

Annexure 03 Service Level Agreement (SLA)

Dated []

Service Level Agreement

Service Provider Limited

Prime Services Agreement

Dated []

BETWEEN**Employees' State Insurance Corporation ("ESIC"),**

and

Service Provider Limited (the "Service Provider").

1. This Service Level Agreement ("SLA") is issued pursuant to and forms an integral part of the above referred Prime Services Agreement dated [] (the "Prime Services Agreement") for provision of Services as described therein by the Service Provider to the ESIC and Stakeholders and accordingly the provisions of the Prime Services Agreement shall be applicable hereto. Any term not otherwise defined herein, shall have the meaning specified in the Prime Services Agreement.
2. Service Provider shall pursuant to and in accordance with the Prime Services Agreement and this SLA provide to ESIC (including Stakeholders) the services, deliverables and/or other tasks to be accomplished, the milestones and implementation schedule. These are in addition to and not in derogation of the Prime Services Agreement and shall be deemed to be under the Prime Services Agreement and the Service Provider shall accordingly provide all personnel, resources and finances for the performance and delivery of the same pursuant hereto.

3. Definitions

- a. **"Scheduled Maintenance Time"** shall mean the time that the System is not in service due to a scheduled activity. Scheduled maintenance time is planned downtime with the prior permission of ESIC, during non-business hours. The Scheduled Maintenance time will be approved by ESIC and shall not be considered for SLA Calculation.
- b. **"Scheduled operation Problem Notification & Resolution Time matrix on time"** means the scheduled operating hours of the System for the month. All scheduled maintenance time on the system would be deducted from the total operation time for the month to give the scheduled operation time. The total operation time for the systems and applications within the DC and DRC will be 24X7X365.

- c. **“System or Application downtime”** means accumulated time during which the System is totally inoperable within the Scheduled Operation Time but outside the scheduled maintenance time and measured from the time ESIC and/or its employees and/or stakeholders log a call with the Service Provider team of the failure or the failure is recorded in the monitoring Tool to the time when the System is returned to proper operation.
- d. **“Availability”** means the time for which the services and facilities are available for conducting operations on the ESIC system including application and associated infrastructure. Availability is defined as:
$$\frac{\{(Scheduled\ Operation\ Time - System\ Downtime)\}}{(Scheduled\ Operation\ Time)} * 100\%$$
- e. **“Incident”** refers to any event / abnormalities in the functioning of the Data Centre Equipment / Services that may lead to disruption in normal operations of the Data Centre, System or Application services.
- f. **Down/Downtime/Failure of Service:** The time when a Configuration Item or IT Service is not Available during its Agreed Service Time.
- g. **Component:** A Device/an Appliance/a Solution/ an Application or combination of devices which performs an activity/task.
- h. **Resolution:** Resolution of Incident means restoration of the services by providing workaround or permanent solution to mitigate impact of the incident.
- i. **Response:** Maximum time to log the call (As per Schedule J) (5 mins after receiving information of the incident) and within time permitted as per Severity definition ticket ID must reach to User will complete the Response Cycle.
- j. **DAY:** For Service Level SLA, definition of Day is of **24** hours.
- k. **Working Hours**
- i. 0:00 Hrs. to 24:00 Hrs. in DC & DR
- l. **Start of the Day/Month for the calculation:** Midnight 00:00 hrs on 1st of every Month for DC & DRC.

- m.** Systems: All IT infrastructures equipment's including Server, Storage, Network, Security, Virtualization, EMS Tools, Middleware, Portals
- 4.** Without prejudice to the foregoing in relation to the provision pursuant hereto of Services and related Systems the
- SLA Framework for DC/DR Service Availability, Application Performance and Service Desk shall be in accordance with **Exhibit 1** hereto and corresponding Damage matrix shall be in accordance with **Exhibit 2** hereto;
 - Damage matrix of Project Management shall be in accordance with **Exhibit 3** hereto;
 - DC/DR Service Availability Management shall be in accordance with **Exhibit 4** hereto;
 - Application Performance Management shall be in accordance with **Exhibit 5** hereto;
 - Service Desk Management shall be in accordance with **Exhibit 6** hereto;
 - Damage matrix of Software application development for Additional Functionality and Change Request shall be in accordance with **Exhibit 7** hereto.

5. Measurement and Monitoring

The methodology and measures to be used for management of the services including performance, tracking, monitoring and reporting of Services and System performance on a regular basis during the Term of the Prime Services Agreement including any extensions thereof shall be as set forth in this SLA. The provisions herein contained are in addition to and not in derogation of the provisions contained in Prime Services Agreement.

