VOICE OF FICCI

SHAPING THE AGENDA

January 2021

From the Secretary General

Over the course of last year, the government did a commendable job in terms of balancing the immediate challenges and tending to growth imperatives. After an extremely challenging and active year in terms of policy making, the government shifted its focused on the Budget. The country, and specifically India Inc, was hoping to see a continuation of this approach. And the government did not disappoint!

The Budget presented was outstanding on many counts. It was growth-oriented, laid a strong foundation for an Atmanirbhar Bharat. It chose growth over fiscal consolidation and yet provided a glide path to reduced fiscal deficit; there was a sharp focus on capital expenditure; focused on steps on improving the Ease of Doing Business and encourage compliance. An important aspect was that no new taxes were levied.

Besides interaction on budget related issues, FICCI, has been recommending special focus on sectors that are important for the long-term revival of the economy.

While the Indian agritech has demonstrated benefits to farmers and value chain players, the penetration of agritech solutions, however, remains below 10%. FICCI has requested for a Policy push to make Indian Agritech accessible to farmers.

President FICCI, in the pre-policy meeting of trade bodies organised by the RBI, has suggested for strengthening NBFCs; consider including loans extended to such agritech companies as part of the Priority Sector Lending under Agriculture; enhancing limits on loans disbursed through OTP-based e-KYC in the fintech sector; RBI and Government to promote SoftPoS, among others.

Also, in recommendations to the Ministry of Finance, the Chamber has submitted to allow corporates to use their CSR money for start-up funding, either directly or through SEBI registered Funds. While CSR does do social good to the society, investment in start-ups will create millions of direct and indirect jobs, provide industry mentorship by the corporate world and access to the market and capital too. At present, CSR money can be routed through state-sponsored incubators only. This scope needs to be widened by allowing corporates to either invest directly or SEBI registered funds.

FICCI continued to interact and provide suggestions on the PLI schemes as well took up a number of other industry issues.

We believe that the government will continue to take steps towards building a New India that will guide the nation to move in the direction of a US$ 5 trillion economy.

Dilip Chenoy

Areas of cooperation amongst BRICS in context of Industry 4.0

With reference to cooperation amongst BRICS, the following recommendations were shared with the Office of Economic Adviser, DPIIT, Ministry of Commerce and Industry:

1. BRICS Digital Knowledge Hub
2. Periodic Joint Research on Future Skills Demand
3. Digital Education and Literacy
4. Joint Research & Development
5. Digital Health
6. Cyber Safety and Security
7. Collaboration in 5G Technology
8. Strengthen linkages between Information Technology and Industry
9. BRICS Centre for Manufacturing Technology
10. Industry 4.0

For detailed recommendation, please contact
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Rajasthan Pre-budget Memorandum

Pre-budget Memorandum prepared based on the inputs received from members and submitted to Chief Secretary, Govt of Rajasthan; Mr Akhil Arora, Principal Secretary– Finance, Excise & Taxation, Government of Rajasthan.

For detailed recommendation, please contact
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Representation in reference to Draft Notification 2020 for Grid Interactive Distributed Renewable Energy (solar photovoltaic) systems and the Electricity (Rights of Consumers) Rules, 2020 of Ministry of Power, Government of India

Under the recent announcement of Ministry of Power for the promulgation of Electricity (Rights of Consumers) Rules, 2020 and by correlating it with the RREC draft notification. The outcome is summarised as under: -

1) It empowers the consumer to get electricity 24×7 (except for exceptions like agriculture), and power connection within prescribed timeline with a more responsive role as distribution companies (DISCOMs) set up round-the-clock call centres mandatorily, besides online customer relationship facilities.
2) It has a different dimension as regulations for grid-interactive solar rooftop systems are net- net metering for loads up to 10 KW (kilowatt) and for gross metering for loads above 10 KW.

'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.

