**SERVICES AGREEMENT**

This SERVICES AGREEMENT (“**Agreement**”) is made on this the **Date**

BY AND BETWEEN:

**<Client Name>** a Company incorporated in India and having its office at <Client Address>**,** India (hereinafter referred to as the "**Client Name**", which expression shall, unless excluded by or repugnant to the subject or context whereof shall be deemed to include its successors and permitted assigns), of the ONE PART;

AND

**Staffing Company Name,** a company incorporated under the Indian Companies Act, 1956**,** andhaving its registered office at **Address** (Hereinafter referred to as the "Service Provider", which expression shall, unless excluded by or repugnant to the subject or context whereof shall be deemed to include its successors and permitted assigns), of the OTHER PART.

**Client Name** and Service Provider may be individually referred to as a “**Party**” and jointly as “**Parties**”.

**WHEREAS:**

1. **Client Name** is engaged in the business of textile manufacturing all over India.
2. The Service Provider is, *inter alia*, engaged in the business providing manpower outsourcing service;
3. The Service Provider is in the business of providing the aforesaid manpower outsourcing services and has represented to **Client Name** that it has the requisite infrastructure, resources, knowledge, skills and expertise to provide the same to the satisfaction of **Client Name**; and
4. Relying on the aforesaid representations made by the Service Provider, **Client Name** has agreed to appoint the Service Provider to provide the Services; and the Service Provider has agreed to provide the Services to **Client Name**, on certain terms and conditions, which the Parties wish to record by entering into this Agreement.

**NOW, THEREFORE, IT IS AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:**

1. **APPOINTMENT OF SERVICE PROVIDER**
   1. Subject to the terms and conditions of this Agreement, **Client Name** hereby appoints the Service Provider to provide the Services for **Client Name** and the Service Provider hereby agrees to provide the Services for **Client Name** for the consideration and on the other terms and conditions herein contained.
   2. In the event of conflict between the terms of this Agreement and the Annexure, the terms herein shall prevail.
   3. The Service Provider will be responsible to ensure that it provides the Services in accordance with the terms of this Agreement and the Annexures.
2. **SCOPE OF SERVICES**
   1. Subject to the terms and conditions of this Agreement, the Service Provider shall provide candidates services to the users of **Client Name** as set out in **Annexure** **A (**“**Services**”**)**, as may be required by **Client Name** from time to time during the Term of this Agreement.
   2. Further, during the Term of this Agreement, the Service Provider shall provide the Services, in accordance with the time frames, guidelines and service levels (if any provided) as set out in **Annexure A** hereto.

* 1. The Service Provider shall provide the Services through the associate deployed by him who should have the necessary qualities to provide the services to **Client Name**.
  2. If the Service Provider fails to comply with the aforesaid requirements, without prejudice to **Client Name**’s other rights hereunder or under law, the Service Provider shall be liable to promptly re-perform the Services in compliance the aforesaid requirements, at the Service Provider’s cost, to the satisfaction of **Client Name**.
  3. For any additional services performed by the Service Provider or the creation of substantial business value, the Service Provider shall be compensated on a mutually agreed basis.

1. **QUALITY CONTROL OF CANDIDATESS**
   1. The associates provided by Service Provider shall provide the Services to **Client Name** as per their requirements.
   2. Each of these associates will be hired based on the existing **Client Name** processes of recruitment and shall meet **Client Name**’s criteria of selection and quality control at all times. Associates will have to adapt to any process and policy changes as and when they are implemented by **Client Name**.
   3. The Parties shall mutually formulate and agree on the performance/quality benchmarks for the associates. However, the certification **Client Name** of the candidates and their evaluation shall be conducted as per policies created by **Client Name**.
   4. **Client Name** shall, on the basis of the mutually agreed performance/quality benchmarks, provide inputs on performance of specific associate to the Service Provider. If the said benchmarks are not met by an associate, the Service Provider shall on the basis of the inputs provided by **Client Name**, give formal feedback to such associate. The Service Provider shall also initiate any corrective action, if required. Further, **Client Name** may reinitiate the training process of any associate to ensure the performance/quality benchmarks are complied with.
   5. The Service Provider shall, through continuous innovation and application of the best available practices, endeavor to achieve improvement in the productivity of the candidates. If any significant savings arise from such improvements, it will be shared equally between the Parties on a basis as is mutually agreed between the Parties.
2. **FEES AND COMPENSATION** 
   1. In consideration of the Services to be provided by the Service Provider, Company agrees to pay the Service Provider the amounts at the rates and in accordance with the payment terms set out in **Annexure B** hereto, as and by way of fees (“**Fees**”).The fees breakup shall be provided to the **Client Name** on a candidates- wise basis by the Service Provider every month.
   2. The fee structure as set out in Annexure B shall not be modified for a period of 12 (twelve) months from the effective date of this Agreement. Thereafter, the fee structure may be modified as is mutually agreed between the Parties. Except for the effects of revision of Minimum Wages by the appropriate government from time to time through notification.
   3. Subject to the terms of Annexure B, the Fees shall be calculated on a monthly basis. The billable month shall be a period from the 1st day of a month to the 30th /31st day of the next month.
   4. The Service Providers shall be responsible for disbursing the compensation of the associates as per its compensation policies.
   5. All payments to the Service Provider shall be inclusive of service tax as s applicable from time to time. Further, all payments will be made in favour of “**Staffing Company**”. TDS will be deducted u/s : 194 C @ 2 % on Invoice Value.
3. **COMPLIANCE WITH LAW / WARRANTIES** 
   1. Each Party shall be individually responsible for ensuring compliance by them with all relevant laws or legal obligations relating to the subject matter of this Agreement, including obtaining of any applicable registrations, maintenance of registers, submission of returns to the authorities etc.

