



Unmistakable shift

India signalled a change in foreign policy stance at the SCO Summit

More than the outcomes, Prime Minister Narendra Modi's decision to visit China for the Shanghai Cooperation Organisation (SCO) Summit was a clear message from the government on a shift in its foreign policy outlook. It has been seven years since Mr. Modi had travelled to China, and his meeting with Chinese President Xi Jinping was their first such bilateral engagement since the military standoff of 2020. It has been three years since Mr. Modi attended the SCO summit, a Eurasian grouping seen as decidedly anti-western. Meanwhile, photographs of the bonhomie between Mr. Modi, Mr. Xi and Russian President Vladimir Putin evoked memories of an inactive Russia-India-China (RIC) trilateral. The bilateral meeting with China saw the two leaders give their approval to the normalisation process initiated in October 2024, leading from troop disengagement along the LAC. The two sides agreed to fast-track the boundary resolution process being discussed by their Special Representatives. They also gave the green light for the resumption of direct flights, visa facilitation, and the building of economic ties to "stabilize world trade". As Mr. Modi committed to "taking forward ties...based on mutual trust, respect and sensitivity", Mr. Xi called for the "Dragon (China) and the Elephant (India) to come together". Such bonhomie was unthinkable even a year ago, and it is clear that it has been driven, in some measure, by the U.S. moves to impose tariffs and sanctions on India, and New Delhi's sense of mistrust about the Trump administration's intentions. This allowed Mr. Modi and his delegation, for the moment, to side-step some of the concerns India has had over China's actions, including its support to Pakistan during Operation Sindoor, the blocking of Indian moves on UNSC reforms and NSG membership, and holds on designating Pakistan-based terrorists.

It was significant that the Tianjin declaration included strong language against the "cross-border movement of terrorists", albeit condemning the Pahalgam attack and attacks in Balochistan against Pakistani forces, in equal measure. The declaration also saw the entire SCO membership find common ground on contentious issues such as the humanitarian crisis in Gaza, and condemnation of U.S.-Israeli strikes on Iran, although India maintained its opposition to the paragraph supporting China's Belt and Road Initiative. Mr. Xi's plans for an SCO Development Bank, and Mr. Modi's suggestion of initiating a "Civilisational Dialogue" between SCO members found mention. While the outcomes and the optics made for what Mr. Modi described as a "productive" visit to China, his itinerary missed some opportunities for closer engagement with leaders from India's neighbourhood and the Global South, as he skipped the "SCO Plus" Summit.

Buried in rubble

Earthquakes need not be deadly if building codes are followed strictly

Afghanistan reeled on Monday in the wake of a strong earthquake and multiple aftershocks, killing over 1,400 people, and injuring at least 3,400. According to the United States Geological Survey, the primary tremor was an earthquake of magnitude 6.3 and had struck near Jalalabad, Nangarhar province. After the first tremor, of magnitude 6.3, at a depth of eight kilometres, another earthquake, of magnitude 4.7, struck around 140 km from the epicentre of the initial tremor. The impact of the disaster is playing out in the Kumar and Nangarhar provinces where rescue efforts are on to find and extricate survivors and locate bodies that are buried under piles of rubble. What makes the salvage operations particularly challenging are the limited resources available to authorities given that the ruling Taliban regime faces multiple sanctions. This has been particularly stark following the withdrawal of the United States from Afghanistan in 2021. The United Nations and international humanitarian agencies have voiced their condolences and expressed support to aid the wounded and assist with relief operations.

Afghanistan, which abuts the Hindu Kush mountains, and is at the junction of the Indian and Eurasian tectonic plates, lives under the constant threat of an earthquake. Since 1900, there have reportedly been 12 earthquakes with a magnitude greater than 7 in north-east Afghanistan. In October 2023, the western Herat province was devastated by an earthquake of magnitude 6.3, and several aftershocks, which killed more than 1,500 people and damaged or destroyed more than 63,000 homes. Given the vulnerability of the region, it also bears out that earthquakes of this magnitude and epicentre-depth cause much less damage to lives and property in several parts of the world. Delhi, in February 2025, reported a quake of magnitude 4, at a relatively shallow – and, therefore, potentially more devastating – depth of five kilometres below the surface. True, a quake of magnitude 6 is roughly 100 times more powerful than a one of magnitude 4 assuming similar depths of origin, but there was no physical damage at all reported anywhere in Delhi. At the other end, Chile is regularly besieged by quakes greater than a magnitude of 6, with all accounts suggesting minimal infrastructural damage and no attributable casualties. This is due to the country's focused commitment to enforcing building codes. Earthquakes need not be a death sentence and Afghanistan must take decisive steps to strengthen its building codes and work to spread awareness on their enforcement.

India needs more women judges in the Supreme Court

With the retirement of Justice Sudhanshu Dhulia, on August 9, 2025, there were two vacancies in the Supreme Court of India. It was an opportune time to correct the acute gender imbalance in the Court and appoint women judges, but this did not happen. Justice B.V. Nagarathna is the sole woman judge out of the full strength of 34 judges in the Court. As a member of the Collegium, when she expressed her dissent over a recent appointment to the Court (Justice Vipul Pancholi) on the ground that there were others more senior, and on the basis of regional representation, her dissent was not taken into consideration. Justice Pancholi and Justice Alok Aradhe were sworn in as judges of the Court on August 29, 2025.

This not only invites us to review the procedure of appointment of judges in India's top court but also to examine and question the severe lack of women judges, which, directly, has an impact on how women judges and their views are considered. There must be a focus on the complete exclusion of appointments of women in the Court and what that means for the country today.

Scant appointments, a lack of diversity

Historically, only 11 women have been appointed to the Court till date, which is a mere 3.8% of the 287 judges who have been appointed since its inception in 1950. The details of the women Supreme Court judges are: Justice Fatima Beevi (October 6, 1989-April 29, 1992); Justice Sujata V. Manohar (November 8, 1994-August 27, 1999); Justice Ruma Pal (January 28, 2000-June 2, 2006); Justice Gyan Sudha Mishra (April 30, 2010-April 27, 2014); Justice Ranjana Prakash Desai (September 13, 2011-October 29, 2014); Justice R. Banumathi (August 13, 2014-July 19, 2020); Justice Indu Malhotra (April 27, 2018-March 13, 2023); Justice Indu Banerjee (August 7, 2018-September 23, 2023); Justice Hima Kohli (August 31, 2023-September 1, 2024); Justice Bela M. Trivedi (August 31, 2021-June 9, 2025); Justice B.V. Nagarathna (August 31, 2021-October 29, 2027).

The last appointment of women to the Court was on August 31, 2021 when the Collegium, led by then Chief Justice of India (CJI), N.V. Ramana, appointed three women judges. This was seen as unprecedented because even the appointment of three women at one go was a rarity. Along with Justice Indu Banerjee, who was already on the Bench, it was, for the first time, that there was more than 10% representation of women in the Court. There has also been a total absence of caste diversity among women judges in the Court as this has not led to the appointment of women from the Scheduled Castes and Scheduled Tribes. Justice Fatima Beevi remains the sole woman judge in the Court from a minority faith.

There is a significant gender disparity in the



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number of direct appointees to the Court from the Bar, or lawyers directly elevated from practice. From 1950, nine male judges have been elevated to the Court directly from the Bar. However there has been only one woman till date, Justice Indu Malhotra; no other woman lawyer has been appointed to the Court, despite there being women Senior Advocates in the Court. In fact, there is a gap in the appointment of women lawyers as judges, both in the High Courts and the Supreme Court, which is shocking. Across the world, the Bar is viewed as the traditional route into the judiciary and appointments to the higher judiciary are often seen as the final phase of a career for a lawyer. However, this does not hold true for women lawyers in India and is a glaring area of discrimination that women in the legal profession face.

Women in the Supreme Court are also appointed much later in age, which severely limits their time on the Bench and their opportunities to rise to positions of seniority. Out of 11 women judges in the Court till date, only five women have been a part of the Supreme Court Collegium, with only three having been involved in appointments to the Court. Justice Indu Malhotra and Justice Fatima Beevi had tenures that were shorter than three years, a fate shared by only five male Court judges historically. The delayed age of appointment for women results in women judges not making it to the Collegium or as Chief Justice of India. The first woman CJI will be Justice Nagarathna, who is scheduled to be appointed for only 36 days (September 24, 2027 to October 29, 2027).

Procedure and criteria for appointments

The manner of appointments is also a matter of concern. According to the Memorandum of Procedure of Supreme Court Judges, the appointment of a Judge of the Court is decided by the CJI, in consultation with a Collegium of the four senior-most Judges of the Court. After receipt of the final recommendation of the CJI, the Union Minister of Law, Justice and Company Affairs will put up the recommendations to the Prime Minister who will advise the President of India in the matter of appointment.

There is no clarity as to what basis appointments will be made as the criteria are not public. In 2017, the Collegium headed by then CJI Dipak Misra made public some of the resolutions of the Collegium on the Supreme Court website which included reasons for appointments. The Collegium led by subsequent CJIs were not consistent in providing the reasons for its recommendations. What we do know is that at various times, the caste, religion or region of candidates have been considered for appointments. Reasons for appointments during the tenure of CJI D.Y. Chandrachud were more elaborately stated in the Collegium resolutions.

The Supreme Court of India must correct its acute gender imbalance by appointing more women judges

The Supreme Court to the soldier's rescue

It was with a sense of relief that one read about the Supreme Court of India taking up, *suo motu* following a media report, the case of cadets who have been boarded out of military academies after sustaining severe injuries and disabilities during their training. It has indeed been a travesty of justice that the special needs and requirements of young boys who came forward to serve the nation, and who sustained severe and debilitating injuries, were not fully catered to by the state till now. The Court may like to dig deeper in this issue.

In cases that involve monetary grants and compensation, there is always a conflict between the understanding of the organisation (read bureaucracy) of the lifelong consequences of serious medical infirmities and the reality that extant rules cannot cover all variations of human misfortune sustained in the line of military duty. The two virtues that are needed are flexibility and empathy. Here are two examples that would suffice.

The case of a mother-to-be

In 1989, this writer was a member of the committee that was in charge of the paperwork of an Indian Air Force (IAF) pilot who had died in a flying accident. His wife was expectant that time. According to the rules in force, the family pension for a widow with a living child was almost double that for a lady who did not have children. The rule book was silent on enhanced pension for a widow who was expectant and who would have the child later, and would, thus, require additional financial support within a few months. We spoke to everyone who mattered. Though everyone understood the unique issue, the answer we always got was that "rules are



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The bureaucracy must demonstrate flexibility and empathy in handling issues – in many cases, life-changing – that defence personnel and their families face

rules." We were asked "to put up a case" to the government for special consideration for the lady. But why should this be a special case? Why should it not be a general rule for any such misfortune? In the event, we did just that and the rules were amended. However, it still took a few years for the change to happen.

When a Governor acted

Two decades ago, an IAF Cheetah helicopter crashed in the Siachen Glacier. Those who have served on the Glacier will know the extreme dangers that are omnipresent in operations at an altitude of 20,000 feet. Unfortunately, one of the pilots died while the other pilot sustained severe head injuries which would have led to his invalidation from service. The family would have suffered severe hardships had it been left to fend for itself outside the cocoon of the IAF. The Commodore Commandant of the helicopter unit contacted the Governor of Chhattisgarh, the State the pilot was from, and the officer's father met him to request that his son be granted a few years of extension till he got better. The Governor, Shekhar Dutt, who had served in the Indian Army and was a former Defence Secretary, responded with gusto and contacted the then Defence Minister, A.K. Antony (2006-14). Mr. Antony ensured the pilot's extension. The pilot got another extension during the tenure of a later Defence Minister, Manohar Parrikar (2014-17). The Government must be lauded for doing its duty to a worthy combatant.

All this raises a series of serious questions. What would have happened had the stars not aligned the way they did? What if the Governor had not been a former serviceman who understood the dangers involved in air operations

When caste, religion and regional representation are considered as criteria for appointments, why is gender not institutionalised as a criterion for appointment of judges to the Court? It is clear that, presently, gender is not taken into consideration at all for appointments of judges to the Supreme Court and High Courts. This is a matter of serious concern.

The Collegium process is also shrouded in secrecy, without any transparency as to who is being considered and when. Appointments that are being considered to the higher judiciary should be made open and public. Candidates considered should be persons of exceptional intellectual and legal ability, with sound judgment and an excellent record of work, and must show sensitivity to the needs of different communities and groups. There must be a commitment for diversity and inclusion of gender, caste, religion and regional representation, which has to be institutionalised in the form of a written policy in the higher judiciary, so that gender representation is mandatory.

When former CJIs have been asked why women were not appointed to the Court, various palliative reasons have been given such as the non-availability of women in seniority. The present appointments show that seniority was given a go-by as several women judges of the High Courts who were more senior were not considered. Further, there is no seniority required for appointment of women lawyers directly to the Court, which has also not been done since 2018, when Justice Indu Malhotra was appointed.

The Supreme Court of India has been a pioneer on gender equality and gender inclusion. It has even directed Bar associations to mandate 30% of elected seats and office bearer posts for women. However, there is no institutionalised mandate for gender representation in the constitutional courts. It is time that this changes.

As a way to create greater trust, confidence

The presence of women judges on the Bench is vital to the Court. Women judges bring unique perspectives to the Court based on their personal and professional experiences with the law, which can have a significant impact on judicial outcomes. Bringing different perspectives and diverse forms of reasoning on the Bench creates greater public trust and confidence as it integrates varied social contexts and experiences that need to be valued. Most importantly, the presence of women judges of varying backgrounds in the Supreme Court will make it a truly representative court, for all citizens which it is intended to serve.

The Supreme Court of India is India's top court. All its elaborations on gender equality would hold meaning only if there are enough women judges in the top court.

in a combat zone and went out of his way to help? Why should the government not be flexible and forthcoming in implementing the rules for the benefit of all defence and security personnel who put themselves in harm's way to ensure India's security – and not just in selected cases?

An attitude that must change

These are relevant questions because within 10 days of the media article highlighting the travails of the disabled cadets and the Supreme Court having taken *suo motu* notice, the government, on its own volition, acted. It granted these cadets medical benefits that are on a par with benefits given to ex-servicemen.

The cold fact is that over the years, there have been a number of media reports highlighting the plight of injured and disabled cadets and their difficulties that their families face. Yet, the bureaucracy has remained unmoved. The bureaucracy needs to answer tough questions by the higher judiciary about a heartless attitude.

The bureaucracy also needs to be made aware of the "George Fernandes solution" when it was introduced. All its elaborations on gender equality would hold meaning only if there are enough women judges in the top court.

The bureaucracy should also have a look at Chanakya's timeless quote on a soldier's deeds (paraphrased here so that the medical needs of soldiers are addressed with empathy) – "the day the soldier has to demand his dues will be a sad day for Magadha, for then, on that day, you will have lost all moral sanction to be King".

It is time for the 'King' to act now – in full measure.

LETTERS TO THE EDITOR

Better ties with China

The fact that India and China have expressed their commitment to a fair resolution of the border issue augurs well for bilateral relations between the two neighbours (Front page, September 1). One only hopes that this commitment would lead to a faster de-escalation and withdrawal of troops along the Line of Actual Control as well as the restoration of status quo ante as it existed in April 2020 as quickly as

possible. This would facilitate a much faster normalisation of ties. The decision to strengthen people-to-people ties and the trade relationship assumes greater significance at this juncture and could become a game-changer in the current geopolitical context. However, while improving relations with China in the light of the Trump tariff war is important, India needs to tread with caution as China has proved earlier to be

unpredictable as far as the border issue is concerned. Pragmatism should be the watchword for India in dealing with China.

Kesaraju Chandramouli,
Hyderabad

While the apparent thaw in India-China relations may be read as a strategic manoeuvre in the shadow of U.S. tensions, history cautions against uncritical optimism. Jawaharlal Nehru's misplaced faith in China culminated in the

1962 debacle, while the Galwan clash underscored China's persistent duplicity. Even during Operation Sindoor, China lent its tacit support to Pakistan. Dialogue and diplomacy remain essential, but they must not come at the expense of vigilance. India must engage with China in a pragmatic manner.

Muskan Kumari,
Patiala, Punjab

Politics and Katchatheevu

At a time when New Delhi's

relations with Maldives and China are improving, political parties in Tamil Nadu are playing spoilsport by raising the issue of India's retrieval of Katchatheevu. ("World" page, "Dissanayake makes surprise Katchatheevu visit, vows to protect Sri Lankan territory", September 2). It has been documented that this is territory that cannot be reclaimed. There was also cabinet consent, which is a known fact in Tamil Nadu. Why then do political

parties want to upset the apple cart? After the swearing-in of the new Lankan government, bilateral relations between India and Sri Lanka are better. Local political bigwigs and new political entrants in Tamil Nadu should act with restraint and responsibility.

A.V. Narayanan,
Chennai

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Sickle cell: The battle for disability justice

In March 2024, the Indian government issued revised guidelines under the Rights of Persons with Disabilities (RPWD) Act, 2016. These guidelines provide a framework for assessing the extent of disability of people with two copies of the sickle cell gene, or with both sickle cell and beta thalassaemia, or Hb D.

Sickle cell disease (SCD) is a painful, progressive, and disabling blood disorder, disproportionately affecting marginalised communities. Recognition under the Act was expected to provide reservations in the allotment of agricultural land and housing, poverty alleviation and development schemes, and education, work, and healthcare for those with the disease. The RPWD Act, 2016 extends reservations in public sector employment under the 4% quota for persons with vision and hearing loss, locomotor disabilities, and intellectual disabilities. However, individuals with SCD and other blood disorders are not included in the quota. This decision has sparked disappointment and criticism.

The narrow lens of disability

The RPWD Act, 2016, marked a step towards protecting the rights of persons with disabilities, and promoting their full inclusion in society. The law, which aligns with the UN Convention on the Rights of Persons with Disabilities, promises dignity, equality, and non-discrimination. It expanded the legal definition of disability and introduced rights-based protections for persons with 'benchmark disabilities'. Section 2(r) of the Act states that the term 'benchmark' is used to identify individuals with disabilities who meet a certain threshold of impairment, specifically 40% or more. Persons with benchmark disabilities are entitled to free school education as well as reservations in higher educational institutions, development assistance programmes, and

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The continual reliance on biomedical scoring and exclusion of people with sickle cell disease from full protections undermines the very purpose of recognising the condition under the Act

government employment. However, this 40% threshold excludes many individuals with disabilities whose assessed impairment falls below this mark. Community experiences show that the disability percentage is far from an objective measure. Different hospitals, medical boards, and doctors can assign different percentages to the same person, depending on their personal judgment. As a result, disabling conditions that significantly impact an individual's life may still fail to qualify as a benchmark disability.

SCD is not always visibly disabling, but it is debilitating. Individuals with SCD experience recurrent episodes of intense pain, fatigue, anaemia, organ damage, and frequent hospitalisations, often starting in early childhood. These episodes can disrupt schooling, diminish employment and livelihood opportunities, and drastically reduce life expectancy. Stigma and discrimination compound these barriers, particularly for Adivasi and Dalit communities.

The RPWD Act was intended to move away from a medicalised, narrow understanding of disability that prioritises visible, physical impairment over the chronic, fluctuating, and invisible ones. The continual reliance on biomedical scoring and exclusion of people with SCD from full protections undermines the very purpose of recognising the condition under the Act.

The burden of proof

In India, several schemes provide special benefits to individuals with a certified degree of disability. For instance, Odisha and Himachal Pradesh offer enhanced pension schemes for individuals with severe disabilities. Under Section 80U of the Income Tax Act, 1961, those certified by the authorised medical authority as having a disability are eligible for a flat deduction of ₹75,000 from their total income, increased to ₹1.25 lakh in cases of severe disability.

To claim this benefit and many other government schemes, individuals must obtain a disability certificate, issued under Section 58 of the Act. The major barrier lies in the certification process. A medical authority, including the chief medical officer, evaluates and certifies disability. Diagnosis reports of confirmatory tests must be from a government or standard lab. Further grading of disability beyond the baseline of 40% is based on a scoring system that assigns points to a range of complications, such as pain, blood transfusion requirements, and neurological complications. This system often fails to capture the full extent of the condition's impact, especially when the symptoms are invisible or episodic. This approach misses the socioeconomic and emotional toll on people with SCD. A young person may miss school due to hospitalisation or lose jobs due to debilitating pain – all without qualifying for a 'higher' score. Worse still, the certification process is largely inaccessible for the people who need it most. For Adivasi and Dalit patients in rural or remote areas, arranging diagnostic tests or travelling distances to district hospitals for evaluation can be impossible.

Several reforms are required to ensure the Act lives up to its promise. Extending job reservations to individuals with SCD and related blood disorders would acknowledge their condition as a significant, lifelong disability. Reforming the certification process to account for fluctuating and invisible disabilities would reflect a rights-based lens rather than a purely biomedical one.

Disability is a lived experience, not only shaped by physical health, but also by social exclusion, structural barriers, and policy gaps, and unless India's recognition of SCD brings real rights and protections, it risks becoming exclusion disguised as inclusion.

Lessons from Gauri Lankesh's murder trial

The sluggish trial is not an aberration: it is part of an unfortunate trend

STATE OF PLAY

Kunal Majumder

Two years ago, Karnataka Chief Minister Siddaramaiah had said at an event commemorating journalist Gauri Lankesh's murder that justice would be served when her killers are convicted. Yet, eight years after her murder, the trial is still to be completed. It began only in March 2022 – nearly five years after Gauri was shot dead in front of her house – and has moved at a glacial pace. Out of the 532 witnesses originally listed, only 193 have been examined. Hearings are confined to just 3-5 days a month, derailed by frequent adjournments, a revolving door of presiding judges, and endless procedural manoeuvres from the defence. The outcome? Of the 18 accused, 17 are out on bail – their release enabled not by proof of innocence but by the system's own lethargy – and one remains absconding.

Gauri's sluggish trial is not an aberration; it is part of an unfortunate trend. Data from the Committee to Protect Journalists (CPJ) shows that more than 61 journalists have been killed in India since 1992 for their work, and at least 19 murders have been unsolved between 2014 to 2024. CPJ's Global Impunity Index calculates the number of unsolved journalist murders as a percentage of each country's population. In 2024, India ranked 13 on the Index.

Close to a year after Gauri's killing, Kashmiri editor Shujaat Bukhari was gunned down outside his office in Srinagar's press enclave. To this day, we still don't know who killed Bukhari, let alone seen anyone prosecuted. Nine

years after *Hindustan* journalist Rajdev Ranjan was killed in Siwan, Bihar, a CBI court delivered its verdict on August 30 this year. Three men were convicted, but one of the key accused walked free, while the alleged mastermind, former MP Mohammad Shahabuddin, was never charged before his death due to COVID-19 in 2021. In the 1999 killing of *Outlook* cartoonist Irfan Hussain, the accused walked free in 2006 because investigators failed to establish each piece of circumstantial evidence. The case of *The Indian Express* journalist Shivani Bhatnagar, also murdered in 1999, dragged on for nine years. Finally, the Delhi High Court acquitted the main accused in 2011 citing insufficient proof. In Assam, the 1996 case involving the assassination of editor Parag Kumar Das wound its way through 13 years of investigation and trial before the last surviving accused was acquitted in 2009. Each of these cases reflects a grim pattern: weak investigations, intimidated or hostile witnesses, and justice lost in judicial limbo.

What distinguishes the murder of journalists from other homicides is its direct assault on the public's right to know. These are not just private tragedies; they are constitutional violations. Article 19 (1)(a) of the Constitution, which the Supreme Court has called the 'foundation of all

democratic organisations,' is shredded each time a journalist is killed and the trial allowed to rot. These tragedies silence stories and warn others that truth can be suppressed with bullets.

Recognising this danger, the Press Council of India (PCI) intervened in 2016 after Ranjan's killing. PCI chairperson Justice C.K. Prasad wrote to the Bihar Chief Minister and the Union Home Minister demanding a special law to protect journalists. His recommendation was unequivocal: murders of journalists should be tried in special fast-track courts. At the time, the PCI pointed out that 96% of journalist murder cases had not been concluded. Eight years later, Gauri's trial demonstrates how prescient it was.

In May 2023, Mr. Siddaramaiah agreed to Gauri's sister Kavitha's demand to shift the trial to a fast-track court. However, Kavitha told the CPJ that the Karnataka High Court rejected the request in 2024. Journalist murders are not just a domestic failure but also a breach of India's international obligations. Under Articles 2 and 19 of the International Covenant on Civil and Political Rights, India is obligated to protect media workers and ensure prompt, thorough, and effective investigations into attacks against them. The UN Plan of Action on the Safety of Journalists reinforces this responsibility.

If special courts can be created for politicians and for crimes against women and children, they can be created for journalists whose work safeguards the very foundations of democracy too. Anything less is complicity in silence.

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Steepest jump in private tuition enrolment among rural girls

While a significant rural-urban gap continues to persist, it has narrowed slightly over the last seven years

DATA POINT

Devyanthi Bihani
Vignesh Radhakrishnan

The share of Indian school-children enrolled in private coaching has risen sharply over the past seven years, according to government data. This increase is particularly pronounced in rural areas, which are quickly catching up with urban centres. While enrolment in private tuitions has grown across all levels, the steepest rise is seen at the higher secondary level. Notably, at this level, the sharpest rise was recorded among rural girls.

In this analysis, private tuition refers to academic support outside school, covering both regular studies and preparation for competitive exams.

Chart 1 shows the share of students taking private coaching in 2018 and 2025 across different levels of schooling. In both years, the lowest share of students in private tuition (around 12%) was recorded at the pre-primary level. The share rose steadily with each successive level of schooling.

In 2018, nearly 16% of primary, 22% of middle, 30% of secondary, and 27.5% of higher secondary students were enrolled in private tuition classes. The corresponding figures in 2025 were about 23%, 30%, 38%, and 37%. As noted earlier, there was a 9.5% point increase in the share of higher secondary school children enrolling in private tuition. This was the highest among all levels.

Chart 2 shows the share of higher secondary students taking private coaching in 2018 and 2025 across genders and locations. Among rural students, the share has increased from around 23% to about 33% (10 point increase). Among urban students, the share has increased from about 37% to 45% (8 point increase). Though there is a sharper rise among rural students, the share of them taking

private tuition in 2025 remains about 4 points lower than that of such urban students in 2018. So, while the urban-rural gap persists, it has narrowed slightly.

Among rural boys, the share rose from about 25% to 34% (9 point increase); for rural girls, it climbed from nearly 20% to 32% (a 12 point increase). In contrast, the rise was more moderate among urban boys (6 points) and urban girls (10 points).

While private coaching is widespread across most States, it is particularly pronounced in the eastern and some of the north-eastern States. **Chart 3** shows the share of students enrolled in private coaching in 2025 across all levels of schooling and States. If all school levels are taken together, the eastern States stand out as stark outliers: about 75% in West Bengal, 57% in Odisha, 52.5% in Bihar, and nearly 40% in Jharkhand attend private tuition, compared with the national average of 27%. Among the north-eastern States, Tripura led with close to 79% private tuition takers and Manipur with 48%.

More importantly, the culture of private coaching begins much earlier in the eastern and north-eastern States. At the pre-primary (kindergarten) level, about 34% of students in Odisha, West Bengal, and Tripura attend private coaching, compared to a national average of about 12%.

The continuing surge in private tuition classes, when viewed alongside the findings of the Justice A.K. Rajan Committee on the impact of NEET in Tamil Nadu, points to a worrying trend. The committee found that in 2019-20, 99% of students admitted to MBBS courses in the State had attended coaching classes, and many among them were candidates who had taken the exam at least twice before securing admission. This trend holds true for most high-profile examinations in India. The steady rise in private tuition and the heavy financial burden it places on parents are key concerns.

Going private

The data for the charts were sourced from the Comprehensive Modular Survey: Education, 2025 (April-June, 2025) and Household Social Consumption on Education in India NSS 75th Round (July 2017-June 2018)



Chart 1 The share of students taking private coaching in 2018 and 2025 across different levels of schooling

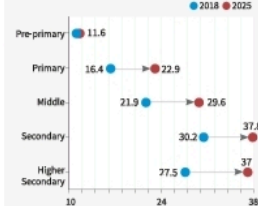
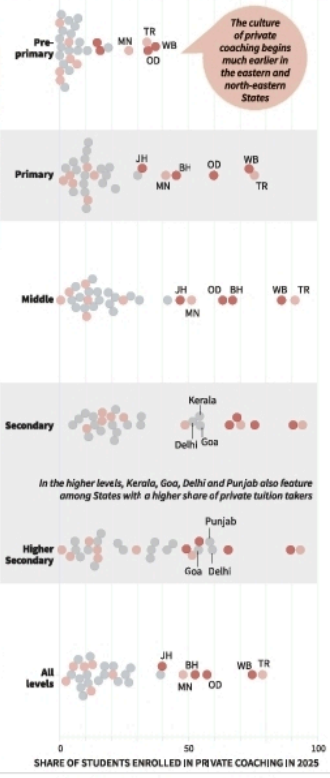


Chart 2 The share of higher secondary students taking private coaching in 2018 and 2025 across genders and locations. M: Male, F: Female

Chart 3: The share of students enrolled in private coaching in 2025 across all levels of schooling and States. If all school levels are taken together, the eastern States and some north-eastern States stand out as stark outliers. * corresponds to all other States. In the graphic, WB: West Bengal; OD: Odisha; TR: Tripura; BH: Bihar; MN: Manipur; JH: Jharkhand



FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO SEPTEMBER 3, 1975

India's concern over IMF's new move on gold

Washington, Sept. 2: India to-day told Finance Ministers and central bankers assembled here for the annual meeting of the International Monetary Fund and the World Bank that as the serious balance of payment deficits faced by developing countries were not likely to disappear or diminish in the next few years, there was an imperative need to extend the life of the Oil Facility created by the IMF last year beyond 1975.

The Finance Minister, Mr. C. Subramaniam, said that the Oil Facility which was set up with a target of five billion SDRs in funds, should have suitable concessions built into it and should continue in operation until a proper substitute for it was found.

One such substitute is the proposal for a Trust Fund with about 1.5 billion SDRs, realised through the sale of one sixth of the gold held by the IMF. Mr. Subramaniam felt that this was much too modest a sum and that the target should be at least four billion SDRs. "If this earmarking of IMF gold for the benefit of the developing countries is not to be reduced to an empty gesture, it must be accompanied by more effective arrangements to meet both the liquidity and resource needs of the poor countries." The multiplicity of uses which different countries have in mind for this modest sum of gold was also surprising, he said. "Some see it as a substitute for the Oil Facility; others visualise it as a source of funds for the third window of the World Bank; yet others want to use it for an export stabilisation fund."

Mr. Subramaniam who spoke to Washington the day after Dr. Kissinger's plan for a \$10 billion "Development Security Facility" was unveiled before the special U.N. session in New York, did not comment on that proposal because he had not yet studied it in detail.

A HUNDRED YEARS AGO SEPTEMBER 3, 1925

Miners' strike in U.S.A.

Philadelphia, Sept. 1: In consequence of the dispute over wages eight hundred and twenty-eight anthracite mines closed at midnight and one hundred and fifty thousand miners quitted work. There has been no disorder. On the other hand, the miners and their families are at present holidaying. Their leaders have extracted a pledge from the strikers to obey the law.

How dead birds, old maps are helping scientists track biodiversity loss

A new study's methods highlight the sort of innovation researchers can resort to in order to elicit new ecological and conservation wisdom. While field-based studies remain invaluable to understand the natural history of a habitat or species, data collected decades ago provide historical context to current baselines

Sutirtha Lahiri

The Nilgiri mountains in the Western Ghats are a biodiversity hotspot, home to a diverse array of birds, mammals, plants, and other life forms. Called the 'blue mountains' because of the blooming of *Strobilanthes* flowers, the Nilgiris are home to many species that are endemic and of conservation concern, including the Nilgiri pipit, the Nilgiri sholaki, and the Nilgiri laughingthrush.

In a study recently published in *Global Change Biology*, Vijay Ramesh and a team of scientists from institutes in India, the U.K., and the U.S. explored how changes in land use in the last 170 years affected the diversity of birds in the Nilgiri mountain range. The team compiled data from two sources: museums and field-based surveys.

'Lack of recognition'

First, they digitised geographical information from birds collected by British ornithologists in the late 1800s and which are preserved in natural history museums. Then they revisited and surveyed 42 of the same sites where historical surveys were conducted. The team also digitised a historical land-use map and compared it with current satellite images. In this way, the team found that the relative abundance of almost 90% of grassland birds in the Nilgiris has dropped.

The Nilgiri pipit and the Malabar lark – both of which are restricted to grassland habitats – in particular had suffered the steepest decline. Likewise, the team analysed GIS-based land-cover change to show that the extent of grasslands had decreased by 80%: from 993 sq. km in 1848 to just 201 sq. km in 2018.

However, to their surprise, the scientists also found that the abundance of about 53% of forest birds has been relatively stable in the last century. This is because much of the grassland habitats had been replaced over time by wooded forests – in the form of either exotic plantations or woody invasive species – in response to increasing temperature.

This switch allowed forest-dependent species a new, alternative habitat, keeping their abundances stable, the team argued.

"Perhaps the biggest threat is the lack of recognition of grasslands as an important part of the landscape. People in the landscape understand this; however, the wider efforts are always targeted at conserving forests and planting trees," V.V. Robin, an author of the paper and associate professor at IISER Tirupati, said.

Beyond the findings themselves, the study's methods are notable. They highlight the sort of innovation



Strobilanthes kunthiana in full bloom on the slopes of the Nilgiris. SATHYANORTHY M

researchers can resort to in order to elicit new ecological and conservation wisdom. While field-based studies remain invaluable to understand the natural history of a habitat or species, data collected decades ago provide historical context to current biodiversity baselines. Historical data allow researchers to make comparisons across a longer time period, which is not possible with field studies.

