**LABOUR / HUMAN RESOURCE STAFFING CONTRACT AGREEMENT**

This Contract of Agreement is made and entered on this 29th day of December 2020 between

**Karnataka State Electronics Development Corporation Limited (KEONICS) First party**

**AND**

**Contractor - M/s. S.H. Systems, Raichur**

**(Second Party).**

**M/s. Karnataka State Electronics Development Corporation Limited, a Government of Karnataka Enterprises,** having its Registered Office at 2nd FLOOR, TTMC “A” BLOCK BMTC, SHANTI NAGAR K.H.ROAD, Bangalore – 560 027, hereinafter called as **“KEONICS”**, which expression shall, unless repugnant to the context of meaning thereof, include its successors in interests and assigns of the **FIRST PARTY** and represented by its Managing Director or his authorized representative.

**AND**

M/s. **S.H. Systems, Raichur,** having its Registered Office at No. 12-11-49, 3rd Floor, Ameer Trading Complex, Opp P.W.D. Office, Sath Kacheri Link Road, Raichur-584101, herein referred to as a **‘Empanelled Service Provider for outsourcing of Manpower staffing’** represented by Sri. Siddalingappa Angadi, S/o Veerappa Angadi aged about 42 years and having PAN NO: AJQPA3545B ,Aadhaar/UIDAI No.351972980573 and GSTIN: 29AJQPA3545B1ZE residing at No.1-11-53/91, Vidya Bharathi School Road, Sriram Nagar Colony, Raichur, and which expression shall, unless repugnant to the context or meaning thereof, include its successors in interest and assigns of the **SECOND PARTY**.

And **M/s S.H. Systems, Raichur** have paid renewal charges for an amount of Rs.59,000/-(Fifty nine Thousand only) with GST @ 18 % through NEFT dated :16-12-2020 and also have paid the Security Deposit of Rs. 1,80,572/- towards 1% of the previous year transaction, which is adjusted in the existing amount of Rs 2,52,973/- vide RTGS date:03-12-2019 towards Renewal of contract Agreement **period of One year from 07-12-2020 to 06-12-2021**

1. **OBJECT OF THE FIRST PARTY/KEONICS:**
   1. KEONICS/First Party, an ISO 9001 certified organization, is in existence since 1976 with the sole objective of promoting electronics industries in Karnataka. To ensure that Karnataka is always in the forefront of electronics and IT, it has been providing high quality infrastructure for IT industries, spreading IT education to the masses and providing state-of-the products and service for e-Governance.

1.2 KEONICS/First Party focuses on setting up world-class infrastructure for the electronics

and IT related industries in the state. Aimed at providing a platform for these industries

to operate from, it works with Software Technology Parks of India to develop the

estates, provide connectivity and administer export-oriented schemes.

1.3 KEONICS / First Party is in IT solutions spanning the areas of ERP solutions, web

portals, software development, IT consultancy, IT training and networking and

manpower staffing. And has a strong team of professionals possessing adequate skill sets

in the areas of networking and IT solutions, and staffing of manpower to its customers.

1. **OBJECT OF THE SECOND PARTY / CONTRACTOR:**
   1. The Second party is in the business of staffing of employees to the various organizations/Establishments and has agreed to execute, upon and subject to the condition set forth herein and the Second Party is the Empanelled Service Provider for outsourcing of the Manpower staffing.
   2. Second party is one of the prominent service providers, engaged in offering effective Man Power services. To meet the exact specifications of clients, we arrange these services as per their needs and requirements. Experts of our organization thoroughly analyze the needs of clients and arrange services according to them. We offer services for Manpower Consultant, Manpower Supply, Contract Labour, and many others.
   3. The Contract Documents constitute the entire agreement between the parties in respect of the services and the contract supersedes all previous agreements, undertakings and communications, whether written or oral, relating to the subject matter of the Contract.
2. **DEFINITION OF TERMS:**

In this contract agreement (as hereinafter defined) the following words and expressions shall have meanings hereby assigned to them, except where the context requires otherwise:

