

VOICE OF FICCI



SHAPING THE AGENDA

January 2022



From the
Director General

While the Omicron variant was less severe and the much lower, the economic impact of the third wave was definitely felt by the industry. Further, the regulations and restrictions across the various states made making it more difficult for inter-state trade activities. The impact was felt more by the touch sectors as mobility of the inputs was hindered.

FICCI has submitted recommendations to the various state governments requesting them to reduce the restrictions to ensure that business activities can continue unabated. The Chamber has requested the Tamil Nadu government for making necessary amendments to the notification so that the services of the e-commerce & FMCG companies can run smoothly in the state. We also reached out to the Maharashtra state government to give some exemptions for drivers who are single vaccinated to drive and enter the state or to curtail the gap between the doses so they can get their second dose at the earliest. This will ease the pressure on the supply-demand of the goods.

As the government takes initiatives towards paving the way for economic recovery, economic areas of cooperation and comprehensive economic partnership with other nations are also gaining momentum. FICCI has shared Industry recommendations with the government to highlight economic areas of cooperation between Andaman and Nicobar Islands and Aceh, Indonesia.

As India and Australia formally relaunch CECA negotiations and reaffirmed their commitment to conclude a CECA, including reaching an interim agreement by early 2022, FICCI collated inputs from the industry on the list of products on which import duties can be eliminated.

Further, Non-Tariff Measures (NTMs) need to be a major area of discussion with Canada, specially before the signing of any trade agreement. The industry had requested the government to carefully weigh in on the various NTM measures which may adversely impact trade for India. In wake of the same, FICCI has shared recommendations for India-Canada Annual Ministerial Level Dialogue on Trade and Investment.

The government has been quite pro-active in finding potential partners for expanding the markets for Indian businesses and FICCI believes that with many more FTA on the anvil, there will be an immediate boost in our trade relations.

Arun Chawla

Simplification of BIS process to help ease of doing business and bolstering Toy Industry growth in the country

Recently, BIS has brought 'Safety of Toys' under compulsory certification with effect from September 01, 2020, as per Toys (Quality Control) Order, 2020 issued by DPIIT, Ministry of Commerce and Industry. Toy manufacturers have welcomed this initiative as it will ensure the toys available in the market are safe and of the prescribed quality and standard.

The Indian toy industry is currently struggling with a large-scale slump in demand and issues stemming from economic uncertainties amid the COVID-19 pandemic. Many small and medium units are facing a financial crunch and are finding it difficult to adhere to these standards right away. Very few domestic and foreign toy manufacturers have been able to apply for the required BIS certification, due to multiple clauses. Hence, the industry would like to request some simplifications in the BIS process.

1. Eliminate need for internal lab
2. Extensive categorization in Product Manual requires multiple tests leads to additional costs
3. One license for both general and electric toys
4. Testing
5. Subsidy / Relief for Start-ups/ MSME's: - High fees
6. Ambiguity over DIY (Do It Yourself) Kits: - Ambiguity on Category/ testing
7. Seasonal Products: - Delay in Approvals/ High marking fees
8. Involvement of Agents: - Complicated/ extensive paperwork
9. Need clarification on what is the procedure and documentation required for OEM production in the following scenario: - BRAND addition
10. Delay in approval of new/ additional products
11. Marking fees
12. Brand inclusion requires brand agreement which has to be included
13. One License for One Unit for multiple brand names
14. Consignee details should be reported once a year instead of every quarter or every month. Simplify the procedure

For detailed recommendations, please write to
Mr Chetan Bijesure at Chetan.bejisure@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.

