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PURCHASE AGREEMENT

(TO BE EXECUTED ON A STAMP PAPER OF APPROPRIATE VALUE)

Articles of Agreement made at COLOMBO this _____ day of _____ Two Thousand and _____ between LANKA IOC PLC, a public liability firm registered in Sri Lanka and having its Registered Office at Level 20, West Tower, World Trade Centre, Echelon Square, Colombo - 01, Sri Lanka, hereinafter referred to as `Firm' on the one part and M/s _____ Sole/Trader/ Partnership Firm / Private / Public Limited Company registered under the Indian Partnership Act of 1932/Companies Act I, 1956 and having its Office at _____ hereinafter called `The Seller' which expression shall be deemed to include the Seller's successors (approved by the Firm), representative, heirs, executors and administrators on the other part, WHEREAS the Firm is desirous of obtaining certain Equipment / Materials specified in the attached schedule and / or Purchase Order and WHEREAS the Sellers have agreed with the Firm for the supply of the said stores specified in the said schedule upon certain terms and conditions hereinafter provided and WHEREAS the parties are desirous of reducing to writing the terms and conditions of the contract on which the Sellers have agreed with the Firm for the supply of the said Equipment/Materials, NOW IT IS HEREBY AGREED by and between the parties hereto as under :

1. EQUIPMENT/MATERIALS TO BE SUPPLIED:

The Sellers shall duly supply the said Equipment/Materials as per description, quantity and rates specified in the schedule and/or Purchase Orders placed by the LIOC from time to time and in all respects with the specifications, designs; drawings and instruction in writing referred to in the schedule and or said Purchase Order.

2. PAYMENT:


The Firm shall pay to the Sellers in respect of the said equipment/materials mentioned in the scheduled/Purchase Order on the basis of the rates specified in the said schedule/Purchase Orders.

3. SECURITY DEPOSIT:

The Sellers shall on or before the execution of the Agreement deposit with the Firm a Sum of USD. _____ in Demand Draft. The Firm shall hold this amount as Security Deposit for Guarantee for the timely and proper performance of the said contract by the sellers.

All sums of compensation or other sums of money payable by the Sellers to the LIOC under the terms of this Agreement may be deducted from or paid by the Sale of a sufficient part of the Security Deposit or from the interest arising there from or from any sums which may be due or may become due by the Firm to the Sellers on any account whatsoever, and in the event of their Security Deposit being reduced by any reason or such deduction or sale as aforesaid, the Sellers shall within 15 days thereafter make good in Cash or only Demand Draft any sum or sums

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which may have been deducted from/or raised by Sale of the Security Deposit or any part thereof.

The Security Deposit lodged by the Sellers shall be refunded after the expiry of 24 months from the date of supply of equipment or 18 months from the date of Commissioning whichever is earlier.

4. MANNER & PERIOD IN WHICH THE EQUIPMENT/MATERIALS ARE TO SUPPLIED:

The Sellers agree and undertake to supply the Equipment/Materials set forth in the Schedules/Purchase Order No. _____ dt. _____ and subsequent amendments if any, issued thereto from time to time.

The Said Equipment/materials being goods of merchantable quality shall throughout the stipulated period of the contract be supplied with the due diligence, promptness, care and accuracy and in a workman like manner to the satisfaction of the Firm and in accordance with the said specification, designs, drawings and instructions or before the aforesaid due date, time being the essence of the contract on the part of the Sellers.

5. COMPENSATION FOR DELAYS IN DELIVERY:

The Sellers hereby agree to pay to the Firm by way of Compensation for Delays in delivery, and not as penalty, an amount equal to $\frac{1}{2}$ % (one half percent) of the contracted price of the materials so delayed for each week or part thereof of such delay in delivery subject to a maximum of 10% of such price.

6. INSPECTION OF SUPPLIES:

6.1 The Firm through its authorised representative reserves the right to inspect periodically during the manufacture or before delivery all equipment and materials and workmanship for the acceptance of quality and efficiency.

6.2 All equipment and materials under or in course of execution or executed in pursuance of this contract, shall at all times be open to the inspection and supervision of the Firm and their authorised representative and Agents. The Sellers shall at all time, during the usual working hours and at all other times after having received reasonable notice, allow the Firm and their authorised representatives and agents to visit the contractor's premises and carry out the necessary orders and instructions.

7. PAYMENT:

Invoices shall be submitted by the Seller immediately on delivery/despaches of equipment/ materials, to the Bankers of the Firm. The Firm undertakes to make payment as per the payment terms given in the contract documents.

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- 8.1 This Agreement is subject to the General Conditions of Contract in so far as the same is not inconsistent with or repugnant to the above clauses. A copy of the General Conditions would be deemed to have been studied and agreed to by the Contractors before their signing this agreement.
- 8.2 This agreement is subject to the special conditions stipulated in our schedule and or Purchase Order No. _____ dt. _____ and subsequent amendments, if any, issued from time to time.

SIGNATURE OF (SELLER)

SIGNATURE OF (FIRM)

WITNESS

WITNESS

1.

1.

2.

2.

DATE:

SEAL:

SIGNATURE OF TENDERER
SEAL