

Letter of Intent

To,
Mr. Surya Prakash,
M/s. Stayavani Homes,
A 401, Kushal Towers,
Khaitrabad,
Hyderabad

Date: 02.07.2018

Sub.: Offer for Underwriting /Development Management of land admeasuring about
Ac. 1-24 gts + Ac. 5-00 gts., forming part of Sy. no. 97 & 98, Pocharam Village,
Ghatkesar Mandal, Telangana.

Dear Sir,

We are happy to confirm the terms of Joint Development for the said land. The details of the terms and conditions are given in Annexure – A attached herein.

The terms given in Annexure – A are final and binding on all the parties. Any change in the terms shall be made only on mutual agreement in writing. An amount of Rs. 10 lakhs has been paid on this day as per the details given below:

Sl. No.	Cheque no.	Date	Drawn on	Amount	Issued to
1	095723	02-07-2018	YES Bank	Rs. 10,00,000/-	M/s. Satyavani Homes

Please sign a copy of this LOI as confirmation of having accepted the terms and conditions.

Thank You.

Yours sincerely,
For Modi Properties Pvt. Ltd.;


Soham Modi.
Managing Partner.

Agreed and Confirmed by:

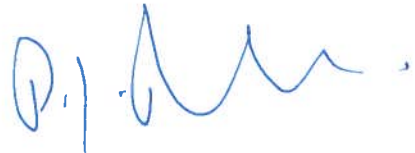
Sign : 
Mr. Surya Prakash

Place : Hyderabad

Date: 2/7/18

ANNEXURE -A

1. Date: 2nd July, 2018.
2. Underwriter/ Development Manager : Modi Properties Pvt. Ltd. (or its nominees).
3. Landowners :
 - a. Mr. Ashish Wadhavan – Owner of 15,240 sq yds.
 - b. Mr. G. Srihari – Owner of 2,060 sq yds.
 - c. Mr. D. Sathi Reddy – Owner of 400 sq yds.
 - d. Mr. Suresh Agarwal & Mr. Abhishek Garg – Owner of 400 sq yds.
 - e. M/s. Satyavani Homes – Owner of Ac. 1-24 gts.,
4. Developer: M/s. Satyavani Homes, a registered partnership firm represented by Mr. Surya Prakash, having its office at A 401, Kushal Towers, Khairatabad, Hyderabad.
5. Land Area : About Ac. 1-24 gts + Ac. 5-00gts.
6. Location : Sy. no. 97 & 98, Pocharam Village, Ghatkesar Mandal, Telangana. Land abutting main road from Uppal to Warangal.
7. Brief History:
 - a. The Landowners (including the Developer) entered into an agreement with the Developer to develop the lands owned by them. A development agreement cum GPA was executed, document no. 1358/06 dated 24.08.2006, registered at SRO Narapally. Under the said agreement Landowner nos. a, c & d shall be entitled to about 1,10,000 sft, 2,400 sft and 2,400 sft of fully constructed area in the form of flats, which the Developer shall construct at its cost, in lieu of land. Landowner no. b shall be given commercial space in the proposed commercial complex that shall be built on the land adjoining the main road by the Developer at its cost. The Developer shall retain the balance constructed area, which shall be sold to the Underwriter as per terms of this LOI.
 - b. Building permit for 2 out of the 8 blocks of proposed to be constructed was obtained for 2 basement floors + stilt + 5 floors in file no. 105590/P4/Plg/HMDA/2013 in 2014. The permit is valid upto 15.04.2020.
 - c. An application for permit for additional 10 floors on block A was made and had reached an advanced stage of approval.
 - d. The Developer has taken a loan from Bank of Maharashtra. The land under development has been mortgaged to the bank and original title documents have been deposited with the bank. The Developer shall repay the loan at its risk and cost.
 - e. The Developer had started construction of one block. Construction of 2 basement floors and 8 flats has been partially completed.
 - f. For various reasons the project is now at a standstill.
 - g. The Underwriter and Developer have agreed to re-launch the project on terms and conditions mentioned herein.



8. Proposed Development:

- a. The Land to be developed into a gated community with modern amenities like clubhouse, swimming pool, etc.
- b. 4 blocks of flats consisting of 2 basements, stilt and 15 upper floors are proposed to be constructed.
- c. Block A, B & C shall each have 8 nos 2 BHK flats and 6 nos 3BHK flats per floor. Block D shall have 4 nos 2BHK flats and 4 nos 3BHK flats per floor. The super builtup area of the 2BHK and 3BHK flats on the first and second floors are about 980 & 1,250 sft respectively. The area of these flats shall be 1,080 and 1,350 sft on the upper 13 floors. The total proposed construction is about 8.90 lakh sft.
- d. Initially permit for construction shall be obtained for block A plus clubhouse. Thereafter, permit for construction for other blocks shall be obtained in phases over the next 18 months.
- e. The following work shall be taken up immediately and shall not be linked to obtaining of building permit.
 - i. Entrance arch and security kiosk along the main road.
 - ii. Entrance arch and security kiosk along 40ft road.
 - iii. 1,000 sft sales office near main road.
 - iv. Development of the 40ft road leading from the main road to site.
 - v. Footpath, plantation and WBM road along the northern boundary leading from the main road to block A (on western side).
 - vi. Cleanup of block A.
 - vii. Completing model flats in block A.
 - viii. Fencing all around the site.
 - ix. Compound wall around block A.

