VOICE OF FICCI

SHAPING THE AGENDA

December 2021

From the
Director General

The new year started on a challenging note with the third wave of the covid-19 pandemic spreading through the country at a quick pace. Even as the number of infections rose at an exponential rate, majority of the cases were 'mild' to 'moderate' and this shows the beneficial impact of the vaccination program undertaken by our government. FICCI is hopeful that the country will be able to overcome the third wave with limited impact compared to what was seen during the previous waves.

As the country battles the third wave of the pandemic, on the economic front there are other developments that continue to pose a challenge to our policymakers. High inflation, disruption in supply chains, shortages of key industrial inputs, persistent weakness in demand, stress amongst MSMEs and units in the informal sector are some of the areas that continue to merit attention.

All eyes are now fixed on the upcoming Union Budget 2022-23. FICCI has submitted a detailed pre-budget memorandum to the government and held a series a of discussions with key policy makers.

Broadly, we have suggested that this is not the time to focus on fiscal consolidation as the economy continues to remain in a state that calls for support through different measures. Higher government expenditure, particularly on the infrastructure side, will have to lead the way in supporting growth. We also need measures that would offer relief to the poor and vulnerable sections of society both in the rural and urban areas. Extension of Pradhan Mantri Garib Kalyan Yojana, further allocation for the Emergency Credit Line Guarantee Scheme for MSMEs, an Urban Employment Guarantee program are some of the suggestions we have made to the Government.

Besides measures that would aid recovery and offer relief, Government should also continue with its reforms program.

The government has not shied away from taking bold measures that are good for the economy and its various constituents. We hope to see the same spirit getting reflected in the upcoming budget.

Arun Chawla

FICCI submits suggestions for proposed review of current tax slabs under the GST regime on toys

Suggestions in relation to the proposed review of current tax slabs under the GST regime from the perspective of rationalizing GST rate on toys was submitted to Additional Secretary, DPIIT.

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

FICCI comments on Tech Transfer Policy 2021 intends to ensure benefits for Indian industries

Indian Space Industry is appreciative numbers of positive reforms made in the last few years to promote private sector participation in Space sector. It is hoped that the release of Technology Transfer (TT) Policy will streamline access to DOS developed technologies to the established space eco system, thereby strengthening the objective of Atmanirbhar Bharat mission. While the new ToT policy brings in several welcome changes, it is important to capture the complete value chain of the new policy within India. The recommendations made by FICCI intends ensure the benefits for Indian industries while accessing & executing the DOS developed Technologies. These were submitted to Secretary, ISRO; Director Capacity Building, ISRO and Chairperson, In-Space.

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

Industry inputs on SP Model submitted

The Indian industry to the DDP for implementation of the Strategic Partnership Model with the private sector as has been the vision of this Govt and spelt out in DAP 2020. The Strategic Partnership Model, as cleared by the cabinet, is aimed to create a second pillar for manufacturing large platforms through private sector players. The Government's vision and policy is to make India a leading Defence manufacturing hub and, therefore, DDP has the important statutory and constitutional responsibility of implementation and execution of this cabinet decision.

Industry is of the view that existing SP policy does not limit or impede any of the objectives identified circulated for comments. Present policy is clearly distinct from existing Licensed Production & ToT model being followed between FOEM & DPSU/OF and does not impede improvements and subsequent design and development in future models of the same program. Therefore, no change in these aspects of

'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.

SP policy is required as this matter is fully addressed by the current policy. This was submitted to JS (DIP), DDP, MoD.

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

Concern over media reports regarding constitution of a committee to make natural gas available to power plants at reasonable prices voiced

One the one hand, the government has been advocating free market pricing of gas at various international forums and roadshows, like the recently held investors roundtable at the World Expo 2020 in Dubai; and on the other hand, reports of constitution of a committee to fix / control gas prices is giving confusing signals and is unnerving for the potential investors. The intervention is contrary to the government's stated objectives of reforms in the energy sector and against Ease of Doing Business.

It is suggested that if the government desires to provide relief to user industries like power or any other sectors, they can do so by providing Direct Benefit Transfer (DBT) as is done in the fertilizer sector. These were submitted to Additional Secretary & CVO.

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

FICCI inputs submitted on consultation paper - Proposed Health Data Retention Policy (HDRP)

National Health Authority (NHA) released a consultation paper on Proposed Health Data Retention Policy (HDRP) under the ambit of the Ayushman Bharat Digital Mission (ABDM), which describes NHA's current approach related to data retention, and how a health data retention policy for ABDM stakeholders will help the healthcare ecosystem. FICCI sought feedback from members from Health Services and MedTech members and submitted the collated suggestions to NHA.

