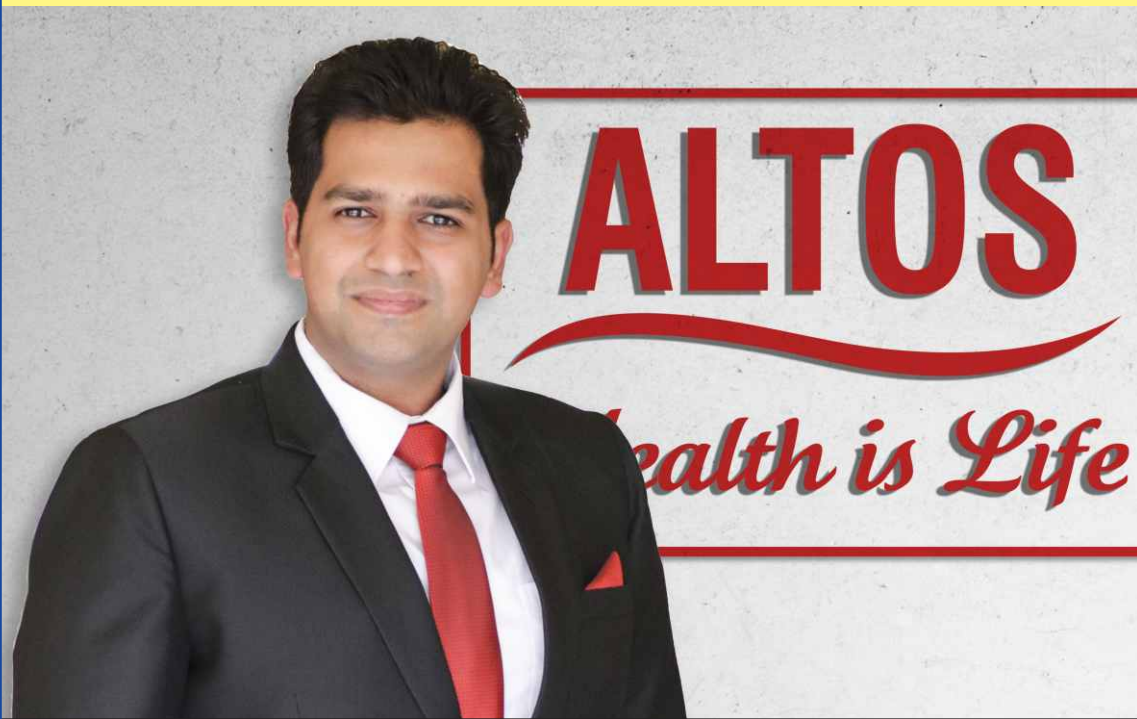


Leader of the Month

Mr. Abhishek Gupta

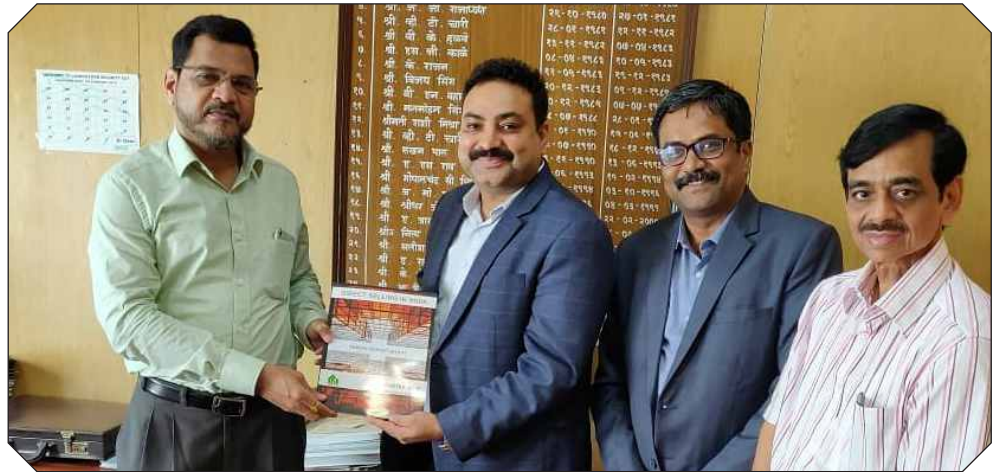
Managing Director, Altos Enterprises

Mr. Gupta speaks “The beauty of direct selling is that you don't have to create a product or a business plan. All you have to do is look for a company that offers a product or service you believe in and can get passionate about.” Abhishek motivates the youth to become a part of the Direct Selling Industry, highlighting the mindset of the younger generation “Young people are increasingly looking to be their own boss. They want to run their own business. For many young people, the jobs market is incredibly difficult to break into and there is a real desire to work for themselves and get up and running quickly. Direct Selling offers just that and a chance for people, whatever their age to be their own boss and make a very successful career. Stressing upon the importance of technology in the era of evolution, he further, added.” We are launching mobile application in November month. Our team is very excited with this step. Our mobile application will be having many unique features which will help our direct sellers to get information about any new product or offer instantly.”



