

VOICE OF FICCI



SHAPING THE AGENDA

September 2021



From the Secretary General

In a series of prescient decisions this month, the Union Cabinet, under the leadership of the Prime Minister, decided to implement PLI for the textile sector. This significant step would be instrumental in providing the much-required stimulus for both man made and technical textiles. The move will not only attract investments and boost employment, but it will also help us in increasing our share of both technical and man made textiles in the global market.

In another significant step, the government also announced PLI for the Automotive sector. It is commendable to see that auto PLI has focused on encouraging ecosystem for green mobility in the country and would go that extra mile to ensure that India is self-reliant in these technologies. This augurs well for the country since it would lead to faster introduction and adoption of sustainable technologies and help us in achieve our sustainable development goals ahead of time. FICCI also commends the acceptance of our recommendation of PLI for drones. Coming within three weeks of the liberalized Drone Rules 2021, it will act as a major stimulus for drone start-ups and MSME players at the nascent stage of their growth.

The Chambers also welcomed the relief package approved by the Union Cabinet for the telecom sector, along with several structural reforms to strengthen the sector. India is the world's second largest telecommunications market with a subscriber base of 1.16 billion and has registered strong growth in the last decade. COVID-19 pandemic has demonstrated the critical importance that telecommunications infrastructure plays in keeping businesses, governments, and societies connected and running during a global crisis. PLI scheme for these sectors has come at an opportune time when world is also looking at alternate sourcing options and Indian industries need support to grab this opportunity. FICCI has been advocating for financial support and incentives for several sectors. These PLI schemes will encourage all manufacturers to leverage the low-cost manufacturing environment.

All these steps taken by the government, and much more will resonate at the India Pavilion in Expo 2020 Dubai. The host of opportunities these move have opened will reflect in the broad theme of the India Pavilion – Openness, Opportunity, Growth. It will be the one window showcase for the global audience at Dubai Expo 2020.

Dilip Chenoy

FICCI suggests for extension of repayment period for the MSME sector

Under ECLGS, repayment period of three- four years, including moratorium period under the scheme, is very little time for MSMEs that are struggling to survive through second wave of COVID-19. As the cash flow has dried, it would take a longer period to come back to normal liquidity and hence it is suggested that repayment period should be extended up to 7–8 years with at least 2 years of moratorium on principal amount.

Every tax invoice raised by GST registered MSME unit, should reflect automatically on the respective TReDS platform where MSME unit is registered. After the delivery of Services or Goods, within seven days, the corporate buyer must accept or reject the automatically published MSME's invoice. After that period, the published MSME's tax invoice should be deemed accepted and should be available for banks to provide fund to MSMEs. Separate policy should be formulated for medium enterprises.

There is a major issue of fund of MEIS & SEIS stuck with the Government that MSMEs have not been able to access, which is further putting pressure on their working capital. MSMEs have raised concerns over not being able to utilize the MEIS & SEIS money since April 2020 – December 2020. As MSMEs are facing cash crunch due to COVID, this fund could be helpful for them. Alternatively, banks should provide fund to unit in lieu of their pending amount with the Government under MEIS and SEIS and Banks can later claim the applicable amount directly from the Government on behalf of units.

In view of the foregoing problems and the severe adverse impact on the global competitiveness of the service exporters engaged in export of Management Consulting Services (code 865), it is essential to restore the eligibility of these services for the SEIS incentive so that they can continue their operations without suffering any losses. These were submitted to Secretary, Ministry of MSME, Govt of India.

For detailed recommendations, please write to
Mr Hemant Seth at hemant.seth@ficci.com

'Voice of FICCI' is a service to all our members and shared with key policy makers and thought leaders. The document is a compilation of FICCI's views on macro-economic issues. These issues come to us directly from members, or through deliberations in conferences and seminars on sectoral issues, as also through Government notifications.

List of companies interested in manufacturing and supply of RPO-D Shmel smoke launcher to friendly foreign companies submitted

FICCI submitted that potential companies are interested to manufacture and supply RPO-D Shmel smoke launcher to friendly foreign nations. This was submitted to OSDII, Export Promotion Cell, Ministry of Defence.

For detailed recommendations, please write to
Mr Vivek Pandit at vivek.pandit@ficci.com

Suggestions to facilitate repeat orders of products under Low Value, High Volume Category submitted

FICCI representation on facilitating repeat orders was made in lieu of some of the defence requirements that fall under 'low value high volume category' wherein single / limited order was placed by the armed forces in the recent years but have potent demand for further procurement. This was submitted to Raksha Rajya Mantri.

