

# Commercial Contract

## LEASE DEED FOR ACQUIRING LAND FOR CNG STATION



**Small and Medium Enterprises Development Authority**

**Ministry of Industries & Production**

**Government of Pakistan**

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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 a business to business commercial contract. Entrepreneurs interested in enhancing their understanding about the nature and form of a Lease Deed for acquiring land to establish CNG station 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.

**LEASE DEED for Acquiring land for CNG Station**

**This Lease Deed** is made at Lahore on this \_\_\_\_\_ day of March, 2007

**Between**

Mr. \_\_\_\_\_ S/O \_\_\_\_\_ R/O \_\_\_\_\_  
(Hereinafter called "the Lessor", which expression shall, unless repugnant to the context and meaning include his administrators and assigns) of the ONE PART;

**AND**

Mr. \_\_\_\_\_ S/O \_\_\_\_\_ R/O .....  
(Hereinafter called "the Lessee, which expression shall, unless repugnant to the context and meaning include his administrators and assigns) of the OTHER PART.

**WHEREAS**

1. The Lessor is the exclusive owner in possession of the Land bearing No..... Situated at \_\_\_\_\_ Lahore and more particularly described in the schedule I attached hereto.
2. On the request of the Lessee, the Lessor has agreed to grant lease in respect of the said land described herein above.

**NOW THIS DEED WITNESSETH AS FOLLOWS:**

in pursuance of the said agreement and in consideration of the rent hereby reserved and of the covenants, conditions and stipulations hereinafter contained and of the Lessee's part to be paid, observed and performed, the lessee is entitled to develop, establish and manage a CNG station at his cost and expense.

**THE LESSOR HEREBY DEMISES UNTO THE LESSEE ALL THAT**

the Land bearing no..... situated at \_\_\_\_\_ Lahore and hereinafter called as the demised premises, TOGETHER WITH ALL the rights for the Lessee, its employees, servants, agents, customers and persons authorized by the Lessee in common with the Lessor.

- i. This Lessee shall occupy the demised premises for the period commencing from \_\_\_\_\_ 2008 for the period of \_\_\_\_\_ Ten Years excluding a grace period of one year for development.
- ii. The Lessee shall pay to the Lessor during the 1<sup>st</sup> term of three years (after the grace period) a monthly rent of Rs. \_\_\_\_\_/- payable by fifteenth of each succeeding calendar month to which it relates.
- iii. The Lessee has paid to the Lessor a sum of Rs \_\_\_\_\_/- as advance deposit the receipt of which the Lessor hereby acknowledges.
- iv. The rent for the premises will be revised at the expiry of first term of three years in the way of partnership share to the extent of investments by the respective parties.
- v. This agreement may be extended by the parties for such further period of five years as mutually agreed.

2. The Lessee hereby covenants with the Lessor as follows:
  - a. To pay the rent as aforesaid on the days and in the manner aforesaid.
  - b. To pay the utility bills for the Gas and electricity consumed for lighting the demised premises.
  - c. To use the demised premises for defined purposes of the Lessee.
  - d. To permit the Lessor, his servants, employees or agents duly authorised by him to enter into and upon the demised premises at all reasonable times for viewing the condition of the demised premises or doing such works or things as may be requisite or necessary for any legally required purposed.
  - e. To make payments, subject to notice to the Lessor, of any amount recoverable against the demised premises of which the Lessor had failed in due course to pay.
  - f. To disclose unto the lessor any fact not known to the lessor, as to the nature and extent of the interest he is about to take in the demised premises and which may materially increase or decrease the value of such interest.
  - g. To keep the rights of lessor on demised premises as it was at the time of taking possession by him, subject only to the changes notified by the Government.
  - h. To make good any defect in the condition of the demised premises cause by any of his act or omission and or his agents or servants.
  - i. To inform the Lessor regarding any proceedings by any Court of law or Authority to recover the demised premises or any part thereof or any encroachment made upon, or any interference with the Lessor's right concerning the demised premises.
  - j. Not to commit any act which is disruptive or permanently injurious to the rights of the Lessor on the demised premise.
3. The Lessor hereby agrees with the Lessee as follows:
  - a. That the Lessee shall peaceably and quietly hold, possess and enjoy the demised premises during the term without any interruption, disturbance, claim and demand by the Lessor or any person lawfully claiming under or trust for the Lessor.
  - b. To allow adjustment / deduction out of the rent due of any amount paid by the Lessee in respect of the demised premises lawfully on behalf of the lessor.
  - c. To allow the lessee to remove, at any time, even after the determination of the lease and while he is in possession of the property but not afterwards all things he has attached to the demised premises.
  - d. To disclose unto the Lessee any material defect in the demised premises, before or after the handing over of possession as the case may be, regarding any intended use of which the Lessee may not know or could not discover with ordinary care.
  - e. To put the Lessee in possession on equitable compensation of the assets as and when requested by him.

- f. To pay the taxes, charges, assessment payable by him relating to the demised premises.
  - g. To carry out the necessary legal and other contractual documentation within the time and manner as requested by the Lessee.
4. It is hereby agreed that if the rent or any part thereof payable in respect of the demised premises shall be in arrears for a period of three months or if the Lessee shall omit to perform or observe any covenants or conditions on the Lessee's part herein contained, the Lessor may serve a written notice unto the Lessee to pay the rent due or perform the covenant or condition as required.
  5. If within a period of one month after the issue of such notice, the Lessee does not pay the rent or does not perform or observe the covenant or condition and thereupon all rights of the Lessee hereunder shall be arbitrated by a mutually agreed arbitor.

**6. IT IS HEREBY EXPRESSLY AGREED BETWEEN THE PARTIES AS FOLLOWS:**

- a. The Lessee shall be entitled to sub-lease the demised premises or any part thereof during the currency of this agreement and as extended from time to time in terms of clause 1 (iv) herein above.
- b. The Lessee shall be entitled to erect civil, mechanical and other structures, fittings, fixtures, wooden partitions, cabins or make any such addition or alteration, as may be necessary for its use by the Lessee; provided that the Lessee shall remove the said fittings, fixtures, wooden partitions, cabins, additions or alterations and restore the demised premises to the Lessor on the expiry of the term or sooner determination of the lease in the same condition as existed before making such changes.
- c. The lessee shall be entitled to enter into agreements with Government agencies and private parties and to establish any working arrangements for the defined purposes.

Executed by the parties in presence of witnesses on the date stated herein above.

1- \_\_\_\_\_

2- \_\_\_\_\_

**Lessor**

**Lessee**

**Witnesses:**

1. \_\_\_\_\_

2. \_\_\_\_\_