



Escalation spiral

Global powers must persuade Israel to end its reckless war

Israel's unprovoked aggression against Iran has not only plunged West Asia into its gravest regional crisis since the 1973 Arab-Israeli war but also pushed the Jewish nation into an unprecedented security calamity. If Prime Minister Benjamin Netanyahu expected the June 13 attack on Iran, hitting its nuclear facilities and assassinating its top generals and nuclear scientists, to cripple Tehran – like how Israel destroyed the Egyptian air force on June 5, 1967 during the Six-Day War – he appears to have made a mistake. Iran, in a swift and forceful response, rained ballistic missiles on Israeli cities. Until Monday morning, it had fired over 370 missiles, hitting an oil refinery in Haifa, a top research institute in Rehovot near Tel Aviv and even residential areas. At least 24 Israelis have been killed and over 500 wounded. While Israel has established air supremacy in Iran, it has not managed to destroy Iran's nuclear programme, which is dispersed and buried across the country. Israel keeps targeting Iran's military and intelligence leadership, with the aim of weakening the government. On Sunday, Mr. Netanyahu said regime change in Iran could be one of the outcomes of Israel's attack. But every time Israel hits Iran, Tehran fires dozens of ballistic missiles back. While Israel is trying to take escalation dominance, Iran is trying to establish deterrence through offence. The result is an escalation spiral.

Mr. Netanyahu should have carefully considered the consequences and avoided launching this reckless, illegal war. The Israeli attack came just days before the United States and Iran were to hold the sixth round of nuclear talks. The war has practically killed the possibility of a diplomatic solution to the nuclear crisis. This also raises questions about Israel's endgame. If Israel is not able to completely dismantle Iran's nuclear programme, it may, as Mr. Netanyahu has suggested, push for a state collapse or regime change in Tehran. Nobody knows what comes next. U.S. President Donald Trump has said that he is still open to a deal with Iran. But Mr. Trump wants Tehran to completely abandon its nuclear enrichment programme, which Iranian leaders are not ready to do – not yet. This deadlock only makes the conflict more dangerous. If the war drags on, the risk of U.S. involvement increases. And if Iran retaliates by bombing American bases in the Persian Gulf, shutting down the Strait of Hormuz or targeting tankers in the Gulf of Oman, it could trigger a security and economic catastrophe. This is another reason why a ceasefire between Iran and Israel is urgently needed. Global powers, particularly the U.S., Israel's chief patron, and Russia, an Iranian ally, must play a more proactive role in mediation and peacemaking. If Mr. Trump is really a man of peace, as he claims to be, this is his moment to take the lead in restoring order in West Asia.

Deserving winners

South Africa reached the summit in Tests after a history of failures

It was a long wait that culminated in delight. Until Saturday's high at Lord's, South Africa was often resigned to playing second fiddle in the big cricketing contests. The Proteas always had strong units and some great players, but a stumble in the climactic stages of ICC events became the norm. Finally, when Temba Bavuma's men prevailed over defending champion Australia in the World Test Championship's summit clash in London, many ghosts were laid to rest. South Africa's previous ICC silverware was the title in the Wills International Cup at Dhaka in 1998. That tournament became the precursor to the Champions Trophy and even as this particular event grew, South Africa regressed with comical run-outs, dropped catches and miscalculation of rain-rules often becoming steep hurdles. To concede a first innings lead and then to chase 282 in a grim fourth innings pursuit was never easy, but a dogged Bavuma and centurion Aiden Markram ensured that the early strikes of spearhead Kagiso Rabada were never wasted. The trio performed admirably and it was also a reflection of the diverse ethnic groups that constitute South Africa, often called the Rainbow Nation. This fact and the need for unity was reiterated through Bavuma's impassioned post-match speech. The skipper truly led from the front.

Cricket needed this result as whispers of the 'Big Three' of India, Australia and England, calling the shots and elbowing out other opposition in the overall scheduling have been doing the rounds. Besides applying salve to a country searching for cricketing glory, the South African triumph also revealed that other teams can acquire the champions' halo. To get past Pat Cummins and his men is always tough but Bavuma and his troops held firm in an engrossing Test. Australia has a potent attack that never allows batters to settle, and to counter this and emerge on top is a tribute to an outfit that was acutely conscious about past failures. Even last year, Markram's men slipped in the ICC T20 World Cup final against India. From being tagged as chokers and to then become the number one Test squad is a stupendous achievement. South Africa never had it easy in cricket as its previous apartheid policy rightly left it isolated from sport. The comeback was gradual from the 1990s and then the match-fixing crisis that consumed Hansie Cronje, was a mighty blow. To put all these setbacks and losses behind them needed a special effort and it was this that Bavuma and his men provided at cricket's spiritual home.

The discrepancy between Israel's declared goals for its war on Gaza and its actual actions is staggering. While Tel Aviv continues to repeat hollow slogans—returning hostages, dismantling Hamas, disarming Gaza—these narratives function more as propaganda tools aimed at securing international legitimacy than genuine military objectives.

For global media consumption and western political cover, these slogans serve to justify an onslaught now surpassing 612 days – one that has claimed the lives of over 54,000 civilians in direct bombardments, caused more than triple that number in injuries, unleashed mass destruction, led to near-total displacement, criminalized UN humanitarian agencies, and waged a war of starvation—just to name a few.

This propaganda machine has successfully framed the ongoing, televised slaughter campaign as a just response. Alarming, much of the western world has accepted and echoed this narrative – rationalising the live-streamed brutality unfolding in Gaza, where civilians are enduring what experts have identified as genocide.

The sinister reality, from seven decades ago

Initially, public discourse focused on Israel's stated objectives. More recently, attention shifted to the claim that the war exists primarily to save Israel Prime Minister Benjamin Netanyahu's political career, preserving his coalition and shielding him from corruption charges. While these factors play a role, reducing this genocide to Mr. Netanyahu's survival obscures a far more sinister and enduring reality.

This war is a continuation of a long-term strategy to complete what David Ben-Gurion, Israel's founding father, initiated in 1948 – the mass expulsion of the Palestinian people. Many Israelis chillingly refer to this as “finishing the job”.

Among the vast majority of Israelis, there is a deeply rooted belief that Ben-Gurion missed a historic opportunity in 1948 by not expelling all Palestinians beyond the Jordan River. Today's military operations, along with mounting calls for mass expulsion represent efforts to finally “complete the job”.

The expulsion of Palestinians is neither a new



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Israel's war is about 'finishing the job' – one that began in 1948

The war on Gaza, exposing Israel's hidden ambition

India's uneasy balancing act in the Bay of Bengal

India's economic engagements in the Bay of Bengal appear to be entering a new phase. On the face of it, there is reason for quiet confidence. Trade volumes through India's eastern ports are up. Cargo throughput at Visakhapatnam (Andhra Pradesh), Paradip (Odisha), and Haldia (West Bengal) has grown steadily. The signing of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Maritime Transport Cooperation Agreement earlier this year promises to ease regulatory frictions and reduce port costs. For a region long characterised by low trade integration, these are welcome signs.

The decision on Bangladesh

And yet, the optimism sits uneasily alongside a decision that has raised more than a few eyebrows. In early April, India withdrew the transshipment facility it had granted to Bangladesh – an arrangement that had allowed Dhaka to route exports through Indian ports to third-country destinations. The official explanation was logistical: Indian terminals were congested, and delays were hurting exporters. That may well be true. But in Dhaka, the move was read differently – as a quiet assertion of Indian disapproval, possibly linked to Bangladesh's recent diplomatic overtures toward China. The timing was hardly a coincidence. The announcement came after Bangladesh's interim Chief Adviser, in a speech in Beijing, described India's northeastern States as 'landlocked' and cast Bangladesh as the region's maritime lifeline – a claim that did not sit well in New Delhi. Prime Minister Narendra Modi has repeatedly underscored the strategic and economic importance of the Northeast, with Indian Ministers also championing its role in regional connectivity. The suggestion that these States are dependent on Bangladesh for maritime access struck a nerve.

This came as India has doubled down to position itself as a regional integrator. In recent years, New Delhi has invested heavily in port infrastructure through the Sagarmala programme to improve coastal logistics and connectivity. Cargo movement on the east coast has more than doubled in a decade, aided by policy changes such as Goods and Services Tax (GST) cuts on



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India risks undermining the idea of cooperative regionalism it has sought to promote if it begins using trade access to signal political displeasure

policy nor a hidden agenda. It is a foundational and repeatedly tested strategy of the Zionist project. The Nakba of 1948, when Zionist militias ethnically cleansed over 9,50,000 Palestinians, was not a tragic byproduct of war but a deliberate, meticulously planned act aimed at establishing a Jewish-majority state.

This strategy resurfaced in 1956 during the Sinai Campaign, when Israel briefly occupied Gaza. One key objective was the forced removal of Palestinian refugees from Gaza into Egypt's Sinai Peninsula. Although only partially executed due to Gazan resistance and international pressure, the intention was clear and well-documented. Israeli historian Avi Raz and others have demonstrated that the concept of “voluntary transfer” or engineered displacement was actively discussed by Israeli officials during and after the war. Ben-Gurion and other leaders viewed the 1956 war as a second opportunity to “finish the job”.

This policy's continuity was exposed in a *Haaretz* investigative report dated December 5, 2024, titled “We Give Them 48 Hours to Leave: Israel's Plans to Transfer Gazans Go Back 60 Years”. The article reveals that from the 1960s onward, Israeli officials quietly formulated policies aimed at reducing Gaza's Palestinian population – a central policy rather than a fringe idea.

A demographic engineering

On May 15, 2025, the Palestinian Central Bureau of Statistics reported that 7.4 million Palestinians – Muslims and Christians – now live in historic Palestine, equalling the Jewish population. Despite decades of Israeli policies aimed at boosting Jewish birth rates and displacing Palestinians, the demographic balance now favours the indigenous Palestinian population. From the Israeli perspective, this “demographic threat” is under constant scrutiny. The prospect of a Jewish minority ruling over a Palestinian majority is politically and morally untenable. To preserve its identity as a “Jewish state”, Israel has increasingly relied on apartheid, violent expulsions, and demographic engineering.

On October 9, 2023, just two days after the war began, the Israeli government announced a special inter-ministerial committee tasked with facilitating the forced transfer of Palestinians

bunker fuel and incentives for coastal shipping. Maritime trade is, by all measures, a national priority.

Tensions amid reenergised BIMSTEC

At the regional level, India has sought to reinvigorate BIMSTEC. The BIMSTEC Maritime Transport Cooperation Agreement, for instance, aims to harmonise customs procedures and foster multimodal linkages, with the broader goal of reducing the cost and friction of trade within the Bay. For smaller economies such as Bhutan, Myanmar and Nepal, improved access through Indian ports remains a lifeline.

That is what makes the rollback of Bangladesh's transshipment facility seem somewhat jarring. It reintroduces conditionality into what had been presented as a neutral economic architecture – one where trade facilitation serves regional integration, not shifting political winds. For Bangladesh, the impact is immediate: exporters, particularly in the ready-made garment sector (which accounts for over 85% of the country's foreign earnings), will likely bear the brunt. Many had come to rely on Indian gateways for faster, cheaper access to global markets. The alternatives – via Sri Lanka or Southeast Asia – are costlier and less time-efficient. The move injects uncertainty into Bangladesh's export logistics at a time of already fragile demand.

Tensions have since escalated. In mid-May, India placed restrictions on the import of seven categories of Bangladeshi goods, which include garments, plastics, and processed foods, through land ports in the Northeast. These products can now only enter India through seaports such as Kolkata and Nhava Sheva (Maharashtra), which raises costs and delays. Indian officials cited Dhaka's restriction on yarn imports via land routes as justification, though India's revocation of the transshipment facility had preceded that move. Many in Bangladesh, nonetheless, view New Delhi's response as disproportionate.

Some in Delhi argue that Dhaka is being reminded of the risks of strategic hedging. Bangladesh has, after all, stepped up diplomatic engagement with China, reopened maritime trade with Pakistan, and asserted its role as a regional connector. But these are choices Dhaka

from Gaza. It is no secret that Israeli officials have discussed relocating Palestinians to Egypt's Sinai Peninsula or even to African countries such as Rwanda and Uganda under the pretence of “voluntary resettlement” – a thin veil for forced population transfer, which constitutes a war crime under international law.

The concept of transforming Gaza's coast into a luxury zone devoid of Palestinians – the so-called “Middle East Riviera” – was openly proposed by United States President Donald Trump, whose real estate background shaped his vision of the region as prime beachfront property rather than a homeland for a dispossessed people. Under the guise of regional development, Mr. Trump's real estate proposal repackaged ethnic cleansing as economic opportunity. Mr. Netanyahu embraced this vision wholeheartedly, describing it as “the only viable plan to enable a different future for the region”.

Deliberate erasure

The widespread destruction of civilian infrastructure and life in Gaza cannot be explained by military necessity or any declared war aims. Entire neighbourhoods, homes, towers, roads, and sewage systems have been obliterated. Schools, universities, hospitals, and water infrastructure have been systematically targeted. Agricultural lands have been scorched. Starvation has been weaponised. Over 1,50,000 people have been killed or wounded, many of them civilians. Thousands more have died indirectly due to hunger, thirst, disease and the collapse of Gaza's besieged health system. And all of this is just the tip of the iceberg.

