

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:4091
ANSWERED ON:15.12.2009
CHEATING BY AUTOMOBILE COMPANY
Nirupam Shri Sanjay Brijkishorilal

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the automobile manufacturer M/s. Pal Peugeot Ltd. had duped a large number of customers by collecting advance amount for booking of new car and then abandoning the car production venture without honouring its commitments;
- (b) if so, the details thereof and the action taken by the Government for the recovery of the said amount;
- (c) whether the said company has reentered the Indian market and set up its offices in some places; and
- (d) if so, the details thereof and the action taken by the Government to protect the interest of the customers?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF THE STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K. V. THOMAS)

(a) & (b): Ministry of Corporate Affairs through its Office of Registrar of Companies (ROC), Mumbai and Office of Regional Director, (Western Region), Mumbai had received several complaints against M/s. Pal Peugeot Ltd., for non refund of car booking amount, non payment of interest on the booking amount etc., accordingly an inspection was ordered by the Ministry of Corporate Affairs on 31.5.99 based on the complaints referred by ROC, Mumbai which was carried out and a report u/s 209A of the Companies Act, 1956 was submitted and as per the Inspection Report :-

(i) The Joint Venture (JV) Agreement was between PAL (Premier Automobiles Ltd.) and Automobiles Peugeot of France for manufacture of Peugeot model cars in India, vide JV Agreement dated 19.10.94 and a Supplemental Agreement on 26.6.1995.

(ii) The Company's manufacturing activities were closed since July 1998.

(iii) The Company collected an amount of Rs.270 crores through Peugeot 309 car bookings from 29.9.95 to 31.10.95. The Company failed to refund the booking amount of Rs.25,000/- each to the customers who chose to cancel their booking inspite of orders passed by the consumer courts. The Directors also failed to furnish a status report to the Inspecting Officer on the bookings cancelled and refunds made during the course of inspection. Consequent to the inspection, 16 criminal cases were filed under different sections viz. section 269(1), section 383A, section 209A(2) read with 209A(5), section 63, section 211(7) 3 courts, section 628, section 420, section 285, section 162-2 courts and section 220-2 courts, section 217 and section 209(5) of the Companies Act during the years 2003-04 and 2003-04 which are pending as on date.

Further, one more inspection was ordered by the Ministry of Corporate Affairs on the basis of complaints received from investors, which could not be taken up since the Company was ordered winding up in C.P.No. 110 of 2000 vide Order dated 26.9.05 pursuant to which the Official Liquidator, Mumbai was appointed Liquidator of the Company. Further, one more winding up Order was passed in C.P. 925 of 99 vide Order dated 27.9.05.

(c): The Government has no information whether the same Company is reportedly re-entering India.

(d): Does not arise.