

MODI PROPERTIES PVT LTD

5-4-187/3&4, 2nd floor,
Soham Mansion, M.G.Road,
Secunderabad-500003.

Date: 23-05- 2019

WITHOUT PREJUDICE

To,

- 1) Yellu Bapu Reddy;
H.No. 2-20, Mallareddy Nagar,
Prashant Nagar,
Siddipet- 502103;
- 2) Yellu Ravinder Reddy;
H.No. 2-20, Mallareddy Nagar,
Prashant Nagar,
Siddipet- 502103;
- 3) Yellu Vijay Bhaskar Reddy;
H.No. 2-20, Mallareddy Nagar,
Prashant Nagar,
Siddipet- 502103;
- 4) Yellu Raji Reddy;
H.No. 2-20, Mallareddy Nagar,
Prashant Nagar,
Siddipet- 502103;
- 5) Yellu Srikanth Reddy;
H.No. 2-20, Mallareddy Nagar,
Prashant Nagar,
Siddipet- 502103;

Dear Sir,

Sub: Cancellation of MOU dated 6 October 2016 and refund of the Security Deposit

Ref: (1) Letter of Intent dated 22 July 2016;

(2) Memorandum of Understanding dated 6 October 2016.

In the year 2016, Yella Bapu Reddy, Yella Ravinder Reddy Yella Vijay Bhaskar Reddy, Yella Raji Reddy and Yella Srikanth Reddy (hereinafter referred to as You) along with Mr. [Kanaka Raju] and

other owners approached us representing that You and are owners and pattadars of the land admeasuring Acres 4-19 Guntas in survey no. 2013, 2014 and 2016 situated in Siddipet Village, Siddipet Mandal, Medak District, Telangana ("**Schedule Property**"), and the Schedule Property was free from all encumbrances and liens.

- 1) Based on the representations made by You, we had agreed to develop the said Schedule Property into residential complex with one floored villas along with club house and other amenities under name and style of "**Villa Marigold**".
- 2) Subsequent to the above discussions, we entered into a Letter of intent on 22 July 2016 ("**LOI**"). As per the terms of the LOI, it was agreed that, we shall develop the Schedule Property, and all villas shall be allotted in the ratio of 35:65 between the Owners and us respectively.
- 3) Towards execution of the development, we agreed to deposit Rs. 90 Lakhs as security deposit, out of which a total sum of Rs. 50,00,000/- (Rupees Fifty Lakhs) has been paid to You.
- 4) On 6 October 2016, in pursuance of the LOI, Memorandum of Understanding was executed between the parties for developing the Schedule Property ("**MOU**"), reflecting all the terms of the LOI in the MOU in much more elaborative manner. As per the terms of the MOU, to enable us to commence the development, You were obligated *interlaia* to assist us to conduct Panchanama and the survey of the Schedule Property through the MRO office demarcating the exact area of land forming the Schedule Property, assist and co-ordinate with us for carrying out due-diligence etc.
- 5) We have also reliably learnt that there are third party claims over the Schedule Property by banks and no information in connection with the same has been shared with us. In spite of lapse of so many years, even after repeated requests and reminders as there is no compliance on your part of your obligations under the MOU and by concealing the material information pertaining to the Schedule Property, you have breached various terms and conditions of our understanding under the MOU.

MODI PROPERTIES PVT LTD

5-4-187/3&4, 2nd floor,
Soham Mansion, M.G.Road,
Secunderabad-500003.

- 6) In light of the above, we are herewith terminating this MOU, and you and all the parties to the said MOU are hereby called upon to refund the entire security deposit of Rs. 50,00,000/- (Rupees Fifty Lakhs) deposited with you until that date along with an interest of 18% per annum aggregating to Rs.73,22,740/-. Upon your failure to refund the amount, within 15 days of receipt of this letter, we will be constrained to take legal actions against You and all others associated with the said transaction.
- 7) Please be informed that, this letter is issued to You without prejudice to our rights and remedies under the LOI read with the MOU and as available under law and equity.



Regards

D. PAVAN KUMAR
ADVOCATE

THE LAW CHAMBERS

19 July 2019

LEGAL NOTICE

To,

- 1) Yellu Bapu Reddy;
H.No. 2-20, Mallareddy Nagar,
Prashant Nagar,
Siddipet- 502103;
- 2) Yellu Ravinder Reddy;
H.No. 2-20, Mallareddy Nagar,
Prashant Nagar,
Siddipet- 502103;
- 3) Yellu Vijay Bhaskar Reddy;
H.No. 2-20, Mallareddy Nagar,
Prashant Nagar,
Siddipet- 502103;
- 4) Yellu Raji Reddy;
H.No. 2-20, Mallareddy Nagar,
Prashant Nagar,
Siddipet- 502103;
- 5) Yellu Srikanth Reddy;
H.No. 2-20, Mallareddy Nagar,
Prashant Nagar,
Siddipet- 502103;

Dear Sir,

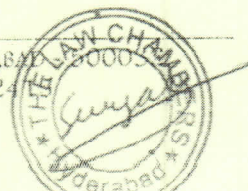
Sub: Notice for commencement of Arbitration under MOU dated 6 October 2016.