Natural history museums are a particularly important repository of such historical data.

While many such museums around the world have a reputation for wowing visitors, the latter often engage with only a small fraction of specimens. The vast majority is in fact stored in large, climate-controlled facilities that are maintained by a team of curators, biologists, and facility managers. These are animals that naturalists have collected over centuries from around the world.

"Museums are vital for biodiversity research, especially in India, a global hotspot of species diversity," Pritha Dey, a moth biologist and head of the research collections facility at the National Centre for Biological Sciences, Bengaluru, said. "They preserve historical records of species distributions, help in taxonomic identification, and provide baseline data crucial for conservation, climate impact studies, and tracking biodiversity loss over time."

Scientists have used records from museums to describe many new species, understand the migration of birds, document changes in animals' body sizes in response to climatic changes, and to



Many specimens legally collected over a century are housed in these collections. What is the responsibility of museums to allow access?

SUSHMA REDDY
CURATOR OF BIRDS AT THE BELL MUSEUM OF NATURAL HISTORY AT THE UNIVERSITY OF MINNESOTA

elucidate the collapse of entire communities of birds. In the new study as well, the researchers examined specimens of birds collected in the early and late 1800s, which were preserved along with data about their location, the date on which the specimen was collected, and by whom.

With the number of specimens of each species from historical and modern periods, the scientists used a new Bayesian statistical method called field abundance-museum abundance (FAMA). This method allowed the researchers to estimate the relative abundance of each species in each time period, ultimately revealing a drastic decline in the abundance of grassland birds across the Nilgiris.

Access to archives

These and other scientists have also used different archival materials such as journals, old papers, and maps to complete unfinished stories of biodiversity collapse. In the study from the Nilgiris, for example, the researchers used the first land-cover map of the

Nilgiris, made by Captain John Ouchterlony, a British officer stationed in Madras. This map was stored as multiple tiles at the British Library and the Tamil Nadu State Archives. Using GIS and editing software, the team photographed the map, spent hours labelling the manner of land use at each pixel, and finally digitised it. Then they compared the information in the map with recent satellite images to assess changes and loss of habitat. This said, accessing samples and archival resources in museums remains a complicated task.

According to Ms. Dey, "Key challenges include lack of digitisation, limited funding, outdated infrastructure, and bureaucratic hurdles in accessing collections."

Most of the better natural history museums are in Western countries and accessing them is further limited by high travel costs and visa norms.

"The museum community has a problematic view of ownership of specimens," Sushma Reddy, an associate professor and curator of birds at the Bell Museum of Natural History at the University of Minnesota, said. "For example, there are many specimens legally collected from India and other countries over the past century that are housed in these collections. What is the responsibility of these museums to repatriate information or allow access?"

"[That is] something we are still struggling with as a museum community," (Sutirtha Lahiri is a doctoral student in conservation science at the University of Minnesota. sutirtha1996@gmail.com)

THE GIST

To begin with, scientists digitised geographical information from birds kept in museums. Then they visited sites where historical surveys took place. Using this methodology, they found that the relative abundance of 90% of grassland birds had dropped

Museums are vital for biodiversity research, especially in India, a global hotspot of species diversity. They preserve historical records of species distributions, help in taxonomic identification, and provide baseline data crucial for conservation, and tracking biodiversity loss over time

Scientists also used a map made by a British officer. This map was stored as multiple tiles at the British Library and the Tamil Nadu State archives. The team photographed the map and digitised it. Then they compared the map with satellite images to assess loss of habitat

BIG SHOT



A forest is engulfed in flames as a wildfire rages near Fontjoncouse in France on August 6, 2025. The summer of 2025, marked by two heatwaves, was the third hottest on record in France since weather forecast agency Météo-France began measuring temperatures in 1900, the French government announced on September 2, 2025. AFP

QUESTION CORNER

The brain filters sound signals

Q: Why do we not hear sounds while sleeping? **A:** Sleep does not mean the brain is

inactive and we do hear sounds while sleeping. Sleep is a recurrent and healthy state of inertia and reduced responsiveness found among higher vertebrates. It is controlled by the brain and is associated with characteristic electrical rhythms in the brain. The body induces this state when the central core of the brainstem situated below the cerebral hemisphere is stimulated. Likewise, stimulating the reticular formation (a portion of the central nervous system which consists of small islands of grey matter separated by fine nerve fibres bundles running in every direction) by messages from the cerebral cortex can awaken sleeping persons. Neurons (nerve cells) in REM sleep are as alive as they are in wakefulness. Mental capacity also does not decrease. Incoming sounds are also subjected to ceaseless scrutiny. But the brain ignores the unimportant ones while the important ones, even if feeble, lead to arousal. The



Nerve cells in REM sleep are as alive as they are in wakefulness. TAMBARA GOVEDAROV/UNSPLOSH

arousal thresholds are variable and are a function of the meaningfulness of the stimuli. When a stimulus has no significance to the sleeper, the thresholds can be rather high. So irrelevant stimuli are actively shut out during REM sleep. Behaviourally, researchers have established that motor responses can be evoked in all stages of sleep, but it is difficult to demonstrate that new responses can be acquired during sleep.

For feedback and suggestions for 'Science', please write to science@thehindu.co.in with the subject 'Daily page'

Text & Context

THE HINDU

NEWS IN NUMBERS

Expanding glacial lakes which need supervision: CWC

432 According to the Central Water Commission (CWC) report, the total glacial lake area in India has grown by over 30% since 2011 — rising from 1,917 hectares to 2,508 hectares. The findings come in the backdrop of widespread flooding across the country. **PH**

Number of people killed in Afghanistan earthquake

1,400 According to a Taliban spokesperson, more than 3,000 people are injured. The strong 6.0 magnitude quake registered in the mountainous regions struck when people were asleep, destroying homes and levelling entire villages. **PH**

Posts created in three new Uttar Pradesh universities

948 The new posts include 468 temporary non-teaching positions, effective till February 28, 2026, and 480 posts to be filled through outsourcing. The government said the move is aimed at strengthening the administrative operations of these universities. **PH**

Number of cases of 'non-compliance' flagged by the CVC

23 The "non-compliance" is related to government departments diluting the Central Vigilance Commission's (CVC) advice on corruption-related cases. The CVC exercises superintendence over the vigilance administration of the Central government. **PH**

Electricity load restored in the Jammu region since August 26

92 In per cent. The record rainfall that caused massive landslides and cloudbursts on August 26 brought down most feeders. The power load in the region plummeted to just 299 MW, compared to the normal demand of around 1,050 MW. **PH**

COMPILED BY THE HINDU DATA TEAM

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Decoding the SC order on regulatory assets

What are regulatory assets and how are they used by DISCOMS to defer costs? What is the difference between a DISCOM's Annual Revenue Requirement and Average Cost of Supply? Do regulatory assets prevent DISCOMS from modernising the grid? What should be the way forward?

EXPLAINER

Rishu Garg

The story so far: The Supreme Court recently directed State Electricity Regulatory Commissions (SERCs) and distribution companies (DISCOMs) to clear existing regulatory assets within four years and liquidate any new assets within three years. The court also advised capping the regulatory asset at 3% of a DISCOM's Annual Revenue Requirement (ARR) and instructed regulators to set out transparent roadmaps for recovery, along with conducting intensive audits of DISCOMs that continue without recovering these assets.

What are regulatory assets? Regulatory assets constitute the unrecoverable revenue gap due to the difference between the Average Cost of Supply (ACS), the expense incurred by a DISCOM to deliver a unit of electricity to consumers, and the ARR, which is the revenue collected by the DISCOM as consumer tariffs and subsidy payments from the government. If the ACS is greater than the ARR, the DISCOM effectively makes a loss on the sale of every unit of electricity. For instance, if a DISCOM's ACS is ₹7.20/unit and ARR is ₹7.00/unit, the gap is ₹0.20 per unit. If the DISCOM supplies 10 billion units, the total shortfall is ₹2,000 crore. To avoid suddenly burdening consumers with an immediate tariff increase to recover the gap, SERCs allow the DISCOM to record the gap as a regulatory asset. This is essentially a deferred cost that the DISCOM is entitled to recover from consumers in the future, usually with interest.

What explains the ACS-ARR gap? Non-cost reflective tariffs, delays in the release of subsidies (for agriculture or low-income households) by State governments, and sudden increases in



FILE PHOTO

fuel prices (leading to increased power purchase costs) are some of the reasons that contribute to this gap.

The Punjab SERC provides one of the earliest documented cases of regulatory assets in India when it identified a revenue gap of ₹487.10 crore. Of this, ₹150 crore was converted into a regulatory asset, to be recovered over two years: FY 2004-2005 and FY 2005-2006. The remainder, ₹337.10 crore, was allowed to be recovered immediately via tariffs in FY 2003-2004. The Delhi ERC's true-up of FY 2022-23 and ARR for FY 2024-25 order mentioned a regulatory asset of ₹36,057 crore for BSES Rajdhani and ₹22,040 crore for BSES Yamuna, apart from a closing revenue gap (including carrying cost) of ₹8,226.87 crore for Tata Power Delhi Distribution Ltd. In Tamil Nadu, regulatory assets reported in FY 2021-2022 were ₹89,375 crore, indicating

the issue is systemic, reflecting financial pressures across many State DISCOMs.

How are consumers affected?

If the regulatory assets reported by BSES Rajdhani, BSES Yamuna, and Tata Power, the DISCOMs operating in Delhi, are to be recovered within the four-year window set by the Supreme Court, they need to recover about ₹16,580 crore a year. With Delhi's annual electricity consumption of 30 billion units, this works out to an additional ₹5.5 per unit on average.

Since consumers can't be burdened with such high and immediate tariff increases, the State employs regulatory assets. However, the immediate benefit of stable tariffs for consumers is eventually offset by steeper increases when the deferred costs are recovered. Since these assets also attract carrying costs, consumers pay the original gap as well as

the additional interest.

For DISCOMs, the persistence of large regulatory assets results in significant cash flow pressures. Because revenue doesn't cover current costs, DISCOMs often struggle to pay power generators on time. Many DISCOMs borrow to bridge the gap, increasing their debt burden. With so much money tied up in unrecovered costs, their ability to invest in modernising the grid, integrating renewable energy, and in better consumer services becomes limited. The result is a vicious cycle in which financially distressed DISCOMs face greater operational challenges, which in turn make it harder to improve efficiency and recover costs on time.

How can ACS-ARR gap be bridged?

One important step is to ensure tariffs are aligned more closely with costs, while using targeted subsidies to protect vulnerable consumers. This ensures the burden is shared transparently rather than hidden in deferred recoveries.

State governments also need to release subsidies on time so that DISCOMs aren't left carrying the financial gap on their books. Automatic fuel cost adjustment mechanisms, such as the fuel and power purchase cost adjustment mechanism, can help tariffs respond quickly to sudden changes in input costs. Regular annual true-up exercises, where projected and actual expenses are reconciled, can prevent the build-up of large backlogs.

Finally, regulatory commissions play a critical role in maintaining discipline. By enforcing limits, ensuring transparency in accounting, and setting clear timelines for recovery, they can ensure regulatory assets remain an exceptional tool rather than a recurring feature. The Supreme Court's intervention is therefore a call for coordinated action and greater financial discipline across the sector, so that electricity remains both affordable for households and sustainable for utilities.

Rishu Garg is a senior policy specialist and heads the Energy Policy and Regulations group at CSTEP.

THE GIST

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For DISCOMs, the persistence of large regulatory assets results in significant cash flow pressures. Because revenue doesn't cover current costs, DISCOMs often struggle to pay power generators on time.

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Why has IndiGo damp leased from Turkish Airlines?

Why did the Directorate General of Civil Aviation direct IndiGo to end the partnership with Turkish Airlines?

Jagriti Chandra

The story so far: IndiGo received a third extension from the Directorate General of Civil Aviation (DGCA) to lease two Boeing 777-300ER aircraft and crew from Turkish Airlines, after previously facing a directive to end the partnership amid heightened anti-Turkey sentiment related to its support for Pakistan during border tensions with India. The move comes as a sizeable number of IndiGo's aircraft remain grounded even as the global industry faces a shortage of planes.

What does the latest DGCA order say? The DGCA has given IndiGo a third extension to lease aircraft and crew (also known as damp leasing) from Turkish Airlines, reversing its earlier ultimatum to end the partnership. The original request was for a period of three months from December 1, 2024 to February 28, 2025.

In May, the DGCA said it was granting a "one-time, finite extension" for three months upto August 31, 2025 to avoid passenger inconvenience due to flight disruptions when IndiGo's damp lease permission was due for a review. The DGCA's rules allow airlines to wet or damp lease foreign registered aircraft for a period of 12 months that is extendable once by further six months.

IndiGo started using the B777 aircraft to provide connectivity from Delhi and Mumbai to Istanbul in February and May of 2023. "This extension comes at a crucial time and will help mitigate losses to Indian aviation due to geopolitical restrictions, and greatly benefit Indian travellers during the peak travel season by ensuring a seamless, direct connection to Istanbul and points beyond," IndiGo said in a statement.

Why are leases important for IndiGo? The damp leasing of B777 from Turkish

Airlines is not the only tie up where IndiGo has loaned aircraft along with its crew from foreign entities. As on June 30, 2025, of the total 416 aircraft in its fleet, IndiGo has six Boeing 737s from Qatar Airways, two A320neos from Latvian carrier Smartlynx and one B787 from Norwegian carrier Norse Atlantic. The DGCA has also approved SpiceJet's plan to wet lease five Boeing 737 aircraft from Turkish carrier, Corendon Airlines.

Wet and dry (aircraft sans crew) leases are increasingly being adopted by airlines in order to overcome the shortage of new aircraft globally that has grown acute since the pandemic because of supply chain challenges. Airlines worldwide, including IndiGo, are also being forced to retain and sometimes revamp old and less fuel-efficient aircraft to overcome the shortage. According to the International Air Transport Association (IATA), aircraft deliveries are currently running 30% below their previous peak levels, leading

to a record-high backlog of 17,000 aircraft. Based on IATA's analysis, if this backlog increase is attributed solely to delivery delays, airlines are effectively short by 5,400 aircraft, representing approximately 18% of the active global fleet. With annual production anticipated to remain around 2,000 aircraft per year, IATA projects that it could take between three and five years for the industry to resolve this shortfall.

In IndiGo's case, which is the country's largest airline by fleet as well as by market share of 65%, the shortage is made more severe by the grounding of 60-70 aircraft due to Pratt and Whitney related engine issues.

How has the industry responded?

"From a business standpoint, restricting cooperation with Turkish Airlines would be counterproductive. Indian airlines benefit from code-shares and partnerships that expand their global reach, and passengers gain from greater connectivity and competitive fares. Aviation should remain a driver of growth and opportunity, while political differences should be managed through diplomacy, not by limiting the commercial potential of our airlines and travellers. If India wants its carriers to compete globally, it must enable access, not restrict it," says Alok Anand, founder of aviation assets management company Acumen Aviation.

THE GIST

The DGCA has given IndiGo a third extension to lease aircraft and crew (also known as damp leasing) from Turkish Airlines, reversing its earlier ultimatum to end the partnership.

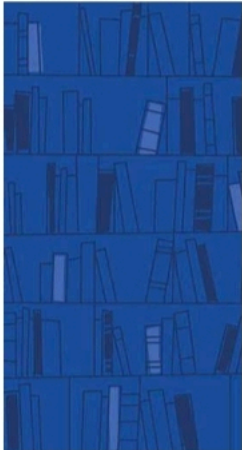
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BIBLIOGRAPHY



On the go: A gig worker wades through a waterlogged subway amid heavy rain in Mumbai, on July 21. REUTERS



FROM THE ARCHIVES

Know your English

K. Subrahmanian
S. Upendran

The following is a list of American expressions and corresponding English terms:

1. Billfold – wallet
 2. Bobby pin – hairpin
 3. Collect call – reverse-charge call
 4. Cotton candy/spun sugar – candy floss
 5. Decal/decalcomania – transfer, transferable picture or design
 6. Derby – bowler hat
 7. Diaper – nappy
 8. Drapes – curtains
 9. Druggist – chemist, pharmacist
 10. Faucet – tap
 11. Fender – wing of a car
 12. Flashlight – battery-operated torch
 13. Flurlough – leave of absence, as from military duty
 14. Hood – bonnet (of a car)
 15. Hope chest – bottom drawer, trunk for a trousseau
 16. Installment plan – hire purchase
 17. Intern – junior hospital doctor, houseman
 18. Kerosene – paraffin
 19. Mortician – undertaker, funeral director
 20. Muffler – car silencer
 21. Mutual fund – unit trust
 22. Odometer – mileometer
 23. Pacifier – baby's dummy
 24. Pari-mutuel – totalisator, the tote betting system
 25. Podiatrist – chiropodist
 26. Realtor – estate agent
 27. Rummage sale – jumble sale
 28. Rutabaga – swede, root vegetable
 29. Skillet – frying pan
 30. Slingshot – toy catapult
 31. Snap-fastener – press stud
 32. Solitaire – card game of patience
 33. Sophomore – second-year student
 34. Stevedore, longshoreman – docker, dockworker
 35. Suspenders – braces
 36. Thumbtack – drawing pin
 37. Tick-tack-toe – noughts and crosses
 38. Transom – fanlight
 39. Truck farm – market garden
 40. Trunk – boot of a car
 41. Tuxedo – dinner jacket; man's formal evening wear
 42. Unlisted – ex-directory
 43. Vest – waistcoat
 44. Veteran – ex-serviceman
- Published in The Hindu on December 2, 1997.

On call 24/7: a spotlight on gig workers who are running the new economy

The digital marketplace today cuts across different professions. Here is a reading list that helps to dive into the gig economy and understand the emotional and economic complexities of the wondrous and diabolic new world of e-commerce while offering an insight into the lives of gig workers

Soma Basu

The 2022 Hindi movie *Zwigato* directed by Nandita Das sensitively captures the impact of the changing business landscape in the country. Through the life and job of a food delivery agent, the film delves into the harsh realities of the gig economy underlining the pressures of gig workers to meet targets, their low wages and job insecurity.

Struggles and courage that characterise the gig economy make compelling narratives. Today we can get a cab at our doorstep in five minutes, groceries arrive in 10 and pizza in 20. Behind each of these promised deliveries are real humans racing against time and struggling to stay afloat against the algorithm.

If Das mirrors the tough life of a gig worker, author Vandana Vasudevan in her breezy book, *OTP Please: Online Buyers, Sellers and Gig Workers in South Asia* (Penguin Random House, 2025) splits the narrative by showcasing the emotions of multiple stakeholders across the Indian subcontinent.

The movie and the book highlight problems that lay bare corporate greed, disparity of income, the anger, anxiety and isolation of millions whose lives have changed due to the pervasive influence of technology on consumption patterns.

Vasudevan gathered diverse stories and perspectives from Peshawar to Patna, Delhi to Dhaka and talks of how tech platforms with last-minute necessities delivered to our homes have eased modern living. The frustration of visiting crowded places and then having to wait

are over and many unemployed may have found jobs.

Precarious existence

But behind the dazzle of the digital, the author writes, much is opaque. She surveyed 5,000 gig workers living a precarious life and internet retailers who cope with the oppressive rules of global behemoths. As a consumer, she wonders if there are consequences to instant gratification in the extraordinary digital age we live in. If after the 1990 liberalisation, Indian economists declared consumerism as the new god, Vasudevan says online consumerism is now much more than that, and is actually swallowing human connections.

There must be way more people in the gig economy than governments realise. NITI Aayog's 2022 report on India's Booming Gig and Platform Economy projects the workforce to expand to 23.5 million in 2029-30 from 7.7 million in 2020-21. Indians are expected to continue buying online at the same pace or even faster, making the Indian digital economy worth \$1 trillion in the next five years, it says.

Given the addiction to 'order now' with the click of a phone button, Vasudevan's book nudges you to slow down and go behind the story of every OTP seeker. It is disheartening but compels us to pause and ask essential questions about our own choices. Unfortunately, there aren't many books on this issue by Indian authors.

In 2020, when Amitava Ghosh published *Gig Economy in India Rising: Gen X-Millennial-Z* (Evincepub), he suggested this was going to be the greatest

prospect of work in future. He explains not all gig economy roles are based around a digital and online platform but the title also works for many traditional businesses that hire independent professionals, consultants and workforces in diverse segments, from IT automation to food, retail, social media and creative fields.

While a rapid growth in the gig workforce in India's economy is visible, Chosh gives an interesting take on jobs that require no close supervision, where time and place are by choice and preference. He says that gig work is a perfect tool for maintaining work-life balance as it aligns with Gen XYZ who seek flexible work hours, an atmosphere of freedom and a vision to engage themselves in multiple options of earning on platform work. The COVID-19 outbreak helped them to accentuate the leaning towards Artificial Intelligence-based digitised gig jobs.

The Gig Economy in India: Start-Ups, Infrastructure and Resistance by Pradip Ninan Thomas (Routledge, 2025) explores the relationship between entrepreneurs, State governments, and platform providers, and the Indian government's perception of its problems and opportunities. Thomas examines the critical dimensions while paying attention to the precarity of gig labour, the vagaries of algorithmic management, and the minimal legal support available for workers.

An overview

The Gig Economy: A Critical Introduction by Jamie Woodcock and Mark Graham (Polity, 2019) is considered among the

early comprehensive overviews on how the gig economy came to be, how it works and what it's like to work in it. The authors mention that though it has facilitated innovative new services and created jobs for millions, it is not without cost.

While the phenomenon of workers being hired without any guarantee or benefits is rapidly becoming a permanent part of the labour market now, few talk about the effects of disruption the big start-ups bring to the industries they overturn and the impact it has on the largely millennial workforce carrying it out.

Gigged: The End of the Job and the Future of Work by Sarah Kessler (St. Martin Press, 2018) weaves together voices and experiences of tech entrepreneurs, economists, and workers to raise a pertinent question: can jobs be both flexible and pay a sustainable wage? One in every three American is a freelancer and the concept of a full-time job is disappearing in the new American Dream, she writes. Her book provides a nuanced look at how the gig economy is playing out in real-time as she wades through the hype to answer multiple thought-provoking questions, including whether the millennial generation will be able to do as well as their parents.

It is a watershed moment. Earlier, when local vendors recognised their customers, it gave both a sense of belonging to the city. Now the delivery boys are faceless; we do not speak to them or even ask them if they are thirsty. With limited research on the gig economy in India, every book fills a crucial gap in understanding how it works.

THE DAILY QUIZ

Here is a quiz on some of the events that happened on September 3

Sindhu Nagaraj

QUESTION 1

After a nearly year-long journey, NASA's robotic spacecraft landed on Mars on this day in 1976 and began relaying information about the planet's atmosphere and soil as well as colour photographs of the rocky surface. What was the spacecraft called?

QUESTION 2

This American architect, has been called the "father of skyscrapers". He was born on this day in 1856. The phrase "form follows function" is attributed to him. Who was he?

QUESTION 3

This Indian author known for her books *The Inheritance of Loss* and *Hullabaloo in the Guava Orchard* was born on this day in 1971. Who is she?

QUESTION 4

Which country officially became independent from the United Kingdom on this day in 1971?

QUESTION 5

This American poet and painter who first attracted attention, in an age of literary experimentation, for his unconventional punctuation and phrasing died on this day in 1962. Who was he?



Visual question:

This American director died on this day in 1991. Name him. What is the name of the 1946 film which he directed, which is based on the short story *The Greatest Gift*?

Questions and Answers to the previous day's daily quiz: 1. This team scored 200 or more runs in a match in the Asia Cup in the T20 format. **Ans: India in India versus Afghanistan, Dubai, September 8, 2022**

2. This player has scored the most runs in the two editions played in T20 format. **Ans: Virat Kohli**

3. This player scored the first hundred in the Asia Cup played in T20 format. **Ans: Babar Hayat (122)**

4. This player scored the most runs in the 2022 edition. **Ans: Mohammad Rizwan (281 runs) of Pakistan**

5. This bowler has taken five or more wickets in an innings. **Ans: Bhuvneshwar Kumar (5/4)**

6. This player took the most wickets in the 2016 edition. **Ans: Aamir Javed (12 wickets) for UAE**

7. Only one Indian pair has posted a century partnership in the Asia Cup T20 format. **Ans: K. L. Rahul and Virat Kohli**

Visual: Name this field umpire. **Ans: Anil Chaudhary (India)**

Early Birds: Tamal Biswas| Piyali Tuli| Neil Lal| Arjun Debnath| Dodo Jayaditya

Word of the day

Incisive:

having or demonstrating the ability to recognise or draw fine distinctions; suitable for cutting or piercing

Synonyms: acute, discriminating, keen, knife-like, penetrative, piercing, sharp

Usage: Sometimes her incisive comments offend people.

Pronunciation: /ɪnˈsɪsɪvə/

International Phonetic Alphabet:

/ɪnˈsɪsɪvə/

For feedback and suggestions for Text & Context, please write to letters@thehindu.co.in with the subject 'Text & Context'

The Editorial Page

The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA
BECAUSE THE TRUTH INVOLVES US ALL

THE CANCER MAP

Study of ICMR's registries flags vulnerabilities, concerns. It should be seen as step towards more robust disease data

ACCORDING TO GLOBAL Cancer Care Observatory Data, India has the third-highest number of cases of the disease. The country's ratio of cancer mortalities to malignancy incidences was 64.47 per cent in 2022, the highest among the top 10 countries in terms of the burden of the dreaded disease. Cancer has been a part of the country's national healthcare programmes for at least five decades. The Indian Council of Medical Research's Cancer Registry programme began in the early 1980s. Yet, cancer care in India remains a complex and evolving landscape. Targeted interventions have often been hobbled by the lack of a comprehensive cancer map. An analysis of 43 cancer registries across the country by national investigators — they comprise researchers from premier medical institutions — could plug some of the gap. It provides crucial data on the types of cancer in the country and the vulnerabilities of different sections of people, gender-wise and regionally.

Women accounted for a higher proportion of the cases (51 per cent) in the registries. This goes against the global trend. The discrepancy should alert policymakers to a challenge long underlined by cancer specialists. Breast and cervical cancers, which together account for more than 40 per cent of cases among women, are easier to detect and have better treatment outcomes — that's why cancer cases among women are likely to be reported more, and they have a lower proportion of deaths due to the disease. In contrast, oral, lung, and gastric cancer are detected at a relatively later stage in the country. Oncologists believe that a significant number of such cases still fall off the radar. The study of cancer registries has important clues for the country's cancer screening programmes. For instance, it flags the high burden of the disease, especially oral cancer, in several parts of the country's Northeast. The highest lifetime risk of cancer was found to be in Mizoram — 21 per cent for men and nearly 19 per cent for women, far higher than the national rate of 11 per cent. Such disaggregated data could help policymakers frame region-specific awareness initiatives and detection programmes — targeting oral cancer in parts of the Northeast and Ahmedabad and Bhopal, for instance.

The ICMR registries capture less than 20 per cent of the country's population. Unlike in the case of infectious diseases — tuberculosis, for example — healthcare providers are not legally mandated to provide cancer-related data to the government. Seventeen states do have rules that require hospitals and doctors to provide such information. But some of the more populous states, including Uttar Pradesh, Maharashtra and Bihar, do not make such demands of their healthcare sector. The latest cancer registry study supports the Centre and state governments to make data more robust. This could, in turn, foster better understanding of common preventable causes, improve the utilisation of resources and make government programmes more effective, ultimately improving the cancer survival rate in the country.

SOUND AND FURY

Peter Navarro's provocations are ungainly in a delicate India-US moment, threaten to shrink spaces for diplomacy

WHITE HOUSE TRADE advisor Peter Navarro's offensive against India over its purchase of Russian oil touched a shrill new pitch this week, as he sought to defend the 50 per cent tariff the US has imposed on Indian goods. Continuing his attacks against what he called the Kremlin's "oil money laundromat", the senior Trump aide said in an interview on Sunday, "Brahmins are profiteering at the expense of the Indian people... we want that to stop." In an especially delicate moment for India-US ties, remarks like these are intemperate and ungainly. They mark a rash abandonment of the circumspection called for in high diplomacy, which must leave spaces open for manoeuvre, for both sides.

As would be known by now, hectoring of the kind unleashed by Navarro and other members of the current US administration does not work with India — in fact, it can only lead to a hardening of positions. New Delhi has been consistent in prioritising the country's economic and strategic goals amid global turbulence. In the present instance, too, Delhi has refused to succumb to US pressure over Russian oil imports, underlining its sovereign choice and the imperative to meet its own energy needs. The complications that currently cast a shadow over India-US trade ties are certainly not to be dismissed; neither can they be addressed by name-calling. If Navarro describes India as the "maharaja of tariffs" — US President Donald Trump called the country "tariff king" — it emerges from the Americans' longstanding frustration over the protectionist walls propped up by New Delhi around domestic industry — something that has also been a bugbear in India's ties with other trading partners. On vexatious issues like these, however, sound and fury can accomplish nothing and progress can only be made through sustained conversation and patient give-and-take.

So far, New Delhi has done well to ignore such loose rhetoric. The India-US relationship, whether on trade, security or technology, is far too consequential for both countries. Reddless words must not be allowed to derail it. This appears to be understood by sections of the Trump administration as well — not too long after Navarro's broadside, a post shared on X by the American embassy in India characterised India-US ties as "a defining relationship of the 21st century", with Secretary of State Marco Rubio saying that "the enduring friendship between India and the US can help realise the 'tremendous potential of our economic relationship'". So far, Delhi has shown forbearance. Washington must respond by re-engaging on a more sober note.

A TABLE FOR ALL

In an industry of excess and exclusivity, a Michelin restaurant in Mexico City reimagines hospitality

IN THE WORLD of fine dining, padded as it is by steep bills and frosty formality, a movement that focuses on "eat as you want, pay as you can" might seem like a pipe dream. Mexico City's Michelin-starred Masala y Maiz, however, has shown that sometimes subversion is a matter of trust and a whole lot of heart. While it operates under the more predictable economics of fine dining most of the time, several times every year, the restaurant serving Mexican, African and Indian-fusion dishes opens its doors on a first-come-first-served basis to guests who can eat what they want, paying only what — and as much as — they want.

In a country beset by economic disparity, it is a radical reimagining of the community table. It shifts the restaurant from a transactional space to one of mutual generosity, where good food is no longer the guarded preserve of those who can afford it. It also offers a gentler vision of the restaurant as a democratic commons where the trappings of fine dining aren't off limits, where the worth of a meal is measured not in currency but in connection, respect and reciprocity. Encouraged by Masala y Maiz, several South American restaurants are joining the movement. Elsewhere, the model is not without precedent — Lentil As Anything operated on a similar premise in Melbourne, in Ahmedabad, Seva Cafe, and in Singapore, Annalakshmi Restaurant run on similar lines.

Whether such a revenue model is sustainable remains uncertain, but the attempt is a temporary break from the logic of profit, an meditation on what hospitality might look like when stripped of ego and excess. In an industry often shaped by hierarchy — between chef and diner, customer and invisible backend worker — the "pay as you can" model isn't just a business experiment, it is also a cultural one. And like all good experiments, its true value may lie in the questions it forces one to ask, not in its scalability.

China's parade, Asia's divide

Modi's decision to skip China's military pageant speaks of impracticality of Eurasian coalition



THE BRIEF VIDEO of Prime Minister Narendra Modi holding hands with Chinese leader Xi Jinping and Russian President Vladimir Putin at the Shanghai Cooperation Organisation (SCO) summit in Tianjin has gone viral. The three-way handshake, occurring against the backdrop of US President Donald Trump's relentless effort to bully friend and foe alike, symbolises a moment when major powers are jockeying for geopolitical advantage. Yet a photo-op does not a grand alliance make.

If anything, the impracticality of a Eurasian coalition against America is highlighted by Modi's absence from China's spectacular military parade in Beijing on Wednesday to mark its victory in World War II. Xi will preside over the display of the People's Liberation Army's (PLA) formidable military prowess in Tiananmen Square. Modi's decision to skip the parade underlines India's continuing distance from Beijing's efforts to reinterpret the past for present purposes. Those who claimed that the SCO handshake buried the Quad will note that Modi's absence puts him in the same company as the leaders of Australia, Japan, and the United States, who will also stay away.

In September 1945, Imperial Japan surrendered, ending the war in Asia. In Europe, the victors and a defeated Germany collectively mark the end of hostilities. Asia, however, remains divided in its memory. Reconciliation is elusive even eight decades later. China calls its commemoration, "The Chinese People's War of Resistance Against Japanese Aggression and the World Anti-Fascist War". Yet the military parade, arguably, is less about the past and more about enduring rivalries. Beijing seeks to mobilise nationalist sentiment against Japan and position itself as Asia's pre-eminent power.

Tokyo, unsurprisingly, urged countries not to attend. Australia, India, and the US — all critical to the Allied victory in Asia — declined invitations, as did Britain, France, and the Netherlands (the European powers with a major presence in Asia in World War II). For the Quad powers, participation would have been less about celebrating the shared struggle of 1945 than legitimising China's aspirations for the domination of Asia. By contrast, many Southeast and Central Asian leaders have shown up in Beijing. Their attendance is less about the War's memory than about signalling

World War II left Delhi struggling with the consequences of the geopolitical fragmentation of the Subcontinent and Partition. The Indian elite's misreading of the politics of that era proved costly. Today, the stakes are equally high. India risks repeating the error if it fails to grasp the dynamic interplay between Washington, Moscow, and Beijing and define a clear sense of its own interests.

positive sentiments towards China. One notable absence is the Philippines, a major theatre of World War II. It is now at the receiving end of Chinese military power in the South China Sea.

