VOICE OF FICCI

SHAPING THE AGENDA

March 2021

From the Secretary General

The vaccination drive in the country against COVID-19 has finally gained momentum. It is indeed a proud moment for us that we became the fastest nation to reach 100 million vaccination shots in a record time of 85 days. We cannot allow this to slowdown. As decided correctly, healthcare workers were the first in line to receive their dose of the vaccine. However, there is a need to also vaccinate those working in stores, distribution centres, warehouses and in the retail ecosystem. In fact, vaccination at work has been taken up by some for their employees. While lauding the Cabinet's decision to approve COVID-19 vaccinations for those above 45 years of age, the Chamber has recommended that all above 18 years of age should be vaccinated.

Due to COVID-19, firms were suffering from the impending financial crisis. The situation was more precarious specially for the small and medium enterprises. Not to mention there were series of litigations also facing them. The Amnesty Scheme comes as a relief for such businesses. It will relieve them from the pressure of litigations and at the same time will augment revenue for the government. The scheme will not only help in speedy disposal of past litigations but also maximize collection of arrears. Considering the large number of MSMEs involved in litigations, such schemes will alleviate the obstructions faced by MSMEs and enable them to conduct their business operations seamlessly. Lauding the GDP numbers released, FICCI said that the numbers are in line with the expectations and are reflective of the recovery being posted. The Chamber voiced for government support to services sectors, particularly contact-based services like aviation, entertainment, tourism, and hospitality that are yet to see momentum in activity.

The Chamber has been propagating for the integration of sports and physical education with overall school education framework. FICCI has recommended a multi-component approach in the form of PFTS Guidelines by which schools use all available opportunities for students to be physically active, meet the nationally recommended 60 minutes of physical activity each day and develop the knowledge, skills, and confidence to be physically active for a lifetime. This approach is referred to as a Comprehensive School Sports and Physical Activity Framework. The goal of this PFTS Guidelines is to increase physical activity opportunities before, during and after school and improve students' overall physical activity and health.

There is a need to focus on the holistic development and growth of the child and develop better ways to integrate Sports and Physical Education programs within the existing education system in India. While a second wave of the pandemic has already hit us, President FICCI has written to all members to ensure COVID appropriate behaviour and to get all eligible vaccinated. Please do help to enable this. Armed with last year's experiences, we know and believe that we will come out of this stronger and more determined.

Stay healthy and safe and let us follow the COVID protocols of SMS (Sanitizer – Mask – Social Distancing).

Dilip Chenoy

FICCI representation- Draft notification 2020 for Grid Interactive Distributed RE systems

The new rooftop guidelines issued by the Ministry of Power restrict net-metering above 10 kW systems. All systems above 10 kW are supposed to work on gross metering, but there is no guidance for the Feed in Tariff (FIT) that will make these projects viable. In the absence of any guidelines, most states are tending towards using APPC as a FIT for the purchase of rooftop solar energy. This move will have a drastic impact on the entire value chain of rooftop sector and threatens to irreparably derail it. Most rooftop systems, especially 250 kW or less, will not even recover their cost of investment at an APPC based FIT. This was submitted to Chairman, Rajasthan Electricity Regulatory Commission.

For detailed representation, please write to
Mr Atul Sharma at atul.sharma@ficci.com

FICCI Manufacturing Survey

The FICCI quarterly manufacturing survey tries to assess the performance and business situation of the sector for two consecutive quarters based on feedback. The survey has been consistently assessing the outlook for the Indian manufacturing sector since 2008 while regularly conveying industry's concerns. Further, the survey assumes importance given the concerted efforts of the government to enhance the country's manufacturing sector performance and the sector's potential to contribute to the economic growth and generating employment in the country. The recent round outlined sector-wise performance of Indian manufacturing sector for the quarter October-December 2020-21. This was submitted to Secretary, DPIIT.

For detailed representation, please write to
Mr Chetan Bijesure at chetan.bijesure@ficci.com

FICCI recommendation- Films used in TV Panels to be included under PLI

FICCI submitted a few slides where we have identified films used in TV Panels as an important component of TV manufacturing and increasing value addition in the country to Mr Nihar Ranjan Dash, JS, Ministry of Textiles, requesting them to consider including these films under PLI for technical textiles.