Ref: (1) Letter of intent dated 22 July 2016;

(2) Memorandum of Understanding dated 6 October 2016.

(3) Letter dated 23 May 2019 issued by Modi Properties Pvt. Ltd., cancelling the MOU dated 6 October 2016 and calling for refund of the Security Deposit.

Page 1 of 4



We represent M/s. Modi Realty (Siddipet) LLP, a limited liability partnership firm, having its registered office at 5-4-187/3 and 4, Soham Mansion, M. G. Road, Secunderabad - 500003 and Modi Properties Investments Pvt. Ltd. (**Our Clients**). Under instructions from Our Client we issue the notice to you as under:

1. Our Client is engaged in the business of real estate development and are group companies of Modi Properties Pvt. Ltd.
2. Our Client states that, in the year 2016, Yella Bapu Reddy, Yella Ravinder Reddy Yella Vijay Bhaskar Reddy, Yella Raji Reddy and Yella Srikanth Reddy (hereinafter collectively referred to as **You**) approached Our Client representing that You and are owners and pattadars of the land admeasuring Acres 4-19 Guntas in survey no. 2013, 2014 and 2016 situated in Siddipet Village, Siddipet Mandal, Medak District, Telangana ("**Schedule Property**"), and the Schedule Property was free from all encumbrances and liens.
3. Based on the representations made by You, Our Clients had agreed to develop the said Schedule Property into residential complex with villa/independent houses along with club house and other amenities under name and style of "**Villa Marigold**".
4. Subsequent to the above discussions, Our Client, M/s. Modi Properties Investments Pvt. Ltd. entered into a Letter of intent on 22 July 2016 ("**LOI**") with You. A sum of Rs. 10,00,000/- (Rupees Ten Lakhs) was paid by Our Client to you under the LOI as token advance.
5. On 6 October 2016, in pursuance of the LOI, Memorandum of Understanding ("**MOU**") was executed between the parties for developing the Schedule Property, detailing the terms of arrangement between the Parties. An additional sum of Rs. 40,00,000/- (Rupees Forty Lakhs Only) was tendered to You towards security deposit.
6. As per the terms of the MOU, to enable Our Client to commence the development, You were obligated *interalia* to assist Our Client to conduct Panchanama and the survey of the Schedule Property through



the MRO office demarcating the exact are of land forming the Schedule Property, assist and co-ordinate with Our Client for carrying out due-diligence etc. However, inspite of repeated reminders and requests, nothing has been forthcoming from You.

7. Our Clients state that they have also reliably learnt that there are third party claims over the Schedule Property by banks and no information in connection with the same has been shared with Our Client. In spite of lapse of so many years, even after repeated requests and reminders as there is no compliance on your part of your obligations under the MOU and by concealing the material information pertaining to the Schedule Property, You have breached various terms and conditions of our understanding under the MOU.
8. In light of the above, Our Clients were constrained to terminating the MOU under Clause 48 o the MOU and intimated the same to You by way of letter dated 23 May 2019. You were specifically called upon by Our Client to refund the security deposit of Rs. 50,00,000/- (Rupees Fifty Lakhs) along with an interest of 18% per annum.
9. Instead of complying with the terms of the letter, You have issued a reply to Our Client making false and frivolous allegations only to evade your obligations and liability under the MOU.
10. In light of the above, the present notice is being issued to all the above addresses on behalf of Our Client under Clause 54 of the MOU for commencement of arbitration proceedings against You for refund of the Security Deposit along with interest and for the losses and damages caused to Our Client on account of your non-compliance with the terms of the MOU. As per the terms of the MOU, it was agreed that, the disputes shall be decided by a panel of three arbitrators, but to avoid delay and rigorous process in appointing three arbitrators for deciding the present dispute, Our Client nominates Hon'ble Justice C. V. Ramulu, Retired Judge of the High Court at Hyderabad, to act as the sole arbitrator to adjudicate the alleged disputes, request you to kindly confirm the same within 7 days of receipt of this Notice to take this forward.

