**Software Services Agreement**

THIS AGREEMENT MADE at..................... on this............... day of................... 20......

BETWEEN

............................Limited a company registered under the Companies Act, 1956 and having its registered office at.................................. (Hereinafter referred to as "CLIENT") which expression shall unless it be repugnant to the context or otherwise be deemed to include its successors and assignees.

AND

............................Limited a company registered under the Companies Act, 1956 and having its registered office at.................................. (Hereinafter referred to as "SUPPLIER") which expression shall unless it be repugnant to the context be deemed to include its successors and assignees.

WHEREAS the CLIENT has approached the SUPPLIER for writing certain software programs as described in this agreement.

WHEREAS the SUPPLIER agrees to write software programs for the client and to provide such other services described in and upon the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and obligations between the parties it is agreed as follows:

**I.        Definitions**

In this Agreement, unless the context otherwise requires, the following expression shall have the meaning hereinafter assigned to them:

1.     Acceptance Date: means the date on which the Programs are accepted [or deemed to be accepted] by the Client;

2.     Budget: means the budget giving all the relevant details as to quality, quantity and projected cost etc., to be prepared and agreed for each Budget Year;

3.     Budget Year: means each period of 12 months or less in the event of a termination during the currency of the agreement;

4.     Completed Programs: means fully installed, and tested and accepted programs;

5.     Equipment: means the Client's computer hardware and associated pe­ripherals equipment specified in Schedule or such other equipment as may be agreed between the parties;

6.     Execution Plan: means the time Schedule for the completion of the Phases of preparation and delivery of the Programs as specified in Schedule...

7.     Finishing Date: means the date specified in the Execution Plan by which the Supplier is to provide the Completed Programs, or such ex­tended date as may be set pursuant to any provision of this Agreement;

8.     Guidance Plan: means the training provided by the Supplier for the use of the Programs by the Client's staff the details of which are set out in Schedule

9.     Maximum Cost: means the sum specified in Schedule.

10.  Operative Specifications: means the specification in accordance with which the Programs are to be written;

11.  Operating Manuals: means the operating manuals to be prepared by the Supplier;

12.  Operation Criteria: means the criteria which is intended that the Programs shall fulfill as specified in the Operative Specifications subject to the tolerances, limitations and exceptions stated in the Operative Speci­fications;

13.  Phase: means a Phase of the Execution Plan;

14.  Price: means the price to be paid by the Client for the Services as specified in Schedule.

15.  Programs: means the applications/computer programs to be written by the Supplier;

16.  Services: means the services to be provided by the Supplied under this Agreement;

17.  Testing Date: means the date on which the Supplier attends the program [s] tests on the Client's premises.

**II.        Covenant Services to be provided**

a.     The Supplier, under the terms and conditions of this Agreement, agrees to:

                              i.                Write the Program [s];

                             ii.                Successfully install the Program [s] on the Equipment;

                            iii.                Provide the Completed Program [s] by the Finishing Date; and

                            iv.                Provide Operating Manuals and training;

**Supplier's Acceptance**

a.     The Supplier accepts that the Programs are to be used by the Client in conjunction with the Equipment and the client's existing \_\_\_\_\_\_\_ operating system.

b.    The Supplier also accepts that it has been supplied with sufficient information about the Equipment and the said operating system to enable it to write the Programs in accordance with the Operative Specifications for use with the Equipment and the said operating system.

c.     The Supplier shall not be entitled to any additional payment nor excused from any liability under this Agreement as a consequence of any misinterpretation by the Supplier of any matter or fact relating to the functions, facilities and capabilities of the Equipment or the said oper­ating system.

**Programs Writing**

a.     The Supplier shall write a series of applications programs in \_\_\_\_\_\_\_\_\_\_ language operating under version \_\_\_\_\_\_\_of the \_\_\_\_\_\_\_\_\_\_\_\_ database management system [DBMS].

b.    The Database Management System shall provide the facilities and func­tions set out in the Operative Specifications and shall fulfill the Operation Criteria.

**Alterations**

If any alterations are made to the Programs then, the Supplier shall make appropriate modifications to the Operative Specifications, the Operating Manuals and the Guidance Plan to reflect such alterations. The cost of such modifications shall be included in the quotation given by way of an invoice.