For detailed representation, please write to
Mr Chetan Bijesure at chetan.bijesure@ficci.com

Industry comments on PLI schemes submitted to JS, Textiles

Additional comments received from industry on PLI Scheme announced

'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.

for MMF garments and technical textiles was submitted to Joint Secretary, Ministry of Textiles.

For detailed representation, please write to
Mr Chetan Bijesure at chetan.bijesure@ficci.com

FICCI recommendation- Separate tariff classification for Metallurgical Grade Calcined Alumina

Through the representation, FICCI has recommended for re-classification of HS Code 28182010 and a separate HS Code for Metallurgical Grade Calcined Alumina for usage in Aluminium Industry. FICCI has also shared that the current Harmonized Code (HS Code) of Indian Trade Classification (ITC) defines all forms of Calcined Alumina under one HS Code 28182010 and does not differentiate between Metallurgical & Non-Metallurgical Grade Calcined Alumina. Further, the Department of Chemicals & Petrochemicals is considering making BIS Standard mandatory for Calcined Alumina. This would create a peculiar problem for users/ importers of Metallurgical Grade Calcined Alumina in India. Thus, it is necessary to classify the Metallurgical Grade Calcined Alumina and Non-Metallurgical Grade Calcined Alumina separately. This was submitted to Joint Secretary (Customs), Central Board of Indirect Taxes & Customs, Ministry of Finance and Director, Ministry of Mines.

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

Amnesty Scheme- a relief measure for SMEs

In the present scenario, wherein due to COVID-19, businesses were suffering from impending financial crisis and it was more difficult for small and medium businesses to pursue litigation, the Amnesty Scheme comes as a relief measure for such businesses to relieve them from the pressure of legal litigation and at the same time would result in augmentation of revenue for the government. The scheme will not only help the revenue in speedy disposal of past litigations but also maximize collection of arrears. It will also help taxpayers to close pending litigations with relief provided (partial and complete) in relation to tax, interest, penalty, and prosecution and focus on GST rather than on past tax laws. Considering the large number of Micro, Small and Medium Enterprises (MSMEs) being involved in litigation, such scheme will alleviate the obstructions faced by MSMEs and enable them to conduct their business operations seamlessly. This was submitted to Secretary - Finance (Revenue), GoR.

For detailed representation, please write to
Mr Atul Sharma at atul.sharma@ficci.com

FICCI recommendation- Anti-subsidy & anti-dumping on import of stainless steel

Through the representation, FICCI pointed out that the domestic stainless-steel industry witnessed a sharp rise in imports in 2018-19 leading to a petition being filed with DGTR requesting for an investigation into significant increase in imports. Anti-Subsidy investigation on imports of stainless-steel flat products from Indonesia investigation was undertaken by DGTR. The DGTR had issued the final findings after detailed investigation and have recommended the imposition of CVD on imports of stainless steel flat products from Indonesia with a duty range of 18.83% to 24%. Also, anti-dumping investigation concerning imports of Flat Rolled Products of Stainless Steel originating in or exported from China PR, Korea RP, European Union, Japan, Taiwan, Indonesia, USA, Thailand, South Africa, UAE, Hong Kong, Singapore, Mexico, Vietnam and Malaysia were undertaken by DGTR. The final findings of this investigation has also been issued by the DGTR on 23 Dec 2020 with duties being imposed in imports from Korea, Japan, EU, Malaysia, Indonesia, China and Taiwan. Thus, FICCI has requested for urgent Customs Notification imposing - 1) CVD on imports of stainless steel flat products from Indonesia (File 6/16/2019 DGTR, Case CVD- OI -05/2019) as recommended by DGTR and 2) Imposition of ADD on imports of stainless steel flat products from Korea, Japan, EU, Malaysia, Indonesia, China and Taiwan (File 6/12/2019 DGTR, Case OI –10/2019) as recommended by DGTR. This was submitted to Joint Secretary, Central Board of Indirect Taxes & Customs, Ministry of Finance.

