

Industries Department, Haryana
Template regarding Commercial Contracts

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(13) Agreement between Owners and Labour Contractor for supply of labour

This Agreement made this day of, at..... is entered into by and between....., a Company incorporated and existing in accordance with the Companies Act and having its Registered Office at through Mr. of the Company (hereinafter referred to as “**FIRST PARTY**”) which expression shall unless be repugnant to the context include its successors and assigns of ONE PART.

AND

....., a Company incorporated and existing in accordance with the Companies Act and having its registered office at, through Mr. of the Company (hereinafter referred to as “**SECOND PARTY**”) which expression shall unless be repugnant to the context include its successors and assigns of OTHER PART.

WHEREAS

At the very outset be it clearly understood and agreed that the following principles shall apply unless the context requires otherwise:

- (a) The singular includes the plural and conversely.
- (b) A gender includes all genders.
- (c) Where a word or phrase is given a particular meaning, other grammatical forms of that word or phrase have corresponding meanings.
- (d) If any day is appointed or specified by this agreement for the payment of any money on Sunday or other official bank holiday, the day so appointed or specified shall be deemed to be the next day which is not in turn a weekly off day or a day so appointed as a holiday.

Industries Department, Haryana
Template regarding Commercial Contracts

NOW THIS AGREEMENT WITNESSETH AS UNDER:

1. OFFER & ACCEPTANCE

i. That **Second Party** hereby offers to provide work force for executing any Job assigned by **First Party** as per its requirements at its **premises** on contractual basis and **First Party** hereby accepts the same.

2. SCOPE OF SERVICES

i.

3. DEALING PERSONS

i.

4. RIGHTS & OBLIGATIONS OF BOTH PARTIES

i. That **Second Party** agrees to execute fulfil & discharge the work as may be assigned by **First Party** from time to time in the manner agreed to the entire satisfaction of **First Party** on all days as per the requirements of **First Party** during the period of this agreement.

ii. That the estimated requirement of personnel as agreed may be increased or decreased depending upon the exigencies of the services required, giving seven days notice to **Second Party**. **Second Party** shall have to provide any increased manpower for required variation. The payment of increased manpower shall be _____.

iii. That **Second Party** shall maintain proper register at the aforesaid **Premises** of **First Party** as well as with them in respect of deployed personnel and paste photos of such personnel besides indicating their names, age, permanent & temporary address.

iv. That **First Party** may take the services of **Second Party** for it's any other location within India with prior information for the same.

v. That in case, it is found by **First Party** that any material or otherwise information about any personnel of the workforce of **Second Party** has been wilfully suppressed (which may be detrimental to the interest of **First Party**), either by **Second Party** or the workforce deployed by or through them or is otherwise, false or misleading then **Second Party** alone shall be responsible for any losses, damages, or consequences arising out of it and **First Party** shall have full

Industries Department, Haryana
Template regarding Commercial Contracts

right to take suitable legal or otherwise action against **Second Party** which may include a claim for payment of compensation by way of damages etc. etc.

vi. That the **First Party** does not give guarantee any volume of work at any time during the period of agreement. The mere mention of the item of work in the agreement does not by itself confer a right on the **Second Party** to demand that entire work should necessarily or exclusively be entrusted to it. The **First Party** reserves the right to appoint one or more other contractors, whether existing or potential, and may distribute the work among them during the currency of this agreement at its unfettered discretion in any manner that it may decide and no claim for compensation shall be tenable against the **First Party** by reason of such division of work. The decision of the **First Party** in this matter shall be final and legally binding on the **Second Party**. vii. That all members of staff deployed by **Second Party** shall be subject to security check by the security staff and/or authorised person of **First Party** as per requirements.

viii. That **Second Party** shall make its own arrangement for transportation of its personnel at the Premises of **First Party** and **First Party** shall not be responsible for the same.

ix. That **Second Party** shall inform **First Party** in writing in advance about any change in its name, address, business, ownership, status or constitution.

x. The relationship between the Parties hereto shall be on Principal to Principal basis. Nothing herein contained shall be deemed to constitute a Employer and employee relationship between the parties. Nothing herein contained shall allow a Party to act as an agent of any other Party.

xi. That **Second Party** shall be responsible and liable for the loss that **First Party** may incur on account of any act, omission, commission and/or negligence of personnel of **Second Party**. The decision of **First Party** shall be final and binding in all such cases.

xii. That both the party to this contract represent and undertake that they are fully competent and authorized to enter into this agreement and their respective signatories are duly authorized to execute this agreement on behalf of them.

xiii. That **Second Party** undertakes to keep fully secret and confidential the information's received by him/his staff from **First Party** during the continuance of this agreement and also thereafter, and not to divulge it in any way without obtaining express written permission of **First Party**, except in the case where any

Industries Department, Haryana
Template regarding Commercial Contracts

such information is required to be disclosed by him under any provisions of law to a court or any such other judicial / legislative / regulatory authority provided he gives prior information to **First Party** so that **First Party** may initiate any preventive steps available under law in this regard.

