

DIFFERING ASPIRATIONS

Why India-EU trade negotiation is a tough nut to crack

SHREYA NANDI
New Delhi, 17 January

Despite nine intense rounds of negotiations spread over two-and-a-half years, progress in the proposed free trade agreement (FTA) between India and the European Union (EU) is now on a slow track because of fundamental differences. An assessment of the negotiations is now going on at a 'political' level, with recent statements from top government officials from both sides making the intention clear.

A few months ago, the EU Ambassador to India, Hervé Delphin, suggested recalibration on both sides in order to seal the deal. Similarly, India's

Commerce and Industry Minister Piyush Goyal, who was present at the same public forum, pointed out that "extraordinary elements" were hurting the interests of both trade as well as business, thereby slowing down the progress of the FTA talks.

One of the major reasons for the delay is the differing aspirations of the two parties, according to a report by Delhi-based think tank Global Trade Research Institute (GTRI). "The EU seeks tariff elimination on over 95 per cent of its exports, including sensitive agricultural products and automobiles, while India is comfortable opening up only around 90 per cent of its market and is hesitant to lower tariffs on bulk agricultural products," GTRI says in its report. Besides, differing views on new issues such as sustainability, labour standards, intellectual property rights, and data protection have added complexity to the negotiations, it says.

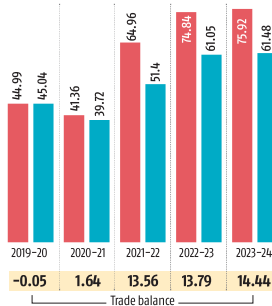
18 years in the making

To be sure, this is not the first time that the India-EU FTA talks are starting at a roadblock, despite willingness on both sides to seal the deal. India-EU broad-based bilateral trade and investment agreement (BTIA) was first mooted 18 years ago. However, after 15 rounds of discussions, negotiations were stalled in 2013.

It was mainly because both sides were not able to bridge the differences on crucial issues including India's demand for a more liberal visa

TRADE TALK

India-EU trade (\$ bn)



Source: Department of Commerce

STORY SO FAR

- India-EU bilateral trade and investment negotiation began in 2007
 - Talks stalled in 2013 after 15 rounds of negotiations
 - In May 2021, India, EU decided to resume negotiations but as three separate parts — trade, investment protection and geographical indications agreement
 - Negotiations launched in June 2022
 - Nine rounds of negotiations completed till now
 - 10th round scheduled in March
- regime for skilled professionals and a lack of willingness to negotiate government procurement issues, among other things. On the other hand, the trade bloc vehemently pushed for stricter intellectual property rights and bargained for greater market access and massive import duty cuts on automobile and alcoholic beverages, mainly wine.
- There were attempts to restart talks after the

2014 Parliament election in India, but investment treaty-related disagreements turned out to be a major hurdle.

An EU official told *Business Standard* that further to the ninth round of FTA negotiations between the EU and India that took place in New Delhi on September 23-27, 2024, the next round is foreseen to take place during the week of March 10, 2025 in Brussels.

"Both sides also continue to engage between the rounds at all levels, including the ministerial level, in order to address difficult issues and make progress towards a balanced, ambitious, comprehensive and mutually beneficial trade agreement," the official said.

Contentious issues

Commerce department officials say one of the major hurdles in the way of the talks has

been the EU's stance on sustainable development, since the trade bloc is set to implement regulations such as carbon border adjustment mechanism (CBAM), deforestation regulation law, and supply chain law. They say India's gain could be limited because these regulations will eventually become a non-trade barrier and hurt Indian exports at a time when both sides are trying to finalise an FTA.

New Delhi is pushing for a 'transition period' before adhering to these regulations, because it believes it is crucial that countries should be given responsibility according to their growth potential, in line with the United Nations principle of Common but Differentiated Responsibility and Respective Capabilities (CBDR-RC).