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

FICCI recommendation- Extension on Gazette Notification on Amendment in Acetic Acid & Methanol (QC) order

The Chemical industry is fully participating in the initiative to have the BIS certification of various notified products. However, we understand that BIS has still not resumed the appointments of scientists for quality investigation and BIS authority is not able to complete the pending procedures due to interruptions caused by COVID-19. Despite the best efforts and full cooperation, overseas producers are now continuing to face challenges with respect to situations and circumstances arising out of COVID-19 restrictions, like international travel, quarantine restrictions, etc. Therefore, we requested Ministry of Chemicals and Fertilizers to extend the order for below mentioned products till December 2021:

Methanol: Methanol is an important raw material for Chemicals & Petrochemicals industry. It is also an essential derivative in Pharmaceuticals and Agrochemicals industry that is critical in the present scenario.

Acetic Acid: It is also an important raw material for the Chemical and Petrochemical Industry and almost 90% of total domestic requirement of Acetic Acid is imported due to non-availability of the domestic capacity. This was submitted to Additional Secretary (Chemicals), Department of Chemicals & Petrochemicals, Ministry of Chemicals and Fertilizers.

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

FICCI Representation- On Public Procurement (preference to Make in India) order

FICCI shared its perspective on the recent Public Procurement (preference to Make in India) Order (PPO) 2017 issued by Department of Pharmaceutical on 16 February 2021, vide file # 31026/36/2016-MD.

The latest order dated 16.02.2021, promotes domestic manufacturers of In-Vitro Diagnostic (IVD) kits in select segments such as Clinical Chemistry, Immunoassay and Haematology and will give a boost to the local manufacturers.

FICCI apprised the government around some of the issues pertaining with the said order that can potentially impede access of many high-end testing solutions in the country and reduce the efficiency of large government institutions that are engaged in conducting the patient tests, especially those labs that have high sample loads.

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

FICCI representation: Inclusion of SEZs & EOUs under RoDTEP scheme

The last export incentive scheme, Merchandise Export Incentive Scheme (MEIS), introduced mid-2015, has benefitted the sector with 3-5% (INR 4.50 Crores per annum on an average) on the industry's FOB value of exports every year.

Considering the export benefits @5%, along with customs duty exemption as well as IGST refund extended by the government, the sector was able to provide a competitive pricing in the global market leading to further growth of export business globally.

However, post the introduction of 'Remission of Duties and Taxes on Exported Products' (RoDTEP) scheme, in place of MEIS, on 31 Dec 2020, the EOUs & SEZs were excluded from these incentives. This withdrawal of benefits and exclusion from RoDTEP has had a huge impact on companies in SEZ amounting to crores of INR, hence impacting the revenues as well as competitiveness in the global market. This was submitted to Principal Commissioner & OSD, Drawback, Department of Revenue, Ministry of Finance, GoI.

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

FICCI recommendation- Retail & e-Commerce workers be included as Frontline Workers in vaccination Drive

The Indian retail and e-Commerce industry employs around 40 million people. Those working across stores, distribution centres, warehouses and throughout the retail ecosystem are particularly at highest risk from the devastating impact of the pandemic. It is of critical importance therefore, that the retail industry should be included in the list of frontline workers and are among the early recipients of the COVID-19 vaccine. This was submitted to the Union Minister for Health and Family Welfare, Ministry of Health and Family Welfare, Government of India.

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

FICCI Representation- Draft RERC Notification 2020

A representation was submitted by FICCI to Rajasthan Electricity Regulatory Commission (RERC) in reference to the draft RERC (Grid Interactive Distributed Renewable Energy Generating Systems) Regulations, 2020. FICCI had the opportunity to present its views on the draft RERC Regulations, 2020 in the virtual hearing of the Commission that was held on 08 March 2021 and therefore a representation was submitted to elaborate the points made by FICCI during the hearing for the consideration of the Commission. The points covered in the representation are briefly mentioned below:

1) Rooftop Solar to include all onsite solar installations:
   - The rooftop policy should be applicable to all solar installations set up within the premises of a consumer, whether on the roof, on the ground or as carports etc. This has also been recommended by the MoP in their recent notification.

