VOICE OF FICCI

SHAPING THE AGENDA

September 2025



From the Director General

September was a particularly engaging month for FICCI, marked by conversations with stakeholders from government, international community, and others. These interactions reaffirmed our unique position in shaping dialogue between industry and policymakers.

The month witnessed significant ministerial engagement. FICCI leadership, led by President Harsha Vardhan Agarwal, called on Union Cabinet Ministers including Home Affairs and Cooperation Minister Amit Shah, Defence Minister Rajnath Singh, Finance Minister Nirmala Sitharaman, Commerce and Industry Minister Piyush Goyal, and Environment Minister Bhupender Yadav. Senior Vice President Anant Goenka participated in discussions with Minister Goyal on next-generation GST reforms alongside other industry leaders.

Our international diplomatic exchanges proved extensive. We had the privilege of a high-level breakfast meeting with Dr Johann David Wadephul, Federal Minister for Foreign Affairs of Germany, and met His Excellency Patrick Rata, High Commissioner of New Zealand, State Secretary Omar Heijra of Morocco, the Ambassador of Brazil, and the business leaders from Mexico.

Our engagements with senior bureaucracy included Defence Secretary Rajesh Kumar Singh, Economic Affairs Secretary Anuradha Thakur, Steel Secretary Sandeep Poundrik, DPIIT Additional Secretary Himani Pande, NITI Aayog Member Rajiv Gauba, and senior officials Ashok K. K. Meena (Secretary, DWS) and Sudhakar Dalela (Secretary, ER, MEA). Vice President Vijay Shankar held virtual interactions with Vani Rao from the Embassy of India in Italy. Senior Vice President Anant Goenka also participated in RBI's pre-policy consultations with trade bodies and sectoral experts.

We also engaged with Gujarat's Chief Minister reflecting our commitment to strengthening state-industry partnerships.

Our policy advocacy this month encompassed over thirty comprehensive interventions across key sectors including financial services submissions which addressed SEBI's Credit Rating Agencies regulation and Companies Act amendments, startup ecosystem recommendations which covered the Delhi Startup Policy and the Seed Fund Scheme 2.0, with allocations for women-led ventures. Defence sector inputs addressed the National Drone Policy Framework and post-licence facility establishment challenges. Chemicals and fertilisers submissions covered US tariff impacts, GST accumulation issues, synthetic menthol concerns, India-New Zealand FTA implications, and Budget 2026-27 proposals.

Pharmaceuticals and medical devices advocacy addressed NDCT Rules amendments, GST 2.0 implementation with re-stickering exemptions across device classes, Minamata Convention exemptions, state-level ease-of-doing-business, and Fall Clause violations in tenders. Food standards engagement included Rajya Sabha Committee presentations on FSSAI labelling regulations, food processing GST reforms, and CODEX submissions on cell culture media and coffee-chicory testing.

Comprehensive GST reform recommendations covered textiles uniformity at 5 per cent, agricultural PVC pipes, paper and paperboard, water purifiers, insurance, FMCG transition mechanisms, and industrial housing leasing exemptions. Trade facilitation inputs addressed the Digital Trade Facilitation Bill and SEZ law amendments. Gujarat's Industrial Policy 2022 received enhancement recommendations aligning with best practices from other states.

These submissions reflect our unwavering commitment to fostering dialogue between industry and government, strengthening India's global competitiveness. For FICCI, September reaffirmed our responsibility as a bridge between government, industry, and global partners, steering conversations towards India's growth with purpose and commitment.

SEBI Discussion Paper on Measures for Regulation of activities of Credit Rating Agencies

Based on feedback received from members, FICCI submitted suggestions on the SEBI Consultation Paper on proposed measures for regulation of activities of Credit Rating Agencies.

For detailed recommendation, please write to
Mr Santosh Parashar at santosh.parashar@ficci.com

Suggestions on amendments required under the Companies Act, 2013 and Rules thereunder

Based on industry inputs and suggestions, FICCI submitted a detailed representation highlighting amendments required under the Companies Act, 2013 and Companies Rules. This was submitted to Joint Secretary, MCA; RD - West and NITI Aayog.

