**HIRE PURCHASE AGREEMENT**

This Hire Purchase Agreement (this “Agreement”) is entered into as of [[Effective Date]] (the ‘’Effective Date’’).

**BETWEEN:** [[Entity: Choice ((“company”, "corporation", "limited liability partnership", "limited partnership", "proprietorship firm")]], a company, duly incorporated and registered under the Companies Act, 1956, with its principal place of business located at [[Company Address]], (the “Company”), through its [[Authorised signatory: Name of the Person]], (hereinafter referred to as ‘the Company’) of the One Part

**AND:** [[Entity: Choice ((name of the person(s)), (“company”, "corporation", "limited liability partnership", "limited partnership", "proprietorship firm")]], (the "Agency"), a company, duly incorporated and registered under the Companies Act, 1956, with its principal place of business located at [[Company Address]], (the “Company”), through its [[Authorised signatory: Name of the Person]], (hereinafter referred to as ‘the Hirer’) of the Other Part.

**PREAMBLE**

WHEREAS the Company is the owner of certain machinery and equipment intended for manufacturing and which is more particularly described in the Schedule hereunder written.

AND WHEREAS the Hirer has requested the Company to give the said machinery and equipment on hire to enable the Hirer to carry on the business of manufacturing with an option to the Hirer to purchase the same.

AND WHEREAS the Company has agreed to do so on the following terms and conditions agreed upon between the parties.

NOW IT IS AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS :

1. RELATIONSHIP OF THE PARTIES- INDEPENDENT

The Parties agree that the Parties shall be considered independent and not agents or employees of the other Party..