- a.** The SLA parameters shall be monitored on a monthly basis as per the individual SLA parameter requirements. However, if the performance of the system/services is degraded significantly at any given point in time during the contract and if the immediate measures are not implemented and issues are not rectified to the complete satisfaction of ESIC or an agency designated by them, then ESIC will have the right to take appropriate actions including termination of the contract.
- b.** Overall Availability and Performance Measurements will be on a monthly basis for the purpose of Service Level reporting.
- c.** Monitoring tool system as specified in this RFP shall play a critical role in monitoring the SLA compliance. The selected Service Provider must use EMS tool and develop additional scripts (if required) for capturing the required data for SLA report generation in automated way. This tool should generate the SLA Monitoring report in the end of every month which is to be shared with ESIC on a monthly basis. The tool should be capable of generating SLA reports for the entire period of contract.

Only Tool based SLA report will be accepted for SLA measurement. No manual report will be accepted for SLA measurement.

- d. ESIC shall have full access to the Monitoring tool solution (and any other tools / solutions deployed for SLA measurement and monitoring) to extract data (raw, intermediate as well as reports) as required during the project. ESIC will also audit the tool and the scripts on a regular basis.
 - e. The measurement methodology / criteria / logic will be reviewed by ESIC.
 - f. Wherever, the measurement is through a client setup at DC / DRC, remote access to the client should be available at ESIC-HQ. In addition, remote access should be provided at ESIC-HQ for all Monitoring tool data and logs.
 - g. In case of default on any of the service level metric, the Service Provider shall submit performance improvement plan along with the root cause analysis for ESIC's approval.
 - h. For SLA related payments, the SLA measurement will be measured and computed on a quarterly basis.
6. All Intellectual Property Rights in the System and in all the Deliverables produced pursuant to this SLA shall belong to the ESIC and the Service Provider shall not have any claim, right, title or interest whatsoever therein.

7. Breach of SLA

7.1 Any breach of this SLA shall be deemed to be a breach of the Prime Services Agreement and any breach of the Prime Services Agreement shall be deemed to be breach of this SLA and accordingly any termination of this SLA shall be deemed to be termination of this Prime Services Agreement.

7.2 Without prejudice to Clause 7.1 above, in the event of the Service Provider being in breach of this SLA including failure to meet any of its obligation under this SLA for a continuous period of 72 hours affecting adversely the operations of ESIC and fails to remedy the same and the effects thereof within 21 days of the date of issue of notice in this behalf from ESIC (the "Notice"), the same shall constitute a breach of this SLA and shall entitle ESIC to take, without prejudice to the rights and remedies which ESIC may have under the Prime Services Agreement or otherwise, the following actions:

- a) Require the Service Provider to reply to the Notice by return email within 24 hours of the issue thereof but in no event later than 7 days of the date of issue thereof by ESIC to the Service Provider, setting out in detail the reasons therefore, and
- b) If (i) the Service Provider fails to reply to the above referred Notice within the period set forth in sub-clause (a) above, or (ii) the ESIC is not satisfied with the reply of the Service Provider to the Notice,

Then ESIC may in its sole and absolute discretion terminate the Prime Services Agreement and all SLA's (including this SLA) and to have the breach remedied/rectified at the risk and cost of the Service Provider.

7.3 The delay or default by the Service Provider in meeting its obligations under this SLA if solely due to

- (i) Delay of ESIC in execution and/or approval, if any required, from ESIC, and/or
- (ii) Occurrence of a Force Majeure Event,

shall not be deemed to be a breach of this SLA by the Service Provider, provided the Service Provider had advised ESIC in writing, immediately upon occurrence of any such delay by ESIC and/or occurrence of a Force Majeure Event and before the issue of notice pursuant to Clause 7.2 above, the consequences of any such delay on the part of ESIC and/or occurrence of a Force Majeure Event.

7.4 The ESIC's right of termination set forth in this SLA is in addition to and not in derogation of the right of termination which ESIC may have under the Prime Services Agreement.

8. Damages

Service Provider is expected to provide the service levels as per Exhibit 3 to Exhibit 7. In case these service levels cannot be achieved at service levels defined in the Exhibits below, it shall invoke the performance related damages. Payments to the Service Provider are linked to the compliance with the SLA Damages Metrics laid down in the **Exhibit 2, Exhibit 3 and Exhibit 7**.