Why does the memory of the same war divide Asia so sharply? Because national experiences differed profoundly. China endured 14 years of brutal Japanese occupation, but the war was not the communists' triumph over the nationalists. Korea suffered colonisation and then division. Southeast Asia welcomed as well as fought Japan in Asia.

India's experience was equally complex. Its emerging nationalist elite was divided in its response to the War, and it also suffered the division of the nation on religious lines. The Indian Army fought the Japanese in Burma and took the surrender of Japanese forces in Rangoon, Singapore, Jakarta, and Hanoi. Yet there was also the Indian National Army (INA), led by Subhas Chandra Bose and backed by Tokyo. For Bose, an alliance with Japan was a path to independence from Britain.

Bose's INA also underlines the complexity of the regional memory of Japanese imperialism. Japan styled itself as Asia's liberator from European colonialism. Its slogan, "Asia for Asians", had much resonance in the region. Nationalists in Burma, Indonesia, and Indochina initially welcomed Tokyo's promise of solidarity and support. Japan trained militias, weakened European colonial rulers, and briefly inspired hopes of independence. But the occupation soon revealed its brutal face — resource plunder, forced labour, and repression. For much of Asia, Japan became both the oppressor and midwife of decolonisation.

If Indian and Chinese nationalists shared an anti-imperial sentiment, why did they not collaborate? The answer lies in the adversaries they faced. India's battle was against Britain, China's against Japan. Indian nationalism was deeply divided. Gandhi refused to back Britain's war effort, launching Quit India in 1942. Bose allied with Japan and raised the INA. The Indian communists, a powerful force then, initially dismissed the War as an "inter-imperialist" conflict. After Nazi Germany attacked the Soviet Union, they became staunch supporters of the anti-fascist war.

The Chinese nationalist leader Chiang Kai-

shek's 1942 visit to India and his meeting with Gandhi did little to bridge the gap. China, which found itself on the side of the victorious Allies, gained much in the post-War settlements and the permanent membership of the UN Security Council. Despite its massive contributions to the Allied victory, India got little to show for it after the War thanks to its internal divisions.

Indian and Chinese nationalist movements failed to find solidarity at a critical juncture in the 20th century despite their shared sense of anti-imperialism. Since then, their repeated efforts to find common ground have been unsuccessful. That situation has not changed with an hour-long meeting between Modi and Xi in Tianjin on Monday. Modi's refusal to attend the Beijing parade underscores the deep divergence in how Delhi and Beijing interpret the past and envision Asia's future.

South Asia is well represented at the parade, with Afghanistan, Bangladesh, the Maldives, Myanmar, Nepal, and Pakistan sending delegations. Pakistan's army chief, Asim Munir, who will be at the parade today, might well claim credit for the undivided Indian Army's contributions to victory in Asia — a historical irony that should not be lost on Delhi. When the PLA goose-steps across Tiananmen Square, Asia will be reminded of a war that deeply divided the region. The military spectacle in Beijing today may project unity, but the guest list reveals division. The real challenge for Asia is not simply to remember the past but to escape being trapped by it.

For India, the challenge is more complex. World War II left Delhi struggling with the consequences of the geopolitical fragmentation of the Subcontinent and Partition. The Indian elite's misreading of the politics of that era proved costly. Today, the stakes are equally high. India risks repeating the error if it fails to grasp the dynamic interplay between Washington, Moscow, and Beijing and define a clear sense of its own interests.

The writer is a distinguished professor at the Motwani-Jadeja Institute of American Studies, O P Jindal Global University, holds the Korea Foundation Chair on Asian Geopolitics at the Council on Strategic and Defence Research, and is contributing editor on international affairs for The Indian Express



SACHCHIDANAND SHUKLA

FIRST THINGS FIRST. To say that India's first-quarter GDP growth rate of 7.8 per cent surprised all would be an understatement. Growth was driven by strong performances in services, manufacturing, and construction, alongside significant government spending and solid private consumption. This robust start means even a more moderate growth rate of around 6 per cent for the remaining quarters would nudge the estimate 2025-26 numbers closer to the RBI's eventual 6.5 per cent and help absorb some potential external shocks. It must also be acknowledged that the first quarter numbers don't provide clues as to the adverse impact of US tariffs.

One must not get too carried away by the numbers, given the role of some technical bump ups by way of the base effect, which contributed 4.04 basis points to GDP growth, or even the upward statistical push from an unusually low GDP deflator, a measure of price changes calculated via a weighted average of retail and wholesale price levels. The deflator at 0.9 per cent was one of the lowest outside the Covid years. The decrease in overall prices statistically boosted the real output calculation, making the headline growth number appear stronger than it actually is.

Growth is projected to trend lower from hereon during the fiscal year. The RBI's projection stands at 6.7 per cent for the second quarter, 6.6 per cent for the third and 6.3 per cent for the fourth. Most forecasters have a similar trajectory pencilled in. The outlook for the rest of the year remains uncertain due to first- and

DECODING THE GDP SURPRISE

US tariffs, domestic risks make it tricky to gauge growth trends

second-order impact of tariffs and the uncertainty around a trade deal with the US. It also masks some domestic risks such as tepid credit growth and risk of deferred demand across categories in anticipation of GST rate cuts. While even growth surprised on the upside, the moderation in inflationary pressures led to a low nominal GDP growth of 8.8 per cent, which isn't surprising as it perfectly mirrors the drop in inflation. But this slowdown has several important knock-on effects.

First, it impacts more pressure on the government's fiscal position. The 2025-26 budgetary assumption that of 10.1 per cent nominal growth, which is now only growing at 8.8 per cent, and hence the "economic pie" is smaller than expected. Key targets, like the fiscal deficit, are measured as a percentage of this pie. Since the pie is smaller, the deficit percentage automatically gets bigger, putting the budget targets under strain.

Second, it can weigh on tax collections given that lower inflation means the prices of goods and services aren't rising much. When things cost less, the government collects less in taxes. Add to that the possibility of GST rate cuts or rationalisation. This fall in expected tax revenue means less money for public services, infrastructure, and other projects.

Third, with slower nominal growth, we can expect credit growth to slow down as well. Fourth, the pressure on corporate top-line growth. Lower nominal growth could weigh on listed corporate top-lines and earnings even as some sectors may already

be facing the brunt of US tariffs. But why is there a discrepancy between the Q1 GDP and the latter lukewarm corporate earnings numbers and commentary, or even the high-frequency data?

Well, the low deflator inflates real GDP growth relative to nominal growth, creating a perception of stronger economic expansion than what corporations experience in revenue terms. Corporate earnings, tied more closely to nominal growth, may not reflect the same buoyancy as real GDP.

Also, the 50 per cent US tariffs prompted frontloading of exports. However, this is a transient effect, and the subsequent impact could dampen corporate performance in export-oriented sectors in later quarters. Moreover, GDP is a macro measure aggregating value-added across sectors, while corporate earnings reflect specific firm-level performance. Discrepancies arise due to differences in accounting and the exclusion of non-corporate contributions from listed company results.

Further, the GDP figure was also boosted by frontloaded government capital expenditure. High-frequency indicators like PMI or freight data may not fully reflect this public spending surge, as they are more sensitive to private sector activity. Gauging underlying growth trends is always tricky, but will be more so this year with tariffs and proposed GST cuts in play.

The writer is group chief economist, I&T, Views personal

SEPTEMBER 3, 1985, FORTY YEARS AGO

CHARGES DISMISSED

THE CHARGES AGAINST the former chief minister, A.R. Antai, accusing him of having deceived the cabinet and the Maharashtra Legislative Assembly into sanctioning Rs 2 crore to the Indira Gandhi Pratibha Pratishthan (IGPP) were dismissed by Justice D N Mehta of the Bombay High Court. Justice Mehta was dictating his judgment in the case against Antai presided by the Janata leader, P.B. Samant.

LONGOWAL'S LAST WISH

ONE OF THE last wishes of the slain Akali leader, Harchand Singh Longowal, was the establish-

ment of a Panthic government in Punjab. This was stated by the acting president of the Akali Dal, Surjit Singh Barnala, at the "bhog" ceremony of Longowal. This wish may be fulfilled if the Akali leadership do not leave the path adopted by them now and remain united for the cause of communal harmony and unity, for which Longowal sacrificed his life.

LAW REFORM

THE ADDITIONAL EXPENSES needed for judicial reforms are proposed to be accorded priority and also included in the Seventh Five-Year Plan. This was understood to have been agreed upon at the Chief Justice and Chief Ministers

meeting, which concluded over the weekend. The Finance Minister, Vishwanath Pratap Singh, who was present at the conference, agreed to give central assistance to the proposed reforms.

RECORD NOMINATIONS

A RECORD NUMBER of 177 nominations had been filed for the 13 Lok Sabha seats from Punjab as the last date for filing papers for the September 25 elections passed. According to reports, the number of candidates for the state assembly, due to go to the polls simultaneously, might cross the 2,000 mark. With reports from four out of 12 districts still awaited, 1,469 candidates had entered the field.

THE IDEAS PAGE

Shaping the future, chip by chip

Over the next decade, as semiconductor units achieve maturity and scale, India is poised to emerge as a competitive hub for the entire value chain



ASHWINI VAISHNAW

IN THE EARLY days, computers were giant machines that filled the entire room. They ran on thousands of vacuum tubes working like the "on-off" switches of their time. They looked more like an old telephone exchange than the sleek devices we use today. Fast forward to today, and far more power sits inside a chip smaller than your fingernail, driven by billions of transistors. These chips run mobile phones, cars, trains, refrigerators, TVs, factory machines and aeroplanes, and guide satellites in space. They're now so small they sit on your finger, in a smart ring, tracking your heart health. That is the magic of semiconductors.

For a nation to progress, it must master the key sectors that shape its growth. These foundational sectors include steel, power, telecom, chemicals, transport and semiconductors. They are the hidden engines inside almost everything we use. Smartphones, cars, trains, medical equipment, defence systems, power grids, satellites, and artificial intelligence.

Just as steel is the base for building factories, bridges, and railways, semiconductors are the base for the digital economy. Without chips, there can be no modern communication, no data processing, no AI, no renewable energy systems, and no secure defence. Nations that cannot design and produce semiconductors risk dependence on others for its most basic needs, from healthcare to security. Becoming strong in semiconductors is about much more than an industry. It is about shaping our own future.

The pandemic was a stark reminder of the importance of chips. As global chip supply chains faltered, production of various industries was affected. Sectors such as the auto industry, networking devices, and consumer electronics were the most affected.

Semiconductors now lie at the heart of global geopolitics. With chip-making concentrated in just a few regions, even minor disruptions can ripple across the world. A power failure in one place or a factory accident in another can stall supplies. This can slow down industries and affect economies and security everywhere.

The recent focus on rare earth magnets is a stark reminder of how control over critical resources can shape global power. Similarly, semiconductors have become a crucial resource of the digital age.

The demand for semiconductors is only going to rise in future. Our own consumption and production of electronics is expanding at an unprecedented pace. India today has over 65 crore smartphone users, and our electronics manufacturing is touching Rs 12 lakh crore annually.

At the same time, we are also developing AI-based systems, data centres, and electric vehicles that require semiconductor chips. This surge in both demand and innovation makes it essential for Bharat to secure its place in the global semiconductor value chain.

For decades, India was told it had "missed the bus" on semiconductors. That refrain is no longer true. Under the India Semiconductor Mission, 10 semiconductor



CR Sasikumar

plants have been approved. The construction work of the plants is progressing at a fast pace. Today, we can confidently say that the first "Made in India" chip will be out this year. A pilot production line in one of the units has already started in Sanand, and within a year, we expect four more units to go into production. Global leaders such as Applied Materials, Lam Research, Merck, and Linde are investing in supporting facilities and supply chains. This ecosystem approach reflects Prime Minister Narendra Modi's focus on long-term growth of the industry in Bharat.

A combination of factors led to this remarkable success in such a short time span — the clear vision of our PM, focus on execution, decision making in the hands of professionals, global cooperation, and strong support from state governments. India has moved from waiting at the bus stop of history to driving the future. Our design and talent pool are playing an important role in this.

Policies and investments are critical to harnessing Bharat's true edge — its people. India currently has more than 20 per cent of the global design workforce. According to an industry estimate, the world is expected to face a shortage of over one million semiconductor professionals by the start of the next decade. India is preparing to fill this gap. More than 60,000 users across 350 institutions and start-ups are using world-class Electronic Design Automation (EDA) tools provided free of cost by the Government of India. In 2025 alone, their usage has exceeded more than 1.2 crore hours.

Start-ups are energising India's chip design ecosystem with strong government support. Mindgrove Technologies is developing IoT chips built on the indigenously developed SHAKTI processor from IIT Madras. Netrasemi, another start-up, recently secured a record Rs 107 crore in funding. This is one of the largest VC infusions in India's semiconductor design space, reflecting growing investor confidence in this sector. Many such start-ups are being nurtured under the Design Linked Incentive (DLI) scheme of the government.

At the Semiconductor Laboratory (SCL) in Mohali, college students from 17 institutes have already produced 20 chips. More such chips will be ready in the coming months.

Policies and investments are critical to harnessing Bharat's true edge — its people. India currently has more than 20 per cent of the global design workforce. According to an industry estimate, the world is expected to face a shortage of over one million semiconductor professionals by the start of the next decade. India is preparing to fill this gap. More than 60,000 users across 350 institutions and start-ups are using world-class Electronic Design Automation (EDA) tools provided free of cost by the Government of India. In 2025 alone, their usage has exceeded more than 1.2 crore hours.

This kind of talent development will place Bharat in a strong position in the semiconductor industry. SCL is also being modernised with the dreams of young innovators in mind to ensure that India's talent can move from the classroom to the cleanroom.

Global leaders are also investing in India's talent. Lam Research is going to train 60,000 engineers in India. Applied Materials, AMD, and Microchip are committing \$1.1 billion for R&D. Partnerships with IISc, IITs, and others are ensuring a strong link to the workforce. India is also working closely with partners in the US, Japan, the EU, and Singapore to build future-ready talent. This mix of local talent and global collaboration ensures that Bharat is not only building for itself but for the world too.

Bharat's semiconductor journey is part of the larger vision of PM Modi. It began with Digital India, a mission that built digital infrastructure and empowered citizens. The India Stack, UPI, Aadhaar, and our telecom networks gave every Indian access to technology at their fingertips. In parallel, we have also strengthened our electronics production ecosystem. Now we are developing the manufacturing ecosystem for semiconductors, electronic components, and equipment.

The Semicon India Summit 2025, which was inaugurated by the Prime Minister, marks the continuation of this journey. This year, more than 500 global industry leaders from 48 countries are participating, compared to about 100 last year. The world is coming to our doorstep because steady Bharat is the hope of a world struggling with uncertainty. Dedicated pavilions from Japan, South Korea, Singapore and Malaysia will drive meaningful collaboration.

Our goal is to make India a "product nation". The output from our semiconductor plants will serve critical sectors such as telecom, automotive, data centres, consumer electronics, and industrial electronics, not just for India, but for the whole world.

Over the next decade, as our semiconductor units achieve maturity and scale, India is poised to emerge as a competitive hub for the entire semiconductor value chain.

The writer is Union Minister for Electronics and Information Technology

WHAT THE OTHERS SAY

"The White House wanted India to bow. Instead, Narendra Modi flew to China, shook Xi Jinping's hand and left Washington sidelined." — THE GUARDIAN

More than tax reform

Simplification of GST must be accompanied by a plan to compensate the states for revenue losses



RANDEEP SINGH SURJEWALA

IN 2017, WHEN GST was introduced, it was celebrated as a triumph of cooperative federalism between the Centre and the states. The states surrendered substantial fiscal powers and autonomy, reassured by a compensation mechanism and the promise of equal partnership. Article 246A, introduced by the 101st Constitutional Amendment 2016, sought to give both Parliament and state legislatures concurrent authority over GST and was seen as a constitutional innovation meant to preserve fiscal federalism.

Yet the promise of "One Nation, One Tax" was betrayed by years of confusing GST tax slabs. And any goodwill that existed between the Centre and states has been squandered by a ruling regime that has demonstrated a clear and consistent prioritisation of its own interests — fiscal and political — over those of the states. States are up in arms against an attack on fiscal federalism that threatens to relegate the states of the Union to glorified municipal corporations.

The Central government's latest plan to slash GST slabs is a welcome move, vindicating years of a consistent demand made by the Leader of Opposition Rahul Gandhi. It promises simplification of GST, but for states the decision must be implemented simultaneously with a plan to ensure compensation to rationalise the revenue losses suffered by them.

This is a challenge that the Modi government seeks to brush under the carpet. It must answer the questions of how it will compensate the states for the tax revenue losses suffered by them after implementation of GST 2.0. Consider the specifics. The Union finance ministry claims conservatively that the current GST rationalisation will shave only Rs 40,000 crore off revenues. But others have a far bigger estimate — the State Bank of India estimates losses of around Rs 80,000 crore and HSBC Rs 1.4 lakh crore. The states themselves warn of damages upwards of Rs 2.5 lakh crore.

The government must first answer as to how it plans to use the annual cess amount of Rs 1.8 lakh crore and what the long-term plan is for sharing it with the states. This is the only guarantee of compensation to states that will ensure their fiscal independence and allay the fear of being reduced to municipalities of the Centre. Let us not forget, the financial independence of the states is intrinsic to the survival of democracy and the basic structure.

Since GST accounts for a large chunk of states' own tax revenues, the hit is direct: a 15-20 per cent decline, roughly 0.5 per cent of their GDP. That is money that funds classrooms in Maharashtra, health centres in Haryana, and welfare schemes in states like Karnataka and Telangana. Telling states that "buoyancy" will make up the foreseen shortfall is like asking them to walk the edge of fiscal ruin without a safety net. To this end, the Government of India

cannot usurp the large pool collected under various "cesses" and amounting to Rs 1.8 lakh crore annually. The levies on sin and luxury goods make up about 7-8 per cent of all GST collections. These cesses were created to compensate states. But now, the Centre looks to cut rates sharply from 88 per cent to 40 per cent effectively. The "trick" being to keep cesses outside the divisible pool and retain them for the Centre. The states, already squeezed, lose both GST and cess revenues. This is not simplification; it is a betrayal of cooperative federalism.

In October 2024, the Modi government had given a plan to share cess proceeds equally with the states. Today, the promise has evaporated with the Centre now wanting to keep the cess proceeds for itself. If such centralisation continues, states risk being reduced to vassal states. Karnataka, Kerala, Tamil Nadu, Telangana, Himachal Pradesh, Punjab, Jharkhand, and West Bengal are now coming together to form a united front to address this issue if the central government will not.

Here, it is important to recall the promise of Article 246A. It was introduced to prevent this exact imbalance and gave both Parliament and state legislatures power to make GST laws, reserving exclusivity for Parliament only in inter-state trade through IGST. The apex court in Mohit Minerals vs Union of India (2022) underscored this spirit, holding that GST Council recommendations are not binding and that states retain their legislative autonomy. Cooperative federalism, the Court said, must be "collaborative, not coercive".

The recklessness is magnified by global pressures. With US tariffs hitting Indian exports, states with export-intensive economies like Maharashtra's textiles, Gujarat's chemicals and jewellery, Karnataka's IT and aerospace industries and Tamil Nadu's auto, must be "collaborative, not coercive".

States are not opposing GST rationalisation. Their counter-offer is pragmatic: (i) Impose a levy on sin goods in addition to the ad valorem taxes to keep the effective burden intact, with the collection flowing to states; (ii) guarantee existing GST revenue protection for a further period of five years; (iii) fix the fiscal year 2024-25 as the base, grossing up cess collections, and calculate on a rolling three year average as supported by earlier GST Council precedents; (iv) finally permit states to borrow against future revenues to cover deficits, as was done successfully before. These demands are guardrails against fiscal collapse in a time of financial uncertainty.

Finally, this is not merely a fight over tax slabs or revenues. It is a fight over India's federal democracy and to protect fiscal federalism. If states are systematically starved of revenues, their risk being entirely dependent on the Centre's whims and fancies. Ironically this weakening of state autonomy ultimately weakens the Centre itself — a fact the regime refuses to learn.

If rationalisation is not undertaken in earnest, with the cess being made part of the divisible pool, then this simplification of rates will not be remembered as reform. It will be remembered as a betrayal of the states.

The writer is Member of Parliament, Rajya Sabha and an advocate

Rasa in the classroom

Arts education needs to focus on nurturing 'rasikas', not just performers



GEETA CHANDRAN

IN KEEPING WITH the National Education Policy (NEP) 2020 and the National Curriculum Framework for School Education (NCF-SE) 2023's policy guidelines for holistic education, for the first time, arts education that involves introduction to Indian art forms, including classical music, dance, theatre and the visual arts, have been introduced in the primary and middle school curricula from the 2025-26 session.

As a dancer, I believe that learning dance is a transformative experience; it connects the body with the mind and leads to a sense of harmony. But, today, my concern is beyond dance. I view arts education in a holistic way in which it either compartmentalises it, theatre, dance, music and the visual arts form one single segment of education.

How do we teach it and how do we make the next generation feel proud of our legacy? How do we empower them to take it forward? Above all, in today's stressful environment, how can they use the arts to destress themselves?

This brings me to question the way in which arts education is approached in schools. Frankly, it is more tokenistic at the moment. Dance/performance education is restricted to annual days, August 15 and January 26 functions. To put it bluntly, our schools — both private or government — are simply not equipped to produce artists or even an artistic bent of mind. They do not

have the time nor their teachers the wherewithal to provide the intense attention to detail and training needed to produce artists. What is required is a tweaking of our aspirations for arts education in schools. Arts education should not aim to create artists. Instead, it should be about creating rasikas (discerning audiences), teaching students how to appreciate our diverse cultural dharah and be able to use arts as a de-stressor.

We have missed this boat simply because the experiential part of the arts — to just sit and listen to great masters, watch legendary dancers — doesn't happen in our classrooms at all. We are so preoccupied with the performative aspect of arts that we always want to teach children to perform. But that can only come much later. First, one needs to experience a performance or an art form simply by sitting with a single musical note and understanding how it can calm one's whole being; how experiencing bhava can yield unending rasa.

In some of the schools I have been involved with, we have tried to use the tanpura as background music when students enter the school in the morning. This simple act calms them down. They may have been yelled at by their mothers to get ready on time; they could have had a fight while travelling to school. They could be stressed about an incomplete homework assignments or an upcoming test. The strains of the tanpura put

them in a positive frame of mind. Small things like this from our cultural virasat needs to be used beyond the classroom.

Are schools equipped to create artists? I am afraid not. With limited time available in schools, serious arts training remains difficult. Here, I must speak up for the dance and music teachers in schools. They are expected to create magic in that one or two periods that they are given. They are expected to teach bharatanatyam, kathak, mohiniyattam, kathakali, ballet and what have you. This is a waste of time for the student and an unrealistic expectation from the teacher.

I would like to refer to an experiment that I have initiated in a wonderful school in Faizabad, UP, where over the past decade or so, we have tried to create interdisciplinary learning through the arts. In one of my recent visits, I saw a music teacher engage students with the tabla. She had a tabla set in the room and the children were exploring it — turning it upside down, hiding around to see how it was made. Then came a guided viewing of a maestro's performance. The teacher was stopping the video from time to time, pointing out where the laya/pace changed, and how different fingering alters both sound and rhythm. She then invited the Physics teacher to talk about sound transmission, echo, tone, etc. This is the kind of interdisciplinary and integrated learning we need. Such experiments will only be pos-

sible when we create meaningful dialogues between music, dance and theatre teachers in schools and then take it further and synergise with other subject teachers. We need to break silos and see equal merit in education through the arts.

Many schools take pride in the fact that in Class VI, students are given the opportunity to choose one activity and pursue it for the next three or four years, during which they are expected to delve deep into that subject. Though this is an opportunity to delve deep into one activity, unfortunately, it is myopic. If a child opts to pursue music, he/she becomes oblivious to other forms of expression. Theatre, dance and visual art do not figure in her scheme of things. This is not the way to go forward.

Guided viewing can be a huge resource to amend this. We have to craft a basic arts education curriculum that brings together different art forms, and some amount of exposure to writing on the arts. Such a curriculum should offer an overview of various forms of expression in India — of the classical, but also the vernacular and the folk. This will lead to a more holistic understanding of our culture.

The writer is a bharatanatyam dancer. Her envisioning of the role of arts is based on over four decades of working with schools and teachers and listening to young students

LETTERS TO THE EDITOR

PM AT SCO

THIS REFERS TO the Prime Minister's statement, "A bridge called SCO" (IE, September 2). The meeting between Prime Minister Narendra Modi and Chinese President Xi Jinping signals a pragmatic recalibration of Indian foreign policy. The tariffs imposed by Washington have pushed the strategic compass into uncertain waters. In response, New Delhi has taken a categorical stance: Stability along the LAC serves as an "insurance policy" for sustaining bilateral ties and exchanges.

Abhinav Shah, Lucknow

TIANJIN LESSONS

THIS REFERS TO the editorial, "Tutorial from Tianjin" (IE, September 2). The bilateral meetings with China should be seen as an opportunity for India to bridge differences in diplomatic relations with a neighbouring country that is both a competitor and a partner with conflicting interests. Historically, India's ties with China have been fraught with tension on multiple fronts. In the present scenario, shaped partly by US actions such as imposing export tariffs on Indian trade, India may find it useful to turn this moment into an opening to ease diplomatic strains with China. But a disengaged or indifferent approach

towards Washington would risk undermining the strategic advantages India has built over decades. The most prudent course, therefore, is to preserve robust strategic and diplomatic ties with the US while simultaneously safeguarding trade interests and exploring opportunities to reduce friction with China.

Jiji Panicker K, Alappuzha

HORROR IN CINEMA

THIS REFERS TO the article, "Returns to haunt" (IE, September 2). Horror is no longer just blood, sharks, and shadows — it's cinema's sharpest mirror. Ryan Coogler's *Sinners* dared to shoot vampirism on 0mm, not just to scare but to spotlight ultimately racist exploitation. To *Bumyayag's* horror, from Weapons to Bumyayag's, is less about monsters under the bed and more about the ones built into our societies. Guns, abuse, patriarchy, prejudice — these films confront real terrors with cinematic flair and frugal budgets. In a world unravelled from war, tech upheaval, and climate crisis, horror offers catharsis with edge. As mainstream cinema often slumps into formula, it's the horror genre that's proving to be fearless, fresh, and socially alive. Maybe the true ghost haunting the industry is its fear of creative risk.

Babu Krishna, Bengaluru

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Studying in US: How rules could change, and their impact

VIDHEESHA KUNTAMALLA
NEW DELHI, SEPTEMBER 2

The United States is preparing to cap the duration for which holders of student visas can stay in the country.

On August 28, the Department of Homeland Security (DHS) published a draft regulation that would abolish the "duration of status" (D/S) system, which has for nearly half a century allowed F-1 academic students and J-1 exchange visitors to remain in the US for as long as they were enrolled full-time, and were compliant with visa rules.

The government has now proposed imposing a stay ceiling of four years, beyond which the student visa holder will be required to apply to the DHS for an "extension of stay" (EOS). There are more than a million international students in the US, a third of whom—more than 330,000—are from India.

Why does the DHS want to end D/S?

Currently, no expiry date is put on the I-94 records of students who come to the US on F-1 visas. (Form I-94 is used by Customs and Border Protection (CBP) to record the arrival

and departure dates of people visiting the US.)

Instead, their stay is marked as "D/S", which means they can remain for as long as they are enrolled full-time. Compliance is overseen primarily by universities through Designated School Officials (DSOs), and reported to the Student and Exchange Visitor Information System (SEVIS), the student tracking system of the DHS.

DHS is arguing that the D/S system needs to change. It has pointed to cases of students staying in the US for decades, moving from one program to another, and sometimes enrolling in language schools after obtaining advanced degrees.

In 2023, the sustained overstay rate among F-1 visa holders was estimated at 2.69%, a significant number given the very large number of F-1 and J-1 admissions to the US.

F-1 admissions had risen from about 260,000 in 1980-81 to more than 1.6 million in 2023; J-1 exchange visitor admissions had grown 250% since the mid-1980s to cross half a million in 2023.

These numbers "pose a challenge to the Department's ability to monitor and oversee" such visa holders, according to officials. It is argued that assigning fixed end dates will allow

the government to reassess compliance more regularly and reduce opportunities for abuse.

What changes have been proposed?

■ Students can stay for up to four years or until the end date of their program, whichever is sooner.

■ To stay longer—to complete a degree, pursue Optional Practical Training (OPT), or enroll for a PhD—they would have to apply for an EOS with US Citizenship and Immigration Services (USCIS) under the DHS.

This would involve filling Form I-539 (application to extend non-immigrant status), paying fees, providing financial evidence, and submitting their biometrics. DHS may also call applicants for an interview.

A two-year Master's followed by three years of STEM OPT already exceeds four complete study periods.

■ Transfers between schools would be restricted: undergraduate students will have to complete an academic year before moving to another school; graduate students will not be able to change programs mid-course.

■ Students will not be allowed to start a new degree at the same or lower level while

staying in F-1 status, which will effectively end the practice of doing a "second Master's".

■ The duration of language study will be capped at 24 months.

The change in the system will create a new layer of unpredictability. Houston-based immigration attorney Chand Parvatheni told *The Indian Express*. "Until now, as long as the school was confirming someone was enrolled, USCIS did not get involved. Now USCIS could approve or deny."

EXPLAINED EDUCATION

Who will be impacted if rules change?

Students in short Master's programs may not be directly affected, but anyone in a longer program or seeking work experience through OPT, will be impacted.

A two-year Master's followed by three years of STEM OPT already exceeds four complete study periods. PhD programs, which often take five or more extensions.

The elimination of the second Master's route closes a popular fallback option for Indians who miss out on an H-1B visa (meant for specialty occupations).

What happens to students who are already in the US?

Nothing changes immediately.

The State Department and CBP will continue to admit students under the D/S system until a final rule is put in place. The Student and Exchange Visitor Program (SEVP) of the US Immigration and Customs Enforcement (ICE) has informed universities that this is currently only a proposal, and students need not take any action at this time.

If and when the rule is finalised, there will be transition provisions. DHS has indicated. Current students will be given fixed end dates based on their existing I-20s (certificate of eligibility for F-1 status issued by SEVP-certified schools), plus a one-time grace period. They would have to comply with the new framework thereafter.

When could this proposed rule come into effect?

Stakeholders have until September 29 to submit comments on the proposal. Comments on paperwork and SEVIS changes are due by October 27.

DHS must then review and respond to submissions before issuing a final rule. If the

process moves forward, the changed rule could take effect in early or mid-2026.

What are universities and educators saying?

Universities and advocacy groups have sharply criticised the proposal.

The Presidents' Alliance on Higher Education and Immigration, a body comprising 580 American college and university leaders (presidents and chancellors), has described it as "unnecessary", and warned it would worsen USCIS backlogs and deter students at a time when enrolments are still recovering from the shock of the pandemic.

Houston-headquartered RNLAWGroup said "only USCIS, not the DSO, can grant legal approval" through Form I-539. It stressed that missing the four-year cap or grace period could trigger a three- or 10-year re-entry ban.

However, Parvatheni said that despite the uncertainty, "the US is still the best country to get a very good, well-rounded education", and students who are already in the US should focus on compliance.

That said, Parvatheni acknowledged that frequent regulatory changes were deterring some students from coming to the US.

EXPLAINED GLOBAL

WHAT TO KNOW ABOUT BOLSONARO'S COUP PLOT TRIAL, NOW NEAR VERDICT

BRAZIL'S SUPREME Court on Tuesday began hearing closing arguments in the trial of former President Jair Bolsonaro, who faces charges of plotting a coup to remain in power after he lost the 2022 election.

The case grabbed global attention after US President Donald Trump denounced it as a "witch hunt" against his ally and retaliated by imposing a 50% tariff on many Brazilian goods.

Why is Bolsonaro on trial?

Bolsonaro, who was President of Brazil between 2019 and 2022, was charged with trying to cling to power after he lost his reelection bid to leftist leader Luiz Inácio Lula da Silva.

Brazil's top prosecutor accused Bolsonaro of orchestrating a plot that included a plan to poison Lula and his running mate and kill Supreme Court Justice Alexandre de Moraes, who oversaw the 2022 elections as the top judge on Brazil's electoral court.

Moraes now oversees the coup case. Bolsonaro has denied making any attempt to overthrow Brazil's democracy, but he acknowledged at a deposition that he took part in meetings looking for ways to reverse the outcome of the 2022 election.

He has been accused of five crimes: taking part in an armed criminal organisation; attempting to violently abolish democracy; coup d'état; damage to government property; and damage to protected cultural assets.

In their formal arguments last month, lawyers for the former President said he was innocent on all five counts. The charges are also linked to Bolsonaro's alleged role in the riots of January 2023, when thousands of his supporters invaded and vandalised the country's Congress, presidential palace, and Supreme Court, in a grim echo of the US Capitol invasion two years earlier by Trump supporters.

What comes next in the trial?

A five-judge panel at the Supreme Court is expected to deliver verdicts and sentences on the five counts against Bolsonaro and seven of his allies during sessions scheduled from September 2 to 12.

The panel includes Moraes, who is overseeing the case, and four other justices, among them Cristiano Zanin, a former attorney for Lula and Flavio Dino, the



Brazil's former President Jair Bolsonaro. Reuters

leftist President's former justice minister. As President, Bolsonaro appointed two Supreme Court justices who are not on the panel.

Where is Bolsonaro currently?

