

## The Economy

### Understanding NPAs

#### What are Non-Performing Assets (NPAs)?

A non-performing asset (NPA) refers to a classification for loans or advances that are in default or are in arrears on scheduled payments of principal or interest. In most cases, debt is classified as non-performing when loan payments have not been made for a period of 90 days. While 90 days of non-payment is the standard, the amount of elapsed time may be shorter or longer depending on the terms and conditions of each loan.

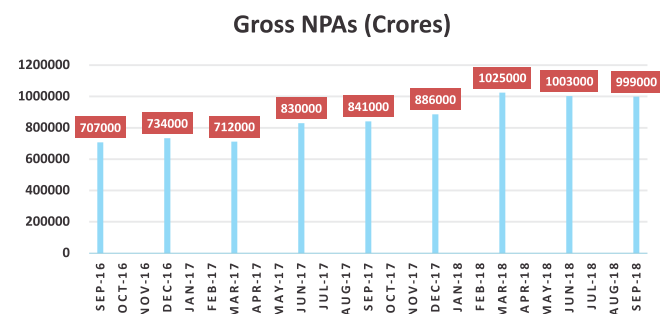
#### Types of Non-Performing Assets

Although the most common nonperforming assets are term loans, there are other ways loans and advances are NPAs: overdraft and cash credit (OD/CC) accounts left out-of-order for more than 90 days, agricultural advances whose interest or principal installment payments remain overdue for two crop/harvest seasons, bills overdue for more than 90 days, expected payment is overdue for more than 90 days, non-submission of stock statements for three consecutive quarters and no activity in the cash credit, overdraft, EPC (export packing credit), or PCFC (packing credit in foreign currency) account for more than 91 days.

#### Indian scenario

In India, the RBI monitors the entire banking system and, as defined by the country's Central Bank, if for a period of more than 90 days, the interest or installment amount is overdue, then that loan account can be termed as a non-performing asset.

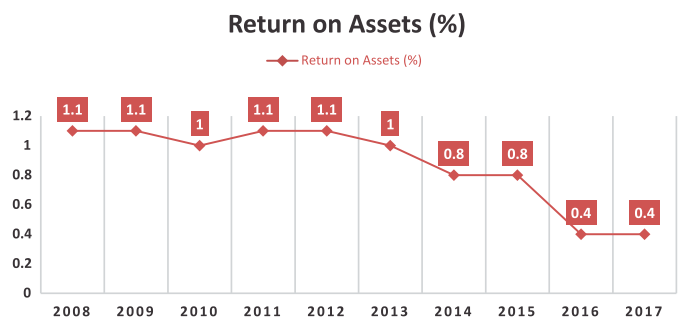
The increase in non-performing assets in Indian banks follows the recognition standards being pursued by the banks after the RBI highlighted it in the Asset Quality Review (AQR).



Source: Capitaline

Escalating NPAs require a bank to make higher provisions for losses in their books. The banks set aside more funds to

pay for anticipated future losses; and this, along with several structural issues, leads to low profitability. Profitability of a bank is measured by its Return on Assets (RoA), which is the ratio of the bank's net profits to its net assets.



Source: PRS Legislative Research and RBI

The Standing Committee on Finance recently released a report on the banking sector in India, where it observed that banks' capacity to lend has been severely affected because of mounting NPAs. The Estimates Committee of Lok Sabha is also currently examining the performance of public sector banks with respect to their burgeoning problem of NPAs, and loan recovery mechanisms available.

#### Reasons for the rise of Non-Performing Assets in India

The issue of Non-Performing Assets (NPAs) in the Indian banking sector has become the subject of much discussion and scrutiny. From 2000-2008, the Indian economy was in a boom phase and public sector banks started lending extensively to companies. However, with the financial crisis in 2008-09, corporate profits decreased and the Government banned mining projects. The situation became serious with the substantial delay in environmental permits, affecting the infrastructure sector – power, iron, and steel – and resulting in volatility in prices of raw materials and a shortage of supply.

Another reason was the relaxed lending norms adopted by banks, especially to the big corporate houses, foregoing analysis of their financials and their credit ratings.

