

Letter of Intent

To,
Mr. Hari S Mehta,
Managing Director,
M/s. Dilpreet Tubes Pvt. Ltd.,
Nacharam,
Hyderabad.

Date: 26-10-2022

Subject: Offer for Joint Development (JDA) for development about Ac. 4-00 gts., situated at Nacharam Main Road, Nacharam, Hyderabad, Telangana.

Dear Sir,

We are happy to confirm the terms of JDA for the said land. The detailed terms and conditions are given in Annexure – A. A tentative plan of the proposed development is given in Annexure -B.

The terms given herein 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 as token advance on this day as per the details given below:

Sl. No.	Cheque no.	Date	Drawn on	Amount	Issued by	Issued to
1	917697	31-10-2022	YES Bank	10,00,000/-	Modi Consultancy Services	Dilpreet Tubes Pvt. Ltd.,

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

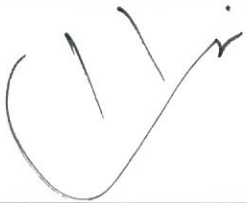
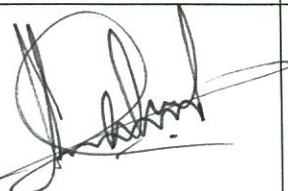
Thank You.

Yours sincerely,
For Modi Properties Pvt. Ltd.

Soham Modi.
Managing Director.



Agreed and Confirmed by:

Name	Hari S Mehta Managing Director	Anand S Mehta Director	Rahul B Mehta Director	Meet B Mehta Director
Sign				
Date		29/10/2022		

MODI COPY

ANNEXURE -A

1. Date: 26-10-2022.
2. Developer: Modi Properties Pvt. Ltd., or its nominees. Token advance is being made from its subsidiary M/s. Modi Consultancy Services. A new private limited company shall be incorporated for undertaking the development and all rights under this LOI shall be transferred to the new company.
3. Owners: M/s. Dilpreet Tubes Pvt. Ltd.
4. Land Area: About Ac. 4-00 gts.
5. Location: Nacharam Main Road, Nacharam Industrial Area, Hyderabad, Telangana.
6. Title:
 - a. The land is a freehold land in the Nacharam Industrial Area.
 - b. The Owners purchased the land by way of sale deed bearing no. 9916/2002, dated 2nd November, 2002 registered at SRO Uppal.
 - c. The current shareholders of the company are Mr. Kusum S Mehta (50%), Mr. Meet B Mehta (25%) and Mr. Rahul B Mehta (25%).
 - d. The current Directors of the company are Mr. Hari Mehta, Mr. Anand Mehta, Mr. Meet Mehta and Mr. Rahul Mehta.
 - e. The land can be used only for industrial activity.
7. Due-diligence by Developer:

Developer is entitled to take up the following tasks:

 - a. Obtain original certified copies and other revenue records from relevant authorities.
 - b. Obtain land use certificate from Urban Development Authority.
 - c. Issue public notice.
 - d. Correlate digital survey with tippans, tonch plan and other revenue records.
 - e. The Developer shall be entitled to undertake corporate tax due-diligence of M/s. Dilpreet Tubes Pvt. Ltd. For that the Owners shall provide books of accounts, tax returns, etc., to the Developer.
 - f. Owners to provide title documents as given above and sign all required documents for obtaining these records.
 - g. Due-diligence to be completed within 60 days of the Owners providing the above referred documents.
8. Overview of end user:
 - a. There is a great demand for ready to move in lab spaces for life science companies around Nacharam Industrial Area. Both Indian and multinational companies are seeing a very high growth in the field of life sciences. Modi Properties is primarily developing lab spaces for such companies.



- b. Nacharam has been a hub for research and development related to life sciences, pharma and bio-tech for over 4 decades. Large talent pool is based around Habsiguda/ Tarnaka due to presence of many premier government institutes like CCMB, IICT, NGRI, CDFD, NIN, etc. Several private companies like GVK Bio, Avra Labs, Chemveda, etc., have a large presence in that area. The largest university of Telangana, Osmania University, is also situated around Tarnaka.
- c. 5 types of lab spaces are required by such companies. They are:
- Biologics
 - Bio-pharma
 - Chemistry
 - Pharmaceutical
 - Vivarium
- d. Typically such lab spaces require the following:
- Large floorplate.
 - Floor to ceiling height of more than 4500mm.
 - 2 to 3 times power and HVAC capacity as compared to other commercial spaces.
 - Greater load bearing capacity.
 - Strict compliance with fire norms, environment laws, pollution control laws and other safety norms.
9. Proposed development:
- a. 4 largely independent blocks, consisting of 5 floors of lab space along with 2 floors of parking and services.
- b. Support buildings consisting of solvent stores, chemical stores and hydrogenation room.
- c. The land shall be divided into 5 parts by metes and bounds. 4 parts shall consist of one independent lab space block and the fifth part shall contain the support buildings.
- d. The area of block I & II is approximately as follows:
- i. Lab space from 1st to 5th floor – 20,000 sft per floor. Total area 1 lakh sft.
 - ii. Parking area – about 22% to 25% of lab space area on 2 stilt floors.
 - iii. Service area – about 10% of lab space area on 2 stilt floors for canteen and other services.
 - iv. Electrical room – 10% of lab space area.
- e. The area of block III & IV is approximately as follows:
- i. Lab space from 1st to 5th floor – 18,000 sft per floor. Total area 90,000 sft.
 - ii. Parking area – about 22% to 25% of lab space area on 2 stilt floors.
 - iii. Service area – about 10% of lab space area on 2 stilt floors for canteen and other services.
 - iv. Electrical room – 10% of lab space area.
- f. Support buildings – approximate areas:
- i. Solvent store of about 2,500 sft – ground floor only.
 - ii. Hydrogenation room of about 2,500 sft – ground floor only.
 - iii. Chemical stores/ service area – 4,000 sft per floor x 5 floors = 20,000 sft.

