

GOVERNMENT OF KERALA**Abstract****CONSUMERS AFFAIRS DEPARTMENT- MONITORING MECHANISM FOR
REGULATING DIRECT SELLING-ORDERS ISSUED****---CONSUMER AFFAIRS DEPARTMENT****G.O (P) No dated Thiruvananthapuram****Read—**

1. Office Memorandum F.No 21/18/2014-IT (Vol-II) dated 9-9-16 received from Department of Consumer Affairs, Government of India.
2. G.O.(P) No.8/2018/CAD dated 4/6/2018.
3. G.S.R. No 889(E) dated 28/12/2021 Dept. of Consumer Affairs, Government of India.
4. G.S.R. 39 (E) dated 21/01/2022, Department of Consumer Affairs, Government of India.

ORDER

As per the Office Memorandum read above, Government of India have issued the model guidelines for Advisory mechanism on the regulation of Direct Selling Industry and also requested the State Government to implement the same in the State and to set-up a mechanism to monitor the activities of direct selling entity. Accordingly as per the G.O. read above, Government have issued the guidelines on monitoring mechanism for regulating multilevel marketing/direct selling in the State. As per the notification read 3rd above, the Central Government have issued the consumer Protection (Direct selling) Rules 2021 in exercise of the powers conferred by clause (zg) of sub-section (2) of section 101 read with section 94 of the Consumer Protection Act, 2019 and as per the notification read 4th above, the Central Government have withdrawn the Direct Selling Guidelines 2016.

In Rule 11 of the Consumer protection (Direct selling) Rules 2021, it has been stipulated that for ensuring compliance of the rules by the direct selling entity and direct sellers, every State Government shall set up a mechanism to monitor or supervise the activities of direct sellers and direct selling entity.

Government have examined in the matter in detail and are now pleased to issue the monitoring mechanism for regulating the activities of direct selling entity in the State as appended to this Government Order in supersession of the Government order read 2nd above, except as respects things done or omitted to be done before such supersession.

By order of the Governor

MONITORING MECHANISM TO MONITOR OR SUPERVISE THE ACTIVITIES OF DIRECT SELLING ENTITY AND DIRECT SELLERS 2022

These are guiding principles/ mechanism for the Monitoring Authority set up by the State Government for supervising/ monitoring the activities of direct sellers and direct selling entity as stipulated in the consumer protection (Direct Selling) Rules 2021 and to strengthen the existing regulatory mechanism on direct selling, for preventing fraud and protecting the legitimate rights and interests of consumers. The Nodal department to deal with the issues related to direct Selling will be Department of Consumer Affairs in the State.

1. Objectives of the Monitoring Authority

The Monitoring Authority will function with the following objectives:-

- i. To regulate the business of Direct Selling as per the Consumer Protection (Direct selling) Rules 2021 to prevent fraud and protect the legitimate rights and interests of consumers;
- ii. To prohibit all forms of Pyramid Scheme or enroll/participate any person to such scheme or participate in such arrangement in any manner whatsoever in the garb of doing direct selling business;
- iii. To prohibit all forms of money circulation scheme or enroll /participate any person to such scheme in the garb of doing direct selling business.
- iv. To prohibit all forms of unfair trade practices across all models of direct selling;
- v. To monitor /supervise the activities of Direct Sellers, Direct Selling Entities regarding compliance of The Consumer Protection Act, 2019 and the rules framed thereunder, viz. The Consumer Protection (Direct selling) Rules 2021;

2. Composition of Monitoring Authority

The Monitoring Authority shall consist of:-

- i. The Special Secretary/Principal Secretary – Department of Consumer affairs as the Chairman,
- ii. Commissioner Civil supplies and Consumer affairs as the Nodal Officer
- iii. & Convener and the following members:
- iv. The Secretary to Govt., Finance Dept. or any other Officer nominated by him not below the rank of Deputy Secretary
- v. The Secretary to Govt., Law Dept. or any other Officer nominated by him not below the rank of Deputy Secretary
- vi. The Secretary to Govt., Taxes Dept. or any other Officer nominated by him not below the rank of Deputy Secretary
- vii. The Controller of Legal Metrology or any other Officer nominated by him not below the rank of Deputy Secretary.
- viii. The Food Safety Commissioner or any other Officer nominated by him not below the rank of Deputy Secretary.
- ix. Commissioner, CGST Department, Kerala;

- x. Commissioner, SGST Department, Kerala
- xi. ADGP rank officer from the Police Department dealing with Economic offences;
- xii. One Subject Expert, duly nominated by the Government.

