

CH 1 TYPES OF DOCUMENTS

REGULATORY FRAMEWORK

- General Clauses Act, 1897
- Companies Act, 2013
- Information Technology Act, 2000
- Indian Contract Act, 1872

INTRODUCTION

- Document: Official piece(s) of paper with writing.
- Definition varies by statute.
- **General Clauses Act, 1897**: "Document" includes matter written, expressed, or described for recording.
- **Companies Act, 2013** (Section 2(36)): Includes summons, notices, requisitions, orders, declarations, forms, registers (paper/electronic).
- **Income-tax Act, 1961** (Section 2(22AA)): Includes electronic records (defined in IT Act).
- **IT Act, 2000**: Electronic records include data, images, sound in electronic form, microfilm, computer-generated microfiche.
- **Business Documents**: Deeds, Contracts, Circulars, Public Notices, Tenders, etc.
- **Purpose**: Reduces misunderstandings, ensures smooth business operations, and serves as evidence for events/transactions.

DEEDS

- **Definition**: A formal document representing rights/liabilities between parties.
- **Types**: Gift Deed, Sale Deed, Deed of Partition, Partnership Deed, Lease Deed, Mortgage Deed, Power of Attorney, Bond.
- **Key Characteristics**:
 - Formal, non-testamentary writing.
 - Creates, declares, confirms, assigns, limits, or extinguishes rights or interests.
- **Comprehensive Definition (Norton)**:
 - Writing on paper/valium/parchment.
 - Sealed and delivered.
 - Passes rights, interests, or creates obligations.
- **Halsbury's Definition**:
 - Instrument on parchment/paper.
 - Expresses intent/consent of person/corporation.
 - Sealed and delivered as a binding act.
- **Deed vs. Instrument**: Deeds are a present grant; all instruments are not deeds.
- **Characteristics**: Signed, sealed, delivered.

AGREEMENTS

- **Definition**: Agreement enforceable by law = contract.
- **Purpose**: Binding parties to agreed terms/conditions (acts or omissions).
- **Drafting**: Clear, precise language; avoid vague terms ("proper," "reasonable").
- **Essential Terms**: Refer to Indian Contract Act, 1872 (Sections 2-30).
- **Case Law**: Agreement valid if material terms clear (Ramchandra v. Chinnubhai, AIR 1945 Mad. 10).
- **Drafting Tip**: Draft as deeds, avoid Deed Poll.

Types of Agreements

1. **Sale/Purchase**: Transfer of property.
2. **Commercial Agency**: Independent agents for business operations (locating customers, receiving payments).
3. **Collaboration**: Sharing technical know-how, services, training between parties.
4. **Arbitration**: Agreement to resolve disputes via arbitration (clause or separate agreement).
5. **Hypothecation**: Legal ownership of goods passes, possession remains with borrower.
6. **Outsourcing**: Contracting non-core activities to specialists.
7. **Assignment**: Transfer of property, actionable claims, IP (e.g., patents, copyrights).

8. **Shareholders'**: Defines company operations, rights, and obligations between shareholders.
9. **Employment**: Secures availability of manpower for an organization.

CONTRACTS

- **Definition**: Agreement with a promise forming consideration for both parties (Indian Contract Act, 1872, Section 2(e)).
- **Formation**: Proposal accepted = promise = agreement = contract.
- **Not Contracts**: Social/domestic agreements (e.g., movie plans, domestic arrangements).

Difference: Deeds, Agreements, Contracts

Deeds	Agreements	Contracts
Effect rights/liabilities	Agreement on acts/omissions	Enforceable by law
Preferably written	Oral or written	Preferably written
Creates records	Not necessary	Creates records
Can be agreements/contracts	Not necessarily deeds/contracts	Follows agreement
Example : Sale Deed, Lease Deed	Example : Non-Disclosure, JV Agreements	Example : Written agreements enforceable by law

CIRCULARS

- **Definition**: Letter/notice sent to many people to disseminate information.
- **Purpose**: Permanent record, accessible now and in future.
- **Modes**: Electronic (email, website) & traditional (written, printed copies).
- **Issuers**: Companies, directors, government (e.g., clarifications, policy dissemination).

Drafting a Circular

1. **Issuing Authority**: Mention authority's name for clarity and legitimacy.
2. **Addressee Details**: Specify names, designations for clear compliance.
3. **Subject**: Ensure attention and relevance.
4. **Reference to Preceding Info**: Link to previous circulars for completeness.
5. **Main Info**: Clear, comprehensive, unambiguous information.
6. **Source of Authority**: Cite legal/official basis to emphasize importance.
7. **Signature**: Adds reliability and authenticity.

Advantages of Circular

1. **Ease of Dissemination**: Quick and wide distribution of info.
2. **Economical**: Cost-effective way to reach many individuals.
3. **Expeditious**: Saves time, efficient communication.
4. **Low Effort**: Minimal effort to issue, high impact.
5. **Develops Consciousness**: Regular use fosters awareness and effectiveness.

Specimen Circular

- **Example**:
General Circular No. _____
Date: _____
Subject: Clarification on AGM via Video/Audio Visual Means.
 - Refers to previous circulars.
 - Clarifies AGM timing without extending legal deadlines.
 - Approved by Competent Authority.
 - Signed and issued for official use.

PUBLIC NOTICES

- **Definition**: Announcements to inform the public of events or issues of public interest, issued by government, organizations, or individuals.

- **Purpose:** To convey important information, improve transparency, and make the public aware of relevant developments.

Who Can Issue Public Notices

- **Central Government**
- **State Governments**
- **Corporates**
- **Statutory Corporations**
- **Authorized Persons of Various Authorities**

Drafting a Public Notice

1. **Name of Issuer:** Mention the organization issuing the notice to ensure clarity and recognition.
2. **Details of Issuer:** Include the necessary details (contact, website) for readers seeking more information.
3. **Title Heading:** Clear, concise heading that immediately conveys the purpose.
4. **Comprehensive Details:** Provide all relevant information, within space and cost constraints.
5. **Statutory/Regulatory Reference:** If required by law, mention the statutory provision and statute name.
6. **Date and Place:** Specify the date and location of the notice's issue.
7. **Designation of Issuer:** Include the issuer's designation or authority for authenticity.

Specimen Public Notice

- **Financial Results:**
XYZ Limited
 - *CIN, Contact Info, Website*
 - *Extract of Standalone Unaudited Financial Results for Quarter & Nine Months Ended 31st Dec (Year)*
 - Full details available on stock exchange websites and company website.
 - *Date, Place, Signature by Board of Directors*
- **Example of Trading Member Expulsion Notice:**
 - **Exchange Name**
 - Notice of expulsion of a trading member for default.
 - Claims must be lodged within 3 months from the date of notice.
 - Claims can be filed online or in physical form.
 - *Date, Place, Signature of Chief Manager*

Advantages:

1. **Widespread Reach:** Efficiently informs a large audience.
2. **Transparency:** Ensures public awareness and legal compliance.
3. **Efficiency:** Expedited communication.

STANDARD BIDS AND TENDERS

- **Definition:** A formal offer to supply goods or perform a service for a specified price, typically part of a competitive bidding process.
- **Purpose:** To ensure the availability of goods or services at competitive prices and on time.
- **Tender Process:**
 - **Formal and Binding:** Once awarded, the contract is legally binding.
 - **Conditions:** Must comply with statutory and regulatory requirements, and not be unreasonable or arbitrary.

Case Laws

- **Tata Cellular v. Union of India:**
 - **Tender Terms:** Cannot generally be subjected to judicial scrutiny.
 - **Judicial Scrutiny:** Only when tender conditions are arbitrary or unreasonable (Wednesbury principle of unreasonableness).
 - **Article 14:** If tender conditions are irrational, they may be invalid under the Constitution.

Important Considerations for Preparing Tender Documents

1. **Name and Address of Organisation:** Clearly mentioned at the start.
2. **Tender Subject:** Clearly defined to attract the bidder's attention.

3. **Tender Index:** To help bidders navigate the document easily.

4. Important Dates & Info:

- Tender publication date.
- Deadline for pre-bid queries.
- Cost of tender, Earnest Money Deposit (EMD), Pre-Bid meeting details, Bid submission deadlines, Bid opening date/time/venue, Contact details.

5. **Disclaimer Clause:** Addressing reservations or observations on tender documents.

6. **Job Description:** Detailed job description to guide bidders in preparing their submissions.

7. **Tender Document Division:** Preferably into **Technical Bid** and **Financial Bid**.

8. Fees and Deposits:

- Cost of the tender document.
- EMD and security deposit requirements.

9. EMD Forfeiture Conditions:

- Bid withdrawal by the bidder.
- Delay or refusal to accept the order.
- Failure to supply goods/services or execute the order.

10. **Pre-Bid Meeting:** To clarify any queries before bid submission.

11. **Scope of Work:** Detailed description of the work involved.

12. **Technical & Administrative Requirements:** Clearly mentioned to avoid confusion later.

13. **Eligibility Criteria:** Essential requirements for bidders to qualify.

14. Necessary Forms & Documents:

- Technical and financial bid formats.
- Past experience details.
- Tender Acceptance Letter.
- Standard terms of the agreement.
- Document checklist for submission.

LETTER OF CREDIT, BANK GUARANTEE, AND PERFORMANCE GUARANTEE

Letter of Credit (LC)

- **Definition:** A payment mechanism commonly used in international trade. It ensures that the seller (exporter) will receive payment from the buyer (importer) upon presenting specified documents as per the LC terms.
- **Role:** Protects exporters from the risk of non-payment in foreign trade.

