

Letter of Intent (LOI)

Date: 18-11-2022

Between:

M/s. Andhra Pradesh Medtech Zone Limited.
Represented by Dr. Jitendar Kumar Sharma,
Managing Director & CEO,
AMTZ Campus, Pragati Maidan,
VM Steel Project S.O.,
Visakhapatnam – 530031
The Party of the First Part.

AND

AMTZ Medpolis Square Pvt. Ltd.,
Represented by Mr. Sayed Waseem Akhtar
5-4-187/3&4,
Soham Mansion, II Floor,
M.G. Road,
Secunderabad – 500 003.

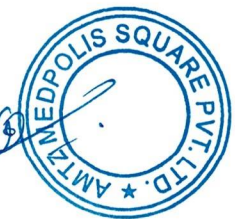
Subject: Development of Medpolis Research Square on about 10 acres of land and Medpolis Manufacturing Square on about 10 acres of land at AMTZ Zone, Vizag.

This letter of intent records understanding between the parties herein and shall be an addendum to the lease deeds to be executed between both the parties.

The Party of the Second Part confirms that it shall take up development activity at AMTZ in order to provide ready to occupy office spaces, lab spaces, manufacturing facilities for undertakings in the field of testing, R&D or manufacturing related to life sciences, pharma, bio-tech, medical equipment/devices, etc.

The understanding between the parties for development of Medpolis Research Square and Medpolis Manufacturing Square are detailed in Annexure A attached herein.

The terms of this LOI shall be binding on both the parties for the period mentioned herein.



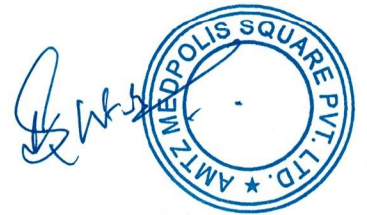
ANNEXURE – A
ANNEXURE TO LOI

1. Purpose of allotment of the Plot to the Party of the Second Part:

- a. AMTZ is the largest cluster of industries related to Med-tech in India.
- b. Since its inspection in 2016, AMTZ has seen exponential growth and several industries, facilities, companies, manufacturing units, labs, etc., are interested in starting their facilities in AMTZ. However, there is a shortage of ready to occupy vacant office spaces, lab spaces, manufacturing facilities, etc.
- c. AMTZ is scouting for a developer who can provide ready to occupy office spaces, lab spaces and manufacturing facilities to such industries/companies on lease/sub-lease/ sale.
- d. AMTZ has offered for development 2 parcels of 10 acres each to the Party of the Second Part and its associates/subsidiaries for development of such facilities.

2. Project name and details of developer:

- a. AMTZ has proposed to allot 10 acres parcel on the west of 24m road labelled as Uranus, bearing plot nos. B1-52 to 54, D1-55 to 60 and E1-61. The development is hereafter referred to as AMTZ Medpolis Research Square. The details of the said Square along with details of division of land and the company developing each building/structure is attached herein as **Annexure B**. The site plan of the said Square is attached herein as **Annexure C**. The typical floor plan of the proposed building /structures in the said Square is attached herein as **Annexure D**.
- b. AMTZ has proposed to allot another 10 acres parcel on the east of 24m road labelled as Uranus, bearing plot nos. D1-91 to 96, E3-85 to 87, D3-88 to 90, D2-113 and E2-109 to 112. The development is hereafter referred to as AMTZ Medpolis Manufacturing Square. The details of the said Square along with details of division of land and the company developing each building/structure is attached herein as **Annexure E**. The site plan of the said Square is attached herein as **Annexure F**. The typical floor plan of the proposed building /structures in the said Square is attached herein as **Annexure G**.