2) Cap for net-metering increased from 10 kW to 250 kW:
   - It is recommended that all systems under 250 kW should be allowed to be covered under the net metering system.
   - Systems below 250 kW constitute around 80% of rooftop solar but only represent less than 20% of India's rooftop capacity.
   - This slab will also cover all the SMEs, residential establishments, institutions like schools, co-operatives, small government offices. Most of these segments do not have easy access to finance and will be unable to bear any increased burden on their investment.
   - Finally, these consumers will not impact the DISCOMs' revenue

3) For Systems above 250 kW, the following options can be considered:

   Option 1: Gross Metering with fair Feed-in-Tariffs (FIT):
   - A fair FIT will be very crucial for Gross Metering. It must meet the needs of the rooftop generator as well as the DISCOM.
   - FIT as Average Cost of Supply (ACoS) instead of APPC: ACoS may be chosen as the appropriate measure for the FIT of rooftop solar, as APPC (national average approximately INR 3.6 per kWh) makes solar rooftop projects unviable. ACoS, on other hand, will give an acceptable return to consumers, while also aiding DISCOMs.
   - ACoS is the most suitable basis for FIT for rooftop solar energy purchased by the DISCOMs as it is a true reflection of the cost at which the DISCOM supplies power to its customers. The rooftop solar it purchases will be sold back to the same customer (or immediate neighbour) without the DISCOM incurring any further costs in its distribution.

   Option 2: Net Metering with Gross Billing and ACoS based FIT:

   For installations where physical gross metering is challenging or expensive, a system of gross billing can be followed. The rooftop solar generator will use solar meters of makes specified by the DISCOM. The DISCOM can have the meter sealed and inspected regularly. The entire energy generated by the rooftop solar plant as per the solar meter will be deemed to have been exported to the DISCOM and repurchased by the generator. The FIT for the deemed export should be ACoS and the sale back to the consumer should be at the regular tariff at which the DISCOM sells power to that consumer (including CSS and other charges).

   The units deemed exported and resold should be adjusted in the monthly bill (hence gross billing). Since every unit generated has already been accounted for and paid for, net metering should be allowed to continue unhindered as is the current practice, with unit for unit adjustment.

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

FICCI requests for Issuance of Order on Tariff Framework for Procurement of Power by Distribution Licensees

The representation was written to bring the Commission's attention to the discussion of issuance of Order on Tariff Framework and Other

Commercial Matters for Wind – Solar Hybrid Project in Gujarat. This is a part of suo moto proceedings to adopt Gujarat Wind Solar Hybrid Policy 2018, which was notified on 20 June 2018 by the Government of Gujarat. The Commission was requested for earliest issuance of Order on Hybrid Policy that will ultimately pave the way for installation of state of art, the first of its kind Wind Solar Hybrid Projects in the state of Gujarat and become a guiding path for development of similar projects across country.

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

MNRE's intervention to grant extension in PPA SCD timelines requested

The solar industry is currently facing delays on a significant amount of contracted capacity that is still awaiting Power Procurement Approval. Currently, close to 7GW of ISTS auctioned projects with signed PPA, some as old as 16 months, are at different stages of project development and approaching respective Scheduled Commissioning Date (SCD) as per the signed PPAs. The absence of requisite Regulatory Approvals even after over a year post PPA signing poses huge regulatory risk on these Projects, especially given few of the adverse developments in the RE sector that has raised concerns among the investors and lenders.

In the light of all the above, MNRE's immediate intervention is necessary to address and resolve the issues. The Industry requested MNRE to direct –

(i) SECI & Buying Entity(s) to obtain the Regulatory Approvals on an expeditious basis, and

(ii) SECI to grant an appropriate extension in Project SCD timelines – to provide 14 months for Commissioning of the Project - after the said Regulatory Approvals are obtained.

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

Practical actions to finance India's sustainable recovery submitted to RBI, SEBI

The report, Practical Actions to Finance India's Sustainable Recovery, sets out practical actions that government and the private sector can take to unlock capital in support of India's sustainable recovery and focus on advancing three interlinked priorities over the next 12 months.

The report has identified ten short-term action points to accelerate flows of sustainable finance into India. This was submitted to Governor, RBI & Chairman, SEBI.

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

Implementation of Flue Gas De-sulphurization (FGD) for thermal power plants

FICCI made a Representation regarding Implementation of Flue Gas De-sulphurization (FGD) for thermal power plants to Mr Alok Kumar, Secretary, Ministry of Power.