It is suggested that all data must be anonymised by removing all PHI (personal health identifiers) and then storing them in cloud-based servers permanently for further reference and analysis with respect to evidence-based analytics, epidemiology, clinical data analytics, use in machine learning, and artificial intelligence-enabled healthcare applications. The scope of this policy should be applicable for the entire healthcare ecosystem in India which will ensure that there is a uniform and standard approach towards health data retention in the entire country, covering the entire spectrum of healthcare. It will also ensure ease of adaptability in case of any future changes in the policy.

Further sharing the current international best practices compared to our practices as a learning from the countries who have already implemented guidelines will also help and recommended to follow a single, well-articulated data retention strategy

Members sought clarity in terms of Generation and Exchange of Health Records and whether this Policy will lead to the enactment of any new laws or amendments to any existing laws that may be applicable to the first approach or the second approach. These were submitted to Deputy CEO, NHA and Joint Director (Coordination), NHA.

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

FICCI recommends fast-tracking approval for booster dose and intensifying other efforts towards preparation for future COVID wave

At present, there has been a rising concern on the waning immunity of the population that was vaccinated about 9 months ago, especially the vulnerable sections of the population, that would be approx. 2.9 crore people who received their second dose on or before 31 May 2021.

However, given that we have more than 17.93 Crore balance (as on 15 December) and unutilized vaccine doses still available with States/UTs, FICCI recommended the Government to consider those who are at high risk to be given booster dose at the earliest. urged to intensify their vigilance for testing and tracing at the district level, while avoiding unnecessary testing especially at the airports for domestic travel which has created a lot of burden on the testing infrastructure in the past.

FICCI also requested the Government to calibrate the economic activity according to the positivity rate to avoid any major surge. This was submitted to Hon'ble Minister of Health & Family Welfare, Director-General, ICMR, and Secretary, Department of Health Research, MoHFW, Member, NITI Aayog and Secretary, Department of Health & Family Welfare.

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

FICCI recommends for non-BSEH schools to be exempted from Class 8 board exams

Haryana (BSEH) shall hold board examination for Class 8 students enrolled under various boards in the State of Haryana. FICCI ARISE through its recommendation to the Chief Minister of Haryana has appealed that schools that are affiliated to Boards other than the State Board must be exempted from having their students sit for the said examination for Class VIII as Non-BSEH Schools already possess an NOC from the government certifying that the State/UT has no objection for Affiliation of the school to the Central Board of Secondary Education (CBSE) or for any other board. Secondly, the syllabus for Class VIII greatly differs from school to school and a common examination such as this shall disrupt the current imaginative and creative curricular structures being followed in Schools affiliated to other Boards and shall be at a loss and great disadvantage to appear for BSEH conducted examination. Further FICCI ARISE believes that such high stakes examinations are designed to allow the maximum number of students to qualify, and not specifically to distinguish between them indicating the absence of diagnostic feedback.

For detailed recommendations, please write to
Mr Sumeet Gupta at sumeet.gupta@ficci.com

National Consultation of Regulatory System of Higher Education

The National Education Policy (NEP) 2020 has envisaged that the distinct functions of Regulation, Accreditation, Funding, and Academic standard setting will be performed by distinct, independent, and empowered bodies. These four structures will be set up as four independent verticals within one umbrella institution, the Higher Education Commission of India (HECI). To discuss the modalities of implementation of the above recommendations, Dr Vidya Yeravdekar, Chairperson- FICCI Higher Education Committee presented the FICCI inputs on setting up of HECI and four bodies, i.e., NHERA (National Higher Education Regulatory Authority), GEC (General Education Council), HEGC (Higher Education Grants Council), and NAC (National Accreditation Council) proposed under it. The inputs were presented at the National Consultative meeting, held on 28 December 2021, to the Secretary-HE, Ministry of Education and UGC. These were submitted to Secretary-Dept of Higher Education, Ministry of Education, GOI.

For detailed recommendations, please write to
Mr Sumeet Gupta at sumeet.gupta@ficci.com

FICCI requests extension of deadline for Newly Manufactured Drones at Digital Sky Platform

The Drone Rules, 2021 mandates Unique Identification Number [UIN] for drones to operate. Ministry of Civil Aviation (MoCA) has put a deadline 31 December 2021 by which drone players have to convert the Drone Acknowledgement Number [DAN] into UIN using Digital Sky Platform, as ownership of any drone without a valid UIN shall be illegal from 01 January 2022 and subject to penal action under the law. However, drone companies were facing certain issues related to DAN to UIN conversion and expressing their concerns on the feedback from DigitalSky team. Based on industry recommendations, FICCI requested MoCA to extend DAN - UIN conversion deadline to 31 January 2022 and allow starting DAN registration for newly manufactured drones.

For detailed recommendations, please write to
Mr Sumeet Gupta at sumeet.gupta@ficci.com

FICCI submission on MEIS and SEIS

FICCI has submitted detailed representation to DGFT, Department of Commerce, Ministry of Commerce and Industry, on some of the concerns raised by our industry members related to Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS).

