

AGREEMENT FOR HIRE-PURCHASE OF MACHINERY

THIS AGREEMENT made at this day of, 2000, between ABC & Co. Ltd., a company incorporated under the Companies Act, 1956, and having its registered office at (hereinafter called "the Owner") of the FIRST PART and M/s. X Y & Sons, a partnership firm, carrying on the business of printing press and having its place of business at (hereinafter called "the Hirer") of the SECOND PART and Shri A son of B resident of (hereinafter called 'the Surety') of the THIRD PART.

WHEREAS the hirer has vide his letter dated requested the owner to provide finance for the purchase of printing press.

AND WHEREAS the owner has by its reply dated agreed to provide finance for the purchase of printing press on the terms and conditions laid down in the said letter and the documents to be executed for the said purpose.

AND WHEREAS the hirer has placed an order with M/s for the purchase of printing press.

AND WHEREAS the owner has provided the finance by making payment of an amount of Rs..... vide cheque No..... dated drawn on to the supplier

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

1. The owner, being the owner of the printing press with fittings, tools, and accessories, more particularly described in the Schedule hereto shall let and the hirer shall take on hire from the day of

2. On execution of these presents, the hirer shall pay a sum of Rs to the owner as initial payment by way of hire and shall during the continuance of this agreement pay to the owner at his address for the time and without previous demand by way of rent for the hire of the said printing press the monthly sum of Rs..... the first payment to be made on the day of next and each subsequent payment on the day of each succeeding month during the said term.

3. During the continuance of the agreement, the hirer shall-
 - (a) not sell or offer for sale, assign, mortgage, pledge, underlet, let or otherwise deal with the said printing press or any part or parts thereof or with any interest therein;

 - (b) keep the said printing press in his own possession and will not remove the same or any part or parts thereof from the place where such printing press is for the time being situate without the previous consent in writing of the owner;

 - (c) not allow any lien to be created upon the said printing press whether for repairs or otherwise and will duly and punctually pay all rents, taxes, rates, charges and levies payable in respect of the premises wherein the said printing press shall for the time being be situate and produce all receipts for such payment to the owner on demand and will protect the said printing press against distress, execution or seizure;

- (d) use the printing press in a skilful and proper manner and shall at his own expense keep the said printing press in good and substantial repair and condition (reasonable wear and tear excepted);
- (e) keep insured the printing press during the period of hiring against any loss or damage by hire or otherwise in the sum of Rs with an insurance company in the name of the owner and deliver the policy of such insurance to the owner and duly and punctually pay all premiums necessary for keeping the said insurance effective throughout the period of this agreement:

Provided that in case the hirer shall at any time fail to effect or keep effect the said policy by making default in any payment of premium, the owner shall be entitled to effect such insurance and pay the premium to the said insurance company and the hirer shall forthwith pay to the owner all the premiums and other sums paid by the owner;

- (f) not do or omit to do any act which may result in seizure and/or the confiscation of the printing press by the Central or State Government or local authority or any public officer or authority under any law for the time being in force.
4. If the said printing press shall be destroyed or damaged by fire or otherwise, all moneys received or receivable in respect of such insurance as aforesaid shall forthwith be received by the owner who shall as the case may require, apply such money either in making good the damage done or in replacing the said printing press 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 shall have been substituted.

5. The hirer may determine the hiring at any time by giving days notice in writing to the owner at his address for the time being and by returning the said printing press at the hirer's own risk and expense and shall thereupon forthwith pay to the owner all hire charges upto the date of such determination and other sums due under the agreement and 25% of the balance of the total hire charges still to fall due as settled compensation.

6. If the hirer shall make default in punctual payment of the monthly sum so to be paid by him for the hire of the said printing press or if a receiving order in bankruptcy is 'made against him or if he compounds with his creditors or do or suffer any act or thing whereby or in consequence of which the said printing press may be distrained or taken in execution under legal process or by any public authority or fails to pay to the Government or any public authority any taxes or surcharges due in respect of the said printing press or fails to observe and perform the terms and conditions of this agreement on his part to be observed and performed or if the hirer shall do or cause to be done or permit or suffer any act or thing whereby the owner's rights in the said printing press may be prejudiced or put in jeopardy, the owner may without notice determine the hiring and it shall thereupon be lawful for the owner to take possession of the said printing press and for that purpose to enter into or upon any premises where the same may be kept and the determination of the hiring under this clause shall not affect the right of the owner to recover from the hirer any money due to the owner under this agreement or damages for breach thereof. The hirer shall also be liable to pay to the owner all expenses incurred by the owner in repossessing or attempting repossession of the said printing press.

7. If the agreement is determined before the property in the said printing press passes to the hirer, the hirer shall forthwith return to the owner, policies and other documents relating to the said printing press.
8. The hirer acknowledges and agrees with the owner that he has inspected the printing press and he is satisfied that the printing press is suitable for his purpose and the owner shall not be liable to the hirer for any liability, claim, loss, damage or expenses caused directly or indirectly by the said printing press or any inadequacy thereof for any purpose or any defect therein or by the use thereof or in relation to any repairs, servicing, maintenance of the said printing press.
9. The hirer shall be liable to bear and incur the installation cost, cost of detachment of the printing press taken on hire and to pay any tax, levy, rates or assessments levied at any time by the Central Government, State Government or any local authority on the total of or any installments payable under this agreement.
10. If the hirer shall duly perform and observe all the terms and conditions in this agreement and the covenants on his part to be performed and observed and shall punctually pay to the owner the sums specified in clause 2 hereof amounting (together with the said sum of Rs so paid on the execution of this agreement as aforesaid) to the sum of Rs then the hiring shall come to an end and the said printing press shall become the property of hirer and the owner will assign and make over all his rights, title and interest in the same to the hirer but until such payments have been made, the printing press shall remain the property of the owner.

11. No neglect, delay, indulgence, forbearance or waiver on the part of the owner in enforcing any terms or conditions of this agreement shall prejudice the rights of the owner hereunder.

12. In consideration of the owner letting the said printing press to the hirer at the rent and under the agreements and conditions hereinbefore expressed, the surety hereby guarantees the due payment of the said rents and all other sums of money which may become payable under this agreement and the performance and observance of the said agreements and conditions by the hirer and this guarantee shall not be prejudiced by the owner neglecting or forbearing to enforce this agreement against the hirer or giving time for the payment of the said rents when due or delaying to take any steps to enforce the performance or observance of the said agreements or conditions or granting any indulgence to the hirer.

13. The parties to this agreement hereby declare that they have fully understood the meaning of all the clauses, terms and conditions of this agreement and they have accepted and executed this agreement with full knowledge and understanding of the obligations herein.

IN WITNESS WHEREOF, the parties have executed this agreement on the day and the year first hereinabove written.

The Schedule above referred to

(Particulars of the printing press)

The common seal of ABC & Co. Ltd., the within named

owner has been hereunto affixed pursuant to the
Resolution of its Board of Directors on
in the presence of Shri Director and
Mr. Secretary of the company,
who have signed these presents

Signed and delivered by M/s. X Y & Sons,
the within named hirer by its partners

Signed and delivered by A, the within named surety

WITNESSES;

1.

2.