VOICE OF FICCI

SHAPING THE AGENDA

November 2021

From the
Director General

As we head towards the end of the calendar year and gear up for the upcoming Budget, FICCI submitted its pre-Budget suggestions as a part of the pre-Budget Memorandum. In its submissions, the Federation has requested for ramping up vaccination program across the country and for improving the scale of genome sequencing for COVID-19. These are the need of the hour and upgrading nation-wide healthcare infrastructure needs to be given impetus.

FICCI has further recommended for providing relief to the urban poor through Urban MNREGA and by offering interest subsidy on housing. Keeping in mind that the MSMEs were the worst affected by the COVID-induced lockdowns, FICCI has pushed for increasing the 90 days limit fixed by RBI for classifying overdues to 180 days, along with automatic publishing of GST registered MSMEs' invoices on TReDS. Enhancing limit of collateral free loans under CGTMSE from existing INR 2 crores to up to INR 5 crores will provide the much-needed fillip.

FICCI President Elect, Mr Sanjiv Mehta, in his representation to the Prime Minister, Finance Minister, RBI Governor and to Secretaries, Ministry of Finance last month, made suggestions for seamless credit flow and economic growth in the country. To support the MSME sector, Mr Mehta requested to consider increasing the day limit for classifying overdues as NPAs and increase collateral free loans under CGTMSE. He has also suggested that various ways and means be explored to have a separate direct line of credit for non-bank lenders.

While certain sectors continue to battle the effects of the COVID-19 pandemic, it has become clear that many of these need support for resuscitation. The Reserve Bank of India has done a commendable job in supporting the marine industry by recommending financial ratios for 26 sectors under the Resolution Framework for COVID-19 related stress. Given the difficult situation the marine products export sector is in, this industry should be included as one of the distressed sectors under the Scheme thereby enabling it to partake in the ECLGS scheme.

Arun Chawla

Land border issues faced by automobile OEMs at Petrapole- Benapole border affecting exports of automobiles to Bangladesh

The South Asia Regional Council members deliberated on land border issues being faced by automobile OEMs at Petrapole- Benapole border, which is severely affecting exports of automobiles. The broad issue raised is that the queue for export clearance has gone up from 15 days to 40 days and the number of trucks exported has dropped from 500 per day to 300 per day. This was submitted to Commerce Secretary, Ministry of Commerce and Industry; High Commissioner of India, Dhaka; Additional Secretary [FT(SA)], Department of Commerce; Joint Secretary (BM), Ministry of External Affairs; Secretary-Industry Commerce & Enterprises, Government of West Bengal; District Magistrate, Government of West Bengal.

For detailed recommendations, please write to
Ms Sushma Nair at sushma.nair@ficci.com

Creating Synergies for Seamless Credit Flow and Economic Growth

President Elect, Mr Sanjiv Mehta, made following suggestions for increasing credit flow in economy:

- Banking sector needs to be strengthened. We need 5-6 very large banks, improve governance and efficiency of Public Sector Banks, and inculcate greater competition.
- To support MSME sector, consider increasing the day limit for classifying overdues as NPAs, and increase Collateral free loans under CGTMSE from the existing INR 2 crores to up to INR 5 crores.
- Ways and means need to be explored to have a separate direct line of credit for non-bank lenders.
- Review Priority Sector Lending Norms to include Agri-tech start-ups, Waste Management activities, etc.

These were submitted to the Prime Minister, Finance Minister, RBI Governor and Secretaries, Ministry of Finance.

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

Inclusion of Marine Export Sector in Emergency Credit Line Guarantee Scheme

The marine products export sector is one of the biggest contributors to the country's forex reserves and employs a large workforce, especially including women. Moreover, the marine products export sector registered a robust growth of 500% during the ten-year period of 2010-2020. However, the sector was adversely hit due to the COVID-19 pandemic and experienced its worst year in 2020-21. The financial condition of the small and medium units in this sector, which is almost 70%, has eroded significantly. Many of these units need support for resuscitation.

The Reserve Bank of India has done a commendable job in supporting the industry through this challenging time and recommended financial ratios for 26 sectors under the Resolution Framework for COVID-19 related stress. Given the difficult situation the marine products export sector is in, this industry should be included as one of the distressed sectors under the Scheme thereby enabling it to partake in the ECLGS scheme. This was submitted to Secretary, DEA.

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

Assessment on Systemic Risk Survey submitted

FICCI gave its assessment on indicators of RBI's Systemic Risk Survey. This was submitted to RBI Financial Stability Unit.