Merchandise Exports from India Scheme (MEIS)

On 01 September 2020, DGFT issued a notification on Ceiling/cap on MEIS benefits available to exporters on exports made from 1.9.2020 to 31.12.2020 [Ref: Notification No. 30/2015-2020 dated 1st September 2020]. Through this notification, the DGFT had Capped MEIS benefit for all Shipping Bills raised between 01 September 2020 to 31 December 2020 (both days inclusive) with a value claim restricted to INR 2 crores. It was also mentioned that even this cap of INR 2 Crores may be further revised downwards to ensure that the total claim under the scheme for the period September – December 2020 does not exceed the allocation prescribed of INR 5,000 Crores.

Also, as per the Notification No. 26/2015-2020 dated 16 September 2021 and Trade Notice No. 22/2021-22 dated 02 November 2021, the domestic industry was given a timeline till 31 December 2021 to make these claims. However, now when our members are making claims for shipping bills falling in between the above-stated period, they are receiving the below message:

"The total budgeted funds for providing the MEIS benefit for the period from 01.09.2020 – 31.12.2020 has now breached Rs. 5000 Crores."

We understand that the exporters who have filed for the claim in the initial days of the window, have already received their claims. This has further raised the question in the members of the Exim community whether the claim was on a 'First Come, First Serve basis'. This has raised the apprehensions of the exporters who are not able to file the claim now.

FICCI has requested to look into the matter so that all the exporters get equal and fair opportunities to raise their claims. Additionally, it is also submitted to extend the last date of application at least till 31 March 2022.

Service Exports from India Scheme (SEIS)

As regards SEIS, FICCI has received the following representation from one of our member organizations. They have made a submission for addressing the range of issues/challenges faced by the exporters about the processing of the pending incentive claims under SEIS.

The SEIS claims made by service exporters, more specifically large exporters, are pending for disbursement for over 2 years despite the submission of all the required information and documents before the corona pandemic had set in.

Following are the select issues identified regarding the processing of SEIS claims:

- Inability to ascertain the current status of the application: Even though the Directorate General of Foreign Trade ('DGFT') portal has been digitized, there is no mechanism for exporters to figure out the actual status of the pending application. The status of the application reflects as 'Under Process' for several months unless the exporter personally meets the concerned authority for a follow-up. Further, there is no system in place in the Regional Offices as well, through which any update on the pending application could be obtained. Therefore, the exporters are unable to ascertain the status of the application and are required to frequently visit the Regional Offices of DGFT to meet the concerned authority towards expediting the application for processing.
- Restriction on accessibility for meeting with authorities: The exporters are not allowed to meet the field authorities who are handling the matter to understand the reason for the pendency of the application. About more than a year ago, a system was put in place to book online slots for fixing appointments with the authorities. Though the same was effective at least to book an appointment, this system has been discontinued.
- Repeated Deficiency Letters on an issue that is already addressed: It has been consistently observed that many exporters are in receipt of multiple deficiency letters for the same issue time and

again, even though the same queries have been already addressed by the exporters.

- Wrong reflection of the status of application in the portal: Due to the recent migration of the DGFT Portal, the status of some of the applications appears to be rejected on the portal whereas actually, the applications are still alive. On approaching the authorities, the exporters were informed that some of the applications were being reflected as 'rejected' due to the faulty internal system configuration by the vendor during migration and necessary steps are being taken to rectify the same. However, no action has been taken in this regard and the applications continue to reflect the status as 'rejected', even though these applications are valid, live, and not rejected.

All the above-mentioned challenges are making it difficult for many exporters to get their applications processed and avail of the benefit under the scheme. It is submitted that encouraged by the scheme, the exporters have made significant investments in their service/ manufacturing infrastructure. The delay in disbursement of incentives is causing undue hardships in form of blockage of working capital and creating constraints in the day-to-day operations of the exporters.

Suggestions

The Government may come out with an integrated and holistic solution to address the challenges faced by the exporters in the procedural side of processing/release of claims. It is, therefore, requested to issue clear guidelines/directives to the authorities, holding them accountable for the release of SEIS scrips in a time-bound manner.

We are hopeful that the Government will consider our request favourably and provide much-needed relief to the exporters impacted on account of delay in the processing of claim and issue of the scrips.

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

India - Korea CEPA upgrading negotiations- impediments to India's exports to Korea RP

FICCI has submitted feedback on India-Korea CEPA to Under Secretary, FT (NEA) Division, Department of Commerce.

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

Clarification on MCA circular regarding holding of AGM through VC/ OAVM sought

FICCI had submitted a representation JS, MCA, for clarification on the Circular No. 19/2021 dated 08 December 2021 due to interpretation issues arising from the use of the phrase "due in the Year 2021". We are pleased to report that this has been accepted and as per the MCA Circular No. 21/202 to 1 dated 14 December 2021 companies with FY ending any time before/ on 30 March 2022 have been provided relaxation to hold AGM through electronic mode as well as relaxations from dispatching and printing of Annual Report up to 30 June 2022.