Parties to Letter of Credit (LC):

1. **Applicant (Opener):** The buyer/importer requesting the LC from their bank.
2. **Issuing Bank:** The bank that opens the LC and commits to making payment to the seller upon compliance with the LC terms.
3. **Beneficiary:** The seller/exporter in whose favor the LC is opened.
4. **Advising Bank:** The bank (usually in the seller's country) that advises the beneficiary about the LC.

Additional Parties in LC Transaction:

A. **Confirming Bank:** A bank that, in addition to the issuing bank, guarantees payment to the seller. B. **Negotiating Bank:** A bank that negotiates documents under the LC. C. **Paying Bank (Nominated Bank):** A bank authorized by the issuing bank to make the payment to the beneficiary. D. **Reimbursing Bank:** A bank where the issuing bank maintains a foreign currency account (NOSTRO account) and authorizes the bank to honor reimbursement claims from the negotiating bank.

Documents Under LC:

1. **Financial Documents:**
 - **Bill of Exchange:** A draft drawn by the exporter as per the LC terms.
2. **Commercial Documents:**
 - **Invoice, Packing List:** Signed by the exporter and details of the sale such as quantity, rate, and total amount.
3. **Shipping Documents:**

- Bill of Lading, Airway Bill, Railway Receipt, etc.: Proof that the goods have been dispatched.
- 4. **Official Documents:**
 - License, Certificate of Origin, Inspection Certificate, Health Certificate: As specified in the LC.
- 5. **Insurance Documents:**
 - Insurance Policy/Certificate: Ensures goods are insured as per the LC terms, signed by the insurance company.

Types of Letter of Credit (LC)

1. **Documentary LC vs Clean LC:**
 - **Documentary LC:** Payment is conditional on the submission of documents such as bill of lading (evidence of goods dispatch).
 - **Clean LC:** No such clause exists; payment is made without the need for submitting title documents.
2. **Fixed Credit vs Revolving Credit:**
 - **Fixed Credit:** Specifies the amount up to which bills can be drawn within a set period. The LC is valid until the limit is exhausted.
 - **Revolving Credit:** Allows for an ongoing credit limit. Once the importer pays, the limit is reinstated, enabling continuous use without renewal.
3. **Revocable vs Irrevocable LC:**
 - **Revocable LC:** The opening bank can cancel or modify the credit without prior notice to the beneficiary.
 - **Irrevocable LC:** Once established, it cannot be canceled or amended without the consent of all parties involved (beneficiary, issuing bank, and confirming bank).
4. **Confirmed vs Unconfirmed LC:**
 - **Confirmed LC:** Advising bank adds its confirmation to the LC, guaranteeing payment alongside the issuing bank.
 - **Unconfirmed LC:** No confirmation from the advising bank; payment responsibility rests solely with the issuing bank.
5. **With Recourse vs Without Recourse Credit:**
 - **With Recourse:** The banker can recover the bill amount from the drawer if the drawee fails to pay.
 - **Without Recourse:** The bank has no recourse to the drawer (exporter) if the drawee (importer) fails to pay.
6. **Transferable LC:**
 - A beneficiary (intermediary) can transfer the LC to another party (usually the supplier) if the beneficiary is not the ultimate supplier.
7. **Back to Back LC:**
 - The beneficiary of a non-transferable LC requests a new LC in favor of another party (e.g., a local supplier) based on the original LC.
8. **LC with Red Clause/Green Clause:**
 - **Red Clause:** Grants the beneficiary advances (packing credit) from the advising/negotiating bank before shipping goods.
 - **Green Clause:** An extension of Red Clause, also allowing advances for warehousing of goods in addition to packing credit.
9. **Instalment Credit:**
 - Issued for the full value of goods but requires part-shipments within a set period. Missed shipments or late deliveries may not be honored unless permitted by the LC.

Advantages of LC to Exporter (Seller) and Importer (Buyer)

For the Exporter (Seller):

- Ensures payment as long as the terms and conditions of the LC are met.

- Reduces credit risk, as the issuing bank bears the responsibility.
- Accelerates receivables, minimizing collection time.
- Eliminates foreign exchange risk when issued in the seller's currency.
- Enables exporters to obtain bank advances for manufacturing or procuring goods.

For the Importer (Buyer):

- Provides assurance that the goods will only be paid for once they conform to the LC conditions.
- Protects the buyer from paying for goods unless documents are duly submitted and match the contract's terms.

Specimen Format of Letter of Credit

Dated: _____
To: _____ (Name of Beneficiary)
 _____ (Address)

Irrevocable Revolving Standby Letter of Credit No.:

At the request of _____ (Name & Address of Applicant) ("Applicant"), we, _____ (Name and address of issuing Bank) ("Issuing Bank") issue this irrevocable, revolving, standby Letter of Credit ("Letter of Credit") in favor of _____ (Name and Address of Beneficiary) (the "Beneficiary") for _____ (the "Face Value") (and such additional value as provided herein) covering amounts owed to the Beneficiary under the Agreement or for which the Beneficiary otherwise has the rights under this Letter of Credit to draw down amounts, all on the following terms and conditions:

1. Definitions in this Letter of Credit:

- **Advising Bank:** Bank provided by the Beneficiary for advising this Letter of Credit.
- **Agreement:** The agreement between the Beneficiary and Applicant, titled _____ dated _____.
- **Banking Day:** Day when commercial banks are open for business in Delhi, India.
- **Demand:** A demand for payment in the prescribed form under Clause 5.2.
- **Expiry Date:** Date calculated as per Clause 3.a(iii).
- **Trading Currency:** INR (Indian Rupees).

2. Terms and Conditions:

- **(a)** The Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that this LC covers a Face Value.
- **(b)** The LC shall cover partial payments and/or multiple drawings.
- **(c)** Beneficiary may request partial or multiple drawings by submitting a Demand.
- **(d)** The Issuing Bank will honor the demand without delay upon receipt of a valid Demand.
- **(e)** After each payment, the Issuing Bank will reinstate the LC value to the Face Value.
- **(f)** LC is negotiable directly with the issuing bank/branch or through Beneficiary's banker.
- **(g)** If payment is delayed, interest @ Issuing Bank's base rate +6.25% p.a. is payable.
- **(h)** No discharge due to changes in the constitution of any party or applicable laws.
- **(i)** The Applicant shall bear charges related to the LC.
- **(j)** If LC is not renewed _____ days before expiry, the Beneficiary may draw the full value.
- **(k)** Beneficiary may assign the LC to its lenders or successors.

- (l) The Issuing Bank shall not amend terms without Beneficiary's consent.
- (m) Certification that the officer signing is authorized by the Issuing Bank.
- (n) The Issuing Bank shall forward the LC to the Advising Bank.
- (o) The Applicant bears all bank charges related to the LC.
- (p) Payments against the LC are to be made on submission of documents such as invoices/debit notes, etc.

3. Term, Extension, and Expiry:

- (a) **Terms:**
 - (i) The LC is issued for an initial term of _____ months.
 - (ii) The Issuing Bank will renew the LC no later than _____ days before expiry.
 - (iii) Termination by the Beneficiary with prior notice to the Issuing Bank.
- (b) **Expiry:**
 - (i) The Issuing Bank is released from obligations after the Expiry Date.
 - (ii) If a valid Demand exists, the Issuing Bank remains obligated even after expiry.
 - (iii) The Beneficiary must return the LC upon expiry.

4. Payments:

- (a) Payments in INR or US\$ (as per Beneficiary's request).
- (b) Payments are to be made in full value via RTGS or Telegraphic Transfer.

5. Delivery of Demand and Supporting Documents:

- (a) **Delivery:**
 - (i) Demands must be submitted in writing (in person, post, fax, or electronically).
 - (ii) Electronic communication with signature is valid.
- (b) **Supporting Documents:**
 - Each Demand must be supported by the necessary documents like invoices, debit notes, etc.

6. Governing Law

This Letter of Credit is governed by the laws of India.

7. Jurisdiction

The courts and tribunals at _____ (State) shall have exclusive jurisdiction.

Yours faithfully,

[Issuing Bank]

By: _____

FORM OF DEMAND

Date: _____

To: _____ [Bank]

Subject: Irrevocable, Revolving, Standby Letter of Credit No. _____ issued in favor of _____ ("Letter of Credit")

Sir/Madam,

We refer to the above-mentioned Letter of Credit. Terms defined in the Letter of Credit have the same meaning when used in this Demand.

1. We certify that the sum of Rs. _____ is due under the Agreement as of _____ (Date) against invoice no _____ dated _____ and/or debit note no _____ dated _____.

We therefore demand payment of the sum of Rs _____ plus interest as per the terms of the Letter of Credit.

Alternative: The face value of this Letter of Credit (L/C) is Rs. _____.

2. All documents prescribed under Clause 5.2 of the Letter of Credit are enclosed.
3. Payment should be made to the following account:

- **Name:** _____
- **Account Number:** _____
- **Bank:** _____

4. The date of this Demand is not later than the Expiry Date.

Yours faithfully,

(Authorized Signatory)

For _____ [BENEFICIARY].

Bank Guarantee

A **Bank Guarantee** is a non-fund-based facility required by borrowers, where the bank guarantees that the debtor will meet their obligations. If the debtor fails, the bank will pay the beneficiary. It is an agreement between three parties: the bank (guarantor), the beneficiary, and the applicant (borrower).

Types of Bank Guarantees

1. **Financial Guarantee:** Ensures the applicant will meet financial obligations (e.g., taxes, disputed liabilities, financial securities). If the applicant fails, the bank pays.
2. **Performance Guarantee:** Ensures the applicant completes a specific task or performance (e.g., bid bonds, retention money guarantees).

Specimen Format of Bank Guarantee

Bank Guarantee No.: _____

Date: _____

Amount of Guarantee: Rs. _____

To

(Name and address of the authority to which the bank guarantee is addressed)

DEED OF GUARANTEE

This deed of guarantee is made on the ____ day of March 2023, between [Bank Name] (the "Bank") and [Purchasing Entity Name] (the "Purchaser").