1. **CONFIDENTIAL INFORMATION**

6.1Service Provider shall hold all information, data, material, instructions, communications, the terms and conditions of business as strictly confidential, whether received in writing or oral form, from Client by Service Provider. The breach of this clause shall be construed as a material breach and Client may terminate this Agreement forthwith in case of breach on the part of Service Provider. The Parties also agree:

(i) to maintain and use the confidential information only for the purposes of this Agreement and only as permitted herein;

(ii) to only make copies as specifically authorized by the prior written consent of the other party and with the same confidential or proprietary notices as may be printed or displayed on the original;

(iii) to restrict access and disclosure of confidential information to such of their employees, agents, and third parties on a "need to know" basis, and upon the execution of a written undertaking from such employees, agents, and third parties to maintain confidentiality of the confidential information disclosed to them in accordance with this Clause 8; and

(iv) to treat confidential information as confidential for a period of five (5) years from the date of receipt. In the event of earlier termination of this Agreement, the Parties hereby agree to maintain the confidentiality of the confidential information for a further period of three (3) years from the date of such termination.

6.2 Service Provider agrees that any of Client technical or business information that Service Provider’s employees other than Associates or agents acquire while on Client premises, or through access to the Client’s computer systems or databases while on or off Client premises, shall be deemed Confidential information, except the information provided to the Associates to perform services at Client premises.

1. **TERM AND TERMINATION OF AGREEMENT**
   1. This Agreement shall come into effect on this Date (“**Effective Date**”) and shall remain in force for a period of 1 (One) year thereafter (“**Term**”).

* 1. Unless either Party serves a notice of termination to the other Party at least 90 (ninety) days before the expiry of the Term, the Agreement shall be renewed for another term of 12 (twelve) months.
  2. Either Party shall have the right to terminate this Agreement, with immediate effect, in the event the other Party breaches one or more of the terms of this Agreement, and fails to cure such breach within 15 (fifteen) days of receipt of a written notice to that effect.
  3. Expiry or earlier termination of this Agreement will not prejudice any rights of the Parties that may have accrued prior thereto.

1. **REPRESENTATIONS & WARRANTIES**
   1. The Service Provider hereby represents and warrants that:
      1. it is a company/ firm duly organized and validly existing and in good standing under the laws of its country;
      2. it is qualified to do business and in good standing in every jurisdiction where such qualification is required;
      3. it has the necessary experience, expertise, ability, infrastructure and personnel to render the Services as contemplated herein;
      4. it will be able to render the Services to the satisfaction of **Client Name**;
      5. it has the necessary approvals, registrations and licenses required for rendering the Services;
      6. it has the corporate power and authority to negotiate, execute, deliver and perform its obligations under this Agreement;
      7. the provision of the Services as contemplated herein shall not result in the infringement of any third party rights including intellectual property rights;
      8. it shall address all complaints and observations made by **Client Name** in respect of the Services and ensure that the Services are improved upon;
      9. it shall depute such number of Candidates as may be required for the rendering of the Services;
      10. it shall be responsible for making all payments to the Candidates, its Staff, including but not limited to payment of remuneration, statutory contributions/benefits as applicable, as well as for deducting and remitting applicable taxes in respect thereof.
      11. In the event of failure to comply with any of the statutory obligations by the Service Provider as aforesaid and if **Client Name** is held responsible for the same, the Service Provider undertakes to make good the loss to **Client Name**. The deputed candidates of the Service Provider will have no claims, whatsoever to employment with **Client Name** either during the tenure of this Agreement or after its termination and the Service Provider will engage the deputed candidates on this express understanding .There will be no privity of contract between **Client Name** and any deputed candidates of the Service Provider. The Service Provider agrees to indemnify **Client Name** against all claims from the deputed candidates and pay all expenses which **Client Name** may incur defending any proceedings pursuant to such claims and also shall keep **Client Name** indemnified at all times thereafter for any acts, matters or things done or omitted or neglected to be done by the Service Provider or any contraventions of any provisions of any Acts, Rules, Regulations, Notifications issued by the Central or State Governments or Local authorities and thereby the Service Provider absolves **Client Name** from all liabilities arising out of or in connection with the aforesaid contravention or acts, matters or things done omitted or neglected to be done by the Service Provider or on its behalf.
2. **INDEMNITY & LIMITATION OF LIABILITY**

