

Gopalkrishna R. Hegde

ADVOCATE

B.Com., LL.B.

080 - 22202917(O)
94482 61617 (M)
231, "Laxmi Nivas"
2nd Floor, S.C. Road,
Ananda Rao Circle,
BANGALORE - 560 009.

E-mail : hegdekangodadvocate@gmail.com

To,
The Asst. General Manager,
Bank of Baroda,
International Business Bank Branch,
KOLKATA-700 001.

Date: 05-12-2016

Dear Sir,

Subject: Legal opinion about the marketable title to the property
belonging **M/s.LMJ International Limited.**

Nature of Loan: Term Loan/Cash Credit/Overdraft Loan.

Name of the Borrower : **M/s.LMJ International Limited.**

1.	Name of the Account.	M/s.LMJ International Limited.
2.	Description and	SCHEDULE PROPERTY
(a)	Area of the property to be mortgaged:	All that piece and parcel of the property bearing Industrial Plot Nos.24/14, 24/15, 24/16 and 24/17, Present Kudumangaluru Village Panchayath Khata No.662, 'E' Property Khata No.151800208100600695, in the layout formed by Karnataka Industrial Areas Development Board at Survey Nos.36/1, 36/7 and 36/8 of Kudulur Village, Kushalnagar Hobli, Somavarpet Taluk, Kodagu District, measuring in all 10357.87 Square Metres along with building constructed thereon and bounded on the:- East by : Plot No.24/13. West by : Plot No.24/18. North by : KIADB Road. South by : Private Land
b)	Specification of the land:	Industrial Property.

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3.	Name of the Mortgagor/s and status :	M/s.LMJ International Limited is the absolute owner of the schedule property. A Limited Company.
4.	Whether the Mortgagor has sufficient title and capacity to contract for creation of Mortgage.	The mortgagor can create an equitable mortgage by deposit of original title deeds.
5.	Nature of Mortgagor's right or title in the property.	The mortgager is the having absolute right over the schedule property.
6.	Whether the Mortgagor is in exclusive possession of the property proposed to be Mortgaged.	- Yes-
7.	DESCRIPTION OF THE DOCUMENTS SCRUTINISED. (All are Photocopies)	
	1. Allotment Letter dated 17-03-1999 issued by the Karnataka Industrial Areas Development Board, Bangalore.	
	2. Possession Certificate dated 02-11-1999 issued by The Karnataka Industrial Areas Development Board, Bangalore.	
	3. Approved building plan dated 11-07-2000 issued and approved by KIADB, Bangalore.	
	4. Registered Sale deed dated 22-11-2010 executed by The Karnataka Industrial Areas Development Board, Bangalore, represented by its Asst. Secretary in favour of M/s.LMJ International Limited, represented by its Manager Account Mr.Nagaraj M.R. and the document is registered as No.1453/2010-11 stored in CD No.SMPD31 of Book-I in the Office of the Sub-Registrar, Somavarapet, Bangalore.	
	5. Tax Paid Receipt dated 26-09-2016 issued by Kudumangaluru Village Panchayath Somavarapet Taluk.	
	6. 'E' Khata Extract (Form No.9) dated 23-11-2016 issued by Kudumangaluru Village Panchayath, Somavarapet Taluk.	
	7. 'E' Khata Extract (Form No.11) dated 23-11-2016 issued by Kudumangaluru Village Panchayath, Somavarapet Taluk.	

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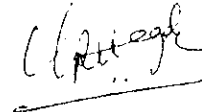
8. Encumbrance Certificates for the period i).from 01-01-1995 to 31-03-2004; ii).from 01-04-2004 to 10-08-2016 and iii).from 11-08-2016 to 13-09-2016.