5. SUPERVISION

- i. That **Second Party** shall arrange for supervision of its personnel to ensure proper control for executing the job smoothly and efficiently.
- ii. The **Second Party** will inform **First Party** the names, addresses and contact telephone nos. of one or more such responsible supervisor/representatives authorized to act on behalf of the **Second Party** in the day to day working. The **Second Party** shall ensure that one of those representatives call on the officials of the **First Party** everyday and generally remains in constant touch with them to obtain/furnish information and receive instructions about the work to be done under this agreement and to post them with all relevant information.

6. UNIFORM AND TRAINING

7. REPLACEMENT

- i. That **Second Party** ensures proper performance, conduct/ discipline, character and behaviour of the personnel engaged by or through him and shall replace any personnel at any point of time, at the sole discretion of **First Party** within a period of 24 hours whenever such a wish is expressed to him in explicit terms.

8. EMPLOYER- EMPLOYEE

- i. That **Second Party** being the employer of the personnel engaged by it and/or on **Second Party's** rolls, shall alone be entitled to hire or fire them. **First Party** shall, under no circumstances be deemed or treated as the employer in respect of any person(s) employed by or through **Second Party** for any purpose whatsoever nor would **First Party** be liable for any claim(s) whatsoever of any such person(s).
- ii. That **Second Party** alone shall have the right to take disciplinary action against any person(s) engaged by it, while no right whatsoever shall vest in any such person(s) to raise any dispute and / or claim whatsoever against **First Party**.
- iii. Any dispute, demand, claim or compensation if raised by the personnel employed by **Second Party** for fulfilment of its obligation under this agreement or any relevant statute or statutory body/bodies, will be against **Second Party** only

Industries Department, Haryana
Template regarding Commercial Contracts

and **First Party** will have no responsibility and/or liability in respect of any such dispute, demand, claim or compensation.

The **First Party** will not be in any manner be responsible for any act, omission or commission of the personnel engaged by the **Second Party** and no claim in this regard will lie against the **First Party**. If any such claim is made against the **First Party** by any personnel or his legal heirs engaged/employed by the **Second Party**, which the **First Party** is obliged to discharge by virtue of any statute or any provision of law and rules due to mere fact that the personnel of the **Second Party** working at the Premises of the **First Party** or otherwise, the **Second Party** will be liable to indemnify/reimburse the **First Party** of all the money paid in addition to the expenses incurred by it. It is clearly understood and agreed to by **Second Party** that in case **First Party** is dragged into any kind of litigation, dispute or any claim, directly or indirectly, by the personnel engaged by **Second Party**, **Second Party** shall appear before the concerned statutory authority or court and defend the case at **Second Party's** cost and risk.

9. NON - ASSIGNMENT

i. That the **Second Party** will not assign or transfer the whole or part of the functions or liabilities under this agreement or assign any of the benefits under this agreement to any other person(s), firm(s) or company without the previous written approval of the **First Party**.

10. ACCIDENT OR UNTOWARD INCIDENT

i. That in the event of unfortunate accident resulting into temporary, partial or total disablement or death or other natural calamities of any of **Second Party's** personnel, **Second Party** shall ensure that immediate and adequate medical aid viz. First aid and subsequent treatment facilities are provided to the concerned personnel free of cost and without fail. In case any such expenses including hospitalization expenses are incurred by **First Party** of its own, then it reserves all right to recover the same from **Second Party** including interest thereon, if any.

ii. That in case of any untoward incident which can prejudice the interest of **First Party**, **First Party** shall have full right to make suitable inquiry / inquiries from the Staff of **Second Party** either in writing or verbally for official purposes including for any witness in Court or before concerned authorities.

iii. That if it is found that any person/Staff of **Second Party** is involved or abetted, directly or indirectly, in any such theft, sabotage, pilferage, fire, physical violence

Industries Department, Haryana
Template regarding Commercial Contracts

and/or any untoward incident which can prejudice the interest of **First Party** at inside/outside the **Premises of First Party**, then **First Party** shall be at full liberty to take suitable legal or otherwise action against the erring staff as well as against **Second Party** for damages, costs of consequences whether during the tenure of this agreement or thereafter.

11. PERFORMANCE

i. That **Second Party** shall perform the work assignments to the best satisfaction of **First Party** in case of unsatisfactory performance **First Party** reserves the right to terminate the contract forthwith and **Second Party** shall not raise any claim/demur/protest for such termination of contract. In that case the legal payments, if any, made to the workforce of the **Second Party** shall be fully recoverable from **Second Party**.

