

## AGREEMENT FOR HIRE PURCHASE

An AGREEMENT made this..... day of ....., 20..., BETWEEN ..... son of ..... resident of ..... (hereinafter called the "Owner") of the ONE PART and ..... son of ..... resident of ..... (hereinafter called the "Hirer") of the OTHER PART.

WHEREAS the owner is the owner of the machinery and is not being used by him, as he has closed his factory due to personal reasons;

AND WHEREAS on the request of the hirer, the owner has agreed to hire the said machinery to the hirer on the terms and conditions hereinafter appearing.

NOW THESE PRESENTS WITNESS AS FOLLOWS:

1. The owner shall let and the hirer shall take on hire the machinery, specified in the Schedule hereunder written (hereinafter referred to as the said machinery) from ..... for a term of ..... years.

2. The hirer shall, during the continuance of this agreement, pay to the owner without previous demand by way of rent for the hire of the said machinery the monthly sum of Rs..... for the use and possession of the said machinery, the first payment to be made on the ..... day of ..... 20 ..... and each subsequent payment on the ..... day of each succeeding month during the said term.

3. The hirer will not sell, assign, mortgage, pledge, underlet or otherwise deal with the said machinery but will keep the said machinery in his own possession and will not remove the said machinery from the premises where such machinery is for the time being installed without the previous consent in writing of the owner.

4. The hirer shall use the said machinery in a skilful and proper manner and shall at his own expenses keep the said machinery in good and substantial repair and condition (reasonable wear and tear excepted) and will allow the owner, his servants or agents at all reasonable times to have access to the said machinery and to inspect the state and condition thereof.

5. The hirer shall keep the said machinery insured for the sum of Rs ..... against fire and loss, damage or risk from whatever cause arising with any insurance company in the name of the owner and deliver the policy of such insurance to the owner and duly and punctually pay all premium necessary for effecting and keeping such insurance in force and produce the receipt for all such payments to the owner on demand and will keep the owner indemnified against all loss or damage to the said machinery from whatever cause the same may arise.

6. If the said machinery is destroyed by fire or lost by theft, all money received in respect of such insurance shall be received by the owner, who may apply for such money either in making good the damage done or in replacing the said machinery by other articles of similar description and quality and such substituted articles shall become subject to hire in the same manner as the articles for which they shall have been substituted.

7. The hirer may at any time determine the hiring by giving ..... months notice and the hiring shall from the expiration of the said notice determine and the hirer shall not be entitled to any credit or allowance in respect of any payment previously made by him to the owner.

8. If the hirer shall make default in payment of the monthly sums to be paid by him for the hire of the said machinery or if he shall fail to observe and perform the terms and conditions of this agreement on his part to be observed and performed, the owner may determine the hiring without any notice and it shall be lawful for him to retake possession of the said machinery and for that purpose the owner, his servants or agents may enter into or upon any premises where the said machinery is installed and the hirer will remain liable for the payment of money due to the owner under this agreement or damages for breach thereof.

9. The hirer hereby covenants with the owner that he will not do or omit to do any act which may result in seizure and/or the confiscation of the said machinery by the Central or State Government or local authority or any public officer or authority under any law for the time being in force.

10. The hirer shall pay all license fees, taxes, etc. payable to the Government, local authority in respect of the said machinery and if the owner is compelled to pay such license fees, taxes, etc., the hirer shall forthwith repay the said amounts paid by the owner.

11. Any time or indulgence granted by the owner shall not affect the strict rights of the owner under this agreement.

12. In case of any dispute or difference arising between the parties regarding the meaning, construction, interpretation, breach or fulfillment or non-fulfillment of the terms and obligations of these presents or any clause or condition thereof, the same shall be referred to the decision and arbitration of two arbitrators, one to be nominated by each party which arbitrators shall before taking upon themselves the burden of reference, appoint an umpire. The submission shall be deemed to be a submission to arbitration within the meaning of the Arbitration and Conciliation Act, 1996 or any statutory modification thereof. The award of the Arbitrator or Arbitrators, as the case may be shall be final and binding on the parties.

13. The stamp duty and other incidental expenses relating to the execution of this Agreement will be borne by the hirer.

IN WITNESS WHEREOF, the parties hereto have executed these presents, the date, month and year first hereinabove mentioned.

The Schedule above referred to

Signed and delivered by ....., the within named owner

Signed and delivered by ....., the within named hirer

WITNESSES:

- 1.
- 2.

