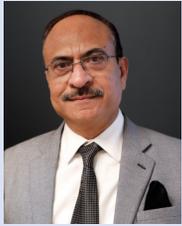


VOICE OF FICCI



SHAPING THE AGENDA

January 2023



From the
Director General

During January, FICCI made several important recommendations to the various ministries and departments of the Government. Welcoming the simple, effective, and adaptive framework of the Ministry of Electronics and Information Technology for the Digital Personal Data Protection Bill (DPDPB), FICCI's task force on Privacy and Data Protection submitted the views of its members on the draft Bill to the Ministry. The comments were given along the lines of protecting consumer rights over their data, encouraging innovation and entrepreneurship without onerous compliance overheads and being adaptive and responsive to a fast-changing technology- and data- landscape.

Further, the Ministry of Corporate Affairs had called for a meeting on 20th January 2023 to review the industry's suggestions on Companies (Significant Beneficial Owners) Amendment Rules, 2022, under the chairmanship of Mr Manoj Pandey, Joint Secretary, Ministry of Corporate Affairs. Based on the discussions, the Federation submitted its inputs to the Ministry.

In addition, the Chamber shared its suggestions and recommendations for Renewable Energy Policy. The proposals include- a declaration of storage policy by the respective authority; no restriction on capacity installation; allowing the consumers to install hybrid projects irrespective of the contract demand; 50 per cent exemptions on the applicable wheeling and transmission charges; exemption of the Electricity Duty for the captive as well as third party users for the Renewable Energy during the new control period of the policy among others. These were submitted to the Principal Secretary, Energy and Petrochemicals Department & Chairperson, GUVNL, Government of Gujarat.

While listed above are some of the significant suggestions made by FICCI during the month, we are drafting more suggestions and policy recommendations over the next few months. Meanwhile, the country is recording some new suspected COVID cases, implying that while the worst is behind us, we should not let our guard down and stick to COVID-appropriate behaviour. So stay healthy and happy reading!

Arun Chawla

FICCI members recommendation letter regarding CDR/IPDR storage requirements

The recommendation was in reference to the license amendment wherein DoT has mandated Telecom Operators to store CDR/IPDRs for a period of 2 years (instead of 1 year). Given that the revised IPDR requirement increases the storage requirement by multiple times as even for the same session, IPDR of hundreds of transactional traffic needs to be recorded within the same session due to the requirement of recording destination IP and port, FICCI submitted its members' recommendation to DoT regarding CDR/IPDR storage requirements and challenges associated with the same. This was submitted to Department of Telecommunications.

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

FICCI Comments on Draft Digital Personal Data Protection Bill - 2022

Welcoming, MeitY's simple, effective, and adaptive framework for the Digital Personal Data Protection Bill (DPDPB), FICCI's task force on Privacy and Data Protection submitted FICCI's member's views on the draft Bill. The comments were given along the lines of Protecting consumer rights over their data, Encouraging innovation and entrepreneurship without onerous compliance overheads and Being adaptive and responsive to a fast-changing technology- and data- landscape. These were submitted to Ministry of Electronics and IT.

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

Proposals pertaining to Hydrocarbon Sector

Removal of levy of Special Additional Excise Duty (SAED) on Petroleum Crude - A recent development which has adversely impacted domestic Exploration and Production industry is imposition of SAED on Petroleum Crude as a "windfall gain tax" on oil companies. This SAED is putting a burden over and above all existing levies.

Recommendation - It is recommended that SAED should be removed or if there is need to continue the levy for some time as an extraordinary measure then the rate be changed to ad-valorem levy of 20% of incremental crude price over USD 100."

Remove National Calamity & Contingent Duty alongwith Basic Excise Duty - NCCD on tobacco products and crude was announced in the Budget of 2019. Further BED of 'Rs 1 per tonne' on domestic production

'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.

of crude was added. Imposition of NCCD and BED on production of domestic crude in the background of crude oil not under the ambit of GST has created hardships to industry by substantial stranding of taxes.

Recommendation - It is recommended that NCCD along with BED on production of domestic crude oil be removed with immediate effect.

