

B. HARINATH RAO
Advocate,

Flat No. 402, H. No. 16-11-310/10,
Maruthi Emerald, Saleemnagar,
Malakpet, HYDERABAD-500036 (A.P.)
E-Mail : harinatharao@yahoo.co.in
Ph : 984 988 8058
040-24558058 (O)

Title Investigation Report

A. Name of the Borrower* : Nagarjuna Fertilizers and Chemicals Ltd., Hyderabad
B. Name of the Mortgagor : Nagarjuna Fertilizers and Chemicals Ltd., Hyderabad

I, B. Harinath Rao, Advocate, has investigated the title of Nagarjuna Fertilizers and Chemicals Ltd., Hyderabad (Mortgagor), to the immovable properties situated at IDA Nacharam, Uppal Mandal, Ranga Reddy District, Telangana State, on the basis of the title deed/s and other documents (more particularly described in Schedule I), Encumbrance Certificates etc.

My report on the title is as under:

1. Description of the immovable properties:

All that the piece and parcel of immovable property of industrial unit along with sheds thereon, admeasuring 9621-92 Sq.Yds of land covered by Plot No. P-10/1, Road No. 10, situated at IDA Nacharam, Uppal Mandal, Ranga Reddy District, Telangana State, situate within the limits of Registration District: Ranga Reddy and Sub-Registrar Office: Uppal, and bounded as under:

North : Plot No. P-10/4,
South : Existing Road
East : Plot No. P-10
West : Plot No. A-5

(more particularly described in Schedule II) (Herein after called as "the Immovable Properties").



2. Devolution of Title:

Documents Perused (All Xerox Copies) :

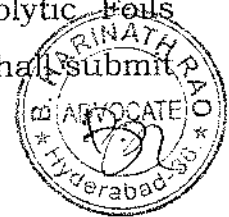
Sl. No.	Date of Document	Description of the Document
1.	13-09-1996	Regd. Sale Deed executed by Andhra Pradesh State Financial Corporation, Ranga Reddy (East) Branch, Hyderabad in favor of M/s. Nagarjuna Palma India Limited., Hyderabad vide Doc. No. 6353/1996, registered in the O/o. SRO Uppal.
2.	25-03-2005	Amalgamation Orders Passed by Hon'ble High Court of A.P. Hyderabad in Company Petition No.s 216 and 217 of 2004.
3.	19-11-2004	Scheme of Amalgamation of Nagarjuna Palma India Limited with Nagarjuna Fertilizers and Chemicals Limited.
4.	12-12-1997	Possession Letter issued by Andhra Pradesh State Financial Corporation, Ranga Reddy East Branch.
5.	05-05-1997	Letter vide No. 55/NRM/97 issued by Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad.
6.	10-11-2015	Property Tax Receipt vide No. 7931, for the period 01-10-2015 to 31-03-2016, issued by Telangana State Industrial Infrastructure Corporation Limited., in favor of Nagarjuna Fertilizers and Chemicals Limited, in respect of Plot No. 10/1, Road No.10, IDA Nacharam.
7.	22-11-2015	Statement of Encumbrance on Property vide App. No. 465732 and 465736, downloaded by me from the website of the registration department.
8.	07-12-2015	Statement of Encumbrance on Property vide App. No. 744008, issued by SRO Uppal for the period 01-01-1986 to 06-12-2015.
9.	07-12-2015	Search Receipt No. 146, issued by SRO Uppal in proof of search of Doc. No. 6353/96.
10.	09-01-1998	ULC exemption proceedings issued by Special Officer and Competent Authority, Urban Land Ceilings, Hyderabad, vide No. F2/2766/Corr/97, in favor of M/s. Nagarjuna Palma India Ltd.
11.		GOMS No. 950 issued by Government of Andhra Pradesh.
12.	13-05-1997	No protected tenants Certificate issued by Mandal Revenue Officer, Uppal Mandal, Ranga Reddy District vide No. B.3486/97.