3. Responsibilities of the Monitoring Authority

- i. Provide facilities for the enrolment of Direct Selling Entities for carrying out their Direct Selling business in the State of Kerala;
- ii. Provide appropriate platform for receiving complaints from the Consumers / Direct Sellers including general public against the violation of Consumer Protection (Direct selling) Rules 2021 by the Direct Selling Entities;
- iii. Inform respective enforcement authorities regarding the unethical and unlawful practice, if any, carried out by direct selling entities/direct sellers including non-compliance of monitoring mechanism / evasion of tax laws, noticed by the Monitoring Authority
- iv. Provide Policy inputs to the Central Government for appropriate modifications in the Consumer Protection (Direct selling) Rules 2021, if warranted, from time to time;
- v. Provide awareness among law enforcement authorities, consumers, direct sellers and the general Public and impart education and training regarding the "Do's and Don'ts of Direct Selling" through Training Institutes like Gulati Institute of Finance & Taxation (GIFT), Govt. of Kerala, Thiruvananthapuram or any such Institute recognized for the purpose by State Government.

4. Enrolment formalities for carrying out the Direct Selling business in the State of Kerala

4.1 No Direct Selling Entity or such other person shall engage in a Direct Selling Business in the State of Kerala unless such Entity has enrolled with the Monitoring Authority by filing an application online in the format given at Annexure. 1. The Profile of the Promoters/ Directors/ Partners of the applicant Direct Selling Entity and the required permits/ licenses/ general & tax particulars along with the self-declaration shall be furnished in Part A of the Application, and the Notary attested Affidavit shall be furnished in the prescribed format given in Part B of the Application along with the following certificates /particulars/documents as enclosures:-

- i. Certification made by the Company Secretary regarding the veracity and validity of documents uploaded in the Website such as certificates, licenses, policies, declarations and other documents required for the proper conduct of Direct Selling business as per the Consumer Protection (Direct Selling Rules)2021
- ii. Copy of the latest Audited financial statements (Balance Sheet and Profit & Loss A/c with schedules)
- iii. (Financial year 2021-22)
- iv. Copy of Certificate of incorporation/Bye-laws/Memorandum of Association& Article of Association.

- v. Copy of license issued under the Food Safety and Standards Authority of India Act 2006.(If applicable)
- vi. Copy of License and Registration certificate issued under the Drugs and Cosmetics Act 1940:(If applicable)
- vii. Copy of Certificate of Registration of Trademark.
- viii. List of Board of Directors/ Partners with their contact details
- ix. Brief details of direct selling scheme and compensation plan
- x. Sample of contract with direct sellers/distributors
- xi. Copy of GSTIN ,PAN and TAN or such other registrations necessary for the lawful conduct of the business undertaken by the Direct Selling Entity
- xii. Copy of Income Tax and GST returns for the last 3 Assessment years
- xiii. Such other information or documents, if any, as may be specified for the purposes of determining the applicant's financial stability/sustainability

4.2 Upon receipt of the application in the prescribed format with the required document / enclosures , the Monitoring Authority may –

- i. Enroll the applicant entity in the register maintained by it and publish the same in the website of Consumer Affairs Department, Kerala, or
- ii. refuse to grant enrolment if any violation of the Consumer Protection (Direct selling) Rules 2021 is noted prima facie or for the non –filing of required enclosures / Annexures;

Provided at any time after receiving an application and before it is disposed of, the Monitoring Authority may issue notice, in writing, demanding the applicant entity to provide additional information or documents. Where the corrected application or any additional information or document required is not provided within the time specified in the said notice or any extension thereof granted by the Monitoring Authority, the application shall be rejected.