This contributed to what is now known as India's Twin Balance Sheet problem, where both the banking sector (that gives loans) and the corporate sector (that takes and has to repay these loans) have come under financial stress.

Besides, the loan waiver for agriculture has only added to the problem of bank NPAs.

#### What is being done to address the problem of growing NPAs?

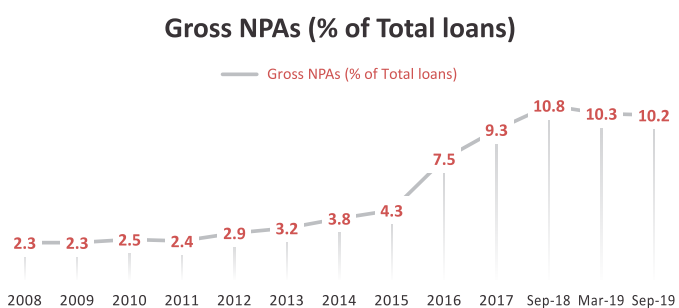
The measures taken to resolve and prevent NPAs can broadly be classified into two kinds – first, regulatory means of

resolving NPAs as per various laws (like the Insolvency and Bankruptcy Code), and second, remedial measures for banks prescribed and regulated by the RBI for internal restructuring of stressed assets.

The Insolvency and Bankruptcy Code (IBC) was enacted in May 2016 to provide a time-bound 180-day recovery process for insolvent accounts (where the borrowers are unable to pay their dues). Under the IBC, the creditors of these insolvent accounts, presided over by an insolvency professional, decide whether to restructure the loan, or to sell the defaulter's assets to recover the outstanding amount. If a timely decision is not arrived at, the defaulter's assets are liquidated. Proceedings under the IBC are adjudicated by the Debt Recovery Tribunal for personal insolvencies, and the National Company Law Tribunal (NCLT) for corporate insolvencies.

1,198 corporates were admitted into the resolution process under the Insolvency and Bankruptcy Code (IBC) by September 2018, of which 52 yielded resolution while 212 resulted in liquidation, according to the July - September, 2018 Quarterly Newsletter of the Insolvency and Bankruptcy Board of India.

Lately the NPAs have started showing a declining trend as a result of the various measures initiated by the government.



Source: PRS Legislative Research and RBI

The RBI's recent FSR report said stress tests suggest there would be further improvement in banks' asset quality in 2019. In the baseline scenario, the gross NPA ratio might decline from 10.8 per cent in September 2018 to 10.3 per cent in March 2019 and 10.2 per cent in September 2019.

## What changed recently in the RBI's guidelines to banks?

Over the years, the RBI has issued various guidelines aimed at the resolution of stressed assets of banks.

In the revised framework which replaced the earlier schemes, the RBI put in place a strict deadline of 180 days during which a resolution plan must be implemented, failing which stressed assets must be referred to the NCLT under IBC within 15 days. The framework also introduced a provision for monitoring of one-day defaults, where incipient stress is identified and flagged immediately when repayments are overdue by a day.

## Suggested Ways to Tackle NPAs

**While the Government and RBI are making all efforts to tackle the problem of NPAs, various measures that can have a beneficial impact on NPAs growth can be:**

- Credit Risk Management – This involves credit appraisal and monitoring accountability and credit by performing various analysis on profit and loss accounts.
- Tightening Credit Monitoring – A proper and effective Management Information System (MIS) needs to be implemented to monitor warnings.