Representation from FICCI on HFC Sector

In response to the industry-wide discussion on Master Directions issued by RBI on Housing Finance Companies, FICCI has made three major recommendations to CGM, Dept of Regulations, RBI:

1. Inclusion of HUF as an eligible borrower under the definition of Housing Finance.
2. FICCI has proposed to amend the varied definition of "Housing Finance" to create a standardised definition for Housing Finance Companies and Banks to bring parity and provide a level playing field.
3. FICCI has proposed to remove Cash / Bank Balance / Short term investments from the Total Tangible Assets for ascertaining Principal Business Criteria laid out by RBI in its Master Directions for Housing Finance Companies on 17 February 2021.

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

FICCI's Recommendations on restructuring

The target date for meeting the specified thresholds for four ratios i.e., Total Debt/EBIDTA, Current Ratio, DSCR and ADSCR was extended from March 31, 2022, to October 1, 2022. However, the target date for achieving the Total Outside Liabilities/ Adjusted Total Net Worth ratio remains unchanged i.e., March 31, 2022.

- It will take a minimum of 4-5 years for the hotel industry to see a return to some semblance of normalcy in its operations. We, therefore, request that the compliance of all Five ratios should be deferred by Two years i.e. March 2024 and the repayment schedule to December 2024.
- If the restructuring period is not extended and the ratios are not revised, the hoteliers will be pushed to sell the assets. However, there are no buyers. If any fund does come in, it will be a distress sale at a 50% discount which will destroy the industry completely. There will be a large number of Non-Performance Assets for this sector which will burden the banks. There will also be huge job losses.

These were submitted to Governor, RBI, New Delhi.

For detailed recommendations, please write to
Mr Manish Ahuja at manish.ahuja@ficci.com

Recommendations for economic cooperation- Aceh and Andaman Nicobar Islands

FICCI shared Indian Industry recommendations with the Director, Department of Commerce, Ministry of Commerce and Industry to highlight economic areas of cooperation between Andaman and Nicobar Islands and Aceh, Indonesia.

For detailed recommendations, please write to
Mr Gaurav Vats at gaurav.vats@ficci.com

FICCI Inputs on India - Australia Comprehensive Economic Cooperation Agreement (CECA)

India and Australia have formally re-launched CECA negotiations and reaffirmed their commitment to conclude a CECA, including reaching an interim agreement by early 2022. In view of the same, the

Government of India needs to urgently finalise the list of products on which import duties can be eliminated. In this context, FICCI has collated inputs from Indian Industry in an excel sheet containing a list of important products to indicate (Yes or No) against a tariff line where tariff may be eliminated. These were submitted to Additional DGFT, Department of Commerce, MoC.

For detailed recommendations, please write to
Mr Gaurav Vats at gaurav.vats@ficci.com

Recommendations for India-Canada Annual Ministerial Level Dialogue on Trade and Investment

With Canada NTMs need to be a major area of discussion, especially before the signing of any trade deal or agreement. The industry requests the government to carefully weigh in on the various NTM measures which may adversely disrupt trade for India. India's economy offers tremendous opportunities for Canadian companies in emerging sectors such as transportation infrastructure, life-science, clean energy technology (e.g. integration of renewable energy/smart grid; carbon capture, use and storage; and energy efficiency) and renewable energy, as well as in traditional sectors such as infrastructure development, natural resources, defence and security, value-added food products, mining, oil and gas. Science and technology collaboration, innovation and educational linkages are also important areas of opportunity for Canadian business. These were submitted to Section Officer, FT(NAFTA), Department of Commerce, MoC.

For detailed recommendations, please write to
Mr Gaurav Vats at gaurav.vats@ficci.com

Feedback on India-Australia CECA

FICCI has submitted feedback on India-Australia CECA to the Department of Commerce.

For detailed recommendations, please write to
Mr Manab Majumdar at manab.majumdar@ficci.com

FICCI Inputs on Export Promotion Capital Goods (EPCG) Scheme

FICCI has submitted inputs on Discontinuation of the EPCG Scheme in the FTP to the Directorate General of Foreign Trade.