Flow of title:

From the documents submitted by the mortgagor more particularly from the Regd. Sale Deed Dated: 13-09-1996, vide Doc. No. 6353/96, executed by Andhra Pradesh State Financial Corporation Limited., Ranga Reddy East Branch, in favor of M/s. Nagarjuna Palma India Limited., Hyderabad, it is observed that originally Andhra Pradesh Industrial Infrastructure Corporation Limited., Hyderabad has allotted the land admeasuring 9621-93 Sq.Yds, in Plot No. 10, of IDA Nacharam in favor of M/s. Electrolytic Foils Limited, Hyderabad, for setting of the industrial unit over the said plot of land and later executed a Regd. Sale Deed 22-12-1994, in favor of said M/s. Electrolytic Foils Limited, Hyderabad, vide Doc. No. 8521/1994, registered on 28-12-1994 in the O/o. SRO Uppal. (Inspite of repeated request the borrower/mortgagor has not submitted the copy of said Sale Deed of Doc. No. 8521/1994, as such it is advised that the borrower/mortgagor shall submit the same to the bank.).

Further it is observed that the said company i.e. M/s. Electrolytic Foils Limited, Hyderabad, having obtained title and possession of the said industrial unit has availed financial assistance from Andhra Pradesh State Financial Corporation, Ranga Reddy East Branch, Hyderabad, for acquisition of the said property as well as machinery for setting up of the unit/industry and after execution of registered sale deed by APIIC the said company has mortgaged the said property with APSFC, obtained term loan by way of deposit of title deeds with APSFC. (Here the present borrower has not submitted the details of mortgage deed, allotment letter issued by APIIC in favor of M/s. Electrolytic Foils Limited, Hyderabad, as such it is advised that the borrower shall submit the same to the bank).



Further it is observed that, since the said company M/s. Electrolytic Foils Limited, Hyderabad, committed default in repaying the loan to APSFC, as such the APSFC has invoked the provisions of Sec. 29 of The State Financial Corporation Act LXVIII of 1951, took possession of the said unit and seized the same on 13-11-1995 and sold the same in auction by advertising/publishing the sale notice in Deccan Chronicle News Paper Dated: 12-04-1996.

Further it appears that since M/s. Nagarjuna Palma India Limited., Hyderabad, became successful bidder in the said auction, as such the APSFC has executed and registered the above said property in favor M/s. Nagarjuna Palma India Limited., through Regd. Sale Deed Dated: 13-09-1996, vide Doc. No. 6353/96, registered in the O/o. SRO Uppal and delivered the vacant possession of the same to the said bidder.

Further the APSFC has also issued a Letter No. AFC/RRB(E)/GVR/97-98, Dated: 12-12-1997, to the effect that, M/s. Nagarjuna Palma India Limited., Hyderabad has purchased the said property i.e. Plot No. 10/1, IDA Nacharam, Ranga Reddy District, belonging to M/s. Electrolytic Foils Limited, Hyderabad, for a total sale consideration of Rs. 54-10 Lakhs on 100% down payment basis under Sec. 29 of SFC's Act.

Further the Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad has also issued Letter No. 55/NRM/97, Dated: 05-05-1997, wherein it has confirmed that originally the Plot No. 10/1, admeasuring 8044-10 Sq.Mtrs, in Sy. No. 59, situated at IDA Nacharam was registered in favor of M/s. Electrolytic Foils Limited, Hyderabad, vide Sale Deed Dated: 22-12-1994, Doc. No. 8521/94, subsequently the said unit was seized by APSFC and sold to M/s. Nagarjuna Palma India Limited, U/s. 29 of SFC Act by way of Regd. Sale Deed Dated: 13-09-1996, vide Doc. No. 6353/96.



Further the borrower/mortgagor has not furnished the details with regard to its mutation of the above said property subsequent to its purchase from APSFC, as such it is advised that the borrower shall submit the same to the bank.