- Amendments to Banking Law to give RBI more power – The present scenario allows the RBI just to conduct an inspection of a lender but doesn't give them the power to set up an oversight committee. With the amendment to the law, the RBI will be able to monitor large big accounts and create oversight committees.
- More "Hair-cut" for Banks – For quite some time, PSU lenders have started putting aside a large portion of their profits for provisions and losses because of NPAs. The situation is so serious that the RBI may ask them to create a bigger reserve and thus, report lower profits.
- Stricter NPA recovery – It is also discussed that the Government needs to amend the laws and give more power to banks to recover NPAs rather than play the game of "wait-and-watch."
- Corporate Governance Issues – Banks, especially the public sector ones, need to come up with proper guidance and framework for appointments to senior level positions.
- The banks should also consider "raising capital" to address the problem of NPAs.
- Using unclaimed deposits – Similar to provisions for unclaimed dividends, the government may also create a provision and transfer unclaimed deposits to its account.
- Monetization of assets held by Banks – In this case, banks with retail franchisees should create value by auctioning a bank assurance association rather than running it themselves as an insurance company.
- Refinancing from the Central Bank – The US Federal Reserve spent \$700 billion to purchase stressed assets in 2008-09 under the "Troubled Asset Relief Program." Indian banks can adopt a similar arrangement by involving the RBI directly or through the creation of a Special Purpose Vehicle (SPV).
- Structural change to involve private capital – The compensation structure and accountability of banks create a problem for the market. Banks should be governed by a board while aiming to reduce the government's stake and making the financial institutions attractive to private investors.

## Legally Speaking

### Political Funding

In a democracy, political power is in theory supposed to flow from popular approval, as measured by results in elections. In practice, this system is often distorted by a number of factors, financial power being the most prominent of them. Political parties often shape policy not as per the desires of their voters but their funders. To reduce the influence of money on electoral politics, countries strive for systems where political funding is transparent so that voters can see who is bankrolling their politicians and vote accordingly. Unfortunately, India's election funding system has glaring holes, allowing moneyed interest groups to clandestinely influence political parties.

Political Parties play a key role in democracies as they contest elections, form governments, formulate policies and are responsible for providing governance and improve the lives of the common man. Political parties need access to money in order to reach out to the electorate, explain their goals/policies and receive inputs from people.

Political party funding are the methods that a political party uses to raise money for campaign and routine activities. In

India, political parties are funded by contributions from:

- party members and individual supporters (via membership fees/ dues/ subscriptions and/ or small donations),
- organizations, which share their political views (e.g. by trade union affiliation fees) or which can benefit from their activities (e.g. by corporate donations).

## Legal Provisions

- Section 29B of Representation of People's Act, 1951 provides that every political party may accept any amount of contribution voluntarily offered to it by any person or company other than a Government company.
- Foreign Contribution (Regulation) Act, 2016 allows the company which is compliant with Foreign Direct Investment sector caps prescribed by the DPIIT and RBI, to freely contribute to any person in India as it is excluded from definition of "Foreign Source". Therefore, political parties can be funded by the foreign subsidiary companies in India and Indian nationals living abroad.
- The Finance Act, 2017 made changes related to how donations can be made to political parties maintaining the anonymity of the donors:
  - o Currently, for donations below Rs. 2000, details of donors need not to be disclosed by political parties. This limit was earlier Rs. 20,000.
  - o The Act also introduced a new mode of donating to political parties, i.e. through Electoral Bonds. These bonds are issued by banks, which may be bought through Cheque or electronic means. The only difference between cheque payment (above Rs. 20,000) and electoral bonds may be that the identity of the donor will be anonymous in the case of electoral bonds.
  - o Regarding donations by companies to political parties, the Finance Act removed the existing limit of contribution that a company can make to political parties which currently is 7.5% of net profit of the last three financial years. It also does away with the requirement of a company to disclose the name of the parties to which a contribution has been made. Further, the Act also provides that the contributions to the parties will have to be made only through a Cheque, bank draft, electronic means, or any other instrument notified by the Central Government.

## What is hampering the reforms in political funding?

- The limit on cash donation was reduced from Rs. 20,000 from Rs. 2,000 which only increased administrative work of the parties for making more number of entries in the register by breaking down bigger cash donations. It is interesting to note that there is no cap on the total number of donors/ total permissible cash donation by any person.
- The cap of corporate funding that was earlier fixed on 7.5% of the average annual profit of a company for the preceding 3 years was removed enabling routing of unaccounted money to political parties via bogus companies. This can lead to extortion of business houses by political parties and may also increase the power of the corporations to influence public policy.
- Political parties can now receive funds from foreign companies, a move that has been vehemently opposed

by the Election Commission. Experts say that it may result in foreign countries influencing Indian elections resulting in most corporate donations flowing only to the ruling party.

