

**(TO BE EXECUTED ON NON-JUDICIAL STAMP PAPER OF Rs.100/-)**

**SERVICE AGREEMENT**

This Service Agreement (herein-after referred to as "**Agreement**") is executed

**AMONG**

Sh. \_\_\_\_\_ S/o \_\_\_\_\_  
R/o \_\_\_\_\_

(hereinafter called the "**TRAINEE**" which expression shall unless excluded by or repugnant to the subject or context include his/her heirs, administrators and assigns) of the FIRST Part; and

**AND**

rites Ltd. \_\_\_\_\_ New Delhi through its Authorized Representative Mr. \_\_\_\_\_ working as \_\_\_\_\_ (Hereinafter called the "**COMPANY**" which expression shall unless excluded by or repugnant to the subject or context include Company's employees, authorized representatives, successor's in office and permitted assigns) of the SECOND Part; and

**AND**

Sh. \_\_\_\_\_ S/o \_\_\_\_\_  
R/o \_\_\_\_\_

(hereinafter called the "**SURETY**" which expression shall unless excluded by or repugnant to the subject or context include his/her heirs, administrators and assigns) of the THIRD Part.

Each of the aforesaid shall hereinafter be referred to individually as a "**Party**" and collectively as "**Parties**".

**WHEREAS:**

- A. The Company has selected the "TRAINEE" through Open recruitment and offered an appointment to the position of "Graduate Executive Trainee" in IDA Pay Scale of Rs.20,600 - 46,500/- with training period of one year;
- B. The "TRAINEE" is desirous of and willingly accepts to be employed by the Company on the terms as mentioned herein;
- C. The "TRAINEE" undertakes to serve the Company honestly and diligently to the satisfaction of the Company for the stipulated period mentioned in the present agreement.
- D. For the due performance of the terms and conditions of this agreement by the TRAINEE, Mr./Ms. \_\_\_\_\_ has agreed to stand as surety for TRAINEE on his/her behalf to ensure compliance of covenants of the present agreement by TRAINEE. The SURETY has assured & undertakes to ensure that TRAINEE carries out the due fulfillment of the terms and conditions of this agreement.

**NOW, THEREFORE, IT IS HEREBY EXPRESSLY AGREED, COVENANTED, RECORDED AND DECLARED BY AND AMONG THE PARTIES AS FOLLOWS:**

1. That the TRAINEE will join his/her training w.e.f. \_\_\_\_\_.
2. During the training period of 1 year, the TRAINEE will be called as "Graduate Executive Trainee" in IDA Pay Scale of Rs.20,600-46,500/-.
3. The Company for the purpose of training will be spending & investing huge financial resources directly and indirectly related to hiring of trained outside agencies, experts from diverse fields, deputing in-house experts for training, intellectuals besides other support facilities to train & equip the TRAINEE to make him competent and fit to discharge the official duties as Assistant Manager after the successful completion of training of 1 year to be imparted to him by the Company at its own cost completely.
4. The training will substantially improve the professional standing of TRAINEE and it will be imparted by Company at a considerable investment and therefore, the Company in consideration thereof requires a commitment from the TRAINEE to recover its expenditure by availing the services of TRAINEE for a minimum period of 3 years or in case the TRAINEE breaches the terms of the present agreement then seek a penalty for non-fulfillment of the same as mentioned below in clause 12.
5. The TRAINEE agrees that the expenditure involved is several times higher than the penalty demanded from the TRAINEE but the penalty amount is a reasonable and conservative assessment of the damages that will be caused to Company in case of loss of services of TRAINEE considering the nature of employment and cost incurred by Company towards imparting training to TRAINEE.
6. After the completion of training, a certificate to this effect will be issued by the Company to the TRAINEE.
7. That the TRAINEE undertakes not to leave/resign/abscond from the Company after commencement of training and till the training is completed.
8. The training period can be extended based upon the performance of the TRAINEE, if required.
9. After the completion of training, TRAINEE will be absorbed as Assistant Manager (\_\_\_\_\_). The TRAINEE undertakes to serve the Company with the best of his abilities, diligence, hard-work, experience to serve the interests of Company.

