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DRAFT O LISA

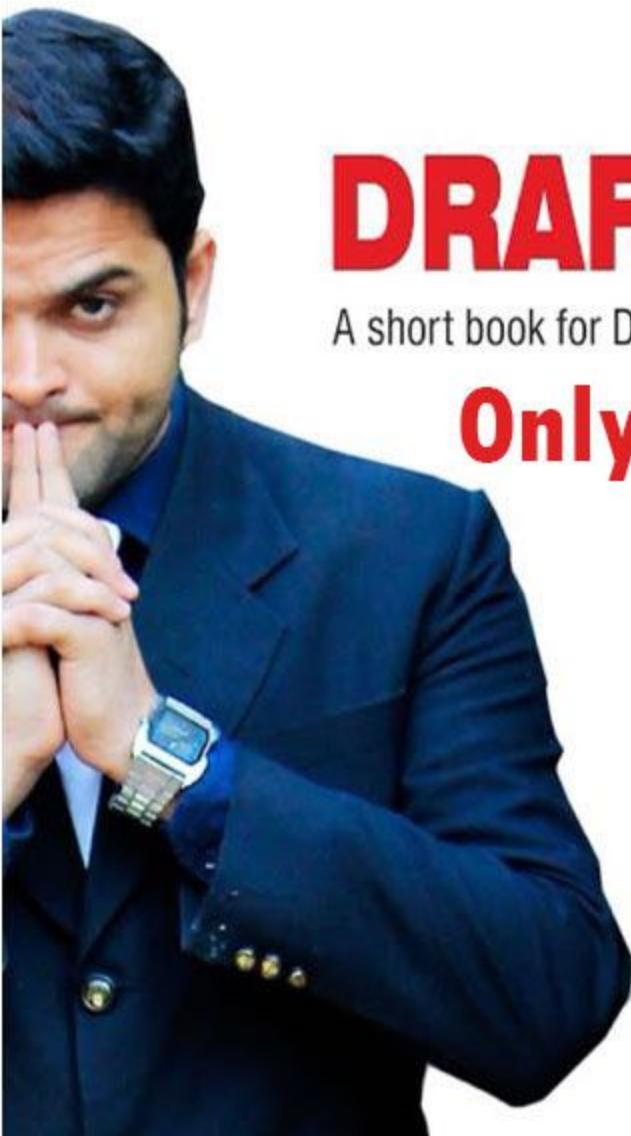
A short book for Drafting, Appearance and Pleading

