

Date: January 7, 2014

Shri. Manik Sarkar,
Hon'ble Chief Minister, Tripura
New Secretariat Complex, PO:Secretariat
Agartala, Tripura -799010

Subject: Representation for a 365 days operating license for retail stores

Greetings from the Retailers Association of India (RAI)!

It is my pleasure to write to you from the Retailers Association of India (RAI)!

Retailers Association of India (RAI) is the unified voice of Indian retailers, working with all the stakeholders for creating the right environment for the growth of the modern retail industry in India. RAI, is the body that encourages, develops, facilitates and supports retailers to become modern and adopt best practices that will delight customers. RAI has a three charter aim of Retail Development, Facilitation and Propagation and conducts various programs aimed at the betterment of employees in the sector.

The Central Government and many other progressive State Governments have been appreciative and very supportive of the emerging needs of the diversified streams of the retail industry. Pursuing our efforts to promote the industry, we had submitted a representation to the State Government of Madhya Pradesh requesting them to grant a license to the RAI members allowing them to operate 365 days a year. We are extremely delighted to inform you that the honourable state government has accepted our recommendation and granted the aforementioned license to all our members.

Encouraged by this initiative we would also request your progressive government to provide for such a license in State of Tripura. We believe such a step would lead to growth of the industry and lead to increased consumption across the state and hence contribute to the growth of the economy and the tax revenues for the state government.

We hope that you shall receive our representation favourably and issue an Order to that effect.

Yours sincerely,

For Retailers Association of India



Gautam Jain
Head – Advocacy & Finance



About Retailers Association of India

Retailers Association of India (RAI) is registered as not for profit organization under section 25 of the Companies Act, 1956. RAI is the representative body of Retailers in India having over 900 member establishments including large and small retailers in the country and represents over 98000 stores in India.

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The country's key retailers have been spearheading the growth of RAI. RAI members represent the modern organised formats and companies have to fulfill the following criteria to enroll as members:

- They have to issue a bill to the customer for every transaction
- They should be registered under PF, ESIC, Shops and Establishment Act, Sales Tax and all such other laws governing retail in the state
- They should not employ child labour.

The members of RAI operate various retail stores across India, and, play a significant role in supplying goods of all types, including essential goods such as food, clothing etc. The reach of such stores extends even to the remotest parts of the country. We currently have about 900 members and some of them operate their retail stores in the state of Tripura.

About the Indian Retail Industry

The organised retail market is currently pegged at around \$450 billion in India and the retail sector accounts for 12% of the national GDP. It is universally acknowledged that India is amongst the fastest growing economies in the world and much of this growth is attributed to the burgeoning middle class, which is fuelling the economic growth through retail consumption. Every sale of taxable goods is subject to payment of tax, resulting in the much higher contributions to the Government.

Another facet of the contribution of the retail industry in the growth of the Indian economy is the generation of employment in retail industry and in industries supporting the retail business. Around 35 million people are employed in this sector. The retail sector is the fastest growing sector in terms of employment generation, and is second only to agriculture in terms of the number of people it directly employs, besides creating indirect employment opportunities.

A key aspect of this sector is that the advantages are not just restricted to specific strata of the society, instead, retail has the ability to benefit different entities - institutional as well as social.

Contributions from modern retail flow to exchequer due to increased transparency. Modern retail sector is the fully statutorily complied sector through number of permits and licenses, thereby contributing to the Government revenue. As responsible corporate houses, the Retail Companies have been prompt, regular and honest in paying all kinds of applicable taxes, duties and levies and in no case have made any attempt to evade taxes. Modern trade players, are tax compliant. Every sale of taxable goods is subject to payment of tax, resulting in the much higher contributions to the Government.

