

## Letter of confirmation

To,  
Mr. P.V.S. Raju,  
1-1-2, R.K Adarsh Ngar,  
Bhimavaram  
Sivarao Peta,  
West Godavari – 534 202

Date: 02.02.2015

This is to confirm that terms of sale of land at Yenkepally Village in favour of Modi Housing Pvt. Ltd., and/or its nominees.

Details of land: Land admeasuring about Ac. 29-39 gts., forming a part of Sy. no. 33, 43, 44 & 46 of Yenkepally Village, Chevella Mandal, R.R. District. Land admeasuring about Ac. 1-27 gts., is Sy. no. 33 to be exchanged about Ac. 1-27 gts., forming a part of Sy. no. 44 belonging to third party (Mr. Madhav Reddy).

Owners of land: Mr. P.V.S. Raju and his brother Mr. P.U.N. Verma and his father Mr. P. Sarraju.

Exchange of land: the owners shall be responsible for exchange of land between Sy. no. 33 & Sy. no. 44 mentioned above at their cost.

Extent of land: The extent of land shall be as above however, subject to MRO survey and verification of extent on ground. For purposes of payment total extent of land as measured on ground or as per title documents, whichever is lesser shall be considered.

Sale consideration: Rs.14,25,000/- (Rs. Fourteen Lakhs Twenty Five Thousand only) per acre. In case the purchasers pay the sale consideration in advance before the schedule given under, the owner agrees to discount such early payments @ of 13% per annum calculated on daily basis from the due date of payment. In case of delay in payment, the purchaser shall be liable to pay an interest for delayed payments calculated @ 18% per annum. However, under no circumstances any instalment can be delayed by more than 60 days.

Payment terms:

- Rs. 9,00,000/- token advance paid on this day by cheque no. 000230 dated 02.02.2015 drawn on HDFC Bank, S.D. Road Branch.
- Rs. 1,41,00,000/- on or before 28.02.2015 and on completion of MRO survey and on receipt of the documents given below, at the time of executing a sale agreement.
- Rs. 92,00,000/- by 30.04.2015.
- Rs. 92,00,000/- by 30.06.2015.
- Balance consideration by 30.07.2015.



## Conveyance deed:

Withholding Rs. 50,00,000/- towards advance, the owner shall execute conveyance deeds in favour of the purchasers for proportionate extent of land for which payment has been made i.e., for every payment of Rs. 14,25,000/- beyond the advance of Rs. 50,00,000/- one acre shall be conveyed in favour of the purchasers (or their nominees). The Rs. 50,00,000/- advance shall be adjusted at the time of payment of balance consideration for the purposes of executing conveyance deed.

## Bank Loan:

The purchasers have taken a loan of about Rs. 200 lakhs from Syndicate Bank, Somajiguda Branch for the purposes of their fisheries business. As on date an amount of Rs. 150 lakhs is still due to the bank. It is agreed that 60% of consideration paid by the purchasers to the owners shall be paid by the owners to the bank to discharge the liability. The owners shall obtain NOC from the bank on clearing all dues.

## Other terms:

- a) For verification of title the owner shall obtain certified/photo copies of title documents like:
  - o PT register,
  - o Kasra Pahani,
  - o Pahanis from 1954 to 2006 (every 5 years),
  - o ROR or Mutation order for the years where ownership has changed in the Pahanis,
  - o Patta Passbook and Title Book of all the owners.
  - o Family tree of the owners from 1954.
  - o Relevant Death Certificate, Legal hire certificate, Family Certificate, etc.
  - o Relevant Sale deeds, partition deeds, family settlement deeds, GPAs, etc.
  - o Other relevant title documents.
- b) Panchanama and Survey by the MRO must be conducted to demarcate and determine extent of land.
- c) Private survey must be done to verify physical extent of land.
- d) Kadies and barb wire to be erected by the owner. However, cost of material and labour shall be borne by the purchaser.
- e) Sale consideration to be paid on actual extent of land at site or on title document area, whichever is lower.
- f) Land effected in proposed roads and road widening upto 60 ft along the southern boundary of the land to be deducted for the purposes of computing payment.
- g) The above title documents must be approved by the purchaser's lawyers.
- h) Public notice shall be issued by Purchaser.
- i) About Ac. 2-10 gts., in Sy. no. 44 of land belongs to a third party. The owner shall help the purchasers in either helping purchase the land or exchanging the land towards one side of the land being purchased.
- j) The purchaser shall be entitled to develop the land conveyed in its favour. For other lands the purchaser shall be entitled to level the land, fence it into smaller plots / farms and take up plantation activity. However, the purchaser shall not be entitled to take up any construction for land that has not been conveyed in its favour.





# Modi Housing Pvt. Ltd.,

Office: 5-4-187/3 & 4, II floor, Soham Mansion, M.G.Road,  
Secunderabad – 500 003. Ph. +91 40 66335551

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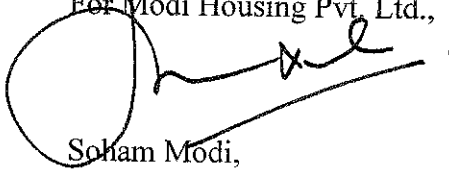
## Validity:

This understanding between the purchasers and owners shall not create any right, title or interest on the said land. Either party shall be entitled to cancel this understanding within a period of 30 days without assigning any reason for the cancellation.

