VOICE OF FICCI

SHAPING THE AGENDA

Azadi Ka Amrit Mahotsav

FICCI

September 2022

From the Director General

Hon'ble Prime Minister Narendra Modi made a clarion call for transition to Gas-based economy and asserted that rapid expansion towards this goal is a must to achieve self-reliance. In this roadmap, one of his suggestions was to increase the share of gas in our energy basket from the present 6.2 per cent to 15 per cent by the year 2030. This would be instrumental in meeting the net zero target by 2070.

In order to achieve this target, it is vital to incentivize domestic gas producers by offering them lucrative market-linked prices to enable investments flow into the upstream sector which is essentially a high-risk business. The industry has expressed its concern over the setting up of a committee to overhaul Natural Gas prices. In this regard, FICCI has strongly represented that there should be no administrative control in the pricing of gas and price discovery should essentially be driven by the market, as in the case of other commodities.

Further, recommendations of the E-commerce Committee of the Federation identify and highlight the need for an automated single-window system which will enable faster customs clearance and remove bottlenecks that limit the volume of India's e-commerce exports currently.

FICCI also wishes to strengthen the government-industry collaboration by participating in the national e-commerce policy consultation.

Moreover, in continuation of the discussions held at a Roundtable organised with SEBI Chairperson, FICCI has submitted a note highlighting operational challenges in investment process for NRI investors and suggestions to ameliorate the process. The suggested changes would be instrumental in changing the experience of NRIs while entering and transacting in the Indian markets thus encouraging the flow of a new pool of capital in the country.

Meanwhile, the festivities are round the corner. On behalf of FICCI, I wish our readers all the happiness and urge them to look towards the homegrown artisans while buying gifts for friends and families. Let's support this noble cause and strengthen Make in India.

Arun Chawla

FICCI's suggestions on Notification I-19/42/2022-W&M dated 16.8.2022 for declaring two or more prime constituents of the commodity on front side of the package with the Brand Name/ Logo

The Ministry of Consumer Affairs vide the captioned notification I-19/42/2022-W&M dated 16.8.2022 proposed a provision in the Legal Metrology (Packaged Commodities) Rules, 2011, that a commodity which contains more than one constituent shall have a declaration of composition of two or more prime constituents of the commodity with the Brand Name/ Logo on the front side of the package. The declaration shall contain the percentage/ quantity of unique selling point / unique selling proposition (USP) of the product in the same font size in which the declaration of unique selling point / unique selling proposition (USP) is made. In the above background, the industry humbly urges that the aforesaid proposal be entirely withdrawn for the reasons and this email includes an attachment of list of issues and concerns associated to it. In the said context, the proposed amendments will create confusion for consumers than intended protection of consumers' right to be informed. This will enhance hardships for the industry at large and significantly hamper innovation. Implementation of this change would entail re-designing of the entire product labels and its execution has significant cost & EPR implications. Lastly, the proposed amendment endeavours to regulate advertisements and product compositions which is beyond the scope and the objective of the said act. These were submitted to Secretary (CA), Ministry for Consumer Affairs, Food & Public Distribution, Government of India.

For detailed recommendation, please write to

Ms. Leena Jaisani at leena.jaisani@ficci.com

FICCI Representation on New Foreign Trade Policy 2022-27 w.r.t E-commerce

The proposed recommendations by FICCI's E-commerce Committee identifies and highlights the need for an automated single-window system that would enable faster customs clearance and remove bottlenecks that currently limit the volume of India's e-commerce exports. The recommendations also make a case for reducing the documentation burden on exporters and for developing a specialized, low-cost end-to-end trackable solution for B2C e-commerce exports. Some of the suggestions also provide solutions on how these goals can be met. For instance, Indian Customs Electronic Commerce / Electronic Data Interchange (ICEGATE) could be integrated with Export Data

'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.

Processing and Monitoring System (EPDMS) and banking infrastructure for faster payments. In addition, the committee proposes to add a chapter on e-commerce sector that is specifically focused on "PROMOTION OF E-COMMERCE EXPORTS". This is expected to improve trade facilitation measures and boost e- commerce exports, especially by micro, small, and medium-sized enterprise (MSME) exporters while addressing the infrastructural inefficiencies that impedes e-commerce exports, for the benefit of various stakeholders. The recommendations include the aforementioned draft chapter. These were submitted to Director-General, Directorate General of Foreign Trade, Government of India.