* 1. The **"Contract agreement"** shall mean the agreement between the KEONICS/First Party and the Contractor/Second party, duly signed by the parties to the Agreement, through their authorized representatives, for the execution of the work as described in the Scope of Work of this document and all terms and conditions mentioned herein after.
  2. The **"Contractor"** shall mean the person or persons, the firm or company whose application for execution of work has been accepted by the principal employer and includes the contractor legal representative’s successors and permitted assignees.
  3. The **“Empanelment”** shall mean enlistment of contractors for a limited period of 1 (One) year, extendable at the end of the empanelment period is at the discretion of the First party.
  4. The **"Letter of Empanelment”** shall mean an official intimation from the First party to the Second party.
  5. The **"Work"** shall mean and include all works to be executed, all items and things to be provided / done and services and activities to be performed by the Second party in accordance with the contract.
  6. The **“Claim”** means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether direct or indirect, consequential, present or future, fixed or ascertained, actual or contingent and whether at law, in equity, under statute or otherwise.
  7. The “**Confidential Information”** means all confidential information, non-public or proprietary information exchanged between the parties or known to a party before, on or after the date of this contract relating to First party or its client.
  8. The “**Dispute”** means a dispute arising out of or relating to this contract including a dispute as to breach or termination of this contract or as to any claim in tort, in equity or pursuant to any statute.
  9. The “**Law”** means all acts, ordinances, regulations, bylaws, orders, industry standards, codes of practice, awards and proclamations, whether by the Central or any State.
  10. The “**Services”** means the provision of staffing of manpower and such other services as required by the First party from time to time, performing the tasks and responsibilities required by the First party and those tasks and responsibilities ordinarily expected of someone experienced in the provision of similar services.
  11. The “**Services Commencement Date”** means the date on which the services must commence as identified in a Labour Requisition.
  12. The “**Services End Date”** means the date on which the contract agreement expires.

