

HIRE-PURCHASE AGREEMENT BETWEEN MANUFACTURER
AND HIRER

THIS AGREEMENT made on this..... day of BETWEEN ABC, etc. (hereinafter called the owner which expression shall include the successors and assigns unless the context otherwise admits) of the one part and CD, etc. (hereinafter called the hirer) of the other part.

WHEREAS

1. The owner is engaged in the business of manufacturing..... and has agreed to let to the hirer.

2. The hirer has agreed to take on hire the said goods more particularly described in Schedule A hereto for the term of.....years.....from.....

NOW THIS AGREEMENT WITNESSES as follows :

1. Hire.-The hirer shall pay to the owner on the execution of this agreement the sum of Rs..... as hire for the first month and on the first day of every calendar month during the period of hiring the sum of Rs.....by way of

hire for the said goods, or shall pay the rent specified in Schedule-B hereto which payable without demand on the day therein mentioned.

2. Option to purchase.-The hirer shall at any time during the hiring have the option to purchase the said goods for Rs.....and in that event the hirer shall receive full credit for all sums previously paid by him under the preceding clause. However, until the purchase so effected and the price fully paid by the hirer the said goods shall remain the property of the owner.

3. Hirer's covenants.-During the hiring period the hirer will-

(a) not sell, transfer, pledge, hypothecate, charge or in any manner encumber the goods or part with possession thereof either entirely or in part ;

(b) Not without the consent in writing of the owner, remove the said goods or any part thereof from the premises of the hirer at.....and shall inform the owner forthwith of any change in address or shift or place ;

(c) will not lend or mortgage the goods to any other person without the previous permission in writing of the owner ;

(d) will keep and maintain the goods in good order and condition and will, on the expiry of.....years or earlier termination of this agreement, return the same to owner in the same condition in which it has been given on hire, reasonable wear and

tear however excepted, and all loss or damage due to breakage pilferage or any other cause shall be made good by hirer at his own cost;

(e) pay all taxes, fees, duties, fines, registration charges, other charges, payable in respect of the assets as when they shall become due ;

(f) permit the owner or his authorised agent or any nominee at all reasonable times to visit and examine the condition of the said goods ;

(g) shall keep the goods insured against all losses or risks or damage by fire, tempest or theft upto the value of Rs.....with an Insurance Company to be nominated by the owner and shall punctually pay all premia and produce to owner when so required the receipts for the last premium paid and keep the insurance alive during the continuance of the agreement. If the said hired goods are damaged or destroyed by fire or lost by theft all moneys received in respect of such insurance by the hirer shall be paid forthwith to the owner who shall apply the same in making good the loss by replacement of such damaged part or parts or the entire goods of similar description and value whereupon such replaced part or parts or goods shall become subject-matter to this agreement in the same manner as the original goods ;

(h) in case of default by hirer in payment of the charges mentioned in sub-clause (g) above, the owner may pay the same or any part thereof and the hirer shall be

liable to reimburse the same together with interest thereon at the rate of 15% p.a. from the date of payment by the owner ;

(i) the hirer shall indemnify the owner against claims by third parties arising out of any accident caused by the user of the asset by the hirer until the determination of this agreement ;

(j) the hirer shall not use or permit or cause the asset to be used in contravention of any statute or regulations for the time being in force or otherwise in any way contrary to any law excepting as permitted by and under this agreement ;

(k) hirer agrees to make good to the owner all damages caused to the asset (fair wear and tear excepted) and pay the owner the full value of the asset if there is total loss of the assets, whether the damage or loss be caused accidentally or otherwise and by any reason whatsoever and to keep the asset at his sole risk, until he purchases the asset or returns it to the owner ;

(l) hirer agrees to pay all expenses for repair found necessary by the owner, replace any damaged parts and not make any alteration or addition thereto without previous permission in writing of the owner ;

(m) hirer has examined /caused to be examined the asses and receipt by him of the same shall be conclusive proof that the asset has been duly accepted by him as

being in perfect order and has been duly accepted by him as being in perfect order and working condition.

4. Intimation of change in address.-The hirer shall forthwith intimate the owner of any change of his address and also of the address of the premises where the asset is kept and shall also immediately notify the owner in writing of any loss or damage to the said asset.

5. Default.-If the hirer shall make default in the punctual and prompt payment, in full, of the said monthly hire or in the observance or performance of any of the provisions of this agreement, which is to be observed and performed by him, the hiring shall immediately determine.

6. Owner to take possession.-On the determination of the hiring, the owner shall without notice or demand take possession of the hired goods and for that purpose may by himself or by his agent or servants enter into or upon any premises occupied by the hirer and search for the same if necessary for the said goods.

7. Hirer's option to terminate hiring-The hirer may terminate the agreement at any time without notice by returning the said goods at the owner's address or his place of business.

8. Rights to damages not affected.-If the hiring is terminated by the hirer under clause 7 above such termination shall be without prejudice to the owner's right to recover the hire upon the date of such termination nor his right to recover damages for any prior breach of this agreement by the hirer or on account of any payments previously made by him.

9. Compensation for depreciation.-On the termination of this agreement either at the instance of the hirer or the owner, the hirer shall pay to the owner by way of compensation for depreciation of the said goods such sum as with the amount previously paid for hire shall be of a sum equal to not less than one half of total amount payable under the agreement.

10. Time or indulgence not to affect owner's rights.-Any time or other indulgence granted by the owner to hirer shall not prejudice or affect his strict rights under this agreement.

SCHEDULE A

Description of Goods.

1. Name
2. Accession No.
3. Mark/Trade Name

- 4. Year of Manufacture
- 5. Make of Machine
- 6. No. of Machine
- 7. Other description :
.....
.....
.....
- 8. Accessories affixed to the goods
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.....
.....
.....
.....

SCHEDULE B
(ABOVE REFERRED TO)

Amount payable under this Agreement :

Due Date	Amount (Rs.)
.....
.....
.....

IN WITNESS WHEREOF the parties hereunto have set their respective hands the day, month and year hereinabove written.

Witnesses :

Signature of Hirer

1.....

2.....

Signature of Owne