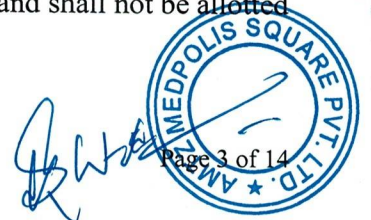
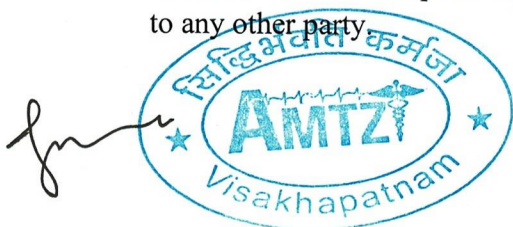


3. **Details of developer:**

- a. AMTZ Medpolis Square Pvt. Ltd., shall be the master developer of AMTZ Medpolis Research Square and AMTZ Medpolis Manufacturing Square. It shall be responsible for overall planning, permits, financing, development, sub-leasing, etc., of both the Squares.
- b. The 20 acres shall be divided into 13 Plots. Each plot shall be developed by a special purpose vehicle (a private limited company) wherein the AMTZ Medpolis Square Pvt. Ltd., shall be a shareholder.
- c. Each SPV shall invest in the development of the buildings /structures within each Plot. Each SPV will be the absolute owner of the leasehold rights of the Plot and the buildings/ structures developed thereon.
- d. AMTZ Medpolis Square Pvt. Ltd., shall provide a corporate guarantee to AMTZ for payment of the lease premium charges for all the Plots as given herein.

4. **Scheme of allotment of Plots:**

- a. Lease deed for the 13 Plots of land shall be signed by AMTZ in favour of AMTZ Medpolis Square Pvt. Ltd., and the respective SPV that shall undertake the development of each of the 13 Plots.
- b. The Lease Premium Charges shall be paid in full for each Plot of land 60 days prior to allotment of each Plot.
- c. The possession of each Plot shall be handed over to AMTZ Medpolis Square Pvt. Ltd. and the respective SPV within 15 days of payment of the entire Lease Premium Charges.
- d. Lease Premium Charges for Plot/Unit nos. 801 and 4554 shall be paid in full within 90 days of this LOI. Development work on these Plots shall start immediately thereafter.
- e. Lease Premium Charges for the other 11 Plots shall be paid to AMTZ within a period 6 years from this LOI. Lease Premium Charges shall be paid in full for each Plot.
- f. AMTZ shall reserve the entire 20 acres for development of the proposed Medpolis Research Square and Medpolis Manufacturing Square for a period of 6 years in favour of AMTZ Medpolis Square Pvt. Ltd., i.e., the said land shall not be allotted to any other party.



5. **Timelines:**

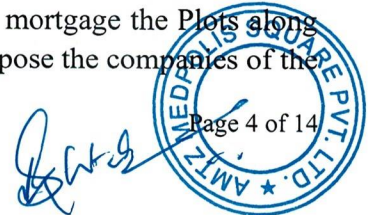
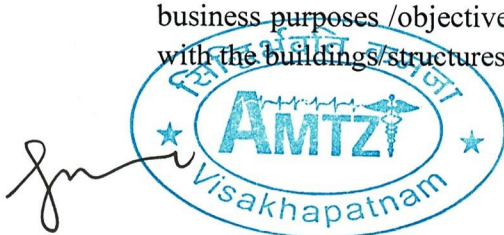
- a. Lease deeds for 2 Plots to be signed/registered on or before 31st October 2022.
- b. AMTZ shall register the lease deed in favour of the Party of the Second Party within 15 days of receipt of 100% of the Lease Premium Charges.
- c. The Party of the Second Part shall endeavour to complete the development of the first unit (Unit No. 801) in the Manufacturing Square within 12 months from building permit. All units in Manufacturing Square to be completed in 4 years.
- d. First unit (Unit No. 4554) in the Research Square to be ready for occupation in 18 months from building permit. All units in Research Square to be completed in 6 years.
- e. The pace of development shall be increased or decreased based on demand from prospective sub-lessees.