9. Nature of agreement between Landowners/Developer and Underwriter.

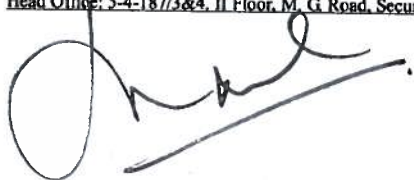
- a. The Developer shall be entirely responsible for obtaining building permit, construction of the residential complex, development of amenities and utilities, development clubhouse, etc., at its risk and cost.
- b. The Developer shall clear all outstanding dues to banks/financial institutions that are related to the said land, at its risk and cost.
- c. The Developer shall be responsible for dealing with the other Landowners, at its risk and cost and it shall be the Developer's responsibility to handover the constructed area to the Landowners as per the terms of the above referred Development Agreement.
- d. The Underwriter shall purchase the Developer's share of area at a fixed rate of Rs. 2,400/- per sft + GST (inclusive of base price, amenities charges, car parking charges, water & electricity and generator back-up charges, after discount). The payment of the said amount shall be milestone linked and details of which are give below. This rate shall apply for the first block of flats (block A), for which, advance upto 10% is paid by the Underwriter to the Developer in the financial year 2018-19. For blocks B, C & D the rates shall be increased from time to time as given below.
- e. The Underwriter shall further share 40% of the net sale consideration (as premium) it receives from the sale of the Developer's share of flats that are underwritten by it, beyond the cost of underwriting (Rs. 2,400/- for block A and so on) + Rs. 400/- (being its margin). Eg.: If the Underwriter sells a flat in block A for ^{gross} net consideration of Rs. 3,000/- per sft then it will devolve the premium equal to Rs. 80/- per sft to the Developer (Rs. 3,000 - 2,400 - 400 = 200 x 40%). The margin of Rs. 400/- shall be applicable for the financial year 2018-19. Thereafter, it shall be enhanced to Rs. 450/- from financial year 2019 -20.
- f. For clarity the details of the rate of purchase by the Underwriter from the Developer and the margin of the Underwriter for determination of premium from time to time is given under.

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Handwritten notes:
 net
 gross
 of
 amend
 car park
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 P.A.

Financial year	Underwriter shall purchase the Developer's share of area at a fixed rate (inclusive of base price, amenities charges, car parking charges, water & electricity and generator back-up charges, after discount):*	Under writers margin for determining premium payable to Developer
2018 - 19	Rs. 2,400/- per sft (Gross)	Rs. 400/- per set Gross*
2019 -20	Rs. 2,400/- per sft	Rs. 450/- per set
2020 -21	Rs. 2,450/- per sft	Rs. 450/- per set
2021 -22	Rs. 2,500/- per sft	Rs. 450/- per set

- g. The other Landowners (i.e., Landowner nos. a, c & d) shall sell their share of flats exclusively through the Underwriter till obtaining OC (occupancy certificate). The Underwriter shall charge consultancy charges at the rate of 4% of sale consideration. They shall be free to sell or retain their share of flats after obtaining OC.
- h. The Developer, Landowners and Underwriter shall enter into an MOU within 7 days after completing due diligence and approval of schematic plans.
- i. The Underwriter shall pay the sale consideration to the Developer in installments only after obtaining permit for construction of one block + amenities block and the Developer clearing all outstanding dues with banks/financial institutions. Any amounts paid by the Developer to the Underwriter till such time shall be in the nature of refundable security deposit.
- j. The Developer shall execute a agreement of sale, general power of attorney or agreement of sale cum general power of attorney in favour of the Underwriter for each individual flat on obtaining 10% of the sale consideration for the said flat. The Developer shall not be entitled to make claims against prospective purchasers of the Underwriter, for balance sale consideration payable by the Underwriter to it. It shall limit its claims against the Underwriter. This provision is to entitle the Underwriter to sell the said flats without any further reference to the Developer.
- k. The obligation of payment by the Underwriter to the Developer shall be enforced by way of an Escrow account/agreement. The Underwriter shall deposit all receipts from sales into the said Escrow account. The obligation of payment by the Underwriter to the Developer shall be enforced by way of the Escrow account. The Escrow manager shall release payments to the Developer on reaching the required milestone. The exact nature of the Escrow account and agreement shall be determined after due consultation with experts in the field. The Underwriter shall be entitled to withdraw the receipts from sales from the Escrow a/c. (plus investment made by it), subject to it fulfilling its obligation to the Developer as under.
- i. Upto 5% of the receipts till completion of the RCC structure of block A.
 - ii. Thereafter, upto 15% of the gross receipts per month subject to maintaining Rs. 1 cr minimum balance in the Escrow account.
 - iii. 100% of receipts from sale or balance in the Escrow account pertaining to blocks of flats where payment of the sale consideration by the Underwriter to the Developer is fully made (sale price + premium).
- l. The Underwriter and Developer shall jointly design/specify the proposed development specifications, amenities and utilities to be provided in the said development.
- m. The Underwriter shall monitor the quality of the construction through its quality control team (QC) and the Developer shall be obliged to proceed with construction only after QC inspection at each stage of construction. The Developer shall also undertake the corrections pointed out by the QC team at its cost.





