

NyayaGen - Contract Risk Report

Contract Type: Employment Contract

Overall Risk Level: High

Overall Summary:

This contract is classified as a Employment Contract. It contains 0 high-risk clauses and 6 medium-risk clauses. Certain terms may expose SMEs to legal and financial risks.

Risk-Based Findings (High Risk Clauses):

1. Clause 2: This agreement shall be valid for a period of 2 years. Either party may terminate the agreement with 30 days written notice. The Employer may terminate immediately in case of breach of confidentiality.

Explanation: This clause allows one party to end the contract. Check if the termination is fair to both sides.

2. Clause 3: The Employee shall be paid INR 50,000 per month. Delay in delivery of assigned tasks may result in a penalty of INR 5,000 per occurrence.

Explanation: This clause mentions penalties. You may have to pay money if you break this agreement.

3. Clause 5: The Employee shall not work with any competing company for 1 year after termination.

Explanation: This clause contains legal terms. It is recommended to review if this condition is fair for your business.

4. Clause 6: The Employee agrees to indemnify and hold harmless the Employer from any loss arising from misconduct.

Explanation: This clause makes you responsible for losses or damages. This can be risky for small businesses.

5. Clause 7: This agreement shall be governed by the laws of India. Any dispute shall be subject to the jurisdiction of Chennai courts.

Explanation: This clause decides which court or city will handle legal disputes. This may be inconvenient for you.

6. Clause 8: This agreement shall be automatically renewed for another 1 year unless terminated.

Explanation: This clause allows one party to end the contract. Check if the termination is fair to both sides.