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

Pre-Budget Macro Suggestions as part of pre-Budget Memorandum submitted

FICCI submitted its pre-Budget macros suggestions for the Economy to the Finance Ministry:

- Ramping up vaccination program across the country
- Improving the scale of genome sequencing for COVID-19
- Upgrading nation-wide healthcare infrastructure
- Providing relief to the urban poor through Urban MNREGA
- Offering interest subsidy on housing
- Increase 90 days limit fixed by RBI for classifying overdue of MSMEs should be increased to 180 days
- Automatic Publishing of GST registered MSMEs' invoices on TReDS
- Enhance limit of Collateral free loans under CGTMSE from existing INR 2 crores to up to INR 5 crores to MSMEs
- Consider separate direct line of credit for non-bank lenders at a pre-fixed rate
- Expand scope of loans given under PSL under Agriculture and Sanitation
- Bring fuel items under GST
- Set up Innovation City and establish a 'Single Window Approval' for clearances/permits for start-ups as well as companies/institutions setting up supporting infrastructure
- Incentivise development of Green Technologies across sectors

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

FICCI suggests restructuring or deferring payments for the Tourism industry

- While the resolution framework was prepared during the first wave of the pandemic, the second wave has been much more severe and there are apprehensions of a third wave as well, which will further negatively impact the industry. 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. The payment of the principal, which was extended by 2 years, needs to be further extended to 4 years.
- The target date for meeting the specified thresholds for four ratios i.e., Total Debt/EBIDTA, Current Ratio, DSCR and ADSCR was extended from 31 March 2022 to 01 October 2022. However, the target date for achieving the Total Outside Liabilities/ Adjusted Total Net Worth ratio remains unchanged, i.e., 31 March 2022.
- The industry was supposed to reach pre-COVID ratio by March 2022, however this was extended to 01 Oct 2022. Even then, there is no way that the industry can reach pre-covid ratios by October2022 and the repayment schedule from December 2022. Therefore, it is imperative that this be deferred by two years i.e., March 2024 and December 2024.
- If the deferment of the repayment schedule by two years is not possible, the repayment scheduled should be extended to June 2023.

These were submitted to Revenue Secretary, Govt of India.

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

FICCI requests to remove the capping of 5 crores for SEIS benefit

As per Notification No. 29/2015-20, Service Exports from India Scheme (SEIS) benefit is capped at maximum 5 crore per IEC. This was submitted to Revenue Secretary, Govt of India.

- Request to remove the capping of 5 crores for SEIS benefit.
- SEIS is the only incentive for service exporters and limiting the benefits will not help larger organizations. Larger organizations fetch volume based on higher reliability and are necessary to increase the tourist footfall in India. Capping the SEIS benefit will encourage companies to split up entities to continue avail full benefits which will not be helpful.

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

Requests for GST Refund for the Travel, Tourism and Hospitality Industry submitted

Refund of the GST payment made by the Travel, Tourism and Hospitality Industry during the Pandemic period to give a breathing space for the industry to pay salaries, refurbishment, marketing, and other necessary activities for their survival. This was submitted to Revenue Secretary, Govt of India.

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

FICCI submits member inputs for the proposed Delhi Court Intellectual Property Division 2021 Rules

The Delhi High Court, which has set up an Intellectual Property Division (IPD), had invited industry comments on the IPD Rules 2021 that have been proposed. FICCI had accordingly invited suggestions from members and forwarded a consolidated set of recommendations, based on the inputs received. The overall industry stand is that proposed rules should help streamline the practices and procedures at the IPD and help expedite the disposal of IP cases. This was submitted to Registrar General, Delhi High Court.

For detailed recommendations, please write to
Mr Dipankar Barkakati at dipankar.barkakati@ficci.com

Need for Enforcement of PPAs and Sanctity of Contracts

It is being considered by the Punjab state to renegotiate tariff of the power purchase agreements signed between producers of power and the Punjab State DisCom.

FICCI submitted that while this move may result in reduction in tariffs to the consumers to a minor extent, reconsideration/re-opening of power purchase agreements signed few years ago will send a negative signal to investors desirous of investing in the state, from within the country and abroad.

FICCI has noted that as a proportion the total capacity of RE installed in the state is small and RE power purchase impact on the overall power cost to the state is negligible. The landed purchase cost of solar is ₹ ~6.5 per kWh against the overall total power purchase cost of ₹ 4.3 per kWh (Reference from Tariff order and ARR for FY 2021-22). Considering the capacity contribution of solar in the state, the overall energy generation from solar is only over 4% against the total power consumption of 46713 MU. Thus, the purchase cost impact being approx. ₹ 0.06 per kWh., which is miniscule against the negative impact that breaching of sanctity of contracts would have on the overall sentiment of the investors across the state.

A move to re-negotiate tariffs will affect viability of operating projects and power producers will find it difficult to repay their loans, vendors, and staff, thereby leading to a default in their contractual obligations. RE projects have upfront Capex investments and high debt burdens. Time and again the sanctity of contract as captured in power purchase agreements has been upheld in various courts across the country including very recently by PSERC (Punjab State Electricity Regulatory Commission). This was submitted to New and Renewable Energy Minister, Government of Punjab.

For detailed recommendations, please write to
Ms Rita Roy Choudhury at rita.roychoudhury@ficci.com

Urgent need to re-examine Punjab Renewable Energy Security, reform, termination, and re-determination of Power Tariff Bill, 2021

The Punjab Renewable Energy Security, Reform, Termination and Re-Determination of Power Tariff Bill, 2021 (Bill) was passed in the Punjab State Assembly on 09 November.

As per the provisions of the bill:

- All clauses in the Agreements impacting tariff either directly or indirectly shall be terminated,
- Further these agreements shall stand referred to Punjab State Electricity Regulatory Commission (PSERC) for re-determination of tariff and all matters that impact tariff directly or indirectly in such Agreements
- PSERC shall determine a temporary tariff which shall be applicable till the final redetermination by PSERC, and The Punjab Tariff Bill 2021 and all Rules made thereunder shall have an overriding effect over other State Laws.

