

AGREEMENT TO MORTGAGE

AGREEMENT is made at ____ this _____ day of _____ between Mr. A residing at _____ hereinafter referred to as the 'Mortgagor' of the One Part and M/s AB & Co. a partnership firm consisting of (1) ____ (2) ____ (3) ____ as partners carrying on business at _____ hereinafter referred to as the 'Mortgagees' of the Other Part ;

WHEREAS –

1. The Mortgagor owns an immovable property consisting of a plot of land with a building thereon and situated at _____ and which is more particularly described in the Schedule hereunder written.
2. The Mortgagor is in need of money for paying certain business debts and liabilities and has, therefore, approached the Mortgagees to advance to him a loan of Rs. ____ which the Mortgagees have agreed to do on the following terms and conditions :

NOW IT IS AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS :

1. The Mortgagees agree to lend to the Mortgagor and the Mortgagor agrees to borrow from the Mortgagees a sum of Rs. _____. The Mortgagor agrees that he will pay interest on the said sum at the rate of ____ percent per annum from the date of advance till repayment thereof by the Mortgagor to the Mortgagees.
2. The interest at the rate aforesaid will be paid every three months that is with quarterly rests and in the event of default in paying interest as aforesaid the Mortgagees will be entitled to charge interest on the amount of interest in arrears by way of compound interest at the same rate as aforesaid so that the interest in arrears will be capitalised by way of compound interest carrying interest thereon as aforesaid. This, however,

- will be without prejudice to the right of the Mortgagees to take action for recovery of the mortgage debt and the interest in arrears by any process of law available to them, in the event of default in payment of interest every quarter as aforesaid.
3. The said principal amount will be repayable with interest as aforesaid within ___ years from the date of advance.
 4. The repayment of the said amount of principal and interest and all costs, charges and expenses becoming payable by the Mortgagor will be secured by a first mortgage of the said property described in the Schedule hereunder written.
 5. The said principal sum of Rs. ___ will be advanced and paid by the Mortgagees to the Mortgagor on the execution of the Deed of Mortgage by the Mortgagor in favour of the Mortgagees.
 6. The Deed of Mortgage will be in the form of English mortgage and will contain all the covenants, powers, provisions, terms and conditions as are usually contained in such deed and as will be advised to be incorporated by the Mortgagees' Advocate.
 7. The Mortgagor will make out a clear and marketable title to the said property, free from encumbrances and claims and the Mortgagor shall produce to the Mortgagees' Advocate for inspection all the title deeds in his possession or power.
 8. Within eight days from the date hereof the Mortgagor shall produce to the Mortgagees' Advocate for inspection all the title deeds in his possession or power.
 9. If any other person or persons is found interested in the said property, the Mortgagor will either obtain the release of such interest by a proper deed of release or will procure his signature to the Deed of Mortgage as a Mortgagor the intention being that the loan will be advanced on the security of the said property as a whole and not on any interest therein.
 10. The transaction of mortgage will be completed within a period of three months from the date hereof. If the transaction is not so completed then,

without prejudice to the right of the Mortgagees to terminate this agreement, the Mortgagees will be entitled to charge interest at the rate aforesaid on the said amount of principal from the expiration of the said period till the execution of the Deed of Mortgage and the same will be deducted from the principal amount, unless it is separately paid by the Mortgagor.

11. The Mortgagor will also execute any other documents, by way of declaration or otherwise as will be required by the Mortgagees' Advocate to safeguard the interest of the Mortgagees.
12. The Mortgagor declares that the said property is not subject to any reservation or acquisition or any litigation and no notice for heavy structural repairs, or acquisition or requisition or reservation has been received by him.
13. If the title is not made out marketable as aforesaid or the Mortgagor fails to complete the transaction by execution of the Deed of Mortgage and any other documents as aforesaid within the said period or any further period extended by the Mortgagees, or commits breach of any term of this agreement, the Mortgagees will be entitled to cancel this agreement by fifteen days prior notice to the Mortgagor or his Advocate.
14. In the event of termination of this agreement as aforesaid or on completion of the mortgage transaction all the costs, charges and expenses incurred by the mortgagees of an incidental to this agreement will be payable by the Mortgagor alone. As a security for such payment the Mortgagor shall deposit with the Mortgagees' Advocate a sum of Rs. _____ on the execution of this agreement. All Stamp duty and registration charges of the Deed of Mortgage and other documents if any, will be paid by the Mortgagor alone.
15. Before execution of the Deed of Mortgage the Mortgagor and all other persons executing the Deed will obtain their respective Income Tax Certificates under section 230A of the Income Tax Act if it is required to be obtained for registration of the Deed.

IN WITNESS WHEREOF the Parties have put their hands the day and year first hereinabove written.

The Schedule above referred to

Signed and delivered by the
withinnamed Mortgagor Mr.
in the presence of ____

Signed and delivered for and
on behalf of the withinnamed
Mortgagees M/s AB & Co. by
their authorised partner
Mr. _____ in the presence of