



For immediate release

6th August 2011

Press statement of Indian Direct Selling Association

Not only the state of Kerala but India has seen adverse mushrooming of fraudulent companies under the grab of direct selling and engaged in pyramid schemes with very attractive returns proposed without any money back guarantee luring the innocent people.

Taking a stand on the development **Ms Chavi Hemanth, Secretary General, Indian Direct Selling Association, a self regulatory body**, expressed, “Long arms of the law managed to reprimand and also take action against the fraudulent companies but in the bargain the endeavor to unearth the illegal activities also encircled certain genuine companies and people who were directly or in-directly not really involved in these business of deceit”. In a recent meeting with concerned authorities we had highlighted the need to address this concern and had received assurance that genuine direct seller can operate within legal framework”.

Ms Hemanth said, “The IDSA is dismayed at the action of the police today against its member companies and its direct sellers, however due to lack of evidence a lot of innocent people have been remanded as a cause of such action. We would cooperate with the concerned bodies incase of any complaint against our member companies, and would take strict action as per the code of ethics if needed. At the same, we also request the concerned bodies to follow the protocol and not harass genuine people”. We once again appeal to authorities to please issue clarification to the law enforcement authority and to avoid such harassment to genuine companies.”

IDSA, an industry body representing 18 reputed Indian and multinational direct selling company's secretary general Ms Hemanth further stressed, “All genuine direct selling IDSA member companies offer unique features like 100% money back guarantee, low start up cost, commissions based on product sales only and not on recruitments; no inventory loading”.

Direct Selling is a thriving Rs. 4,120 crore industry according to an Ernst & Young report and ICRIER Report with projections to be a Rs. 7,120 crore industry 2012-13. The IDSA has been in regular talks with the government to enact guidelines for the industry to protect the interest of the genuine DS players, consumers and aspirants who wish to get into direct selling.