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

Comments on SEBI Discussion Paper on review of public issue framework under SEBI ICDR Regulations, 2018 submitted

Based on feedback received from members, FICCI has submitted comments on SEBI Consultation Paper on Review of certain aspects of public issue framework under SEBI ICDR Regulations, 2018.

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

FICCI requests SEBI for allowing of holding of AGMs through VC for listed companies

In view of extension provided by MCA to hold AGM through electronic mode and relaxations from dispatching and printing of Annual Report up to 30 June 2022, FICCI has requested SEBI to grant a similar dispensation to listed companies up to 30 June 2022.

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

SEBI Discussion Paper on review of Preferential Issue guidelines

Based on feedback received from members, FICCI has submitted comments on SEBI Discussion Paper on Review of certain provisions related to Preferential Issue guidelines.

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

FICCI seeks appointment for addressing concerns related to FAQs FSS (Licensing and Registration)

In the shared representation FICCI has highlighted the challenges faced by the industries w.r.t the uploaded FAQs and changes on the FoSCoS portal as:

- Scope of the Re-labeller: There are various interpretation challenges and ambiguities associated with this Category.
- Disabling of Marketer license:
  - For obtaining Re- Labeller license one must get NOC from Manufacturer and thus for each time, one needs to amend the license which takes time. This results in affecting the Entire new product launch timeline.
  - While applying for re-labeller license, along with manufacturer details, further documentation details for e.g.: ingredient list/Finished Good specifications are also asked for. This seems to be duplication as the same documents are uploaded by 3rd party Manufacturer also when applying for a manufacturer license. In our view, only a third-party manufacturer's license copy should suffice the requirement.
  - If re-labeller would be the manufacturer, then filling returns for each third party annually will be a huge concern and there will be duplicity of data (e.g., in case both re-labeller and 3rd party will file returns individually).
  - FICCI proposed to seek clarity on the impact on labels due to

the disablement of 'Marketer' KoB. Based on the 'Marketer license', the Marketer address was given on packs as 'Marketed by'. Since this is disabled now, which address and what prefix/title should be given on products that are manufactured by a third party.

- FICCI also provide inputs on the various provisions of the FAQs w.r.t the import and export.

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

CIFTI representations on FSSAI Draft L&D on Draft Vegan Foods amendment regulation and Draft

In the submitted representation dated 06 September 2021 on Food Safety and Standards (Labelling and Display) Amendment Regulations, 2021: Related to warning of Pan masala and nomenclature of bread, FICCI suggested that the term 'Whole grain flour' should be replaced with 'Whole wheat flour' and further requested for reducing the minimum percentage of milk solids for Milk bread from 6%.

In the representation submitted on FSSAI Draft Notification dated 06 September 2021 on Food Safety and Standards Nutra amendment regulations 2021 FICCI requested for inclusion of amino acids (Carnitine acetyl-L, L-Hydroxylysine, L-Hydroxyproline, Tyrosine, acetyl-L) as these are allowed in the current Regulations, products containing these would be available in market. These have safe usage.

In the representation submitted on Draft notification dated 06 September 2021 on FSS (Vegan Foods) Amendment Regulation 2021, FICCI proposed to change the definition of Vegan Food to align the definition with ISO standard 23662 - Definitions and technical criteria for foods and food ingredients suitable for vegetarians or vegans and for labelling and claims. FICCI proposed to align the animal testing requirements with ISO 2366. FICCI also proposed various changes under Vegan food compliance and labelling & display requirement.

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

CIFTI – FICCI representation on gazette Notification G.S.R. 779(E) on Legal Metrology (Packaged Commodities), Rules 2011

In the submitted representation, FICCI addressed the challenges faced by industries due to the inclusion of Unit Sale Price provision under the LM as:

- Operational Concern and Challenges at Manufacturing unit
- Consumer concern
- Other Challenges

FICCI requested for the harmonization of the regulation among competent authorities with the concerned stakeholder's consultation. FICCI also requested for deletion of Rule 6, sub rule (11) of LM (PCR) Rules 2011: Unit Sale Price. Considering the urgency of the matter we request for the deferment of the enforcement of the said notification by April 2023 as this will greatly help the smooth operations of the industry. We request that while transition takes place, industry should not be exposed to prosecution and increased litigation cases.

It was also requested to delete the term 'Inclusive of all taxes' under the 'Maximum Retail Price' as it will cover under the GST regime and will save space on label.

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

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

In the representation shared on Draft FSS (Food Products Standards and Food Additives) Amendment Regulations, 2021, FICCI proposed to use dahi & curd interchangeably as both are characterized by specific starter culture as 'Lactic acid bacteria' for fermentation. Dahi & Curd are endonym to each other and are used interchangeably across India. · Dahi is a hindi word that is prominently used in North-India; however, 'Curd' is often used across South-India.

