

# Commercial Contract

## AGREEMENT TO SELL IMMOVABLE PROPERTY



### Small and Medium Enterprises Development Authority

#### Ministry of Industries & Production

#### Government of Pakistan

[www.smeda.org.pk](http://www.smeda.org.pk)

#### HEAD OFFICE

4th Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road,  
Lahore

Tel: (92 42) 111 111 456, Fax: (92 42) 36304926-7  
[helpdesk@smeda.org.pk](mailto:helpdesk@smeda.org.pk)

REGIONAL OFFICE PUNJAB	REGIONAL OFFICE SINDH	REGIONAL OFFICE KPK	REGIONAL OFFICE BALOCHISTAN
3 <sup>rd</sup> Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road Lahore, Tel: (042) 111-111-456 Fax: (042) 36304926-7 <a href="mailto:helpdesk.punjab@smeda.org.pk">helpdesk.punjab@smeda.org.pk</a>	5 <sup>TH</sup> Floor, Bahria Complex II, M.T. Khan Road, Karachi. Tel: (021) 111-111-456 Fax: (021) 5610572 <a href="mailto:helpdesk-khi@smeda.org.pk">helpdesk-khi@smeda.org.pk</a>	Ground Floor State Life Building The Mall, Peshawar. Tel: (091) 9213046-47 Fax: (091) 286908 <a href="mailto:helpdesk-pew@smeda.org.pk">helpdesk-pew@smeda.org.pk</a>	Bungalow No. 15-A Chaman Housing Scheme Airport Road, Quetta. Tel: (081) 831623, 831702 Fax: (081) 831922 <a href="mailto:helpdesk-qta@smeda.org.pk">helpdesk-qta@smeda.org.pk</a>

February 2007

## 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 sell immovable property 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.

**AGREEMENT TO SELL**

This agreement to sell is made at Lahore this \_\_\_\_ (**give date**) day of \_\_\_\_\_ ( **give month**) 2008

**BETWEEN**

1. Mr. \_\_\_\_\_ Son of \_\_\_\_\_ Resident of \_\_\_\_\_ Karachi.
2. Mr. \_\_\_\_\_ Son of \_\_\_\_\_ Resident of \_\_\_\_\_ Lahore.

(hereinafter called the sellers which expression where the context so admits shall mean and include their heirs, legal representatives, assigns and administrators) of the first part.

**AND**

Mr. \_\_\_\_\_ Son of \_\_\_\_\_ resident of \_\_\_\_\_, Lahore (hereinafter called the buyer which expression where the context so admits shall mean and include his heirs, legal representatives, assigns and administrators) of the second part.

**WHEREAS** parties of the first part are exclusive and joint owners of a residential house / plot bearing no. \_\_\_\_\_, situated at Lahore (more particularly described in schedule hereto) vide gift / sale deed (**give nature of documents which reflects ownership**) dated \_\_\_\_\_ registered with the sub-registrar \_\_\_\_\_ Town, Lahore through document no.1 \_\_\_\_\_ Bahi No. \_\_\_\_\_, Jild No. \_\_\_\_\_, dated \_\_\_\_\_ (herein the Property).

**AND WHEREAS** Parties of the first part are desirous of selling the Property in favor of Party of the second part on the terms and conditions set forth herein.

**Now therefore this Agreement to sell witnesses as follows:**

1. That the Parties of the first part hereby agree to sell their complete shares in the Property unto the party of the first part subject to a sale deed to be executed inter se therein.
2. That total consideration for the sale of the Property is Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ only) to be paid by the party of the second part unto party of the first party.
3. That as a part performance of the agreement, party of the second part has paid an amount of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ only) as token money unto the parties of the first part who have acknowledged receipt thereof.
4. The party of the second part shall pay the remaining amount of consideration i.e. Rs. \_\_\_\_\_/- unto the parties of the first part on or before \_\_\_\_\_, 2008.
5. Upon receipt of the remaining amount of consideration, the parties of the first part shall immediately execute sale deed in favor party of the second part regarding the property.
6. That if the party of the second part fails to pay the agreed amount within the prescribed time the earnest money paid by the parties of the first part shall stand forfeited by the parties of the first part and they

shall not be obliged to execute the sale deed in favor of the party of the second part.

7. In case any dispute arises between the parties regarding the provisions of this agreement the parties shall try to resolve the same amicably. In case the parties fail to resolve the dispute amicably the same shall be resolved through arbitration in accordance with the laws applicable for the time being in Pakistan.

The parties of the first part hereby declare and undertake that the Property is absolutely free from any claim by any third party, encumbrance or other obligation created by any of them.

**INWITNESS WHEREOF** the parties have signed this agreement to sell in presence of witnesses.

Signatures of sellers

Signature of buyer

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

\_\_\_\_\_

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

Witnesses

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

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