**Delivery and installation of Program**

a.     The Supplier shall at the agreed Phase deliver to the Client:

                    i.          One copy of the object code of the Programs in machine-readable form on the storage media as specified by the Client;

                   ii.          Certified copies of the data and results of tests carried out by the Supplier on all parts of the Programs before delivery; and

                  iii.          The Operating Manuals.

b.    The Supplier shall also successfully install the Programs on the Equipment.

**Operating Manuals**

The Supplier shall prepare and provide the Client with... copies of a set of operating manuals containing sufficient information to enable the Client to make full and proper use of the Programs in combination with the Equipment and the Client's \_\_\_\_\_\_\_\_\_\_\_operating system. If the Client requires further copies of the Operating Manuals then, these will be supplied by the Supplier at a reasonable charge.

**Training of staff / employee**

The Supplier undertakes to provide training in the use of the Programs for the Client's staff in accordance with the Guidance Plan. Any additional training required by the Client shall be provided by the Supplier upon reasonable written notice at its standard scale of charges.

**Agreement for Maintenance**

The parties shall enter into a separate maintenance agreement on the Acceptance Date in respect of the Programs and the Operating Manuals.

**Meetings of representatives**

The parties shall ensure that their Authorized representatives will meet every quarter to discuss and assess the progress of the Services.

**Provision of required Information**

The Client shall provide all information and documentation reasonably requested by the Supplier to enable the Supplier to prepare and write the Programs and the Operating Manuals. Such information and documentation shall be subject to the provisions of confidentiality contained in the agreement. The Client shall ensure that it provides the Supplier with such access to its staff as may be reasonably required for the purposes of the provision of the Services

**Staff / employee**

a.             The Services under the agreement shall be provided by the employees of the Supplier named in Schedule \_\_\_\_\_\_\_\_\_\_\_\_\_or such other persons as may be approved by the Client in writing. If particular Supplier's staff is crucial to the success of the project, the client may seek commitments that they will work full time on the project and shall not be removed from it without the client's consent.

b.            The Supplier agrees that the services envisaged in this Agreement shall be performed by persons nominated by the Supplier or such other persons as the Client approves in writing.

c.             The Supplier shall instruct the Client's staff and provide technical advice that may be necessary for the use of the program [s].

d.            The Supplier's personnel, while attending the Client's Place of Use shall conform to the Client's normal codes of staff practice.

e.             The Client shall ensure that the Supplier's personnel are treated in the same manner and given the same respect as the Client's staff.

f.             The Client shall guarantee a clean, healthy and safe working environment for the Supplier's personnel whilst performing the services envis­aged in this Agreement.

**III.        Consideration**

1.     The Supplier shall send an invoice concerning the Monthly Standing Charges to the Client on the \_\_\_\_\_\_\_\_\_day of each month.

2.     The Client shall make payment of such invoice within... days of its receipt.

3.     The Budget shall be reviewed jointly by representatives of both the parties at quarterly intervals.

4.     The Monthly Standing Charge for the remainder of the Budget Year shall be appropriately adjusted if agreed upon.

5.     The aggregate payments made by the Client in respect of Monthly Standing Charge shall be adjusted by means of a separate payment at the end of each quarter.

6.     The Supplier shall not exceed the projected expenditure in the Budget without prior written consent of the Client.

7.     Unless otherwise agreed between any deficit in actual expenditure shall be credited to the Client by means of a Monthly Standing Charge.

8.     Either party is entitled to charge the other interest at the rate of \_\_\_\_\_\_\_\_\_% per annum on late payment of any amount due until full payment of such amount.

**IV.        Supplier's Warranty**

1.     The Supplier warrants that the Programs will, after acceptance by the Client, perform as set out in the Operative Specifications when properly used with the Equipment and the said Client's \_\_\_\_\_\_\_\_\_\_ operating system.

2.     The Operating Manuals and the Guidance Plan will provide adequate instruction to enable the Client to make full and proper use of the Programs in combination with the Equipment and the said operating system without the need for reference to any other person or document.

3.     If the Supplier receives written notice from the Client after the Acceptance Date of any breach of the said warranty then, the Supplier shall at its own expense and as promptly as possible remedy the defect or er­ror in question unless the Supplier receives a written notice regarding the defect after the expiry of \_\_\_\_\_\_\_\_\_\_\_\_ months after the Acceptance Date.

