



# INDIA SME HELPDESK

## Service Agreement (Template)

### Disclaimer

The India IP SME Helpdesk is managed by the European Innovation Council and SME Executive Agency (EISMEA), with policy guidance provided by the European Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG Grow).

The information provided by the India IP SME Helpdesk is not of a legal or advisory nature and no responsibility is accepted for the results of any actions made on its basis. Moreover, it cannot be considered as the official position of EISMEA or the European Commission. Neither EISMEA nor the European Commission nor any person acting on behalf of EISMEA or of the European Commission is responsible for the use which might be made of this information.

© European Union, 2025

A service agreement is a legally binding contract between a service provider and a client. It outlines the terms and conditions for the provision of a specific service. This contract serves as a protective measure for both parties, ensuring clarity, accountability, and legal recourse.

A service agreement is a contract that regulates the provision of services in exchange for payment or other forms of compensation. Service agreements are utilized in various industries and are essential for freelance professionals offering services, as well as in sectors such as web and software development, cybersecurity, network management, professional consulting, construction, and electrical services. The service agreement can be used for any projects or tasks outside of the employer-employee relationship. While the specific details may vary based on the project's complexity and nature, these agreements typically include provisions regarding:

**Scope of Work:** A clear and detailed description of the services to be provided.

**Project Timeline:** Deadlines and milestones for project completion.

**Payment Terms:** Payment schedules, methods, and any potential penalties for late payments.

**Intellectual Property Rights:** Ownership of the work product(s) and any intellectual property created.

**Confidentiality:** Protection of sensitive information shared between parties.

**Warranties:** Limitations of liability and warranties for the services provided.

**Termination:** Conditions under which either party can terminate the agreement.

**Dispute Resolution:** Methods for resolving disagreements, and applicable law.

Service agreements in India are governed by the Indian Contract Act of 1872, and they are legally binding contracts [NOTE: Isn't this obvious for any contract?]. Essential principles of a valid contract such as offer, acceptance, and consideration are vital for any service agreement to be considered as a legally binding contract.

You will find below an example of a Service Agreement. Keep in mind that this example should be tailored to suit specific situations or user needs.

## **SERVICE AGREEMENT**

This **SERVICE AGREEMENT** (this “Agreement”) is made on this XX day of <<Month>>, 2024 (“Execution Date”)

### **BY AND BETWEEN**

<<Name of the Company>>, << Reg. Number>> and having its registered office at <<Address of the Company>>, hereinafter referred to as the “**COMPANY**” which expression shall unless excluded by or repugnant to the context be deemed to mean and include its/heirs, executors, legal representatives, administrators and assigns) of the **FIRST PART**;

### **AND**

<<Name of the Service Provider>> a private limited/public limited company incorporated and validly existing under the Companies Act, 1956/2013, and having its registered office at <<Address of the Company>>, hereinafter referred to as the “**SERVICE PROVIDER**”, which expression shall unless excluded by or repugnant to the context be deemed to mean and include its/heirs, executors, legal representatives, administrators and assigns) of the **SECOND PART**.

The Company and the Service Provider are hereinafter individually referred to as the “Party” and collectively as the “Parties”.

**WHEREAS** the parties hereto desire to enter into this Agreement to define and set forth the terms and conditions of the engagement of the Service Provider by the Company;

**NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:**

### **1. Terms and conditions of Engagement**

- a. The Service Provider shall provide services described in Schedule A (the “Scope of Services”) and together with such other services as may be reasonably requested in connection with this Agreement, to the Company, as hereinafter provided. The Service Provider, at all times, shall be independent of the Company. Nothing contained herein shall be deemed to make or render the Service Provider a partner, co-venturer or other participant in the business or

operations of the Company. Nothing contained herein shall be deemed to make or render the Company liable, as principal, surety, guarantor, agent or otherwise for any of the debts, obligations or liabilities of the Service Provider.

- b. The Service Provider agrees to perform the Services in a timely manner, and to exercise all reasonable skill and care in the performance of the Services.
- c. The Service Provider shall provide the Company promptly with any information, data or documents which may be reasonably required in connection with the Services under this Agreement.
- d. Unless otherwise agreed by the parties in writing, the Company shall at its own expense supply the Service Provider with all necessary documents and materials, and all necessary data or other information (“Data”) relating to the Services, within sufficient time to enable the Service Provider to provide the Services in accordance with this Agreement.
- e. The Company shall provide reasonable co-operation to the Service Provider in relation to the performance of the Services by the Service Provider mentioned under this Agreement.