10. In consideration of the Training to be imparted by Company, the TRAINEE undertakes irrevocably to serve Company from the date of commencement of training up-till the expiry of 3 years after the completion of training.
11. The TRAINEE agrees not to take employment with any other person, firm or company during the period of applicability of this agreement.
12. The TRAINEE and SURETY will be jointly and severally liable and responsible to forthwith pay on demand to the Company a sum of Rs.1, 00, 000/- (Rupees One Lakh Only) for General/OBC (NCL) (Rs. 50, 000/- for SC/ST/PWD), six months' salary paid to the TRAINEE during the training period and any pecuniary damages or losses, if suffered by the Company in case the TRAINEE:
  - i) Leaves/resigns with or without notice or absconds/abandons the Company after commencement of training and before training period is finished; or
  - ii) Leaves/resigns with or without notice or absconds/abandons before serving the Company for at-least 3(three) years after training ends; or
  - iii) Defaults or neglects or abstains from carrying out the terms and conditions of the present agreement in any manner whatsoever; or
  - iv) Joins any company/corporation/bank or any other organization after commencement of training and till completion of 3 years thereafter; or
  - v) Is terminated or dismissed for misconduct.
13. In case the TRAINEE is called upon to pay the amount as mentioned in Clause 12 above and the TRAINEE fails or neglects or refuses to pay the amount called upon, the same shall be recovered from SURETY who shall then be liable to pay such amount to Company on being intimated to do so. The provisions stated herein for breach by TRAINEE & SURETY of the provisions of this agreement shall be without prejudice to other remedies available to Company.
14. In the event of any disputes or differences concerning or connected with or arising out of this Agreement between the Parties to this Agreement in respect of demand for payment of sums of money as mentioned in Clause 12, such disputes or differences shall be referred to arbitration by a sole arbitrator to be appointed by CMD, RITES LTD. Arbitration shall be conducted as per Arbitration and Conciliation Act, 1996, or any modification or amendment thereof. The seat of the arbitration shall be at New Delhi. Arbitration shall be conducted in English language.
15. In case of resignation by the TRAINEE after the commencement of training, and before three years after completion of training, the TRAINEE will be required to:
  - i. Deposit a sum of Rs.1, 00, 000/- (Rupees One Lakh only) for General/OBC (NCL) (Rs. 50, 000/- for SC/ST/PWD), six months' salary and damages/losses suffered, if any due to resignation before the stipulated period;

- ii. The Management reserves the right not to accept resignation submitted in case any disciplinary proceedings are pending or contemplated against the TRAINEE.
- 16. The TRAINEE shall be governed by the HR Manual of RITES. The remedy mentioned under this agreement available to Company for violation of any terms of the present agreement by TRAINEE is in addition to right of Company to initiate appropriate disciplinary proceedings in accordance with procedure laid down in its manual against TRAINEE for violation of any laid down policy and rules of Company.
- 17. In relation to any legal action or proceedings arising out of or in connection with this Agreement, both the parties irrevocably submit to the exclusive jurisdiction of the courts in New Delhi.

**TRAINEE**  
COMPLETE ADDRESS:

**SURETY**  
COMPLETE ADDRESS:

FOR AND ON BEHALF OF **RITES**

**WITNESSED BY:**

**A.** \_\_\_\_\_

Name:  
Address:  
Occupation:

**B.** \_\_\_\_\_

Name:  
Address:  
Occupation:

**(Photo of  
surety to be  
signed across  
by the Surety)**

**SURETY BOND**

I, \_\_\_\_\_ S/o \_\_\_\_\_  
permanent R/o \_\_\_\_\_ whose signature is appended in  
the Service Agreement as Surety on behalf of TRAINEE namely Mr./Ms. \_\_\_\_\_  
do hereby solemnly affirm and declare as under that:

1. I am in the service of \_\_\_\_\_  
working as \_\_\_\_\_ and possessing adequate  
economic means which will enable me to honour the commitment made by me in the Service  
Agreement in capacity of Surety.
2. I unconditionally undertake to forthwith pay on demand without any demur or protest the sum of  
money as mentioned in Service Agreement under Clause 12 in case the TRAINEE fails to pay the  
money on invocation of penalty clause by RITES.
3. The Guarantee extended by the under-signed in the Service Agreement is further ratified in the  
present bond. The present bond will continue unabated till the time Service Agreement remains in  
force.

**SIGNATURE OF SURETY**

**WITNESSES:**

- 1.
- 2.