**AGREEMENT FOR HIRE PURCHASE OF A VEHICLE WITH A FINANCIER AND A GUARANTOR**

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

Sh. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

S/o \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 r/o \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ hereinafter referred to as "the Hirer" (which expression shall unless repugnant to the context or meaning thereof include his heirs, executors, administrators, legal representatives and assigns) of the other part.

AND

Sh. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

S/o \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

r/o \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ hereinafter referred to as "the Guarantor" (which expression shall unless repugnant to the context or meaning thereof include his heirs, executors, administrators, legal representatives and assigns) of the third part.

WHEREAS the Hirer and the Guarantor have signed a proposal form for hire of a vehicle (which is to be regarded as the basis of this contract) and the Owner has accepted the proposal and purchased the vehicle at a cost price of Rs.\_\_\_\_\_\_\_\_\_\_\_\_ and agrees to let it on hire to the Hirer on the terms and conditions hereinafter appearing.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. Hire of Vehicle

The Owner, being the absolute Owner of the motor vehicle with fittings, tools and accessories and additions more particularly described in the Schedule I hereto and hereinafter collectively called "the vehicle" agrees to let and the Hirer agrees to take on hire the vehicle from the date hereof subject to the terms and conditions herein contained and hereto annexed and which shall be taken and read as part of this Agreement.

2. Hirer to make initial payment

The Hirer shall pay to the Owner on the execution of this Agreement the sum of Rs.\_\_\_\_\_\_\_\_\_\_ as an initial payment by way of hire which shall become the absolute property of the Owner and will punctually pay to the Owner and without previous demands the sum mentioned in Schedule II by way of rent for the hire of vehicle, the first payment to be made on the \_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_, and each subsequent payment on or before the \_\_\_\_\_\_\_ day of every succeeding calendar month unless the Hirer shall have terminated this Agreement as hereinafter provided.

3. Hirer to become the owner of the vehicle on completion of Agreement
If the Hirer shall duly perform and observe all the terms and conditions contained in this Agreement and the covenants on his part to be performed and observed, and shall in a manner aforesaid pay to the Owner all other sums of money which may become payable to it by the Hirer under this Agreement, the hiring shall come to an end and the vehicle shall at the option of Hirer (to be exercised by him) become his property and the Owner will assign and make over all his right, title and interest in the same to the Hirer but until such payments as aforesaid have been made the vehicle shall remain the absolute property of the Owner.

4. Termination of Agreement by the Hirer

The Hirer shall be at liberty at any time during the continuance of this Agreement to terminate the hiring by returning the vehicle to the Owner in the same order and condition in which it was delivered to the Hirer (reasonable wear and tear excepted) free of all expenses to the Owner. The Hirer shall pay to the Owner the stipulated hire up to the date of such determination including apportioned hire for any broken period of the month and 25% of the balance of the total unpaid hire (still to fall due) as compensation to the Owner for depreciation in the value of the vehicle. The Hirer shall not be entitled to any allowance, return or credit in respect of any previous payment made by him under the terms of this Agreement, but this shall be without prejudice to any claims the Owner may have against the Hirer in respect of this Agreement.

5. Hirer's Covenants

The Hirer covenants as follows:

1. To keep the vehicle in thorough working condition and to make no alteration thereon or addition thereto without the previous permission of the Owner and it is agreed that in the event of this Agreement being terminated by the Owner, such additions or alterations as aforesaid shall be deemed to be the absolute property of the Owner, provided always that Hirer shall not have or be deemed to have any authority to pledge the credit of the Owner for repairs, alterations or additions.
2. . That the payments specified in Clause 2 are not subject to suspension or delay by reason of the vehicle requiring or undergoing repairs or being suspended by any Transport authority or pending the insurance claim or by reason of delay in the registration of the vehicle or its non-registration or non-receipt of the permit by the Hirer or on account of any alleged dispute with the Owner or any other cause or reason whatsoever.
3. To indemnify the Owner against loss by reason of damage to or destruction or loss of the vehicle from any cause whatsoever or by reason of claims by third parties in respect of the same.
4. To keep the Owner notified of the address of the premises where the vehicle is kept and of any change in the same as soon as made.
5. To allow the Owner's representatives free access at all reasonable times to inspect the vehicle or to take possession of the same as hereinafter mentioned.
6. To have the vehicle registered in the name of the Owner and not to sell mortgage, pledge, hypothecate, hire or otherwise deal with the vehicle nor to part with the possession of the vehicle nor to remove it out of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the premises where the vehicle is kept) without express written permission of the Owner previously obtained and also not to use the vehicle for any purpose other than that declared in the original proposal form.
7. To pay in the name and on behalf of the Owner all fees and taxes, payable in respect of the vehicle as and when the same becomes due and to indemnify the Owner against all such payments.
8. To return to the Owner the permit, the registration certificate and all other papers and certificates granted by the Registering authority in the event of the termination of the hiring contract or repossession by the Owner.

