertaining to its estate/s which its Attorney may think fit.
9. The Attorney may at their discretion exercise any or all of the powers vested in them and things as the Attorney thinks expedient for the purposes aforesaid as fully and effectively in all aspects as the Principal would do itself.
10. This power of Attorney shall be irrevocable until cancelled in writing by the said attorney and the Principal hereby confirm to ratify all that the said Attorney may do or cause to be done on behalf of the Principal.
11. This power of Attorney shall not bind the Attorney aforesaid to do any act or other things on Principal's behalf but the said Attorney shall be authorised and entitled to do and exercise all acts, things and the powers which the Attorney may deem it necessary or expedient in their interests for the recovery and realisation of the amount or amounts due from the Principal towards the said Attorney whether in cash credit account, loan account or any other account.
12. The Principal shall not on basis of this power of Attorney be entitled to demand or claim or bring any suit for the rendition of the accounts against the Attorney in any court whatsoever nor shall the Attorney be liable for any act or omission hereunder or the consequence thereof.

IN WITNESS WHEREOF M/S _____,
 through its sole proprietor namely Mr. _____
 son of _____ resident of _____,
 _____, for himself and on behalf of his said firm
 has set and subscribed his hands and seals to this Irrevocable Power of Attorney
 and the copies thereof in token of acceptance of its contents and execution on
 this the _____ day of _____ 20 at _____.

Witnesses:

Executants:

Sig: _____

Name: _____

Mr. _____

S/O: _____

For himself and for and on behalf

of

R/O : _____

M/S _____

(Principal)

Sig: _____

Name: _____

S/O: _____

R/O: _____

Accepted: _____

Secretary/G. Manager J&K DFC.
For and on behalf of J&K State
Development Finance Corporation Ltd;

(Attorney-Corporation)

DEED OF GUARANTEE

This deed of guarantee is executed on this _____ day of _____ 20
at Srinagar /Jammu by ;

Sh. _____ son of _____ resident
of _____ hereinafter to be referred to as “ the guarantor
” (which expression shall mean and include his legal heirs, representatives,
executors, administrators, successors and assigns) of the One Part;

in favour of

Jammu and Kashmir Development Finance Corporation Limited; a company
established and registered under companies Act of 1956 and having its
registered office at _____, Jammu, hereinafter referred to as
“ DFC ” (which expression shall mean and include its successors and assigns) of
the Other Part.

Whereas M/S _____, a proprietorship
concern of Mr. _____ son of
_____ resident of _____ and
hereinafter to be referred to as “ the Borrower ” has requested DFC to grant and
advance to him a term loan of Rs. _____ lakhs (Rupees _____ only) for
setting up his unit at _____
for manufacturing of _____.

Whereas DFC has agreed in principle to grant to the Borrower a term loan
for an amount not exceeding Rs. _____ Lakhs only, hereinafter to be
called “ the said loan ”, inter alia on the terms and conditions contained in the
letter of intent bearing No: _____ dated
_____.

Whereas the Guarantor in consideration of DFC agreeing at his request
to make the Borrower disbursement (S) / interim disbursement(s) from out of the
said loan and / or to grant and disburse to the Borrower and bridging loan for an
amount not exceeding the amount of the said loan, have agreed to give the
guarantee herein contained in favour of DFC.

NOW THIS DEED OF GUARANTEE WITNESSETH AS FOLLOWS:

The guarantor hereby unconditionally and irrevocably guarantees to and
agrees with DFC as follows:

1. DFC shall have the sole discretion:-
 - a) To make disbursement(s) and interim disbursement(s) to the Borrower from
out of the said loan at such time and in such manner as DFC may decide, and /
or .

b) To grant and disburse to the Borrower the Bridging loan for the amount not exceeding the amount of the said loan:

In either case subject to such further terms and conditions including the charging of such rate / higher rate of interest as DFC may decide.

2. The Borrower shall within such period(s) as may be allowed by DFC comply with all the formalities connected with the drawing of the said loan / Bridging loan from DFC.

3. The Borrower shall duly and punctually pay / repay the said loan / Bridging loan and the interest, commitment charges and all other moneys in accordance with the agreement between the Borrower and DFC.

