



FEDERATION OF DIRECT SELLING ASSOCIATION



**BRINGING TOGETHER FOR
AN ORGANIZED DIRECT SELLING INDUSTRY IN INDIA**

INTRODUCTION OF FDSA >>>

Federation of Direct Selling Association (FDSA), a society registered in Hyderabad, is an independent, non-political, non-profitable association of direct selling companies across India. We are moving forward with few likeminded India based Direct Selling companies, who joined FDSA with their contribution of intellectual strengths & etc. and making efforts to draw the attention of all relevant government authorities to achieve the much needed legal sanctity & social identity for this industry in India thru a self-governing code of conduct.

ABOUT DIRECT SELLING INDUSTRY >>>

In India, the industry came into existence in early 1980s, however, it really took off in early 1990s soon after the country opened up to the global market. Amway was one of the first major global direct selling companies to enter India in the year 1995 followed by companies like Avon, Oriflame and Tupperware in 1996. At the same time Modicare was one the first few Indian Companies to adopt this channel of distribution followed by RCM Business and many later to year 2000.

Direct Selling is best suited for entrepreneurship of commom person. It does not require capital, expertise, status or formal education. In India, Direct Selling has demonstrated several benefits for the society and the nation. Many Indian companies are opting the Direct Selling platform which has more than 6 crore people associated with it as on date.

INDUSTRY PROSPECTIVE >>>

OCCUPATION FOR NON-TECHNICAL UNEMPLOYED POPULATION: Direct Selling absorbs non-technical unemployed population en-mass. In past seven decades of known history, this facet has groomed numerous entrepreneurs to climb-up higher social & financial ladder, who otherwise would have gone unnoticed forever.

A RISK-FREE BUSINESS FOR WEAKER SECTION OF THE SOCIETY: Direct Selling is taking care of numerous families who are engaged in promotion of products and are being rewarded by commission in lieu of. This non-technical unemployed population could never have entered into business in traditional system, where financial considerations remain restricted only to select people. There is no other system which can give them their honourable income.

CONTRIBUTION IN WIDENING THE TAX NET: Direct Selling has created a vast pool of Tax Payers having PAN and Bank Account from remote area and villages, which is an uphill task for any government agency and would not have been possible otherwise.

ETHICAL BUSINESS PRACTICES: Direct Selling companies are paying tax amount on entire business. The companies cannot hide their sales

because the sale is not localised to fixed points, rather it is scattered throughout India and commission is distributed to many distributors on the basis of these sales. Hence each and every sale in Direct Selling is registered and sales tax, service tax and other government levy are paid by the company in toto. Even the distributors of remote area are paying income tax through TDS system as per law.

WOMEN EMPOWERMENT: Direct Selling is the only industry that has given not only equal business opportunity to women but also flexible working hours suiting to their family obligations and thus created large number of taxpaying women entrepreneurs.

SUPPORT TO THE VENDORS/MSME: Direct Selling companies have supported numerous vendors who can produce innovative / international quality products but do not have marketing capability and expansive distribution network.

ADVANTAGE TO MSME: Direct Selling requires no upfront investments and no recurring expenditure in the anticipation of business. The conventional marketing method is a cost before sale, whereas in Direct Selling it is only after the sale, it is a phenomenal advantage for MSME.

GOVERNMENT INITIATIVES >>

FDSA explored the government's view on the Direct Selling Industry utilizing RTI. Lack of legislation and clarity about the business in India led FDSA to start working with central and state governments for framing guidelines for the business.

RAJASTHAN STATE GUIDELINES: On 5th October 2012 the Rajasthan state government accepted the FDSA proposed Unified Code of Conduct for direct Selling Companies and notified in the gazette.

INTERMINISTERIAL COMMITTEE FORMATION: On 24th July 2012 Ministry of Consumer Affairs constituted Inter-Ministerial Committee to consider the issues relating to the companies engaged in Direct Selling/ Network Marketing. The committee was slated to be headed by the Department of Consumer Affairs, Dept. of Finance Services, Department of Revenue, Ministry of Corporate Affairs and RBI as its members to draft the Model Rules on the Direct

Selling/Network Marketing companies and frame clarifactory guidelines on how to distinguish between genuine direct sales from disguised money circulation scheme.

MEETING OF IMC MEMBERS WITH INDUSTRY REPRESENTATIVES: FDSA participated in a meeting of IMC members and industry representatives held at Krishi Bhawan on 27th June 2013 for creation of lagislatory framework and to discuss the remedial measures to be taken for the industry.