12. LICENCES AND STATUTORY COMPLIANCE

i. That **Second Party** shall alone be responsible for Compliance of all labour legislation's (as may be amended from time to time) in respect of persons employed by or through him and deputed for the above services being provided to **First Party**. However, it may be noted that Minimum rates of wages shall be as per the notifications of concerned State Government only.

ii. That **Second Party** shall prepare, maintain and submit all records, documents, returns, registers, notice, etc. as required under various Labour Legislation's in the prescribed manner as applicable from time to time and within prescribed time to the concerned statutory authorities and produce the same on demand of **First Party** or any statutory authority inspecting the records of **First Party**. **Second Party** shall keep update knowledge of the various labour laws as are and which become applicable from time to time and shall take effective and speedy steps to comply with the same. In the event of breach of any law applicable to the Personnel engaged by **Second Party**, **Second Party** alone shall be responsible and liable for penal action that may arise as a result of such breach or violation and consequences thereof, if any.

iii. That **Second Party** ensures to pay the entire wages payable by it under Minimum Wages Act as applicable from time to time, as gross wages to the workforce deployed / to be deployed and **Second Party** further ensures to deposit the PF and ESI contribution on such gross wages with the appropriate authorities within due dates and shall submit the copy of challan for the PF & ESI contribution

Industries Department, Haryana
Template regarding Commercial Contracts

deposited by it along with its details to **First Party**. In case, **Second Party** fails to provide the requisite returns/certificates as aforesaid, the payments of its bill shall be stopped by **First Party** and **First Party** shall terminate this agreement forthwith without any notice with **Second Party**.

iv. That **Second Party** shall obtain and maintain at all times during continuance of this agreement all necessary permissions, approvals and required licenses and pay necessary taxes in relation to or in connection with the job assigned under this agreement.

v. The **Second Party** will regulate recruitment, terms & conditions of employment, welfare amenities, disciplinary action, grievance handling, transfer, promotion, wages, allowances, leaves/holidays & benefits, provision for lunch, etc. of personnel of the **Second Party**. The personnel (medically fit) supplied by **Second Party** will follow the safety norms, rules, regulations and instructions strictly including prohibiting smoking inside the Premises. The **First Party** will neither interfere with the above issues of the **Second Party** under any circumstances whatsoever nor will be concerned with such issues, legal or otherwise.

vi. That the **Second Party** shall prepare and disburse wages/salaries of its personnel latest by 7th of every month and shall not delay the same for any reasons whatsoever. **Second Party** will provide **First Party** a copy of salary/wage payment register duly certified by **Second Party**. A representative of **First Party** will be deputed to oversee the disbursement of wages/salaries. The **Second Party** will be liable to pay retrenchment compensation, notice pay, gratuity or bonus as payable and the **First Party** will not be held liable for any obligation of the **Second Party**.

13. SUBMISSION OF DOCUMENTS

i. **Second Party** shall submit certified copies of

14. INDEMNIFICATION

i. **Second Party** alone shall be responsible and **First Party** shall not be held responsible/liable under any circumstances for any accident or injury and/or any third Party claim arising out of such accident and any temporary/permanent/partial/total bodily disablement/injury/infirmity and/or death arising out of any such accident of **Second Party's** personnel engaged for the assigned services for **First Party** in terms of costs, claim, compensation, damages or any other consequences legal or otherwise.

Industries Department, Haryana
Template regarding Commercial Contracts

ii During the continuance of this agreement or its renewal thereof **Second Party** shall observe and comply with all Rules and Regulations of the Central/State Government or the provision of any applicable law including rules and regulations of any local authority in force from time to time which may be applicable. In the event of **Second Party** committing breach of any such provision of law or if due to any other reason, **First Party** is sought to be made liable for the same, **Second Party** shall indemnify and keep **First Party** indemnified against all costs, charges and expenses, damages or amounts which **First Party** may be required to incur and sustain by reason of any action, claims or demand brought/made against the **First Party**.

iii **Second Party** hereby indemnifies and keep **First Party** indemnified and its directors, officers and employees and save them harmless against any action, proceedings claims or demands of any person, Government or local authority made against **First Party**, its directors, officers and employees in respect of or as a result of the business operations carried on by **Second Party** or **Second Party** committing any breach of the provisions of any statutory regulations and/or this agreement or in consequence of any act or commission or omission or default of **Second Party**, their servants, agents or workmen and against all costs, losses, damages, hardship, injuries, charges and expenses which **First Party** may have to pay, incur or sustain by other wise, in relation thereto.

iv If any, damage is caused to any property or any injury is caused to or the death occurs of any person inside/outside of the Premises of **First Party** due to the act or default or any person employed by **Second Party**, **Second Party** alone will be liable in damage or for compensation in respect thereof and **Second Party** agrees to indemnify **First Party** and to keep **First Party** indemnified against all losses, damages, costs, charges, expenses, suits, proceedings and all liability of whatsoever nature and kind which **First Party** may incur, sustain, suffer or put to in consequence or by reason of such damage, injury or loss of life.

v. **Second Party** shall indemnify and keep **First Party** indemnified against any loss or damage or cost, charges, suits, proceedings and expenses and all liability of whatsoever nature or kind that may be caused by non-performance of the term(s) of this Agreement or any wrongful act and /or default on the part of **Second Party** or their agents or servants and/or any of **Second Party's** undertaking being false, incomplete or incorrect.

