

P. VENKATESWARA RAO

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Secunderabad - 500 015

1-08-1998

FORM OF LEGAL SCRUTINY

NAME OF THE BRANCH

: STATE BANK OF INDIA,
COMMERCIAL BANKING DIVISION
PATNY CIRCLE,
SECUNDERABAD.

NAME OF THE INDIVIDUAL
|UNIT

: M/s.MODI PROPERTIES AND
INVESTMENTS PVT. LTD.
A/C OF M/S.ESSENCE AROMATICS

CONSTITUTION OF THE
INDIVIDUAL/UNIT

: PRIVATE LIMITED COMPANY

1. Particulars of the documents scrutinised;

1. Original registered sale deed dated 31-12-97 executed by M/s.Kisan Cement pipe company represented by its partners executed in favour of M/s.Modi properties & Investments pvt. ltd. registered as document no.562 of '98 on 8-1-98 registered in the office of the Sub Registrar, Uppal.
2. Photocopy of the registered sale deed dated 4-9-72 executed by M/s.IAL & co. represented by its partners in favour of of M/s.Kisan Cement pipe company registered as document no.1883 of '72 registered in the office of the Sub Registrar, Hyderabad East.
3. Photocopy of the pahani for the year 1993-94.
4. Photocopy of the letter dated 27-9-93 under proceedings no.G/10441/76 issued by the Special Officer & Competant authority, ULC, Hyderabad.
5. Photocopy of the GOMS No.322.M.A. dated 5-6-98 of Govt. of A.P.
6. Tax receipt dated 31-3-96 issued by the Commissioner, Khapra Municipality.
7. Photocopy of the E.C.No.1461 of '94 dated 18-2-94 covering for the period from 6-5-73 to 27-6-80 issued by the office of the Sub Registrar, Hyderabad East.
8. Photocopy of the E.C.No.830 of '94 dated 19-2-94 covering for the period from 28-6-80 to 16-2-94 issued by the office of the Sub Registrar, Uppal.
9. Photocopy of the E.C.No.1595 of '96 dated 22-3-96 covering for the period from 17-2-94 to 20-3-96 issued by the office of the Sub Registrar, Uppal.

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10. Photocopy of the E.C.No.5160 of '98 dated 25-7-98 covering for the period from 21-3-96 to 24-7-98 issued by the office of the Sub Registrar, Uppal.
 11. Notarised affidavit of Shri.Sourabh Modi.
 12. Copy of the board resolution dated 29-7-98 of the applicant
2. Complete description of the property offered as security for the creation of equitable mortgage:
- a) Survey no. : 174;
 - b) Plot no./door no. : --
 - c) Area/extent : Ac.1-03 guntas;
 - d) Location : situated at Mallapur village, Uppal Revenue mandal, Kapra municipality, R.R.Dist.
 - e) Boundaries : North: Remaining part of survey no.174;
South: Residential complex in survey nos. 166, 167, 168 & 174(part);
East : existing road;
West : Part of survey no.174.

3. Flow of title in detail:

The document no.1 above is the original registered sale deed under which it is seen the applicant M/s.Modi Properties and Investments pvt. ltd. have purchased the property of Ac.1-03 guntas in survey no.174 of Mallapur village for valuable consideration from M/s.Kisan Cement pipe company, a partnership firm represented by its partners and as seen M/s.Modi Properties & Investments pvt. ltd. a company registered under the Companies Act, 1956 are put in possession of the property