Provide Upfront Exemption on Duties of Excise on HSD - With the introduction of GST w.e.f. 01.07.2017 exemption of Excise Duty on procurement of HSD was withdrawn for domestic operations. However, since import of HSD under a specified good category for petroleum operations were at zero customs duty, excise duty paid on domestic production was eligible for deemed export benefit under Foreign Trade Policy. However recently HSD was pruned from specified goods list, resulting in non-eligibility of zero custom duty on import or the deemed export benefit.

Recommendation - It is recommended that upfront exemption on procurement of HSD required for petroleum operation be provided without any condition. 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

Delay in disposal of cases by Competition Commission of India

FICCI has submitted that currently the CCI has only two members, one of which is officiating as Chairperson. Given the inability of Commission to pass any orders in absence of requisite quorum, the Commission can only perform advocacy functions, while holding other functions in abeyance. As a result, timely discharge of Commission's orders on proposed corporate combinations has been affected and many of India Inc.'s activities relating to mergers, amalgamations and acquisition worth billions are on hold for close to three months now. The inability to adjudicate is also affecting the time-bound resolution process of certain companies under the Insolvency & Bankruptcy Code. Many corporate insolvency resolution plans are referred to the Commission for approval by the National Company Law Tribunal. In absence of a properly constituted Commission, such approvals are pending. Therefore, FICCI has requested for Government's urgent intervention for resolving this issue. This was submitted to Finance Minister; Principal Secretary to PM; Secretary, MCA.

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

Review of Takeover Regulations

SEBI had recently constituted a Committee on Review of Takeover Regulations. Mr Sunil Sanghai, Chairman, FICCI's Capital Markets Committee represents FICCI on this Committee. FICCI has submitted a detailed note to CGM, SEBI, with suggestions for an effective and simplified Takeover Code.

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

Andhra Pradesh Government CSR issue

An Order issued by Government of Andhra Pradesh has made it mandatory for companies to spend their CSR funds on education and

health sectors of local felt needs. The Order lays down detailed guidelines regarding the manner of spend and utilisation of CSR funds, which would be collected from companies by the State Government, either through the District Collector or 'Connect to Andhra' initiative. It also includes measures that District Collector/Connect to Andhra initiative would undertake for approval of projects, release of funds, maintenance of records and coordination with executive departments for effective implementation of the project. FICCI has submitted that some of the companies have multiple year, on-going CSR projects such as slum area development, R & D projects, which require long term commitments and it would be difficult for companies to deviate funds away from such projects mid-way. Further, companies are permitted, through their CSR Policy, to discharge their CSR obligation in areas enumerated under Schedule VII of the Companies Act. Therefore, guidance has been sought from the Ministry on ensuring compliance with the said Order. This was submitted to JS, MCA.

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

Draft Companies (Significant Beneficial Owners) Amendment Rules, 2022

A meeting was called by the Ministry of Corporate Affairs on 20th January 2023 to review industry suggestions on Companies (Significant Beneficial Owners) Amendment Rules, 2022. This was chaired by Mr Manoj Pandey, JS, MCA. Based on the discussions held, FICCI submitted its inputs to the Ministry in writing.

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

CIFTI -FICCI representation on FSSAI Draft notification on FSS (Food Products Standards and Food Additives) Amendment Regulations 2022

In the submitted representation, FICCI submitted comments on the FSSAI Draft notification on Food Safety and Standards (Food Products Standards and Food Additives) Amendment Regulations 2022 related to Palm Oil, Meat Sausages, Dehydrated Tarragon, Color Preparation, Indian Mithais and Namkeens, dated 3rd November 2022. We submitted our comments on various clauses of the notification which includes:

- 2.5.2.2.A. Meat Sausages
- 2.9.43 Dehydrated Tarragon; (1) Dehydrated Tarragon, whole and powder
- Standards for Indian Mithais and Namkeens
- Food Colour - Preparation and Mixtures
- Table 11 A relating to Enzymes derived from Genetically Modified Microorganisms (GMM)

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

Request for comments on circular letters under consideration of CCNFSDU43 (CL 2022/74/OCSNFSDU)

In the submitted representation, FICCI Codex Cell submitted comments on the "CL 2022/80/OCS- NFSDU", wherein we submitted comments on

the various below mentioned additives:

- Low acyl clarified gellan gum (INS 418)
- Ascorbyl palmitate (INS 304)
- Mixed tocopherol concentrates (INS 307b)
- Phosphates (INS 339(I), 339(ii), 339(iii), 340(i), 340(ii), and 340(iii))

For detailed representation, please write to

Mr Abhinav Singh at abhinav.singh@ficci.com

CIFTI – FICCI representation on “FSSAI Draft Notification on FSS (Genetically Modified Foods) Regulations, 2022”

In the submitted representation, FICCI submitted comments on the FSSAI Draft Notification on FSS (Genetically Modified Foods) Regulations, 2022, wherein the major proposal are:

We propose to revise Sub-regulation (2) of regulation 1© as: Food/ Food ingredients produced from but not containing genetically modified organisms obtained through modern biotechnology. It includes ingredients/ additives/ processing aids etc. derived from GMOs.

We propose addition of below Note under Short title and commencement as: Note*- Food and food ingredients which are manufactured by using a genetically modified ingredients / additives / processing aids etc. covered under clause 2(c) of sub-regulation 1 of this regulation will not be considered a genetically modified food/ingredient and hence will not require further approval.

We propose inclusion of certain clauses under the Product Approval clause.

For detailed representation, please write to

Mr Abhinav Singh at abhinav.singh@ficci.com

CIFTI-FICCI Representation for seeking clarity on the order regarding registration of Foreign Food manufacturing facilities and also seeking appointment for meeting on this extremely critical agenda

In the submitted representation we seek clarity and an extension on the FSSAI order dated 10th October 2022, related to the requirement of registration of Foreign Food manufacturing facilities as per Food Safety and Standards (Import) First Amendment Regulations, dated 03rd Nov, 2021.

In view of this we seek clarity on Product category and the food ingredient / intermediate products falling under food category 99 are also not in scope of the said order. Further we also seek an extension of 6 months i.e., till 1st August 2023.

For detailed representation, please write to

Mr Abhinav Singh at abhinav.singh@ficci.com

FICCI Suggestions and Recommendations for Renewable Energy Policy

- Eligibility may be defined as RE projects for Captive use or group captive and /or for selling of electricity to Obligated Entities i.e. Distribution Licensees or any other Third Party or under REC Mechanism, both within Gujarat and/or outside Gujarat to facilitate Intra State Transmission System as well as Inter State Transmission System (ISTS) category Projects
- No restriction should be imposed related to capacity installation. Irrespective of contract demand, consumers should be allowed to install hybrid projects.
- Group captive in line the Electricity Rules, 2005, should be allowed.
- Storage policy to be declared by the respective authority.
- 50% exemptions on the applicable wheeling and transmission charges should be provided.
- The other open access charges should be in line with the Electricity (Promoting Renewable Energy through Open Access) Rules, 2022.
- The Electricity (Promoting Renewable Energy through Open Access) Rules, 2022, has directed that at least monthly Banking should be allowed to all RE open access transactions. SERC's/ State Governments after considering the situation the different parameters can also increase the banking period. Considering the above, Yearly Banking to the hybrid projects should be allowed.
- The exemption of the Electricity Duty for the captive as well as third party users for the Renewable Energy during the new control period of the policy.
- The blending ratio provisions related to the wind solar hybrid should be clearly mentioned in the policy.
- GERC time to time issuing the Tariff and other related issues and the applicability of the tariff order is generally on the financial year basis i.e. from April to March. In addition to this we are requesting to align the control period of the Wind solar policy control period on a financial year basis, so that there will not be any gap in the tariff orders principles and the policy terms.

These were submitted to Principal Secretary, Energy and Petrochemicals Department & Chairperson, GUVNL, Government of Gujarat.

For detailed recommendation, please write to

Mr Pankaj Tibak at Pankaj.tibak@ficci.com

State Pre-Budget Memorandum (Rajasthan)

Inputs for the forthcoming State Budget were submitted based on the feedback received from members to State Level Tax Advisory Committee, Government of Rajasthan.

For detailed representation, please write to

Mr Atul Sharma at atul.sharma@ficci.com

**For more details contact FICCI Membership at:
tripti.kataria@ficci.com/9818000591**