Whereas, the Purchaser has awarded [Contractor's Name] (the "Contractor") a contract under Purchase Order No. _____ dated _____, for a contract sum of Rs. _____ (in figures and words).

And Whereas, the Contractor has agreed to provide a **Contract Performance Guarantee** for faithful performance of the contract equivalent to [percentage]% of the basic contract value.

Bank's Undertaking:

1. **Obligation:** The Bank undertakes to pay the specified amount to the Purchaser without demur if the contractor breaches the contract. The liability of the Bank is limited to Rs. _____ (in words).
2. **Duration:** The guarantee remains valid until the contract is fully executed, unless a demand for claim is made in writing before [Expiry Date].
3. **Non-revocation:** The Bank undertakes not to revoke this guarantee without the Purchaser's prior written consent.
4. **Constitution Change:** The guarantee will not be discharged due to a change in the constitution of the Bank or Purchaser.

Notwithstanding anything contained herein:

- (i) The Bank's liability is limited to Rs. _____ (Rupees _____ only).
- (ii) The guarantee is valid until [Expiry Date], and can be extended at the request of the Purchaser.
- (iii) The Bank is liable only if a written claim is made on or before [Expiry Date].

In witness whereof, the Bank has set its hand and stamp on this ____ day of March 2023 at [Location].

Signature:

Name:

Designation:

Bank Stamp:

Official Address:

Witnesses:

1. **Signature:**
Name:
2. **Signature:**
Name:

BYE LAWS

A **Bye Law** is a law made by a local authority or organization for regulating a specific area or subject within its jurisdiction. These laws are used to ensure the orderly development and functioning of the organization or subject they address.

Nature of Bye Laws

- **Mandatory or Directory:** The nature depends on the subject matter and the language used in the drafting.
- The power to frame Bye Laws is generally provided by a **legislative enactment** that mandates compliance by the organization.

Legal Recognition of Bye Laws

1. **Article 13(3)(a) of the Constitution of India:** Defines "law" to include any **Ordinance, order, bye-law, rule, regulation**, etc., that has the force of law in India.
2. **Section 3(29) of General Clauses Act, 1897:** Defines "Indian law" to include **Acts, Ordinances, Regulations, rules, orders, bye-laws**, etc., that had the force of law before the Constitution or thereafter.

When Bye Laws Should be Made

- **Section 22 of the General Clauses Act, 1897:** Allows the framing of rules, bye-laws, or orders after the passing of an Act or Regulation, but they will only take effect once the Act or Regulation comes into force.

Examples of Bye Laws

1. **New Delhi Municipal Council Solid Waste Management Bye-Laws, 2017**
2. **Bye Laws of National Stock Exchange of India Limited**
3. **Bye Laws of Bombay Stock Exchange**
4. **Bye-laws of a Multi-State Cooperative Society**
5. **ICSI Institute of Insolvency Professionals Bye Laws**
6. **ICSI Registered Valuers Organisation Bye Laws**
7. **Bye Laws for Arbitration Proceedings by various bodies**

SPECIMEN OF BYE-LAWS OF SOCIETY

I. GENERAL

1. The name of the society is _____ (hereinafter referred to as the "Society").
2. The Society is registered under the **Delhi Cooperative Societies Act, 2003**, with the office situated at _____.
3. These Bye-Laws may only be amended with the approval of the competent authority.

II. DEFINITIONS

1. In these Bye-Laws, unless the context otherwise requires:
 - **(a) "Authorization for Assignment":** Authorization to undertake an assignment.
 - **(b) "Certificate of Membership":** Certificate granted under these Bye-Laws.
 - **(c) "Electronic Mode":** Includes video conferencing or other audio-visual means as recognized under the **Information Technology Act, 2000**, including amendments.
 - **(d) "Governing Board":** The Board of the Society.
 - **(e) "Relative":** As defined in the **Income-tax Act, 1961**.
2. Words not defined in these Bye-Laws shall have the meanings assigned in the **Delhi Cooperative Societies Act, 2003**.

III. OBJECTIVES

1. To produce and provide safe and healthy food.
2. To develop an ecosystem that identifies adulterated food.
3. The Society shall carry out functions as decided by the Board to achieve objectives (1) and (2).

4. The Society shall not engage in any activities inconsistent with its stated objectives.

IV. DUTIES OF THE SOCIETY

1. The Society shall maintain high ethical and professional standards in regulating its members.
2. The Society shall:
 - **(a)** Ensure compliance with statutory enactments.
 - **(b)** Employ fair, reasonable, just, and non-discriminatory practices for member enrolment and regulation.
 - **(c)** Be accountable to the Board regarding compliance with Bye-Laws and directions.

V. COMMITTEES OF THE SOCIETY

1. The Board may form an **Advisory Committee** to advise on matters related to achieving the Society's objectives.
2. The Board shall form a **Finance Committee** consisting of at least 10 members.
3. The Board shall form a **Disciplinary Committee** consisting of at least 10 members.
4. Committees may meet as directed by the Board.

VI. ELIGIBILITY FOR ENROLMENT

1. An individual may be enrolled as a member upon payment of an **Enrollment Fee of Rs. 10,000/-**.

VII. MEMBERSHIP FEE

1. The Society may require members to pay an annual membership fee, as decided by the Board.

VIII. DISCIPLINARY PROCEEDINGS

1. The **Disciplinary Committee** may initiate proceedings by issuing a **show-cause notice**:
 - **(a)** Based on a reference from the Board.
 - **(b)** Following directions from the Board or any court of law.
 - **(c) Suo motu**, based on received information.

IX. SURRENDER OF MEMBERSHIP

1. A member wishing to surrender membership must submit an application.
2. After acceptance of the surrender and a 30-day period, the member's name will be removed from the Society's registers, and the Board will be informed.

X. EXPULSION FROM MEMBERSHIP

1. A member may be expelled from the Society:
 - **(a)** Thirty days after an order by the Disciplinary Committee, unless overturned or stayed by a court.
 - **(b)** Upon non-payment of the membership fee, despite two written notices.
 - **(c)** By order of the Board.
 - **(d)** As per the order of any court of law.

SHOW CAUSE NOTICE (SCN)

A **Show Cause Notice (SCN)** is a formal document issued to provide the recipient an opportunity to explain or justify their actions before any action is taken against them. It serves to inform the person or entity of the alleged violation and allows them to present their side of the matter. The SCN is based on the principle of **Natural Justice** (audi alteram partem), ensuring that both sides are heard before making any prejudicial decision.

Essentials of Show Cause Notice (SCN)

1. **Issuer's Details:** Name of the issuing authority.
2. **Written Document:** The SCN must be issued in writing.
3. **Clear Language:** The notice must be written in clear and simple language to avoid ambiguity.
4. **Facts Mentioned:** The SCN should briefly mention the relevant facts surrounding the issue.
5. **Legal Violation:** If applicable, the specific violation of law should be clearly stated.

6. **Charges:** The charges should be specific, not vague or contradictory.
7. **Proposed Action:** The SCN must mention the proposed action (e.g., penalty, legal action, suspension).
8. **Time Limits:** The notice should specify the time frame within which a response must be provided.
9. **Adequate Time:** A reasonable time must be granted for a reply, unless otherwise specified by law.
10. **References/Annexures:** Any necessary documents or references should be included.
11. **Mode of Representation:** Specifies whether the reply should be in person, via meeting (online or in-person).
12. **Address of Authority:** The address of the authority issuing the SCN should be included.
13. **Date:** The SCN must be dated.

Specimen of Show Cause Notice

GOVERNMENT OF INDIA MINISTRY OF _____

Tel: _____

Address: _____

Fax: _____

Email: _____

No. _____

Dated: _____

To, _____

M/s _____

Address: _____

Subject: Violation of provisions of _____

Sir,
During the inspection of your registered office of your company on 21.02.2023, the undersigned observed violations of provisions under Rule _____ of _____ (Rules). The details of violations are as under:

1. _____
2. _____
3. _____

It is hereby informed that the above violation constitutes an offence punishable under _____ (Rules).
You are therefore required to show cause within a period of **30 (thirty)** days from the date of issue of this notice. Please note that no further notice will be issued to you in this regard.

Yours truly,

(Name)

(Designation)

STANDING ORDERS

- Define conditions of recruitment, discharge, disciplinary action, holidays, leave, etc.
- Minimizes friction b/w management & workers.
- Industrial Employment (Standing Orders) Act applies to establishments with 100+ workers.

Key Points:

1. **Purpose:** Clear conditions for employment, prevent changes to detriment of workers.
2. **Submission:** Employer submits 5 copies of draft Standing Orders to Certifying Officer.
3. **Conformity:** Draft must conform to Model Standing Orders and contain matters in the Schedule.
4. **Objections:** Trade union/workers can raise objections within 15 days of receiving draft.
5. **Certifying Officer Role:** Adjudicates fairness, certifies after amendments, sends certified copy to employer & workers.
6. **Effective Date:** 30 days after certified copies sent, or 7 days after appeal decision.
7. **Posting:** Standing Orders must be posted in English and local language at entrance & departments.

Matters to Include:

1. Workmen classification (permanent, temporary, etc.)
2. Periods of work, holidays, pay-days, wage rates.

3. Shift work.
4. Attendance, late-coming.
5. Leave & holidays procedures.
6. Gate entry requirement & search liability.
7. Temporary stoppages of work.
8. Termination & notice periods.
9. Suspension/dismissal for misconduct.
10. Redress for unfair treatment by employer.
11. Any other prescribed matter.