9.1 Service Provider agrees to indemnify Client for payment of only statutory dues and employee benefits of the Associates which are reimbursed by the Client to Service Provider.

* 1. For the purposes of the Clause 9.1, a reference to Service Provider shall include Service Providerand its officers, employees, agents, representatives, consultants, and/or other authorized persons.
  2. Notwithstanding anything to the contrary in the Agreement, in no event shall either Party be liable, whether in contract, tort, or otherwise, for special, punitive, indirect or consequential damages, not including, loss of profits or revenues arising under or in connection with this Agreement.

1. **TRADE MARKS & TRADE NAMES**
   1. The Service Provider shall not use any identification of or reference to any trade name, trademark, service mark, service name or symbol of the other in any advertising or promotional efforts without **Client Name**’s prior written consent.
2. **CONVERSION OF THE RESOURCES**

If **Client Name** hires the Service Provider’s employee within 1 year from the DOJ then **Client Name** has to pay onetime absorption fee of an amount equivalent to 8.33% of the last drawn fixed annual salary. After 1 year from DOJ then **Client Name** has to pay onetime absorption fee of an amount equivalent to 4% of the last drawn fixed annual salary.

1. **ANTI CORRUPTION**
   1. Service Provider agrees not to make or cause to be made, for or on behalf of **Client Name** either directly or indirectly, any payment, contribution, donation, bartering transaction, gift or any other transfer of anything of value, whether by cash, check or otherwise, to or for the benefit of (i) any government official or employee of any government, (ii) any government official or employee of any entity owned or controlled by a foreign government, (iii) any candidate or political party, or (iv) any private person or firm with knowledge or reason to know that such payment will be offered, given or promised, directly or indirectly, to a person described in parts (i), (ii) or (iii), above.
   2. Service Provider represent and warrant that none of its owners, officers, directors or employees is an official, officer or representative of any government or political party or candidate for political office.
2. **WAIVER**
   1. No change, waiver, or discharge hereof shall be valid unless in writing and signed by the Party against which it is sought to be enforced. No delay or omission by either Party in exercising any right hereunder shall be construed as a waiver. A waiver by either of the Parties of any provision or breach shall not be a waiver of any other provision or breach.
3. **NO AGENCY**
   1. This Agreement is on a principal to principal basis. This Agreement shall in no event be construed in such a way that either Party constitutes, or is deemed to be, the representative, agent, employee, partner, or joint venture of the other Party.
4. **SEVERABILITY**
   1. If any part or all of any provision of this Agreement is illegal or unenforceable, it may be severed from this Agreement and the remaining provisions of this Agreement shall continue to remain in force. The Parties shall further endeavor to modify and give effect to the severed term to the extent legally possible, keeping in mind the spirit and intent of the Agreement.
5. **SURVIVAL**
   1. Any provisions of this Agreement, which by their nature are meant to survive the termination of this Agreement or are specified as such, shall continue to be binding, notwithstanding such termination. If any provision of this Agreement are held to be invalid, illegal or unenforceable, it shall be enforced to the maximum extent possible or as mutually agreed between the Parties, and the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby. The Parties shall nevertheless agree and settle upon terms and conditions that are as close to the original intent of the Parties and which is valid, legal and enforceable.
6. **ARBITRATION**

17.1 All disputes and differences of any kind whatsoever arising out of or in connection with this Agreement that is not resolved subject to Clause 19 shall be referred to arbitration. Each party will nominate one arbitrator and the arbitrators so appointed shall appoint the third Arbitrator. The arbitration proceedings shall be in accordance with Arbitration and Conciliation Act 1996. The arbitration shall be at Mumbai and the proceedings shall be held in English.