9. SLA Supervision

ESIC will review the performance of the Service Provider against the SLA at any given time or duration. The supervision report about the performance of any Services pursuant to this SLA by the Service Provider or any other agency as appointed by ESIC shall form the basis for imposing Damages for breach of contract. The results of said review will be shared by ESIC with the Service Provider. ESIC reserves the right to appoint a third-party auditor / agency to validate the deliverables under this SLA.

10. Reporting Procedures

10.1 The Service Provider's representative will prepare and distribute SLA performance reports in the Standard format as per industry practice by the Fifteenth of every calendar month during the entire Term (including renewal, if any, thereof) of the Prime Services Agreement. These reports will include but not limited to "actual versus target" SLA performance, a variance analysis and discussion of appropriate issues or significant events, % of service level objectives met, % of met SLAs, Downtime % based on SLAs, % SLA planned to be expired. ESIC may ask for further reports and/or clarification to the reports submitted by the Service Provider.

10.2 An "Availability and Performance Report" will be provided by the Service Provider on monthly basis and a review shall be conducted based on this report. A monthly Availability and Performance Report shall be provided to the ESIC at the end of every month containing the summary of all incidents reported and associated Service Provider performance measurement for that period. The monthly Availability and Performance Report will be deemed to be accepted by the ESIC upon review and signoff by both Service Provider and ESIC.

11. Issue Management Procedures

11.1 General

- a. The issue management process for resolution of any issues arising under this SLA during the entire Term (including renewal, if any, thereof) of the Prime Services Agreement shall be as set forth in Clause 11.2 below. It is expected that this pre-defined process will only be used on an exception basis if issues are not resolved at lower management levels. All damages mentioned in this SLA are independent of each other and will have cumulative effect.
- b. Performance related KPIs are significantly dependent on deployed architecture, application, infrastructure and the business load. Hence any deviation or under-performance of KPIs will be analyzed by service provider on a monthly basis and a Root Cause presented to ESIC.

11.2 Issue Management Process

Either the Service Provider or ESIC may document any issue(s) which arises at any time during the performance of this SLA (the "Issue(s)") and communicate the same to the other Party hereto within 3 days of it arising;

- a. The document referred to in sub-clause (a) above shall contain an objective summary of the Issue(s), the viewpoints of both Service Provider and ESIC and possible solutions thereof;
- b. Both the Parties will mutually select an appropriate issue resolution authority to resolve the Issue(s);

- c. A meeting or conference call will be conducted between the Parties and the issue resolution authority to resolve the Issue(s) in a timely manner. The documented Issue(s) will be distributed to the participants at least 24 hours prior to the discussion if the Issue(s) is not of an emergent nature requiring immediate attention;
- d. The selected issue resolution authority will resolve the Issue(s) and communicate the same to the Parties; and
- e. In the event any significant business Issue(s) is still unresolved, either Party may have recourse to the Dispute Resolution Procedure set forth in the Prime Services Agreement shall apply.

12. SLA Change Control

Any changes to the level of Service pursuant to this SLA provided during the Term (including renewals) of the Prime Services Agreement will be requested and documented. Either Party can request a change. All changes will be documented as an addendum to this SLA. Changes will be subjected to approval of ESIC.

13. Management Escalation Procedures

- 13.1 The purpose of this escalation process is to provide a quick and orderly method of notifying both parties that an issue is not being successfully resolved at the lowest possible management level. Implementation of this procedure will ensure that ESIC and Service Provider are communicating at the appropriate levels. It is agreed that escalation should take place on an exception basis and only if successful issue resolution cannot be achieved in a reasonable time frame.
- 13.2 All issues would be raised to the Project Management team (referred to in Article 7 of the Prime Services Agreement), which will be completely responsible for the day to day management of the implementation of Services and deliverables under the Prime Services Agreement including this SLA. The project management team shall classify the issues based on their severity level and resolve them within appropriate timelines ensuring that there are no delays in provision of Services.
- 13.3 If the Project Management team is unable to resolve an issue, the issue would be escalated to the ESIC Management with options/ risks detailed for decision. The ESIC will make decisions based on the options/ risks presented by the Project Management team.

- 14. This SLA is supplemental to and not in derogation of the Prime Services Agreement and shall be construed accordingly and in the event of any conflict between provisions of this SLA and the Prime Services Agreement, the provisions of this SLA will prevail only with respect to the Services pursuant to SLA and save and except as aforesaid the provisions of the Prime Services Agreement will prevail.