For detailed representation, please write to
Mr Santosh Parashar at santosh.parashar@ficci.com

Inputs/Suggestions on the Draft - Delhi Startup policy

Definition: The eligibility window for startups should be reduced from ten to five years to better target early-stage ventures and avoid extending benefits to mature businesses. The term “small and young startups and entrepreneurs” may be reworded as “early-stage startups” to maintain clarity and avoid age-based biases, emphasizing innovation and economic value creation over founder age.

Incentives for Startups: The proposed INR 200 crore venture fund appears inadequate for the policy’s scale. A revised structure distinguishing between seed funding and growth capital is recommended to ensure meaningful financial support.

Infrastructure and Support: Stronger linkages with Delhi’s academic and R&D institutions—such as IIT Delhi, IIIT, DU, and AIIMS—should be built to promote sectoral innovation and academia-industry collaboration.

Special Consideration: A clear definition of women-led startups (minimum 51% shareholding by women) is necessary to prevent tokenism. Inclusion of monitoring mechanisms for delayed or non-payments under the MSMED Act is also recommended to address cashflow challenges faced by startups. This was submitted to the Government of NCT of Delhi.

For detailed recommendation, please write to
Mr Akhil Gupta at akhil.gupta@ficci.com

Inputs/Suggestions for Startup India Seed Fund Scheme (SISFS) 2.0

FICCI recommended relaxing the eligibility age for incubators from the existing 3 years to 2 years to enable high-performing, younger incubators with proven governance, sectoral expertise, and impactful startup support to qualify as Disbursement Partners (Dps). This change would have expanded the network of capable partners, enhanced regional outreach, and accelerated the scheme’s overall impact. It was

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.

also proposed an earmarked allocation of 15–20% of the SISFS 2.0 corpus for women-led startups, to be implemented at the DP level. Enforceable guidelines were suggested to ensure that a defined portion of each DP's corpus be disbursed exclusively to women founders or co-founders, promoting genuine and measurable inclusion rather than symbolic representation. Further emphasis was laid on the onboarding of women-led or women-focused DPs, including incubators and accelerators, to provide targeted mentorship and a supportive environment for women entrepreneurs. It also expressed readiness to suggest and connect with credible women-led DPs from across the ecosystem to facilitate this initiative. To strengthen funding continuity, FICCI recommended integrating SISFS 2.0 with the Fund of Funds for Startups (FFS), ensuring startups supported under the women-led allocation received preferential access to follow-on funding. This linkage would have enabled smoother growth-stage transitions, enhanced investor confidence, and encouraged private sector participation in women-led ventures. This was submitted to DPIIT, Government of India.

For detailed recommendation, please write to
Mr Akhil Gupta at akhil.gupta@ficci.com

Inputs on National Drone Policy Framework

FICCI recommended for a legislative & institutional framework covering classification of drones, regulation, permissions & airspace management, R&D, innovation & test corridors, standards, certification & security, manufacturing & supply chain development, skilling, ease of doing business & financing, and public–private partnership. These were submitted to the Joint Communications Electronic Staff, HQ IDS, Ministry of Defence, Government of India.

For detailed recommendation, please write to
Mr Gaurav Gaur at gaurav.gaur@ficci.com

Inputs on Exports to USA

The recent increase in tariffs imposed by the United States has adversely impacted India's chemical exports. FICCI has submitted inputs and data to analyze the sub-sector-wise impact on export performance to the Department of Chemicals and Petrochemicals, Government of India.

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

Request for Resolution of GST Accumulation Issue Faced by Fertiliser Industry

FICCI submitted a note to Ms Limatula Yaden, Joint Secretary (TRU-I) Central Board of Indirect Taxes and Customs on GST Accumulation Issue Faced by Fertiliser Industry.

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

Ministry wise submission of notes were done to DCPC highlighting recommendations of the Chemicals industry

A Working Group on Next Gen Reforms under the National Chemicals Committee identified key industry challenges and structural changes needed in light of the India–US tariff situation. recommendations, categorized by ministry, were submitted to DCPC for further action. These were submitted to the Department of Chemicals and Petrochemicals, Government of India.

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

Consolidated short term & long term inputs on issues faced by Fertilizers industry

The Fertilizers Taskforce compiled inputs on short & long term issues faced by the industry and submitted a consolidated report with a presentation to both Additional Secretaries of the Department of Fertilizers.

Department of Fertilizers

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

Inputs on India-New Zealand FTA

New Zealand has shared a revised list of tariff lines under market access for goods, on which it is seeking enhanced commitments from India.

