MODI PROPERTIES

Modi Properties Pvt. Ltd. Since: 1968

Letter of Intent

To,
Mr. A L Nagaraju,
Dr. N.R.K. Biotech Private Limited,
H.no. 8-2-268/1/A/1/B&C,
2nd Floor, Tulasi Homes`
Arora Colony, Banjara Hills,
Hyderabad – 500 034.

Date: 03-02-2021

Sub.: Offer to purchase all shares of Dr. N.R.K. Biotech Private Limited which is owner of the land admeasuring about 11,471 sq yds. forming part of Plot no. 11, in Shapoorji Pallonji Biotech Park, Phase -I, being part of Sy. Nos. 230 to 243, Turkapally Village, Shamirpet Mandal, Medchal –Malkajgiri District, Telangana.

Sir,

We are happy to confirm the terms agreed between us. The details of the terms and conditions that we have agreed to 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 as token advance on this day as per the details given below:

Sl. No.	Cheque no.	Date	Drawn on	Issued to
1	891765	05.02.2021	YES Bank	Dr. N.R.K. Biotech Private Limited

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:

Sign : Nagaraju
M/s. N.R.K. Biotech Private Limited.
A L Nagaraju

ANNEXURE -A

1. Date: 30th January, 2021.

2. Purchaser : Modi Properties Pvt. Ltd., (MPPL) (or its nominees or subsidiaries).

3. Owners: M/s. Dr. N.R.K. Biotech Private Limited (NRK), represented by its Managing Director Mr. A L Nagaraju. Shareholders of Dr. N.R.K. Biotech Private Limited are referred to as Owners.

4. Land Area : 11,471 sq yds.

5. Location: Plot no. 11, in Shapoorji Pallonji Bitoech Park, Phase -I, being part of Sy. Nos. 230 to 243, Turkapally Village, Shamirpet Mandal, Medchal –Malkajgiri District, Telangana.

6. Title: Land purchased from S.P. Bio-tech Park Private Limited by way of sale deed bearing no. 26703/2005. Original shareholders of the company i.e., late Mr. N.R.K. Raju & others sold their share in the company to Mr. A.L. Nagaraju and others (Owners) in 2015. M N Park has issued NOC for the transfer on 8.12.2016.

7. Terms of transfer of the company to Modi Properties Pvt. Ltd.,:
   a. It is proposed that all the shares of NRK/Owners shall be transferred to the Purchaser /MPPL over a period of time.
   b. NRK has taken a loan of about Rs. 3.50 cr from Vardhaman Co-operative Bank and the current outstanding is about Rs. 3.80 cr. NRK to pay interest on this loan till date of definitive agreement and Purchaser to pay interest thereafter.
   c. NRK has to pay maintenance dues to M N Park of about Rs. 10 to 15 lakhs upto January, 2021. Purchaser to pay these charges from date of definitive agreement.
   d. Apart from the above NRK has no other liabilities.
   e. MPPL has agreed to purchase all the shares of NRK from the Owners for a total consideration of Rs. 700 lakhs, less amount payable to M N Park (about Rs. 20 lakhs) and Vardhaman Co-operative Bank (about Rs. 3.80 cr) i.e., about Rs. 300 lakhs.

8. Title and other documents:
   Owners to provide the following documents within 7 days:
   a. Link and title documents.
   b. NOC from M N Park.
   c. Details of bank loan and current outstanding.
   d. Annual reports/IT returns from formation of company.
   e. Company registration certificate, MOA, AOA, etc.
   f. Details of shareholders, etc.
   g. Building permit and other permit obtained earlier.

9. Extent of land:
   The extent of land to be verified jointly by Owners and MPPL by clearing the site and conducting a digital survey. MPPL shall be permitted to clear the site at its cost.

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10. Due-diligence by Purchaser:
MPPL shall complete the due-diligence within 3 weeks from Owners providing all documents to it.

11. Other issues:
It is likely that the property is affected by FTL of the lake on its southern side. It is agreed between the parties herein that instead of approaching the revenue/irrigation department to determine the FTL, a plan shall be prepared for construction of about one lakh sft of lab space on the said land and an application for building permit shall be made to TSIIC within 3 weeks of receiving all documents from Owners. The said one lakh sft shall exclude parking and ancillary building. Under the TS-Ipass scheme both parties expect to obtain building permit within 3 to 6 weeks from application.

12. Payment terms:
   a. Rs. 10 lakhs as token advance to Owners as confirmation of these terms and conditions contained herein.
   b. Rs. 90 lakhs to be paid to Owners within 7 days of completing due-diligence along with entering into a definitive agreements for transfer of shares/share holders agreements/MOU, etc.
   c. Balance amount to be paid within 3 months from this LOI subject to obtaining building permit from TSIIC (to ensure that land is not affected in FTL). MPPL agrees to pay the balance amount within 30 days of receiving building permit, in case the timeline is less than 3 months from this LOI.
   d. In case of delay in obtaining building permit both parties, only on mutual agreement can extend the time for payment of balance consideration, upto a maximum of 3 more months.
   e. The Purchaser shall pay or takeover the debt from Vardhaman Co-operative Bank within 12 months form this LOI. Owners shall cooperate with the Purchaser to repay this debit in parts over a period of 12 months. This may include the Owners to continue to be shareholders of the company till the debt is transferred or paid off. MPPL will fully indemnify the present Owners against any liability on this count.

13. Cancellation of LOI:
This LOI shall be canceled in the event of one or more of the following:
   a. Defect in title or issues that may crop up during due-diligence which may hinder the transaction of transfer of NRK as envisaged above.
   b. Objections or stoppage of transfer by any authority.
   c. On mutual agreement.

In case of cancellation of LOI Owners shall refund the amount paid without interest.

14. Other Terms:
   a. In case of failure of Purchaser to make payments to the Owners as envisaged above the Owners shall be entitled to deduct cancellation charges of Rs. 10 lakhs provided the Owners obligations are completed as given above.