

**DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD**

***Advanced Diploma in Drafting, Negotiation & Enforcement of Contracts
(Batch 2021 – 2022)***

Take Home – Supplementary Examination (November 18-21, 2022)

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. Critically examine (with the help of illustrations) the concept of BATNA, WATNA, and MLATNA in a negotiation. **[10 marks]**
- b. Elucidate the following clauses with illustrations: **[5 marksx 3 = 15 marks]**
 - 1. Boilerplates
 - 2. Termination
 - 3. Force Majeure

II. Answer the following questions:

- a. Kindly review (as a markup) the following payment and default in payment clauses of an agreement keeping in mind the classroom discussions on the drafting principles, language, and the reading material: **[15 marks]**
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1. RENT

- 1.1. The Landlord Party is entitled to receive an agreed payment in the form a rent ("Rent") till the agreement is in existence. The agreed payment will be 25000.
- 1.2. The Landlord is agreeable to receive the Rent mostly in the form of cash and if the cash is not appropriately arranged then in cheque in the name of the Landlord.
- 1.3. The Landlord will expect Tenant to pay any taxes such as GST or TDS if the Tenant is obligated to pay any such taxes.

2. DEFAULT IN PAYMENT OF RENT

- 2.1. Let us assume if the Rent is not paid by the Tenant for any month then Tenant will have to pay the Rent for that month immediately on or before the first week is over. This will also include the situation if the Rent paid is not accepted due to any reason. In that case, the Landlord will have to tell the Tenant anyhow about such delay in payment of the Rent or the non acceptance of the Rent.
- 2.2. In case the Tenant still does not pay the payment of the Rent despite having being reminded multiple times the Tenant will have to pay a penalty by way of interest @ 10 % per day for the delayed period till 1 (one) month. If the Tenant still does not payment the Rent or the penalty the Tenant will be thrown out of the Premises as soon as possible and the security deposit will be forfeited.
- 2.3. If the Tenant still does not understand and continue to stay on Premises then tenant will pay unauthorized use and occupation charges @ 10,000 per week.
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- b. Kindly review (as a markup) the following dispute resolution clause keeping in mind the classroom discussions on the drafting principles and the reading material: **[10 Marks]**

“The Parties have decided to submit all disputes arising under or relating to this Agreement to binding arbitration before a single judge as per the rules decided by the judge. Any expense related to the arbitration should be paid as the arbitrator may direct. The single judge will be appointed by the party raising the dispute and the other party will not object to it. The arbitration can happen anywhere in any language.

- III. Ms. Vidhi Vidyasagar, D/o Gyaan Vardhan, R/o 42 Down to Earth Valley, Jubilee Hills, Hyderabad – 500037, Telangana [‘Tenant’] is a professor of law at an eminent law university situated in Telangana who is about to retire. After her retirement, she intends to take a bungalow on rent to settle and live peacefully. She came across this beautiful property named ‘Sukoon’ situated at 32 North Canal Road, Diamond Hills, Hyderabad – 500034, Telangana which she wishes to take up on rent. She spoke to the owner of the bungalow, Ms. Agni Devi, D/o Vayu Devi, R/o House Number 16, Cloud 9 Colony, Banjara Hills, Hyderabad – 500034, Telangana [‘Owner’]. Since the owner is an aerospace engineer and has no knowledge of law, she has requested the Tenant to get a rent agreement drafted from a professional lawyer. The Tenant has approached you to draft the rent agreement.

Draft a rent agreement based on the following notes provided by your Client: [25 Marks]

1. The Bungalow has 4 spacious rooms with all the modern electronic items and furniture. It also has a jacuzzi, a terrace bar, two gardens, and a private parking space for 2 cars – all included in the Bungalow.
2. The rent agreed is INR 60,000/- per month payable on or before 7th day of each month, preferably by NEFT deposit. One month rent in advance.

3. A security deposit of INR 5,00,000/- is necessary and to be paid on or before the execution of this rent agreement. Refundable without interest.
4. The term for the Agreement should be from September 01, 2022, to July 31, 2023. The Tenant has told the Owner that she first wants to try the place for one year. If she likes the bungalow, she will extend it further through a fresh agreement. The Owner agreed to it but with a condition that the rent will increase by 10% if she continues for the second year.
5. The Owner prefers cleanliness and is strictly against keeping pets at the premises.
6. Maintenance and payment of electricity, water, cleaning bills, etc. will be the Tenant's responsibility since she has agreed to do the same.
7. Termination can happen with prior notice of 1 month.
8. The Tenant has asked for a swift, effective, and convenient dispute resolution method as she does not intend to use her savings to fight a legal dispute. Kindly incorporate a suitable dispute resolution method.

IV. Justice and Equity LLP is a limited liability partnership registered under the LLP Act, 2008 which is engaged in the business of providing legal services. It is a full service law firm which has its registered office in Hyderabad. The other offices are in Mumbai, Ahmedabad, Assam, Dehradun and Ladakh. Justice and Equity LLP has recently hired young law graduates to work for the firm as legal associates. You are a recently promoted Senior Associate in the Transactions team. You have been instructed to draft an Employment Agreement for the incoming young law graduates for the Hyderabad office. The general terms and conditions applicable to all the incoming associates are as follows:

1. Probation for 6 months. Permanent only after satisfactory performance.

2. Professional Retainer Fee of INR 1,60,000/- per month to be credited on 1st day of each month. No other allowances or perks. Yearly bonus subject to performance. TDS will be deducted.
3. 51 leaves in one calendar 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.
7. Confidentiality is paramount. Strict actions if confidentiality is breached.
8. Non-compete clause restricting the associates to not join any other firm in Hyderabad for a period of 6 months from the date of the resignation/termination.
9. Teams to be allotted based on the vacancies. No preferences will be taken for the team allocation. Teams cannot be changed on associates' request. Mandatory change of teams after 2 years.
10. If the associates spend more than 3 years in the firm, the associates will be eligible to receive INR 10,00,000/- as the scholarship to fund their higher studies, if pursued within 5 years from the date of the joining of the firm.

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