Some of the issues that the controversial bill entails, which were submitted to Principal Secretary to the Prime Minister of India:

- Conflict with the Electricity Act --Violation of Sanctity of Contracts and Violation of Vested Rights of the Generators
- Discriminatory treatment to private RE Power Producers
- Detrimental to investors sentiments and potential to drive away investments
- Will drive operating projects to Non-Performing Assets
- Negligible impact on the Power Purchase Cost

We request urgent intervention in highlighting the above concerns on the nature of the Bill and its implications, to the Governor, whose final approval is due on the Bill.

- 6and feedback should be taken

For detailed recommendations, please write to
Ms Rita Roy Choudhury at rita.roychoudhury@ficci.com

FICCI requests TN govt for intervention for release of overdue payments by TANGEDCO

While Tamil Nadu has set an exemplary path for promotion of renewable energy development, I am writing to represent a major concern that has been brought to our notice by our industry members. The issue pertains to the non-payment of huge solar generation outstanding dues by TANGEDCO to several renewable power generators. These renewable power generators have been generating solar power and supplying to TANGEDCO in accordance with the terms set out in the PPAs and have been consistently raising invoices on TANGEDCO as per the terms of the PPA. However, several reputed renewable energy generators have not been paid since November 2020 and as on date there are large outstanding dues from TANGEDCO. We also understand that some other renewable energy generators have been paid out of turn without there being any clear reason for such preference. This non-payment of legitimate dues has led to severe cash flow shortage for these renewable energy generators and is impacting their operations (including payments to various local vendors and contractors in the state). This will further lead to the investors being discouraged from investing in the state and will hamper the state's as well as the country's ambitious renewable energy capacity addition plans. This was submitted to the Chief Minister, Tamil Nadu.

For detailed recommendations, please write to
Ms Rita Roy Choudhury at rita.roychoudhury@ficci.com

FICCI submits comments on SEBI Discussion Paper on review of Price Band and Book Building Framework for public issues

Based on feedback received from members, FICCI has submitted comments on SEBI Discussion Paper on Review of Price Band and Book Building Framework for public issues.

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

Comments on SEBI Consultation Paper on Review of capping of ISINs for Corporate Bonds submitted

Based on feedback received from members, FICCI has submitted comments on SEBI Consultation Paper on review of capping of ISINs for Corporate Bonds.

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

CIFTI- FICCI representation on glossary of terms for cocos, chocolate, and its products

FICCI has shared the inputs on IS 1164: 1986 specification for cocoa powder and IS 11730:1986: Glossary of terms for Cocos, Chocolate, and its Products, to BIS, where the main suggestions are:

- Change in the type of cocoa powder, as: 1) Cocoa Powder 2) Fat Reduced Cocoa Powder (Medium fat) 3) Highly Fat Reduced Cocoa (Low fat)
- Change in the values of parameters like Moisture, percent by mass, Acid insoluble ash (on moisture and fat free basis), percent by mass, Alkalinity of total ash as K2O (on moisture and fat free basis), percent by mass, Crude fibre (on moisture and fat free basis), percent by mass, Staphylococcus aureus and Salmonella.
- FICCI propose the change in definition of various food product which includes Milk Chocolate, Cocoa Cake, Praline, Couverture, Drinking Chocolate, Cocoa powder, Cocoa Butter, White Chocolate, Plain Chocolate, Cocoa beans, Coca Fines (Dust), Cocoa mass, Musty bean, Slaty bean, Flats, Insect Damaged Beaus, Germinated Bean, Broken Bean, Fragment, Cocoa Shell, Smoky Bean, Borneo Tallow, Sugar Boiled Confectionery, Lozenges, Chewing gum and bubble gum.

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

CIFTI response pursuant to FSSAI communication on addressing the queries from Scientific Panel related to Total Dissolved Solids proposal for Packaged Drinking Water

In the submitted representation FICCI acknowledge the FSSAI Scientific Panel on water and beverages for considering the representation submitted by CIFTI for TDS 75mg/L in Packaged Drinking Water as an alternate proposal to the existing regulation of minimum Calcium and Magnesium, based on practical learnings by the manufacturers over the last two years. FICCI has responded the concerns raised by FSSAI as below:

- FICCI stated that globally most of the bottled water industry (other than mineral water) operates in the range of TDS: 10-50 ppm; Calcium: 0-3 ppm; Magnesium: 0.5-3.5 ppm and balance of dissolved solids are other minerals and trace elements and highlight that these values are not associated with any specific limit, in the countries. These values are either due to the inherent presence of the minerals in the source water or in some cases may be added by the manufacturers. FICCI further concluded that there is no mandate even in Codex for minimum Ca and Mg, which is followed by many countries across the world. Hence, there is no precedence of mandatory addition of Calcium and Magnesium for Packaged drinking water.
- FICCI stated that some of the member companies have already tried out addition of Calcium and Magnesium salts in their packaged drinking water brands corresponding to 75 ppm of TDS. In those packaged drinking water samples, Calcium and Magnesium minerals are likely to correspond to approx. 1/3rd of the current levels provided in the FSS (Food Product standards and Food Additives) Fourth Amendment Regulations, 2019 related to the standards of Packaged drinking water (other than mineral water). Therefore, for 75mg/L TDS, when the Ca and Mg are added, depending on the presence of these minerals in the source water, the Ca & Mg may vary between 6-8 PPM of Calcium and 2-4 PPM of Magnesium.

