

Seventeenth Loksabha

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Title: Regarding problem faced by private security industry.

SHRI LAVU SRIKRISHNA DEVARAYALU (NARASARAOPET):

The private security industry is facing many hurdles which is also symptomatic of the challenges of doing business in India.

Firstly, the GST which must be paid on the 20th of each month does not factor into consideration the fact that security agencies receive their payment only 60-90 days after rendering their services. This forces them to pay taxes before receiving their dues. This issue has been further exacerbated due to the GST Council rejecting the industry's request for RCM (Reverse Charge Mechanism).

Secondly, RBI circular dated 6th April 2018 has set such monetary and logistical standards for Cash Management activities of banks so as to effectively restrict most private security organizations from providing their services since most of them are Micro, Small and Medium Enterprises.

Thirdly, there is a need to overhaul and modernise the licensing and review system. Delays lead to loss of contracts and consequent financial losses.