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

FICCI – Request for extension in effective notification of G.S.R 226 (E) in Legal Metrology (Packaged Commodities) Amendment Rules, 2022

Given the ongoing EPR duties and the Ease of Doing business perspective, the proposed implementation of these modifications is posing certain practical challenges for the industry. Considering this, a 30-day extension, or until October 31, 2022, is respectfully requested to provide thoughtful suggestions for the proposed modification. The industry is also eagerly anticipating the notification of clarifications and exemptions that have been extensively debated and decided, with a view to receiving said notification by the following week. This was submitted to Secretary, Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.

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

FICCI Presentation on Consultation with the Ministry of Consumer Affairs, Food and Public Distribution, GoI on the Decriminalization of the Legal Metrology Act, 2009

Legal Metrology Act treats majority of contraventions as criminal offences and imposes a criminal liability. 1. For imposition of criminal liability, it is critical to evaluate the nature of non-compliance i.e. intent to defraud as compared to inadvertent omission where consumer is not adversely affected. 2. Labelling defects (such as spacing around net qty, non-compliance with font height etc.) which in no manner suppress material information relevant to consumers should not be subjected to criminal liability. 3. Matters with risk of criminal liability are contested by Industry irrespective of its merits as personal liberty of an employee (who is not completely responsible for the offence) is at stake. 4. Food Safety & Standard Act, 20016, a statue akin to Legal Metrology, which prescribes labelling requirement does not impose a criminal penalty for labelling defects (neither for the first offence nor for the subsequent offence). 5. Considerable time, resources and effort are spent by both, Department & Industry contesting such matters. 6. Criminal Justice System is clogged with pending litigations only results in extreme delay in such proceedings. 7. Inherent benefit in prescribing civil liability as it removes the requirement of proving mens rea, as a consequence the burden of proof on the regulator would also be much lesser. This was submitted to Secretary, Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.

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

FICCI - Industry comments on the IS/ISO 20488: 2018: Online Consumer Reviews

Pursuant to the solicitation of suggestions / comments on the IS/ISO 20488: 2018 :Online Consumer Reviews for taking on the task of developing a new comprehensive standard in this area. This was submitted to Secretary, Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.

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

Request for participation in the ongoing stakeholder consultation on National E-Commerce Policy Formulation

In regard to the information that appeared in the Economic Times on Sept 12, 2022, which says the Department for Promotion of Industry and Internal Trade is currently consulting with stakeholders to develop the national e-commerce policy, FICCI wishes to strengthen the government-industry collaboration by participating in the national e-commerce policy consultation. This was submitted to Secretary, Department for Promotion of Industry and Internal Trade, Government of India.

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

FICCI Representation on draft amendment in rules dated 23rd May 2022 in relation to exemption of antiseptic liquids under Schedule K of the Drugs Rules, 1945

Regarding the exemption of antiseptic liquids under Schedule K of the Drug Rules, 1945, in which FICCI expressed concerns about the imposition of additional licence requirements to store or sell Antiseptic Disinfectant Liquid and to ensure the reinstatement of existing rules prior to January 20, 2022 for ease of doing business. This was submitted to Drugs Controller General of India, Ministry of Health and Family Welfare, Government of India.

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

Review of methods and timeline to comply with the Minimum Public Shareholding (MPS) requirements

Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires every listed entity to comply with the MPS requirements specified in the SCRR in the manner as specified by SEBI from time to time. SEBI has issued circulars permitting different methods to comply with MPS. SEBI is reviewing the existing methods to comply with MPS and also the timelines prescribed for achieving MPS compliance after various events (viz., IPO, Open Offer, Scheme, Insolvency etc.). Based on feedback from members, FICCI has submitted a detailed representation for consideration of the Regulator.

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

FICCI representation to Ministry of Corporate Affairs on Companies Act

Based on inputs received from members on amendments required under the Companies Act and Rules thereunder, FICCI has submitted a representation to the Joint Director, Ministry of Corporate Affairs.

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

FICCI recommendation on Competition (Amendment) Bill, 2022

FICCI has submitted detailed recommendations to the Parliamentary Standing Committee on Finance on the Competition (Amendment) Bill, 2022 on important clauses pertaining to the definition of control, applicability of threshold for determination of combinations and such others. This was submitted to the Parliamentary Standing Committee on Finance.

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

Easing of investment process for NRIs

Further to the discussions held at a Roundtable organised with SEBI Chairperson, FICCI has submitted to Chairperson, SEBI, a note highlighting operational challenges in investment process for NRI investors and suggestions to ameliorate those. The suggested changes would be instrumental in changing the experience of NRIs while entering and transacting in the Indian markets, encouraging the flow of a new pool of capital.