For detailed recommendations, please write to
Mr Vivek Pandit at vivek.pandit@ficci.com

Fast Track Procurements under Strategic Partnership Model suggested

Strategic Partnership Policy with private sector was announced in 2016 to create a second pillar of defence manufacturing for large defence platforms such as helicopters, etc., in addition to DPSUs. This is a new policy of the Government that was approved by the Cabinet Committee on Security (CCS) and thereafter promulgated. This would strongly supplement the existing manufacturing capabilities of DPSUs and position India as a major defence manufacturing hub in line with the Prime Minister's vision.

FICCI made a representation to RRM to fast track some of the SP projects, like Naval Utility Helicopter, that have not progressed despite industry timely responding to EOI issued in 2019. This was submitted to Raksha Rajya Mantri.

For detailed recommendations, please write to
Mr Vivek Pandit at vivek.pandit@ficci.com

FICCI recommendation on unjustified levy of GST on Royalty on domestic production of Crude & Natural Gas

Royalty is currently levied under Section 6A of the Oil Fields (Regulation and Development) Act, 1948. Furthermore, Rule-13 & 14 of the Petroleum and Natural Gas Rules, 1959, mandates payment of royalty on domestic production of Crude Oil and Natural Gas, as specified in Schedule of Rate, is nature of a tax, i.e., it is not a consideration for providing any goods/ services by the government.

FICCI, therefore, recommended the following:

- The Ministry of Finance to consider issuing a clarification that GST is not applicable on Royalty/ PLP payments to the government.
- For the growth of the oil and gas sector, FICCI would like to reiterate its consistent plea to the government for inclusion of natural gas and other petroleum products under the GST umbrella at the earliest.

These were submitted to Secretary, Ministry of Finance & Mr Tarun Kapoor, Secretary, Ministry of Petroleum & Natural Gas.

For detailed recommendations, please write to
Mr Vivek Pandit at vivek.pandit@ficci.com

IBBI discussion paper on strengthening regulatory framework of liquidation process submitted

Based on inputs received from members, FICCI has submitted to IBBI recommendations on several matters pertaining to the regulatory framework of liquidation process.

For detailed recommendations, please write to
Ms Abha Seth at abha.seth@ficci.com

FICCI recommendation on fast-track approval route under RBI for acquisitions made under IBC process

There is a fast-track procedure prescribed under the Code for obtaining approvals from the Competition Commission of India (CCI). However, such a route is not available where approval is required from the Reserve Bank of India (RBI) in cases of acquisition of shares or transfer of loan because of IBC process. Consequently, implementation of resolution plan stands delayed, especially when it is already approved by NCLT. This has a significant bearing on the timelines for the completion of the resolution process. Thus, FICCI has submitted that a fast-track approval route be introduced for statutory approvals required from RBI for any acquisition of shares/ rights/ assets under the IBC process, like the existing mechanism for approvals from CCI. This was submitted to Secretary, MCA.

For detailed recommendations, please write to
Ms Abha Seth at abha.seth@ficci.com

Changes recommended for Arbitration Clause under Emergency Credit Line Guarantee Scheme

FICCI received feedback from its members from the Banking and the NBFC Sector in context of the Arbitration Clause under Emergency Credit Line Guarantee Scheme. Under the FAQs of Emergency Credit Line Guarantee Scheme, FAQ No 83 on 'when would legal action be considered as initiated in case an account turns NPA' clearly states the below:

- Mere issue of recall notice shall not be construed as initiation of legal action. Legal action shall be considered as initiated upon filing of application in Lok Adalat/Civil Court/ Revenue State Authority/DRT or after action pursuant to the notice issued under Section 13(4) of SARFAESI Act, 2002 or after admission of application under NCLT or commencement of arbitration proceedings or such other action as may be decided by NCGTC from time to time.

However, as per a recent notification by National Credit Guarantee Trustee Co Ltd (NCGTC) dated 11 August 2021, an additional FAQ has been added. According to latest addition by way of FAQ 161:

- Arbitration proceedings are not considered as legal action for recovery of dues. NCGTC has without any valid justification or assigning any reason struck off the legal remedy option available to Banks and NBFCs of commencement of arbitration proceedings under the FAQ 83.
- It is requested that the words 'Arbitration proceedings are not considered as legal action for recovery of dues' should be done away with. Also, the option of Arbitration under the head 'Legal Action Taken' should be immediately activated on the website of NCGTC for the Application process for interim payment.
- It is pertinent to point out that claims of MLIs less than INR 20 lacs are not being entertained in DRT and such claim necessarily go through Arbitration route for its claim adjudication. Therefore, disallowance of Arbitration proceeding (as one of the measures for legal actions), will complicate the process of interim and final claim submission for the MLIs. Hence, our request that provisions of FAQ 83 should continue to remain applicable.

