

TITLE DUE DILIGENCE REPORT

CLIENT: Modi Properties Private Limited

This Title Due Diligence Report is with respect to the Plot No. 11, admeasuring 11471 square yards in Shapoorji Pallonji Biotech Park, Phase-I, being part of Survey Nos. 230 to 243 situated at Turkapally Village, Shamirpet Mandal, Medchal-Malkajgiri District (erstwhile Ranga Reddy District), Telangana State.

Submitted by:



**FOX MANDAL AND ASSOCIATES
SOLICITORS & ADVOCATES
JUBILEE HILLS
HYDERABAD**



*Privileged and Confidential
Draft final Title Report
Dated March 19, 2021*

DUE DILIGENCE REPORT

IMPORTANT:

The Title Due Diligence Report ("**Report**") is prepared by Fox Mandal ("**FM**") and submitted herewith is based on the review of the copies of documents provided to us with respect to the Plot No. 11, admeasuring 11471 square yards in Shapoorji Pallonji Biotech Park, Phase-I, being part of Survey Nos. 230 to 243 situated at Turkapally Village, Shamirpet Mandal, Medchal-Malkajgiri District (erstwhile Ranga Reddy District), Telangana State (hereinafter referred to as the "**Schedule Property**") and this Report must be read in conjunction with and subject to the limitations, restrictions, conditions, cautions and disclaimers mentioned at appropriate places in this Report.



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COVERING MEMO TO THE REPORT

This Report is based on review of photocopies of the documents in relation to the Schedule Property and is based on the title due diligence exercise conducted for the purpose of acquisition of the Schedule Property ("**Proposed Transaction**") from Dr. NRK Biotech Private Limited (the "**Present Owner**") by **Modi Properties Private Limited** ("**Client**").

1. INTRODUCTION

Upon the instructions and on behalf of the Client, we have carried out a title due diligence on the Schedule Property as set out here-in-after below.

This Report has been prepared exclusively for the benefit of the Client and it may not be relied upon by any other person other than the Client or used for any other purpose other than the Client.

2. THE MANDATE, ITS OBJECTIVE AND SCOPE

With a view to check and verify the title of the Schedule Property, encumbrances and liens thereon, the Client had instructed us to carry out a legal due diligence exercise, purely on the basis of documents made available to us and also based on the personal searches (online) conducted for the Schedule Property as detailed in section 6 of this Report.

3. METHODOLOGY ADOPTED

The methodology adopted for carrying out the legal due diligence exercise was as under:

- (a) The title diligence is based on and has been restricted and kept limited to and based on the photocopies of the documents provided by the Client with respect to the Schedule Property.
- (b) We have perused the photocopies of the documents, records and all other papers and information made available to us for our review.
- (c) No physical litigation searches in concerned court registry have been carried out as the courts do not maintain a specific register with regard to the disputes relating to immovable properties. Though, they maintain suit registers for each year, since they are voluminous in nature, the courts don't allow any third parties to verify the same. Further, with regard to online searches there is no option to verify the disputes pertaining to immovable properties. Hence, it is impracticable to do the litigation search.



4. OUR REPORT – APPLICABLE ASSUMPTIONS & DISCLAIMERS

4.1 ASSUMPTIONS

All the opinions and information in this Report are based on and subject to certain assumptions, including but not limited to the assumptions that:

- (a) We have assumed that the Client has provided us all material facts and information available with them;
- (b) All signatures, stamps, seals and dates, if any, appearing on the reviewed documents are genuine;
- (c) We have assumed that each party to the documents reviewed has the right, power and authority and has taken all actions necessary to execute and deliver, and to exercise its rights and perform its obligations under the documents reviewed;
- (d) We have assumed that each document supplied to us is in full force and has not been terminated or amended and that no obligation under that document has been waived. The documents on which the Report relies remain accurate; and
- (e) The entire Report is limited and restricted to the issues of a legal nature, which have come out of the documents reviewed by us. It will not cover the issues relating to the accounting, tax technical or non-technical legal nature or intend to cover the issues on agreements not made available to us, including matters relating to or governing the inter relation between disclosed and undisclosed agreements.