In this regard, FICCI has submitted inputs to the Department of Chemicals and Petrochemicals (DCPC) on the tariff lines related to the Chemicals and Petrochemicals sector where New Zealand has sought commitments at par with those extended to Australia.

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

Budget Proposals for the year 2026-27 in respect of Chemicals Sector

FICCI submitted inputs to the Department of Chemicals and Petrochemicals for the forthcoming Union Budget 2026-27 for the chemicals sector, including proposals for revisions to customs duty rates on specific commodities.

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

Representation Regarding Synthetic Menthol

A representation was submitted to the Joint Secretary (Chemicals), Department of Chemicals and Petrochemicals, Government of India; Director General of Foreign Trade and Director General of Trade Remedies, concerning the Menthol industry, specifically addressing the issue of Minimum Import Price (MIP), in response to stakeholder consultations organized by the Department of Chemicals and Petrochemicals (DCPC).

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

Submission of Industry Representation on Draft Amendments to NDCT Rules, 2019

FICCI has submitted detailed industry inputs to the Ministry of Health and Family Welfare and CDSCO on the draft notifications G.S.R. 587(E) and G.S.R. 588(E) (enclosed), proposing amendments to the New Drugs and Clinical Trials (NDCT) Rules, 2019. Developed in consultation with its pharma sector members, the submission highlights industry concerns and perspectives on the proposed transition from a licensing-based system to a notification/intimation framework for test licences and BA/BE study applications. While the shift is expected to simplify regulatory processes, encourage innovation, and enhance efficiency, the representation underscores the importance of ensuring patient safety and regulatory accountability. Key recommendations include issuing clear procedural guidance to avoid ambiguities, strengthening digital platforms for faster submissions and approvals, instituting adequate safeguards to balance reduced compliance with robust oversight, and adopting a phased transition framework for smooth implementation. FICCI has urged CDSCO to consider the detailed suggestions so that the amendments not only ease compliance but also

uphold the highest standards of patient safety and ethical clinical practices, thereby reinforcing India's position as a global hub for affordable, high-quality pharmaceuticals and clinical research within a predictable and innovation-friendly regulatory environment. These were submitted to the Drugs Controller General of India, Central Drugs Standard Control Organization (CDSCO), Ministry of Health and Family Welfare, Government of India.

For detailed recommendation, please write to
Mr Ishan Pandita at ishan.pandita@ficci.com

FICCI Request for Transition Measures for smooth implementation of Revised GST Rates in the Pharmaceutical Sector

FICCI had submitted a representation on the recent reduction of GST on medicines (from 12% to 5%, and to NIL for 33 life-saving drugs).Industry has welcome the GST reduction and this has served as a significant step towards affordable healthcare. The submission, prepared in consultation with pricing committee members, emphasized the pharmaceutical industry's commitment to ensuring that the benefit reaches consumers through revised MRPs, filings with NPPA/IPDMS, updated price lists, public notices, digital communication, and certified compliance. It also highlighted key challenges, particularly that nationwide re-stickering of products within a short timeframe is impractical due to manual processes and limited printing capacity. FICCI stressed that manufacturers should not be held liable if retailers continue selling at pre-revised MRPs despite compliance with all regulatory requirements. Accordingly, the representation requested NPPA to exempt manufacturers from mandatory stickering of already manufactured stocks and to restrict liability for overcharging to non-compliant retailers. These measures, if adopted, will ensure uninterrupted medicine availability, smooth implementation of GST reforms, and effective consumer benefit without imposing undue compliance burden on the industry. These were submitted to the Chairman, National Pharmaceutical Pricing Authority (NPPA).

For detailed recommendation, please write to
Mr Ishan Pandita at ishan.pandita@ficci.com

FICCI's request Fall Clause violation in tender for products with expiry date such as drugs

FICCI had submitted a representation on issue of Fall Clause violation in tender for products with expiry date such as drugs The submission, prepared in consultation with pricing committee members, emphasized the pharmaceutical industry's commitment to ensuring that the benefit reaches consumers through revised MRP highlighted continued challenges regarding the applicability of the Fall Clause in government tenders for products with expiry dates, despite clear regulatory guidance exempting such products. While the Department of Pharmaceuticals (DoP) and the Manual of Procurement of Goods 2024 have already clarified that medicines with shelf life/expiry dates are exempt, agencies such as AIIMS–New Delhi and GMSC were still insisting on Fall Clause certificates in tenders. This contradictory practice created compliance burdens and ambiguity. FICCI has requested DoP to take up the matter with procurement agencies and issue suitable directions to ensure uniform adherence, so that undue compliance hurdles are avoided and ease of doing business is maintained. The request has been submitted to DoP for issuance of the OM for the baove issue. These were submitted to the Secretary, Department of Pharmaceutical, Ministry of Chemicals and Fertilizers.