10. Approximate MEP requirement of each building/block to be provided by Developer at its cost.
- Power supply – 2000 KVA with a transformer of 2500 KVA along with relevant HT panels and metering.
 - Power LT supply – main panel with ACBs for incoming, outgoing and generator.
 - Power backup – 2250 KVA generator.
 - HVAC – 400TR x 2 with a provision for another 400TR. High side only.
 - ETP – 15 KLD.
 - STP – 30 KLD.
 - Fire down comer and yard hydrant with electrical and diesel pumps. Sprinklers to be provided only in common and parking areas. Fire rated doors wherever required. Basic fire alarm system.
 - Sumps, pumps and OHTs. Details to be specified.
 - 2 numbers 20 passenger lifts.
 - 2 number goods lifts to be shared between all the blocks.
 - Structural glazing with DGU for all windows.
 - Finishing of staircase, lifts, lobbies, etc.
 - Toilets for occupancy of about 150 people per floor of lab space. One WC + urinal for every 100 males and one WC for every female occupant.
 - Street lighting.
11. Planning & design: The Developer shall prepare a tentative master plan for development of the site within 30 days of completing due-diligence and demarcation of the land. In the said plan the share of the Owners shall be clearly demarcated and details provided. Apart from the land area allotted to the Owners and the proposed construction thereon the Developer shall be free to develop the balance area as it deems fit and proper. The Developer shall be free to design the buildings/ structures/ blocks as it deem fit and proper.
12. Owners & Developers share:
- The Owners shall be absolute owners of Block II admeasuring about 1 lakh sft of lab space along with parking, service areas and electrical room and with divided share of land.
 - Block II along with divided share of land shall devolve to the Owners on completion of the development of all 4 blocks as proposed herein. However, the Developer reserves the right to handover Block II to the Owners completed in all respects, in advance, before completion of the work of other blocks.
 - It is proposed that the blocks shall be developed in a phased manner. The blocks shall be leased to prospective tenants in a phased manner as and when each block is completed.
 - The revenue from rentals from all the blocks that are completed and leased out shall be shared between the Owners and Developer in a ratio of 25:75 till such time Block II is completed and fully handed over to the Owners.
 - Thereafter, the Owners shall become absolute owners of Block II and the Owners shall be entitled to the entire rentals from the block.
 - The Developers obligation to Owners shall be limited to completion of development of Block II along with the required amenities and facilities. Once the fully completed Block II is handed over to the Owners, the Developer shall become absolute owner of the remaining 4 parcels of land along with buildings/structures developed thereon and shall be entitled of rentals from them.



