

OFFICE OF THE TRANSPORT COMMISSIONER-CUM-CHAIRMAN,
STATE TRANSPORT AUTHORITY, ODISHA, CUTTACK

Circular No. 9 of 2014


Sub: Holding of Trade Certificate by financier.

As per provision contained under Section 2 (8) (d) of M.V. Act, 1988, "dealer includes a person who is engaged in the business of hypothecation, leasing or hire purchase of motor vehicle". Thus, the financier will have to obtain Trade Certificate from the concerned Registering Authority having jurisdiction in the area in which the financier is carrying out his business, irrespective of number of branches, following procedure laid down under Rule – 33, 34 and 35 of CMV Rules, 1989. However, the financier after obtaining Trade Certificate is not liable to pay tax under Section 5 of OMVT Act, 1975 as he is not authorised to kept vehicles in his possession in course of business of hypothecation. Whenever the dealer (financier) seizes a vehicle owing to default of registered owner in making payment of loan amount under the provision of an agreement of hire purchase, lease or hypothecation, the dealer (financier) shall be liable to pay tax due under Schedule – I and III of OMVT Act, 1975 at applicable rate.

It is therefore, instructed that whenever a new vehicle with an agreement of hire purchase, lease or hypothecation is produced for registration, it must be ensured that the financier holds valid Trade Certificate from the concerned registering Authority. This will also applicable to in use vehicles where hypothecation endorsement is made at subsequent stage.

Memo No. 9103

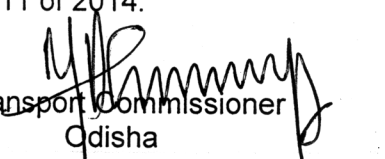
Copy forwarded to all Officers at Head Quarters / All D.C.Ts. / All RTOs for information and necessary action. Copy to Computer Cell/ Asst. Director (T.S.) to hoist in the website. Copy to Guard file of General Section.


Transport Commissioner
Odisha
dated 13-8-14

Memo No. 9104

Copy forwarded to the Standing Counsel (Transport) for information with reference to his letter No.178/SCT dated 23.07.2014 in W.P. (C) No.8611 of 2014.


Transport Commissioner
Odisha
dated 13-8-14


Transport Commissioner
Odisha