6. **Terms of sub-lease:**

- a. The Party of the Second Part shall be entitled to sub-lease any part of the buildings /structures developed by it within the Plot to any intending sub-lessee without seeking prior approval from AMTZ, provided the operations of the sub-lessee are in overall conformity with the objects of the Zone. For clarity the sub-lessee's operations shall be related to at least one of the following:
 - Testing related to life sciences, pharma, bio-tech, medical equipment/devices and such related fields.
 - Research and development related to life sciences, pharma, bio-tech, medical equipment/devices and such related fields.
 - Manufacturing related to life sciences, pharma, bio-tech, medical equipment/devices and such related fields.
- b. The Party of the Second Party shall be free to decide the commercial terms with such a sub-lessee without seeking any prior approval from AMTZ.

7. **Ownership of AMTZ Medpolis Square Pvt. Ltd., and SPVs:**

- a. The Party of the Second Part i.e., AMTZ Medpolis Square Pvt. Ltd., and its related SPVs shall have all the rights to modify its capital structure in order to meet its business purposes /objectives and should be allowed to mortgage the Plots along with the buildings/structures raised thereon. For that purpose the companies of the



Party of the Second Part have right to issue additional equity, debentures, preference shares, etc., to any intending investor or company. Further, the company shall be free to raise secured/unsecured debt from investors, companies and financial institutions.

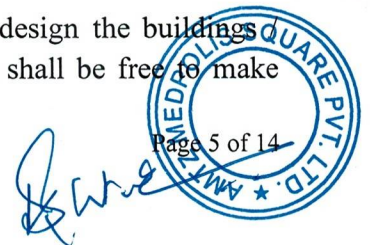
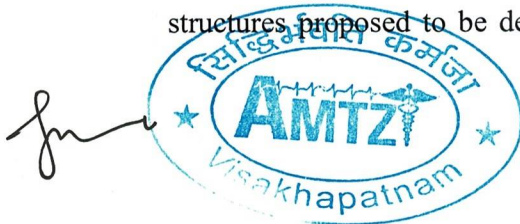
- b. The Party of the Second Part i.e., AMTZ Medpolis Square Pvt. Ltd., and its related SPVs shall have a right to transfer their equity and other instruments in the capital stack freely to any third party.

8. **Conversion of leasehold interest to freehold interest:**

- a. As per clause 8.2 of the Andhra Pradesh Industrial Development Policy 2020-23 ("Policy"), it is stated that: *'land will be given on lease for a period of 33 years, with an option to buy the land after 10 years of successful operations'*.
- b. The Party of the Second Part shall have a right to convert its lease hold interest in the Plot to freehold interest i.e., AMTZ shall execute a sale deed for the said Plot in favour of the Party of the Second Part without requiring payment of any further consideration to AMTZ. The Lease Premium Charges paid to AMTZ shall be deemed to be the sale consideration for the said Plot. However, the Party of the Second Part shall be entitled to such a conversion to freehold only after a period of 10 years from commencement of operations, subject to continuous operations for the said period.
- c. Notwithstanding anything contained herein or to the contrary, and as per the rights provided under clause 8.2 the Policy, the Party of the Second Part shall enforce the its right to acquire freehold interest of the Plot vide execution and registration of a sale deed, which shall not be affected by any further changes in any industrial policy of the state government in any manner, unless the specific provision mentioned in Clause 8(a) above has been repealed or amended from the Andhra Pradesh Industrial Development Policy 2020-23 with retrospective effect vide a notification in the official gazette by the Government of Andhra Pradesh, prior to exercise of the said right by the Party of the Second Part.

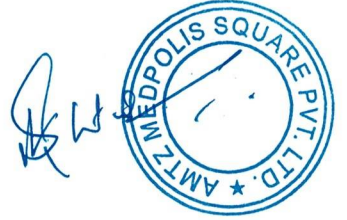
9. **Other Terms:**

- a. The Party of the Second Part shall deem to have commenced the operations when the buildings/structures proposed to be developed on each Plot are fully completed and occupancy or completion certificate is obtained from relevant statutory authorities. Subsequently the Unit shall be deemed to be in continuous operations as long as the occupancy or completion certificate continues to be valid.
- b. The Party of the Second Part shall be free to design /redesign the buildings structures proposed to be developed on the said Plots. It shall be free to make



RCC/civil structures, sheds, underground tanks/sumps or any such buildings/structures on the said Plots of land after obtaining the required statutory permits. However, they shall be in overall conformity with the purpose of the Zone.

