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Title: Need to establish regulatory mechanism to avoid tax evasion by online retail stores and also protect interests of offline retail sector.

SHRI S. SELVAKUMARA CHINNAIYAN (ERODE): Twenty crore people in our country are into retail trade with over 5 crore outlets. 93% of our trade activities are in the non-formal sector. It provides job opportunities to about 40 crore of people. It generates about 7 lakh crore rupees of turnover. This traditional retail sector in India is facing a great threat from the ongoing e-commerce and e-retail trade activities. As of now, this unregulated e-Commerce handles about 70,000 crores of rupees. Its further increase will greatly affect not only the trading community but also the nation in a big way. These e-commerce operations are not transparent and financial transactions are made through foreign gateways. This results in tax evasion as no valid receipts are provided. Orders are obtained online from one place and goods are delivered from another place thereby evading tax to be paid to State Governments. Spurious goods are delivered and consumers are also cheated in many cases. Both the Central and State Governments must take suitable action in unison to protect our traditional economic activities that provide livelihood to a large number of our population. I urge upon the Union Government to establish regulatory mechanism to avoid tax evasion while providing protection to crores of retail traders of the country.