- g. The Developer and Owner shall become absolute owners of their respective share of buildings/land upon completion of the development work.
13. Developer's scope of work at its cost:
- Building permit cost including fire NOC, CFE, CFO, PESO, CEIG and occupancy certificates/NOCs.
 - All civil work including RCC, brickwork, plastering, water proofing, roads, compound walls, security kiosk, landscaping, etc.
 - Finishing works like tiles and fixtures for bathrooms, lobbies, staircases and lab space.
 - Finishing works like lifts, structural glazing, etc.
 - MEP services limited to high side for HVAC, power, power backup, sprinklers, etc.
 - ETP, STP, generator, etc.
14. The completed lab spaces are proposed to be leased to prospective tenants and the tenants scope of work at its cost is as under:
- LT distribution panels.
 - Sprinklers, AHUs, ducting, etc., within the lab spaces – low side.
 - Furniture and fixtures within the lab spaces.
 - Licenses like CFO, PESO, CEIG, etc., for their labs /equipment.
15. Owner's scope of work: The following works shall be completed at the cost of the Owner.
- Cost of enhancing electric power supply, water supply, power backup, HVAC, ETP, STP, lifts, etc., over and above what is specified herein.
 - Cost of providing, if any, additional amenities and facilities to the tenant at their request like gas plant, cafeteria, store rooms, etc.
 - These are typically compensated by way of higher rent or security deposit.
16. Expected rentals.
- Today's rentals for specialized buildings designed for lab spaces is about Rs. 65/- per sft and about Rs. 35/- per sft for service areas. An enhancement of about 5% every year or 15% every 3 years can be expected.
 - Security deposit – between 6 and 9 months rentals.
 - Rent free period – typically 3 to 6 months from possession for fit-outs.
 - Lock in period – typically 3 to 5 years.
 - Lease period – typically 9 to 15 years.
 - Maintenance charges (CAM) – Rs. 10 to 15/- per sft + utility charges. The maintenance of the building shall be handed over to a professional agency for the entire period of the first lease. Alternately, the Developer through its associate / subsidiary shall maintain the building and such CAM charges shall be collected by it from prospective tenants.
17. Timeline.
- Due-diligence – 60 days from LOI.
 - MOU detailing terms and conditions along with master plan – 30 days from due-diligence.
 - Fire & environment NOC – 3 months from MOU.
 - Building permit – 3 months from fire and environment NOC.
 - JDA or definitive agreement be executed on receipt of demand letter for payment of fees and charges for the building permit.



- f. The Owners shall handover vacant possession of the land to the /developer within 60 days of receiving building permit. Owners shall obtain NOC from bank/financial institutions.
- g. Commencement of construction – immediately on receiving possession of land.
- h. Civil work of the first block of lab spaces shall be completed within 18 months from commencement of construction with grace period of 6 months. Other 3 blocks shall be completed within 27, 36 & 42 months from the commencement of construction with a grace period of 6 months.
- i. MEP/finishing services shall be completed based on requirement of tenant within 6 months from LOI /lease with tenant, however, only after completion of civil work.
- j. In case LOI/ lease is not signed within 6 months from completion of civil work of each block, the MEP/finishing services will be completed in 12 months from completion of civil work of each block.
- k. Block II shall be completed in all respects including MEP services within 30 months from commencement of construction and handed over to the Owners with a grace period of 6 months.

18. Security deposit.

- a. The Developer shall pay the Owners a refundable security deposit for guarantee of performance, of Rs. 10 cr. The security deposit shall be paid as follows:
 - i. Rs. 10,00,000/- on signing of LOI.
 - ii. Rs. 60,00,000/- on execution of MOU.
 - iii. Rs. 10,00,000/- on execution of JDA.
 - iv. Rs. 620 lakhs for closing of bank loan with Axis bank within 7 days of execution of JDA. Amount will be directly paid to the bank on advice of the Owners.
 - v. Rs. 10 lakhs per month x 30 months from handing over vacant possession of land.
 - vi. The security deposit shall be refundable within 6 to 12 months on handing over Block II completed in all respects to the Owners.

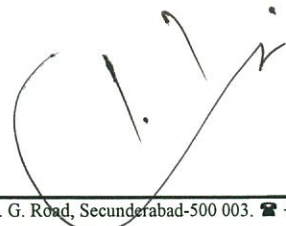
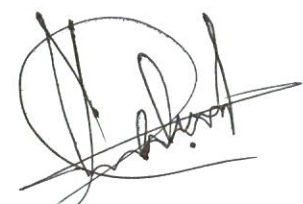
19. Revenue Share:

- a. The Owners shall be entitled to 25% of all revenues received by way of rent from all/any building constructed on the premises, only till such time Block II is handed over to the Owners by the Developer. The Owners shall be liable to pay GST, property tax, CAM and other such charges in proportion to the revenue shared with them.

20. Market value of completed lab space.

- a. Lab spaces – Rs. 8,500/- per sft after completion of development and commencement of lease.
- b. Service area – 60% of the above.
- c. Parking area and electrical room – 25% of the above.
- d. The above valuation includes land, buildings and all MEP infrastructure provided.





21. Terms of cancellation of LOI/MOU:

- a. The Developer shall be entitled to cancel this understanding and seek refund of amounts paid in the event of one or more of the following:
 - i. In the event of any claim/objection received from any person in response to the public notice or otherwise, which the Developer may deem to be a defect in the title of the Scheduled Property.
 - ii. Failure to complete due-diligence to the satisfaction of the Developer.
 - iii. The Owners and Developer shall be entitled to cancel this LOI/MOU in case of failure to obtain building permit within the stipulated time with a grace period of 3 months.

In such a case amount paid by the Developer to the Owners shall be refunded to the Developer.

22. Other terms:

- a. Any disputes between parties shall be settled by way of arbitration under the Arbitration Act. Both the parties shall jointly appoint sole arbitrator and whose decision shall be binding on both the parties.