4.     The Supplier's primary obligation is to remedy breaches of warranty by the provision of materials and services promptly and without charge to the Client, provided that the Supplier tails to conform to its obligations and its liability for such failure.

4.

5.     The explicit terms of this Agreement conform to all warranties, condi­tions, terms, undertakings and obligations implied by statute, common law, trade usage, course of dealing or otherwise, all of which are hereby excluded to the fullest extent permitted by law.

**V.        Indemnity**

1.     The Client will indemnify the Supplier against all costs, claims, demands, expenses and liabilities arising out of or in connection with any claim that the use by the Supplier of any information or material sup­plied by the Client for the purpose of enabling the Supplier to prepare and write the Programs and/or the Operating Manuals infringes any third party intellectual property.

2.     The Supplier shall likewise indemnify the Client against all costs, claims, demands, expenses and liabilities arising out of or in connec­tion with any claim that the Services provided by the Supplier that in­fringe any third party intellectual property rights.

3.     The indemnifying party shall be granted immediate and complete con­trol of any claim of indemnity and the indemnified party shall not prejudice the indemnifying party's defense of the claim.

4.     The indemnified party shall give the indemnifying party all reasonable assistance at the expense of the indemnifying party on such claim of indemnity.

**VI.        Confidentiality**

1.     Both parties undertake to each other to keep confidential all information concerning the business and affairs of the other, which has been obtained or received as a result of the discussions leading up to or the entering into of this agreement save that which is:

a.             Inconsequential or obvious;

b.            Already in its possession other than as a result of a breach of this clause; or

c.             Required by law.

2.     Each of the parties undertakes to the other to take all such steps as shall from time-to-time be necessary to ensure compliance with the provisions of the above clause by its employees agents and sub­contractors.

**VII.        Intellectual Property Rights**

1.     The copyright and all other intellectual property rights of whatever nature shall be and shall remain vested in the Supplier.

2.     The Supplier hereby grants to the Client with effect from the Accep­tance Date a non-exclusive and non-transferable license to use and copy the Programs and the Operating Manuals for its own internal business purposes.

3.     The Client shall not be entitled to sub-license the use of the whole or any part of the Programs or the Operating Manuals.

4.     The Client undertakes to treat as confidential and keep secret all information contained or embodied in the Programs, the Operating Manuals, and the Operative Specifications and in all other specifications and documentation relating to the Programs and all information conveyed to the Client by training.

5.     The Client shall not without the prior written consent of the Supplier discloses any part of the Information to any person except:

a.     The Client's own employees who need to know such informa­tion;

b.    The Client's auditors, Tax authorities, Customs & Excise and any other persons or bodies having a right, duty or obligation to know the business of the Client and then only in pursuance of such right duty or obligation;

c.     Any person who is from time-to-time appointed by the Client to maintain any equipment on which the Programs are being used and then only to the extent necessary to enable such per­son properly to maintain such equipment;

d.    Any professional adviser of the Client in connection with a dispute arising from this Agreement or the Client's use of the Programs.

6.     The Client undertakes to ensure that the persons and bodies mentioned in clauses 5(a), 5(b), 5(c) and 5(d) are made aware prior to the disclo­sure of, any part of the Information that the same is confidential and that they owe a duty of confidence to the Supplier.

7.     The Client shall indemnify the Supplier against any loss or damage which the Supplier may sustain or incur as a result of the Client failing to comply with such undertaking

8.     The Client shall promptly notify the Supplier if it becomes aware of any breach of confidence by any person to whom the Client divulges all or any part of the Information and shall give the Supplier all rea­sonable assistance in connection with any proceedings that the Supplier may institute against such person for breach of confidence.

**VIII.        Force Majuro**

Notwithstanding anything to the contrary in this Agreement, neither Party shall be liable by reason of failure or delay in the performance of its duties and obligations under this Agreement if such failure or delay is caused by acts of God, war, riot, fire, civil commotion, strikes, lock outs, embargoes, any orders of governmental, quasi-governmental, or local authorities or any other similar cause beyond its control and without its fault or negligence.