This is not collateral damage or incidental. It is a deliberate, methodical erasure of Palestinian life and society. It is the continuation of a long-standing project to “finish the job” begun in 1948 and enact a final solution to the “Palestinian demographic threat”.

The real final goal of this war transcends military objectives or Mr. Netanyahu's political survival. It is a war over geography and demography – a campaign that began 77 years ago and still rages today. It aims to erase the indigenous Palestinian people from their homeland, uproot their presence from the map, and entrench Jewish supremacy from the river to the sea.

is entitled to make. If India recalibrates trade access to signal political displeasure, it risks undermining the very idea of cooperative regionalism it has sought to promote.

This is not just a bilateral issue. What affects Dhaka will be noted in Naypyidaw, Bangkok, and Colombo. The concern is not that India has used leverage – major powers often do. The concern is that India has done so in a domain once insulated from overt geopolitical contest. Maritime trade corridors, once seen as shared infrastructure, are beginning to feel more transactional.

The issue is about credibility

India still holds many cards. Its port infrastructure remains the most extensive and efficient in the region. Cargo-handling capacity is expanding rapidly, and coastal shipping and multimodal linkages are more developed than those of any other BIMSTEC partner. But infrastructure alone does not confer leadership. In a region as fragmented and wary as the Bay, credibility matters as much as capacity. If neighbours begin to view Indian trade facilitation as shifting with the political winds, they will hedge – and the regional architecture India hopes to build will inevitably stall.

The Bay of Bengal, then, is at an inflection point. On one level, it is a zone of opportunity. With improved connectivity, it could emerge as a self-sustaining corridor between South and Southeast Asia. A proposed BIMSTEC free trade agreement, if concluded and implemented well, could reshape regional trade patterns. On another level, the region remains vulnerable to strategic anxieties. The line between economic policy and geopolitical preference is beginning to blur.

There may still be time to draw that line more clearly. India could clarify the circumstances under which the transshipment arrangement with Bangladesh might be reinstated – or, better yet, replace it with a rules-based mechanism that insulates trade from political cycles. That would send a reassuring signal not only to Dhaka but to the rest of the Bay.

The larger question is whether India can maintain the balance between asserting strategic interests and cultivating regional trust. So far, the signals are mixed.

In fact, the new team has reaffirmed Nelson Mandela's slogan of one team one country. Temba Bavuma's cricket team is the embodiment of a rainbow nation. It would not be an exaggeration to say that sports has the potential to act as a balm for wounded souls and nations.

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Corrections & Clarifications

Due to an editing error, the jet model was referred to as the Boeing 787-7 instead of the 787-8 in the front page report, “DNA profiling identifies 86 victims of AI crash; cockpit voice recorder retrieved” (June 16, 2025).

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Text & Context

THE HINDU

NEWS IN NUMBERS

Amount pledged by bank for France-Spain power link

1.6 In billion euros. The European Investment Bank announced 1.6 billion euros for a major electricity interconnection between France and Spain, after the huge April blackout. Experts believe the severity of power outages could have been mitigated with more interconnections. AFP

India's unemployment rate increased in the month of May

5.6 In per cent. India's unemployment rate rose to 5.6% in May from 5.1% in April, partly due to a drop in farm activity after the end of the harvest season, the Statistics Ministry said. Unemployment rate among urban youth, aged 15-29, rose to 17.9% in May from 17.2% in April. PTI

Estimated cost of Delhi's dust pollution mitigation project

2,388 In ₹ crore. Delhi government's road dust pollution mitigation project is likely to cost ₹2,388 crore over a period of 10 years, as per a proposal approved by Cabinet. "This project is only for cleaning of dust in the carriageway," meeting's minutes stated. PTI

Number of families evicted from Goalpara, Bongaigaon districts

696 The Assam government launched eviction drives to evict families, mostly belonging to the migrant Bengali-speaking Muslim community, who allegedly encroached on vast tracts of land in the two districts of Goalpara and Bongaigaon. PTI

Number of nationals Poland seeks to evacuate from Israel

200 Poland is preparing to evacuate its citizens from Israel to escape conflict with Iran. "We have implemented an evacuation plan for Polish citizens stranded in Israel through Amman," Poland's Deputy Foreign Minister said. AFP
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What is the significance of the Shipki La pass?

Why was tourism and trade stopped at the Shipki La pass? What is the cultural and spiritual connection that binds people on both sides of the border? Did the Shipki La pass account for a great volume of bilateral trade between India and China? Will its reopening encourage religious tourism?

EXPLAINER

Tikender Singh Panwar

The story so far:

Himachal Pradesh has opened the Shipki La pass, a motorable mountain pass in the Kinnaur district, to domestic tourists, a step which locals hope will revitalise tourism and trade.

What is its historical importance?

Centuries before national borders and geopolitical tensions defined regions, the Shipki La Pass in Himachal Pradesh's Kinnaur district served as a vital trade route between India and Tibet (now part of China). Situated at an elevation of 3,930 metres above sea level, the pass has been part of documented trade since the 15th century, although oral histories suggest its legacy extends even further back. According to folklore, cross-border trade was based on an oath sworn by communities on both sides – "Till the water in Kailash Man Sarovar Lake does not dry, a black crow does not turn white, and the highest peak Rijo Pugal does not flatten, this trade agreement shall continue." This poetic pledge symbolised an enduring bond that withstood centuries, until political realities disrupted it.

Why was the trade route closed?

The once-thriving commerce through Shipki La came to a standstill due to a series of geopolitical events. It was first disrupted after the Sino-India War of 1962, followed by further breakdowns post the Doklam standoff and the COVID-19 pandemic. The trade route remains shut to commercial exchange.

Why has the recent intervention sparked enthusiasm?

The Chief Minister of Himachal Pradesh inaugurated tourism access to Shipki La without the previously mandatory permit system. Indian tourists can now visit



New beginnings: Himachal Pradesh Chief Minister Sukhvinder Singh Sukhu takes part in a performance during the launch of tourism activities, at Shipki La pass in Kinnaur, Himachal Pradesh, on June 10.PTI

using just their Aadhaar card, a move that has stirred optimism across the region.

The communities of Kinnaur, particularly those from Scheduled Tribes and Scheduled Castes, share a deep-rooted cultural and economic relationship with Tibetan counterparts. Historically, the Bushahr State (now Rampur) in India and Guge in Tibet were principal players in the region's trade. The Kinnaur Indo-China Trade Association, based in Reckong Peo, has voiced a formal appeal to reopen the trade route through Shipki La. The Chief Minister has assured that the issue will be taken up with the Ministry of External Affairs.

What goods were traded?

The commodities exchanged between India and Tibet through Shipki La were

both diverse and valuable.

Imports from Tibet included wool (the most profitable item), pack and saddle horses, goats, sheep, mutton, yak and goatskins, yak hair (used for ropes and saddlebags), devotional items such as prayer wheels, thangkas, rosaries, and bowls, as well as borax, turquoise, and gold. Exports to Tibet from India included grains such as barley, wheat, rice, millet, lentils, chickpeas, and oil, dried fruits, vegetables, spices, tobacco, timber, copper and brass utensils, and iron tools.

Gold and turquoise were particularly cherished, which were integral to traditional Kinnauri women's jewellery – creating constant local demand and sustaining artisan communities. These exchanges weren't just transactional; they shaped cultural practices, local crafts, and even dietary habits across generations.

If trade volume is limited, why is there still so much excitement?

It's true that trade through the three land passes with China – including those in Arunachal Pradesh and Uttarakhand – does not account for a significant volume of bilateral trade.

But enthusiasm for trade and tourism lie in connectivity and opportunity. Reopening Shipki La could shorten the journey from Delhi to Mansarovar by 14 days, a potential game-changer for religious tourism and cross-border travel. This could also boost employment for local youth, enhance regional trade infrastructure, and catalyse growth in hospitality and allied sectors.

Additionally, the reopening may serve a strategic purpose as well – a soft diplomatic gesture and a community-led model of cross-border trust-building, independent of high-level state diplomacy. For a region often sidelined in national dialogues, such grassroots engagement could play a crucial role in shaping future peace corridors.

What is the cultural connection?

Unlike the India-Pakistan border, where cross-border blood relations exist, the India-China border around Shipki La is defined more by shared lifestyles than lineage. The people on both sides are primarily pastoralists, and many surnames overlap – for instance, the Namgyal surname is found both in Leh and across the Tibetan plateau.

Cultural ties also endure through religion. Upper Kinnaur and the adjacent Tibetan region predominantly follow Buddhism, sustaining a spiritual and civilisational continuity even in the face of political divisions. Monastic traditions, festivals, and oral lore reflect a shared heritage that survives despite barriers of nationhood. Reopening Shipki La could become more than a regional story – it might just be a case study in diplomacy through development and heritage.

Tikender Singh Panwar is former deputy mayor of Shimla, and member of the Kerala Urban Commission.

THE GIST

Centuries before national borders and geopolitical tensions defined regions, the Shipki La Pass in Himachal Pradesh's Kinnaur district served as a vital trade route between India and Tibet (now part of China).

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When can the U.S. President deploy military on U.S. soil?

Why did U.S. President Donald Trump federalise the national guard and send them to Los Angeles?

Kartikey Singh

The story so far:

Widespread protests have erupted in Los Angeles, California, after raids by U.S. Immigration and Customs Enforcement (ICE) led to dozens of arrests. In response, U.S. President Donald Trump has deployed about 4,000 national guard troops and 700 marines.

Can military be deployed in U.S.?

Military troops, including national guard units, are barred from civilian law enforcement under the Posse Comitatus Act (1878), unless explicitly authorised by the Constitution or an Act of Congress. Such authorisation is provided through the Insurrection Act which permits the President to deploy the military during civil unrest. This can be done at a State's request, or unilaterally to enforce federal law, suppress rebellion, or protect civil

rights when a State government is unwilling or unable to act.

How has it been used in the past?

U.S. Presidents have long deployed the national guard for civil unrest, but federalising it to support law enforcement directly against protests began only in 1967. The guard's federalised role expanded in the Civil Rights era, during protests for school desegregation, and the 1965 Selma-Montgomery March. Subsequently, President Lyndon B. Johnson deployed them for the 1967 Detroit Rebellion and after Martin Luther King Jr.'s assassination in 1968. Richard Nixon and George H.W. Bush have also deployed them during various instances.

Is the Governor's consent necessary?

Mr. Trump's memorandum, instead of invoking the Insurrection Act, likely due to its widely recognised abuse potential, cites Section 12406 of Title 10 of the U.S.

Code. This provision allows the President to call national guard members into 'federal service', under certain circumstances, including rebellion against federal authority. Traditionally, Presidents have used Section 12406 as the procedural mechanism along with the Insurrection Act's substantive powers, invoking both to justify deployment.

Interestingly, Mr. Trump has attempted to decouple these authorities. In federalising and deploying the national guard, he appears to rely either on Section 12406 as a standalone power or pair it with claimed 'inherent' constitutional authority (Article II of the Constitution), citing his Presidential duty to protect federal personnel, property, and functions. For active-duty military deployment, he seems to lean solely on inherent constitutional power, as Section 12406 does not authorise using active-duty armed forces for such purposes. However, this employed legal

framework lacks the 'unambiguous authority' that the Insurrection Act provides to engage troops. Under Title 10, the President's authority to deploy the national guard without the Governor's consent is ambiguous – while the first part of the provision allows federalisation, another mandates that orders "shall be issued through the governors".

On June 9, California Attorney General Rob Bonta and Governor Gavin Newsom sued President Trump and Defence Secretary Pete Hegseth, calling the unilateral federalisation of California's national guard an "unlawful" overreach.

How does it work in India?

Article 355 of the Constitution mandates the Union to protect States against "external aggression" and "internal disturbance". This allows the Centre to deploy the army even without a State's request. While 'public order' is a State subject, the Union can deploy armed forces to aid 'civil power' under Entry 2A of List I. In *Extra-Judicial Execution Victim Families Assn. versus Union of India* (2016), the Supreme Court held that armed forces deployment supplements, not supplants, a State's continuing civil power. Crucially, deployment must be withdrawn once normalcy is restored; normalcy not being restored cannot serve as a fig leaf for prolonged, indefinite, or permanent military presence.

Kartikey Singh is a lawyer based in Delhi.

THE GIST

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Article 355 of the Indian Constitution mandates the Union to protect States against "external aggression" and "internal disturbance".

FROM THE ARCHIVES

What are the ambiguities in India’s nuclear liability law?

What are the provisions of the Indian nuclear liability law? What does it say about supplier liability in the event of a nuclear accident? Why do some provisions in the law continue to make foreign companies wary?

