

The Hire-Purchase (Repeal) Act, 2005

UNION OF INDIA

India

The Hire-Purchase (Repeal) Act, 2005

Act 31 of 2005

- Published on 23 June 2005
- Commenced on 23 June 2005
- [This is the version of this document from 23 June 2005.]
- [Note: The original publication document is not available and this content could not be verified.]

The Hire-Purchase (Repeal) Act, 2005(31 of 2005)

043.

Statement of Objects and Reasons.-The Hire-purchase Act, 1972 was enacted to regulate the rights and duties of parties to hire-purchase agreements. The Act, inter alia, provides for a ceiling on hire-purchase charges. Originally, it was intended to bring the Act into force w.e.f. 1-6-1973 but on several representations received from the public against bringing the Act into force, it was decided not to bring the Act into force. The provisions of the Act were examined in the light of the suggestions received from various interest groups and consequently the Hire-purchase (Amendment) Bill, 1989 was introduced in Rajya Sabha. The said Bill was referred to the Department-related Parliamentary Standing Committee on Home Affairs for examination and report. The Committee recommended for an in-depth examination of the Hire-purchase Act, 1972 by the Law Commission of India and for introduction of a fresh comprehensive legislation.² The Commission examined the matter vide its 168th Report. and recommended comprehensive amendments to the Act including statutory hire-purchase charges @ 18% per annum or a lower rate as specified by the Central Government. On examination of this Report, it was felt that the mathematical formula as provided in the Act and the formula as recommended by the Commission for calculating hire-purchase charges were too mathematical for a common man to understand, and that the hire-purchase charges and rate of interest may better be left to the market conditions in the changed economic scenario, because loans are available from banks and financial institutions on borrower-friendly terms. In view of this, the Hire-purchase Act, 1972 has lost its relevance. Hence, it has been decided to repeal the Hire-purchase Act, 1972.

3. The Bill seeks to achieve the above object.

[23rd June, 2005]An Act to repeal the Hire-Purchase Act, 1972.Be it enacted by Parliament in the Fifty-sixth Year of the Republic of India as follows:

1. Short title

.This Act may be called The Hire-Purchase (Repeal) Act, 2005 .

Recieved the assent of the President on 23-6-2005, published in the Gazette of India, Ext., Pt.II, S.1, dated 23-6-2005, p.1, S1.No.28.

2. Repeal of Act 26 of 1972

.The Hire-Purchase Act, 1972 is hereby repealed.