

# VOICE OF FICCI



## SHAPING THE AGENDA

March 2023



From the  
Secretary General

India's Foreign Trade Policy (FTP) 2023, announced in the month of March, is a transformational departure from earlier trade policies in several ways. FTP 2023 aims at promoting exports, enhancing competitiveness, and attracting foreign investment. It is futuristic, and flexible, and addresses the ever-changing needs of international business and our trading community.

FICCI is happy to have contributed detailed inputs on the vision and strategy of FTP 2023. Our suggestions on trade strategy for exporters including MSMEs and innovations and start-ups were submitted to Department of Commerce, Ministry of Commerce and Industry.

FICCI also shared inputs on the impact of liberalization in the Geospatial sector after the issue of Geospatial Guidelines and National Geospatial Policy, 2022. The Geospatial Guidelines, 2021 and the National Geospatial Policy, 2022 are both progressive and well-structured while giving all stakeholders a chance to actively participate and contribute to the development of the overall geospatial ecosystem. While it is too early to measure quantitative and qualitative impact, FICCI members would create awareness among stakeholders to define and strategize Mission Mode Projects in various sectors like Agriculture and Health. These inputs were shared with Department of Science & Technology, Government of India.

In a representation to FSSAI on Food Safety and Standards (Alcoholic Beverages) Regulations, FICCI proposed certain inclusions under the definition of 'non-alcoholic counterpart of alcoholic beverage' in an effort towards more clarity.

In the months to come, it will be FICCI's endeavour as the major flag bearer of the Indian commerce and industry to contribute in all possible ways to support business and work with all stakeholders as India grows to be the third largest economy by 2030.

Shailesh Pathak

### Representation on Water Purifier IS 16240

The industry currently faces the following shortcomings owing to IS 16240 implementations from 4th April'2023 onwards:

- Substantial change required in mechanical & electrical design
- Substantial time required for BIS approved 3rd party laboratory to be set up and grant of BIS certification
- Addition of TDS meter in water purifier due to inconsistent TDS output and unavailability of TDS sensors in the country

Therefore, the industry had requested to extend the implementation by at least 12 months to 4th April'2024. Also, request was to develop BIS 3rd party labs and considering a standalone handheld device to check the TDS instead of it being in the water purifier. This was submitted to Additional Secretary, MoEFCC.

For detailed recommendation, please write to  
Mr Chetan Bijesure at [chetan.bijesure@ficci.com](mailto:chetan.bijesure@ficci.com)

### Second Representation on Water Purifier IS 16240

The industry apprised the ministry that they have started applying for the certification for compliance, however audits are in preliminary stage and unlikely to be completed by 4th April 2023. Due to this issue and the other issues mentioned in their first representation, the industry requested an extension of 12 months be granted for implementation of para 3 (A) (i) and (iii) of the notification GSR 724 (E) dated 4th October 2021 to enable BIS to complete the audit and certification process.

Further, BIS has been requested to extend the concurrence period of amendment no. 2 to IS 16240:2015 to provide adequate time to the industry to implement the most adequate solution to address the issue on TDS. This was submitted to Additional Secretary, MoEFCC.

For detailed recommendation, please write to  
Mr Chetan Bijesure at [chetan.bijesure@ficci.com](mailto:chetan.bijesure@ficci.com)

### Inputs from Indian Industry on Trade and Investment issues with Republic of Korea

FICCI shared Industry inputs with DPIIT with regard to issues related to doing business with Korea that could be taken up during bilateral meeting with trade ministers of two sides.

For detailed recommendation, please write to  
Mr Gaurav Vats at [gaurav.vats@ficci.com](mailto:gaurav.vats@ficci.com)

### Inputs from Indian Industry on Trade and Investment issues with Indonesia

FICCI shared Industry inputs with DPIIT with regard to Bilateral

*'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.*

Investment issues between Indian & Indonesia that could be taken up during the G2G meeting.

For detailed recommendation, please write to  
*Mr Gaurav Vats at gaurav.vats@ficci.com*

### **Inputs from Indian Industry on the new policy framework on employment pass approvals of Singapore**

FICCI has shared industry inputs with Department of Commerce regarding the new policy framework on employment pass approvals of Singapore.