- The system of electoral bonds introduced by Finance Act 2017, in fact, legalizes nepotism and corruption to get favors done. It is to be noted that electoral bonds are freely tradable and donor's identity need not necessary to be disclosed. The object of bringing transparency in political funding gets defeated by this provision.

## What should be done?

- If transparency is to be brought in political funding, one of the steps which can be taken immediately is that all political parties be declared as "Public Authorities" under Right to Information Act, 2005 and be brought under RTI regulatory framework.
- The recommendations made by the Election Commission of India from time to time for bringing changes in law related to political funding needs to be seriously examined and implemented.
- The Government can also consider Public Financing of elections. Way back in 1998, Inderjeet Gupta Committee had recommended partial state funding of elections. We can learn from the experience of countries like Germany and Austria, having partial and complete state funding and adopt mutatis mutandis some of the good practices to strengthen the electoral system of India.
- Cash donations need to be completely scrapped or a cap on the total amount receivable in cash donations need to be fixed.
- The value of Electoral Bonds that can be bought by a particular person or entity needs to be restricted.
- Corporate funding of elections needs to be reduced by various caps & other regulations.
- Strong disclosure norms, strict statutory limits on elections expenses and ceiling on corporate donations to political parties can further strengthen the Electoral System in India.
- The decision to limit cash contribution up to Rs. 2000 is a step in the right direction, but non disclosure of the source hampers transparency. The Government should properly address the apprehensions related to this issue.

## Conclusion

In the past, credit for major electoral reforms has been taken either by the Election Commission, or by the courts through its judgements or by the public pressure. Time has now come for political parties to show to the electorate that they are equally concerned for electoral reforms. By making provisions in law for transparency in political funding, the political parties will be winning hearts of people and show their concern for overall electoral reforms.

*By Mr. P K Malhotra, Senior Legal Consultant, VJA Legal and Former Law Secretary, Govt. of India*

## Taxation Matters

### Income Tax

**SC admits Mistake and Reverses Law on Tax Deductions for Initial Assessment Year u/s 80-IC for substantial expansion**

SC (3 Judges bench) affirms Himachal Pradesh HC judgment allowing 100% deduction u/s. 80-IC to assessee upon

undertaking substantial expansion, rules that the definition of 'initial assessment year' contained in Sec. 80-IC(8)(v) can lead to a situation where there can be more than one "initial assessment year" within the tax holiday period of 10 years; Holds that division bench ruling in Classic Binding Industries case does not lay down the correct law; Considering the scheme contained in Sec. 80-IC, SC remarks that "we see no reason as to why 100% deduction of the profits and gains be not allowed to even those units who had availed this deduction on setting up of a new unit and have now invested huge amount with substantial expansion of those units."

**[Pr. CIT v. Aarham Softronics (Civil Appeal No. 1784 of 2019) Supreme Court]**

**SC approves Delhi High Court decision holding that audit objection is not a tangible material for reopening u/s 147 of Income Tax Act, 1961**

SC affirms Delhi High Court judgment holding re opening u/s 147 of the Income Tax Act, 1961, is not valid relying upon the audit objection. A report of the Revenue audit party is merely information and opinion. It is not new or fresh or tangible material. If the reassessment notice is solely based on an audit opinion, it means it is issued on change of opinion which is not permissible.

**[ACIT v. FIS Global Solutions India Pvt. Ltd. (Civil Appeal No. 4179 of 2019) Supreme Court]**

**AO can't impose condition that certain minimum amount has to be deposited for stay of demand: Delhi High Court**

AO cannot impose a per se condition that pending consideration of the application for stay of demand, certain minimum amount (fifteen or twenty percent) has to be deposited by the assessee as prescribed by the CBDT. He has apply his mind and decide the application for stay of demand.

