

PGDM (RM), 2019-21
Mall Management
RM-305
Trimester – III, End-Term Examination: June 2020

Time allowed: 1 Hrs 30 Min

Roll No: _____

Max Marks: 30

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Total Marks
A	There are three questions and all are compulsory. The case study is in a separate pdf attachment in moodle.	5+10+15	30
			30

Q1. (a) Show the link between built up area, total super area, total covered area, carpet area. Draw a diagram to illustrate the point (b) in point 11 calculate the efficiency (c) In point 15 calculate the balance possession amount (in Rs).
CILO-1 (2X1.5+1+1 marks)

Q2. (a) Should the Lessee choose MMG (monthly minimum guarantee) or Rs (revenue share) in Point no: 12 (b) In point no. 28 the IFDSD clause is a balanced clause. Give your view.
CILO-2 (2X5 marks)

Q3. In 'OTHER TERMS' give your critical detailed comment on the following terms from a Lessor and Lessee perspective (a) Force majeure (d) Arbitration
CILO-3 (2X7.5 marks)

Appendix 2

TERM SHEET

The parties hereto, after satisfying themselves and with full knowledge of all the laws, by-laws, rules, regulations, notifications etc. which are applicable to the said Building and the Licensed Space, and subsequent negotiations have agreed to enter into a Lease Agreement on the following terms and conditions:

TERM SHEET	
Property Name	ABC Mall
City	DELHI
Leased Space	No. 1, Store. First Floor Level, 3000 sq. ft.

PROPERTY SPECIFICATIONS	
1	Name of the Owner, Developer and Contractor (Intended Lessor) ABC LTD.
1 A	Name and Address of the Intended Lessee DLITE LTD. 12 C.P. N. DELHI
2	Property Address PLOT NO. 5, ROHINI WEST DELHI
3	Plot Size Sq Mtr and Dimensions (length x width) in mtr/ Width of the Road in front of the Property 20 Acres/ sq. metres, 284.5 m x 284.5 m, 120 feet
4	Lessor's Address 15, CP N. DELHI
5	Building Configuration Ground + 4 levels and 2 Level Basement
6	Due Diligence The Intended Lessee has independently on its own carried out due diligence to its entire satisfaction relating to the right, title and interest in the said Building and/or the Leased Space of the Intended Lessor, going through the ownership records, inspection of the site and other related matters, to confirm the competence of the Intended Lessor to lease out the Space.

		It is hereby agreed and understood that upon signing of this Term Sheet, the Intended Lessee is deemed to have independently completed all due diligence and has taken legal opinion on its own and that it shall be responsible for any/all consequences thereof.
7	Total BUA	31 sq. feet/metres, including levels of basement
8	Proposed Format	DLITE (store name)
9	Total Super Area	101 sq. feet/metres
10	Total Covered Area	71 sq. feet/metres
11	Efficiency	---%

COMMERCIAL TERMS		
1	Agreement period	4 yrs (---)
2	Stamp duty & registration fees	To be borne by the Intended Lessee
3	Property tax	To be borne by the Intended Lessor.
4	Business related taxes/ Service Tax/GST/ licences for signages (as and when applicable), VSAT Tower taxes and any other increase in any other tax known by whatever name	To be borne by the Intended Lessee
5	All deposits (present and future) for power, electricity, water and other utilities	To be borne by the Intended Lessor
6	Insurance (building + equipment provided by the Intended Lessor only)	To be borne by the Intended Lessor.
7	Possession for fit-out	Immediate
8	Store Opening Date	11/10/2020
9	Advance notice for possession for fit-out	60 days
10	Earnest Money Deposit (EMD)	Rs. _____ paid vide cheque no. _____ dated _____ drawn on _____ Bank, submitted at the time of signing of this Term Sheet.

11	Liability of the Parties	If no agreement is executed in terms hereof by the Parties within <u>30</u> days from the date of signing the Term Sheet, or within such extended period as mutually agreed between the Parties, the Parties shall have no claim and liability against each other.
12	Minimum Monthly Guarantee (MMG) or Revenue Share (RS) %	Rs. <u>60</u> per sq ft on super area, or <u>5%</u> of net sales, whichever is higher <u>SALES EXP. / MONTH = 20L</u>
13	Interest-free Security Deposit	This Interest-free Security Deposit (IFSD) is equivalent to <u>3</u> Month of Lease rental and it shall remain in such ratio during the term of the Lease. The Interest-free Security Deposit shall be refunded by the Lessor on expiry/ termination of the agreement after deduction of any outstanding arrears.
14	Advance rental	<u>1</u> Months MMG
15	Payment Schedule	<u>25%</u> - Term Sheet, <u>50%</u> - Licence Agreement, Balance % - Possession
16	Lock-in Period	<u>24</u> Months
17	Rental Commencement	<u>1/10/2020</u>
18	CAM	Rs. <u>30</u> per sq. feet. / MONTH
19	Escalation	<u>5%</u> after every <u>1</u> years on last paid MMG
20	Power Supply (in kW)	Supply from a single point as received from the Electricity Provider with 100% power back-up facility. The Intended Lessee to pay demand charges on pro-rata basis in addition to the charges charged by the Electricity Provider per month for consumption of electricity. Power back-up @ Rs. <u>25</u> per unit consumed.
21	AHU and Ducting	The Intended Lessor shall provide chilled water supply (high side) up to one point in the Leased Space, for air conditioning, for <u>12</u> - hours/day, on all days when the mall is open to public. The Intended Lessee shall install its Air Handling Unit (AHU)/Fan Coil Unit (FCU) and also Ducting for the same, of approved make, within the Leased Space.
22	Agreed Electricity Load Requirement of the Intended Lessee	Lessee to advise, <u>10 KVA</u>