Model Standing Orders:

(1) Service Record

- **Service Card:** Maintain for each workman; attested by authorized officer.
- **Certification of Service:** Entitled to service certificate (designation, employment period) on discharge/termination.
- **Residential Address:** Notify employer immediately on engagement and for any change.
- **Record of Age:** Workman to provide proof (e.g., school certificate, birth record) for date of birth.

(2) Confirmation

- Confirm eligible workman per appointment terms, issue confirmation letter, update service card within 30 days.

(3) Age of Retirement

- Retirement age: Agreed between employer & workman or per settlement/award.
- Default: 58 years.

(4) Transfer

- Transfer based on work exigencies within same employer: no adverse effect on wages/conditions.
- For out-of-state transfers: consent, notice, and joining time required.
- Employer to provide travel allowance & incidental charges (50%).

(5) Medical Aid in Accidents

- Employer to provide immediate medical aid, including further treatment if necessary.
- For ESI/Workmen's Compensation Act benefits, employer to arrange treatment/compensation.

(6) Medical Examination

- Employer to arrange medical examination at first appointment, at employer's cost.

(7) Secrecy

- Workman cannot remove papers/items from premises without written permission.
- No disclosure of confidential info or trade secrets without employer's written consent.

(8) Exclusive Service

- Workman shall not work against employer's interests or take additional employment affecting the establishment's interests.

Bonds:

- **Definition:** Formal document where a person undertakes to perform a certain act.
- **Types of Bonds:**
 - **Surety Bond:** Provides security if an agreed act isn't performed.
 - **Financial Instrument Bonds:** Evidence of debt due on the organization.
 - **Judicial Bonds:** For legal processes and court proceedings.
 - **Guarantee Bonds:** Ensure certain conditions are met.
 - **Saving Bonds:** Financial saving instruments.
- **Purpose:** Secures an act or omission, serving as a security for the required performance.

Specimen Bond and Bail Bond for Attendance Before Court:

- **Purpose:** Undertaking by accused to attend trial or pay a sum on non-compliance.

Format:

"I, _____ (name), of _____ (place),
 having been arrested (or detained) by Officer in charge of police
 station (or before Court of _____), charged with
 _____ (offence), and required to give security for my
 attendance, bind myself to forfeit sum of rupees if default made.
 Dated: ____ day of _____, 2023.
 (Signature)"

CH 2 GENERAL PRINCIPLES F DRAFTING

REGULATORY FRAMEWORK

- Indian Stamp Act, 1899
- Transfer of Property Act, 1882
- General Clauses Act, 1897
- Sale of Goods Act, 1930
- Companies Act, 2013
- Notaries Act, 1952
- Indian Evidence Act, 1872
- Negotiable Instrument Act, 1881
- Registration Act, 1908

INTRODUCTION

- Co. execs → draft & execute various docs: agreements with clients, banks, FIs, employees, others
- Knowledge of drafting/conveyancing essential for:
 - Legal consultations
 - Dept. documentation
 - Interpretation of docs
- Helps in:
 - Effective legal communication
 - Accurate content & coverage
 - Defining rights & obligations
 - Settling, engrossing & executing drafts
- Execs can prepare better docs with full fact awareness
- In absence of conveyancing law in India → knowledge of interpretation rules vital
 - Ensures correct language, meaning, reflects parties' intent

DRAFTING

- Legal Drafting = preparation of legal docs: agreements, contracts, deeds, etc.
- Defined as: Synthesis of law + facts → language form
- Expresses: Legal right, privilege, duty, status
- Covers: Constitutions, statutes, regs, contracts, wills, trusts, leases, etc.
- Operates in 2 planes:
 - Conceptual (right concepts)
 - Verbal (right words)
- Requires:
 - Legal + factual knowledge
 - Systematic fact presentation
 - Clarity on rights, duties, terms, breaches, remedies
 - Self-contained, unambiguous language
- Steps:
 - Serious thinking → write with legal meaning
 - Enable judicial interpretation to reflect true intent

MCQ

Q: Good Drafting is required only for the purpose of preparing agreements and contracts.

A: **False** – Drafting needed across fields: business docs, legal instruments, etc.

CONVEYANCING

- Art of drafting deeds/docs for transfer of land/interest in land (immovable property)
- Also includes drafting of commercial & other docs

- **"Conveyance"** (per Mitra's dictionary) =
 - Act/instrument of transferring title
 - Means of conveyancing
 - Vehicle/transport (general meaning)
- **Law of Property Act, 1925 (UK)** – Conveyance includes:
 - Mortgage, charge, lease, assent, vesting instrument/declaration, disclaimer, release, other assurances (excl. will)
- **Indian Stamp Act, 1899 (Sec 2(10))** – Includes every instrument transferring property (movable/immovable) inter vivos
- **Transfer of Property Act, 1882 (Sec 5)** – Wide usage of "conveyance"

✓ Conveyance = Act of transferring property (movable/immovable) by sale, lease, gift, exchange, will/bequeathment

✗ Inheritance ≠ Transfer (under strict legal meaning)

- Based on English forms; India has **no specific legislation** on conveyancing

MCQ

Q: What is conveyed in conveyancing?

A: Rights & interest transferred from one person to another

DRAFTING VS. CONVEYANCING

- Not synonymous but related
- **Conveyancing:**
 - Emphasis on property transfer documentation
- **Drafting:**
 - General term = Preparing all types of legal/business docs
 - As per **General Clauses Act, 1897 (Sec 3(18))**: Any recorded matter (letters, figures, marks)
 - Ex:
 - Banker: loan agreement, mortgage deed, pledge, guarantee
 - Businessman (Sale of Goods Act, 1930 Sec 2(4)):
 - › Bill of lading, dock warrant, warehouse cert., wharfinger cert., railway receipt, etc.
 - › Docs used in business to prove/control/transfer possession of goods
 - Companies Act, 2013 (Sec 2(36)):
 - › Document = summons, notice, form, register (paper/electronic)
- **Documentation** (used by banks/FIs) = Preparation + finalisation + execution of documents

MCQ

Q: Does drafting and conveyancing both intend to create documents?

A: Yes, both create documents but with different purposes

CONVEYANCE VS. CONTRACT

- **Contract:**
 - Needs to be performed
 - Specific performance can be sought
- **Conveyance:**
 - Transfers title/property ownership
 - Does **not** create right of action
 - Alters existing ownership
- Some transactions include both (e.g., Lease = obligation + possession transfer)
- **Contracts** → Governed by **Indian Contract Act, 1872**
- **Conveyance of immovable property** → **Transfer of Property Act, 1882**
- Contract to mortgage/sell ≠ Transfer → Deed of mortgage/sale = **Conveyance**
- Once doc is executed & registered → Becomes conveyance under TPA, 1882

GENERAL PRINCIPLES OF DRAFTING (All Deeds & Conveyancing)

- Drafting = Skilled task
- **Draftsman must:**
 - Ascertain: Names, descriptions, addresses of parties
 - Collect: All essential facts to be included in the instrument
 - Note: Directions/stipulations to be incorporated

- **Main Objective:** Express parties' intentions clearly, concisely, using technical language
- **Steps:**
 - Understand intentions → form clear idea
 - Ensure intentions don't violate law
 - Read introductory notes/literature on subject
- **Corporate Executive's Role:**
 - Know legal requirements applicable to subject
 - Ensure:
 - Document complies with law
 - All material facts are disclosed
 - Nothing omitted/admitted arbitrarily
- **Legal Knowledge Required:**
 - General law + special enactments relevant to case
 - Avoid violation of applicable laws
- **Example:**
 - For Co. deeds:
 - Check co. has authority under its Memorandum
 - Co. acts through authorised agents only
 - Deed must be executed by authorised person (by Board Resolution or Power of Attorney)
- **Format & Language:**
 - Follow customs/conventions of business/legal practices
 - Use juridical/technical language for format changes
 - Avoid negative statements
 - Maintain logical order
 - Legal language = Precise, accurate, clear to laymen
- **Consider:**
 - Legal interpretation rules
 - Relevant case-law for word meanings
 - Use suitable phraseology
- **If refs. made to external material** → Include **Schedules, Enclosures, Annexures**

◆ 1. FOWLER'S FIVE RULES OF DRAFTING

Be direct, simple, brief, vigorous, and lucid.

Translation into vocabulary rules:

- (a) Use familiar words
- (b) Prefer concrete over abstract
- (c) Use single words, not phrases
- (d) Prefer short words over long
- (e) Prefer Saxon words (plain English) over Roman (Latin-based)

◆ 2. STRUCTURAL RULES

(i) Sketch or Scheme

- Always outline the content before drafting.
- Helps maintain logic, coherence, and avoids omissions.
- As Davidson said: *"Without a settled design, the draft will be confused and incoherent."*

(ii) Skeleton Draft & Self-Appraisal

- Make a rough version before finalising.
- Appraise the draft for:
 - Legal compliance
 - Logical flow
 - Clear, layman-friendly language
 - Avoiding repetition/ambiguity
 - Simplicity and precision

(iii) Special Attention to Certain Documents

- Ensure:
 - No illegal clauses
 - Clear title (in property transfers)
 - Requisite approvals/permissions (e.g., Land laws, Income Tax, Companies Act, etc.)
 - Mention of legal compliance where necessary

(iv) Expert Vetting

- If the document is to be reused, consider legal vetting by experts.