Bolsonaro is under house arrest in a high-end gated estate in the capital, Brasilia. One of his lawyers said it was unclear if the former President would attend the sessions. He is wearing a court-ordered ankle monitor and is under full surveillance after investigators found a document suggesting he may have considered seeking political asylum in Argentina—an allegation that his lawyers deny.

Since July, Bolsonaro has been banned from contacting foreign officials, using social media, or approaching embassies.

What happens if Bolsonaro is convicted?

Although the maximum combined sentence for the crimes Bolsonaro is accused of in Brazil could exceed 40 years, lawyers anticipated a shorter term, noting that 40 years is the country's maximum allowable prison sentence. Criminal convicts often serve reduced prison terms in Brazil.

The Supreme Court case is the latest obstacle to the political career of Bolsonaro, who has expressed his intention to run for President again in 2026.

In 2023, Brazil's federal electoral court disqualified him from running for public office until 2030, citing abuse of political power during his 2022 presidential campaign.

REUTERS

VINEET BHALLA &
VIDHEESHA KUNTAMALLA
NEW DELHI, SEPTEMBER 2

THE SUPREME Court on Monday cast doubt on a Constitution Bench judgment from a decade ago that exempted minority educational institutions from the provisions of the Right of Children to Free and Compulsory Education Act, 2009 (RTE Act).

A two-judge Bench of Justices Dipankar Datta and Manojan, while deciding on whether the Teacher Eligibility Test (TET) was mandatory for minority schools, held that the ruling in *Prati Education and Cultural Trust v Union of India* (2014) requires reconsideration by a larger Bench of the SC.

The court observed that by taking minority schools out of the ambit of the RTE Act, the *Prati* judgment may have jeopardised the fundamental right to quality education for children studying in them.

The TET case judgment

The two-judge Bench ruled on a batch of appeals on whether (i) TET could be made mandatory for teachers in minority schools, and (ii) in-service teachers in non-minority schools who were appointed before the RTE Act came into force, must pass TET to be eligible for promotion or continue in service. TET is the minimum qualification for appointment as teacher for Classes 1 to 8.

The court referred the issue of the applicability of the RTE Act to minority schools to a larger Bench, and passed a nuanced order for in-service teachers of non-minority schools.

It directed that teachers with less than five years of service remaining may continue in their jobs without clearing TET, although they would have to pass the test in order to be promoted. Teachers with more than five years left for retirement must clear TET within two years. (*Anjum Shah e Taleem Trust v The State of Maharashtra*)

Criticism of *Prati* ruling

The Bench said that the verdict in *Prati* appeared "legally suspect", "questionable", and "disproportionate" because the five-judge Bench had struck down the applicability of the entire RTE Act to minority institutions based

almost entirely on its analysis of a single provision of the Act—Section 12(1)(c).

This section requires all schools to reserve at least 25% of seats in Class 1 for "children belonging to weaker sections and disadvantaged groups in the neighbourhood".

The court pointed to a critical conflict created by the sweeping exemption: While Article 30(1) of the Constitution protects the right of minority groups to establish and administer their institutions, Article 21A guarantees every child a fundamental right to education. Therefore, the Bench reasoned, exempting minority schools from the Act denies children studying in them the statutory benefits and protections that flow from the fundamental right under Article 21A.

The Bench called for a harmonious interpretation where the rights under Article 21A and Article 30(1) "can and must co-exist mutually" rather than one being treated as an "unqualified trump card" over the other.

What *Prati* ruling held

The five-judge Constitution Bench was deciding the validity of The Constitution (86th Amendment) Act, 2002, which introduced Article 21A, and The Constitution (93rd Amendment) Act, 2005, which introduced Article 15(5) in the Constitution.

Article 21A established education as a fundamental right; Article 15(5) allowed the state to make special provisions for backward classes, SCs, and STs in educational institutions, including private educational institutions, "whether aided or unaided by the State, other than the minority educational institutions".

Prati upheld the validity of both amendments, but ruled that the RTE Act was unconstitutional "insofar as it applies to minority schools, aided or unaided, covered un-

WHAT HAPPENS NOW?

THE CORRECTNESS OF PRAMATI will be tested before a larger Bench, possibly of seven judges. The SC has framed four questions for the Chief Justice of India to place before a larger Bench for consideration.

IF PRAMATI IS OVERTURNED, minority schools may be required to comply with RTE, reserving 25% seats for disadvantaged children, ensuring qualified teachers, and meeting minimum quality standards.

der clause (1) of Article 30.

The court reasoned that the unique character of minority institutions must be protected. It feared that forcing these institutions to comply with the RTE would lead to an "abrogation" of their fundamental right under Article 30(1) to "establish and administer educational institutions of their choice".

The judgment said that a "legal obligation under Section 12(1)(c) to admit children belonging to weaker sections and disadvantaged groups in the neighbourhood who need not be children of the members of the minority community... cannot be forced upon a minority institution because that may destroy the minority character of the school".

What the RTE Act says

The Act guarantees free elementary education for children of ages 6-14. Government schools are required to provide free education to all enrolled children; aided schools must provide free seats proportionate to the aid they receive. Private unaided schools are required to reserve 25% of entry-level seats for children from disadvantaged groups, reimbursed by the state (Section 12(1)(c)).

The Act sets minimum standards of pupil-teacher ratios, trained teachers, infrastructure, and libraries, bans corporal punishment and capitation fees, and places an obligation on all schools to contribute to universal education.

R Govinda, who was instrumental in drafting the RTE, wrote in the *Routeledge Companion to Primary Education in India* (2023) that "the RTE Act is child-centric and not institution-centric". Govinda told *The Indian Express*: "We believed [the Act] was about the fundamental right of the child, not the administrative rights of schools. There

was no need to exempt minority institutions. The right of an individual child should be held higher than the collective right of groups to run institutions as they wish."

Following *Prati* exception

The two-judge Bench cited a study by the National Commission for Protection of Child Rights, which found that only 8.76% students in minority schools were from disadvantaged backgrounds, and that 62.5% of students belonged to non-minority communities.

"This is indicative of many institutions labelled as 'minority' not serving their communities exclusively, but continuing to enjoy exemption from inclusionary mandates," the Bench said.

After the RTE Act came into effect in 2010, private schools and minority groups complained that the 25% quota infringed on their autonomy, and the law was challenged in court.

In April 2012, a three-judge Bench upheld the Act, but it exempted unaided minority institutions, ruling that quotas would "change their character" and breach Article 30(1). The 2014 ruling extended the exemption to all minority schools, regardless of whether they received government aid or not.

Following the judgment, many private schools were alleged to have sought minority status—sometimes with only token minority management—to escape RTE compliance.

Ratika Gupta of the Department of Education at Delhi University said: "Many so-called minority schools that were essentially private institutions with a minority label could escape norms. They did not admit poor children from their own community and continued as elite institutions."

Gupta said that Tuesday's ruling takes a step towards helping "children in minority institutions to benefit from [RTE] norms on libraries, pupil-teacher ratios, and bans on corporal punishment, etc."

Anita Ramchal, a former dean of the Department of Education at DU, described the ruling as "a sound position in line with children's rights". She said: "The Right to Education deals with children's entitlements—the quality of education, the qualification of teachers. Exempting schools from this undermines those rights."

Trump's govt buildings order: what classical architecture gave to modernism

SHINY VARGHESE
NEW DELHI, SEPTEMBER 2

US PRESIDENT Donald Trump wants to make federal buildings great again. A White House Executive Order (EO) issued on August 28, titled "Making Federal Architecture Beautiful Again", has held that new federal buildings would be designed in classical and traditional styles.

This is the third EO on the subject, with the first issued during Trump's first presidency in 2020, though not much has changed on the ground yet.

The EO terms "classical architecture" as derived from the forms, principles and vocabulary of the architecture of Greek and Roman antiquity, which has been refined by Renaissance architects and 20th-century practitioners.

The EO, Trump states: "The Founders, consciously modelled the most important buildings in Washington, D.C., on the classical architecture of ancient Athens and

Rome. They sought to use classical architecture to visually connect our contemporary Republic with the antecedents of democracy in classical antiquity."

It adds that in the 1960s, "the Federal Government largely replaced traditional designs for new construction with modernist and brutalist ones," which was "often unpopular... [and which] many in the public found unappealing".

The first important government buildings in the US, the White House and the Capitol, are designed in classical styles, keeping columns and symmetry at the forefront.

Classical architecture

Classical architecture was born out of the Athenian idea of democracy. The Greeks and Romans wanted buildings to represent the values, and social and cultural aesthetic of their people. Its fundamental principles included balance, proportion and beauty. With its columns, domes, arches, dressed stone, and "society of rooms"—where each room had



The White House (left) and the United States Capitol in Washington, DC, are both designed in classical styles. Wikimedia Commons



place and purpose—this tradition placed a premium on monumentality and mass.

Modernism, however, is not entirely delinked from classical architecture.

Some of the well-known architects of modernism, like Le Corbusier, Alvaro Siza and Mies van der Rohe, drew inspirations from classical tools of design. In Mies's Barcelona Pavilion (1929), the architectural plans present balanced and classical pro-

portions, Corbusier's Villa Savoye—built around the same time, and which hugely influenced modernism—also carried grains of classical architecture.

Continuing relevance

One of America's most vocal architects about classical architecture, Allan Greenberg, has been talking about why this style matters—not only does it honour sit-

ing and context but it also becomes a yardstick to measure the timeless nature of a building. Perhaps that is why many modern-day architects continue to hold these concepts as integral to their projects.

Here are three primary values of classical architecture that we continue to see in today's buildings:

THE PERSON AT THE CENTRE

Classical architecture was anthropomorphic in its design, in that it used the human body as a model for buildings. Greenberg says: "The ancient Greeks used columns and statues of people interchangeably. Columns typically have capitals, like human heads, formed their tops and the base corresponded to feet".

In his autobiography *Paths Uncharted* (2011), B V Doshi recalls taking Corbusier to a jeweller's shop in Manek Chowk. "He lay down on the floor, measured it and found that it was no more than the length of his body... He tried to give man dignity through his dwelling. He would scale the building in such a way that no man felt less than a king in his house," Doshi writes.

MONUMENTALITY

With its repetitive columns, arches, and domes, classical architecture gave an aspiration quality to spaces. Architects of the 21st century have also used repetitive conventions in their projects, be it the imposing skyscrapers or the dizzying towers that mark global landscapes today. The White House itself has planned a 90,000 sq ft State Ballroom which promises to be an ornately designed and craftily crafted space.

INNOVATION IN MATERIAL

The ancient Greeks did away with wood and brought stone into their buildings to give them a sense of permanence. Modern architects have also been experimenting with materials.

Taking forward the use of steel in bridges, today we barely give a thought when steel frames are adapted into building structures. Mechanical ventilation made room for air conditioning, and hospital architecture of the 19th century with its emphasis on hygiene and natural light, made way for large windows and cross-ventilation, allowing for ample light and fresh air into homes today.

Redefining the policy for Bharat Broadband Mission

BharatNet, India's flagship rural broadband mission, highlights the gap between infrastructure creation and real usage. Despite extensive fibre rollout, low utilisation and bureaucratic hurdles persist, demanding a shift towards local, entrepreneurial, and outcome-driven models for true digital inclusion

FIRST
Column

DINESH
TYAGI



When India launched its National Broadband Plan in 2004, the vision was ambitious — to build a digital highway that could bring high-speed internet to every household, particularly in rural areas where connectivity remained poor. The plan intended to create an infrastructure backbone that would eventually allow every citizen, irrespective of geography, to participate in the digital revolution. However, the actual rollout began only in 2011, under the National Optical Fibre Network (NOFN) programme.

The goal of NOFN was to connect one lakh gram panchayats through optical fibre. Pilot projects were conducted in Rajasthan, Tripura, and Andhra Pradesh, with computing infrastructure provided by the Government of India and broadband connectivity enabled by BSNL. Despite these efforts, the pilots failed to generate the desired impact.

The primary reason was that last-mile resources were not designed around entrepreneurial incentives. Instead, they functioned on short-term contracts. When central Government support ceased, states were reluctant to assume financial and operational responsibilities, leaving the pilots abandoned. Communities saw little benefit, and the model was not considered worthy of replication.

The Emergence of BharatNet

In 2014, the Government relaunched NOFN under the banner of BharatNet, aligning it with the broader Digital India programme. Recognising that broadband access was central to bridging India's deep digital divide, BharatNet focused on accelerating fibre rollout and establishing last-mile access points so citizens could avail themselves of services closer to their homes.

Implementation Strategy

BharatNet was rolled out in two phases. Phase I sought to connect one lakh gram panchayats through three central public sector undertakings — BSNL, RailTel, and Power Grid Corporation of India. Fibre laying for this phase was completed by

CURRENTLY, CENTRAL AGENCIES SUBCONTRACT WORK TO INTERMEDIARIES, WHO IN TURN HIRE LOCAL VENDORS. THIS MULTILAYERED STRUCTURE DILUTES ACCOUNTABILITY AND ERODES FINANCIAL VIABILITY

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December 2017.

Phase II targeted the remaining 1.5 lakh gram panchayats with an initial completion deadline of March 2019, later extended to August 2021. To address the diverse needs of different regions, the Government experimented with three models: the State-led Model, the Private Sector Model, and the CPSU-led Model.

Several northern and north-eastern states relied on CPSU-led implementation. This decentralisation was meant to foster ownership at the state level and accommodate regional differences.

Infrastructure and Usage gaps

Despite the extensive fibre rollout, utilisation remained disappointingly low. The underlying assumption was that state Governments and private ISPs would use BharatNet infrastructure to deliver internet services to households and institutions at the village level. Accordingly, last-mile equipment such as Optical Network Terminals (ONTs) with solar systems was installed in panchayat or school buildings.

However, many of these buildings faced frequent power outages, and equipment often remained unused after office hours. Inadequate local ownership led to theft, disrepair, or complete disuse of assets. Thus, while the physical network existed on paper, its actual benefit to end users was minimal.

The BBNL Experiment

To manage and expedite the rollout, the Government created Bharat Broadband Network Limited (BBNL). Its mandate was to encourage private ISPs to utilise BharatNet infrastructure. However, most officers in BBNL were deputed from BSNL, bringing with them the same bureaucratic inertia and culture. Instead of becoming a nimble facilitator, BBNL added another bureaucratic layer.

Key issues included:
• Delays in troubleshooting and problem resolution.
• Obsolescence of equipment due to poor maintenance.
• Weak enforcement of supplier warranties.
• Inefficient engagement with state Governments and private players.
Eventually, the Government merged BBNL back into BSNL.

Operational Challenges

Several systemic challenges plagued the project:
• Focus on laying fibre, but not on usage models: fibre was laid in 1.5 lakh panchayats, but household-level utilisation remained negligible.
• Last-mile ownership issues: ONT devices at panchayats and schools often lacked clear ownership or accountability.
• Dependence on BSNL: since the GPON-OLT was located in BSNL exchanges, backhaul access was restricted, limiting

participation of other service providers and undermining the neutrality of the network.

• Poor maintenance: BSNL, despite being paid, could not effectively maintain fibre. Frequent cuts and dislocations rendered network unusable.
• Obsolescence: solar-powered batteries and equipment became dysfunctional due to lack of maintenance.

Attempts at Course Correction

Learning from Phase I, the Government decentralised aspects of Phase II, allowing states to design local architectures and even set up WiFi hotspots at panchayat levels. Funds were transferred to states for implementation, and in cases where states were unwilling, BBNL stepped in.

Later, with BBNL rolled into BSNL, the responsibility for selecting rollout agencies, setting up WiFi, and providing FTTH (fibre-to-the-home) connections shifted entirely to BSNL. However, the rollout continues to lag, with many panchayats still waiting for meaningful broadband connectivity.

Why the Delays?

The fundamental objective was to provide high-quality broadband to rural households, but the Government's focus tilted excessively towards processes — vendor selection, fibre-laying contracts, maintenance audits, and invoice monitoring. The result was an ecosystem bogged down in

bureaucracy, where the goal of digital empowerment was overshadowed by the mechanics of execution.

A Rethink: Towards Sustainable Local Models

India's rural broadband policy needs a shift from centralised contractor-driven execution to local entrepreneur-led models. If agencies for fibre laying and maintenance were engaged at the district or block level, accountability would increase significantly. A model RFP could be issued at the local level, with contracts and payments handled locally.

Alternative: A DBT-Led Approach

Another promising alternative is a Direct Benefit Transfer (DBT) model. Under this, households could receive a fixed subsidy for broadband services for a defined period, say five years. Service providers — be they private telcos, cable operators, or cooperatives — would then have a guaranteed customer base, encouraging them to aggressively expand fibre in rural areas.

Non-Traditional Solutions

In addition to terrestrial fibre, satellite-based broadband networks can be leveraged in remote or geographically challenging areas where fibre rollout is impractical. With new low-earth-orbit satellite technologies becoming affordable, this option could ensure no community is left behind.

The Road Ahead

The Bharat Broadband Mission, in its current form, reflects a gap between intent and impact. While massive investments have gone into laying infrastructure, real benefits to rural households remain limited. India's aspiration of a digitally inclusive society demands a paradigm shift in approach:

- From centralised bureaucracy to local accountability.
 - From process orientation to outcome orientation.
 - From infrastructure obsession to service delivery focus.
- Time is of the essence. Every delay widens the digital divide and denies rural citizens opportunities in education, health care, commerce, and governance. Redefining BharatNet with innovative, entrepreneurial, and citizen-centric models is critical to ensuring that India's villages are not left behind in the digital age.

India deepens defence ties with Fiji amid Pacific power rivalry

PARUL
CHANDRA



Its pristine beaches and turquoise waters may induce a sense of calm and well-being for the thousands of tourists who flock to the tiny archipelago of Fiji, nestled in the midst of the vast Pacific Ocean. But Fiji, like the other small island states in the Pacific, is also at the centre of a raging battle for influence between China and other world powers, given its strategic location.

This tussle has acquired an added edge as the Indo-Pacific region, where these island nations straddle vital sea lanes, gains greater salience and countries devise stratagems to contain China.

India's rolling out of the red carpet for the Fiji Prime Minister Sitiveni Rabuka recently, therefore, not only lent a fresh impetus to bilateral ties but also gave the two sides an opportunity to discuss behind closed doors the perils of Beijing's territorial ambitions.

Rabuka has not been pro-China though he has successfully walked the diplomatic tightrope by not jeopardising relations with it even while openly declaring that he is not in favour of Beijing having a military base in the Pacific Islands region. India, with its own territorial disputes with China, sees Fiji as a valuable partner in stepping up collaboration with it in the defence and security arenas. India's outreach is also in consonance with its Act East policy.

Bilateral relations that once pivoted around the Indian diaspora have now transcended people-to-people links and need to be seen from the prism of the defence and security framework, given Beijing's hegemonic ambitions in the Indo-Pacific region and elsewhere.

Though these island states lie thousands of miles away, India has been assiduously courting them as part of its own strategic moves in pursuit of a free, open and secure Indo-Pacific. As New Delhi explained during Rabuka's visit, it wants to "collaborate in the regional security architecture".

New Delhi and Suva have enjoyed close ties for over a century. Nearly one-third of the archipelago's population is of Indian origin, with their forefathers having travelled to Fiji as indentured labour from 1879 onwards right until 1920. Rabuka, once an army man himself, had seized power in the archipelago through a coup in 1987, notably ousting the first Fijian PM of Indian origin, Timoci Bavadra. A lot of water has

flowed under the bridge since, with Rabuka in later years being elected twice as the PM. His most recent victory was in 2022, and for New Delhi it was essential to reach out to the leader of a nation that enjoys a pre-eminent position among the Pacific island states.

Fiji hosts the headquarters of the multilateral grouping, the Pacific Islands Forum, where India is a dialogue partner. It is also an important member of the decade-old Forum for India-Pacific Island Countries (FIPIC) founded by India. Three FIPIC Summits have been hosted at the prime ministerial level by India, with the inaugural one being held in Fiji in 2014.

Reflecting New Delhi's desire to forge closer defence ties with Fiji, the joint statement after Rabuka's meeting with Modi noted that the Indian PM "reaffirmed India's commitment to advancing priority areas of cooperation outlined in the MoU on Defence Cooperation in 2017, and to supporting Fiji's strategic priorities in these areas."

In stepping up its defence and security partnership with Fiji, India has also signalled to other Pacific island states the significance it attaches to strategic ties with the region, one where China has been making deep inroads. Under the rubric of defence and security, India and Fiji emphasised the importance of ensuring the security of Fiji's Exclusive Economic Zone (EEZ).

This is particularly noteworthy given that China, as is its wont with other countries in its region, has been eyeing its maritime resources and been involved in illegal fishing there. With their vast, resource-rich EEZs, it has become imperative for the Pacific island states to protect their interests from a predatory China.

The growing India-Fiji ties in defence are also reflected in the setting up of a joint working group (JWG) which met for the first time in July. New Delhi has also decided to post a defence attaché in the Indian High Commission in Fiji and will also provide defence equipment, capacity building and training to the archipelago's military forces.

It will also be providing the military forces with two sea ambulances. Rabuka's visit saw the onboarding of Fiji onto India's Indo-Pacific Oceanic Initiative, one of whose focus areas is maritime security. Fiji sees this initiative aligning with PM Rabuka's Ocean of Peace vision that seeks to highlight the Pacific region's role in promoting peace, stability, and maritime harmony amidst the fierce geopolitical jostling for influence.

Even as the security partnership gathers momentum, New Delhi is also eager to emphasise its role as a development partner of Fiji. In doing so, it is clearly seeking to position itself in a positive light as opposed to Beijing's debt-inducing execution of projects. And yet, it is well-nigh impossible for these small island states to completely reject Beijing's offers to build much-needed infrastructure for them. Many among them, including Fiji, have joined China's Belt and Road Initiative (BRI).

The countries hoping to contain China, therefore, cannot afford to slacken in their diplomatic overtures to the Pacific island nations. India, being China's close neighbour, would know this only too well.

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India's resilience : Turning tariff crisis into reform

GOVIND
BHATTACHARJEE



While the 30 per cent US tariff on Indian exports is disheartening, it is crucial to view the matter in its proper perspective. Exports are important to our growth — the export-import differential is a component of the GDP, and it begets the forex so essential to pay for our imports, especially for oil, of which we import 90 per cent of our requirements. The adequacy of forex reserves is often judged by how many months of essential imports they can cover, with twelve considered optimal. However, accumulating foreign currency is not costless: conversion of foreign currency into rupees expands liquidity without a parallel rise in output, causing inflation.

In June 1991, our forex reserves dipped below \$1 billion, worth just three weeks of imports. It forced us to change. Since then, we have traversed a long way; today, our reserves are touching \$700 billion, almost matching our annual import bill for goods (\$720 billion in FY2025). While our trade deficit was \$283 billion, our current account deficit, which also includes trade in services and transfer payments, was only \$94 billion, and our overall balance of payments, which includes capital transactions, showed a deficit of only \$5 billion — in fact the reserves increased by \$22 billion during FY2025 from net service exports and remittances which together brought in \$325 billion, more than offsetting the trade deficit.

With the USA, we have a trade surplus of \$41 billion, while the invisibles remained more or less balanced. Even if this entire surplus is wiped out by the enhanced tariffs, it will not spell doom for India's economy or its external account. Yes, it will cause many job losses in important export sectors like apparel, gems, and shrimps, which must be addressed.

Further, with India's rating upgrade to BBB by S&P and inclusion in the JP Morgan and Bloomberg emerging market bond indices, India now has cheaper access to foreign capital, in stark contrast to 1991.

Our export basket is also highly diversified — they did not depend on any single country. Besides trade, they are also powered by services, of which India is a world leader.

Our growth is not export-driven — over 70 per cent of it comes from domestic consumption. The present crisis rather gives us a chance to self-correct, as in 1991, by implementing path-breaking reforms. The Government has already

taken the first important step by streamlining the GST. With only 2.8 per cent of the global manufacturing share, India has a huge scope to scale up its manufacturing base to raise its share in GDP significantly from the current 17-18 per cent — China's share is over 27 per cent. The strategy requires a fundamental change: transitioning from low-value operations like assembling imported components to those with high value, and modernising production methods, such as the textile sector, with technology and AI. Once our products become globally competitive to reduce our import dependence, it does not matter whether they are sold inside or outside the country.

To weather the tariff storm, we need more Atmanirbhar, whose main pillar now is the Production Linked Incentives (PLI), launched in

2020 across 14 critical sectors to boost domestic manufacturing, reduce imports, and promote exports. While successes are visible in electronics, especially smartphones, pharmaceuticals, automobiles, including EVs, and renewables, other sectors like textiles, steel, etc., have lagged far behind.

The Make in India initiative, launched in 2014 to transform India into a global manufacturing hub, now spans 27 key sectors, including automobiles, textiles, defence, electronics, aviation, etc. It has led to policy reforms (liberalised FDI, faster clearances, improved ease of doing business), infrastructure development (industrial corridors, smart cities), and skilling (Skill India, Startup India) to transform India into an attractive investment destination and almost double the FDI inflows to \$81 billion.

But structural challenges persist. Logistics costs remain a major hurdle, estimated at 13-14 per cent of the value of goods, as per the World Bank, and must be brought down through improved multimodal transport, freight corridors, and enhanced port capacity. Power tariffs for industries are also among the highest in Asia, demanding rationalisation of cross-subsidies.

Along with simple and stable tax and tariff regimes, we also need labour reforms. The four labour codes passed in 2020, potential game changers, remain unimplemented. Meanwhile, AI is reshaping job markets, but engineering education and skill systems are yet to align with the changing landscape, making deeper industry-academic collaboration imperative. Self-reliance is not a retreat from globalisation, but a strategy to engage with the world from a position of strength.

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Editor's TAKE

SCO Challenges US Hegemony

The coming together of Russia, India and China could be detrimental to US interests and challenge its hegemony like never before

The recently concluded Shanghai Cooperation Organisation (SCO) summit was significant on various counts: It announced China's emergence as a global leader, signalled the beginning of a multipolar world order, and underlined India's dilemma of whether to look East or West. Indeed, the Tianjin summit marks a decisive moment in global geopolitics. With the presence of Russia, India, Iran, and newer members such as Belarus, the gathering underscored the bloc's growing weight as an alternative alignment of nations challenging the traditional Western-led framework. China on its part used the platform to project its role as the torchbearer of multipolarity.

For President Xi Jinping, the gathering was not merely diplomatic theatre but an assertion of China's ambition to craft a new global order — one where US hegemony is checked by collective cooperation among states weary of Western dominance. With Moscow economically weakened yet politically aligned, Beijing has emerged as the dominant force in geopolitics of the day. The emphasis on trade corridors, rail connectivity, and collective security is a clear extension of Xi's Belt and Road Initiative, reframed as a multilateral enterprise. For Washington, the summit represents a troubling signal. The SCO now brings together nations ranging from long-standing adversaries like Iran and Belarus to "swing states" such as India, whose participation complicates US attempts to forge cohesive coalitions against China and Russia. The US tariffs, trade uncertainties, and its stand on Gaza and Ukraine have created openings for China to present itself as a more stable economic and political. While the SCO still lacks the institutional muscle like NATO or the EU, its sheer size — covering nearly half the world's population and vast natural resources — gives it potential weight. Its political narrative is equally significant: That US dominance is neither inevitable nor universally desirable.

For India, the SCO summit highlights both opportunities and dilemmas. New Delhi's participation gives it a seat at the table in shaping Eurasian security and trade, but it also exposes contradictions in aligning with a bloc dominated by Beijing. Though India's stand on terrorism has been acknowledged by SCO there is long way to go when it comes to mending fence with China.

Prime Minister Narendra Modi's careful statements in Tianjin — emphasising "mutual respect" and "sensitivities" — reflect this balancing act. India cannot afford to blindly follow either camp. Supporting China's global vision risks undermining its Indo-Pacific partnerships with the US, Japan, and Australia through the Quad. The Tianjin summit showed that the SCO is no longer a marginal bloc but an arena where the battle of global narratives is unfolding. For China, it is a stepping stone towards multipolarity and an alternative to the US-led order whereas India needs more elbow room to assert itself and become equal partner in multipolar world.

Thailand in turmoil: Lessons for India

The upheaval in Thailand not only underscores the cycle of judicial interventions and political instability but also carries lessons for India as it confronts its own unsettled borders



ASHOK K MEHTA

I arrived in Thailand last Friday just as Bangkok was rocked by the Constitutional Court's expected ruling of dismissal of Paetongtarn Shinawatra, who became PM last year after an election in which democratic parties like her Pheu Thai and the Move Forward Party swept the vote.

Only the previous Friday, her father, a long-time critic of the military-monarchy and former PM Thaksin Shinawatra, was acquitted by a court of a royal defamation charge. His daughter, sister, brother-in-law, and two others connected to him, five elected PMs were sacked since 2008. The super-judicial Constitutional Court was formed in 1997 by members handpicked by the Monarch and the Army. The CC's latest intervention followed a four-day border clash (July 24-28) between Cambodia and Thailand in which President Trump had claimed credit for the ceasefire using the tariff weapon.

During PM Shinawatra's confidential phone conversation with former Cambodian PM Hun Sen, whom she calls "uncle", she agreed to "handle the border situation" while criticising the Royal Thai Army, naming Army Commander Lt Gen Boonsin Padklang. The classified conversation leaked by Sen was called a betrayal by Thailand, given the longstanding family ties between the Shinawatras and the Sens. Further, Sen warned in a public speech: "The neighbourly betrayal disguised as friendship" and accused the Shinawatras of disrespect to the Thai military and monarchy, the ultimate badge of honour in Thailand. The outcome of the ethical probe ordered by the CC end of July was triggered by Sen.

A quick study of the war is instructive. Thailand and Cambodia have an 817 km border. There are a number of border crossings, and border trade in 2024 was USD 4.4 bn. Casinos recently legalised in Thailand are popular among Cambodians and are one source of friction. The crown jewel of the dispute is the Preah Vihear temple claimed by both; four other temples and a 12 sq km Emerald Triangle, which sits at the junction of Laos, Cambodia, and Thailand, are also disputed. In 1907, during French colonial rule, the area was mapped, but the border was not properly demarcated, leaving several disputed pockets.

All colonial rulers marked borders for "rule longevity and convenience," which is most vivid on the map of Africa. Thailand was uniquely not colonised. The most violent border incident was in 2008, triggered by Cambodia by designation of Preah Vihear as a World Heritage Site. In 2011, Cambodia took the dispute again to the ICJ whose 1962 verdict ruled Preah Vihear was on



The Pioneer SINCE 1865

GALLANTRY AWARDS ARE TRADITIONALLY GIVEN FOR EXTRAORDINARY ACTS OF BRAVERY AND PERSONAL COURAGE DEMONSTRATED IN THE FACE OF THE ENEMY WITH SERIOUS RISK TO THE RECIPIENT

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Cambodian territory but left out other disputed pockets. The latest incident on 24 July clearly establishes linkages to feuds between the Sen-Shinawatra clans and the dismissal of PM Shinawatra. Gen Srey Duk, Deputy Commander of the Royal Cambodian Army and Commander of the 3rd Support Division, was killed in the fighting. Before the clashes, Duk was engaged in negotiating with Maj Gen Sompom Parang of the RTA near Chongbuk, a disputed site. Duk had been involved in border talks since the 2011 clashes. Another Cambodian General was reportedly killed in the Thai counterattack. Duk was accused of starting the fighting; his wife had organised a music festival in the disputed Emerald Triangle. This was seen as a sign of escalation. Thailand employed four Gripen Swedish fighters recently acquired as a right to defend sovereignty. Sweden was accused of selling lethal equipment to conflict zones, but both countries elevated bilateral relations to 'strategic'.

The clash was intense on July 24, when Cambodia fired BM-21 rockets and artillery, destroying a Thai hospital, a 7-Eleven store, and killing eight civilians. Eleven Thai soldiers were killed in the clashes. Uneasy calm prevails on the border as Thailand has suffered heavily due to mine incidents while its soldiers patrolled the disputed borders after the ceasefire. Six mine injuries occurred since the ceasefire on July 28 — August 9, August 12, and August 27 (two earlier on 16 and 23 July).

Thailand has accused Cambodia of violating the Ottawa Convention, which bans the use of plastic mines. Malaysian Prime Minister and Chair of ASEAN Anwar Ibrahim, along with Vietnam and Singapore, brokered the ceasefire; the US pushed for a peaceful resolution of the dispute though Thailand wanted to settle the dispute bilaterally. On August 1, Thailand took out a foreign delegation representing 23 countries to the disputed sites. Among the observers was the Indian Naval Attaché. On August 2, Thailand commemorated the martyrs of the fighting near the border. India has many

disputed pockets with China on the LAC. The ones most recently numbered were in East Ladakh, where qualified disengagement has occurred, but there is little sign of de-escalation and de-induction. With Pakistan, the LoC remains unstable, and cross-border terrorism continues despite the new Modi normal. Our Chiefs of Armed Forces are rushing into lesson-learning and drawing benchmarks after Op Sindoor on the theatrisation, nature of future wars and politico-military decision-making, forgetting that Op Sindoor was a four-day clash (like Thailand-Cambodia). It was untypically non-contact, beyond visual range, where manned systems did not cross the international border/LoC. It involved the IAF in the lead and its air defence systems and other land-based rockets and missiles, virtually leaving out of the battle the Army and Navy. No casualties were officially announced, though civilian casualties were higher than the military casualties.

The 127 gallantry awards included Vir Chakras, Mahavir Chakras, and Sarvottam Yudh Seva Medal, 40 distinguished service medals. For the first time in the history of Indian military operations, no citations were recorded and gallantry awards were given for non-contact conflict. Gallantry awards are traditionally given for extraordinary acts of bravery and personal courage demonstrated in the face of the enemy with serious risk to the recipient. This could have been only marginal in the beyond-visual-range 88-hour exchange of fire.

