

# Commercial Contract

## AGREEMENT FOR SALE PURCHASE OF ELECTRIC APPLIANCES



**Small and Medium Enterprises Development Authority**

**Ministry of Industries & Production**

**Government of Pakistan**

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**January 2013**

## 17. AGREEMENT FOR SALE PURCHASE OF ELECTRIC APPLIANCES

**THIS AGREEMENT FOR SALE PURCHASE OF ELECTRIC APPLIANCES** (hereinafter referred to as the "Agreement") is made at [insert place] on this \_\_\_\_ (insert date) day of \_\_\_\_\_ (insert month), 20\_\_ (insert year)

### BY AND BETWEEN:

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

**OR**

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number]

(hereinafter referred to as the "Seller", which expression shall, wherever the context so provides, include its successors, assigns, nominees and agents)

**AND**

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

**OR**

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number]

(hereinafter referred to as the "Buyer", which expression shall, wherever the context so provides, include its successors, assigns, nominees and agents).

(The Buyer and the Seller are hereinafter collectively referred to as the "Parties", and individually as the "Party".)

**WHEREAS** the Seller is the manufacturer of electric appliances under the name and style of "[insert name of the manufacturer's business]".

**AND WHEREAS** the Buyer owns a retail store wherein electrical appliances are sold.

**AND WHEREAS** the Buyer intends to enter into an agreement with the Seller for the ongoing purchase of the electrical appliances (hereinafter referred to as the "Electrical Appliances" and detailed more particularly in Schedule I to this Agreement.)

**NOW THEREFORE** the Parties have entered into this Agreement for the Sale/Purchase of the Electric Appliances on the following terms and conditions:

## **1. TERM AND SCOPE OF CONTRACT**

- (1) This Agreement shall come into effect on the date of execution of the Agreement, and shall continue for a period of [insert number] months unless terminated by either Party under the terms and conditions of this Agreement.
- (2) The Seller agrees to sell, and the Buyer agrees to buy the Electric Appliances mentioned in Schedule I of this Agreement.
- (3) The Seller agrees that the Buyer shall have the right to return/get the Electric Appliances replaced which do not match with the specifications set out in Schedule I of this Agreement.

## **2. PURCHASE ORDER**

- (1) The Buyer shall, from time to time, place an order with the Seller on the prescribed purchase order form of the Seller, wherein the specifications of the requisite Electric Appliances, as well as the quantities required shall be mentioned, along with any special conditions of the purchase order.
- (2) Upon a purchase of Electric Appliances worth more than Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_) (insert amount), the Buyer shall be entitled to a [insert percentage]% discount on the next purchase order placed by the Buyer with the Seller.

## **3. PAYMENT**

- (1) The Price against each purchase order shall be determined at the time of placing of the order.
- (2) Of the total price of the Purchase Order, the Buyer shall pay to the Seller [insert percentage]% as advance (hereinafter referred to as the "Advance") at the time of placing the order with the Seller.
- (3) The remaining of the Total Price shall be paid by the Buyer to the Seller upon the delivery of the Electric Appliances in accordance with the terms and conditions of this Agreement.
- (4) The Price shall be inclusive of the charges relating to the delivery of the Electric Appliances from the Seller to the Buyer.

## **4. SAMPLE/SPECIFICATIONS/DESCRIPTION**

- (1) Where an order is placed against a sample, the Seller shall ensure that:
  - i. the Electric Appliances sold to the Buyer shall correspond with the sample in quality;
  - ii. the Electric Appliances shall be free from any defect which would not be apparent on reasonable examination of the sample.
- (2) Where the purchase order is placed with the Seller against description, the Seller shall ensure that the Electric Appliances corresponds with the respective description.
- (3) The failure of the Seller to ensure the correspondence of the Electric Appliances with the sample/specification/description shall give the right to the Buyer to return the Electric Appliances which does not correspond with the sample/specification/description provided by the Buyer to the Seller at the time of placing of the Purchase Order.

## **5. DELIVERY OF ELECTRIC APPLIANCES**

- (1) The Seller shall deliver the Electric Appliances to the Buyer at [insert address], on or before the date of delivery mentioned in the respective purchase order against which the delivery is being made (hereinafter referred to as the "Date of Delivery"). The expense incurred in such delivery shall be borne exclusively by the Seller.

(2)The Seller agrees that upon the failure of the Seller to deliver the Electric Appliances to the Buyer within the time stipulated in the respective purchase order, the Seller shall pay to the buyer an amount equal to [insert percentage]% of the Total Price of the purchase order per day as liquidated damages. The Buyer shall be at liberty to adjust the liquidated damages against the remaining Price to be paid by the Buyer to the Seller upon delivery of the Electric Appliances.

