

**GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2889
ANSWERED ON:21.03.2002
DUPING BILLION OF MONEY FROM INNOCENT UNEMPLOYED YOUTHS
SANJAY PASWAN

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

- (a) Whether the Government are aware that in the name of multi level marketing companies like Amway, Japan Life Insurance, Oriflame are duping billions of money from innocent unemployed youths and housewives of India;
- (b) if so, whether it has been legalized on lawfully tenable; and
- (c) if so, the reasons for its being operationalised from metro to rural areas of India?

Answer

THE MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS (SHRI ARUN JAITLEY)

(a) to (c): ~fls Amway Corporation USA was granted FIPB approval on 26-08-94 to set up a wholly owned subsidiary in India. with 100% foreign equity)-. to establish and develop direct selling of business products sourced from independent Indian Small Scale units. ~fls Oriflame International AB Sweden has also been granted FIPB approval on 15-06-95 to set up a joint venture to manufacture or to get manufactured from other independent units and market Oriflame's range of products in India with 85% foreign equity. In August, 2001 the company has been granted permission to increase foreign equity from 85% to 100% by way of acquisition of 15% stake in the implementing Company, thus making it a wholly owned subsidiary. No FIPB approval has been granted to ~fls Japan Life Insurance to undertake multi level marketing in India.