

Commercial Contract

AGREEMENT FOR EXCLUSIVE SUPPLY OF GOODS MANUFACTURED



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

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1. INTRODUCTION OF SMEDA

The Small and Medium Enterprise Development Authority (SMEDA) was established with the objective to provide fresh impetus to the economy through the launch of an aggressive SME development strategy. Since its inception in October 1998, SMEDA had adopted a sectoral SME development approach. A few priority sectors were selected on the criterion of SME presence. In depth research was conducted and comprehensive development plans were formulated after identification of impediments and retardants. The all-encompassing sectoral development strategy involved overhauling of the regulatory environment by taking into consideration other important aspects including finance, marketing, technology and human resource development.

After successfully qualifying in the first phase of sector development SMEDA reorganized its operations in January 2001 with the task of SME development at a broader scale and enhanced outreach in terms of SMEDA's areas of operation. Currently, SMEDA along with sectoral focus offers a range of services to SMEs including over the counter support systems, exclusive business development facilities, training and development and information dissemination through a wide range of publications. SMEDA's activities can now be classified into the three following broad areas:

1. *Creating a Conducive Environment*; includes collaboration with policy makers to devise facilitating mechanisms for SMEs by removing regulatory impediments across numerous policy areas
2. *Cluster/Sector Development*; comprises formulation and implementation of projects for SME clusters/sectors in collaboration with industry/trade associations and chambers
3. *Enhancing Access to Business Development Services*; development and provision of services to meet the business management, strategic and operational requirements of SMEs.

SMEDA has so far successfully formulated strategies for sectors, including fruits and vegetables, marble and granite, gems and jewellery, marine fisheries, leather and footwear, textiles, surgical instruments, transport and dairy. Whereas the task of SME development at a broader scale still requires more coverage and enhanced reach in terms of SMEDA's areas of operation.

Along with the sectoral focus a broad spectrum of services are now being offered to the SMEs by SMEDA, which are driven by factors like enhanced interaction amongst the stakeholders, need based sectoral research, over the counter support systems, exclusive business development facilities, training and development for SMEs and information dissemination through wide range of publications.

2. ROLE OF SMEDA LEGAL SERVICES CELL

The Legal Services Cell (LSC) is a part of Business Development Division of SMEDA and plays a key role in providing an overall facilitation and support to SMEs. The LSC provides guidance based on field realities pertaining to SMEs in Pakistan and other parts of the world. LSC believes that information dissemination among the SMEs on the existing regulatory environment is of paramount importance and it can play a pivotal role in their sustainable development.

In order to facilitate SMEs at the Micro Level LSC has developed user-friendly systems, which provide them detail description of the Laws, and Regulations including the process and steps required for compliance.

The purpose of this document is to provide SMEs, Service Providers, Companies and Firms with information pertaining to requisite format and content of a business to business commercial contracts. Entrepreneurs interested in enhancing their understanding about the nature and form of Agreement for exclusive supply of goods manufactured can also use the document.

3. DISCLAIMER

Form of this document and the contents therein are provided only for general information purpose and on an "as is" basis without any warranties of any kind. Use of this document is at the user's sole risk. SMEDA assumes no responsibility for the accuracy or completeness of this document, its form and any of the information provided therein and shall not be liable for any damages arising from its uses.

Agreement between a Manufacturer and a Wholesale Dealer for Exclusive Supply of Goods Manufactured

AN AGREEMENT made at this _____ day of _____ 200 at

Between

ABC (**give name of the company or firm etc.**), (hereinafter called the “Seller” which expression shall mean and include his legal heirs, executors, administrators, assignees, legal representatives and successors) of the First Part.

AND

XYZ (**give name of the company or firm etc.**), (Hereinafter called the “Buyer” which expression shall mean and includes its executors, administrators, assignees, legal representatives and successors-in-interest) of the Second Part.

WHEREAS it is agreed between the parties that the Seller will sell _____ (**write name of the goods manufactured**) and the Buyer will buy the whole of the existing stock _____ (**name of goods manufactured**) manufactured by the manufacturer/Seller at the price of Rs. _____ per _____.

AND WHEREAS the Seller agrees with the Buyer that he will not for the period of one year from the date of this agreement make or sell for or to any person (including any firm or company) other than the Buyer any goods similar in pattern and description of those hereby agreed to be sold.

AND WHEREAS all goods to be supplied under this contract shall be paid for in cash upon delivery.

NOW BOTH THE PARTIES AGREE UPON AND UNDERTAKE AS FOLLOWS:-

1. Time:

The Seller shall supply the goods mentioned above to the Buyer for the period of one year to be commenced from the date of signing of this contract. It is specifically agreed between the parties that time shall be the essence of this contract.

2. Goods to be Manufactured according to Specifications

The goods to be supplied under this agreement shall be manufactured in a good workmanlike manner according to the specifications (**annexure “A”**), of the best material and to the entire satisfaction of the Buyer. If the Buyer shall in good faith be dissatisfied with the said goods on delivery he shall be entitled to reject the same.

3. Effect of Non-conformity with Contract

It is hereby agreed that the failure by the Seller to supply the goods in accordance with the agreed specifications the Buyer may at his option either within _____ days after delivery thereof to reject the goods and repudiate the contract or to retain the goods subject to a right to compensation or damages for breach of contract.

4. Goods to conform to the Sample

The goods to be supplied by the seller shall correspond with the agreed sample which has been sealed by the Buyer and placed with the Seller.

5. Description

The description hereinbefore given to the said goods has been given only by way of identification thereof and not so as to constitute this contract as a sale by a description.

7. Acceptance and Rejection

The Buyer may return the goods within _____ days of delivery if they are not manufactured according to the agreed specifications. Provided that before returning the goods the Buyer shall allow an opportunity to the Seller to inspect the goods at its premises within ____ days of the delivery of such goods. If the goods are not returned within the period stated above the Buyer shall be deemed to have accepted them.

8. Risk in Transit

The said goods shall be delivered to the Buyer at _____ (**mention place**) provided that from the time of dispatch thereof from the Seller's place and until such delivery the risk of any loss and damage to or deterioration of the said goods from whatever cause shall be borne by the Seller.

9. Lien

The Seller shall be entitled to retain possession of the said goods until payment in full is made by the Buyer.

10. Prevention of Delivery by Strike etc.

Should the Seller be prevented from delivering the goods all the time hereby fixed by reason of lock out, strike, riot, mutiny, fire or any other unexpected cause beyond his

control, the time for delivery shall be extended until the operation of such cause has ceased or the Seller may at his option cancel the contract by giving notice to the Buyer in writing before the expiry of the period fixed for delivery.

11. *Dispute Resolution*

If any dispute arises between the parties regarding any of the matters covered under this agreement, the parties shall initially try to resolve the same amicably. If the amicable settlement is not possible the matter shall be decided through arbitration in accordance with the Arbitration Act, 1940.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

BUYER

SELLER

Witness

Name: _____

R/O: _____

Witness

Name: _____

R/O: _____