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

Revision of Green Channel Policy

The Green Channel Policy provides self-certification of products having continuous requirement/ mass requirements in defence forces". Industry supports this initiative. The prerequisites for GCS award are pre-defined as financial and quality credentials. It is worth exploring granting Green Channel to a manufacturing location / firm rather than a particular product. Green Channel's SOP specifies min 1000 Cr turnover and 50 Lakh BG requirements. It is recommended that for now the turnover limit be relaxed to above 250 Cr, which. The GC certificate should have a provision to consider upgrades and obsolescence of the GC awarded product. This is most critical in electronics industry, for those manufacturers who are the product OEM and have been granted GCS under the category Design, Development & Production (DDP), these should be accorded the status of AHSP. This was submitted to Assistant Director, DQA(A) / TC.

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

Distribution/Splitting of Quantities Among Multiple Vendors

The provisions for splitting of order quantities for procurement among multiple vendors is enshrined in DAP 2020 pursuant to the vision of Atmanirbhar Bharat to promote indigenous defence manufacturing. Industry is of the opinion that splitting of orders should not be applicable for repeat orders including orders for variants of equipment already inducted in service. Besides the consideration of ensuring minimum order quantity to each vendor for economic viability, the cost benefit to the Buyer (Government) should be evaluated. Technological Feasibility is desirable to have compatible or similar technological solutions and interoperability. This would yield long term dividends as a hedge against risks of technological obsolescence. It is recommended for financially viable big programmes and government funded. Splitting/ distribution of order quantities among multiple vendors be applied progressively. This was submitted to VSM, Director C (Infantry), O/o ADG Acq Tech (Army).

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

Industry Concerns on Domestic Gas Pricing

Hon'ble Prime Minister has made a clarion call towards transitioning to a Gas-based economy by increasing the share of gas in our energy basket from the present 6.2% to 15% by the year 2030. This would significantly contribute towards achieving our net zero by 2070. To achieve this target, it is paramount to incentivise domestic gas producers by offering them remunerative, market linked prices so that investments flow into the upstream sector which is essentially a high-risk business with no guarantee of success.

Industry has expressed its concern over the setting up of a committee to overhaul Natural Gas prices.

FICCI has strongly represented that there should be no administrative control in the pricing of gas and price discovery should be by the market as in case of other commodities. This was submitted to the Minister for Petroleum and Natural Gas.

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

Incentivising Buy (Indian-IDDM) Category Acquisitions

Buy (Indian-IDDM) is the highest priority categorization as IPRs are held by the Indian OEM. Further it is recommended that IDDM cases may be evaluated on QCBS methodology and not L1 process thereby ensuring the User gets the best available equipment with maximum enhanced parameters within available budget. Equipment fielded for user trials in IDDM cases, having been manufactured in India and tested as part of FET/QA/MET should not undergo further quality checks by DGQA in the production line thereafter. All IDDM cases should have inbuilt PVC (Price Variation Clause) for contracts with deliveries above 18 months. IDDM contractor if meeting Quality Systems requirement should be eligible for award of Green Channel Status by DGQA and would enjoy AHSP status. This was submitted to VSM, Director C (Infantry), O/o ADG Acq Tech (Army).

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

Representation on Coal Shortage for Non-Power Sectors

The coal shortage for non-power sectors has aggravated to a situation that the industries are compelled to purchase power via Energy Exchanges, from the National Grid, which is not always economical. Currently Industry is purchasing 15-20% of its power requirements from the open market at double prices. This is leading to adverse impact on viability & profitability of operations of these sectors.

Therefore, it was represented to the Government that a rational approach based on proportional allocation of coal may be undertaken so that industrial production and hence, the country's economy is not adversely affected. This was submitted to Secretary, Ministry of Coal.

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

Allocation of Coal Linkage for Power Supply to Solar PV Module Manufacturing

To promote and develop solar module manufacturing units, it was requested to Ministry of Coal for providing necessary support and policy guidelines for the entire value chain of solar PV manufacturing in regard the following:

1. Allow existing coal-based Power Plants having Linkage to utilize the linkage for supplying Power to Solar Module manufacturing Units.
2. Allocate new linkages, under special category, at concessional Notified Coal Prices to Power plants supplying power to Solar Module manufacturing Units.

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

FICCI Representation on Draft Electricity (Amendment) Rules 2022

A Notification on Draft Electricity (Amendment) Rules, 2022 was published by Ministry of Power on 12th August 2022 and had invited comments/suggestions from the stakeholders. FICCI made a Representation to Ministry of Power on the Draft Rules based on the inputs received from the Industry.

