

Compliance Analysis Report

Summary

This contract is an employment agreement between Company XYZ and Mr. Ram Kumar for a Software Engineer position, starting on October 1, 2024, with a probationary period of six months. The contract includes clauses related to duties, remuneration, working hours, confidentiality, intellectual property, non-compete, and termination.

Balance Score

The contract balance score is: 70

Compliance Check

Companies_Act_2013

Compliant: True

No compliance issues found.

Code_of_Wages_2019

Compliant: False

Issues:

- The contract does not mention the applicable wage period or the payment of wages within the specified time limit as required by Section 4 of the Code of Wages, 2019.

OSH_Code_2020

Compliant: False

Issues:

- The contract does not include provisions related to occupational safety, health, and working conditions as required by the Occupational Safety, Health and Working Conditions Code, 2020.

Social_Security_Code_2020

Compliant: False

Issues:

- The contract does not mention the applicability of social security schemes, including gratuity, as required by the Code on Social Security, 2020.

Industrial_Relations_Code_2020

Compliant: True

No compliance issues found.

Key Clauses

Clause Type: Appointment and term

Content: The Company appoints the Employee as Software Engineer, and the Employee accepts this appointment. The employment shall commence on October 1, 2024, and shall be subject to a probationary period of six months. Upon successful completion of the probationary period, the employment shall continue unless terminated.

Analysis: The appointment and term clause is generally well-balanced, but the Company should provide more specific termination reasons to ensure compliance with the Industrial Relations Code, 2020.

Issues:

- Consider specifying the grounds for termination after the probationary period to comply with Section 2(r) of the Industrial Relations Code, 2020.

Clause Type: Remuneration

Content: The Employee shall be paid a gross salary of INR 12,00,000 (Twelve Lakhs Rupees) per annum, payable in 12 equal monthly installments. The salary shall be subject to statutory deductions as per Indian law.

Analysis: The remuneration clause is mostly compliant, but the contract should specify the wage period

and payment within the specified time limit as required by the Code of Wages, 2019.

Issues:

- Include the wage period and payment within the specified time limit to comply with the Code of Wages, 2019.

Clause Type: Working hours and leave

Content: The standard working hours shall be from 9:00 AM to 6:00 PM, Monday to Saturday. However, the Employee agrees to work flexible hours as per the Company's requirements. The Employee shall be entitled to 12 days of paid leave per annum, in addition to public holidays as declared by the Company. Unused leave shall lapse at the end of each calendar year and shall not be carried forward or encashed.

Analysis: The working hours and leave clause is generally well-balanced, but the contract should include provisions for weekly holidays and rest intervals as required by the OSH Code, 2020.

Issues:

- Include provisions for weekly holidays and rest intervals to comply with the OSH Code, 2020.

Clause Type: Confidentiality and non-disclosure

Content: The Employee shall not, during the term of employment and for a period of five years thereafter, disclose any confidential information relating to the business of the Company to any person or entity.

Analysis: The confidentiality and non-disclosure clause is well-drafted, but the post-termination restriction period might be excessive and should be reconsidered.

Issues:

- Consider reducing the post-termination restriction period to comply with the reasonableness test under Indian contract law.

Overall Assessment

The contract is mostly compliant with Indian laws, but it lacks provisions related to occupational safety,

health, and working conditions, as well as social security schemes. Additionally, some clauses require modifications to ensure compliance with the Code of Wages, 2019, and the Industrial Relations Code, 2020. The contract is relatively balanced but could be improved by addressing these issues.