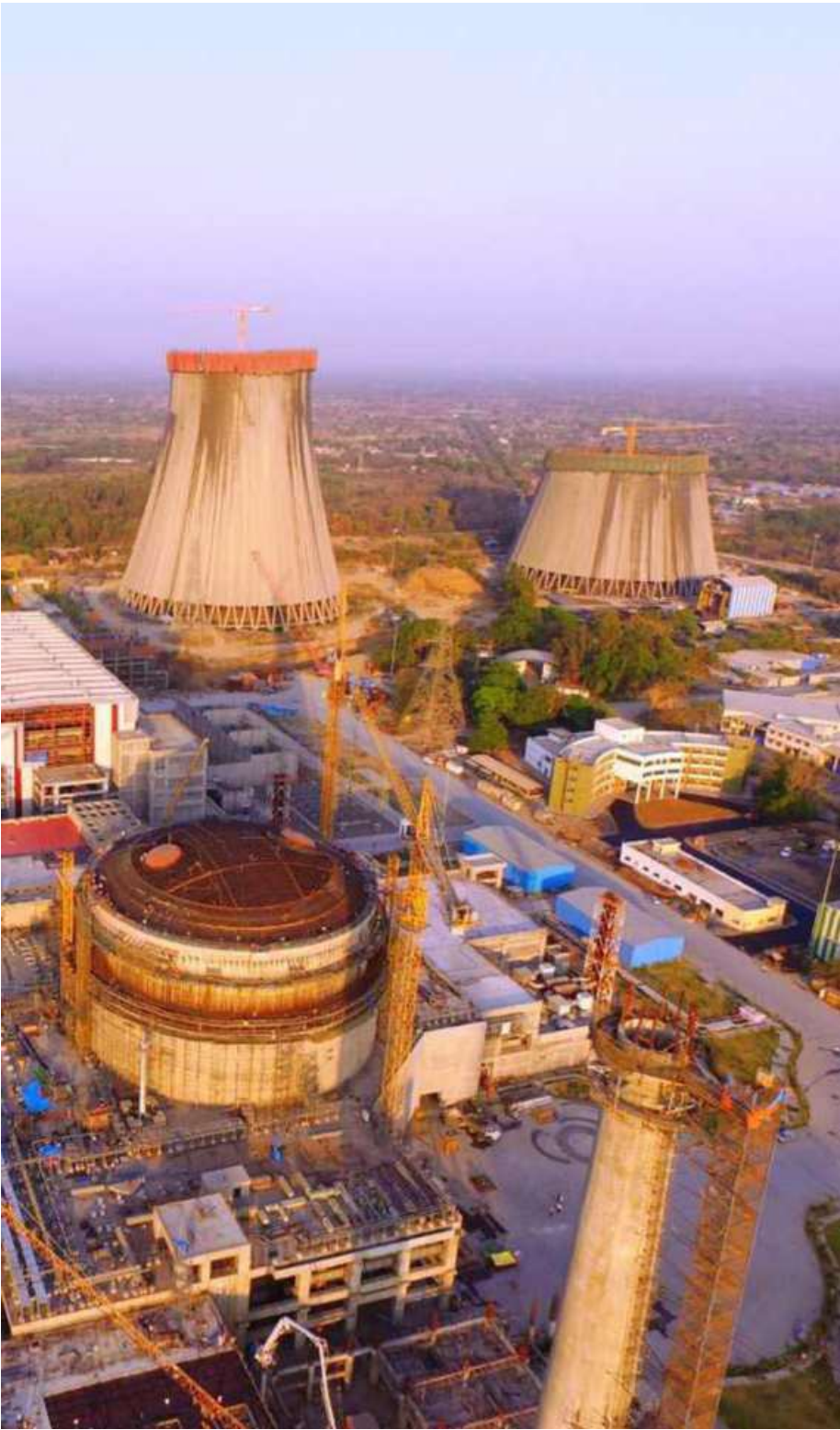
Diksha Munjal

The story so far: *As per a Reuters reports, India is reportedly planning to ease its nuclear liability laws, with respect to accident-related fines on equipment suppliers, in order to attract more U.S. firms which have been holding back due to the risk of unlimited exposure.*

What is the law governing nuclear liability in India?
Laws on civil nuclear liability ensure that compensation is available to the victims for nuclear damage caused by a nuclear incident or disaster and set out who will be liable for those damages. The international nuclear liability regime consists of multiple treaties and was strengthened after the 1986 Chernobyl nuclear accident. The umbrella Convention on Supplementary Compensation (CSC) was adopted in 1997 with the aim of establishing a minimum national compensation amount. The amount can further be increased through public funds (to be made available by the contracting parties), should the national amount be insufficient to compensate the damage caused by a nuclear incident. Even though India was a signatory to the CSC, Parliament ratified the convention only in 2016. To keep in line with the international convention, India enacted the Civil Liability for Nuclear Damage Act (CLNDA) in 2010, to put in place a speedy compensation mechanism for victims of a nuclear accident. The CLNDA provides for strict and no-fault liability on the operator of the nuclear plant, where it will be held liable for damage regardless of any fault on its part. It also specifies the amount the operator will have to shell out in case of damage caused by an accident at ₹1,500 crore and requires the operator to cover liability through insurance or other financial security. In case the damage claims exceed ₹1,500 crore, the CLNDA expects the government to step in and has limited the government liability amount to the rupee equivalent of 300 million Special Drawing Rights (SDRs) or about ₹2,100 to ₹2,300 crore. The Act also specifies the limitations on the amount and time when action for compensation can be brought against the operator.

India currently has 22 nuclear reactors with over a dozen more projects planned. All the existing reactors are operated by the state-owned Nuclear Power Corporation of India Limited (NPCIL).

What does the CLNDA say on supplier liability?
The international legal framework on civil nuclear liability, including the annex of the CSC is based on the central principle of exclusive liability of the operator of a nuclear installation and no other person. In the initial stages of the nuclear industry’s development, foreign governments and the industry agreed that excessive liability claims against suppliers of nuclear equipment would make their business unviable and hinder the growth of nuclear energy, and it became an accepted practice for national laws of countries to channel nuclear liability to the operators of the plant with only some exceptions. Two other points of rationale were also stated while accepting the



Easing laws: A view of a Pressurised Heavy Water Reactor (PHWR) in Gujarat in 2017. FILE PHOTO

exclusive operator liability principle – one was to avoid legal complications in establishing separate liability in each case and the second was to make just one entity in the chain, that is the operator to take out insurance, instead of having suppliers, construction contractors and so on take out their own insurance. Section 10 of the annex of the CSC lays down “only” two conditions under which the national law of a country may provide the operator with the “right of recourse”, where they can extract liability from the supplier – one, if it is expressly agreed upon in the contract or two, if the nuclear incident “results from an act or omission done with intent to cause damage”. However, India, going beyond these two conditions, for the first time introduced the concept of supplier liability over and above that of the operator’s in its civil nuclear liability law, the CLNDA. The architects of the law recognised that defective parts were partly responsible for historical incidents

such as the Bhopal gas tragedy in 1984 and added the clause on supplier liability. So, apart from the contractual right of recourse or when “intent to cause damage” is established, the CLNDA has a Section 17(b) which states that the operator of the nuclear plant, after paying their share of compensation for damage in accordance with the Act, shall have the right of recourse where the “nuclear incident has resulted as a consequence of an act of supplier or his employee, which includes supply of equipment or material with patent or latent defects or sub-standard services”.

Why is the supplier liability clause an issue in nuclear deals?
Foreign suppliers of nuclear equipment from countries as well as domestic suppliers have been wary of operationalising nuclear deals with India as it has the only law where suppliers can be asked to pay damages. Concerns about potentially getting exposed to unlimited

liability under the CLNDA and ambiguity over how much insurance to set aside in case of damage claims have been sticking points for suppliers. Suppliers have taken issue with two specific provisions in the law, Section 17(b) and Section 46. The latter clause goes against the Act’s central purpose of serving as a special mechanism enforcing the channelling of liability to the operator to ensure prompt compensation for victims. Section 46 provides that nothing would prevent proceedings other than those which can be brought under the Act, to be brought against the operator. This is not uncommon, as it allows criminal liability to be pursued where applicable. However, in the absence of a comprehensive definition on the types of ‘nuclear damage’ being notified by the Central Government, Section 46 potentially allows civil liability claims to be brought against the operator and suppliers through other civil laws such as the law of tort. While liability for operators is capped by the CLNDA, this exposes suppliers to unlimited amounts of liability.

What are existing projects in India?
The Jaitapur nuclear project has been stuck for more than a decade – the original MoU was signed in 2009. In 2016, Électricité de France (EDF) and NPCIL signed a revised MoU, and in 2018, the heads of both signed an agreement on the “industrial way forward” in the presence of Indian Prime Minister Narendra Modi and French President Emmanuel Macron. In 2020, the EDF submitted its techno-commercial offer for the construction of six nuclear power reactors but an EDF official told that the issue arising from India’s nuclear liability law remains an item on the “agenda for both countries”. Multiple rounds of talks have not yet led to a convergence on the issue. Other nuclear projects, including the nuclear project proposed in Kovvada, Andhra Pradesh, have also been stalled. Despite signing civil nuclear deals with a number of countries, including the U.S., France and Japan, the only foreign presence in India is that of Russia in Kudankulam – which predates the nuclear liability law.

What is the government’s stand?
The central government has maintained that the Indian law is in consonance with the CSC till now. About Section 17(b), it said that the provision “permits” but “does not require” an operator to include in the contract or exercise the right to recourse. However, legal experts have pointed out that a plain reading of Section 17 of the CLNDA suggests that Section 17(a), (b) and (c) are distinctive and separate, meaning even if the right to recourse against the supplier is not mentioned in the contract [as provided by Section 17 (a)], the other two clauses stand. This effectively means that the supplier can be sued if defective equipment was provided or if it can be established that the damage resulted from an act of intent. Besides, it would not be sound public policy if the NPCIL, a government entity, entered into a contract with a supplier and waived its right to recourse in the contract, despite the fact that the law provides for such recourse. Further, the Ministry of External Affairs had said that Parliament debates over the CLNDA had rejected amendments to include the supplier, and therefore the supplier cannot be liable under this kind of “class-action suit”. However, private sector players were not convinced and experts point out that during a trial, what would be considered is what is enshrined in the statute and not what was discussed in Parliament. *This article was first published on April 26, 2023.*



KNOW YOUR ENGLISH

I want an updated draft by tomorrow

Do not put him in charge of this responsibility. He is still wet behind the ears

S. Upendran

What is the meaning and origin of ‘wet behind the ears’? (Sandeep Sinha, Ranchi)
This relatively old expression is mostly used in American English to refer to people who are green or inexperienced. ‘Wet behind the ears’ also carries with it the suggestion that the individual is rather young, and therefore, gullible – a naïve individual who can be easily duped or tricked into doing things. The expression is sometimes used to refer to someone who is new to a place. It is also possible to say, ‘hardly dry behind the ears’. *I don’t think it’s a good idea to make Ranjit the project leader. He’s hardly dry behind the ears.* When a baby emerges from its mother’s womb, it is usually covered, from head to toe, with amniotic fluid – the water-like substance that protects the baby while it is in the womb. Some animals lick this fluid off their baby; others, let the baby dry themselves. One of the last places of a newborn to dry is a small spot behind each ear. If these spots continue to be wet, it means the animal is a newbie – and hence helpless to do anything on its own.

What does it mean when someone says, ‘I want the painting to be completed by Wednesday’?
When you tell your painter that you want him to finish painting your house ‘by’ Wednesday, you are giving the man a deadline. You are giving him time between now and Wednesday to complete the task at hand. Wednesday is the last day he will be allowed to finish the job. He can, if he wishes to, complete the task before Wednesday; but the painting work will not be allowed to continue after Wednesday. The deadline for completing the task is Wednesday. Of course, deadlines mean very little in our country! They are seldom met! *The boss wants the repairs to be carried out by the 25th.*

What is the difference between ‘murder’ and ‘assassinate’? (L. Manivel, Erode)
In the eyes of the law, whether you ‘murder’ someone or ‘assassinate’ someone, you end up performing an illegal act – if caught, you could end up getting the death penalty. In both cases, you plan and intentionally take someone’s life; the planning and execution of it is carried out in a cold-blooded fashion. One does not ‘assassinate’ or ‘murder’ someone accidentally. When famous individuals are killed, especially for political reasons, it is called an assassination. For example, Mahatma Gandhi, Indira Gandhi, Benazir Bhutto, and Martin Luther King Jr. were all assassinated. If someone were to shoot and kill lesser-known mortals like you and me, the media would label it ‘murder’. In the word ‘assassinate’, the stress is on the second syllable – e-SASS-i-nate’. *upendrankye@gmail.com*

THE DAILY QUIZ

The World Test Championship (WTC) cycle of 2023-25 just got over with South Africa winning a memorable final at the Lord’s on June 11. A quiz on the cycle

Soorva Prakash. N

QUESTION 1
Who not only scored the most runs but also scored the most centuries in the WTC Cycle of 2023-25?
QUESTION 2
Who is the only player to score a triple hundred during this cycle?
QUESTION 3
Who took the most number of wickets in the WTC Cycle of 2023-25?
QUESTION 4
Who is the only bowler to have taken 10+ wickets in a Test match twice in the cycle?

