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KMV/ASM/ /2017

REPORT ON TITLE

Re: Land bearing Survey No. 342/4 admeasuring 10895 sq. mtrs or thereabouts situate, lying and being at Village Majivde, District Thane.

1. We have been furnished with photocopies of certain documents and papers in respect of the land bearing Survey No. 342/4 admeasuring 10895 sq. mtrs or thereabouts situate, lying and being at Village Majivde, District Thane hereinafter referred to as "the said Property" and more particularly described in the Schedule hereunder written.
2. We are issuing this Report on Title on the basis of the documents and papers that have been furnished to us. Our observations are limited only to the extent of the said documents, papers and information. We take no responsibility of the authenticity of the documents furnished to us. Further, we take no responsibility of any information, declaration or undertakings that may be contained in such documents and papers that have not been provided to us for the purpose of issuing this Report on Title or such information, particulars or details that may not have been disclosed to us.
3. We have been furnished with the following documents and papers for our perusal:-
 - (i) Papers and proceedings in respect of BIFR Case No. 103 of 1994;
 - (ii) Indenture dated 21st August, 1997 made between XLO India Limited of the One Part and XLO Machine Tools Limited of the Other Part and registered with the Office of the Sub-Registrar of Assurances at Bombay under Serial No. 3966 of 1998;
 - (iii) Papers and proceedings in respect of Appeal No. 316 of 2001;
 - (iv) Papers and proceedings in respect of Writ Petition bearing No. 424 of 2003;
 - (v) Development Agreement dated 16th April, 2004 made between the XLO Machine Tools Limited of the One Part and Kanakia Construction Private Limited of the Other Part and registered with the Office of the Sub-Registrar of Assurances at Thane under Serial No. 3685 of 2004;
 - (vi) Supplemental Agreement dated 31st January, 2005 made between XLO Machine Tools Limited of the One Part and Kanakia Construction Private Limited of the Other Part and registered with the Office of the Sub-Registrar of Assurances at Thane under Serial No. 572 of 2005;
 - (vii) Papers and proceedings in respect of Miscellaneous Application No. 502 of 2014;
 - (viii) Agreement for Sale dated 5th December, 2016 made between XLO Machine Tools Limited of the One Part and Messrs. Ashar Ventures of the

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- Other Part and registered with the Office of the Sub-Registrar of Assurances at Thane under Serial No. 13622 of 2016;
- (ix) Irrevocable Power of Attorney dated 5th December, 2016 executed by XLO Machine Tools Limited in favour of Messrs. Ashar Ventures and registered with the Office of the Sub-Registrar of Assurances at Thane under Serial No. 13623 of 2016;
 - (x) Consent Terms dated 1st July, 2017;
 - (xi) Consent Award dated 12th July, 2017;
 - (xii) Deed of Conveyance dated 11th August, 2017 made between the Company therein referred to as "the Vendor" of the One Part and Messrs. Ashar Ventures therein referred to as "the Purchaser" of the Other Part and registered with the Office of the Sub-Registrar of Assurances at Thane under Serial No. TNN2-8850 of 2017.

4. On perusal of the aforesaid documents and papers, we observe as under:-

- (i) By an Indenture dated 21st August, 1997 made between XLO India Limited therein referred to as "the Vendor" of the One Part and XLO Machine Tools Limited therein referred to as "the Purchaser" of the Other Part and registered with the Office of the Sub-Registrar of Assurances at Bombay under Serial No. 3966 of 1997, XLO India Limited granted, conveyed, sold and transferred to the land bearing the land bearing Survey No. 342 admeasuring 33510.58 sq. mtrs or thereabouts situate, lying, and being at Village Majivde, District Thane in favour of XLO Machine Tools Limited at or for the consideration therein contained.
- (ii) By virtue of the aforesaid XLO Machine Tools Limited ("the Company") became entitled to the land bearing the land bearing Survey No. 342 admeasuring 33510.58 sq. mtrs or thereabouts ("the larger property") situate, lying, and being at Village Majivde, District Thane.
- (iii) We have been informed that the larger property comprises of three sub-plots namely:
 - (a) Sub-Plot No. 1 admeasuring 16145 sq. mtrs or thereabouts ("Plot 1");
 - (b) Sub-Plot No. 2 admeasuring 10895 sq. mtrs or thereabouts ("Plot 2");
 - (c) Sub-Plot No. 3 admeasuring 6470 sq. mtrs or thereabout ("Plot 3");
- (iv) The development rights in respect of Plot No. 1 and Plot No. 3 were granted to Kanakiya Construction Private Limited.
- (v) It appears that an application was made in the month of July, 1994 by the Company under the provisions of Section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA") to the Board of Industrial & Financial Reconstruction ("BIFR") to declare the Company as a Sick Industrial Company.
- (vi) By an Order dated 19th October, 1994 passed by BIFR, the Company was declared as a Sick Industrial Company within the provisions of SICA after the conclusion of an enquiry under Section 16(1) of SICA.