**IX.        Termination of Agreement**

1.     This agreement may be terminated under the following circumstances:

a.     Immediately by the Installer if the Client fails to pay any sum due under this agreement within \_\_\_\_\_\_\_\_\_\_\_\_\_days of its due date;

b.    Immediately by either party if the other commits any material breach of any term of this agreement and which has not been remedied within \_\_\_\_\_\_\_\_days of a written request to remedy the same; and

c.     Immediately by either party if the other party takes steps for the voluntary winding up or enters into any arrangement with its creditors or if an official liquidator is appointed in respect of all or any part of the business or assets of the other party or other steps are taken for the winding up of the other party

2.     Any termination of this agreement pursuant to this clause shall be without prejudice to any other rights or remedies a party may be enti­tled to under this agreement or under law and shall not affect any accrued rights or liabilities of either party nor the coming into or continuance in force of any provision hereof which is expressly or by implication intended to come into or continue in force on or after such termination.

**X.        Governing Law and dispute resolution**

1.     1 This Agreement shall be construed in accordance with the law of India.

2.     2 Any dispute, difference, controversy or claim arising between the Parties out of or in relation to or in connection with this Agreement, or the breach, termination, effect, validity, interpretation or application of this Agreement or as to their rights, duties or liabilities hereunder, shall be settled by the Parties by mutual negotiations and agreement. If, for any reason, such Dispute cannot be resolved amicably by the Parties, the same shall be referred to and settled by way of arbitration proceedings by three arbitrators, one to be nominated by each Party and the third to be appointed by the two appointed arbitrators. The arbitration proceedings shall be held in accordance with the Arbitration and Conciliation Act, 1996, or any subsequent enactment or amendment thereto (the "Arbitration Act"). Each of the Parties shall appoint an arbitrator within thirty (30) days of the receipt by a Party of the other Party''s request to initiate arbitration. The two arbitrators so appointed shall then jointly appoint a third arbitrator within thirty (30) days of the date of appointment of the second arbitrator, which third arbitrator shall act, as the Chairman of the tribunal. Arbitrators not appointed within the time limit set forth in the preceding sentence shall be appointed in accordance with the Arbitration Act. The decision of the arbitrators shall be final and binding upon the Parties. The venue of arbitration proceedings shall be \_\_\_\_\_\_\_\_\_\_\_\_ The language of the arbitration and the award shall be English.

**XI.        Interpretations of certain terms and references**

In this agreement unless otherwise specified following interpretation shall be applicable:

1.     Reference to a Subsidiary or Holding Company is to be interpreted in accordance with the Companies Act 1956;

2.     Reference to a party is reference to a party of this agreement and this includes the party's permitted assignees and/or the respective successors in title to the whole undertaking;

3.     Reference to a person includes any person, individual, company, firm, corporation, government, state or agency of a state, or any undertaking regardless of it having a legal representative or not and notwithstanding of the law under which it exists;

4.     Reference to any statute or statutory instrument or any of its provi­sions shall be interpreted as a statute or statutory instrument or provi­sion that is re-enacted or amended from time-to-time;

5.     All words/terms denoting the singular shall include the plural and vice versa; and all words/terms denoting any gender shall include all genders;

6.     All references to clauses and Schedules shall be interpreted as refer­ences to clauses or Schedules of this agreement.

**XII.        Alteration and Modification**

Any alteration or modification or waiver in connection with this contract will not be effective unless made in writing and signed by both the parties.

**XIII.        Severance**

Invalidity or unenforceability of any term of this agreement shall not render the other provisions and the remainder of the agreement invalid or unenforceable and the agreement shall remain in full force and effect.

**XIV.        Entire Agreement**

This Agreement and the Schedules and Annexures hereto represent the entire agreement as to the subject, matter hereof, and supersede any and all prior understandings between the Parties on the subject-matter, hereof.

**XV.        Assignment**

Neither of the Parties hereto shall be entitled to assign this Agreement or any of their rights, powers, obligations and/or duties hereunder without the prior written consent of the other Party.

**XVI.        Duration**

This agreement is effective w.e.f..................... and shall terminate on.......................... unless both parties decide to extend the agreement by informing each other in writing.

**XVII.        Notices**

All notices and other communications under this contract must be in writing, and must be mailed by registered or certified mail or any other form of communication [fax/email] at the following address:

To CLIENT

.....................................

......................................

To SUPPLIER

.....................................

......................................