Enrolment of a direct selling entity with the Government would be made purely on the basis of the particulars furnished by the Applicant in the prescribed Enrolment Application form which do not confer any legal rights on the enrolled entity to represent themselves as Government approved agencies. Rather the purpose of enrolment is for enabling the Monitoring Authority to carry out its objectives in an effective manner.

5. Mandatory maintenance of records -

Every direct selling entity shall maintain at its registered office, either manually or electronically, all such documents as are required under any law for the time being in force, including the following documents or records, as may be applicable, as per Rule No. 4 of Consumer Protection (Direct selling) Rules 2021 namely:—

- i. Certificate of Incorporation;
- ii. Memorandum of Association and Articles of Association;
- iii. Permanent Account Number and Tax Deduction and Collection Account Number;

- iv. Goods and Services Tax registration; (e) Goods and Services Tax Returns;
- v. Income Tax Returns;
- vi. Balance Sheet, Audit Report and such other relevant reports;
- vii. Register of direct sellers;
- viii. Certificate of Importer-Exporter code (in case of imported goods)
- ix. License issued under the Food Safety and Standards Authority of India Act, 2006 (34 of 2006) for the purposes of manufacture or sale of food items;
- x. Certificate of Registration of Trademark
- xi. License and Registration Certificate issued under the Drugs and Cosmetics Act, 1940 (23 of 1940) for the purposes of manufacture or sale of drugs, including Ayurvedic, Siddha and Unani drugs and Homoeopathic Medicines;

6. Mandatory maintenance of Website

As per Rule 5 (d) Consumer Protection (Direct selling) Rules 2021, every Direct Selling Entity shall maintain proper and updated website with all relevant details of that entity, including the documents or records specified in Rule 4 (a) to 4(1) of the Consumer Protection (Direct selling) Rules 2021, the self-declaration, contact information which is current and updated, details of its nodal officer, grievance redressal officer, its management, products, product information, price and grievance redressal mechanism for consumers. As per Rule 5(g) Consumer Protection (Direct selling) Rules 2021, every information provided by the Direct Selling Entity on its website shall be duly certified by a Company Secretary. As per Rule 5(2) of the Consumer Protection (Direct selling) Rules 2021, every direct selling entity shall provide the following information on its website/Platform in a clear and accessible manner, which shall be displayed prominently to its users, namely:—

- i. registered name of the direct selling entity;
- ii. registered address of the direct selling entity and of its branches;
- iii. contact details, including e-mail address, fax, land line and mobile numbers of its customer care and grievance redressal officers;
- iv. a ticket number for each complaint lodged through which the complainant can track the status of the complaint;
- v. information relating to return, refund, exchange, warranty and guarantee, delivery and shipment, modes of payment, grievance redressal mechanism and such other information which may be required by the consumers to make informed decisions;
- vi. information on available payment methods, the security of those payment methods, the fees or charges payable by users, the procedure to cancel regular payments under those methods, charge-back options, if any, and the contact information of the relevant payment service provider;
- vii. total price of any goods or service in single figure, along with its break-up price showing all compulsory and voluntary charges, including delivery charges, postage and handling charges, conveyance charges and the applicable tax;

- viii. provide correct and complete information at pre-purchase stage to enable buyers to make informed purchase decisions, and such information shall, in addition to the mandatory declarations to be provided under the Legal Metrology (Packaged Commodities) Rules, 2011, contain the following information, namely:—
- a. the name of purchaser and seller;
 - b. description of goods or services;
 - c. quantity of goods or services;
 - d. the estimated delivery date of goods or services;
 - e. the process of refund;
 - f. guarantees or warranties applicable to such goods or services
 - g. exchange or replacement of goods in case of it being defective;
 - h. all contractual information required to be disclosed by or under any law for the time being in force.