For detailed recommendations, please write to
Mr Manab Majumdar at manab.majumdar@ficci.com

Working Group No. 4 (Healthcare & Education) - Constitution of Working Groups based on the deliberations during the Conference on 'Creating Synergies for Seamless Credit Flow and Economics Growth'

There is a need to attract additional funding to the higher education sector to meet enhanced GER targets and improve the quality of higher educational institutions. FICCI made recommendations to Dept of Financial Services, Ministry of Finance, GoI, to identify additional/alternate funding for growth of the sector including specific inputs on:

- Long Term Financing Option for Education Sector

- Priority sector lending for Education
- Need to ease out financing options to institutions

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

FICCI Inputs: 3rd India-Philippines Joint Defence Industry Logistic Committee (JDILC) meeting

Compilation of inputs from the Indian Defence Industry on cooperation with the Philippines was submitted to OSD ICE-III, MOD.

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

Appeal from industry regarding the demand for payment during NCNC trials

As per DAP2020, the trial evaluation for equipment of all TEC cleared vendors is done on a 'No Cost No Commitment' basis, and in this practice, if permitted, would scale up costs of participation in MoD acquisition cases and only serve as a deterrent for the participation of domestic industries in such cases. This is contrary to the stated intent of the Government to encourage and enable the domestic industry to design, develop and supply "Make in India" to the Defence Forces. It is requested that MoD intervene on behalf of the industry to provide relief in this matter, and direct SHQs to not charge industry for service ammunition required for User trials. past Ranges & Ammunition for User trials have always been provided by the MoD at no charge to the industry. Given that Industries must shoulder cost of R&D, prototype development and internal testing & validation, and bear costs of movement, testing, qualifying, etc., the new demand for payment for ammunition by industry during trails will impose a severe economic cost on industry players participating in the procurement process. These were submitted to DG Acquisition.

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

Extension of Petroleum Mining lease ("PML") under the Petroleum and Natural Gas Rules (PNG rules)

It is recommended to Additional Secretary, Ministry of Petroleum & Natural Gas, that the term of the PML under the PNG rules is modified on the similar lines as under the MMDR 2015 Act, i.e. "All petroleum mining leases already granted shall be deemed to have been granted for a period of fifty (50) years. All future petroleum mining leases shall be granted for a period of fifty (50) years."

A similar provision, as under the MMDR 2015 Act, should be incorporated in the PML that if any operator is neither producing nor doing any operations for a consecutive period of 2 years then the PML will stand cancelled unless otherwise approved by the Government. This will ensure that there are no non-serious operators.

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

Issues pertaining to Railways for Aluminium Industry

Through the representation to Chairman, Railway Board, FICCI had highlighted the key issues (and recommendations thereof) faced by the Indian aluminium industry pertaining to Indian Railways. The representation highlighted upon higher freight calls for bauxite &

alumina, recommending a change from class 160 to 145 and from 180 to 170 respectively. The representation also recommended for the reintroduction of concession in freight rates for short lead goods traffic (0-100km), concession on freight charges for lead traffic distance (100–1400 km) for coal, coke & aluminium and shifting of aluminium & raw materials from category D to category C in Railway's Preferential Traffic Order.

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

Usage of Domestic Steel in Manufacturing of Grain Silos by Food Corporation of India

Through the representation to Secretary, DPIIT, FICCI had highlighted that in the manufacturing of Grain Silos (under tendering by Food Corporation of India), preference should be given to domestic steel (aligned with the Atmanirbhar Bharat initiative) rather than focussing upon imported steel.