The following are the key points of the recommendation:

(1) The CEA report on Plant Location Specific Emission Standards to be considered for preparing FGD implementation plan, and required Zone-wise standards be clarified by CEA.

(2) CERC may be directed to consider-

  a) Recovery of capital expenditure based on equity and debt instead of NFA basis.

  b) Reasonable RoE reflecting the actual cost of debt and equity.

  c) Depreciation over remaining period of power plant while determining tariff for FGD component.

(3) CERC may be directed to issue provisional tariff for power plants implementing FGDs and where commission has approved change in law under the long term PPAs which will help ensuring financing for FGD.

(4) A mechanism for cost recovery may be implemented for power plants selling power in Power Exchange or under short term contracts through bidding under DEEP; and the implementation timelines for installation of FGD for such plants be extended till such time as this mechanism is notified.

(5) A timeline of at least 33 months from the date on which clarity on cost recovery mechanism is notified may be considered for commissioning of FGD.

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

FICCI recommendation- Privatisation of Distribution & Retail Supply of electricity in Chandigarh

FICCI made a representation regarding recent amendment dated 08 Mar 2021 issued in relation to Privatisation of Distribution and Retail Supply of electricity in Union Territory of Chandigarh dated 09 Nov 2020 to Mr Manoj Kumar Parida, Adviser to the Administrator, UT Secretariat, Chandigarh.

Chandigarh Administration has made an amendment in the RFP for Privatisation of Distribution and Retail Supply of Electricity. The amendment to the RFP documents was issued after receipt of six bids for the privatization of the Electricity Department.

It was requested to kindly consider reviewing the latest amendment and allow the existing process to be continued by awarding bid to the highest bidder amongst the existing six bidders to ensure the sanctity of the bidding process, i.e., w.r.t. technical and financial bids as submitted on 08 Feb 2021.

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

FICCI representation on Draft Joint Electricity Regulatory Commission Regulations, 2021

FICCI made a representation on Draft Joint Electricity Regulatory Commission (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 for the Control period from 1.4.2022 to 31.3.2027 to Mr Rakesh Kumar, Secretary, Joint Electricity Regulatory Commission.

The following are the key points of the recommendation:

(1) In line with these CERC Regulations it is suggested that the JERC Draft MYT Regulations 2021 be suitably amended and under recovery in tariff due to higher capital cost be recovered along with interest charged at Carrying Cost (1 times of carrying cost), instead of 0.8 times the carrying cost as presently proposed.

The Discom should be compensated at cost for the higher capex actually incurred and put to use for the benefit of the consumers.

(2) To allow for more flexibility in terms of the quantum of power procured from any source. As part of power procurement cost optimization, quantum restrictions should not be applied on the Discoms.

(3) Higher operational efficiency in Distribution will benefit the end consumers. Hence, to encourage high operational efficiency, measures like additional RoE of 2% may be brought in the Regulations for Distribution based on system reliability for Wheeling and Collection efficiency for Retail segment of Distribution.

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

FICCI recommendation- Integration of sports & physical education in overall School Education Framework

Physical education and physical activity are one component of the proposed Guidelines on Physical Fitness and Training in Schools (PFTS Guidelines) and can help shape lifelong physical activity behaviours. FICCI recommended a multi-component approach in form of PFTS Guidelines by which schools and schools use all available opportunities for students to be physically active, meet the nationally recommended 60 minutes of physical activity each day, and develop the knowledge, skills, and confidence to be physically active for a lifetime. This approach is referred to as a Comprehensive School Sports and Physical Activity Framework. The goal of this PFTS Guidelines is to increase physical activity opportunities before, during, and after school and increase students' overall physical activity and health.

There is a need to focus on the holistic development and growth of the child and develop better ways to integrate Sports and Physical Education programs within existing Education systems in India. Further, the document covered the following recommendations for consideration:

- Considerations for the sports and physical education sector.
- Establishing and implementing high-quality round the year structured Sports, Health and Physical Education (SHAPE) programs in school's physical activity program.
- Key Strategies for Improving the Quality of Physical Education.
- Proposed Sports, Health and Physical Education Framework (SHAPE) for School Children.
- Fitness Assessment Report for Every Children.
- Ensuring 60 Minutes of Physical Activity each day: Role of Parents and Communities.
- Guidelines for Colleges (Quarterly Physical Fitness Challenges; Classroom Management; Commuting).