The provision of awards, lack of transparency about citations, casualties, and equipment losses are unprecedented and could tell another story. The major political lesson for India from the Thai-Cambodia border clash is to settle borders with China and, more urgently, with Pakistan. But this can only be done if Delhi agrees to negotiate with Islamabad. The Thai-Cambodia border clashes have led to the killing of a General and regime change in Bangkok — another Shinawatra casualty and continued political instability paving the way for possibly another Army PM.

The Power of Thought and the Discipline of Mind



RAJYOGI BRAHMA KUMAR NIKUNJ JI

2ND OPINION

The human mind is an extraordinary instrument, holding capacities so vast that we often underestimate them. It can create, remember, imagine, and even travel into the past or future at will. Few pause to recognise that everything visible in our physical world today — every object we see, touch, or hold — first existed as an idea in the mind. In essence, the outer world is nothing more than a manifestation of the inner one.

Every invention, structure, or system began as a thought, a tiny spark of consciousness. The lightbulb that banished darkness, the aeroplane that conquered distance, or the smartphone that connects continents — all began in the silent space of someone's mind. Thought is the first step towards creation. But this creative power

is not limited to technology or science. It seeps into every layer of our lives — our relationships, our emotional well-being, and the way we interpret the world around us. The influence of thought is especially evident in our health. Positive thinking has been shown to reduce stress, uplift mood, and nurture resilience. Conversely, negative thinking can spiral into anxiety, hopelessness, and even physical ailments.

A single thought can spark peace or chaos, depending on its nature. And thoughts are never isolated; they attract others of similar quality, forming chains that gain momentum. Gentle, constructive thoughts bring stability and joy, while hurried, destructive ones can sweep away years of effort like a storm. It is no exaggeration to say that every revolution, every downward, begins first as a thought. This is why old sayings remind us that once an image — whether divine or devilish — takes root in the mind, its manifestation is almost inevitable. Today, we live in an age dominated by speed, temptation, and moral decline. Negative thoughts seem to multiply effortlessly, while positive ones remain fragile and fleeting. Often, before noble intentions can take shape, they are overwhelmed by the heavier current of inner weakness and external pressures. In such a climate, cultivating a disciplined, powerful mind becomes not just a choice but a necessity. This is where meditation plays a vital role.

It strengthens our mental fabric, allowing positive thoughts to take root and flourish. Meditation is not about escaping reality but about restoring our original spiritual qualities — peace, love, purity, power, and wisdom — that are often buried beneath layers of body-consciousness and weakness. It equips us to create an inner atmosphere of positivity, independent of the chaos outside.

At its most refined stage, the mind can even transform hostile surroundings and radiate healing energy outward. Our thoughts are not idle whispers in the brain; they are active seeds. Each one holds the potential to shape our future experiences. That is why it becomes crucial to pause, to observe the nature of the thoughts we are nurturing. Are they giving us strength or draining it? Are they cultivating peace or feeding conflict? Every moment we are sowing seeds that will bloom into our future world.

The power, then, lies in conscious choice. By monitoring and directing our inner dialogue, we can choose to strengthen what uplifts us and dissolve what drags us down. To think positively is not naive optimism — it is a deliberate act of creation. Take charge of your thoughts, for they are not just shaping your happiness today but carving the world you will step into tomorrow.

The writer is a spiritual educator & popular columnist

LETTERS TO THE EDITOR

Celebrate festivals, support local

Prime Minister Narendra Modi has once again appealed to the people to embrace Swadeshi goods during the festive season. He emphasised 'Vocal for Local' and 'Aatmanirbhar Bharat', urging Indians to promote and prefer homegrown products. While he has consistently encouraged the use of Swadeshi items, this particular call can also be seen against the backdrop of high tariffs recently imposed by the United States on Indian exports.

India today stands as the fourth-largest economy in the world, and such tariffs inevitably affect its export sector and overall economic strength. To minimise disruption, maintain stability, and safeguard India's global position, it becomes vital that people support local industries by reducing dependence on foreign goods. The country is already facing natural disasters and terrorist challenges in northern states, making economic resilience more critical. Festivals are not only occasions of joy but also a reflection of our cultural values, traditions, and heritage.

Therefore, it is our responsibility to celebrate them by promoting Indian goods as choosing Swadeshi products is about reaffirming national pride. Festivals celebrated with local goods truly embody India's spirit.

ABHILASHA GUPTA | MOHALI

Sustainability must start early

In reference to the piece "Shaping Tomorrow's Leaders with Sustainability Education" (Monday, September 1, 2023), while business schools undoubtedly play a vital role in equipping future leaders with sustainability awareness, it is equally essential that such training begins much earlier. Introducing sustainability education at the school level, across all types of institutions including government schools, can provide children with a strong foundation of environmental consciousness, social responsibility, and ethical awareness at an impressionable age.

By making sustainability part of everyday learning, pupils learn to connect classroom knowledge with the real-world challenges they observe. Such an approach goes beyond textbooks; it prepares children to act as informed citizens capable of contributing to meaningful change in their communities. Furthermore, information is now more accessible than ever.

Democratising sustainability education ensures children from diverse socio-economic backgrounds are equally empowered to become changemakers. A head start in schools will create a generation better prepared to take up leadership with responsibility and vision. The future of the planet rests on today's classrooms.

ANIL ROY | SAHIBABAD

Urban noise hurts health

Urban noise pollution in India continues to be an overlooked but highly damaging issue. Noise is more than a nuisance; it can cause severe and long-term harm to human health. In principle, sound that pleases the ear is called music, while that which disturbs is noise. Yet what may be music to some is noise to others. Unfortunately, noise exposure is a real health hazard. At home, work, or leisure, it causes psychological stress and physical harm.

Long-term exposure can lead to sleep disturbances, cardiovascular strain, metabolic disorders, and even cognitive impairment in children. Alarmingly, the World Health Organisation has ranked noise as the second-largest environmental cause of health problems, after air pollution. Sources of noise pollution are diverse: Traffic congestion, industries, construction activities, and rapid urbanisation. While cities thrive on activity, unchecked noise extracts a heavy price on public well-being. Governments, urban planners, and communities must act urgently to reduce noise levels by stricter enforcement, better planning, and awareness campaigns. Reducing noise will not only safeguard health but also enhance the quality of life, offering a quieter and more peaceful future.

RANGANATHAN SIVAKUMAR | CHENNAI



A lone boatman glides across the tranquil waters of Pokhral Lake in Srinagar, as monsoon clouds paint their reflections on the surface below. PHOTO: PTI

DIGITAL EXPERIENCE

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TRUMP'S TARIFF STAND REFLECTS SHIFTING PRIORITIES

Donald Trump says that 'India's offer to cut their tariffs to nothing has come too late and they should have done this years ago' (Sep. 2).

What more does he expect — reduction with retrospective effect? It raises questions whether the real reason for imposing 50 per cent tariffs on India lies elsewhere.

One cannot miss Trump's sudden warmth towards Pakistan and its army chief, Field Marshal Asim Munir, twice hosted in the White House recently. This is the same President who in his first term accused Pakistan of providing "nothing but lies and deceit, after receiving billions of dollars in aid from America". Clearly, times and priorities have shifted.

Trump has made no secret of his ambition for the Nobel Peace

Prize, awarded to individuals "who have done the best work for promoting fraternity and peace among nations".

He appears to regard it as a right, particularly since Barack Obama received it in 2009. His claim that he prevented several wars, including the four-day conflict between nuclear-armed India and Pakistan in May 2025, has been welcomed by Pakistan, desperate for aid and keen to endorse his candidature.

But India has firmly denied any US role in ending hostilities. In 2025, the world's largest democracy for such denial is not diplomacy but folly. The most powerful man alive cannot expect every leader to dance to his tune. In the end, Trump's shifting stance risks eroding credibility more than enhancing it.

J VAYARANNA | CHENNAI

The
Hindustan Times
ESTABLISHED IN 1924

[OUR TAKE]

SCO triggers
US unease

India has left the door open for re-engagement with the US. The latter must realise it is a two-way street

Through the US tariffs saga—an unexpected 25% in the first round, even as trade talks were on; a completely unfair 25% more in the second round—India has kept its cool. It has done this despite the tone and tenor of criticism from the US, from some of President Donald Trump's cabinet, deteriorating to a level not usually seen in diplomacy. Given that, Prime Minister (PM) Narendra Modi's first visit to China in seven years and the scenes of solidarity between him and the leaders of China and Russia that emerged from the Shanghai Cooperation Organisation (SCO) summit were meant to signal to the US and the world that India has options.

The reaction from leading lights of the MAGA ecosystem in the US has not been disappointed. White House trade adviser Peter Navarro contended it was a "shame" to see Modi in the company of "authoritarians" such as Chinese President Xi Jinping and Russian leader Vladimir Putin. US treasury secretary Scott Bessent dismissed the SCO gathering as "largely performative" but attempted a conciliatory note, saying India's interests are better served through an alignment with the US. The parting shot came from Trump, who railed in another lengthy social media post, while making short shrift of facts, that the US does "very little business" with India and the overall relationship is a "totally one-sided disaster".

If Trump believed he could get away with his whimsical tariff policy and strongarm tactics, the emerging signs of countries such as Brazil, China, India, and South Africa digging in should convince him to think otherwise. The SCO joint declaration expressed the bloc's opposition to "unilateral coercive measures" of an economic nature that go against the rules of the World Trade Organisation and negatively affect the global economy. The current realignment among SCO members may be tactical—a significant structural differences remain among key players such as China and India—but it shows they are willing to counter US trade policies together. It is in this context that Modi emphasised the role of the SCO in promoting an "inclusive world order", and it is Trump alone who is to blame for giving China an opportunity to present itself as the leader of an alternative world order.

Trump is now facing criticism of his foreign and trade policies from among those who have unstintingly backed him. His critics argue that the tariffs on India forced a rapprochement with China and reversed a relationship carefully nurtured with bipartisan support in Washington over two decades. India, which will have to protect its economy from the tariff turmoil, has made the smart choice of leaving the door open for a re-engagement with the US. It is pragmatic enough to understand the limits of the SCO and also recognise the importance of the Indo-US relationship. But it is important Washington understands that such ties are a two-way street.

Dealing with extreme,
hyperlocal rainfall

The monsoon havoc of the past few years clearly bears the stamp of the unfolding climate crisis. Visuals of flooded cities and devastation in the mountains are rooted as much in intense bursts of rainfall that have increasingly become common as they are in inadequacies of planning and infrastructure in urban centres, including the national capital region (NCR), and bulldozing of ecological concerns in infrastructure development in the mountains.

So, as the climate crisis deepens, there is a need for immediate measures on these fronts. Planetary warming has injected much uncertainty into factors influencing accuracy of weather forecasting, which is one of the reasons behind the India Meteorological Department (IMD) pushing nowcasting—where forecasts with local detail arrive hours before a weather event. The Bharat Forecast System, with better forecasting for extreme rainfall over small areas, was launched earlier this year, signalling some progress. But there remains significant room for capacity augmentation. IMD's automatic weather station, automatic rain gauge, and Doppler weather radar networks still lag the estimated need. Leveraging capacity owned by state governments and private players, even if it is just for the monsoon season, can be perhaps be explored.

As weather watch does its bit, the Centre, states, and local bodies must make climate resilience a proactive function, given the lead time to prepare for forecasted extreme events is short. Addressing vulnerabilities in city infrastructure and ecologically mindful development in the hills are both imperatives now.

Keeping growth out of
the US tariff shadow

The US-India trade relationship is asymmetric, but it is not one-sided. Factoring in education, royalties, financial services, and arms sales, the US quietly runs a surplus with India

The gross domestic product (GDP) growth for the June quarter of the current fiscal year paints a rosy picture at first glance—coming in at an impressive 7.8%, it comfortably beats expectations. But beneath the headline number lies a sobering reality. This is largely a statistical illusion, flattered by an unusually low deflator rather than a surge in the nominal output. Nominal GDP grew only 8.8%, well below trend, which will make meeting tax collection targets harder and strain debt sustainability dynamics. The real test of India's economic resilience will come later in the year as punitive US tariffs on exports take hold.

US President Donald Trump's 50% tariff on exports from India to the US—the steepest against any Asian economy—is India's most severe trade shock in decades. Even after exemptions, the effective rate is close to 33%; this could rise if tariffs are slapped on pharmaceuticals and electronics after the ongoing review. Analysts estimate the tariffs could shave off 20-50 basis

points from annual GDP growth, threatening momentum at a time India is vying to position itself as a China+1 manufacturing hub.

The first-quarter growth surge reflects pent-up investment and consumption, buoyed by frontloaded government spending and exports rushed to the US to beat the tariff deadline. But nominal growth is already slowing, and exporters see rising input costs and weak global demand. The US tariffs will deepen this squeeze, eroding margins and pricing power, particularly in labour-intensive sectors.

The worst-hit will be the MSME clusters in states producing textiles, leather, auto components, gems and jewellery. These sectors employ millions and form the backbone of local economies. As buyers shift sourcing strategies, job losses and weaker consumption will follow. The first-quarter growth buoyancy could look more like an aberration than a new baseline.

Diversifying export markets is an imperative, but it will not be easy. China, also hit with steep US tariffs, will likely dump goods globally to sustain its factory output. That means fiercer competition and thinner margins for India in non-US export markets where we have to contend with China. Without fast-track trade agreements with Europe, the UK, and ASEAN, diversification will be slow and incomplete.

There is an argument that India should retaliate to "send a message." But such a move would likely backfire.

India imports many raw materials and intermediate goods that are essential for manufacturing exports. Raising duties would drive up costs, weaken competitiveness, and slow export growth further. Retaliation may provide political theatre, but would be economically self-defeating.

Instead, India should negotiate from a position of confidence. While the trade relationship is asymmetric, it is not one-sided. Factoring in education, royalties, financial services, and arms sales, the US quietly runs a surplus with India. Indian students contribute significantly to US universities. India's leverage lies in its vast market, service exports, and role in global supply chains. This is a moment for pragmatic diplomacy, not brinkmanship.

The tariffs are a stress test for India's post-pandemic economic model. For all the rhetoric of *Aatmanirbhar Bharat*, resilience cannot mean isolation. True self-reliance is about building scale and capacity in critical sectors, not seeking self-sufficiency in all goods.

India must play to its comparative advantages while working to sharpen them. IT services and pharmaceuticals remain natural strengths, while renewable energy, chemicals, textiles, and auto components can be upskilled and upgraded. Industrial policy should focus on predictability, competitiveness, and tariff rationalisation, avoiding protectionism for its own sake.



Duvvuri Subbarao



MSME clusters producing textiles, leather, auto components, gems and jewellery, employing millions, will be worst hit.

Comparative advantage is dynamic, not static. South Korea and Taiwan built global dominance by specialising and steadily moving up the value chain. India needs a similar strategy to become a credible alternative to China.

The government has moved quickly to cushion the blow through GST rationalisation and the income tax cuts offered earlier in the budget will support demand. But, more targeted measures are needed—liquidity support for MSMEs, faster trade facilitation, and regulatory stability to reassure global investors.

The Reserve Bank of India has signalled caution as tariffs risk pushing up prices through higher import costs and rupee pressures. As room for monetary easing is limited, much of the heavy lifting has to be done by fiscal policy.

But any expansion must be balanced against India's fiscal consolidation roadmap, especially with slowing nominal GDP growth threatening tax buoyancy and debt dynamics.

It is possible that even with the tariffs, the economy will grow around 6.5% this year. But the growth narrative requires nuance. Tariffs will ripple through not just goods exports but

also logistics, shipping, and services tied to trade flows. Investor sentiment is already sensitive to US political rhetoric, which has turned sharply combative.

India's response should be strategic, not knee-jerk. This is an opportunity to accelerate reforms, fast-track free trade agreements, and focus resources on sectors where India has global potential.

The first quarter GDP surge is yesterday's story; the real picture will emerge later in the year. Growth will slow, exporters will face tougher competition, and pressure on jobs will intensify. But this is also a pivotal moment: India can use this shock to sharpen its strengths, move faster on reforms, and integrate deeper into global supply chains.

Tariffs are a challenge, but they are also a wake-up call. India's path to resilience lies in competitiveness, scale, and outward engagement, not protectionism. If handled with discipline and pragmatism, this moment of stress can be transformed into a springboard for sustained, inclusive growth.

Duvvuri Subbarao is a former governor of the Reserve Bank of India. The views expressed are personal

Jan Vishwas Bill: Towards
trust-based governance

India's journey toward regulatory reform and trust-based governance has taken another significant step forward with the introduction of the Jan Vishwas (Amendment of Provisions) Bill, 2025, in the Lok Sabha. The Jan Vishwas Act 2023 was India's first consolidated effort to decriminalise minor offences across multiple laws. The new bill builds on the 2023 Act to further India's transition from a punitive regulatory framework to one focused on ease of doing business and ease of living.

The Bill proposes to amend 355 provisions across 16 central Acts administered by 10 ministries and departments. Some of these criminal provisions originate from the colonial period, but more are from the socialist era when there was a deep-seated suspicion of business. Consequently, small errors or procedural lapses could result in criminal prosecution. This resulted in an environment of mistrust and rent-seeking, which hindered economic growth.

The current system of over-criminalisation burdens the judiciary (already contending with over 50 million pending cases) and incentivises corrupt practices. It creates a fear-driven compliance culture and an unfriendly business environment, particularly for MSMEs. For instance, under the Central Silk Board Act, 1948, furnishing false statements (which could be a minor mistake) can still invite up to one year's imprisonment. Similarly, the Apprentices Act, 1961, penalised overtime requests with fines, escalating to criminal records. The Bill represents a shift in India's regulatory enforcement philosophy, moving away from punitive criminal justice toward progressive administrative compliance. Under the existing framework, minor regulatory infractions across various sectors triggered criminal penalties, including imprisonment. This created a climate where technical lapses or inadvertent compliance failures could result in arrest, criminal records, and court proceedings. Business owners are under the constant threat of criminalisation, which, in most cases, were essentially administrative oversights rather than intentional wrongdoings.

The approach of the Bill has three elements. Firstly, it replaces criminal "fines" with civil "penalties", shifting 288 provisions from criminal prosecution to administrative enforcement. Violations become "contraventions" instead of "offences", stripping away imprisonment clauses and criminal sanctions for minor defaults. The legislation empowers regulatory authorities to impose monetary penalties through administrative channels rather than dragging cases through criminal courts.

Secondly, it uses a graduated approach for contraventions. This replaces the "improvement notices" as formal warnings for first-time offenders across 76 offences under 10 Acts. Improvement notices provide offenders an opportunity to rectify non-compliance within stipulated timeframe. This replaces the immediate imposition of fines and initiation of criminal proceedings under the current system. This creates a trust-based framework, acknowledging that many breaches stem from ignorance or inadvertent oversight. Subsequent violations attract proportionate penalties with graduated increases for repeat violations.

Finally, the Bill empowers designated officers to adjudicate penalties through administrative processes rather than judicial process.

This removes reliance on courts for minor compliance issues, reducing the burden on India's overburdened judiciary while enabling faster resolution. The new system establishes adjudicating officers and appellate authorities to handle penalty imposition administratively.

The changes proposed to the Legal Metrology Act (LMA), 2009, in the Bill illustrate the approach. The Act relates to rules for weights, measures, and commercial standards. The previous Jan Vishwas Act, 2023 had removed some of the criminal provisions, but many remained. This Bill decriminalises 22 provisions that previously carried imprisonment penalties.

A key change is the complete elimination of Section 40, which imposed up to two years imprisonment for obstructing legal metrology officers, extending to five years for repeat offenses. The vaguely-worded Section 40, which criminalised "obstructing Director, Controller or legal metrology officer", became too broad, providing opportunities for arbitrary use.

The Bill seeks to remove imprisonment altogether from 11 provisions in the Act. It proposes graduated escalation, instead of criminal prosecution, for provisions covering failure to obtain approval for a model of weight or measure (Section 32), non-regulation by importers (Section 38), import of non-standard weight or measure (Section 39), and unlicensed manufacturing (Section 45). First-time violators receive improvement notices, providing opportunities for voluntary compliance without immediate penalties. Subsequent violations trigger penalties that double with each repeat offence, capped at ₹5 lakh. This graduated penalty structure throughout the reformed provisions creates predictable consequences for violations instead of debilitating criminal proceedings.

Further, for another seven provisions, fines have been replaced by improvement notices for first-time violations. Changes proposed in section 25, governing non-standard weight usage, exemplify this graduated framework: Improvement notices for initial violations, and administrative penalties thereafter. Similar structures for first-time violations. Changes proposed in section 27, documentation failures (Section 31), and service provision violations (Section 35).

However, the Bill maintains a strategic distinction for three critical sections involving deliberate deception. Weight alteration with intent to deceive (Section 26), fraudulent short deliveries (Section 30), and manufacturing packages with quantity errors (Section 36(2)) retain imprisonment, but only for third and subsequent violations. We think this is justifiable.

The Bill signals a move from a fear-driven compliance culture rooted in socialist-era criminalisation to a progressive trust-based regulatory framework that recognises the difference between inadvertent oversights and willful violations. By replacing immediate criminal prosecution with improvement notices and graduated penalties, this legislation lays the groundwork to shift from a punishment-first to a correction-first approach.

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Sanjeev Sanyal



Chirag Dudani

[BHUPENDER YADAV | UNION ENVIRONMENT MINISTER]

Countries need to re-engineer a
new growth model ... and make
sustainability central to the
policy sector

Speaking at the 20th Global Sustainability Summit

A barometer of Chinese
thinking on Modi's visit

Before US President Donald Trump's tariff testiness, the Shanghai Cooperation Organisation (SCO) summit in Tianjin was supposed to be a routine affair—handshakes, platitudes, and carefully choreographed photo-ops. But as the tariff war against India escalated, and New Delhi stood firm as a rock, the Chinese internet gave a grudging nod to India's diplomatic high-wire act. While official headlines in Beijing followed prescribed formulas, it was clear from the buzz that Prime Minister (PM) Narendra Modi's presence, after a seven-year gap, was a calculated gambit in the great power game.

The Chinese internet dissected Modi's visit with the precision of a surgeon and the paranoia of a spymaster, noting PM Modi's absence from China's once-in-a-decade military parade that celebrates a victory against Japan and the avoidance of a special banquet or even a grand tour, even as he extended a cautious olive branch to China at the negotiating table. This caught nervous admiration in China. They called it a tightrope walk between defiance and pragmatism, a "masterful diplomatic manoeuvre" that left Beijing to decode the subtext, especially since Modi landed in China after a highly successful visit to Japan.

But Chinese analysts don't shy away from saying that Make in India has to go hand in hand with Made in China. A constant catchphrase is that, "India may grow prickly on security, but it has to return to China's table on trade". Echoing the current official statements of both sides that no third-party (read US) considerations were involved, some voices insisted that relations with India, despite external pressures, had their "own (internal) logic". However, there was much speculation on Delhi's multi-alignment that was apparent in the joint security declaration with Japan, continued engagement with Quad partners, and in the same breath, signing the Tianjin Declaration. For the Chinese, this was unsettling proof of India's diplomacy: Economy with China, security with the US and Japan. Beijing's bloggers see India's SCO engagement as a hedge, not a bug.

One issue that set the Chinese internet ablaze was the Taiwan question during Wang Yi's visit to India. Beijing bragged that New Delhi had reaffirmed the "One China Principle", a quick clarification that ties with

Taiwan—commercial, cultural, even semi-political—remained on track, deflated that claim. It was a reminder of the fault lines that run through India-China ties. Perhaps what India needs to do here is ask China to adhere to the One India principle and recognise India's territorial sovereignty on Arunachal Pradesh, Aksai Chin, Pakistan-Occupied Jammu and Kashmir (that includes Gilgit-Baltistan) and Shangkam Valley.

What stood out most in Chinese discussions was the question whether the Tianjin visit would be a blow to the US. This is Beijing's perpetual obsession—finding signs that India's partnership with Washington has limits. Chinese analysts tried to spin the visit as India needing Beijing more than the other way around. They were also quick to speculate if Modi's visit was a "fatal blow" to Washington. The idea that India is pivoting to China to spite the US is a tantalising narrative in Beijing, even though most know it's more wishful thinking than reality. Beijing's broader gambit is to frame South Asia as a cohesive unit, free from "external interference". It is the same rhetoric Wang Yi used in the Afghanistan-Pakistan-China trilateral summit, during his swing through Kabul and Islamabad after visiting Delhi.

Chinese commentators were equally quick to point to Modi's "joint statement" on the East China Sea and South China Sea during his visit to Japan, and the revision of their Joint Security Declaration for the first time in 17 years. This, followed by India signing the Tianjin Declaration, was seen as New Delhi's "perfect balancing strategy"—leaning on China for economic help while banking on the US and Japan for security. It's a playbook that keeps Beijing guessing—and a little nervous.

The Chinese internet's nervous chatter reveals how effectively India's quiet confidence is setting the tone. Meanwhile, New Delhi's message is clear and learns from past experience. Time and actions at LAC will determine a Tianjin thaw. Beijing's nervous chatter is proof that India is playing the game well.

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Tara Kartha



D Nagamalleswara Rao

A GST reset

Simplify the structure to boost revenue

Ahead of the two-day Goods and Services Tax (GST) Council meeting, starting today, representatives of several states ruled by non-National Democratic Alliance parties met last week to assess the potential changes in the indirect tax system. Their suggestions, as reported in this newspaper and elsewhere, indicate that implementing the intended changes will not be easy. For instance, the group has suggested imposing an additional levy over the 40 per cent rate on sin and luxury goods. They have also suggested that the additional levy be fully transferred to states. Further, the states concerned have argued that, with 2024-25 as the base year, they should be compensated for revenue loss if growth is below 14 per cent. There are projections of revenue loss of ₹85,000 crore to ₹2 trillion because of the proposed rationalisation of GST rates.

Prime Minister Narendra Modi had announced in his Independence Day address that the GST system would be rationalised. It was later reported that the system would move principally to a two-rate structure with 5 per cent and 18 per cent, covering the majority of the goods and services, along with a higher rate of 40 per cent for a few sin goods. It is worth emphasising that experts have long argued that the multiplicity of rates has affected the functioning and performance of the GST system. Thus, the rationalisation exercise was due for quite some time. However, the reported suggestions and reservations of some states suggest that the rationalisation of rates and slabs needs to be approached carefully.

The idea of compensating states for a possible revenue loss, for instance, is untenable. States were compensated for revenue loss in the first five years of GST through a compensation cess. When cess collection fell short of what was required during the pandemic, they were compensated through borrowing, which is being paid by extending cess collection. Such an arrangement cannot be extended perpetually. Therefore, as the GST Council deliberates on rate changes, it would do well to keep certain things in mind. The exercise should not be approached solely as a measure to boost domestic demand through lower taxes to compensate for the potential loss of export demand resulting from higher tariffs by the United States, as some have argued. The exercise should be focused on simplifying the tax structure and improving revenue collection. As economist Arvind Subramanian and others showed in this newspaper today, the applicable GST rates are far higher than the broad rate slabs. Part of the problem will be addressed with the end of cess collection. Thus, if some types of cess are to be subsumed in the GST rates, it must be done with care.

In terms of revenue collection, the government informed Parliament in December last year that the average GST rate in 2023-24 was 11.64 per cent, which was much lower than the revenue-neutral rate of 15-15.5 per cent suggested by a government committee. The weighted average GST rate at the time of inception was 14.4 per cent. Premature rate reduction affected revenue collection. The council should avoid repeating the same error. States have a valid argument that they depend on GST to a larger extent. Therefore, they will be better off looking for ways to boost revenue and not depend on any compensation. Both the Centre and states need to improve revenue collection to keep the general government deficit and debt on a sustainable path.

Horticulture push

Diversification can lift farm incomes

The debate on India's agricultural future has shifted from staples to high-value crops that can better sustain incomes and nutrition. A research article in the latest Reserve Bank of India Bulletin has underscored that horticulture has emerged as a powerful way for growth. Small and marginal farmers, who dominate Indian agriculture, are steadily reallocating land from cereals to horticulture. At the same time, demand for fruit and vegetables is rising, reflecting changes in dietary patterns, income levels, and health awareness. India is the world's largest producer of fruit and vegetables after China. Horticulture offers higher-value realisation per hectare than most cereals, which makes it a viable pathway for increasing farm incomes. Besides, its labour intensity generates more rural employment.

However, the diversification is not smooth. The study shows that yields in several fruit crops, such as grapes and sapota, either stagnated or showed declining trends between 1992-93 and 2022-23. Climate variability further compounds risks, as seen in unseasonal rain, which damages perishable crops. Here innovation will matter. Better agriculture advisories, weather-prediction tools, and new intercropping techniques developed by institutions such as the Consortium of International Agricultural Research Centres can help stabilise yields and reduce input costs. Greater public investment in research and extension services is essential if horticulture is to achieve scale. But even when productivity is assured, market volatility remains a stumbling block. The familiar boom-bust cycles of tomatoes, onions, and potatoes periodically disrupt both consumers and farmers. Strengthening farmer-producer organisations (FPOs) and expanding digital platforms for transparent price discovery could soften this volatility. Storage, aggregation, and collective bargaining are vital to protect small farmers from distress sales. Contract farming arrangements, if made fair and enforceable, can also help provide price assurance.

The other issue is post-harvest management. An estimated ₹1.5 trillion worth of output is lost each year due to food wastage and supply-chain inefficiencies. Better cold chains, refrigerated transport, and agro-processing facilities are needed to prolong shelf life and create market channels. The World Resources Institute's 'Target-Measure-Act' framework for systematically reducing food loss and waste offers a model to help reduce losses. Global trade adds another layer of complexity. India's horticultural exports face risks from protectionist policies, such as recent American tariffs. A prudent strategy will be to diversify export destinations to West Asia, Africa, and Southeast Asia while simultaneously upgrading food safety and quality. Promoting Indian fruit and vegetable with Geographical Indication (GI) tags, and marketing them like Alphonso mangoes or Nagpur oranges can help build premium value in domestic and international markets, thereby attracting higher prices and improving competitiveness.

If India can align technology adoption, efficient market integration, and supportive policies, horticulture has the potential to become the durable engine of farm growth. Nevertheless, diversification is not a substitute for staples but a complementary strategy that enhances resilience, generates jobs, and boosts nutrition. For a sector employing nearly half the workforce, horticulture can help improve incomes and living standards.



ILLUSTRATION: BINAY SINHA

Time to stop abusing India Inc

Unhinged attacks on Indian business houses and their so-called trader mentality are unjustified

India Inc has many failings, but one thing it does not deserve is constant abuse and delegitimisation by political parties or public intellectuals. When major politicians start attacking it — Rahul Gandhi now and Arvind Kejriwal earlier — it does not help India's cause, even assuming India Inc has made mistakes. To endlessly rant about Adani and Ambani, and then expect the same business houses to invest and take the India story global, is sheer foolishness. It is one thing to prevent monopolies, quite another to assume that India does not need giant conglomerates of its own.

Unhinged domestic criticism of big business houses will tempt foreign powers to do the same thing to undercut Indian interests. It is not a coincidence that the United States Securities and Exchange Commission and Hindenburg Research targeted Gautam Adani over actions that affected no American citizen's rights. Nor is the recent rant by US Treasury Secretary Scott Bessent, alleging that India (read, Reliance) is profiteering from cheap Russian oil by refining it and exporting to the West. White House trade adviser Peter Navarro went further, accusing India of being Russia's "laundromat" — and worse.

If anyone has profiteered from the Ukraine war, it is America's military-industrial complex, which has been counting its shekels all the way to the bank as both Ukraine and Europe buy more defence equipment from it. If any economy is the world's true "laundromat", it is America's. There is no drug cartel or illegal business anywhere in the world that does not use the US dollar to launder money. A paper by the Federal Reserve Bank of St Louis estimated in 2022 that over \$1.1 trillion in US cash — two-thirds of it in \$100 bills — is held by non-central banks abroad. Crypto may be changing this, but with Donald Trump now in the crypto game, this laundromat will start working even better.

There is also a nuanced truth that critics of Am-

ban's refining margins forget. Private companies have imported crude and exported refined products well before cheap Russian oil became available. India's state-owned oil companies face regulation on pricing, something that the private sector is exempted from. The result: A significant portion of private refining capacity is used for exports. If oil prices are truly deregulated, more refined products would be sold in India.

More damaging, however, is unnecessary criticism by public intellectuals like Pratap Bhanu Mehta, who wrote in his *Indian Express* column that Indian capitalism "emerged largely from (the) trading classes, (who were) unmatched in their capacity for arbitrage but less adept at building". It is fair to criticise India Inc for not investing enough in research, to build rather than just import, and sell at a profit, but this is more the result of the licence-permit raj, and now the regulator jail. Both politicians and bureaucrats do not trust India Inc to do the right thing for themselves and the country. If this changes, business will adapt and build more Indian intellectual property rights (IPRs), platforms and products, and strengthen the country's economic forces.

It is pointless to blame Indian businesses alone for having a trading mentality. The entire retail sector in the US and Europe thrives on the same model — buying cheap Chinese products and selling them at home. Both trading and building are essential to business. When you are uncompetitive, you make money by trading, which allows you to build a customer base for eventually building your own products. It wasn't just Ambani or Adani, Birla or Tata who made money from trading. Consider what was, and is, happening in mobile phones and white goods. A decade ago, Indian brands like Micromax and Karbonn held big market shares based on imported sub-assemblies from China but they simply could not compete on Chinese prices. Now, the same markets have been

BEYOND IDEOLOGY
R JAGANNATHAN

Coming up in 2026: A tale of three IPOs

Among other things, corporate India could witness some key developments in 2026. While Reliance Industries Chairman Mukesh Ambani has announced that Jio Platforms will go for a public listing in the first half of next year, there's nothing official yet on other mega IPOs (initial public offerings) that may launch in the same time band. Adding firepower to the Street, steel-to-soft-

ware conglomerate Tata Group may possibly list its holding company, Tata Sons, next year — depending on the Reserve Bank of India (RBI) verdict on the matter, which is expected anytime now. The third listing, which is being anticipated as a big cluster of sorts, may come from the house of Flipkart — now owned by Walmart.

