

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UN-STARRED QUESTION NO. 3714
ANSWERED ON TUESDAY, APRIL 05, 2022
MEASURES AGAINST PONZI SCHEMES
QUESTION**

3714. Shri Mahesh Poddar:

Will the Minister of Corporate Affairs be pleased to state:

- (a) the number of Ponzi schemes which have been identified in the last three years and what has been the conviction rate, the details thereof;
- (b) the quantum of money which was lost through these schemes and what has been the status of recovery in the last three years, the details thereof; and
- (c) the measures being taken by Government to educate and make aware the population about the same, the details thereof?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING: AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS.

(RAO INDERJIT SINGH)

(a)&(b): Ponzi schemes are banned under Prize Chit and Money Circulation Schemes (Banning) Act, 1978 and as per the said Act, State Government is the Enforcement Agency. Although the term "Ponzi Schemes" is not defined under the Companies Act, 2013 (the Act) Ministry of Corporate Affairs (MCA) has ordered and assigned investigation into the affairs of the number of companies which are allegedly involved in Ponzi/Multi-Level Marketing/Chit Fund Activities. During the last three years 8 cases involving 84 companies have been assigned to Serious Fraud Investigation Office (SFIO).

(c): MCA has taken various measures for investors awareness Programmes, details are as under:

As a part of the mandate under section 125 (3) of the Companies Act 2013, Investors Education and Protection Fund (IEPF) Authority in collaboration with Partner Institutes, organizes Investor Awareness Programmes across the country. In Rural areas through Common Service Centers, in Semi-Urban Areas through Nehru Yuva Kendra & India Post Payments Bank including Post Offices and in Urban areas through Professional Institutes viz. Institute of Chartered Accountants of India, Institute of Company Secretaries of India, Institute of Cost Accountants of India.

Till date more than 62,678 such programs across 604 Districts of 30 States & Union territories by engaging 29,19,455 citizens have been conducted. The primary focus of these programmes is to make the participants aware of Do's and Don't while making any Investment and to sensitize them about various fraudulent and Ponzi Schemes. In addition, various awareness campaigns are run on Doordarshan and All India Radio including awareness scroll messages, jingles, talk shows etc. from time to time.