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

Issues under GST Regime

Issue- Exemption from Compensation Cess- Merchant exporters can procure goods from domestic suppliers at concessional rate of GST [0.10%] with condition to export these goods within 90 days from the date of issue of tax invoice. In case of supply of specified goods on which compensation cess is applicable, domestic supplier is liable to pay full compensation cess, there is no exemption from compensation cess as in case of SGST/IGST/CGST, resulting in blockage of fund for merchant exporter.

Recommendation- It is recommended to issue suitable notification for giving exemption from compensation cess also on the similar line of exemption as given from CGST/IGST.

Issue- GST Audit- At the time of conducting GST Audits, the Audit authorities seek certain data/documents from the assesses which are typically not being maintained by the taxpayers at large. For instance, state-wise trial balance, which is not maintained.

Recommendation- It is recommended that a Circular is issued clarifying the checklist of documents that have to be maintained by the assessee and to be verified by the authorities, in order to ensure a smooth flow of audit and in a uniform manner for all states. Formats for maintenance of such records may also be recommended.

Issue- Issuance of credit note for reissue of invoices - Section 34 of the CGST Act only covers specific scenarios for issuance of credit note such as deficiency of services, sales return or change in taxable value or tax charged and does not cover instances such as reissue of invoices on a different date because of procedural errors in the invoices or other commercial compulsions or cancellation of contracts (where services have partly been provided).

Recommendation- To avoid unnecessary litigation, it is recommended to amend Section 34 of the CGST Act to include situations such as rectification of procedural errors or cancellation of contract where part services have been provided.

These were submitted to Chairperson, Central Board of Indirect Taxes and Customs, Ministry of Finance.

For detailed recommendation, please write to
Ms Ira Khanna at ira.khanna@ficci.com

Request for clarifications in respect of cross charge from Head Office/Corporate Offices to other branches

Background- Advance Rulings in the case of Columbia Asia Hospitals Private Ltd. and Cummins India Limited has given rise to the confusion in the industry due to ambiguity around the requirement of Cross Charge from Head office to various branches over and above the allocation of common credits on services received at Head Office via ISD mechanism prescribed under the law.

Issues- A]-If a company is already following ISD model for allocation of ITC on externally procured services to branches, whether it is also required to follow cross charge mechanism for allocation of internal costs incurred for performing functions of head office?; B]-If a cross charge is required for allocation of such internal costs, which costs elements should be included in that? For instance, whether employee cost, financing costs etc. incurred at Head office which are non-amenable to GST should be included in the value of cross charge?; C]-Given it qualifies as related party transaction, what should be the correct valuation mechanism to arrive at the value of service for each location and whether any mark- up should be added to the costs incurred at Head Office for arriving at such value.

It is recommended to issue clarifications on:

- Once the ISD model is being followed by the company for allocating the credit on common services received at HO, there is no need for any separate cross charge for internal costs incurred at Head office.
- Even if such cross charge has to be done, employee's costs, interest costs etc, which are not amenable to GST should be kept out of the value of cross charge.
- For companies having exempt turnover not exceeding the di-minims threshold (to be prescribed in this regard), value declared on the invoice can be taken as the open market value.

These were submitted to Chairperson, Central Board of Indirect Taxes and Customs, Ministry of Finance.

For detailed recommendation, please write to
Ms Ira Khanna at ira.khanna@ficci.com

Maintenance of Capital Adequacy Ratio ("CRAR Ratio") for Housing Finance Companies ("HFC") | Determination of Risk Weighted Assets for certain off-balance sheet commitment (i.e. undisbursed home loan)`

As per Master Directions for NBFC – HFC, one of the key regulatory requirement on a HFC is maintenance of Capital Adequacy Ratio (CRAR) on continuing basis. A key constituent to arrive at CRAR is value of risk adjusted Off-Balance Sheet assets, for an HFC the value of "Undisbursed amount of housing loans/ other loans" is usually the major figure. "Undisbursed amount of housing loans/ other loans" has been assigned a Credit Conversion Factor of 50%. Post conversion the credit equivalent amount is multiplied by risk weight assigned as per entity to which Company has exposure. Due the proposed changes the on-Balance Sheet housing loan amount is carrying a risk weightage of 35% whereas Off-Balance Sheet housing loan amount (which is un-disbursed) is carrying a much higher risk weightage. This is leading to a situation wherein higher capital charge is required by the HFC for un-disbursed loan vis-à-vis disbursed loan. FICCI has suggested that the risk weight assigned for the un-disbursed portion of loan should be the same as is applicable on disbursed portion. This was submitted to Chief General Manager, Department of Regulations, Reserve Bank of India, Mumbai.