QUESTION 5
Which bowler had to face the ignominy of conceding more than 150 runs in an innings three times during the cycle?
QUESTION 6
Which wicket keeper holds the distinction of having effected most dismissals during the cycle?
QUESTION 7
Which two Indian cricketers shared the highest partnership of 199 runs for the seventh wicket during the cycle?
QUESTION 8
After 52 years, a rare occurrence happened in the second Test at Multan held between Pakistan and England in October 2024 with two bowlers picking up all 20 opposition wickets. Who are the two bowlers?



Visual question:
This player made his debut in the WTC cycle of 2023-25. Within 11 Test matches, he took five wickets in each innings and 12 wickets in his debut Test at Lord’s. GETTY IMAGES

Questions and Answers to the previous day’s daily quiz: 1. The reason why June 16 was important to Joyce. **Ans: It is the date of his first sexual encounter with Nora Barnacle, his wife-to-be**
2. Part I and III of the *Ulysses*. **Ans: Telemachia and Nostos**
3. The working title of *Ulysses*. It was originally focused on this character. **Ans: ‘Stephen Hero’ and Stephen Dedalus**
4. Name episode 15 of *Ulysses*. **Ans: ‘Circe’**
5. Bloom’s breakfast. **Ans: Grilled mutton kidneys**
6. This song features in both Bloom’s and Molly’s memories. **Ans: ‘Love’s Old Sweet Song’**
Visual: This Paris-based publisher first printed *Ulysses*. **Ans: Sylvia Beach’s Shakespeare and Company**
Early Birds: Tamal Biswas| Sadia Najam



Please send in your answers to
dailyquiz@thehindu.co.in

Word of the day

Taunt:
harass with persistent criticism
Synonyms: bait, tantalise, tease
Usage: *He loves to taunt new employees.*
Pronunciation: newsth.live/tauntpro
International Phonetic Alphabet: /tɔːnt/

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The IndianEXPRESS

FOUNDED BY

RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

RIPPLES OF CONFLICT

A widening of Israel-Iran hostilities could lead to disruptions in oil supplies, raised prices

LAST WEEK, OIL prices jumped following Israel's strikes on Iran. Brent crude oil soared around 7 per cent on Friday with investors worried about a potential disruption in supplies. On Monday, though, prices settled at slightly lower levels during the day, even as the conflict between the two countries continued. But with oil prices up just under \$10 over the past few weeks — following US President Donald Trump's announcement of the imposition of tariffs on most of the US's trading partners, oil prices had plunged in April and remained subdued in May — there are concerns over rising energy costs, and the broader implications for prices across the world.

Iran is estimated to produce roughly 3.3 million barrels per day of crude oil. As per a note from BNP Paribas, a France-based bank, Iran's oil exports have fallen to 1.6 million barrels per day (less than half of its capacity) due to existing sanctions. However, it notes that even if this supply were to be removed from the market, it could "be compensated by OPEC+ unwinding the 2.2 mbd (million barrels per day) of voluntary production cuts". According to JP Morgan, a US-based bank, there is "more capacity" to absorb a supply shock than before. It notes that "OPEC+ has spare capacity and US production has demonstrated flexibility, largely thanks to the boom in shale fracking". And oil demand has not been robust. In its recent oil market reports, the International Energy Agency (IEA) had noted that global oil demand growth is expected to slow down as the ongoing trade tensions "negatively impact the economic outlook" and due to record sales of electric vehicles. In a note on June 13, the IEA said that the global oil market is "well supplied". It said that the increase in non OPEC+ supply is expected to outpace global demand.

There are concerns, however, of a deeper disruption to supplies. Fears have been raised over Iran possibly closing the Strait of Hormuz, through which a fifth of global oil supply and around 17 per cent of LNG is transported. Goldman Sachs, a US-based investment house, is said to have estimated that a blockade of this key passage could push up prices above \$100 per barrel. A widening of the conflict could cause a greater price spike. JP Morgan is said to have warned about the possibility of prices rising to \$120 in a worst-case scenario. For an oil-importing country like India — it imports more than 80 per cent of its requirements — disruptions in global supplies and price surges will have implications. The costs will have to be borne, though for some time prices at the pump have not reflected the sharp movements in global oil prices. High oil prices sustained over a longer period could also accelerate the switch to alternatives, giving a spur to electrification of transport.

THE LONG FIGHT

Punjab's war on drugs is winnable, but only through a sustained multi-pronged approach

LAST MONTH, PUNJAB saw yet another deadline come and go in its battle against a scourge that has gone on for well over a decade now. In March this year — incidentally, about a month after the party lost its government in Delhi — the ruling Aam Aadmi Party vowed to wipe out the menace by May 31. It wasn't the first such boast, or deadline. In 2017, former Congress Chief Minister Captain Amarinder Singh, now with the BJP, had famously sworn on a holy book to eradicate drugs within four weeks of taking office. That promise, like others, faded quickly. Yet, despite the cynicism that surrounds every new campaign, there may be some glimmers of hope — in villages that have taken ownership of the fight, and which vigilantly guard their borders, and because of mothers who have turned into grassroots activists.

For years, law enforcement has focused on end users — the victims of addiction rather than its perpetrators. In the last three months, according to police estimates, over 1,000 individuals caught with small quantities of drugs were sent to de-addiction centres instead of jail. More than 10,000 users have been persuaded to enter residential rehabilitation programmes or register with OOAT (Outpatient Opioid Assisted Treatment) clinics. Properties of peddlers are being frozen and — in a controversial move — some have been demolished by municipal corporations. It's been clear for a very long time, however, that part of the problem lies in the complicity of the powers-that-be in the drug trade. The complex network of drug mules and suppliers makes it difficult to nab the big fish. Punjab has long been a target of narco-terrorism, orchestrated by a hostile neighbour since the official end of militancy in the 1990s — in recent years, drones have been used to smuggle not just drugs but also weapons into the state.

An increasingly resonant narrative points to the urgent need to tackle the demand side of the problem. Sociologists link addiction to a deepening sense of hopelessness, particularly among the youth. Punjab has failed to diversify its economy beyond agriculture, which is offering diminishing returns. The state must pivot towards manufacturing and services, while reforming agriculture to make it sustainable. Successive governments have failed to drive this transformation. Government jobs make little dent in the widespread unemployment. Recent initiatives such as the 12 steps introduced to rev up industrial growth by removing red tape, and amendments to the Punjab Shops and Establishments Act, 1958 that ease the burden on small businesses, are steps in the right direction. But they must be backed by a broader strategy that incentivises startups and prepares the state for the AI age. Punjab's war on drugs is winnable, but only through a multi-pronged approach.

WINNING AGAINST ODDS

South Africa have notched a famous victory. First they set their house in order, then they countered outsiders' perceptions

SOUTH AFRICA'S CROWNING glory at the home of cricket at Lord's, where they won the World Test Championship title, defeating Australia, tells the world they can step up to pressure. And it will also help them to address, and to calm, the roiling within.

A lovely post-win moment from the South African dressing room has gone viral. Ashwell Prince, the batting coach, led a celebratory song about Black captain Temba Bavuma, with everyone in the room mouthing the lyrics. So disgusted was Prince with the treatment he received during his playing days by his own teammates that years later, he found the words to articulate his anger: "When things went wrong it was the quota players' fault (South Africa's policy to have non-White cricketers in the squad). When things went right, the others were the heroes. As long as I played for the national team, that was not a team. We were never one." Makhaya Ntini, South Africa's legendary pacer, would run behind the team bus from hotel to ground as he never felt welcomed by his teammates, who wouldn't even sit with him during breakfast or include him in their dinner plans. It's this context that shouldn't be forgotten. And that's why Aiden Markram, who played a phenomenal knock in the final, raved about his captain's strength of spirit.

It's not surprising that only when they conquered their inner ghosts, the team could stub out the nasty opposition voices about how they handle pressure. Bavuma spoke about how some Australian players brought up the choking tag as a form of sledging during the game. It would be a fool who would now voice that sentiment in the near future. First they set their house in order, then they countered outsiders' perceptions. That is this South African team's great achievement.

Engaging a divided West



RAJA MANDALA

By C Raja Mohan

PM Modi's participation in G7 summit is an opportunity for India to assess the bloc's changing dynamics

AS ONE REFLECTS on the ongoing G7 summit in Canada, it's easy to be distracted by the anti-India protests orchestrated by Khalistani groups or to be perturbed by US President Donald Trump's recurring assertions about mediating peace between India and Pakistan. But the summit has much bigger fish to fry. Prime Minister Narendra Modi's participation comes at a time of profound geopolitical flux and mounting divisions within the G7 itself.

Once a symbol of strategic unity among the world's leading democracies, the G7 now reflects deep internal contradictions — across trade, technology, climate, and regional security in Europe, the Middle East and the Indo-Pacific. Though India is not a member, its regular presence at the summit affords Delhi a critical platform to advance national interests, elevate its diplomatic profile, and contribute to shaping a new multipolar order. For Modi, this is an opportunity to assess first-hand the new dynamics within the West and make the best of them to promote India's security and prosperity.

Indian elites have long viewed the West as a monolith. But a longer historical perspective reveals that contestation among Western powers was a central theme, especially in the centuries preceding India's independence. As European powers built capitalist economies at home, they competed fiercely abroad for colonies, resources and markets. These inter-imperialist rivalries were key drivers of global politics.

The emergence of the Soviet Union during World War I complicated equations but did not end intra-Western rivalry, which remained dominant through World War II. Only in the aftermath of the War did the East-West dichotomy become the primary lens through which global politics was viewed. Despite Cold War unity against communism, intra-Western differences persisted — though largely tactical in nature. The collapse of the Soviet Union did not immediately disrupt Western coherence. A sense of triumphalism, anchored in the apparent victory of capitalism and liberal democracy, held the alliance together. But fault lines soon emerged.

In the mid- 1990s, France was already warning against the dangers of America's unrestrained "hyperpower", a concern that res-

Russia's war in Ukraine is another major source of discord. While the G7 continues to back Ukraine and impose sanctions on Moscow, uncertainty over the depth of US commitment is growing. European leaders are anxious about Trump's unpredictability and the potential erosion of transatlantic solidarity. This anxiety is magnified by recent developments in the Middle East — especially following Israel's strike on Iran. The regional crisis has heightened the summit's urgency but also exposed divergent positions on oil, security, and diplomacy.

onated even among US allies. Before Beijing, Moscow or even Delhi began advocating a multipolar world, it was Paris that championed the concept. France also reached out to India to help shape that order. While Delhi engaged with Russia and China in promoting multipolarity, it also drew closer to the West to build economic and technological capacity. This duality defined India's multi-alignment strategy. It is worth recalling that France and Germany openly opposed the US at the UN Security Council over the planned invasion of Iraq in 2003. Today, divisions over the Middle East run deeper. Europe is increasingly critical of Israeli policies, while the US remains staunchly supportive.

The 2018 G7 summit in Canada, held during Trump's first term, was marked by tension after he imposed steel and aluminium tariffs on European allies. A now-iconic image captured Chancellor Angela Merkel and other leaders confronting a defiant Trump. He left early, later accusing Prime Minister Justin Trudeau of dishonesty regarding summit discussions. While the Biden administration sought to restore Western unity, Trump's return to power signals a renewed shift toward American unilateralism. His focus is on promoting American interests, often at the expense of presumed collective Western goals. His MAGA coalition targets not only European economic policies but also their social norms. Trump's anti-woke campaign has morphed into a broader critique of European liberalism, and his support for far-right parties across Europe marks a new level of political intervention.

The Trump administration has imposed sweeping tariffs, including a 10 per cent duty on nearly all G7 partners, with threats of further escalation — especially targeting Canada. These moves have provoked alarm among European leaders and the Canadian government, who see them as a direct challenge to the rules-based international trading system long championed by the G7. US-Canada ties have been especially strained. Trump's inflammatory comments — questioning Canadian sovereignty and making casual references to annexation — have deepened tensions. Prime Minister Mark Carney, presiding over his first summit, is working to rally fellow G7 leaders to counterbalance Washington's assertiveness, particularly on trade and defence.

Russia's war in Ukraine is another major source of discord. While the G7 continues to back Ukraine and impose sanctions on Moscow, uncertainty over the depth of US commitment is growing. European leaders are anxious about Trump's unpredictability and the potential erosion of transatlantic solidarity. This anxiety is magnified by recent developments in the Middle East — especially following Israel's strike on Iran. The regional crisis has heightened the summit's urgency but also exposed divergent positions on oil, security, and diplomacy.

Defence spending has become a new flashpoint. Trump's demand that G7 partners raise military budgets to 5 per cent of GDP — well above NATO's 2 per cent guideline — has met resistance. Most members cite domestic constraints and question the need for such an aggressive ramp-up.

Disputes also linger over climate change and digital policy. Trump's scepticism about ambitious climate targets and global digital regulation frameworks has hampered consensus, despite European pressure for forward movement.

