**Deed of Simple Mortgage**

**THIS DEED OF** **SIMPLE MORTGAGE** executed at \_\_\_\_\_\_\_\_\_\_ this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_ 201\_\_ between M/S. ABC LTD., a Company incorporated under the provisions of the Companies Act, 1956 having its registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter referred to as **“THE MORTGAGOR”** (which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns) of the ONE PART; AND X Y Z of \_\_\_\_\_\_\_\_\_\_\_, Indian Inhabitant having his address at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include his heirs, executors, administrators and assigns) hereinafter referred to as **“THE MORTGAGEE”** of the OTHER PART;

**WHEREAS:**

(a) The Mortgagor is the Owner of and well and sufficiently seized and possessed of the property more particularly described in the Schedule hereunder written (hereinafter referred to as **“the said property”**).

(b) The Mortgagor being in need of finance for its business purposes, requested the Mortgagee to provide the said finance.

(c) Pursuant to the said request of the Mortgagor, the Mortgagee agreed to lend and advance and has advanced to the Mortgagor a sum of Rs. **50,00,000/- (Rupees Fifty lakhs only)** against the security of the said property by way of **Simple Mortgage** for securing repayment of the principal and interest thereof in the manner hereinafter appearing.

**NOW THIS INDENTURE WITNESSETH** that in pursuance of the said agreement and in consideration of the sum of Rs. 50,00,000/- (Rupees fifty lakhs only) paid to the Mortgagor by the Mortgagee on or before execution hereof (the receipt whereof the Mortgagor doth hereby admit and acknowledge and of and from the same doth hereby release and discharge the Mortgagee) THEY the Mortgagor doth hereby covenant with the Mortgagee that the Mortgagor shall pay to the Mortgagee the said sum of Rs. 50,00,000/- (Rupees fifty lakhs only) together with interest thereof from the date hereof at the agreed rate of one (1) percent per month with monthly rests (payable monthly along with the installment of the principal amount) by equal twenty monthly installments, the first of such payments shall be made on the \_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_ and the subsequent payments shall be made on or before 10th day of each and every following month, the last of such monthly installment of the principal amount together with all accrued installments and interest thereof being payable on the \_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_ (hereinafter called **“the due date”**) and will also pay after the due date so long as the said sum of Rs. 50,00,000/- (Rupees fifty lakhs only) or any part thereof or interest thereof shall remain unpaid to the Mortgagee in the manner aforesaid AND IT IS HEREBY AGREED AND DECLARED that if any payment of interest is not made on the respective due dates of the installments (whether formally demanded or not) it shall be added to the principal sum and compounded every month accordingly and shall be chargeable upon the mortgaged property for all intents and purposes recorded herein, however, this provision shall not in any way permit the Mortgagor to allow any interest or the monthly agreed installment towards the principal amount to fall in arrears nor shall it in anywise interfere with, prejudice, limit or affect the right of sale or any other powers or remedies for securing and enforcing payment of the Mortgage debt hereunder payable AND PROVIDED FURTHER THAT NOTWITHSTANDING the covenant to repay the principal amount in agreed monthly installments and in the event of the Mortgagor committing default in payment of any two of such monthly installments, in that event the due date for repayment of the entire principal amount together with all accrued interest shall stand accelerated to the date of the last of such second default entitling the Mortgagee to at once demand the said entire mortgage debt AND THIS INDENTURE ALSO WITNESSETH **that the Mortgagor doth hereby mortgage the said property more particularly described in the schedule hereunder** **in favour of the Mortgagee by way of simple mortgage for the purpose of securing the Mortgage debt payable hereunder** PROVIDED always that if the Mortgagor shall pay to the Mortgagee the said sum of Rs. 50,00,000/- (Rupees fifty lakhs only) on the \_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_ 200 \_\_ together with the agreed rate of interest and in the a fore stated manner and also all other moneys by law or under these presents payable by the Mortgagor to the Mortgagee (hereinafter collectively referred to as **“the Mortgage debt”)** then and in such case the Mortgagee shall at the request, cost, charges and expenses of the Mortgagor release the said property by executing the Deed of Release.

**Further Agreed, Recorded and Confirmed as under:-**

1. The Mortgagor hereby declares and covenants with the Mortgagee as follows:-

(a) That the Mortgagor has duly paid and discharged in full all the dues and liabilities in respect of the said Property including the Municipal outgoings, taxes, rates, maintenance charges etc. till date and shall continue to do so till the said Mortgage debt is fully repaid.

(b) That its title to the said property is free from all encumbrances and reasonable doubts.

