

Telangana Govt. to extend all support for Direct Marketing Companies to setup Manufacturing in state: Jayesh Ranjan, Principal Secretary, Govt. of Telangana

By **Deccan Business Desk** - August 27, 2021

Release of IDSA Annual Survey 2019-20 at Hyderabad. Seen are L-R Chetan, Rajat Banerji, Bijon Misra, V. Prakash Rao, Jayesh Ranjan, Vivek Katoch, Srikant Reddy

- **Direct Selling industry is looking at Telangana as a preferred destination not only for generating sales but also for establishing production facilities for manufacturing high quality goods: V. Prakash Rao, Policy Advisor to Hon'ble CM of Telangana & Chairman, Telangana Water Resources Development Corporation**
- **Trends in Direct Selling: Direct selling in the past was seen as a second income but now it has become primary source of income. Earlier women dominated it, but now the trend is changing and we are seeing men taking the lead**
- **Telangana contributes 13.15% sales in States in the southern region in Direct Selling: IDSA**

Hyderabad, Telangana, August 27, 2021: Telangana Government is ready to extend all help and support to Direct Marketing Companies to setup manufacturing in the state, said **Jayesh Ranjan, Principal Secretary Industries & Commerce (I&C) and Information Technology (IT), Government of Telangana**. He was speaking at the **Telangana Direct Selling Sammelanam 2021** at Hyderabad. Addressing the gathering, Jayesh Ranjan said that direct selling is a 20 years old industry and faced problems in the past due to some companies that cheated customers and committed fraud. Telangana Govt came up with regulations in 2017 for direct selling companies to protect consumer interests. Registration of direct selling companies is to start soon by the centre and will be looked after by Department for Promotion of Industry and Internal Trade (DPIIT). Registration and regulatory framework will be good for all stakeholders including

customers, he said. Telangana has good industrial policy and will always encourage companies with good quality products in direct selling, he added.

Further, Jayesh Ranjan said that the state has been on the forefront in direct selling. Along with providing job and self-income generation opportunities, the Direct Selling industry in Telangana would also be expected to encourage MSMEs by increasing their sourcing from them. There is a lot of opportunity for Direct Selling to grow in Telangana and South India, he said. Along with providing job and self-income generation opportunities, the Direct Selling industry in Telangana would also be expected to encourage MSMEs by increasing their sourcing from them, said Mr. Ranjan.

The Direct Selling Industry in Telangana is all set to leverage its potential with a conducive business climate. **Telangana contributed 13.15 to the share of business in the southern region with a turnover of INR 292.50 crore, corresponding to 1.74% to national sales in 2019-20, according to the Annual Survey report released by the Indian Direct Selling Association (IDSA).** To provide impetus to further growth, IDSA urged the state government to facilitate a registration mechanism for Direct Selling entities in the state.

Speaking at the occasion, **V. Prakash Rao, Policy Advisor to Hon'ble CM of Telangana & Chairman, Telangana Water Resources Development Corporation** said that the government cannot provide jobs for all. We are seeing a lot of dejected youth committing suicide due to unemployment. Youth can look to direct selling for employment and income generation. Earlier, direct selling was being seen as a second income but things are changing and people are seeing it as a primary income thing. Earlier, mostly women were taking part in it, but now the trend is changing and we are seeing men taking the lead. He expressed his happiness on seeing that 84 percent of the direct sellers were graduates.

Direct Selling industry is looking at Telangana as a preferred destination not only for generating sales but also for establishing production facilities for manufacturing high quality goods. Leveraging the industry friendly initiatives of the Telangana Government, various national and international Direct Selling entities are contemplating establishing their manufacturing and support facilities in the State. It is pertinent to mention that Telangana was the third state after Chhattisgarh and Sikkim to adopt the Centre's Model Guidelines for Direct Selling Industry. The 'Telangana Direct Selling Guidelines Order 2017,' was notified by the Consumer Affairs, Food & Civil Supplies Department in December 2017 and provided momentum to the industry thereby resulting in robust performance. IDSA honoured Outstanding Women Direct Sellers of Telangana on the occasion.

Addressing the event, **Rajat Banerji, Vice Chairman, IDSA** said, "We are thankful to the government of Telangana for providing regulatory clarity to the industry and urge the state government to facilitate a registration mechanism for Direct Selling entities operating in the state." The industry indicators suggest that Telangana has all wherewithal to take the direct selling industry to the next level in terms of growth, technology integration, employment or income generation, empowering women and MSMEs, policy reforms.

Thanking the guests and audience, **Vivek Katoch, Treasurer, IDSA** said, "Telangana needs to leverage its strengths. Market drivers are already there with a robust regulatory ecosystem and the use of technologies. These factors are expected to attract more direct selling entities to increase their investment in the state."

Chetan Bhardwaj, General Manager, IDSA made a detailed presentation on various aspects of the Direct Selling industry and expressed gratitude to the Principal Secretary for giving

assurance to create a conducive business climate by addressing the concerns of the industry.

Telangana has about 90,000 direct sellers which comprises of 44,000 women. The top three Direct Selling segments are Wellness & Nutraceuticals, Cosmetics – Personal Care, and Home Care.

The Direct Selling industry has been providing sustainable self-employment and start-up opportunities to millions of people in the country including the state of Telangana. Direct Selling has also become a significant source of income, especially for youth and women in the state. The industry also contributed significantly by way of taxes to the state exchequer.