- c. The term AMTZ /Party of the First Part shall mean Andhra Pradesh Medtech Zone Limited, the Party of the Second Part shall mean and include AMTZ Medtech Square Pvt. Ltd., and its associated SPVs, wherever the context so requires. The parties herein are jointly referred to as Parties.
- d. Lease Premium Charges are payable as a onetime charge to AMTZ @ Rs. 400/- per sq ft for the purposes of allotment of land in the Zone for a long lease of 33 years.



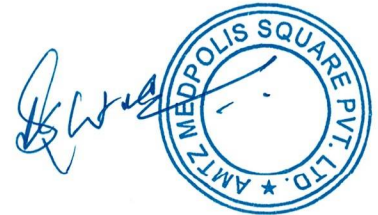
ANNEXURE B
ANNEXURE TO LOI
DETAILS OF MEDPOLIS RESEARCH SQUARE

1. The said 10 acres land is sub-divided into 8 plots as given under.
2. Proposed development is about c.1.10 Mn sq ft.
3. Out of these 8 plots, 7 plots shall be dedicated towards development of buildings for lab spaces, offices, manufacturing facilities, etc. These buildings have been designed to accommodate requirements of R&D labs in the field of medical technology, life sciences, pharma, bio-tech, etc.
4. Broad specifications of these buildings are as follows:
 - a. 2 service/parking floors with a total built-up area of c. 45,000 sq ft and about 3m height. Amenities like parking, cafeteria, ETP, electrical room, generator, etc., shall be accommodated in the said space.
 - b. 4 upper floors of about 5.4m height with a total built-up area of 1 lakh sq ft each.
 - Each floor is about 25,000 sq ft and can be sub-divided into 4 units of c. 6,250 sq ft each.
 - Provision for toilets, AHU, electrical rooms, fire towers, specialized infrastructure like clean rooms, etc., has been made. Additionally, ducts along the exterior of the building have been provided for air handling of fume hoods.
5. The remaining 1 Plot (Unit no. 6336) will be dedicated towards separate chemical store, hydrogenation room and solvent store. The said Plot will ideally be in the centre of the 7 plots.
6. 9m open space has been provided on the western side to accommodate transformers, generators, ETP, STP, etc.
7. The above is subject to change from time to time based on requirement of prospective sub-lessees/ occupants of these buildings.

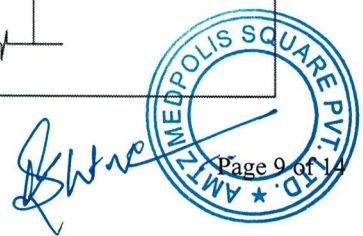
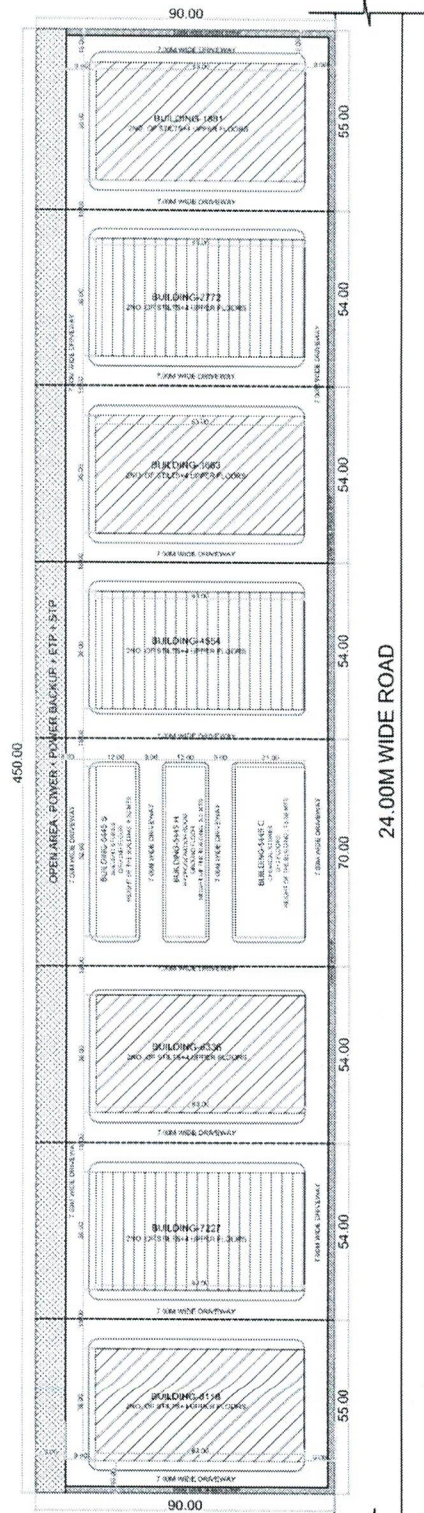