1. **SCOPE OF CONTRACT:**
   1. This Contract commences on the Term Commencement Date and expires on the Term Expiry Date unless extended in writing by mutual agreement of the parties.
   2. This contract sets out the terms by which all staffing of manpower issued by Second party and accepted by First party will be governed.
   3. The First party KEONICS shall not voluntarily extend the manpower outsourcing contract to the second party. Whereas, it is the sole responsible of the Second party to garner the manpower outsourcing contract business from the government departments.
   4. It is mandatory that the Second Party shall make the minimum business of Rs.25 lakhs per annum (w.e.f. date of commencement of agreement) otherwise; the second party will be ceased to delete from the empanelment of Service Providers list.
   5. That the Second Party (Service Provider) shall renew the contract Agreement every year after the making the payment fixed by KEONICS plus applicable GST; subject to satisfaction of the First Party.
2. **COMMENCEMENT & DURATION:**
   1. The commencement of contract agreement with effect from **07-12-2020 to 06-12-2021**
   2. The duration of the contract agreement is for the period of 1 (One) year, thereafter based on the satisfaction and performance of the services and renewal it will be extended.
3. **COMPENSATION:** 
   1. The Second party will be paid compensation to the staffing of manpower as enumerated in the **Service Order.**
   2. The Second party agreed to execute/fulfill and discharge jobs agreed upon by him efficiently and to the full satisfaction of the First party within the stipulated time.
   3. It is mandatory that, the Second party shall make the payment to its employees within 7th of every month irrespective of payment received from the first party otherwise the vendor shall be accountable for the non-payment of Salary to the employees.
4. **DUTIES & RESPONSIBILITIES OF THE SECOND PARTY:** 
   1. Contractor here in after called “Second party” shall be incorporated under the companies Act of 1956/ register under any act adhering to all State / Central Government laws / Acts under contract Labour Laws.
   2. Second party shall produce necessary specific License from the Labor Department / Inspector of Factories / Shops / Labor for undertaking service Contracts.
   3. If the service contract continues beyond the period of 12 months, then the Second party shall have to renew the service contract.
   4. Second party shall comply with all terms / obligations of the labour enactments including the record maintenance as per contract Labor (Regulation and Abolition) Act, 1970.
   5. Wages / Salaries will be as per the compliance of Minimum Wages Act. If the Second party does not adhere to the Minimum Wages Act, the First party shall reserve the right to deduct the amount payable to the Second party that fall short of the Minimum Wages Act and pay directly to such of the employees to who such short amount was paid by the Second party.
   6. Second party should provide sincere and dedicated employees and ensure that the employees possess prescribed qualification, experience and prior approval of the First party.
   7. The candidate should be above 18 years and be well versed in local language and should possess Computer knowledge and related experience.
   8. The staff engaged by the Second party should be courteous, well mannered and with clear antecedents.
   9. Proposed name, address and telephone number of the staff, who will attend the duties will have to be furnished with the agreement entered into after verification of the same.
   10. The Second party shall not change the employees frequently and if any change is to be effected then the approval of the concerned authority and the first party is required.
   11. The Second party alone will be responsible for payment of statutory contributions towards ESI, EPF, PT,GST and other contributions payable as per Labor laws.
   12. The Second party shall be liable for all violations of laws, rules and regulations.
   13. The employee of the Second party shall not have any claim for continuation in First party & its clients and Second party shall be liable to comply with all the requirement of laws.
   14. The monthly rate will be calculated on the basis of the number of days of actual deployment.
   15. The Second party agrees for the deduction from the concerned authority/ officer to deduct income tax and other taxes as applicable and as per the existing rules, Act(s) and notification from time to time.
   16. The Second party shall make necessary and prompt arrangement of alternative employee in case the employee engaged proceeds on leave for more than 7 days. The data regarding the staff engaged / changed / withdrawn should be linked and Approved by the First party.
   17. In the event of default on party of the Second party to provide requisite number of employees during the period of contract, the contract will be terminated and entrusted to another Second party at the risk and cost of the defaulting Second party.
   18. If at any point of time during the existence of contract, First party finds that the services rendered by the Second party are found unsatisfactory, it will be at liberty to obtain the services from alternative source at the risk and cost of Second party.
   19. The personnel are employees of Second party and will be subject to their overall control and superintendence and they are not subjected to any rules, regulations and service conditions of the First party.
   20. The First party shall pay to the Second party for their services under this agreement only after the receipt of payments from the Departments / clients as applicable from time to time. The Second party shall submit a tax invoice inclusive of all statutory payments for securing each such payment and the First party shall ensure that payment.
   21. Notwithstanding anything contained in this agreement, the Second party shall be liable for any loss / damage, delay or acceptance of whatsoever nature whether direct or indirect or which have occurred / resulted solely from the negligence, gross negligence or willful default of the Second party or their employees or agents employed by them in connection with the contract.
   22. The Second party will not do or permit to be done anything, which might cause any breach or infringement of the laws and regulations.
   23. If the Second party fails to meet the obligations under this agreement for any reasons within the control of Second party, the First party may give notice to the Second party of the default, requiring them to rectify/remedy it as soon as practically possible. In the event that the Second party fails to rectify/remedy within 2 days, to the satisfaction of the First party, the First party shall be entitled to terminate the Agreement with immediate effect by notice in writing at risk and cost of the Second party.
   24. Any notice to be given by either party to the other party shall be in writing may be sent by E-mail, Fax, registered post of by personnel service with due acknowledgment.
   25. The address of the parties for service of such communication shall be as intimated in writing from time to time.
   26. First party or its client shall have the right to instruct in writing to the Second party to remove any person engaged for rendering services on account of misconduct or not found co-operative or unfit otherwise.
   27. The Second party shall supply to each of the workers engaged by him a valid identity card. The identity card so supplied shall bear the worker’s name, designation, signature and attested copy of photograph, age and blood group. The Second party shall ensure that these employees always carry with them their valid identity card while on duty. The workers may not be permitted to perform the work in case they do not carry the valid identity cards.