In the representation shared on FSS (Food Products Standards and Food Additives) Regulations, 2011 amendment FICCI proposed a revision under the clause of Meat and Meat Products as 'The finished products shall not contain more than 30 percent fat. Water or ice, or both, may be used to facilitate chopping or mixing to dissolve the curing and seasoning ingredients, the finished product shall contain no more than 40 percent of a combination of fat and added water' in alignment with USFDA.

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

CIFTI – FICCI representation on seeking timeline extension w.r.t menu labelling: FSS (Labelling and Display) Regulation, 2020

In the shared representation, FICCI requested for the extension of the date of compliance in relation to the requirements of labelling (as defined in the Food Safety and Standards (Labelling & Display) Regulations, 2020) of all food business operators till 01 July 2022.

The representation addressed the following operational challenges faced by industries:

- The big players have hundreds of stores and to keep uniformity in the understanding at the ground level with different states will be a time-consuming exercise.
- It will be inconvenient to add or delete any information on Menu card due to the space constraints.
- Since the restaurants have region specific menu, it will be challenging to comply with the timeline.
- As the stores of QSR sector will also have the pre-packaged food stuff like ketchup, cold drinks, and many others, suppliers may not be complying with the existing Labelling and Display regulation, since an extension has already been provided. In that case there might be a possibility of some products having an old label, which creates ambiguity.
- COVID Pandemic has disrupted many segments including QSR. FMCG industries are still recovering from the damage which has been done due to COVID. At the same time again mass level

labelling /artwork amendments will highly impact the growth of industries.

Therefore, it was requested to extend the implementation date of the Amendment to 01 January 2023.

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

CIFTI – FICCI representation on Food Safety and Standards (Labelling and Display) Regulations, 2020: Fortified Foods

In the shared representation on Food Safety and Standards (Labelling and Display) Regulations, 2020 FICCI proposed the revision in the statement under the clause 5 (7) (e) as 'Fortified food as defined under Food Safety and Standards (Fortification of Foods) Regulations, 2018' and 'Provided that the requirements as specified in sub-regulation (1) of schedule I is not required in case of iodized salt (when fortified with iodine)'. We request to insert the provision mentioned in regulations 7(2) of fortification of foods regulations in schedule I (1) of labelling and Display regulations to avoid contradiction between these two regulations. We further request for Issuance of FSSAI direction/operationalization on this subject as it will clarify FBOs and help in ease of implementing the new labelling and display regulations.

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

CIFTI - FICCI representation on clarification/ additional information required to be submitted on proposals of additional processing aids

In the shared representation FICCI submitted to FSSAI, the additional information/clarification/specific proposals for examination and consideration for inclusion under the processing aids regulations along asked by the Working Group.

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

CIFTI - FICCI representation on FSS (Food Products Standards and Food Additives) Regulations, 2011 w.r.t the Processing Aids

In the shared representation FICCI has submitted to FSSAI the additional Processing Aids for inclusion under various categories of Appendix C.

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

CIFTI – FICCI representation on Draft Indian Standard Calcium Propionate, Food Grade Specification (Second Revision of IS 6031)

In the shared representation on Calcium Propionate, FICCI propose a change in the requirement of Fluoride from 10 mg/kg to 30 mg/kg and submitted the reference w.r.t the exposure data of Fluoride, Contribution of FLUORIDE from Calcium Propionate in Bread, Commission Regulation (EU) No 231/2012 of 09 March 2012 (5) The European Commission.

Further, it was proposed that a change in the requirement for water insoluble matter from 0.3% to 1% as Calcium hydroxide used in CP generally contains about 95-98% calcium hydroxide with 2-4% calcium carbonate and less than 0.5% silicates with traces of moisture. In CP, part of the carbonates is reacted during process. These ingredients do not have any impact on their ADI considering 0.3% dosage of Calcium propionate in bread and its per-capita consumption which is 10g/day. Thus, increasing the limit of water insoluble matters from 0.3 % to 1% max, will not impose any adverse effect.

We propose change in the pH from 7-9 to 6-9 as In Calcium propionate, propionic acid is an active component responsible for its anti-fungal activity. CP shows maximum antifungal activity at pH 5.5 in bread. Hence, slightly lower pH of 10% solution enhances the performance of CP and delays the fungal growth and therefore gives better shelf life to bread products in country like India having our ambient weather conditions with higher humidity and temperature.

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

Extension of timelines for merchants for implementing tokenization solutions and request for clarification on certain operational aspects of tokenization solutions sought

At the outset, FICCI on behalf of the entire payment industry would like to express its gratitude to the Reserve Bank of India (RBI) for providing consumer protection paramount importance through its Guidelines on Regulation of Payment Aggregators and Payment Gateways, subsequent directives (collectively, PA/PG Guidelines), and its Card-on-File Tokenisation Services circular (CoFT Circular).