**[Turner General Entertainment Networks India Pvt. Ltd. v. ITO {W.P. (C) 682/2019} – Delhi High Court]**

**ITAT Delhi allows exemption u/s 54 for amount invested towards construction before sale of house property**

Delhi ITAT allows assessee's claim of exemption u/s 54 towards investment made in under-construction property before the sale of old residential property; Assessee sold a house property in AY 2009-10 and claimed exemption u/s 54 for the installment paid for construction of residential house before the execution of sale deed of old property and the differential amount between the capital gains and aforesaid instalment was deposited in capital gains account, the AO disallowed the exemption on the ground that payments for new residential property were made prior to sale of old property and the possession of the residential property was not handed over to the assessee within 3 years; ITAT holds that it was not necessary that the sale proceeds of the old residential house must be used for the construction of the new residential house, holds that since substantial sum of capital gains was invested within stipulated period of 3 years, therefore, there was substantial compliance with law and accordingly, Sec. 54 deduction was allowable.

**[Dr. Rajindra Kumar Gupta v. ACIT (ITA No.4089/Del/2015) – ITAT Delhi]**

## International Taxation & Transfer Pricing

**SC dismiss Revenue SLP, HC found no question of law arising on comparable issue.**

SC dismisses Revenue's SLP against Madras HC order in case of Saipem India for AY 2011-12; HC while dismissing Revenue's plea to exclude Stewarts & Lloyds India Ltd, had upheld ITAT's decision that material cost was not significant enough to come to a conclusion that the said company was having an independent manufacturing /production segment requiring a segmental analysis; Further while deciding whether Revenue's appeal against the order should be entertained or not, HC referring to various case laws had noted that u/s 260A appeal before HC lay only when substantial question of law arises, and thus concluded that "There is no question of law, not to speak any substantial question of law, involved in this appeal"

**[CIT v. Saipem India Project Ltd. {SLP (Civil) Dairy No. 1696/2019}]**

## Goods & Services Tax

**HC denies bail to assessee arrested for bogus invoicing involving Rs. 80 crores tax evasion**

Revenue, in the said case, alleged that the assessee had made bogus billing and adjusted the amount without any transportation of the goods or sale of goods etc. Upon inquiry, Director General of Goods and Services Tax Intelligence found the registered premises of assessee closed and it was ascertained that the said premises was closed for the last 5 years during their visit. Keeping in view the facts and circumstances, there were justifiable grounds to arrest the petitioners u/s 69 of CGST Act and the case involves evasion of more than 80 crores CGST. Further, the offence is punishable with imprisonment for a period of five years. Punjab and Haryana HC, thus concluded that the benefit of regular bail cannot be granted and dismissed the petition of the assessee.

**[Vikas Goel and another vs. CGST Commissionerate, Gurugram]**

**West Bengal AAR: ITC not available on purchase of 'Ambulance' for period prior to Section 17(5) amendment**

West Bengal AAR holds that ITC on ambulance purchased during the period prior to amendment to Section 17(5) of CGST Act is not admissible despite of the fact that it is obligatory under the Factories Act, 1948. As per section 17(5), ITC is not admissible on inward supply of ambulance being a 'motor vehicle' and that the exception under section 17(5)(b)(iii)(A) for services which are obligatory for an employer to provide to its employees under any law for the time being in force is limited only to rent-a-cab, life insurance and health insurance. AAR rejects applicant's plea and holds that "Eligibility for claiming input tax credit under section 16(1) is subject to the provisions of law at the time of occurrence of the taxable event, irrespective of when the claim is made".

**[In the matter of Nipha Exports Pvt. Ltd]**

**West Bengal AAR: Boarding facility along with lodging, housekeeping etc., a 'mixed supply', taxable at 18%**

West Bengal AAR holds that boarding facility comprising of lodging, housekeeping, laundry, medical assistance and food offered by the applicant, amounts to 'composite

supply' and not 'mixed supply'. AAR holds that above services are rendered under MOU with a school, where the applicant is not an educational institute and also the recipient of service are students which in turn are not educational institution, hence benefit under Sl. No. 66 of the Exemption Notification No. 12/2017-CT is not available. Further, the above bundle of supplies comprise of both taxable and non-taxable supplies which are taxable at different rates and also different considerations are paid for different package of such services, hence classified as "mixed supply" and value of entire combination shall be taxable at highest rate i.e. 18%.