Further from the Orders Dated: 25-03-2005, passed by the Hon'ble High Court of A.P. Hyderabad in Company Petitions Nos. 216 and 217, it is observed that, while the things stood thus, M/s. Nagarjuna Palma India Limited., Hyderabad has filed a Company Application No. 2333 of 2004 for approval of scheme of amalgamation of the said company with Nagarjuna Fertilizers and Chemicals Limited., Hyderabad, under the relevant provisions of the Companies Act 1956. The Hon'ble High Court by Orders Dated: 19-11-2004 directed for holding a meeting of the share holders for approval of said amalgamation by appointing an advocate as the chairman of the said meeting. Similarly the said High Court of A.P. by orders Dated: 19-11-2004 in CA No. 2334 of 2004 directed for holding of a meeting of the share holders of the Transferee company by appointing Sri Justice A. Hanumanthu, Former Judge of High Court of A.P. as chairman of the said meeting. Pursuant to which the respective Chairpersons after following the procedure and working out of modalities have filed their reports and the Hon'ble High Court has approved the Scheme of Amalgamation, by Orders Dated: 25-03-2005, in Company Petitions Nos. 216 and 217 of 2004 and thereby dissolved the transferor company without an order of winding up.

Pursuant to the above said scheme of amalgamation the borrower company/mortgagor has to get its name mutated in the relevant records maintained by APIIC, Hyderabad, but the documents in proof of the same are not produced as such it is advised that the borrower/mortgagor shall produce the same to the bank.



Further from the Property Tax Receipt No. 7931 Dated: 10-11-2015 issued by Telangana State Industrial Infrastructure Corporation Limited, Industrial Area Local Authority IP Nacharam, in favor of Nagarjuna Fertilizers and Chemicals Limited., Hyderabad has paid property in respect of Plot No. 10/1, Road No.10, IDA Nacharam, for the period 01-10-2015 to 31-03-2016.

Further from the proceedings No. F2/2766/Corr/97, Dated: 09-01-1998, issued by Special Officer and Competent Authority, Urban Land Ceilings, Hyderabad, discloses that the subject land held by Nagarjuna Palma India Ltd., is exempted from the ULC Provisions.

Further from the GO Ms. No. 950 Dated: 05-08- issued by Government of Andhra Pradesh, Revenue (U.C.III) Department, discloses that the subject land is initially allotted to M/s. Electorlytic Foils Ltd., for setting up unit in the said land and the said firm is authorized to raise financial assistance from banks including Andhra Pradesh State Financial Corporation.

Further from the Certificate vide No. B/3486/97, Dated: 13-05-1997, issued by Mandal Revenue Officer, Uppal Mandal, Ranga Reddy District, discloses that there are no protected tenants in Sy. No. 59, Plto No. P-10/1, admeasuring 9621-92 Sq.Mtrs, situated at Industrial Area, Nacharam, Uppal Mandal, Ranga Reddy District and the same is not hit by Andhra Pradesh Land Reforms Act.

The Statement of Encumbrance on Property Dated: 22-11-2015 vide App. No. 465736, downloaded by me from the website of the registration department for the period 28-06-1980 to 21-11-2015 disclosed the transaction of Doc. No. 8521/1994, through which the APILC has sold the land in favor of M/s. Electrolytic Foils Limited, Hyderabad.



The Statement of Encumbrance on Property Dated: 22-11-2015 vide App. No. 465732, downloaded by me from the website of the registration department for the period 28-06-1980 to 21-11-2015 disclosed the transaction of Doc. No. 6353/1996, through which the APSFC has sold the land in favor of M/s. Nagarjuna Palma India Limited, Hyderabad.

The Statement of Encumbrance on Property vide App. No. 744008, Dated: 07-12-2015, issued by SRO Uppal for the period 01-01-1986 to 06-12-2015 discloses the transaction of Doc. No. 6353/1996, through which the APSFC has sold the land in favor of M/s. Nagarjuna Palma India Limited, Hyderabad.

3. Minor's Interest / HUF Property: Not Applicable

4. Mutation of the name of the owner in revenue records:

The mutation of the owner in revenue records does not arise since the subject property is an industrial area. But the owner has to get its name mutated with respect IALA of APIIC.

Originally M/s. Nagarjuna Palma Limited has acquired the subject property by way of Regd. Sale Deed Dated: 13-09-1996 vide Doc. No. 6353/96, from APSFC and the mortgagor has not submitted the mutation proceedings as such it is advised to submit the same to the bank.