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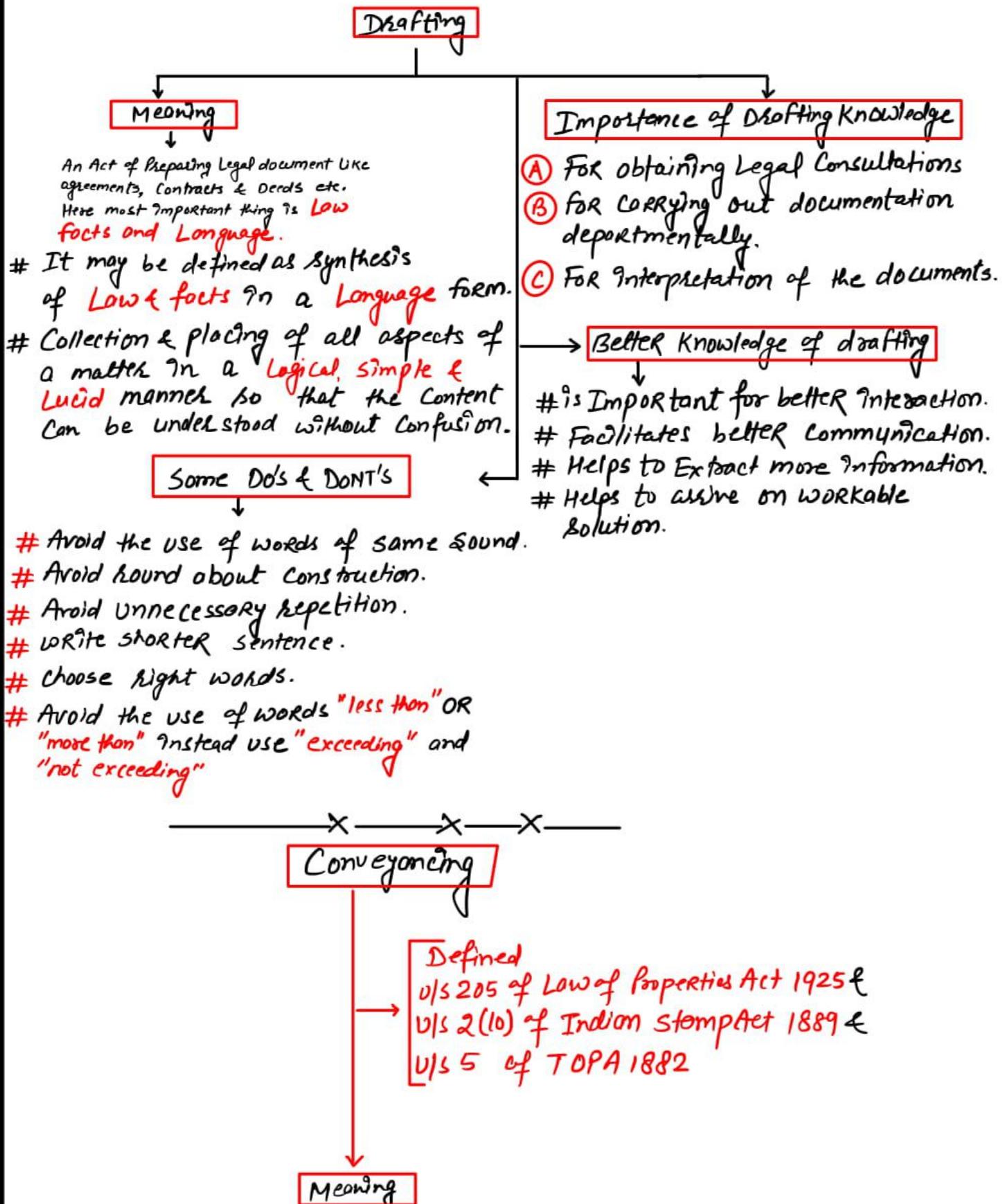


The EcoLawgy Expert

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Drafting a document whereby any interest therein is transferred from one Person to another as per the customs, Conventions & Law within the Constitutional Power

Difference Between Drafting and Conveyancing

Drafting

- # General Meaning, Drafting of any document.
- # It is wider term than Conveyancing.
- # Eg: Arbitration Agreement, Service Agreement, Receipt, Application etc.

Conveyancing

- # Documentation relating to title of Property or interest therein.
- # The term Conveyancing is narrower than Drafting.
- # Eg: Sale Deed, Mortgage Deed, Assignment, Lease Deed etc.

Difference between Conveyance and Contract

Conveyancing

- # Arts of drafting documents relating to transfer of property.
- # No Promise & Title in respect of property already passed.
- # It doesn't create any Right of action, however it alters the existing rights.

Contract

- # Agreement enforceable by law.
- # It consists of Reciprocal Promise & each Party is bound to perform.
- # It creates a Right of action in favour of the parties. In case of breach → Lot of Remedies will be available to parties.
- # Governed by Indian Contract Act 1872

Rules to be followed while Drafting Legal Documents

Sketch OR scheme of DRAFT

Before commencing the draft, the whole design should be prepared else draft will be confused OR incoherent.

Expert's Opinion

For preparing it for the first time to be used again and again with modification it should be drafted by the experts to ensure its suitability and legal fitness.

Note:- For best drafting there is a need of -

- # Concept clarity
- # Should know every fact & particulars of parties & subject matters.
- # Divide in paragraphs, each of which should be self-explanatory.
- # Use technical expressions

FOWLER'S Five Rules

[Direct, simple, Brief, Vigorous & Lucid]

- # Familiar words rather than far fetched.
- # Concrete words rather than abstract.
- # Single words rather than circumlocution.
- # Short words rather than long one.
- # Saxon words shall be used than Roman words
- # Active voice rather than Passive voice.

