

CIRCULAR NO.6/1996

Sub:- Motor Vehicles Department - Disposal of applications for the termination of hire purchase, Lease or hypothecation agreement - procedure to be followed - Instructions Issued -

- Ref:- 1. Govt. letter No.22624/N4/95/PW&T dated 25-9-1995.
2. This office letter No.C1-12526/TC/95 dated 2-11-1995.
3. Govt. letter No.4111/N4/96/PW&T dated 19-2-1996.

By this office letter second cited, the Registering Authorities and Additional Registering Authorities were requested "for ensuring strict verification regarding the genuineness of the letters received from various financial agencies with whom motor vehicles are pledged, before cancelling the hypothecation endorsement".

2. Cancellation of hire purchase agreement is one of the items included in the 'Counter Service' and applications for the same are to be ordinarily disposed of within 24 hours of receipt. As this exercise of verification of genuineness of all the applications for cancellation of agreement is a time consuming one, the counter service has been discontinued and this has resulted in undue delay and inconvenience to the public. The matter was referred to the Government recommending that verification of genuineness need be made only in suspicious cases. Government in their letter third cited have accepted this recommendation.

In order to streamline the procedure the following instructions are issued:-

- (i) Applications for termination of hire purchase, lease or hypothecation agreement should be accepted at the counter and when there is no reason to suspect the genuineness of the application it should be disposed of within the time limit prescribed. In case of any suspicion regarding the genuineness of the application the matter may be referred to the financiers through a letter sent by registered post with acknowledgement due requesting for confirmation of the genuineness of the Form 35 forthwith. They may also be informed that if no reply is received within 30 days, the application will be disposed of on the presumption that they have no objection in the matter.

P-116

- 2 -

(ii) If no communication is received from the financier within 30 days, the applicant may be required to furnish an affidavit on stamp paper of appropriate value duly signed and certified by a Notary Public. The affidavit should contain the full details of the applicant, financier and the vehicle. Besides, the Registering Authority, in his option, may request the applicant, if he is an individual, to produce a recent passport size photograph duly attested either by a Notary Public or any of the Gazetted Officers or the Village Officer concerned. Thereafter the application may be disposed of under intimation to the financier by Registered Post with Acknowledgement Due.

3. The receipt of the Circular should be acknowledged by return of post.

Sd/-

Transport Commissioner.

To

The Commissioner & Secretary to Government,
Transport Department (with C.L.)

All Dy. Transport Commissioners.

All Regional Transport Officers/Jt. RTOs. of Sub R.T. Offices.

Secretary, STA., Sr. DTC (Taxation) LO., AO., FO, SO,

Accounts Officer, Asst. Secy. STA.,

All Senior Supdts & Stock File.

Approved for issue

WLB
Senior Superintendent.

11/3/96

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