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TRACING OF TITLE:-

(i). It is seen from the above said documents that the property bearing Industrial Plot Nos.24/14, 24/15, 24/16 and 24/17, in the layout formed by Karnataka Industrial Areas Development Board at Survey Nos.36/1, 36/7 and 36/8 of Kudalur Village, Kushalnagar Hobli, Somavarpeta Taluk, Kodagu District, measuring in all 10357.87 Square Metres, originally belonged to Karnataka Industrial Areas Development Board, Bangalore. It is allotted in favour of M/s.LMJ International Limited on lease for a period of ten years subject to terms and conditions mentioned therein as can be seen from the Allotment Letter dated 17-03-1999 issued by the Karnataka Industrial Areas Development Board, Bangalore. The possession of the said Plots has been delivered to M/s.LMJ International Limited, vide Possession Certificate dated 02-11-1999 issued by The Karnataka Industrial Areas Development Board, Bangalore. The Lessee by its Authorised Signatory has put his seal and signature to this Possession Certificate for having taken possession of the above said plots.

(ii). It is seen from the Approved building plan dated 11-07-2000 issued and approved by KIADB, Bangalore, that the plan is approved for construction of industrial building over the Plot Nos.24/14, 24/15, 24/16 and 24/17, situated at Kudalur KIADB Industrial Areas, Kushalnagar Hobli, Somavarpeta Taluk, Kodagu District. After fulfilment of all the conditions and completion of the lease period, the vendor KIADB had conveyed and



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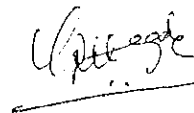
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executed a Registered Sale deed on 22-11-2010 in favour of M/s.LMJ International Limited. in respect of the Plot Nos.24/14, 24/15, 24/16 and 24/17, situated at Kudulur KIADB Industrial Areas, Kushalnagar Hobli, Somavarpeta Taluk, Kodagu District, measuring in all 10357.87 Square Metres. Thus M/s.LMJ International Limited became the absolute owner of the schedule property.

iii). The said property comes within the limits of Kudumangaluru Village Panchayath Somavarapeta Taluk and it is assessed for tax and they have paid the property tax of Rs.1,66,883/- for the Year 2016-2017 in respect of the schedule property as can be seen from the Tax Paid Receipt dated 26-09-2016 issued by Kudumangaluru Village Panchayath Somavarapeta Taluk. It is seen from the 'E' Khata Extract (Form No.9) dated 23-11-2016 and 'E' Khata Extract (Form No.11) dated 23-11-2016 issued by Kudumangaluru Village Panchayath, Somavarapeta Taluk, that the khata of the property bearing No.662, 'E' Property No.151800208100600695, situated at Kudlur Village, Somavarapeta Taluk, Kodagu District, measuring 10357.87 Square Metres along with built up area of 3034.50 Square Metres, stands in the name of M/s.LMJ International Limited and it is assessed for tax.

iv). It is seen from the Encumbrance Certificates for the period i).from 01-01-1995 to 31-03-2004; ii).from 01-04-2004 to 10-08-2016 and iii).from 11-08-2016 to 13-09-2016 that the lease Agreement dated 10-11-1999 entered into between KIADB and M/s.LMJ International Ltd. and the sale dated 20-12-2010 referred to above are noted. No other transactions are



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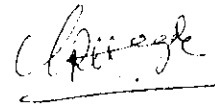
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	<p>noted. Therefore the schedule property is free from all encumbrances as on 13-09-2016.</p> <p>The applicant has informed that they have availed the loan from Bank of Baroda and created an equitable mortgage by deposit of original title deeds in respect of the schedule property. In that view of the matter, the mortgage created in favour of Baroda is to be extended/fresh mortgage is to be created.</p>
9.	<p>a). Whether the title is clear and property is free from any encumbrances. Subject to the mortgage created in favour of Bank of Baroda, the title of the schedule property is clear and it is free from all encumbrances as on 13-09-2016.</p> <p>b). Number of Years for which the Search is made:- The search has been carried out for the period from 01-01-1995 to 13-09-2016 in the Office of the Sub-Registrar, Somavarapet, Kodagu District, Karnataka and ensured the correctness of the entries found in the Encumbrance Certificate in the Registers. The schedule property is free from all encumbrances as on 13-09-2016. As the schedule property is allotted and sold by K.I.A.D.B., which is a statutory body of Govt. of Karnataka, therefore the 30 years of Encumbrance certificate is not necessarily to be produced and verified. However the applicant has produced the E.C. from the date of allotment upto date and it is in order.</p> <p>c). If name is mutated in the Municipal Records. Khata of the said property stands in the name of M/s.LMJ International Ltd.</p> <p>(d). If name is shown in Revenue/Land Records. -Nil-</p>