These were submitted to Secretary, Department of Financial Services, Ministry of Finance.

For detailed recommendations, please write to
Mr Anshuman Khanna at anshuman.khanna@ficci.com

FICCI requests RBI to allow financial institutions consider requests under Resolution Framework for COVID-19 related stress

This is in reference to RBI Circulars dated 06 August 2020 (RF 1) and 05 May 2021 (RF 2) on Resolution Framework for COVID-19 related stress.

Under the RF 1 circular para 9, the resolution plans may inter alia include rescheduling of payments, conversion of any interest accrued, or to be accrued, into another credit facility, or, granting of moratorium, based on an assessment of income streams of the borrower, subject to a maximum of two years. Correspondingly, the overall tenor of the loan may also get modified commensurately.

Under RF 2 circular para 22, borrowers who were granted restructuring under RF 1, and where the resolution plans had permitted no moratoria or moratoria of less than two years and / or extension of residual tenor by a period of less than two years, lending institutions are permitted to use this window to modify such plans only to the extent of increasing the period of moratorium / extension of residual tenor to 2 years.

Restructuring plans under RF1 provided moratorium as well as extension of residual tenor in various combinations viz., up to 24 months, 24 months and exceeding 24 months

As per the feedback received by FICCI from its members from the NBFC sector, customers who were granted moratorium of less than 24 months and commensurate tenor extensions (both put together exceeding 24 months) under RF1 have been seeking further moratorium under RF2 as they have not yet recovered from the stress caused by the second wave of COVID. We believe that these are genuine requests from the customers who had been regular in their repayments until COVID hit them and were expected to recover by the time the moratorium period was over. However, this recovery has been delayed owing to the second wave of COVID, which was unexpected. If they do not get relief under RF2 they will be classified as NPAs, and their credit score will deteriorate resulting in them not being able to get funding from other financial institutions. This may become the end of the road for such borrowers that seems contrary to the intent of RBI behind introducing the RF 1 and RF 2 restructuring windows, which was to provide relief to borrowers who were regular in their repayments prior to COVID but were impacted on account of it.

RBI was therefore requested to consider allowing financial institutions to consider such requests under RF 2 and offer a further moratorium but bring down the residual tenor such that the total moratorium and extension of residual tenor under RF1 and RF2 put together will not exceed 24 months. This benefit should only be granted after evaluating the requests and where it is believed that the borrower is continuing to face stress on account of COVID.

We believe this step will be in accordance with the spirit of RF1 and RF2 circulars as the total moratorium and extension of residual tenor under RF 1 and RF 2 put together will not exceed 24 months. RBI is therefore requested to examine this request and issue a suitable clarification to this effect. These were submitted to Chief General Manager-in-Charge, Department of Regulation, Reserve Bank of India.

For detailed recommendations, please write to
Mr Anshuman Khanna at anshuman.khanna@ficci.com

FICCI recommendation on enhancing competitiveness of Indian agri exports

India has a significant opportunity as well as an imperative to substantially increase its agricultural exports in the coming years through sustained and focused initiatives, given the substantial

endowments and the resilience its agricultural sector has demonstrated. A recommendation presentation was submitted to APEDA that provides a strategic direction to take Indian Agri exports to the next level of growth. This was submitted to Chairman, APEDA, Ministry of Commerce and Industry, Govt of India.

For detailed recommendations, please write to
Ms Ruchira Saini at ruchira.saini@ficci.com

Recommendations to promote demand led agri Research and development

Recommendations were made to promote international demand-led research and development in Agriculture sector. FICCI suggested that an export focused research steering committee should be formed with representation from the private sector as well. These committees need to be part of identification of primary research and development requirements and research goal setting. These steering committees could focus on benchmarking the quality of seed, planting material and breed stock of India, vis-à-vis the benchmarked countries in the world, identify the right planting material that needs to be introduced for each crop and draw out a roadmap for future growth of agriculture sector. This was submitted to Deputy Director General, Division of Crop Science, Indian Council of Agricultural Research, Ministry of Agriculture & Farmers Welfare, Government of India.