Biswajit Dhar, Distinguished Professor at Council for Social Development, says there are behind-the-border measures such as the EU's labour and environment standards, which could be a sticking point. There could also be pressure on India to strengthen intellectual property law, especially related to patents.

Dispute settlement

Another major problem is India's investor-state dispute settlement clause under the model bilateral investment treaty (BIT), according to Dhar. Under the exhaustion of local remedies clause under the model BIT, an investor can go for international arbitration only after exhausting all legal channels locally. Investors believe that such a clause makes the dispute resolution process longer.

"How India will deal with the issue or will change its stance is something yet to be seen," Dhar adds.

According to Pradeep S Mehta, Secretary General, CUTS International, even as both sides now have a better understanding of their respective interests and sensitivities, positions remain far apart — particularly on product-specific rules of origin, technical barriers to trade, and government procurement market access.

"There has been a lot of discussion on the EU's non-trade demands, including trade and sustainable development, but the EU's core market access demands are also very ambitious. What the EU desires as commercially meaningful commitments from India will translate into undertaking substantial liberalisation," Mehta says.

Mehta further notes that there is also a change at the helm on the EU side — a new trade commissioner, which could mean firming up political understanding afresh may take some time.

Fresh impetus?

At \$75.9 billion, the EU made for 17.4 per cent of India's overall goods exports during the financial year 2023-24, while imports stood at \$61.5 billion, with a 9 per cent share. The trade bloc is India's largest trading partner in terms of goods.

Finalising a trade agreement is expected to give fresh impetus to the relationship between India and the EU, amid changes in the geopolitics scenario — be it the exit of the United Kingdom from the trade bloc or the diversification of the supply chain from China.

VEDANTA LIMITED
CIN: L13209MH1985PLC0281384

Regd. Office: 14 Floor, C Wing, Unit: 103, Corporate Avenue, Atul Projects, Chakla, Andheri (East), Mumbai-400083, Maharashtra, India.
Phone: +91 22 68413 4500 Fax: +91 22 68413 4530
Email: comp.sed@vedanta.com | Website: www.vedantalimited.com

COMPANY SCHEME APPLICATION NO. C.A./CAA/MB/17/12024

IN THE MATTER OF THE SCHEME OF ARRANGEMENT BETWEEN VEDANTA LIMITED ("VEDANTA COMPANY") AND VEDANTA ALUMINIUM METAL LIMITED ("RESULTING COMPANY 1") AND TALWADI SABO POWER LIMITED ("RESULTING COMPANY 2") AND MALCO ENERGY LIMITED ("RESULTING COMPANY 3") AND VEDANTA BASE METALS LIMITED ("RESULTING COMPANY 4") AND VEDANTA IRON AND STEEL LIMITED ("RESULTING COMPANY 5") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230-232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("SCHEME").

*Subsequent to the NCLT Order dated November 21, 2024, the Board of Directors of the Demerged Company, Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 have, by way of their resolutions dated December 20, 2024, December 23, 2024 and December 23, 2024 respectively, decided to not proceed with implementation of Part V (Demerger and Vesting of the Base Metals Undertaking) of the Scheme and have approved the updated Scheme of Arrangement, between the Demerged Company and Resulting Company 1 and Resulting Company 2 and Resulting Company 3 and Resulting Company 4 and their respective shareholders and creditors.

Vedanta Limited, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at 1st floor, C Wing, Unit 103, Corporate Avenue Atul Projects, Chakla, Andheri (East), Mumbai, Maharashtra, India - 400083. ...Demerged Company

Notice and advertisement of notice of the meetings of Equity Shareholders, Secured Creditors, and Unsecured Creditors of the Demerged Company

Notice is hereby given that by an order dated November 21, 2024 ("Tribunal Order"), the Hon'ble National Company Law Tribunal, Mumbai Bench ("Tribunal") has directed meetings to be held of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Vedanta Limited ("Demerged Company"), for the purpose of their considering, and if thought fit, approving with or without modification, the proposed Scheme of Arrangement between Demerged Company and Vedanta Aluminium Metal Limited ("Resulting Company 1") and Talwadi Sabo Power Limited ("Resulting Company 2") and Malco Energy Limited ("Resulting Company 3") and Vedanta Base Metals Limited ("VBML") and Vedanta Iron and Steel Limited ("Resulting Company 4") and their respective shareholders and creditors pursuant to the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013 (the "Act") ("Original Scheme").