## **6. WARRANTY OF THE SELLER**

(1)Against each item sold to the Buyer by the Seller, the Seller shall provide the Buyer with [insert number] years warranty to replace the defected appliances.

(2)The Seller hereby clarifies that the Warranty in Clause 6 (1) does not extend to the damage caused to the Electrical Appliances due the electricity fluctuations, or due to the failure to adhere to the instructions of use of the subject Electric Appliance.

## **7. RECEIPT CONSTRUED AS DELIVERY**

The Electric Appliances shall be deemed to have been received by the Buyer upon delivery of the Electric Appliances to the Buyer at [insert address]. Subject to Clause 5 (2), the remaining Price of the Purchase Order shall become payable immediately upon delivery.

## **8. RISK OF LOSS**

The risk of loss or damage to the Electric Appliances, arising out of any casualty, regardless of the cause, shall be on the Seller until the time that the Electric Appliances have been delivered to the Buyer, after which the risk shall transfer to the Buyer.

## **9. RIGHT OF INSPECTION**

(1)The Buyer shall have the right to inspect the Electric Appliances on arrival and, within [insert number] business days after delivery of the Electric Appliances, the Buyer must give notice to the Seller of any claim for damages on account of condition, quality or specifications of the Electric Appliances, specifying the claim in detail. The failure of the Buyer to comply with these conditions shall constitute irrevocable acceptance of the Electric Appliances by the Buyer.

(2) In case of the Buyer giving the notice of any claim to the Seller, the Seller shall, within [insert number] days of the receipt of the notice replace the subject Electric Appliances, or at the option of the Buyer, shall refund the price of the such Electric Appliances, along with [insert percentage]% of the price of the damaged Electric Appliances as liquidated damages, within [insert number] days of the receipt of the notice.

## **10.TERMINATION**

The Agreement may be terminated by either Party, with or without cause, after serving the other Party with a [insert number] days' prior written notice to this effect.

## **11.GOVERNING LAW AND RULES OF CONSTRUCTION**

(1)The validity, interpretation, and the performance of this Agreement shall be governed by the laws of [insert place].

(2)If any term or provision of this Agreement is determined to be invalid, it shall not affect the validity and enforcement of the remaining terms and provisions of the Agreement.

(3)This Agreement shall be binding upon, and inure to the benefit of, the respective successors, assigns, representatives, and heirs of the Parties herein.

## **12. SETTLEMENT OF DISPUTE**

Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or invalidity thereof, shall be settled by arbitration in

accordance with the Pakistan Arbitration Act, 1940, subject to the exclusive jurisdiction of the Courts of [insert place].

**13.FORCE MAJEURE**

- (1)Force Majeure shall mean any event that is beyond the reasonable control of a Party, or the effects of which adversely affect the performance by such Party of its obligations under this Agreement, including, but not limited to, acts of God, sabotage, insurrection, terrorism, riots, hostilities or war (whether declared or not), acts of the public enemy, civil disturbances, any kind of fire, explosion, flood or accidental damage, epidemics, landslides, washouts, lightening, storms, earthquakes, lockouts, blockades, shortage of labor or material, major equipment failure, or other causes beyond the control of the Party affected.
- (2)Notwithstanding anything contained hereinabove, neither Party shall be liable to the other if it is unable to perform any of its obligations under this Agreement due to the occurrence of Force Majeure.
- (3)The Party affected by the Force Majeure event shall be entitled to suspend performance of its obligations under the Agreement to the extent that such performance is impeded or made impossible by the events of Force Majeure.
- (4)Each Party shall give a notice within [insert number] days of the occurrence of the event of Force Majeure and shall promptly thereafter consult the other Party for the purpose of finding a mutually acceptable solution to the Force Majeure event.

**14.AMENDMENTS**

This Agreement may be modified, extended, enlarged or amended from time to time by mutual agreement and consent of the Parties.

**15.NONWAIVER**

The failure of either Party to exercise any right provided in this Agreement shall not be construed as a waiver its right to subsequently enforce such provision or any other provision of this Agreement.

**IN WITNESS WHEREOF**, the Parties hereto have set their hands and seals the day, month and year mentioned hereinabove.

\_\_\_\_\_  
**For and on behalf of  
The Buyer**

\_\_\_\_\_  
**For and on behalf of  
The Seller**

**WITNESS NO. 1**

**WITNESS NO. 2**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE I**  
**Specifications of Electric Appliances**

	<b>Name</b>	<b>Specifications</b>	<b>Quantity</b>
<b>1.</b>			
<b>2.</b>			
<b>3.</b>			

**SCHEDULE II**

	<b>Name</b>	<b>Specifications</b>	<b>Price</b>
<b>per unit</b>			
<b>1.</b>			
<b>2.</b>			
<b>3.</b>			