For detailed recommendations, please write to
Ms Ruchira Saini at ruchira.saini@ficci.com

FICCI submits its recommendations on Fisheries subsidies

Under SDG 14, point 6, discussion at the World Trade Organization was done on the prohibition of subsidies that contribute to IUU (Illegal, Unreported, Unregulated), overcapacity and overfishing. Negotiations on marine subsidies were launched under the WTO Doha Round in 2001 and in December 2017. A meeting was organised by Department of Fisheries and recommendations on the subject were sent, considering that subsidies in India address and protect food security issues of around four million marine fisherfolks whose daily lives depend on fishing. These were submitted to Joint Secretary (Marine Fisheries), Department of Fisheries, Ministry of Animal Husbandry, Dairying & Fisheries, Government of India.

For detailed recommendations, please write to
Ms Ruchira Saini at ruchira.saini@ficci.com

FICCI suggestions on developing efficient supply chains and building strong traceability mechanism for the growth of the Fisheries sector

Recommendations regarding fisheries sector are submitted by FICCI Fishtech subcommittee. It is recommended that development of

efficient supply chain, empowering fishermen with knowledge, controlling wastages and building strong traceability mechanism is crucial for future growth of fisheries sector. Sustainable fishing practices should be promoted in long run for alignment with SDG goals. These were submitted to Joint secretary (Marine Fisheries), Department of Fisheries, Ministry of Animal Husbandry, Dairying & Fisheries, Government of India.

For detailed recommendations, please write to
Ms Ruchira Saini at ruchira.saini@ficci.com

FICCI note on spices recommendations submitted

As the world's largest producer, consumer and exporter of spices, India accounts for almost half of the global spice production. Blessed with diverse agro-climatic zones, the country produces a wide range of spices that are known for their fragrance, flavour, and texture. India's spices export basket is majorly contributed by chili (31%), cumin (16%), mint products (13%), spice oil and oleoresins (12%) and turmeric (6%) in 2019-20. The Spices Board has set a target of USD 5 Bn exports by 2025 and USD 10 Bn exports by 2030. Recommendations in this regard were submitted to Secretary, Spices Board of India, Ministry of Commerce & Industry, Government of India with copy to Director (Development) I/C, Spices Board of India.

For detailed recommendations, please write to
Ms Ruchira Saini at ruchira.saini@ficci.com

IBBI Discussion Paper on Corporate Insolvency Resolution Process

Based on inputs received from members, FICCI submitted to IBBI the recommendations on the Discussion Paper on issues pertaining to Code of Conduct of CoC, Swiss challenge mechanism, reasonableness of Insolvency Resolution process cost, etc.

For detailed recommendations, please write to
Ms Abha Seth at abha.seth@ficci.com

FICCI recommendation on prioritizing COVID Vaccine booster doses for high-risk groups in India

There have been rising concerns amongst the industry and the citizens on the need for a 3rd booster dose for COVID vaccine, especially with the predictions of the impending 3rd COVID wave in the country. National Expert Group on Vaccine Administration for COVID-19 (NEGVAC) recently discussed the issue of giving booster vaccine dose and the government is yet to decide on booster dose based on scientific evidence generated locally. National Technical Advisory Group on Immunization (NTAGI) has also announced that studies are already underway to determine the need and timing of booster for currently used vaccines in the country.

FICCI highlighted several reasons why COVID-19 vaccine booster doses

may be needed such as - Waning immunity, reduced vaccine effectiveness/protection against variant(s) of concern, etc. Early testing by Pfizer/BioNTech has indicated a booster shot be given at least six months after the second vaccine dose produces antibody levels that are five to ten times higher than the levels after two doses. Similarly for Johnson & Johnson, studies have found antibody levels increased ninefold amongst people who received an extra dose of its single-dose vaccine, compared with one month after they received the first dose.

Further, FICCI recommended prioritising Booster dose of COVID Vaccine for specific High-Risk groups such as the Healthcare/ Frontline workers and the Persons above the age of 60 years with comorbidities/ immune compromised. This was submitted to Member, NITI Aayog.

For detailed recommendations, please write to
Mr Praveen Mittal at praveen.mittal@ficci.com

FICCI suggests GST tax slab reduction for private security services from current rate of 18% to 12%

Private Security Industry has been under tremendous pressure as applicable tax for this labour-intensive industry has gone up from 15% to 18% post introduction of GST. FICCI suggested following measures:

- Reduce GST on the Services (Security Services, Cash Logistics Services, Security Training, Security Consultancy) from the tax slab of 18% to the slab of 12%, while ensuring benefits of the input credit to private security agencies.
- Impose GST only on the service charge component charged by the PSAs rather than the full invoice value i.e., 18% on the 10% of invoice value. Rational behind this is that the 90% of invoice value belong to wages and PF/ESI for employees (pass-through cost).

These were submitted to Finance Minister, Government of India.

