

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3230
ANSWERED ON:07.12.2007
AGRAHAYANA SAKA FAKE AUTO FINANCE COMPANIES
Ahir Shri Hansraj Gangaram;Paraste Shri Dalpat Singh

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether fake auto finance companies duped the people of Rs. 300 crore as reported in the Lokmat Samachar dated August 29, 2007;
- (b) if so, the details thereof;
- (c) action taken for recovery in this regard;
- (d) whether the Government has taken any decision to bring any changes in the rules and regulations to regulate Leasing and Finance companies to avoid such incidents; and
- (e) if so, the details thereof ?

Answer

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA)

- (a), (b) & (c) As per reports appearing in the Lokmat Samachar dated August 29, 2007, Maharashtra Police at Thane, has raided premises of certain Companies acting as Auto Finance Companies, allegedly for duping the people of large sums of money. On the reported action taken by the Maharashtra State Police, relevant follow up legal action, including recovery, if any, of the amounts in question, would need to be taken by the Maharashtra Police in the relevant court of law.
- (d) & (e) Activities of leasing and finance companies are regulated by the Reserve Bank of India. Such regulation is in addition to criminal liability as may arise from violation of any provisions of Indian Penal Code. As at present, there is no decision to bring any changes in the existing rules and regulations on the subject.