

# Contract Risk Analysis Report

Source File: VENDOR SERVICE AGREEMENT.txt

Contract Type: Vendor / Service Agreement

Confidence Score: 0.72

Overall Risk: High Risk

Total Clauses: 9

## Clause 1: Term

Risk Level: Low

Obligation Type: Obligation

Clause Text:

Payment Terms (██████████) The Company shall pay the Vendor a sum of □2,50,000 (Rupees Two Lakh Fif

Explanation:

This clause appears standard and balanced under normal circumstances. Payment terms define when and how money

Suggested Alternatives:

- Payment timelines and conditions should be clearly defined and time-bound.

## Clause 2: Term

Risk Level: Low

Obligation Type: Obligation

Clause Text:

Term and Termination (██████ █ █ ███████) This Agreement shall be valid for a period of 12 months from the effec

Explanation:

This clause appears standard and balanced under normal circumstances.

Suggested Alternatives:

- Consider discussing this clause with the other party to ensure fairness.

## Clause 3: Term

Risk Level: High

Obligation Type: Right

Clause Text:

The Company may terminate this Agreement at any time without notice and without assigning any reason. ██████████

Explanation:

This clause may expose the business to significant legal or financial risk. It is strongly recommended to review or renegotiate this clause.

Suggested Alternatives:

- Consider adding a mutual termination clause with reasonable notice (e.g., 30–60 days) for both parties.

## Clause 4: Confidentiality

Risk Level: Medium

Obligation Type: Prohibition

Clause Text:

Confidentiality (██████████) The Vendor shall keep all confidential information strictly confidential and shall not disclose

Explanation:

This clause could create potential risk depending on how it is enforced. Clarification or modification may be beneficial.

Suggested Alternatives:

- Consider discussing this clause with the other party to ensure fairness.

## Clause 5: Liability

Risk Level: High

Obligation Type: Obligation

Clause Text:

Indemnity and Liability (████████████████████████) The Vendor agrees to indemnify and hold harmless the C

Explanation:

This clause may expose the business to significant legal or financial risk. It is strongly recommended to review or renegotiate this clause.

Suggested Alternatives:

- Indemnity obligations can be limited to direct damages and capped at the contract value.

## Clause 6: Intellectual property

Risk Level: High

Obligation Type: Obligation

Clause Text:

Intellectual Property Rights (████████████████████) All deliverables, source code, and work products created

Explanation:

This clause may expose the business to significant legal or financial risk. It is strongly recommended to review or renegotiate this clause.

Suggested Alternatives:

- Consider discussing this clause with the other party to ensure fairness.

## Clause 7: Term

Risk Level: High

Obligation Type: Prohibition

Clause Text:

Non-Compete (████████████████████) The Vendor shall not engage in any competing business for a period of

Explanation:

This clause may expose the business to significant legal or financial risk. It is strongly recommended to review or renegotiate this clause.

Suggested Alternatives:

- The non-compete period may be reduced or restricted to a smaller geographic area.

## Clause 8: Jurisdiction

Risk Level: Medium

Obligation Type: Obligation

Clause Text:

Governing Law and Jurisdiction (████████████████) This Agreement shall be governed by the laws of

Explanation:

This clause could create potential risk depending on how it is enforced. Clarification or modification may be beneficial.

Suggested Alternatives:

- A mutually convenient jurisdiction or arbitration mechanism may be considered.

## Clause 9: Jurisdiction

Risk Level: Medium

Obligation Type: Obligation

Clause Text:

The courts at Chennai, Tamil Nadu shall have exclusive jurisdiction. 10. Entire Agreement (████████████) This A

Explanation:

This clause could create potential risk depending on how it is enforced. Clarification or modification  
Suggested Alternatives:

- A mutually convenient jurisdiction or arbitration mechanism may be considered.