4. In the event of any default on part of the Borrower in payment of any of the moneys referred to above, or in the event of any default on the part of the Borrower to comply with any of the formalities connected with the drawing of the said loan and the Bridging loan from DFC as mentioned above, the guarantor shall, within 15 days from the date of dispatch or delivery by DFC to the guarantor in the manner hereinafter provided of a notice in writing of such default by the Borrower, pay to DFC without any demur the amounts specified in the notice in the manner required therein,

5. The guarantor shall also indemnify and keep DFC indemnified against all the losses, costs (as between Attorney and client) claims and expenses, whatsoever, which DFC may suffer, pay or incur by reasons of or in connection with any such default on the part of the Borrower.

6. The guarantor hereby agrees and consents that without his permission or concurrence, the Borrower and DFC shall be at liberty to vary, alter or modify the terms and conditions of the said loan / Bridging loan and of the security created and the security documents executed by the Borrower in favour of DFC and in particular to defeat or postpone the repayment of the said loan / bridging loan and the payment of the interest and other moneys payable by the Borrower to DFC, DFC shall also be at liberty to absolutely dispense with or release any or all of the security / securities furnished or required to be furnished by the Borrower to DFC to secure the said loan / bridging loan. The guarantor agrees that the liability under this guarantee shall in no manner be affected by any such variations, alterations, modifications, waiver or release of the security, provided that the liability of the guarantor hereunder is not thereby increased and the guarantor hereby agrees that the opinion of DFC as to whether the liability is increased, shall be final and binding on the guarantor and that no further consent of the guarantor is required for giving effect to any such variations, alterations, modifications, waiver or release of the security.

7. DFC shall have full liberty, without notice to the guarantor and without in any way discharging the guarantor from any liability hereunder, to exercise at any time and in any manner any power or powers reserved by DFC in connection with the said loan / bridging loan to enforce or further enforce the payment of said

loan / bridging loan or any part thereof or interest or other moneys due to DFC from the Borrower or any of the remedies or securities available to DFC to enter into any composition or compound with or to grant time, to any other indulgence or facility to the Borrower, and the guarantor shall not be released by any act of omission on the part of DFC or by any other manner or thing what-so-ever which under the law relating to sureties would but for this provision have the effect of so releasing the guarantor and the guarantor hereby waives in favour of DFC so far as may be necessary to give effect to any of the provisions of this guarantee, all the surety-ship and other rights which the guarantor might otherwise be entitled to effect.

8. This guarantee shall be enforceable against the guarantor notwithstanding that any security / ies comprised in any instruments executed or to be executed by the Borrower in favour of DFC shall, at the time when the proceedings are taken against the guarantee, be outstanding or un-realised.

9. To give effect to this guarantee DFC may act as though the guarantor was the principle debtor.

10. The guarantor shall not in the event of liquidation of the Borrower prove in competition with DFC in liquidation proceedings.

11. A certificate in writing signed by any of the officials of DFC duly authorised by DFC shall be conclusive evidence against the guarantor of the amount for the time being due to DFC from the Borrower in any action or proceedings brought upon this guarantee against the guarantor.

12. This guarantee shall be irrevocable and the obligations of the guarantor hereunder shall not be discharged except by the performance and then only to the extent of such performance, each obligation shall not be conditional on this receipt of any prior notice or demand by DFC as provided in clause 4, shall be sufficient notice to or demand upon, as the case may be, on the guarantor.

13. This guarantee shall not be effected by:

- a) Any change in the constitution of the Borrower or of DFC; and
- b) The insolvency or death of the guarantor.

14. This guarantee shall remain in full force till such time the Borrower repays the said loan/bridging loan with interests, commitment charges and all other moneys and, that the liability of the guarantor hereunder shall not exceed the sum of Rs. _____ lakhs (Rupees _____ only) with the interest, commitment charges, costs, charges and other moneys payable to DFC.

15. Any demand for repayment or notice under this guarantee shall be sufficiently given if sent by post or delivered by hand to the last known address of the guarantor or his personal representatives and shall be assumed to have reached the addressee in the course of post, if given by post and no period of limitation shall commence to run in favour of the guarantor until after for payment in writing shall have been made or given as aforesaid and in proving such notice when sent by post it shall be sufficiently proved that the envelopes containing the notice was posted and a certificate by any of the responsible officers of DFC that

to the best knowledge and belief of him, the envelopes containing the said notice was so posted shall be conclusive as against the guarantor.

In witness whereof the above named guarantor has set and subscribed his hands to this deed of guarantee in acceptance of its contents and the execution thereof on the date and place hereinabove given.

Witnesses:

Executant.