   28. The Second party not to take any action in relation to handling their employees as may adversely affect the existing labour relations of the company and cause dispute and unrest of the employees of the company. If he does so, he is liable to pay damages to First party or its clients.
   29. It is expressly understood and agreed by and between Second party and First party that, First party is entering into this agreement solely on its own behalf & its clients, and not on behalf of any other person or entity, in particular, it is expressly understood and agreed that the Government of Karnataka or Government of India is not a party to this agreement and has no liabilities, obligation of rights hereunder. It is expressly understood and agreed that First party is an independent legal entity with power and authority to enter into contracts solely on its own behalf under the applicable laws of Karnataka and general principles of contract law. The Second party expressly agrees, acknowledges and understands that First party is not an agent, representative or delegate of the Government of Karnataka or Government of India and Governments and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the contract
   30. The Second party shall also comply with all necessary provision under the relevant Acts, Rules and Regulations and liable to pay for damages arising due to non compliance and shall be bound to bear the cost of defense of every suit, action for other legal proceedings that might be brought to any person for injury sustained due to non compliance of the above provisions and to pay damages and costs which may be awarded in any such suit, action or proceedings to any such person or which may with the consent of the Second party be paid in connection with any compromise or claims by such person.
   31. The Second party or their employees shall not carry any hazardous explosives, ammunitions or engage in any anti social activities, The Second party shall not deploy terrorists; convicts etc., in First party and it will be the sole responsibility of the Second party to verify the antecedents of the manpower engaged by them and obtain the approval from the First party. The Consortium office shall not assume any responsibility or liability for violations of the Law.
   32. The employees of the Second party will be entitled for only gazette Holidays declared by Consortium Office and a casual leave of one day for every month, totaling to 12 days per annum. Any other types of leaves applicable to regular/contract employees of First party will not be applicable to these employees.
   33. This appointment through agency shall not be construed as an appointment in any regular scale of pay or shall not be intended to give rise to any claims whatsoever as to appointment on permanent basis etc., in First party & its clients.
   34. The staff supplied by the Second party shall perform their duties diligently and maintain due secrecy in respect of confidential information which he may come to know in the course of their duties.
   35. The staff / workmen so engaged in the contract shall not divulge any information to anybody or matter concerning the decision of the offices etc.,
   36. The manpower engaged by the Second party shall at all time take steps to ensure and protect the interest of First party & its clients and render professional services with utmost integrity, interest, honesty, devotion and diligence.
   37. The Second party shall furnish to the First party office, the copies of statutory contributions such as ECR statement & Remittance confirmation slips of PF, ESI challan, PT challan, GST Challan, Form – 2 to be submitted in each month along with monthly bills/Invoice.
   38. The Second party shall indemnify and hold harmless the First party against any and all claims, demands and / or judgments of any nature brought against the First party arising out of the services by the Second party and its employees under the contract, the obligation under this Clause shall survive the termination of the Contract.
   39. **During the tenure of the contract, first party reserves the right to modify/amend/change the clauses & the conditions of the agreement and the second party is mandatorily shall abide & adhere to the changes if any.**
   40. The Second Party shall not assign this **contract or sub-contract** any portion and the violation of the same leads to termination of the contract.
   41. The Second party shall ensure the personnel have passed a medical examination by registered medical practitioner certifying that they are fit for duties for which they are engaged.
   42. The Second party shall pay the monthly remuneration to the deployed employees as per the pay structure indicated in the service order issued by the First party, after deducting the statutory deductions like PF, ESI, PT, etc.
   43. The Second party shall pay to the employees the minimum rates of wages/salary prescribed for that employment.
   44. The Second party has to send a half-yearly return in form XXIV in duplicate to the Licensing officer not later than 30 days from the close of half year (1st January and 1st July every year).
   45. The Second party has to display an abstract of the Act and Rules in English and Kannada and also in the language spoken by the majority of the employees.
   46. The Second party has to submit a return in form VI-A to the Inspector intimating the actual dates of the commencement and completion of contract work within 15 days as the case may be.
   47. The license shall be displayed by the Second party prominently at the place of work.
   48. The Second party shall maintain registers under Contract Labour (Regulation and Abolition) Act.
   49. The Second party also will decide and take disciplinary action against the workman if he is found to have committed any acts of misconduct and take disciplinary action as deemed necessary including discharge or dismissal after compliance with the labour laws.
   50. The Second party shall pay the salary/wages to his workmen on or before 7th of every month.
   51. The second party shall solely liable for the compensation payable to its employees in the event of accidents arises during the course of employment as per employees insurance Act.
   52. The First party / its clients shall register in terms of the Contract Labour (Regulation and Abolition) Act, 1970 & Karnataka Rules, 1974 with the registering Officer. As such, the Second party shall be required to obtain requisite License from the office of the registering officer under the aforementioned Act.
   53. The Second Party shall submit the permanent/registered office address to the First Party, and in case if there is change of address then the Second Party shall intimate the same with necessary proof to the First Party.
   54. The Second party shall comply with the following acts or any other Labour Laws:
5. **Contract Labour (Regulation & Abolition) Act, 1970 & Karnataka Rules 1974.** 
   1. **Maintenance of registers.**
   2. Register of persons employed by the contractor - FORM XIII.
   3. Employment Card - FORM XIV.
   4. Service certificate - FORM XV.
   5. Muster Roll - FORM XVI.
   6. Register of Wages - FORM XVII.
   7. Wage slip - FORM XIX.
   8. **Submission of Returns:**
6. Half Yearly Return to be sent to licensing officer - FORM XXIV.
7. Notice of commencement / completion of contract work - FORM XXVI.
8. **Employees’ State Insurance Act;** 
   1. **Maintenance of registers.**
   2. Accident book, Report of Accidents from Employer.
   3. Inspection book to be maintained.
   4. **Submission of Returns:**
9. Online generated monthly contribution challans.
10. **Provident Fund Act;** 
    1. **Submission of returns:**
11. Form of nomination Form – 2.
12. Online generated monthly contribution ECR.
13. **The Payment of Minimum Wages Act;**
14. Annual return within 31st January of every year - Form - III.
15. **The Payment of Wages Act;**
16. **Maternity Benefit Act;**
17. **Karnataka Labour Welfare Fund Act, 1965 & Rules, 1968**