IDSA Delegation Meeting State and Central Government Officials

- On **12th September 2018**, IDSA delegation discussed about the Maharashtra Direct Selling Guidelines with Mr. Mahesh Pathak, Principal Secretary-Department of Food, Civil Supplies & Consumer Protection and Mr. Swadheen Mohanty, Consultant to Department of Food, Civil Supplies & Consumer Protection. Mr. Mohanty informed the delegation that the draft for the Direct Selling Guidelines are ready and will be shortly notified. Further, Mr. Pathak pointed on paperless and seamless system on Monitoring Mechanism, to which Mr. Vivek Katoch suggested that the Department should ask the companies to submit their State GST number along with the undertaking as GST is obtained after being compliant to an array of formalities.



- The delegation of IDSA met with Shri Swapan Kumar Roy, Joint Secretary-Department of Consumer Affairs and Ms. Nabagata Mitra, Law Officer, Department of Consumer Affairs in West Bengal on **14th September**. They sat down to consult and revise a few clauses in the West Bengal Direct Selling Guidelines. The delegation also shared a brief background on the business model of Direct Selling, role of IDSA as an Industry body along with the latest Industry facts & figures. Mr. Roy advised IDSA to submit a formal representation on the same and assured that the Department will consider the same and suitable changes shall be made in the Guidelines accordingly.



- ◎ Shri G. C. Rout, Deputy Secretary-Department of Consumer Affairs and the delegation of IDSA sat down for a meeting in New Delhi on the **18th of September, 2018**. They conversed about Government’s participation in the Malaysian DSA 40th Anniversary Conference. Mr. Rout confirmed his participation in the event, stating that the Department is looking forward to receiving valuable inputs from the government officials of Malaysia and other participating countries.

