

CIRCULAR

**Subject:** Repossession of vehicles by finance companies - criminal misc.no.7637-M of 1997- S.Dhar versus State of UT Chandigarh (FIR no.191 dtd.6.10.98 u/s 406/420/120B IPC police station sector 34, Chandigarh.

This circular order is in continuation of earlier circular order issued vide no.15631-46/UT/E-6 dtd.1.6.99.

The following guidelines needs to be complied with while repossessing of vehicle by the finance companies:-

1. The finance companies shall send a loan recall notice/prepossession notice asking the customers to pay back the full load amount.
2. The leasing company should than approach the SSP/ Chandigarh and the concerned police station informing them about their intention to repossess the vehicle and should give at least 7 days notice to enable proper dissemination of information to all concerned.
3. The method of repossession has to be entirely peaceful. Repossession of the vehicle should be taken when it is stationary and not when the vehicle in motion by stopping the same and by physically forcing occupants form it. Any such action will definitely come in the purview of assault and criminal force.
4. Prior to repossession the repossessing agents should involve two independent respectable of the area and repossession should be witnessed by them.
5. After repossession information must be given to the SSP and the police station concerned.
6. A complete inventory of the articles lying in the vehicle should be made in the presence of the witnesses and they should be handed over to the owner in the presence of the witnesses.
7. The repossession agent and their employees who would carry out the task should be notified by each finance company when intimation about intention to repossess is given. The police will carry out a verification check of their antecedent and will have their record in the police station. No person other

then designated repossession person should go for the physical repossession of the vehicle. The vehicle is deposited in the companies premises for safe keeping with in 24 hours of the repossession. The loaning agency after repossession shall inform the customers regarding the facts of repossession and also mentioning the complete details of outstanding amount. Through the said notice the customer is informed that in case the balance amount is not paid in specified time the company shall be free to dispose of the vehicle as deemed fit including sale through auction or otherwise.

8. The repossession should not be carried out late at night or in the wee- hours in the morning.

**Senior Superintendent of Police,  
UT, Chandigarh.**

No. 3/LH/104-116/UT/E-6 dtd. 13.12.2016

Copy to file:

1. IGP/UT for kind information.
2. SP/City
3. All SDPO
4. All SHO

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