Further M/s. Nagarjuna Palma Limited has been merged with M/s. Nagarjuna Fertilizers and Chemicals Limited., by way of Scheme of Amalgamation passed by the Hon'ble High Court of A.P. in Company Petitions Nos. 216 and 217 of 2004, by Orders Dated: 25-03-2005. And subsequent to the said amalgamation the borrower has also not submitted the mutation proceedings as such it is advised to submit the same to the bank.



5. Possession:

From the above said property tax Property Tax Receipt No. 7931 Dated: 10-11-2015 issued by Telangana State Industrial Infrastructure Corporation Limited, Industrial Area Local Authority IP Nachara, in favor of Nagarjuna Fertilizers and Chemicals Limited., Hyderabad has paid property in respect of Plot No. 10/1, Road No.10, IDA Nacharam, for the period 01-10-2015 to 31-03-2016, it is observed that the borrower is in possession of the said property. .

6. Payment of municipal/local taxes/cess etc.:

From the above said property tax Property Tax Receipt No. 7931 Dated: 10-11-2015 issued by Telangana State Industrial Infrastructure Corporation Limited, Industrial Area Local Authority IP Nachara, in favor of Nagarjuna Fertilizers and Chemicals Limited., Hyderabad has paid property in respect of Plot No. 10/1, Road No.10, IDA Nacharam, for the period 01-10-2015 to 31-03-2016, it is observed that the borrower is paying the property tax to the respective authority.

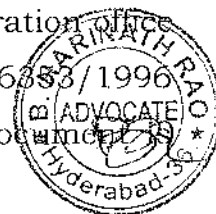
7. Applicability of the Urban Land (Ceiling & Regulation) Act, 1976 (ULCRA): Not Applicable

8. Applicability of Local laws:

The mortgagor has stated that it has obtained necessary permissions from the competent authority for establishing the factory however it is advised that the borrower shall submit all the permission viz., district industries permission, fire department permission etc., to the Bank.

9. Searches:

(i) On 07-12-2015 I conducted the searches in the Office of S.R.O., Uppal and I found that the entries recorded in the said registration office are tallying with that of the above said document bearing No. 6353/1996 submitted by the mortgagor. Hence I opine that the said document is



true and correct. Further a certified copy of said document is also obtained and enclosed herewith.

The search receipt No. 146, Dated: 07-12-2015 issued by SRO Uppal is filed herewith in proof of the same.

ii) Enquires made in the Office of Mandal/Revenue Officer: As the said land is an industrial area initially belonging to APIIC searches in the office of Revenue Authorities has not been made.

iii) Searches in the Office of Registrar of Companies : The borrower is advised that is shall submit search report issued by a practicing company secretary.

iv) Lispendency: The mortgagor has stated that no cases are pending in any court of law in respect of the above described property. **But it is advised that, the bank shall obtain a declaration from the mortgagor that no cases of any nature are pending in any court of law/tribunal/authority. And further the bank shall cause a public notice to be published in any local news paper calling for objections if any from any person/s before creating mortgage.**

10. Site Inspection:

Not inspected

11. Conclusion and Recommendations:

Thus, subject to the above said observations, on the basis of documents submitted by the mortgagor, I am of the opinion that the mortgagor is in possession and enjoyment of the above described property, since the date of amalgamation proceedings passed by the High Court in Company Petition Nos. 126 and 127 of 2004, as such it can be said that the mortgagor is having clear and marketable title to create equitable mortgage in favor of the bank, subject to production of documents referred below.



12. Certificate:

Subject to the above said observations I certify that M/s. Nagarjuna Fertilizers and Chemicals Limited, Hyderabad is in possession and enjoyment of the above described property and is having marketable title to create equitable mortgage subject to production of the following documents.