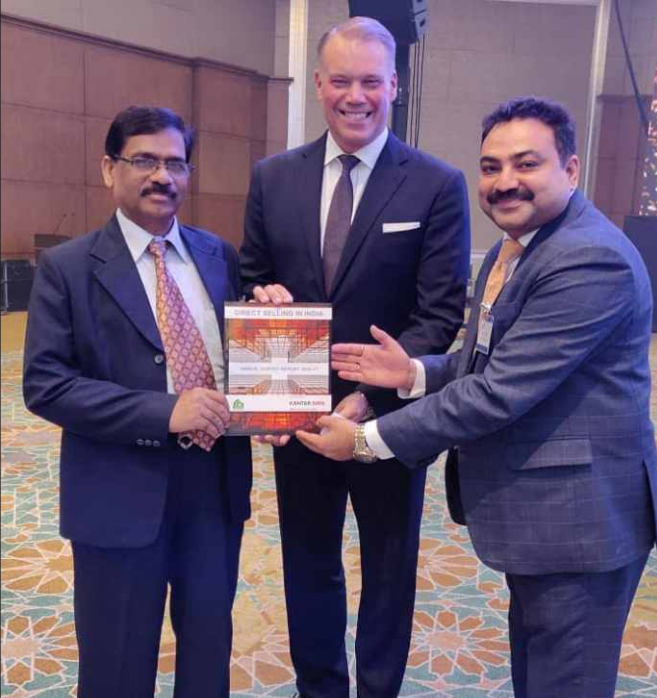


IDSA’s Participation in Malaysian DSA 40th Anniversary Celebrations

26th September 2018 – Day 1

- ◎ IDSA participated in DSA Malaysia’s 40th Anniversary Celebrations. During the convention in the afternoon, global Direct Selling updates were shared by Ms. Tamuna Gabilaia, Executive Director, WFDSA, followed by a CEOs panel discussion with 3 eminent founders and leaders of Direct Selling companies on ‘40 years of Ethical Direct Selling’ in Malaysia. WFDSA Chairman, Mr. Magnus Brannstrom delivered the keynote address on ‘Direct Selling in a technologically enhanced future’.
- ◎ IDSA delegation, comprising of Chairman, Mr. Vivek Katoch, Senior Manager, Mr. Abhishek Kumar along with Department of Consumer Deputy Secretary, Mr. G. C. Rout were invited as VIP guests for the Gala Dinner, which witnessed Award Ceremony for members and entertainment. On the sidelines of the celebrations, IDSA facilitated a dialogue between Mr. G. C. Rout and Mr. Zulkifli Yaacob, Principal Assistant Director, Ministry of Domestic Trade, Co-Operative and Consumerism, Government of Malaysia. Both the officers discussed about regulatory scenario for Direct Selling in Malaysia and also about conducting an inter-governmental dialogue later in the year.

GLIMPSES OF DSA 40th ANNIVERSARY CELEBRATIONS



27th September 2018 – Day 2

- ◎ IDSA delegation was invited to participate in the ASEAN DSA President's meeting during which IDSA made a presentation on Indian Direct Selling Industry. The meeting also witnessed key issues such as concerns with e-commerce being discussed among the ASEAN DSA members. The meeting concluded on a positive note with ASEAN DSAs offering IDSA to join the group, which IDSA accepted with utmost gratitude. IDSA is awaiting a formal communication in this regard.



Expert Opinion Corner

Jitendra Jagota, Treasurer IDSA

FDI Policy as may be Relevant to Direct Selling



There are many Direct Selling Companies which are either 100% subsidiary of a foreign Company or have some foreign stake by way of capital investment. Such companies need to comply with Foreign Direct Investment Policy as may be applicable.

Direct Selling business activities may come under following broad categories defined under Foreign Direct Investment (FDI) policy.

- ◎ **Manufacturing**
- ◎ **Cash & Carry Wholesale Trading/Wholesale Trading (WT)**
- ◎ **Single Brand product retail trading (SBPRT)**
- ◎ **Multi Brand Retail Trading (MBRT)**

The table below summarizes what is permitted (Yes) and what is not permitted (NO).

S. No.	Type of Transaction	Own Manufactured Products	Products Manufactured 3 rd Party in India	Imported Products
1.	B2B traditional sale - WT	Yes	Yes	Yes
2.	B2B E-com/M-Com/ Social Selling-WT	Yes	Yes	Yes
3.	Single Brand Products Retail Trading (SBPRT)#	Yes	Yes	Yes
4.	Business to Consumer (B2C) E-com/M-Com/ Social Selling	Yes	No	No
5.	Multi Brand Retail Trading (MBRT)##	NA	Yes	Yes

at least 30% of the total annual sales of products are sourced from India

Only with 51 % Foreign Capital subject to prior approval of DIPP.

"The content of this Article is purely for academic knowledge and understanding as per the sole opinion of the Author and cannot be relied upon as legal opinion or advice on the subject."

For further details updated FDI policy may please be considered.



Innovative Products Fuel growth for Direct Selling, attract Consumers

Direct Selling entities in India have witnessed growth in sales on the back of innovative products, according to IDSA Annual Survey Report 2016-17. These companies offer a wide range of products, which are manufactured in state-of-art manufacturing units. Introduction of such new products has benefitted the Industry by grabbing the attention of the consumers. These products are designed to cater the demands of a vast consumer base.



With the world witnessing rapid changes, there is a segment of people who appreciate and buy such innovative products. In the recent times, the Direct Selling entities have successfully reached out to those consumers, who have such specific product preferences. This has also helped the Direct Selling entities to expand their product port-folio and diversify into new product verticals.



Direct Selling entities impart requisite product training to their sales forces to enables them to understand the needs of the consumers and accordingly suggest products best suitable to them. A Direct Seller undergoes rigorous sales training before one starts making sales pitch. Another unique feature that sets Direct Selling apart from any other distribution model is that the Industry offers lucrative

incentive schemes for its sales force apart from retail margins and commissions earned from the sale of products..

These Direct Selling entities offer a unique business proposition to the consumers by joining the business as a Direct Seller. At the same time, this also motivates the existing Direct Sellers to set higher goals and achieve the same. This industry in particular ensures to provide benefits to its direct sellers in the form of additional incentives such as foreign trips, house funds, travel funds, etc. Direct Selling Industry has numerous opportunities for any individual who is willing to amplify their skill set.

IDSA's 22nd Annual General Meeting was held on 21st September, 2018 in New Delhi.



For more information, please contact us:



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