1. DUTIES AND OBLIGATIONS OF THE COMPANY
	1. The Company agrees to give and deliver over to the Hirer the said machinery and equipment described in the Schedule hereunder written on hire on the terms and conditions hereinafter mentioned and pursuant to the said Agreement the Company has delivered possession of the said machinery and equipment to the Hirer.
	2. The Company through its authorized representative shall be entitled to inspect the said machinery and equipment during working hours at any time and for that purpose to enter into the premises where the said machinery and equipment will be installed or kept and the Hirer shall allow the Company and its representative to do so.
	3. The Company does not give any warranty as to the quality or fitness of the mechanism of the said machinery and equipment and will not be responsible or liable for any defect found therein.
	4. If the Hirer commits breach of any term of this Agreement or fails to pay any two monthly installments of hire charges, the Company will have the right to terminate this agreement by giving one month’s prior notice to that effect and unless in the meanwhile the breach is remedied and the hire charges are paid as the case may be, this agreement shall, on the expiration of the notice period stand terminated. If the agreement is terminated as aforesaid the Hirer’s option to purchase as hereinafter mentioned shall stand forfeited or cancelled.
	5. On the termination of this agreement by efflux of time or earlier termination by the Company or the Hirer or otherwise as aforesaid, the Company shall return to the Hirer the amount of deposit less the amounts payable by the Hirer to the Company for hire charges or otherwise and the expenses to be paid or incurred by the Hirer in terms of these presents and not paid by him.
	6. Notwithstanding the completion of sale of the machinery and equipment, the Company shall have a lien or charge on the same for all the money due and payable by the Hirer under this Agreement.
	7. The Company declares that :
		1. The Hirer shall have and enjoy quiet possession of the said machinery and equipment during the subsistence of this agreement.
		2. That the said machinery and equipment is free from any charge or encumbrance in favour of any third person.
		3. The Company has a right to sell the said machinery and equipment.
		4. The said machinery and equipment is [[new/second]] hand.
	8. If on the determination of this agreement by efflux of time or otherwise, the Hirer fails to deliver the said machinery and equipment to the Company, without there being any dispute the Company will be entitled to file a suit or take other proceedings to recover possession thereof and the Hirer will be liable to pay all the costs, charges and expenses incurred by the Company, in that behalf subject to any order of the Court.
2. DUTIES AND OBLIGATIONS OF THE HIRER
	1. The Hirer confirms that he has inspected the said machinery and equipment before taking possession and is satisfied that it is in good and working condition and acknowledges delivery of the same to him by the Company and agrees to hold it on the terms and conditions hereinafter mentioned.
	2. During the pendency of this agreement the Hirer shall keep the said machinery and equipment in good working condition and shall maintain it properly as a man of prudence would do and shall replace any of the parts thereof lost or disused or out-of-use or broken.
	3. The Hirer proposes to install the said machinery and equipment at (Place) and agrees and undertakes not to remove the same to any other place without the prior written consent of the Company. The Hirer shall not remove the nameplates fixed to the machinery for the purpose of identification of the property of the Company during the pendency of this agreement.
	4. The Hirer shall use the said machinery and equipment for the manufacture of and not for any other purpose without the prior consent of the Company.
	5. The Hirer shall not give the said machinery and equipment on hire or on any other basis or to allow it to be used by any other person without the prior written consent of the Company and shall not hypothecate or pledge the same with any person to secure payment of any money.
	6. The ownership of property of the Company in the said machinery and equipment will continue to remain unaffected during the pendency of this agreement and the Hirer shall be considered as the bailee thereof with all the duties and obligations of a bailee in law, until the Hirer exercises his option to purchase hereinafter provided.
	7. If any taxes or other dues are required to be paid in respect of the said machinery and equipment, the same will be paid by the Hirer and if any permit or license to use the said machinery and equipment is required to be obtained from any Government or any local authority the same will be obtained by the Hirer at his costs and responsibility.
	8. If the said machinery and equipment or any part thereof goes out of order and requires repairs of a substantial nature the work of repairs will be carried only through a mechanic appointed by the Company and the Hirer shall pay his charges.
	9. The Hirer shall be liable to pay the hire charges every [[Time period]] not- withstanding whether the said machinery and equipment is working or remains idle for want of work or for any other reason.
	10. The Hirer shall also have a right to terminate this agreement at any time by giving not less than [[No. of Days]] prior notice to the company to that effect but in such a case the Hirer will be liable to pay to the Company the amounts which have accrued due towards hire charges have not been paid and the amount of hire charges payable for the period from the date of termination till the stipulated period of this agreement would expire as and by way of compensation for the loss suffered by the Company, subject to the provisions of S. 10 (2) of the Hire Purchase Act.
	11. If the said machinery and equipment is lost or wholly destroyed or damaged beyond repairs by fire, floods or earthquake or for any other reason, the Hirer shall make good the loss suffered by the Company, the loss being the market price of the machinery and equipment then existing or the hire-purchase price mentioned hereunder, whichever is more, Provided that, the amount of Insurance claim received if any will be adjusted against such price.
	12. The Hirer shall have the option to purchase the said machinery and equipment, and the option shall be exercised by giving [[Time Period]] prior notice to the Company. The option to purchase can be exercised from the date of expiration of the stipulated period of this agreement or from any earlier date. In the former case the Hirer shall be liable to pay to the Company a sum equal to the Hire purchase price of the machinery and equipment mentioned above, less the aggregate amount of instalments paid upto that date or Rupee one whichever is higher. In the latter case that is if the option to purchase is exercised before the expiration of the period of this agreement, the Hirer shall be liable to pay a sum equal to the said Hire-Purchase price or the balance thereof payable by monthly installments of hire charges upto the date of the stipulated period of the agreement as reduced by a rebate which will be equal to two thirds of an amount which bears to the hire purchase charges the same proportion as the balance of the hire purchase price not due till then bears to the hire purchase price.
	13. The Hirer shall not assign the benefits and rights under this Agreement to any other person without the prior written consent of the Company which consent shall not be unreasonably withheld or refused.
3. MANDATORY OBLIGATIONS OF THE PARTIES.
	1. On the Hirer exercising the option and paying the price of the machinery and equipment and other money as mentioned in clause 25 above to the Company the sale of the said machinery and equipment to the Hirer shall be deemed to be complete as on the date the option comes into operation. But until then, the Company will continue to be the owner thereof. If, however, the Hirer fails to pay the amount due and payable to the Company as aforesaid at or before the date from which the option is to become effective, this agreement shall stand terminated and the Hirer will return the machinery and equipment to the Company forthwith in good working condition as aforesaid.
4. FEES AND EXPENSES
	1. The hire-purchase price of the said machinery and equipment fixed at Rs. [[Amount]] exclusive of the deposit amount mentioned in the next clause and the cost price fixed at Rs. [[Amount]] is accepted by both the parties hereto.
	2. The Hirer has paid to the Company on the execution of this agreement a sum of Rs. [[Amount]] as deposit or earnest which will be adjusted against the hire purchase price of the said machinery and equipment, if the Hirer exercises the option to purchase the same as hereinafter mentioned. If the Hirer does not exercise the said option or the agreement is terminated before the exercise of such option then the said amount of deposit will be returned to the Hirer by the Company on the expiration or sooner determination of this agreement, subject to deduction of any claim which the Company may have against the Hirer under or by virtue of this agreement or in law, including the cost price of the said machinery and equipment.
	3. During the pendency of this agreement the Hirer shall pay to the Company by equal monthly installments a sum of Rs. [[Amount]] as hire charges, in advance, the first of such payments to be made on the execution of this agreement and each subsequent monthly payment will be made on or before the [[Date]] day of such each succeeding month hereafter. The payment will be made at the registered office of the Company by cash only or by cheque in the name of the Company.
5. INSURANCE AND INDEMNIFICATION
	1. The Hirer agrees to indemnify and keep indemnified the Company against any loss the Company may suffer due to any damage done to the said machinery and equipment by any reason whatsoever.
	2. The Hirer shall keep the said machinery and equipment insured in the name of the Company with any recognized Insurance Company and shall pay the premium as and when due and payable regularly. The Policy of Insurance will be handed over to the Company and the Hirer shall produce the premium receipt or furnish true or Xerox copy thereof to the Company from time to time. If the Hirer fails to insure the said machinery and equipment or fails to pay the premium at any time the Company will be entitled to insure (without prejudice to its other rights under this agreement) the same or to pay the premium as the case may be and the costs incurred by the Company will be paid by the Hirer to the Company as and when demanded.
6. NOTICE
	1. Any notice provided for or permitted in this Agreement shall be in writing and will be deemed to have been given [[Minimum number of Days after Mail: Number]] days after having been mailed, postage pre-paid, by certified or registered mail or by recognized overnight delivery services, except in the case of a postal or other strike affecting the service used whereupon notice will be deemed to have been given [[Minimum number of Days for Service of Notice: Number]]days after normal service resumes.
	2. Where personal service is made or where delivery is made by facsimile and a receipt thereof has been retained, any notice provided for or permitted in this Agreement will be deemed to have been given when received by the intended recipient. The intended recipient must be an individual whose personal name appears on the address set out in the notice.
	3. Addressing and delivery is to be made as follows:
		1. If to: Company

