

Commercial Contract

MEMORANDUM OF DEPOSIT OF TITLE DEEDS



*Empowered lives.
Resilient nations.*



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

www.smeda.org.pk

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Memorandum of Deposit of Title Deeds

Pro- Gole (Right to do Business)

Legal Services, B&SDS

LEGAL SERVICES, SMEDA

The Legal Services (LS) department is a part of Business & Sector Development Services Division of the Small Medium Enterprises Development Authority and plays a key role in providing an overall facilitation and support to the small businesses. The LS believes that information dissemination among the small businesses on the existing legal & regulatory environment and business to business and business to client contracting is of paramount importance and plays a pivotal role in their sustainable development.

In order to facilitate small businesses, the LS, under the Pro-GOLE (Right to do business) project, a joint SMEDA-UNDP initiative for supporting the small businesses, has developed user-friendly contract templates.

Pro-GOLE, (Right to do Business)

The UNDP has partnered with the Small and Medium Enterprises Development Authority to initiate and execute the Pillar 4 (Right to do business) component of the UNDP PRO-GOLE project which seeks to enhance the legal awareness and mobility of marginalized/ informal businesses. Under the project legal services outreach shall be extended to small businesses including home based enterprises, small shopkeepers, growers, women entrepreneurs, hawking vendors etc. In addition, small business shall be mobilized to access legal services.

The Need for Commercial Contracts Templates

In an increasingly complex and competitive industry, it is vital that suppliers and purchasers are fully protected against legal and commercial risks. To counter such risks, a viable solution; available as- of the shelf commercial contract templates- will provide the users with first class ready to use support. With obligations properly set out and liabilities accurately defined, the users will be in a far better position to look after their rights and interests and move forward from their marginalized positions to being active players of the economy. The Legal Service Providers can equally take benefit of these templates for their professional and business development.

Disclaimer

The information contained in this template is meant to facilitate the businesses in documenting transactions with reference to Banking. However, SMEDA, UNDP or any of their employees or representatives accept no responsibility and expressly disclaim any and all liabilities for any and all losses/shortfalls caused by or motivated by recommendations from the information contained within this document. Although SMEDA's ambition is to provide accurate and reliable information; yet, the document is not an alternative to expert legal advice and should ideally be used in conjunction with the same. Any person using this document and or benefiting from the

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information contained herein shall do so at his/her own risk and costs and be deemed to have accepted this disclaimer.

Information contained in this document may be freely used provided that relevant acknowledgement is accurately quoted with each usage.

MEMORANDUM OF DEPOSIT OF TITLE DEEDS

To,

[Insert name of the Bank]

[Insert Branch Name]

[Insert Address of the Bank]

By this Memorandum of Deposit of Title Deeds, [we, _____, a company incorporated under the laws of Pakistan, having its registered office at _____, _____] [I _____ s/o _____ Muslim, adult, presently residing at _____, holding N.I.C. No. _____,] (insert description of the property's owner, whichever is applicable) do hereby confirm and record in writing that I/we have already deposited with [hereinafter referred to as the Bank] (hereinafter referred to as the "Bank") at [insert place] the documents of title listed in Schedule I hereunder relating to my/our immovable property more particularly described in Schedule II hereunder, with intent to create an equitable mortgage by way of deposit of title deeds upon all the rights, title and interest in my/our said property (hereinafter referred to as the "Mortgaged Property") in favour of the Bank upto a maximum in principal amount of Rs. _____/- (Rupees _____ only) (insert amount of principal) together with profit/return/ markup thereon calculated at the applicable rate as agreed and all other charges, costs, expenses and commission as may be payable to the Bank.

When I/we deposited the documents of title to the Mortgaged Property with the Bank, I/we orally declared (which statement I/we hereby confirm and record in writing) that:

(1) I am/we are the sole and absolute owner of the Mortgaged Property and that the Mortgaged Property is free from any prior mortgage, charge, pledge, lien or any other encumbrance [except _____ in favour of _____] (insert description of any applicable mortgages/charges already existing over the Mortgaged Property).

(2) the documents of title deposited with the Bank as aforesaid are the only documents relating to the Mortgaged Property and are the only documents evidencing my/our ownership of the Mortgaged Property.

(3) I/we shall not create any further encumbrance upon or in respect of the Mortgaged Property without the prior written consent of the Bank.

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(4) I/we shall keep the Mortgaged Property in good and substantial repair and in good working order and condition.

(5) I/we shall not do or cause or permit to be done anything which may in any way depreciate, jeopardize or otherwise prejudice the value of the Mortgaged Property nor permit any person to become entitled to any proprietary right or interest which might affect the value of the Mortgaged Property or any part thereof.

(6) I/we shall not without the prior consent of the Bank in writing, part with possession of, transfer, sell, lease or otherwise dispose of any interest in the Mortgaged Property or any part thereof nor attempt or agree to do so.

(7) I/we shall permit the Bank, during the continuance of this security, to hold and retain all title deeds and documents relating to the Mortgaged Property and such other document as the Bank may from time to time reasonably require.

(8) I/we shall pay the rents reserved by and generally observe and perform the terms, covenants, stipulations and conditions contained in the document evidencing ownership under which I/we hold the Mortgaged Property.

(9) I/we shall not (without prior consent of the Bank in writing) vary, surrender, cancel, assign, charge or otherwise dispose of or permit to be forfeited any lease of the Mortgaged Property or any part thereof.

(10) I/we shall punctually pay and indemnify the Bank against all existing and future rents, rates, taxes, duties, charges, assessments, impositions and outgoings whatsoever now or at any time during the continuance of this security payable in respect of the Mortgaged Property or any part thereof or by the owner or occupier thereof.

(11) I/we shall keep the Mortgaged Property insured with financially sound and reputable insurance company against loss or damage.

SCHEDULE I

1. [Insert complete description of title documents and corroborative documents.]
2. [Insert complete description of title documents and corroborative documents.]
3. [Insert complete description of title documents and corroborative documents.]

SCHEDULE II

ALL THAT piece or parcel of land bearing [Insert complete description of Mortgaged Property] and bounded as follows:

On the North by :

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On the South by :
On the East by :
On the West by :

In witness whereof I/we have signed this Memorandum of Deposit of Title Deeds in favour of the Bank on this [insert date] day of [insert month], 20__ (insert year).

Signature: _____

Name:

N.I.C. No.:

WITNESS NO. 1

Signature: _____

Name: _____

Designation: _____

Date: _____

WITNESS NO. 2

Signature: _____

Name: _____

Designation: _____

Date: _____