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

FICCI-CIFTI representation on Draft Indian Standard CALCIUM PROPIONATE, FOOD GRADE - SPECIFICATION (Second Revision of IS 6031)

In the shared representation to BIS, FICCI has proposed the following changes:

- Change in the Fluoride value: The suggested limit of FLUORIDE for Calcium propionate as 30mg/kg is far below the limit in place for other food additives e.g. Calcium Phosphate- INS No. 341. The Recommended limit of Fluoride is 50 mg/kg & it is used as flour additives, acidulants, texturizer, dough conditioners, anticaking, buffering and leavening agents as well as yeast nutrients, anticaking agent and nutritional supplements. Considering average water intake per person as 2L/day – daily FLUORIDE intake from water is 2mg/day. Across India, the FLUORIDE content in ground /well water varies from 0.1 – 17.0 mg/L based on location. Considering average water intake of 2L/day, water contributes to about 0.2-34 mg of FLUORIDE in daily intake.
- Matter insoluble in water: Calcium hydroxide used in Calcium Propionate generally contains about 95-98% calcium hydroxide with 2-4% calcium carbonate and less than 0.5% silicates with traces of moisture. In CP, part of the carbonates is reacted during process. Typically, CP by innovative process contains 0.6 - 0.9% water insoluble matters and is mainly due to Calcium carbonates (0.6 to 0.8%) and Silicates (0.05 to 0.2%). Both Calcium carbonates (INS 170 (i)) & Silicates (INS 552) are listed food additives as per FSSAI & do find application in food like Fortified Atta, Powdered Sugar, Fish & fish products, acidity regulatory, dietary & nutrient supplement etc. These ingredients do not have any impact on their ADI considering 0.3% dosage of Calcium propionate in bread and its per-capita consumption which is 10g/day. Thus, increasing the limit of water insoluble matters from 0.3 % to 1% max, will not impose any adverse effect.

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

CIFTI – FICCI representation on Draft Indian Standard - BENZOIC ACID, FOOD GRADE- SPECIFICATION (Second Revision of IS 4448)

In the submitted representation to BIS, FICCI has suggested the following changes:

- FICCI has proposed to amend the text as follows as “It shall have not more than a faint characteristic odour” in alignment with JECFA.
- FICCI also proposed the revision in the requirement of Chlorinated Organic Compounds as Not more than 0.07% (as Cl₂) in alignment with JECFA.
- FICCI proposed change in the marking as the Packaging and Labelling regulation has been superseded by two regulations now i.e. Food Safety and Standards (Packaging) Regulations, 2018 and Food Safety and Standards (Labelling and Display) Regulations, 2020.
- FICCI also proposed that the variation wrt the time in the test method in both JECFA and BIS standards and proposed to amend the text from 30 seconds to 18 seconds under Annexure E.

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

CIFTI – FICCI representation on Draft Indian Standard POTASSIUM METABISULPHITE, FOOD GRADE- SPECIFICATION (Second Revision of IS 4751)

In the submitted representation to BIS, FICCI has suggested the following changes:

- FICCI has proposed to revise the requirement of Iron from 5 mg/kg to 10 mg/kg in alignment with JECFA.
- FICCI proposed change in the marking as the Packaging and Labelling regulation has been superseded by two regulations now i.e. Food Safety and Standards (Packaging) Regulations, 2018 and Food Safety and Standards (Labelling and Display) Regulations, 2020.

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

FICCI Codex Cell inputs on the use of trisodium citrate (INS 331(iii)) in Food Category 01.1.1 “Fluid milk (plain)”

In the submitted representation to CODEX, FICCI do not support use of trisodium citrate (INS 331(iii)) in Food Category 01.1.1 “Fluid milk (plain)” with the following mentioned rationale:

- Sodium citrate is a known acidity regulator, and in milk is reported as an adulterant which can mask the developed acidity of milk (Coitinho, T et al., 2017). There has been report of milk adulteration by use of Sodium Citrate along with other adulterants like sodium hydroxide, sodium chloride, sucrose, phosphates, etc. to correct milk defects, such as high acidity and microbial growth.
- Addition of citrates results in concentration of ionic calcium and increased solubilization of colloidal calcium phosphate (CCP) possibly due to increased hydration of casein micelles. This further leads to increased dissociation of caseins from casein micelles. This altered structure of casein micelles results in increased the milk coagulation time.