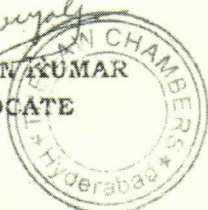


D. PAVAN KUMAR
ADVOCATE

THE LAW CHAMBERS

11. Please be informed that, this Notice is issued to You without prejudice to Our Client's rights and remedies under the LOI read with the MOU and as available under law and equity.

on behalf of
PAVAN KUMAR
ADVOCATE



Schedule Property, pursuant to which both the parties agreed to enter into a Development Agreement. It was agreed between both the parties that your client shall be entitled to a share of 65% of the developed area and my clients shall be entitled for 35% share of the developed area apart from your client paying security deposits to my client. My client further states that, your client who was into the business of real estate and development assured my client and took the responsibility of getting drafted a Development Agreement in the interest of both the parties and as per the understanding that was arrived between the parties during the time of deliberations and believing the version of your client, my client's agreed for the same. However, your client got drafted an Agreement titled as "Memorandum of Understanding" which was in a way that your client was placed at a higher footing than my client whereas my clients had no bargaining power at all. After getting it verified my clients had confronted your client as to why it got drafted an agreement termed as Memorandum of Understanding instead of getting drafted a Development Agreement as assured, your client has informed my clients that in the event if a Development Agreement is entered into between the parties then the parties have to pay huge amounts as stamp duty and that it is in the interest of both the parties it is better to enter into the said Memorandum of Understanding as no stamp duty is required for execution of the such Memorandum of Understanding. Infact your client also impressed upon my client by stating that though the Agreement's nomenclature is titled as "Memorandum of Understanding" still the same contains all the terms and conditions of a "Development Agreement" and that the shall be treated as Development Agreement and requested my clients to enter into such Memorandum of Understanding. Believing the version of your client to be true, as your client had stated that this is the general modus operandi followed by your client in all its projects, my

K. Sphar Laxmi

Schedule Property, pursuant to which both the parties agreed to enter into a Development Agreement. It was agreed between both the parties that your client shall be entitled to a share of 65% of the developed area and my clients shall be entitled for 35% share of the developed area apart from your client paying security deposits to my client. My client further states that, your client who was into the business of real estate and development assured my client and took the responsibility of getting drafted a Development Agreement in the interest of both the parties and as per the understanding that was arrived between the parties during the time of deliberations and believing the version of your client, my client's agreed for the same. However, your client got drafted an Agreement titled as "Memorandum of Understanding" which was in a way that your client was placed at a higher footing than my client whereas my clients had no bargaining power at all. After getting it verified my clients had confronted your client as to why it got drafted an agreement termed as Memorandum of Understanding instead of getting drafted a Development Agreement as assured, your client has informed my clients that in the event if a Development Agreement is entered into between the parties then the parties have to pay huge amounts as stamp duty and that it is in the interest of both the parties it is better to enter into the said Memorandum of Understanding as no stamp duty is required for execution of the such Memorandum of Understanding. Infact your client also impressed upon my client by stating that though the Agreement's nomenclature is titled as "Memorandum of Understanding" still the same contains all the terms and conditions of a "Development Agreement" and that the shall be treated as Development Agreement and requested my clients to enter into such Memorandum of Understanding. Believing the version of your client to be true, as your client had stated that this is the general modus operandi followed by your client in all its projects, my

K. L. Phane Laxmi

client was left with no other choice but to sign the Memorandum of Understanding (MOU) dated 06.10.2016.

- 3) As per the MOU/ Development Agreement your client was entitled to a share of 65% of the developed area and my clients were entitled for 35% share of the developed area apart from your client paying security deposit to my client. My client states that, pursuant to the execution of the MOU/ Development Agreement they have applied for survey / demarcation of the schedule property by paying necessary fees to the concerned authorities and also complied with all the formalities in order to handover the original documents to you and also the same was acknowledged and well within the knowledge of your clients. However, instead of commencing the Development Project works, your clients with a malafide intention started making allegations against my clients stating that there are third party claims over the schedule property and that my clients not informed your clients about the same. As regards these allegations my clients have informed your client that they have not breached any conditions under the MOU/ Development Agreement dated 06.10.2016 and infact informed your client that it has failed to honour its part of the obligations under the agreement.
- 4) My client states that even after 2 ½ years of entering into the MOU/ Development Agreement, your client has not commenced the project works and instead started coming up with flimsy grounds against my client on one pretext or the other and this itself shows that your client is not interested to develop the schedule property.
- 5) To the utter shock and surprise of my clients, they have received a notice dated 23.05.2019 wherein and whereunder your client came up with all false and frivolous allegations and attributed motives to my client stating

K. Sphar Laxmi

that my clients have not honoured obligations as per the MOU/ Development Agreement dated 06.10.2016 and surprisingly your client has in an arbitrary and unilateral manner terminated the MOU/ Development Agreement dated 06.10.2016 and apart from the same your client called upon my clients to refund the security deposit of Rs.50,00,000/- along with interest @ 18% per annum.

