

Commercial Contract

AGREEMENT FOR SALE/PURCHASE OF DAIRY PRODUCTS



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

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January 2013

9. AGREEMENT FOR SALE/PURCHASE OF DAIRY PRODUCTS

THIS AGREEMENT FOR SALE /PURCHASE OF DAIRY PRODUCTS (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 owns and runs a dairy farm.

AND WHEREAS the Buyer owns and runs a factory wherein fresh dairy products are processed into various packaged dairy products.

AND WHEREAS the Buyer intends to enter into an agreement with the Seller for the ongoing purchase of fresh dairy products (hereinafter referred to as the "Dairy Products", and more particularly described in the Schedule I hereto).

NOW THEREFORE the Parties have entered into this Agreement for the Sale/Purchase of the Dairy Products 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 shall supply to the Buyer with at least such quantities of the Dairy Products as mentioned in Schedule I of the Agreement on a regular basis, i.e. every day.

2. PRICE

- (1) The Buyer shall weigh the Dairy Products at the time of delivery, and the Price shall be payable by the Buyer to the Seller at the time of delivery for such quantities in accordance with the prices given in Schedule II of the Agreement.
- (2) The Prices of the Dairy Products given in Schedule II of the Agreement shall be revised every [insert number] days with the mutual consultation between the Parties.

3. PAYMENT

The Price shall be payable by the Buyer to the Seller at the time of delivery of the Dairy Products to the Buyer by the Seller.

4. DELIVERY OF DAIRY PRODUCTS

- (1) The Buyer shall be responsible for the delivery of the Dairy Products from the Dairy Farm of the Seller at [insert address] to the Buyer's processing plant at [insert address], and the cost of such delivery shall be borne by the Buyer, exclusively.
- (2) The Buyer shall arrange for the delivery of the Dairy Products, in the Buyer's own containers, from the Seller's place of business by [insert time] every day. In case the Buyer fails to arrange for the delivery of the Dairy Products by [insert time], the Seller shall not be responsible for an damage caused to such Dairy Products, and the Seller shall be entitled to receive full payment against the Dairy Products in accordance with Schedule II.

5. RECEIPT CONSTRUED AS DELIVERY

The Dairy Products shall be deemed to have been delivered to the Buyer upon the handing over of the Dairy Products to the Buyer for transportation from the Seller's place of business to the Buyer's place of business.

6. RISK OF LOSS

Subject to Clause 4 (2), the risk of loss or damage to the Dairy Products, arising out of any casualty, regardless of the cause, shall be on the Seller until the time that the Dairy Products have been delivered to the Buyer, after which the risk shall transfer to the Buyer.

7. RIGHT OF INSPECTION

The Buyer shall have the right to inspect the Dairy Products at the time of taking possession of the Dairy Products before transportation from the Seller's place of business to the Buyer's place of business. In case of any defect in the Dairy Products, the Seller shall refuse to take delivery of the Dairy Products from the Seller. However, the Seller shall not be liable for any defect in the Dairy Products once the Dairy Products have been delivered to the Buyer.

8. 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.

9. 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.

10. 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].

11. 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, lightning, 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.

12. AMENDMENTS

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

13. 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

Signature: _____

Name: _____

Designation: _____

Date: _____

WITNESS NO. 2

Signature: _____

Name: _____

Designation: _____

Date: _____

**SCHEDULE I
DESCRIPTION OF DAIRY PRODUCTS**

- | | |
|-------------------------|-----------------------------------|
| 1. [insert description] | [insert minimum quantity per day] |
| 2. [insert description] | [insert minimum quantity per day] |
| 3. [insert description] | [insert minimum quantity per day] |

**SCHEDULE II
PRICES**

- | Item | Price |
|-------------------------|----------------|
| 1. [insert description] | [insert price] |
| 2. [insert description] | [insert price] |
| 3. [insert description] | [insert price] |