For detailed recommendation, please write to  
*Mr Gaurav Vats at gaurav.vats@ficci.com*

### **FICCI Representation on support for the Indian Jewellery industry with six months extension of Hallmarking of Gold Jewellery and Gold Artefacts (Amendment) Order, 2023 beyond 31.03.2023**

Submitted that in reference to the previous notification pertaining to hallmarking and standards, the industry was under the impression and had interpretation that the HUID hallmarking was to be implemented for the new jewellery manufactured after 15.07.2021, post amendment of IS 1417: 2016 (Gold and Gold Alloys, Jewellery/Artefacts – Fineness and Marking – Specification), vide BIS Gazette Notification (Ref: HQ-PUB014/1/2020-PUB-BIS (191), dated 07.07.2021, published on 15.07.2021). At this crucial juncture, the industry earnestly requests government support to tide over this challenging phase with extension of the Hallmarking Amendment Order 2023, for compliance as per the new HUID hallmarking provisions for gold jewellery. This was submitted to Secretary, Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.

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

### **RBI Discussion Paper on Securitization of Stressed Assets Framework**

RBI had released a Discussion Paper on the Securitisation of Stressed Assets Framework seeking comments on nine areas of the framework including asset universe, asset eligibility, minimum risk retention, regulatory framework for special purpose entity and resolution manager, access to finance for resolution manager, capital treatment, due diligence, credit enhancement and valuation. Based on inputs received from members, FICCI submitted detailed recommendations to RBI.

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

### **SEBI Discussion Paper on Streamlining Disclosures by Listed Entities and Strengthening Compliance**

Based on suggestions received from members, FICCI has submitted detailed recommendations on SEBI proposals pertaining to submission of first financial results by newly-listed entities; timeline to fill up vacancy of directors, compliance officer, CEO & CFO and freezing of

demat accounts of MD/WTD/CEO of a listed entity for continuing non-compliance with LODR Regulations and/or non-payment of fines by a listed entity.

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

### **SEBI Discussion Paper on ESG Disclosures, Ratings and Investing**

Based on feedback received from members, FICCI submitted detailed recommendations on SEBI proposals pertaining to assurance of sustainability disclosures; ESG disclosures for supply chain; ESG Ratings; enhanced Stewardship Reporting for ESG schemes and mitigation of risks of mis-selling and greenwashing.

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

### **SEBI Discussion Paper on Strengthening Corporate Governance at Listed Entities by empowering shareholders**

Based on suggestions received from members, FICCI submitted detailed recommendations on SEBI proposals pertaining to key amendments in the LODR Regulations relating to Board permanency; periodic approval for special rights granted to certain shareholders; sale, disposal, or lease of assets of a listed entity outside the Scheme of Arrangement framework and disclosure and approval requirements for certain types of agreements.

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

### **Issues reg. filing of Incorporation forms in MCA21 V3 portal**

Based on concerns highlighted by members, FICCI submitted a representation highlighting the issue of SPICe+ Forms not showing up in the MCA V3 portal, as a result of which companies were unable to complete filing process for incorporation or name reservation for new company. It was submitted that similar to filing of certain forms which have been allowed in physical mode, filing of forms relating to incorporation of company may also be permitted in physical mode till normal functioning of the portal is restored.

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

### **SEBI Discussion Paper on amendments to ICDR Regulations with the objective of increasing transparency and streamlining certain processes**

Based on suggestions received from members, FICCI submitted recommendations on SEBI proposals pertaining to certain amendments in the ICDR Regulations relating to inclusion of requirements w.r.t. disclosure made in the offer document.

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

### FICCI Feedback on Foreign Trade Policy

FICCI has shared detailed inputs on the vision and strategy of the new Foreign Trade Policy. The suggestions were broadly on trade strategy for exporters including MSMEs and innovations and start-ups, among others. These were submitted to Additional DGFT (Policy Division), Department of Commerce, Ministry of Commerce and Industry.

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

### FICCI Feedback on Foreign Trade Policy -Addendum

FICCI has shared an addendum for the inputs of the new Foreign Trade Policy for select specific schemes and ease of doing business, based on the additional inputs received from the members. These were submitted to Additional DGFT (Policy Division), Department of Commerce, Ministry of Commerce and Industry.