1. **GOVERNING LAW AND JURISDICTION**

18.1 All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of India.

18.2 Both the Parties agree that any statutory amendments notified by Government authorities and government bodies though a notification or changes in acts governing statutory employee payments or through labour law changes, or provisions under these acts, like Minimum wages, Dearness allowance, PF, ESIC, PT, Bonus, Gratuity, etc., or statutory taxes like Goods & service tax, income tax, education cess, any other mandatory levies, etc., will be immediately effected from the effective date as mentioned in such notifications with due intimation to the Client about applicability. SERVICE PROVIDER will be invoiced difference amount if any, due to the said notification/revision to the Client immediately with the effective date and it is binding on the client to pay such invoices. In case client fails to pay such invoices then client shall indemnify SERVICE PROVIDER for any loss, damage, penalties, third party claim etc. arising due to the non-payment.

18.3 Subject to the Clause 18.1 above, the courts at Kolkata shall have exclusive jurisdiction.

1. **CLRA ADHERENCE**

Service Provider shall get license under the Contract Labour (Regulation and Abolition) Act ‘CLRA’, if applicable. It shall be binding on Client to provide Form-V & Registration Certificate to the SERVICE PROVIDER at all times during the term of this Agreement, as per the Act.

**20 AMENDMENTS**

All changes and amendments to this Agreement or to any attachment thereto are valid only if made in writing and signed by both Parties.

**21 COUNTERPARTS**

* 1. This Agreement shall be executed in 2 (two) counterparts, with 1 (one) each to be retained by the respective Parties. Each counterpart shall be treated as an original and shall be capable of being enforced without reliance on the other counterparts as an original document.

**22 NOTICES**

22.1 Any notice, request, consent, waiver or other communication required or permitted hereunder shall be effective only if it is in writing and shall be deemed received by the Party to which it is sent (i) upon delivery when delivered by hand, (ii) three days after being sent, if sent with all sending expenses prepaid, by an express courier with a reliable system for tracking delivery, (iii) when transmitted, if sent by confirmed facsimile, or (iv) 14 days after the date sent, if sent by certified or registered mail, postage prepaid, return receipt requested, addressed as follows:

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| --- | --- |
| If to **Client** : | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| If to Service Provider: | **Name & Address of Staffing Company** |

**23 ENTIRE AGREEMENT**

This Agreement, including the annexures and exhibits, that may be annexed hereto, constitutes the entire and exclusive agreement between the Parties with respect to its subject matter and supersedes all prior and contemporaneous communications and understandings between the Parties, written or oral, relating to its subject matter. This Agreement may only be amended in writing and duly executed by an authorized representative of each Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

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| --- | --- |
| Signed for and on behalf of  **Client Name**  Client aforesaid,  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Authorized Signatory | Signed for and on behalf of,  **Name of Staffing Company**  the Service Provider aforesaid  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Authorized Signatory |

**ANNEXURE A**

(“**Scope of Work**/**Services**”)

1. The Service Provider shall receive and record the requirements of the **Client Name** and ensure its accuracy.
2. The Service Provider shall identify suitable, potential Candidates as per specification of the **Client Name** and supply the Bio-data of the said candidates to the **Client Name**.
3. The Service Provider shall be responsible for ensuring that specific and correct information is given to the Potential Candidates about the **Client Name**.
4. The Service Provider shall furnish comprehensive information about a Potential Candidate, which is available with Service Provider, and provide any other information that may be relevant for recruiting process to the **Client Name**.
5. The Service Provider shall play the role of a Coordinator between the **Client Name** and Potential Candidates in fixing the Venue, time and such other matters relating to Interview and recruitment process, till a prospective Candidate joins the service of the **Client Name**.
6. The Service Provider shall be responsible for the complete HR Formalities after the selection **Client Name** on monthly basis on behalf of the **Client Name**.
7. The Service Provider shall be responsible for the monthly salary payment to the Candidates.

**ANNEXURE B**

**(“FEES”)**

|  |  |  |
| --- | --- | --- |
| **Sl. No.** | **Particulars** | **Rate (Amount/Percentage)** |
| 1 | One Time Sourcing Fees | Rs. 2000/- per employee |
| 2 | Attrition Backfill Guarantee at No Cost | 60 Days |
| 3 | Monthly Management Fees | Rs. 500/- per employee |
| 4 | Any other Payout over and above the Salary (like Incentives / Reimbursements ) | 4% |
| 5 | Salary Cycle | 21st - 20th of Each Month |
| 6 | Payment to Employee | 1st of the every month – Depending on Working day |
| 7 | Payment Terms - Salary / and Other Reimbursement / Incentive etc | Cash and Carry -CP Collect and Pay (Before the Salary is rolled out) |
| 8 | GST Will be Charged | As per the Laws Applicable |
| 9 | TDS to be Deducted on Monthly Invoice | u/s : 194 C @ 2 % on Invoice Value |