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

CIFTI – FICCI representation Food Safety and Standards (Labelling and Display) Amendment Regulations submitted

In the shared representation FICCI has submitted to FSSAI comments on Food Safety and Standards (Labelling and Display) Amendment Regulations, 2021 related to warning of Pan masala and nomenclature of bread as:

FICCI suggest that the term 'Whole grain flour' should be replaced with 'Whole wheat flour' under the clause of labelling of Wheat Bread or Brown Bread because the minimum amount of Specialty Ingredient should be clear to avoid ambiguity and during milling the outer wheat germ layer is removed to prevent oxidation and to ensure the suitable shelf life of wheat flour.

FICCI request for reducing the minimum. % age of milk solids for Milk bread from 6% under Section 2.6 Labelling of various types of bread Milk Bread as Milk Powder has Sulphur containing Amino acids, namely, Methionine and Cysteine, which have a reducing effect on the Gluten of the dough and so weakens the dough when used at higher levels and can consequently affect the Bread quality. Hence, FICCI request addition of Milk solids must be regulated in such a way as to get the taste but at the same time not to affect the bread quality

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

CIFTI representation on FSSAI Draft Notification on Food Safety and Standards Nutra amendment regulations 2021

In the shared representation FICCI has submitted to FSSAI, comments on Food Safety and Standards Nutra amendment regulations 2021 as:

- FICCI request the inclusion of following amino acids under Schedule II of current which are missing: Carnitine, acetyl-L, L-Hydroxylysine, L-Hydroxyproline and Tyrosine, acetyl-L. FICCI request for inclusion of these amino acids as these are allowed in the current Regulations, products containing these would be available in market and these have safe usage.
- FICCI propose to re look on the following amino acids as they are seemed to be repeated in the list: Choline hydrogen tartrate (also given at S No xlix as choline bitartrate. FICCI propose this as it seems typo error.

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

CIFTI representation on Draft notification on FSS (Vegan Foods) Amendment Regulation 2021

In the representation shared, FICCI share comments on FSS (Vegan Foods) Amendment Regulation 2021 as:

- FICCI propose to change in the definition of Vegan food to align the definition with ISO standard 23662 - Definitions and technical criteria for foods and food ingredients suitable for vegetarians or vegans and for labelling and claims.
- FICCI propose to align the animal testing requirements with ISO 23662 as current requirements are very limiting and is not implementable.
- FICCI propose an insertion of new clause under general requirements as: "To avoid the unintended presence of non-vegan substances, all stages of production, processing and distribution shall be designed to take the appropriate precautions in conformity with good manufacturing practices (GMPs). If the same production line is shared with non-vegan products/ingredients, thorough cleaning or comparable measures in conformity with GMPs shall be carried out before production of vegan products. This extends to all associated machinery, equipment, utensils and surfaces. Appropriate precautions in conformity with GMPs shall be taken before vegan products are prepared, produced or packaged." to avoid any unintended traces new clause to be inserted in alignment with the with ISO standard 23662.
- FICCI propose an amendment in Vegan Food Compliance to ensure compliance and reduce analytical burden and challenges in terms of analytical capability.
- FICCI propose to make logo voluntary, and it can be substituted with declaration 'Vegan' and also propose for substitution of term Plant origin with 'Not of animal origin' as vegan foods as vegan foods do not contain any animal origin products.
- FICCI propose for insertion of new clause related to allergen declaration in alignment with principle of ISO standard 23662.

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

CIFTI representation on Mouth Fresheners Standards submitted

In the submitted representation, FICCI shared with FSSAI, the draft standard for Mouth Fresheners which includes:

- Description: Mouth freshener is also known as MUKHWAS which is an amalgamation of Sanskrit word mukh (mouth) and was (smell). Mouth Fresheners are food items which are generally consumed for refreshment or masking mouth odour. It may be in different forms such as liquid, semi-solid, solids, powders, granules with or without an external coating or as centre filling. Mouth fresheners may supplement oral hygiene, digestive benefits or used only for refreshing taste/mood/senses/ masking bad breath.
- Essential Composition and Quality factors
- Labelling: The provisions of the Food Safety and Standards (Labelling & Display) Regulations, 2011 shall apply
- Hygiene: a) The products shall be prepared and handled in accordance with the requirements specified in Part-II, Schedule 4, as applicable, of the Food Safety and Standards (Licensing and

Registration of Food Businesses) Regulations, 2011 and such other guidelines as specified from time to time under the provisions of the Food Safety and Standard Act, 2006. b) The products shall conform to the microbiological requirements given in the Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011.