FICCI submits that shift to gross metering, per se, is not an issue. However, the unviable feed in tariffs (FIT) for gross metering being considered by states for rooftop solar energy is detrimental to the solar rooftop segment. Understanding the requirements for protecting the discom interests and believing gross metering can work, provided it is made viable. Until these issues pertaining to gross metering are resolved, states should restore the provisions for net metering. This was submitted to Chairman, Rajasthan Electricity Regulatory Commission

For detailed representation, please contact
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Amendments in the Indian Copyright Act, 1957 proposed by Government

The Copyrights Office, through communication in October 2020, invited industry inputs on the proposed amendments to the Indian Copyright Act, 1957. It stated that due to the changes brought about by COVID-19 pandemic, the creative industries were now performing and evolving with the increased use of the internet, digitalization, and a growingly globalized market for digital contents. Notably, in the era of digitization, creation of digital contents enabled by AI is an important development that urgently require assessment in the context of the Indian Copyright Act. There is a growing acceptance that the Copyright Act should be enabled to address the emerging challenges related to authorship, ownership, originality, and infringement of copyrights in the backdrop of changing paradigms of copyright protection. In this altering scenario, the Govt was keen to receive industry comments on whether there was a need for amending some of the existing provisions of under the Copyright Act.

FICCI endorses the Government's effort to bring about necessary amendments in the Copyright Act for the sake of clarity, to make the legislation forward-looking and thus, further strengthen the Indian IP ecosystem. Accordingly, FICCI had reached out to its members seeking their inputs on the subject. Based on the response received, a comprehensive set of recommendations were developed and submitted to the Copyright Office on 31 December 2020. The recommendations draw attention of the Govt on specific provisions of the Act that needs amendment as well as provisions that are required to be included in the existing Act. These were submitted to Registrar of Copyrights, Copyright Office, DPIIT.

For detailed representation, please contact
Mr Dipankar Barkakati at dipankar.barkakati@ficci.com

Key Budget Recommendations for EV Sector

The recommendation submitted to Revenue Secretary, Ministry of Finance seeking support to revive the demand and investments in the EV sector. The broad category of recommendations was: Fame II related; Financing related; GST related.

For detailed recommendations, please contact
Mr Chetan Bijesure at chetan.bijesure@ficci.com

Support requested for the EV industry

The recommendation was submitted to CEO, NITI Aayog, seeking support to revive the demand and investments in the EV sector. The broad category of recommendations is: Fame II related, financing related and GST related.

For detailed recommendations, please contact
Mr Chetan Bijesure at chetan.bijesure@ficci.com

Impact of CORONA on MSME Sector

The COVID-19 pandemic has left its impact on all sectors of the economy but nowhere is the hurt as severe as in the MSMEs of India. Despite being the steering force of Indian economy, the country's MSME sector is the worst hit due to the lockdown induced by the CORONA Virus. MSMEs run their businesses on very thin margins and limited resources. The pandemic has severely disrupted their cash inflows and delayed their payments. MSMEs did not get their dues timely from large corporates, including CPSEs. It has caused severe impact on their working capital. In December, respondents of the FICCI-Dhruva Survey picked Managing Costs (54% respondents) Weak Demand (59% respondents), Financial Liquidity (48% respondents) as key challenges being faced due to the current uncertain economic environment. This was submitted to Additional Director, Rajya Sabha Secretariat.

For detailed representation, please contact
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Suggestions for Further Strengthening MSMEs

It is suggested that every tax invoice raised by GST registered MSME unit, should reflect automatically on the respective TReDS platform where the MSME unit is registered. After the delivery of Services or Goods, within a certain number of days, the corporate must accept or reject the automatically published MSME's invoice. After that period, the published MSME's tax invoice should be deemed accepted and should be available for banks to provide fund to MSMEs. If the corporate rejects any invoice, a mandatory clarification must be sought which should be visible to Banks & respective MSME unit.

The step would encourage MSMEs to get registered on GST and TReDS as their invoices would automatically publish on TReDS. This would open the doors for them to have funds. This would also provide significant business potential for banks due to rise in number of invoices available on TReDS. This initiative would also make corporate responsible and cautious about rejecting any invoice raised by MSME registered on TReDS. Besides, few schemes should be announced for Medium Enterprises for encouraging and promoting them. At present, no significant scheme is available for Medium Enterprises and given that new definition is into effect, announcing special schemes for Medium enterprises would benefit numerous enterprises who have joined MSME spectre due to new definition. These were submitted to Additional Director, Rajya Sabha Secretariat.

For detailed representation, please contact
Mr Hemant Seth at hemant.seth@ficci.com

Mitigation Strategies of Government for MSMEs and its impact

It is truly commendable that the Ministry of MSME, being the steering force for MSMEs, played a crucial and important role in safeguarding the country's MSMEs and mitigating their risks. Not only did the government announce mega relief package for maintaining liquidity but also announced incentives for retaining employees. The government also supported MSMEs that were under stress and extended helping hand to such enterprises. Besides, platforms like TReDS, GeM, e-Commerce portals, etc., have emerged as preferred tools for the MSMEs in these times of crisis due to their virtual nature. Digital Payment has also witnessed a surge in the recent times due to rapid adoption by MSMEs. These were submitted to Additional Director, Rajya Sabha Secretariat.