- As per Food Safety Standard (Food Product Standards and Food Additives) Regulation, 2011 as amended total sodium content in the milk shall not be more than 650mg/100gm SNF. This parameter supports in determination of adulteration with sodium salts in milk. Therefore, if Trisodium citrate will be permitted in milk it will promote adulteration with other sodium salts to mask acidity.
- Further, it will be very difficult to differentiate between whether the total sodium content is increased in milk due to permitted salts or because of adulteration.
- Therefore, allowance of trisodium citrate in plain milk will encourage malpractices and adulteration of milk.
- Hence, FICCI do not recommend use of trisodium citrate in plain milk.

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

CIFTI - FICCI representation on Clarification/additional information required to be submitted on proposals of additional processing aids in the shared representation

FICCI submitted the additional information/clarification/specific proposals for examination and consideration for inclusion under the processing aids regulations along asked by the Working Group to FSSAI.

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

CIFTI representation on list of additional processing aids for inclusion under the various categories of appendix C of Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011

In the submitted representation to FSSAI, FICCI first appreciate the initiative undertaken by FSSAI towards notifying the processing aids and support extended by FSSAI towards addressing the industry's concerns by incorporating many of the suggestions shared by CIFTI-FICCI.

This was in reference to the FSSAI Direction under Section 16 (5) of FSS Act regarding compliance w.r.t Processing Aids under Food Safety and Standards (Food Products Standards and Food Additives) Regulation, 2011, wherein FSSAI has decided to allow the use of some processing aids by the food businesses till the time appropriate amendments on the same are gazette notified. CIFTI – FICCI has submitted representation comprising of list of additional Processing Aids for inclusion under the various categories of appendix C of Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011. CIFTI enclosed a copy of the additional list for FSSAI kind perusal.

In this regard, considering the critical importance of these additional Processing Aids and since these are currently under use by various FBOs FICCI has requested to kindly incorporate the same under Annexure 1 of the above stated direction till the time the same are gazette notified.

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

CIFTI- FICCI representation on the “Draft Notification on Food Safety & Standards (Genetically Modified or Genetically Engineered Foods) Regulations, 2021”

In the submitted representation FICCI firstly appreciate the efforts taken by FSSAI to bring the draft notification on Food safety & Standards (Genetically Modified or Genetically Engineered Foods) regulation, 2021. FICCI welcome formulation of this draft for public comments, as this will help fill a critical gap in food regulatory frameworks.

In this regard, FICCI has shared the following suggestions for:

1. FICCI note that this draft has emerged after a long process of engagement with various ministries as well as other stakeholders including CIFTI-FICCI. However, in the draft notification many points are missing, which were already agreed in inter-ministerial discussions. FICCI sincerely request that those comments of stakeholders which have already been agreed through inter-ministerial consultative process be duly incorporated in the final gazette.
2. FICCI highlight that some modifications of Food Safety & Standards Act, 2006 are already under consideration by ministry of health and the parliament. One of the important and relevant change is the proposed change in definition of “genetically engineered or modified food”. While that process is ongoing, it will be a good idea to keep those proposals in mind while drafting this regulation, at least from a structural perspective. This will help in immediate roll out of changes with minimum alterations to this regulation.
3. FICCI also highlighted that certain newer scientific areas like gene editing may be treated with a lighter regulatory oversight, in line with upcoming global approaches in this area. This will not only help in providing a regulatory oversight, but it will also help in balancing it with a pragmatic approach.

Apart from these general policy comments, FICCI also shared the specific comments on certain clauses of the regulation.

