

No.M.11014/1(77)/2015-MSS(IM)
Government of India,
Ministry of Textiles,
Office of the Development commissioner (Handicrafts)

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West Block-7, R.K.Puram,
New Delhi-110066.
Dated: 15th December, 2016

OFFICE MAMORANDUM

Subject: Promotion of 'e-marketing' for the Handicrafts Sector

Office of the Development Commissioner (Handicrafts) under Ministry of Textiles has been implementing various schemes for promotion of handicrafts sector. The Key features of handicrafts sector are its flexible production system, diverse design base, ability to provide good designs in small volumes and quick switch over to product diversification. Efficient marketing of quality handicrafts products is one of the most critical requirements for revival of the sector.

2. While this office has been supporting handicrafts artisans through traditional marketing channels, e-marketing is emerging as a new marketing channel with high potential. E-marketing is also highly popular with the younger generation customers. Therefore, in order to promote marketing of handicrafts in general and to reach the customers of younger generation in particular, a policy frame work has been prepared to promote e-marketing of handicrafts products in a transparent, competitive and effective manner. The Policy frame work has been developed with the key objectives of promoting the interests of the producers of handicrafts products as well as the consumers. The policy frame work is given in the ensuing paragraphs.

3. E-commerce entities willing to work for promotion of online marketing of handicrafts products in collaboration with this office may submit application in the attached proforma along with all relevant details.

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4. The applications will be scrutinized by the following committee:

- a) Addl. Development Commissioner (Handicrafts)- Chairman
- b) Chairman-cum-Managing Director, Handicrafts and Handloom Export Corporation (HHEC), New Delhi-Member, or his nominee.
- c) Managing Director ,Central Cottage Industries Corporation (CCIC), New Delhi-Member

The Committee will scrutinize the applications especially from the angle of the track record of the applicant and reasonability of its turn over with respect to its present area of operation. After satisfying it about good track record and reasonable turnover of the applicant, the committee would give its recommendations on the application keeping in view the proposed handicrafts producing areas for coverage through e-marketing of handicrafts producing areas for coverage through e-marketing of handicrafts products and the proposed roll out plan.

5. Decision on the application will be taken after duly considering the recommendation of the committee. Processing of applications will be completed within period of 3 weeks.

6. Approval to application for e-commerce of handicrafts products in collaboration with Office of Development Commissioner(Handicrafts) will be subject to the compliance of the following conditions:

- i) E-commerce entity will make priority display of genuine handicrafts products, or products endorsed for their genuineness in any other appropriate manner as decided by DC(Handicrafts) through a banner on its Home Page in a separate section.
- ii) E-commerce entity will not charge more than 8% of the sale price for provision of all the services including photography, cataloguing, payment gateway charges, collection & courier charges and insurance charges.
- iii) The rate of service charges which the e-commerce entity decides to levy within the limit prescribed at 6(ii) above will be notified to the O/o Development Commissioner (Handicrafts) so that it can be disseminated to all concerned for transparency.

- iv) After deducting the notified charges, e-commerce entity would ensure that the balance sale proceeds are promptly transferred to the bank account of the handicrafts producers/artisans.
- v) The approved e-commerce entity would also comply with any other guidelines/conditions as may be notified by the Development commissioner(Handicrafts) in the interest of the handicrafts producers/artisans.

7. Office of the Development Commissioner(Handicrafts) will promote marketing of handicrafts products in collaboration with approved e-commerce entities through the following interventions.

- a) The name and other details of approved e-commerce entities will be displayed on the web site of Development Commissioner(Handicrafts) and will also be disseminated through its Marketing Support & Service Centers and the state Government.
- b) Need based awareness generation activities will be taken up through Marketing Support & Service Centers and prominent handicrafts clusters for disseminated of e-commerce facilities available for the handicrafts producers/artisans.
- c) Brief details of premium traditional handicrafts products would be posted on the web site of Development Commissioner(Handicrafts) which can be referred by the approved e-commerce entities in their product catalogues for disseminating the information to customers.
- d) Subject to availability, office space and IT infrastructure would be made available to such approved e-commerce entities for hand holding and support to clusters, AD/office.
- e) Artisans entrepreneur (a person who himself or his family members are in the Handicrafts occupation) who undertakes sizeable e-commerce sales through such recognized e-commerce platforms may be supported for provision of working capital credit under the various schemes being implemented by O/o Development Commissioner(Handicrafts).