23	Renewal of Lease Period	It may be renewed upon the mutual consent of both the Parties on the terms as agreed by the Parties.
24	Merchandise Contribution for Promotion.	Merchandise Contribution for Promotion shall mean merchandise/voucher contributions from various lessees of the <u>100%</u> Mall for promoting the mall among shoppers/consumers from time to time. The period/term for these contributions will be as agreed between the Lessee and the Lessor.
25	Termination of the Lease Agreement by the Lessor/ Lessee	On rental default of <u>60</u> days and failure to pay within <u>---</u> days thereafter. If the Intended Lessee fails to comply with any of the material terms and conditions incorporated in the Lease Agreement and statutory compliance and further fails to rectify the same. The Lessee can terminate the Lease Agreement after the expiry of the Lock-in Period upon serving 3 months notice without assigning any reason.
26	Business Timings	As per Mall operation timings, subject to Statutory Regulations.
27	Leaving/Losing the right to enter the Leased Space after the expiry/revocation/ termination of the Lease Agreement	On termination/expiry/revocation of the Lease Agreement, the Lessee will forthwith clear all outstanding dues payable by the Lessee and lose its right to enter the Leased Space, and shall leave the Leased Space with all its merchandise, furniture, mannequins and movable fittings, etc., if any.
28	Delay in refunding the deposit	The Lessor shall refund the IFSD after deduction of dues within <u>60</u> days/months, since there would be a time lag in receiving the bills from various authorities, from the date of vacating the Leased Space by the Lessee. The Lessor shall also be entitled to adjust any outstanding arrears, as well as repair/ replacement cost of the damaged fittings and fixtures at the Leased Space, if any, from such IFSD. Delay in refunding the deposit by the Lessor thereafter will entitle the Lessee to an interest @ <u>10%</u> / PA

29	Area for signages on the external facade of the building, basement & compound of the complex, parking area	As per the Mall Management's Signage Policy.
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OTHER TERMS

1	Insurance of the Premises	Insurance of the entire property is the liability of the Intended Lessor. Insurance of the Leased Space and the property therein is the liability of the Intended Lessee.
2	Validity of Term Sheet	Subject to the Board Approval
3	Force Majeure	The Intended Lessor shall not be held responsible or liable for not performing any of its obligations or undertakings provided for in this Term Sheet if such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, strikes, insurrections, riots, terrorist acts, sabotage, government restrictions (including the denial or cancellation of any necessary licence), power failures, or damage or destruction of any network facilities or servers, inability to procure or general shortage of energy, labour, equipments, facilities, material or supplies, failure of transportation, strike, lock-outs, action of labour unions, pendency of litigations or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of the Intended Lessor.
4	Arbitration	All disputes and differences arising between the Parties hereto relating to the Terms contained in this Term Sheet shall in the first instance be resolved amicably between the Parties. If the same still remain unresolved, it will be referred to arbitration under the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments/modifications thereto for the time being in force. The arbitration proceedings shall be held at an appropriate location in - <u>DELHI</u> which shall be mutually decided by a Sole Arbitrator who shall be appointed by the Intended Lessor and whose decision shall be final and binding upon the Parties.

		The Intended Lessee hereby confirms that it shall have no objection to this appointment even if the person so appointed, as the Arbitrator, is an employee or Advocate of the Intended Lessor or is otherwise connected to the Intended Lessor and the Intended Lessee confirms that notwithstanding any such relationship/connection, the Intended Lessee shall have no doubts as to the independence or impartiality of the said Arbitrator.
5	Jurisdiction	Only the Courts at <u>DELHI</u> alone shall have jurisdiction to the exclusion of other courts to entertain and adjudicate upon the disputes relating hereto.
6	List of Annexures	Floor Plan – Leased Space

It is clarified that this Term Sheet contains only the indicative commercial terms and does not create any rights or interest of the Intending Lessee over the Leased Space unless the Lease Agreement contains all the terms and conditions governing the Lease as stipulated above is signed and executed between the parties.

For (Lessor)
Date: 27/6/2020

For (Lessee)
Date: 27/6/2020

ANNEXURE 1

Detailed Floor Plan