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

### Inputs on the impact of liberalisation in Geospatial sector after issue of Geospatial Guidelines and National Geospatial Policy, 2022

The Geospatial Guidelines, 2021 and the National Geospatial Policy, 2022, are very progressive and well-structured, giving all the stakeholders a chance to actively participate and contribute to the development of the overall geospatial ecosystem. However, it is too early to measure quantitative and qualitative impact at this stage. There is need to create awareness among stakeholders to define and strategize Mission Mode Projects in various sectors like Agriculture and Health. This was submitted to Department of Science & Technology, Government of India.

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

### Inclusion of Natural Gas under the ambit of GST and Rollback of the increase of GST on capital goods used for Petroleum and Coal Bed Methane from 5% to 12%

Under the current GST regime, finished manufactured products of consumers of natural gas are subjected to GST, but the natural gas used as an industrial input by them is subjected to VAT, for which no input credit is available. Thus, it results in an increase in the cost of production and puts the small and medium enterprises at a cost disadvantage. This is not in line with the Government's vision of both Make-in-India and increasing the share of natural gas in India's energy mix to 15% by 2030 from the current level of 6.33%.

It is, therefore, important for the Centre, States, and all other stakeholders to consider covering natural gas in GST to avoid the cascading effect in the value chain, including for both the end consumer and the operator. Natural gas should be treated separately from other fuels like petrol and diesel where the current taxes are over 50%. We believe that if natural gas is kept under the 12% - 18% bracket there will be no loss to the states. FICCI strongly recommend bringing Natural Gas under the ambit of GST and also reconsidering the increase in the GST rates from 5% to 12% since there is no input tax credit available

currently. This would go a long way to enhance domestic production and consumption of natural gas. This was submitted to Secretary MOPNG, DGH.

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

### TDS and taxability on net winnings on Online Games

Background- The Government has announced new provisions concerning TDS and taxability on net winnings on Online Games. New sections have been proposed to be introduced to provide a taxability scheme for online games.

Issue1- Section 194BA provides for no minimum threshold while calculating TDS on 'Net Winnings' accrued from online game. Proposed changes in TDS will adversely impact users as the tax has to be deducted on every withdrawal from the user account and at the highest rate of 30%. Removal of the threshold would not just impact online gaming intermediaries; additional compliance burden would bereave players of their source of entertainment. This will further discourage users from engaging on legitimate online gaming platforms, as it will lead to massive compliance issues for them.

"Issue2- Online gaming is subjected to two changes in tax regimes within a period of three months, i.e. current tax regime until 31st March, amended 194B until 30th June and new TDS regime from 1st July, 2023. The industry will face severe challenges in making necessary technological changes twice within three months due to applicability of multiple tax regimes, i.e. current regime until 31st March, amended 194B between 1st April, 2023 and 30th June 2023 and the new section 194BA effective from 1st July, 2023 onwards.

Recommendations- It is recommended that:-

- Align effective dates for all amendments for "online games" from 1st July, 2023. Further, for the time-period 1st April 2023 to 30th June 2023, it is requested to continue the current proviso, this would eliminate interpretational differences and operational difficulties.
- Minimum threshold of INR 10,000 for calculating TDS on 'Net Winnings' from an online game be maintained.
- Computation of TDS should be on "net winnings" across multiple gaming sessions in a financial year, which allows for offsetting entry fee across all contests in that year.

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

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

### Budget proposal withdrawing concessional tax regime for ECBs and INR Bonds

Background- A concessional tax regime of 5.46% withholding tax on interest paid on External Commercial Borrowings, provided by offshore entities to Indian borrowers is available till 30-06-23. For INR-denominated bonds, issued by Indian entities and held by Foreign Portfolio Investors, concessional WHT tax rate on interest payments is available only until 30-06-23. The Finance Bill for FY2024 does not propose to extend concessional WHT regime. Such interest income paid to non-residents will be chargeable at rate 21.84% instead of current concessional rate 5.46%.

Issue- Proposed change can have an adverse impact on foreign investor debt flows, it will either result in higher borrowing costs for Indian borrowers or lower returns for international investors, making these borrowing/investment avenues less attractive. This will hamper the nascent investment recoveries and availability of foreign capital to fund medium/long-term investments. Banks have been the critical financiers of India's growth story, but capital markets serve as an alternative to bank finance, especially for green financing. Proposed change in withholding tax regime is of concern as it may impinge on the development of healthy and vibrant debt capital market.