◆ 3. ESSENTIAL PRINCIPLES FOR A GOOD DRAFT

- Document should be self-explanatory
- Draftsman must fully understand what needs to be conveyed
- Must be intelligible to professionals **and** laypersons
- Avoid overstatements, ambiguity, or unexpected situations
- Don't omit or admit things at random
- Use precise juridical language
- Use structured, numbered paragraphs
- Include **Schedules** for clarity and supporting information
- Prefer **active voice**, unless passive offers more clarity

◆ 4. SOME DO'S

1. Replace wordy phrases with a single word
2. Use simple verbs
3. Be direct—avoid roundabout expressions
4. Eliminate unnecessary repetition
5. Write short, focused sentences
6. Be concise and clear
7. Prefer active voice
8. Choose precise words
9. Understand your words before using them
10. **Put yourself in the reader's place**

◆ 5. SOME DON'Ts

- Avoid confusing homophones (e.g., *Employer* vs *Employee*)
- Use proper clause numbering
- Use negatives cautiously in multiple phrases
- Replace "less than/more than" with **"not exceeding"**
- Avoid incomplete logic (e.g., instead of "either", say "either or both" if applicable)

◆ Common Typing Errors to Watch For

- "And" vs "Or"
- "Any" vs "My"
- "Know" vs "Now"
- "Appointed" vs "Applied"
- Tense errors: Present vs Past

◆ 1. Understanding the Terms

Deed

A **deed** is a formal legal document used to **create, transfer, confirm, or extinguish** rights, title, or interests. It is solemn in nature and implies a significant legal intention.

✓ **Examples of Deeds:**

- Gift Deed
- Sale Deed
- Lease Deed
- Mortgage Deed
- Deed of Partnership
- Power of Attorney
- Bond

🔑 **Key Characteristics of a Deed (as per Norten):**

1. **Written** on paper, vellum, or parchment
2. **Sealed** (traditionally with a wax or company seal)
3. **Delivered** – meaning formally handed over to the relevant party
4. **Effect** – It passes or affirms an interest, obligation, or legal right

📖 **Halsbury's Definition:**

A deed is an instrument written and sealed that expresses the intent of a person or corporation to:

- Create, confirm, or transfer a legal/equitable interest
- Enter into an obligation or agreement
- Affect legal relations

🟢 **Important:** A **deed is a present grant**, not just a future promise. It must be delivered to be effective.

Document

As per Section 3(18) of the **General Clauses Act, 1897**, a **document** is:

“Any matter expressed or described upon any substance by means of letters, figures, or marks intended to be used for the purpose of recording that matter.”

Examples:

- Written/Printed papers
- Maps, plans, photographs
- Inscribed metal or stone plates
- Caricatures

Key Points:

- All **deeds** are **documents**
- Not all **documents** are **deeds**
- A **document under seal** may not be a deed if not delivered (e.g., will, certificate, share warrant)

Documents serve as:

- Evidence
- Records of legal acts or rights
- Instruments of communication

2. Deed vs Document – Key Differences

Feature	Deed	Document
Nature	Formal, solemn legal instrument	General written or recorded material
Purpose	To create/transfer legal rights or obligations	To record information or evidence
Delivery	Must be delivered to be valid	Delivery not always required
Examples	Sale deed, lease deed, mortgage deed	Will, map, letter, certificate
Legal Standing	More binding, usually requires a seal	May not have legal binding unless specified

Various Kinds of Deeds

Deeds (as per Corpus Juris Secundum)

Type of Deed	Definition / Explanation
Good Deed	Conveys a good title , not just correct in form.
Good and Sufficient Deed	A marketable deed – passes a valid, transferable title to the land.
Inclusive Deed	Includes lands within the boundaries of the deed, even those excluded by operation.
Latent Deed	A deed kept hidden or stored (e.g., in a strongbox) for 20+ years .
Lawful Deed	A deed conveying a lawful title , in compliance with legal requirements.
Pretended Deed	A deed that appears valid on its face but may be invalid or fraudulent.
Voluntary Deed	Given without valuable consideration , based on love, affection, or generosity .
Warranty Deed	Includes a covenant of warranty , guaranteeing title.
Special Warranty Deed	Warrants title only against claims under the grantor , not generally.

Important Related Legal Terms

1. Deed Pool

- A deed involving **two or more parties**.

- Each party receives a **copy** of the deed.
- Common in multi-party contracts.

2. Deed Poll

- Executed by a **single party only**.
- Used for **Power of Attorney, arbitrator's awards, or appointments**.
- Called *poll* because it was **cut level at the top** in old times.
- Written in the **first person**.

3. Indenture

- A **deed between two or more parties**.
- Originally, the parchment was **cut with jagged edges** (indented) to prevent forgery.
- Today, **the term survives**, but the **indentation practice is obsolete**.

(a) Modern Indenture

- Now refers to any **contractual deed between multiple parties**.

(b) Cyrographum

- Ancient type of indenture.
- The word *Cyrographum* was written across copies of the document and **cut through in jagged lines**.
- Prevented **fraud** by making it hard to forge a matching document.

4. Deed Escrow

- A **conditionally delivered deed**, not fully effective until **some condition is met**.
- It's **not a perfect deed** until:
 - Signed by **all parties**
 - **Dated** when last signed
- Operates **from the date of final signature**.
- Referred to as *Scriptum* until the condition is fulfilled.

Quick Recap Table

Term	Nature	Key Use/Feature
Deed Pool	Multi-party deed	Each party has a copy
Deed Poll	Single-party deed	Common for Power of Attorney, Awards
Indenture	Multi-party deed	Old jagged parchment, now a general term for contracts
Cyrographum	Historic indenture	Anti-forgery technique using jagged cuts
Deed Escrow	Conditional deed	Not valid until conditions are fulfilled; operates when last signed

Broad Outlines of Deeds

When drafting a deed, especially for **Transfer of Property** (like Sale, Mortgage, Lease, or Gift), it's divided into parts or clauses, each with a specific function. Below are the **first two core components**:

1. Description of the Deed Title

What it is:

The **name of the deed** — clearly stated at the very beginning.

Examples:

- **THIS DEED OF SALE**
- **THIS DEED OF MORTGAGE**
- **THIS DEED OF LEASE**
- **THIS DEED OF GIFT**
- Or simply: **THIS DEED** (if the transaction is complex or includes multiple purposes)

Purpose:

- Indicates the **nature** of the document.

- Helps the reader **immediately understand** what kind of legal act the document records.

🔑 Important Notes:

- Naming the deed alone doesn't define its legal nature.** Courts consider:
 - Language used
 - Intention of the parties
 - Consideration paid
 - Conditions precedent, if any

🔑 Interpretation Rule:

If the wording is ambiguous, courts interpret the **real intention of parties** to decide whether it is a **deed of conveyance, contract, or something else**.

2. Place and Date of Execution of a Deed

📍 Place of Execution:

- Specifies where the deed is **executed (signed)**.
- Determines:
 - Jurisdiction** (legal forum for disputes)
 - Stamp duty** (varies by state in India)
 - Office of registration**

📅 Date of Execution:

- Usually written **right after the title**.

🔑 Example:

"This Deed of Lease made at New Delhi on the Twenty Second day of February Two Thousand and Twenty Three (22.02.2023)."

🔑 Importance:

- Used for:
 - Calculating limitation periods**
 - Determining maturity dates**
 - Registration deadlines** (must be registered within **4 months** from date of execution – *Section 23 of the Registration Act, 1908*)
 - Title transfer implications**

🔑 Legal Points:

- A deed **can still be valid even if undated** or dated incorrectly (e.g. 30th Feb).
- Oral evidence** is allowed to prove the date of execution, if needed.
- When **multiple parties sign on different dates**, the **last signature date** is considered the **effective date** of execution.

🔑 Best Practice:

- Write the **date in both words and figures** to avoid tampering or confusion.

3. Description of Parties

This part identifies and details **all parties** to the deed — essential for legal clarity and future enforcement.

✅ Key Rules:

- All parties**, including inter-parties (those who benefit under the same deed), must be named clearly.
- Order of parties:**
 - Transferor (e.g., seller, lessor, mortgagor)
 - Confirming party (if any)
 - Transferee (e.g., buyer, lessee, mortgagee)

📁 Details to Include:

- Full legal **name**, followed by **surname**
- s/o, d/o, w/o** (son/daughter/wife of)
- Address**
- Occupation or profession** (like Advocate, Company Secretary — caste is optional and usually avoided today)
- For **juridical persons** (e.g., companies, societies):
 - Name of entity
 - Registered office address
 - Act under which it is incorporated
 - Name and role of representative (e.g., Company Secretary)
- For **idols or temples**:

- Name of deity, temple, location
- Name of acting representative (e.g., Sewadar)

• For **minors or disabled persons**:

- Name of minor/lunatic
- Guardian's name and role
- Source of authority (court order, statute)

📁 Reference Labels:

Each party is assigned a **label** to avoid repetition (e.g., "lessor", "lessee", "seller", "buyer").

📁 Illustrative Format:

(i) For Individuals:

This Lease Deed is made at New Delhi on the Monday, _____ day of February, 2023

between

Shri Vinod s/o _____, resident of

_____ (hereinafter called the "lessor"...), of the one part;

AND

Shri Rohil s/o _____, resident of

_____ (hereinafter called the "lessee"...), of the other part.

(ii) For Companies or LLPs:

XYZ Retainers Ltd., a Public Limited Company incorporated under the Companies Act, 2013, having its registered office at

_____, represented through _____, Company Secretary (hereinafter called "XYZ Co."), of the FIRST PART;

AND

MNO LLP, a Limited Liability Partnership under LLP Act, 2008, having its office at _____, represented through _____, Managing Partner (hereinafter called "MNO LLP"), of the SECOND PART.

4. Recitals

Recitals set the **background** of the transaction, explaining how the transferor got the title and **why** the deed is being executed.