Subsequent to the Tribunal Order, pursuant to paragraphs 44, 46 and 51 of the Original Scheme, the Board of Directors ("Board") of the Demerged Company, VBML and the Resulting Companies, have by way of their resolutions dated December 20, 2024, December 23, 2024 and December 23, 2024 respectively, decided to not proceed with implementation of Part V (Demerger and Vesting of the Base Metals Undertaking) of the Original Scheme. Accordingly, the Board of the Demerged Company, VBML and the Resulting Companies have approved the updated scheme between the Demerged Company, Resulting Company 1, Resulting Company 2, Resulting Company 3 and Resulting Company 4 ("Scheme").

In pursuance of the Tribunal Order and as directed therein and in compliance with the applicable provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, further notice is hereby given that meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Demerged Company will be held through video conferencing ("VC") (other audio visual means ("OAVM")) as under:

Sr. No.	Meeting of	Day and Date of Meetings	Time of Meetings
1.	Equity shareholders	Tuesday, February 18, 2025	10:00 am (IST)
2.	Secured creditors	Tuesday, February 18, 2025	11:45 am (IST)
3.	Unsecured creditors	Tuesday, February 18, 2025	01:30 pm (IST)

Notice of the aforesaid meetings, along with the accompanying documents (including the Scheme), have been sent through electronic mail to the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Demerged Company, whose email addresses are registered with the Demerged Company / Depositories / Registrar and Transfer Agent ("RTA") of the Company i.e. Kfin Technologies Limited (formerly known as Kfin Technologies Private Limited) ("Kfin").

A copy of the Scheme, statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("CAA Rules") along with annexures and accompanying documents are placed on the website of the Company and can be accessed at: www.vedantalimited.com and the website of National Securities Depository Limited (www.nsdlindia.com) by the agency appointed by the Company to provide e-voting and other facilities for the Meetings and the websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited, viz. www.bseindia.com and www.nseindia.com, respectively. All the documents referred to in the accompanying Statement, shall be available for inspection through electronic mode during the proceedings of the Meetings. Equity Shareholders/Secured Creditors/Unsecured Creditors seeking to inspect copies of the said documents may send an email at compliance.officer@vedanta.com. If so desired, any person may obtain a physical copy of the Notice and the accompanying documents, i.e., Scheme, statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules, 2016 etc., free of charge. A written request in this regard, may be addressed to the Company Secretary of the Demerged Company at compliance.officer@vedanta.com.

The Tribunal has appointed Mr. Dinesh V. Jain, Independent Director of the Demerged Company as the Chairperson for the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Demerged Company. Mr. Ujjwala Shukla (FCS - Membership No. 2727, COP No. 1654), Practising Company Secretary shall act as the scrutinizer of the aforesaid meetings. The abovesaid Scheme, if approved by the Equity Shareholders, Secured Creditors and Unsecured Creditors at their respective meetings, will be subject to the subsequent sanction of the Tribunal and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.

Persons entitled to attend and vote at the aforesaid meetings may vote through remote e-voting to cast their respective votes prior to the date of the meeting or vote through e-voting during the respective meetings by following the instructions given in the notice. Since the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors are being held through VC / OAVM, physical attendance of Equity Shareholders, Secured Creditors and Unsecured Creditors has been dispensed with. Accordingly, the facility for appointment of proxies by the Equity Shareholders, Secured Creditors and Unsecured Creditors will not be available for the respective meetings.