The size of an IPO, which determines how much capital a company raises, is of course a talking point. A lot has already been said about the Jio IPO, likely to be the biggest in India, beating Hyundai's \$3.3 billion market debut in 2024. But beyond size, a listing is often a defining moment for a company, both in terms of investor appeal and its own growth trajectory. How will the likely listings of Jio, the Tatas, and Flipkart pan out?

In the case of Jio Platforms, the holding company of RIL's digital assets including its telecom arm, the listing is expected to bring greater maturity into the sector it represents. After Jio's IPO, all private telcos (Airtel and Vodafone Idea being the others) will be listed entities. Although Vodafone Idea has been financially stressed with a huge debt pile, listing typically provides funds for expansion as well as for fresh investments to improve customer experience. The Reliance group has already indicated overseas expansion plans for Jio while detail-

ing the company's preparations for listing at its 48th annual general meeting last week.

A possible tariff hike by Jio and others in the telecom sector has been a prominent theme in the analyst reports following the RIL annual general meeting. India is counted among the lowest tariff countries in the world for telecom services. Industry leaders have frequently spoken about the need for

higher tariffs but the pace of increase has been extremely slow. The monthly average revenue per user (ARPU) — a benchmark for a telco's performance — has been below ₹200 for a long time, compared to many times that figure for global peers. Recently, Airtel crossed the ₹250-mark ARPU in what was seen as a milestone development. Jio's listing is expected to push telecom ARPU upwards, thereby helping telcos to invest more in 5G, 6G and other next-gen tech tools. Satellite broadband, which is expected to cater to uncovered areas especially in the hinterland, could also benefit from the Jio listing.

As for the other big listing, that of Tata Sons, the RBI is yet to clarify whether it needs to turn into a publicly listed entity or will be granted an exemption. Since September 2023 was supposed to be the deadline for compliance with the RBI norms, all eyes are currently on Mint Road. The RBI had classified Tata Sons as an upper layer non-banking financial company (NBFC) in September 2022, which required it to go public within three years. However, some months ago, Tata Sons sought an exemption from the RBI, asking to be deregistered as a core investment company (CIC) so that it can skip the listing process. For that, Tata Sons declared itself as a debt-free company — a key con-

grabbied by Chinese brands like Vivo and Xiaomi.

India's IT services companies are also into trading and arbitrage — buying cheap Indian coders to service high-margin markets in America and Europe. They are no different from traders, except that they do labour arbitrage.

The point one wants to make is that when trading makes sense, most businesses will do it. When it doesn't, they may start building, assuming the business climate in India evolves to a point where business and government can trust one another. As Kishore Mahbubani, a Singaporean academic, once said: China succeeds because of its government; India in spite of its government. When this government-business equation changes to one of trust, India Inc will not be found wanting.

If anyone has failed to notice, this is exactly what is beginning to happen. Starting with defence, the private sector is now developing military equipment for the country and for exports. Zomato's founder is investing \$200 million of his own money to build gas turbine engines to power short-takeoff-and-landing aircraft and unmanned aerial vehicles (UAVs). The Tatas and Mahindras have started building car platforms not just for India, but for global markets. Research and development (R&D) spends in some two-wheeler auto companies have now begun crossing the ₹1,000-crore mark, as this newspaper reported a few weeks ago.

Mukesh Ambani's Reliance has just announced big investment plans in green tech (solar and hydrogen) and defence. And it will do the same in other fields. Conglomerates like Larsen & Toubro, Godrej, Tatas, Birlas and many smaller start-ups are investing large sums to build aerospace, defence equipment and drones, not to speak of semiconductor chips and fabs.

Apart from regulation, a real distraction for companies with the resources to invest in deep tech, products and platforms is the stock market. Infosys, TCS and ICL Tech have huge cash flows that can easily be invested in developing lots of India-owned (IPRs), but instead they now use this cash to keep shareholders, including many abroad, happy. Either they must reduce dividend payouts and invest the savings in building greater IPR, or their founders must use their own billionaire wealth to build huge platforms and products. The obsession with shareholding control means that a significant part of promoter wealth is tied up in their own company. If Deepinder Goyal of Zomato can do this — i.e. invest in R&D using personal wealth — why not the remaining billionaires? Investing in long-gestation IPR, whether in tech or pharma or products and platforms, needs patient capital which can come only from private wealth and public funding. Some listed companies could consider delisting in order to pursue long-term IPR projects.

Trust in India Inc is vital to ensure that it will come to the party. Mistrust and accusations of a trader mentality will not help. Who else will take on the might of Microsoft, Google, and Amazon if not the Adanis, Ambanis, Birlas, or Tatas? The late US President Franklin D Roosevelt is known to have said of a Latin American dictator: "He may be a 'sob' but he is our 'sob'." Wars and all, we must protect our big businesses. They are the lifeblood of our economy. We must expressions here, not allow foreigners to undermine them.

The author is a senior journalist

NOT FOR PROFIT
NIVEDITA MOOKERJEE

The private man behind the successful brand



PROSENIJ DATTA

refusing to give out any information. Probably only a few people close to him know when Mateschitz actually died. Officially, the date was October 22 — even if he had died earlier.

The friends and associates of Mateschitz were probably maintaining what he himself practised. The creator of the Red Bull empire had a strong aversion to media attention, and his death would not change that. *The Red Bull Story* by Mr Furweger is not a new book. It was first published as a hard cover in 2008 in German, and then updated a few times before a paperback was released in 2012. It was a bestseller in Germany and Austria, and was translated into many languages. The English translation was by Anthony Raymond and the current edition (in English) was released this year. After updating it with a chapter (written in December 2024), which deals with Mateschitz's death and the succession.

Mateschitz was on his way to a high-profile corporate career — he had become the marketing director of international

markets of Unilever's subsidiary Blendax — when he quit to start his entrepreneurial career. Despite creating one of the high-profile brands in marketing history, and a huge empire in energy drinks, sports, leisure and media, and always being in the limelight, he managed to keep large parts of his life very private. He gave many interviews — but the information he gave out was always only what he wanted to make public. He took great pains to ensure that any media that had critical stories about him or Red Bull were blackballed. Mr Furweger, too, would be shunned by Red Bull once the first edition of this book was published in 2008. The most popular energy drink on earth was not developed by Mateschitz, however. He was on a business trip to Thailand to meet Unilever's The Franchise Partner TFC Pharmaceutical Industries when he came across a tonic drink that the company made. The drink was named Krating Daeng, which means "Red Bull" in Thai. It was immensely

popular with truck drivers and rice farmers.

Mateschitz met the owners — Chaleo Yoovidhya and his son Chaleam — and acquired the rights to distribute Krating Daeng outside of Asia. He would translate the name of the drink to English and formed a partnership with the Yoovidhya family to create Red Bull Trading GmbH. It was a trading and marketing company, not a production one. The first few years saw many hurdles. Mateschitz's efforts to get a licence for distribution in Germany ran into red tape. Germany did not have a category called energy drinks and therefore it was difficult to acquire any licence there. He shifted to Austria, and obtained a licence there. (Mateschitz is Austrian though he had chosen to live in Germany at that time). Initially, there was some resistance among retailers until bars were convinced that Red Bull was



The Red Bull Story: The Unbelievable Success of Dietrich Mateschitz and His Energy Drink Empire by Wolfgang Furweger Published by Kalisti Publishing 223 pages ₹399

excellent for mixing cocktails. That would see the energy drink gain popularity rapidly.

Mateschitz tapped a former college mate — Johannes "Hans" Kastner — who had founded an advertising agency. Kastner never married, but for the famous tagline — "Red Bull Gives You Wings." While Mateschitz was a brilliant marketer and brand thinker, he also had some luck. The evolution of the European Union and its regulations allowed him to get the licence to market in all the EU countries. The US would also be conquered. Early in Red Bull's life, he found companies whom he trusted especially.

There were no formal agreements signed but they took over this entire distribution and production. Another handshake agreement would be with a can manufacturer.

But the energy drink was only the beginning. He would create a sports empire that would include football, F1 racing, and hockey and athletics.

Then he would get into media and other businesses. He became a billionaire, surrounded by beautiful women at all times but never married. He did have fairly long relationships from time to time. He was the most eligible bachelor in Europe till his death. Although he never married, he had a son from one of his relationships. The son would be acknowledged and even take the name of his father. Mark Mateschitz would eventually join Red Bull.

Surprisingly, after Mateschitz's death, Mark did not take over. A completely new board was formed. Mark would step back — to prevent conflict of interest between a shareholder and management. Red Bull continues to grow from strength to strength. Though an enjoyable book, the translation is perhaps responsible for a somewhat stilted narrative. Eventually, the book reads more as a gossamer web of facts — not a racy unauthorised biography.

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Warming up to Japan

India, Japan must join hands to counter Trump tariffs

Sridhar Krishnaswami

The timing of the 15th India-Japan annual summit could not have been better.

Not only these two nations but all of Asia is at a crucial juncture, having to bear the brunt of Washington's trade tariffs and sanctions.

In one sense India and Japan would seem to be in the same boat staring at punitive measures that obviously dent their economies; but for India it is a double whammy by way of another 25 per cent for buying Russian oil on the pretext that this was somehow funding Russia's war against Ukraine and extending the agony of the Ukrainians.

After several rounds of trade talks, Tokyo managed to bring down tariffs to 15 per cent on some goods as well as a \$8 billion commitment on agricultural products including purchase of rice.

But the accord with the US on \$550 billion investment in automobiles, pharma and semi conductors appears to have run into trouble with Tokyo being unsure of what President Donald Trump had in mind when he said that America will keep 90 per cent of profits. Tokyo is seeking clarification as it believes in "mutual benefit".

A meeting that was to be held in Washington by Japan's top trade negotiator Ryosei Akazawa was cancelled at the last minute due to "administrative reasons".

Japan now faces the threat of the 25 per cent tariffs being reinstated if it "reneges" on its promises. Even the so-called deal with the US did little to calm the waters as Japan's exports to the US, which is its biggest market, fell 2.6 per cent year-on-year in July with cars taking the biggest hit.

Accounting for more than \$18 billion of the exports, the automobile industry accounts for 3 per cent of the country's GDP. And Japan wants to make sure that autos too fall in that 15 per cent category.

TRADE, INVESTMENTS

For a country that places a premium on an economics-first foreign policy, one view is that Japan may be seriously looking at India for diversification of trade and investments as a way of shoring up its resilience.

Statistics show that in 2024, two-way trade was around \$26 billion, or about 36 per cent increase from 2021. In the



STANDING FIRM. Modi and Ishiba (left right)

aftermath of Prime Minister Narendra Modi's visit, India and Japan are not just looking at autos but also batteries, robotics, semi-conductors, ship building, nuclear energy and bio-fuels as areas of cooperation.

Over the next decade Japan hopes to invest \$68 billion in India, with an accent on semi-conductors and artificial intelligence.

The optimists believe that 50 per cent of this investment could materialise by the end of 2026. India has seen "remarkable economic growth and is a force bringing transformation to the world through innovation," remarked Japan's Prime Minister Shigeru Ishiba at a joint press meet with Prime Minister Modi. "Japan also has advanced technological capabilities that drive global growth," he added.

Trade alone is not on the minds of the leaders of India and Japan. The Trump administration has rattled its friends and allies in Asia over not just tariffs and sanctions but also how all this is going to play out in the realm of security and strategic planning in the Indo-Pacific.

NAVARRO'S RANT

India continues to buy Russian weapons — while demanding that US firms transfer sensitive military tech and build plants in India. That's strategic freeloading", said Peter Navarro, White House advisor, in his latest broadside. Japan, long seen as a "free loader" on security issues, is now being pressured to ramp up defence spending to at least 3.3 per cent of its GDP.

All this adds up to a degree of uncertainty of Washington's commitment and credibility and that too in the context of the Quad which is supposed to have its annual leader's meeting in India later this year, perhaps in November.

The writer is a senior journalist who has reported from Washington DC on North America and UN



MADAN SABNAVIS

In the spirit of having a consultative approach to policy formulation, the RBI has put out the paper on frameworks for monetary policy. There are four questions on which views have been elicited.

First has been the question on whether we should be targeting headline inflation or core inflation. The answer is — it has to be headline inflation.

Besides being the practice in almost all countries policy has to address issues at the national level and headline inflation is what one identifies with. It sets inflationary expectations for both households and industry which are the main stakeholders.

Core inflation is a theoretical construct where economists carve out what is outside of food and fuel. But such slicing is of academic interest and cannot be a basis for policy. In fact, often even for the food basket the inflation is driven by oils or pulses or vegetables. Should one then talk of inflation excluding these components? Similarly core inflation is high because of gold prices. If it were excluded the number would be low. The idea of having an index is to capture the basket of consumption.

Further just as food prices cannot be affected by policy, the same holds for education, recreation, house rent, and FMCG goods and so on where often prices are driven by supply factors.

NUMBER GAME

Second, the 4 per cent number has been thrown open to debate. This number needs to change and has to be pragmatic. From 2012-13 it has averaged 5.8 per cent. In the last five years it was 5.7 per cent. In the last 10 years which is broadly running with most of the MPC decisions it was at 5. Therefore, the 4 per cent number had a downward bias and could have created ambiguity in interpreting prevailing inflation numbers. And given the climate change factor we can expect more distortions in both farm and non-farm prices with inflation moving upwards. Therefore 5 per cent looks more appropriate.

Third, the tolerance band has been kept open for discussion. It is important to interpret this band. Does moving



DEEPA KUMAR VERMA

Ruminations on inflation targeting

RATE MOVES. Monetary policy must be anchored on headline inflation, target must be moved up to 5% and the band narrower

from 4 to 5 per cent make the trigger needs to be pulled or does it have to cross 6 per cent for rates to raise?

In the past when inflation moved within the 4-5 per cent band, the repo rate was cut, making the band irrelevant. Ideally the band has to be done away with or if retained, it needs to be explained as to how the committee is to view it. Further the band has to be narrower and should not be 50 per cent of the target on both sides.

Fourth, an issue raised is whether we should look at a range or a single inflation number. This really is answered in the third question where

While the global practice is to look at CPI, we can think of widening the WPI to also cover services and keep this as a secondary lever

the range was discussed. A range leaves the issue open ended and interpretation becomes very subjective. While one can never be at the target, the analysis of the deviation from this ideal tends to be subjective.

FACTORIZING GROWTH

This leads to four issues which have not been highlighted by the discussion paper. The first relates to inflation in the context of time. Should we look at past inflation or future inflation? Monetary policy is supposed to be forward looking which fits in with the analogy of driving a vehicle looking ahead but keeping an eye on the rear-view mirror. As it is agreed that policy works with lags which can be one or two quarters, ideally futuristic inflation should matter more than the current inflation. Therefore, when the RBI puts out forecasts of inflation for Q4 of this year and Q1 of next year, policy should keep in mind these numbers. Further, the issue of growth has to be

factored into the policy framework. The present dispensation is open-ended in putting a target for inflation but not growth. Today the interpretation of growth seems to be very subjective. When India is globally the fastest growing economy at 6.5 per cent, is there a case for reducing rates to push GDP growth?

There is also the case for including WPI in the policy. The reason is that the WPI components are impacted more by policy. While the global practice is to look at CPI, we can think of widening the WPI to also cover services and keep this as a secondary lever. Last, the timing of the MPC meetings should be altered and aligned with the release of CPI numbers. Either the policy should come after the 12th or the release before the policy so that the available data is more current.

The writer is Chief Economist, Bank of Baroda. Views are personal

STATISTALK.

Compiled by Dhruval G | Graphic: Vivekanand V

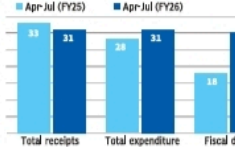
Fiscal deficit widens sharply in early FY26: Union Bank of India

India's fiscal deficit widened notably in April-July FY26 as compared to the same period previous year, Union Bank of India report says. During April-July FY26, India's fiscal deficit was ₹4.68 lakh crore (36% of budget estimates), nearly double from ₹2.77 lakh crore (17.6% of Revised Estimates) seen in April-July FY25. It was mainly due to income tax cuts and aggressive capital expenditure growth of 23%, the reports attributes. Tax collections remained weak with income tax down 10% and GST growth subdued at 3.7%. The government is confident of achieving 4.4% GDP deficit target while supporting growth through continued infrastructure investment. Key trends:

April-July FY26 fiscal gap nearly doubles to 30% of budget vs 18% previous year

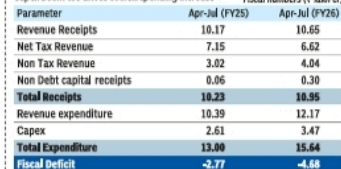
% of revised estimates / budgeted estimates

■ Apr-Jul (FY25) ■ Apr-Jul (FY26)



Fiscal deficit widens as growth in receipts lags spending

Capex boom too drives overall spending increase



Market borrowings and public account contribution to fiscal financing rebounds in April-July FY26

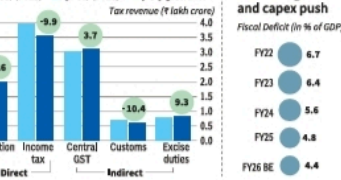
Major sources of fiscal financing (₹ lakh crore)

■ Apr-Jul (FY25) ■ Apr-Jul (FY26)



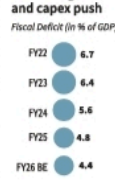
Income tax collections dip on budgeted cuts and filing deadline extension

■ Apr-Jul (FY25) ■ Apr-Jul (FY26) ■ y-o-y growth %



Govt eyes 4.4% FY26 deficit, reaffirms growth and capex push

Fiscal Deficit (in % of GDP)



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TWENTY YEARS AGO TODAY.

September 3, 2005

Govt to sell 8 pc stake in Maruti to public sector FIs

The Government has decided to offload eight per cent stake in Maruti Udyog Ltd (MUL) to public sector financial institutions. At the current market price of Rs 513, the sale of eight per cent stake will fetch Rs 1,092.69 crore to the Centre. This move is unlikely to draw flak from the Left parties, as it had happened in the case of disinvestment of Bharat Heavy Electricals Ltd.

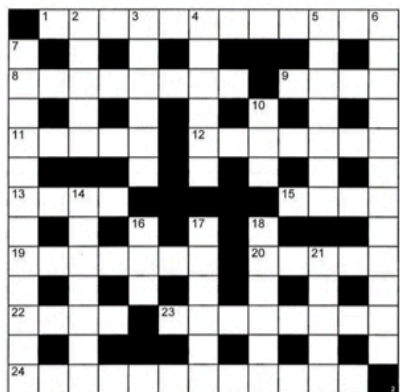
ADC review: DoT asks TRAI to consult Govt

In an unprecedented move, the Department of Telecom (DoT) has asked the Telecom Regulatory Authority of India (TRAI) to share its views on the issue of Access Deficit Charge (ADC) with the Government before taking any decision. Filing ADC so far has been under the purview of the telecom regulator and the intervention by DoT on the matter could be an indication of it being made a policy issue.

Cabinet okays C-DoT, Alcatel R&D venture

The Union Cabinet has approved the setting up of the Rs 212-crore C-DoT Alcatel Research Centre in Chennai for developing wireless broadband solutions.

BL TWO-WAY CROSSWORD 2774



EASY

ACROSS

- Cut off from inheritance (12)
- Surmount (8)
- Emmets (4)
- Group of Indo-European languages (5)
- Common to both sexes (7)
- It catches in eye (4)
- Ballerina's short skirt (4)
- Green leaf vegetable (7)
- Public square in Spain (5)
- Frenzied (run) (4)
- Wasteful, squandering (8)
- Vanishing (12)

DOWN

- Motionless (5)
- Money coming in (6)
- Provision-basket (6)
- Opening rear of car body (7)
- Not respectable (12)
- Man at home doing chores (5-7)
- Vertical surface on aircraft tail (3)
- Portending evil (7)
- Headwear, lid (3)
- Make an attack (6)
- Member of the Araneida (6)
- Colourless, odourless gas (5)

NOT SO EASY

ACROSS

- Won't come in for it: dither, in side shifting about (12)
- Get the better of cave Rome put out (8)
- Hill-dwellers could turn almost nasty (4)
- Group of languages as met with in difficulties (5)
- Piece that shifts northeast is common to him and her (7)
- Catch a fish in Holland (4)
- In France you are repeatedly to go round a ballerina (4)
- Ship can provide sustenance for Popeye (7)
- Last letter a pal got out of place in Spain (5)
- Before midday it's all right to go after run in a frenzy (4)
- How might free-spending girl do Pa a turn? (8)
- Gin, said paper, was wrong to be fading out (12)

DOWN

- It is still one to rent out (5)
- Money received as opposed to outgoings (6)
- Picnic fare in this might impede one (6)
- Part of open car with a nut one can adjust (7)
- Having a bad name but pride, sale being arranged for it (12)
- He's her man for home duties (5-7)
- A fishy bit at the end of a French film (3)
- Minus nothing? Nothing looks so threatening (7)
- Go one better story-wise than the deerstalker (3)
- Make one pay to advance an accusation (6)
- An archard may come to rest on the billiard table (6)
- Gas, or professional talk that hasn't been begun (5)

SOLUTION: BL TWO-WAY CROSSWORD 2773

ACROSS 1. Asking. 8. Villa. 9. Compete. 11. Ending up. 12. Glass. 15. Nero. 16. And. 17. Arch. 19. Adorn. 21. Cucumber. 24. Diverse. 25. Trout. 26. Demure.

DOWN 2. Spoil. 3. Impostor. 4. Gate. 5. Avail. 6. Ensign. 7. Carp. 10. Entangled. 12. Gong. 13. Daydream. 14. Shun. 18. Smit. 20. Riser. 21. Cots. 22. Cook. 23. Rind.

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WEDNESDAY • SEPTEMBER 3, 2025

Duty bound

Move to slash raw cotton import levy justified

The Centre has done well to scrap the prevailing 11 per cent import duty on cotton to provide urgent relief to the textiles sector, which could lose over a quarter of its export earnings as a result of the over 50 per cent US tariff impact. The textiles and apparel sector earns over \$10 billion a year in exporting to the US, which accounts for a third of its exports.



As the largest employer after agriculture, supporting over 40 million people, the decision to scrap duties has not come a moment too late; the sector needs premium long staple cotton to meet its winter season demand, and very little of that is produced domestically. A mitigation of losses could save jobs and shore up demand in the face of external turbulence. Yet, the move has led to considerable misgivings owing to the impact on cotton prices ahead of the upcoming harvest. Indeed, cotton prices have been a tad bearish after the announcement. But this is possibly because traders can manipulate sentiment, even as growers lack market information on the nature of imports. It is notable that imports generally constitute about 5 per cent of the output of 320-330 lakh bales, and rose closer to 10 per cent in the current marketing year because the 2024 harvest was just 299 lakh bales. So, there is probably an inherent tightness of supply because of lower carryover stocks.

In its recent release, the USDA has noted that India's cotton imports may rise on delayed harvests owing to heavy rain in central and southern India, while minimum support prices may raise domestic fibre costs. The Cotton Corporation of India, as the market intervention agency akin to Food Corporation of India, should be ready to meet both producer and consumer requirements in these extraordinary times. Meanwhile, it is notable that Australia, US and Brazil are top suppliers of cotton to India, and it is being rather naively held that India has cut duty as a placatory gesture to the US at a time when bilateral ties have hit a low phase. The US would surely be looking at bigger concessions than this to reconsider its punitive stance on India. Australia's cotton enters duty-free as part of the FTA deal, so the US is now on the same footing.

The political economy of cotton is not dissimilar to that of foodgrain. In either case, producers and consumers are numerous — the needs of cotton growers with small holdings in rainfed regions (Maharashtra and Telangana) have to be reconciled with those of small and medium units providing employment in millions. In the event of market volatility, the States, Centre and the CCI will have to act in concert to address both constituencies. In the medium term, the 'mission' on cotton productivity and focus on growing long-staple cotton, announced in recent Budgets, should be pursued with vigour. There is no denying that India's cotton farming represents a complex of problems, more in central India than in Gujarat and Tamil Nadu, but tariffs are no solution. The CCI must inspire confidence in days to come.

POCKET



ADITYA SINHA

Tump's clash with Volodymyr Zelenskyy in the Oval Office earlier this year distilled the grammar of power into one brutal reminder. "You don't have the cards right now. With us, you start having the cards." In geopolitics, influence is exercised not through rhetoric but through the "cards" a state holds, i.e., choke-points and levers that others cannot easily substitute. If Ukraine lacked such cards, China has shown how to wield them.

In 2025, Beijing suspended exports of rare earths and magnets, paralysing supply chains for auto-makers, aerospace manufacturers, and even US defence contractors. Markets only steadied after a Geneva framework restored shipments. This was no accident: since the 1990s, China has consolidated over 70 per cent of global rare earth mining and nearly 90 per cent of processing capacity, making it the bottleneck supplier of critical inputs for EVs, wind turbines, and missiles. That is what it means to "have the cards."

Great powers endure not by being omnipotent but by cultivating non-substitutable levers of asymmetric interdependence. History is full of examples. Britain's 19th-century dominance rested as much on coal bunkering stations and maritime insurance markets as on the Royal Navy. OPEC's 1973 embargo quadrupled oil prices and reshaped Western policy. Japan's post-war ascent was built on machine tools and robotics, industries where tacit knowledge made substitution prohibitively slow.

SEVEN FAMILIES

These levers can be grouped into seven families: resources and materials (minerals, fuels, food); precision manufacturing (machine tools, lithography, robotics); energy systems (pipelines, LNG, renewables); logistics and geography (ports, shipping lanes, undersea cables); finance and payments (reserve currencies, clearing systems, sanctions); digital and standards power (identity systems, payment rails, IP); and security and institutional power (defence exports, diaspora, norms). No state needs all of them, but without some, it risks strategic irrelevance.

Where does India stand? In resources, it holds substantial rare earth reserves but contributes under 1 per cent of global output; the \$34,000-crore National Critical Minerals Mission and IREL's partnerships with Japan and South Korea are steps towards closing this gap. In precision manufacturing, India is the 4th largest automobile producer and 6th in chemicals, but lags badly in high-end machine tools,

Identifying levers for global power



STRATEGIC PLAY. The government must systematically identify domains where India can realistically build indispensability and then pursue them with a mission-oriented approach

sensors, and semiconductor equipment. In energy, it imports over 85 per cent of its crude oil, yet leads in renewable capacity auctions and has launched pilots in green hydrogen.

Geography is underused: the Andaman-Nicobar choke-point and 7,500-km coastline could be transformed into a logistics hub with secured ports and undersea cables. Finance is weak: the rupee accounts for less than 2 per cent of global forex turnover, but India is exporting UPI and RuPay corridors into Asia and Africa. In digital standards, India is a frontrunner: its Digital Public Infrastructure has been adopted in 20+ countries, offering a "third way" between US big tech and Chinese state-tech. In security, defence exports have seen a upswing, spanning drones, missiles, and patrol vessels, but import dependence in engines and sensors remains high. Narrative leverage is underexploited.

THREE TIERS

The roadmap must be disciplined. It should be divided into three tiers. Tier I should be immediate levers (0-3 years): Scale DPI exports, consolidate

Leverage does not flow naturally from markets; it must be engineered through R&D, technology transfer, and reverse engineering

pharmaceuticals and vaccines into regional stockpiles and UPI security regimes. Also encourage more innovation in pharma. Institutionalise the Indian Ocean as a reliability corridor, with Andaman-Nicobar developed into a logistics and MRO hub for shipping, aviation, and cables. These cards can be embedded quickly.

Tier II should be medium-difficulty, high-payoff levers (3-10 years). Operationalise rare earth processing and magnet plants with Japanese and Korean partners, aiming to capture 10 per cent of global market share in the medium-term. Also, escalate efforts to get access to mines outside India.

Build a precision manufacturing stack (machine tools, metrology, power semiconductors, robotics) using procurement to pull demand and offsets to push technology transfer. Expand defence MRO-plus exports: tie drone and patrol boat sales to long-term service contracts, making regional militaries reliant on Indian spare chains.

Tier III should be long-term bets (10-20 years). Focus on niches where India can become indispensable. In semiconductors, dominate design, OSAT, packaging, and specialty materials (CMP slurries, gases, photoresists), backed by national testing and certification labs. In aerospace, master hot-section repairs and additive manufacturing for spares as stepping stones toward engine autonomy. The deal with SAFRAN should be leveraged to do this. In finance, embed the rupee in South-South trade corridors through

UPI-linked settlement and sovereign trade credit facilities.

Above all, India must confront the innovation question. Leverage does not flow naturally from markets; it must be engineered through R&D, technology transfer, and reverse engineering. China's ascent rested on a strategy of "beg, borrow, steal": forcing Western players into joint ventures, reverse-engineering German magnets, and absorbing Western designs before scaling indigenous R&D. Prussia in the 19th century did the same with British machine tools, building an armaments base through copying and adaptation. India must do both: fund mission-oriented R&D, while also aggressively extracting technology via offsets, licensing, and reverse engineering.

Innovation at home is too slow; borrowing alone is too shallow. Both must proceed in parallel. The protocol outlined here is only indicative; the precise selection of levers must be a matter of state strategy. What is essential is that government systematically identify the domains where India can realistically build indispensability and then pursue them with a mission-oriented approach. In technology in particular, a few critical levers must be chosen and advanced with concentrated resources and institutional resolve, going all guns blazing until they become unassailable.

The author writes on macroeconomic and geopolitical issues. Views are personal.

How 'deflator' influences GDP numbers

Analysts warn the jump in June quarter GDP growth is statistical, inflated by an unusually low GDP deflator

bl.explainer

Lokeshwarri SK

Does the GDP growth for the first quarter of 2025-26 present the correct picture?

The real GDP growth for the June quarter of 2025-26, at 7.8 per cent, came as a surprise to most analysts, who had expected growth in the range of 6.5 to 6.8 per cent. But the jump appears to be due to a technical factor in the computation. The advance estimates for GDP are computed using the benchmark indicator method. Here, estimates for the same quarter in the previous fiscal year are extrapolated using real-time data and high-frequency indicators for each sector. These numbers are adjusted by the GDP deflator to arrive at the real GDP growth. The GDP deflator (explained below) for the first quarter had declined to 0.9 per cent compared to the same quarter last fiscal year. This number is down from 3.1 per cent recorded in the last quarter of FY25.

This decline resulted in artificially pumping up the real GDP growth numbers. According to various estimates, the real GDP is overstated by

at least 100 basis points.

What is the GDP deflator? How is it calculated?

The GDP deflator is used in national income calculations to adjust the nominal GDP numbers for inflation, thereby arriving at the real GDP number. According to MOSPI, "GDP deflator is a comprehensive measure of inflation, implicitly derived from national accounts data as a ratio of GDP at current prices to constant prices."

The problem is that the deflator uses a combination of WPI and CPI to arrive at the deflator number. It may be recalled that WPI inflation in the first quarter of FY26 was very low, almost close to zero. CPI was also quite low, below 3 per cent in this period.

This appears to have made the deflator unusually low, at 0.9 per cent in the first quarter of this fiscal year.

How has the deflator skewed real growth in various sectors?

The real growth numbers in many sectors have been shown higher due to the lower deflator. According to Nomura, "Higher growth in private consumption (where low food inflation plays a bigger role) was likely boosted due to this. Similarly, the pick-ups in



KEY MEASURE. The GDP deflator is used for arriving at the real GDP

export growth and import growth are not mirrored in the nominal trends. In fact, across many sectors, real growth accelerated even as nominal growth fell, reflecting the role of low deflators in boosting real growth."

Will the deflator affect growth in the coming quarters, too?

Economists expect the low deflator to impact growth in the coming quarters as well, leading to an upward revision in the real GDP forecast for FY26 by 50 to 60 basis points.

According to Emkay research, "Going ahead, the underlying growth story is

likely to be muddled by several statistical and external quirks, making it difficult to ascertain growth momentum accurately. We note that real GDP growth is likely to be boosted statistically through the year, due to a mild deflator, especially for services, which is deflated using WPI amid lack of services CPI.

Additionally, while FY26E may see some buffers from consumption due to the impending GST rationalisation, Q2FY26 is likely to be a washout for manufacturing (and consumption) as both, producers and consumers, delay manufacturing/purchases ahead of the GST rationalisation. Lastly, the US tariff hit will feed through to exports (which were front-loaded in Q1), with a domino effect on employment, wages, and private consumption."

Nomura notes that growth data for the September quarter appear mixed so far, but real GDP will receive another boost from a low deflator, export front-loading (until August), and base effects, keeping it at an elevated rate of 7.4 per cent or so. "We expect the impact of higher tariffs to be visible after September, leading to a sharper slowdown to 6 per cent in the December 2025 quarter and 5.6 per cent in the March 2026 quarter."

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Power trolks

The editorial 'Tanjin Tango' (September 2) conveys a message to the world, especially President Trump, that pragmatism rooted in national sovereignty is the answer to tariff wars. The SCO summit to see Palahgam for what it is and acknowledge "terrorism from across the border", is a sure win for our diplomatic efforts, more so in the backdrop of our Defence Minister recently having had to refuse endorsing SCO joint declaration, for its not mentioning Palahgam. Not oblivious to China's flirtatious relationship with Pakistan, India's choosing to warm up to China is the

need of the hour, even with pressing border issues. The only caveat being eternal vigilance in national security interests. And that Indian traders and business do not fall for all sorts of Chinese goods to flood Indian markets, stifling Indian manufacturing and innovation.