Industries Department, Haryana
Template regarding Commercial Contracts

15. LIABILITIES

i. That **Second Party** shall be responsible and liable for the loss that **First Party** may incur on account of any act, omission, commission and / or negligence of workforce of **Second Party**. The decision of **First Party** shall be final and binding in all such cases and **Second Party** shall make good the loss sustained by **First Party** either by replacement of the material / equipment or by payment of compensation.

ii. That the **Second Party** alone will be responsible to any Third Party for any damage or injury caused due to the misfeasance, non-feasance or mal-feasance of the **Second Party**.

iii. That the **Second Party** will indemnify the **First Party** for any loss, liability or damage, financial or otherwise, which may be foisted on **First Party** in respect of the personnel engaged by **Second Party** whether such a liability is determined before or after the termination of this agreement. **First Party** will also have full right to adjust the amount of such liability or damage from the bills that may be payable to **Second Party**. Should the above sums not sufficient to cover the full amount of the claims, the **Second Party** will pay to the **First Party** on demand the balance amount due.

16. VALIDITY

i. That this agreement is initially valid from, to which may further be renewed for such period on such terms and conditions as may be mutually agreed upon by both the parties.

17. AMENDMENT

i. That it is the complete and exhaustive statement of Agreement between **First Party** and **Second Party** and this agreement supersedes all proposals, oral or written and all other communications and prior agreement between the parties. The terms of this agreement shall not be amended, modified or rescinded except by a written instrument signed by both the parties.

18. TERMINATION

i. That should either Party to this agreement requires to terminate it before its natural expiry, it shall give month prior written notice to the other Party, at the expiry of which this agreement shall stand determined.

19. SEVERABILITY

Industries Department, Haryana
Template regarding Commercial Contracts

Should any provision(s) of this agreement be held invalid or unenforceable under the laws of India, such invalidity shall not affect any other provision(s) of this Agreement, and neither shall it be held to affect the Agreement in its entirety. This agreement shall then be construed as if it did not contain the provision(s) held to be invalid, and the parties shall endeavour in good faith to replace such invalid provision(s) with new provision(s) which shall be, as nearly as possible, similar in its/their legal and commercial effect to the original and replaced provision(s).

20. PAYMENT TERMS

i. That all payment shall be subject to the deduction of tax at the prevalent time.

21. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of India.

22. ARBITRATION

i. That in case any dispute or difference or question arises between the parties as to the interpretation or effect of any clause or clauses of this Agreement or as to the performance or nonperformance of the terms thereof or in connection with any rights or duties or obligations of any Party there under or as to any other dispute touching the contents of the agreement or these presents shall as far as possible, be resolved mutually by both the parties.

ii. That if the parties fails to resolve then only the same shall be referred to the **ARBITRATION** of the..... of **First Party**, as sole arbitrator appointed under the provisions of the Arbitration & Conciliation Act including any statutory modification(s) or re-enactments thereof for the time being in force.

iii. That the award so made shall be final and binding on both the parties. The cost of reference and award shall be shared equally by both the parties except otherwise decided by the sole arbitrator. The territory of Delhi is understood and mutually agreed upon by both the parties as the place of arbitration. However, the provisions contained in this clause shall be without prejudice to any other right available to **First Party** under any other law for the time being in force in India.

iv. The Parties also agree that when any dispute occurs and when any dispute is under arbitration, except for the matters in dispute, the parties shall continue to fulfil their respective obligations and shall be entitled to exercise their rights under this Agreement.

Industries Department, Haryana
Template regarding Commercial Contracts

23. JURISDICTION

i. All disputes between the parties shall be subject to the jurisdiction of the courts of Law in the state of Haryana only.

IN WITNESSTH the parties hereto execute and sign this agreement after fully understanding its meaning, purpose and intent on the date and place mentioned above.

WITNESSES:

For

1. Signature _____

Name:

Address:

For

2. Signature: _____

Name:

Address:

Note: *In case of a company, incorporated under the provisions of Companies Act, address of the Registered Office of the Company, Corporate Identity Number (CIN) and email/Telephone Number etc. be also mentioned.*