For detailed recommendation, please write to
Mr Ishan Pandita at ishan.pandita@ficci.com

MoEF&CC OM dated 24.05.2025- Request for inputs with respect to Annex A and B under Minamata

FICCI requested an extension and exemption for EU RoHS-certified products from Minamata Convention restrictions in India, as that these products already complied with global mercury limits and that exemptions would have ensured availability of essential medical devices, will support India's mercury phase-out goals, and avoid regulatory duplication. This was submitted to the Medical Device Section, Department of Pharmaceuticals.

For detailed recommendation, please write to
Ms Shilpa Sharma at shilpa.sharma@ficci.com

Industry Submission on GST 2.0 Implementation for Medical Devices Sector – Request for Supportive Transition Measures

Requested DoP to provide a minimum 180-day transition period for the implementation of GST 2.0 in the medical devices sector. The request included exemption from mandatory re-stickering of existing and in-transit stocks, protection from penalties on old-labelled stocks during transition, refund of accumulated input tax credit due to the rate reduction, and transitional relief for healthcare service providers and clarity on credit notes. FICCI emphasized that without such measures, the compressed 18-day window posed severe operational, regulatory, and financial challenges that could negate the intended benefits of the GST reforms. These were submitted to the Secretary, Department of Pharmaceuticals, Government of India.

For detailed recommendation, please write to
Ms Shilpa Sharma at shilpa.sharma@ficci.com

Request for Exemption for medical devices from re-stickering of existing stocks in factory/warehouse and in-transit

FICCI reiterated industry's commitment to compliance and benefit pass-through and requested exemption for medical devices from re-stickering to ensure smooth GST implementation, avoid disruption, and protect patient safety as re-labelling thousands of packs was unfeasible, risked sterility, created waste, and did not account for in-transit stocks. This was submitted to Chairman, National Pharmaceutical Pricing Authority (NPPA).

For detailed recommendation, please write to
Ms Shilpa Sharma at shilpa.sharma@ficci.com

FICCI inputs for issues concerning Medical Device Industry related to Ease of Doing Business & reducing compliance burden in the States

FICCI had submitted inputs and suggestions emphasizing the urgent need to streamline regulatory approvals, ensure timely payments by state governments, and simplify compliance under the PC-PNDT Act to support innovation and ease business operations & recommended unified, time-bound processes, reduced procedural burdens, and stronger support for domestic manufacturing to boost the medical devices sector and improve patient access to advanced technologies. These were submitted to the Office of JS (Medical Devices), Department of Pharmaceuticals, Government of India.

For detailed recommendation, please write to
Ms Shilpa Sharma at shilpa.sharma@ficci.com

Request for Exemption from Re-stickering and Clarification on Labelling Requirements for Class A & B Medical Devices Under Revised GST Regime

FICCI appreciated CDSCO's order permitting re-stickering for Class C & D devices but highlighted the lack of similar clarity for Class A & B devices. These cover high-volume consumables, relabelling within short timelines risked sterility, packaging damage, and waste so therefore requested CDSCO to allow use of existing pre-printed stock, permit a phased shift to revised MRP packaging, and align with NPPA's transition period to ensure consistency, avoid disruption, and safeguard patient access. This was submitted to the Office of Dr Rajeev Singh Raghuvanshi, Drugs Controller General of India, CDSCO, Government of India.

For detailed recommendation, please write to
Ms Shilpa Sharma at shilpa.sharma@ficci.com

CIFTI comments on revised final report of R&D project on Development of test method for determination of chicory content in coffee-chicory powder

CIFTI shared comments on revised final report of R&D project on Development of test method for determination of chicory content in coffee-chicory powder and submitted to BIS.