The Service Provider is requested to acknowledge and confirm this SLA.

EMPLOYEES’ STATE INSURANCE CORPORATION

By: _____

Name:

Title:

Address:

Acknowledged and confirmed

[SERVICE PROVIDER]

By: _____

Name:

Title:

Address:

Exhibit 1 - SLA Framework & SLA Score Card

Domain	Tower	Weightage	To be measured against	
DC Services	Server	25%	Availability 100%	
	Storage			
	Network			
	Application			
DRC Services	Server	25%		
	Storage			
	Network			
	Application			
Application Management	Average Response Time	20%	Response time100%	
Service Management	Service Desk	20.00%	Response Time	Resolution Time

			40%	60%
O&M Additional Reports under Clause 8 of the RFP Vol-1	Automated/ Automated	Non	10.00%	Timeliness 50%
				Accuracy 50%
Total			100.00%	

Exhibit 2 – SLA Damages Matrix

Damage Metrics	
SLA Score	Damage
< 95	10%
>=95 < 96	7.5%
>=96 < 98	5%
>=98 < 99	2.5%
>=99 < =100	0%

Exhibit 3 - Project Management

S.No	Parameter	Description	Target	Damage	Validation tools / method
1	Project setup time	Service Provider is expected to mobilize the team for commencement of work	3 Months prior to Scheduled Transition Completion Date or within 15 days from date of award of contract in case 3 months period is not available. Project kick off meeting	ESIC reserves the right to terminate the contract on failure.	Project team to be available as indicated in the proposal, Project kick off meeting , Project Management office setup

			within 2 weeks from date of issue of LOI.		
2	Completion of Transition	Transition from Current Service Provider	Completion of Transition Phase as per time line.	<p>For 1st day or part thereof= Rs 50,000/- (Rupees fifty thousand).</p> <p>2nd day to 7th days = Rs. 100000/- (Rupees one lakh) per day.</p> <p>8th day onward = Rs 500000/- (Rupees five lakhs) per day.</p> <p>In case ESIC permits extension of timeline for Transition, the maximum limit of Damages on this account will be 50% of the Cost Services to be provided during the Transition quoted by the</p>	Transition Acceptance Report (signed by ESIC official & Service Provider)

				bidder. However, ESIC shall not make any additional payment on account of Transition Services during extension period.	
3	Annual Reports as per Clause 8 of RFP Vol-1	Third Party certificate on DC/DR facility for conformance to Tier II standards and ISO 27001 latest standard of Data Center, Third Party Quality certificate from STQC or STQC approved agency for conformance to Govt. of India guidelines for website standard (GIGW) for ESIC website (esic.in), Third Party Certificate from STQC or STQC approved agency or CERT-IN empaneled	4 th January of every year	Govt. Quality agencies like STQC, CERT-IN and similar agencies invoices will be assessed for the purpose of deduction/damages.	Certificate

		agency for application Vulnerability Assessment and penetration testing.			
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Exhibit 4 – DC/DR Service Availability Management

S No.	Components	Desired Uptime	Scorecard				
1	DC and DR Availability (uptime) of all components including hardware /software / network/ storage / power system / cables, etc. located in Data Center, Disaster Recovery center. Uptime will be calculated on a basis of 24 / 7 * 365 or 366 days availability as applicable	99.741%	<96%	>=96% and <99.5 %	>=99.5 % and <99.6 %	>99.6% and < 99.741%	>=99.741 %
			0	70	80	90	100

1. Availability Management for DC & DR

1.1 Key Parameter’s and Interpretation

- Availability is the portion of time that an application or service is available to internal or external customers for productive work.
- Each Component has one or more devices. All above primary infrastructure components will contribute to the availability of applications.

- Panchdeep Applications will be deemed as non-available/down on grounds:
- The entire business Application will be treated as down if users are not able to work on even any one of Business application of Panchdeep (Dhanwantri, Insurance, HRMS, Finance and Material management) for consecutive 30 minutes Pan India.
- Authentication failure PAN India in SSO Login for consecutive 30 minutes
- Logging of Severity one ticket as defined in Exhibit 6 Service Management

1.2 List of Solutions, Components and Devices in DC and DR

- All the individual application stacks are considered as individual solutions.
- All the devices in production at DC and DR will be measured for SLA Computation.
- All the servers/database availability in Cluster or Load Balancer mode would be measured at cluster level and or load balancer level rather at individual server's availability basis.

