



3rd RGNUL National Negotiation
Competition,
2023

GENERAL INFORMATION

PRELIMINARY ROUND 1

3rd - 5th November, 2023



EBC



Justice Kuldip Prakash Bhandari
Foundation, Chandigarh

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NegComp'23 Problem - War of the Rosés

General Information

Background of the Parties

Mr. Aryan Kapoor

Born into a middle-class Hindu family in Delhi. Aryan Kapoor after graduating from National School of Drama moved to Mumbai. He made his breakthrough in his debut film itself and had a very successful acting career which made him a household name and an admired figure nationwide. During his time as a Bollywood actor, he embraced a lavish lifestyle which was characterized by luxurious residences and ebullient parties which in turn contributed to the appeal of his charismatic public image in the entertainment industry. Overtime, Mr. Kapoor has transitioned from the glitz of Bollywood to a new focus on investments which included his interests in production houses and vineyards.

Ms. Zara Khan

Ms. Zara Khan was a renowned Bollywood actress. Born into an affluent Muslim family, she embraced Islam from her childhood. Beginning as a supporting actress, she made her way upwards to soon become a leading lady in the film industry. She remains adored by audiences around the world, while her performances left an indelible mark on the industry and made her one of the most iconic figures in Bollywood. Due to her versatility, exceptional talent in acting and the huge fan base, renowned Hollywood producer and director Kristopher Pollen offers her a main lead in a movie presenting her an opportunity to make a transition in career. Ms. Khan's desire to explore new horizons and challenge herself beyond the scope of Bollywood, and fulfill her childhood dream, like every other girl at that time, to star in a film in Hollywood can be fulfilled through this new opportunity which is not just professionally appealing but also personally significant.

Background of the Dispute

Mr. Kapoor and Ms. Khan first met on the set of the romantic comedy Jab Perry met Kajal in 2007. The chemistry between them was palpable and they fell in love on the sets of the movie. They got married in 2009 in an intimate ceremony after two years together. As the marriage between Zara and Aryan was an inter-religious one, their marriage was solemnized under the Special Marriage Act, 1954 along with the proper registration of all the documents of declaration at the Registrar's Office. Prenuptial agreements are generally considered invalid in India under the Indian Contract Act.

However, if marriage is solemnized under the Special Marriage Act, 1954, then prenuptial agreements are considered as legally binding. Hence, the foundations of their union were laid carefully with a comprehensive prenuptial agreement, meticulously detailing the fate of their assets in the event of a divorce. They were blessed with twins in 2010, named Sanskriti and Siri, after one year of their marriage. The twins who are now 12 years old have been receiving much affection and attention from both the parents.

As time wore on, the couple grew apart. Mr. Kapoor, once a leading man on celluloid, had gradually retreated from the limelight to focus on his expanding business empire with much focus on his passion for rosé wine making and committing most of his time to the vineyard that he co-owns with Ms. Khan. The husband also owns a film production house. Mr. Aryan Kapoor charges a twenty-percent commission from his wife's remuneration in case a film starring Ms. Zara Khan is produced under his production house. Mr. Kapoor's life took a tumultuous turn when he began struggling with alcohol abuse.

This transformation triggered suspicions of infidelity on his part, which only escalated as he sought solace in alcohol. His struggle with alcohol not only became a prominent aspect of his personal life but also tainted his image of a heartthrob and eventually led to his public acknowledgement of the issue. In the aftermath of this admission, Mr. Kapoor had publicly apologized to his fans, had taken steps to address his alcohol issues, recognising the effect his alcohol abuse had on his fanbase, seeking rehabilitation and publicly announcing his commitment to change.

In parallel, Ms. Khan, deeply immersed in her career as an actress and producer, gained popularity in Bollywood as an influential actor and became a prominent figure in the entertainment industry. In 2022, Ms. Khan received a prestigious offer from Mr. Krishtopher Pollen, who, impressed by her work in Bollywood, called her to star in one of his new films. The project would last for one year presenting her an opportunity to take a big leap into Hollywood. She immediately agreed to take up the offer in the excitement of the moment, prompting her to consider relocating to the United States with the twins and thus uprooting them from Indian school and disrupting their way of life.

At 12 years of their current age, Sanskriti and Siri have been much exposed to the media coverage and are pretty popular among news magazines which has made them somewhat deviate from their education. This

has also been repeatedly pointed out by their faculty. Due to the problem in their education, it has become increasingly difficult for the children to shift to a foreign country at a crucial time of their development. The kids' love for both their parents and the need for both too, has put them too in a very abnormal position in the case of which parent they would jointly prefer to live with. The kids, even though they believe it to be equal, spend more time with their father, Aryan, due to their mother being overly busy.