[In the matter of Sarj Educational Centre]

## Benami Transactions - Recent Affairs

### Benami Properties in Trouble in J&K

For the first time, J&K gets stringent law to prohibit property transactions. Now, the provisions in pursuance to Prohibition of Benami property transactions can also extends to the state of Jammu & Kashmir. Recently, J&K Governor Satya Pal Malik-led State Administrative Council (SAC) on December 09, 2018 approved a bill, which is a comprehensive law, to tackle benami transactions. The Bill provides for creation of the requisite administrative structure for enforcement of the law and empowers the Designated Authorities to attach and confiscate any property which is held to be Benami. Further, panel provisions incorporated in the Act provide for imprisonment of persons found guilty of offence of Benami transactions which shall not be less than one year extendable to seven years, besides fine equivalent to 25% of the market value of the property can also be imposed. With this Act, the J&K prohibition of Benami Property Transactions Act, 2010 will get repealed.

By Daily Excelsior - 10/12/2018

### New Benami Transactions Informants Reward Scheme, 2018 launched by the Income-Tax Department

Under the Benami Transactions Informants Reward Scheme, 2018, a person can get reward up to Rs. One crore for giving specific information in prescribed manner to the Joint or Additional Commissioners of Benami Prohibition Units (BPUs) in Investigation Directorates of Income Tax Department about benami transactions and properties as well as proceeds from such properties which are actionable under Benami Property Transactions Act, 1988, as amended by Benami Transactions (Prohibition) Amendment Act, 2016.

Press Information Bureau, Government of India, Ministry of Finance, 01-June-2018 13:13 IST

## Benami transaction Matters

**Where appellant employee received advance salary from employer and same was returned immediately to employer upon insistence of I.T. Department, I.O. was unjustified in holding that amount was given to bring demonetized money into circulation.**

Appellate Tribunal held that every cash transaction cannot be termed as a 'benami' transaction. As per section 2(9)A, twin conditions need to be satisfied- (1) the property being held by a person who has not provided the consideration, (2) the property is held by that person for the immediate or future benefit, direct or indirect of the person who has provided the said consideration. In the present case, the

property was never held by the appellants. The amount received by them have returned. Here the appellants have received only advance salary from the employer under oral contract at the asking of the respondent, the same was immediately returned. Every transaction where cash is paid to person in lieu of a future promise cannot be a "benami" transaction as there is no lending of name. There can be no "benami" transaction if the future benefit is due from the person who is also the holder of property

**V. Rajinikanth v. K. Visakh, DCIT, Chennai (2018) (100 taxmann.com 234) (PBPTA – AT)**

**T. Raja vs. K. Visakh, DCIT, Chennai [100 taxmann.com 256] (PBPTA – AT)**

**Property purchased by person in name of his spouse from his known sources of income will not be a benami property, but will be his property and not of his wife in whose name title deed exists**

Hon'ble High Court of Delhi held that existence of the properties in the name of the wife will fall as an Exception to the prohibited benami transaction in view of section 2(9) (A)(b) Exception (iii) inasmuch as it is legally permissible for a person to purchase an immovable property in the name of his spouse from his known sources, and in which position, the property purchased will not be a benami property but the property will be of the de jure owner/ plaintiff/husband and not of the de facto owner (in whose name title deeds exist), being the respondent/defendant/ wife in the present case.

**Manoj Arora v. Mamta Arora [2018] 96 taxmann.com 241 (Delhi)**

## News Roundup

### Economy

[India among the top nations leading GDP readiness \(Financial Express\)](#)

India IS amongst the nations leading globally in their preparedness towards the General Data Protection Regulation, says a recent report by the US communications and networking equipment firm, Cisco.

[Govt's aim to skill 10 million youth by 2020 falling 64% short of target \(Business Standard\)](#)

The Ministry of Skill Development and Entrepreneurship (MSDE), created in 2014, was allocated Rs 3,400 crore (Budget Estimates) in the 2018-19 Budget, nearly 55% more than the previous year but short of what it had expected. The 2018-19 allocation represented a "drastic cut" by the Ministry of Finance against the Rs 7,696.54 crore requested by the MSDE, due to underutilisation of funds allocated to it in previous years, revealed a parliamentary committee report in March 2018.

