

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

UNSTARRED QUESTION NO:694  
ANSWERED ON:27.11.2012  
MULTI-LEVEL MARKETING  
Agarwal Shri Jai Prakash

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

- (a) the criteria laid down for granting various types of licences or permission to multi-level marketing/network marketing or direct marketing companies in the country for carrying out business;
- (b) the number of companies in the country carrying out their business on consumer product basis and investment basis as on date, separately;
- (c) whether any action has been taken against the said companies for cheating/violation of norms during the last three years and the current year;
- (d) if so, the details thereof along with the details of such multinational companies separately, State-wise and year-wise;
- (e) whether different criteria have been laid down for domestic and foreign companies engaged in the said business in the country; and
- (f) if so, the details thereof along with the reasons therefor?

**Answer**

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K. V. THOMAS)

(a) to (f): Multi-level marketing/network marketing or direct marketing companies are operating in the country. These companies are required to operate without attracting the extant legal provisions of the Prize, Chits and Money Circulation Schemes (Banning) Act, 1978. As the Act is being implemented by the States, the companies violating the provisions of the Act will be proceeded against by the State Governments concerned. No data is being centrally maintained on the operations and the irregularities committed by Multi-Level/Direct/Network Marketing Companies as the subject matter relates to States/UTs.