**Mortgage For Securing Advances**

THIS MORTGAGE is made this the \_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_ 20 \_\_\_\_\_\_\_, BETWEEN AA., \_\_\_\_\_\_\_ etc., a firm duly registered under the Indian Partnership Act with the Registrar of Firms at \_\_\_\_\_\_\_.and having its registered office at \_\_\_\_\_\_\_ and its showroom at \_\_\_\_\_\_\_ acting through its partner Shri \_\_\_\_\_\_\_ and \_\_\_\_\_\_\_ .(hereinafter called ‘‘the Mortgagors’’) of the one part AND BB, aged \_\_\_\_\_\_\_, etc. (hereinafter called ‘‘the Mortgagee’’) of the other part.

WHEREAS the Mortgagors are carrying on the wholesale business of purchase and sale of various commodities on a wholesale scale and have to pay large sums for such bulk purchases at a time and have no liquid money to cover such payments;

AND WHEREAS the Mortgagee has on the request of the Mortgagors agreed to advance from time to time sums of money not exceeding the sum of Rs \_\_\_\_\_\_\_ at any one time up to a limit of Rupees \_\_\_\_\_\_\_ (Rs \_\_\_\_\_\_\_) only.

NOW, THEREFORE, THIS DEED WITNESSES that in consideration of the sums of money hereinafter to be paid from time to time in the manner hereinafter provided by the Mortgagee to the Mortgagors, the Mortgagors hereby transfer by way of mortgage the entire business known as AA of \_\_\_\_\_\_\_ together will all the books debts, stock-in-trade, goodwill, implements, trade utensils, furniture, fittings and fixtures specified in the Schedule hereto now being in or about the premises unto the Mortgagee, his heirs, successors and assigns on the conditions following:

1. That the Mortgagee shall on demand pay or cause to be paid to the Mortgagors or their order any sum or sums not exceeding in the aggregate the sum of Rs \_\_\_\_\_\_\_ aforesaid. That the Mortgagors shall pay an interest of \_\_\_\_\_\_\_ per cent per annum on the sum or sums so advanced from the date of advance till payment, and the entire debt together with all interest, charges etcetera shall be paid within \_\_\_\_\_\_\_ years from the date hereof.

2. That the Mortgagors shall carry on their normal business of sale of buying and selling but the goods described in general in the foregoing para and more specifically in the Schedule hereto and the goods which shall hereafter be purchased by the Mortgagors shall all form security for the due payment of this loan. The goods hereafter bought shall be deemed to be in substitution for and in lieu of such of the goods which might have been sold. All such goods shall form the security for the payment by the Mortgagors of the balance due to the Mortgagee at any time. And the expression ‘‘balance due to the Mortgagee’’ in this and subsequent paras include the principal money advanced and also all interest thereon at the rate hereinbefore specified and the amount of all or any other charges and expenses which the Mortgagee may have paid or incurred in any way in connection with the securities or their sale or disposal thereof.

3. That the Mortgagors shall be at liberty from time to time to withdraw from the Mortgagee any of the goods for the time being mortgaged to the Mortgage and forming part of the security, the subject of this agreement, provided the Mortgagors substitute goods of a similar nature to those mentioned in the Schedule hereto, or any of the same, and of at least equal value for the goods so withdrawn.

4. That in case any goods are withdrawn, as provided above, or sold, in the normal course of business, as provided in Para 2 above, and similar, or goods of equal value, not substituted then the advance value of the goods so withdrawn shall be paid by the Mortgagors to the Mortgagee within one week of such withdrawal or sale by way of part payment of the balance due to the Mortgagee and will be credited as such by the Mortgagee in the mortgage account.

5. That the Mortgagors shall not during the continuance of this mortgage, mortgage, pledge or otherwise howsoever charge or encumber any of the goods for the time being the subject or entitled to be the subject of this security nor do or permit any act whereby the security hereinbefore expressed to be given to the Mortgagee shall be in any way impaired.

6. That the Mortgagee shall keep a regular account of the advances made from time to time, together with all interest, expenses and charges incurred, and furnish a copy of the same to the Mortgagors as and when demanded and the Mortgagors shall insure the entire security against loss or damage by fire, burglary and civil commotion and the Insurance Policy shall be assigned and kept lodged with the Mortgagee so that he may in case of such loss or damage arising during the subsistence of this mortgagee realise the same from the Insurance Company. The Mortgagors shall also permit the Mortgagee to inspect the mortgaged property or any books of account of the Mortgagors whenever demanded in order to enable him to find out if the terms of this mortgage are being complied with by the Mortgagors.

7. That if the Mortgagors shall fail to pay the advance value of the goods withdrawn or sold or disposed of or shall fail to substitute the goods withdrawn, sold or disposed of or otherwise impair the security or if the Mortgagors fail to repay the balance due to the Mortgagee or in the event of any other breach of the terms of the mortgage it shall be lawful for the Mortgagee to have the mortgaged goods sold for the recovery of the amount due AND should the sale not realise the sum then due on the mortgage, the Mortgagors hereby agree with the Mortgagee that it shall be lawful for the Mortgagee to demand and obtain a simple money decree for the balance of the amount left unrealised.

8. That no change whatsoever in the constitution of the Mortgagor-firm during the continuance of this mortgage shall impair or discharge the liability of the Mortgagors or the individual partners then comprising the said firm.

IN WITNESS whereof the Mortgagors and the Mortgagee have hereunto at \_\_\_\_\_\_\_, set their hands the day and the year first abovewritten.

Witnesses:

Sd.

Sd.

1. Mortgagors.

2. (Partners)

Sd.

Mortgagee.