8. Details of each plot along with details of developer:

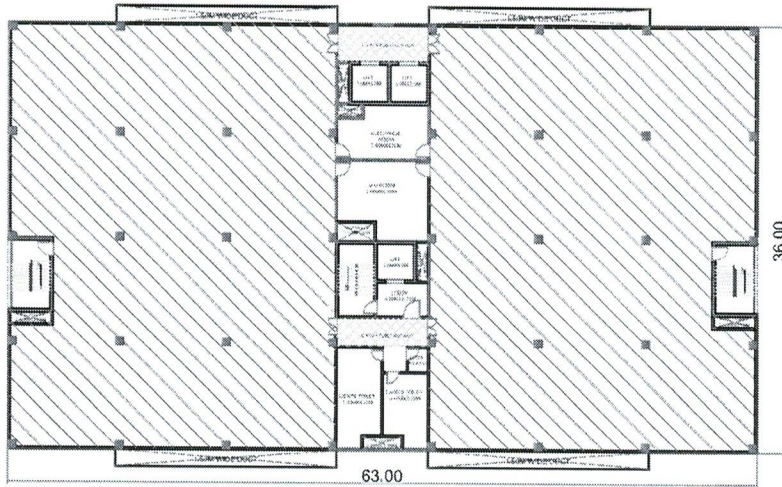
Sl. No.	Building name/Unit no.	Area of Plot in sq mtrs	Corelation with plot nos of AMTZ master plan	Developer/Allottee / Lessee
1.	Building 1881	4950	4050 sq mtrs in Plot No. B1-52, 900 sq mtrs in Plot No. B1-53 (P)	AMTZ Medpolis Square 1881 Pvt. Ltd.
2.	Building 2772	4860	3150 sq mtrs in Plot No. B1-53 (P), 1710 sq mtrs in Plot No. B1-54 (P)	AMTZ Medpolis Square 2772 Pvt. Ltd.
3.	Building 3663	4860	2340 sq mtrs in Plot No. B1-54 (P), 2520 sq mtrs in Plot No. D1-55 (P)	AMTZ Medpolis Square 3663 Pvt. Ltd.
4.	Building 4554	4860	1530 sq mtrs in Plot No. D1-55 (P), 3330 sq mtrs in Plot No. D1-56 (P)	AMTZ Medpolis Square 4554 Pvt. Ltd.
5.	Building 5445	6300	720 sq mtrs in Plot No. D1-56 (P), 4050 sq mtrs in Plot No. D1-57 (P), 1530 sq mtrs in Plot No. D1-58 (P)	AMTZ Medpolis Square 5445 Pvt. Ltd.
6.	Building 6336	4860	2520 sq mtrs in Plot No. D1-58 (P), 2340 sq mtrs in Plot No. D1-59(P)	AMTZ Medpolis Square 6336 Pvt. Ltd.
7.	Building 7227	4860	1710 sq mtrs in Plot No. D1-59(P), 3150 sq mtrs in Plot No. D1-60 (P)	AMTZ Medpolis Square 7227 Pvt. Ltd.
8.	Building 8118	4950	900 sq mtrs in Plot No. D1-60 (P), 4050 sq mtrs in Plot No. E1-61	AMTZ Medpolis Square 8118 Pvt. Ltd.