6) My clients state that, in response to the notice issued by your client dated 23.05.2019, my clients got issued reply notice in their individual capacity dated 17.6.2019 and 08.7.2019 wherein and whereunder my clients have categorically denied all those frivolous and baseless allegations made out by your client in the notice dated 23.05.2019. Infact vide their reply notice my clients have categorically informed your client that they have complied with the obligations under the MOU/ Development Agreement dated 06.10.2016 and that infact your client failed to honour its part of the obligations under the Agreement dated 06.10.2016. It was informed by my clients that that by indulging in such inappropriate acts, your client apart from not commencing the project for the last 2 ½ years caused great loss and hardships to my client as the schedule property was stuck up in the subject project due to which, on one side the schedule property was blocked and remained idle and on the other side when various people approached my client for purchasing the schedule property my client was constrained not to accept such lucrative offers. In view of default on part your client who violated the MOU/ Development Agreement dated 6.10.2016 my clients called upon your client to pay damages.

7) However, instead of making good to the losses suffered by my clients, your client approached your good selves with a concocted story and got issued the notice under reply dated 19.07.2019.

K. Laxmi Devi

My clients now intend to give parawise reply as follows:

8. In reply to para 1 of the notice under reply, the same being formal in nature needs no reply.

9. In reply to all the averments/allegations made in para no.2 and 3 of the notice under reply dated 19.7.2019 my clients deny the same and put your client to strict proof of the same. It is absolutely false and incorrect to say that in the year 2016 my clients approached you representing that they are the owners and pattedars of the schedule property and that they informed your client that the schedule property was free from all Encumbrances and liens. It is equally false and incorrect to say that based on the representations made by my client, your client had agreed to develop the schedule property into residential complex with Villas / Independent houses along with the other amenities under the name and style of "VILLAMARYGOLD". On the contrary, having come to know that my clients are the owners of the Schedule Property, your client approached my clients and expressed its intention to develop the Schedule Property and after due deliberations between the parties and after carrying out due diligence in respect of the Schedule Property, your client came up with a proposal of developing the Schedule Property, pursuant to which both the parties agreed to enter into a Development Agreement.

10. In reply to all the averments / allegations made in para no.4 to 6 of the notice under reply, my clients deny the same and put your client to strict proof of the same. As regards the averment/allegation that both the parties entered into a Letter of Intent (LOI) on 22.07.2016, my clients states that they are not aware of any such LOI as alleged by your client. My clients state that, as your client got drafted the MOU/ Development Agreement dated 06.10.2016, probably your client must have taken the signatures of my clients on other documents as well, however, no such

A. Venkatesh

A. Venkatesh
Advocate

My clients now intend to give parawise reply as follows:

8. In reply to para 1 of the notice under reply, the same being formal in nature needs no reply.

9. In reply to all the averments/allegations made in para no.2 and 3 of the notice under reply dated 19.7.2019 my clients deny the same and put your client to strict proof of the same. It is absolutely false and incorrect to say that in the year 2016 my clients approached you representing that they are the owners and pattedars of the schedule property and that they informed your client that the schedule property was free from all Encumbrances and liens. It is equally false and incorrect to say that based on the representations made by my client, your client had agreed to develop the schedule property into residential complex with Villas / Independent houses along with the other amenities under the name and style of "VILLAMARYGOLD". On the contrary, having come to know that my clients are the owners of the Schedule Property, your client approached my clients and expressed its intention to develop the Schedule Property and after due deliberations between the parties and after carrying out due diligence in respect of the Schedule Property, your client came up with a proposal of developing the Schedule Property, pursuant to which both the parties agreed to enter into a Development Agreement.

10. In reply to all the averments / allegations made in para no.4 to 6 of the notice under reply, my clients deny the same and put your client to strict proof of the same. As regards the averment/allegation that both the parties entered into a Letter of Intent (LOI) on 22.07.2016, my clients states that they are not aware of any such LOI as alleged by your client. My clients state that, as your client got drafted the MOU/ Development Agreement dated 06.10.2016, probably your client must have taken the signatures of my clients on other documents as well, however, no such

v. C. S. Dange

such Memorandum of Understanding. Believing the version of your client to be true, as your client had stated that this is the general modus operandi followed by your client in all its projects, my client was left with no other choice but to sign the Memorandum of Understanding (MOU) dated 06.10.2016.