Skeleton draft & its self Appraisal

Note down briefly the matters or points intended to be incorporated (i.e. prepare skeleton draft) then it should be appraised referring available facts, Law applicable & logical presentation of the facts etc.



Some Important Terms

Document

- ↓
As per sec 3(8) of General Clause Act 1894/1897
- # Any matter
- # Written, Expressed or described
- # Upon any substance
- # by any mean of letter, figure, marks which is intended to be used for Recording the matter.

Instrument

- # Defined u/s 2(14) of Indian stamp Act 1899 & sec 2(b) of Indian Notaries Act 1952.
- # Every document by which any Right or Liability is to be Created, transferred, Limited, extended, extinguished OR Recorded
- # All Instruments are documents but all documents need not be instruments.
- # Stamp duty is payable on every instrument but not in case of documents.
- # Instrument includes Award made by Industrial Court, A will, A decree
- # But does not include Act of Parliament unless there is statutory definition of that effect in any Act.

Types of Instruments

Unilateral

To be executed by one party only.

Eg:- Promissory Note

Bilateral

To be Executed by two parties.

Reciprocal

Multilateral

To be executed by more than two parties

Deed

Not defined anywhere **But general Meaning** → A document which is an instrument and should be in writing, signed & sealed

Deed is a Solemn document

All the instrument by which 2 or more persons agree to effect any Right OR Liability

A formal writing of non-testamentary character which operates to Create, declare, Confirm, Assign, Limit or extinguish some Right, title or interest.

It is written Contract or agreement which has been Properly signed, legally sealed and delivered.

All the deeds are instrument but all instruments need not be deed.

Types of Deed

One Point of View

- Inclusive → which contains written object within the designated boundary of deed.
- Latent Deed → which is kept for 20 yrs or more in man's strong box.
- Lawful Deed → A deed which Conveys a good or lawful title or ownership.
- Pretended Deed → Deed which is Imaginary or implied and Prima facie valid.
- Voluntary Deed → without any valuable Consideration, as it is defined by law.
Eg:- Gift Deed
- Warranty Deed → the deed which contain agreement on warranty.
- special warranty Deed → Deed which have the term of general warranty deed only. But warranty title only against those claiming by the greater. Conveys the described land itself.

Another Point of view

- Deed Poll → A deed between 2 or more persons in which copies are made as there are parties, so that each party may have a copy.
- Deed Poll → A deed in which there is only a single Party. Eg: Promissory Note OR power of attorney.
Usually drawn in 1st Person.
- Deed Escrow → A deed which is signed only by one party until delivered to the other party will be called as deed Escrow. It will be called as deed only after signing by the last party till then its only a mere writing (scriptum)
- Indenture → A deed in which there are 2 or more parties and is written in duplicate upon one piece of paper and 2 parts of such paper are severed so as to leave Indented edge.
- Cy Rographm

↓
Another type of Indenture.

The word cyrographm was written between 2 or more copies and the paper was cut in a jagged line through the word cyrographm. This was done to safeguard against the fraudulent substitution if original document should not match with duplicate one.

Components of Deed

→ Non-operative Part

- ① Name of Deed → The name of deed should be indicative of true Content. Eg:- "This deed of lease" OR Simply "THIS DEED"
- ② Date & Place → The date on which the document is executed and Territorial & legal jurisdiction of a document for the purpose of Registration, Stamping & for claiming legal Remedies shall be mentioned in starting after name of deed or at the end before signature. Eg:- 21st day of September 2018
- ③ Parties to Deed → whole details about the description of parties should be provided so that the parties can be easily identified.
- ④ Recitals →
 1. Narrative → It relates to past history of the property Transferred & sets out the facts & instrument necessary to show the title and relation to the party.
 2. Introductory → Explains the motive or intention behind execution of deed and placed after narrative Recitals.
If the operative part in deed is ambiguous anything contained in the Recital will help in its interpretation or meaning.
Recital carry evidentiary importance in the deed.