## **2. Tenure**

The initial tenure of this Agreement will be for << >> years/months i.e. from the Execution Date i.e., from <<DD, Month, Year>> till <<DD, Month, Year>> (“Initial Term”).

## **3. Fees and Expenses**

- a. Subject to any special terms agreed in writing by the parties, the Company shall pay the service fees and charges from time to time for the provision of the Services as set out in the Schedule B (the “Fees”).
- b. The Fees shall be subject to Tax Deducted at Source (TDS), G.S.T. (if applicable) and Professional Tax.

- c. The Company shall reimburse the Service Provider for all the out-of-pocket expenses incurred by the Service Provider in connection with the Services, provided the Service Provider shall issue proper receipts of such expenditure.

#### **4. Duties and Obligations**

- a. The Service Provider shall diligently provide Services as per Schedule A and shall execute all the assignments and projects on timely manner with the highest professional standards and ethical business practices.
- b. The Service Provider shall procure all required manpower, assets and other necessary infrastructure at its own cost to render the Services as per Schedule A. The Service Provider shall administer and supervise all of the finances including payroll, taxes, accounting, bookkeeping, record keeping, managing or accounts payable, and accounts receivable, banking, financial records and reporting functions pertaining to such Services as per Schedule A.
- c. The Service Provider shall obtain and maintain such licenses, permissions and memberships required for the Service Provider to perform the Services as per Schedule A.

#### **5. Representations and Warranties**

- a. The parties warrant that it has the requisite power, legal capacity and authority to enter into this Agreement and to perform its obligations hereunder.
- b. The parties warrant that nothing contained in any agreements or Applicable Laws prohibits it from entering into and performing its obligations under this Agreement, or that would conflict with the terms of this Agreement.
- c. The parties warrant that this Agreement constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with the terms of this Agreement.

#### **6. Confidentiality**

- a. All information relating to the Company or given by Company to the Service Provider, pursuant to this Agreement, either in tangible or intangible form, shall be deemed to be confidential (hereinafter referred to as “Confidential Information”) for the purpose of this Agreement.
- b. The Service Provider hereby agrees that any Confidential Information disclosed by or on behalf of the Company will be treated confidentially and used solely for performance under this Agreement.
- c. The Service Provider shall not use the Company's Confidential Information for any purpose other than to carry out its obligations under this Agreement and shall ensure that the Service Provider's representatives/agents do not disclose any Confidential Information of the Company to any person at any time, nor make or authorise any public or private announcement or communication concerning the Agreement.
- d. The Service Provider shall also ensure that its representatives have access to the Company's Confidential Information only on a need-to-know basis and solely for the purpose of carrying out this Agreement, and such representatives shall be subject to the same obligations. If the Service Provider is required to disclose any of the Company's Confidential Information to a statutory authority, the Service Provider will notify the Company as soon as possible after receiving the disclosure request, but only to the extent legally permissible, and will assist in resisting such disclosure.
- e. The Service Provider acknowledges and agrees that all Confidential Information is valuable, special, and unique to the Company's business. The Service Provider agrees that, in the event of a breach of this Clause, in addition to any other legal or equitable remedies, the Company shall be entitled to equitable relief, including injunctive relief and specific performance. **(NOTE: In this Section quantified liquidated damages can also be incorporated)**
- f. The disclosure and supply of Confidential Information shall not, under any circumstances, result in the transfer of ownership of such information or the assignment of Intellectual Property Rights in connection with it.

## **7. Intellectual Property Rights**

All Intellectual Property Rights contained in any and all materials including software, source code, documentation, data, concepts, and ideas, or any part thereof created or developed, whether jointly or independently by either Party, during the term of the Agreement shall, unless otherwise expressly agreed in writing by the Parties, be deemed irrevocably assigned to and vest in the Company upon creation, without further charge. If required by the Company, the Service Provider shall do all things and sign all documents required to vest all Intellectual Property Rights assigned, otherwise transferred, or granted to the Company under this Agreement.