🌿 Types of Recitals:

1. Narrative Recitals:

- Historical background and **chain of title**
- How the property came to the transferor
- Any relevant past instruments or events
- Written in **chronological order**

2. Introductory Recitals:

- Explain the **intention** behind executing the deed
- Mention the reason/motive of transfer

★ Purpose:

- Provide **context** and background
- Assist interpretation** of the deed in case the operative part is unclear
- Can serve as **evidence** against parties (may **operate as estoppel** if unchallenged)

🔑 Legal Importance:

- Recitals are **not binding** like the operative part but can **clarify ambiguities**
- Courts may rely on them if the main part of the deed is unclear
- Cited in **Ram Charan v. Girija Nandini**, AIR 1966 SC 323

📁 Drafting Tip:

- Use **"Whereas"** at the start of each recital

- Prefer **numbered paragraphs** for multiple recitals instead of repeating “Whereas”

Example:

WHEREAS:

1. The lessor is the absolute owner of the premises described in Schedule A.
2. The lessor acquired the said property under a Deed of Sale dated 1st Jan, 2000 registered as Document No. _____.
3. The lessee has approached the lessor for leasing the said property for a period of 3 years.

◆ **5. Testatum (Witnessing Clause)**

This clause connects the **recitals** to the **operative part** of the deed. It signals that the deed is now putting the agreement into effect.

★ **Begins with:**

- “**NOW THIS DEED WITNESSES**”
- Or, if multiple clauses follow: “**NOW THIS DEED WITNESSES AS UNDER:**” (followed by numbered clauses)

Purpose:

- Refers to the **agreement or recitals**
- States the **consideration** (if any)
- Includes **acknowledgment of receipt** of the consideration

◆ **6. Consideration**

This is one of the most critical clauses in a deed, especially when transferring interest or property.

Key Points:

- Must be **clearly stated**, as it is essential for:
 - Validity of contract under Section 25 of the Indian Contract Act, 1872 (unless it’s a gift)
 - Calculating **stamp duty** under the Indian Stamp Act, 1899
- Even if not expressly mentioned, it **does not invalidate** the deed, but it may affect its enforceability and admissibility as evidence.

⚠ **Note:**

- **Penalty** may apply under the Stamp Act if consideration is not disclosed, leading to under-stamping.
- Gift deeds are an exception — these are executed without monetary consideration.

◆ **7. Receipt Clause**

This acknowledges that the **consideration has been received** by the transferor from the transferee.

Sample Wording:

“Now this Deed witnesses that in pursuance of the aforesaid agreement and in consideration of the sum of ₹1,00,000/- (Rupees One Lakh only) paid by the Transferee to the Transferor before the execution hereof (receipt whereof the Transferor does hereby acknowledge)...”

✅ **Significance:**

- Reinforces that the transaction is complete and payment has been made
- Serves as evidence of payment

◆ **8. Operative Clause**

This clause **puts the transfer into motion**. It's the heart of the deed and uses specific legal wording based on the nature of the transaction.

Examples:

- In a **sale deed**: “The Vendor hereby sells, conveys and transfers...”
- In a **mortgage deed**: “The Mortgagor hereby transfers by way of mortgage...”
- In a **lease deed**: “The Lessor hereby demises unto the Lessee...”

💡 **Note:**

- This is typically followed by a **Habendum Clause** (“to have and to hold...”) and the **Parcels Clause**
- The language changes based on the nature of **interest** being transferred

◆ **9. Description of Property**

This provides the **full identity** of the property being transferred. It ensures that:

- The **registration authorities** can record it
- The parties and courts can **identify it unambiguously**

Must include:

- Address
- Survey number
- Measurements and boundaries
- Location landmarks
- Permitted usage (residential, commercial, agricultural, etc.)

If Short:

- Include directly in the body of the deed

If Lengthy:

- Attach as **Schedule A, Annexure**, or similar appendix

◆ **10. Parcels Clause**

This is a **technical description** of the property — precise, formal, and often detailed. It's traditionally used to avoid ambiguity.

★ **Key Features:**

- Begins with: “**ALL THAT piece and parcel of land...**”
- May include legal phrases like *messuages*, *tenements*, *hereditaments* (less common today)
- Describes type of property: land, building, machinery, debt, etc.

Relevance of Section 8, Transfer of Property Act, 1882:

All interests, rights, and legal incidents **pass automatically** to the transferee, unless otherwise stated.

This **reduces the need** for elaborate wording like:

- “...including doors, windows, locks, keys, fences, etc.”
- “...along with all rights of easement, light, air, and water...”

✂ **Examples:**

- For land: “ALL THAT piece of agricultural land measuring 1.25 acres, bearing Survey No. 101/2 situated at Village Rangpura, Tehsil & District Jaipur...”
- For machinery attached to land: “...including the movable parts of the machinery embedded in concrete on said land...”

◆ **11. Exceptions and Reservations Clause**

This clause deals with any **rights retained** by the **transferor**, even after the property is transferred.

✅ **Common Use:**

- Right of way
- Right to access for repairs
- Right to use a well or shared space

★ **Legal Constraints:**

- Must not be **repugnant to the law** (e.g., can't violate Section 8 or Section 10 of the Transfer of Property Act, 1882)
- Should be **clear, precise**, and not uncertain or contrary to the nature of the transfer

Language Often Used:

- “**Subject** to the right of the Transferor to use...”
- Both parties must **sign or initial** this clause to show mutual consent

◆ **12. Premises and Habendum**

This part sets out the **extent and nature of interest** granted to the transferee.

★ **Premises:**

- Includes recitals, parcels, and basic details of transfer
- Everything that comes **before the habendum**

★ **Habendum Clause:**

- Begins with: **“TO HAVE AND TO HOLD”**
- Describes the **nature and duration** of the estate or interest transferred
- Reiterates the **identity of the transferee**
- May also note **encumbrances or restrictions**

💡 **Modern Practice:**

- In India, wording like “to have and to hold” or “to the use of the purchaser” is **optional** and usually avoided in sale or lease deeds unless it's a **voluntary transfer** like a gift

◆ **13. Reddendum**

This clause is specific to **lease deeds**.

■ **Purpose:**

- Specifies the **amount of rent, mode of payment, and time** for rent payment

★ **Starts with:**

- **“Rendering or paying...”**

📄 **Example:**

“Rendering therefore monthly rent of ₹10,000/- payable in advance on the 1st day of each English calendar month...”

◆ **14. Covenants and Undertakings**

These are **promises or agreements** made by either or both parties within the deed.

✅ **Can be:**

- **Express:** Clearly stated in writing
- **Implied:** Presumed by law or nature of transaction

🔥 **Format:**

- Typically begins with:
“The parties hereto mutually covenant and agree as follows...”

📄 **Examples of Covenants:**

- Transferor confirms no encumbrances on the property
- Transferee agrees to pay property taxes
- Agreement to maintain fencing, not change usage, etc.

◆ **15. Testimonium Clause**

This is the **concluding clause** — it shows that the parties have **executed (signed)** the deed.

★ **Standard Wording in India:**

“IN WITNESS WHEREOF the parties hereto have signed this DEED on the date above written.”

🔥 **Points to Note:**

- This clause marks the **end** of the operative part
- Used instead of the traditional **seal** (which is not common in India)

◆ **16. Signature and Attestation Clause**

This follows the testimonium and includes:

- **Signatures of executants (parties)**
- **Signatures of attesting witnesses**

✍️ **Executant Signature:**

- Must be made by a **competent person**
- If it's a **company or society**, it must be:
 - Signed by an **authorized person**
 - Accompanied by the **seal** (if applicable)

★ **Transferee's Signature:**

- **Not mandatory** in most deeds like sale/conveyance unless:
 - There's a **specific covenant or reservation** by the transferee

📄 **Attestation:**

- Usually by **two witnesses**
- Each must:

- See the signing or get **personal acknowledgment**
- Intend to **attest the document**

- No fixed format but should clearly indicate it's a **witnessing act**

🔥 **Signature Placement:**

- Executant signs on the **right side**
- Witnesses may sign on the **left side or below**

◆ **17. Supplemental Deeds**

A **Supplemental Deed** is used when new facts or terms need to be **added to an existing deed**.

✅ **Purpose:**

- To **modify, extend, or supplement** an existing deed
- Used **instead of endorsement** when changes are significant or detailed

■ **When to Use:**

- **Minor changes** → Endorsement
- **Substantive additions/alterations** → Supplemental Deed

📄 **Example Situations:**

- Changing lease terms
- Adding a new clause agreed upon later
- Reflecting a new party joining an existing agreement

🔥 **Drafting Tip:**

Include phrases like:

“This deed is supplemental to the deed dated [insert date] made between [parties] hereinafter called the ‘principal deed’.”

If it's supplemental to **multiple deeds**, list **each** one clearly in the **recitals** to avoid ambiguity.

💡 **Stamp Duty:**

- Must be **stamped according to the nature of the transaction**
- If it's simply an agreement, **stamp it as an agreement**

◆ **18. Annexures or Schedules**

This part contains **detailed property information** not included in the body of the deed.

✅ **Purpose:**

- Completes the **technical and legal description** of the property
- Helps in **property identification and registration**

■ **Common Inclusions:**

- **Site Plan / Map Plan**
- **Survey No., Plot No., Mutation No., Municipal No.**
- **Village / Taluka / District / Ward / Street / Sector**
- **Boundaries / Measurements / Area / Usage type**

📄 **Legal Importance:**

- Required under **Registration Act**
- Makes the property **easily traceable** in government records
- Supports proper **valuation and verification** for future transactions

📖 **Important Terms and Conditions in an Agreement**

An agreement enforceable by law is called a **contract**. For business efficacy, especially in trade and international transactions, contracts must be precise, unambiguous, and comprehensive.

📄 **General Guidelines:**

- Must fulfill all essentials of a **valid contract** under applicable law.
- Should be **in writing** if required by law (e.g., registered agreements).
- May be handwritten, typed, or printed — brevity or detail depends on the transaction.