- Food Additives: For products covered under this standard, specific food additives and flavours covered under "the Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011" may be used and only within the limits specified.
- Contaminants, Toxins and Residues: The products shall comply with the limits stipulated under the Food Safety and Standards (Contaminants, toxins and Residues) Regulations, 2011

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

CIFTI - FICCI representation on General Guidelines on Sampling for Microbiological Analysis submitted

In the representation submitted, FICCI has shared inputs with FSSAI, on General Guidelines on Sampling for Microbiological Analysis, where the suggestions are as below:

- FICCI propose to change the time and temperature for sterilization of tools/equipment's from 170 °C to 175 °C for not less than two hours to 170°C for 30 minutes, 160°C for 60 minutes, and 150°C for 150 minutes.
- FICCI suggest that the other materials like Jar/ Bottle/container/polyethene bag for sample collection shall also be sterilized and requested to include them under the sterilization process.
- FICCI suggest including the concentration of Isopropyl Alcohol as 70% Isopropyl alcohol to align with the industries.
- FICCI propose to include details of milk powder as it is commonly consumed in food products and details are missing.
- FICCI propose to mention Microorganism strain-no and IS standard for testing microorganism to maintain the uniformity across the testing method.
- FICCI propose to lower the no. of sample testing from accredited labs from 3 to 1 across as it is not feasible to get the sample tested from 3 accredited labs and the process become more tedious and time-consuming.
- FICCIs suggest including the Microbiological Sampling Requirement for Spices and Herbs for better understanding as the parameters for spices and herbs are missing.

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

CIFTI – FICCI representation on Food Products Standards and Food Additives Regulations

In the representation, FICCI shared inputs on Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011 for the Category 2.4.10 "Macaroni Products" to FSSAI.

- FICCI propose to change the definition of Pasta products to bring in alignment between the standards of Macaroni Products (e.g., Instant Noodles, where provision for Seasoning is given as a part of the Standard) and to bring pasta under the ambit of Standardized product for the ease of licensing and labelling and additional ingredients added to help in innovations and renovations of the product by adding new ingredients.
- FICCI propose to change the definition of Macaroni products to bring in more clarity in the noodles standard and to help in innovations and renovations of the product by addition of new ingredients. FICCI further propose that not all flours are produced by milling. Since millets are difficult to ground and impart a raw taste, extruded flours are used in product. The process of gelatinization deactivates Lipase making it stable and hence a longer shelf life. Pre-gelatinized flours may be used to make gluten free noodles. These flours also impart a good texture to the product. This will help in overall innovation and renovation and help in offering more choices to the consumers. This will help in making use of traditional millets easier from manufacturing perspective. Different oils have different fatty acids profile. Mix of oils may help in providing a better fatty acid profile of the product for consumers.

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

CIFTI representation on FSS (Approval for Non-Specified Food and Food Ingredients) Amendment Regulations, 2021 submitted

In the submitted representation, FICCI has shared comments on Draft Notification of Food Safety and Standards (Approval for Non-Specified Food and Food Ingredients) Amendment Regulations, 2021 as:

- FICCI proposed to extend the timeline for making a response as certain information may require sample analysis which further need more time.
- FICCI proposed to delete the clause for post market surveillance the approval is granted only when the safety data as asked for in FORM-I is already thoroughly evaluated by the authority.
- FICCI proposed to extend the timeline to file an appeal before the Chairperson as certain information may require sample analysis which further need more time.
- A revision in statement is proposed under writing, suspend, or revoke any approval granted to any food business operator.
- FICCI has requested to delete the statement "Listed in FSSR but

from an unlisted/unconventional source" as there is no such list of sources of additives specified in FSSR. The evaluation shall be done based on definition of non-specified foods.

- FICCI proposed the deletion of Processed Botanical as there seems to be no clarity w.r.t processed botanicals.
- Proposal for the deletion of category 'Pre-mix of ingredients or additives, requiring approval under non- specified food category' was submitted.
- FICCI proposed changes in Functional Use category.
- An editorial change under Safety Information was proposed.
- FICCI proposed allowance of more regulatory recognized safe list of microbes. This should include multiple regulatory agencies apart from GRAS.

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

CIFTI - FICCI representation on FSS (Food Products Standards and Food Additives) Regulations on Milk and Milk products submitted

In the representation shared, FICCI has submitted inputs on FSS (Food Products Standards and Food Additives) Regulations, 2011 for the category 'Milk and Milk products' as:

- FICCI has proposed to insert the note below the composition table under standards of Dairy Whitener.
- FICCI has requested to include the new class of milk under Standards of Milk as Partly Skimmed Milk to facilitate dairy trade and to provide more option to consumers with low in fat benefit.
- FICCI has requested to revise the SNF% requirement of skimmed milk as Pan India, mixed milk is used to manufacture 'Skimmed milk', accordingly the SNF requirement of min.8.7% is not in line with SNF% requirement for mixed milk (i.e.: Min.8.5%).
- FICCI has requested to revise the requirement of Standard for Milk, Essential Composition and Quality Factors.
- A proposal for Inclusion of 'Milk Products' as raw material/ permitted ingredients in Standards for Fermented Milk under FSS (Product & Additives) Regulation, 2011 has been submitted.
- FICCI has proposed some changes in standards of Flavored Milk.