1. Registered Sale Deed Dated: 22-12-1994, vide Doc No. 8521/94, executed by APIIC in favor of M/s. Electrolytes Foils Ltd.
2. Mutation Proceedings of M/s. Nagarjuna Palma India Limited
3. Mutation Proceedings of M/s. Nagarjuna Fertilizers and Chemicals Limited.
4. Building permission proceedings and approved plan by APPIC IALA.
5. E.C. from 01-01-1980 to till date i.e till the date of creation of mortgage.
6. Declaration/Affidavit that there are no litigations in respect of subject property.
7. Cause public notice inviting objections if any from the person/s interested before creating mortgage.
8. Certified copy of the amalgamation proceedings including the scheme of amalgamation.
9. NOC from APIIC presently TSIIC for creating equitable mortgage in favor of the bank.
10. Certificate of registration issued by ROC consequent to change of name of M/s. Nagarjuna Palma India Limited into NFCL by virtue of Amalgamation.

Date: 09-12-2015

Place : Hyderabad



(B. Harinath Rao)

B. HARINATH RAO
ADVOCATE

Flat No. 402, #16-11-310/10,
Vanathi Emerald, 4th Floor, Saleem Nagar,
Mullakpet, Hyderabad-500 036. (A.P.)

**Documents to be submitted by the mortgagor to the bank for
creation of equitable mortgage.**

**SCHEDULE - I
(LIST OF TITLE DEEDS)**

Sl. No.	Description of the Document	Document to be collected
1.	Regd. Sale Deed 13-09-1996, executed by Andhra Pradesh State Financial Corporation, Ranga Reddy (East) Branch, Hyderabad in favor of M/s. Nagarjuna Palma India Limited., Hyderabad vide Doc. No. 6353/1996, registered in the O/o. SRO Uppal.	Original
2.	Amalgamation Orders Dated: 25-03-2005, Passed by Hon'ble High Court of A.P. Hyderabad in Company Petition No.s 216 and 217 of 2004.	Certified Copy -
3.	Scheme of Amalgamation of Nagarjuna Palma India Limited with Nagarjuna Fertilizers and Chemicals Limited.	-Do-
4.	Possession Letter Dated: 12-12-1997, issued by Andhra Pradesh State Financial Corporation, Ranga Reddy East Branch.	Original
5.	Letter vide No. 55/NRM/97, Dated: 05-05-1997, issued by Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad.	-Do-
6.	Property Tax Receipt vide No. 7931, Dated: 10-11-2015, for the period 01-10-2015 to 31-03-2016, issued by Telangana State Industrial Infrastructure Corporation Limited., in favor of Nagarjuna Fertilizers and Chemicals Limited, in respect of Plot No. 10/1, Road No.10, IDA Nacharam.	-Do-
7.	Statement of Encumbrance on Property vide App. No. 465732 and 465736, Dated: 22-11-2015, downloaded by me from the website of the registration department.	-Do-
8.	Statement of Encumbrance on Property vide App. No. 744008, Dated: 07-12-2015, issued by SRO Uppal for the period 01-01-1986 to 06-12-2015.	-Do-
9.	Search Receipt No. 146, Dated: 07-12-2015, issued by SRO Uppal in proof of search of Doc. No. 6353/96.	-Do-
10.	ULC exemption proceedings issued by Special Officer and Competent Authority, Urban Land Ceilings, Hyderabad, vide No. F2/2766/Corr/97, Dated: 09-01-1998, in favor of M/s. Nagarjuna Palma India Ltd.	-Do-
11.	GOMS No. 950, Dated: 05-08- issued by Government of Andhra Pradesh.	-Do-



12.	No protected tenants Certificate issued by Mandal Revenue Officer, Uppal Mandal, Ranga Reddy District vide No. B.3486/97, Dated: 13-05-1997.	-Do-
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Schedule-II

(Details of the properties)

All that the piece and parcel of immovable property of industrial unit along with sheds thereon, admeasuring 9621-92 Sq.Yds of land covered by Plot No. P-10/1, Road No. 10, situated at IDA Nacharam, Uppal Mandal, Ranga Reddy District, Telangana State, situate within the limits of Registration District: Ranga Reddy and Sub-Registrar Office: Uppal, and bounded as under:

North : Plot No. P-10/4,
 South : Existing Road
 East : Plot No. P-10
 West : Plot No. A-5