Recitals begin with the word "WHEREAS"

→ Operative Part

- ① Testatum or Premises → It is also called as witnessing clause. It states the intention of & capacity of parties & transaction between them & Consideration. Usually begin with words "NOW THIS DEED WITNESSES AS FOLLOWS"
- ② Habendum → Defines interest Conveyed (life interest or absolute sale) sets out limitation on property. It also mentions whether property is encumbered (charged) or not.
- ③ Exceptions & Reservations → Certain Rights to be enjoyed by TRF or over the property to be agreed by the TRFee & should be clearly stated.
Eg:- If in a lease deed Lessor desires to retain to extract the mineral therefrom, then it should be specifically provided.

④ Covenants : → Terms & Conditions by which the parties bind themselves especially those which are at variance with the implied covenants, then these must be clearly stated.

→ Formal Part

① Testimonium → Sets forth the facts that Parties have signed the deed.

Begins with words

It witnesses whereof, the parties aforesaid, namely _____ have on the day and year just above mentioned put their signs in the presence of witnesses.

② Signature & attestation → Immediately after testimonium put their signature thereafter the witnesses.

Attestation means signing by the executors in presence of witnesses and by witnesses in presence of executors.

Some other Important Points

Parcel clause
OR
description of Property

Detailed accurate and correct particulars of property, so that the property could be easily identified.

operation of Transfer
Sec 8 of TPOA 1882

As per this sec, the use of words such as messuages, Tenements,

Hereditaments, Land & Water etc. have rendered unnecessary in parcel.

It says "unless a different intention is expressed or necessarily implied a transfer of property passes forth with to the transferee all the interest which the transferor is then capable of passing in legal incidents thereof."

Endorsement

To write on back or on the face of a document wherein it is necessary in relation to the content of that document or instrument.

Supplemental Deed

A document entered between the parties on the same subject on which there is a prior document existing and operative for adding new facts to the document on which the parties have agreed which otherwise cannot be done by way of endorsement.

Stamp duty on various Deed

Objective

- # Primary objective is to raise Revenue for States by prescribing a stamp duty which is payable on every instrument.
- # Generally it's a state subject but Parliament has exclusive power to fix the rate of duty in some cases Eg:- B/E, Promissory note, letter of credit Insurance Policies etc.

Types of stamp duty

Adhesive

Impressive

Timing of stamp duty

if executed
in India

if executed
outside India

For B/E or
Promissory Note

on or before
Execution

within 3 months
of receiving it
in India

By 1st holder
in India.

An Instrument shall be duly stamped

means that

It should be of
proper amount



&
shall be properly
Cancelled

Amount of stamp duty payable

Sec 4
single Transaction
by
several Instruments

Stamp duty

For main Document
As per Respective Article of ISA 1899

for additional documents
₹ 1 per document

Sec 5
many Transactions
by
single Document

Stamp duty

Aggregate of stamp duty
payable as per all instruments
(Such document is called as
multi facious document)

Sec 6
Instrument coming
under several
Description

Stamp duty

Highest of duty
specified in
Respective
Article.

Registration of Documents

Object

- # To give Notice to world
- # To prevent fraud or forgery
- # To secure interest of Persons who are dealing with property.

Time Limit for Registration

Sec 23

For will
Any Time

Sec 25

For docs other than will
within 4 months
of its execution.

Sec 26

Registrar may
Condone the
delay for
further 4 months.

If document
executed outside
India.
within 4 months
of its arrival
in India.

Requirement of Registration

Compulsory Registration → Sec 17

Sec 18 ← Optional Registration

- # Instrument of gifts of Immovable property.
- # Non-Testamentary Instrument relating to Immovable property of value of **more than ₹ 100**
- # Lease of Immovable Property, if-
 - Lease is on year to year basis.
 - Lease is for a term exceeding one year
 - Lease which reserves yearly rent.
- # Authority to adopt a son.
- # wills
- # Non-testamentary Instrument relating to Immovable property of value **₹ 100**
- # Lease of term Less than 1 year.
- # Documents other than docs falling u/s 17(2).