These were submitted to Bureau of Indian Standards, MCA, F&PD, GoI.

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

Concept note on QoS in Digital Payment submitted to NITI Aayog & DEA

Quality of Service (QoS) For Bharat. QoS framework is intended to be an ecosystem reference framework that improves QoS in the overall payments industry. It integrates available data on transaction records (including completion of transactions/declines), RBI's recent Turnaround Time framework for resolution of customer complaints across payment systems, and global practices outlined in the ITU QoS manuals. This was submitted to NITI Aayog and Director, DEA.

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

FICCI note on Digital KYC submitted to CGM, RBI

The recent regulatory initiatives taken up by the government and the regulators have made paperless and presence-less finance a reality in India. For instance, the introduction of the Video-based Customer Identification Process (VCIP) was one of the key reforms towards accelerating the next phase of digital financial inclusion. In a post-COVID world, there is an immediate need to move to a complete digital, paperless, and presence-less process of conducting customer due diligence for all regulated entities thereby doing away with the need of conducting face-to-face customer meetings and verification. The note has suggestions for aiding these recent regulatory initiatives in the post-COVID world and was submitted to CGM, RBI.

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

Exemption from Health Cess on import of materials by Export Oriented Units (EOUs)

FICCI members highlighted the challenges faced by the member companies related to Health Cess. They requested the authority to issue the necessary notification for the exemption for 5% of Health Cess for the medical devices & consumables, like needles, which are imported under HSN Code 90183210 and other products with different HSN codes that are imported for the purpose of manufacturing and for the inputs/parts imported by Export Oriented Units and this will reduce the cost to the greater extent and able to compete in the global market. This was submitted to Joint Secretary, TRU – 1, Department of Revenue, Ministry of Finance.

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

FICCI requests for exclusion of forced stay in India during pandemic while determining residency for FY 2020-2021

There are many NRIs/ Persons of Indian Origin and foreign citizens who came visiting but got stranded in India during the COVID-19 induced lockdown period when international flights were not operating.

During lockdown period, an announcement was made that after normalization of situation, a circular shall be issued, for financial year 2020-21 for excluding the period of stay of individuals stranded in India up to the date of normalization of international flights, for determination of the residential status for the previous year 2020-21. This indeed provided much needed relief to the expats who believed that they need not bother about forced stay in India impacting their residential status in India.

For determination of residential status of individuals for the tax year 2020-21, CBDT issued Circular 2/2021, dated 03 March2021, which does not provide expected relief to the expat taxpayers. This circular seems to differ from the position earlier announced.

It is, therefore, sincerely requested that the Government should provide a blanket relaxation up to the date of normalization of international flights. The unprecedented circumstance of forced stay in India during COVID-19 pandemic requires a benign tax policy approach instead of mere technical approach of avoiding double taxation.

If the roll back is persisted, in the least, the CBDT should at least announce following reliefs through Circular or instructions:

- Allow further time to pay advance tax up to 30 June 2021 and waive interest under section 234B and section 234C of the Act if advance tax is paid by such extended date.
- Allow extended time to file revised return to claim foreign tax credit beyond nine months from end of financial year. It should be extended to at least two years from end of financial year.
- The extended forced stay can also create permanent establishment (PE) risk, especially service PE, for foreign enterprises with respect to employees' presence in India. Hence, it should be clarified that so long as salary income is taxed in India, there will be no attribution towards PE of foreign enterprise in India.

These were submitted to Chairman, Central Board of Direct Taxes, Ministry of Finance.

For detailed representation, please write to
Ms Ira Khanna at ira.khannal@ficci.com

Revision of consent fee for establishment/ consent to operate under KSPCB Rules

A huge burden affects the cash flow and working capital of several companies due to the steep increase caused because of the revision of the consent fee for establishment/ consent to operate under KSPCB Rules. The Government of Karnataka has revised the consent fee payable under the Karnataka Water (Prevention and Control of Pollution) Rules, 1976 and Karnataka Air (Prevention and Control of Pollution) Rules, 1983 with the above-mentioned order. Such a hike would undoubtedly affect the flow of further investments to the state as several competing states do not have such cost escalation for consent fee. This was submitted to the Minister of Forest, Environment & Ecology Department, Government of Karnataka.