For detailed representation, please contact
Mr Hemant Seth at hemant.seth@ficci.com

India-Japan CEPA (Comprehensive Economic Partnership Agreement)

To review, the implementation of India-Japan CEPA (Comprehensive Economic Partnership Agreement), Department of Commerce has sought the list of issues (and relevant details) that are required to be taken up with the Japanese side, including issues related to market access initiative (MAI), Rules of origin, Sanitary and Phytosanitary measures (SPS), Technical barriers to trade (TBT), etc. This was submitted to Director, Department of Chemicals and Petrochemicals.

For detailed representation, please contact
Mr Manoj Mehta at manoj.mehta@ficci.com

Public Procurement (Preference to Make in India) in respect of chemicals and petrochemical sector

The Department of Chemicals & Petrochemicals has been identified as the Nodal Department for implementing the provisions of the above order for the chemicals and petrochemicals sector for giving preference to local suppliers in public procurement. The department has already identified 28 products in which there and local competition, and the procurement of these items is to be made from local suppliers. In order to identify more products that can be added to the list, collective recommendations from all industry stakeholders were submitted to Director, Department of Chemicals and Petrochemicals, Govt of India.

For detailed representation, please contact
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Policy push to make Indian Agritech accessible to farmers

The Indian agritech has demonstrated benefits to farmers and value chain players, however, the penetration of agritech solutions remains below 10% with about 14 million farmers adopting available agritech solutions. It is high time to democratize the agritech solutions among larger farmer community with enabling policy framework to make Indian agriculture sustainable, market driven, climate resilient and efficient. This was submitted to Joint Secretary (RKVY & Plan Coordination), Ministry of Agriculture & Farmers Welfare.

For detailed representation, please contact
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Extending the date of implementation of e-Mandate beyond 31.3.2021 till all banks are ready for e-Mandate

This is in reference to the new e-Mandate facility for processing recurring transactions on cards. Last month, RBI announced that all recurring transactions post 31 March 2021 must be on this new e-Mandate flow. Our members from the media and entertainment industry, while supportive of the proposed change, shared the following feedback.

In e-Mandate flow, the recurring charge needs to be registered with the bank at the time of subscription creation. Currently, its only registered with the Payment Gateway (PG) and they can charge the card directly via PG whenever they want. The card issuing bank is not aware of these transactions in advance (which is also why they decline some charges through their fraud detection rules). Under the new guidelines, existing transactions need to be migrated to e-mandate flow before 31 Mar 2021.

In e-Mandate flow, user will receive a notification from the bank about an upcoming charge with a link to cancel if the user wants (this might have caused some dip on renewal rate). This offers potential advantages to companies,

1. Debit cards that weren't supporting recurring transactions will also start recurring once the banks support this e-mandate flow.
2. Potentially the renewal success rate might be higher (minus the user-initiated cancellation from pre-debit notification) since banks know of this charge ahead of time. So, fraud detection could be lower.

However, it is brought to our knowledge by our members that majority of the banks are not ready with the e-mandate flow and different banks are in different stages of implementation. Consequently, industry players will not be able to make the recurring charge on cards from April 2021 as it is expected that many banks might not be ready by this deadline. These were submitted to Department of Financial Services, Ministry of Finance and Chief General Manager, Department of Payment and Settlement Systems, Reserve Bank of India.

For detailed recommendation, please contact
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Pre-Policy Suggestions from FICCI

The Key suggestions made by President FICCI in the pre-policy meeting of trade bodies organised by the RBI include:

1. Macro Suggestions - Continue the accommodative stance, with repo cut by at least 25 bps; RBI should communicate that it would normalise policy or unwind in a very gradual manner through the year to avoid pre-mature withdrawals; ensure financial and macro stability in possible events of withdrawal of quantitative easing globally; extending the timeframe for reduced margin money on working capital loans (by 12more months).
2. Suggestions for strengthening NBFCs - Consider a separate direct line of credit for non-bank lenders at a pre-fixed rate; Top rated NBFCs to be given deposit accepting licenses; Ease norms for raising funds through Commercial Paper; Formulate a National Repository / database for credit default guarantees; Allow NBFCs access to CRILC; wider participation of NBFCs on TReDs platform; review of Priority sector guidelines for on-lending by the NBFCs.
3. Suggestion on one-time restructuring - Restructuring to be allowed till 31 March 2021; and extend residual loan tenor under restructuring by 3-5 years in place of existing 2 years.
4. Suggestion for Agri and Social sector - consider including loans extended to such Agri-tech companies as part of the Priority Sector Lending under Agriculture; Under Priority Sector Lending norms for Social Infrastructure, waste management activities – particularly faecal sludge management – should be included.
5. Suggestions for fintech sector - Enhance the limits on loans disbursed through OTP-based e-KYC; Tweak Video-KYC norms to ease challenges in the current process; and encourage and urge the banks and the NBFCs to implement the usage of CKYC identifier in lieu of fresh KYC and face to face verification.
6. Suggestions for digital payments - RBI and Government must promote SoftPoS as it can help drive digital payments amongst the smaller merchants, kirana stores and street vendors.
7. Suggestion for MSMEs - Redefine the Classification Limit for NPAs by extending 90-day window to 180 days for MSMEs; relax the terms for raising External Commercial Borrowing by MSMEs for meeting their working capital requirements.

For detailed recommendation, please contact
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Mobilizing Domestic Capital for Indian Start-ups

Allow Corporates to use their CSR money for start-up funding, either directly or through SEBI registered Funds: While CSR does do social good to the society, investment in start-ups will create millions of direct and indirect jobs, provide industry mentorship by the corporate world and access to the market and capital too. At present, CSR money can be routed through state-sponsored incubators only. This scope needs to be widened by allowing corporates to either invest directly or SEBI registered funds.

Align capital gains norms for listed and unlisted entities: We hope this budget would end one anomaly - treating unfavourably investments by AIFs and Angel Groups in unlisted companies. Currently investors of such companies pay a much higher tax on capital gains while taking a far higher risk as compared to publicly traded shares. We do expect that capital gains tax for AIF funds and angel group investors will be aligned to the current tax regime for investments made in listed shares.

Enable stronger implementation of exemptions of Section 56 (2) (vii-b) [Angel Tax]: An exception has been made for start-ups from this section of income tax act, but this needs to be strengthened as companies are still getting notices under this section.

Look at not applying other sections of Sec 56 to start ups as it comes in the way of genuine M&A, hinders the implementation of contract terms such as anti-dilution etc.: Exits for investors is very important. M&A activity is increasing in the country and this section creates valuation issues for shareholders when an acquisition is done.

Remove Sec 281 which hinders exits for investors: Sec 281 demands a certificate from the income tax officer for selling. Since shareholders as individuals/family offices hold a very small percentage in the company, this requirement delays the sale process. Hence the request is to exempt the applicability of sec 281 for investors of the start-ups.

Allow ESOPs for advisers and independent and non-executive directors and tax ESOPs only on sale, not exercise: Independent directors and advisors are critical to start-ups and their engagement can be far higher quality by giving them ESOPS which is currently disallowed. Further, currently, ESOPS are taxable at the time of exercise. It should be at the time of sale when the ESOP holder gets money from these ESOPS.

These were submitted to Ministry of Finance.

For detailed recommendation, please contact
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Decriminalization of minor offences under the Acts Administered by Department of Telecom

Department of Telecommunications is doing an exercise in respect of the Acts administered by this Department to identify provisions for decriminalization or rationalisation of penalties. The exercise is focussing on decriminalizing relatively minor violation of the law and expeditious resolution through compounding to prevent harassment of citizens, de-clogging the criminal justice system and promoting ease of doing business and FICCI submitted its members comments on the same.

For detailed recommendation, please contact
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DoT Approval of Inductive Wireless Charging Applications Frequency

Wireless charging is also referred to as inductive charging because it is based on the principle of electromagnetic induction. The wireless charging transmitter usually referred to as the charging station is attached to a power outlet and transmits the energy being supplied via the outlet to the receiver which is always physically attached to the device to be charged. Since wireless charging works on different wavelengths, in the same lines, FICCI submitted request for DoT Approval of Inductive Wireless Charging Applications Frequency. This was submitted to Department of Telecommunications.