Recommendation- It is recommended:- a) Grandfather interest income with respect to all instruments covered under section 194LD of the Act and issued up to 30-06-23 and make them eligible for 5% base tax rate for future coupons as well; b) Staggered rate hike be made from 5% to 10% in respect of base tax rate on interest income under section 194LD and 194LC given that base tax rate of 10% is also applicable for specified funds as defined in section 10(4D) of the Act. Further, the said base rate of 10% should also be applicable in respect of interest income on rupee denominated bonds of an Indian company without any cap as is currently prescribed under section 194LD. These were submitted to Chairperson, Central Board of Direct Taxes, Ministry of Finance.

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

### **Request for relaxing mandatory e-filing of Form 10F for non-residents (NRs) whether or not having PAN/e-filing account**

Issue- Notification No.03/2022 dated-16th July 2022 by Directorate of Income Tax (Systems) New Delhi, mandates furnishing of Form 10F electronically and verification through Electronic Verification Code. CBDT Notification No.2022/9227 dated 12-12-22 provided relaxation exempting Non-Resident Taxpayers from e-filing Form 10F if such NR does not have PAN and is not required to have PAN under provisions of Income tax Act. Such relaxation is applicable only up to 31 March 2023.

At present, NR taxpayers who obtain PAN and file returns are not required to upload or furnish Form 10F separately as part of return filing compliance. NRs are not required to mandatorily obtain PAN for seeking treaty benefit for TDS purposes. Under Section 206AA(7) of the Income Tax Act, 1961, NR is exempted from applicability of higher TDS in absence of PAN in few conditions.

Even where tax is not required to be deducted, NR payees furnish TRC, Form 10F and no-PE declaration to payers and they are not required to obtain PAN. Tax Department gets most of the information contained in Form 10F from Form 27Q. After Notification No.03/2022, NR taxpayers not having PAN are facing challenge in complying with requirement of mandatory e-filing of Form 10F. The mandatory e-filing of Form 10F by the NR payees/deductees is merely a duplicated requirement.

Recommendation- It is recommended that:- a) Instead of temporary relief till 31 March 2023, NR taxpayers not having PAN and not required to obtain PAN under the Act may be permanently exempted from e-filing Form 10F; b) Option may be given to NR taxpayers having PAN to furnish Form 10F electronically to Tax Department or in hard/ soft copy to deductors as was being furnished prior to e-filing mandate. Alternatively, enable the payer/deductor to e-file Form 10F of the NR payee/deductee as part of Form 15CA compliance. These were

submitted to Chairperson, Central Board of Direct Taxes, Ministry of Finance.

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

### **CIFTI -FICCI representation on FSSAI order on instant modification of license dated 29th December 2022**

In the submitted representation on FSSAI order dated 29th December 2022, on the subject entitled, "Ease of doing business: Instant modification of License- in case of addition/deletion of non-high risk-standardized food products in the existing license by Manufacturer, wherein as per clause I of the order which states that:

Instant modification of the license in case of modification applications for the addition of any of the standardized food products under the Vegetable Oil and Processing units KOB and General manufacturing KOB except the High-Risk food categories 01,08, 09, 13 and 99."

It has been observed that Category 99 has been included under the High-Risk food categories. Category 99 includes the intermediary products/premixes which are not for direct consumption and are to be added to the final formulation. These ingredients are pure entities and safe to use. Additionally, this category includes stable entities that do not pose any risk.

Hence, FICCI submitted that category 99 shall be exempted from the ambit of high-risk food categories.

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

### **CIFTI-FICCI representation on FSSAI order on License renewal dated 11th January 2023**

In the submitted representation on FSSAI order dated 11th January 2023, on the subject entitled, "Ease of doing business: Instant renewal of License/Registration", wherein FICCI highlighted that while the instant issuance of the renewal of license/registration upon submission of the application by FBOs may simplify the process, the reduction of the validity of every new license from 1-5 years to 1 year may have a significant impact on the overall licensing process at the FBOs end due to the following concerns:

1. While the application process at the FBOs end remains unchanged, the requirement of renewing the license annually will create a significant compliance burden for companies with a large number of entities, including manufacturing locations, depots, warehouses, and transporters.
2. We believe that the workload of the authorities as well as of the FBOs will increase as instead of the usual practice of renewing it once every 5 or 3 years, now the FBO will have to renew every year. This increase in the frequency of license renewal is contrary to the industry's plea of easing out the licensing process and goes against the purpose of the order, which is to promote ease of doing business.