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purchased by them. It is seen under the registered sale deed of document no.1 above that the vendor of the document no.1 namely M/s.Kisan Cement pipe company purchased the land admeasuring Ac.4-32 guntas from M/s.IAL & company situated at Mallapur village for valuable consideration under registered sale deed of document dated 4-9-72 bearing document no.1883 of '72 registered in the office of the Sub Registrar, Hyderabad East. The document no.2 above is the photocopy of the said registered sale deed. It is further seen under the registered sale deed of document no.1 that an extent of only Ac.1-03 guntas was sold in favour of the applicant, out of the total extent of land purchased by the vendors of the document no.1 . The document no.3 above is the photocopy of the pahanl for the year 1993-94 under which it is seen the name of M/s.Kisan Cement pipe company is shown as possessor and pathedhar of the land to an extent of Ac.4-32 guntas in survey no.174 of Mallapur village. The document no.4 above is the photocopy of the letter issued by the Ulc authorities under which it is seen *P. Venkateswara* *the* an extent of ~~Ac.4-32 guntas~~ *Ac.4-32 guntas* of land in survey no.174 of Mallapur village held by M/s.Kisan Cement pipe Company was declared as non-supplus/holder. The document no.5 above is the photocopy of the government order under which it is seen the land admeasuring Ac.4-32 guntas in survey no,174 of Mallapur village has been declared for residential use zone. The document no.7 above is the photocopy of the tax receipt showing the payment of taxes to the property.

The document no.11 above is the affidavit duly notarised of

P. Venkateswara

the Director of the applicant company under which it is seen he has sworn that the company is in possession of the property ever since the purchase of the property enjoying the same as absolute owner and that the property is free from all encumbrances and that the taxes to the property are paid regularly.

The document no.12 above is the copy of the Board resolution of the applicant company namely M/s.Modi properties and Investments pvt. ltd. under which it is seen the Board of directors of the company have resolved to create the above mentioned property in favour of the bank by creating equitable mortgage and have authorised Shri.Sourabh Modi, Director of the company to create mortgage of the property in favour of the bank.

Therefore, on a perusal of the documents mentioned above it is seen that the title in respect of the property mentioned above has been validly conveyed in favour of the applicant company namely M/s.Modi properties and investments pvt. ltd. and that the company is having a valid and clear title over the property.

4. Describe the nature of title (ownership rights/leasehold rights/occupancy rights) or any others;

--Full ownership rights--

5. Mention if any minors interest is involved. If so, whether court permission has been obtained for offering the property as security;

It is seen from the documents mentioned above that the property is not affected and no minors interest is involved.

6. State whether the possession of the property is in unhindered

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possession of the mortgagor;

It is seen from the documents mentioned above that the applicant company is in possession of the property ever since the purchase of the property under registered sale deed of document no.562 of '98 dated 31-12-97.

7. State the encumbrance certificates and the period of encumbrance therein;

The documents mentioned under sl.nos. 7 to 10 above are the encumbrance certificates under which it is seen the property mentioned above is free from all encumbrances for the period from 6-5-73 to 24-7-98 except the alienation in favour of the applicant company M/s.Modi properties & Investments pvt. ltd. under registered sale deed of document no.562 of '98.

8. Whether urban land ceilings clearance is required to be obtained before the mortgage is created;

Permission from the ULC authorities is not required since the area /property mentioned above is falling under the peripheral area where the G.O.No.733 is applicable under which an area of five acres of land within the peripheral area is exempted.

9. Whether no objection certificate under the income tax act has been obtained before the mortgage is created;

I am informed by the applicant that there are no dues to the income tax department.

10. Whether permission for conversion of land from agricultural use to residential use is obtained before the mortgage is created;

--Not applicable--

11. If the property sought to be mortgaged are agricultural lands, and whether the land is within the ceilings limits, the LRAT orders may be mentioned;

--Not applicable--

12. Whether from the documents produced there exists any pending litigation in respect of the property offered as security;

It is seen from the documents mentioned above that there

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exists no pending litigation in respect of the property mentioned above.

13. Is the property affected by any local laws which requires permission to be obtained from any authority:

It is seen from the documents mentioned above that the above mentioned property is not affected by any local laws, and that no permission is required to be obtained.

14. In case of partition deeds whether the original thereof is available for deposit:

--Not applicable--

15. In case of partition deeds whether original thereof is registered from time to time or for time being in force:

--Not applicable--

16. In case the mortgage is sought to be created by any person or authority/attorney, please state whether:

a) the power of attorney, is registered:

b) if registered, the attorney/person to deposit the title deed

--Not applicable--

17. In case of partnership firms whether the property is belonging to the firm or any partner of the firm:

~~XXXXXXXXXX~~ --Not applicable--

18. In case of taxes, whether upto date tax receipts are verified and it is ensured that the taxes to the property are paid.