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

CIFTI – FICCI representation on “Draft Notification on FSS (Alcoholic Beverages) Amendment Regulations, 2021

In the submitted representation to FSSAI, FICCI propose expansion of the definition of “Non-alcoholic counterpart of an alcoholic beverage” to also allow the use of biological manner of producing non-alcoholic beer as the descriptor of a “Non-alcoholic counterpart of alcoholic beverage” as laid is too restrictive as it only allows for the removal of alcohol and thus disregards the processes where formation of alcohol is restricted. The production of low alcoholic and non-alcoholic beer can be obtained by physical methods which remove alcohol. The alcohol in beer is produced during fermentation, when yeast breaks down the sugar in the wort. If the amount of alcohol produced during fermentation is limited to under 0.5% ABV, a “non-alcoholic” beer is produced. FICCI proposed various ways to limit fermentation, which may be mixed. Such approach has a lot of attention these years and is adding exciting new options for brewing a high-quality alcohol-free beer like The use of special yeast strains, Interruption of fermentation

and Limitation of fermentable sugar in the wort.

FICCI also propose an expansion of the definition of “Flavoured beer” to also include, either individually or in combination, fruit juices, fruit nectars, aromatic herbs or natural extracts and which may have undergone sweetening and/or colouring as this will bring more options of flavored beer in the market.

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

CIFTI – FICCI representation on the Food Safety and Standards (Food Products Standards and Food Additives) Sixth Amendment Regulations, 2021

In the submitted representation to FSSAI, FICCI first appreciate the efforts taken by FSSAI to bring clarity on Analogue, Dairy Products & harmonisation of ghee standards and propose the following amendment:

1. Definition of Analogue in the dairy Context: FICCI has proposed to include two provisos related to dairy analogue in the regulation to bring more clarity.
2. Products covered under Analogues in the dairy context: In alignment with the FSSAI direction dated 1st September 2021 entitled “Complaint against plant-based food manufacturers for using the word Milk and other dairy terms in labels of plant-based beverages and products” (attached as Annexure 3), FICCI wish to seek clarity on the list of the products which come under the purview of these regulations.
3. Milk logo:
 - FICCI propose this as Provision for Dairy logo should be voluntary for use by Dairy product manufacturers and further wish to seek clarity w.r.t the size, color (tone/shade), description (text) and language (Hindi/English version) of the logo.
 - FICCI request to allow the stickering of logo for imported foods.
4. β sitosterol test parameter for milk fat and butter oil:
FICCI stated that industries have very limited experience for method of testing β sitosterol in ghee and found that the specify method has some limitation on its application therefore, and request that industry shall get an opportunity by FSSAI to validate the method of testing for β sitosterol and share their experience.
5. Date of compliance:
FICCI seek support for 6 months extension till December 2022 for implementation of clause 2.1.1 (5)a.

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

CIFTI – FICCI representation on “Amendment in the Standard for Multi-Sourced Edible Vegetable Oils for use as an intermediate product”

In the submitted representation w.r.t the FSSAI direction dated 30th November 2021 entitled, “Clarification regarding use of blend of oils intended for use in premixes/admixtures intended to be sold as intermediary ingredients”, wherein it has been clarified that under the sub-regulation 2.1.1 of the FSS (Prohibition and Restriction on Sales),

the clause (11) "Any Multi Source Edible Vegetable Oil containing Mustard oil manufactured on or after 8th June 2021," is not applicable to a blend of edible oils intended to be used as an intermediate product.

In view of this, FSSAI has proposed revision in the above said restrictions and would like to request authority to extend the admixture scope to more than two oils only for use as intermediate product (ingredient pre-mix in formulating a product) not meant for retail sale as:

- In this regard, it is clarified that the said restrictions are not applicable to a blend of more than two edible oils intended to be used as an intermediate product (ingredient pre-mix) in the manufacture of other products by other food businesses in compliance with the following conditions:
 - i. Such a blend of more than two edible oils shall not be sold in retail market and a clarification by a food business operator to this effect (such as 'Not for retail sale'/'For use as a pre-mix in formulating a product') should be suitably identifiable with the product.
 - ii. Both the manufacturer and the user of such ingredient pre-mix shall maintain all records in respect of their inventory and produce the inventory records as and when sought by the Food Authority.

