

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

**Advanced Diploma in Drafting, Negotiation and Enforcement of Contracts
P.G. Diploma in Drafting, Negotiation and Enforcement of Contracts**

Academic Year: 2022-2023

Annual Examination (June, 2023)

**Paper IV – 1.4. Remedies for Enforcement, Breach and
Performance of Contracts**

Duration of the Examination : 3 hours

TOTAL MARKS: 100

INSTRUCTIONS TO CANDIDATES

- a) Read the instructions carefully and adhere to the same.
 - b) Please mention your DDE ID No., date of the exam, name of the programme & subject on the Answer Sheet and the Additional Answer Sheets, if any.
 - c) The questions to be interpreted as given and no clarification can be sought from the Invigilator.
 - d) Clearly indicate the question numbers while answering them. Answers without question numbers / wrong question numbers will not be evaluated.
 - e) Write the answers clearly and neatly. Answers in illegible handwriting will not be taken into consideration.
 - f) Candidates are prohibited to carry phones or any other electronic devices, books, material etc. in the Examination Hall.
 - g) Copying is strictly prohibited and is considered as a serious academic mis-conduct and the University will take action as it deems fit.
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GENERAL INSTRUCTIONS

- There are FOUR questions and each question will be evaluated for 25 marks.
 - Substantiate your answers with provisions or case law wherever appropriate.
 - The questions are detailed exhaustively and no clarifications may be sought.
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I. Answer the following question:

A and B entered into an Agreement to Sell a residential property in the city of Cyberlore wherein it was agreed that A would sell the property to B and that the transaction including payment of consideration and registration of the property should be completed within 30 days from the date of execution of the Agreement to Sell. B clarified in the agreement that he is in the process of securing a home loan and that certain documents including a No Dues Certificate from A's bank confirming that A has cleared his home loan is essential for B to avail the home loan. Accordingly, B had, by virtue of the Agreement to Sell, transferred INR 20 lakh amounting to 10% of the sale price of property to A and the rest was to be paid at the time of sale and registration of the property. It was also agreed that the party failing to proceed with the transaction is liable to pay INR 5 lakh as penalty to the other party.

Over the course of the next 30 days, B issued multiple reminders to A to produce the No Dues Certificate. However, A was non-responsive to such requests and B was unable to get the home loan sanctioned for the purchase of the property within the 30-day period stipulated under the Agreement to Sell. Upon expiry of the 30-day period, B received a communication from A stating that the sale of the property could not be achieved within the 30-day period for the reason that B was unable to arrange their funds owing to which the Agreement to Sell stands terminated and further that A is entitled to deduct INR 5 lakh from the refund of INR 20 lakh to be paid back to B.

B later discovers that A is now in the process of disposing the property to C at a sale price of INR 2.5 Crores.

Given the above facts, what are the remedies available to B? Limit your responses to the remedies for breach of contract discussed as part of this course module.

Assuming B is entitled to seek an injunction,

- Who should he seek injunction against?
- What is the type of injunction to be applied for and what should he try to seek someone from refraining (or) seek someone to do?
- Provide arguments as per facts as to how the application for injunction satisfies the 3 principles required for the grant of injunctions. [25 marks]

II. Answer the following questions:

Equity will not suffer a wrong to be without a remedy. Explain this statement and comment briefly on the role of Equity in a legal system. Provide examples of principles of equity which find place in legislations regulating the law of Contracts in India. [25 marks]

III. Answer the following questions:

Discuss the objective behind the introduction of the 2018 amendment to the Specific Relief Act. What are the 2 most important changes brought in through this amendment? Explain the importance of these two changes. [25 marks]

IV. Answer the following questions:

a. Explain the following with suitable illustrations. [15 marks]

- i. Frustration of Contract
- ii. Defences against Unjust Enrichment
- iii. Qui Timet injunctions

b. A aged 27 years, is an ardent academic and enrolled for a one-year course on Contract law to expand his horizons. It was during course that he realized that agreements entered into by minors are void ab initio. He availed a loan at a very high interest rate 10 years ago due to a family emergency and had been regularly paying instalments ever since as there was no provision permitting to foreclose the loan before 20-year tenure despite him having adequate funds now. He now intends to seek the loan agreement to be rendered void ab initio and seek restitution as per S.65 of the Indian Contract Act. Is such remedy available to him? Provide reasons and substantiate with case law. [10 marks]