## **8. Termination**

The Company may terminate this Agreement immediately upon written notice to the Service Provider if:

- a. The Service Provider is unable to provide the Services or has materially or repeatedly violated any of the terms of this Agreement.
- b. The Service Provider fails to meet the required qualifications or engages in any act that demonstrates a disregard for the Company's reputation or legitimate business interests, as determined in the reasonable discretion of the Board of Directors.
- c. The Service Provider is unable to perform the services or any part of them in a manner which is satisfactory to the Company. In case, where the default in performance can be remedied, the Company shall give << >> days to the Service Provider to remedy the problem to its satisfaction.
- d. Either party can cancel the agreement as per the terms of this agreement, without assigning any reason, not sooner than 6 months from the execution date, which 6 months shall be termed as the lock-in period, by giving << >> days' notice in advance.

## **9. Indemnification**

The Service Provider shall indemnify, defend and hold harmless the Company and its affiliates, against and in respect of any and all losses, claims, damages, causes of

action, actions, obligations, liabilities, deficiencies, suits, proceedings, actual out-of-pocket obligations and expenses including cost of investigation, interest, penalties and reasonable attorneys' fees arising out of or due to the operation of this agreement and the services provided by the Service Provider, its affiliates, agents, servants and/or employees. These obligations set forth in this section shall survive for a period of one (1) year following the expiration and/or termination of this present agreement.

## **10. Notices**

All notices under this Agreement shall be written in English and shall be sent by hand or by courier or by electronic mail to the applicable Party at the contact details indicated below or to such other address or facsimile number as a Party shall designate by similarly giving notice to the other Parties:

(a) If to <<Name of the Company>>, at:

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Attention: \_\_\_\_\_

(b) If to the Service Provider at:

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Attention: \_\_\_\_\_

## **11. Miscellaneous**

- a. If any term, condition, provision, covenant or clause, of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
- b. Each Party hereto shall co-operate with the other and execute and deliver to the other such instruments and documents and perform or procure the performance of such other actions as may be required under applicable Law or as may be necessary or reasonably requested from time to time in order to carry out, give effect to and confirm their rights and intended purpose of this

Agreement provided that no such document or agreement shall be inconsistent with the spirit and intent of this Agreement.

- c. The arrangements between the Parties under this Agreement have been entered into on a principal-to-principal basis and do not create any employee-employer relationship between the Parties. Nothing contained in this Agreement shall be deemed to create any partnership or joint venture between the Parties or a merger of their assets or their fiscal or other liabilities or undertakings or create any employment or relationship of principal and agent between the Parties.

## **12. Dispute Resolution**

In the event of any dispute under this Agreement, the same shall be amicably settled between the Parties. If any dispute is not settled amicably, the same shall be referred to the sole arbitrator to be appointed by both the Parties. The award given by the Arbitrator shall be final and binding on both the Parties. The language of Arbitral Proceedings shall be English. This arbitration shall be governed by The Arbitration & Conciliation Act, 1996 and the place of arbitration shall be at <<Name of the City>>. Courts in <<Name of the City/State>> shall have exclusive jurisdiction.

## **13. Jurisdiction**

This Agreement shall be governed and construed in accordance with Indian Laws and subject to the jurisdiction of competent courts at <<Name of the City>>, India.

## **14. Entire Agreement**

The Parties hereto confirm and acknowledge that this Agreement shall constitute the entire agreement between them and that all earlier agreements, arrangements, letters, correspondence, understandings, etc., either written or verbal communication with respect to the subject matter herein stand superseded by this Agreement, and no amendment, modification, or addition to this Agreement shall be binding on either of the Parties hereto unless set forth in writing and executed by the Parties through their duly authorized representatives.

**Schedule A**

(Scope of Services)

**Schedule B**

(Fees)

**IN WITNESS WHEREOF** the Parties hereto have executed this Agreement on the day and year first above written.

1. <<Signature of 1st Witness>>
  
2. << Signature of 2nd Witness >>

Signed and delivered for and on behalf of:

For and on behalf of [Company]

[Insert Signature (& seal, where applicable)]

Authorised Signatory

Name:

Designation:

For and on behalf of [Service Provider]

[Insert Signature (& seal, where applicable)]

Authorised Signatory

Name:





Designation:

## Contac us

### INDIA IP SME HELPDESK

University of Alicante - Sede Ciudad de Alicante  
C/San Fernando, 40 Atico  
03001 Alicante, Spain

Helpline: +34 96 590 9684  
Working hours: Monday - Friday 9:00 -16:30 (CEST)

india@iprhelpdesk.eu  
ec.europa.eu/ip-helpdesk  
    @indiaIPhelpdesk