

AGREEMENT FOR SALE/PURCHASE OF WHEAT FOR EXPORT

THIS AGREEMENT is made at Lahore on this _____ day of _____, 2015

BETWEEN

Government of the Punjab acting through the Secretary, Government of the Punjab, Food Department (hereinafter referred to as "the First Party"), which expression shall, where the context so requires, include his successor in office and representative, OF THE ONE PART;

AND

M/S _____
(herein after referred to as "the Second Party"), which expression shall, where the context so requires, include its members, partners, employees and agents, OF THE OTHER PART.

(The First Party and the Second Party shall collectively be referred to as the "Parties" and individually as a "Party")

WHEREAS the First Party is desirous of selling wheat to the Second Party and the Second Party is desirous of buying _____ Metric Tons of wheat on Ex Godowns basis from the First Party.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereto, through their authorized agents respectively, have agreed to the terms and conditions given below for the performance of this Agreement and in token thereof have affixed their signatures.

1. This Agreement shall come into force at once subject to the following conditions:
 - a. The Second Party shall deposit cost of wheat through Demand Draft / Pay Order / Inland Letter of Credit (ILC) within seven working days of signing the agreement.
 - b. The second Party shall also submit Bank Guarantee of Rs. 5000/M. Tons (**Annex-A**), valid for 120 days from any of the designated commercial banks detailed at (**Annex-B**) within seven working days of signing the agreement.
 - c. In case of an irrevocable inland deferred / acceptance / usance Letter of Credit, it shall be from a minimum 'AA' rated scheduled commercial bank or from a minimum 'A' rated scheduled commercial bank counter guaranteed by a minimum 'AA' rated scheduled commercial bank operating in Pakistan, acceptable to the First Party, committing payment to the First Party of net amount against each Delivery/Dispatch Report issued by the First Party and accepted by the Second Party within 45 days of issuance of and acceptance of such Delivery/Dispatch Report. The letter of credit must clearly state that all discrepancies in the documents submitted by the First Party shall be acceptable to the buyer. The issuance bank of the LC shall make the payment / funds transfer / settlement through the RTGS to the first party or its discounting bank on / before the maturity date without failure or delay. Any delay in the payment

what so ever, all related bank charges including delayed payment charges, as claimed by the first party / discounting bank, are on the second party account except discounting fee.

- d. The First Party shall issue instructions for delivery of wheat to Second Party immediately upon verification of the cash deposit / ILC and Bank Guarantee by the First Party.
 - e. The First Party shall ensure availability of Fair Average Quality (FAQ) wheat crop of 2014-15 as per the specifications attached as Annexure "C", duly bagged in Jute or PP Bags of sound condition, at the mutually agreed / designated First Party's storage points. Acceptance on Delivery / Dispatch Report by the representative of the Second Party shall be considered as a conclusive evidence for the compliance of FAQ.
 - f. Sale of the Goods will mean and imply taking actual delivery of the goods by the Second Party in parts each evidenced by Delivery / Dispatch Report accepted in terms of quantity and quality by the Second Party.
 - g. The second party will nominate its authorized signatories for taking delivery through an authority letter and will indicate the same in the ILC (if applicable).
 - h. The second party shall lift wheat within fifteen (15) days from the date of issuance of delivery order or up to 30-04-2015 which ever is earlier.
 - i. The second party shall export the wheat/wheat flour (atta) within 30 days of its date of lifting from the first party storage points.
2. The below detailed rates for wheat will be charged:-

Scheme Year	Mode of Storage	Net Price of wheat including bardana per M. Ton
2014-15	In Open & covered	Rs.29,000/-

3. The second party shall make the payment on the basis of net weight of wheat i.e. the gross weight of wheat less the weight of bags (1.10 Kg for 100 Kg-jute bags or 0.115 Kg for 50 kg-pp Bags as the case may be).
4. In case the Second Party fails to take delivery of the total quantity within the stipulated period, the First Party will be entitled to impose a penalty at the rate of 1% of the value of un lifted quantity for the first 10 days and at the rate of 2% for the next 10 days and grant extension accordingly.
5. The second party shall apply within forty (40) days from the date of lifting of wheat for release of Bank Guarantee by submitting the following documents:
 - i) Copy of bill of lading / Manifest whichever is applicable
 - ii) Copy of export commercial invoice.
 - iii) Copy of Form-E.
 - iv) Copy of L / C for export/CAD/Bank to bank transaction.
 - v) Goods declarations duly verified by the Custom Authorities.
 - vi) Declaration to the effect that no fraud / forgery has been committed in export / agreement documents
 - vii) Any other documents / evidence the first party may require for establishing the actual export of wheat.

6. The First Party shall claim the payment under Bank Guarantee if
 - a. The Second Party fails to apply for release of Bank Guarantee along with required documents within stipulated time.
 - b. The documents submitted by the Second Party as list in Para-5 are not verified/authenticated by concerned authorities.
 - c. Fails to lift the quantity within stipulated time
 - d. Fails to comply with covenants of this agreement

7. Bank Guarantee of Rs. 5,000/M. tons will be released after verification of relevant documents as listed in Para-5 and having final adjustment / reconciliation of the payment and quantity lifted.

8. ***The Rebate of US\$ 55/M.Ton will be released by State Bank of Pakistan to the Exporter. Food Department Punjab will provide maximum facilitation to the exporters for timely reimbursement of export rebate (55 US \$).***

9. The First Party may facilitate the Second Party in the performance of the Agreement as far as possible, without compromising the First Party's interest. Thus, any provisions may be added subsequently with the mutual consent of the Parties in the Agreement ensuring such facilitation and for avoiding bottlenecks.

10. **IN WITNESS WHEREOF** the parties have signed this Agreement at the place and on the day, month and year first herein above mentioned.

**FOR & ON BEHALF OF THE
FIRST PARTY**

**FOR & ON BEHALF OF
THE SECOND PARTY**

Name-----

Address

WITNESSES:

1. Name-----

1.Name-----

2. Designation-----,

2.Address -----,

LAHORE.

LAHORE.

ANNEX-B

DETAIL OF DESIGNATED BANKS

1. Bank of Punjab
2. National Bank of Pakistan
3. Habib Bank Ltd
4. M C B Bank
5. United Bank Ltd
6. Allied Bank Ltd
7. Bank Al-Habib Ltd
8. Bank Al-Falah
9. Habib Metropolitan
10. Askari Bank Ltd