Mary Jose
Aluva, Kerala

Trump on the back-foot

This refers to "India needs us, not Russia", Peter Navarro's fresh attack on New Delhi after SCO Summit (September 2). Why does US not mind its own business instead of coming out with reckless,

out-of-sync and unsolicited advisory. For sure, Trump must be finding it extremely difficult to digest the visible closeness among the trio (Russia, India and China) at just concluded SCO meet, held in China. Notably, all this comes soon after India plainly refused to follow Trump's dictates not to import Russian oil.

Kumar Gupta
Pandhola, Haryana

Engaging with China

India and China cannot escape the weight of geography. Shared borders, unsettled histories, and overlapping ambitions that spout

tensions, will remain part of their equation. Yet their periodic gestures of warmth or friction are secondary to a larger purpose: the discipline of dialogue. Productive or fractious, each round of talks signals recognition that risks from silence far outweigh that from engagement.

R Narayanan
Tuturthorai

Unbroken bond

Apogee, India and Russia have stood together in challenging situations, says Modi (September 2). India and Russia have stood shoulder to shoulder through turbulent times, forging a relationship defined by

trust and resilience rather than expediency. During the Cold War, Moscow's consistent support shaped India's strategic autonomy, while New Delhi, even in today's polarised climate, has preserved its independent stance on Russia. Despite Western sanctions and shifting global winds, India and Russia continue to prioritise long-term convergence over short-term pressures. Their alliance stands as a reminder that genuine partnerships are tested not in comfort but in adversity, where loyalty and pragmatism prevail.

N Sadhasiva Reddy
Bengaluru

INDIA, Global Collaborative Agent

Why Xi's call for proliferation makes sense

Xi Jinping, not quite India's new Donald Trump, urged SCO members on Monday to strengthen AI cooperation, while jettisoning a 'Cold War mentality'. India should make the most out of this call-out. It's tempting to cast the development of AI as an 'arms race' with a strong binary quotient where the Soviet Union has been replaced by the People's Republic. But the parallels with nuclear proliferation can be deceptive. AI holds a far greater transformative potential, and the nature of its dispersion is completely different. China has already demonstrated its ability to take a big leap in GenAI at a fraction of the cost of development in the US with DeepSeek. This should encourage other nations like India to get cracking on foundation models and put AI on a broader evolutionary tree.

A non-proliferation regime based on access to semiconductors doesn't seem promising because countries are already in a race to build their own chips

— India's first indigenous 32-bit processor chip was unveiled on Tuesday. The world is also pivoting towards RE, which should democratise AI use that needs a lot of power to crunch data. The critical input for ML is data created by humans, and that can only be served

through proliferation. China is eminently suited to suggest a multipolar approach to AI, having acquired requisite capability. It has moved ahead with commercialisation of the tech, while the US is yet to make it profitable.

The US sees India playing a role in AI dispersion by bringing down development costs. Gaining access to Chinese innovation should help in this endeavour. It shouldn't be difficult if both the US and China see India as a collaborative AI agent. Approaches to regulating AI (still) differ significantly in the two countries. India can gain by incorporating elements from either. This should also sit well with India's position on the ethical development of AI. Closer engagement with China in hi-tech also helps India to reset its lopsided trade relations with it. The call for multipolar AI must be heeded by India.

The Art of Being No One's & Everyone's

In geopolitics, optics often matter as much as words—and, sometimes, even more so. Ahead of the SCO summit in Tianjin, Volodymyr Zelenskyy reached out to Narendra Modi, briefing him on efforts to end the war in Russia began in 2022 against his country. That Ukraine's president turned to India—whose PM has been accused by Trump and his amplifiers of 'bankrolling' the conflict by purchasing Russian oil, and who shared a limo ride with Vladimir Putin at Tianjin (much like Putin took a ride in Trump's limo in Alaska in mid-August)—told the same story: not falling into a camp can be a virtue.

Keeping channels of communication open remains the lifeblood of diplomacy. India is among the few countries that have maintained good relations with both Ukraine and Russia. This multi-alignment—its refusal to take sides—makes it a natural candidate for an honest broker. Yet, India has so far shied away from playing that role overtly by facilitating peace, or enabling a negotiated settlement.

In a fragmented world, the ability to move across groups is a superpower. It must be part of India's strategic autonomy arsenal. Its growing economy has secured India a place on the world stage. But it's the capacity to cut across differences that can give it real heft. At the same time, India's paradoxical realities—being the world's fourth-largest economy while having the lowest per-capita income in G20, with per-capita energy consumption well below the global average—make it punch below its weight. But these very constraints give it the flexibility to engage with countries across the spectrum as an equal partner. Rather than turn its back on this unique position, New Delhi must leverage it to strengthen its place in an increasingly atomised world.

JUST IN JEST
Trump's attack dogs are so cute — they tell us of a grand sulik

Guns of Navarro, You Dodge Those Blanks

It's kinda sweet, how much Trump's 'What's Its Name of America' wants India to play football — which the US plays using hands, so there was bound to be issues. Attack scammers like Peter Navarro — by now as much of a household name in India as the anti-Thakur Gabbar Singh, who, like Don Don, was also obsessed with having 'a strong hand' ('Yeh haath mujhe de, Thakur!') — have been let out of their kennels to yab about in op-eds, Fox News, and other creches with one object: howl at India for not letting Don Don hog all the Barbies and, instead, play with matryoshka dolls with folks that were supposed to get cosy with the US: Russia and China. Boy, when the US sulks, it sulks like a jilted prom date in a Stephen King novel.

While US shrapnel in the form of 'strategic freeloaders' and 'brahmin profiteering' fly India should up their 'strategic autonomy' play — or, if you don't want to sound like a total geopolitical has-been — run with the hare and hunt with the hounds. Even getting pally with the US is kosher. On Fox, barks aren't bites, but they are entertaining. Meanwhile, we should quickly flip through Navarro's 1984 book, 'The Policy Game: How Special Interests and Ideologues are Stealing America'. It claims that special interest groups have led the US to 'a point in its history where it cannot grow and prosper'. Our guffaws are sealed.

CURSOR Make GST payments only by e-rupee, tokenisation can achieve total transparency

How to Get Rid of Ghosts



T K Arun

As the GST Council goes about overhauling the tax over the next two days, here are a few suggestions to improve its working.

► **Mandate use of e-rupee, RBI's digital currency, for all GST payments.** According to Govt's response to a question in Parliament, there have been 42,673 instances of input tax credit fraud, worth ₹1,66,241 cr, cumulatively over FY21 and FY22 (up to January for the last fiscal).

Shell companies issue fake invoices for goods and services never actually sold, but claim to have paid GST on the invoiced goods and services, for which the alleged buyer claims input tax credit. The simple way to eliminate such fraud is to put all GST payments on a blockchain.

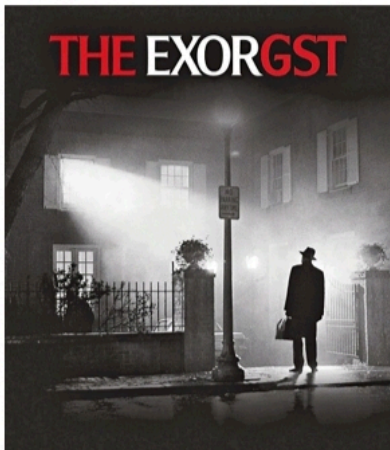
Blockchain have a had rap in India, because of their association with cryptocurrencies, and the holy terror these hold for RBI. If alternative, private currencies are allowed, what would happen to the power of the monetary authority, and its ability to set interest rates and control inflation, employment and/or the exchange rate?

Yes, cryptocurrencies exist on some blockchain or the other. A blockchain is an open ledger distributed across a computer network, each block in the chain authenticated by multiple agents. Blockchains can be used for purposes other than crypto generation and transaction. Blockchains can be — and are — used to establish traceability of inputs that go into processed, packaged food, for example.

Suppose each GST payment is tokenised — the payment record, complete with details as to the sale from whom to whom on which the tax was paid, when it was paid, made into a token that can be stored and tracked on the blockchain. The scope for input tax credit fraud becomes zero. You don't need the e-rupee or its blockchain to create such tokens.

But the e-rupee is on blockchain, and payments made using blockchain can't be lent themselves to being converted into tokens that can't be duplicated. The surest way to achieve total transparency and traceability of GST payments is to make it happen on the blockchain on which the e-rupee operates, and through the e-rupee.

As many as 15 banks offer e-rupee wallets, and the facility of converting bank account holdings to e-rupees and vice-versa, GST amounts can be paid out of the payer's e-rupee wallet to Govt. Making use of the e-rupee to pay GST can do away with the e-way bill too. Tokens on the blockchain make it clear the transported good is being



Devil's in the details

sold by whom to whom, complete with all details.

► **Clearly define luxury or 'sin' consumption.** Property classify a luxury good. It should be distinguished from a premium good. Nobody sells out ₹20 lakh for a Birkin bag from Hermès because it is stiffer than a plain cloth jholi, and relatively easier in which to rummage for an elusive chapstick.

What the customer buys is exclusively a marker of being a cut above hot polid. Superior, or Vebien, goods are defined as goods, the demand for which rises when the price goes up.

Luxury should be narrowly defined in this fashion, to avoid conflating it with premium goods. You might get better coffee, depending on your taste, at an Udupi joint. But you pay ₹5 that price at a coffee chain outlet, because you

Chips Just Got Considerably Higher



Subimal Bhattacharjee

On Tuesday, India's first indigenously developed 32-bit processor chip 'Vikram' was unveiled at Semicon India 2025 in New Delhi. Designed by Vikram Sarabhai Space Centre (VSSC) and fabricated at Intel's Semi Conductor Laboratory (SCL) in Mohali, the chip has been built primarily for satellites and rockets, but its rugged design makes it suitable for other applications like defence systems, advanced automotive systems and high-reliability energy systems as well.

Vikram-32 signals India's entry into a sector that could fundamentally transform its economic landscape and global strategic positioning despite being a late starter.

India's semiconductor market is anticipated to expand from ₹5,20,161 cr (₹52 bn) in 2024 to ₹6,95,134 cr (₹69.5 bn) by 2030, representing a 31% CAGR.

This growth trajectory positions India to gain significant value in a global industry that stimulates ₹7 bn in export activity annually across the world. Economic impact extends beyond market size.

Till date, the Union Cabinet has sanctioned 10 semiconductor projects, with cumulative investment commitments of ₹4,601 to ₹12,211 bn, while nine projects under the Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPSCS) have secured around \$860 mn in proposed investments, and are expected to create over 15,700 jobs nationwide.

India plans to add 1 mn new semiconductor jobs by 2030 to its existing workforce of 2.2 lakh professionals. But these opportunities come at a premium. Each job created in the semiconductor sector costs around ₹1 cr to Govt, compared to ₹68k for housing and ₹12.1 lakh for general manufacturing. This investment intensity underscores the strategic nature of chip manufacturing as a high-value, capital-intensive industry.

The economic logic behind India's semiconductor push is compelling. Integrated circuits (ICs) contributed 86.4% of its semiconductor market revenue in 2024, while internet penetration rate increased by nearly 50% over the previous decade, with the consumer electronics market expected to grow 68% annually from its ₹75 bn base in 2022.

This domestic demand, combined with global supply chain diversification trends, creates a substantial market opportunity. But as important as the hosting centres for the world's top 8 chip companies — provides a foundation



Processors at work at SCL, Mohali

on that emerging manufacturing hubs cannot replicate quickly.

Strategically, semiconductor manufacturing offers India several advantages:

► **Reduces import dependency in a critical tech sector.**

► **Positions India as an alternative to China-centric supply chains,** aligning with global risk-mitigation strategies.

► **Creates high-value jobs and tech capabilities** that can spill over into other industries.

To maximise economic returns, talent development remains critical. The planned expansion from 2.2 lakh to 1.22 mn professionals by 2030 requires massive skills training initiatives. Govt's approach includes partnerships with industry leaders and specialised training programmes.

Supply chain localisation presents another optimisation opportunity. India Electronics and Semiconductor Association (IESA) suggests targeting 25% local value addition by 2025-26 and 40% by 2030. This would significantly enhance economic multipliers and

reduce import dependencies.

Policy consistency is crucial for sustaining investor confidence. Govt's 50% FDI cap on semiconductor manufacturing is demonstrative. But long-term success requires maintaining these incentives across time. Partnerships between semiconductor companies and academia, fostered so that the latest lithography and other manufacturing technology is made easily available to Indian companies under prudent business arrangements, are essential for a sustained push and pull around chip technology.

Presence of top CEOs of the global semiconductor ecosystem and partnerships built in short time provide an indication of interest in India.

India's semiconductor journey reflects a maturing understanding that success requires global integration, rather than autarky. Many of the global partnership approaches being pursued acknowledge different tech strengths.

Leadership in cutting-edge design, Japanese excellence in manufacturing, US semiconductor leadership in design and industrial applications. Global leader Taiwan and largest chip consumer China are, of course, also in this Great Game.

India's semiconductor industry has just begun.

The writer is a commentator on digital policy issues

Let's treat nonprofits as Startups



Tarun Khanna & Varun Aggarwal

Two decades ago, India had few entrepreneurs, little venture capital and scant knowledge in building billion-dollar firms. That changed as state initiatives — digital payments, Startup India, Subsidy for Non-Profit (SINP) — created a mainstay for startups. Today, the nonprofit sector faces similar headwinds: good ideas exist but struggle to scale.

An August 2025 Change Engine report, 'The Playbook for Non-Profit Unicorns', studied over 30 'non-profit unicorns', each of which has impacted more than a million people. These organisations, led by young founders (median age: 36 years), range from providing sound policy input to lawmakers to helping prevent road accidents. Govt's hand is visible in their operations: scaled by working with it, providing the latter with specialised skills and capacity.

Govt can do more and, once again, should step in as a market maker. We have made a beginning through the CSR policy unlocking up to ₹14,000 cr annually for nonprofits. AIM allows

its incubators to fund nonprofits as well. Some ministries provide grants, and Social Stock Exchange (SSE) is still in its fledgling years. Yet, most of this funding is programmatic, funding service delivery, usually insisting on a direct line of sight to a beneficiary, presumably because it makes monitoring easier.

Govt should unlock unrestricted funding to help create nonprofit unicorns. Our data shows that nonprofits need an average of ₹300k cumulatively in the first three years. But as important as the total sum is the way it is allocated. Currently, most funds are accessible via line-item budgeting systems. These are overly restrictive and inflexible for a genuine innovator that must experiment and iterate its way to success. Experimentation cannot ensue without some line of sight to a reserve to fund creativity. This simple learning from the startup ecosystem needs to be applied to nonprofits.

► **Project Deep.** A nonprofit focused on cash transfers, found that bank transfers to women in Maharashtra led to asset creation — housing, livestock, stocks and more. To scale, they learnt to work with state gov-

ernments. Now, they're testing how factors like scheme name, frequency of transfers and timing affect impact.

► **PMIS.** A nonprofit unicorn, began with policy leads for MPs. Its acclaimed Legislative Assistants to MPs (LAMP) programme emerged through iterations shaped by MPs' needs and assistants' experiences.

Since much of this funding is infrastructural, organisational and needs flexibility, we need new policy instruments to unlock it. Here are 3 candidates:

► **Competitive unrestricted grants.** Like Startup India, should be made available for nonprofits through a PoF structure. Here, Govt doesn't directly pick nonprofits but helps seed new upstart nonprofits through PoF grants and provide matching grants to pre-existing performing funds.

Its imprimatur can go a long way in enhancing the credibility of a fund. PoF grants can be used to fund the cash flows of nonprofits through a competitive process. This way, the state will build trust, crowd in unrestricted private money and fuel the ecosystem.

► **CSR rules.** The CSR rules have been strictly interpreted to suggest that the capital

must fund time-bound programmes with well-defined beneficiaries and short-term outcomes. A modification should allow a portion of CSR funding, say up to 25%, to be unrestricted and used for infrastructural expenses and capacity building. It is true that this is harder to monitor, but the trade-off is between excessive monitoring but peddling change, and hard-to-monitor but creative change. We argue for leaning into the latter.

Much impact comes from purpose-driven for-profit organisations. Arvind Eyecare, for instance, performs 8% of India's cataract surgeries at low cost. Equity investment for such organisations has been scarce outside niches like community finance, as the returns do not match internet startups serving the well-heeled. This is a market failure akin to deep tech startups.

Govt can, again, step in as a market maker by providing a capital cushion to so-called impact funds at a discounted rate. Another approach is to provide non-dilutive, concessional debt to fund the cash flows of nonprofits. This will improve equity returns for private investors and make the economics work.

We should make the most of this moment by treating nonprofits as the creative-entrepreneurial efforts they can be, just as commercial startups are.

Khanna is Arjun Pankaj Laxman Professor, Harvard Business School, and Aggarwal is co-founder, Change Engine



THE SPEAKING TREE

Meditation & Thoughts

KV RAGHUPATHI

It is hard to refute the fact that human beings are thinking beings. Nature granted this lovely virtue to humanity during evolution. It is difficult to determine when and how the first thought started in the course of human evolution. Over the course of history, every concept, every religion, every community and every religion has developed its rich culture through thinking. The world has been constructed on top of the vast amount of unquantifiable knowledge that has come from that notion before being put into practice.

Viveka can tell right from wrong. Thoughts that have been recorded as lived experiences and kept in the subconscious mind cannot be erased over time. Similarly, the recorded thoughts are the foundation for furthering new ideas of the present and the future, besides spiritual wisdom. Without the recorded thoughts, no thinking is conceivable. However, beneath the thoughts lie profound silence.

Counter thinking is a form of resistance, and it leads to conflict, which is a waste of energy. In meditation, one fights against one's thoughts and resists them to create space to experience elixir. There is no meditation in such a war zone. On the other hand, meditation is about letting ourselves live with our thoughts without opposing them by being friendly to them and constantly observing them dispassionately. It enhances our ability to make the essential for making life meaningful and beautiful. The essence of life is to live with thoughts with empathy, sympathy and love.



PEAS IN A PODCAST

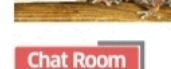
Animals in the Courtroom

For too long, our legal systems have stripped animals of intelligence, agency and presence. This creature has made us cry, or destroy them. Yet, as the ecological crisis deepens, the human-animal divide is neither natural nor tenable.

A new podcast, 'The Courts of the Living', invites us to question the dominant knowledge paradigms that shape our systems, and to consider how it might expand our circle of care. It offers not a complete solution but a starting point to reflect on ecology more than humans.

In episode 1, 'Echoes from the Western Ghats', cognitive ecologist Deyantra Ghosh, assistant professor at Jain University's Centre for Urban Ecology, Biodiversity, Evolution and Climate Change (Cube), discusses the world of animals as a Western Ghats. Ghosh explores the special intelligence of crows, herpetofauna and other beings, and shares her research on conservation behaviour. Her work underscores animal-centric strategies by integrating animal behaviour and cognition into conservation practices, recognising both species and the ecosystem services they sustain.

Listen to the podcast to understand how in today's world, when human-centric approaches are falling short, conservation behaviour can offer a way forward — shaping more trait-based, species-informed strategies for effective ecological outcomes.




K Chandan Kumar

Chat Room

The Forbidden Dragon Fruit

Agropres the Edit, Don't Mistake Snacks for a Meal (Sep 2). PM Narendra Modi's Tianjin trip for the SCO summit might raise eyebrows in Washington, but reading it as India tilting toward China and Russia would be premature — if not plain wrong. Modi's stance was realistic, including a pre-summit stop in Japan and his early exit before China's Victory Day fanfare, signal nuance, not alignment. While India and China remain rivals with a tense border, they're also vital trade partners — especially in clean energy. The optics of camaraderie may be diplomatic choreography, but let's not confuse a handshake with a hug. This isn't a reset, it's realism. India's strategic autonomy remains intact — just dressed in a new suit and tie. K Chandan Kumar, Bengaluru



CONTRAPUNTO

In a word, I was too cowardly to do what I knew to be right, as I had been too cowardly to avoid doing what I knew to be wrong

- CHARLES DICKENS, *Great Expectations*

TALE OF TWO CITIES

If Jarange has 'won', his actions, like farmer protests in Delhi, set this template: got a demand, shut down a city

Yesterday, Maharashtra govt finally negotiated terms for a Jarange climbdown. This is a relief for Mumbai. But how low Mumbai was brought and how fast, remains a worry. Indeed, the city's acute suffering only got actioned after the judiciary stepped into what should have been an obvious job for the executive. To recap, after Jarange and his fellow protesters fractured life and business in large parts of Mumbai beginning Friday, govt response was mostly to just clean up after them. Only thanks to Bombay high court's intervention on Monday did authorities begin to restore order around the designated protest area, Azad Maidan.

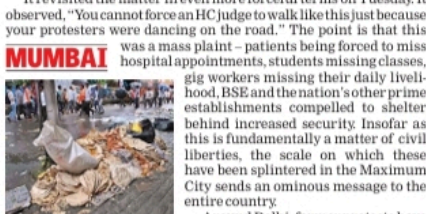
It revisited the matter in even more forceful terms on Tuesday. It observed, "You cannot force an HC judge to walk like this just because your protesters were dancing on the road." The point is that this was a mass plaint – patients being forced to miss hospital appointments, students missing classes, gig workers missing their daily livelihood, BSE and the nation's other prime establishments compelled to shelter behind increased security. Insofar as this is fundamentally a matter of civil liberties, the scale on which these have been splintered in the Maximum City sends an ominous message to the entire country.

Around Delhi, farmer protests have played out in a similar way. Last December, SC said in the context of agitating farmers yet again obstructing highways, "In a democratic setup, you can engage in peaceful protests but do not cause inconvenience to people." Think about how many groups have genuine or imagined grievances in our raucous democracy. The Maratha and farmer protests are partly rooted in economic dysfunction, where there simply hasn't been enough job creation to transition Indians out of agriculture as they want. If Trump's tariffs and temper don't wane, more challenging times lie ahead. If ever India had room to idle any of its economic engines, of which cities are a prime example, it's not right now.

Our cities occupy just 3% of the land and contribute a massive 60% of GDP. Our metropolises are particularly good at introducing opportunities to migrants as much as to locals. But to continue this, a basic social contract has to be respected by all stakeholders. Most importantly, govt cannot allow one protesting group privileges denied to most. Because that creates a template for anarchy. What one set of protesters have wrought on Mumbai this week, another, and yet another may now emulate, in Mumbai or another city.

MUMBAI

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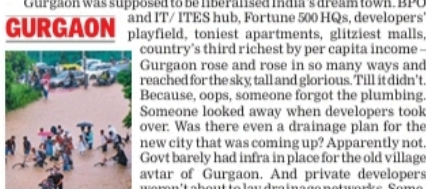


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City many thought would symbolise India's bright future is now an ad for India's worst failings

A rainy day could very well be a Gurgaon resident's worst nightmare. Barely had Delhi's satellite town lamented the breakdown of its municipality's garbage collection system than waterlogging brought the city to near-collapse – an annual recurrence in monsoon. So, in a town where ₹100 or apartments are not uncommon, every monsoon, there'll be videos of traffic at a standstill over long stretches, of cars half-submerged, and stories of commuters spending 5 hours on the road for a few kms ride.



one built roads over existing drains. Someone left old Gurgaon's lakes and ponds be cemented. Pipes laid in later years had sections missing. Someone turned a blind eye as residences and offices encroached over commons. Where will all that rainwater go?

Desilting plans are paper tigers, plastics clog drains, litter piles up. Adding to Gurgaon's woes is the near-total absence of public transport – a crippling deficiency given the ever-expanding residential areas and commercial spaces stretching to Manesar. Local metro network is limited. So, Gurgaon's residents are entirely dependent on private conveyance for even local commute – a far cry from sustainability goals MNCs often profess. Gurgaon, alas, has ended up being the poster city for urban non-planning, of the consequences of govt abdication of duty. Of course, it'll be the same next year.

So, who's straying?

Street dogs make good companions & provoke intense debate

Jug Suraiya

It's a battle red in tooth and claw that makes the furry, fat and it's been escalated to the Supreme Court no less, not once but twice. The hostilities are provoked by India's so-called stray dogs. In that descriptive tag is where the problem lies.

The dogs that inhabit the streets of India are not strays who've strayed in from elsewhere. That term better suits the foreign breeds, like German Shepherds and Labradors, brought into this country by breeders who mate them incestuously for customers who deem exotic and expensive canines to be a status symbol, and think a Great Dane is Shakespeare's Hamlet.

The native Indian street dog is healthier, harderier, more faithful, and friendlier, making for a much better companion than any imported and inbred counterpart. Round them all up and get rid of them any which way you can, says the anti-dog brigade. That's barbaric, contend animal welfare advocates. SC's first order suggested shelters. Some critics asked: Shelters? For dogs? When we can't provide shelters for people who sleep on pavements?

The second order, thankfully, restored the status quo ante.

But disputes continue. One argument is that those most vulnerable to canine attacks are daily-wagers and slum-dwellers who leave their children unattended. The well-off, goes this argument, are safe in gated communities, and can afford the luxury of being kind to strays.

The other argument is that street dogs grow in numbers and become a menace when well-meaning but misguided people feed them. One argument is that well-established food territoriality which must aggressively be protected against perceived intruders, four-legged or two. The counter that SC heard is that strays going unfed is a bigger public safety issue. So, SC has designated feeding zones.

Perhaps, those who feed street dogs on the roadside should extend their magnanimity to accommodate the maxim: Don't give the dog a bone, unless you can also give it a home.

second opinion

Trump & Henry, Don & Pete

When the India-US relationship was shallow, Nixon-Kissinger's bloody-mindedness did limited damage. Today Trump-Navarro-MAGA threaten much greater harm. Distrust on both sides can widen

Seema Sirohi



Columnist based in Washington DC

The optics of Tianjin with the troika of Modi, Putin and Xi standing in a circle was a signal to Washington. But was it received in the right quarters?

Trump's economic and verbal war against India helped manufacture the "extra" bonhomie for the Tianjin show. Whether the rebalancing is real will become clear only with time. Meanwhile, the trainwreck of India-US relations continues with no rescue team in sight.

The crisis is no longer a case of sudden chills that will pass with the season but a collapse of trust that won't mend for years. It's more like a 1971 moment when Nixon sent the Seventh Fleet to threaten war with India on Pakistan's behalf, while ignoring the genocide in East Pakistan. The resulting pro-Pak "tilt" lasted decades, spawning a multi-generational distrust of US in India. Substitute glibstout diplomacy of those days with the intense tariff-sanctions pressure of today and Peter Navarro seems as bloody-minded as Henry Kissinger and Trump as hellbent as Richard Nixon in cornering India. If Nixon went to great lengths "not to do anything to complicate the situation for President Yahya (Khan)" and reward Pakistan for facilitating the opening to China, Trump seems engaged in a similar venture to remake the global architecture with a side play for a Nobel peace prize.

India survived Kissinger's devious diplomacy to alter the balance of power – a US-China alignment against the Soviets. Pakistan, the secret channel, was handsomely paid and protected as it went on to build its nuclear programme and gestate terrorists under cover of the Afghan war. China and Pakistan were in a good strategic spot then as they are now.

India was sidelined. There was no Indian diaspora to speak of and few real threads connecting India and America. India's economy was largely closed. It was a

different time – Pakistan was in the US camp while India had signed a "friendship treaty" with the Soviets to avoid being a friendless victim in the great game.

Since there wasn't much depth to Indo-US relations, the damage was easier to repair. The relationship continued at a basic level. US stayed away from mediating in Kashmir barring a couple of bouts of adventurism. It recognised India's redlines and didn't pay too much attention to Delhi.

This time there's an entire infrastructure of

Trump wants a deal with China, Russia is arguably tighter with China than with India. And if US efforts to force an end to Putin's war in Ukraine succeed, India risks being left further isolated.

A weaker Russia, a stronger China and a mercurial US is not a triangle that favours India no matter how sweet the sounds from Tianjin. During the Cold War, neither superpower claimed Indian territory, the superpower-in-waiting does. And it already has a strong presence in countries neighbouring India.

Navarro and co only make China's task easier by adding daily fuel to the fire consuming the India relationship. US Congress has stayed largely quiet save a few statements. Indian American members of Congress have said little or nothing as they watch the destruction. The India Caucus has made no statement. The Indian diaspora is in hiding, the business lobby with stakes in India is MIA.

Why? Because they are afraid. No one wants to get in front of the anti-immigrant vitriol pouring out of the MAGA world lest they become a target. Angry against Indians as job stealers and visa manipulators has risen in the wake of Trump's tariff war. Virulent social media posts by prominent MAGA actors show by now. Today it's calling for an end to H-1B visas, tomorrow it could be something worse. Foreign students – "Indians" since they are the largest group – will face new visa restrictions.

The people-people bridge is being shaken. It's like the US economy got no benefit from the toll and trouble of Indians and Indian Americans. On the other side, student anti-Americanism on the rise. From doing "havana" for Trump's govt health, some are making his "effigy". He is seen as a bully and a betrayer.

From the sky being no limit to US-India Friendship (to quote Modi) and this being "the most consequential partnership" (to quote Biden to Navarro), investors and Trump's insults, the buzzkill will last for years. India will survive, strategic autonomy and all, as is that other policy U-turns. It may use Tianjin-type gatherings for help but they too contain traps.



friendship to destroy, after 25 years of a steadily expanding relationship. And as they say, greater the height, harder the fall. The psychological damage will endure. Apart from hot takes against America on X, a deeper distrust could set in within the Indian establishment, limiting engagement and opportunities both.

New Delhi will show it has options – some old, some new. So far it has done so without denying the need for good relations with US. Interestingly, Trump's hub has personally criticised Modi, which some see as a ray of hope. But without real engagement between the two, that might just be grasping at straws.

The only person smiling in the global ballroom is Xi.

Who & Why Of The Siege Of SoBo & What's Next

Jarange wanted all Marathas declared Kunbis. Govt says it'll have an answer in two months. As the Maratha quota stir's play-pause-repeat cycle hits pause, a lowdown on Maratha-Kunbi dynamics

Prabodhan Pol and Sumeet Mhaskar



Even in 2023, Shinde govt had assumed that Marathas with documents that connect them to 'Nizam-era' – Telangana recognises Marathas as OBC – would receive Kunbi caste certificates. This time too, Jarange has been assured of govt's intention. But it's a complex one.

Marathas and Kunbis aren't identical communities. Kunbis enjoy OBC status and reservation benefits, so Marathas seek to claim Kunbi lineage to access these advantages in Maharashtra. The Maratha claim to a ritually 'lower' shudra social status to access a tiny proportion of public jobs and higher educational opportunities. This, despite the fact that Marathas have benefited immensely from the 10% EWS quota.

Marathas are a dominant caste | Beneath the labels lie intricate memories and fiercely contested claims. Implications extend beyond Maharashtra's borders since Patidars in Gujarat, Jats in Haryana, Kapus in Andhra and Vokkaligas in Karnataka have been fighting similar battles, all politically powerful castes facing similar community pressures.

Economically vulnerable sections within these communities press for OBC status. These campaigns may appear straightforward pleas for quotas, but they actually reopen deep disputes rooted in history and caste politics of modern India.

The Maratha-Kunbi debate represents part of a broader national pattern in which historically dominant castes seek strategic repositioning within India's reservation framework. These battles raise fundamental questions about caste identities, social mobility and widespread misunderstandings about the factual purposes of affirmative action.

Who Marathas & Kunbis were | In precolonial times, Maratha identity remained remarkably fluid and inclusive. It encompassed diverse warrior groups, cultivators and local elites bound more by service to the Maratha polity than by rigid caste hierarchies.

In 17th and 18th centuries, Maratha state comprised

administrative elites, landed gentry and peasant networks that collectively shaped western India's society politics and economy.

Historians have consistently noted that 'Kunbi' was not an endogenous sub-caste but functioned as a broad occupational label for land cultivators. Some families within peasant communities gradually adopted Maratha styling, indicating that the boundaries between Kunbi and Maratha identities were continually blurred.

Identities begin to separate | Affluent families invested in genealogies that linked them to Rajputs, thereby consolidating Maratha claims as 'authentic' Kshatriyas.

By late 19th century, ordinary Kunbi households accepted their Shudra status. While Kunbis were socially and economically disadvantaged, they were not oppressed in the same manner as the 'untouchable' castes.



Marathas gain political life | The 'Maratha' label acquired new dimensions in the late 19th and early 20th centuries through colonial censuses, the 1919 Government of India Act and non-Brahmin political mobilisations.

Records from this period mark the beginning of formal differentiation between Marathas and Kunbis. Following appeals from Maratha groups, substantial numbers of Kunbis registered themselves as Marathas in the 1921 and 1931 colonial censuses.

Kunbi communities adopted the Maratha identity to access resources and social honour. Over time, many Kunbi households embraced Maratha cultural markers and expanded their influence, reflecting notable porosity

between these groups. These transformations increased the Maratha identity's political weight and reshaped local hierarchies, endowing emergent identities with new political significance.

Non-Brahmin politics and electoral opportunities expanded claims to political representation. Consequently, 'Maratha' became not merely a cultural but a central political category.

From the late 1940s through the early 1960s, Marathas established decisive control over regional politics. This marked the beginning of a boundary closure between Marathas and Kunbis, reflected in the stark political and economic power differentials that emerged between these communities.

Marathas' claim of Kunbi origins | Inclusion of Kunbis in the OBC list highlighted their socially and educationally disadvantaged position. On the other hand, since the 1950s, Maratha demands for inclusion in the OBC list have been consistently rejected due to their inability to demonstrate social and educational backwardness.