**Employer & Employee Contribution to be sent to Labour Welfare board within 15th January. - Form - D.**

1. **Any other labour law.**

* 1. The Second party shall also be responsible for the discharge of all legal liabilities towards the First party and also for observing all laws and Government rules relating to labour laws.
  2. The Second party shall be responsible for damage or loss to the First party / its clients caused due to the negligence of the second party employee and shall compensate or reimburse to the First party / its clients adequately for such loss which shall be assessed and determined by the First party.
  3. The Second party shall, at the expiry or the termination of the contract or after completion of contract extension, if any, withdraw the manpower supplied from the premises of the First party / its clients.
  4. Each party must promptly execute all documents and do all other things reasonably necessary or desirable to give effect to the arrangements recorded in this Contract.
  5. A provision of this Contract can only be varied by a later written document executed by both the parties.
  6. Under no circumstances the Second party employees shall not entitle for any kind of permanency/benefits of the First party / its clients except the statutory benefits of Payment of Minimum wages, Provident Fund & ESIC Act.
  7. During the continuance of the contract agreement, the staffing employees of the Second party shall not serve under any other concern nor be directly or indirectly interested.
  8. With the staffing employees shall make himself absent from the service without notice or leave of absence or be found guilty of misconduct or commit any breach of this agreement or act of indiscipline, it shall be lawful for the First party to dismiss summarily forth with without prejudice to other rights and remedies.
  9. Second Party shall not submit quotations or participate in the tenders to the departments independently without prior approval in writing from the First party. Further, if the Second Party found breach/violate the terms and conditions or any of the clauses in the contract of agreement, such Parties shall be blacklisted and shall be removed from the list of empanelled contract list.
  10. Second Party shall not indulge in unfair / coercion methods or practices to procure the orders at the time of tendering the orders within the empanelled vendors.
  11. Second Party compulsorily has to disclose PF & ESI user ID and password in order to ascertain the veracity of contributions made towards the PF & ESI account of the employees.