7. Filing of Periodical Reports before the Monitoring Authority after enrolment

Every Direct Selling Entity, after enrolment, should furnish reports with the following information and submit to the Monitoring Authority within 20/45 days from the end of each such quarter/financial year respectively, as the case may be;

A. Yearly Basis

- i. Individual wise particulars maintained by the Direct Selling Entity in respect of their direct sellers including but not limited to enrolment, termination, active status, purchase value, remuneration plan in the last financial year;
- ii. Copy of GST returns, Income Tax returns including TDS returns of the last year;
- iii. Any other particulars as and when found necessary by the Monitoring Authority

B. Quarterly Basis

- i. Total number of complaints received from customers within the State and the total numbers redressed & pending status in the last quarter;
- ii. Total number of complaints received from direct sellers within the State and the total numbers redressed & pending status in the last quarter;
- iii. Any other particulars as and when required by the Monitoring Authority

8. Procedure of disposal of complaints

The Direct complaints from a direct seller or a consumer or any member of the general public will be entertained only if such complaint is not resolved in the grievance redressal mechanism of the Direct Selling Company in the manner as envisaged in Rule 5 (7) of the Consumer Protection (Direct selling) Rules 2021. In order to resolve such complaints / grievances, the Government shall designate officers at district level to receive complaints. The designated officer who receives such a complaint shall forward the same to the Direct Selling Entity with a direction to redress the

complaint within 10 days of its receipt and to intimate the complaint redressal report to the designated officer immediately. If the designated officers do not receive the complaint redressal report within 15 days of its receipt by the Direct Selling Entity, he shall file non-compliance report before the Monitoring Authority.

Where the contents of the non-compliance report received from the designated officer against Direct Selling entity or a Direct Seller or any other person who is part of the network of Direct Selling is found to be genuine and true, the Monitoring Authority may take such action as the Monitoring Authority deems appropriate as mentioned in clause 5 above including due intimation to the enforcement authorities for their appropriate action as per the applicable provisions of the relevant Acts as provided in clause 8 below.

However, any complaint/s relating to violation of consumer rights or unfair trade practices or false or misleading advertisements which are prejudicial to the interests of consumers as a class, may be forwarded either in writing or in electronic mode, to any one of the authorities, namely, the District Collector or the Commissioner of regional office or the Central Authority as provided in Sec. 17 to 23 of the CP Act 2019.

9. Prohibition of Pyramid Scheme, Money Circulation Schemes and Unfair Trade Practices

(a) No direct selling entity or direct seller shall promote or indulge in a Pyramid Scheme or enroll any person to such scheme or participate in such arrangement in any manner whatsoever in the garb of doing direct selling business with or without products or services as per Rule 10 r.v Rule 3 (i) of the Consumer Protection (Direct selling) Rules 2021. Therefore, no direct selling entity or direct seller shall enter into a scheme or package or opportunity or participate in such arrangement in any manner for sharing the benefits by means of enrolment or recruitment of further subscribers to such scheme thereby occupying a higher position for the purpose of earning more benefits or for making quick or easy money out of such higher position and continue with such successive enrolments or recruitments for sharing the income / benefits out of such successive enrolments or recruitments and finally resulting in a multi-layered network of subscribers in the garb of doing direct selling business with a sole intention for sharing the benefits out of such successive enrolments or recruitments irrespective of the sales volume of products / services. Under Pyramid Scheme, the substantial benefit or income is derived mainly on the basis of such enrolments or recruitments and not on the basis of sale of products or services even if the products or services are bundled in such schemes and packages for the purpose of name sake.

(b) No direct selling entity or direct seller shall promote or indulge in a money circulation scheme or enroll any person to such scheme or participate in such arrangement in any manner whatsoever in the garb of doing direct selling business without products or services. As per Sec. 2 (c) of the THE PRIZE CHITS AND MONEY CIRCULATION SCHEMES (BANNING) ACT, 1978, "money circulation scheme" means "any scheme, by whatever name called, for the making of quick or easy money, or for the receipt of any money or