Such a blend of more than two multiple edible oils not meant for retail sale can be sold in bulk container or package form.

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

Related Party Transactions

FICCI has submitted detailed industry concerns on the amendments to the SEBI LODR Regulations (notified on November 9, 2021) prescribing certain changes to the framework governing Related Party Transactions by listed companies.

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

Submission on Applicability of Open Offer in case of PSU Disinvestment

FICCI has submitted a representation to highlight the impact of disinvestment on the market price of the company in question. Accordingly, a review of pricing formula and requirement of open offer for CPSEs under disinvestment has been suggested.

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

Supplementary comments on SEBI Discussion Paper for Review of capping of ISINs for Corporate Bonds

FICCI has submitted additional details sought by SEBI on our initial submission on proposed capping of ISINs.

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

Corporate Insolvency Resolution and Liquidation Framework under IBC

Based on inputs received from members, FICCI has submitted comments on proposed changes to Corporate Insolvency Resolution

and Liquidation Framework under the Insolvency and Bankruptcy Code.

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

Ambiguity in the definition of Beneficial Owner

FICCI has once again highlighted the issues being faced by industry as well as foreign investors due to ambiguity in the definition of "beneficial owner" w.r.t. PN 3. It has been requested to clarify that if a foreign investor is a fund/ pooled investment vehicle, prior government approval for FDI will not be required under PN 3, so long as the investment manager of such fund/ pooled investment vehicle is not incorporated in or a resident of one of India's neighbouring countries. Alternatively, if an underlying ownership test must be applied, then it should be clarified that if a foreign investor is a fund/ pooled investment vehicle prior government approval for foreign direct investment will not be required under PN 3, so long as the investment in that fund/ pooled investment vehicle by entities incorporated/ persons resident in India's neighbouring countries is below the threshold of 25% of the total capital of such foreign investor.

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

SEBI Consultation Paper for Market Making in Corporate Bonds

Based on inputs received from members, FICCI has submitted comments on SEBI Consultation Paper for Market Making in Corporate Bonds.

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

Restriction on layering of subsidiaries

FICCI has submitted a representation on the provision on layers of subsidiaries under the Companies Act, which restricts companies from having more than two layers of subsidiaries. It is coming in the way of M&A transactions and bringing in joint venture partners. Given that listed companies are in any case subjected to high degree of scrutiny and regulatory oversight, FICCI has suggested that listed companies and their subsidiaries be exempted from this restriction-similar to the exemption provided to banking companies, systemically important NBFCs and insurance companies.

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

Business Responsibility and Sustainability Reporting format

FICCI has highlighted industry concerns on Business Responsibility and Sustainability Report (BRSR) issued by SEBI through Circular dated 10th May 2021. It has been submitted that certain disclosure requirements are very onerous and ensuring compliance with these would pose practical difficulties and challenges for corporates, in addition to significantly increasing the cost of compliance.

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

Seeking exemption to operate during Sunday lockdown/curfew in Tamil Nadu

The operations of the e-commerce & FMCG are facing disruptions and closures as the official Order/Notification (G.O. (Ms) No.25) dated 07.01.2022, is not permitting them to operate on Sundays. Smooth operations for the e-commerce & FMCG companies will prevent people to come out from their homes thereby helping the government in maintaining the curfew/lockdown restrictions. Therefore, FICCI have requested the Tamil Nadu government for making necessary amendments to the notification so that the services of the e-commerce & FMCG companies can run smoothly in the state of Tamil Nadu. This was submitted to Hon'ble Chief Minister, Government of Tamil Nadu.