1. Sig: _____
Name: _____

S/O: _____
_____))
R/O: _____

2. Sig: _____
Name: _____
S/O: _____
R/O: _____

(

MORTGAGE DEED

This indenture of Mortgage by way of Additional / Collateral Security made this _____ day of _____ 20 at Srinagar /Jammu by:

1)Mr. _____ S/O _____ R/o _____ and hereinafter to be called " Mortgagors" (which expression shall always mean and include their all legal heirs, executors, representatives, administrators, successors and assigns) of the One part;

In favour of

Jammu & Kashmir Development Finance Corporation Limited, a Company incorporated and registered under the companies Act 1956, having its registered office at Jammu (J&K State) through its Secretary / General Manager, hereinafter to be called" the Mortgagor Corporation"(Which expression shall include its successors and assigns where ever the context or the meaning shall so require or permit) of the other part.

Whereas Mortgagor are fully, completely and absolutely seized and possessed of and is otherwise entitled to _____ (*Description of property to be mortgaged*) _____ situated in Mouza _____ tehsil _____ district _____ covered under Khewat No: _____ Khata No: and Survey No. _____ as fully described and delinated in annexed copies of the revenue extracts duly issued by the concerned patwari and attested by Tehsildar and scheduled to this deed.

Whereas M/s _____, a sole proprietorship concern /firm of Mr. _____ S/o _____ R/o _____, hereinafter to be called " the Borrower", approached the above named Mortgagee- Corporation seeking Financial Assistance to the tune of Rs. _____ lacs(Rupees _____ only) for establishing an industrial unit for manufacturing of _____ situated at _____ The Borrower offered the *land or lease hold rights in the land* measuring _____ situated at _____ whereupon the said unit is being established by the Borrower, with the factory buildings which will be constructed thereon along with all machinery and plant which will be installed for the purpose of the said unit and also the other assets of the borrower's Company as the security by way of the Simple Mortgage to the Mortgagee Corporation for the repayment of the said loan amount of Rs. _____ lacs along with the interest thereon and other moneys.

Whereas the Borrower's said request to the Mortgage Corporation to lend and advance in its favour a total loan amount of Rs. _____ lacs (Rupees _____ lacs only) by way of Term loan was accepted by the Mortgagee Corporation and the sanction for the same was conveyed to the Borrower by the Mortgagee Corporation vide the Sanction letter bearing No: _____ dated _____ along with the terms and conditions governing the said loan. The Borrower consented and agreed to

borrow the said loan amount from the Mortgagee Corporation on the terms and conditions as laid down by the Mortgage Corporation in this behalf which amongst other terms and conditions required to offer an additional/ collateral security by way of the mortgage for repayment of the said loan amount along with the interest thereon and other monies. The Borrower while consenting for the same conveyed his consent vide his letter bearing No: _____ dated _____ and further offered the above mentioned property as an additional/ collateral security by way of the Mortgage to the Mortgagee Corporation as has been asked for by the Mortgagee Corporation. The Mortgagors, being the Promoter Directors of the Borrower company are fully interested in the business thereof and they have as such consented to offer out of their own will and wish their above mentioned property as the additional/ collateral security to the Mortgagee Corporation for repayment of the said Term Loan amount of Rs. _____ lacs which is/will be disbursed by Mortgagee Corporation to the Borrower.

NOW THIS DEED OF MORTGAGE BY WAY OF ADDITIONAL/COLLATERAL SECURITY WITNESSETH AS FOLLOWS:

1. Pursuant to the said agreement and in consideration of the Mortgagee Corporation agreeing to grant and advance Term Loan to the extent of Rs. _____ lacs (Rupees _____ lacs only) to the said Borrower, M/s _____, the above named Mortgagors doeth hereby grant, convey and assure unto the Mortgagee Corporation _____ - Description of property) and hereinafter to be referred to as" the Mortgaged property" as fully described and mentioned herein above and in the schedule written hereunder together with the buildings, messuages, tenements, estates, dwelling houses and structures now standing or hereafter erected thereon or any part thereof, together with all the estate, right, title, interest, claim and demand of the Mortgagors UNTO and upon the said mortgaged land and other evidences of title in any way relating to the said land and hereditaments UNTO the Mortgagee Corporation and to have and to hold the said mortgaged land and buildings and other premises herein before subject to the provision of redemption herein after contained.