[[Company Address]]

* + 1. If to : the Hirer

 [[Hirer Address]]

* 1. The parties may communicate other addresses where notice must be sent to from time to time. Such communication shall be in writing and shall have the effect of replacing the address. No change of address affected under this section shall in any way affect the operation of any term, other than the delivery address, in this Agreement.
1. TERM

This agreement shall be deemed to have commenced from the date hereof and will remain in force for a period of [[Duration]] years from the date hereof that is upto the day of [[Date]] and (unless the Hirer exercises the option to purchase as hereinafter provided), on the expiration of the said period or earlier termination thereof as hereinafter provided the Hirer shall hand over back the said machinery and equipment in good working condition subject to normal wear and tear at his costs at the place of business of the Company or as may be directed by the Company provided that, the Hirer shall continue to be liable to pay hire charges until the said machinery and equipment is actually delivered over to or taken over by the Company.

1. TERMINATION AND EFFECT OF TERMINATION
	1. If the Hirer fails to pay any monthly instalment of hire charges on the due date thereof then the Hirer shall be liable to pay interest thereon at the rate of (Rate of interest) per cent per annum from the date of default till payment thereof. This is, however, without prejudice to the right of the Company to terminate this agreement for default in payment of the monthly installments as hereinafter provided.
	2. If the Hirer is adjudged insolvent or he allows the said machinery and equipment to be attached in execution of a decree or an order of a court or for recovery of any Government dues or if a Receiver thereof is appointed by Court or any creditor, this agreement, on the happening of any such event shall stand terminated
	3. The Company shall have the right to terminate or cancel all or part of the Services contemplated by this Agreement or any request for Services on any specific task at any time by giving the Travel Agency [[Number: Number of Days of Notice]] days prior written notice of its intent to so terminate or cancel.
2. DISPUTE RESOLUTION:
	1. ARBITRATION:
3. In the event of any dispute, difference or controversy arising between the company and Hirer in the performance, interpretation, implementation or application of this agreement, the parties will first attempt to resolve their differences mutually but failing mutual settlement dispute, difference or controversy arising, either Party may request that such disputes be settled by arbitration in accordance with the Arbitration and Conciliation Act, 1996 (“ the Act of 1996”) and the rules made there under, as amended from time to time.
4. The Seat of Arbitration will be in [[Place]] and all Arbitration proceedings will be conducted in [[place]].
	1. In case the dispute arises it will be adjudicated by the way of ONLINE DISPUTE RESOLUTION
	2. In case the dispute arises it will be Subject to the jurisdiction of the courts of [[Name of the place]]

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [[Place of Execution]] on the date indicated above.

THE SCHEDULE ABOVE REFERRED TO:-

(List /Description of machinery & equipment)

\*\*[[Party A | Uppercase]]\*\* \*\*[[Party B | Uppercase]]\*\*

[[Party A Signatory Email: Identity | Signature]] [[Party B Signatory Email: Identity | Signature]]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By: [[Party A Signatory Name]] By: [[Party B Signatory Name]]

Title: [[Party A Signatory Title]] Title: [[Party B Signatory Title]]

WITNESSES

1. [[Name of the Witness: Witness A]] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[[Address of the Witness A]] [[Witness A Signatory Email: Identity | Signature]]

[[Passport Size Photo: Image]]

1. [[Name of the Witness: Witness B]] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[[Address of the Witness B]] [[Witness B Signatory Email: Identity | Signature]]

[[Passport Size Photo: Image]]