For detailed recommendation, please write to
Mr Hemant Seth at hemant.seth@ficci.com

CIFTI Letter regarding Concerns and Suggestions on Next-Generation GST Reforms for the Food Processing Sector

In the submitted representation to MoCA, concerns and suggestions on Next-Generation GST Reforms for the Food Processing Sector were shared by CIFTI as follows:

1. With respect to pre-packaged unsold stock manufactured, packed, or imported prior to the revision in price, it was highlighted that stickering of all unsold stock already manufactured and lying at different warehouses across the country, with distributors handling multiple company products and SKUs, or with retailers up to the last mile, is an impossible task. Accordingly, it was proposed that the unsold manufactured and packed stock in the pipeline be allowed to continue with the revised MRP declared through invoices, public advertisements, websites, QR codes, and other media channels. Information was suggested to be shared with retailers, consumers, and also with the Director of Legal Metrology in the states and Union Territories, with proper documentation maintained until 31st December 2025. In view of FAQs-2 dated 16th September 2025 issued by CBIC, wherein clarifications were provided on multiple implementation issues, it was requested that similar clarification or guidance be issued for the food processing sector.
2. Regarding the use of old stock of pre-printed packaging material, it was observed that in small price point packs, reductions would often be less than Re.1, which cannot practically benefit consumers as retailers would be unable to return balances in small change. Therefore, it was suggested that the benefit of reduced GST be passed through increased net weight, to be printed on the packs while retaining the earlier net weight until 31st December 2025.

For detailed recommendation, please write to
Mr Hemant Seth at hemant.seth@ficci.com

Second Consultation paper of EWG on Cell culture Media

In the submitted representation to NCCP, CIFTI shared comments on Second Consultation paper of EWG on Cell culture Media.

For detailed recommendation, please write to
Mr Hemant Seth at hemant.seth@ficci.com

Examination of the Food Safety & Standards (Labelling & Display) Regulations, 2020 and subsequent amendments, by the Committee on Subordinate Legislation, Rajya Sabha

With reference to the meeting held with the Committee on Subordinate Legislation, Rajya Sabha chaired by Shri Milind Murli Deora, Member of Parliament, dated 24th September 2025, CIFTI submitted the detailed representation on Food Safety & Standards (Labelling and Display) Regulations, 2020 and subsequent amendments.

For detailed recommendation, please write to
Mr Hemant Seth at hemant.seth@ficci.com

Examination of the Food Safety & Standards (Labelling & Display) Regulations, 2020 and subsequent amendments, by the Committee on Subordinate Legislation, Rajya Sabha

With reference to the meeting held with the Committee on Subordinate Legislation, Rajya Sabha chaired by Shri Milind Murli Deora, Member of Parliament, dated 24th September 2025, CIFTI submitted the detailed representation on Food Safety & Standards (Labelling and Display) Regulations, 2020 and subsequent amendments to the CEO FSSAI.

For detailed recommendation, please write to
Mr Hemant Seth at hemant.seth@ficci.com

Second Circular of GSFA for CCFA56

In the submitted representation to NCCP, FICCI Codex Cell shared comments on Second Circular of GSFA for CCFA56.

For detailed recommendation, please write to
Mr. Hemant Seth at hemant.seth@ficci.com

Representation on seeking amendment to the provisions of SEZ Law to encourage Import substitution and promote "Make in India"

SEZs plays a crucial role in boosting India's exports, attracting foreign investment, and generating employment. However, various constraints and operational challenges, particularly relating to sub-contracting flexibility and procedures for domestic clearances, impacts the sustained growth and effective utilization of SEZ.

Currently, many SEZ-based units are facing reduced export orders due to global market uncertainties, shifting trade dynamics, and ongoing tariff conflicts. Simultaneously, there is growing demand from the domestic market that remains untapped due to restrictive provisions and high-duty incidence on DTA sales.

Therefore, there is a need for regulatory flexibility and alignment with prevailing circumstances. Currently, any DTA clearance made by SEZ Units attracts Customs duty on the entire value of the product including the value of raw material procured from DTA. A suggestion has been submitted that a revised duty framework should be introduced for DTA clearances, allowing SEZ units to pay duty only on the imported inputs on which exemptions were availed (i.e., duty forgone basis), rather than on the entire value of the goods. Further, SEZ units should be permitted

to undertake sub-contracting for goods intended for DTA i.e. domestic market, and not just for export. This was submitted to the Special Secretary, Department of Commerce, Ministry of Commerce and Industry, Government of India.