2. The Mortgagors hereby mortgage by way of simple mortgage to the Mortgagee Corporation the mortgaged property described hereinabove and the schedule hereunder written, together with all rights, easements appurtenances thereto and all the rights, title and interest to the said premises with the intent that all the said premises hereby mortgaged shall remain and be charged by way of simple mortgage free from all charges, encumbrances, whatsoever, as the security for due repayments to Mortgagee- Corporation of all the monies which may be owing from the said Borrower towards the Mortgagee Corporation in respect of the advance now or hereafter to be made to the said Borrower to the extent of Rs. _____ lacs only together with the interest at the rate herein after provided.

3. The Mortgagors further covenant with the Mortgage Corporation that all accretions to the mortgaged property shall be liable for the amount due under this deed from the Mortgagors to the Mortgagee Corporation and if any addition is made to the mortgaged property that will also be deemed to be mortgaged through these presents.

4. That interest at the rate of _____ percent per annum with quarterly rests on the said Principal Sum of Rs. _____ lacs shall be payable by the Mortgagors. However, in case the Borrower commits any default in paying the installments on account of the Principal sum or the interest thereon on the due dates, the Mortgagee Corporation shall charge 2 percent per annum as the liquidity damage for the Principal default and 2 percent per annum as the penal interest on the interest default over and above the normal rate of interest as stipulated hereinabove in respect of defaulted amount of installments and the interest thereon from their respective dates of default till the entire repayment thereof.

Provided further that in the event of the continuous default in regular payments of the interest and installments of principal and other moneys on due dates, the compound interest shall become due and payable by the Borrower/ Mortgagors to the Mortgagee Corporation in respect of the defaulted amount of the installments and the interest thereon from their respective dates of default till the entire repayment thereof. However, no compound interest will be charged on the amount of penal interest of 2 percent as mentioned above.

Provided that the parties intend and have always intended that the stipulations in this clause for payments of the liquidity damage and the penal interest or compound interest (as the case may be) over and above the stipulated rate of the interest as given herein above in case of default in punctual payments of installments of the principal or interest or other moneys is a part of the primary contract between the parties and not a stipulation by way of any penalty.

Provided that the lower rate of interest shall cease to be operative while Mortgagee Corporation is in Possession of Mortgaged Properties or after the Mortgagee Corporation's power of sale has become exercisable under these presents and in all such cases the higher rate of interest herein provided shall be applicable.

5 The Mortgagors shall during the subsistence of this security at their own costs and charges and expenses, keep the said properties hereby mortgaged in good, substantial and the tenantable condition and shall not cause or allow to cause any damage of whatsoever nature to the said property or do any act which will be de-value the said mortgaged property.

6. The Mortgagors will, from the date of these presents, keep insured comprehensively such part of the Mortgaged properties as are of the insurable nature against any loss or damage by fire, earthquake, strike, riot, the terrorist activities or civil commotion, war etc. in the full value thereof with some insurance Company of repute to be approved by the Mortgagee in the joint names of the Mortgagors and the Mortgagee and shall duly pay all premia and sums of

moneys payable for that purpose and will deliver to the Mortgagee the policy for such insurance and the receipts for every such payments within seven days after it shall become due and in case the Mortgagors shall neglect or refuse to keep the said properties insured to the amount aforesaid, or deliver such policy & receipts as aforesaid then and in every such case it shall be lawful but not obligatory for Mortgagee to ensure the same to the amount aforesaid or any amount and all sums of money expended by the mortgagee Corporation in or about such insurance as aforesaid with interest for the same at the rate herein above given shall also remain a charge up on the mortgaged property till its liquidations by the Mortgagors to the Mortgagee corporation.

7 The Mortgagors shall pay all types of taxes and the charges payable to the Government, local body or such other person or body of the persons entitled to demand and recover such taxes or charges etc. such as the property tax, water tax, electric charges etc

8. The Mortgagors agree and declare hereby that all sums of moneys which may be awarded as compensation for any compulsory acquisition of whole or any portion of the mortgaged property by any Government, Municipal or Railway or the District Board authority or any other body whom so ever, shall be recoverable by Mortgagee Corporation directly on behalf of the Mortgagors and the Mortgagors shall not raise any objection in the exercise of the said right by the Mortgagee Corporation.

9 That the Mortgagors shall allow the Mortgagee Corporation its agents servants and the surveyors at all reasonable times to enter the said mortgaged property and view and examine the state and condition thereof.

10. And it is hereby further agreed and declared that if the Mortgagors or the Borrower fail/s to a repay the amount of the advance with interest as agreed upon, the Mortgagee Corporation shall be entitled to realize their dues by the sale of the mortgaged property and if the sale proceeds are insufficient to satisfy the Mortgagees dues to recover the balance from the person and other properties of the Mortgagors without any prejudice to the other deeds/ documents executed by the Borrower.

