

C1/22837/TC/2015

Transport Commissionerate, Keralam  
Trans Towers, Thiruvananthapuram  
Dated: 04-12-2015

From

The Transport Commissioner

To

All Deputy Transport Commissioners  
All Regional Transport Officers  
All Joint Regional Transport Officers

Sir,

Sub: Motor Vehicles Department-Cancelling the hypothecation of the  
finance company which had already closed-Direction issuing of-reg  
Ref: Request dated 12-10-2015 from Sri.P.K.Kunjayyappan, Ernakulam

Attention is invited to the above subject. It has come to the notice that people are facing difficulties in closing the hypothecation of their vehicle since they cannot produce No Objection Certificate issued by the financier due to the closing down of the company or due to the inability to trace out the whereabouts of the company. As per Section 51 of the Motor Vehicles Act, 1988, the registered owner shall obtain No Objection Certificate from the financier if the vehicle is subject to hire purchase, lease or hypothecation agreement before applying for renewal of permit, for issue of duplicate Certificate of Registration, etc. But if the company is closed down without intimating the client, he cannot cancel the hypothecation of his vehicle or he cannot obtain any service connected with his vehicle. In such cases registered owners may be directed to send letter to the finance company by Registered Post with Acknowledgement due. If the letter is returned unserved, the same may be included along with the application for revocation of hire purchase, lease or hypothecation agreements. After this steps shall be taken to close hypothecation after obtaining an undertaking from the registered owner of the vehicle stating that if any liability will arise with regard to the agreement, it will be undertaken by the applicant. The Registering Authority/Additional Registering Authority shall note the details of such letters in the remarks of the hypothecation cancellation data base.

Yours faithfully

Sd/-

Transport Commissioner

Approved for issue

Joint Transport Commissioner &  
Secretary, State Transport Authority

04/12/2015