

Record Note of Meeting with Ministry of Finance on Need for Repossession Guidelines for Vehicles

30th January 2009; New Delhi

Ministry of Finance, Department of Banking & Financial Services convened a meeting to discuss about SIAM submissions regarding need for guidelines on repossession of vehicles.

SIAM highlighted the issues facing the automobile industry and how lack of guidelines on repossession of vehicles is affecting vehicle financing.

Reserve Bank of India (RBI) officials acknowledged the fact that the current guidelines on repossession of vehicles are not adequate and agreed that there is need for detailed guidelines.

While accepting the need for appropriate guidelines on the matter, they pointed out that it would not be possible for RBI to come out with detailed code of conduct on repossession. As such, it was decided that RBI would come out with guidelines with reference to Indian Banks' Association (IBA) Code of Conduct. SIAM and IBA will work together along with other stakeholders and will come out with the detailed Code of Conduct. RBI said that it would come out with draft guidelines within three weeks of this meeting.

It was decided that implications of existing laws/ legal provisions that could possibly affect the implementation of guidelines on repossession of vehicles would be evaluated and considered while formulating the Code of Conduct.

Also, it was decided that Ministry of Finance within next three days would issue circulars to the State Governments stating that repossession of vehicles is not illegal and hence, should not be restricted by them.

It was decided that the next meeting would be convened on 10th February 2009.

The list of participants is given as Annex.

List of SIAM Members present:

S No	Company	Name
1.	Bajaj Auto	K Srinivas
2.	Bajaj Auto Finance	Ankoor Kulkarni
3.	Hyundai Motor India	Ashish Joshi
4.	Mahindra & Mahindra	M S Kochar
5.	Maruti Suzuki India	Ajay Seth
6.	Tata Motors Finance	Deepabh Jain
7.	SIAM	Dilip Chenoy
8.	SIAM	S Sen

List of other participants:

S No	Company	Name
1.	Ministry of Consumer Affairs	Mr Sanjay Kumar, Joint Secretary
2.	DBOD, RBI	Chief General Manager
3.	ICICI Bank	Chief Executive Officer
4.	Indian Banks' Association	Mr Umarji, Chief Legal Adviser
5.	Finance Industry Development Council	Mr Raman Aggarwal, Co Chairman