

Asset Hypothecation Agreement

Between

Hypotheclar:

Name: _____

Address: _____

AND

Hypothecatee (Lender):

Name: _____

Address: _____

Recitals

WHEREAS, the Hypothecatee has agreed to provide certain Facilities (description of loan, overdraft, etc.), and the Hypothecator has agreed to secure such facilities by hypothecation of the following assets:

Type of Assets _____

Description/Details _____

Value Rs.

Terms and Conditions

- 1. Hypothecation:** The Hypothecator hereby hypothecates the aforementioned movable assets in favor of the Hypothecatee as security for the repayment of all amounts due under facilities granted.
- 2. Possession:** The possession of the said assets shall remain with the Hypothecator, but the Hypothecatee reserves the right to take possession in case of default.
- 3. Use of Assets:** The Hypothecator undertakes not to sell, transfer, or otherwise deal with the hypothecated assets without prior written consent of the Hypothecatee.
- 4. Default:** In the event of default in repayment or breach of any terms, the Hypothecatee may take possession, sell, or otherwise deal with the hypothecated assets.
- 5. Further Assurances:** The Hypothecator agrees to execute further documents or writings as may be required by the Hypothecatee for giving effect to this Agreement.
- 6. Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of [Jurisdiction].

Declaration

The Hypothecator hereby declares that the assets hypothecated are free from any encumbrance, charge, lien, or claim and that he/she has absolute rights to hypothecate the same.

(Hypothecator Signature)

(Hypothecatee Signature)

Important Notes:

- This Agreement creates a charge over the specified assets in favor of the lender.
- Standard hypothecation does not transfer the possession of assets to the lender, but grants a right to take possession in case of default.

- Ensure assets being hypothecated are free from prior encumbrances or third-party claims.
- Read and understand all terms and implications before signing.
- Legal advice is recommended before execution of any hypothecation agreement.