

FAQs on employment agreements and contracts in the light of Covid-19

1) How to execute contract/agreements during the lockdown period?

JC Comment - Most of the companies are looking to execute agreements digitally and legally these agreements are valid. The agreements are getting digitally executed by either using digital signature or electronic signatures. In case both the parties do not have digital signature, then parties opt for electronic signature. However, one should evaluate the use of electronic signature from enforceability perspective.

2) How should one pay the stamp duty on agreements and contracts amidst the lockdown?

JC Comment - Stamp duty is a state subject, most of the states have e-stamping facility however the procedure for procurement of the e-stamps differs from state to state.

3) Whether email confirmation of the draft agreement is fine?

JC Comment - Confirmations on emails are also considered as valid agreement however from the enforceability perspective it is advisable that subject matter of the e-mails should be clear. We advise our clients to always have a final email collating all the previous points discussed in the trail email and to take a confirmation on the same.

4) For entities involved in providing essential services what compliance should they do from labour laws perspective?

JC Comment - Government is providing Covid E-passes to everyone who is categorised under essential services as per the applicable guidelines. As an employer ensure that your employees are provided with E-passes to get ease on transportation from one location to another. Follow all the labour law compliances, government guidelines in respect of safety and sanitation for good and healthy working condition of the employees. Necessary policy should be prepared by the entity for its employees on how they should function in such situations.

5) Whether outbreak of COVID - 19 would trigger a Force Majeure event under the contract?

JC comment - Contracts wherein pandemics/ epidemics are included as one of the events of force majeure will be considered as a force majeure event. Cases where contracts have not provided for an epidemic/ pandemic to be a force majeure event, then court may look at the facts of the matter to establish as to how much the present scenario have impacted the ability of either party. However, the decision of the court whether Covid-19 outbreak should be considered as a force majeure event will vary depending upon the facts and circumstances of each case.

- 6) **In case we have new joiners during this lockdown period what stance are companies taking? Are they postponing the joinings? please share your views.**

JC Comment - Legally there is no bar on the companies postponing the joining of the candidate. Such communication should be done well in advance. We have also come across companies which have increased their recruitment during lockdown. They are using video conferencing and other applications to carry out the recruitment process.

- 7) **What is our liability as a principle employer for contract labour appointment by us like through third party vendors viz. housekeeping staff, security personnel etc?**

JC Comment - The relationship between the principal employer and contract labourer would remain the same. The principal employer will have to abide by the contractual obligations and the liabilities that would arise in accordance with the contract between them and the third-party contractor. They will also have to ensure that all the measures as suggested by the government from time to time is complied with.

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