Please sign a copy of this letter as your having agreed the above terms and conditions.

Thank you.

Yours sincerely,  
For Modi Housing Pvt. Ltd.,



Soham Modi,  
Director.

Confirmed & Accepted by:

Signature: P.V.S. Raju

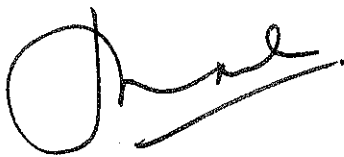
Name: Mr. P.V.S. Raju,

Date: 02-02-2015

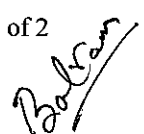
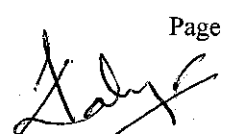
Minutes of the meeting held between Soham Modi (representing Modi Housing LLP), Kalyan Chakravarthy, Balram Reddy, Vijay Kumar (representing Abhinay) held at office of Modi Properties on 14.02.2015.

The following has been discussed and agreed by all the parties.

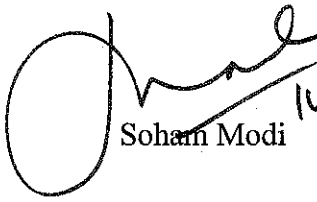
1. A LLP shall be formed for purchase of about 30 acres agriculture land at Yenkapally village, Chevella Mandal. The LLP shall be called Modi Farms Hyderabad LLP.
2. Land admeasuring Ac. 29-39 gts., forming a part of Sy. Nos. 33, 43, 44 & 46, Yenkapally village, Chevella Mandal is being purchased from Mr. P.V.S. Raju, P.U.N. Verma and Mr. P. Sar Raju.
3. The total consideration for the land is about Rs. 430 lakhs. Registration charges are estimated to be Rs. 26 lakhs. Working capital for starting the project is estimated to be Rs. 25lakhs to Rs. 50 Lakhs. Total funds required are about Rs. 500 lakhs.
4. The land is proposed to be developed into farm houses of about ½ acre each with 800 sft to 1,200 sft of constructed house. A clubhouse on 2 to 4 acres with swimming pool, sports facilities, café, recreation room, etc., is proposed to be constructed. The farm houses shall be maintained by Modi Farms. Gardening, housekeeping and farming services shall be provided on chargeable basis to the purchasers of the farm houses. Cost of housekeeping, gardening and farming service for the first 3 years shall be built into the price for sale and offered free of cost to the purchasers. Thereafter, charges shall be levied. Produce from farm shall be kept by Modi Farms for about 10 years.
5. The proposed LLP shall have the following constitution.
  - a. Funds required shall be brought in equal proportion between Modi and Vijay Kumar / Abhinay / Kalyan Chakravarthy.
  - b. Profit sharing shall be as follows: Balram Reddy – 10%, Vijay Kumar / Abhinay / Kalyan Chakravarthy – 37.5%, Modi Housing LLP – 52.5%
6. Balram Reddy shall be responsible for acquisition of land, building permits, title verification, construction and development works on land, farming / plantation services and day to day housekeeping, maintenance and gardening services. He shall also be responsible for acquisition of additional land as and when cash flow permits.
7. Modi Properties / Modi Housing LLP shall be responsible for branding, development activities, accounts, admin, sales, customer relations, promotions, etc.
8. Vijay Kumar / Abhinay / Kalyan Chakravarthy shall help in any or all above activities. Kalyan Chakravarthy shall help in tying up for food and beverage services from persons known to him.
9. All expenses shall be debited to Modi Farms and partners shall not be entitled to any remuneration. All employees directly related to the project shall be paid from Modi Farms.
10. After the initial period of construction/development and further period of 3 years where maintenance is being offered to purchasers free of cost, the entire day to day operations of maintenance, housekeeping, gardening, farming, etc., shall be transferred to another company/firm and it shall be managed by Balram Reddy. The profit sharing ratio in such a entity shall be Balram Reddy – 50%, Modi – 25% Vijay Kumar / Abhinay / Kalyan Chakravarthy – 25%. It is expected that such an entity will be dissolved in 7 years from formation and the activities shall be handed over to the Association. However, the same will be reviewed at that time.




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11. It is estimated that about Rs. 300 lakhs will be required as initial investment. Balance Rs. 200 lakhs may be raised from advances on sales. However, this figure may vary depending on velocity of sales. Rs. 160 lakhs is required on or before 28.02.2015.
12. It is proposed that ½ acre farm houses as mentioned above without furniture shall be sold at the range of Rs. 30 to 35 lakhs.
13. Phase I of about 30 acres will be a test of concept. The long term goal is to expand into atleast 2 or 3 phases of similar size in and around the first phase.
14. For the project to be viable it is critical that farming services are profitable. Housekeeping, gardening, security and other services along with maintenance of clubhouse must breakeven.

  
Soham Modi  
14/2/15

  
Kalyan Chakravarthy

  
Balram Reddy

  
Vijay Kumar