For detailed recommendations, please write to
Mr Sumeet Gupta at sumeet.gupta@ficci.com

FICCI representation on Study of Harmonization Exercise of FSSAI Food Additive Regulation with Codex General Standards for Food Additives (GSFA)-2019

In this representation, CIFTI-FICCI studied the Harmonization Exercise of FSSAI Food Additive Regulation with Codex General Standards for Food Additives (GSFA)-2019. FICCI showed gratitude towards FSSAI to harmonize Indian Food Additive regulations with Codex General Standards of Food Additives (GSFA), which resulted in a comprehensive revamp of food additive regulation as a part of Food Safety & Standards (Food Products & Additives) Regulations, 2016.

FICCI apprised that Codex General Standard for Food Additives (CXS 192-1995) is annually updated based on progress made in Codex

Committee on Food Additives (CCFA). Hence FICCI reviewed the changes and urged FSSAI to incorporate them in the existing FSSAI Food additive regulation. FICCI shared an annexure stating all the addition of food additives, incorporated by GSFA, but not present in FSSAI. This was submitted to Advisor Standard, FSSAI

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com

Representation on formulation of new standard for Continuous Galvanized Rebar

FICCI had recommended for speeding up creating a BIS Standard for Continuous Galvanized Rebar. This was submitted to DG, BIS.

For detailed representation, please write to
Mr Arpan Gupta at arpan.gupta@ficci.com

FICCI requests for Extension of time for Mining Lease Deed

Via the representation, FICCI had sought extension of two years from April 2020 to March 2022 for compliances regarding the mining clearances, approvals & procedures. It suggested that owing to covid protocols, many processes like public hearing cannot be conducted and therefore, the time extension should be provided to the miners for complying with the procedures. This was submitted to Secretary, Ministry of Mines.

For detailed representation, please write to
Mr Arpan Gupta at arpan.gupta@ficci.com

FICCI Codex Cell inputs on eCommerce

FICCI has shared inputs to NCCP on the Proposed Draft Guidance on the Food Information Requirements for pre-packaged foods to be offered via e-Commerce. FICCI believes that the draft is ready to be advanced to Step Five.

- FICCI does not support inclusion of a requirement for a period of minimum durability in e-Commerce labelling, as the manufacturers will not be able to provide minimum durability information since they do not have control of the shipping and storage variables that may impact when consumers receive a product relative to its best before/ use-by date.
- FICCI agrees with the alternative wording of Sections 4 & 5 as it is more concise and more structured.
- FICCI has the same opinion that overall guidance on cross-border trade is in the remit of CCFICS and should be a 'Matter Referred' by CCFL to CCFICS for them to undertake.

Additional comments submitted by FICCI include:

- Revision of definitions in Section 2 – 'Definition of Terms', 'at

the point of e-Commerce sale'; and 2 'product information e-Page.

- Amendment in Information required for pre-packaged foods sold through e-Commerce.

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com

FICCI Codex Cell inputs on FOPNL

In this representation, FICCI has shared inputs to NCCP on the proposed draft Guidelines on Front-of-Pack Nutrition Labelling as below:

- FICCI affirms to delete Section 5 and incorporate relevant aspects into Section 4 of the guidelines.
- FICCI has agreed with the proposed text for principle 4.3.1, which manages the potential for conflict of interest in the development of a FOPNL system.
- FICCI recommended removing the principle stated under the Purpose (Section 1) as well as other principles, including 4.2.1, 4.2.3, and 4.3.3.
- FICCI supported the deletion of 'principle groupings'.
- FICCI preferred the placement of the Guidelines on FOPNL 'as an Annex to section 5 of the Guidelines on Nutrition Labelling'.

FICCI has also proposed additional comments on the draft guidelines:

- FICCI suggested some text changes under section 4.1.1, regarding the FOPNL system.
- Some text changes under section 4.1.3, also proposed, based on that FOPNL is not always calculative.
- It has been believed that FOPNL should align with evidence-based national or regional dietary guidance or, in its absence, health and nutrition policies and some changes are done under section 4.1.4.
- A suggestion to remove section 4.3.2 was submitted.
- A proposal to delete some texts under section 2.3 was shared.

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com

FICCI Codex Cell inputs on NRC

In this representation, FICCI shared inputs to NCCP on the proposed Draft Guidance for the Labelling of Non-Retail Containers of Foods

- FICCI supported the advancement of the text to Step 8 for adoption by CAC44.
- FICCI endorsed adopting the guidance as a Standard.

