

Indian direct selling body terms Maharashtra guidelines welcome move

The Maharashtra Direct Selling Guidelines, notified by the Government of Maharashtra on the basis of the guidelines notified by the Ministry of Consumer Affairs in 2016 to protect consumers and strengthen the regulatory mechanism on direct selling and multi-level marketing business, was hailed as a welcome move by the Indian Direct Selling Association (IDSA) recently.

The state has emerged one of the prominent states to define and recognise the direct selling business. IDSA chairman Vivek Katoch said, "The state of Maharashtra is number one market for Direct Selling in India with more than Rs 1,350 crore business, providing self-employment opportunities to over seven lakh direct sellers."

"It is a very progressive step from the Government of Maharashtra to bring direct selling under the ambit of the regulatory framework. IDSA extends its gratitude to the Department of Food, Civil Supplies Consumer Affairs for notifying the guidelines, which will go on to protect consumers and further strengthen the position of direct selling in the state," he added.

"I take this opportunity to thank food, state civil supplies and consumer protection minister Sambhaji Patil Nilangekar and the ministry's principal secretary, Mahesh Pathak for backing an industry that has an immense socio-economic impact and contribution to the economy. The regulatory framework for the direct selling industry is a huge encouragement for it," Katoch said.

The Indian direct selling industry has witnessed exponential growth in the last few years as a result various of reforms by the government. As per the Kantar-IMRB report for FY2016-17, the industry registered a compound annual growth rate (CAGR) of 8.42 per cent, and has the potential to reach Rs 18,000 crore by FY 2023-24 on the back of the policy and regulatory framework.

With this notification, Maharashtra has become the 12th state to adopt direct selling Guidelines. The states of Chhattisgarh, Sikkim, Telangana, Andhra Pradesh, Mizoram, Odisha, West Bengal, Rajasthan, Kerala, Tamil Nadu and Goa had earlier notified Direct Selling guidelines, bringing about regulatory clarity on direct selling in the respective states.

"Protecting the interest of the consumers has been the industry's prime ask. It is heartening to note that the state guidelines has a strong consumer protection mechanism. Guidelines will also result in consumers having easy access to state-of-the-art direct selling products, at competitive prices. At the same time, we are also expecting a big upsurge in entrepreneurship opportunities in the state," Katoch said.

The guidelines lay foundation for consumer protection and safety; something that the industry has been advocating for a long time now. In the absence of proper policy or guidelines, numerous fraudulent players have taken advantage of the situation, duping money from consumer in the garb of direct selling in the past. However, the state guidelines shall address the concerns of the industry, while also protecting the interest of the consumers.

The Department of Consumer Affairs, Government of India, had notified the Direct Selling Guidelines in 2016, a model framework on guiding principles for state governments to consider regulating direct selling and multi-level marketing. The Government of India had advised the state governments to adopt the guidelines to regulate direct selling and multi-level marketing.

URL: <http://www.fnbnews.com/Top-News/indian-direct-selling-body-terms-maharashtra-guidelines-welcome-move-49322>