



Learning to let go

Highlights:

1. The Permanent Court of Arbitration at The Hague on Wednesday ruled in favour of energy firm Cairn Plc over a retrospective tax demand worth ₹24,500 crores pursued by India's taxmen since 2014.
2. Finance Minister Nirmala Sitharaman has repeatedly asserted that India retains the sovereign right to levy taxes. The arbitrators do not seem to be disputing that. The fact is that this government has asserted from the outset it is not in favour of retrospective legislative changes.
3. Losing the arbitrations in the most-watched cases under a troublesome law that has hurt India's investment credibility, provided a cathartic opportunity to let go.
4. The government's aspirations to rope in global investments must be matched by ensuring policy stability and creating a robust regulatory framework.