- n. The Developer shall provide a guarantee of one year from handing over flats to the prospective purchasers against construction defects.
- o. The Underwriter shall be entirely responsible for selling the flats belonging to the Developers share that are covered under this LOI at its risk and cost. The Underwriter shall raise finances to meet its obligations under this LOI. The Underwriter shall be entitled to create charge on the flats being constructed by the Developer (subject to certain conditions) in order to enable it or its prospective purchasers for obtaining loans from banks/financial institutions.
- p. Each party shall be responsible for payment of statutory liabilities like GST, stamp duty, registration charges, etc., falling to its share. The Developer shall raise invoices in favour of the Underwriter from time to time, as given in this LOI, plus applicable GST and the Underwriter agrees to pay the said amount along with GST. Further, the Underwriter shall collect GST from prospective purchasers and the Developer shall pay GST to its contractors and suppliers. Both parties shall endeavor to minimize the incidence of GST to all concerned, after consulting experts in the field.
10. **Repayment of bank loan:** The Developer has informed the Underwriter that it will repay the bank loan through its own sources. The Developer has requested the Underwriter to pay in advance amounts payable to the bank upto an extent of Rs. 3cr at the time of repaying the entire loan. The Underwriter has agreed to make such a payment directly to the bank and the amount so paid by the Underwriter to the Developer shall be adjusted against the amount payable towards works already completed as mentioned in the payment terms below.
11. **Design:** Emphasis shall be on good design with reasonable size rooms and adequate ventilation. Area of flats will be minimized to make them affordable.
12. **Proposed Amenities:** Club house of about 15,000 sft with swimming pool, yoga room, gym, recreation room, banquet hall, etc. Sport facilities like open air badminton, basketball, etc. 24 hrs security with CCTV, high compound wall, landscape, gardens, CC internal roads, backup power of 1 KVA for each flat and common area lighting.
13. **Payment terms:**
- The Underwriter shall pay the Developer sale consideration at the rate of Rs. 2,400/- per sft for block A as follows:
 - Rs. 250/- per sft shall be towards building permit cost. The amount shall be payable at the time of obtaining demand letter from HMDA. If building permit fee is less than Rs. 200/- per sft, the balance amount shall be paid in 12 equal monthly instalments.
 - Rs. 250/- per sft shall be paid in instalments for development of common amenities like clubhouse, roads and provision of utilities like water, power, power backup, etc.
 - Rs. 100/- per sft shall be paid on completion of installation of lifts, OHT, corridor flooring and painting of common areas.
 - Rs. 500/- per sft shall be paid in instalments for finishing works within each flat like flooring, painting, doors, windows, electrical fittings, CP, sanitary, etc.
 - Rs. 400/- per sft shall be paid in instalments on completion of brick work, plastering and water proofing within each flat.
 - Rs. 950/- per sft for RCC structure. 10% each shall be paid on completing slab 1 and slab 2. Thereafter, 5% shall be paid on completing each slab (16 slabs). However, for works already completed in block A these amounts shall be paid in 6 equal monthly instalments from obtaining building permit (after deducting amount mentioned in clause 10 above).




The increase in sale consideration for subsequent financial years shall be added to this instalment.

