

**APPLICATION FORM FOR AGREEMENT FOR TERM LOAN**  
**HYPOTHECATION OF VEHICLE**

The Jammu and Kashmir, Scheduled Castes, Schedules Tribes and Backward Classes Development Corporation Ltd. (A Company Limited by Shares) registered under Companies Act No. 1 of 1956 with its registered office at Jammu, hereinafter called the Corporation (which expression unless repugnant to the context shall include its successors and assigns, having at the request of \_\_\_\_\_ s/o \_\_\_\_\_ r/o \_\_\_\_\_ (hereinafter referred to as "The Borrower" which expression shall include its successors and assign/their and each of their respective heirs, executors, administrators, assigns) agreed to grant term loan (upto 95% cost of the vehicle) to the Borrower to enable the Borrower to pay for the vehicle (unit) with fittings and accessories more particularly specified and described in Schedule-I hereto (hereinafter referred to as the said vehicle), insurance Premium for first year and other related fees for the purpose of Passenger Carrying.

1. The corporation shall grant term loan to the borrower upto 95% cost of the chassis (unit), fabrication of body and insurance premium for the first year and other related fees. The remaining 5% cost shall be met by the borrower.
2. The borrower shall be charged \_\_\_% p.a. interest on the loan and shall repay the entire loan including interest in \_\_\_ monthly installments in case of default/delay in repayment of loan 1\_\_\_% penal interest shall be charged on the amount defaulted/delayed.
3. The corporation shall at any time be entitled to give notice to the Borrower of its intention to charge and may thereafter charge interest at such higher rate than the rate hereinbefore mentioned as the corporation may specify.
4. The borrower shall utilize the money advanced by the corporation under this Agreement exclusively for the purpose of purchasing the said vehicle (unit) to be used for Passenger carrying. The said vehicle(s) shall be absolute property of the Borrower free from any mortgage, hypothecation, pledge or lien or any encumbrance whatsoever other than the charge in favour of the corporation and Govt. of Jammu and Kashmir created by this agreement
5. As security for the said loan and also for payment of any other charges, cost (between Attorney and client) and expenses payable to or incurred by the corporation in relation thereto, the borrower hereby charges and hypothecates to the Corporation the said vehicle which will at any time during the continuance of this security normally be garaged anchored in or about \_\_\_\_\_.
6. The said vehicle purchased by the Borrower from loan amount shall remain hypothecated to the corporation and Govt. of Jammu and Kashmir by way of first charge as security for the payment by the Borrower to the Corporation of the said loan and also security for the payment and discharge of all indebtedness or the liabilities of the Borrower to the corporation on general balance of account(s) together with all interest discount commission costs discount commission costs (inclusive between Attorney and Client) charges and expenses payable to or incurred by the company in relation to the said advance or the enforcement of any one or more of the securities The Borrower shall not during the continuance of this security create any charge or encumbrance of any kind over the said vehicle and all additions to the said vehicle subsequent to the creation of hypothecation shall be likewise kept unencumbered absolute and disposable

property of the Borrower and would be included in the said vehicle and would stand hypothecated to the Corporation as a security in terms of these presents and all the provisions hereunder shall be applicable thereto.

7. The borrower shall pay all fees and taxes payable in respect of the said vehicle as and when the same become due and shall also keep the said vehicle at his risk and expenses, in good condition and fully insured against loss or damage as may be required by the Corporation from time to time on such basis and for such value as may be satisfactory to the Corporation with such insurance office of repute to be approved of in writing by the corporation and shall pay all premium or sums of money necessary for such purposes or for renewal thereof at least one week before the day on which the same becomes payable and will on every occasion deposit with the corporation the Policy of insurance and the receipt for such payment shall obtain from the Insurance Company concerned an acknowledgement to the effect that the interest which the company has in such insurance claim and shall deposit the said acknowledgement with the corporation and that the borrower will not at any time hereinafter during the continuance of any such insurance as aforesaid do or cause to allow to be done any act or commit any default whereby the said insurance may be rendered void or voidable or any increased premium may become payable thereof and in case, at any time, the said insurance shall by any means become void or voidable or the borrowers shall forthwith at his/ their own cost affect a New Insurance in lieu of such void or voidable insurance as aforesaid and also that if default shall be made in payment of the fees and taxes as aforesaid or in keeping the said vehicle in good condition and insured as aforesaid or fails to renew such Insurance it shall be lawful for but not obligatory upon the Corporation pay such fee and taxes and to keep the said vehicle in the manner aforesaid and that keep insured the said vehicle in the manner aforesaid and that the borrower will on demand repay to the corporation every sum of money expended by it for the purpose aforesaid with interest thereon at the rate aforesaid from time of the same having been so expended , and that security hereby created and it shall also be charge on the Corporation to debit every such money together with such interest to any money received under or by virtue of any such insurance as aforesaid shall at the option of the corporation either be applied towards replacement thereof as far as possible or towards satisfaction of the corporation's dues as hereunder . The borrower shall also affix to the said vehicle a plaque of placard stating that the said vehicle has been hypothecated the corporation.