valuable thing as the consideration for a promise to pay money, on any event or contingency relative or applicable to the enrolment of members into the scheme, whether or not such money or thing is derived from the entrance money of the members of such scheme or periodical subscriptions "The intention of promoting this scheme is to make of quick or easy money through successive enrolments or recruitments. As per the Rule 10 of the Consumer Protection (Direct selling) Rules 2021, no direct selling entity or direct seller shall participate in money circulation scheme in the garb of doing direct selling business. Therefore, no direct selling entity or direct seller shall enter into a money circulation scheme or package or participate in such arrangement in any manner for sharing the benefits by means of enrolment or recruitment of further subscribers to such scheme and continue with such successive enrolments or recruitments for sharing the income / benefits out of such successive enrolments or recruitments and finally resulting in a multi-layered network of subscribers in the garb of doing direct selling business with a sole intention for sharing the benefits out of such successive enrolments or recruitments without any sale of products / services. Under money circulation scheme, the entire benefit or income is generated or derived or out of the amount collected through the successive enrolments or recruitments and finally share the benefits among the subscribers simply on account of participation in such schemes.

(c) No direct selling entity or direct seller shall promote or indulge in any misleading, deceptive or unfair trade practices or participate in such arrangement/schemes/trades in any manner whatsoever in the garb of doing direct selling business across all models of direct selling for the purpose of earning more benefits or for making quick or easy money out of such practices /schemes. As per the Rule 5(3) r.w. Rule 2 (1) (d) of the Consumer Protection (Direct selling) Rules 2021, no direct selling entity or direct seller shall adopt any unfair trade practice in the course of its business or otherwise participate in such arrangement/schemes/trades in any manner whatsoever in the garb of doing direct selling business across all models of direct selling. As per Rule 2 (47) of the Consumer Protection Act, 2019, "unfair trade practice" means a trade practice which, for the purpose of promoting the sale, use or supply of any goods or for the provision of any service, adopts any unfair method or unfair or deceptive practice including any of the following practices, namely

- (i) falsely represents that the goods/services are of a particular standard, quality, quantity, grade, composition, style or model where such goods or services do not have such grade /quality/quantity /style/standard
- (ii) dealing second-hand, renovated, reconditioned, old goods as new goods;
- (iii) makes a false or misleading representation concerning the need for, or the usefulness of, any goods or services;
- (iv) gives to the public any warranty or guarantee of the performance, efficacy or length of life of a product or of any goods that is not based on an adequate or proper test thereof;
- (v) represents that the seller or the supplier has a sponsorship or approval or affiliation which such seller or supplier does not have etc.

(d.) As per Rule 7 (ii) , no direct selling entity or direct seller shall—

- i. indulge in fraudulent activities or sales and shall take reasonable steps to ensure that participants do not indulge in false or misleading representations or any other form of fraud, coercion, harassment, or unconscionable or unlawful means;
- ii. engage in, or cause or permit, any conduct that is misleading or likely to mislead with regard to any material particulars relating to its direct selling business, or to the goods or services being sold by itself or by the direct seller;
- iii. indulge in mis-selling of products or services to consumers;
- iv. use, or cause or permit to be used, any fraudulent, coercive, unconscionable or unlawful means, or cause harassment, for promoting its direct selling business, or for sale of its goods or services;
- v. refuse to take back spurious goods or deficient services and refund the consideration paid for goods and services provided;
- vi. charge any entry fee or subscription fee.

10. Action against violations / non-compliance of the directives of Monitoring Mechanism

The violations / non-compliance / partial compliance of the directives of Monitoring Mechanism by any Direct Selling Entities/ Direct Sellers. will be treated seriously. The Monitoring Authority, in such cases , either suo - motu or on the basis of any complaint received in this regard from any stake holders ,may:

- i. Engage one or more persons from any of the enforcement departments within this Monitoring Authority to make an inquiry in relation to the alleged complaints and affairs of any Direct Selling Entity.
- ii. call upon the books of accounts, registers, audited statement of Accounts, IT and GST monthly/ annual returns, certified copies of mandatory registration certificates as per the Consumer Protection (Direct selling) Rules 2021 or such other documents necessary for scrutiny and verification.
- iii. cancel such enrolment or black list those Direct Selling Entities violating the regulations of the monitoring mechanism repeatedly even after show cause notices and warnings by the Monitoring Authority
- iv. Issue show cause notice to stop the business of such non-compliances with immediate effect.
- v. Refer the matter to the Central Consumer Protection Authority or such other Authorities as envisaged in Sec-17 to 23 of the Consumer Protection Act 2019