Hence, FICCI submitted that the validity of 'Renewal' should be retained as the previous provision from 1 to 5 years (if no change in the FBO details is there) in perspective of ease of business.

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



### **CIFTI -FICCI representation on FSSAI order related to annual return dated 13th January 2023**

In the submitted representation on FSSAI order dated 13th January 2023, on the subject entitled, “Manufactures (Including Repacker and Relabeller) to upload or link mandatory lab testing report on FoSCoS, wherein FSSAI’s steps in bringing transparency to consumers and authorities, by mandating upload of 6 monthly test reports in FOsCos. However, by including relabellers and Repackers into the ambit of this order has added a huge compliance burden for the following reasons:

- In the case of relabellers, it is evident that the activity of generating multiple reports for each of the thousands of products manufactured at every CMU (Contract Manufacturing Unit) is duplicate information, burdensome and is not adding any value to the compliance system. This practice is not in line with "ease of doing business". The licences of manufacturers are already linked to relabeler/repacker licences, and are also mentioned on the labels, so anyone in need of the report can download from the manufacturer licence and hence we believe that uploading the report at relabeler’s end is not required.
- The timeline of one month provided for compliance is very short and may not be feasible, particularly for samples sent during the closing month of the respective half-year for testing purposes.
- Furthermore, the maximum size of test reports that can be uploaded for a given category of food products is limited to 5 MB, which is inadequate. For instance, if an FBO (Food Business Operator) has been granted a license for manufacturing different types of chocolates such as plain, milk, dark, filled, blended, praline, etc., under FC no. 5.1.3, they would only be able to upload test reports for one type of chocolate, as the maximum file size allowed for a given category of products (in this case, 5.1.3-Chocolate) is only 5 MB, and a single test report for a variant could already take up the entire limit.

Further, FICCI requested that any new requirement may be done after stakeholder consultations (draft and final notification).

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

### **CIFTI-FICCI representation on the amendment of Food Safety and Standards (Alcoholic Beverages) Regulations, 2018**

In the submitted representation to FSSAI on Food Safety and Standards (Alcoholic Beverages) Regulations, regarding the amendment of clause 1.2.8a. “non-alcoholic counterpart of alcoholic beverage”, FICCI proposed to include the term “if any” under the definition of “non-alcoholic counterpart of alcoholic beverage” to bring more clarity.

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

### **CIFTI -FICCI representation on FSSAI order related to enforcement drive of Nutra products dated 7th March 2023**

In the submitted representation on FSSAI order dated 7th March 2023, subject entitled “Request to carry out special enforcement drive to check the quality/safety of Nutraceuticals/Health supplements

products”, wherein FSSAI has requested the respective food safety officers for a tight vigilance on the manufacturing and sale of the Nutraceutical/Health Supplement products and carry out a special enforcement drive for the products to check compliance with the FSSR.

FICCI reiterated some of the major challenges the industry has in implementing the operationalized Nutra 2022 regulation and the same has been brought to the notice of FSSAI:

- One of the major challenges is the absence of earlier permitted food additives provisions in Nutra 2016 regulations. This has a very big impact on product formulation.
- In all there were approx. 286 no. of additives permitted for use in category 13 products. All the products in this category are using one or more additives from this list however with new regulations & due to this deletion of additives, we are facing issues with the already granted Licenses of Nutra products. While applying for any new product license in the existing license, Licensing authorities are reviewing existing products and ask FBOs to rectify the Statement of Ingredients/product formulation as per said operationalization direction, which is a huge disruption to business continuity and makes the products deemed non-compliant.
- Additives provisions have been moved from ‘category-wise’ approach to ‘Format wise’ for the product. Thus, making it more restrictive for Tablets/capsule formats.
- Few Existing labelling declarations have been now mandated to be displayed in bold letters and have been shifted to Front of Pack under the overhauled Nutraceutical regulation.
- As per the FSSAI notification dated 17 June 2022 on FSS (Labelling and Display) Regulations, under clause 5(3) (c) (xiii), the following shall be substituted as:

“Health supplements, Nutraceuticals and Foods for Special Dietary Uses (FSDU) in tablet and capsule format, with respect to macronutrients, when sources of energy are insignificant.”