For detailed representation, please write to
Mr Shaju Mangalam at shaju.mangalam@ficci.com

Request for considerations for tax-based incentives

There is a huge burden that affects the cash flow and working capital of MRPL due to the drop in business due to COVID. FICCI requested for considedrations for tax-based incentives. This was submitted to Additional Chief Secretary, Department of Commerce and Industries, Government of Karnataka.

For detailed representation, please write to
Mr Shaju Mangalam at shaju.mangalam@ficci.com

FICCI applauds Petroleum Ministry's renewed pitch to bring Natural Gas under the GST umbrella

Gas-based industries do not get the benefit of a tax credit of VAT paid on purchases of natural gas thus leads to an increase in the cost of production of such industrial consumers and have an inflationary effect on the economy. If brought under GST, natural gas will attract a uniform rate of tax at the consumption point anywhere in the country after doing away with current rates of excise duty and VAT and thus gas-based industries which are facing an economic slowdown due to the pandemic, will be benefitted. This would thus result in an increase in state domestic product and socio-economic development owing to increased economic activities which will lead to further sales (hence more GST for State and Centre) and more employment in the respective states. Inclusion of natural gas under GST will also promote usage of this clean fuel. This was submitted to Secretary, Ministry of Petroleum & Natural Gas.

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

FICCI representation on RoDTEP

FICCI has submitted representation on RoDTEP regarding Spice/Value-added Spice Sector and Process Plant Equipment Sector to Ms Atreyee Devroy and Mr Shakti Singh, OSD, CBIC.

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

India-Korea CEPA Negotiations - Impediments to India's exports to Korea RP

FICCI has submitted feedback on India-Korea CEPA Negotiations - Impediments to India's exports to Korea RP to Under Secretary, FT (NEA) Division, Department of Commerce and ASO, Department of Heavy Industry, Ministry of Heavy industries & Public Enterprises.

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

FICCI recommendation- Technical issues while filing applications for EOCD/ Transferability be addressed

FICCI has submitted representation to Additional DGFT, Department of Commerce, Ministry of Commerce and Industry on the technical errors/issues in the case of Duty-Free Import Authorisation (DFIA) under Duty Exemption Scheme of Chapter 4 of the Foreign Trade Policy. It has highlighted that the following technical issues are being faced at the time of filing applications under the DFIA for the issue of EODC/Transferability under the new system.

1. Under the new system, the exchange rate in USD is calculated on the current date rather than the date on which export proceeds are received in the bank. In other words, for the purpose of calculation of CIF Value, the system is required to calculate the actual exchange rate based on which Bank Realisation Certificates are issued by the respective banks.
2. Secondly, late cut fees are being applied at the time of issue of DFIA. The traders were unable to file applications for the issue of EODC/Transferability due to delay in the upgradation of system. Even the late cut fees are applied to current applications also, despite being submitted within the validity period. Since no late cut fees shall be applied in the said cases, the technical error may kindly be rectified urgently.
3. Thirdly, under the new system individual CIF value and Quantity is required to be mentioned as no option is given to the applicant in the system, whereas in the earlier system, the applicant has the option to mention only the overall CIF value of the License as per the provisions of the FTP. In any event, under the DFIA Scheme,

Quantity is the limiting factor covered under the overall CIF Value of the license. The relevant Para 4.26 is reproduced below:

4.26 Description of an Advance Authorisation

An Advance Authorisation shall, inter alia, specify

(a) Name and description of items including specifications, where applicable, to be imported and exported/supplied.

(b) Quantity of each item to be imported or wherever quantity cannot be indicated, value of item shall be indicated. Wherever, quantity and value of individual inputs is a limiting factor in SION, same shall be applicable.

(c) Aggregate CIF value of imports; and

(d) FOB/Value and quantity of exports/supplies.

4. The aforementioned Para 4.26 is equally applicable for DFIA Licenses as per Para 4.53 of DFIA Scheme.

   Therefore, only the aggregate CIF Value of imports are required to be mentioned in the DFIA and not the individual CIF Value of each input, unless SION specifies so.