INTERMINISTERIAL COMMITTEE REPORT: Following the meeting a IMC committee released a report on "Issues relating to the entities engaged in Direct Selling/Network Marketing" on 10th June 2014 by the Secretary, Consumer Affairs with a conclusion to amend the existing PCMC (Banning) Act 1978 providing clear distinction between various money-circulation-based business and direct selling.

RECENT DEVELOPMENT IN INDUSTRY >>

FICCI CONTRIBUTIONS: FICCI offered its platform and taken the lead of the mission initiated by various association and companies through a Direct Selling Task Force Committee, which is interacting with the government authorities and other related personalities.

CONSUMER ONLINE FOUNDATION: FDSA is actively working with Shri Bejon Misra, Founder of Consumer Online Foundation. The industry is committed to the protection of consumer rights and grievance redressal.

KPMG-FICCI REPORT: International consulting firm KPMG and FICCI jointly studied the industry's status & its scope in India. A report namely "Direct Selling - A

global Industry empowering millions in India" was released in a prestigious event "Direct 2014" at Delhi on 4th December 2014 chaired by Sh. Ram Vilas Paswan, Hon'ble Minister of Consumer Affairs. The report considers FDSA as an important watchdog to implement self-discipline in the industry.

NATIONAL LAW SCHOOL UNIVERSITY OF INDIA: The oldest and number one law school in India taken up the study of Direct Selling Industry in India and its related issues. The study was compiled by Prof. OV Nandimath under the name "Establishment of an Appropriate Regulatory Framework for Direct Selling in India" and was released on 16th June 2014 at Ahmedabad.

KEY IDENTITIES FOR A GENUINE DIRECT SELLING BUSINESS

1. The company should have statutory Existence in the country. The business transactions should be done thru India based bank accounts of the company only.
2. The products/services offered to sell should be good, having acceptable price and all necessary certifications as per law of land.
3. Every aspirant in direct selling should be remunerated as per the volume of sales/ services

in his team/team effort, NOT on the basis of count of team members or not on recruitment/ joining head count based.

4. The business should be offered subject to solicitation, having an option to exit anytime, and also products/services refund policy.

5. The company should provide an effective grievance redressal.

To know further, please visit our website www.fdsaindia.org/guidelines for complete document of FDSA Guidelines to find a genuine direct selling business in India.



Direct Selling Distributors Welfare Association (DSDWA) is formed to protect the interest of Direct Selling Distributors working in numerous companies all across the country.

DSDWA shall strive to bring maximum possible distributors engaged in Direct Selling /Network Marketing under the umbrella of this association so that they can assemble on a common platform to assert their legal rights and could represent their Grievances before Government Authorities, Ministries etc. Since large part of Distributors engaged in Direct Selling /Network Marketing are earning their livelihood from this industry and hail from economically weaker segment of the society where other opportunities of economic growth hardly reach.

This Association shall look after their interest and shall provide a level playing and shall empower them to understand and fight the unethical practices by anybody who bring bad name to the business activities under the name of Direct Selling /Network Marketing.

For more information please visit the website www.dsdwa.org .

FDSA MEMBER COMPANIES

FDSA has framed a self-governing guidelines to recognize the rightful Direct Selling business models and reward memberships to them. The following are FDSA Membership companies who qualified after thorough scrutiny process of membership as on date.



RCM Business, a Unit of M/s. Fashion Suitings Pvt Ltd., Bhilwara - Rajasthan established in the year 1977. For more details may visit www.rcmbusiness.com



ARL Retail Pvt. Ltd. is a Delhi based company selling the best quality products of Wellness, Cosmetics, fabrics, household and FMCG range. For more details visit www.arlretail.com



SARSO Biznet International Pvt. Ltd., a Amritsar based Direct Selling company sells its merchandise through its online shopping portal. For more details visit www.sarsobiz.net



TRANZINDIA CORPORATE NETWORK PVT LTD is Coimbatore based company with a bouquet of 46 products. The company started in the year 2000. For more details visit www.tranzindiacorporate.com



My Recharge Pvt Ltd., is a Jaipur based company offering Mobile & DTH Recharge, various utility services, travel services etc. with propriety aggregator software. For more details visit www.myrecharge.co.in

Appeal

Any Direct Selling company or distributor or a consumer having grievances with regards to spurious products or services or non viable business practices or any other un-ethical activities may brought to our notice thru grievances on our website, an appropriate action will be taken to maintain a disciplined business environment in industry.