- (vii) It appears that the employees of the Company formed a Co-operative Society known as "XLO Machine Tools Employees Industrial Co-operative Society Limited" ("Workers Society") and registered under the provisions of the Maharashtra Co-operative Societies Act, 1960 who made a rehabilitation proposal which interalia envisaged a change in the existing management of the Company and the takeover of the same by the Worker's Society as the promoters thereof.
- (viii) By its Order dated 7th August, 2001 passed in Case No. 103 of 1994, BIFR recommended winding up of the Company.
- (ix) Against the aforesaid Order dated 7th August, 2001, the Company filed an Appeal before the Appellate Authority of Industrial and Financial Reconstruction (AAIFR) being Appeal No. 316 of 2001.
- (x) By an Order dated 20th November, 2001, AAIFR dismissed the aforesaid appeal and confirmed the order passed by BIFR declaring the Company as Sick Industrial Company.
- (xi) The Company then filed a Writ Petition bearing No. 424 of 2003 in the Hon'ble Bombay High Court interalia for setting aside the aforesaid Order dated 7th August, 2001 passed by BIFR and Order dated 20th November, 2001 passed by AAIFR and seeking sanction for a fresh Revival Rehabilitation Scheme.
- (xii) By an Order dated 27th January, 2004 passed by the Hon'ble Bombay High Court in the aforesaid Writ Petition bearing No. 424 of 2003, a sanction for fresh Revival Rehabilitation Scheme submitted by the Workers Society was granted and the orders passed by BIFR and AAIFR were set aside and the Hon'ble Bombay High Court gave an option/discretion to the Company to approach the BIFR as and when necessary.
- (xiii) Accordingly, the rehabilitation proposal submitted by the Workers Society before BIFR became the Sanctioned Scheme, for rehabilitation of the Company.
- (xiv) In terms of the Sanctioned Scheme the Company entered into a Development Agreement dated 16th April, 2004 made between the Company of the One Part and Kanakia Construction Private Limited of the Other Part and registered with the Office of the Sub-Registrar of Assurances at Thane under Serial No. 3685 of 2004, the Company granted development rights in respect of a portion of the larger property being Plot No. 1 and Plot No. 3 in favour of Kanakia Construction Private Limited on terms and conditions therein contained.
- (xv) By a Supplemental Agreement dated 31st January, 2005 made between Company of the One Part and Kanakia Construction Private Limited of the

Other Part and registered with the Office of the Sub-Registrar of Assurances at Thane under Serial No. 572 of 2005, the consideration to be paid by Kanakia Construction Private Limited to the Company under the Development Agreement dated 16th April, 2004 was increased.

- (xvi) Pursuant to the execution of the aforesaid Agreements with Kanakia Construction Private Limited, the Company continued to be entitled to deal with only the remaining portion of the larger property being Plot No. 2 (hereinafter referred to as "**the said Property**") and more particularly described in the Schedule hereunder written).
- (xvii) The Company made an Application being Miscellaneous Application No. 502 of 2014 in Case No. 103 of 1994 on 20th November, 2014 praying interalia for the deregistration/discharge of the Company from the purview of BIFR/SICA.
- (xviii) Pending the aforesaid Miscellaneous Application No. 502 of 2014, a Notification dated 25th November, 2016 bearing Reference No. F. No. 3/2/2011-IF-II was issued by the Ministry of Finance stating that Sick Industrial Companies (Special Provisions) Repeal Act, 2003 shall come into force from 1st December, 2016. In the light of the aforesaid Notification, BIFR had refused to pass any orders with respect to any of the proceedings pending before it.
- (xix) By an Agreement for Sale dated 5th December, 2016 made between the Company of the One Part and Messrs. Ashar Ventures of the Other Part and registered with the Office of the Sub-Registrar of Assurances at Thane under Serial No. 13622 of 2016, the Company granted development rights and agreed to sell the said Property in favour of Messrs. Ashar Ventures at or for the consideration and on certain terms and conditions therein contained.
- (xx) By an Irrevocable Power of Attorney dated 5th December, 2016 executed by the Company in favour of Messrs. Ashar Ventures and registered with the Office of the Sub-Registrar of Assurances at Thane under Serial No. 13623 of 2016, the Company nominated and appointed Messrs. Ashar Ventures to such acts, deeds, matters and things in respect of the said Property as contained therein.
- (xxi) The user of the said Property is industrial.
- (xxii) We have perused the Consent Award dated 12th July, 2017 along with Consent Terms dated 1st July, 2017 filed before the Learned Sole Arbitrator, Mr. Rahul Chitnis. On perusal of the aforesaid Consent Award and the Consent Terms, we observe as under:
 - (a) One Messrs. Sahil Realtors had entered into a Development Agreement dated 3rd December, 2013 with the Company. No steps were taken by Messrs. Sahil Realtors to develop the said Property,

as a result of which disputes arose between Messrs. Sahil Realtors and the Company and the same was referred to Arbitration.