- vii. Rs. 10 lakhs shall be paid along with this LOI as token advance (to be adjusted towards liaisoning charges for building permit).
- viii. Rs. 15 lakhs shall be paid on signing MOU (to be adjusted towards liaisoning charges for building permit).
- ix. Rs. 10 lakhs on completion of entrance arch and security kiosk along the main road.
- x. Rs. 10 lakhs on completion of entrance arch and security kiosk along 40ft road.
- xi. Rs. 10 lakhs on completion of 1,000 sft sales office near main road.
- xii. Rs. 5 lakhs on completion of development of the 40ft road leading from the main road to site.
- xiii. Rs. 10 lakhs on completion of footpath, plantation and WBM road along the northern boundary leading from the main road to block A (on western side).
- xiv. Rs. 5 lakhs on completion of cleanup of block A.
- xv. Rs. 5 lakhs on completion of completing model flats in block A.
- xvi. Rs. 10 lakhs on completion of fencing all around the site.
- xvii. Rs. 10 lakhs on completion of compound wall around block A.
- xviii. Premium amount shall be paid by the Underwriter to the Developer within 60 days of obtaining OC and completion of each flat.

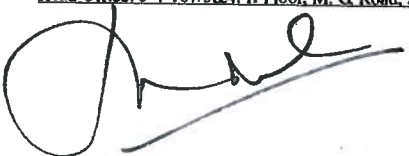
14. Security Deposit : Nil.

15. Time Line :

- a. Due diligence to be completed and MOU to be signed in 4 weeks from LOI.
- b. Application for sanction (block A & clubhouse) –12 weeks from LOI. Environment NOC is required for the application.
- c. Sanction for construction – 3 months from application.
- d. Commencement of construction – 30 days from sanction.
- e. Completion of construction shall be in 4 phases. The first phase (A block + clubhouse) shall be completed and handover in 18 months from commencement of construction.
- f. Thereafter, each phase/block shall be completed in 9 months. The total project shall be completed within 4 years from commencement of construction (with 6 months grace period).
- g. Repayment of bank loan – 3 months from LOI.

16. Specifications : In general specification shall be similar to the specifications in our project Vista Homes at Kapra, Hyderabad. For materials where branded products are available, well known / top brands shall be used. As a marketing strategy, from time to time, special offers will be made which may include providing of modular kitchen, furniture, soft furnishings, false ceiling, air-conditioners, etc., free of cost to prospective buyers. The cost of providing such furnitures and fixtures shall be borne by the Underwriter and shall be deducted for arriving at net sale consideration for the purposes of paying premium. Details of specifications are:

- Structure: RCC
- Walls: 4”/6” AAC blocks
- External painting: Exterior emulsion
- Internal painting: Smooth finish with OBD
- Flooring: 24” vitrified tiles
- Door frames: Wood (non-teak)
- Main door: Polished panel door
- Other doors: Painted panel doors




- Electrical: Copper wiring with modular switches
- Windows: UPVC
- Bathrooms: Branded ceramic tiles –7 ft height
- Plumbing: CPVC & PVC pipes
- Sanitary: Branded sanitaryware
- CP fittings: Branded quarter turn ceramic disc type.
- Kitchen platform: Granite slab with 2 ft dado and SS sink

17. **Pricing of flats for sale:** The Underwriter intends to launch the project within 30 days of signing MOU at the following price:
- a. Base price – Rs. 2,750/- per sft.
 - b. Amenity charges – Rs. 2.50 / 3 lakhs for 2/3BHK flats.
 - c. Parking charges – Rs. 1.50 lakhs for single car park and Rs. 2.25 lakhs for family car park.
 - d. Water, electricity and generator backup charges – Rs. 50,000/- per flat.
 - e. Inaugural discount/corporate discount – Rs. 300/- to 400/- per sft.
18. **Other Charges:** Developer shall bear the entire cost of development including sanction fees. The Landowners/Developer shall obtain approvals or NOC from statutory authorities that may be required for developing the land into housing project at their risk and cost. In particular the Landowners/Developer shall obtain NOC from revenue department under the NALA Act at their cost.
19. **Indemnity:** The Developer shall indemnify the Underwriter against any claims made by banks, financial institutions, landowners, claimants to title, any other claimant. The Developer shall indemnify against any claims made by prospective purchasers in relation to construction defects, delay in completion or in case of non-completion of the project.
20. **Additional services:** The Underwriter shall provide turnkey service for selling other Landowner's share of flats. The services shall include marketing, sales, documentation, collections, housing loan processing, maintenance of database accessible to owners, repairs and maintenance, etc. The additional charges for such services shall be 4% of sale consideration. These charges include brokerage payable to brokers. For such sales amount shall be collected in favour of the Owner and deposited in their bank account. Developers shall sell Owners share of flats without any discrimination with its share of flats, both in priority of sale and rate of sale.
21. **Terms of exit & Penalty:** To be discussed and mutually finalized between the Developer and the Underwriter.
22. **Co-branding:** The project shall be projected as owned and developed by the Underwriter. However, the Underwriter shall ensure that the brand/name of the Developer is prominently displayed/promoted. The Underwriter shall rename/brand the project at its discretion, however, inputs of the Developer shall be duly considered.