Today's Maratha protesters rely heavily on colonial gazetteers, census records, and administrative documents to argue for Maratha-Kunbi equivalence – hence the Padma's govt's assurance yesterday to Jarange of a GR to implement the Hyderabad gazette (1918) – Marathwada then was under Hyderabad. While historical records provide some support for their case, the current demand to treat all Marathas as 'Kunbi' represents a selective interpretation of complex history.

This approach overlooks the fact that from the mid-20th century to the present, the Marathas have exerted phenomenal control over regional politics, economy and society. While Kunbis too hold an influential position, it is limited to specific areas of the state. Moreover, besides Kunbis, there are more than 200 castes that are part of the OBC list that are extremely disadvantaged compared to the Marathas.

The courts, too, have noted that granting blanket Kunbi certificates to all Marathas would constitute a "social absurdity." Maratha reservation may have originated for claiming a share in scarce jobs and education. However, its present avatar seeks to usurp the political space occupied by the OBC community.

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Calvin & Hobbes



Sacred space



The power that created you has created the world. If it can take care of you, it can, similarly, take care of the world.

Ramana Maharshi

Photosynthetic Governance For A Live Planet

Vir Singh

The axis of our existence is whoppingly long: 149,597,870,700 meters, or 149,597,871 km. It has its roots in Earth and canopies onto the Sun's surface. Energy flows from the solar surface, and our biomolecules are energised. That is the essence of our existence. However, our energy, spiritual, connect with the Sun is not direct; the energy in light produced by the Sun is infused into us via a phenomenon called photosynthesis. Should there be no photosynthesis by chlorophyll-containing plants, there is no question of our existence.

This is true not only about us, the human beings. This is true of most of the biosphere. Almost all terrestrial life and most oceanic life exist, prevail, and are sustained through photosynthesis. Planet Earth is the living planet – the only one we know – thanks to the phenomenon of photosynthesis. Other planets in the cosmos are also bathed in light, but they

do not support life because they lack the phenomenon of photosynthesis. This phenomenon prevails on Earth, weaving life in diverse forms through various biomes, ecosystems, and species, making the planet resonate with life.

Life is organic. The rest of the cosmos, as we know it, is inorganic. It is only through photosynthesis that inorganic compounds are transformed into organic compounds. About 90% of Earth's biomass is produced through photosynthesis. Only green plants, algae and some chlorophyll-containing microorganisms, like cyanobacteria and microalgae, are empowered to transform sunlight into life. It is thanks to photosynthesis that our Earth is an oasis in the cosmos, a place we call 'Blue Beauty'.

Forests on Earth generate 40-60% of terrestrial precipitation through transpiration. Fixing atmospheric

carbon into life, photosynthesis strikes a balance in the atmosphere and regulates Earth's climate system.

Our contemporary world is cursed by gradual warming, resulting in the breakdown of its climate cycle. In times of unprecedented challenges, photosynthesis remains the last hope to reduce and halt global warming processes and heal the planet, which is being torn apart by life-annihilating climate change. Our self-healing is impossible without the simultaneous healing of our planet. Photosynthesis assures the healing of both.

Photosynthesising organisms establish a bridge between inorganic cosmos and organic biosphere and keep distilling life out of light, choosing only two matters from the Earth: carbon dioxide and water. Photosynthesis is a cosmic phenomenon. Wherever photosynthesis prevails, life must inevitably prevail. It is the first and

foremost phenomenon to fertilise the universe with life. Photosynthesis, in essence, is a spiritual phenomenon through which light transcends into the spirit of life. If we wish to colonise an extraterrestrial planet, that would be possible by creating an environmental conditions conducive to photosynthesis.

Photosynthesis is the foundation of life on Earth. It also serves as the basis of our food and nutrition security. All our vegetarian foods are produced through the process of photosynthesis. The greater the photosynthetic efficiency of our agricultural crops, the stronger the basis of our food and nutrition security. To effectively manage and monitor our holistic progress, we need to establish ecological banks, such as Photosynthetic Reserve Banks. Such development emanating from policies guided by the core laws of nature, are not only necessary but also imperative for ushering in a healthy, vibrant, promising, sustainable, and happy future.



THE SPEAKING TREE

Opinion

WEDNESDAY, SEPTEMBER 3, 2025

More wafer work

India needs to move fast beyond the back end to become a full-stack semiconductor nation

INDIA'S SEMICONDUCTOR AMBITIONS took a big leap forward last week when CG Semi—a Murugappa Group subsidiary—announced that it would roll out the first Made-in-India chip by the end of the year. The announcement came just days after the Union Cabinet approved four semiconductor projects, taking the total number of approved chip manufacturing facilities in India to 10, including the Tata Group's partnership with Taiwan's Powerchip Semiconductor Manufacturing Corp to make mature chips. The latest approvals push up the projected investments in semiconductor projects to about ₹1.6 lakh crore across six states. Many might, with some justification, argue that the investment and the ambition is just too small to make any significant impact, but at least it's a good beginning after decades of missed opportunities. It's also encouraging that the government is giving final shape to the second phase of the India Semiconductor Mission (ISM), with most of the fiscal support earmarked under the first phase already committed. At the Semicon India 2025 on Tuesday, Prime Minister Narendra Modi gave it the necessary urgency by saying what the country now needs is "less paperwork and more wafer work".

It's important that India moves fast beyond the back end to become a full-stack semiconductor nation as the stakes are extraordinarily high. These tiny chips are the foundation for critical technologies like artificial intelligence (AI), quantum computing, and renewable energy. But the geopolitical shocks of the Covid-19 pandemic and the Ukraine conflict exposed vulnerabilities in the global semiconductor supply chain, dominated by a few nations like Taiwan, South Korea, China, and the US. The growing protectionism and weaponisation of chip trade by countries such as the US has only heightened this concern.

India's push for local manufacturing and design is thus both a strategic and economic response to reduce reliance on such concentrated geographies. The good news is that the money has already been committed to a host of projects and disbursements have begun. With all projects put together, including the ones states have cleared, India will have the capacity to produce 95 million chips per day, which is a good start. With the global market touching over \$100 billion by 2030, India is expected to account for 8-10% of the estimated \$1-trillion global chip sales.

However, in terms of producing wafers in fabrication plants, a lot of ground needs to be covered. Most countries are working on building them domestically. Many are offering mega subsidies to attract big fabrication players. Between the US, China, European Union, Japan, South Korea, and Taiwan, these subsidies account for over \$388 billion. While India has only one mega fab plant under construction, China has 44, Japan 12, Taiwan 14, Europe 10, and the US 15. There is no doubt that India is tilted too much towards out-sourced semiconductor assembly and test (OSAT), and assembly, testing, marking, and packaging (ATMP) plants, for which over seven projects have been cleared. The other aspect requiring attention is that India faces a significant semiconductor skill shortage, with projections showing a need for potentially over 500,000 to one million professionals by 2030. While the country aims to meet this demand through initiatives like the Skill India Semiconductor Programme, there is an urgent need for faster upskilling through partnerships between industry, academia, and government. India is a late entrant to the semiconductor party, so the road ahead is certainly not easy.

How can an economy this good feel this bad?

ON PAPER, THESE are good times for the US economy. The latest GDP numbers show growth at 3.3% in the second quarter. Business investment is up. The unemployment rate remains low, and the inflation rate is reasonable. Still, underneath it all lies a nagging question: If the economy is so good, why does it feel so bad? First, the numbers. Nominal GDP has grown more than 50% since the bottom of the last recession in 2020—an annualised quarterly growth rate that's more than 7%. Real median wages are up 3% since 2022, after failing to keep up with inflation in previous years. Unemployment has remained at about 4.5% since 2021—and for much of that time, there was a worker shortage and a labour market that was very dynamic. Oh yeah, and there's the stock market: The S&P 500 is up more than 140% from the end of the recession. Finally, American consumers went into this boom in good shape, with high savings and healthy credit. It's all good, right? And yet, this boom has always felt kind of terrible. For years, there has been a lot of chatter about how bad things were—remember the "vibecession" of 2022? This just might be the worst best boom ever.

Certain things have made this boom different from all other booms. First was the return of inflation. After being dormant for nearly 40 years, inflation came roaring back in 2021. In the first few years of the boom, many Americans did experience a real wage cut—and even now, real wages are not as high as they were in 2020. Inflation may be lower now, but it's still higher than what Americans were used to, and the price levels are higher. Inflation also introduces more uncertainty. At first, people expected inflation would end in a recession, because that's normally what happens—either from the Federal Reserve increasing rates or from inflation itself causing harm. But inflation went down and the recession never came.

But what about that uncertainty? It's not only because of inflation. Some of it stems from big structural changes in the economy—and all of it being equal, uncertainty makes people feel worse off. AI has emerged as a new force in the economy, increasing the value of the stock market but changing the nature of work and threatening to eliminate jobs. The introduction of tariffs and the transformation of the global trading order could increase prices and make the economy less stable. Then there is the natural human bias to be negative. Throughout this boom, surveys have shown that people feel good about their own economic situation, but view the overall economy as terrible. There is also a political layer, with more Americans viewing the economy through a partisan lens. If their preferred party is not in power, they tend to have less confidence in the economy.

Finally, there are some legitimately bad numbers—as any economist can tell you, there is always bad news if you know where to look. Long-term interest rates are higher (and, I might add, they're not coming down). There are signs of rising inflation and a worsening labour market. Young men, especially recent college graduates, aren't finding jobs, and fewer firms are hiring. Housing affordability is a big problem, especially with higher interest rates, and the housing shortage makes the economy less resilient and dynamic. Some investors are concerned that this booming stock market is starting to look frothy, and there are debt vulnerabilities brewing in the financial sector. Consumers have mostly spent all the stimulus money they got during the pandemic and are starting to get back into debt. Defaults are rising.

These could all be signs that a recession is coming. Also, to state the obvious, it is impossible to know what the future holds. One thing economists do know is that booms don't die of old age—it's usually a homicide, in the form of a big economic shock, often in debt markets. The current state of the economy can't predict if a shock is coming, but it's a good indicator of whether a shock can be tolerated. And the current US economy, while still booming, is looking more vulnerable than it did a few years ago. This has been a legitimately strange boom. It felt bad initially because inflation did some economic damage, and it feels bad now because some important indicators are getting worse. But none of this means the US is heading for a recession, never mind a depression. It may be that the US economy is coalescing around a new normal, with higher inflation and interest rates, and that just feels weird.



ALLISON SCHRAGER

Bloomberg



STRONG FOUNDATION

Union finance minister Nirmala Sitharaman

Even in these challenging times, India's economic fundamentals remain resilient and continues to be one of the fastest growing major economies.

MOBILISING CAPITAL

A VIKSIT BHARAT INFRASTRUCTURE DEVELOPMENT ACT COULD CODIFY KEY PRINCIPLES ON CONTRACT, LAND USE

Ensuring infra momentum

AMIT KAPOOR AMITABH KANT

Respectively chair, Institute for Competitiveness, and former G20 Sherpa & CEO, NITI Aayog



market or demand significantly higher return. The cost of capital will rise. The pool of risk-taking capital will shrink. This affects not only the major national projects but also municipal and state-level infrastructure, where project structuring is often more fragile. Projects such as the upcoming Jewar airport where long-term revenue projections and land-based concessions are central to financial closure could experience investor caution if the legal treatment of user fees remains unsettled.

Adding to the complexity is a lack of alignment in judicial interpretations on the treatment of PPP contracts. Just weeks after the *NTBCL* ruling, in February, a different bench of the Supreme Court delivered a verdict in *Racing Promotions Pvt. Ltd. v. Dr. Harish & Ors*, holding that PPP contractual arrangements fall outside the scope of public interest litigation (PIL) scrutiny. This judgment recognised the evolution of economic policy towards public-private collaboration and reaffirmed that courts should not interfere with commercial agreements under PIL. The juxtaposition of these two rulings within weeks of each other has created a situation where fundamental questions around legal risk in PPP projects remain unresolved. This divergence in interpretations, though reflective of the evolving legal discourse, has introduced new considerations for risk assessment in PPP financing. For lenders, developers,

and policymakers alike, the uncertainty underscores the need for predictable jurisprudence, consistent regulatory guidance, and clear contractual frameworks that reduce ambiguity and reassure investors of long-term stability. It also complicates the task for institutions like the National Highways Authority of India, Airports Authority of India, or urban development authorities looking to attract private capital for long-gestation projects. In the absence of a clear and consistent legal baseline, private investors may increasingly seek judicial pre-clearance.

What, then, might a forward-looking response look like? One possibility is legislative. Dedicated law under the banner of a Viksit Bharat Infrastructure Development Act could codify key principles around contract enforcement, land use, and revenue mechanisms. Such a statute could also embed transparent dispute resolution mechanisms, define the respective roles of the Centre and states, and create predictable norms for risk-sharing that reduce transaction costs for both public and private partners. This would not diminish judicial scrutiny, but it would provide a clear framework within which such scrutiny can operate. Another option is procedural innovation. The Supreme Court could consider setting up a mechanism akin to an "advance ruling" process for PPP concessions, just as advance tax rulings offer legal clarity for

The NTBCL ruling may be a single node in a complex system, but it has lit up the vulnerabilities that exist within

investors, such a mechanism could ensure that large, long-term PPP contracts are vetted at the outset for legal and public policy alignment. This would insulate projects against litigation risk but may require careful balancing to avoid project delays. In practice, such conditional vetting would operate less as a barrier and more as an enabling device, offering reassurance upfront while still allowing judicial review if fundamental concerns arise later. Meanwhile, project developers and lenders could begin including conditional clauses that require the contracting authority to obtain judicial confirmation that the concession is aligned with public interest, if such doubts persist.

Ultimately, moving towards greater coherence may require deliberation at the judicial level. The Union of India may consider seeking a review of the *NTBCL* judgment and request that it be referred to a larger bench for clarity. Pending such review, temporary measures could be considered to minimise uncertainty and allow for informed stakeholder engagement. None of these solutions are quick fixes but they are necessary if India is to maintain its momentum as a destination for infrastructure capital. With rising interest in logistics, urban mobility, clean energy, and digital infrastructure, the country stands at a moment of immense opportunity. Yet this moment demands that its institutional machinery, especially legal and financial, operate in coordination and work in close synchrony, ensuring predictability, stability, and confidence for all stakeholders. The *NTBCL* ruling may be a single node in a complex system, but it has lit up the vulnerabilities that exist within. Whether India can close those gaps through law, practice, and institutional design will determine whether its infrastructure ambitions remain bankable. Investors are watching, and so are the projects yet to be built.

Series continues

Signs of Himalayan thaw

N CHANDRA MOHAN

The writer is an economics and business correspondent based in New Delhi



INDIA'S EFFORTS to repair ties with China—that have been in deep freeze after a deadly border clash five years ago—are part of its larger diplomatic drive to rearrange its great power relations. Although India's foreign policy has been increasingly aligned with that of the West, especially the US, it also has strategic relationships with major powers like Russia in a multipolar world. This delicate balancing act is now under pressure due to the upending of a rules-based international order by US President Donald Trump. The world is fragmenting along geopolitical lines, broadly into US and Sino-centric blocs. At a time when its relations with Washington are under severe stress, New Delhi seeks to reset its relations with Beijing.

To be sure, India has limited geopolitical options in this regard. The rapprochement with China is constrained by serious concerns about the security of its northern flank, with 50,000 well-armed troops amassed on both sides of the border. The US is exerting pressure on India to stop purchasing Russian oil, which risks antagonising its Moscow. But what happens to these historical ties if there is a deal with the US that enables Russia to return to the international mainstream? A grand bargain between Washington and Beijing also cannot be ruled out. As India is no more a swing state, it must salvage its strategic partnership with the US while also normalising ties with China.

The US, China, Russia, and India constitute "four moving parts of a quadrilateral geopolitical system," according to former diplomat Pankaj Saran. Bilateral interactions between each affect their relations with the other, while each bilateral relationship is impacted by developments in the other relationships, he added. With all these bilateral relationships in flux due to the disruption in the global order, India must fashion independent relationships with all the major powers. Not surprisingly, when Indian Prime Minister Narendra Modi recently met Chinese Premier Xi Jinping in Tianjin, he noted that both countries pursue strategic autonomy and their relations should not be seen through a third-country lens.

What then are the prospects of the elephant dancing with the dragon? At Tianjin, there was more than a handshake between Modi and Xi as a semblance of peace and tranquillity has returned to the border. This had a lot to do with the processes set in motion when they met at a BRICS summit in Kazan last October. They talked their special representatives to oversee border management. As a result, India's National Security Advisor Ajit Doval and his Chinese counterpart Wang Yi held two rounds of discussions during the last nine months.

The continuing border stand-off must end through de-escalation and de-induction of troops for a sustainable improvement in the Sino-Indian economic relationship

Wang also met India's external affairs minister and the PM. Modi noted the progress on this front that after de-escalation, "an atmosphere of peace and stability is now in place". But the border situation remains fragile despite welcome signs of disengagement of troops on friction points in eastern Ladakh. The process of de-escalation and de-induction is still some distance away. India has to remain on high alert as China has rapidly built up infrastructure along the entire line of actual control; as a result, its troops can pull back 100-150 km and then return swiftly in two-three hours, which cannot be done by our forces. The border question is an important point of difference between India and China. While New Delhi considers quiet borders and restoring conditions to how they were before 2020 as a precondition for normalisation, Beijing feels this dispute should not define the overall bilateral relationship.

Unfortunately, there are no easy solutions to the fraught border situation. Over the long haul, it can only be resolved by narrowing the economic power differential between India and China. Although India is the world's fifth largest economy, China is six times larger as the second largest economy. This is reflected in relative military

strength, with India in a disadvantageous position to resolve the issue through force. Look no further than the huge military parade in Beijing on Wednesday—to celebrate the 80th anniversary of victory over Japan—that will showcase the latest hypersonic and strategic missiles, tanks, and uncured weapons. India must steadily build up its economy through rapid growth to narrow this differential.

How then can ties be normal when China recognises India only as a weaker neighbour? India has not succeeded in imposing severe economic costs on the dragon for its border transgressions. China continues to find a way around existing restrictions in investing in India. B&B Electronics and Haier made investments of \$230 million and \$120 million in January and March, according to American Enterprise Institute's China global investment tracker. With a trade deficit of \$99.2 billion, India's dependence on the dragon appears more akin to a third-world country that exports raw materials while importing manufactured goods from the mainland. China has used coercive economic measures to block shipments of rare earths, fertilisers, and tunnelling equipment; it has also withdrawn its technicians involved in iPhone assembly in the country. Negotiating a mutually advantageous deal—rather than a one-sided one—is highly challenging despite signs of a Himalayan thaw.

Views are personal

LETTERS TO THE EDITOR

Dragon-elephant tango

The two-day Shanghai Cooperation Organisation (SCO) summit in Tianjin, China, concluded with a glimpse into a more multilateral world where sovereign nations are treated as equals, breaking away from the West-led, Eurocentric model that has prevailed since the end of World War II. The West may regard the SCO as a distant regional security organisation without great influence, but

Washington's disorder and the chaos in global trade spread by President Donald Trump's tariff tantrums led to the SCO summit facilitating a major geopolitical shift. However, our outreach to Beijing should be tactical and informed by the differences and convergences with China. There could be conflict of interest involving the two powers in many areas and in China's friendship with Pakistan, India should therefore tread with caution. —Gregory Fernandes, Mumbai

Flight of FPIs amid uncertainties

Apropos of "The FPI flight" (FE, September 2), foreign portfolio investors (FPIs) are selling Indian equities and moving to markets like China, Vietnam, and Indonesia. This is specifically due to the high pricing of equities with heavy premium and slow corporate earnings growth. The ancillary reasons are interest rate hike by the US Federal Reserve, leading to

higher bond yields for investors coupled with strengthening of the dollar. Adding fuel to the fire, the US tariff on Indian exports has reduced optimism of FPIs in Indian equities. Though India is seeing resilient economic growth with sectors opportunities to invest in and strong economic fundamentals, the lure for migrating FPIs appears uncertain. —NR Nagarajan, Sivakasi

Write to us at letters@expressindia.com

DECCAN Chronicle

3 SEPTEMBER 2025

Give voters of Bihar a fair chance to get back on rolls

The voters who have been unlawfully left out of the Bihar poll rolls have been given another opportunity to get back their right to vote in time. After much toing and froing, the Election Commission, whose credibility was fast eroding in the wake of the disclosure that around 65 lakh voters had been left out, appears to have redeemed itself somewhat in offering to keep admitting eligible voters if they apply, with acceptable documents, before the last date of nominations to the Assembly elections.

The September 1 deadline has gone the way of many such closing dates that have been announced in various segments in the typical Indian fashion of more time being given for some exercise to be completed in the public sphere. But the voters of Bihar left out unfairly can feel relieved as they stand a chance of being able to exercise their franchise, which is their fundamental right provided, of course, that they conform to regulations.

Given the quantum of omission of voters for various reasons, principally because they may not have been in residence at the time of the Special Intensive Revision exercise in largely rural Bihar, the EC will still have to do a rushed job to complete the rolls which, by no stretch of imagination, can be even close to 100 per cent clean. However, the SIR exercise appears to have been flawed, intentionally or otherwise, considering that only 33,000 claims had come in before the September 1 deadline for re-inclusion in the rolls of 65 lakh voters omitted.

Having dragged its feet over the issue despite voluble objections and displayed a pedantic face amid vilification by political parties about an exercise carried out so close to the polls, the EC has now to play catch up to ensure that the poll rolls are revised in the light of claims that may be made between now and the last date of nominations. The EC may never recover all its credibility of conducting the world's largest polls fairly, but the least it can do is to take corrective measures to redress genuine grievances even in this late hour.

The question of the Aadhaar card being a valid standalone document for re-inclusion in the rolls is still imprecise. The larger question of whether the Aadhaar card is standalone proof of citizenship for a voter to be included in the Bihar voter list prepared after SIR has been answered in the negative by the Supreme Court. This means that many of the 65 lakh voters may not have ready redress.

The time may have come for issues such as the Aadhaar card not being standalone proof of citizenship to be examined for its legality once again by the highest court so that future polls can be conducted in a fairer way with Indian citizens alone eligible to vote. However, the porous Aadhaar card system that sports more holes than Swiss cheese would have to undergo an even greater special intensive revision than the Bihar poll rolls if they are to be credible as proof of identity itself, leave alone citizenship.

The question is whether the EC will have its lesson from the Bihar poll rolls contretemps which did, however, raise a doubt over where a person can expect to vote — the place of origin where he/she may have entered the electoral rolls or place of normal residence that could be anywhere else. But, of those things later, as the conduct of Bihar polls is now in prime focus.

Get ready for heavier monsoons

The India Meteorological Department's forecast for September suggests that most regions of the country — barring some areas that depend on the northeast monsoon and pockets of rain in the north and northeastern India — will receive normal to above-normal rainfall.

Over the past three months, the southwest monsoon has already triggered several disasters caused by cloudbursts and flooding in many parts of the country. Heavy rainfall may continue to trigger landslides and flash floods in Uttarakhand during September.

India received 743.1 mm of rainfall between June 1 and August 31, which is about six per cent above the long-period average of 700.7 mm. For September, the IMD forecasts nine per cent more rainfall than the long-period average of 167.9 mm.


Historical data suggest a slight upward trend in September precipitation since 1960, except in the years 1986, 1991, 2001, 2004, 2010, 2015, and 2019. This is consistent with the series of extreme weather events the world has been witnessing due to climate change — a trend India alone cannot reverse.

Nevertheless, India cannot remain passive as flash floods and cloudbursts continue to claim hundreds of lives. The solution, therefore, lies in adaptation. People cannot expect to live their lives exactly as their ancestors did. The government should appoint a team of experts to suggest measures that will make the country monsoon-ready.

Since the Himalayan states have been bearing the brunt of cloudbursts, the government should regulate human activity on hillslopes and prevent blockages to the natural flow of water to reduce flash floods. In cities, particularly those in plateau regions that were developed without scientific planning, authorities should consider building in-situ underground rainwater harvesting tanks to mitigate urban flooding.

Nature has always been more powerful than humans, who have historically survived by humbly adapting to it. It is time for another reset in human behaviour.

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John J. Kennedy

Will HECI reform higher education in India, or simply regig status quo?

The Higher Education Commission of India marks a pivotal juncture in India's higher education reform, promising to streamline governance by replacing fragmented oversight with a singular regulatory authority. As envisaged, HECI will subsume the University Grants Commission, the All-India Council for Technical Education, and the National Council for Teacher Education to create a unified framework aligned with the National Education Policy (NEP) 2020. Its stated focus aims to ensure academic quality, set robust standards for teaching and research, streamline accreditation and foster institutions that meet global standards. While the government's rhetoric of "less government, more governance" resonates widely, this initiative must be evaluated against decades. The historical reality of duplicated regulators — UGC for non-technical institutions, AICTE for technical colleges and NCTE for teacher education — has led to overlapping functions, duplicative standards and bureaucratic inertia. The government's consolidation seeks to establish distinct verticals for regulation, accreditation, funding and academic standards, with the hope that separating these will reduce conflicts of interest, simplify compliance, and incentivise innovation and efficiency. A significant change with HECI is its much wider enforcement authority compared to the UGC, includ-

ing the power to penalise defaulting institutions with fines or even closure. This expansion of powers signals a departure from earlier regulatory limitations, giving the commission unprecedented sway over institutional compliance and accountability. The plan further envisages HECI conducting annual evaluations of all institutions, a task critics warn may be impractical given the sheer number of universities and colleges across India. The model of mandatory authorisation for both new and existing institutions rekindles anxieties about bureaucratic bottlenecks, especially as the power to withdraw authorisation and close institutions looms large. Though the intent is to foster excellence, independent review mechanisms and checks and balances remain ill-defined, raising transparency and due process concerns. These include risks for marginalised, rural, minority and resource-poor institutions, where regulatory compliance could inadvertently become a barrier to survival. Thus, the so-called "light, but tight" regulatory approach promised is quite ambiguous in practice. The structure of HECI, too, has raised valid concerns. Its composition is heavily weighted toward Union government officials, with only a minority of academics and industry representatives included. While the discourse promises greater institutional autonomy, the reality is a commission dominated by government appointees in key positions and sec-

retorial roles. The ministry of education retains critical grant powers and all major decisions — including authorisation or closing institutions — are ultimately subject to government approval. In tandem with these powers, HECI will set eligibility criteria for university leaders and introduce performance-based incentives for staff. But there is worry that these mechanisms may fuel ritual self-reporting and administrative burden, with the risk that governance will prize compliance over creative adaptation. Moreover, the Centrally-constructed HECI paradigm raises pressing questions about India's federal structure. Higher education in India has historically thrived on cooperative participation, with states shaping curricular priorities and governance models to reflect regional needs. HECI's sweeping mandate extends control over both Central and state institutions, potentially curtailing local innovation, contextual priorities and linguistic-cultural diversity. Critics argue that this centralisation not only threatens the organic evolution of regional higher education landscapes but also risks reducing states to peripheral actors; a national template devised in New Delhi could be imposed uniformly across diverse institutions, stifling the "multiple development pathways" essential for meeting India's unique challenges of inequality, access and relevance. In addition, the loss of influence over standards, appointments and programme direction for state govern-

ments and universities raises prospects for conflicts. Importantly, HECI's framework is silent on equity safeguards — the inclusion of marginalised groups, affirmative action and reservations sit outside the bill's primary focus. The commission is expected to accelerate the ongoing trend toward privatisation and centralisation. This process may inadvertently make higher education less accessible and more expensive, particularly for rural and economically disadvantaged students. While progressive in principle, the shift to performance-based funding could reinforce advantages for powerful institutions and leave laggards worse off. Political appointees presiding over universities could further diminish academic self-governance and increase federal control, amplifying the risk that political interference will compromise transparency. Another area of concern raised by critics but absent in the current framework is the potential de-emphasis on the Humanities and Social Sciences. In the rush for standardisation and efficiency, there's a real danger of diminishing the critical thinking spaces that these disciplines foster, threatening the intellectual vibrancy that is central to a healthy university ecosystem. The writer is retired professor and former dean of the School of Arts and Humanities at Christ University in Bengaluru

Subhani



Trump effect: Will Modi's Xi-Put in outreach work?



K.C. Singh

The two-day Tianjin summit of the Shanghai Cooperation Organisation was held on August 31 and September 1. Prime Minister Narendra Modi visited China for the first time in seven years. It followed strained India-US relations, due to America's punitive tariffs on India for buying Russian oil.

The organisation was founded in 2001. India got observer status in 2005 and full membership in 2017. Interestingly, Pakistan was inducted alongside India and China. The SCO membership enabled India to register its views and safeguard its interests in an organisation bridging South and Central Asia. Mr Modi's presence at Tianjin has multiple dimensions, especially his meeting with Chinese President Xi Jinping. Five years after the Galwan Sino-Indian military encounter, at the Line of Actual Control, which triggered a wider confrontation, the relationship has been gradually normalising. It began with the Modi-Xi meeting in October 2024 in Russia, on the Brics summit's sidelines. Since January 2025, President Donald Trump's tariff onslaught is compelling a strategic recalibration globally. For India and China, as principal US targets, the need is immediate. Ironically, since 2001, the containment of China and counter-terrorism motivated the US-India engagement. Now countering the United

States is inspiring the fresh outreach to China. China will treat this as a tactical readjustment and not a permanent flip. The Modi-Xi meeting, short of a full summit as it lasted under an hour, was held against this background. Chinese foreign minister Wang Yi's India trip on August 19 basically prepared the way for it, although he came for the 24th round of the special representatives' dialogue on the border issue. He met India's external affairs minister S. Jaishankar. India so far sought complete de-escalation at the border as a precondition to normalcy in bilateral relations. Following Trump's tariff onslaught, it has modified that stand and accepted the Chinese argument to not let bilateral disputes affect bilateral relations involving trade, investment, people to people contacts, etc.

However, Prime Minister Modi reiterated the Indian stand that "peace and tranquility in border areas is important for continued development of bilateral ties". The border dispute, he suggested, can be resolved only by a fair, reasonable and mutually acceptable solution. President Xi, in turn, proposed that the two nations adopt a strategic and long-term perspective. He also repeated the well-known Chinese stand on enhanced multilateralism, a multipolar world and greater democracy in international decision-making. Deepening mutual trust, he felt, could make India and China "partners, rather than rivals". Besides expanding cooperation, he proposed making the five principles of "Panch-sheel" central again. He rhetorically framed it as the two Asian giants, as the Dragon and the Elephant, dancing together. This could ensure peace and stability in Asia and

the world. Both leaders emphasised strategic autonomy. Myanmar, third country interference, to make the 21st century the "Asian century". The meeting appears successful as both leaders stuck to broad principles, proposing constructive engagement and peaceful dispute resolution. Trump's shadow, however, lingered over the summit and bilateral meeting. While India is normalising relations with China without settling the border issue, China also realised in the current uncertain environment India is a useful partner. But neither country is yet likely to abandon basic principles. China wants to be a dominant global power rivaling the US. In Asia it wants no equal, least of all India, a potential long-term rival. For instance, China, despite seeking strengthened multilateralism, would not support India's permanent membership in a reformed UN Security Council. Similarly, it would also be unwilling to constrain its South Asian intrusion and strategic relations with neighbours like Pakistan, Bangladesh, Nepal, Myanmar, etc.

Likewise, India is unlikely to abandon its outreach to the Western countries, especially the US, including the Quad. The two countries are for now insulating themselves against disruption already caused by Trumpian rivalry or likely during his remaining term till 2028. In the best-case scenario, the Republics may lose control over at least one House of the US Congress in the November 2026 mid-term elections. The Tianjin Declaration defines the new play. India joins the condemnation of

attacks by Israel and the US on Iran, which it avoided in the past. On the Palestinian issue too, it goes along with a stronger announcement of support. In return, it gets a condemnation of the terror attack at Pahalgan, Pakistan. It also extracted condemnation of a terrorist attack on the Jaffer Express in Balochistan. China also proposed a Development Bank for SCO, like the one Brics has. This is China trying to constrain US and Western explanation of their handle on multilateral institutions like the IMF and World Bank.

The American reaction is awaited. President Trump may realise that he has pushed India beyond the limits of friendly persuasion. The forthcoming India-hosted Quad summit will show whether the US still supports its Indo-Pacific strategy to contain China. If so, it must start rolling back the tariffs on India and finalise a trade deal, after mutual compromise, such as on protection of India's agriculture and dairy sectors. On the other hand, he may well be provoked by India's defiance, reflected in India signing the Tianjin Declaration. It may then target other sectors like services or products like iPhones or pharmaceuticals.

The Sino-Indian engagement also faces practical challenges. The trade gap, the widest with any country, is over \$100 billion. Indian exports have lingered around \$11.9 billion in 2014-15, to a high of over \$20 billion and then \$14.2 billion in 2024-25. Imports have gone up in the same period from \$64 billion to \$113.47 billion. This can hardly be ameliorated quickly, especially as India lacks the production capacity to replace cheap Chinese imports, especially raw materials or manufactured components. Lacking any tangible leverage with regard to China or the US, India is hoping that its gamble works. The coming months will reveal its success or failure.

The writer is a former secretary in the external affairs ministry. He tweets at @ambksingh.

NEW AFGHAN CRISIS

THE POWERFUL earthquake that struck Afghanistan poses a big logistical challenge to the Taliban government, which has isolated itself from much of the world. The current disaster has only compounded the miseries for Afghanistan, which has already plunged new depths. Much of the world, including the US, has severed ties with the Taliban regime and halted financial assistance, so the country remains gripped by humanitarian crisis, plus it is one of the poorest nations in the world now. The current disaster will further stretch the resources of this war-torn nation.

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