11. It is true to the extent that as per the terms of the MOU/ Development Agreement my client was obligated to conduct Panchanama and demarcate the schedule property. However, it is absolutely false and incorrect to say that inspite of repeated reminders and requests from your client nothing was forthcoming from my clients. On the contrary, my clients applied for Survey of Demarcation and my clients were also ready to handover your client the original documents in respect of the Schedule property. However, your clients dodged to assist and co-ordinate with my client for conducting Panchanama and Survey of the Schedule property and protracted the issue on one protest or the other and after considerable period of time, your client who has already conducted a due diligence in respect of the schedule property prior to entering into the MOU/ Development Agreement dated 06.10.2016 started making false allegations that there are third party claims over the schedule property, which is false and incorrect.

12. In reply to all the averments / allegations made in para no.7 to 9 of the notice under reply my clients deny the same and put your client to strict proof of the same. It is absolutely false and incorrect to say that there are third party claims over the schedule property by banks and that the same was not informed by my clients to your clients. It is equally false and incorrect to say that even after repeated requests and reminders my clients have not complied with their part of the obligations under the MOU/ Development Agreement dated 06.10.2016 and that they have concealed

K. Lopham Jaise

information pertaining to the schedule property and breached the terms of MOU/ Development Agreement dated 06.10.2016. On the contrary, my clients have complied with all the terms and conditions of the Agreement dated 06.10.2016 and it was / is always your client who failed to perform obligations on its part and kept the schedule property idle for the last 2 ½ years without any development and as such your client is liable to make good to the losses caused to my clients.

13. As regards the averments/allegations that your clients were constrained to terminate the MOU/ Development Agreement dated 06.10.2016 by way of a Letter dated 23.05.2019, it is hereby informed that the same is done by your client in an arbitrary and unilateral manner and such wrongful termination is bad in law and holds no water. As regards my clients issuing reply to your client the same is borne out by records and needs no reply.

14. In reply to all the averments / allegations made in para 10 and 11 of the notice under reply my clients denies the same and puts your client to strict proof of the same. As regards your client issuing the present notice under Clause 54 of the MOU / Development Agreement for invoking arbitration proceedings against my clients, on advise, my clients state that the MOU / Development Agreement itself is a defective document and calls for payment of deficit stamp duty and apart from the same considering the fact that under the said MOU/ Development Agreement dated 06.10.2016 an interest is created in respect of the schedule property and as such, the MOU/ Development Agreement calls for compulsory registration. In view of the fact that such MOU/ Development Agreement dated 06.10.2016 is neither properly stamped nor registered, the same is an invalid and unenforceable document and such terms including the Arbitration Clause cannot be relied upon by the parties for any purpose.

K. Spharadani

15. De-horse that, as your client has violated the terms and conditions of the MOU/ Development Agreement dated 06.10.2016 thereby causing great loss to my clients, your client is liable to pay an amount of Rs.2 Crores to my client towards damages.

In view of the above mentioned facts and circumstances by way of the present reply notice, I, on behalf of my clients request you to advise your client not to indulge into any frivolous litigations against my client in respect of the schedule property and I further call upon your client to pay an amount of Rs.2 Crores to my clients as damages, within two (2) weeks from the date of receipt of the present reply notice, failing which, my clients shall be constrained to initiate appropriate legal action against your client for which your client alone shall be responsible for all the costs, consequences and incidentals arising thereto including the cost of the present reply notice quantified at Rs.50,000/-.

K. L. Phane Laxmi
for A.VENKATESH
ADVOCATE.

IN THE COURT OF

CHIEF JUDGE, CITY CIVIL COURT,
AT: HYDERABAD

ARBITRATION O. P. NO.

OF 2019

Between:

M/s. Modi Realty (Siddipet) LLP.

5-4-187/3&4, II Floor, Soham Mansion,
M.G. Road, Secunderabad- 500 003

Represented by its Partner, A. Purushotham

PETITIONER

AND

1. **Yellu Bapu Reddy.**
S/o. Shri Malla Reddy,
Aged about 76 Years,
R/o. H. No. 2-20,
Mallareddy Nagar, Prasanth
Nagar, Siddipet- 502103
2. **Yellu Ravinder Reddy.**
S/o. Shri Bapu Reddy,
Aged about 49 Years,
R/o. H. No. 2-20,
Mallareddy Nagar, Prasanth
Nagar, Siddipet- 502103
3. **Yellu Vijay Bhaskar Reddy.**
S/o. Shri Bapu Reddy,
Aged about 47 Years,
R/o. H. No. 2-20,
Mallareddy Nagar, Prasanth
Nagar, Siddipet- 502103
4. **Yellu Raji Reddy.**
S/o. Shri Bapu Reddy,
Aged about 43 Years,
R/o. H. No. 2-20,
Mallareddy Nagar, Prasanth
Nagar, Siddipet- 502103
5. **Yellu Srikanth Reddy.**
S/o. Shri Saajeev Reddy,
Aged about 43 Years,
R/o. H. No. 2-20,
Mallareddy Nagar, Prasanth
Nagar, Siddipet- 502103

RESPONDENTS

**PETITION FILED UNDER SECTION 9 OF THE ARBITRATION AND
CONCILIATION ACT, 1995**

I. DESCRIPTION OF THE PETITIONER:

The Petitioner No.1, M/s. Modi Realty (Siddipet) LLP, is a Partnership Firm incorporate under the Limited Liability Partnership Act, 2008, having its registered office at 5-4-187/3&4, II Floor, Soham Mansion, M.G. Road, Secunderabad- 500 003, Represented by its Partner, Mr. A. Purushotham.

