



Press release

VMA holds first programme at SMS Campus; Panel Discussion on “FDI in Retail Sector in India: Issues Ahead”

Restricted FDI within legal framework encapsulated in tax provisions good for country: VMA Panelists

VARANASI: The newly constituted Varanasi Management Association (VMA) held its maiden programme in the form of a panel discussion on “FDI in Retail Sector in India: The Issues Ahead” at the Khushipur campus of the premier B-School of the region, School of Management Sciences (SMS), Varanasi where a panel of experts constituting the Founder-President of VMA, Prof. S. K. Singh (Dean, FMS-BHU), Founder-Vice President Prof. P. N. Jha (Director, SMS-Varanasi), Prof. J. P. Mishra (Dean, SMS Varanasi), Prof. Chhote Lal (Director, IMS-SHEPA, Varanasi) and Prof. A. K. Agrawal (FMS-BHU) expressed their viewpoints about the hot debatable topic for more than an hour.

In his address to the gathering of entrepreneurs, academicians and a large number of student community, Prof. S. K. Singh, President VMA, said that various studies and worldwide indices are indicating India as the hottest destinations for retail sector in the time to come. In the Global Retail Development Index, Russia and China trail behind India and same is the case with Retail Labour Index. Moreover, the growth of the ‘middle-income group’ and the absence of ‘organised’ retail (India has only 4% organized retail) make India attractive for retail giants. However, it will need a huge investment which means that the break-even would be achieved with delay. Our GDP growth rate is also linked to this issue. China witnessed the best GDP growth since they opened up retail in 1994 and India is tipped to grow with retail but there is a caution, we need restricted FDI within a legal framework, said the President in his opinion.

Prof. P. N. Jha, Vice-President VMA opined that our 'kirana stores' are not going to vanish away if FDI in retail penetrates India. Instead, it will assist in the development of required infrastructure and would benefit the farmers and consumers both. He further added that the 51% factor means relinquishment of control which is indigestible. Further the coming of e-commerce in a big way would certainly have its say.

Prof. Chhote Lal as a Guest panelist envisaged that Retail is the next thing to happen in India but the major concern is what about the profits earned from the Indian soil and repatriated back to the origin country? Infrastructure breeds growth and this sector will help in developing needed infrastructure, he added. He said FDI has to be accepted but through certain safeguards. Government should be clear in Tax liability and related provisions.

Prof. A. K. Agrawal, another Guest Panelist at VMA, said that eliminating 'middleman' is not the solution but more the competition, better it is for the consumers. Prof. J. P. Mishra as a panel member questioned that it is for us to understand whether this issue is an economic decision or a social decision? Whether can we revert back from our Globalization steps? Whether this FDI would help us bridging the foreign trade deficit gap? Whether we have reached saturation?

Mr. Rajkumar Singh (Swasthyavardhak Pharmacy, Varanasi) said that five entities would be affected – the unorganized retail, the MSMEs, farmers, employment generation and of course consumers. Others who shared their views from audience included Prof. S. C. Singh, Dr. Abhijeet Singh, Dr. Anurag Singh (all from FMS-BHU) and Mr. Sandeep Singh (Associate Professor from SMS Varanasi).

Earlier Prof. S. K. Singh presented the theme of the panel discussion while the Joint Secretary, Mr. Anupam Kumar (Reader, SMS Varanasi) presented the objectives and activities of the VMA. He said that the local entrepreneurs, industry professionals and academicians should join the VMA in order to strengthen it further to the benefit of the masses. A membership drive would shortly be initiated where both individuals and institutions can join VMA. Shortly the next programme of VMA would be announced. The treasurer Prof. N. B. Singh, other founder members Dr. M. P. Singh (Executive Secretary, SMS Society), Dr. Amit Gautam (Assistant Professor, FMS-BHU) were also present on the occasion. The vote-of-thanks was proposed by Prof. J. P. Mishra while the programme was conducted by Mrs. Anjana Harish, members VMA.