11. That this Mortgagee Deed is the security for the balance from time to time due to Mortgagee corporation and also for the ultimate balance to become due in respect of the said soft loan account of the Borrower with the Mortgagee Corporation.

12. That these presents will remain in full force and effect irrespective of the other deeds and documents executed or which will be executed by the Borrower or Mortgagors till entire loan amount of Rs. _____ lacs with interest thereon and other monies are fully repaid by the Borrower/ Mortgagors to Mortgagee Corporation and after making the payment of all dues, the charge upon the mortgaged property shall be redeemed at the request of the Mortgagors in their favour or as they direct in this behalf. Provided always that the Mortgagors may at any time pay the whole of the Principal sum, interest, other charges and cost that may be due to the Mortgagee and get the mortgaged property redeemed.

13. That during the continuance of this security the Mortgagors shall not erect or set up any mosque, temple, Dargah, Immambarah, Gurudwara or any other religious place of the warship of any nature or kind, whatsoever, within or any apart of the mortgaged property and he hereby declares that there exists at present no such erection in the mortgaged property or any part thereof.

14. That in case of any one or more of such cases as mentioned below, the monies due from the Mortgagors on the security of these presents shall at the sole option of the Mortgagee Corporation become payable immediately to the Mortgagee Corporation:

a) If default shall be made by the Borrower in the payment of any moneys due on account of Principal Installment or interest in respect of the loan facility granted to him or he fails to pay the same or the whole of the loan amount if recalled at any time or the Mortgagors commit breach in paying the same for and behalf of the Borrower; or

b) If the default shall be made by the Borrower in observance and the performance of any of the covenants, conditions or the provisions contained in the deeds/ documents already executed by him or which will be executed by him or any breach is committed by the Mortgagors in respect of any of the provisions, conditions of these presents; or

c) If the Mortgagors sell or part away with their interest in the whole or any part of the mortgaged property in any way during the currency of these presents; or

d) If by any cause the mortgaged property is partially destroyed or the security is rendered insufficient and Mortgagee Corporation has given the reasonable opportunity for providing further security sufficient to the full satisfaction of the Mortgagee and the Mortgagors fail to do so.

15 That Mortgagors hereby in consideration of the advancing/advanced the said Term Loan amount of Rs. _____ lacs to the Borrower as aforesaid further agrees and covenants with Mortgagee Corporation as Guarantor to the Borrower that in case the Borrower fails to repay the loan amount and the interest thereon for whatever reason, they shall be liable to pay the same personally to the Mortgagee Corporation as if being the Principal debtor and same can be recovered by the Mortgagee Corporation from the mortgaged properties mentioned hereunder and in case of any deficiency, from the person and other properties of the Mortgagors.

16. That after the proper registration of the present Mortgage Deed the Mortgagors shall get the charge of the Mortgagee Corporation duly registered and entered in Revenue records in respect of the Mortgaged properties and the same shall remain in effect till the entire Term Loan amount along with the interest thereon is fully and finally liquidated by the Borrowers/ Mortgagors.

17. That all costs and the expenses to be incurred for the preparation execution and registration of this Mortgage Deed shall have to be borne out by the Mortgagors themselves.

18. That this deed after its due registration shall be retained by the Mortgagee Corporation and the Mortgagors shall have a copy of the same.

SCHEDULE OF THE MORTGAGED PROPERTY
REFERRED TO ABOVE

BUILDING:

LAND

Khewat No: _____ Survey No. _____ Khata No. _____ Measurement _____ of Land _____

Situated in Mouza _____, Tehsil _____, District _____
Jammu/ Kashmir

HENCE the said Mortgagor above named has set and subscribed his hands to this deed of Mortgage and the copies thereof in token of the acceptance of its contents & execution thereof out of his free will and consent, without any force or undue influence on the date and place herein before written in presence of the following witnesses:

Witnesses:

Executants:

Sig: _____

1.

Name: _____

(Mr. _____)

S/O: _____

R/O : _____

(MORTGAGOR)

(

Mr. _____)

Sig: _____

Name: _____

S/O: _____

ACCEPTED: _____

Secretary/G. Manager J&K DFC

For and on behalf of

J&K Development Finance

Corporation Limited Srinagar /Jammu

(MORTGAGEE-CORPORATION).