

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 3562
ANSWERED ON TUESDAY, THE 12TH AUGUST, 2014**

UNREGISTERED MULTI-LEVEL MARKETING FIRMS

QUESTION

3562. SHRI PALVAI GOVARDHAN REDDY:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether it has come to the notice of his Ministry that there are thousands of unregistered multi-level marketing firms cheating the people with various financial and other schemes; and
- (b) if so, whether his Ministry has taken up any drive or asked the Reserve Bank of India (RBI) to eliminate such firms?

ANSWER

THE MINISTER OF STATE
IN THE MINISTRY OF CORPORATE AFFAIRS

(SMT. NIRMALA SITHARAMAN)

(a) & (b) The Ministry of Corporate Affairs deals only with companies and not with unregistered firms which come under the jurisdiction of respective State Governments. However, an inter-ministerial Group (IMG) was constituted by the Ministry of Finance having representatives from Ministry of Finance, Ministry of Corporate Affairs, Reserve Bank of India and Securities and Exchange Board of India, for better inter-agency coordination in matters to consider the issues relating to the companies engaged in Direct Selling/Network/Multi-Level Marketing.