Acknowledging these divisions, Carney has abandoned the tradition of a joint communiqué, opting instead for a summary note that reflects the absence of consensus. The 2025 summit thus serves as a powerful reminder of the difficulties facing multilateralism in an era of renewed nationalism.

Against this backdrop, the Khalistani protests and Trump's occasional remarks about Kashmir pale into insignificance. Carney's invitation to Modi underscores India's growing importance as a partner for the G7. Modi would do well to ignore the distractions, work toward repairing ties with Canada, and re-engage with Trump. More importantly, he must assess the internal contradictions of the West, minimise their fallout for Indian interests, deepen bilateral partnerships with G7 members, and position India as a key stakeholder in shaping the global architecture that will inevitably emerge from the current turbulence.

The writer is distinguished fellow at the Council on Strategic and Defence Research, New Delhi, and contributing editor on international affairs for The Indian Express

SEASON OF MIXED TIDINGS

On revenue, there is room for optimism. But some concerns remain



ADITI NAYAR

THE FISCAL HEALTH of the Centre and states is a key cog of the macro picture. This article analyses the Government of India's (GoI's) fiscal trends for FY2025 and what they augur for the current fiscal and the medium term.

In absolute terms, the GoI's fiscal deficit in FY25 marginally exceeded its Revised Estimate (RE) of Rs 15.7 trillion by Rs 77 billion, as per provisional data from the CGA. This was led by a welcome overshooting in capex, with a back-ended surge seen in Q4. A less palatable miss on the receipts side was, however, largely offset by considerable savings of Rs 0.9 trillion in revenue expenditure in the fiscal.

The provisional estimate of the nominal GDP for FY25 printed at around 2 per cent higher than the First Advance Estimate (FAE) for the fiscal that was used at the time of the Union budget. This meant that the fiscal deficit was contained at 4.8 per cent of GDP, in line with the target. Interestingly, the revenue deficit was curtailed at Rs 5.7 trillion lower than RE of Rs 6.1 trillion. As a proportion of GDP, this amounted to a 17-year low of 1.7 per cent vs 1.9 per cent included in the FY25 RE, a welcome development.

The hits and misses under various heads in FY25 may have some bearing on the assessment of the FY26 targets. For instance, the Rs 0.6 trillion shortfall in gross tax revenues in the FY25 provisionals vis-à-vis the RE has

pushed up the required growth rate for this head in FY26 to 12.5 per cent from an already optimistic 10.8 per cent earlier. However, there is an additional cushion on the receipts side of around Rs 0.4 trillion on account of the higher-than-budgeted RBI dividend transfer.

Additionally, as per CGA data for April, miscellaneous capital receipts amounted to as much as 46 per cent of the FY26 BE of Rs 470 billion, as against nil in the year-ago month. This is an unusually high proportion to be recorded in the first month of the fiscal and gives us confidence that its target is unlikely to be missed. On the expenditure side, the required growth to meet the FY26 BE for revex is now higher than assumed in the budget; for capex, it is lower. For this year, both the composition and the timing of expenditure will be key. An early kick-off to spending will provide a buffer against the uncertainties wrought by the tariff issues.

The upward revision in the FY25 nominal GDP number also augurs well for meeting the deficit- and debt-to-GDP targets for FY26. Despite a relatively lower projected nominal growth of 9 per cent in FY26 (ICRA's forecast) vis-à-vis the budgeted levels of 10.1 per cent, the fiscal deficit can be contained at 4.4 per cent in FY26, while accommodating a marginal fiscal slippage, given the larger base. The fiscal buffer in FY26 could be used to push up

the capex, which has begun on a strong note, surging by as much as 61 per cent to Rs 1.6 trillion in April 2025, well above the average monthly required run-rate of Rs 0.9 trillion for the fiscal. Capex needs to grow by 0.9 per cent in the remaining 11 months to meet the FY2026 budget target.

Given these buffers, the GoI could push up capex by at least Rs 0.8 trillion in FY2026 relative to the BE, which would take the headline figure to nearly Rs 12.0 trillion, implying a higher growth.

Some major policy issues are looming on the horizon, which would affect the Centre's and states' finances, and their fiscal relations. First, the Sixteenth Finance Commission is due to submit its report later this year, and its recommendations will impact both central and state finances over the next five years. Will the recent conflict and need for geopolitical readiness lead to higher pre-emptive defence spending? If so, this may leave less money for other priorities. The Pay Commission award and its timing will affect the Centre's finances directly and some states may follow suit. Lastly, the GST compensation cess is shortly due to cease in its current avatar and how it is reimagined will impact Centre and state revenues.

The writer is chief economist and head, Research & Outreach, ICRA

JUNE 17, 1985, FORTY YEARS AGO

INDO-US STATEMENT

INDIA AND THE United States will maintain close cooperation to combat "the international dimensions of terrorist violence against India" and broaden their ties through a programme of research covering agriculture, medicine and science. These major decisions were set up in a joint communique issued at the end of PM Rajiv Gandhi's visit to the US. The joint statement is quiet on the differences over the supply of sophisticated weaponry by the US to Pakistan and Pakistan's nuclear programme.

LONGOWAL CLARIFIES

THE AKALI DAL (L) president, Harchand

Singh Longowal, has said his party was prepared to reconsider the Anandpur Sahib Resolution if "Hindus have any apprehensions about it". The resolution did not put forth the demand for a "Khalistan", he said. Longowal said that the Akali Dal (L) was committed to the unity and integrity of the country.

REAGAN ON HIJACKERS

HIJACKERS WHO KILLED one passenger aboard a TWA jetliner flew back to Beirut with about 40 American hostages still on board, renewing threats to detonate the plane unless Israel releases 50 Shia Muslim

guerrilla prisoners. They had earlier sought the release of all such prisoners in Israeli prisons. Ronald Reagan said the US government had been in touch with governments of Israel and Lebanon.

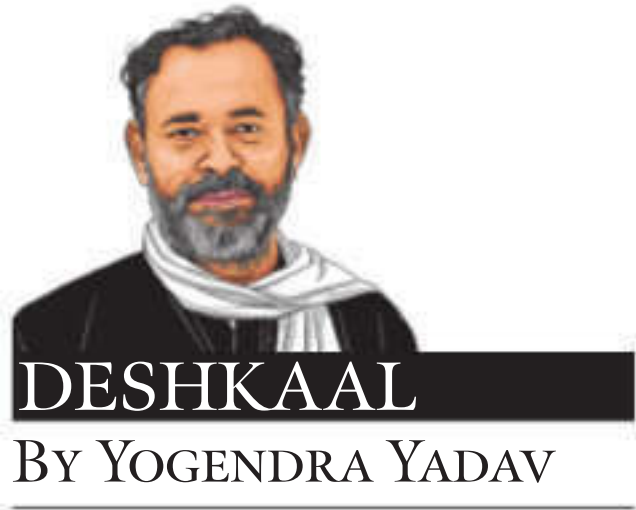
CEASEFIRE IN SRI LANKA

THERE WAS SPECULATION that Sri Lanka's long-drawn separatist war would end this week with most of the Tamil guerrillas and government forces observing a ceasefire, official sources said. National Security Minister Lalith Athulathmudali signalled an early ceasefire, saying that the settlement process was likely to begin within a week.



Revisiting Nirmal Verma

It would be a colossal mistake not to take the writer and thinker’s questions as the starting point to rethink our nationalism today



DESHKAAL
By YOGENDRA YADAV

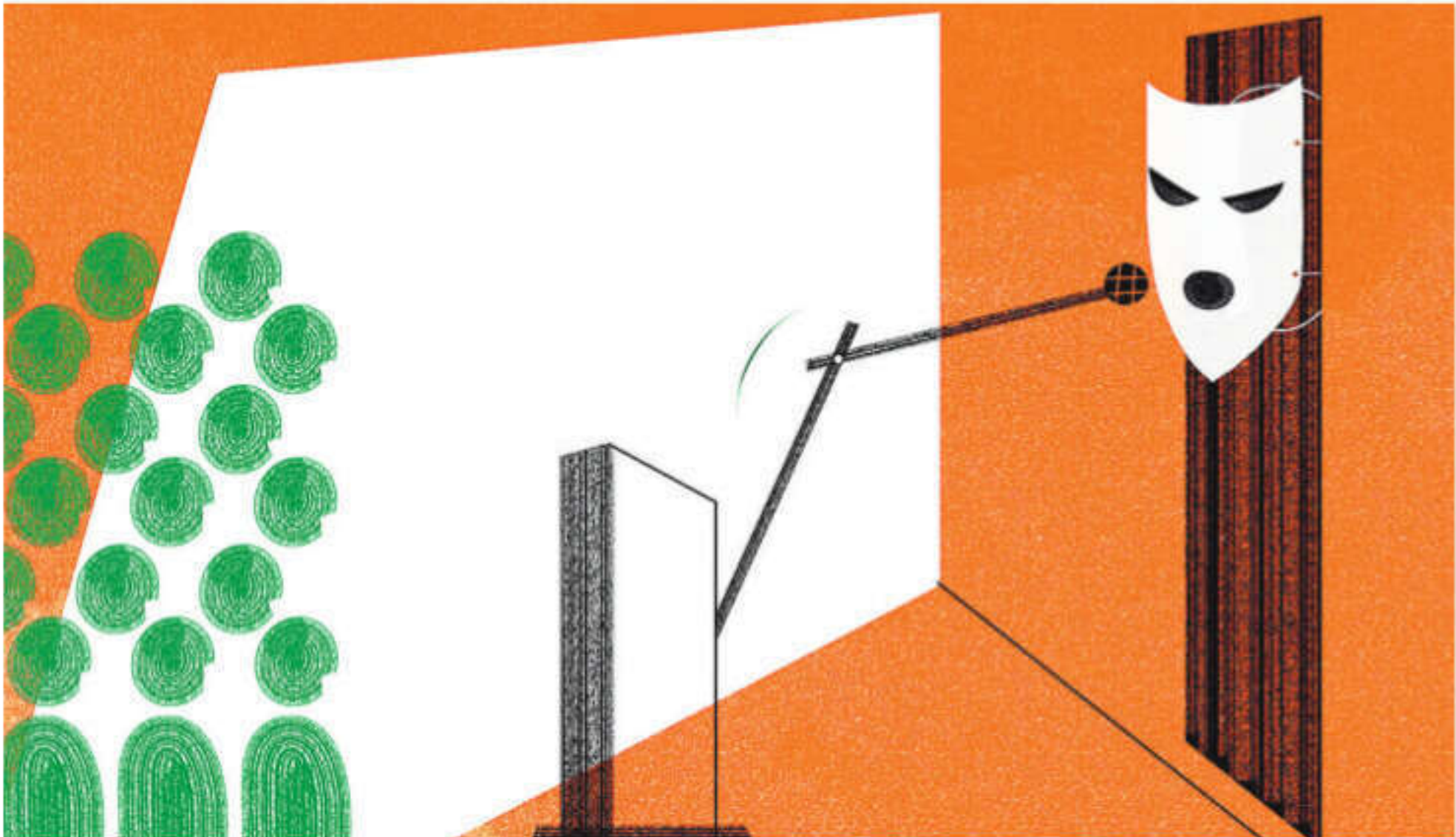
NIRMAL VERMA (1929-2005) is an unlikely thinker to turn to for reclaiming our positive nationalism. Many would consider him unfit for this project, as his ideas could be appropriated by the other, narrow-minded nationalism. That is precisely why we need to revisit Verma, the thinker, when we mark this October the 20th anniversary of his passing away.

Verma is not a familiar name in what passes for the world of ideas in contemporary India. Very few know about him. Those who do, usually think of him just as a fiction writer. And the few who read his social and political writings tend to be unsure what to make of them. He wasn’t exactly an unknown Indian, though. Among the finest 20th-century fiction writers in Hindi — a Jnanpith awardee for a body of work that comprised five novels, a dozen collections of short stories, drama and travelogues and another dozen translations of European classics — he is remembered mainly as a creative writer, not as a “thinker”. It didn’t help that he chose to write in Hindi, though he was equally proficient in English. In the later years of his life, he leaned towards the BJP and was dubbed a Hindutva apologist. He treated such descriptions with contempt, but they stuck because of his controversial takes on the Mandir and Mandal disputes.

While literary critics have written extensively about his fiction and other creative writings, the 10 collections of his reflective essays have remained almost unnoticed. The contrast is significant as his essays are not simply an elaboration of his literary self. As Alok Bhalla notes in the introduction to *India and Europe: Selected Essays* (2000), the only English collection of his essays, there is an apparent disjunction between the two. Verma’s fiction was unapologetically modernist, it explored the “arid silence that lies between people who have lost faith in each other”. But his reflective essays are an expression of disenchantment with modernity.

The very first collection, *Shabd Aur Smriti* (1976), laid the foundations of an Indian critique of Orientalist knowledge, before the publication of Edward Said’s *Orientalism*. ‘Atet: Ek Atmamanthan’, a path-breaking essay in this book, anticipated what Ashis Nandy was to argue later, that the Indian way of relating to the past is very different, and none the worse for it, from what we call history. His essays in *Kala ka Jokhim* (1981), *Itihas Smriti Akanksha* (1991) and *Sahitya ka Aatm Satya* (2005) could be called cultural critique in the broadest sense and were often preoccupied with themes of literature, art, creativity.

