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IDSA intensifies policy framework campaign, submits draft to Kerala Govt.

New Delhi, July 4, 2012

In a drive to create awareness and setting up a new regulatory framework to promote direct selling, sector apex body **Indian Direct Selling Association (IDSA)** has submitted a **Draft for Legal Framework Guidelines** to the Kerala Government during ASSOCHAM event.

A high level delegation led by **Secretary General, Chavi Hemanth, Indian Direct Selling Association (IDSA)** and **Vice Chairman, Mr. A Sengupta** along with **Mr. Rajat Banerji, Amway India Enterprises Pvt. Ltd., Mr. PK Mittal, Modicare Limited and others** recently met **Hon'ble Chief Minister of Kerala, Shri Oommen Chandy** and **Shri KM Mani, Finance Minister here** and apprised them on prevailing conditions and potential of direct selling in the country.

Shri Dinesh Sharma, IAS, Principal Secretary to Chief Minister, Shri P.H. Kurien, IAS, Principal Secretary, Department of Information Technology and Shri Shaffi Mather, Economic Advisor to Chief Minister were also present during the meeting.

IDSA Chairman, Mr. S Subramanian stated "The recent survey report done by PHD, the Indian Direct Selling Industry is estimated to double by 2014-15 reaching up to INR 108.4 billion from the current level of INR 52.3 billion in 2010-11. The industry is slated to grow at an average of more than 20% in the next four years".

IDSA Secretary General, Ms. Chavi Hemanth said "Hon'ble Chief Minister, Shri Oommen Chandy assured IDSA that Kerala Government is working in a proactive manner to come up with such Policy Framework which can make Kerala Direct Selling Guidelines all-inclusive. They have considered this matter on a priority basis and would certainly work upon the same as they are aware about the concerns raised by Indian Direct Selling Association.

IDSA Secretary General stressed on the importance of creating a strong regulatory framework for the industry and designing a clear government policy to support genuine direct selling companies. The draft guidelines seek to protect, regulate and assist the industry and harness the economic potential that it truly holds.

The proposed draft for regulatory framework demands setting up among conditions for direct selling which includes a direct selling entity shall be a body corporate with a minimum paid up capital of INR 1 Crore.

The draft which says there should be Prohibition of Pyramid scheme where no person shall promote, or conduct any pyramid scheme or enrol to any such pyramid scheme or knowingly participate in it otherwise, or receive or remit any money in pursuance of such pyramid scheme. The

guidelines also focussed on Relationship between Direct Selling Entity and Direct Seller. It also elaborates penalty clauses for contravening the proposed act.

IDSA Secretary General said that this industry works on ethics, trust and team work which provides self employment, entrepreneurship and women empowerment. We make sure that our Member Companies abide by code of ethics laid by IDSA which clearly emphasis on money back guarantee, return policy and cooling off period.

IDSA Chairman concluded that IDSA member companies and genuine direct selling companies do direct selling business on the basis of product sale which demarcates them from fraudulent schemes and have full faith in the Government of Kerala that they will certainly provide clear policy to protect direct selling distributors and consumers as well.

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