**AGREEMENT FOR HIRE OF A MACHINERY**

THIS AGREEMENT made on this \_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_ between \_\_\_\_\_\_\_\_\_\_\_\_\_ a company registered under the Companies Act, 1956 and having its registered office at\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ hereinafter referred to as "the Owner" (which expression shall unless repugnant to the context or meaning thereof include its authorised representatives, successors and assigns) of the one part

AND

M/s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a Partnership firm having its principal office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ hereinafter referred to as "the Hirer" (which expression shall unless repugnant to the context or meaning thereof include the partners for the time being or any change thereof, their heirs, executors, administrators, legal representatives and assigns) of the other part.

WHEREAS

(1) The Owner owns a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ machinery (hereinafter called "the machinery") installed at the factory premises of the Owner situated at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, which is not being used for past several years.

(2) The Hirer has approached the Owner and has offered to take the machinery on hire and the Owner has agreed to let it on hire on the terms and conditions hereinafter appearing.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. Hire of Machinery

The Owner lets on hire the machinery under this Agreement for a period of \_\_\_\_ years and during the period of this Agreement, the machinery shall be in use and possession of the Hirer who shall also be entitled to use the premises at which the machinery is installed. The Hirer shall not be entitled to remove the said machinery from the premises where the machinery is installed unless it has obtained the consent of the Owner in writing.

2. Rent

The Hirer shall pay to the Owner by way of rent for the hire of the said machinery the sum of Rs. \_\_\_\_\_\_\_\_\_ per month in advance by the \_\_\_th day of each month, the first payment being due on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. In addition, the Hirer shall also pay to the Owner a fee of Rs. \_\_\_\_\_\_\_\_\_\_\_ per month for the use and possession of the premises where the said machinery is installed and the same shall be paid along with the monthly rent for the machinery.

3. Hirer to keep the Machinery in good conditions

The Hirer shall, at his own expense, keep the machinery in good order and condition and shall, on the expiration of the term of this Agreement or its earlier termination, return the same to the Owner in the same condition in which it was let on hire (reasonable wear and tear excepted), and in case of any loss or damage to the machinery due to any reason, whatsoever, it shall be made good by the Hirer at his own expense.

4. Hirer to keep the Machinery insured

The Hirer shall, to the satisfaction of, and in the name of the Owner, keep the machinery insured against any damage or loss by fire or theft in the sum of Rs.\_\_\_\_\_\_\_ with an insurance company and shall punctually pay all premium in respect thereof and produce, on demand, to the Owner, the receipt for all such premium payable in respect of such insurance.

5. Claims from Insurance Company

In case, the machinery or any part thereof is destroyed by fire or lost by theft or got damaged due to any other reason, all moneys received from the insurance company as insurance claim shall be paid forthwith to the Owner who may apply such moneys either in making good the damage done or in replacing the machinery or such part by other articles of similar description and value and such substituted articles shall become subject to the provisions of this Agreement in the same manner as the articles for which they are substituted.

6. Inspection of the Machinery by the Owner

The Owner or his representatives shall be entitled, at all reasonable times, to inspect the machinery, its state and condition and the Hirer shall furnish to him or them such information as he or they may require in respect of the state and conditions of the machinery.

7.  Termination of Agreement

If the Hirer commits the breach of any terms and conditions of this Agreement, the Owner shall be entitled to terminate this Agreement by giving \_\_\_\_\_\_\_\_ months notice to the Hirer and on such termination, he shall be entitled to retake possession of the machinery. The Hirer shall, however, remain liable for the payment of any money due to the Owner prior to the termination of this Agreement.

The Hirer shall also be entitled to terminate this Agreement by giving to the Owner a notice of \_\_\_\_\_\_\_\_\_\_\_ months and on making the payment of any money due to the Owner at the time of termination of this Agreement.

8.  Arbitration Clause

Every dispute, difference, or question which may, at any time, arise between the parties hereto or any person claiming under them, in respect of any clause of the Agreement or the subject-matter thereof, shall be referred to the arbitration of \_\_\_\_\_\_\_\_\_\_\_ (name of the arbitrator) or, if he shall be unable or unwilling to act, to another arbitrator to be agreed upon between the parties or failing Agreement, to three arbitrators one to be appointed by each party to the dispute or difference and the two appointed arbitrators shall appoint the third arbitrator who shall act as the presiding arbitrator and the decision of the arbitrator (or, arbitrators) shall be final and binding on the parties. Subject as aforesaid the Arbitration and Conciliation Act, 1996 and the rules made there under shall apply to the arbitration proceedings under this clause. The award of the arbitrator or arbitrators appointed as above shall be conclusive and binding on the parties.

IN WITNESS WHERE OF, the parties hereto have signed this Agreement on the day and year first here-in-above written.

For and behalf of the Company

Authorised Representative

For and behalf of the Firm

Partner

Witness:

1.

2.

Note: This Agreement is a simple hire agreement and it does not contemplate hire purchase transaction.