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

CIFTI - FICCI representation on Food Safety and Standards (Labelling and Display) notifications submitted

In the submitted representation, FICCI has shared comments on Food Safety and Standards (Labelling and Display) Amendment Regulations, 2021 as:

- FICCI has proposed an editorial change of unit of weight measurement from 'gm' to 'g'.
- FICCI has suggested mentioning 'total fat' as 'total animal fat' to avoid any ambiguity.
- FICCI has proposed adding 'Use by Date' along with the Date of Manufacture In alignment with the provision in the existing Labelling and Display regulation, as it will be difficult to fit additional declaration on the package having a surface area of less than 30 square centimetres.
- A proposal that foods which are targeted to a specific age group or physiological condition, respective RDA's may be considered for declaring per serve percentage (%) RDA as per recommended dietary allowance as specified by the ICMR has been submitted.
- FICCI has suggested some editorial correction in form of a note being proposed in order to harmonize the sweetener labelling declarations in Operationalized/Final notification on Labelling document with vertical standard of caffeinated beverages (2.10.6(2)).
- FICCI has proposed abbreviation of date of manufacture, date of packaging, use by, expiry and best before date under Nonretail containers.

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

CIFTI-FICCI representation on 37th Food Authority agenda: 37.4 submitted

In the shared representation, FICCI has shared inputs on 37th Food Authority agenda: 37.4: 'Mapping of 08 New/Revised standardized food products with Food category System in FoSCoS for Licensing and Registration' that was discussed during 37th Food Authority meeting (Virtual) held on 23rd November 2021. FICCI further stated that article no. 4 (Maize starch); wherein product modification has been changed to 'Maize Starch.' In this regard, FICCI has requested to keep both names – Maize starch or Corn starch & not restricting it to 'Maize starch' only. FICCI has proposed this change in alignment with FSS Gazette notification dated 26th July 2021 wherein FSS Sub regulation 2.4.7 covers "Maize starch (or corn starch)" in the definition and request same approach should be taken into account. Hence, FICCI requested to kindly give flexibility & mention both options as product name i.e., Maize starch or Corn starch.

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

CIFTI representation on 37th Food Authority agenda: 37.1.2: Notification of IEM conditions under FSS Infant Nutrition reg 2020 submitted

CIFTI has requested to kindly retain hypoallergenic formula products under FSSAI Diet 4 life initiative. These products are globally tested, and are developed in line with global guidelines, and demonstrated by scientific evidence. These products are already scrutinised by FSSAI for its composition, label and medical condition.

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

FICCI bats for according Industry status to the Logistics Sector

Logistics sector had immense potential to create enormous job opportunities. One of the focus areas of the Government is Integrated Logistics Sector Development which in turn is instrumental in improving the Country's GDP. Many State Govts like Uttar Pradesh and Gujarat have accorded industry status to the logistics sector. By granting Industry Status to the sector, logistics sector activities will be considered as industrial activities by all state development authorities in the context of land-use and will drastically lower the cost of setting up units

For detailed recommendations, please write to
Mr Akhilesh Mahurkar at akhilesh.mahurkar@ficci.com

FICCI welcomes proposed changes on Legal Metrology (Packaged Commodities) Amendment Rules, 2021

FICCI welcomed the changes proposed by the amended rule. However, the amended rules introduced a new provision that requires the unit sale price to be printed on the pre-packed commodities. In this regard, FICCI submitted three comments on:

- Unit Sale Price
- Excess Information on the PDP
- Timeline for Implementation.

FICCI requested the ministry to provide sufficient time to implement the changes introduced by the amended rules. It was also recommended that those provisions of the amended rules which require printing of new details on the packaging be brought into effect from 01 December 2022. Finally, FICCI requested a meeting with the ministry to share and explain the above concerns to the government officials. This was 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

FICCI seeks support on operational issues for registration and marketing of Medical devices under the Medical Device Regulations -2017 in India

With reference to gazette notification No. S.O. 3721(E) dated the 16th of October 2019 which regulates 'Ultrasound Equipment' as drugs from 01 November 2020, which was later extended 1st November 2021. However, companies have who have applied for import/manufacturing licenses for Ultrasound machines have not received licenses. In this regard following suggestion was made through representation to JS MoH&FW:

- Issuing the notification of business continuity for 6 months or till licenses are not issued to the companies who have applied for import licence/ manufacturing license.
- Issuing the extension of Gazette notification by 3/ 6 months for implementation of regulation for Ultrasound licence before the enforcement date on 01 November 2021. Also, additional Request to exempt the requirement of wholesale license (as required by Drugs and Cosmetics Rule 61 and MDR 2017, Chapter XI, Rule 87) for medical device suppliers and distributors of medical devices was made.

For detailed recommendations, please write to
Mr Mehul Tyagi at mehul.tyagi@ficci.com

FICCI requests for exemption of Medical Device/ Equipment accessories from CRO

Request to MeitY was made to consider and exempt Spare parts, Components and accessories from Compulsory Registration Orders as per S.O.2357€ dt 7 Sept 2012.With implementation of MDR rules (Amendment) 2020 and phased issuance of license by CDSCO for all Medical Devices. Developments made and issuance of Exemption for camera's used in Medical Devices from CRO was mentioned and request for exemption was made. This was submitted to Secretary, MeitY.