For detailed recommendation, please contact
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FICCI Comments on the Non-Personal Data Governance Framework

The Committee of Experts on Non-Personal Data (Committee) established by the Ministry of Electronics and Information Technology to suggest regulation of Non-Personal Data (NPD) published its Report on the NPD Governance Framework on 16 December 2020 (Report) and has sought public comments. The Comments in this document seeks to bring to the Committee's attention certain pressing concerns in relation to the Report. In the same lines FICCI submitted its members comments on the Non-Personal Data Governance Framework to Department of Telecommunications

For detailed recommendation, please contact
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Regarding the entry and movement of medium and heavy commercial vehicles in the Ahmedabad City

As per notification, the entry of medium and heavy commercial vehicles in Ahmedabad city is prohibited during the day. Majority of the industrial areas GIDC and APMC are on the outskirts of Ahmedabad city that can be accessed by outer ring road without hampering the city's usual traffic, even then there are restrictions for these vehicles for the GIDC & APMC, because of this prohibition, Industries are facing great difficulties. The movement of commercial vehicles on ring road during daytime also will not affect the usual traffic, we request you to kindly provide relaxation in the movement of commercial vehicles during daytime for the GIDC & APMCs. This was submitted to Minister of State for Home, Gujarat State.

For detailed recommendation, please contact
Mr Pankaj Tibak at Pankaj.tibak@ficci.com

Applicable HSN classification and GST rate on distribution of films

An alert circular by Principal Chief Commissioner of Central Tax, Bangalore Zone, dated 13 October 2020, regarding GST rate and HSN classification on the services of distribution of films, has raised various ambiguities related to the classification of services provided in case of film distribution arrangements and GST rate applicability. The said circular intends to tax the distributors or sub-distributors in relation to film distribution arrangement services at higher rate of 18% than current GST rate adopted by industry of 12%, which may lead to various disputes between authorities and taxpayers over classification of services and GST rate applicability.

Film distribution arrangement involves transfer or licensing of copyright at each leg of supply chain, it shall be classified under Entry no 17 of notification no 11/2017 – Central Tax Rate dated 28 June 2017 or Entry no 243 of Schedule II – 6% of notification no 1/2017 – Central Tax Rate dated 28 June 2017 read with notification no. 41/2017 – Central Tax Rate dated 14 November 2017. Accordingly, GST rate applicable shall be 12% and not 18%.

It is, therefore, recommended to issue a circular to clarify that where distributor or sub-distributor act on principal basis (i.e., where they acquire and distribute films), the supply is classified under chapter 9973 (temporary transfer of copyright) and not under chapter 9996. This clarification will immensely help the GST authorities across the country in understanding copyright transactions in the film distribution business and prevent unnecessary litigation. These were submitted to Principal Commissioner GST Policy, Ministry of Finance.

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

Ambiguity on applicability of Minimum Alternate Tax on Inter Corporate Dividend

Before Finance Act, 2020, Domestic Companies were required to pay Dividend Distribution Tax (DDT) under Section 115-O of Income Tax Act, 1961. Such dividend income was exempt under section 10(34) in the hands of recipient shareholders (including corporate shareholders) under normal tax computation. Such dividend income was also permitted to get reduced from book profit of the corporate recipient for calculation of Minimum Alternate Tax (MAT) under clause (ii) of the Explanation 1 of section 115JB(2).

With the applicability of Finance Act, 2020, DDT has been removed and dividend income is taxable in hands of recipient shareholders as their normal income. Further Section 80M was reinforced - Domestic Companies as Shareholders are now allowed to claim deduction for an amount equal to dividend distributed, from their dividend incomes earned, while computing normal tax.

As per explanation 1 of Section 115JB (2), such 80M dividend income, which has already been distributed and made taxable in the hands of recipient shareholders, is included again in computing book profit, and hence remains chargeable under MAT, which might not be the intention of law. Therefore, it is recommended that Explanation 1 to Section 115JB (2) needs to be amended accordingly. These were submitted to Joint Secretary (TPL)-II, CBDT, Ministry of Finance.

For detailed recommendation, please contact
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Clarification relating to classification and valuation of services provided by Online Rummy game operators for GST purposes

The Online Rummy Federation (TORF) members are online platform operators to facilitate Rummy games by providing an online platform and charges a platform fee from the users. GST can be applicable only on such platform fee, as there is no other supply made. Further, GST rate applicable on online platform fee should be clarified to be 18%.

It has been upheld by the Supreme Court that Rummy is a game of skill and hence it cannot be betting or gambling. GST cannot be levied on the deposits received by TORF members because (i) deposits are used by users to play against others and not with TORF members; and (ii) Rummy is a game of skill and not betting or gambling. Thus, provisions of rule 31A of CGST Rules are not applicable to TORF members.