1. **RATES OF SERVICE CHARGES:** 
   1. That the Service charges shall be shared between the First Party and Second Party at the rate of 50% each.
   2. The aforementioned rates shall be as applicable during contract period. The Service Charges will be as per Government Order/ board approvals.
   3. The Second party shall submit invoice/bills for the service charges for each month to the First party for payment.
2. **SECURITY DEPOSIT:** 
   1. The Second party shall be paid to deposit an amount at 1% on Previous financial year annual turnover towards statutory contributions such as PF,ESI,PT etc… by way of Demand Draft in favor of KEONICS, Bangalore or RTGS as agreed between the parties as security deposit, further the vendors shall make the necessary said security deposit as & when the service being issued. The Second party have paid the Security Deposit of Rs. 1,80,572/- towards 1% of the previous year transaction, which is adjusted in the existing amount of Rs 2,52,973/- vide RTGS date:03-12-2019. The security deposit shall be retained up to and including 60 (sixty) days after the contract is over.
   2. The First party shall have an unqualified option to forfeit the same if the Second party fails to honor any of its commitments under the contract and/or in respect of any amount due from the Second party to first party.
   3. The security deposit shall be refunded to the Second party without any interest 60 (sixty) days after the expiry of the contract or within 15 (fifteen) days from the date of the issue of a “No Due Certificate” from the first party subject to the fulfillment of all contractual obligations by the Second party.
3. **FORFEITURE OF SECURITY DEPOSIT:**

In case the first party is obliged to make any recoveries on any account from the security deposit of the Second party, the Second party shall be obliged to make good the security deposit amount within a period of 10 (ten) days after the receipt of information in this regard, failing which the Second party shall have to pay an interest of 12% per annum for the period of delay in making good the security deposit.

1. **WARRANTIES:**

Each party represents and warrants to the other party that:

1. It has full power and authority to enter the contract and to perform its obligations;
2. The contract has been duly executed by it; and
3. The obligations set out in the contract are enforceable against it.
4. **TERMINATION:**

The First party shall at any time be entitled to determine and terminate the contract for any reason including unsatisfactory performance or violation of Minimum Wages Act or of any of the other terms and conditions of the First party. A notice in writing from the First party to the Second party shall be issued giving 30 (Thirty) days time for such termination and winding of the manpower staffing, without assigning any reasons thereof. Under exceptional circumstances this 30 days period may be appropriately reduced. The Second Party shall also terminate the contract by giving Three months advance notice to the First Party and also clear all dues or payments payable to the employees as well as First Party.

1. **SETTLEMENT OF DISPUTES:**

Any dispute or difference between the parties arising out of the meaning of any interpretation or import of this agreement or the rights and liabilities shall be mutually discussed and settled failing which it shall be adjudicated by reference to the arbitration and the arbitrator shall be the **Managing Director of the KEONICS, Bangalore** and whose decision shall be final and binding on the parties. The provisions of the Arbitration and Conciliation Act is applicable to both the parties within the jurisdiction of Bangalore.

1. **ACCIDENT OR INJURY TO WORKMAN:**

The First party shall not be liable for any damage or compensation payable in respect of or in consequence of any accident or injury to any employee or any employee in the employment, it is wholly responsible and obligation of the Second party to meet the same with adequate compensation payable to the employee if any.

1. **CONFIDENTIALITY:**
   1. Second party shall acknowledge that its personnel may be given access to confidential Information in the course of performing the services.
   2. Except as otherwise required by Law, Second party shall ensure:
   3. Keep strictly secret and confidential.
   4. Not copy or publish, divulge or disclose in any manner whatsoever the confidential Information to any person other than to those of its employees.

**Both First & Second party have affixed their signatures to this Labour / Human Resource Staffing Contract Agreement on the day, month and year above first mentioned at Bangalore.**

Photo of Second Party

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| --- | --- |
| **For, Karnataka State Electronics Development Corporation Limited.,**  **Bangalore**  (Seal & Signature)  **(First Party)** | **For M/s. S.H. Systems Raichur**  (Seal & Signature)  **(Second Party)** |

**WITNESS**

**1. 1.**