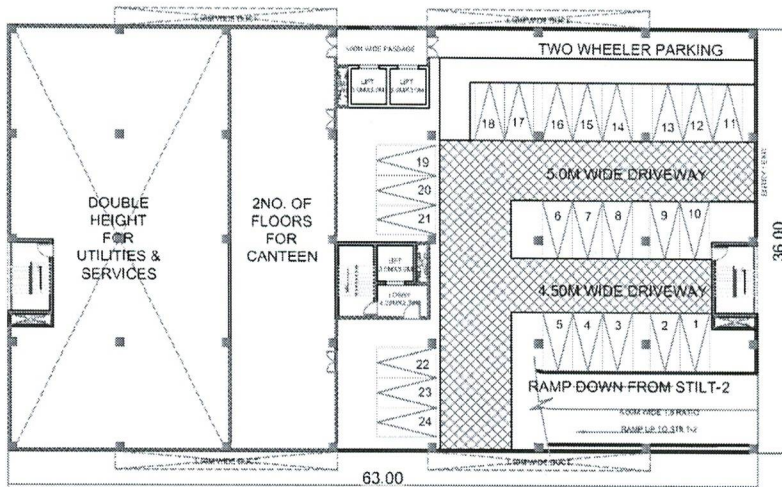
ANNEXURE C
ANNEXURE TO LOI
SITE PLAN OF AMTZ MEDPOLIS RESEARCH SQUARE



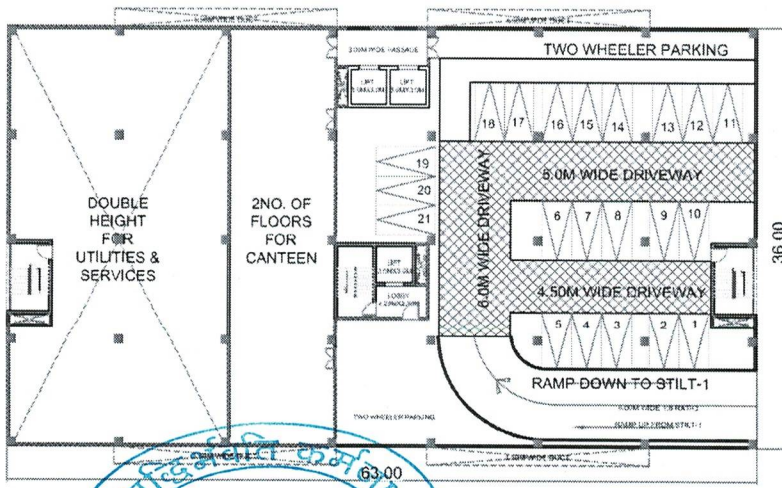
ANNEXURE D
ANNEXURE TO LOI
AMTZ MEDPOLIS RESEARCH SQUARE



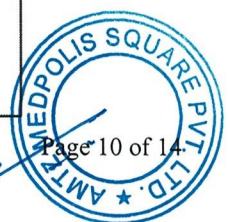
TYPICAL FLOOR PLAN



STILT-1 PARKING FLOOR PLAN

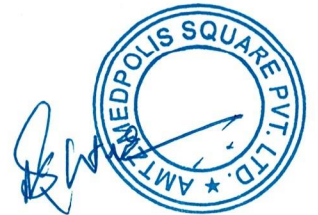


STILT-2 PARKING FLOOR PLAN



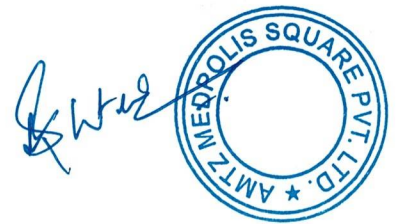
ANNEXURE E
ANNEXURE TO LOI
DETAILS OF MEDPOLIS MANUFACTURING SQUARE

1. The 10 acres land is sub-divided into 4 parcels of about 2.25 acres each. One acre land on the northern side has been kept vacant for future requirement like hydrogenation room, solvent stores, chemical stores, parking, etc.
2. 4 buildings/structures are proposed to be developed in the 4 parcels of land which are specialized for manufacturing facilities.
3. These buildings have been designed to accommodate requirements of hi-tech manufacturing facilities. Salient features of these buildings are:
 - a. Each building consists of office/lab space on 3 floors with a height of about 4m each with a total built-up area of about 31,000 sq ft.
 - b. The office space overlooks the manufacturing facility of about 41,000 sq ft on the ground floor with a height of 9m.
 - c. The office/lab space can be sub-divided into 4 offices of about 2,000 sq ft each on each floor.
 - d. The manufacturing facility can be sub-divided into 8 units of about 24m x 24m with a floor area of about 6,200 sq ft each.
 - e. 18m open space has been provided between each manufacturing facility to accommodate movement of trucks with 40ft containers.
4. The total proposed development is about 0.29 million sq ft.
5. 15m open space has been provided on the east side to accommodate transformers, generators, boilers, heavy equipment, ETP, STP, etc.
6. The above is subject to change from time to time based on requirement of prospective sub-lessees/ occupants of these buildings.

