



**Mr. K N Jayaraj, Secretary, Delhi Pradesh Congress Committee addressing the delegates at the FDSA's Awareness Workshop at Hotel Hyatt, Kolkata, while Mr. Gopinath Reddy, Former DGP, A P Police, (extreme right) looks on.**

## Without Pooled Effort Nothing Can Be Achieved: Former DGP

*“This is a western concept. We need to indianise it. There are many myths surrounding this industry. All of you have to come together, join hands, discuss and draw conclusions that is best suitable to our society and country. This is not a one man show and is not a easy task. There will be several setbacks. You need to overcome all those hurdles. You need to be very clear as several ministries will be involved. Several bureaucrats are not in favour of this industry. They think it is a cheating business. You need to dispel this”*

FDSA, Federation Of Direct Selling Association, conducted its 5th workshop at Kolkata on September 29, here at Hotel Hyatt Regency. Earlier, FDSA also participated in the seminar organised by FICCI (Federation of Indian Chamber of Commerce and Industry) on ‘New Growth Avenues To Reach The Masses’ on September 25, at Hotel Residency Towers, Chennai.

Former Director General of Police, Andhra Pradesh, Mr. Gopinath Reddy and Mr. K N Jayaraj, Secretary, Delhi Pradesh Congress Committee, participated as Chief Guests in the Kolkata workshop.

Speaking on the occasion, Mr. Gopinath Reddy said that without pooled effort nothing can be achieved and urged all the genuine players to come together to fight for a just cause. “No one can do it alone. This is a evolving marketing strategy. No one knows what is right or wrong. Police always thinks why to allow such things. People who are not interested in the industry



**Mr. A P Reddy  
President, FDSA**





**Mr. Gopinath Reddy**  
Former DGP, A.P. Police



**Mr. K.N. Jayaraj,**  
Secretary,  
Delhi Pradesh Congress

can get out of it and allow genuine players to operate peacefully. The genuine players can evolve a best method that is useful to the society”, he said.

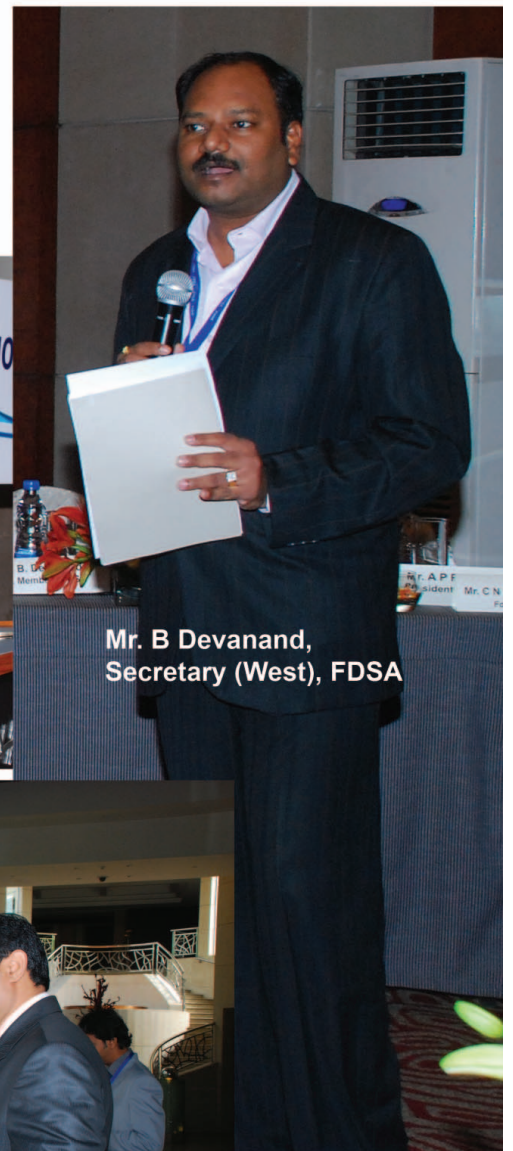
Emphasising on the need to make the industry more legal and acceptable, Mr. Gopinath Reddy said, “The problem is how to make the government accept it as one type of marketing. Those sitting in the government will not prioritise this. You must make them realise it is one type of economic development”.

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Urging everyone to come out with new ideas he asked FDSEA to prepare a model ‘Act and Rules’ and appoint a legal committee. “What you are looking at is different from what others are looking at. I am happy at least some efforts are being put to bring respectability to this industry. Media will also be working against this industry. Hence you need to come up with an acceptable proposition of



**Mr. Kishore Varma,**  
General Secretary, FDSEA



**Mr. B. Devanand,**  
Secretary (West), FDSEA



**Mr. A.P. Reddy briefing Mr. Gopinath Reddy and Mr. K.N. Jayaraj, about the activities of FDSEA**





**Mr. Siddhartha Das Gupta briefing Mr. K N Jayaraj on FDSA & its activities at the venue.**

***“You need to come up with an acceptable proposition of business. Things will take time. Do not expect them to happen overnight. Public acceptance is a must. Effectiveness and acceptability or the key points that you need to work around. If you are effective and not acceptable, you will fall like a pack of cards”***

reasons, more genuine companies are facing challenges that are hard to be surmounted. Nobody is happy in opting this industry. Only we know the power, value and how we can make the country proud. Though crores of people are working in this industry, it is unfortunate that it is not recognised”, he said adding that the biggest problem that the country is facing is anti-socialism, because of not being happy in their regular life due to insufficient incomes.