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

Feedback on Exposure Draft IRDAI (Expenses of management of insurers transacting general or health insurance business) Regulations, 2022

In response to IRDAI's draft on Expense of Management limit and reporting, Industry has shared its recommendations and suggestions. Some of the highlighted ones are listed below -

- FICCI has requested the Authority should consider giving some flexibility on the average of the percentage of actual expenses of management on gross written premium, subject to a cap of the overall EoM limit of 30%. Further, IRDAI should provide guidance calculation of 'Average' for the purpose of determining the "Expense rate". Whether such determination and evaluation would mean average of EoM percentages for 3 years or average 3 year EoM divided by average 3 year GWP.
- Industry has also requested flexibility in the expense incurred for government backed policies such as PMSBY, PMJAY & PMFBY for rural areas.
- Industry has welcomed IRDAI move of including expense incurred on InsureTech but requested clarity on the definition of InsureTech to understand its coverage and impact.
- FICCI has suggested that the percentage of market share as recognized for forbearance under the regulation should be increased from 1.5% to 3%. It is further suggested that limit on duration of business up to 10 years should be removed.

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

FICCI Comments on the Consultation Paper on 'Need for a new legal framework governing Telecommunication in India'

With the emergence of technological developments, IP based data services have become the primary driver to provide seamless services be it telecommunications, Broadcasting and IT sectors, which hitherto used to be considered distinct from each other will drive the digital society of the future and ultimately benefit both Indian citizens and businesses. In view of the same, FICCI members shared their comments on the DoT Consultation Paper on the topics like: Simplification of the Regulatory Framework, Spectrum Management, Right of Way, Framework for Mergers & Acquisitions, Provisions pertaining to insolvency, Expanding Scope of USOF, Penalties, Standards, Public Safety and National Security. These were submitted to Department of Telecommunications.

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

Recommendations made to DGFT during Board of Trade Meeting

The below suggestions were submitted to the DGFT during the Board of Trade Meeting

1. Making Exports Competitive
   a. Enhancing the scope of RoDTEP to include hitherto excluded sectors (Iron & Steel, Organic & Inorganic Chemicals, Pharmaceuticals and Fertiliser). These sectors are important to accelerate the growth of our exports, which is possible only if we ensure that these remain competitive against the global peers.

- The benefits may also be made available for SEZs, EOUs, Advance Authorization.
- Where necessary, the rates may be revisited and revised upwards.

   b. Introduce WTO-compliant schemes to boost services sector exports, with a focus on newer markets.

- Greater emphasis must be placed on pandemic-affected sectors such as tourism, hospitality, construction, education and healthcare to enhance the competitiveness of the India's service sectors.

2. AatmaNirbhar Manufacturing - One District One Product (ODOP) & Districts as Export Hubs (DEH): ODOP & DEH is expected to be a game changer for Indian exports as it aims to increase production of traditional products and establish them as global brands. This initiative is changing the lives of the people of the country by creating local employment and income at the bottom of the chain, contributing significantly towards "AatmaNirbhar Bharat".

- To realise full potential of the scheme, it is suggested to expand the scheme by increasing partnership/activities with regional/state-level/local chambers together with regional export promotion agencies. More outreach programmes, capacity building programmes, exhibitions, training programmes and workshops should be organised to widely disseminate about the scheme and improve the quality and reach of the products.

3. Greater Market Access There is a need to diversify our product

basket (moving towards value added and technology products), increase exports share in existing markets, as well as add new markets in order to reach the target of $ 1 trillion exports each in goods and services. This requires creating enabling policies for India's integration into the Global Value Chains as today it is the main driver of both trade and investment.

a. An institutional mechanism for Global Market Intelligence for MSMEs is desirable. Regular market studies, sector-specific studies, trends and dynamics of trade, trade barriers, market entry opportunities, etc can be provided through an Information Portal.

b. E-Commerce: E-commerce exports can help MSMEs integrate into global value chains and also enhance exports. The export potential of e-commerce in India is yet to be realized completely due to issues related to costs of onboarding and compliance.

- Establishing dedicated customs clearance lanes will enable faster clearance of time sensitive e-commerce exports shipments. Anecdotal evidence suggests that on exports through air, it takes ~2 days and for exports through sea it takes ~4 days for customs clearance due to multiple issues including documentary compliance, congestion at cargo complexes, warehousing challenges and manual processes. A dedicated clearance lane for ecommerce exports will help improve efficiency.

c. Develop a blueprint to facilitate expansion of services exports (other than IT/ITeS) to destinations other than the traditional markets of the US, UK, and EU. This requires India to formulate a services export strategy focused upon promoting outward investment as currently almost 60% of global services exports follow the FDI route (Mode 3).

