

Commercial Contract

AGREEMENT FOR THE MANUFACTURE AND SUPPLY OF FURNITURE



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

www.smeda.org.pk

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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 business to business commercial contracts. Entrepreneurs interested in enhancing their understanding about the nature and form of Agreement for the supply and manufacture of furniture 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 for the Manufacture and Supply of Furniture

This Contract is signed at _____ (give name of the city) on this _____ (give date) day of _____ (give month) 2008

Between

M/S _____ (give name of the party) Private Limited having office at _____, Lahore, Pakistan through its Chief Executive Officer, _____ (hereinafter referred to as **Buyer**) which expression shall include its successors, assigns and administrators of the first part;

AND

M/S _____ (Give name of the Party) limited having office at _____ Lahore through its Managing Director (hereinafter referred to as **Seller**) which expression shall include its successors, assigns and administrators of the second part;

WHEREAS the Buyer intends to purchase from the Seller specially manufactured furniture for furnishing of its offices.

AND WHEREAS the Seller has shown its willingness to manufacture and supply the furniture as per the requirements of the Buyer subject to the terms and conditions set forth in this contract.

NOW THEREFORE In consideration of the covenants and the promises hereinafter set forth, the Buyer and the Seller agree to the following terms and conditions of the contract:

1. Manufacturing of Furniture

The Seller shall manufacture the furniture as per the requirement of the Buyer regarding the quality and quantity as detailed in the schedule hereto. The Buyer undertakes that the furniture so manufactures shall be made of the best materials and workmanship throughout.

2. Manufacturing Specifications

The furniture to be manufactured by the Buyer shall be made in accordance with the specifications and drawings attached hereto and signed by the parties. Any unauthorized change in such specifications by the Seller may be rejected by the Buyer in its own right. In case of rejection of any or all the furniture by the Buyer due to change in specifications no payment shall be made by the Buyer.

3. Price & Payment Method

The Buyer shall pay an amount of Rs. _____ (Rupees _____) unto the Seller for the manufacturing and supply of the furniture under this agreement. The payment shall be made by the Buyer through _____ (**provide the mode of payment e.g. through cross cheque, pay order etc.**) and shall be in accordance with the following schedule:

- i. Rs. _____ being the _____ % of the total amount as advance payment.
- ii. Rs. _____ being the _____ % of the total amount upon supply of half of the agreed quantity of furniture; and
- iii. Rs. _____ being the full and final payment upon successful supply of the remaining quantity of the furniture subject to the satisfaction of the Buyer regarding the quality and quantity of the entire furniture supplied by the Seller.

The price as mentioned above shall be for delivery at the designated place of the Buyer.

4. Taxation

The Payment to be made by the Buyer unto the Seller under this agreement shall be subject to deduction at source of all applicable taxes, duties or other levies.

5. Delivery of Furniture

The Furniture shall be delivered by the Supplier to the Buyer at the place designated in the Schedule within _____ month(s) of the signing of this agreement.

6. Approval / rejection

The Buyer shall be entitled within one week from the date of delivery to reject all or any of the furniture items as are not approved by him and the Seller will prepare another such piece of furniture as has been rejected and deliver the same within fifteen (15) days of notice of rejection. If this piece is also rejected within three (3) days of delivery, the contract for the manufacture and sale of the class of furniture may be terminated by the Buyer.

7. Termination of the Agreement

The agreement shall stand terminated inter alia on the following grounds:

- a. Upon given of seven days notice in writing by either party showing its intention to terminate the agreement subject to adjustment of rights and obligations arising there under till such time; or

- b. Upon failure of party of the second part at any time to perform its job satisfactorily, within time and or intentional or deliberate breach of any of the conditions or covenants under this agreement and upon failure to rectify such breach within seven days of the notice by the first party to rectify such breach.

Provided that termination of the agreement under this sub-clause, by the Buyer shall be without prejudice to any monies paid and or due to the Buyer.

8. Service of Notices / Communications

All notices / Communications under and in relation to this agreement shall be made in writing and delivered through post, e-mail or by hand at the respective addresses of the parties mentioned herein. Provided that failure to receive any notice by any party herein shall not invalidate any of the act of the parties permitted and or otherwise made by them in terms of the provisions of this agreement.

9. Indemnity

The consultant hereby unconditionally and expressly undertakes to indemnify the CLIENT against any loss, damage and or injury caused directly or indirectly by any act or omission of the consultant relating to this agreement and arising either during or after the currency of this agreement.

10. Interpretation

This agreement and each and every clause thereof shall have force jointly and severally, and no clause thereof shall be read in isolation to others. In the event of any ambiguity and or conflict as to the meaning of the provisions of this agreement, the entire agreement shall be read as a whole so as to ascertain and give effect to the true intent and purpose thereof.

11. Dispute Resolution

Where any dispute arises inter se the parties hereto as to the interpretation of the provisions of this agreement or any other matter arising there under, the parties shall initially try to resolve the same amicably through bilateral negotiations. In the event of failure of the parties to resolve the dispute amicably, the same shall be resolved through arbitration by the two arbitrators whose decision shall be final and binding on the parties.

12. Applicable Law

This agreement and all the rights and obligations of the parties hereto arising there under shall be governed by the laws applicable for the time being in Pakistan.

The Schedule herein referred to

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

AB etc.

CD etc.

1. **WITNESS**

Name:.....

R/o.....

2. **WITNESS**

Name:.....

R/o.....