While making changes in the GST law for online skill-based games, it is recommended that (a) Tax online skill-based games on Gross Gaming Revenue (GGR) or platform fees by, possibly, inserting a specific valuation rule; and (ii) Amend the tax rate schedule and insert a specific entry to cover online skill-based games under heading 9984, taxable at the rate of 18%. This was submitted to Chairman, CBIC, Ministry of Finance.

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

Request for expanding indication for drugs to treat breast cancer presently available only to women to men as well

The most common kinds of breast cancer in men are the same kinds as in women. Therefore, the line of treatment as well as medicines for breast cancer are also the same in men as in women. This was submitted to Union Minister for health.

For detailed recommendation, please contact
Mr Akhilesh Mahurkar at akhilesh.mahurkar@ficci.com

SEBI Discussion Paper on re-classification of promoter/promoter group entities & Disclosure of promoter group entities in shareholding pattern

Based on inputs received from members, FICCI has made detailed submission to SEBI on the proposals made in the paper w.r.t. condition pertaining to minimum threshold of voting rights, time between board and shareholders meeting, disclosure of names of promoter group entities in the shareholding pattern etc.

For detailed recommendation, please contact
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SEBI Discussion Paper on Review of SEBI (Delisting of Equity Shares) Regulations, 2009

Based on inputs received from members, FICCI has made detailed submission to SEBI on the proposals made in the Paper w.r.t. disclosures, escrow account, RBB, timeline for approval by stock exchanges, price discovery mechanism, measures to provide an exit to remaining shareholders, role of merchant banker, issues related to inactive shareholders, book value etc.

For detailed recommendation, please contact
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Representation for the conduct of AGMs through OVAM/VC till 30 June 2021 and dispensation of physical presence of the shareholders

FICCI had requested for granting extension of dispensation of physical presence of shareholders for AGMs for the companies who are required to conduct the AGMs on or before 30 June 2021. MCA has accepted our recommendation and allowed for conduct of AGMs through VC/OAVM till 31 December 2021.

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

Liberalised Remittance Scheme

Further to the previous submission to Governor, RBI, FICCI has made recommendation for removal of restriction on remittance for investment overseas by individuals.

For detailed representation, please contact
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Forensic Audit Disclosures under LODR Regulations

FICCI has reiterated that the new disclosure requirements would have severe undesirable consequences for companies on account of several reasons. It has thus been suggested that the requirement of disclosing the initiation of forensic audit may be dispensed with. The disclosure requirements to the final audit report may be limited to summary of the report on conclusion of the audit, only in case any material wrongdoings are found and based on the determination by the Audit Committee/Board of Directors of listed companies, both from qualitative and quantitative perspectives. The disclosure obligation is not made applicable to forensic audits carried out suo moto by listed companies as part of internal investigation or routine internal audits or any other transactional audits; and that the final audit report (after appropriate redactions, as mentioned in the FAQs) is required to be submitted to SEBI and not in the public domain with the stock exchanges.

For detailed representation, please contact
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Request to not consider holding companies in infrastructure sector as NBFC/CIC

It has been submitted that the RBI NBFC Regulations should be amended to give effect to either of the following: (a) Carve out group holding companies which do not accept public deposits and provide funding only to their subsidiaries, either by way of equity or inter-company loans from the purview of Section 45-I(f) of the Reserve Bank of India Act, 1934 (b) If such a broad exception cannot be made, considering the nature of business, the companies engaged in infrastructure business and carrying on business through its subsidiaries should be exempted from the purview of the provisions of Section 45-I(f) of the Reserve Bank of India Act, 1934 (c) In case of the companies engaged in infrastructure business, the financial asset – financial income 50:50 test should be considered only on the basis of the consolidated financial statements of the holding company and not on the basis of the standalone financial statements. These were submitted to DG, RBI and Secretary, DEA, MoF.

For detailed representation, please contact
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ILC Sub Committee Report on Pre-packaged Insolvency Resolution Process

Based on inputs received from members, FICCI has submitted recommendations to IBBI, on proposals made in the Report w.r.t. approval requirement for initiation of pre-pack; who should authorise it?; phased applicability of pre-packs for various levels of default; Swiss challenge, etc.