4. Ease of Doing Business - Streamline the Platforms: To complete a single trade transaction, currently the businesses have to visit multiple portals from DGFT, Customs, multiple PGAs, shipping lines, logistics providers, etc. It is recommended to develop block chain platforms integrating Customs, DGFT, ports, banks and shipping companies under one portal. This will reduce cost and time, bring more transparency and visibility on a real time basis.

For detailed representation, please write to
Ms Pragati Srivastava at pragati.srivastava@ficci.com

FICCI Codex Cell nominations for codex Coordination Group (CCG) for EWGs related to CCPR – reg

FICCI Codex Cell submitted to NCCP the list of officials for codex Coordination Group (CCG) for EWGs related to CCPR – reg.

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

CIFTI–FICCI Representation on FSS (Food Products Standards and Food Additives) Regulations, 2011

In the submitted representation to FSSAI, FICCI share comments on the food category 2.9.30, Edible Common Salt, wherein FICCI requested to add the clause as, "Salt in crystal form shall not contain moisture in excess of nine per cent of the weight of the undried sample."

We proposed this based on the following:

- FSSAI standards for edible common salt is applicable to all type of edible common salt include salt in powder form and crystal form with moisture limit of Max. 6%.
- Crystal salt is manufactured by sun dry method and pre-packaged, traditionally it stored in external environment (outside the retail store) in south India, and it accumulate moisture/humidity from environment. Max.6% moisture is stringent for crystal salt, and it increase up to 9% in heavy monsoon season.
- Reason, salt has a high capacity to absorb water from the environment. Mainly because of salt's hydrophobic property and having positive and negative charges on it and they attract the opposite charge on atmospheric water.
- Powdered salt has even structure, free flowing form and crystal salt has uneven structure have sharpen edges which make invisible hole in package material used (viz., PA, LDPE, HDPE, other combinations) and have more contact to external environment while storage.
- Internationally, Moisture requirement is not specified for edible common salt, and it evaluate salt basis its purity on dry basis: (i) Codex standards for Salt (CODEX STAN 150-1985), (ii) Singapore standards for salt (211), Canada standards for Salt (B.17.001 (1) [S]. Salt).

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

Request extension of timeline for implementation of the Legal Metrology (Packaged Commodities) Amendment Rules, 2022 (dated 28th March 2022) w.r.t unit sale price

In the submitted representation on the request of extension of timeline for implementation of the Legal Metrology (Packaged Commodities) Amendment Rules, 2022 (dated 28th March 2022) w.r.t unit sale price, with reference to the gazette notification dated 28th March 2022 related to the Legal Metrology (Packaged Commodities) Amendment Rules, 2022, we appreciated the extension of six months provided by Legal Metrology Department for the smooth implementation of Unit Sale Price. However, with the advent of wide-ranging labelling changes brought parallelly in FSS (Labelling and Display) Regulations by FSSAI and Legal Metrology division, FBOs have been trying to accommodate all the changes including insertion of USP at one go.

Industry is doing their level best to manage old inventories and integrating new labels to reduce wastage of packaging material to a minimum, the multiple labelling compliances advocated at different points of time in the course of last one year, is impacted industry efforts in implementing updated labelling compliances from the respective effective date i.e., 1st Oct 2022.

We also stated that FSSAI and various other governing bodies has also granted extension in the timeline for implementation of all the labelling changes, in order to ease the business.

We also highlighted that there is a huge old inventory which is still left even after 6 months extension. The reason for industry's inability to exhaust all old inventory in due to various reasons like:

Seasonal food products, for which the minimum packaging material (PM) order quantity is very high, and they last for more than a year.

PM manufacturing units are limited in our country and changing food products label often instil operational difficulty in execution.

- Major requests have come to us from MSMEs, and SMEs have more than 50% hold in food processing industry and the implementation timeline of 9months was very short and unworkable.
- Further, the FAQs published by your esteemed office on 11th April 2022 specific to Unit Sale Price, envisaged exemption from USP declaration for certain packs which inter-alia include smaller pack sizes (≤100) and packs having MRP of Rs. 35 or less. Accordingly, labels of such pre-packaged commodities were developed devoid USP declaration, while ironically, such an exemption was done away with vide the FAQs on the entire LM (PC) Rules, 2011 published on 9th May 2022. For this reason, the inventory of such pack labels (which was freshly indented then) devoid USP declaration is also lying at factories pending to be exhausted, while the new set of laminates with USP declaration have to be connected (as many of such smaller packs are not amenable to on-line coding but have to be re-designed afresh with pre-printed USP declaration).