5. Due to non-availability of license amendments for the past three months, the validity period of DFIA's expired resulting in huge monetary losses to the Exporters. Considering the extraordinary circumstances and to meet the ends of justice, validity period of all DFIA licenses may be extended to the extent of the time period lapsed due to non-acceptance of documents in the new system.

6. In this regard, DGFT is requested to issue appropriate guidelines with respect to procedural details/modalities for the issuance of DFIAs, where applications could not be processed by the RLAs.

7. It is pertinent here to mention that the exporters are unable to file applications for Enhancement of FOB Value/Redemption/Discharge of EO certificate etc., under the DFIA Scheme even after 3/4 months, thus causing hardship and financial burden on them.

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

FICCI recommendation- Anti-subsidy & anti-dumping on import of stainless steel

With regard to Anti-subsidy and Anti-Dumping on import Stainless-Steel, FICCI has submitted representation to Ministry of Finance on issuing notification for Anti Subsidy investigation on imports of stainless steel flat products from Indonesia and Anti-dumping investigation concerning imports of Flat Rolled Products of Stainless Steel originating in or exported from China PR, Korea RP, European Union, Japan, Taiwan, Indonesia, USA, Thailand, South Africa, UAE, Hong Kong, Singapore, Mexico, Vietnam and Malaysia. The final findings have already been issued by DGTR.

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

FICCI recommendation- Revision of Foreign Trade Policy 2015-2020

FICCI has submitted feedback on Revision of Foreign Trade Policy, 2015-2020/ Handbook of Procedure, 2015-2020, on import of all types of metallic waste to LEI Section, DPIIT.

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

FICCI recommendation- Separate tariff classification for Metallurgical Grade Calcined Alumina

The current Harmonized Code (HS Code) of Indian Trade Classification (ITC) which defines all forms of Calcined alumina under one HS Code 2818 2010 and does not classify Metallurgical and Non-Metallurgical Grade Calcined Alumina separately. Therefore, the differentiation of the Metallurgical and Non-Metallurgical Calcined Alumina is not feasible.

BIS has formulated a common standard (IS 17441) for all forms of Calcined Alumina and does not clarify the specifications for metallurgical grade Calcined Alumina used for Aluminium production and non-metallurgical grade for various other applications. Further, the Department of Chemicals & Petrochemicals is considering making BIS Standard mandatory for Calcined Alumina. This would create a peculiar problem for the users/ importers of Metallurgical Grade Calcined Alumina in India. FICCI members have pointed out that even from this perspective, it may be necessary to view the Metallurgical Grade Calcined Alumina and Non-Metallurgical Grade Calcined Alumina separately. Both these grades of Calcined Alumina are produced in India and imported from various countries to meet requirements of the domestic industry. The industry is also engaging with BIS and has requested for creating separate BIS Standards for both grades of Alumina so that the Standards can act as non-tariff barriers against sub-standard quality imports.

The classification of Calcined Alumina through separate HS Codes for Metallurgical Grade Calcined Alumina and Non-Metallurgical / Chemical grade Calcined Alumina will facilitate classification of Calcined Alumina imports as per its actual grade and end-use in compliance to the respective separate BIS standards. FICCI requested to consider re-classification of the HS Code 28182010 and make separate HS Code for Metallurgical Grade Calcined Alumina for usage in Aluminium Industry. This was submitted to JS Customs, Ministry of Finance.

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

FICCI inputs on promoting India-UK ETPs

FICCI has shared key recommendation inputs on promoting Trade in Services under the India-UK Enhanced Trade Partnership (ETP), based on inputs received from industry members, with Trade Policy Division of Department of Commerce, Government of India, on 11 March 2021.

For detailed representation, please write to
Mr Rohit Sharma at rohit.sharma@ficci.com

FICCI inputs on action taken post India-Uzbekistan JEC session

At the aftermath of the organisation of 12th Session of India-Uzbekistan IGC on Trade, Economic, Scientific and Technological Cooperation held virtually on 03 December 2020, FICCI had submitted the Action Taken Report (ATR) on efforts undertaken to promote trade and economic relations between the two countries on 16 March 2021 to the Office of Foreign Trade (CIS), Department of Commerce, Government of India.

For detailed representation, please write to
Mr Rohit Sharma at rohit.sharma@ficci.com

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