

**GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA**

UNSTARRED QUESTION NO:2115

ANSWERED ON:22.08.2013

ADVERTISEMENT OF PONZI SCHEMES

Hazari Shri Maheshwar ;Upadhyay Seema;Vardhan Shri Harsh

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

- (a) the existing mechanism to investigate the advertisements claiming attractive and unrealistic returns along with the number of such advertisements banned during the last three years and the current years;
- (b) whether the Government proposes to check the advertisement of ponzi schemes for pooling funds illegally by laying down strict rules and laws in this regard; and
- (c) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR THE MINISTRY OF INFORMATION & BROADCASTING (SHRI MANISH TEWARI)

(a) to (c) The Government does not have a established mechanism to investigate the advertisements that claim to benefit consumers with attractive and unrealistic returns.

However, when any advertisement in respect of Collective Investment Schemes (CIS) claiming attractive and unrealistic returns comes to the notice of Security and Exchange Board of India (SEBI), it takes up the matter for examination with respect to applicability or violation of SEBI (CSI) Regulations, 1999. SEBI has not banned any advertisement during the last three years as banning of such advertisements does not come under the purview of SEBI. However, SEBI had issued public advertisements cautioning investors not to subscribe to unauthorised schemes of certain unregistered CIS entities.