4.2 DISCLAIMERS

This Report may not be relied upon by any other person or used for any other purpose other than as stated herein above.

We disclaim all and any liability and responsibility and shall not be liable or responsible in any manner nor entertain any claim in respect of any cost, charges, loss, penalty or damage etc. resulting from or incurred or suffered by any unauthorized person using this Report in any unauthorized manner or basing any action on it notwithstanding the cautions and limitations stated herein at appropriate places in this Report. We must also make it clear that we will not accept any responsibility or liability to the Client for any information obtained under disclaimer of responsibility for which we were not able to obtain independent verification. Further, we disclaim any liability on us with regard to pending litigation, if any, as the same has not been conveyed to us by the Client.

This Report is subject to other relevant documents that might not have been made available to us for our review like private documents / pattedar passbooks etc. of predecessors / private arrangement by the predecessors in title with third parties like unregistered sale deeds /agreement to sell with third parties, legal heir certificates of predecessors in title, partition / settlement deeds, creation of charge with private lenders, issues with respect to minors as family members certificates are not available in public offices and if there are any pending litigation on the Schedule Property or intend to cover the issues on agreements not made available to us, including matters relating to or governing the inter relation between disclosed and undisclosed agreements.

The Report lists down all the issues which came to our notice during the due diligence exercise, however, gives a gist of only certain issues and matters considered as important from due diligence exercise viewpoint, and the same may be read in conjunction with and subject to the stated limitations, restrictions, conditions, cautions and disclaimers herein.

5. ANALYSIS OF DOCUMENTS

From the review of the title documents mentioned in this Report, the title flow / the analysis with respect to the Plot No. 11, admeasuring 11471 square yards in Shapoorji Pallonji Biotech Park, Phase-I, being part of Survey Nos. 230 to 243 situated at Turkapally Village, Shamirpet Mandal, Medchal-Malkajgiri District (erstwhile Ranga Reddy District), Telangana State ("**Schedule Property**") has been mentioned in the following manner:

5.1 TITLE

1. BACKGROUND:

1.1 Upon review of the registered Sale Deed dated November 2, 2002 bearing Document No. 9579 of 2004, we note that;

- (a) It appears that the Schedule Property forms part of a larger extent of land admeasuring approximately Acres 144-34 Guntas comprising in Survey Nos. 230 to 243, situated at Turkapally Village, Shamirpet Mandal, Ranga Reddy District (the "**Larger Property**");
- (b) It appears that the Larger Property was owned and possessed by the Government of Telangana (formerly known as Government of Andhra Pradesh) (the "**Government**");
- (c) The Government and Shapoorji Pallonji & Company Limited (the "**SPCL**") entered into a Memorandum of Understanding (the "**MoU**") dated June 20, 2001 inter-alia agreed to form a Joint Venture Company to carry on the business of development, construction, operation and maintenance of the Biotechnology Park (the "**Project**") to be developed in the state of Andhra Pradesh;
- (d) The Government and SPCL entered into a Project Agreement (the "**PA**") dated July 28, 2001 and a shareholders agreement dated August 23, 2001;
- (e) Pursuant thereto, the Government and SPCL have incorporated a Joint Venture Company namely Shapoorji Pallonji Biotech Park Private Limited (the "**SPBPPL**");
- (f) The Government has issued Memo dated October 17, 1997 bearing Memo No. 12983/Asn.III(3)/97-3 handing over the advance possession of the Larger Property in favour of Telangana State Industrial Infrastructure Corporation (the "**TSIIC**") formerly known as Andhra Pradesh Industrial Infrastructure Corporation for establishment of industrial development areas pending finalization of regular alienation;