The address for service of the notice, summons etc., on the Petitioner is the same as stated above and that of their Counsel D. Pavan Kumar, Shraddha Gupta, PNJ Surya Tej Advocates, is The Law Chambers, Suit # 16, 3rd Floor, Cyber Hub, Janardana Hills, Gachibowli, Hyderabad - 500032, Ph No. - 9866222415, 9885885705 Email id: pavan@thelawchambers.in, shraddha@thelawchambers.in

II. DESCRIPTION OF THE RESPONDENTS:

The address and description of the Respondents for the purpose of service of summons and notices on the Respondents is H. No. 2-20, Mallareddy Nagar, Prasanth Nagar, Siddipet- 502103.

III. THE PETITIONER SUBMITS AS FOLLOWS:

1. It is most humbly submitted that, M/s. Modi Realty (Siddipet) LLP, the Petitioner No. 1 herein is engaged in the business of real estate development.
2. It is most humbly submitted that in the year 2016, Yella Bapu Reddy, Yella Ravinder Reddy Yella Vijay Bhaskar Reddy, Yella Raji Reddy and Yella Srikanth Reddy, the Respondents herein approached the Petitioner representing that they are absolute owners and pattadars of the land admeasuring Acres 4-19 Guntas in survey no. 2013, 2014 and 2016 situated in Siddipet Village, Siddipet Mandal, Medak District, Telangana ("**Schedule Property**"),

and the Schedule Property was free from all encumbrances and liens.

3. It is submitted that, based on the representations made by the Respondents, the Petitioner and Respondents mutually agreed that, the Respondents shall grant the rights to develop the said Schedule Property into residential complex with villa/independent houses along with club house and other amenities under name and style of **"Villa Marigold"** (**"Project"**) to the Petitioner.
4. It is submitted that, subsequent to the above discussions, M/s. Modi Properties & Investment Private Limited a nominee of the Petitioner on behalf of the Petitioner entered into a Letter of intent on 22 July 2016 (**"LOI"**) with the Respondents represented by Respondent No. 2 and Respondent No. 4. The LOI recorded the terms on which the Project would be developed by the Petitioners on the Schedule Property. As per the terms of the LOI, the Petitioner had to pay the Respondents a sum of Rs. 22,50,000/- (Rupees Twenty Two Lakhs Fifty Thousand Only) per acre which amounted to a sum of Rs. 90,00,000/- (Rupees Ninety Lakhs Only) towards the security deposit for the developing the Project on the Schedule Property in the manner set out below:
 - a. A sum of Rs. 10,00,000/- (Rupees Ten Lakhs Only) on the date of signing of the LOI;
 - b. A sum of Rs. 30,00,000/- (Rupees Thirty Lakhs Only) on (i) completion of due diligence of the title for the Schedule Property; (ii) acquiring the approval of the schematic plans for the Project; and (iii) upon execution of the agreement/ MOU;
 - c. A sum of Rs. 20,00,000/- (Rupees Twenty Lakhs Only) on obtaining demand for payment of fees for building permit from DTCP and execution of JDA/ GPA by the Respondents for the Schedule Property in favour of the Petitioner;
 - d. Remaining balance sum of Rs. 30,00,000/- (Rupees Thirty Lakhs Only) upon the Respondent handing over the possession of the Schedule Property to the Petitioner to commence the development.

Copy of the LOI dated 22 July 2016 is enclosed as **Annexure-P1**.

