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Introduction & Profile

Core Body:

1. Mr. A P Reddy President
2. Mr. Devanand Vice President
3. Mr. Rajiv Gupta Vice President
4. Mr. Kishore Varma General Secretary
5. Mr. Mohit Sardana Regional Secretary (North)
6. Mr. Pramodh Kolhatkar Regional Secretary (West)
7. Mr. Siddhartha Das Gupta Regional Secretary (East)
8. Mr. Mohan Raj Regional Secretary (South)
9. Mr. Ashok Kulhari Treasurer
10. Mr. B Venkat Joint Secretary



Aims & Objectives of FDSA:

- ❖ To be pro-active in bringing the Direct Selling industry in our country as an organised segment, and to protect the interests of the direct sellers in every possible manner.
- ❖ To represent the direct selling industry wherever necessary to safeguard the interests of all the genuine companies in the industry.
- ❖ To serve as a watch dog in the industry and involve in self policing principles to curb the activities of fake companies that are operating in the guise of direct sellers.
- ❖ To chalk out self imposing norms and guidelines, to enable the industry become organized and work in a better manner for the benefit of one and all concerned.
- ❖ To work towards eradicating the myths involved with the direct selling industry so as to enable people understand the industry in a better manner.
- ❖ To take necessary steps to prevent any loss or damage to any direct seller or distributor of any direct selling company.
- ❖ To work towards regulating the industry in every possible manner, so that the opportunities presented to the people are not misused or misrepresented.
- ❖ To work towards creating a workable ambiance in the industry, so that all those involved would benefit.
- ❖ To make people understand and differentiate direct sellers / MLM from ponzi / money circulation schemes / HYIPs.

Scope of Services from the FDSA:

- ❖ Coordinating with all membership companies for business discipline, collecting data on monthly basis regarding the new products, distributors enrolled, turnover of sales and tax contribution to the Govt. to estimate the industry volume and potentiality.
- ❖ Keeping watch of all irregular business practices of the Direct selling companies, (non-members & membership companies of FDSA)
- ❖ Coordinating with Various Govt. departments with the industry information to seek privileges & preferences for Industry growth, positive identity.
- ❖ Grievance Redressal Mechanism for the distributors / members of the FDSA membership companies. Arbitrate with the companies to justify the matter in reasonable manner, before any legal complications.
- ❖ FDSA will have regional wise representation body to lead and handle the companies in that particular jurisdiction. All the Indian states will be regionalized in South, North, west and east regions.

Policies:

- ❖ The prime focus of FDSA should be always to collect market information – research - analyse the progress of upcoming trends in the direct selling industry.
- ❖ To advise & help the membership companies with new advancements in the business process models, banking procedures, accounting procedures, technology advantages, managerial optimizations etc....
- ❖ Maintaining information of all variety vendors to the direct selling companies to maintain credibility rating and advise the betterments, ensuring the quality of products / services & pricing policy should stand justified.
- ❖ Supports the membership companies to meet the market challenges with unethical / ponzi scheme companies. Membership companies should inform about the Ponzi scheme running companies in their nearby to FDSA, so that FDSA will take up the process of self policing with the concern depts.
- ❖ Represent with Various Govt. Departments with industry information time to time.
- ❖ FDSA membership companies should follow the business ethics, by not providing power legs / senior positions for the new entrants, dishonoring the existing distributors. Readymade business positions transfer should be avoided.
- ❖ FDSA membership companies should not commit / offer any extra incomes or benefits other than compensation system. Per ID basis / % on turnover / etc.... should be eliminated to have discipline and better working environment in the field.
- ❖ There are some companies who are running multiple plans, one of Working plan and one of non-working plans. Such kind of companies not permitted to have membership with FDSA.
- ❖ FDSA membership companies should follow code business ethics, described by the FDSA, There will be Ethics committee in FDSA to monitor and warn if any company found violation of ethics.

Limitations:

- ❖ FDSA will not stand supportive to any membership company when they are not followed by the policies & procedures specified.
- ❖ Incase of any membership company facing trouble legal challenges with the Govt. dept. in terms direct selling system itself, The FDSA will come forward to meet the authorities and handle the matter with all possible manners.

FDSA Membership Policies & Procedures:

1. FDSA membership is offered only for Indian Origin companies. However the consideration towards some foreign based & Indian registered companies will be decided later.
2. The companies who are one year old from the date of ROC and operating direct selling business for last one year are eligible for FDSA membership.

However, for the newly established companies and willing to have FDSA membership may have provisional Membership from FDSA with limited privileges.

If a distributor of FDSA Membership Company resigns and started a new company, FDSA will not allow for membership for at least one year, unless the earlier company provides NOC (No Objection certificate).

3. There will be a scanning committee consisting group of professionals from the fields of Direct selling , Legal counsel , Chartered Accountant , Software professional , Core body member from FDSA, member from Ethics committee etc...
4. FDSA to check / review / analyse / scrutiny the membership application form submitted by the companies along with all required documents, seek explanation on the unclear aspects, advised if some changes required before approving & rewarding the membership.

If the companies don't meet the policies of the FDSA, membership application will be rejected, and same company cannot apply again for next 6 months.

5. Scanning committee primary checking will be on the Attitude & Intentions of the business model.
6. Distinguish between Consumer & Distributor:

A consumer who is an individual purchase product from the company falls under the consumer laws / sale of good act etc.....

A distributor who is a consumer before – satisfied with the products quality / pricing may take up the company offered optional business opportunity to refer new consumers and earn commissions as per the compensation system of the company. Consumer laws will not be applicable for Distributors.

7. Companies should satisfy the Scanning committee with their Profile, Products / services Information, Compensation system, training modules etc....
8. The products / services offered by the company should be a permitted by the laws of India, should have all sort of registration / permissions / licenses that are specified by the Govt. to sell in India.

9. The products or services offered by the FDSA membership companies should be reasonable / acceptable value against price, at par with the market is advised. However the pricing factor of the products is not controlled by the FDSA at the same time it should not violate any Indian laws.
10. The Compensation system / business plan should have proven mathematics / calculations, should not exceed the allocated revenue.

The payouts offered by way of return on investments, fixed returns, interest, periodical returns etc... falling under Ponzi schemes will not be permitted. Anything which is offered out of automated / time matured benefits falling under ponzi schemes. The benefits offered should be purely depending upon the team sale volumes only.