i. To indemnify the Owner against, for any liability in respect of Local & Central Sales tax pertaining to the transaction covered by this Agreement.

j. . Hirer to pay compensation in case of overdue payments The Hirer agrees to pay to the Owner compensation @ \_\_% per mensem on the amount of any sum overdue, including any sum of taxes, fees, repairs and supplies which may be due from the Hirer to the Owner in respect of the Vehicle but this shall not, in any way, affect or prejudice the right of the Owner as provided herein to recover possession of vehicle and to determine the Agreement on default of non-payment of any of the hire payments.

k. Hirer to remain bailee of the Owner till he clears all his payments The Hirer acknowledges that he holds the vehicle as a bailee of the Owner and shall not have any proprietary right, title or interest as purchaser therein until (he shall have) exercised his option of purchase as hereinbefore provided by payment of the whole amount due under this Agreement or under any terms thereof and the Owner make over to him all its rights, title and interest in the vehicle. The Owner shall have the right to refuse to transfer the Ownership of the vehicle after they have realised their full hire amount under this Agreement if the Hirer has hired out another vehicle from the Owner in respect of which his liability is not fully discharged in terms of the Agreement under which he has hired another vehicle or guaranteed the transaction of another vehicle at their sole discretion.

L . Termination of Agreement

(i) The Owner may terminate with or without notice, the contract of hiring and forthwith retake and recover possession of the vehicle if the Hirer commits any of the breach of the conditions and obligations herein stipulated. The Agreement shall also stand terminated if the Hirer dies, or become insolvent or has a receiving order made or any insolvency notice served upon him or an attachment is levied on any of his property or the Hirer allows the vehicle to be seized in distress or execution or under any other process of law.
(ii) Any such termination shall be without prejudice to any claims the Owner may have in respect of any terms or conditions of this Agreement and it is further agreed that if the hiring is determined by the Owner or by the Hirer in the manner herein provided all hire upto the date of such termination and damages for breach of the Agreement shall be paid by the Hirer to the Owner.
(iii) In the event of termination of the Agreement by the Owner under the terms hereof, the Owner shall have the right to repossess the vehicle together with all articles and goods appurtenances which may happen to be in or upon the vehicle at the time of such repossession provided that all such articles found in the vehicle not being the property of the Owner shall be delivered to the Hirer. The Hirer hereby agrees to indemnify the Owner in respect of such repossession. For the purposes of such repossession or attempted repossession of the vehicle, leave and licence is hereby given to the Owner, its agents or any other persons employed or authorised by it to enter any building, premises or place where the vehicle may be or may supposed to be and take possession of the same from the Hirer or any other person using or possessing the same without being liable to any suit or other proceedings by the Hirer or any person claiming under him.

9. Insurance If the vehicle supplied by the Owner is insured through the Owner, the Hirer will, if he is not overdue with his payments, be granted such benefits as the Owner derive from the insurance in respect of any claims, if any. Such insurance, however, shall not absolve the Hirer from his liability under clause 5 hereof provided always that in the event of the vehicle being destroyed or being so extensively damaged as to be in the opinion of the insurance company a total loss, then and in that case, the amount recoverable under the insurance policy shall be applied in the first place in paying all moneys due by way of arrears of hire and such other sums due by the Hirer in terms of this Agreement and hereafter if the balance of the sums received by the Owner under such policy shall exceed such dues, the excess shall be paid by the Owner to the Hirer. The Hirer further agrees that he will be bound by any settlement the Owner may make with insurance company regarding any claim and that their discharged to the insurance company will be final and binding on him and the Owner will, in no way, be answerable to the Hirer in respect of the said settlement.

