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EXTRAORDINARY

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PART II — Section 2

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

RAJYA SABHA

The following Bill was introduced in the Rajya Sabha on 21st March, 2005:—

BILL NO. XXXVIII OF 2005

A Bill to repeal the Hire-purchase Act, 1972.

BE it enacted by Parliament in the Fifty-sixth Year of Republic of India as follows:—

1. This Act may be called the Hire-purchase (Repeal) Act, 2005.
2. The Hire-purchase Act, 1972 is hereby repealed.

Short
title.

Repeal of
Act 26 of
1972.

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.

H. R. BHARDWAJ.

YOGENDRA NARAIN,
Secretary-General.