For detailed recommendations, please write to
Mr Mehul Tyagi at mehul.tyagi@ficci.com

FICCI inputs submitted for National Health Research Policy- 2021

The Department of Health Research (DHR) had released draft National Health Research Policy (NHRP) seeking inputs. FICCI sought feedback from members and submitted the collated suggestions to DHR.

It has been suggested that policy should include affordable and accessible treatment options for common people in the private sector along with Government schemes to encourage establishment of large private hospitals in Tier II and III cities, Insurance schemes which are acceptable to private hospitals with variable rates for metros and super specialty hospitals and government incentives for preventive healthcare at private hospitals

A holistic approach is required where greater emphasis should be laid upon generating evidence to support complimentary medicine. It was also recommended to the Government to form a dedicated task force under National Health Research Policy 2021 with the aim to integrate modern system of medicine along with AYUSH, i.e., the concept of complementary medicine. More information should be provided on Financing access/investments to research projects on where, how, and what avenues are available. It has been observed in the past that the Budgetary allocations for healthcare have traditionally been low. A large portion of this allocation is specifically allotted to COVID related purchases. It is highly recommended to consider allocation of sufficient amount of fund for Health research and Medical colleges like AIIMS Delhi, PGI Chandigarh, SGPGI Lucknow etc conduct and publish good quality health research. Likewise, all medical colleges should be encouraged to publish research in line with the global standards. These were submitted to Deputy Secretary, Health.

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

FICCI-KPMG report on COVID-19 induced Healthcare Transformation in India

The COVID-19 pandemic has created unprecedented disruption for the global health ecosystem. While it has highlighted the weaknesses in public policies and healthcare infrastructures, it also brought in the urgency to discover new approaches to respond to the pandemic as well as the opportunity for the much-needed transformation of our healthcare systems.

FICCI-KPMG Report on ‘COVID-19 induced Healthcare Transformation in India’ highlights the primary areas that underwent transformation as a result of the pandemic and underlines strategic recommendations with respect to key focus areas that require immediate deliberation and action to accelerate the transformation triggered by the pandemic.

The key recommendations listed out by the Report include setting up mechanisms for financing ‘Healthy India’, accelerating health systems strengthening, augmenting capacities for national surveillance and pandemic management, creating a battalion of future health workforce, encouraging greater private sector participation and support and lastly, embedding digital health to bridge systemic gaps. The report emphasizes on the need for increasing public health spending on healthcare and fostering innovative health financing models, exploring make-shift and need-based alternative healthcare infrastructure models, investing in more dynamic and efficient pandemic management systems, among others. This was submitted to all State Health Ministers.

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

FICCI – EY Report on Prevent, Plan and Prepare: Strategies to win against the pandemic

India’s historic achievement of vaccinating 117+ crore people is a significant milestone in the country’s fight against COVID as vaccines are known to be effective in significantly reducing the severity of infection and mortality. However, given that most countries have faced COVID-19 pandemic in waves and the situation in parts of Europe and Central Asia is deteriorating, it is imperative to prepare as well as plan appropriately for any future waves.

FICCI, in partnership with EY, has prepared a report titled ‘Prevent, Plan and Prepare: Strategies to win against the pandemic’ which studies past trends and recommends measures to prevent future waves and remain prepared for any eventuality. The highlight of the report is that there is no homogenous data which can be relied on to predict future waves, so any response will have to be highly localised and adaptable to the specific circumstances of a breakout infection. Moreover, above a certain threshold of infections, surge capacity has to be created to deal with mild / moderate cases so that the hospital system is not overloaded. This was submitted to all State Chief Secretaries.

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

FICCI submits its members’ recommendation on RoDTEP rates for mobile phones

The recommendation was in reference to the captioned Department of Commerce & Industry, Government of India notification wherein the rates are notified under the Scheme Guidelines for Remission of Duties and Taxes on Exported Products (RoDTEP). In the same regards, mobile manufacturing committee shared its concerns on lower RoDTEP rates for mobile phones (including its components) and exclusion of categories of exporters for claims under the RoDTEP Scheme.

For detailed recommendations, please write to
Ms Sarika Gulyani at sarika.gulyani@ficci.com

FICCI Comments on TEC Notice for testing and certification requirements for telecom products for phase 3 and phase 4

In regard to TEC notice for testing and certification requirements for telecom products and we would like to bring to your kind attention some of the real-world challenges that the industry will be facing while getting their products tested and certified. In the same context and based on member's comments, mobile manufacturing committee have submitted a recommendation note for Department of Telecommunications’ reference.

For detailed recommendations, please write to
Ms Sarika Gulyani at sarika.gulyani@ficci.com

Recommendations: Agriculture value chain financing

The key challenges faced in agriculture credit are penetration of institutional credit to small and marginal farmers, equitable distribution of credit across regions and high levels of farmer indebtedness. As per latest NSO, MoSPI 77th round of survey on “Land and Livestock Holdings of Households and Situation Assessment of Agricultural Households” 50.2% of agricultural households are indebted with average amount of INR 74,121 loan outstanding per household. Few recommendations were sent to SBI, in regard to scope for enhancing value chain financing in different segments of agriculture chain. These were submitted to Chief General Manager, SBI.