1.3 Formula for Calculating uptime/ Availability for DC/DR

DC : $\frac{\{(Total\ Time\ *Total\ Number\ of\ Devices)\ - (Total\ Unplanned\ Downtime\ of\ all\ the\ Devices)\}}{(Total\ Time\ *Total\ Number\ of\ Devices\ of\ DC)}$

DR: $\frac{\{(Total\ Time\ * Total\ Number\ of\ Devices)\ - (Total\ Unplanned\ Down\ Time\ of\ all\ the\ Devices)\}}{(Total\ Time\ *Total\ Number\ of\ Devices\ of\ DR)}$

Note: Total Time = (24 hours * 60 minutes per hr * number of days)-Scheduled Down Time.

Service Window: 24 hours (00:00 hours to 24:00 hours)

1.4 Remarks

Hardware would include servers, host, peripherals, Load Balancer (when both the Load balancers are down). A hardware that impacts the availability of the solution individually or collectively and the one that impacts business application (under impact Severity 01 call) would be considered for SLA Calculation

Software: would include all system software, application software under Panchdeep and licensed software deployed at DC /DRC servers etc. to perform day to day activities

Network: Routers, Switches, h/w firewall, UTM Devices (H/W - IPS, IDS), LLB.

Storage: (SAN/ Storage): Storage Devices (SAN), SAN Switch, Backup Devices (Tape Drive). (Availability of Storage will impact DC/DR availability SLA where), DC/DR. Replication software, backup software.

2. Performance Management of Applications at DC and DRC

Exhibit 5 - Performance Management: Application Response Management

S. No.	Components	Measurement baseline	Scorecard		
1	Average Response Time from Application Portal	<=1.5 second	> 2 sec	> 1.5 sec to <=2 sec	<=1.5 sec
			0	50	100

2.1 Key Parameters and Interpretation

- Target: This SLA is applicable for all transactions executed by ESIC users in DC and DRC for the Business Applications.
- The response time would be measured from the point of submission of transaction in DC and its response at DC router.
- The SLA for average response time will be calculated based on average of all response time for all transactions executed in DC/DR.

2.2 Definition of Transaction:

Completion of the query/ request /data submission by the user from front-end of the application in Data Center and providing the information to or from Data Center/Server back to Data Center will be considered as a transaction. For Example: Submitting Registration details in Dhanwantri is one transaction and check-in of the IP is another Transaction. However, for SLA purposes, only the processing time and execution time taken by the various servers (including storage) will be used for measurement.

3. Service Management Exhibit

6 - Service Management

SLA Management	Service		Score Card

Severity Definition										
Type	Response Time in Minutes	Restoration Time in Minutes	Measurement Criteria for both Response and resolution time	Weightage	<85 %	>=85 and < 96%	>=96 % and < 99.5 %	>=99.5 % and < 99.7 %	>99.7 % and < 99.9 %	>=99.9 %
Sev . 1	< 5 mins	< 30 mins	Percentage Calls resolved in time / No of calls in month Percentage Ticket response in time / No of tickets in month	40%	0	50	70	90	95	100
Type	Response Time in Minutes	Restoration Time in Minutes	Measurement Criteria for both Response and resolution time	Weightage	<85 %	>=85 and < 96%	>=96 % and < 99.5 %	>=99.5 % and < 99.7 %	>=99.7 % and < 99.9 %	>=99.9 %
Sev . 2	< 5 mins	< 60 mins	Percentage Calls resolved in time / No of calls in month Percentage Ticket	30%	0	60	75	90	95	100

			response in time / No of tickets in month							
Type	Response Time in Minutes	Restoration Time in Minutes	Measurement Criteria for both Response and resolution time	Weightage	<80 %	>=80 and < 92%	>=92 % and < 98%	>=98% and < 98.9 %	>=98.9% and < 99.5 %	>=99.5 %
Severity 3	<5 mins	<2 days	Percentage Calls resolved in time / No of calls in month Percentage Ticket response in time / No of tickets in month	30%	0	70	80	90	95	100

Severity 1- Extensive/Widespread Critical: DC/DR completely down or any other issue pertaining to DC and DR which is impacting majority of users (more than one zone), All Infrastructure devices and related services of DC/DR, Any Application Impacted for PAN India, Any Module and Sub Modules and respective database, Critical Functionality down

1. Outage of Data Center/Disaster Recovery Infrastructure Applications, Business Applications, Portals over internet or intranet
2. Outage of NOC and SOC solution/components
3. No resolution within agreed time of Non Conformity and Vulnerability identified during audit
4. Employers are unable to file monthly contribution on Employer Portal
5. Router Unresponsive, Networking Devices at DC and DR

Severity 2 - Significant/Large DC/DR - Networking Devices (LAN, Switch, Network Points, Cable) down, VOIP & VC Devices down, Servers Systems are infected by virus.