[Cabinet approves abolition of ombudsman for direct, indirect taxes \(Business Standard\)](#)

The Union Cabinet decided to abolish institutions of ombudsman for income tax and indirect tax. The approval comes against the backdrop of people preferring online grievance redressal mechanism.

## [India jumps 8 places in Intellectual Property ranking \(Financial Express\)](#)

Reflecting the important reforms implemented by the country's policymakers towards building and sustaining an innovation ecosystem for domestic entrepreneurs and foreign investors alike, India has climbed eight places up in the annual International Intellectual Property (IP) Index which analyses the IP climate in 50 world economies.

## ['Digital economy a \\$1-trillion opportunity for India' \(The Hindu Business Line\)](#)

India can create over \$1 trillion of economic value from the digital economy in 2025, with half the opportunity originating in new digital ecosystems that can spring up in diverse sectors, says a report from Ministry of Electronics and Information Technology, in partnership with McKinsey.

## Sectoral

### Agriculture

#### [Centre plans to launch ease of doing agri-biz index \(The Hindu Business Line\)](#)

The government plans to launch an index to rank states on the basis of ease of doing agri-business, Parliament was informed on Tuesday, February 5.

### Banking & Finance

#### [Cabinet approves amendments to banning of Unregulated Deposit Schemes Bill \(The Economic Times\)](#)

The Union Cabinet on Wednesday, February 6 approved proposals to amend the Banning of Unregulated Deposit Schemes Bill, 2018.

#### [RBI relaxes rules for FPI investment in corporate bonds \(Financial Express\)](#)

The Reserve Bank of India (RBI) has relaxed its rules on foreign portfolio investors' (FPI) holding of corporate bonds, stating that it has withdrawn its regulation whereby an FPI could not have an exposure of more than 20% of its corporate bond portfolio to a single corporate, including exposure to entities related to the corporate.

#### [SEBI eases NRI norms for stock transfer \(The Times of India\)](#)

SEBI on Monday, February 11 granted relaxation to non-residents such as NRI, PIOs, OCIs and foreign nationals from furnishing a copy of PAN card and allowed them to transfer equity shares held by them to their immediate relatives.

## Ecommerce

#### [India's e-commerce industry likely to reach \\$125-150 billion by FY20](#)

India's e-commerce industry is expected to reach \$125-150 billion by FY20 on increased internet penetration, analysts at Care Ratings estimate. Cheap mobile data tariffs have aided internet consumption in the country, which is adding approximately 10 million daily active internet users each month.

## Energy

#### [CCEA approves Rs 8,580 cr scheme to support domestic solar manufacturing \(The Hindu Business Line\)](#)

The Cabinet Committee on Economic Affairs (CCEA) has approved a Rs 8,580 crore scheme under which companies owned by the Central Government will set up 12,000 MW of solar power plants over the next four years using India-made solar modules.

## Infrastructure

#### [Warehousing may pull in \\$10 billion in next 4-5 years \(The Economic Times\)](#)

Riding on structured reforms including the infrastructure status and the implementation of Goods & Services Act, Indian warehousing and logistics sector is estimated to attract nearly \$10 billion investments over the next 4-5 years.

## International News

#### [India, others seek revamp of dispute-settlement mechanism at WTO \(The Hindu Business Line\)](#)

India, along with the European Union and other members, has recently submitted a proposal on reform of the WTO's dispute settlement mechanism to address various challenges.

#### [UAE keen to invest in refining, petrochemical projects, store oil in India \(The Economic Times\)](#)

Betting big on rising oil demand in the world's third largest energy consumer, oil-rich UAE on Monday, February 11 said it is looking at investing more in refining and petrochemical projects as well as stocking more crude in India. UAE's Abu Dhabi National Oil Co (ADNOC) and its partner Saudi Aramco have jointly taken a 50 per cent stake in the planned USD 44 billion refinery-cum-petrochemical complex at Ratnagiri in Maharashtra.

#### [UK calls for closer post-Brexit defence ties with India \(HWNNews\)](#)

Britain's Defence Minister Gavin Williamson on Monday, February 11 called for closer ties with India as the UK prepares to leave the European Union (EU) next month.

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