5. As per the terms of the LOI, the Petitioner paid a sum of Rs. 10,00,000/- (Rupees Ten Lakhs) as token advance towards the security deposit to Respondent No. 2 on behalf of the Respondents by way of a demand draft bearing reference no. 035398 dated 29 July 2016 drawn on HDFC Bank, S. D. Road, an in pursuance of the payment made by the Petitioner, the Respondent No. 2 issued a letter on 8 August 2016 acknowledging the same. A copy of the letter issued by the Respondent No. 2 to the Petitioner acknowledging the receipt of the token advance on 8 August 2016 is enclosed as **Annexure-P2**.
6. It is submitted that, On 6 October 2016, the Petitioner obtained the approval for the schematic plan of the Project, and by way of letter shared a copy of the schematic plan of the Project with the Respondents. A Copy of the Letter issued by the Petitioner to the Respondent on 6 October 2016 is enclosed as **Annexure-P3**. In pursuance of the LOI and the approval of the schematic plan for the Project, Memorandum of Understanding ("**MOU**") was executed between the parties on 6 October 2016, for developing the Project on the Schedule Property, detailing the terms of arrangement between the Parties. A Copy of the MOU dated 6 October 2016 is detailed as **Annexure-P4**. On the date of execution of the MOU i.e the 6 October 2016, an additional sum of Rs. 40,00,000/- (Rupees Forty Lakhs Only) was tendered to the Respondents towards security deposit by the Petitioner.
7. It is submitted that, as per the clause 47 of the MOU, to enable Petitioner to commence the development of the Project on the Schedule Property, the Respondents were obligated *interlaia* to assist the Petitioner to conduct Panchanama and the survey of the Schedule Property through the MRO office, irrigation department and other government bodies demarcating the exact area of land forming the Schedule Property to determine the land affected in the proposed 50 wide road on eastern side, land affected in FTL/buffer

zone/ NALA on the northern side and land affected in proposed 40 road on south and western side, and the Respondents were obligated to assist and co-ordinate with the Petitioner for carrying out due-diligence. However, inspite of repeated reminders and requests, the Respondents failed to perform their obligations under the MOU.

8. It is further submitted that, the Petitioner has reliably learnt that there are third party claims over the Schedule Property by banks by way of an e-auction sale notice issued by Vijaya Bank, Basheebagh Branch on 06 June 2017. Copy of the E- Auction Notice issued by Vijaya Bank, Basheerbagh on 06 June 2017 is enclosed as **Annexure-P5**. While the Respondents represented under the MOU they are the absolute owners of the Schedule Property under the MOU, they had not shared any further information with the Petitioner in connection with the third party claims on the Schedule Property. In spite of lapse of so many years, even after repeated requests and reminders there has been no compliance on part of the Respondents with respect to their obligations under the MOU.
9. It is submitted that, the Petitioner constrained by the actions of the Respondents had no other option, but to terminate the MOU and call upon the Respondents to refund the security deposit of Rs. 50,00,000/- (Rupees Fifty Lakhs) along with an interest of 18% per annum under Clause 48 of the MOU, and the same intimated to the Respondents by way of letter dated 23 May 2019. A copy of the letter terminating the MOU issued by the Petitioner to the Respondent on 23 May 2019 is enclosed as **Annexure-P6**. In response to the Petitioner letter dated 23 May 2019, the Respondents by way of letter 17 June 2019, made false, frivolous and concocted allegations against the Petitioners, denying all the allegations made by the Petitioner. Copy of the letter dated 17 June 2019, issued by Respondents is enclosed as **Annexure-P7**.
10. It is further submitted that, as the Petitioner has suffered huge reputational loss, financial loss and hardship on account of deliberate breach on part of the Respondents, the Petitioner as per

Clause 54 of the MOU issued a notice for commencement of arbitration on 19 July 2019, for refund of the security deposit i.e. Rs. 50,00,000/- (Rupees Fifty Lakhs) along with an interest of 18% per annum as damages towards the losses incurred by the Petitioner as a result of breach of terms of the MOU by the Respondents and nominating Retd. Justice C. V. Ramulu as the arbitrator. A copy of the notice issued by the Petitioner commencing the arbitration is enclosed as **Annexure-P8**.

11. Further, instead of complying with the notice dated 19 July 2019, the Respondents, by way of reply dated 14 August 2019, received by the Counsel for Petitioner on 19 August 2018, raised false and frivolous claims against the Petitioner on misleading and baseless allegations. Copy of the reply notice dated 14 August 2019 along with the postal receipt and the tracking report is enclosed as **Annexure-P9**.
12. It is most humbly submitted that, the Petitioners have reliably learnt that, the Respondents, upon receipt of the letter of termination, instead of honouring the terms of the MOU, are trying to surreptitiously dispose of the Schedule Property in favour of other parties with the intention of escaping their liability and creating further third parties interest in the Schedule Property.
13. It is brought to the kind notice of this Hon'ble Court that, under the garb of false and baseless allegations, by denying the Petitioner their legitimate rights and entitlements under the MOU, the Respondents are trying to unjustly enrich themselves at the cost of the Petitioner and trying to escape their liability under the MOU. This clearly reflects the intention of the Respondent to cause wrongful loss to the Petitioner. Further, the actions of the Respondents, makes it amply clear that the Respondents, with a malafide intention is deliberately prejudicing the interest of the Petitioner by resorting to unfair means.
14. In light of the malafide approach of the Respondents, Petitioner has no alternate remedy, pending resolution of the disputes through

arbitration, except to approach this Hon'ble Court for the grant of protective reliefs as prayed for, in order to safeguard its interest and prevent any further loss on account of actions of the Respondents and prevent the Respondents from jeopardizing the interest of the Petitioner.