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- f) The facility of obtaining PAN card through CFCs/SHG/Cluster for artisans should be pro-actively provided.
 - g) The O/o Development Commissioner(Handicrafts) would organize awareness camps at Clusters/Ad-Offices/CFCs for disseminating and promoting e-commerce as marketing channel among the artisans
8. The performance of approved e-commerce entities in marketing of handicrafts products would be monitored continuously. Approved e-commerce entities would be required to send a brief monthly report to the O/o Development Commissioner(Handicrafts) about number of handicrafts producer/artisans who have availed their facilities, numbers of handicrafts products and sale price of such products sold during the monthly report should be sent by e-mail.
9. The approval to the e-commerce entities for this scheme would be for a period of one year which would be considered for further extension depending upon the performance in terms of volume marketing of handicrafts products and provision of satisfactory services to handicrafts producers/artisans
10. This policy frame work would be reviewed from time to time as per field requirements and the experience gained, for safeguarding the interest of the primary producers of handicrafts products and the consumers.
11. In case, it is found at any time that the approved e-commerce entity has violated any of the conditions as mentioned above, the approval would be withdrawn and the same would be notified on the website of O/o Development Commissioner(Handicrafts) without Prejudice to any other action as per applicable law.

(Alok Kumar)
Development Commissioner (Handicrafts)
Tel: 26106902, 26103562

Encl: as above

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Copy to:

1. Principal Secretaries/Secretaries of State Governments dealing with handicrafts.
2. Commissioners/Directors of Handicrafts of all the states
3. All Apex cooperative Societies/State Handicrafts Corporations
4. Addl. Development Commissioner (Handicrafts).
5. Chairman-cum-Managing Director, Handicrafts and Handloom Export Corporation (HHEC), New Delhi.
6. Managing Director ,Central Cottage Industries Corporation (CCIC), New Delhi.
7. All Regional Directors/ Assistant Directors of Office of DC(Handicrafts).
8. PS to DC(HC & HL), PA to ADC(H)/PA to Sr.Director, O/o DC(H), New Delhi

(Alok Kumar)
Development Commissioner (Handicrafts)

To
Development Commissioner (Handicrafts),
O/o Development Commissioner (Handicrafts),
Ministry of Textiles, Govt. of India,
West Blok-7, R. K. Puram,
New Delhi 110066.

Performa of Application for online marketing of Handicrafts Products

1. Name of the Firm/Company (e-commerce/online marketing): _____
2. Address of the firm with contact details:
 - a) City/Town/Village: _____
 - b) Post: _____
 - c) District _____
 - d) State _____
 - e) Pin code _____
 - f) Telephone & Fax _____
 - g) E-mail address _____
 - h) Web address _____
3. Profile of the firm/company in brief _____
4. Online marketing/e-commerce experience of the firm/company _____
5. Annual turnover (last 3 financial years) _____
6. Handicrafts producing areas proposed for coverage
City/District/State: (I) _____
(II) _____
(III) _____
7. Roll out plan with timelines _____

UNDERTAKING

1. We will abide by the policy frame work and conditions as contained in the office Memorandum No. M.11014/1(77)/2015-MSS(IM) Dated 15.12.2016 regarding promotion of 'e-commerce' for the Handicrafts Sector, in addition to any other conditions notified by Development Commissioner (Handicrafts) in the interests of handicrafts producers/artisans.
2. I/we, on behalf of _____(name of the firm/company) do hereby undertake that I/We shall abide by all the guidelines of the e-commerce in true sense and in case of any violation of the guidelines, appropriate action may be taken against me/us.

Signature _____

Date: _____

Place: _____