

AGREEMENT FOR HIRE-PURCHASE OF A MOTOR VEHICLE

THIS AGREEMENT made at ..... this ..... day of ....., 2000, between A son of B resident of ..... (hereinafter called "the owners") of the ONE PART and C son of D resident of ... ..... (hereinafter called "the hirer") of the OTHER PART.

WHEREAS the owner is the owner of a motor vehicle, more particularly described in the Schedule hereto and the hirer has approached the owner to let the said vehicle on hire to him, to which the owner has agreed and has assured the hirer that he shall have and enjoy quiet possession of the said vehicle.

AND WHEREAS the owner has further assured the hirer that he shall have the right to sell the said vehicle at the time the property is to pass and the said vehicle is free from any charge or encumbrances in favour of any third party at the time when the property is to pass.

AND WHEREAS the hirer has inspected the said vehicle and is satisfied about the same and considers it fit for the purposes for which he requires the same.

NOW IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. The owner will let and the hirer will take on hire the vehicle more particularly described in the Schedule hereto.
2. The owner has delivered the said vehicle to the hirer and has vehicle allowed the hirer to use the said vehicle in the usual manner.
3. In consideration of the delivery of the said vehicle to the hirer, the latter has paid in advance a sum of Rs. .... as first installment on hire (the receipt whereof the owner hereby acknowledges) and will punctually pay to the owner at his place the sum of Rs. .... every calendar month by way of rent for the hire of the said vehicle, the first payment to be made on the ..... day of ..... and each subsequent payment on the ..... day of every succeeding month.
4. During the continuance of hiring, the hirer shall-
  - (i) Not sell, assign, pledge, mortgage, underlet, lend or part with the possession of the said vehicle and not allow the said vehicle to be used by anybody else or kept or detained or run for the use of any other person.

- (ii) Not take the said vehicle out of the city of ..... unless he has obtained a permission in writing from the owner in that behalf and if the owner grants permission subject to certain terms and conditions, the hirer shall abide by all the terms and conditions imposed in respect of such permission.
  
- (iii) Pay all licence duties, fees, registration and other charges taxes, payable in respect of the said vehicle and keep the said vehicle in a good repair condition and working order and will permit the owner and persons authorised by him to have access to the said vehicle for the purpose of inspecting the condition thereof. In case the hirer fails or neglects to cause the said vehicle to be repaired or kept in a proper state of repair, the owner shall be entitled but shall not be bound to do ,so, to seize or cause the said vehicle to be seized and to get the same repaired and to keep the said vehicle in his custody till the hirer pays the bills for repair of the said vehicle.
  
- (iv) Keep the said vehicle insured and kept insured so long as the hiring shall continue in the joint names of the owner and the hirer against all risks and the hirer shall pay all the premiums payable to

the insurance company. On the hirer becoming the owner of the said vehicle under the terms of this agreement, the owner will transfer to the hirer the benefit of any insurance policy then current relating to the said vehicle.

- (v) Make good to the owner all damages to the said vehicle (fair wear and tear excepted) and pay the owner the full value of the said vehicle in the event of its total loss.
- (vi) Indemnify the owner against claims by third parties arising by accident caused by the said vehicle until the said vehicle is returned to the owner or purchased by the hirer in terms of this agreement.
- (vii) Not use or permit or suffer the said vehicle to be used in contravention of any law for the time being in force.

4. If the hirer shall duly observe and performs all the conditions herein contained and on his part to be observed and performed and shall pay to the owner the sum specified in clause 3 hereof, together with all other sums if any payable by him to the owner under the provisions of this

Agreement, then the hiring shall come to an end and the said vehicle shall become the property of the hirer and the owner will assign and make over all his rights and interest in the same to the hirer, but the hirer shall have the option of purchasing the said vehicle at any time during the period of hiring by paying in one lump sum the balance of all the hire hereinbefore mentioned and other expenses incurred by the owner. Until all such payments as aforesaid have been made, the said vehicle shall remain the property of the owner.

5. The hirer may at any time terminate the hiring by returning the said vehicle at his own cost and risk to the owner at his place of address for the time being.
  
6. If the hirer shall make default in payment of any monthly sum payable hereunder for ..... days after the same have become due or shall fail to observe or perform any of the terms and conditions of this agreement, the owner may without prejudice to his claim for arrears of hire or damages (if any) for breach of this agreement forthwith terminate the hiring without notice and retake physical possession of the said vehicle himself or through his agents or servants and the hirer shall not object to the retaking of possession of the said vehicle by the owner or his agents or servants and/or by written notice to the hirer determine this agreement

and the hiring hereby constituted. On such termination, the hirer shall immediately return the said vehicle to the owner at his place of address for the time being and the hirer shall pay the owner a sum of Rs..... every month until the said vehicle is returned to the owner.

7. No neglect, delay or indulgence on the part of the owner in enforcing any terms or conditions of this agreement shall prejudice the rights of the owner hereunder.
8. The agreement is personal to the hirer and the rights of the hirer shall not be assignable or chargeable by him in favour of third party.
9. In the event of the hiring being determined by the hirer or by the owner under clause 6 hereof, the hirer shall forthwith return the said vehicle to the owner at the hirer's expense. The determination of the hiring as aforesaid shall not affect or prejudice any claim the owner may have against the hirer for arrears of hire payments or for damages for breach of this agreement or his right to enforce such claim by action or otherwise.
10. The owner has permitted the hirer to have the said vehicle registered in his own name in terms of the provisions of Motor Vehicles Act, 1988 and the rules framed thereunder provided that the hirer shall transfer such

registration in favour of the owner when he returns the said vehicle to the owner under the terms of this agreement.

11. The agreement shall determine if the hirer commits any act of bankruptcy or makes any arrangement with his creditors or on presentation of a petition in the court for adjudicating the hirer as an insolvent or on the appointment of a receiver of the properties of the hirer or if an application is made by any creditor or other person against the hirer for the attachment of the said vehicle.
12. All disputes, differences and/or claims, arising out of this agreement shall be settled by arbitration in accordance with the provisions of Indian Arbitration Act, 1940 or any statutory modification thereof and shall be referred to the sole arbitration of Shri ..... or in case of his death, refusal, neglect, incapability to act as an arbitrator to the sole arbitration of Shri..... The award given by the arbitrator shall be final and binding on the parties.
13. The parties hereby admit that this agreement has been fully explained to them and they have understood the meaning of all the clauses of this agreement and they have signed this agreement with full understanding of the obligations herein.

IN WITNESS WHEREOF, the parties have hereunto set and subscribed their hands on the date and year above mentioned.

Signed and delivered by the within named owner

Signed and delivered by the within named hirer

WITNESSES;

1.

2.