- FICCI supported the proposed amendment to the Procedural Manual to clarify that non-retail container labelling provisions in Commodity Standards should refer to this guidance.
- A suggestion for revised wording under section 4.1 was shared.
- A proposal to clarify which 'relevant section' of the GSLPF is referred to in footnote under section 5.3 Date marking and storage instructions were submitted.
- Some proposals regarding the deletion of certain lines under section 6. Mandatory information requirements by means other than on the label were made.
- Editorial changes are being made under sections 7.3 and 8.1.3.
- Additional inputs were submitted under section 8.2.1 regarding the language of labels.

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com

CIFTI representation on amendment in melamine limits under FSS (Contaminants, Toxins and Residues) First Amendment Regulation 2020 related to limit of metal contaminant, Aflatoxin and Mycotoxin

FICCI shared inputs to FSSAI on the amendment in melamine limits. It has been suggested to substitute the 'other food category' under the Melamine contaminant with 'Food items containing Milk & Milk Products'. This has been suggested based on the following:

- The said maximum level is limited to only milk and milk products from China.
- It will be of huge cost to the industry to do the testing of 'Other Foods', as it will include both raw and finished products.
- As per the various international governing bodies, Melamine risk assessment is limited to specific dairy products only.

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com

Extension of implementation date for FSS (Labelling & Display) Regulations 2020 sought

FICCI has requested to extend the timeline of implementation date for FSS (Labelling & Display) Regulations 2020). The extension was sought due to the various challenges faced by the industries. The implementation process is an extensive exercise and a lengthy process. Industry is seeking for time extension to comply with the regulation since the label change process is a cost-intensive practice. The high-cost existing packaging material will not be exhausted till the implementation date, which will ultimately lead to challenges. In

In addition to this, the current pandemic situation disrupted various segments of industry, which further slowed down operation, resulted in capital loss, low sales volumes, extreme shortage of workers within companies among others. This was submitted to FSSAI.

For detailed representation, please write to
Mr Abhinav Singh at Abhinav.singh@ficci.com

CIFTI – FICCI representation on FSS Gazette notification on labelling and display regulation

FICCI in this representation to FSSAI shared inputs on the Gazette notification on labelling and display regulations:

- Change regarding PDP calculation was suggested under Chapter 2 Labelling of Pre-packaged food, section 6 (2) (a).
- Change regarding the shape of the product was suggested under Chapter 2 Labelling of Pre-packaged food, section 6 (2) @.
- Request to change the minimum height of numeral and letter was made under Chapter 2 Labelling of Pre-packaged food, section 6 (3).
- Editorial changes regarding the declaration of Aspartame-Acesulfame salt (INS 962) was made
- Changes concerning the alignment with Caffeinated beverage standard (2.10.6 (2)) (which may contain the sweeteners like Aspartame, Acesulfame K, Aspartame-Acesulfame salt) were submitted.
- FICCI proposed changes in the Tolerance limit under Chapter-2: Labelling of Pre-packaged Foods 5.0 Labelling Requirements (3) Nutritional information.
- FICCI proposed changes in the name of product on label under Chapter-2: Labelling of Pre-packaged Foods 5.0 Labelling Requirements (3) Nutritional information (1) (a) and (b).
- Request for addition of Per Pack clause and change in RDA quantity under Chapter-2: Labelling of Pre-packaged Foods 5.0 Labelling Requirements (3) Nutritional information were made.
- Change in mentioning the address of commodity involves in food business is proposed under Chapter-2: Labelling of Pre-packaged Foods 5.0 Labelling Requirements (6) Declaration of name and complete address.
- Change in the definition and labelling requirements of non-retailer containers has been proposed.

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com

FICCI representation on Study of Harmonization Exercise of FSSAI Food Additive Regulation with Codex General Standards for Food Additives (GSFA)-2019

CIFTI-FICCI studied the Harmonization Exercise of FSSAI Food Additive Regulation with Codex General Standards for Food Additives (GSFA)-2019. FICCI commends FSSAI for harmonizing Indian Food Additive regulations with Codex General Standards of Food Additives (GSFA) that have resulted in a comprehensive revamp of food additive regulation as a part of Food Safety & Standards (Food Products & Additives) Regulations, 2016.

FICCI has apprised that the Codex General Standard for Food Additives (CXS 192-1995) is annually updated based on progress made in Codex Committee on Food Additives (CCFA). Hence FICCI reviewed the changes and urged FSSAI to incorporate them in the existing FSSAI Food additive regulation. FICCI shared an annexure stating all the addition of food additives, incorporated by GSFA, but not present in FSSAI. This was submitted to Deputy Director, NCCP.