In view of the above, we request the ministry to kindly consider an extension of at least another 6 months for food products up to 31st March 2023.

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

CIFTI-FICCI Representation on seeking the clarity and common date of implementation for Infant FSMP

In the submitted representation, following submission has been done to BIS:

i. Revised Scheme of Inspection and Testing to be made available asap AND / OR clarification to be provided that old Scheme of Inspection and Testing with new test methods as per IS standard can be used.

ii. IS number of the standard should be made available asap (label printing takes at least 30-45 days prior to production). Hence Industry won't be able to implement from 1st October,2022.

iii. Clarity if license no will change or not. If license no is to change, then 1st Oct timeline seems impractical.

iv. We also request BIS to kindly align internally at government level with FSSAI for a common date of implementation.

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

CIFTI-FICCI Representation on practical difficulty in complying to the Tolerance criteria of ± 20 percent of the declared value of the Nutrient in Nutrition Information

In the submitted representation, we requested FSSAI to amend the tolerance criteria in accordance with the proposal as mentioned below:

i. <= 120 percent of the declared value of nutrients for Calories, Total sugars, Added Sugars, Sodium, Total Fat, Cholesterol, Saturated Fat, Trans Fat and any other nutrients to limit.

ii. >= 80% of the declared value of nutrients for Vitamins, Minerals, Carbohydrate, Protein, Dietary Fiber, Polyunsaturated Fats, Monounsaturated fats and any other nutrients to encourage.

Provided that where Sodium is <0.5g/100g /100ml the tolerance is (+/-) 0.15g

In addition to above, due considerations to be given to the aspects of analytical variability of nutrients in a specific food matrix, natural high variation of the nutrient, including seasonality, validity of the manufacturer's process for establishing the declared value etc when the measured value is outside the tolerance for the declared value.

In case this needs time and further discussion, then the tolerance criteria to be amended by reverting to status quo as was stated in Oct 2021 direction which is as under:

"The compliance to the quantity of declared nutrients on the label shall be according to established practices."

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

CIFTI-FICCI Representation on DRIED ICE CREAM MIX - SPECIFICATION (First Revision of IS 7839): FAD 19 (18794)

In the submitted representation, we have requested BIS to amend certain clauses in IS 7839 in order to broaden the scope of dried ice cream mix preparation and harmonise with FSSAI w.r.t additives and microbiological requirements.

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

CIFTI-FICCI Representation on Seeking the data on colours other than sunset yellow, which can be converted into aluminium lakes and its current industry practice-reg.

In the submitted representation, FICCI responses on the queries asked by FSSAI on 'Seeking the data on colours other than sunset yellow, which can be converted into aluminium lakes and its current industry practice.'

FICCI submitted the additional information on the following:

(i) The data on colours other than sunset yellow, which can be converted into aluminium lakes and its current industry practice.

(ii) Regulatory Status with the relevant regulations along with the documentary evidence.

FICCI submitted the list of Lake colour Allowed as per European Union, Lake colour Allowed as per 21 CFR Part 82 (USFDA). We requested FSSAI to precisely allow the Lakes colours.

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

FICCI Representation to Gujarat Urban Development & Urban Housing Dept. and R&B Dept, Govt of Gujarat

On behalf of all our industry members, more specifically those having their units in Changodar industrial belt, we take this opportunity to apprise your good office regarding hardships & challenges faced by them on a daily basis. The units are spread across various industrial estates like Changodar Industrial Estate, Pushkar Industrial & Logistics Park, Kalptaru Industrial Estate, Shivam Industrial Park etc. There are independent large-sized industrial units as well.

The challenges are arising from deteriorated road condition due to various road infrastructure works/projects underway since over 3 years, resulting into grave traffic congestion at the following routes/junctions:

1. Service roads of under construction AUDA RoB on Sardar Patel Ring Road from Sanathal to Shantipura Circle.
2. Under construction RoB on NH 8A at Moraiya village.
3. Under construction RoB at Ujala Circle on S G Highway.