- (g) The Government has issued Memo dated November 19, 1997 bearing Memo No. 12983/Asn.III(3)/97-4 amending to read as "Biotech Part" instead of "Industrial Development Area";
- (h) The Government has issued government order dated December 13, 1999 bearing GO Ms. No. 865 to alienate the Larger Property on payment of Rs. 2,00,000/- per acre;
- (i) The Government has issued a letter dated August 8, 2001 vide Letter No. 21502/SSI-A1/97-16 issued by Industries & Commerce department, informing the Vice Chairman, TSIIC that the Government is promoting a Biotechnology Park and therefore as per the MoU the Larger Property has to be handed over to the Transferee i.e., in favour of SPBPPL; and
- (j) The Government has issued government order dated September 6, 2002 bearing GO Ms. No. 365 authorizing TSIIC to transfer the said Larger Property in favour of SPBPPL.

FM Observation: *We have not been provided documents evidencing the right, title and interest of the Government with respect to the Larger Property. We understand that such documents are not available. As such, for the purposes of this Report we assume that the acquisition of the Larger Property by the Government was in compliance with the provisions of the applicable laws, and that Government had valid title to the Larger Property. Further, we have not been provided any aforesaid documents including revenue records such as (a) Khasra Pahani for the year 1954-1955, (b) Chesala Pahani for the years 1955-1958, (c) Extract of Protected Tenancy Register and (d) Pahanies for the years 1960-1961 to 2000-2001 for our review.*

- 1.2 We have been provided with the copy of a registered Sale Deed dated November 2, 2002 bearing Document No. 9579 of 2004 executed by the TSIIC in favour of Shapoorji Pallonji Biotech Park Private Limited with respect to the land admeasuring Acres 144-34 Guntas comprising in Survey Nos. 230 to 243, situated at Turkapally Village, Shamirpet Mandal, Ranga Reddy District for a valid consideration mentioned therein. The said sale deed was registered in the office of Sub-Registrar, Shamirpet.

2. ALIENATION IN FAVOUR OF THE PRESENT OWNER:

- 2.1 We have been provided with the copy of a registered Sale Deed dated April 15, 2005 bearing Document No. 2063 of 2005 executed by the Shapoorji Pallonji Biotech Park Private Limited in favour of Dr. NRK Biotech Private Limited with respect to the Plot No. 11, admeasuring 11471 square yards in Shapoorji Pallonji Biotech Park, Phase-I, being part of Survey Nos. 230 to 243 situated at Turkapally Village, Shamirpet Mandal, Medchal-Malkajgiri District (erstwhile Ranga Reddy District) for a valid consideration mentioned therein. The said sale deed was registered in the office of Sub-Registrar, Shamirpet.

3. **PRESENT OWNER OF THE SCHEDULE PROPERTY:**

- 3.1 By virtue of the registered Sale Deed dated April 15, 2005 bearing Document No. 2063 of 2005, Dr. NRK Biotech Private Limited (the "**Present Owner**") is become absolute owner and peaceful physical possessor of the Plot No. 11, admeasuring 11471 square yards in Shapoorji Pallonji Biotech Park, Phase-I, being part of Survey Nos. 230 to 243 situated at Turkapally Village, Shamirpet Mandal, Medchal-Malkajgiri District (erstwhile Ranga Reddy District) i.e., the Schedule Property.

4. **BUILDING PERMISSION:**

- 4.1 We have been provided with the copy of Permission dated August 21, 2007 bearing No. G.P.T/9/2007 issued by the Panchyath Secretary, Turkapally Gram Panchyath, Shamirpet Mandal along with Plan, for construction of Factory including Ground and upper one floor building on the Plot No. 11, admeasuring 11471 square yards in Shapoorji Pallonji Biotech Park, Phase-I, being part of Survey Nos. 230 to 243 situated at Turkapally Village, Shamirpet Mandal, Medchal-Malkajgiri District (erstwhile Ranga Reddy District).

5. **PROPERTY TAX RECEIPTS:**

FM Observation: We have not been provided with the copies of the Property Tax Receipts with respect to the Factory / Building constructed on the Plot No. 11, admeasuring 11471 square yards in Shapoorji Pallonji Biotech Park, Phase-I, being part of Survey Nos. 230 to 243 situated at Turkapally Village, Shamirpet Mandal, Medchal-Malkajgiri District (erstwhile Ranga Reddy District), for our review.