For detailed representation, please contact
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RBI's Draft Commercial Papers and Non-Convertible Debentures (Reserve Bank) Directions, 2020

FICCI has submitted to CGM, RBI, its recommendations on the draft directions w.r.t. the definition of NCDs, eligibility of investors, guidelines for primary & secondary market, etc.

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

Suggestions to provide freight subsidy to compensate increased cost of the freight

One of the main issues that the export industry is facing currently is acute non-availability of the containers in gateway ports and even at ICDs for the last couple of months. It is taking two to three weeks for exporters to get the containers for shipments of export cargos, which is resulting in delays and non-fulfilment of terms and conditions as agreed with overseas buyers. Moreover, such delay in deliveries is also leading to cancellation of orders in many cases and if the issue is not resolved on priority basis, exporters of home furnishings may lose business by an estimate of 20-25%. Further, sea freights have also jumped on all routes in the range of 20-100 per cent depending on the sector. Exporters are normally bearing this increased cost of the freight as at times customer is not ready to absorb this freight hike. One of the solutions could be that government may provide freight subsidy to compensate this increased cost of the freight in the hand of exporters. Further, we expect that the proposed National Logistics Efficiency Advancement Predictability and Safety (NLEAPS) Act would be formulated and implemented soon to protect the Exim sector from such sudden and abrupt changes. Effective implementation of the policy would help provide an impetus to trade, enhance export competitiveness, and improve India's ranking in the Logistic Performance Index. It is requested that the Government may step in and engage in a dialogue with the shipping lines and their associations on an urgent basis to make adequate containers available. These were submitted to Secretary, Ministry of Ports, Shipping and Waterways.

For detailed representation, please contact
Ms Mousumi Ghose at Mousumi.ghose@ficci.com

Review of IJCEPA-Recommendation for changing the Rule of Origin

FICCI has submitted representation on the concerns raised by one of the industry associations regarding the Rules of Origin criteria under the India-Japan CEPA on account of the recent surge in imports which is adversely impacting the Indian Copper Industry to Additional Secretary, Department of Commerce, Ministry of Commerce, and Industry.

For detailed representation, please contact
Mr Manab Majumdar at manab.majumdar@ficci.com

FICCI Note containing details on Skill and Training related activities by select logistics associations

FICCI Submitted a brief note to Special Secretary, Logistics Division, Department of Commerce, containing details on Skill and Training related activities by select logistics associations. The aim was to analyse the increasing need of training and skills-based competencies into the logistics sector.

For detailed representation, please contact
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Continuation of Furnace Oil (FO) usage for Indian Aluminium industry for smooth transition to alternative fuels without hindering operations of the industry

Through the representation, FICCI recommended that usage of Furnace Oil for Aluminium Industry in the State may be allowed till March 2023 to ensure smooth transition to other alternatives like LSHS and LDO without hampering the industry operations. Aluminium Industry require Furnace Oil as a crucial input for production of Alumina and Aluminium, contributing to 20% of Alumina production costs. As per the NGT Order, it is proposed to be banned from usage and the matter has been forwarded to state SPCBs and Environment / Forests Departments for finalization. However, as the immediate ban on the usage of furnace oil would not only affect the operations of the Aluminium industry but would also impact the oil companies producing the same. Therefore, it is being proposed to provide sufficient time to the aluminium industry in the state to switch to alternative fuels. This was submitted to Additional Chief Secretary, Department of Forest & Environment, Government of Odisha and Chairman, State Pollution Control Board, Odisha.

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Mr Arpan Gupta at Arpan.gupta@ficci.com

Rationalization of Average Sales Price for Cement Grade Limestone

Through the representation, FICCI highlighted the issue of higher ASP for cement grade limestone, on account of an anomaly against Rule 38 of Mineral Concession Rules, 2016. Average Sales Price calculated by IBM is decided based upon a meagre quantity (appx 6% of total production) of non-captive limestone traded, which is of a higher grade (not cement grade). It was also highlighted that more than 30% of this non-captive produce is from one mine only where the prices are skewed upwards due to imposition of penalties by the Supreme Court. Also, this mine is serving as a captive to a production unit in Bangladesh. FICCI thus recommended that while arriving at the ASP of Cement Grade Limestone, this mine should be considered in the captive category. This was submitted to Secretary, Ministry of Mines, Government of India.

