

DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD

*Post-Graduate Diploma in Drafting, Negotiation & Enforcement of Contracts
(Batch 2020 – 2021)*

Take Home – Supplementary Examination (November, 2021)

Paper III – 1.3. Drafting and Negotiating Contracts

TOTAL MARKS: 100

INSTRUCTIONS TO CANDIDATES

- a) Read the instructions for Take Home Examination carefully and adhere to the same.
 - b) *Please mention your name, ID No., subject name and total number of pages on the Answer Sheet.*
 - c) *Clearly indicate the question numbers while answering them.*
 - d) *Answer all the four questions and each question carries 25 marks.*
 - e) As discussed in class, footnote any information you need from your client or the opposite party. However, keep such queries to a bare minimum. You have the liberty to make certain assumptions, if absolutely necessary. In that case, please footnote your assumptions as well. No clarifications may be sought. You will be expected to draft on the basis of your client's inputs alone and are expected to a basic research on applicable law.
 - f) *All the candidates are required to submit only word / Pdf files containing the typed answers.*
 - g) *All papers will be uploaded on Turn-it-in for plagiarism check. Any paper with more than 15% similarity will be considered to be plagiarized and shall not be evaluated.*
 - h) *Since this is a take home exam, we expect your answers to be analytical rather than straight answers.*
 - i) Copying from any source including from other students is strictly prohibited. Plagiarism is considered as a serious academic mis-conduct and the University will take action as it deems fit.
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I. Answer the following questions:

a. Elucidate the following clauses with illustrations (sample clause): **[5 m x 3]**

- 1. Indemnity Clause
- 2. Representation and Warranties
- 3. Recitals

b. Critically examine the different approaches to a negotiation. **[10 marks]**

II. Answer the following questions:

a. Kindly review (as a markup) the following Clauses keeping in mind the classroom discussions on the drafting principles, language, and the reading material:

1. Termination Clause [10 Marks]

Without any bearing to anything that is mentioned contrary contained in this Agreement and before the period on which this agreement is entered for, this agreement shall terminate in the following ways:

1. When both the parties agree together; or
2. Parties, when they give 30 (thirty) days notice; or
3. By Company, if the Party don't do the things they promised the company that they will do as agreed in this agreement.; or

Effects of termination – Upon termination of this Agreement, the Parties shall be relieved and uncharged from all obligations, liabilities or claims under this Agreement except for rights and liabilities entered into this Agreement prior to the termination of this Agreement or which expressly survive ending of this Agreement.

2. Indemnity Clause [5 Marks]

ABC will do everything possible to indemnify, defense and ensure XYZ is safe from all losses, liabilities, actions, suits, judgments, obligations, fines, penalties, claims, costs and expenses, and costs, arising out of, or in connection with everything that ABC will commit or act and omit related to the performance of this Agreement.

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- b. Kindly correct and redraft the following closing of a contract along with the signature block keeping in mind the classroom discussions on the drafting principles and the reading material: **[10 Marks]**

Now Since the parties have recorded their terms and conditions and the parties need to bind themselves to this agreement, we the parties are intending to sign this agreement today in the presence of two witnesses.

Party 1

Party 2

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- III. Mr. Nyaya Singh Dharmadhikari is a District Judge in one of the districts of Telangana who is looking for a simple accommodation for himself to settle once he retires. He came across a beautiful property named "Shiddat"

situated at 32 South Canal Road, Banjara Hills, Hyderabad – 500034, Telangana which he is willing to purchase now. Since Mr. Dharmadhikari cannot purchase any property without the permission of the Hon'ble High Court of his state, he has asked Ms. Sameeksha Reddy, the owner of "Shiddat" to keep her property on hold and give him 4 months to take requisite permission from the Hon'ble High Court. Meanwhile, Ms. Sameeksha Reddy has asked Mr. Dharmadhikari to enter into an Agreement to Sell for the said property. Mr. Dharmadhikari has approached you to draft the Agreement to Sell.

You are required to draft an Agreement to Sell based on the following notes provided by Mr. Dharmadhikari to you: [25 Marks]

1. Total cost of the property is INR 1,16,00,000/-
2. Token amount of INR 30,00,000/- to be paid at the time of entering into the Agreement to Sale.
3. Remaining amount to be paid at the time of the execution of the sale deed.
4. Sale deed to be executed within 4 months from the date of the Agreement to Sell.
5. Return of the token amount if the permission is not granted by the Hon'ble High Court.

IV. Starboy School Society is a Section 8 Company under the Companies Act, 2013 which runs an exclusive residential boarding school for boys in the name and style of "The Starboys School" in Hyderabad. They have recently hired Ms. Sabhyata Sharma, D/o Sanksriti Sharma, R/o 16, Cloud 9 Colony, North Canal Road, Banjara Hills, Hyderabad – 500034, Telangana as a faculty for Legal Studies for Classes XI and XII. Starboys School has approached you to draft the employment agreement for the same. They negotiated their terms and conditions and mutually agreed on the following points:

1. Probation for 1 year. Permanent only after satisfactory performance.
2. Base salary of INR 1,08,000/- per month to be credited on 7th day of each month. 25% HRA of Base Salary. Statutory deductions and contributions will be done accordingly.
3. 35 leaves in one academic year.
4. Paid paternity leave of 6 months.

5. 3 months' notice for any resignation before the term ends.

6. Disputes to be resolved through mutual negotiations and arbitration.

You are required to draft an employment agreement based on the above-mentioned facts. [25 Marks]