**Declaration in Support of Equitable Mortgage**

**IN THE MATTER OF MORTGAGE BY DEPOSIT OF**

**TITLE DEEDS IN RESPECT OF IMMOVABLE PROPERTY**

M/S. A B C Limited

TO

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Indian Inhabitant, at present residing at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ do hereby solemnly declare and state as follows:

1. I am the Director of **M/S. ABC Limited,** a Company within the meaning of the Companies Act 1956 having its registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter called “**the Borrower”**) and duly authorised by the Board of Directors of the Borrower to make this declaration for and on behalf of the Borrower.

2. The Borrower is the Owner of and well and sufficiently seized and possessed of the immovable property described in the **First Schedule** hereunder written (hereinafter referred to as **“the said immovable property”**).

3. In terms of the loan documents, the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter called **“the** **Bank”**) has allowed the Borrower various credit facilities by granting all or some or any of the credit facilities by way of Overdraft, Demand Loans, Loans, Cash Credits, Term Loans, pre-shipment and post-shipment credits, opening of letters of credit, issuing of guarantees, Negotiation and discounting of bills and cheques, inland as well as foreign and such other facilities as from time to time required by the Borrower for amounts not exceeding the principal sum of Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/- (Rupees \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ only) on the terms and conditions specified therein.

4. One of the conditions of the grant of the aforesaid credit facilities is that the repayment of the said principal sum of
Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/- (Rupees \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_only) and all accruing interest, discount, commission, charges and all kind of costs and expenses payable to or incurred by the Bank in relation thereto along with all other further dues, cost, expenses etc. shall stand secured by creation of equitable mortgage of the said immovable property in favour of the Bank.

5. By its Board Resolution passed at its meeting held on \_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_200\_\_\_\_, by the Board of Directors of the Borrower, Shri \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the Director of the Borrower companies is authorised to create the said security by way of equitable mortgage of the said immovable property and to deposit the said title deeds with the Bank.

6. The Borrower has accordingly with intent to carry out its said obligation and to creating the said security of the said immoveable property described in the First Schedule hereunder written deposited with the Bank the said title deeds more particularly described in the **Second Schedule** hereunder written with the intention that the said property would remain as security for such repayment.

7. That the said deposit of the title deeds by the said Shri \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ was made on behalf of the Borrower **with intent to create a mortgage by deposit of title deeds of the said premises in favour of the Bank as security to secure** repayment of all monies including interest, costs, charges and expenses due or becoming due and payable by the Borrower to the Bank under or in respect of all or some or any of the facilities either in Indian or foreign currencies granted and/or agreed to be granted to the Borrower and for any other indebtedness and liabilities, past, present and future of the Borrower to the Bank.

8. That the documents of title now deposited with the Bank were the only documents of title in possession of the Borrower in respect of the said premises of the Borrower and that the Borrower is the absolute owner of the said property and that the Borrower has marketable title thereto.

9. That there is no mortgage, charge, lien or any other encumbrance or attachment on the said immovable property or any part thereof by any Government or local authority or by Income Tax Department and that no notice has been issued and/or served on the Borrower under the Rules 2, 16 or 51 or any other Rules of the Second Schedule to the Income Tax Act, 1961, or under any other law.

10. That the Borrower has not entered into any agreement for sale, transfer or alienation thereof or any part or parts thereof and that no encumbrance hereafter will be created by the Borrower except with the express prior permission in writing of the Bank so long as the Borrower continues to be indebted to or remain liable to the Bank on any account.

11. Shri \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ on behalf of the Borrower also acknowledges that the maximum amount intended to be secured by the said mortgage created as aforesaid was for the purpose of Section 79 of the Transfer of Property Act, 1882 and for no other purpose and without affecting the Borrower’s full liability to the Bank under the said mortgage for all subsisting liabilities together with interest and all costs, charges and expenses thereof.

12. That the Borrower has passed the requisite Resolution under Section 293(1)(9) of the Companies Act, 1956 for creating security in favour of the Bank as aforesaid.

13. The Borrower has duly paid all rents, royalties and all public demands, including Provident Fund dues, gratuity dues, Employees State Insurance dues, income tax, sales tax, corporation tax and all other taxes and revenues payable to the Government of India or to the Government of any State or to any local authority and that at present there are no arrears of such dues, rents, royalties, taxes and revenues due and outstanding and that no attachments or warrants have been served on the Company in respect of Sales Tax, Income Tax, Government revenues and other taxes.

14. That the said loans borrowed/to be borrowed by the Borrower are within the borrowing limits of the powers of Board of Directors of the Borrower.

15. That I am not aware of any act, deed, matter or thing or circumstances which prevents the Borrower from charging the said immovable property in favour of the Bank.

16. That I have made the aforesaid declaration **for and on behalf of the Borrower** solemnly and sincerely believing the same to be true and knowing fully well that on the faith thereof the Bank has agreed to complete the said transaction of mortgage by deposit of title deeds in respect of the said immovable property.

**THE FIRST SCHEDULE ABOVE REFERRED TO:**

(Description of the immovable property)

**THE SECOND SCHEDULE ABOVE REFERRED TO:**

(List of Title Deeds)

Solemnly affirmed at \_\_\_\_\_\_\_\_\_\_\_ )

On this               day of         201\_\_\_ )

 Before me;

 NOTARY