

19th January, 2022

**CAIT ASK FM SITHARAMAN FOR FINANCIAL SUPPORT POLICIES FOR RETAIL TRADE
RBI HAS FAILED TO FOCUS ON NON CORPORATE SECTOR- CAIT**

The small businesses in the Country are rendering yeomen services by way of a self organised supply chain for making goods available to the citizens across the Country as also enabling timely supply of raw material and other required goods to the manufacturing and other sectors. However, the trading community has been grossly neglected by the successive Governments post Independence and no support policies were ever made for the retail trade of India. Absence of a policy and a separate Ministry for Internal Trade is an ample testimony of the apathy towards the trading community- said the Confederation of All India Traders (CAIT) in a communication sent today to Union Finance Minister Smt Nirmala Sitharaman. The communication assumes much significance as it has been sent at a time when Union Budget is under preparation.

CAIT National President Mr B C Bhartia & Secretary General Mr Praveen Khandelwal said that it is only at the initiative of CAIT and with holistic approach of Prime Minister Shri Narendra Modi, the Department for Industry was added with Internal Trade and now the National Retail Policy is under draft stage in Ministry of Commerce. However, there is an urgent need for immediate roll out of not only the National Retail Policy but an E-commerce policy which is also under draft stage and formation of an empowered Regulatory Authority for e-commerce.

In its communication to Mrs Sitharaman, Mr Bhartia & Mr Khandelwal while demanding support financial policies for the traders in the budget said that the business community of India is facing huge crunch of financial liquidity and during the last many decades, the Reserve Bank of India has failed to provide easy access to finances for the traders of the Country which in turn is causing under utilisation of capacities and capabilities of the business community of the turning into a total loss situation to the national economy. The RBI has always put its prime focus on corporate sector only. It does not deem fit to consult the trade association ever to understand their financial needs though the non corporate sector excluding agriculture is contributing magnificently to national exchequer and after agriculture, the largest employment provider in the Country yet the retail trade could not find any place in financial policies.

Mr Bhartia & Mr Khandelwal said that even after 75 years of Independence only 5 to 6% of the small businesses in the Country are able to meet their financial requirements from Banks and other financial institutions whereas more than 90% small businesses are dependent upon private money lenders, relatives & friends and various other informal sources. Both the trade leaders suggested that beside advising the RBI to ensure smooth & easy access of finance to the trading community, the Finance Minister spell out a policy in the budget to lay special emphasis on Non Banking Finance Companies & Micro Finance Institutions for lending to small businesses and the Banks and financial institutions should strengthen NBFCs and MFIs by providing requisite finance at a lower rate of interest so that both these lending institutions should provide finance to small businesses at a lower interest rate. Such a policy will greatly supplement the financial requirements of small businesses and will help the retail trade in exponentially utilising its capacities and capabilities.