

## PLEDGE AGREEMENT

Executed by Sri/Smt..... subscriber in Chitty ..... hereinafter referred to as the subscriber in favour of the Kerala State Financial Enterprises Limited a company fully owned by the Government of Kerala (hereinafter referred to as the company)

Whereas the subscriber has requested the company to accept gold as security for the due performance of his contractual obligations under the Kuri Security bond/.....

Whereas the subscriber has offered to pledge adequate quantity of gold to the satisfaction of the company for the purpose aforesaid and

Whereas the company has agreed to accept the gold offered to be pledged.

Now this agreement witnesses as follows.

1. The subscriber hereby agrees to follow the procedure laid down by the company in the matter of acceptance of gold as security.
2. The subscriber hereby agrees to deposit the gold items produced as security in the Gold Security Acceptance Centre concerned and to redeem the gold items deposited (in full or in part) from the same centre.
3. The company is entitled to dispose the gold pledged in full or in part on the subscriber committing defaults of two or more instalments and adjust the proceeds so realised towards such defaulted instalments.
4. Ordinarily the company will be satisfied if the debt/liability to be secured is equivalent to 70% of the market value of the gold pledged. However the company is entitle to require and the subscriber is liable to furnish additional security if and when found necessary the company, having regard to the fluctuation in the market price of the gold at any point of time.
5. Partial redemption/exchange of the gold pledged may be permitted at the discretion of the company and the subscriber cannot claim it as a matter of right.
6. The company is entitled to retain the gold pledged as security for the subsequent advance as well made by the company or liability incurred by the subscriber.
7. The subscriber hereby agreed to surrender the deposit as per the said deposit received, after discharging the entire liability secured thereby.

Dated at this the ..... day of ..... 2011

Witnesses:

1.

2.