11. Action against violation of provisions of Consumer Protection Act, 2019 / Consumer Protection (Direct selling) Rules 2021 and other Laws applicable to Direct Selling

The Direct Selling Entities and the Direct Sellers have to follow the relevant provisions of Consumer Protection Act, 2019 and the Consumer Protection (Direct selling) Rules 2021 including other Laws applicable to Direct Selling meticulously. The compliance of the provisions and rules of these Acts and Rules will be monitored under this Monitoring Mechanism.

Any contravention or violation of the rules framed under Consumer Protection (Direct selling) Rules 2021 shall be dealt with the appropriate provisions of the Consumer Protection Act, 2019 including Product Liability under Chapter VI of the said Act. However, the violation of other laws and rules shall be appropriately dealt by the law Enforcement Authorities under the provisions of the appropriate Acts & rules, which may include the following,-

- i. Violation relating to any activity leading to money circulation or pyramid schemes to be dealt with under Prize Chits and Money Circulation Scheme (Banning) Act, 1978, including criminal case under Indian Penal Code.
- ii. Violation relating to any activity leading to tax evasion to be dealt with by the respective Taxation Authorities under the respective Taxation Statutes.
- iii. Violation of any other applicable laws to be complied by Direct Selling Entity as provided in the Direct Selling Rules shall be dealt with by the respective Authorities under such respective Statutes.
- iv. Violation relating to any activity leading to the breach of contract, appropriate civil remedy can be evoked before the Court of Law having appropriate jurisdiction.

ANNEXURE-1

APPLICATION FOR ENROLMENT
(To be submitted by the Direct Selling Entities)

Sl No	Particulars	To be filled by Direct Selling Entity
	Part A	
A	COMPANY PROFILE	
1	Name of the Direct Selling Entity (As Registered)	
2	CIN No: / Reg. No.	
3	Principal place of business	
4	Name and address of the Directors/ Partners of the Direct Selling Entity	
5	Name and address of Nodal Officer responsible for ensuring the compliance with the provisions of the Consumer Protection Act & Rules (With PIN Code, e-mail, & Telephone with STD code)	
6	ADDRESS FOR COMMUNICATION A. Head Office: (With PIN Code, e-mail, Telephone with STD code and Company Website)	
7	B. Branch Office in Kerala (With PIN Code, e-mail, Telephone with STD code and Company Website)	
8	TAX PARTICULARS OF COMPANY i. Income Tax Registration. No. (PAN) ii. Income Tax TDS Registration. No. (TAN) iii. GST Registration No. (GSTIN)	
9	Details of Consumer Grievance Redressal mechanism as per the consumer Protection (direct selling) Rules 2021:	
10	Name and address of Grievance Redressal Officer responsible for redressing the complaints (With PIN Code, e-mail & Telephone with STD code)	
11	Name and address of Nodal Officer responsible for monitoring the compliance of Consumer Protection (Direct Selling) Rules 2021 (With PIN Code, e-mail & Telephone with STD code)	
12	Total number of Direct Sellers working within the State	

13	Details of Products/ Services offered (enclose details)	
14	Details of License (s), Trade Mark or Principal Brand which identifies the company; (Enclose details)	
15	Notes/Remarks, if any.	