Underlying all his reflective writings is a fundamental question: Can we save Indian civilisation from the inner disintegration it experienced as a result of the colonial encounter? In collections such as *Shatabdi ke Dhalte Varshon Mein* (1995) and *Doosare Shabdon Mein* (1999), he posed this question directly via nationalism, secularism, socialism, civilisation and India’s encounter with Europe. The depth of his reading and understanding of European literature and art was unmatched by any 20th-century Hindi writer. His 1988 lecture



CR Sasikumar

at Heidelberg University, ‘India and Europe: Regions of Resonance’, (Hindi version published as *Bharat aur Europe: Pratishruti ke Kshetra*) stands out for its subtle explorations of the colonial encounter and for maintaining an independent voice in the era of “post-colonial” studies. The publication of *Sansar Mein Nirmal Verma* (2024), a two-volume collection of his interviews, helps to give a rounded picture of Verma, the thinker. Notwithstanding such a body of work, I could not find a single scholarly book or even an extended essay that goes beyond shallow polemics and offers a serious outline or critique of his ideas. This vacuum needs to be addressed.

Political partisanship comes in the way of filling this vacuum. Verma’s biographical trajectory generated a good deal of controversy during his lifetime. He started as a communist but grew disillusioned with the ideology during his decade-long stay in Czechoslovakia. While his fiction stayed away from political polemics, his essays began interrogating the ideals of secularism, socialism and modern development, which were articles of faith at that time. He turned to Indian traditions, to Buddha, Ramakrishna Paramahansa (more than Vivekananda), Sri Aurobindo and, above all, Mahatma Gandhi (not Jawharlal Nehru) for intellectual inspiration. His opposition to the Emergency and then to OBC reservation, and his ambivalence on the Babri Masjid demolition and the Pokhran tests, completed his intellectual isolation. Interestingly, though the left disowned and attacked him, the right could never own his ideas.

Why should we revisit a thinker like Verma? And why do it now? Because he forces us to ask questions that “progressive” modern Indians have avoided. Because the void left by this silence and indifference has allowed our nationalism to be captured by a fake variant. Because Verma poses these questions in a way that is at once sharp and constructive. Because unless we face these uncomfortable questions, we cannot reclaim our nationalism.

Cultural or rather civilisational issues are at the heart of Verma’s intellectual quest. He views the post-Independence Indian nation-state as a successor to Indian civilisation, a modern state that carries the responsibility of forging an alternative to the dominant Western paradigm of development. His unabashed concern about India’s unity and its territorial integrity is rooted in this wider

Why should we revisit a thinker like Verma? And why do it now? Because he forces us to ask questions that ‘progressive’ modern Indians have avoided. Because the void left by this silence and indifference has allowed our nationalism to be captured by a fake variant. Because Verma poses these questions in a way that is at once sharp and constructive. Because unless we face these uncomfortable questions, we cannot reclaim our nationalism.

non-jingoistic concern. His answer is unclear, and often hints that Hindus are the custodians of national unity and integrity. Yet the question remains: How do we frame and claim the nationalist concern for the unity and integrity of India? His critique of secularism was ruthless and sometimes over the top, yet it offered arguments to critique Hindu communalism as well. It invites us to introspect: Did secular politics not engage in selective amnesia?

Verma offered a deep, if a tad romantic, defence of India’s living traditions. His affirmation of these traditions does not suffer from ethnocentricism; for him Indian civilisation continues to carry the integral view of a universe that does not place humans at the centre of the world, something that the modern West has lost. He offered a brutal critique of the modern Indian mind, including the stalwarts of the Bengal renaissance, for their intellectual surrender to the West, for their intellectual slavery. You could say that his story of Indian civilisation accommodates Hinduism, Buddhism and Sikhism but is equivocal on the role of Islam in India. There is a pronounced unease, if not denial, of the question of caste inequality in Indian society. Yet he leaves a big question with us: Is our critique of colonialism limited to its political and economic consequences? Or are we willing to look at the intellectual and cultural consequences of colonialism on the Indian self? And if we do, how can we not face the cultural heteronomy that has continued to shape the Indian mind since political independence? How do we propose to respond to this continued cultural colonialism that has seeped into our political, economic and educational institutions?

Verma was not the only one who asked such questions and was relegated to the margins of modern Indian intelligentsia. One can think of A K Saran, J P S Uberoi, Ramesh Chandra Shah, Daya Krishna, Dharam Pal and of course Ashis Nandy. Unlike some of them, Verma related these questions to the issues of his times, sometimes polemically. It would be premature to take his answers as the finished product of a new nationalism. But it would be a colossal mistake not to take his questions as the starting point to rethink our nationalism.

The writer is member, Swaraj India, and national convener of Bharat Jodo Abhiyaan. Views are personal

WHAT THE OTHERS SAY

““With prospects for peace looking dim, the world, particularly Iran’s neighbours — including Pakistan and the Middle East states — must be prepared for prolonged geopolitical turbulence and economic tremors.” — **DAWN, PAKISTAN**

The city begins in the classroom

Green buildings are now part of the curricula, but dealing with heat and floods demands a paradigm shift that starts in the schools



KAUSHIK DAS GUPTA

THE FIRST HALF of 2025 has been a textbook case of the chaos wrought by climate change on weather systems. It has been another hot year, but the record-breaking temperatures have not been during the summer months. People in India experienced the hottest January since 1958. By February, not only was the cool weather in retreat, but the rising temperatures had also obscured spring in several parts of the country. It was the hottest that India has been in the second month of the year since 1900 — the national average temperature was 1.35 degrees above normal. The IMD issued its first heatwave alert for the summer as early as April. But May had none of the scorching temperatures usually associated with the month. Delhi, Mumbai and Bengaluru set rainfall-related records. Heat returned to north India in the first half of June. Showers have brought some relief to the people. Like parts of south India and Maharashtra, the region could experience an early rainy season if the IMD forecast holds true.

In recent years, another factor has made the hot weather more taxing for Indians. In several parts of the country, the summer months are becoming stressful not just because of the high temperature. The moisture in the air inhibits the body’s ability to cool down through the natural mechanism of sweating. The strain is felt most acutely by outdoor workers such as construction hands, farmers, street vendors and food-delivery partners. A growing body of scholarship shows that their bodies are exposed to heat all day and do not get a chance to cool down even during the night. A 2022 World Bank study shows that more than 34 million jobs in India could be at risk by 2030 due to heat exposure.

The humidity is the result of multiple weather systems around the country, which in turn are fuelled by the general warming of the seas. If this wasn’t enough, the atmospheric instability caused by moist winds from the Bay of Bengal has left its mark in several parts of the country. More than 150 people lost their lives due to lightning strikes in March and April — an over 180 per cent rise compared to last year. Bihar’s disaster management authority records show that lightning strikes claimed more than 90 lives between April 9 and April 14. The state has always been a hotspot for lightning-related calamities. But these would typically happen in June-July.

Rain brings some relief but also leaves disruption in its wake. This year, the earliest onset of the monsoon over Mumbai coincided with the city breaking a 100-year-old record for rainfall in May. Large parts of India’s financial capital, including

a newly built Metro station, went under water, reminding policymakers of the vulnerability of the country’s economy to climate risks. The downpour exposed at least 50 new waterlogging sites in the city. In the past two weeks, several parts of Pune have been inundated. Bengaluru, too, has experienced disruptive floods, and parts of the Northeast have been badly hit by landslides.

The growing threat of climate stress calls for urgent mid- and long-term strategies — both structural and non-structural — to limit economic and social fallout. But first things first. Climate change and erratic weather are contributing factors: The underlying issues related to many of the problems faced by people underscore long-standing systemic gaps in planning, land use, and infrastructure management.

Experts have underlined that most Indian cities are about 2°C hotter than nearby rural areas. The concrete, asphalt and bricks used for urban infrastructure, roads, buildings and pavements soak up and retain heat. These materials are part of an engineering paradigm that relies on the use of strong materials to construct sturdy offices, houses and roads. The belief that they would withstand all kinds of weather hasn’t been unfounded. But it’s increasingly become evident that buildings are a source of extreme nighttime heat worldwide, including India.

Cities are both a product of people’s aspirations and harbingers of their progress. It’s natural that they will expand. However, urban expansion has become coterminous with real estate, and authorities have paid short shrift to the natural capacities of cities to deal with excess water. Whether in Bengaluru, Mumbai, Pune, or Delhi, urban development — planned and unplanned — has meant the loss of natural water sinks, exacerbating their vulnerability to climate risks.

It’s now evident that most of India will live in cities in the coming years. Will these cities be heat resilient? How will they deal with short but intense bursts of rainfall? Climate science has helped us understand why we live in unpredictable times. The challenge now is to come to terms with the chaos.

Green buildings and climate-friendly planning are now part of the curricula in some of the top engineering and architecture institutes. That will not be enough. Climate-proofing cities requires a paradigm shift in Construction Science curricula across the country. Technology is, however, only part of the challenge. The weather vagaries pose broader questions to knowledge and pedagogical systems — they are as serious as the questions posed by AI and automation.

The environment has become mainstream to an extent. But all too often, in educational institutes, it’s another box to be ticked. Ecology is yet to become a part of people’s socialisation in most cities. Climate-proofing habitats and making people resilient to weather vagaries requires classrooms to engage with heat, rain, lightning, mountains, oceans, rivers, lakes, and drains as lived realities of communities — the beginning should be made in schools.

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LETTER TO THE EDITOR

CHECKS NEEDED

THIS REFERS to the report ‘Four killed as “unsafe” bridge collapses at Pune tourist spot’ (*IE*, June 16). The tragic collapse of the bridge over the Indrayani River near Talegaon is a grim reminder of the urgent need for infrastructure audits and maintenance. This incident highlights the danger posed by ageing and neglected public structures. It is deeply concerning that despite the bridge being over three decades old and visibly rusted, no timely measures were taken to either repair or replace it.

Sanjay Chopra, Mohali

TEST CRICKET KINGS

THIS REFERS to the article, ‘South Africa’s Mace of Good Hope’ (*IE*, June 15). The curse of defeat in every ICC tournament has finally been lifted from the shoulders of the Proteas. They won an ICC trophy for the first time after 27 years, beating the Aussies who have played 13 ICC finals and won 10 of them. Such is the latter’s dominance in ICC tournaments. Despite conceding a first innings lead, South African made it past the line due to Rabada’s 9 wicket haul, Markram’s classy century and Bavuma’s resilient knock. Kudos to the Proteas.

Bal Govind, Noida

ISRAEL’S AGGRESSION

THIS REFERS to the editorial, ‘Step back from brink’ (*IE*, June 14). It is evident from Israel’s military operations verg-

ing on overt aggression against Iran on the pretext of self-defence that the Jewish state believes in the spurious sayings, “might makes right” and “attack is the best form of defence”. Israel’s warning, “Tehran will burn,” is an arrogant self-trumpeting of its military might. Israel cannot justify its attacks just by saying that they have become necessary to prevent Iran from pursuing its nuclear programme and becoming capable of attacking it with nuclear weapons sometime in the future. It cannot cite an imagined fear of an existential threat or a purely hypothetical scenario.

G David Milton, Maruthancode

DEVELOPING UNITY

THIS REFERS to the article, ‘Past is an inspiration’ (*IE*, June 14). Civilisational consciousness in India evolved from its sacred geography, holy pilgrimages, fairs and festivals. Pilgrimage was an opportunity to meet and visit diverse people across India to share and understand the experience of life. The purpose was also to explore and connect with the holy places (temples, rivers, caves and mountains) spread across Bharatvarsh (as described in the *puranas* and *shastras*). Festivals were occasions to celebrate spiritual unity and diversity. This consciousness developed harmony in social life and broadened our vision.

— Arvind Waze, Mumbai



GOURAV VALLABH

CONGRESS LEADER P Chidambaram’s assertion (‘Eleven years: A critique’, *IE*, June 15) that “India is not a better, stronger, or fairer place today than it was in 2014” misrepresents the progress made under PM Narendra Modi’s leadership. His critique overlooks significant reforms and India’s enhanced global standing. Chidambaram claims the Modi government has ignored diverse views; however, India remains a vibrant democracy with an active media, judiciary, and Opposition. It is important to note that June 25 will mark 50 years of the imposition of the Emergency. The NDA’s success in three consecutive national elections showcases public confidence, not authoritarianism. Respecting alternative views does not mean allowing misinformation or threats to national security. No democracy permits liberty that undermines unity.

The article selectively compares GDP growth data while overlooking the macroeconomic shocks India has weathered, such as Covid, global energy price spikes, and geopolitical disruptions. From FY2014 to FY2025 (ex-

cluding Covid year FY21, which saw negative growth, and FY22, which saw recovery), India grew at an average of 7.1 per cent. In 2014, India was the 10th-largest economy with a nominal GDP of Rs 112.3 lakh crore; it was the fourth-largest in 2025 with a nominal GDP of Rs 330.7 lakh crore. Among the top 10 economies, India grew the most in the past 10 years.

