

## AGREEMENT OF HIRE PURCHASE OF A MOTOR TRUCK

THIS AGREEMENT made at ..... this ..... day of ..... between M/s. A B C and Co., a partnership firm by its authorised partner Mr..... and having its office at ..... hereinafter referred to as the Dealer of the one part and M/s. XYZ Transport Company Limited. a company registered under the Companies Act, 1956 and having Its registered office at ..... hereinafter referred to as the Company of the other part.

WHEREAS the Dealer Firm is a dealer in transport vehicles manufactured by M/s ..... and carries on the business of selling, buying, giving on hire, transport vehicles of different makes and capacities.

AND WHEREAS the company is carrying on the business of transporting goods by motor trucks in India.

AND WHEREAS the Company has offered to the Dealer to supply one motor truck to the Company on hire purchase basis which the Dealer has agreed to do on the following terms and conditions.

AND WHEREAS the Company has selected the motor truck having a load carrying capacity of ..... tons and particulars of the truck as to the registration number, chassis number, make etc. are given in the schedule hereunder written. The said motor truck is hereinafter referred to 'as the said vehicle'

NOW IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS –

- (1) The Dealer gives on hire and the Company takes on hire the said vehicle as from the date hereof on the followings terms and conditions. The said

vehicle has been thoroughly inspected by the company's representative and is accepted to be in good working or running condition and the company has taken possession thereof.

- (2) The period of hire shall be ..... months from the date hereof subject to the hire being liable to earlier termination as hereinafter provided.
- (3) The Company shall pay as and by way of hire charges a sum of rupees ..... per month in advance. The proportionate hire charges for the current month upto the last date of the next month namely rupees . . . . . have been paid by the company to the Dealer on the execution of this agreement. (and the receipt thereof is admitted by the Dealer) and the further hire charges will be paid on or before the fifth day of each English Calendar Month. The first of such payment to be made on or before fifth day of the next following month and subsequent payments to be made on or before the fifth day of each and every succeeding month during the said hire period.
- (4) Provided if at the end of the said period or at any earlier time the Company pays the sum of rupees.... being the price of the said vehicle including taxes and other charges less the aggregate of the monthly hire charges actually paid by the company to the Dealer, the company shall have the option to purchase the vehicle by giving one months notice prior to the expiration of the said period and on the payment of such amount as agreed and exercising the said option the Company shall be deemed to have purchased the vehicle and become the full owner thereof.
- (5) If before the end of the said hire period the company does not exercise the said option to purchase then on the expiration of the said period or if this agreement is terminated earlier as hereinafter provided then on the

termination of the agreement the company shall return the vehicle in good working order to the Dealer forthwith falling which the company will be liable to pay as liquidated damages a sum of rupees ..... per day till the vehicle is delivered to the Dealer as aforesaid or taken possession by the Dealer under the power given to him as hereinafter mentioned.

- (6) The Company covenants and undertakes that during the said hire period
- (a) the Company shall use the vehicle with all care as a prudent man would do and keep the same In good condition In repairs and running order
  - (b) the Company shall not transfer the vehicle by way of sale or by, hypothecation pledge or otherwise or part with possession thereof In any manner whatsoever.
  - (c) The Company shall pay all taxes and other dues payable in respect of the said vehicle payable to Government or any other authority duly and punctually and will not allow the vehicle to be attached or seized for recovery of such dues.
  - (d) The Company shall while transporting goods see that proper octroi duty is paid at every octroi naka on the goods transported and will not allow the vehicle to be detained by the octroi authority for non payment or for any other illegal act.
  - (e) The Company shall not carry or transport through the vehicle any smuggled or otherwise objectionable goods.
  - (f) The Company and its driver shall observe and perform all the rules and the regulation applicable to such vehicle regarding delivery. transporting of goods or otherwise.
  - (g) The Company shall obtain necessary permits for taking the vehicle to any part of the country as required by law and shall not take the vehicle to any State without such permit.

- (h) The Company shall not allow the vehicle to be driven by an unlicensed driver or by a driver of less than two years experience and holding a clean licence. to drive.
  - (i) The Company shall keep the Dealer always informed in writing of the movements of the said vehicle from time to time.
  - (j) The Company shall allow the Dealer or his representative to take inspection of the vehicle at any time and at any place.
  - (k) The Company shall always keep the said vehicle insured as required endorsed in favour of the Dealer and will be handed over to the Dealer.
  - (l) If has a result of any accident the vehicle is damaged the company shall repair the damage properly. Any accident suffered by the said vehicle shall be immediately communicated in writing to the Dealer and the insurance claim shall be lodged with the Insurance Company in proper time.
  - (m) The Company shall indemnify and keep indemnify the Dealer against all claims for damages or loss due to accident or otherwise either to the said vehicle given on hire or to any other vehicle or to any person or persons and against all costs charges and expenses on account of such claims incurred or suffered by the Dealer.
- (7) And it is further agreed that until the company exercises the option to purchase, the ownership of the vehicle will remain with the Dealer. The vehicle will be remaining in the same name in which it is now registered and registration will not be changed. This hire purchase agreement will be noted in the Register as provided by the Motor Vehicle Act.
- (8) And is further agreed that if the company makes default in payment of any monthly hire charges on the due date thereof or commits breach of any covenant term or condition herein contained or If the company is ordered

to be wound up by Court or goes into voluntary liquidation or the said vehicle is attached by Government or any other authority or any creditor or otherwise or a receiver is appointed thereof by any Court then and in any of the said events the Dealer will have the option to terminate this agreement by giving fifteen days prior notice in writing to the Company and on the expiration of such notice period this agreement shall be deemed to be terminated.

- (9) If on the expiration of the hire period or earlier termination thereof as aforesaid (and the company not having exercised the option to purchase before) the Company shall forthwith handover the said vehicle to the Dealer at its own costs and at the office premises of the Dealer failing which the Dealer will have the right to take possession of the said vehicle where it is by force and if possible through Court and the Company will be liable to pay all costs, charges and expenses incurred by the Dealer in taking such possession.
- (10) If at the time of delivery or taking possession of the said vehicle as aforesaid the vehicle is not in working condition or has suffered damages all the costs incurred by the Dealer in getting the vehicle repaired and brought in running condition will be payable by the Company and the Company hereby covenants to pay the same.
- (11) If the said vehicle suffers any accident of whatsoever and by reason thereof, the vehicle goes beyond repairs or if the vehicle is destroyed by fire or accident during the hire period or if the vehicle is forfeited or sold by any authority in exercise of any lawful power then the company will be liable to pay to the Dealer the said amount of rupees ... mentioned in clause 4 above less the hire charges paid by the Company and the moneys if any received from the insurance Company by the Dealer and

the Company covenants to pay the same forthwith on demand with interest at ..... per cent. per annum till payment.

IN WITNESS WHEREOF THE PARTIES HAVE PUT THEIR HANDS THE DAY AND YEAR FIRST HEREINABOVE WRITTEN.

*THE SCHEDULE ABOVE REFERRED TO*

Signed for and on behalf  
of M/s A B C and Co. by Mr .....  
as partner and duly authorised by the firm in the presence of

Signed for and on behalf  
of X V Z Transport Co. Ltd. by Its Managing Director  
duly authorised by the Board of Directors in the presence of