Adding to all this, Ms. Khan also started to suffer from the effects of epilepsy. Her instances of unconsciousness and loss of sensory power started to affect her personality as a whole. This was a genetic condition of hers which she had gotten from her late father Mr. Asim Wakram Khan.

Due to this impending dispute and such problems and differences arising on the basis of such marriage, Ms. Zara Khan files for divorce in 2023 citing irreconcilable differences and stated that their marriage was irretrievably broken. Ever since Ms. Khan announced her intention to divorce, the two have been engaged in a power struggle. The divorce matter and the problem of epilepsy angered and made Mr. Kapoor rather uncomfortable living with his once loved wife. Mr. Kapoor subsequently sued his estranged wife for the return of their twins to their forever home in India.

The Dispute

The crux of their impending divorce rested on these two pivotal issues:

- a. **Division of Joint Assets:** Their combined wealth, a staggering INR 800 million, encompassed opulent properties, substantial investments spanning diverse industries, a film production house and a flourishing vineyard. Aryan insisted on a larger share, highlighting his substantial financial contributions. Zara, however, argued for an equitable division, underscoring her active role in nurturing their joint ventures. Aryan argues that he is entitled to claim and continue living in what used to be the couple's primary home which was purchased as joint property during the marriage for INR 120 million, emphasizing his time and effort in getting the interiors done and proper caring for the home. Aryan asserts that he has also been instrumental in the vineyard's success and for its growth into a multimillion dollar global business and claims that Zara has contributed nothing to the success of the vineyard. The vineyard is a substantial asset he values deeply as he feels that he has sacrificed his prominent Bollywood career for protecting his investment interests and his passion for winemaking.
- b. **Custody of Children and Maintenance:** Amidst the whirlwind of emotions and financial wrangling, the well-being of their children, Sanskriti and Siri, aged 12, remained paramount. Zara seeks sole and physical custody of the twins believing she can provide a stable and loving environment for them while expressing concerns about Aryan's escalating alcohol consumption and its potential impact on their children's upbringing. According to Ms. Khan, Mr. Kapoor had been failing to give her meaningful support financially ever since she decided to relocate. Mr. Kapoor countered this claim by saying that he had actually given her INR 10 million for the well-being of their children and INR 2 million for other bills and only then Ms. Khan had given Mr. Kapoor access to children.

Mr. Kapoor sought primary and physical custody of their children citing Zara's professional aspirations disrupting the world of twins and the emotional impact of children's deep connections with their father and the Indian school. Aryan has also emphasized his stable business empire as evidence of his ability to provide for the children. Most of all, Mr. Kapoor wanted primary child custody for himself due to the illness and the depressed situation of his wife. No matter his situation in his marriage, he always wanted the best for his children and he felt the need to keep his kids away from a mother who was suffering from epilepsy and did not have enough time to devote to them.

Amid the glaring media spotlight and relentless public speculation, the animosity between the couple deepened, urging them to resolve their differences discreetly. Given the heightened stakes of this celebrity

divorce, Mr. Kapoor and Ms. Khan found themselves on somewhat equal footing, both financially and professionally. Mr. Kapoor's business empire of a growing vineyard had surged to an estimated INR 300 million, adding considerable weight to his financial position.

Meanwhile, Ms. Khan's career was soaring, with substantial earnings projected from her upcoming film. Their prenuptial agreement, a carefully crafted document that governed the dissolution of their marriage, contained specific provisions relating to the issues of Asset distribution and child custody. The prenuptial agreement, though comprehensive, left room for interpretation, casting a shadow of uncertainty on the negotiation. As the negotiations unfolded, the division of their INR 500 million in combined assets took center stage. Mr. Kapoor, with his business empire valued at INR 800 million, argued for a greater share, emphasizing his financial contributions.

Mr. Kapoor and Ms. Khan faced the challenge of finding a balance between their personal interests and their desire to protect their children from the public spectacle surrounding their divorce. The intricacies of their high-profile divorce would test their resolve and the resilience of their once-celebrated love story in the court of public opinion and the eyes of the law. The estranged couple are willing to meet with their attorneys in the first week of november and possibly negotiate on hashing out a divorce agreement and a parenting plan for their twins. Ms. Khan and her counsel are the requesting party, while Mr. Khan and his counsel are the responding party.