For detailed representation, please contact
Mr Arpan Gupta at Arpan.gupta@ficci.com

Public Hearing Exemption for EC for Expansion up to 50% of Existing EC Capacity

Through the representation, FICCI recommended for Public Hearing Exemption for capacity expansion up to 50% of existing Environment Clearance within the existing mine lease area. It was also highlighted that as a progressive measure, MoEF&CC vide circular dated 16th January 2020 has allowed exemption from prior EC for production capacity expansion up to 50% for coal based on No Increase in Pollution Load certificate from the concerned State Pollution Control Board. FICCI, therefore requested if the same benefit can be extended to other minerals like Iron Ore, Bauxite etc. wherein Public Hearing Exemption for grant of EC up to 50% production increase within the same lease area is granted as this will boost indigenous mineral production, increasing mineral supply for the downstream sectors and reducing import dependency. These were submitted to Chairman, SPCB, Odisha and K Murugesan, Member Secretary, SPCB, Odisha.

For detailed representation, please contact
Mr Arpan Gupta at Arpan.gupta@ficci.com

Representation in reference to Draft Notification 2020 for Grid Interactive Distributed Renewable Energy (solar photovoltaic) systems and the Electricity (Rights of Consumers) Rules, 2020 of Ministry of Power, Government of India

It is submitted to Chairman, Rajasthan Electricity Regulatory Commission (RERC), that the shift to Gross metering per se is not an issue for the Industry. However, the unviable feed in tariffs (FIT) for Gross metering being considered by states for rooftop solar energy is detrimental to the solar rooftop segment. The recommendations of the Industry before shifting to Gross metering from Net metering is highlighted in detail in the representation to the Government.

The following additional recommendations are also submitted to the Rajasthan Government:

- The above regulation of Government of India and draft regulation needs to be looked into the spirit of section 108 which authorises Government of Rajasthan to look into all aspects in the perspective of any impact on on-going programs and industry.
- In light of slowdown in economy due to COVID, Extension for signing PPA(S), based on prevailing net-metering policy is proposed up to 31 March 2022 and completion of these projects on or before 30 September 2022.
- Under the ambit of behind the meter solar power generation, consumer should be given the liberty to do at his own and should not require permission from DISCOM. Further, Behind the meter consumers do not fall under the prosumer category because there is no export of electricity from the point where the consumer imports electricity from the grid (as per MoP guidelines). So apart from not requiring permits from Discom, they should also not attract any additional levies or be considered as open access.

For detailed representation, please contact
Ms Rita Roy Choudhury at rita.roychoudhury@ficci.com

Suggestions, Inputs and Comments on 5th National Science, Technology, and Innovation Policy

FICCI Publishing sub-group of Scholarly and Scientific Publishers has collated the publishing perspective in respect to the 5th National Science, Technology and Innovation Policy and submitted the suggestions and comments about the following:

1. Open Science/Open Access
2. One Nation One Subscription
3. Indian Journals
4. Pre-prints and Post-Prints repositories
5. Libraries and Learning Spaces
6. Diversity and Inclusion
7. Intellectual Property Rights

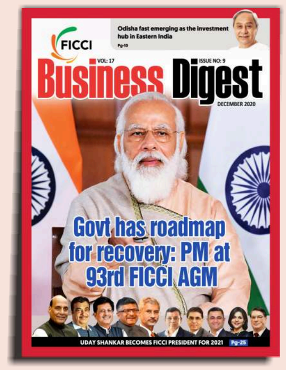
These were submitted to Department of Science & Technology, Government of India.

For detailed representation, please contact
Mr Sumeet Gupta at Sumeet.gupta@ficci.com

Enable Schools to Increase Salaries for 88 lakh Teachers and Other Staff to certain ground facts and extreme challenges that schools are facing

Rising to the occasion and adhering to the call of our Prime Minister, schools have attempted to protect salaries of all their staff and support staff members and tried to continue to maintain upkeep of their infrastructure during the lockdown period. There are several expenses on Annual Maintenance Costs (AMCs), repairs, general upkeep and in case of some institutions even rent of the school property. The schools have also invested heavily in buying laptops, and on technology platforms to ensure learning is carried online. Some schools also have term loans from banks on which principal and interest is to be paid. Even when schools reopen, they would have to spend substantial amounts of money to ensure that they are ready to receive students. It is extremely essential to do so as the students look forward to and deserve to engage in all these activities when they return to school. This was submitted to Deputy CM, Government of Uttar Pradesh.

For detailed representation, please contact
Mr Sumeet Gupta at Sumeet.gupta@ficci.com



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