The details of Cut-off Date for e-voting and the time period for the remote e-voting of the aforesaid meetings are as under:

Equity Shareholders Meeting	
Cut-off Date for e-voting	Tuesday, February 11, 2025
Remote e-voting start date and time	Thursday, February 13, 2025, 09:00 am IST
Remote e-voting end date and time	Monday, February 17, 2025, 05:00 pm IST
Secured Creditors Meeting	
Cut-off Date for e-voting	Monday, September 30, 2024
Remote e-voting start date and time	Tuesday, February 13, 2025, 09:00 am IST
Remote e-voting end date and time	Monday, February 17, 2025, 05:00 pm IST
Unsecured Creditors Meeting	
Cut-off Date for e-voting	Monday, September 30, 2024
Remote e-voting start date and time	Tuesday, February 13, 2025, 09:00 am IST
Remote e-voting end date and time	Monday, February 17, 2025, 05:00 pm IST

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by NSDL upon expiry of the aforesaid period.

Equity Shareholders / Secured Creditors / Unsecured Creditors attending the meeting who have not cast their votes) by remote e-voting will be able to vote electronically at the meetings by following the instructions given in the notice. Equity Shareholders / Secured Creditors / Unsecured Creditors who have cast their votes) by remote e-voting will be entitled to attend the meeting but shall not be entitled to cast vote(s) again at the meeting.

An Equity Shareholder, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date, i.e., Tuesday, February 11, 2025 only shall be entitled to exercise his/her voting rights on the resolution proposed in the notice and attend the meeting of the Equity Shareholders. Voting rights of an Equity Shareholder (beneficial shareholder) shall be in proportion to his/her shareholding in the paid-up equity share capital of the Demerged Company as on the Cut-off Date, i.e., Tuesday, February 11, 2025.

Information and instructions including manner of voting (both remote e-voting and e-voting at the meeting) by Equity Shareholders holding shares in dematerialised mode, physical mode and for Equity Shareholders who have not registered their email address has been provided in the notice of the meeting. The manner in which (a) persons who become shareholders of the Company after despatch of the notice and holding shares as on the Cut-off Date (mentioned herein above); (b) shareholders who have forgotten the User ID and Password, can obtain / generate the User ID and password, has also been provided in the notice.

Manner of registering / updating e-mail address:

- In terms of Circular No. SEBI/HO/MIRSD/MIRSD_RTAMP/PCR/2022/1655 dated November 3, 2021 read with Circular No. SEBI/HO/MIRSD/MIRSD_RTAMP/PCR/2022/28 dated January 25, 2022 issued by the SEBI, the SEBI has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. The Equity Shareholders of the Demerged Company holding shares in electronic form who have not submitted their PAN to their Depository Participants are requested to submit their PAN to their Depository Participants and those Equity Shareholders holding equity shares in physical form who have not submitted their PAN to the Demerged Company's RTA through Form ISR-1 duly filled with details including Folio Number and attaching a self-attested copy of PAN card to Kfin, RTA of the Demerged Company at Solemin Building, Tower-B, Plot No 31 & 32, Gardhwar Financial District, Nanaranga, Savitribai Wadgaonkar, Hyderabad Rangareddy-500032, Telangana.
- The Equity Shareholders of the Demerged Company holding shares in physical mode, who have not registered / updated their email addresses with the Demerged Company, are requested to register / update the same by sending an application to the RTA of the Demerged Company through Form ISR-1 as per the instructions provided in Point no. 1, stated above.

A Secured Creditor whose name appears in the list of Secured Creditors of the Demerged Company as on the Cut-off Date, i.e., Monday, September 30, 2024 only shall be entitled to exercise his/her voting rights on the resolution proposed in the notice and attend the meeting of secured creditors. Voting rights of a Secured Creditor shall be in proportion to the outstanding amount due by the Demerged Company as on Monday, September 30, 2024.

An Unsecured Creditor whose name appears in the list of Unsecured Creditors of the Demerged Company as on the Cut-off Date, i.e., Monday, September 30, 2024 only shall be entitled to exercise his/her voting rights on the resolution proposed in the notice and attend the meeting of Unsecured Creditors. Voting rights of an Unsecured Creditor shall be in proportion to the outstanding amount due by the Demerged Company as on Monday, September 30, 2024.