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com

CIFTI-FICCI representation on FSSAI direction on applications related to GM foods received under FSS (Approval of Non-Specified Foods and Food Ingredients) Regulations, 2017

FICCI shared inputs for FSSAI Direction regarding Applications Related to G Foods Received Under FSS (Approval of Non-Specified Foods and Food Ingredients) Regulations, 2017. In the representation, the two categories of GMOs were described i.e., category 1 and Category 2. Category 1 includes where genetically modified Organism (GMO)/ LMO is present in the final product (such as Genetically Modified crops) and Category 2 where products are produced by genetically modified microorganism (GMM)/ living modified microorganisms (LMO), but these GMM/LMOs are removed from the product and the final product is free from GMMs/LMOs.

It has been stated that the Ministry of Environment, Forest, and Climate Change exempts processed foods, additives, processing aids derived from LMOs where the product is not an LMO as it assures the safety of the products. Many global frameworks also exempt such products from the scope of GM Food/ Food Ingredients, e.g., EU, ANZ, etc. Apart from this, some countries have also established a threshold tolerance level.

In this regard, FICCI request the authority to continue accepting application for approval of similar products where genetically modified microorganism/ living modified micro-organisms are not present in the final product. This was submitted to Chairperson, FSSAI.

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com

CIFTI Submissions on Status Paper of Pesticide residues and safety metabolism of 'Triacantanol'

In this representation, FICCI has shared inputs to Advisor, FSSAI on Draft Guidance Document & Standard Operating Procedures (SOPs) for fixation of Maximum Residue Limits (MRLs) of Pesticides in Food Commodities. In this regard, FICCI has submitted the status paper on which comprises of following sections:

- Introduction.
- Structural Formula of Triacantanol.
- Triacantanol metabolism and health risk.
- Default tolerance limit (0.01 ppm) for PRs where MRLs not fixed by FSSAI.
- The methodology used while selecting raw agricultural commodities (RACs) and processes have taken till manufacturing of processed food.
- Import Tolerance.

The status paper also includes the representation and Safety metabolism of Triacantanol Pesticides. A status paper related to pesticides residue was also submitted.

FICCI stated that Triacantanol is a potent natural plant growth regulator and does not exhibit any safety concerns. FICCI requested the authority to remove Triacantanol for Milk and Milk Products from FSS (Contaminants, Toxins and Residues) Regulations, 2011 as there are many global reference and journals which defines Triacantanol harmless against humans and animals.

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com

Representation on FSSAI Direction Under Section 16(5) Of Food Safety And Standards Act, 2006 regarding enforcement of the Food Safety And Standards (Advertising And Claims) Regulations, 2018 submitted by FICCI- CIFTI

FICCI shared inputs to ED & Advisor FSSAI, on FSSAI Direction regarding enforcement of the Food Safety and Standards (Advertising and Claims) Regulations, 2018, which states that that due to final notification of FSS (Advertising and Claims) regulations 2018 and its effectiveness from 1st July 2019, FSSAI direction dated 28 June 2019 regarding the operationalization of Food Safety and Standards (Advertising and Claims) Amendment Regulation has become infructuous. In this regard, FICCI brings authority kind notice that the FSSAI operationalization Order is comprised of various provisions endorsed by Scientific panel basis representations and requests from stakeholders which are not

part of the FSS (Advertising and Claims) regulations gazette on Nov 2018.

An annexure stated the list of changes / additional provisions that were brought out and made effective vide the operationalization order is also enclosed. FICCI raise the challenges faced by industries with respect to the non-compliant to the Food Safety and Standards (Advertising and Claims) Regulations, 2018. FICCI further request the authority to keep the subject order on abeyance at the earliest.

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com

Proposal of minimum Total Dissolved Solids (TDS) as an Alternate to the Existing Minimum Limits of Calcium (Ca) and Magnesium (Mg) for packaged drinking water

- FICCI submitted inputs to Advisor, FSSAI on the rationale for the proposal on min 75 mg/l as Total Dissolved solids as an alternate to the regulation around mandating minimum levels of Calcium and Magnesium for Packaged Drinking water. FICCI proposed this because of reasons like.
- Hardness of Packaged Drinking water = Based on the WHO document submitted it is shared that with the addition of a minimum 20 ppm of Calcium and 10 ppm of Magnesium salts, TDS of packaged drinking water reaches 150 to 200 ppm making it Hard water.
- Consumer Acceptability of Taste: Based on the Consumer research studies done by some of the leading brands of Packaged Drinking Water, and it was found that this high TDS water has very low acceptability. Therefore, Total Dissolved Solids of min. 75 mg/l as an alternate approach to the existing regulation.
- Processing difficulties in high TDS formulations: The representation also stated the challenges faced by industries to comply with high TDS requirements.