“Day by day unemployment is on the rise due to various reasons in the Country. Our business provides employment opportunities. The industry generates income to those who work ethically and also generates taxes to the government. This is the only industry that could bring a change in people’s lives. Unfortunately money circulation companies are defaming the industry. In money circulation companies no one will be benefitted. FDSA is for genuine direct selling companies, who have a valued product. We are totally against money circulation companies. In many states genuine players are facing critical problems because of these money circulation companies”, he observed.

Mr. B Devanand, Secretary (West), FDSA, while speaking on the legal scenario of India said, “There are several laws in India, but are not specific to Direct Selling/MLM. It is not clear which



**Workshop in progress as delegates listen carefully to the speakers.**

business. Things will take time. Do not expect them to happen overnight. Public acceptance is a must. Effectiveness and acceptability or the key points that you need to work around. If you are effective and not acceptable, you will fall like a pack of cards”, he said.

Advising all to adapt a positive approach towards this business, he said that his help will always be there and wished that rules will come into force by the end of this year. “Luck favours those who are prepared. Proper documentation, maintaining time schedules and quality consciousness are a must. I am very happy to be associated with you all”, he said.

Mr. K N Jayaraj, Secretary, Delhi Pradesh Congress Committee addressing the participants said that government will not tolerate any wrong doings. However, it will always want to support the right things. “Direct Selling has a great potentiality. Since it is in unorganised sector, certain people are misusing the opportunity. FDSA should take initiation and provide the list of all erring companies so as their advances could be checked”, he said.

Mr. A P Reddy, President, FDSA, while welcoming the delegates, found fault with the money circulation companies that vanish overnight. “Because of this and many more various

is legal or which is illegal. The ‘Prize Chits & Money Circulation (Banning) Act, 1978’ is for dealing with chit fund activities and is not meant for Direct Selling/MLM, as Direct Selling is not there in 1978. Till today, not a single final verdict was pronounced by any court in India on Direct Selling/MLM stating that they fall under ‘Prize Chits & Money Circulation (Banning) Act”.

“In other countries, Direct Selling operates on principles like - customer should buy for the sake of product that is rightly priced, profit arising out of this sale can be dispersed to one person or a group of persons, the product should be tested and proven, and should give service guarantee/money back guarantee. We don’t have these principles in India”, he pointed out.

Mr. Devanand said, “People do not understand a Direct Selling plan. Checks and balances will be there in any business. We need to meet our commitments. The final judgement always lies with the court. Police have to collect all the related evidences only”.





Attentive delegates at the workshop



***“As long as the money parted is with in the profits, it does not matter how you are sharing it. No where in the world ‘Binary’ is declared as illegal. With in an ‘Association’ we cannot have different people. Hence a ‘Uniform Code’ is a must. Guidelines allow us to represent as a group entity and not a diversified entity. We want to create a level playing field”***

Asking all the Direct Selling companies to be prepared and have a scrutiny committee, he said, “The law of India starts only with a complaint. This is how our legal system works. So it is highly necessary to keep all the documents like Incorporation Certificate, Sales Tax Registration, Income Tax Registration, PAN, TAN and all other supporting certificates ready for any kind of inspection from any police or government official. Also, keeping the breakup of money sharing in detail handy, can also tackle any kind of uncertainty”.

Speaking on why a ‘Uniform Code’ is required, Mr. Devanand further said, “As long as the money parted is with in the profits, it does not matter how you are sharing it. No where in the world ‘Binary’ is

declared as illegal. With in an ‘Association’ we cannot have different people. Hence a ‘Uniform Code’ is a must. Guidelines allow us to represent as a group entity and not a diversified entity. We want to create a level playing field”.

Mr. Kishore Varma, General Secretary, FDSA while presenting the guidelines of FDSA said, “we need to be clear about what we are doing. It is essential that all the member companies adapt these guidelines so that uniformity could be maintained in the Association. There are as many as approximately 8,300 Direct Selling/MLM companies according to the statistics available with the government. Following the guidelines would only help the Direct Selling company and not otherwise”.

Mr. Rajiv Gupta, Director, ARL Parivar Ltd., speaking on the necessity of having an association, said, “The Indian socioeconomic structure do not suit the western system. An Association is a prime requirement here, as the system was wrongly projected by individuals and had been received that way by the bureaucracy. This had created lot of problems. We need to understand the power of unity. There is no central authority to listen to you nor there are any rules or regulations. There is no mechanism to correct the wrong doers”.

The workshop was organised under the aegis of Mr. Siddhartha Das Gupta, CMD, Royal Fortune Ventures (India) Ltd., Kolkata.

For further details visit: [www.fdsaindia.org](http://www.fdsaindia.org).



Delegates at the FDSA Awareness Workshop at Hotel Hyatt, Kolkata