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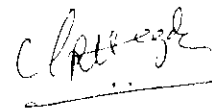
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10	Whether the title to property is clear, unambiguous, marketable and property is saleable.	Subject to the mortgage created in favour of Bank of Baroda, M/s.LMJ International Ltd. has got valid marketable title over the Schedule property and it has got saleable right over the schedule property.
11	Whether there is any Bar/restriction for creation of equitable Mortgage under any Act, state law or rule/notification (Like Ceiling Act, Land Acquisition Act, State Co-op. Societies Act, Societies Registration Act or Apartment/Flat Ownership Act or Income Tax Act).	No
12	Whether any permission/ consent/no objection is required and if so, it is obtained from which Authority?	- Nil -
13	Additional documents/ required/formalities to be completed by the proposed Mortgagor:-	i). Encumbrance Certificate for the period from 14-09-2016 upto date of release of loan is to be produced in respect of the schedule property. If no transactions are noted therein, then the schedule property can be taken to be free from all encumbrances. ii). The mortgage created in favour of Bank of Baroda, is to be extended for the present loan facility.
14	List out the title deeds to be deposited to create mortgage by deposit of title deeds in favour of Bank by the above said Mortgagor M/s.LMJ International Ltd.	<u>Documents to be deposited.</u> Take the Original documents mentioned at SI Nos.1 to 8 referred to above along with the following document as deposit of title deeds i). Encumbrance Certificate for the period from 14-09-2016 upto date of release of loan is to be produced in respect of the schedule property. If no transaction is noted therein, then the schedule property can be taken to be free from all encumbrances.
15	Whether the schedule property can enforce under SARFAESI Act.?	Yes, after creation of mortgage, the schedule property can be enforced under SARFAESI Act-2002.



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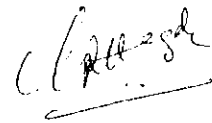
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16. I have verified the Photocopies of the Documents mentioned at **Sl. Nos.1 to 8** referred to above mentioned at **Paragraph No.7** and scrutinized deeds are duly executed/stamped and registered. There is no doubt/suspicion as to their genuineness or existence.

17. CERTIFICATE

Subject to the mortgage created in favour of Bank of Baroda, on perusal of the above said documents it is seen that **M/s.LMJ International Ltd.**, has got valid marketable title over the property bearing **Industrial Plot Nos.24/14, 24/15, 24/16 and 24/17**, Present Kudumangaluru Village Panchayath Khata No.662, 'E' Property No.151800208100600695, in the layout formed by Karnataka Industrial Areas Development Board at Survey Nos.36/1, 36/7 and 36/8 of Kudalur Village, Kushalnagar Hobli, Somavarpeta Taluk, Kodagu District, measuring in all 10357.87 Square Metres along with building constructed thereon and bounded on the East by Plot No.24/13, West by Plot No.24/18, North by KIADB Road and South by Private Land.

M/s.LMJ International Ltd., by its Director/s (with necessary Board Resolution of the Company) can create/extend the equitable mortgage by deposit of Original title deeds with the Bank, with an intention to create marketable security for the due repayment of the loan, which the Bank may advance, the schedule property can create a valid marketable security for the due repayment of the said loan.



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The necessary Memorandum of Extension of Mortgage by Deposit of Title deeds is to be executed and registered on the required stamp duty payable on the instrument as per Karnataka Stamp Act and the Memorandum of Mortgage Deed is to be registered as per the procedure of the Bank.

Bangalore.
Date: 05-12-2016.


(Gopalkrishna R. Hegde)
Advocate