10. Hirer to give Promissory Notes as Collateral Security The Hirer hereby agrees to give to the Owner in respect of all the monthly hire payments, promissory notes by way of collateral security and he further agrees that the Owner shall be entitled to negotiate the said demand promissory notes and also to sue upon the same.

11. Hirer to satisfy himself as to the quality or state of the vehicle The Hirer has examined (or has caused to be examined) the vehicle and satisfied himself to the conditions and running and no warranty is implied on the part of the Owner as to the quality or state of the vehicle or as to its fitness for any purpose whatsoever, and the delivery receipt issued by the Hirer regarding the vehicle shall be conclusive to the effect that the vehicle has been accepted by him as duly fitted, equipped and according to contract and no claim or objection thereafter shall be admissible.

12. Delivery of Notice or other communications pursuant to Agreement Any letter, notice or other communications dispatched to the Hirer or Guarantor whether through post office or through a representative at the address last notified to the Owner by the Hirer or the Guarantor shall be deemed to have been received by them (even though it may have been returned) respectively with the remarks "refused", "undelivered" or any words to that effect, or for any other reason whatsoever provided the envelop containing the notice was properly addressed and posted.

13. Agreement -- entire understanding of the parties The Hirer and the Guarantor hereby admit that this Agreement has been fully explained to them and that they fully understand the meaning of each and every clause of the same and that they have signed this Agreement with the full knowledge of the conditions and obligations herein imposed and which they willingly incur and assume. The Agreement as herein set forth contains the entire understanding, Agreement, warranty or representation express or implied, in any way.

14. Obligations of the Grantor The Guarantor, in consideration of the Owner agreeing to hire the vehicle to the Hirer, agrees as the principle obligator to observe and perform the terms and conditions of this Agreement and also hereby guarantees the due performance and observance thereof by Hirer and agrees to pay on demand any moneys due or which become payable under this Agreement (and not paid by the Hirer), either by way of hire, debt or damages or costs, or expenses on interest/repairs/replacement and further agrees that any time granted to the Hirer or any indulgence shown in respect of the terms and conditions herein either in the shape of releasing or re giving the vehicle after the seizure to the Hirer or in any other manner shall not prejudice the Owner rights or relieve the Guarantor from his guarantee, and that it shall not be necessary for the Owner upon the Hirer being granted any such concession or indulgence as aforesaid for the Owner to give any notice to the Guarantor thereof. He further agrees that the Owner’s right or lien on the vehicle or right to seize the same shall not be destroyed by reason of any judgement, decree or order obtained against the Hirer or himself or both. The obligations of the Guarantor, thus, shall remain in full force until the Hirer is discharged form this Agreement and are irrevocable.

15. 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.

SCHEDULE I- HEREINABOVE REFERRED TO

One New/Second Hand \_\_\_\_\_\_\_\_\_\_\_\_ (nature of vehicle) Make and Model \_\_\_\_\_\_\_\_\_, bearing Engine No. \_\_\_\_\_\_\_, Chasis No. \_\_\_\_\_\_\_\_Registered No.\_\_\_\_\_\_\_\_\_\_ complete with/without accessories.

SCHEDULE II- HEREINABOVE REFERRED TO INSTALMENTS BY WAY OF HIRE

1. One \_\_\_\_\_\_\_\_\_ Rs.\_\_\_\_\_\_\_\_

2. One month after Rs.\_\_\_\_\_\_\_\_

3. One month after Rs.\_\_\_\_\_\_\_\_

4. One month after Rs.\_\_\_\_\_\_\_\_ (and so on depending on the no. of instalments) For and behalf of the Company

Authorised Representative

 Hirer

 Guarantor

Witness:

1.

2.

3.