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

FICCI National Agriculture Committee submits its recommendations on Agri Credit

Conference on building synergy for flow of credit into different sectors of the economy was organised by Department of Financial Services, Ministry of Finance, Government of India on 17-18 November. A presentation was made by Chairman, FICCI National Agriculture Committee on challenges and recommendations on agriculture credit during the conference covering aspects on (a) implementation of agri stack (b) warehouse receipt financing (c) developing innovative financing products for FPOs (d). These were submitted to Department of Financial Services, Ministry of Finance, Government of India.

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

Inputs: value chain financing: Fisheries

According to the CMFRI Census 2010, there are 3,288 marine fishing villages and 1,511 marine fish landing centres in 9 maritime states and 2 union territories. The total marine fisherfolk population is about 4 million comprising 864,550 families. Nearly 61% of the fishermen families are under BPL category. Around 70% of India's fish production comes from inland waters, of which nearly 65% comes from aquaculture. The note highlights the current state of Indian fisheries finance and few suggestions regarding that. These were submitted to Chief General Manager, SBI.

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

Submission from FICCI Fintech Committee - Recommendations for Union Budget 2022-23

Fast-track the Account-Aggregator framework

The Account Aggregator (AA) framework that provides data aggregation and sharing services based on the explicit consent of data owners, as approved by the RBI in 2016, was recently launched and some of the largest banks in India have announced their participation in the same.

However, to make this initiative a complete success, all banks in the country must join the framework in a timely manner. Hence, industry submits that a strong push from the Government and RBI for time bound real world / production launch of all the banks would go a long way in implementing and operationalising a faster and orderly launch of the AA framework, which is the need of the hour

Promote use of Central KYC

Explicit mention by the Department of Revenue in the Prevention of Money Laundering Act/Rules thereunder and by RBI in Master KYC Directions is required to the effect that CKYC Registry API level checks should be considered as "full KYC" by Banks and NBFCs in a completely digital and non-face-to-face mode, without having the need to conduct any face-to-face verification, further KYC checks or due diligence. As an additional risk mitigation measure, it is suggested that in addition to or combination with the CKYC Registry API level checks, a verification through a one-time password (OTP) sent to the registered mobile number of the said individual (as available in the CKYC records) is carried out so as to mitigate any residual risks. Since the mobile number would have been captured and already verified by a bank/regulated entity before uploading on the CKYC portal, it may be safe to rely on such information for the further checks as mentioned above.

Offer specific tax incentives to start-ups including fintech start-ups

- Due to the pandemic start-ups have not really been able to make use of the benefits of start-up registration under DPIIT. The income tax holiday should be extended by two more years to those whose benefits would expire in this time period.
- Further, all start-ups registered under DPIIT should automatically get tax exemption rather than going through the current process of inter-ministerial board approval.
- Special ESOP tax treatment announced by Government for registered Start-Up to be extended to larger group of companies e.g., MSME
- LTCG treatment of share sale to be equivalent for Public Market equity sales and Private shares (all start-ups and investors benefit).

Relook at cap of 18% on priority sector loans to MSMEs and for CGTMSE coverage

The current priority sector loans to MSMEs have a cap of 18% IRR to the end customer. Fintech/ Smaller NBFC's current cost of borrowing is upwards of 14% making it difficult to get the PSL benefits despite serving the same segment. It is therefore proposed to make Cost+10% as a cap that will expand the coverage, make more MSMEs eligible for PSL benefits and overall help in growing the ecosystem.

The CGTMSE scheme from SIDBI has capped the ROI for eligibility coverage at 18% for eligibility since Aug' 21. As mentioned above, Fintech/ Smaller NBFC's current cost of borrowing is upwards of 14% and hence it is requested that for eligibility and coverage under CGTMSE scheme Cost+ 10% may be considered as the cap.

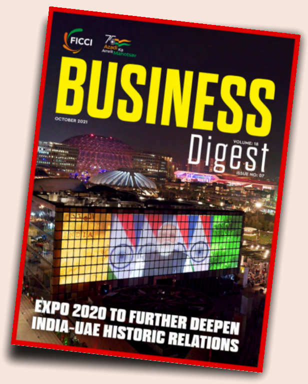
Extend trade credit insurance to PSL Loans or Loans sub 10 Lacs

The Insurance Regulatory and Development Authority of India (IRDAI) on 8 September issued revised guidelines for trade credit insurance that will come into effect on 1 November 2021. It would cover a portfolio of buyers and indemnifies an agreed percentage of an invoice or invoices that remain unpaid as a result of protracted default or insolvency. The cover may include commercial risks such as insolvency or protracted default of the buyers of goods and services. The trade credit policy will also cover rejection by the buyer after the delivery, subject to conditions of a policy contract. Internationally credit default swaps (CDS) are very popular mode of insurance towards such risks. The recommendation is to extend this to PSL Loans or Loans sub 10 Lacs and thus promote micro businesses funding which is today not possible due to high delinquency and high borrowing rate of NBFCs.

These were submitted to Secretary, Department of Economic Affairs; Secretary, Department of Financial Services and Director, Department of Economic Affairs, Ministry of Finance.

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

FICCI



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