Further, we have been informed by the representative of the Client that the Present Owner has not paid any property tax on the Schedule Property. Therefore, it is advisable to clear the property tax due before entering into a transactional document.

6. **NO OBJECTION CERTIFICATE:**

- 6.1 We have been provided with the copy of the No Objection Certificate dated December 8, 2016 issued by the Alexandria Knowledge Part Private Limited (formerly known as Shapoorji Pallonji Biotech Park Private Limited) granting approval for the sale of all the shares of the current shareholders in Dr. NRK Biotech Private Limited to Mr. Naga Govardhan Kumar Janapathi and Mr. Ramesh Kumar Raju Vatsavayu (the "New Management") in compliance with the terms of Clause VI of the registered Sale Deed dated April 15, 2005 bearing Document No. 2063 of 2005 executed by the Shapoorji Pallonji Biotech Park Private Limited in favour of Dr. NRK Biotech Private Limited.

7. **ENCUMBRANCE CERTIFICATE:**

- 7.1 We have been provided with the copy of the Certificate of Encumbrance dated January 17, 2018 bearing statement No. 29673123 issued by the jurisdictional Sub-Registrar, Shamirpet, with respect to the Schedule Property for the period from May 1, 1995 to January 16, 2018.

FM Observation: *On review of the aforesaid Certificate of Encumbrance, we note that the Present Owner has created charge by way of executing the Deposit of Title Deed dated January 11, 2018 bearing Document No. 198 of 2018 in favour of Vardhaman (Mahila) Co-Operative Urban Bank Limited, Banjara Hills Branch, which we have not been provided for our review. Further, we have not been provided any re-conveyance deed for satisfaction of the aforesaid charge with respect to the Schedule Property.*

In this regard, we have been informed by the representative of the Client that the aforesaid Charge is still subsisting. Therefore, it is advisable to clear the Charge and execute the re-conveyance deed before entering into a transactional document.

6. PERSONAL SEARCHES

1. Market Value Assistance Certificate:

- 1.1 On review of the information available online on the website of the Inspector General, Registration and Stamps, Government of Telangana, with respect to the Market Value Information, we note that the rate per square yard is Rs. 1500/- if the land abutting to the Highway and the rate of square yard is Rs. 1,000/- if the land is in the Village.

2. Prohibition Register:

- 2.1 On review of the information available online on the website of the Inspector General, Registration and Stamps, Government of Telangana, with respect to the Prohibition Register entries which is maintained by the Sub-Registrar, Shamirpet, in respect of the Schedule Property, we note that the Survey Nos. 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242 and 243 situated at Turkapally Village, Shamirpet Mandal, Medchal-Malkajgiri District (erstwhile Ranga Reddy District) are recorded in the Prohibition Register as *Government Lands and Ceiling Surplus Land*.

3. Certification of Encumbrance:

- 3.1 We have verified the information available online on the website of the Inspector General, Registration and Stamps, Government of Telangana on the basis of registered Sale Deed number as on March 11, 2021. On review of the same, we could not find any adverse registered transaction other than those mentioned in this Report with respect to the Schedule Property.

7. OBSERVATIONS

Based on the review of the documents / records as mentioned in the preceding paragraphs, with respect to the Schedule Property, that the Larger Property i.e., land admeasuring approximately Acres 144-34 Guntas comprising in Survey Nos. 230 to 243, situated at Turkapally Village the appears to be owned and possessed by the Government. However, we have not been provided documents evidencing the right, title and interest of the Government with respect to the Larger Property. We understand that such documents are not available. As such, for the purposes of this Report we assume that the acquisition of the Larger Property by the Government was in compliance with the provisions of the applicable laws, and that Government had valid title to the Larger Property. Further, we have not been provided with the copies of the revenue records such as (a) Khasra Pahani for the year 1954-1955, (b) Chesala Pahani for the years 1955-1958, (c) Extract of Protected Tenancy Register and (d) Pahanies for the years 1960-1961 to 2000-2001 for our review.