The document no.6 above is the photocopy of the tax receipt under which it is seen taxes are paid to the property. The applicant is directed to produce latest tax receipt at the time of creating equitable mortgage.

19. In case of devolution of the property by a will, the safeguards taken to ensure against the impeachment of the property:

--Not applicable--
P. Subhadaswami

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20. Whether required resolutions have been duly passed by the company for creating the company's property as security:

The document no.12 above is the copy of the board resolution under which it is seen the board of directors of the applicant company have resolved to create the above property belonging to the company as equitable mortgage in favour of the bank and has authorised Shri.Sourabh Modi, Director of the company to create the property in favour of the bank by depositing the original title deeds as a security, for the loan facilities being availed by M/s.Essence Aromatics.

21. Whether the mortgage is by deposit of the original title deeds possible on the strength of the title deeds scrutinised:

On a perusal of the documents mentioned above, it is seen the mortgage is by deposit of the original title deeds possible on the strength of the title deeds scrutinised.

The applicant is directed to produce all the documents mentioned above at the time of creating equitable mortgage. The applicant is further directed to produce the latest tax receipt showing the payment of taxes upto date to the property at the time of creating equitable mortgage.

22. Advocates opinion regarding the marketability of title in respect of the property offered as security:

On a perusal of the documents mentioned above and on the information furnished by the applicant, I am of the opinion that the applicant company namely M/s.Modi properties & investments pvt. ltd., are having a valid, clear, absolute, subsisting and marketable title over the property mentioned above.

The applicant is directed to produce all the documents mentioned above at the time of creating equitable mortgage. The applicant is further directed to produce latest tax receipt showing the payment of upto date taxes to the property at the time of creating equitable mortgage. The documents are returned herewith. The bank can obtain unregistered equitable mortgage. Hence this opinion.

Date: 1st August, 1998.


(P. VENKATESWARA RAO)
Advocate & Legal Adviser.

P. VENKATESWARA RAO

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'ANNEXURE'

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CERTIFICATE ISSUED BY THE ADVOCATE WHO SCRUTINISED THE DOCUMENTS.

I have examined the original title deeds intended to be deposited relating to the property offered as security by way of equitable mortgage and that the documents of title referred to under the opinion are the perfect evidence of right, title and interest and that if the said documents of title are deposited by the applicant in the manner as required under law, it will satisfy the requirements of creating equitable mortgage. I further certify that:

1. There are no prior mortgages/charges whatsoever as could be seen from the encumbrance certificate for the period from 6-5-73 to 24-7-98.
2. There are no claims from minors and their interest in the property is to the extent of NIL.
3. The undivided share of the minors is NIL.
4. Holding/acquisition of the property is in accordance to the provisions of the Land reforms act;

--Not applicable--

5. Provisions of the land Urban land ceilings Act;

Permission from the ULC authorities is not required since the area/property mentioned in the opinion is falling under the peripheral area where the G.S.733 is applicable under which an area of five acres of land within peripheral area is exempted.

6. The mortgage if created will be available to the bank for the liability of the intending borrower namely: M/s. ESSENCE AROMATICS
A PROPRIETARY CONCERN

I certify that M/s. Modi properties & investments pvt. ltd. have valid, clear and marketable title over the property referred in the opinion and that if the said documents of title mentioned in the opinion are deposited by the applicant with the bank, a valid mortgage can be created.

The applicant is directed to produce all the documents mentioned in the opinion at the time of creating equitable mortgage. The applicant is further directed to produce the latest tax receipt showing the payment of upto date taxes to the property at the time of creating equitable mortgage. Hence this opinion.

1-8-98
Date: 1-8-98

P. Venkateswara Rao
(P. VENKATESWARA RAO)
Advocate & Legal Adviser