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

Inputs on Draft Digital Trade Facilitation Bill, 2025

FICCI submitted detailed inputs to the Trade Finance Division, Directorate General of Foreign Trade (DGFT), on the Draft Digital Trade Facilitation Bill, 2025 with the objective of modernizing trade infrastructure. Suggestions were made towards reducing overlaps between laws, faster implementation of key provisions, and establishing verification and oversight mechanisms for electronic documents. Emphasis was also placed on aligning the Bill with international standards to ensure smoother, secure, and globally compatible trade processes.

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

Representation on GST Structure for the Textile & Garment Sector

Issue - The fragmented multiple GST rates for the textiles value chain (from feed stock to Garment) is a major concern for the domestic textile and garment sector

Background - After agriculture, the textile and garment sector, which is the second-largest employer, is facing complexities and uncertainties because of lack of uniformity in GST rates. The current GST structure is as mentioned - Garments below ₹1,000 – 5%; Garments above ₹1,000 – 12%; Fabrics – 5%; Cotton yarn – 5%; MMF yarn – 12%; MMF fibre – 18%; MMF Feedstock- 18/12%. Price-based differentiation, such as the ₹1,000 threshold, poses challenges as it disproportionately affects categories like woollens, handlooms, ethnic and wedding wear, which are naturally higher priced owing to raw materials and craftsmanship. In addition, the presence of multiple slabs tends to complicate compliance and may inadvertently encourage informal trade practices. Further, in the case of man-made fibres (MMF), the existing structure has created an inverted duty scenario with feed stock taxed at 18%/12%, fibre at 18%, yarn at 12% and fabric at 5%. This leads to accumulation of unutilized input tax credit, blocking working capital and discouraging fresh investments in a capital-intensive sector.

Recommendation – It is, therefore, recommended to adopt a single uniform GST rate of 5% across the textile value chain (feed stock to Garments) and price points, which would help unlock the sector's full potential, enabling it to generate higher employment. A correction of the inverted duty structure in MMF through rationalization of GST rates would help harmonize the tax framework across fibre, yarn, and fabric, ensuring greater consistency and balance in the value chain. We also look forward to a favourable decision that would further strengthen the growth trajectory of the Indian textile sector. This was submitted to the Revenue Secretary, Government of India.

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

Request for reduction of GST on Agricultural PVC Pipes and Fittings from 18% to 5%

Issue – Higher GST rate of 18% on agricultural PVC pipes and fittings, classified under HSN code 3917.

Background – Agriculture is the backbone of the Indian economy. As water scarcity and erratic monsoons challenge traditional farming, PVC pipes and fittings have emerged as indispensable tools for modern, efficient irrigation practices. PVC pipes and fittings are vital for modern irrigation systems—drip, sprinkler, and farm water supply pipelines—as they ensure efficient water use and improved crop productivity. However, at the current GST rate of 18%, small and marginal farmers, who constitute over 85% of India's agricultural population, face a prohibitive cost burden that discourages the adoption of sustainable irrigation. This leads to inefficient water usage, reduced yields and higher input costs, running contrary to the Government's farmer-centric initiatives.

A reduction of GST on agricultural PVC pipes and fittings to 5% would deliver multi-dimensional benefits, such as – i) it would lower the upfront costs for farmers, making modern irrigation systems more affordable and accessible, and thereby encourage wider adoption; ii) affordable drip and sprinkler systems would also promote water-use efficiency, particularly in drought-prone regions; iii) better irrigation infrastructure would lead to higher agricultural output, improved quality of produce, and enhanced farm incomes; iv) It would further stimulate demand, boost domestic manufacturing, and generate employment opportunities across the value chain.

Recommendation – It is, therefore, recommended that the GST rate on agricultural PVC pipes and fittings, currently at 18%, which poses a barrier to sustainable agriculture, be reduced to 5%, as it would represent a just, equitable, and strategic step toward reducing cultivation costs, improving rural livelihoods, and ensuring the long-term sustainability of Indian agriculture. This was submitted to the Joint Secretary (TRU-I), Central Board of Indirect Taxes and Customs, Ministry of Finance, Government of India.