The Government and Shapoorji Pallonji & Company Limited have entered into a Memorandum of Understanding dated June 20, 2001, *inter-alia* agreed to form a Joint Venture Company to carry on the business of development, construction, operation and maintenance of the Biotechnology Park. The Government has issued Memo dated October 17, 1997 bearing Memo No. 12983/Asn.III(3)/97-3 handing over the advance possession of the Larger Property in favour of Telangana State Industrial Infrastructure Corporation. Further, the Government has issued government order dated September 6, 2002 bearing GO Ms. No. 365 authorizing TSIIC to transfer the said Larger Property in favour of Shapoorji Pallonji Biotech Park Private Limited. Pursuant thereto, the Government vide registered Sale Deed dated November 2, 2002 bearing Document No. 9579 of 2004 has transferred through TSIIC the Larger Property in favour Shapoorji Pallonji Biotech Park Private Limited to carry on the business of development, construction, operation and maintenance of the Biotechnology Park.

Upon application made by the Present Owner, i.e., Dr. NRK Biotech Private Limited, the Shapoorji Pallonji Biotech Park Private Limited has alienated the Plot No. 11, admeasuring 11471 square yards in Shapoorji Pallonji Biotech Park, Phase-I, being part of Survey Nos. 230 to 243 situated at Turkapally Village, Shamirpet Mandal, Medchal-Malkajgiri District (erstwhile Ranga Reddy District) in favour of Dr. NRK Biotech Private Limited for valid consideration, for setting-up of an Industry for the manufacture / research of Biotech products and / or activities associated with or a service industry to the Biotech sector. By virtue of the above sale deed, Dr. NRK Biotech Private Limited is absolute owner and peaceful physical possessor of the Schedule Property.

The Present Owner has acquired the Building Permission dated August 21, 2007 bearing No. G.P.T/9/2007 issued by the Panchyath Secretary, Turkapally Gram Panchyath for construction of Factory including Ground and upper one floor building on the Schedule Property. Further, we have not been provided with the copies of the Property Tax Receipts with respect to the Factory / Building constructed on the Schedule Property. However, we



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have been informed by the representative of the Client that the Present Owner has not paid any property tax on the Schedule Property. Therefore, it is advisable to clear the property tax due before entering into a transactional document. Further, the Present Owner has obtained the No Objection Certificate dated December 8, 2016 issued by the Alexandria Knowledge Part Private Limited (formerly known as Shapoorji Pallonji Biotech Park Private Limited) granting approval for the sale of all the shares of the current shareholders in Dr. NRK Biotech Private Limited to Mr. Naga Govardhan Kumar Janapathi and Mr. Ramesh Kumar Raju Vatsavayu (the "New Management"). On review of the Certificate of Encumbrance, we noted that the Present Owner has created charge over the Schedule Property by way of executing the Deposit of Title Deed dated January 11, 2018 bearing Document No. 198 of 2018 in favour of Vardhaman (Mahila) Co-Operative Urban Bank Limited. In this regard, we have not been provided any documents evidencing that the charge has been cleared /paid. In the absence of the re-conveyance deed for satisfaction of the aforesaid charge with respect to the Schedule Property, it can be treated as the Schedule Property is under Encumbrance. However, we have been informed by the representative of the Client that the aforesaid Charge is still subsisting. Therefore, it is advisable to clear the Charge and execute the re-conveyance deed before entering into a transactional document.

In light of the above and on the basis of the available / provided title documents, the title flow of the Schedule Property can be traceable from 2002 onwards. In view of the above, we are of the view that the Present Owner has clear title in respect of the Schedule Property, which is marketable in nature subject to clearance of the charge created over the Schedule Property and the same is subject to our comments and observations mentioned in this Report.

Date: March 19, 2021

Fox Mandal & Associates

Hyderabad.

Partner