15. It is most humbly submitted that, the arbitral tribunal is not yet constituted, and therefore, the Petitioner has no other option but to approach this Hon'ble Court for the interim protective measures.
16. The Petitioner has a prima facie case and it is apparent that the Respondents with ulterior motives of unjustly enriching themselves at the cost of the Petitioner are resorting to the above actions, prejudicing the business of the Petitioner and causing wrongful loss to the Petitioner if not restrained, the Petitioner will be put to undue hardship and irreparable loss.
17. In view of the above submissions, facts and gravity of the issue, it is just necessary that, this Hon'ble Court may be pleased grant the interim relief as prayed for under Section 9 of Arbitration & Conciliation Act, 1996 pending the arbitration proceedings.

The present petition is bona fide and in the interest of justice.

IV. CAUSE OF ACTION

18. The cause of action for filing the subject petition first arose on 22 July 2016, the date of execution of the Letter of Intent, it later arose on 6 October 2016, the date of execution of the Memorandum of Understanding, it also arose on 06 June 2017, when it has come to the knowledge of the Petitioner that there are third party claims on the Schedule Property, it also arose on 23 May 2019, when the Petitioner terminated the MOU and it also arose on 19 August 2019, when the Petitioner received the reply from the Respondents.

V. JURISDICTION

19. As per Clause 54 of the MOU, Both the parties have mutually agreed that the Courts in Hyderabad shall alone have exclusive jurisdiction, which falls within the territorial jurisdiction of this Hon'ble Court and hence this Hon'ble Court has the jurisdiction to entertain the present petition.

VI. VALUATION

20. A fixed court fee of Rs. _____ is paid thereon under Article 11(1)(ii) of Schedule II of A.P.C.F. & S.V. Act.

VII. DECLARATION

21. The Petitioner has not filed any other petition/suit against the Respondents and no other proceedings are pending between the parties for the same relief.

6. PRAYER

It is therefore, most humbly prayed that this Hon'ble Court may be pleased to –

- (i) grant an order in favour of the Petitioner and against the Respondent, by way of an injunction restraining the Respondent, their representatives, successors from alienating the Schedule Property in favour any third parties;
- (ii) Direct the Respondents to refund the security deposit i.e 50,00,000/- (Rupees Fifty Lakhs Only) deposited by the Petitioner;

And in alternate

Direct the Respondents to furnish a fixed deposit receipt for a sum of Rs. 50,00,000/- (Rupees Fifty Lakhs Only) to be kept with this Hon'ble Court to secure the interest of the Petitioner;

- (iii) Pass any such order or orders as this Hon'ble Court deems fit and proper in the circumstances of the case and in the interest of justice, equity and good conscience.

PETITIONER

COUNSEL FOR PETITIONER

VERIFICATION

I, Mr. A Purushotham, S/o. A Vittal, aged about 55 years, R/o. Secunderabad, Partner of the Petitioner herein, do hereby verify and declare that the facts stated in the above Petition are true and correct to the best of my knowledge, belief and information made available to me hence verified on this the _____ day of September 2019 at Hyderabad.

PETITIONER

PLACE: HYDERABAD

DATE: SEPTEMBER 2019

IN THE COURT OF

CHIEF JUDGE, CITY CIVIL COURT,
AT: HYDERABAD

ARBITRATION O. P. NO.

OF 2019

Between:

M/s. Modi Realty (Siddipet) LLP.

PETITIONER

AND

Yellu Bapu Reddy & Ors.

RESPONDENTS

AFFIDAVIT FILED BY THE PLAINTIFF

I, Mr. A Purushotham, S/o. A Vittal, aged about 55 years, R/o. Secunderabad, Partner of the Petitioner herein do hereby solemnly affirm and state as follows:

1. I am the deponent herein, Partner of the Petitioner Firm in the above suit and hence I am well acquainted with the facts of the case.
2. I submit that I have filed the above application seeking interim relief under Section 9 of the Arbitration and Conciliation Act, 1996, against the Respondents.
3. I have understood the contents of the above petition and the pleadings are filed under my instructions. It is further submitted that all the documents, annexures which are filed along with the petition support of our case and are true and genuine, hence this Verified Affidavit.

DEPONENT

Sworn and signed before me on this the
_____ day of September 2019 at Hyderabad.