(c) That the Mortgagor is the sole and absolute owner and beneficiary of the said property and is absolutely entitled to the same and to all incidental rights thereof and to the use, enjoyment and occupation of the said property and except the Mortgagor no other person or persons have any right, title, interest, claim or demand of any nature whatsoever to the said property.

(d) That notwithstanding any act, deed, matter or thing whatsoever done, omitted by the mortgagor or any person or persons lawfully and equitably claiming by, from, through, or in trust for the mortgagor, the Mortgagor has full power and absolute authority in it’s own right to mortgage the said property and/or to create the said security in favour of the Mortgagee.

(e) That neither the Mortgagor nor any one on its behalf has committed or omitted to do any act, deed, matter or thing whereby its ownership rights in the said property and incidental rights thereto including the right to peaceful use, occupation, ownership and enjoyment of the said property and other rights and benefits in respect thereof may become or be prejudicially affected or encumbered in any manner or whereby the said property may become liable to attachment and/or sale whether by a decree or order of any Competent Court or otherwise;

(f) That the Mortgagor has not created or purported to create any tenancy, licence, charge, lease, mortgage or lien over the said property and no other person or party has any right, title, interest, claim or demand in to or upon the same either by way of mortgage, gift, trust, inheritance, lease or otherwise and there is no pending litigation of any kind whatsoever and further that henceforth the Mortgagor shall not enter into any agreement/writing with any third party for creating any rights and/or encumbrance of whatsoever nature in respect of the said property and shall not directly and/or indirectly part with the possession of the said property to any one or commit any act which is destructive or permanently injurious to the mortgage security or will render the same insufficient until and unless the entire mortgage debt is repaid to the Mortgagee in full.

(g) That no winding up petition is pending against the Mortgagor before any court of law nor any winding up notices are received by the Mortgagor.

(h) The Mortgagor shall get the present mortgage in favour of the Mortgagee registered with the Registrar of Companies under the provisions of the Companies Act, 1956.

 Upon the aforesaid representations, declarations, and covenants, of the Mortgagor, the Mortgagee has lent and advanced the aforesaid sum to the Mortgagor.

2. If the Mortgagor fails to pay any installment of interest in the manner as aforesaid or commits breach of any other term of these presents or commits any act which in the opinion of the Mortgagee will be prejudicial to the interest of the Mortgagee and/or the security created, the Mortgagee will be entitled to call back the principal debt whether the due date has expired or not together with all interest and compound interest accrued thereon and to enforce and realise the said security created in his favour on the basis of the agreed terms between the parties hereto.

3. The Mortgagor agrees and covenants with the Mortgagee that all costs, charges and expenses incurred by the Mortgagee for defending the title of the Mortgagor to the said property, if need arises, and for enforcement of the said security created in his favour shall be payable by the Mortgagor and **shall be deemed to form part of the mortgage debt secured by the present mortgage.** The Mortgagor agrees and covenants with the Mortgagee that all costs, charges and expenses incurred by the Mortgagee for defending the title of the Mortgagor to the said property if need arises and for enforcement of the said security created in his favour shall be payable by the Mortgagor and shall be deemed to form part of the mortgage debt secured hereunder.

4. **If the Mortgagor shall fail to pay to the Mortgagee the Mortgage debt** in the agreed manner as provided above, then and in such case the Mortgagee shall have full right and liberty to cause the said property to be sold through the court of law and recover the Mortgage debt.

5. The Stamp duty and registration charges payable on this instrument as also all incidental cost, charges and expenses thereof shall be paid and borne by the Mortgagor.

**THE SCHEDULE ABOVE REFERRED TO:**

(Description of the said property)

IN WITNESS WHEREOF the parties hereto have executed these presents the day and year first hereinabove written.

THE COMMON SEAL OF the )

ABC LTD., the MORTGAGOR above Named )

is hereunto affixed pursuant to the )

Resolution of its Board of Directors )

passed in that behalf, on the \_\_\_\_\_\_ )

day of \_\_\_\_\_\_\_\_\_\_\_ 200\_\_\_ in the presence of )

(1) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Managing Director and )

(2) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Director and in )

the presence of:- )

SIGNED AND DELIVERED by )

X Y Z, the MORTGAGEE )

Above named, in the presence of:- )

**R E C E I P T**

RECEIVED the day and year first above written of and from the within named Mortgagee the sum of Rs. 50,00,000/- (Rupees fifty lakhs only) by Cheque No. \_\_\_\_\_\_\_\_\_\_\_\_\_ dated \_\_\_\_\_\_\_\_\_\_ drawn on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ being the full consideration money as aforesaid.

Rs. 50,00,000/-

 We say Received

 M/s. ABC LTD

 DIRECTOR/AUTHORISED SIGNATORY

 (THE MORTGAGOR)