The above-said exemption is applicable to only tablet/capsule formats. There are other formats like powder, liquid etc., which need to be covered under this exemption. Nutritional values on some products under the same category with different formats will confuse the consumer e.g., a health supplement in tablet format will not have any NI information on the label, whereas those in powder form will carry that information which will be confusing.

FICCI requested the exemption for dosage-based products from declaring 100gm / 100ml Nutritional values on the label.

Hence, FICCI requested that basis the enforcement order, action may not be initiated against Nutra products till the regulations are finalised.

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

### **FICCI representation on FSSAI notification on “Enforcement regarding compliance with the standards for non-carbonated water-based beverage (non-alcoholic) under FSS (Food Product standards and food additives) regulations, 2011 dated 1st February 2023**

In the submitted representation on FSSAI notification on “Enforcement

regarding compliance with the standards for non-carbonated water-based beverage (non-alcoholic) under FSS (Food Product standards and food additives) regulations, 2011 dated 1st February 2023, wherein the FSSAI regional directors are directed to scrutinise the licenses granted to non-carbonated water-based beverages under the Food Category 14.1.4.2, for the points mentioned in the notification.

In this regard, we request for amendments of provisions (c) and (d), as below:

1. Request for amendment of clause c, basis following rationale:  
Water being basic raw material for all beverages, is very commonly referred in product name. FSSAI Regulations in additive section of Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011 refers 'water' in the category name itself:
  - a) FC 14.1.4 Water-based flavoured drinks, including "sport," "energy," or "electrolyte" drinks and articulated drinks
  - b) '14.1.4.2 non-carbonated water-based flavoured drinks, including punches and ades'.

Term water is a generic term used across the globe to describe water-based beverages in many languages and therefore, by strict interpretation, water shall include synonyms and regional variations of term 'water' such as 'pani', 'neer', 'jal' etc. and with that inclusion the scope of order increases multi-fold.

Given the above background, we requested Authority to amend the clause as indicated.

2. Request for Deletion of the below clause d, basis following rationale  
Furthermore, we highlighted several technical infeasibilities associated with the implementation of the aforementioned provision:
  - Non-carbonated water-based beverage standard is mandated to contain water as one of the ingredients with a variety of other ingredients/additives as provided in the regulation. For a multi-ingredient product, it is not technically possible to match the composition of non-carbonated water-based beverage to water used as an ingredient. Therefore, it is challenging to achieve the same level of minerals/vitamins in non-carbonated water-based beverages as existing in the original ingredient water used for making the product.
  - There are additives and ingredients permitted in non-carbonated water-based beverage standard- FSSR 2.10.6 (3) (including

Appendix A, 14.1.4.2) which may contribute to minerals in the products such as Sodium salts, Potassium salts, Phosphorus salts etc.

Few Examples: a) Sugar permits the usage of preservatives such as SULFITES (Sodium sulfites, potassium sulfites, calcium sulfite etc.). All these preservatives will contribute to the minerals such as sodium, potassium and calcium to the product where sugar is added.

b) There are >80 GMP table additives which when added to a product will contribute to the minerals.

- Many of the Non-carbonated water-based beverage (non-alcoholic) contains added vitamins and minerals for its functional and nutritional benefits to the consumers. These are ready to consume finished products which provides nutrition and calories through protein and essential fats and consumption of these products are very different from the packaged water. Essential micronutrients added to these beverages are beneficial for consumers who follow a vegan diet and are dependent on plant-based food beverages for their daily requirement of vitamins and minerals.

Hence, FICCI requested that the enforcement note regarding compliance for non-carbonated water-based beverage (non-alcoholic) shall not be done basis the clause (d) which is impossible to achieve and was never existing as a part of the non-carbonated water-based beverage (non-alcoholic) standard.

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

### Proposal for use of Processing Aid - Asparaginase in Infant cereals

FICCI proposed to include FCS 13.2 Complementary foods for infants and young children (FSS (Foods for Infant Nutrition) Regulations, Chapter 3 Infant Food; clause 8 - Milk cereal based complementary food and clause 9- Processed cereal based complementary foods) in the defined list of food products. These products have cereal as one of the major ingredients and during the manufacturing process may produce acrylamide. Therefore, to reduce the acrylamide level, we proposed to include complementary foods in the list of asparaginase.

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

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