Part - B

(AFFIDAVIT -CUM- SELF DECLARATION)

* * *

I/ We,..... in the capacity of of the.....
company / firm declare that we including our duly appointed Direct Sellers shall compliant with the following:

1. I/We shall compliant all the provisions of Consumer Protection (Direct Selling Rules)2021 notified by the Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution , New Delhi, vide Notification No. GSR 889(E) dated 28/12/2021
2. I/We shall compliant all the applicable provisions of Consumer Protection (E commerce Act) 2020 and the rules framed thereunder as provided in Rule 9 of Consumer Protection (Direct Selling Rules)2021
3. I/We shall compliant all the applicable provisions of the Legal Metrology Act 2009(Act 1 of 2010) and the rules framed thereunder as provided in Rule 5 (4) and Rule 7 (1) (v) of Consumer Protection (Direct Selling Rules)2021
4. I/We shall compliant all the applicable provisions of the Food Safety and Standards Authority of India Act 2006 and the rules framed thereunder as provided in Rule 4 (j) of Consumer Protection (Direct Selling Rules)2021
5. I/We shall maintain at its office declared in Kerala , either manually or electronically, all such documents/registers / books of accounts as are required under any law for the time being in force, as may be applicable for verification of the enforcement authorities under this monitoring mechanism , in addition to its maintenance at its registered office as required as per Rule No. 4 of Consumer Protection (Direct selling) Rules 2021
6. I/We shall become a Partner in the convergence process of the National Consumer Helpline of the Central Government as provided in Rule 5 (17) of Consumer Protection (Direct Selling Rules)2021 .

- 7. I/We shall not promote a Pyramid Scheme or enroll any person to such scheme or participate in such arrangement in any manner whatsoever in the garb of doing direct selling business as provided in Rule 10 (a) of Consumer Protection (Direct Selling Rules)2021 .
- 8. I/We shall not participate in money circulation scheme in the garb of doing direct selling business as provided in Rule 10 (b) of Consumer Protection (Direct Selling Rules)2021 ;
- 9. I/We shall not promote any misleading, deceptive or unfair trade practices or participate in such arrangement/schemes/trades in any manner whatsoever in the garb of doing direct selling business across all models of direct selling as provided in Rule 5(3) r.w. Rule 2 (1) (d) of the Consumer Protection (Direct selling) Rules 2021

Deponent

VERIFICATION

The contents of my above Affidavit cum Declaration are true and correct and nothing material has been concealed by me/us there from.

Verified by me/us at _____ on this _____ day of _____

Deponent

Place:
Date:
Designation.....

Name.....

Tel No.....

E-mail.....

List of documents to be appended:

- 1. Copy of certification issued by the Company Secretary regarding the veracity and validity of certificates /documents uploaded in the Website such as certificates , licenses , policies, declarations and other documents required for the proper conduct of Direct Selling business as per the Consumer Protection (Direct Selling Rules)2021
- 2. Copy of Bye-laws/ Article of Association &Memorandum of Association of the Direct Selling Entity
- 3. Copy of Certificate of incorporation under Companies Act/ Partnership Act/ Limited Liability Partnership Act, as the case may be
- 4. Copy of Certificate of Registration of Trademark
- 5. Copy of GSTIN ,PAN and TAN or such other registrations necessary for the lawful conduct of the business undertaken by the Direct Selling Entity

6. Copy of license issued under the Food Safety and Standards Authority of India Act 2006.(If applicable)
7. Copy of License and Registration certificate issued under the Drugs and Cosmetics Act 1940.(If applicable)
8. Copy of operating License under Bureau of Indian Standards (BIS) Act ,2016 (If applicable)
9. Copy of Mandatory declarations under the Legal Metrology(Packed Commodities) Rules 2011.(If applicable)
10. List of Board of Directors, with contact details
11. Brief details of direct selling scheme and compensation plan.
12. Sample of contract to be executed with direct sellers/distributors
13. Copy of Income Tax and GST returns for the latest year (Financial Year 2021-22)
14. Copy of Audited financial statements (Balance Sheet and Profit & Loss A/c with schedules)for the latest year (Financial Year 2021-22)
15. Address of registered office within the State of Kerala for ensuring easy access to the Direct Sellers / Consumers.;
16. Address and Contact details Grievance Redressal Officer & Nodal Officer of the Direct Selling Entity
17. Total number of direct sellers within the State of Kerala as on 31/3/2022;
18. Such other information or documents, if any, as may be