💡 **Key Clauses to Include:**

1. **Description of Parties:**

- Full name, address, legal status

- For companies: registration details & authorized representatives
- 2. **Legal Nature of the Contract:**
 - Clearly state the contract type (e.g., Sales, Agency, Technical Services)
- 3. **Licences and Permits:**
 - Assign responsibility for obtaining necessary permits
 - Cover consequences of delay/refusal by authorities
- 4. **Taxes, Duties & Charges:**
 - Define tax responsibilities in both export and import countries
 - Include clauses for tax/duty fluctuation
- 5. **Quality, Quantity & Inspection:**
 - Detail goods' specifications
 - Inspection location (seller's country or buyer's)
 - Mention tolerance levels (e.g., ±10%)
- 6. **Packing:**
 - Type of packaging based on goods' nature (fragile/inflammable/hygroscopic)
 - Buyer's obligation to share legal packaging restrictions
- 7. **Shipment Details:**
 - Timeline, port of shipment, vessel name
 - Allowable delay (if any) and penalty clauses
- 8. **Insurance:**
 - Who is responsible for insuring goods
 - Nature and extent of coverage
- 9. **Documentation:**
 - Technical documents, manuals, blueprints, etc.
 - Confidentiality of proprietary information
- 10. **Guarantee/Warranty:**
 - Duration and terms
 - Whether defects will be repaired or replaced
- 11. **Passing of Property & Risk:**
 - When title and risk shift from seller to buyer
 - Determines responsibility for loss/damage
- 12. **Payment Terms:**
 - Amount, mode (D/A, D/P, L/C), and currency
 - Exchange rate and handling of currency fluctuations
- 13. **Force Majeure:**
 - Events like strikes, war, natural disasters that excuse performance
 - List of specific situations and general catch-all clause
- 14. **Governing Law:**
 - Especially critical in international contracts
 - Clearly state which country's law will apply
- 15. **Dispute Resolution / ADR Clause:**
 - Method: Mediation, Arbitration, etc.
 - Appointing authority and location of proceedings

Special Considerations in Agreement to Sell / Purchase

While all agreements require clarity and completeness, **Agreements to Sell or Purchase property** demand heightened precision and legal attention. These contracts must leave **no room for ambiguity**, especially regarding the parties, price, property, and timelines.

1. Contracting Parties

- **Full Identification:** Name, address, legal status, and representative capacity (if applicable).
- **Reciprocity of Interest:** Only parties with direct legal interest can enforce or be held liable.
- **Representative Capacity:** Clearly disclose if a party is acting as a power of attorney holder, executor, guardian, trustee, etc.
- **Succession & Binding Nature:** Include standard clause binding *heirs, legal representatives, administrators, and assigns*.
- **Assignment Rules:**

- *Obligations* generally **not assignable** without consent.
- *Rights* usually **assignable**, unless:
 - The contract is personal in nature
 - Assignment is legally restricted
 - Assignment is contractually prohibited

2. Consideration (Price)

- **Essential Element:** If the **price is uncertain**, the contract is **void for incompleteness**.
- **Form of Consideration:**
 - Not restricted to money – may include services, property, or other lawful consideration.
- **Earnest Money:**
 - Amount should be specified.
 - Agreement must state **forfeiture clauses** or **penalties** for breach by either party.

3. Subject Matter (Property)

- **Legal Transferability:** Must comply with the **Transfer of Property Act, 1882** and any other applicable law.
- **Detailed Description:**
 - Location, plot number, survey number, municipal number, area, boundaries, etc.
 - Nature of title (freehold/leasehold)
- **Extent of Interest:** Clearly mention if it is:
 - Full ownership
 - Co-ownership share
 - Leasehold right
- **Disclosures Required:**
 - Encumbrances (loans, mortgages)
 - Charges, easements
 - Legal restrictions, use covenants
- **Duty to Disclose:** Vendor must not conceal material facts — failure can lead to rescission or legal liability.

4. Time for Performance

- **Time as Essence:**
 - Must be **expressly stated** if time-bound obligations are critical (e.g., registration deadlines).
- **Consequences for Delay:**
 - Penalty
 - Cancellation and refund clause
 - Right to seek specific performance or claim damages

Suggested Clauses for Every Agreement to Sell/Purchase:

- "The parties herein include and shall bind their respective heirs, successors, legal representatives, and assigns."
- "In the event of default by the Purchaser, the earnest money shall stand forfeited..."
- "The Vendor confirms that the property is free from all encumbrances except as disclosed herein..."
- "Time is of the essence of this Agreement. In case of delay beyond ___ days, the non-defaulting party may..."

Guidelines for Using Specific Words & Phrases in Drafting and Conveyancing

Drafting legal documents is not just about writing—it's about **precision, clarity, and enforceability**. The proper selection and understanding of words and phrases are crucial, as even a single term can change the legal effect of a clause.

While no universal rule can be prescribed, the following **best practices** serve as reliable guidance for draftsmen and legal writers:

1. Use Standard Dictionaries for General Words

- When using **common or everyday language**, refer to authoritative general dictionaries:

- *Oxford English Dictionary*
- *Webster's Dictionary*
- Any other widely accepted English dictionary

- Always verify **modern usage and context**.

2. 📖 Use Legal Dictionaries for Legal Terms

- For **technical legal vocabulary**, consult:
 - *Wharton's Law Lexicon*
 - *Jowitt's Dictionary of English Law*
 - *Stroud's Judicial Dictionary*
 - *Osborn's Concise Law Dictionary*
 - *Byrne, Sweet & Cowel*
 - *Mitra's Legal & Commercial Dictionary* (widely used in India)
- Legal terms often have **settled judicial interpretations**, so understanding their usage in law is key.

3. 🏛️ Refer to Case Law for Contextual Meaning

- Some words have been **judicially interpreted** in specific contexts.
- Cite relevant **case law** when:
 - The term has been the subject of legal interpretation
 - You wish to convey a meaning already settled by courts
- This ensures **clarity and predictability** in legal outcomes.

4. 🧠 Understand Technical Words Before Using

- For **specialized fields** (e.g., taxation, IP, shipping, real estate):
 - Use technical terms only after **understanding their full scope and context**.
 - Ensure that such terms fit the **facts and intention** of the document.
- Avoid using jargon loosely—**precision trumps verbosity**.

5. 🧠 Match Words with the Executor's Intention

- Always ask: **"Does this phrase reflect what the party actually intends?"**
- Legal writing should not only be accurate but also:
 - **Reader-focused**: Clear to the party who reads and signs
 - **Purpose-driven**: Directed at fulfilling the transaction's purpose

6. 📖 Use Authoritative Texts on Interpretation of Law

- For deeper clarity on legal expressions and statutory phrases, refer to:
 - *Maxwell on Interpretation of Statutes*
 - *Craies on Statute Law*
 - Other commentaries by recognized legal scholars
- These works often explain **nuanced distinctions** between similar terms (e.g., "shall" vs "may", "void" vs "voidable").

🔥 Practical Tip:

When in doubt—**simplify without losing legal intent**. Avoid archaic, verbose, or ambiguous phrases unless their use is absolutely necessary due to precedent or legal tradition.

🧠 Bottom Line:

Drafting is an **art backed by legal science**. Your tools are not just laws, but the **words** you use. Choose them wisely.

🏛️ Legal Drafting: Use of Appropriate Words & Expressions in Deeds and Conveyancing

In legal drafting, especially while preparing deeds, the precise meaning and correct usage of words can shape or even determine the legal

outcome. Below are some commonly used legal terms and expressions along with their interpretations and implications.

📄 1. Instrument

- **Meaning varies by context and statute.**
- Under **Notaries Act, 1952** and **Indian Stamp Act, 1899**: "Every document by which any right or liability is created, transferred, modified, extinguished, or recorded."
- Includes:
 - Wills
 - Awards (e.g., by Industrial Courts)
 - Decrees (Interest Act)
 - Formal legal writings (e.g., Presidential orders)
- Excludes:
 - Acts of Parliament (unless defined otherwise)

📍 2. Use of "AT", "NEAR", "ON"

- **"At"**: Denotes nearness, but is less specific than "in" or "on".
- **"Near"**: Relative term indicating proximity.
- **"On"**: May mean "in the vicinity of".
- **"In the vicinity"**: Close by, but not necessarily adjoining.
- **"Immediate vicinity"**: Suggests contiguity or abutment.

🏠 3. Adjoining / Adjacent / Contiguous

- **"Adjoining"**: Indicates contiguity, not necessarily sharing an entire boundary.
- **"Contiguous"**: Land parcels touching at even one point (e.g., a common corner).
- **"Adjacent"**: Relative; not synonymous with "abutting".

🔍 *Interpret according to the deed and the apparent intention of the parties.*

🏠 4. Lot

- A "lot" is a **unit of land**, often technically defined in a **recorded plan or township layout**.
- **Qualified usage**: e.g., "wood lot", "store lot"
- **Unqualified usage**: Usually refers to an officially recorded parcel.
- "Lot" typically does **not include rights over adjoining streets** unless expressly mentioned.

💰 5. "And" vs. "Or"

- **"And"**: Conjunctive; includes both.
- **"Or"**: Disjunctive; offers an alternative.
- Courts generally avoid reinterpreting "and" to mean "or" (and vice versa) **unless context clearly demands it**.

⚠️ 6. "Subject to"

- Indicates a **qualification or limitation** of the grant.
- Example: "Subject to encumbrances" means the grantee receives title **burdened by existing encumbrances**.
- May be ambiguous—courts will consider the full context and intent to interpret meaning.

