August 8, 2012

Dear Shri Agarwal,

**Subject: Inter Ministerial Committee to Consider the Issues Relating to Direct Selling and Multi-Level Marketing**

This refers to the press release of the Press Information Bureau, Government of India dated July 27, 2012 on the subject mentioned above.

We have an uncomfortable feeling that terms of reference of the Inter Ministerial Committee constituted by the Department of Consumer Affairs to consider the issues relating to the companies engaged in Direct Selling/Network/Multilevel Marketing may lead to the expectance of the specious distinction sought to be made by the Indian Direct Selling Association and its members between Direct Selling and Multilevel Marketing on the one hand and pyramid schemes on the other, implying thereby that the former do not fall within the mischief of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978. It is our considered view that this distinction is meaningless in so far as the applicability of the ban imposed by the Act on money circulation schemes is concerned. The correct legal position in this regard has been clarified by the High Court of Madras in Apple FMCG Marketing (Pvt) Limited V. Union of India and others (W.P.No:22674 OF 2004). We had submitted a self contained memorandum dated July 19, 2012 to the Prime Minister and enclosed a copy of the same with our letter dated July 24, 2012 to the Minister of State (IC) for Consumer Affairs, Food and Public Distribution. Copies of these correspondences are enclosed for ready reference.

We would request you to give us an opportunity to present our views before the Inter Ministerial Committee.

With regards,

Yours sincerely,

Kamal Kant Jaswal

Director

Shri Rajiv Agarwal,

Secretary,

Department of Consumer Affairs,

Krishi Bhawan, Dr. Rajendra Prasad Road,

New Delhi – 110001