Key Ask

The representation seeks that our members have the opportunity to apply for a license that would allow them to keep stores open for 365 days a year:

- with a view to promote the continued growth and sustainability of retail sector in the state of Tripura ,
- To allow the retail sector in the state of Tripura to achieve its true potential

Retail means employment

Another facet of the contribution of the retail industry in the growth of the Indian economy is the **generation of employment** in retail industry and in industries supporting the retail business. Around 35 million people are employed in this sector. The retail sector is the fastest growing sector in terms of employment generation, and is second only to agriculture in terms of the number of people it directly employs, besides creating indirect employment opportunities.

The growth of modern retail has resulted in a large proportion of ‘first-time’ employment and many of whom are first time tax payers in the country.

Need to open stores 365 days a year

Modern retailing caters to the changing lifestyle needs of the customer and is based on convenience to customers. It is therefore that a 365 days store opening requirement has come about in the last decade or so. Modern retail formats have, hence, geared themselves to deliver such services all year through to the customer. **To ensure that all their employees work only stipulated hours and get a well deserved weekly holiday, while catering to the customers’ demand for a 365 days shopping convenience, modern retailers employ about 20% additional workforce.** It is important to keep retail stores open 365 days a year for the following reasons:

1. Modern retailing caters to the changing lifestyle needs of the customer and is based on convenience to customers. Modern retail formats have hence geared themselves to deliver such services all year through to the customer. To ensure that all their employees work only stipulated hours and get a well deserved weekly holiday, while catering to the customers’ demand for a 365 days shopping convenience, modern retailers employ about 20% additional workforce.
2. It is commendable that the retail industry is the only truly “equal opportunity” employer, inasmuch as almost 50% of the employees in the organized retail trade are women, and the Country’s stated goal of non-discrimination on the basis of caste, creed, gender, religion, etc., is also best met by the retail industry. This will be a step for further empowerment of women in the country .

3. Retail workforce primarily comprises local 10th and 12th standard pass-outs and is employed at the front end level. They have very limited employability in any other sector.
4. A key aspect of Retail sector is that the advantages are not just restricted to a specific strata of the society, instead, retail has the ability to benefit different entities - institutional as well as social. It benefits the weaker sections, scheduled castes and scheduled tribes alike.
5. To enable the retail sector provide employment to a large mass of local population, the labour laws should be simplified for flexibility in operations. The labour laws if suitably changed to factor hourly employment would provide steady income to the students and housewives. Labour laws be reasonably modified to bring all retail business on par with essential commodities like restaurants etc. Women are allowed to work in BPOs in the night and early morning shifts but in retail they are not allowed to work late. We request that the necessary changes be made to enable women to work till the closing hours in a store. This will provide equal opportunities for both men and women and will further empower women.
6. The biggest challenge which Retail faces is the ability to attract and retain talent. The sector needs some vocational skills that may not be available in the formal education processes. There is a need to create an environment and a culture which attracts, enhances, retains and rewards the development of its workforce as an inclusive agenda for the entire value chain.
7. To allow the retail sector in the country to achieve its true potential there is strong need to liberalise current Shops and Establishments Act and to encourage state to adopt model act. Wide ranging regulations in different states have led to increasing regulatory hassles for retailers and not allowed for increased flexibility. Reforming the act and increasing consistencies will reduce the regulatory barriers, Allow for greater consumption and consumer satisfaction along with increased employment opportunities.

Relief Sought

1.1. This Representation is filed seeking the following reliefs:

- **Grant the RAI member retailers, current and future, 365 days working permission including the permission to remain open on National holidays and festival holidays, provided they strictly comply with the conditions of granting weekly offs, compensatory offs and such other**

provisions as may be stipulated in the Act, to their employees. This is open for verification by your competent officers at any time.

- **The period of validity of the License should be 5 years on an automated renewal basis.**
- **Grant such retailers who comply with all such labour provisions the license for a 365 days working**

We would like to humbly submit that such a positive step by your government would go a long way to provide a further impetus to economic growth in the state and also see major retail expansion plans in the state.

This would fuel the growth of retail in the state of Tripura and grant employment opportunities and respectable working environment to a mass of local population.