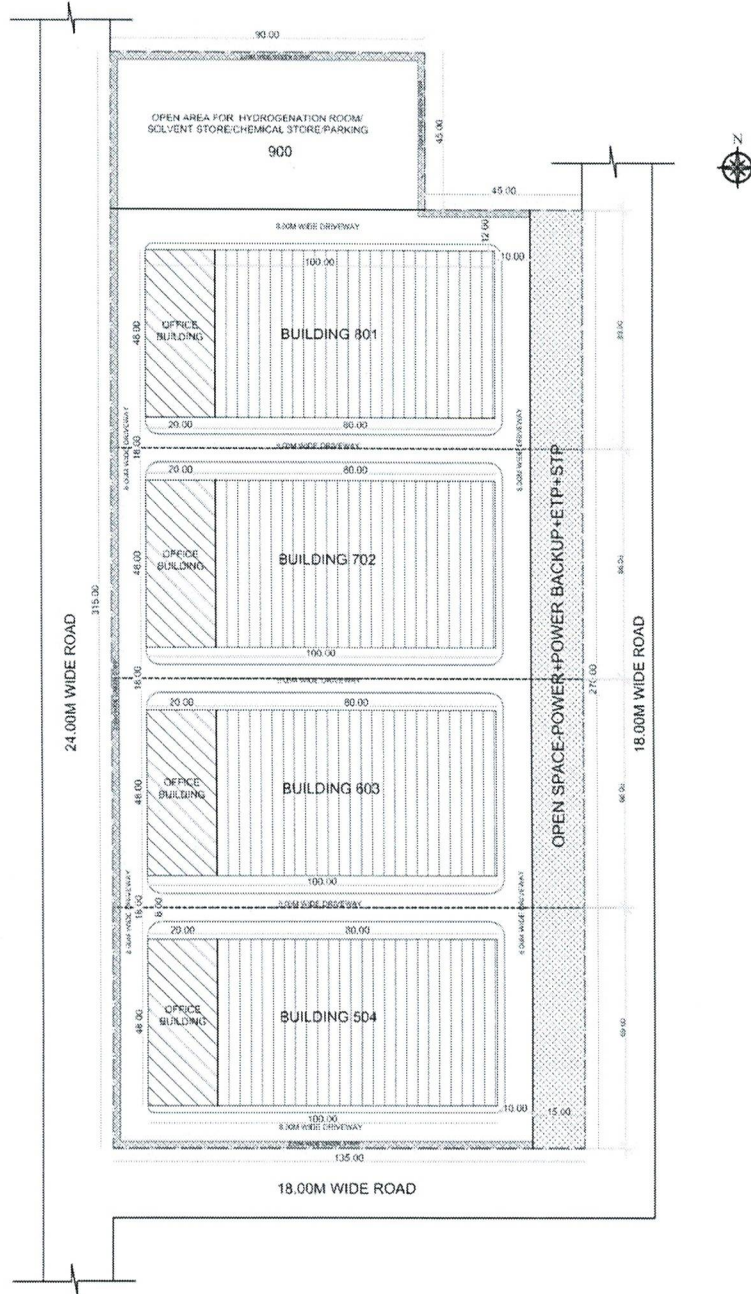


7. Details of each plot along with details of developer:

Sl. No.	Building name/Unit no.	Area of Plot in sq mtrs	Corelation with plot nos of AMTZ master plan	Developer/Allottee / Lessee
1.	Building 900	4050	4050 sq mtrs in Plot No. D1-96	AMTZ Medpolis Square 900 Pvt. Ltd.
2.	Building 801	9315	4050 sq mtrs in Plot No. D1-95, 2160 sq mtrs in Plot No. D1-94 (P), 2025 sq mtrs in Plot No. E2-109, 1080 sq mtrs in Plot No. E2-110 (P)	AMTZ Medpolis Square 801 Pvt. Ltd.
3.	Building 702	8910	1890 sq mtrs in Plot No. D1-94 (P), 945 sq mtrs in Plot No. E2-110 (P), 4050 sq mtrs in Plot No. D1-93, 2025 sq mtrs in Plot No. E2-111	AMTZ Medpolis Square 702 Pvt. Ltd.