At the current growth rate projections, India will become the third-largest economy by 2028. Per capita GDP at current prices stood at Rs 2.35 lakh in FY25, with a decadal compound annual growth rate of 9.1 per cent. Inflation, too, has been better managed, averaging around 4.6 per cent in the past 11 years compared to 7.5 per cent during the UPA decade. Capital expenditure as a percentage of GDP increased by 50 per cent in the previous 11 years. During the UPA’s tenure, capex was around 2 per cent of GDP. It rose to 3.1 per cent in FY 25. This reflects the government’s improvement in the quality of spending.

Since 2014, India has transformed from a fragile economy into a resilient global player

driven by people-first policies, institutional reforms and digital innovation. The abolition of the wealth tax and the introduction of GST enhanced efficiency and broadened the formal economy. National highway length increased from 91,287 km in 2014 to 1,46,204 km by 2025. Significant projects like the Atal Tunnel and Chenab Bridge were completed. Rail track length addition more than doubled from 14,000 km (2004-14) to 31,000 km (2014-25), and electrification has increased from 21,000 km (2004-14) to 41,000 km since 2014. Port turnaround time improved to 0.9 days, surpassing Singapore and the US. India climbed 16 spots in the World Bank’s Logistics Performance Index from 2014 to 2023.

Ayushman Bharat covers 50 crore citizens with Rs 5 lakh health insurance; the Jal Jeevan Mission expanded tap water access from 3.23 crore rural homes in 2019 to 15.6 crore in 2025. Swachh Bharat constructed 10 crore toilets, and the Ujjwala Yojana provided nine crore LPG connections. As per the World Bank, extreme poverty fell from 27.1 per cent in 2011-12 to 5.3 per cent in 2022-23, lifting 26.9 crore citizens

from extreme poverty. The Multidimensional Poverty Index dropped from 53.8 per cent in 2005-06 to 15.5 per cent in 2022-23.

From 2014 to 2024, India created 17.19 crore jobs, compared to 2.9 crore in the previous decade; unemployment fell from 6 per cent in 2017-18 to 3.2 per cent in 2023-24. India has asserted its zero-tolerance stance on terror, with the surgical strikes, Balakot air strike, and Operation Sindoor.

Throughout its G20 presidency, India positioned itself as the voice of the Global South. Border infrastructure has seen rapid enhancement. India has maintained economic and strategic partnerships through initiatives such as BIMSTEC, IPEF, the Quad, and the SCO.

Challenges remain, and in a country as vast as India, addressing one issue can often lead to friction elsewhere. Nonetheless, the last 11 years have illustrated what is possible when reforms are driven by a clear vision, effective policy, and a strong sense of purpose.

The writer is part-time member, EAC-PM and a professor of Finance at XLRI

EXPLAINED

CLIMATE

BONN CLIMATE CHANGE CONFERENCE BEGINS: EVERYTHING YOU NEED TO KNOW

THE ANNUAL Bonn Climate Change Conference began on Monday as more than 5,000 government delegates and stakeholders gathered in Bonn, Germany. The meeting, which will wrap up on June 26, will witness discussion on a wide range of issues including the mobilisation of finance to tackle climate change.



The conference usually takes place in June every year. *Reuters*

The conference

The Bonn Climate Change Conference is an annual mid-year meeting that takes place under the United Nations Framework Convention on Climate Change (UNFCCC) – an international agreement, signed in 1992, that has provided a basis for climate negotiations. The conference is formally known as the Sessions of the UNFCCC Subsidiary Bodies (SBs). Along with the annual Conference of the Parties (COP), it is the only other regular climate summit hosted by the UNFCCC.

It is attended by the members of SBs – essentially committees that assist UNFCCC's governing bodies in implementing and reviewing climate change agreements. The meeting is also attended by Indigenous representatives, international organisations, scientists, and civil society representatives.

The objectives

The conference takes place to discuss technical and scientific aspects of climate negotiations, and set the agenda for COP, which usually takes place in November. “The results of the negotiations in Bonn are highly influential on decisions made at the COP. Recommendations made at the SBs frequently appear in final decisions acted upon by parties at the COP,” according to a report on the website of Harvard Kennedy School.

The Bonn Climate Conference is also the venue where the implementation of agreements set at the previous COP is discussed.

The key players

The meeting is led by the SBs of the

UNFCCC. There are two permanent SBs of the UNFCCC, the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA).

SBI assists UNFCCC governing bodies in the assessment and review of the implementation of their decisions. It also facilitates discussions on financial and technical support to developing countries which are party to the UNFCCC.

SBSTA advises governing bodies on scientific knowledge related to climate change. “It serves as the “link” between scientific advisors at the IPCC and policy-makers serving in party delegations at the COPs,” the Harvard Kennedy School's report said.

This year's agenda

One of the key topics during discussions will be the Global Goal on Adaptation (GGA), which is an attempt to identify a common global goal on adaptation, just like keeping temperatures below the 1.5 degrees Celsius threshold is a global goal on mitigation.

Although GGA was established in the Paris Agreement in 2015, no major breakthrough came till COP28 in Dubai, where parties adopted a framework for defining global goals on adaptation. **ENS**

WARMER CLIMATE COULD WORSEN SLEEP APNOEA, STUDY FINDS

SLEEP APNOEA, a condition characterised by having trouble breathing properly while sleeping, could become more common and severe in a warmer future, a new study has found. Obstructive Sleep Apnoea (OSA) can affect about a billion people worldwide. The condition occurs when muscles in the throat narrow the airways, impacting breathing and blood oxygen levels.

The findings, published in the journal *Nature Communications*, show that the chances of experiencing sleep apnoea could spike by 45% on days with higher temperatures. The chances of these effects in populations of countries with a lower GDP per capita, including India, are higher, the study found.

More than 500 nights of sleep data of 116,620 people from across 41 countries

were analysed. Data were gathered using a sensor placed under the participants' mattresses. The researchers then compared this sleep data with 24-hour temperature information sourced from climate models.

The study projected that the burden, impacts, and costs of OSA could double by 2100, under a warming of 1.8 degrees Celsius in global ambient temperature above pre-industrial levels. “Scenarios with projected temperatures (of over) 1.8 degrees Celsius above pre-industrial levels would incur a further 1.2 to 3-fold increase in OSA burden by 2100,” the study said.

Studies have previously related sleep apnoea with an increased risk of developing cardiovascular disease and mental conditions such as anxiety. **PTI**



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EXPLAINED

CENSUS

How India will conduct Census

The Census takes place in two phases: house-listing and population enumeration. The one in 2027 will be India's first digital Census where enumerators will use an app to collect data and a new coding system

DEEPTIMAN TIWARY
NEW DELHI, JUNE 16

THE GOVERNMENT has formally announced that the 16th Census of India will take place in two phases, with reference dates set as March 1, 2027 for most of the country, and October 1, 2026 for snow-bound and remote regions such as Ladakh, Jammu & Kashmir, Himachal Pradesh, and Uttarakhand.

The notification under Section 3 of the Census Act, 1948 appeared in the Gazette on Monday. The house-listing phase will run for several months in 2026 before the population count begins in early 2027.

Conducting a Census

Around 30 lakh enumerators (primarily school teachers) will be conducting the upcoming Census. Another 1.2 lakh functionaries at the district and sub-district levels will manage, oversee or support Census work, and roughly 46,000 persons will train enumerators.

Like previous Censuses, the upcoming exercise will be conducted in two broad phases: first the house-listing and house census phase, and then the population enumeration. These phases are separated by several months, and preceded by freezing of district boundaries by states, a preparatory mapping exercise, and training of enumerators.

PHASE 1: House-listing

In this phase, enumerators visit every structure in the country to record the characteristics of buildings and households. Among other things, they collect data on the nature of the building (whether it is being used for residential or commercial purposes, etc.), the materials used in its construction, the number of rooms, ownership status, sources of water and electricity, kind of toilets it has, fuel used for cooling, and availability of assets like TVs, phones, and vehicle. Enumerators also collect data on the head of the household and the number of members.

This information helps build a profile of the housing stock, access to amenities, and living conditions across India. Generally, this phase takes place between March 1 and September 30 of the year before the year of population enumeration. For the upcoming Census, it is expected to take place in 2026.

PHASE 2: Population enumeration

Population enumeration follows the housing census and focuses on more granular individual data: name, age, sex, date of birth, relationship to the head of household, marital status, education, occupation, religion, caste/tribe, disability status, and migration history. Enumerators fill out a schedule for each and every person in the country, including the homeless – this process captures demographic and socio-economic details that form the heart of the Census database.

The data are processed centrally and released in stages – first the provisional population totals, then more detailed tables disaggregated by various indicators. Robust quality control mechanisms, including re-checks and audits, are built into the process.

The population enumeration process for the upcoming Census is expected to be completed within three weeks in February 2027, sources said. Provisional data will be released within ten days after the exercise, and final data in another six months.

Methodological changes

The 2027 Census will be India's first digital Census. Here are a few key methodolog-

The Census sees the government systematically collect demographic, social, and economic data of a population

IT SERVES as a national mirror, reflecting changing patterns of identity, occupation, living conditions, and family structures. Capturing this change is crucial to assess the impact of existing policies, and design new ones, especially for the underserved.

THE CENSUS is the basis on which electoral constituencies are drawn, and seats reserved for Scheduled Castes and Scheduled Tribes. Article 82 of the Constitution mandates delimitation of constituencies based on the most recent Census; Articles 330 and 332 reserve seats for SCs and STs in legislatures.

CENTRAL GRANTS to states and districts are often population-based, and thus depend on Census data, as are subsidies and ration allocations. Ministries ranging from Education to Rural Development use Census data for a whole range of decisions, from where to make schools or primary health centres to how to allocate funds.

ical shifts from prior years.

App-based process: Unlike past Censuses, enumerators will likely be using handheld devices or smartphones preloaded with the Census app rather than pen and paper (although both options will be available). Digitisation is expected to reduce errors, speed up processing, and enable tighter quality control.

For instance, enumerators will receive alerts when they enter unrealistic household sizes or inconsistent ages (for example, listing a father to be younger than his son), enabling real-time corrections. Such checks did not and could not exist in 2011, or any previous Census conducted solely using pen and paper.

The upcoming Census will also introduce GPS tagging of households, and geofencing to avoid coverage gaps. Previous exercises used physical maps and area lists.

New coding system: Previous Censuses had many data points like occupation or mother tongue that were not coded and quantified – these entries were made in writing. This often led to discrepancies in spelling and confusion and delays during data processing.

Moreover, many questions necessitated descriptive responses. These not only delayed data processing and dissemination – only a few questions could take years to process – but also made the process more susceptible to biases of both enumerators and those processing the data.

The 2027 Census will see the introduction of a new coding system. On the mobile app, enumerators will select options from pre-loaded lists or “code directories” with separate codes for all possible responses. Standardised codes will be available for entries including caste and tribe names, languages, occupations, and place of birth, with enumerators making selections on drop-down menus or picklists. This will ensure that entries are uniform across the country, and can be quickly processed by computers.

Self-enumeration: Households will be able to log into a government portal or use

WHY THE CENSUS MATTERS



Officials carrying out Census in Mumbai in 2011. *Pradip Das*

POLITICAL IMPLICATIONS

The mammoth exercise has two significant political implications.

■ **This will be the first Census since 1931 to capture granular caste data, beyond the broader classifications of Scheduled Castes (SCs) and Scheduled Tribes (STs) that have been enumerated in every post-Independence Census.**

■ **The timing of the Census, whose data will be released well ahead of the Lok Sabha elections of 2029, has potential implications for the future delimitation of electoral constituencies and distribution of seats in Parliament.**

an app to enter their own details. The system will subsequently generate a unique ID which will have to be presented to the enumerator visiting the household. Self-enumeration will likely save a lot of time during the data collection process.

The Registrar General of India (RGI) has already erected the digital infrastructure key to these shifts. The Census Management and Monitoring System (CMMS) will allow supervision and resolution of field issues without delay.

Changes in content

The RGI had prepared a detailed questionnaire for both phases of the Census in 2018 itself. A test of the enumeration was conducted in 2019.

Apart from the addition of caste enumeration, sources said the questionnaire for 2027 would mostly remain the same.

The house-listing operation will collect data under 34 columns, while population enumeration will have 28 columns. A number of new questions and changes have been introduced in both phases.

New information enumerators will seek during the house-listing phase include:

- Availability of internet connectivity in the house;
- Ownership of mobile phones and smartphones;
- Access to drinking water source inside the dwelling;
- Type of gas connection (whether it is piped natural gas or LPG);
- Vehicle ownership (two-wheelers, four-wheelers, or commercial vehicles);
- The respondent's mobile number, which will be used for follow-ups information dissemination; and
- Type of cereal consumed in the household.

These additions reflect a growing emphasis on digital connectivity, clean energy access, and mobility as key development indicators.

