

Commercial Contract

RENT DEED



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 a business to business commercial contract. Entrepreneurs interested in enhancing their understanding about the nature and form of an Agreement to acquire a premises on rent may also use this 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

RENT DEED

This Rent Deed is made at Lahore on this _____ day of _____ 200__.

Between

Mr. / Ms. _____ resident of Lahore (Hereinafter called "the Landlord", which expression shall, unless repugnant to the context and meaning include its administrators and assigns) of the First PART.

AND

Ms / Mrs. _____ Proprietor/owner of _____ R/O (Hereinafter called "the Tenant", which expression shall, unless repugnant to the context and meaning include her legal heirs, administrators and assigns) of the SECOND PART;

WHEREAS

- 1. The Landlord is the exclusive Lessee in possession of the 1st floor of building bearing No _____ Situated at _____ Lahore and all that cubicles, furniture, fixtures and fittings attached/annexed thereto (hereinafter the Property).

AND WHEREAS

- 2. The Tenant is an entrepreneur engaged in producing and selling _____(goods/services) under the name and style of _____.
- 3. For the purposes of doing the aforesaid business within the Property the Tenant has shown his / her / its desire to obtain on rent a cubicle no. _____ measuring _____sft. (_____) as identified in the attached layout plan (hereinafter the demised premises) in the Property for a period of six months only and subject to the terms and conditions set forth herein.

AND WHEREAS

- 4. The Landlord being lawful owner has agreed to give on rent the demised premises unto the tenant for a period of _____ months / years only and subject to the terms and conditions prescribed herein.

NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS:

- 5. 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 Tenant's part to be paid, observed and performed,

THE LANDLORD HEREBY DEMISES UNTO THE TENANT ALL THAT the demised premises, TOGETHER WITH ALL the fixtures and fittings therein, INCLUDING the electrical installations and together with the right for the Tenant, his / her / its employees, servants, agents, customers and persons authorized by the Tenant in

common with the Landlord and all the persons authorized by the Landlord for the purpose of ingress thereto.

6. The Tenant shall occupy the demised premises for the period of _____ only commencing from _____, 2008
7. The Tenant shall pay to the Landlord during the said term advance monthly rent of Rs. _____/- on or before fifth (5th) of each calendar month to which it relates through a crossed cheque/pay order in favor of the Landlord or in any other manner as agreed between the parties.
8. The Tenant has paid to the Landlord a sum of Rs. _____/- equivalent to one month rent as security refundable and or adjustable on termination of the Tenancy, the receipt of which the Landlord hereby acknowledges.
9. The amount of rent of the demised premises shall be inclusive of the electricity charges for central air conditioning and lightening of the demised premises during the working hours. The tenant shall not be allowed any electrical and or gas installation or appliance of his / her / its own like heaters etc. within the demised premises.
10. For all other amenities including telephone etc. provided by the Landlord, the Tenant shall be charged the amounts on actual basis.
11. The annual rent of the demise premises shall automatically increase by _____%.
12. This agreement shall be extendable for another term(s) with mutual consent of both the parties.
13. **The Tenant hereby covenants with the Landlord as follows:**
 - i. To pay the rent as aforesaid on the days and in the manner as aforesaid.
 - ii. To maintain the demised premises including the furniture and fixtures therein as neat and clean and in good workable condition all the time.
 - iii. Not to make any structural alterations into or upon the demised premises or make any alterations or addition to the external appearance or any part of the demised premises without the previous consent of the Landlord in writing.
 - iv. To use the demised premises for office purposes only of the Tenant and in pursuit of her business as described in clauses 3 and 4 herein above.
 - v. Not to place or keep or permit to be placed or kept on the demised premises any offensive, dangerous or highly inflammable or explosive material or any other article or things, which may constitute a danger, nuisance or annoyance to the demised or surrounding premises or the owners or occupiers thereof.
 - vi. To permit the Landlord, its servants, employees or agents duly authorized by it 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 repairs, alteration, servicing or improvements to the demised premises.
 - vii. To hand over the peaceful possession of the demised premises at the end or the sooner termination of the said term together with all the Landlord's fixtures and fittings in as good condition as received.
 - viii. Not to obstruct or cause to be obstructed the entrance hall, entrances, doorways, passages, staircase or lifts leading to the demised premises in the Property.

- ix. Not to sub-lease the demised premises to any third party.
- x. Not to allow any activity prejudicial to the interest of the Landlord.
- xi. Not to demand any other premises and or display stall within the premises during the continuity of this agreement.
- xii. Not to put, install, and or allow usage of any electrical, gas or other appliances within the demised premises.
- xiii. To follow the code of ethics/governance for doing business and or other rules and regulations for occupation of the demised premises as and when prescribed by the Landlord.

14. The Landlord hereby agrees with the Tenant as follows:

- i. That the Tenant shall peaceably and quietly hold, possess and enjoy the demised premises during the term without any interruption, disturbance, claim and demand by the Landlord or any person lawfully claiming under or trust for the Landlord.
 - ii. To keep the interior, exterior of the demised premises in good and tenable repair and condition.
 - iii. To keep the entrance, door ways, entrance halls, staircases, lobbies and passages in the Property leading to demised premises well and sufficiently cleaned and lighted at its own expenses.
 - iv. To ensure conducive business environment for the Tenant through smooth supply of amenities whether paid or not and agreed herein.
15. 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 two months or if the Tenant shall omit to perform or observe any covenants or conditions on the Tenant's part herein contained, the Landlord may re-enter upon the demised premises after serving a notice to the Tenant.
16. If within a period of one month after the issue of such notice, the Tenant does not pay the rent or does not perform or observe the desired covenant or condition, this agreement shall stand terminated on expiry of one month period as stipulated in such notice, and all rights of the Tenant under this agreement shall determine with immediate effect. **PROVIDED THAT** such termination shall not diminish, reduce and or affect any outstanding liability including rent of the demised premises unto the Tenant.
17. The termination of the tenancy pursuant to the preceding clause shall at once render the Tenant liable for eviction by the Landlord without recourse to any proceedings in any court of law.
18. Notwithstanding the provisions contained in clauses 15, 16, herein above, the parties may terminate the tenancy by serving one months prior notice in writing to each other.

IT IS HEREBY EXPRESSLY AGREED BETWEEN THE PARTIES AS FOLLOWS:

19. The Tenant shall be entitled, subject to prior notification and consent of the Landlord, to erect temporary fittings, fixtures, wooden partitions, or make any such addition or alteration, as may be necessary for her business use within the demised premises; **PROVIDED THAT** the Tenant shall remove the said fittings, fixtures,

wooden partitions, additions or alterations and restore the demised premises to the Landlord on the expiry of the term or sooner determination of the Tenancy in the same condition as existed before making such changes.

- 20. The Tenant shall indemnify the landlord on account of any loss, damage and or injury of any kind resulting from any overt or cover act, omission, and or false or misleading representation to the Landlord or any third party.
- 21. The Tenant shall ensure security of the property as a whole during the continuance of this agreement through its own security guards. However, the Landlord shall not be responsible for any loss, theft, damage, destruction, removal and or reduction of any goods / products / articles of the Tenant.
- 22. In case of any dispute inter se the parties hereto regarding interpretation or applicability of any of the provisions of this agreement, the same shall be resolved amicably through conciliation or mediation.

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

1- _____

2- _____

Ms. / M/S. _____

Mr. _____

Tenant

Landlord

Witnesses:

1. _____

2. _____