We are also grateful to the RBI for providing the payment industry with an additional six months' time (expiring 31 December 2021) for complying with the customer card data storage restrictions and implementing the card on file tokenization solutions under the CoFT circular. As we note, this extension was provided to implement card on file tokenization amongst the entire payment industry including the merchants. However, we would like to bring to your notice the concerns faced by merchants (listed below) and would request for your kind consideration to offer extension in timelines for merchants for them to comply with their obligations under the PA/PG Guidelines as well as the CoFT Circular.

Following are the concerns/ challenges faced by the merchants:

- While the payment industry is working on a collaborative model, merchants are majorly dependent on other relevant stakeholders such as card networks, banks etc., in order to start the task of migration into this framework. With the notification of CoFT Circular, the card issuers are also now obligated to offer tokenization offerings. As we understand, card issuers were not covered under such legal framework until September 2022. Thus, to the extent, card issuers have provided tokenization options by 01 January 2022, it will affect the timelines and business practices of the merchants who are reliant on options of tokenization provided by other entities. Merchants will be required to purge all customer card data before the deadline and in the absence of access to tokenized card data, they will no longer be able to process payments and will face cash flow impediments. Thus, given their reliance on the readiness of other entities in the payment ecosystem, RBI may consider providing merchants with additional time for compliance with data purging or card data storage limitations.

- Merchants who rely on stored card data for processing recurring payments would also be affected to the extent that other relevant stakeholders are not ready before the deadline of 01 January 2022. Merchants will no longer have access to card data of consumers who have opted for recurring payments since merchants are obligated to purge card data before the deadline. Obligations on merchants may therefore be implemented once the other relevant stakeholders have offered tokenization options and these are taken up commercially by merchants.
- We note that relevant stakeholders such as the card issuers and card networks are responsible for implementing token storage practices and ensuring security of a token requestor's application (where a token requestor may also be a merchant). In such cases, the card issuers will take time to conduct security tests on these applications and storage systems to prevent data breaches. This will consequently lead to merchants employing more time and relevant resources to bridge the gaps identified by such testing. In view of the above, additional time will be required by merchants to meet its security obligations.
- The dependency of merchants on other relevant stakeholders in the payment value chain ultimately trickles down to consumer convenience. For instance, consumers who take time to consent to tokenization of their card data may face inconvenience on account of their preferred payment choice, as their card data will have to be purged by 1 January 2022, even if tokenization has not been carried out, and this may impact the ability to process recurring payments.

FICCI believes in the vision of a digitally secure India and is committed to lending complete support to regulatory reforms for strengthening consumer protection in India. However, bearing the concerns/ challenges faced by the merchants in implementing the customer card data restrictions and tokenization solutions, we request RBI to kindly consider providing an additional 6 months to merchants for them to comply with the obligations stated herein. This extension of timeline would not only ensure security of consumers but would also aid smoother experience for consumers.

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

FICCI representation on RBI's guidelines for CICs

The FinTech industry has had a profound impact on the entire credit and lending ecosystem over the last few years. By creating awareness amongst people on the importance of maintaining a good credit score, FinTechs have helped a significant number of consumers climb the credit ladder.

Further, given the stringent oversight and direction by the CICs and the fact that credit information is only accessed with the consent of the individual, it is requested that the new requirement applicable only to non-specified users that credit information be not retained beyond 6 months and fresh consent be obtained from the individual be reconsidered.

Application of the same set of rules regarding credit information storage and requirement for fresh consent to non-specified users meeting all information security and audit norms under guidelines and specified users as has been on-going over last decade will ensure continuation of a level playing field. These were submitted to Deputy Governor, Reserve Bank of India.

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

FICCI comments on the Report of the Working Group on Digital Lending submitted

This white paper comprising of comments and suggestions from FICCI's Fintech Committee on the Report is divided into two sections as hereunder: Section 1 (FICCI's expression of interest to act as the proposed SRO and Section 2 (Point wise comments to the recommendations of the Working Group, highlighting inter alia the need to have a level playing field between digital and physical players in the lending industry as elaborated in the point-wise comments). This was submitted to Executive Director, Reserve Bank of India (Chairman - RBI working group on digital lending.)

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

ICAO recommendations on safe aircraft travel environment considering new Omicron variant sent

Recommendations were sent to Shri Jyotiraditya M Scindia, Minister of Civil Aviation on safe aircraft travel environment considering new Omicron variant.