- (b) Under the consent terms, it was agreed by and between the parties to settle the dispute and that the Company shall pay Messrs. Sahil Realtors a sum of Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) by 30th September, 2017 in the manner as provided in the Consent Terms.
 - (c) Further, a Share Pledge Agreement was made between Fairworth Properties Private Limited, the Company and Workers Society. Certain disputes arose between Fairworth Properties Private Limited and the Company, thereby giving rise to disputes between the Company and Fairworth Properties Private Limited.
 - (d) By virtue of the consent terms, the dispute relating to the Share Pledge Agreement was settled.
- (xxiii) By a Deed of Conveyance dated 11th August, 2017 made between the Company therein referred to as "the Vendor" of the One Part and Messrs. Ashar Ventures therein referred to as "the Purchaser" of the Other Part and registered with the Office of the Sub-Registrar of Assurances at Thane under Serial No. TNN-2 8850 of 2017, the Company granted, conveyed, sold and transferred the said Property in favour of Messrs. Ashar Ventures at or for the consideration therein contained.

5. We have caused searches to be taken in the office of the Sub Registrar of Assurances at Mumbai through Mr. Nilesh Vagal, search Clerk. Mr. Nilesh Vagal has submitted his Search Report dated 5th July, 2017 for the period from 1988 to 2017 on perusal whereof we observe that the following documents of title have been found to be registered in respect of the said Property: -

- (a) Deed of Mortgage dated 25th April, 2004 made between Kanakiya Construction Private Limited of the One Part and ICICI Bank of the Other Part and registered under Serial No. 5546 of 2004;
- (b) Deed of Mortgage dated 1st March, 2006 made between Kanakiya Construction Private Limited of the One Part and HDFC Limited of the Other Part and registered under Serial No. 1626 of 2006;
- (c) We have been informed by the Company that the documents mentioned above do not relate to the said Property.

6. We have not caused public notices to be issued in the local newspapers investigating the title of the Company to the said Property.

7. We have perused the original documents of title relating the said Property, a list whereof is annexed hereto and marked as Annexure "A".

8. We have been furnished with the ROC Search Report dated 21st January, 2017 issued by Rupal D. Jhaveri, Company Secretary with respect to the charges created by the

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Company on the said Property and we observe that no charge/mortgage/encumbrance has been created in respect of the said Property.

9. By a letter dated 4th August, 2011, the Company has informed us that the said Property is not the subject matter of any pending litigation dispute or attachment either before or after judgment nor is there any restraint order or injunction passed by any court or authority pertaining to the said Property or any part thereof.

10. Subject to what is stated hereinabove, by virtue of the aforesaid Deed of Conveyance dated 11th August, 2017 it can be said that Messrs. Ashar Ventures is entitled to the said Property as the absolute owner in respect of the said Property more particularly described in the Schedule hereunder written and have got marketable title thereto.

THE SCHEDULE ABOVE REFERRED TO: -

ALL THAT piece or parcel of vacant land or ground being a part of the land bearing Survey No.342/4 (formerly bearing Survey No.342) admeasuring 10,895 square meters equivalent to 13,031 square yards or thereabouts together with the structure standing thereon of Village Majiwade, Taluka and District Thane situate, lying and being at Glady's Alvares Marg, Second Pokhran Road, Thane in the registration district and sub district Thane.

Dated this 16th day of August, 2017.

Kanga and Company,



Partner

Advocates & Solicitors

ANNEXURE A

1. Indenture dated 21st August, 1997 made between XLO India Limited of the One Part and XLO Machine Tools Limited of the Other Part and registered with the Office of the Sub-Registrar of Assurances at Bombay under Serial No. 3966 of 1998;
2. Agreement for Sale dated 5th December, 2016 made between XLO Machine Tools Limited of the One Part and Messrs. Ashar Ventures of the Other Part and registered with the Office of the Sub-Registrar of Assurances at Thane under Serial No. 13622 of 2016;
3. Irrevocable Power of Attorney dated 5th December, 2016 executed by XLO Machine Tools Limited in favour of Messrs. Ashar Ventures and registered with the Office of the Sub-Registrar of Assurances at Thane under Serial No. 13623 of 2016;
4. Consent Terms dated 1st July, 2017 and Consent Award dated 12th July, 2017 passed in Arbitration filed before Learned Sole Arbitrator, Mr. Rahul Chitnis;
5. Deed of Conveyance dated 11th August, 2017 made between the Company therein referred to as "the Vendor" of the One Part and Messrs. Ashar Ventures therein referred to as "the Purchaser" of the Other Part and registered with the Office of the Sub-Registrar of Assurances at Thane under Serial No. TNN-2 8850 of 2017.

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