🚫 7. "Excepting" vs. "Reserving"

- **Exception**: Excludes something from what is granted.
- **Reservation**: Retains a new right for the grantor.
- Despite technical distinctions, both are often used interchangeably in deeds.
- **Intention overrides terminology**—interpretations focus on full deed reading.

📏 8. "More or less", "About", "Estimated"

- These are **words of safety**, used to allow for **minor discrepancies** in measurements.

- Used in land descriptions to acknowledge **non-exact measurements**.
- **Not grounds for invalidity** unless:
 - Fraud is proven
 - Discrepancy is substantial or material

9. Compass Directions (North, East, etc.)

- Unqualified terms (e.g., "North") imply **due North**.
- Terms like "Westerly", "Easterly" also taken as **due West/East** unless qualified.
- If there's ambiguity, **parol evidence** may be allowed to identify land—not alter the grant.

✓ Final Takeaway:

In legal drafting, **context + clarity = legal certainty**. Use terms as per their **legal sense**, but don't ignore the **intent of the parties** and the **practical implications** of the language used.

■ AIDS TO CLARITY & ACCURACY

(Interpretation of Deeds & Documents)

In India, absence of a specific law on conveyancing makes it essential to follow **judicial principles** and apply **rules of interpretation** (largely derived from Maxwell's Interpretation of Statutes and judicial precedent).

◆ A. Informal Agreements

- Apply the **"reasonable expectation" rule**.
- Interpret as per how one party reasonably expects the other to understand the words.
- If ambiguous → meaning assumed by the innocent party will prevail.

◆ B. Formal Agreements (Written) – Key Rules of Interpretation

(1) Primary Evidence Rule

- Deed = Primary evidence (*Section 91, Indian Evidence Act*)
- No oral evidence to contradict written terms (*Section 92*), unless ambiguity exists.

(2) Permissible Oral Evidence

- Allowed when:
 - There's uncertainty (*Proviso 2*)
 - A separate oral agreement exists (*Proviso 6*), consistent with the written terms

(3) Clear Words Prevail

- Clear, unambiguous language overrides supposed intent or assumptions.

(4) Context Matters

- Look at **surrounding circumstances, social and commercial context** to understand unclear terms.

(5) Preliminary vs Final Contract

- If there's a conflict → **final (executed) contract prevails**.

(6) Repugnant Clauses

- If a later clause nullifies an earlier one → **reject the later clause**.

(7) Popular/Ordinary Meaning

- Use **ordinary, popular meaning**, unless:
 - Contract gives it a different meaning
 - Legal meaning differs from common usage

(8) Hardship Irrelevant

- Unless hardship = **absurdity**, courts won't consider inconvenience.

(9) Liberal Interpretation (Mercantile Documents)

- Focus on **intent of parties**, not technicalities.
- Apply **commonsense** over legal formalism.

(10) Every Word Has Value

- No clause should be treated as superfluous.

(11) Commercial Usage Matters

- Long-accepted interpretations in trade shouldn't be altered arbitrarily.

(12) Technical/Local Usage

- Words used in specific trade/local context → interpret accordingly.

(13) Grammar vs Context

- Ordinary grammar yields to **document context** if contradiction arises.

(14) Deleted Words

- Not to be considered **unless ambiguity exists** in the final clause.

(15) Conduct-Based Interpretation

- Acts done under deed soon after execution can help clarify intent.

(16) No Precedent for Dissimilar Drafting

- Prior court interpretations only useful when **wording is identical**.

(17) Proviso Subordinate to Main Clause

- If the proviso's condition doesn't occur → **ignore it** in interpreting main clause.

(18) Invalid Clause ≠ Void Deed

- Unless indivisible, an invalid clause won't void the entire deed.

(19) Recitals vs Operative Part

- If operative part is clear → **recitals irrelevant**.
- If ambiguous → use recitals to interpret intent.

(20) Printed Form vs Handwritten/Typed Additions

- **Added handwritten/typed terms override** printed terms.

(21) Material Alterations

- Without mutual consent: deed = **void prospectively**
- Minor clarification or restatement of implied terms = **not void**

🔗 Legal Implications of Poor Drafting

Poor drafting results in:

- (a) **Ambiguity** and dual interpretations
- (b) **Legal uncertainty**
- (c) **Difficulty in implementation**
- (d) **Increased litigation** (waste of time, money, resources)
- (e) **Judicial errors** due to misinterpretation
- (f) **Harm to innocent parties**

✓ Takeaway:

Clarity, precision, and context-based drafting prevent ambiguity and litigation. Every word should reflect clear intent, be contextually appropriate, and withstand judicial scrutiny.

🔗 ENDORSEMENTS – An Overview

◆ What is an Endorsement?

- **Definition:** Writing **on the back or face** of a document to:
 - Acknowledge or alter facts,
 - Transfer rights,
 - Express approval or consent,
 - Record receipt of payment.
- Commonly used with **negotiable instruments** (e.g., cheques, bills of exchange, promissory notes) under the **Negotiable Instruments Act, 1881**.

◆ Purposes of Endorsement

- Give **legal effect** to new facts or changes in the document.
- **Inscription of names, titles, or memoranda** for official/legal purposes.
- Enable:
 - **Transfer** of rights (e.g., in negotiable documents),
 - **Acknowledgement** of debt or payment,

- **Approval** of terms, etc.

◆ Types of Documents Involving Endorsements

- **Negotiable instruments** (cheques, promissory notes, bills of exchange).
- **Government securities.**
- **Insurance policies.**
- **Conveyancing documents** – particularly for:
 - Acknowledgment of part payment,
 - Acknowledgment of debt.

◆ Endorsement under the Registration Act, 1908

- Signifies **entry made by the Registrar** on a covering slip or document for registration purposes.

◆ Endorsements in Conveyancing

- Used when **no separate deed** is needed.
- Should clearly **express the parties' intent**.
- Must refer to the **original deed** as:
 - "Within named", "within mentioned", "within written deed", etc.
- For **subsequent endorsements** (i.e., after one has already been made):
 - Use "above named" instead of "within named".
- Include an **operative clause** followed by a **testimonium clause** with signatures.

📁 Forms of Endorsement

1. Basic Endorsement Clause

- May begin with:
 - "This deed made on this ____ day of ____ 2023 between the within named..."
 - Or directly: "The parties to the within written deed hereby agree as follows:"

2. Supplemental Deeds

- Used when **altering or adding to a prior deed**.
- Add clause like:
 - "Supplemental to a deed of [type] dated [date] made between [parties] called the principal deed."
- If multiple deeds are involved, all prior deeds should be recited for clarity.

🔑 Stamp Duty on Endorsements

- Endorsements **must be stamped** depending on the nature of the transaction:
 - **Receipt of money** → Stamp as receipt.
 - **Agreement** → Stamp as agreement.
- Some **endorsements are exempt** from stamp duty:
 - Endorsement on prior deed,
 - Receipt of mortgage money,
 - Transfer of negotiable instruments (e.g., bills of exchange, insurance policies, govt. securities).

✓ Key Takeaways

- Endorsements provide **flexibility** in updating legal documents without drafting a new one.
- Must be **intention-driven, clear, and correctly referenced**.
- Follow **customary forms and legal standards** for validity.
- **Stamping rules** must be strictly followed, but exemptions exist for specific cases.

📁 STAMPING OF THE DEEDS

◆ 1. Approval Before Stamping

- **Drafting & Approval:**
 - Document draft must be **approved by all parties** involved.
 - For **companies**, approval is done via:

- **Board Resolution**, or
- A resolution passed by a **duly constituted committee** of the Board.

◆ 2. Engrossing the Document

- Once approved, the document is:
 - **Engrossed** — i.e., neatly copied on **non-judicial stamp paper** of proper value.
 - Stamp duty is paid as per the **Indian Stamp Act**.

◆ 3. Adjudication by Collector of Stamps (if needed)

- If the document is drafted on **plain paper**:
 - It can be submitted to the **Collector of Stamps** for adjudication.
 - Upon adjudication, a **certificate of stamp duty payment** is endorsed on the document.
 - The document then becomes ready for **execution**.

◆ 4. Introduction to E-Stamping

- **E-Stamping:** A **computer-based and tamper-proof** system for paying non-judicial stamp duty electronically.
- Replaces traditional methods like:
 - **Physical stamp papers**, and
 - **Franking system**.

◆ 5. Role of SHCIL

- **Stock Holding Corporation of India Limited (SHCIL)** is the:
 - **Central Record Keeping Agency (CRA)** for e-stamping in India.

◆ 6. Benefits of E-Stamping

- ✓ **Fast & Efficient** – Saves time.
- ✓ **Tamper-Proof** – Ensures security and integrity.
- ✓ **Unique Identification Number (UIN)** – Each e-stamp has a traceable ID.
- ✓ **Easily Accessible** – Can be generated online from designated centers.
- ✓ **Cost-Effective** – Reduces logistical costs.
- ✓ **Secure & User-Friendly** – Easy for individuals and institutions alike.

✓ Key Takeaways

- **Stamping is essential** to make legal documents enforceable.
- Documents must be **properly approved and stamped** to avoid issues during enforcement or registration.
- **E-Stamping** is now widely adopted and encouraged due to its **security, convenience, and transparency**.

CH-3 LAWS RELATING TO DRAFTING AND CONVEYANCING

📁 REGULATORY FRAMEWORK (Key Acts for Drafting & Conveyancing)

1. **Indian Contract Act, 1872**
2. **Specific Relief Act, 1963**
3. **Transfer of Property Act, 1882**
4. **Registration Act, 1908**
5. **Indian Stamp Act, 1899**
6. **Powers of Attorney Act, 1882**

PART A: INDIAN CONTRACT ACT, 1872

* Scope of the Act

- **Part I (Sec 1–75):** General Principles of Contracts