Various suggestions vis-à-vis probable solutions to this situation have also been received from them and was submitted to The Principal Secretary, Urban Development & Urban Housing Department, Government of Gujarat and R & B Department, Government of Gujarat:

- Fast completion of AUDA RoB from Sanathal to Shantipura circle. Carpeting and strengthening of service lanes on both sides of RoB on priority. Fixing drainage overflow issue near Shantipura circle.
- Providing adequately widened, carpeted service lanes on both sides at Moraiya RoB prior to resuming further construction work.
- Existing Moraiya village road connecting Shela-South Bopal-Ghuma Road to be strengthened as it has potential to act as an alternate route for a large part of daily commuters.
- Widening of existing service road at Ujala Circle as it is highly permissible given site situation there.

For detailed representation, please write to
Mr Pankaj Tibak at pankaj.tibak@ficci.com

Request for Inclusion of Dahej – Bharuch Road (connecting to DMIC/ DFC) under SAGARMALA Programme

Problems faced in Dahej Region: With the increase in the growth of no. of industries in the Dahej region, day by day, there seems. to have a tremendous or fourfold surge in the traffic movement due to the plying of Buses/ private vehicles as well as Product vehicles on the road i.e. on the State Highway (SH-6) connecting Bharuch to Dahej. However, the road infrastructure & its present conditions desired to accommodate this surge in traffic movement didn't sufficing to the present requirement causing delay in transit time, traffic congestions, accidents, health hazards, etc.

Submission of request to the Minister:

1) Inclusion of Dahej - Bharuch road ""42Kms under Sagarmala Project (as Port Connectivity Enhancement).

   In India, connectivity is mainly based on surface transport i.e. road and rail, smooth connectivity to Industrial Hubs/ Ports is even more important under economic point of view. We Salute, Govt. of India endeavour in providing enhanced connectivity between the ports and the domestic production/consumption centers through Dedicated Freight Corridors, Industrial Corridors, various projects especially the Sagarmala Programme envisioned for ""Port led prosperity"", a true inspirational programme in enhancing connectivity to various ports through Infrastructure development & thereby inducing port-led industrialization.

   As a matter of fact, Dahej region is having large Captive Jetties, for handling cargo, equipment's, etc. thereby the logistics movement of these cargo to other destinations via road is through this Dahej-Bharuch Road only. The various captive jetties are:

   Dahej Harbour Infrastructure Limited (Birla Copper), Gujarat Chemical Port Terminal Company Limited (GCPTCL).

   Petronet LNG Limited, Reliance Industries Limited (RIL), Petronet Adani, Isgec Hitachi Zosen Ltd., Godrej & Boyce Mfg. Co. Ltd., Ro-Ro Terminal.

2) Eight Lanning of Dahej Bharuch road to cater increased cargo load / traffic movement:

   The tremendous upsurge in the cargo movement, product vehicles movement from Dahej area to hinterland destination across other states increased manifold causing delay in transit time, traffic congestions, accidents, health hazards, etc. However, the present road infrastructure & its perennial bad condition of State Highway from Bharuch - Dahej is found to be inadequate & unworkable to handle the increased traffic load /movement.

For detailed representation, please write to
Mr Pankaj Tibak at pankaj.tibak@ficci.com

Pre-Monetary Policy Consultation

The following suggestions focusing on Priority Sector Guidelines & MSMEs were made to the Central Bank:

1. Increase of Bank Loan limit to NBFCs & HFCs for On-lending: It has been proposed that RBI increase permissible limit of PSL achievement through on-lending to NBFC be increased from current 5% to 10% of Adjusted Net Bank Credit (ANBC), to align with the proportion of banking credit to NBFC in the overall banking credit.
2. Revision in Sanction limit for Agri Processors / Export Finance: Increase PSL eligible sanction limit for agro/food processors from current Rupees 100 Cr to Rupees 500 Cr. Increase sanction limit for PSL eligible export finance from Rupees 40 Cr to Rupees 100 Cr.
3. Create a special category of Climate Sustainability Finance.
4. Reduction in Cash Margin: There is a need to arrange additional funds for MSMEs and hence it is suggested that banks be asked by the RBI to reduce the cash margin from 25% to 10-15%.
5. Change in Classification Norms of MSMEs for NPAs: It has been recommended that the 90 days limit fixed by RBI for classifying overdue of MSMEs be increased to 180 days so that MSMEs are not constrained to divert their working capital towards servicing of their loan-instalments and clearing of their over dues at the cost of normal business operations.
6. Special purpose credit scheme for setting digital infrastructure for micro enterprises: Any small business with turnover of up to INR 5 crore should be able to avail a special purpose loan from banks to set-up or scale up its digital infrastructure. Benefits may include interest subvention, extended moratorium period etc. Loans for this objective can be promoted under PSL.

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

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