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

Ministry intervention for deferment of Basic Custom Duty on solar cells & modules and blanket SCOD extension of projects sought

The industry requested for deferment of BCD imposition on modules for projects already bid out by March 2021 by 12 months due to:

- Acute shortage of solar modules due to global commodity shortages, shipping delays and power black outs in China: Solar project developers across the country are suffering on account of worldwide commodity shortages, shipping logistic turmoil and power blackout in China. India has also been at the receiving end of shortages due to these global upheavals on account of COVID. The suppliers have assured that as per Chinese govt officials, these issues will be resolved by end of February with the Beijing winter Olympics and with the new committed shipment timelines, we should see supply deliveries starting from end of Q4 Fy21.
- Domestic module supply delivery ramp up only by Mid 2023: Despite massive growth in solar power generation in India, more than 90% of the total solar modules installed annually in India are

sourced from abroad. Steps taken by Govt. of India to counter imports from abroad through Production Linked Incentive (PLI) and Approved List of Module Manufacturers (ALMM) are concrete steps in the right direction and are supported by the entire industry. These policy interventions will make India a global solar manufacturing hub in the coming years. However, in the short term, i.e., over the next 12-15 months, the following issues will plague the growth of industry without your support.

These were submitted to Cabinet Minister for Power and Renewable Energy, GOI.

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

FICCI representation on draft CERC DSM regulations and Punjab Renewable Energy Security, Reform, Termination and Re-Determination of Power Tariff Bill, 2021 (Bill)

Provisions suggested in the Draft CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2021 have huge financial implications on Renewable Energy Projects: The changes suggested will severely impact the viability of the current projects as these changes were not considered at the time of bidding /auction. If the provisions of the proposed DSM regulation are finalised and applied to the existing projects, then the DSM charges payable by wind and solar generators would be more than 8% of annual revenue from the project. This would wipe out entire returns from the projects, making the existing projects unviable. In addition, the proposed changes will also increase the risk on future projects as it will be almost impossible to forecast the impact of these new draft regulations and as a result tariff in future bids would go up considerably, hampering growth of renewables in India.

Development in the state of Punjab, where The Punjab Renewable Energy Security, Reform, Termination and redetermination of Power Tariff Bill, 2021 (Bill) was passed in the Punjab State Assembly on 11.11.2021: As per the highlighted provisions of the bill.

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

These were submitted to Cabinet Minister for Power and Renewable Energy, GOI.

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

FICCI Recommendations on PLI Scheme for Electrolyzers and Green Hydrogen

- Extent of Backward integration: Preference can be given to manufacturers who propose to set up a manufacturing facility with backward integration. This can be at 3 levels:
  - System assembly: Imported stack with balance of plant and power electronics sources domestically and assembled to create the system.
  - Stack assembly: Imported stack components with stack and system assembly undertaken within the country.
  - Stack component manufacturing: More than 50% of stack items by value are manufactured domestically e.g., Electrodes and plates. Key metals (esp. Nickel) and proprietary materials (e.g., separator, membrane) may be imported.
- Manufacturing capacity: Preference can be given to manufacturers who set up higher capacity plants. However, to qualify for the bid, the applicant manufacturer will have to undertake to set up a manufacturing plant of minimum 500 MW capacity.
- The base incentive shall be fixed with minimum PLI per KW in the range of USD 50-100/kW if manufacturers meet all the criteria.
- Evaluation of bids shall include both, technical criteria (manufacturing capacity, domestic content) and financial criteria.
- After Capex, efficiency could be the other major differentiator for least cost of hydrogen (LCOH). However, the difference in the efficiencies for the two major technologies (alkaline, PEM) are small and not a major driver in the procurement decision. Efficiency is also function of how the electrolyzer is operated (specifically operating voltage) and dependent on system level optimization. These challenges will have to be considered while considering efficiency as a parameter in the PLI scheme.
- For domestic content – anything outside the application boundary (system/stack/stack component) which is purchased locally from a manufacturer, not trader, can be considered domestically sourced. Incentives may be linked to % of local content used in manufacturing of electrolyzer.

These were submitted to Scientist 'C', Ministry of New and Renewable Energy.

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

Industry representation on draft DSM regulation proposed by CERC

About 52000 MW wind and solar capacity has been commissioned since 2015 when the current DSM regulations were notified. This capacity has been commissioned through bidding process where the tariffs were estimated by bidders based on the existing rules and regulations. The proposed change in DSM regulation, if made applicable for these existing projects, would make these projects financially unviable.

To ensure viability of existing projects and ensure competitive tariffs in future bids, following suggestions may be considered and were submitted to Secretary MNRE.

- CERC DSM regulation
  - The existing projects may be continued to operate as per the

DSM provisions in the current regulation– with no DSM charge for deviations up to +/-15% and DSM charges linked to PPA tariff for subsequent deviations bands.

- In case of new projects, the deviation band may be reduced to +/-12% instead of present band of +/-15% and also have similar reduction in the subsequent deviation bands. The DSM charges for new projects should be linked with PPA tariff instead of ancillary service charge as suggested in the draft regulations, however this should be done in a phased manner. It should be linked, only after the ancillary market stabilizes.

