

Motor Vehicles Act, 1988

Section 51 - Special Provisions Regarding Motor Vehicle Subject to Hire Purchase Agreement, Etc.

(1) Where an application for registration of a motor vehicle which is held under a hire-purchase, lease or hypothecation agreement (hereafter in this section referred to as the said agreement) is made, the registering authority shall make an entry in the certificate of registration regarding the existence of the said agreement.

(2) Where the ownership of any motor vehicle registered under this Chapter is transferred and the transferee enters into the said agreement with any person, the¹[last registering authority] shall, on receipt of an application in such form as the Central Government may prescribe from the parties to the said agreement, make an entry as to the existence of the said agreement in the certificate of registration²[and an intimation in this regard shall be sent to the original registering authority if the last registering authority is not the original registering authority].

(3) Any entry made under sub-section (1) or subsection (2), may be cancelled by the¹[last registering authority] on proof of the termination of the said agreement by the parties concerned on an application being made in such form as the Central Government may prescribe²[and an intimation in this behalf shall be sent to the original registering authority if the last registering authority is not the original registering authority].

(4) No entry regarding the transfer of ownership of any motor vehicle which is held under the said agreement shall be made in the certificate of registration except with the written consent of the person whose name has been specified in the certificate of registration as the person with whom the registered owner has entered into the said agreement.

(5) Where the person whose name has been specified in the certificate of registration as the person with whom the registered owner has entered into the said agreement, satisfies the registering authority that he has taken possession of the vehicle³[from the registered owner] owing to the default of the registered owner under the provisions of the said agreement and that the registered owner refuses to deliver the certificate of registration or has absconded, such authority may, after giving the registered owner an opportunity to make such representation as he may wish to make (by sending to him a notice by registered post acknowledgment due at his address entered in the certificate of registration) and notwithstanding that the certificate of registration is not produced before it, cancel the certificate and issue a fresh certificate of registration in the name of the person with whom the registered owner has entered into the said agreement:

Provided that a fresh certificate of registration shall not be issued in respect of a motor vehicle, unless such person pays the prescribed fee:

Provided further that a fresh certificate of registration issued in respect of a motor vehicle, other than a transport vehicle, shall be valid only for the remaining period for which the certificate cancelled under this sub-section would have been in force.

(6) The registered owner shall, before applying to the appropriate authority, for the renewal of a permit under section 81 or for the issue of duplicate certificate of registration under sub-section (14) of section 41, or for the assignment of a new registration mark⁴[under section 47, or removal of the vehicle to another State, or at the time of conversion of the vehicle from one class to another, or for issue of no objection certificate under section 48, or for change of residence or place of business under section 49, or for the alteration of the vehicle under section 52, make an application] to the person with whom the registered owner has entered into the said agreement, (such person being hereafter in this section referred to as the financier) for the issue of a no objection certificate (hereafter in this section referred to as the certificate).

Explanation.- For the purposes of this sub-section and sub-sections (8) and (9), "appropriate authority" in relation to any permit, means the authority which is authorised by this Act to renew such permit and, in relation to registration means the authority which is authorised by this Act to issue, duplicate certificate of registration or to assign a new registration mark.

(7) Within seven days of the receipt of an application under sub-section (6), the financier may issue, or refuse, for reasons which shall be recorded in writing communicate to the applicant, to issue, the certificate applied for, and where the financier fails to issue the certificate and also fails to communicate the reasons for refusal to issue the certificate to the applicant within the said period of seven days, the certificate applied for shall be deemed to have been issued by the financier.

(8) The registered owner shall, while applying to the appropriate authority for the renewal of any permit under section 81, or for the issue of a duplicate certificate of registration under sub-section (14) of section 41, or while applying for assignment of a new registration mark under section 47, submit with such application the certificate if any, obtained under sub-section (7) or, where no such certificate has been obtained, the communication received from the financier under that sub-section, or, as the case may be, a declaration that he has not received any communication from the financier within the period of seven days specified in that sub-section.

(9) On receipt of an application for the renewal of any permit or for the issue of duplicate certificate of registration or for assignment of a new registration mark in respect of a vehicle which is held under the said agreement, the appropriate authority may, subject to the other provisions of this Act,-

(a) in a case where the financier has refused to issue the certificate applied for after giving the applicant an opportunity of being heard, either-

- (i) renew or refuse to renew the permit, or
- (ii) issue or refuse to issue the duplicate certificate of registration, or
- (iii) assign or refuse to assign a new registration mark;

(b) in any other case,-

- (i) renew the permit, or
- (ii) issue duplicate certificate of registration, or
- (iii) assign a new registration mark.

(10) A registering authority making an entry in the certificate of registration regarding-

- (a) hire-purchase, lease or hypothecation agreement of a motor vehicle, or
- (b) the cancellation under sub-section (3) of an entry, or
- (c) recording transfer of ownership of motor vehicle, or
- (d) any alteration in a motor vehicle, or
- (e) suspension or cancellation of registration of a motor vehicle, or
- (f) change of address,

shall communicate³[by registered post acknowledgment due] to the financier that such entry has been made.

⁵[(11) A registering authority registering the new-vehicle, or issuing the duplicate certificate of registration or a no objection certificate or a temporary certificate of registration, or issuing or renewing, a fitness certificate or substituting entries relating to another motor vehicle in the permit, shall intimate the financier of such transaction.

(12) The registering authority where it is not the original registering authority, when making entry under sub-section (1) or sub-section (2), or cancelling the said entry under sub-section (3) or issuing the fresh certificate of registration under sub-section (5) shall communicate the same to the original registering authority.]

1. Substituted by Act 54 of 1994, Section 14, for "original registering authority" (w.e.f. 14-11-1994).
2. Added by Act 54 of 1994, Section 14 (w.e.f. 14-11-1994).
3. Inserted by Act 54 of 1994, Section 14 (w.e.f. 14-11-1994).
4. Substituted by Act 54 of 1994, Section 14, for "under section 47, make an application" (w.e.f. 14-11-1994).
5. Substituted by Act 54 of 1994, Section 14, for sub-section (11) (w.e.f. 14-11-1994).