Annexure 1

Premarital Agreement

This Agreement is entered into on this date 27/03/2009, by and between Aryan Kapoor (hereafter referred to as "A") and Zara Khan (hereafter referred to as "Z"), each of whom may be referred to individually as a "Party" and collectively as the "Parties"

WHEREAS, the Parties intend to marry each other; and

WHEREAS, each Party acknowledges receipt, review and understanding of the other Party's financial information prior to signing of this Agreement; and

WHEREAS, the Parties represent that they have had the opportunity to separately consult with legal counsel, however chose not to engage legal counsel in drafting and negotiation of this Agreement.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties do hereby mutually agree to the following:

1. Purpose. The parties intend to marry each other on 27/08/2009 in Mumbai, Maharashtra. In advance of their marriage, the parties wish to provide for their rights and obligations in and to each other's assets and property including that which each of the parties currently and separately own, that which each will acquire separately during the marriage and that which both will acquire together during the marriage, in the event the marriage is terminated.

2. Current Circumstances. With respect to current circumstances:

(a) A currently resides at #771, Mannat Road, Bandra West, Mumbai, Maharashtra - 400050, India.

(b) Z currently resides at #R3F+J9H, Sangeet Samrat Naushad Ali Rd, Ranwar, Bandra West, Mumbai, Maharashtra - 400050, India.

3. Effective Date. This Agreement will be effective on 27/08/2009, the date of marriage. If we do not marry each other by such date, this Agreement will be null and void and its provisions unenforceable.

4. Disclosure. The parties have made full, fair and reasonable disclosure to each other of his or her financial information regarding net worth, assets, income, holdings, liabilities and debts as set forth in Exhibits A and B to this Agreement. A's financial information is set forth in Exhibit A to this Agreement. Z's financial information is set forth in Exhibit B to this Agreement.

5. Premarital Property. With respect to premarital property:

- a. All of A's property listed in Exhibit A that is separately owned prior to the marriage will remain as A's non-marital, separate, and individual property during and after the marriage. However, any

increase in the value relating to the separate property will be subject to distribution as per the contribution by the parties.

- b. All of Z's property listed in Exhibit B that is separately owned prior to the marriage will remain as A's non-marital, separate, and individual property during and after the marriage. However, any increase in the value relating to the separate property will be subject to distribution as per the contribution by the parties.
- c. Each Party will have the full right and authority to manage, sell, gift, transfer or otherwise dispose of his or her separate property.

6. Property Acquired During Marriage. With respect to property acquired during marriage:

- a. Property earned, acquired, and given to A or Z individually during marriage will be treated as joint property of both parties. This includes any increase in value relating to the property so acquired. In the event the marriage is terminated, the property shall be divided equitably. However, if one party is able to prove that:
 - i. the property is in threat being wasted or damage in the hands of the other party;
 - ii. the divorce was initiated by fault of the other party; the court may take into such circumstances and divide it accordingly.
- b. All assets and property that are earned and acquired by both parties through their joint efforts or given to both parties will be treated as marital property and owned equally by both parties and as otherwise designated in a writing signed by both parties. However, if the marriage is terminated due to reason of infidelity, fraud, or cruelty by one party, the split of the aforementioned property shall provide at least 60% of the property to the party which is not at fault.

7. Ownership of Business. With respect to ownership of business:

- a. Any business that is separately owned by either Party prior to the marriage will remain as that Party's non-marital, separate and individual property and will not be subject to division in the event the marriage is terminated. Any appreciation in the value of the business during the course of marriage will be granted to the party that currently owns the business.
- b. Any business acquired by either Party or given to either Party during the marriage will be treated as marital property and jointly owned by both Parties. If either Party intends to sell their respective share of the jointly owned business during the course of marriage or after the termination of marriage, they must inform the other party before proceeding with the sale.

8. Premarital Debts. With respect to premarital debts:

- a. A's pre-existing debts or obligations listed in Exhibit A that exist prior to the marriage will remain as A's sole responsibility during and after the marriage. Any increase in the value of A's pre-

existing debts or obligations listed in Exhibit A will also remain the sole responsibility of A. However, if Z undertakes any actions which allow her to gain profit from A's assets, Z shall also be liable for any past or future debt that may accrue.

- b. Z's pre-existing debts or obligations listed in Exhibit B that exist prior to the marriage will remain as Z's sole responsibility during and after the marriage. Any increase in the value of Z's pre-existing debts or obligations listed in Exhibit B will also remain the sole responsibility of Z. However, if A undertakes any actions which allow her to gain profit from Z's assets, A shall also be liable for any past or future debt that may accrue.

9. Debts Acquired During Marriage. With respect to debts acquired during marriage, any debts or obligations incurred by the parties during the marriage upon their individual assets will be their sole responsibility unless they have acquired an interest in the same as has been outlined in the above provisions.