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

Request for extension of time limit for execution of PPA in terms of Condition Precedent for validity of FSA entered into by power project developers

FICCI made a Representation on Request for extension of time limit for execution of PPA in terms of Condition Precedent for validity of FSA entered by power project developers to Shri R.K Singh, Hon'ble Minister for Power and Renewable Energy; Shri Alok Kumar, Secretary, Ministry of Power and Dr Anil Kumar Jain, Secretary, Ministry of Coal.

The following are the key points of the recommendation:

- In terms of FSAs signed by power project developers, the Condition Precedent stipulates that PPAs, in the event they are not signed, are to be executed within a period of 2 years unless suitably extended from time to time. Given the market condition and paucity of long / medium term PPAs, absent bidding opportunities as being experienced presently, the time limit of executing such PPAs was extended till 31.12.2021, vide decision taken at the meeting of SLC on 28.05.2020.
- As the deadline of 31.12.2021 for finalising PPAs is drawing near, power project developers would stand to default on their FSAs and not have the opportunity to participate in competitive tariff bidding of power off-take as and when the process is resumed if a suitable extension is not considered on an immediate basis.
- The Government is requested for considering grant of extension of the time limit of executing PPAs by a reasonable period of 2 years, i.e., up to 31.12.2023, to provide an opportunity to power project developers to continue with their FSAs and not lose access to linkage coal, given the present market dynamics and reliance on short term procurement of coal.

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

Representation on allowing Private Participation in Leh Transmission Project

FICCI made a Representation on allowing Private Participation in Leh Transmission Project to Dr TV Somanathan, Finance Secretary & Secretary Expenditure, Ministry of Finance and Shri Amitabh Kant, CEO, NITI Aayog

The following are the key points of the recommendation:

- POWERGRID, during an Investors Meet held on 11 August 2021, indicated that Phase-1 of the Leh Transmission Project was being awarded to them on nomination basis.
- It is pertinent to mention that the competitive bidding (TBCB) route has been adopted in several transmission projects and proved its efficacy vis-à-vis nomination route. Even MoP vide its letter dated 15th March'21 to States and UTs for adoption of TBCB mentions that discovered tariffs in Tariff Based Competitive Bidding compared to Cost plus are lower by about 30 to 40%.
- Currently, the project is waiting for a decision to taken up by MoP, to determine the implementation mode of the Project; i.e: Regulated Tariff Mechanism (RTM) or Tariff Based Competitive Bidding (TBCB) route.

Further, vide MNRE letter dated 24.3.2021, Department of Expenditure has granted in-principle approval for providing Central grant of 40% of the project cost for ISTS component related to the Ladakh project.

- It is requested that the Government may kindly review its in-principal approval given for 40% grant, by making it conditional (in the interest of both Government as well as the consumers), to ensure an alternate route of competitive bidding which is rather more transparent, for ensuring competition and growth of the sector.

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

CIFTI – FICCI representation on Calcium Propionate (Food Grade) (INS 282) under FSS (Food Products Standards and Food Additives) Regulations

In the shared representation on Calcium Propionate, FICCI propose a change in the requirement of Fluoride from 10 mg/kg to 30 mg/kg and submitted the reference w.r.t the exposure data of Fluoride, Contribution of FLUORIDE from Calcium Propionate in Bread, Commission Regulation (EU) No 231/2012 of 09 March 2012 (5) The European Commission.

Further, it was proposed that a change in the requirement for water insoluble matter from 0.3% to 1% as Calcium hydroxide used in CP generally contains about 95-98% calcium hydroxide with 2-4% calcium carbonate and less than 0.5% silicates with traces of moisture. In CP, part of the carbonates is reacted during process. These ingredients do not have any impact on their ADI considering 0.3% dosage of Calcium propionate in bread and its per-capita consumption which is 10g/day. Thus, increasing the limit of water insoluble matters from 0.3 % to 1% max, will not impose any adverse effect.

We propose change in the pH from 7-9 to 6-9 as In Calcium propionate, propionic acid is an active component responsible for its anti-fungal activity. CP shows maximum antifungal activity at pH 5.5 in bread. Hence, slightly lower pH of 10% solution enhances the performance of CP and delays the fungal growth and therefore gives better shelf life to bread products in country like India having our ambient weather conditions with higher humidity and temperature.

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

VOICE OF FICCI

Voice of FICCI is a monthly compilation of all the representations and recommendations of the industry, which FICCI had made / taken up with the Government. The recommendations are mentioned briefly in Voice of FICCI along with the Team Leaders' name and their email ids.

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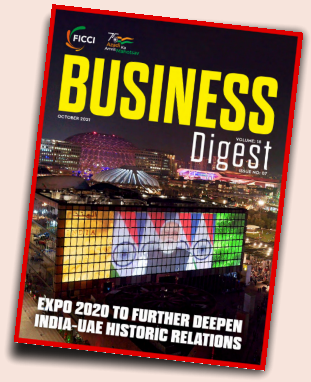

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