

Contract Drafting Checklist

35 essential checks before you sign or submit any contract

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1. Parties & identification

- Full legal name of all parties mentioned correctly
- Designation / capacity of each party clearly stated
E.g. "acting as Director of XYZ Pvt. Ltd."
- Registered address / correspondence address included
- CIN / PAN / Aadhaar / GST number included where required
! Missing identity details can make the contract unenforceable
- Authorised signatory confirmed with board resolution / POA

2. Definitions & interpretation

- All key terms defined in a definitions clause
- Defined terms used consistently throughout (capitalised)
Inconsistent usage is the #1 drafting error in student submissions
- Governing law and jurisdiction clearly stated
- Interpretation clause covers singular/plural, gender, headings

3. Consideration & payment terms

- Consideration clearly mentioned (amount / kind / service)
- Payment schedule, due dates and mode of payment specified
- Late payment penalty / interest clause included
! Contracts without penalty clauses are routinely ignored
- GST applicability and tax liability clearly allocated
- Refund / cancellation conditions stated

4. Obligations & deliverables

- Obligations of each party listed separately and clearly
- Deliverables described with specificity — no vague language
Avoid "reasonable efforts" without defining what that means
- Timelines / deadlines for each obligation mentioned
- Consequences of non-performance / delay specified

5. Term, termination & exit

- Contract start date and end date / duration stated
- Renewal / auto-renewal clause included or explicitly excluded

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- Termination for convenience clause — notice period specified
- Termination for cause — specific triggers listed clearly
E.g. breach, insolvency, regulatory action
- Post-termination obligations covered (return of property, data)

6. Confidentiality & IP

- Confidential information defined precisely
- Duration of confidentiality obligation stated
! Perpetual confidentiality clauses are often challenged in court
- IP ownership — who owns what created during the contract
- Licence grants (if any) clearly defined with scope and duration

7. Liability, indemnity & dispute resolution

- Limitation of liability cap specified
- Exclusion of consequential / indirect damages stated
- Indemnification clause — scope and trigger events clear
- Dispute resolution mechanism — negotiation > mediation > arbitration
- Arbitration seat, rules and number of arbitrators specified
For contracts above Rs 10 lakhs, always prefer arbitration over courts

8. Execution & final checks

- | | |
|---|---|
| <input type="checkbox"/> Signature blocks for all parties included | <input type="checkbox"/> Date of execution mentioned |
| <input type="checkbox"/> Witness / notarisaton required? (check) | <input type="checkbox"/> Stamp duty paid if applicable |
| <input type="checkbox"/> All annexures / schedules referenced in body | <input type="checkbox"/> Page numbers and initials on all pages |
| <input type="checkbox"/> No blank spaces left unfilled | <input type="checkbox"/> Contract reviewed by a senior / lawyer |

Pro tip from LawMento instructors

Always read a contract backwards — start from the last clause. The most dangerous clauses (indemnity, jurisdiction, auto-renewal) are almost always buried at the end where attention drops.

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