Based on the above considerations FICCI urges FSSAI to kindly consider the above scientific yet pragmatic alternate approach of Total Dissolved Solids (min. 75 mg/l).

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com

FICCI representation on Nutraceutical Regulations submitted

In this representation, FICCI raised the concerns related to the latest amendment dt. 6th Sept 2021 of the Nutraceutical Regulations. A request was made to extend the timeline to 1st July 2023 to provide sufficient time and which will also be in alignment with compliance

timeline of RDA, as there are various amendments in this regulation which have far reaching implications and the time provided to comply to these major amendments are just 6 months. Various concerns were submitted related to the new amendment issued on 6th Sept 2021 w.r.t FSS (Health Supplements, Nutraceuticals, Food for Special Dietary Uses, Food for special medical purposes) such as:

- Extraction Solvent Limitations – Only allows 3 solvents (water, ethyl alcohol or hydroalcoholic) are approved in regulation.
- De-recognition of 50% TULs in DSDU products.
- Mandatory addition of Vitamins and minerals in health supplements products.
- Restriction of FSMP up to 1 RDA.

The representation further seeks the request for sufficient compliance time, alignment with global practises and transparency with public consultation. A data with respect to global compliance was also submitted to MOFPI.

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com

FSSAI Order related to Direction Under Section 16 (5) of FSS Act, regarding Food Category for Registration / Licensing of FBOs Manufacturing Indian Sweets and Snacks & Savouries

In this representation, FICCI shared the inputs regarding FSSAI Order related to Direction under Section 16 (5) of Food Safety and Standards Act, 2006 dated 19 July 2021 regarding Food Category for Registration / Licensing of FBOs manufacturing Indian Sweets and Snacks & Savouries. FICCI highlighted the main concerns related to order like labelling impediment and differences in the interpretation of state and central officials which further creates a difficulty for the manufacturer in obtaining the license/registration.

Various recommendations were also submitted related to this like a drop-down mechanism under General manufacturing KOB with the existing category numbers or something similar and a clarification shall be issued stating that the newly introduced Category 18 shall be used solely for licensing purposes and will be applicable for all Food Business Operators ('FBO') irrespective of whether they are MSME or otherwise. FICCI further request the authority for incorporation of the following statement in the licenses granted with category 18. Category 18 shall be solely for licensing purposes; however, compliances including additive, ingredient, quality, safety, and labelling compliances shall be as per the proprietary food regulation 2.12 of FSS (FPS & FA) Regulations, 2011 and existing food additive categorization (of 1-16). This was submitted to ED -FSSAI.

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com

CIFTI – FICCI representation on FSSAI Clarification related to Provision for 'Addition of Micronutrients in Standardized Products as per Food Safety and Standards Regulation'

In this representation, FICCI Responded to the Clarification related to Provision for 'Addition of micronutrients in standardized products as per Food Safety and Standards Regulation', Various points were highlighted in the representation like:

- Information provided by Central Licensing Authorities (CLAs) that mere addition of micronutrients does not make a food proprietary in nature.
- As per the said regulation, it has been assumed that the addition of vitamins and minerals is allowed in the standardized milk and milk products.
- The current pandemic has resulted in major economic slow - down, capital loss, Low sales volume, extreme shortage of workers within companies, in associated agencies and other partners etc.

In this regard, FICCI requested the authority to guide the Central Licensing Authorities i.e., Mumbai office to issue the license under the standard category for milk and milk products (with the addition of vitamins and minerals) to ensure business continuity for the same.

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com

FICCI Codex Cell Inputs on Food Allergen Labelling

In this representation, FICCI has shared inputs to NCCP on allergen labelling. FICCI considered that it is early to provide views on the location and appropriate Codex text(s) for the PAL guidance. FICCI stated that the revisions to the GSLPF should be allowed to progress separately from the PAL guidance, however, an alignment between the two documents should be ensured where appropriate. FICCI shared the comments on the revision to GSLPF as below:

- FICCI suggested some changes under sections 8.3.1 and 8.3.1.1.
- Under section 4.1, FICCI supported a risk-based approach.
- FICCI proposed the title of the document as 'Proposed draft Guidelines for the use of [Precautionary Allergen Labelling] and shared an opinion in the revision of text under sections 2.1 and 2.2 of scope and definition.

For detailed representation, please write to
Mr Abhinav Singh at abhinav.singh@ficci.com



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