



Press Release

20.11.2023

Directorate of Enforcement (ED) has filed Prosecution Complaint under the Prevention of Money Laundering Act (PMLA), 2002 against M/s Amway India Enterprise Pvt. Ltd. (Amway) in the Court of Hon'ble Metropolitan Sessions Judge cum Special Court (PMLA) Hyderabad. The Hon'ble Court has taken cognizance of the Prosecution Complaint on 20.11.2023.

ED initiated investigation on the basis of various FIRs registered by Telangana Police under various sections of IPC, 1860 against Amway and its Directors. The FIRs alleged that Amway has been promoting an illegal 'Money Circulation Scheme' under the guise of sale of goods and has been cheating the general public by promising them very high commissions / incentives through simple enrolment of new members and by claiming that these commissions / incentives would continue in perpetuity.

ED investigation revealed that Amway has been promoting a Pyramid scheme in the guise of direct selling. Instead of selling goods directly to the end consumer, Amway has floated a multi-level marketing scheme of members and has introduced many intermediaries in the name of distributors. The scheme does not focus on sale of products but survives primarily on enrolling of members. Once a newcomer is convinced to pay money through someone who has referred him to the company, he/she becomes a representative and to earn commission, he/she has to enrol new members and as the number of persons increases down the line, the ones on top get more commission and more incentives like luxurious tours.

Thus, Amway has been operating a Multi-Level Marketing Scheme and Money Circulation Scheme has collected huge amounts from the subscribers. By commission of the scheduled offence of cheating, Amway has generated Proceeds of Crime totalling to Rs. 4050.21 Crore.

ED investigation also revealed that more than Rs. 2859 Crore of money collected from the members has been being siphoned off and parked in the bank accounts of overseas investors in the name of dividend, royalty and payments for other expenses.

During investigation, movable and immovable properties to the tune of Rs. 757.77 Crore have been attached by ED in this case.

Further investigation is under progress.