**XVIII.        Waiver**

Save where this Agreement expressly provides, neither Party shall be deemed to have waived any right, power, privilege or remedy under this Agreement unless such Party shall have delivered to the other Party a written waiver signed by an authorised officer of such waiving Party. No failure or delay on the part of either Party in exercising any right, power, privilege or remedy hereunder shall operate as a waiver, default or acquiescence thereof, nor shall any waiver on the part of either Party of any right, power, privilege or remedy hereunder operate as a waiver of any other right, power, privilege or remedy, nor shall any single or partial exercise of any right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy hereunder.

**XIX.        Insurance**

The Supplier shall maintain throughout the term of this agreement, with an in­surer of good repute, indemnity/insurance comprehensively covering all his obligations for a sum of not less than Rs........... (Rupees............................)

**XX.        Authorized Signatory**

Both parties shall provide information in writing regarding the authorized signatories for this contract along with their respective names and designations.

The contracting parties assume that the respective authorized signatories are the person recognized for the purpose of signing the contract in conformity with the authorisation of the Company

**XXI.        Non-Solicitation of Staff**

For the purposes of this contract, both parties agree not to solicit either directly or indirectly with a view to provide or offer employment to, offer to contract with or encourage a staff member of the other party to leave without the prior written consent of the other during the term of this agreement and for an addi­tional period of \_\_\_\_\_\_\_\_\_\_\_ days after termination.

**XXII.        Regulation of foreign exchange**

Both the parties agree to be governed by the Laws of India regarding the use of foreign exchange in their transactions.

**XXIII.        Legal expenses and charges**

The succeeding party shall be entitled to reasonable litigation and professional fees along-with the out of pocket costs incurred in connection with dispute resolution arising between the parties with matters pertaining to this Agreement.

**XXIV.        Genuine Software**

Both parties agree that the software that is required to be used for the pur­poses as envisaged under this Agreement shall be genuine and registered soft­ware and not a pirated version of any nature.

**XXV.        Warranty of Software**

The Supplier warrants to the Client that the software that has been agreed to be part of the equipment to be supplied as envisaged under this Agreement shall be the genuine and registered version and shall not be a pirated version/copy of any nature.

**XXVI.        Injury resulting during Installation of Software**

The Client shall not be liable for any Injuries occurring to the Supplier's staff while installing the Software at the Place of Use unless such staff belongs to the Client.

**XXVII.        Injury While Using the Software**

The Supplier warrants that the Equipment provided to the Client shall not cause any physical harm or injury or otherwise to any of the Client's staff or the user of the Program [s]. If such Software causes physical harm or injury or otherwise, the Sup­plier agrees to compensate the Client [in terms of incurred expenditure] and rectify the Program [s] free of charge.

**XXVIII.        Damage to Other Program [s]**

1.     The Supplier warrants that the Software shall not damage, destroy or corrupt any other Software belonging to the Client, provided the Client executes and implements all the required networking related measures and safeguards as stated in the manual.

2.     However, subject to the foregoing clause, if the Software damages, de­stroys or corrupts the Client's Equipment, the Supplier shall rectify/replace such damaged, destroyed or corrupted Software free of charge.

3.     To this effect, the Client is under an obligation to bring it to the notice of the Supplier about the nature and extent of the damage that has taken place. On the basis of which, the Supplier may send its team of personnel to evaluate and assess the incident and consequently ensued damage.

**XXIX.        Warranty of Program [s]**

The Client warrants to the Supplier that the Program[s] shall be used only for the purposes envisaged in this Agreement and shall not be used for any other purpose other than what has been mentioned in this Agreement.

**XXX.        Compliance with Legal Requirements**

The Supplier undertakes for the purpose of Sale/Lease/Rent that it has fulfilled all the applicable legal Requirements, Procedures and Formalities, as envisaged by the different laws, rules, regulations, bye-laws, procedure and formalities.

**XXXI.        Harmful Effects of Program [s]**

The Supplier shall bring to the notice of the Client beforehand harmful effects, if any, of using the Program[s]

**XXXII.        Survival of certain clauses**

The Clauses of this Agreement, which by nature are intended to survive termination of this Agreement shall remain in effect after such termination.

IN WITNESS, where of the Agreement has been entered into between the parties on the day and year first above written

CLIENT'S NAME

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ADDRESS

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SIGNATURE [of Authorized Signatory]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SUPPLIER'S NAME

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ADDRESS

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SIGNATURE [of Authorized Signatory]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_