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

Representation on GST Rate Rationalisation – Industry Concerns and Recommendations

Issue - Rate related issues under GST and Policy and Procedural issues under GST

Recommendations related to RATE RELATED ISSUES UNDER GST are as follows:-

- Reduce GST on - Water Purifiers from 18% to 5%, on Cement to 18%; Life Insurance Services to 5% with full Input Tax Credit; Health Insurance to 5% along with full Input Tax Credit; Agricultural PVC Pipes and Fittings from 18% to 5%; and Animation, VFX, AVGC-XR Services from 18% to 5%
- Hotel Accommodation priced up to ₹7,500 per night be placed under 5% GST slab
- Provide lower GST rate (5% with ITC) on packaged food products
- Provide 5% GST rate to Healthcare Sector with Input Tax Credit
- Reduce GST on Copper & Copper Products
- Lower rate of GST on corporate guarantee
- Rationalize GST:-
  - to support the Electric Vehicle sector
  - on Ready-to-Eat Breakfast Cereals
  - Rates in the Automobile Sector
  - Rate on Nuts (Almonds, Cashews, Walnuts)
  - Rate on Pharmaceuticals
  - Rate and Ease Implementation Challenges for the FMCG Sector for Textiles Value Chain
  - Rate on non-alcoholic beverages

Recommendations related to Policy and Procedural Issues under GST are as follows:-

- Amend Section 17(5) to allow ITC on Demo Vehicles used by Authorized Agents
- Allow ITC on Motor Vehicles used for Research & Development by OEMs"
- Provide clarity on e-invoices in Compliance with the Information Technology Act, 2000
- Allow ITC on pipelines laid outside factory premises
- Extend facility to ISD for pre-deposit to file an appeal by an ISD Registration
- Clarify scope of Section 9(5) for e-commerce operators
- Provide clarification on levy of interest in case of ITC reversal (180-day payment rule)
- Streamline the manner of ITC utilization under Section 49 of CGST Act
- Provide for ITC reversal on depreciated value in case of loss/destruction
- Provide Clarification on GST implications in case of EPC Contracts

These were submitted to the Secretary (Revenue), Department of Revenue, Ministry of Finance, Government of India; Additional Secretary, GST Council Secretariat and Member (GST), Central Board of Indirect Taxes and Customs, Ministry of Finance, New Delhi.

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

Request to address concerns of Indian Paper Industry

Background-The Indian Paper Industry generates large-scale rural employment, supports farmers, advances national objectives such as greening India, reducing single-use plastics and significantly contributes to the national objective of bringing 33% of land mass in India under tree cover.

Issues and Recommendations:-

1 Reduce GST on Paper & Paperboard to 5% - The rise in GST from 12% to 18% for key paper and paperboard grades raises costs for education, packaging and essential goods. This undermines the Government's efforts to improve literacy and promote eco-friendly alternatives to plastics. It is recommended that the entire Chapter 48 should be favourably considered for a GST Rate of 5%, especially HS Codes 4802, 4803, 4804, 4805, 4808 and 4810.

2 Reduce GST on wood to Nil - While GST on pulp has been reduced to 5%, GST on wood, the main raw material remains at 18%. This encourages pulp imports and drains foreign exchange. It is recommended to reduce GST on wood to Nil, in line with other agricultural produce.

3 Revise GST on Uncoated Paper and Paperboard from Nil to 5% - Reducing the GST rate from 5% to Nil on uncoated paper and notebooks breaks the input tax credit chain, forcing manufacturers to absorb embedded taxes and increasing costs. It is recommended that GST Rate on uncoated paper and paperboard used for exercise books and notebooks (HS Code 4802 and HS Code 4820), should be changed from Nil to 5%.

4 Retain IGST at 18% on imported paper for any end use - Nil IGST on imported uncoated paper and paperboard disadvantages domestic manufacturers. Lowering GST on the final product to Nil without mechanisms to offset domestic input taxes creates an uneven playing field between imports and domestic production. It is recommended to retain IGST at 18% on imported paper for any end use.

These were submitted to the Chairperson, Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, Government of India.

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

Representation for Smooth Transition of FMCG Sector Post GST Rate Rationalization

Background- The FMCG sector is one of the largest in India, encompassing a diverse range of products such as food, beverages, personal care and various other household items. This sector is a key contributor to India's economy, supporting millions of livelihoods and serving consumers through a multi-layered distribution network. For smooth transition of FMCG Sector Post GST Rate Rationalization, several practical challenges necessitate government guidance and facilitation.