4.	Building 603	8910	4050 sq mtrs in Plot No. D1-92, 2025 sq mtrs in Plot No. E2-112, 1890 sq mtrs in Plot No. D1-91 (P), 945 sq mtrs in Plot No. D2-113 (P)	AMTZ Medpolis Square 603 Pvt. Ltd.
5.	Building 504	9315	2160 sq mtrs in Plot No. D1-91 (P), 1080 sq mtrs in Plot No. D2-113 (P), 2025 sq mtrs in Plot No. D3-89. D3-90, 2025 sq mtrs in Plot No. E3-87. D3-88, 2025 sq mtrs in Plot No. E3-85, E3-86	AMTZ Medpolis Square 504 Pvt. Ltd.



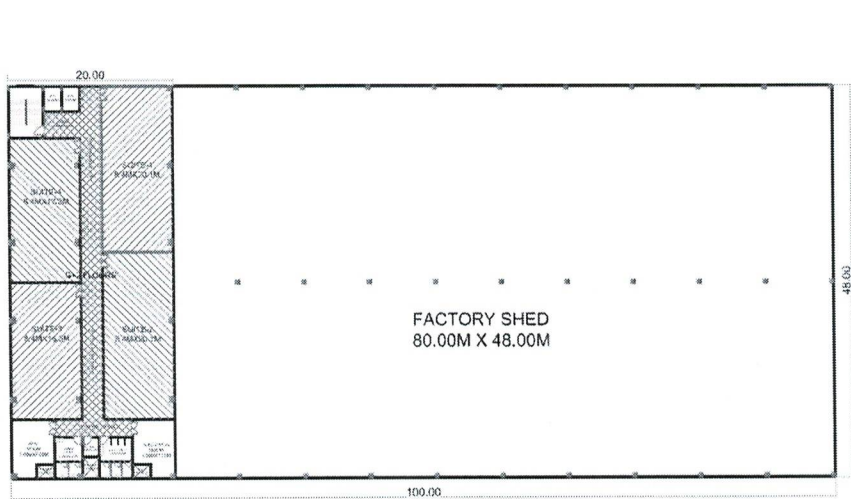
ANNEXURE F
ANNEXURE TO LOI
SITE PLAN OF AMTZ MEDPOLIS MANUFACTURING SQUARE



for



ANNEXURE G
ANNEXURE TO LOI
AMTZ MEDPOLIS MANUFACTURING SQUARE - TYPICAL FLOOR PLAN



for