For detailed recommendations, please write to
Ms Leena Jaisani at leena.jaisani@ficci.com

Seeking exemption to cargo companies' drivers dealing with essential and non-essential goods for interstate commutation

The operations of certain industries are facing disruptions as the official Order/Notification DMU/2020/CR.92/DisM-1 dated 08.01.2022, is only permitting the fully vaccinated drivers and cargo staff to enter the state. FICCI have requested the Maharashtra government to give some exemptions for drivers who are single-vaccinated to drive and enter the state or the gap between the doses should be curtailed so they can get their second dose at the earliest which will ease the pressure on the supply-demand of the goods. These were submitted to Chief Secretary, Government of Maharashtra.

For detailed recommendations, please write to
Ms Leena Jaisani at leena.jaisani@ficci.com

Scaling COVID-19 Testing Facilities

With reference to the official Order/Notification No. F - 12016/1/2021 - Estt. NG dated 4th January 2022, the FICCI E-Pharmacy Committee have highlighted some issues and suggest recommendations to help scale COVID-19 testing facilities across the country. These were submitted to Secretary, Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India and Director-General, Indian Council of Medical Research. The key points were:

- Inter-district/ Inter-State covid sample collection
- Operating Laboratories 24*7
- New capacity addition: ICMR / NABL approval
- Manpower efficiency to operate 24x7: simplification of SRF generation process
- Relaxation of reporting guidelines
- Registration of phlebotomists
- On-site / community testing
- Promotion of new innovation
- Revision of treatment protocols

For detailed recommendations, please write to
Ms Leena Jaisani at leena.jaisani@ficci.com

Legal Metrology (Packaged Commodities) Amendment Rules, 2021

FICCI made a representation to Legal Metrology (Packaged Commodities) Amendment Rules, 2021. The key issues we have highlighted in the representation to Secretary (CA), Ministry for Consumer Affairs, Food & Public Distribution, Government of India are:

1. The industry appreciates the intent behind the introduction of the requirement of per-unit price declaration, however, we have submitted that the requirement of printing of unit sale price on each of the pre-packaged commodities requires substantial rework of all products labels in addition to other supply chain and operational difficulties. It is therefore recommended that those provisions of the amended rules which require printing of new details on the packaging be brought into effect from April 2023.
2. FICCI have also requested the department to consider issuing FAQs clarifying the method of printing unit sale prices on various packages like multiple packs, promotion packs, etc. to avoid any interpretation issues in the implementation and enforcement of the rules.
3. FICCI have also highlighted that the consumer relevance of this new declaration should be examined and established before the new requirement is implemented.

For detailed recommendations, please write to
Ms Leena Jaisani at leena.jaisani@ficci.com

Regarding recent amendments Direct Selling Rules 2021

FICCI welcomed the changes proposed by the amended rules and its Industry members are committed to the smooth implementation of the amended DS rules. FICCI wish to bring to your attention that while finalizing these Rules, inadvertently, the definition of "Direct Selling Network" has got omitted. This definition is the very base that carves out the difference between a Pyramid Scheme and a Direct Selling Network and without this Multi-Level Network of Direct seller can get equated with Pyramid Scheme. FICCI have also submitted clause-wise analysis with rationale and recommendations. These were submitted to Secretary (CA), Ministry for Consumer Affairs, Food & Public Distribution, Government of India.

For detailed recommendations, please write to
Ms Leena Jaisani at leena.jaisani@ficci.com

The Drugs (2nd Amendment) Rules dated 20th January 2022 - Request for six-month deferral in implementation

The Drugs (2nd Amendment) Rules, 2022 dated 20th January 2022 in relation to exemption of antiseptic liquids under Schedule K of the Drugs Rules, 1945 bearing G.S.R 30(E) ("Amendment") – Request for six-month deferral in implementation. This was submitted to Joint Secretary, Ministry of Health and Family Welfare, Government of India.

For detailed recommendations, please write to
Ms Leena Jaisani at leena.jaisani@ficci.com



VOICE OF FICCI

Voice of FICCI is a monthly compilation of all the representations and recommendations of the industry, which FICCI had made / taken up with the Government. The recommendations are mentioned briefly in Voice of FICCI along with the Team Leaders' name and their email ids.

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