Issues and Recommendations:

1 Transitional Challenges such as Trade Pipeline, Labelling & Stickering - Pre-existing stock carries old MRP; re-labeling or repackaging billions of units is practically impossible. It is, therefore, recommended for a transitional period of 6–9 months to allow sale of pre-printed stock, with revised prices communicated via invoices, advertisements, websites, QR codes, or public notices. Also to provide at least 30 days for updating packaging, billing, and invoicing systems to reflect new MRP.

2 Passing on Benefits at Product/HSN Level - FMCG products include thousands of SKUs, making SKU-level benefit pass-through impractical. It is, therefore, recommended that the benefits should be calculated at product or HSN level, allowing minor rounding differences in low-priced items to be adjusted across SKUs within the same HSN.

3 Alternative Mechanisms to Pass on Benefits - Allow use of increased quantity, discounts, etc. as valid methods for passing benefits. It is, therefore, recommended to issue explicit guidance recognizing grammage increase in fixed-price packs as sufficient evidence of benefit transfer.

4 Seasonal Pricing Considerations - FMCG products often have seasonal price variations during peak demand periods. It is recommended that the Government may allow seasonal pricing trends to be considered while evaluating the benefit passed to consumers. Benefit can also be deemed passed even if companies maintain or marginally increase prices in line with seasonal trends.

These were submitted to the Secretary (Revenue), Department of Revenue, Ministry of Finance, Government of India; Additional Secretary, GST Council Secretariat and Member (GST), Central Board of Indirect Taxes and Customs, Ministry of Finance, New Delhi

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

Request for GST Exemption on Leasing of Industrial Housing

Background - Affordable rental housing near industrial hubs is essential for the success of the Government's flagship initiatives—Make in India, Atmanirbhar Bharat and Housing for All. Large-scale manufacturing and mass employment can only thrive when workers have access to affordable housing near workplaces.

Issue - At present, while services by way of renting of residential dwellings for use as a residence are generally exempt from GST under Notification No. 12/2017, the amendment introduced by Notification No. 04/2022 levies GST at 18% when such housing is rented to a registered person. In practice, developers lease mass worker housing to operating companies, which then rent to individual workers. This structure results in GST being charged on leases from developers to operating companies, while onward renting to unregistered individuals remains exempt.

This anomaly increases costs for low-income workers, makes projects financially unviable for operating companies, discourages investment in mass worker housing and adds to the burden already created by stamp duty. As a result, the very purpose of providing affordable housing to industrial workers stands defeated.

Recommendation - We therefore request the Government to grant full GST exemption on renting of industrial housing by developers to operating companies, by deleting the words "except where the residential dwelling is rented to a registered person" from Notification No. 04/2022 dated July 13, 2022. Such a measure will reduce project costs, encourage large-scale investment in worker housing, reduce migration stress, improve productivity and support balanced regional development—directly advancing the Government's key national priorities.

These were submitted to the Chairperson, Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, Government of India.

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

Recommendations for Enhancing Industrial Policy Incentives for Mega Projects

In order to ensure that Gujarat continues to remain an attractive destination for large-scale investments and to sustain long-term industrial growth, FICCI recommends that the Government consider amendments in specific areas of the current Industrial Policy 2022. These recommendations, which align with best practices adopted by other States such as Rajasthan, Odisha, and Karnataka.

These were submitted to the Chief Secretary, Government of Gujarat Block No. 1, 5th Floor, Sachivalaya, Gandhinagar, Gujarat, India.

For detailed recommendation, please write to
Mr Biju Namboothiri or Mr Manoj Mehta at
biju.namboothiri@ficci.com or manoj.mehta@ficci.com

Consolidated Recommendations on Issues Faced by Industry in Establishing Defence Facilities in States/UTs Post Issue of Defence License

FICCI collated issues being faced by Indian defence industry in setting up facilities in states and recommended measures mainly related to Regulatory & Licensing, Infrastructure & Corridor Development, and Policy & State-Level Implementation. These were submitted to the Indigenisation Division, Department of Defence Production, Ministry of Defence.

For detailed recommendation, please write to
Mr Gaurav Gaur at gaurav.gaur@ficci.com

Please share your valuable feedback at:
https://meet.ficci.in/voiceofficci/survey.asp

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