10. Marital Residence. The marital residence shall be designated by mutual agreement of the parties upon acquisition of any property by either Party or either Party may designate one of their properties as the marital residence subject to mutual consent of the both Parties. The Parties' marital residence will be treated as marital property and owned equally by both Parties. In the event the marriage is terminated, the Party which was responsible for the payment of the majority of household expenses shall have the right to continue living in the Parties' marital residence for 10 years after the termination of the marriage.

11. Rights upon Death of One Party. If one Party survives the death of the other, the surviving party shall have the right to continue living in the Parties' marital residence for the remainder of the surviving Party's lifetime or as otherwise specified in the respective property deed or in the Living Will and Testament of the decedent Party. If one Party's death is the result of a homicide, the marital home must be auctioned and the proceeds must be donated to charity.

12. Children from Marriage. If there are any children of the marriage between the Parties, this Agreement will not affect the rights of such child or children to receive support from either or both Parties. In the event A or Z becomes unduly close with another woman or man during the marriage respectively, the Party which is not claimed to be guilty of adultery would be granted primary custody of all children.

13. Additional Provisions. In addition to the clauses outlined in this Agreement, both Parties hereby agree to include the following provisions:

- a. In the event A is found guilty of excessive consumption of alcohol or use of illegal drugs during the course of the marriage and such behavior results in the termination of the marriage, Z would be fully protected from any financial liability, claims or obligations arising from such substance abuse if A were at fault for the termination of marriage.

- b. In further consideration of their mutual commitment, busy schedules and the health of their marital relationship, A and Z in good faith, agree to devote a minimum of 300 minutes of quality free time with one another on a weekly basis during the course of the marriage. In addition, both Parties shall engage in a 'sweet date' together each week, with the aim of maintaining love and affection they share for one another.
- c. Any gifts, the engagement ring and other tokens of affection presented by A to Z during the course of marriage shall remain exclusive property of Z in the event of termination of the marriage.
- d. The ownership of the Bugatti Veyron, which the Parties purchased together during the period they were together before the engagement, shall be awarded to A, and he shall have exclusive ownership and rights over the vehicle in the event of termination of marriage.

14. Binding. This Agreement will inure to the benefit of and be binding upon the parties, their successors, heirs, executors, administrators, assigns and representatives.

15. Disputes.

- a. Any disputes arising from this Agreement shall be resolved through Negotiation and then binding Court Litigation. If the dispute cannot be resolved through negotiation, then the dispute will be resolved in accordance with the rules of the Indian Family Courts.
- b. If either Party brings legal action to enforce its rights under this Agreement, then the prevailing party will be entitled to recover from the other Party its expenses (including reasonable attorneys' fees) incurred in connection with the action and any appeal.

16. Signatures. The signatures of the parties to this Agreement represent the parties acknowledgement that they have been informed of their legal rights, given an adequate amount of time to consider entering into this Agreement, read and understood the Agreement, agree with the contents of the Agreement, had sufficient time to review the Agreement and believe it to be fair, have not been pressured or coerced into signing the Agreement and chosen to freely and voluntarily enter into this Agreement.

Signed on 27th day of March, 2009.

ARYAN KAPOOR

Full Name of 1st Party

ZARA KHAN

Full name of 2nd Party

Exhibit A

Net worth:

480 million dollars

Assets:

1. Sitaara Production Company and all its properties and assets – 200 million dollars
2. House in Mumbai – 80 million dollars
3. House in California – 35 million dollars
4. Bonds – 50 million dollars
5. Porshe Sally – 15 million dollars
6. Mercedes G Wagon – 5 million dollars
7. Shares in companies – 30 million dollars
8. Bugatti Veyron - 60 million dollars
9. Sneakers and Luxury Clothes Collection – 5 million dollars

Income:

100 million dollars/annum

Liabilities and Debts:

1. Unpaid salaries and dues on production of previous film – 15 million dollars
2. Litigation expenses – 10 million dollars
3. Payment due for removal of encumbrances from house in California – 5 to 7 million dollars estimated

Exhibit B

Net worth:

310 million dollars

Assets:

1. Beauty product brand - 100 million dollars
2. Mental Health and Childcare brand - 30 million dollars
3. Zara Clothing Line - 15 million dollars
4. House in Mumbai - 60 million dollars
5. Farm House in Delhi - 30 million dollars
6. Maserati Levante - 15 million dollars
7. Bugatti Veyron - 60 million dollars

Income:

70 million dollars/annum

Liabilities and Debts:

1. Payments due to advertising firms for her various brands - 10 million dollars
2. Repairs for her Maserati and Bugatti - 1 to 2 million dollars/annum