8. If the borrower fails to deposit three consecutive monthly installments or commit breach of any provision of the agreement, the vehicle shall be impounded by the Managing Director or any other officer authorized by him for this purpose which can thereafter be sold for realization of the loan amount.

9. The Borrower shall ply the vehicle only on the routes specified in the rate permit and in no case shall take the vehicle outside the Jammu and Kashmir State without the prior permission of the MANAGING DIRECTOR and also by the rules of the Transport authority in vogue.

10. The Corporation, its agents and nominees shall be entitled at all times without notice to the Borrower but at the Borrower's risk and expenses and if so required as attorney for and in the name of the borrower, to enter any place where the said vehicle may be and inspect value, insure superintend disposal and /or take particulars of all or any part of the said vehicle and check any statements, accounts report and information and also on any default of the Borrower in payment of any money hereby secured or the performance of any obligation of the borrower to the corporation or if any statement representation or warranty made by the Borrower in its/their or his loan application or in any supporting financial statement representation or warranty made

by the Borrower in its/their or his loan application or in any supporting financial statement shall be found to be false, inaccurate in any material respect or in the occurrence of any circumstance in the opinion of the Corporation endangering this security, to take possession and transfer the said vehicle in its own name for that purpose sign execute and register any document and to do all such things as are necessary in this regard or recover, receive, appoint receivers or remove and/or sell by public auction or private contract or dispatch for realization or otherwise dispose of or deal with all or any part of the said vehicle and to enforce realize, thereto without being bound to exercise any of these powers or being liable for any loss in exercise thereof and without prejudice to the corporation's rights and remedies of suit or otherwise and notwithstanding there may be any pending suit or other proceedings the borrower, undertaking to give immediate possession to the company on demand of the said vehicle and to transfer and deliver to the corporation all relative bills, contracts, securities and documents and agreeing to accept the corporation's accounts of sales and realizations as sufficient proof of amounts realized and relative expenses and to pay any shortfall or deficiency thereby shown provided that the Corporation shall be entitled at all time apply any money or moneys in its hand standing to the credit of or belonging to the Borrower in or towards payment of any amount for the time being payable to the corporation and to recover at any time from the Borrower by suit or otherwise the balance remaining payable to the corporation under this Agreement or otherwise notwithstanding that all or any of the securities may not have been realized.

11. That the security hereby created shall be separate and distinct from and all shall not be affected by any other security/indemnities or guarantees that the corporation may have relative to the said account(s) or any other obligation present and future of the Borrower to the corporation and nothing herein shall prejudice any rights or remedies of the corporation in respect of any present and future security, guarantee, obligation or decree or liability of the Borrower to the Corporation and the Corporation shall have full authority to take recourse to or enforce this security or any other guarantee, indemnity or security that the corporation may have as hereinbefore stated at the sole discretion of the corporation.

12. That the Borrower shall ply vehicle on road only after fulfilling all requisite and conditions as may be enforced by the J&K State Transport Authority from time to time under its Laws, Rules and Regulations and in no case the vehicle be allowed to operate other than a person holding a proper Driving Licence issued by the Competent Authority.

13. That the borrower shall furnish and verify all statements accounts documents and information and shall also execute all documents and do all acts and things the corporation may require to give effect hereto and the Borrower hereby authorize the corporation and each of its Agents and nominees as attorneys for and in the name of the Borrower to do whatever the borrower may be required to do hereunder.

14. Nothing herein contained shall prejudice any right or remedies of the corporation in respect of any other present or future security guarantee obligation or decree for any indebtedness or liability of the borrower to the corporation.

15. That the parties to this deed agree that in case of any dispute/difference of opinion with regard to any condition of this agreement or in any other document registered and executed with regard to the present loan agreement or any condition of this agreement, the matter shall be referred to the sole Arbitrator, Secretary to Government Social Welfare Department or his nominee, whose decision will be binding on both parties but the said Arbitrator shall exercise his powers and will act under the provisions of J&K Arbitration and Conciliation Act, 1997.

BORROWER

Dated: \_\_\_\_\_

Drawn and Drafted by

\_\_\_\_\_,  
Advocate