Any Application/module which is Impacting majority of users of one zone/region/state.

1. Users unable to perform transaction including but not limited to Dhanwantri, Insurance, ERP, IP Portal
2. Outage of BI and Data Analytics Solution
3. Outage of Storage/Backup Solution
4. Generation of SLA reports from EMS system

5. Outage of Building Management solution and components at DC/DRC
6. Non Submission of BIA report within agreed upon time
7. Non submission of penetration testing report within agreed upon time
8. Outage of event log solution and components

Severity 3 - Moderate/Limited Any application issue impacting at least one user. User's unable to perform single transaction at a given time

1. Access issue in any application/module.
2. Data issue while using application
3. Exceptions/error encountered during transaction
4. Adhoc data extraction
5. Issues encountered for any external application interface
6. Partial and non-critical loss of functionality of application.
7. Password reset
8. Lack of application functionality learning issue
9. Application enquiry regarding a routine technical issue
10. Information requested on application capability, capacity, installation, navigation and configuration

3.1 Key Parameters and interpretation

- Resident Engineer will be deployed at DC and DR for 24 hours a day and 365/366 days a year
- Incident calls will be logged within 5 mins (provided caller share the standard relevant information for call diagnosis) from the time information reaches to Service Desk Team via phone, email, walk in, etc.
- Auto logged warning/alert calls will be excluded from SLA Calculation, whereas Auto logged Incident calls will be applicable for SLA Calculation.

3.2 Remarks

- Service Desk Reports will be computed from Call/Ticket Logging Tool,
- The Planned and Unplanned downtime to be considered for SLA dashboard as per report from monitoring tool.
- Application Slowness related calls would be logged to provide immediate support to the users, Damage for Application Slowness issue would be measured under Application Response SLA via automated tools.

Exhibit 7 – Change Request

Sr. No.	Parameter	Description	Target	Damage	Validation tools / method
1	Change Request	Service Provider is expected to deploy changes in the production system as per mutually agreed timelines for each of the change Request	As per agreed timelines. However the date for schedule deployment in production should be submitted along with SRS document.	Rs 10,000 - (Rupees Ten Thousand) per day of delay for each Change Request. Maximum limit of penalty under this	Systems should be running for a continuous period of 02 weeks without any incident in the reported change

Technology Improvements

Sr. No.	Parameter	Description	Target	Damage	Validation tools / method
1	Implementation of Technology Improvements, as provided in para 2.4 of Vol. I of RFP	Service Provider is expected to complete each item under Technology Improvements as per mutually agreed time lines	As per agreed timelines. However the date for schedule deployment completion should be submitted along with SRS.	Rs 10,000 - (Rupees Ten Thousand) per day of delay in development . Maximum limit of penalty for each item under this head will be 10% of the Cost value for that item. The will be in addition to any other damages	Systems should be running for a continuous period of 02 weeks without any incident in/ due to the reported change

Irrespective of the damages stated above, damages described following will be levied:

1. **On account of failure to switch over and Run operations from DRC, Amount payable on account of 'Cost of Operation & maintenance of DR' will be withheld in case services do not operate from DR when it is required to be operated from DR as per the terms of the Contract.**

In Case it is not complied in the subsequent alternate quarter also amount of the previous quarter that was withheld on account of noncompliance of 'Cost of Operation & maintenance of DR' shall be set off as Damages.

2. In case Damages on account of breach of SLA set forth as above worked out for two consecutive quarters is beyond 10% then Damages for the second quarter will be capped at 15%. In case it continues to be beyond 10% even in the third quarters in succession Damages will be capped at 20%. However, if there is complete breakdown of Services with respect to any item 1 to 4, no payment would be made with respect to that item.
3. Damages for Manpower- Manpower eligible for Holiday as per ESIC Headquarters Calendar & One leave per Calendar Month. For any absence beyond this Damages will be levied as under :

Twice the Remuneration payable to the Employees who remain absent more than above limit for each day of absence or for failure to deploy manpower.