Equity Shareholders, Secured Creditors and Unsecured Creditors seeking any information with regard to the Scheme or the matter proposed to be considered at the aforesaid meetings, are requested to write to the Company on or before Friday, February 14, 2025 through email at compliance.officer@vedanta.com.

Equity Shareholders / Secured Creditors / Unsecured Creditors are requested to note the following contact details for addressing e-voting related queries / grievances, if any:

Ms. Pallavi Mhatre, Senior Manager
NSDL, 3rd Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, Maharashtra; E-mail: evoting@nsdl.com; Contact No. 022 - 4886 7000

Dated: Saturday, January 18, 2025

Sd/-
Mr. Dinesh V. Jain
Independent Director, CIN: 0006582
Chairman appointed by the Tribunal for the meetings of
Equity Shareholders, Secured Creditors, and Unsecured Creditors of the Demerged Company

OPINION

What is in a colour?



AMBI PARAMESWARAN

There was a time, 20 years ago, when you had a tough time getting a white or cream coloured refrigerator. The growing middle class wanted to display their refrigerator, mostly 165-litre capacity, in their living room. The more conspicuous the colour, the better.

That thirst seems to have been quenched and we don't see the preponderance of red and blue refrigerators anymore. The variety of refrigerators on display has dramatically increased, to compensate for the loss of colour.

Are cars different?

The article, "Black, blue shine bright for car owners" in this newspaper on December 31 got me thinking about car colours all over again. It also reminded me of Ratan Tata's obsession with the right colour car for the car launches. I

Though silver or bright silver was never the colour to be mass manufactured, I do know that silver grey is possibly the most popular car colour around the world. At least it was till the 2010s.

The report in *Business Standard* says that white is the most popular colour in India now, though its popularity is dropping (43.9 per cent in 2021 to 39.3 per cent in 2024). We are not sure how much of this is contributed by the taxi segment.

Black seems to have grown rapidly, from 14.8 per cent to 20.2 per cent, possibly due to growth of SUVs. At one time, black Scorpios used to be the favorite of political leaders of all hues.

Silver, or a suppose silver grey, has dropped from 9.9 per cent to 6.7 per cent, and this was a surprise. Blue seems to be moving up from 8.8 per cent to 10.9 per cent. The top four colours used to account for 90.2 per cent and this number has moved to 91.2 per cent — a small but significant increase.

All these four colours are common, but in order to stand out brands tend to use one particular colour in their advertising and it is rarely white or silver. At one time, we used to photograph the cars in various colours to study how they reproduced; green and blue were a problem. Silver grey was difficult to shoot.

All that is now history, since most car pictures you see in print ads, on websites and in brochures are not photographs at all. They are all computer

generated images. So you can get any colour you want, without worrying about reproduction.

That said, there is a lot of fun that can be had with colours. When all personal computers were sold in boring gray and off-white colours, it was Apple that launched the iMac in brilliant fruity colours in 1999. Though Henry Ford had observed about Model T that he would provide the car in any colour the customer wanted so long as it was black, brands like Volkswagen Beetle and BMW Mini have used colours to dial up their fun quotient in the global market. In the Indian two-wheeler market, it was Piaggio's Vespa that used the power of interesting colours to stand apart.

We saw refrigerators move from boring white to brilliant blues and reds to dial back to white and gray as the products dropped down the display or brag value scale. I wonder if this is also happening with cars. You are not that worried about the colour of the car as long as the marquee is well known.

Just as the car when you bought a Maruti 800, painted it in jazzy colours, and loaded it with all kinds of gizmos like special headlights and mag-alloy wheels are gone, are we getting into an era of boring colours but exciting brand marques?

Ambi Parameswaran is an independent brand coach and founder of brand building.com; he can be reached at ambing@brand-building.com