Changes during the population enu-

meration phase include:

■ **Caste enumeration for all individuals (not just SC/ST), a first since the Census of 1931;**

■ **Introduction of new categories under “reasons for migration” such as displacement due to climate events or natural disasters;**

■ **Questions on technology usage, including whether individuals use the Internet or smartphones; and**

■ **A new option to choose gender – individuals will be able to identify as transgender for the very first time.**

Anticipated challenges

Digital literacy among enumerators is a major concern. To resolve this, extensive training modules, simulations, and region-specific language interfaces have been designed. The app has been made with user-friendly prompts and drop-down menus to be as foolproof as possible.

Connectivity in remote areas will be another major challenge.

Keeping this in mind, the app is built to function offline and auto-synchronise once signal returns. This means that enumerators will be able to collect data even if there is no signal – they will only need connectivity when they are uploading data.

Some app glitches are also expected. Enumerators will be given field support and diagnostic tools to troubleshoot problems in real time.

In case of GPS drift or tagging issues, supervisors will verify and manually adjust co-ordinates where necessary.

Census officers will be conducting periodic checks for quality purposes – forms flagged by an automated system will be reviewed by supervisors. The intention is to catch and correct as many errors as possible, such as unrealistic age ranges or duplicate entries, before submission.

Lastly, anticipating reluctance or fear among some respondents, enumerators have been trained in soft skills and legal provisions, and mobile alerts will be built in to document refusal or delayed access.

Decades after Judi Dench played M in Bond films, MI6 gets first woman chief

ARJUN SENGUPTA
NEW DELHI, JUNE 16

THIRTY YEARS after Dame Judi Dench first appeared on the silver screen as M, the head of British foreign intelligence agency MI6 in the James Bond universe, reality has finally caught up with fiction.

Britain's Prime Minister Keir Starmer on Sunday announced that Blaise Metreweli would succeed outgoing MI6 chief Richard Moore later this year, making her the first woman to lead the covert agency in its nearly 116-year-long history. Metreweli, 47, is currently leading MI6's Q section, responsible for technology and innovation.

Art imitates life, life imitates art

Much has been written about Dench being cast as M in *GoldenEye*, the 1995 Bond classic that introduced Pierce Brosnan as the eponymous British spy.

Dench's character was inspired by Stella Rimington, who in 1992 became the first woman to lead a British intelligence agency (she headed MI5). “There is now a woman at the head of the British secret service and

this Bond film reflects that – quite rightly, in my view,” Dench had said in an interview.

For a film franchise steeped in sexism, Dench being cast as M was significant. In her very first interaction with Bond in *GoldenEye*, M calls him “a sexist misogynist dinosaur” – overtly signalling the film-makers' intent to adapt to the times.

But not much actually changed in the films. Introducing a female authority figure did not make Bond any less sexist, nor did it make any larger feminist point.

That said, it would take MI6 another three decades to get a woman chief in reality – unlike two of its sister spy agencies,

MI5 and GCHQ. MI5 has had Rimington and later Eliza Manningham-Buller as women chiefs, and GCHQ is currently headed by Anne Keast-Butler, its first woman leader.

As per long-standing MI6 convention, Metreweli, a career intelligence officer who has also worked with MI5, will take over with the codename C. As MI6 chief, she will be the agency's only publicly-named officer, and directly report to the Foreign Secretary (currently, David Lammy).

How British spy agencies work

The United Kingdom has several intel-



(Left) Metreweli; Daniel Craig as Bond with Dench as M in *Skyfall*. *UK Govt, X/@007*

ligence agencies with different, sometimes overlapping, remits. Over the last three-and-a-half decades, they have somewhat emerged from the shroud of secrecy that covered them during the Cold War, providing more perspective on what they do, and how they operate.

MI5: Military Intelligence Section 5, officially the Security Service, is the UK's domestic counterintelligence and security agency. It traces its origins to the Secret Service Bureau formed in 1909. Its first chief, Vernon Kell, was a captain in the British Army, who would remain in-charge of the

well as the first person to pose openly for cameras. Today, MI5 is Britain's least opaque security agency. The Intelligence Bureau is MI5's Indian equivalent.

MI6: Military Intelligence Section 6, officially the Secret Intelligence Service (SIS), is the UK's foreign intelligence agency, tasked with the collection, analysis, and dissemination of foreign intelligence, as well as conducting espionage activities outside British territory.

The agency too traces its origins to the Secret Service Bureau, specifically, its Foreign Section. The first chief of the SIS, Sir Mansfield Cumming, frequently signed his directives with the letter C, giving birth to a codename that remains in use till date.

By the 1930s-40s, the MI6 emerged as the most effective intelligence agency in the world. It made its mark during World War II, when it conducted espionage operations behind German lines in Europe, and in Africa, Latin America, and Asia.

Like MI5, its record against the Soviets has been chequered: communist double agents had penetrated deep into the agency since as early as the 1930s. Nonetheless, it was a key player operating from the shadows throughout the Cold War, orchestrating coups, covert hit jobs, and gathering cru-

cial intelligence which it routinely shared with the American foreign intelligence agency, the CIA.

Official acknowledgement of MI6's existence came in 1994. India's Research & Analysis Wing (R&AW) has a similar remit as the MI6.

GCHQ: The Government Communications Headquarters (GCHQ) is specifically responsible for providing signals intelligence (SIGINT) to the British government and armed forces.

Established after World War I as the Government Code and Cypher School (GC&CS), the GCHQ, while operating from Bletchley Park in Milton Keynes, cracked the German enigma code during World War II – an achievement that might have saved millions of Allied lives over the course of the war.

Today, it has two primary tasks: first, to gather and analyse communications and other SIGINT, and second, to secure the UK's own communications and digital space against enemy attack.

In 2013, GCHQ received considerable media attention when American whistleblower Edward Snowden revealed that the agency was illegally collecting online and telephone data within the UK.

GOVT TO MEET TRADERS THIS WEEK

Iran-Israel war could push freight, insurance costs, disrupt Red Sea trade

RAVIDUTTA MISHRA
NEW DELHI, JUNE 16

AN ESCALATING Iran-Israel war could push up freight and insurance costs on shipping routes and hinder efforts to normalise trade through the Red Sea, affecting Indian exports to West Asia and Europe, exporters and government officials said on Monday as the Commerce and Industry Ministry is set to meet traders this week to take stock of the situation.

This comes as the deadly conflict between Iran and Israel entered its fourth day, fuelling fresh concerns over global trade, especially oil flows, amid fears that Iran could block the Strait of Hormuz — through which 20–30 per cent of global oil trade passes — in retaliation for Israeli attacks.

“Freight and insurance costs could go up due to the ongoing war, but the route for Indian goods is away from the conflict zone. There has not been an immediate impact on Indian shipments,” a government official said. “The Commerce and Industry Ministry will assess the situation and meet exporters and shipping representatives this week,” another official added.



A cargo ship sails across the Red Sea.

Getty Images

“The impact of the war is likely to derail efforts to normalise Red Sea trade. Shipping on the route had shrunk dramatically due to Houthi attacks last year, but recently, around 30 per cent of vessels had resumed using it. The renewed tensions will also raise insurance premiums, hitting Indian exports to West Asia and Europe,” an exporter said.

The Global Trade Research Initiative (GTRI), in a report, said India has significant trade exposure to both warring nations. In FY25, India exported goods worth \$1.24 billion to Iran and imported \$441.9 million. Trade with Israel was even higher, with \$2.15 billion in exports and \$1.61 billion in imports, the report noted.

“But more critical than these bilateral flows is India’s dependence on the region for energy: nearly two-thirds of its crude oil and half of its LNG imports pass through the Strait of Hormuz, which Iran has now threatened to close. This narrow waterway, only 21 miles wide at its narrowest point, handles nearly a fifth of global oil trade and is indispensable to India, which relies on imports for over 80 per cent of its energy needs,” GTRI Founder Ajay Srivastava said.

Srivastava warned that any closure or military disruption in the Strait of Hormuz would sharply raise oil prices, shipping costs, and insurance premiums — triggering inflation, pressuring the

rupee, and complicating India’s fiscal management.

“Israel’s 14–15 June strike on Houthi military leadership in Yemen has heightened tensions in the Red Sea, where Houthi forces have already attacked commercial shipping. For India, this poses another serious risk. Nearly 30 per cent of its west-bound exports to Europe, North Africa, and the US pass through the region,” GTRI said.

The renewed instability could pose deeper macroeconomic challenges for India, extending beyond trade, especially given its growing reliance on oil imports. While India was forced to halt oil imports from Iran following US sanctions in 2019, Goldman Sachs estimates that Iranian supply could fall by 1.75 million barrels per day (b/d) for six months before gradually recovering. “Assuming OPEC+ compensates for half the peak shortfall from spare capacity, Brent could rise above \$90 per barrel before re-treating to the \$60s by 2026 as supply recovers,” the investment bank said.

A fall in prices of fruits, pulses, and cereals helped ease India’s headline retail inflation to a 75-month low of 2.82 per cent in May 2025. This trend prompted the

Exports fall 2.17% in May

New Delhi: After registering a positive growth for two months, India’s exports slipped into negative territory again, contracting 2.17 per cent year-on-year to \$38.73 billion in May due to a fall in global petroleum prices, while trade deficit narrowed at \$21.88 billion during the month. **PTI**

Reserve Bank of India’s Monetary Policy Committee (MPC) to cut the policy repo rate by a larger-than-expected 50 basis points. However, the RBI cautioned that “monetary policy is left with very limited space to support growth”. The Directorate General of Shipping had issued an advisory on Friday for all the Indian seafarers and Indian-flagged ships in Iranian ports or crossing through the Strait of Hormuz to be cautious, after Israel attacked Iran. It also advised seafarers to remain vigilant and avoid unnecessary movement, and adhere to local safety protocols and other regulations for their own safety.

Kant resigns as India’s G20 Sherpa



Amitabh Kant. File

New Delhi: Amitabh Kant has stepped down as India’s G20 Sherpa, ending a 45-year career in government service. The former NITI Aayog CEO, who represented India at the G20 since 2022, announced on social media that he will now engage with startups, think tanks, and academic institutions in a personal capacity.

“After 45 years of dedicated service to the Government, I have decided to embrace new opportunities and begin a new chapter. I am deeply grateful to Prime Minister Narendra Modi for accepting my resignation as India’s G20 Sherpa and for the trust he placed in me to drive developmental initiatives that shaped India’s growth trajectory,” Kant posted on LinkedIn on Monday.

“To my Ministers—Ms. Nirmala Sitharaman & Dr S. Jaishankar & Pri Secy to PM Shri PK. Mishra—I am grateful for your guidance and support. To all my colleagues, mentors & friends—thank you for your inspiration. I now look forward to India’s transformational journey towards Viksit Bharat by supporting free enterprise, Startups, think tanks and academic institutions,” it said.

— AGGAM WALIA
FULL REPORT ON www.indianexpress.com

JUNE 18 BOARD MEET

Sebi may discuss separate PSU delisting guidelines, ESOPs for startup founders

Mumbai: The Securities and Exchange Board of India’s (Sebi) board, which is scheduled to meet on June 18, is likely to discuss a host of reforms, including allowing voluntary delisting of public sector undertakings (PSUs) where government holds 90 per cent or above stake and permitting founders of startups to retain employee stock options (ESOPs) post listing of their companies.

The Sebi board is likely to create a separate carve out mechanism for voluntary delisting for PSU, where the government’s shareholding equals or exceeds 90 per cent of the total issued shares, according to market participants.

Delisting of securities means the removal of securities of a listed company from a stock exchange. Delisting of a company is considered to be successful if the post-offer shareholding of the

promoter or promoter group along with the shares tendered by public shareholders reaches 90 per cent of the total issued shares.

In a draft paper issued in the last month, Sebi had said a few PSUs have thin public float and poor financials.

Although some of these PSUs may be profitable, they might not have a future due to outdated product lines or government’s decisions to sell-off their assets such as individual units.

The consultation paper said that since the shares of these PSUs are held by the government, it reduces risks and offers more security for investors.

This, in turn, results in a heightened market price, which in certain cases may not be commensurate with the book value of these companies. **ENS**
FULL REPORT ON www.indianexpress.com

McKinsey likely to aid Air India overhaul

GEORGE MATHEW
MUMBAI, JUNE 16

THE TATA group is exploring the possibility of a major revamp of Air India. The group is reportedly in discussions with global consulting firm McKinsey & Company to lead a comprehensive overhaul of the airline, which is currently grappling with one of the most severe crises in its recent history.

A top Tata Sons official met a senior partner of McKinsey in Mumbai last week to discuss a revival strategy for the carrier, according to a source. The meeting took place just days after a London-bound Air India Boeing Dreamliner crashed shortly after takeoff from Ahmedabad, claiming the lives of 241 passengers and crew. Only one passenger survived the crash.

“While we do not comment on or publicly discuss details of any client work, it would be inaccurate to report that McKinsey is currently serving the Tata group on a transformation project for Air India,” McKinsey & Company said in a statement to *The Indian Express*.

However, when contacted, a

A top Tata Sons official met a senior partner of McKinsey in Mumbai last week to discuss a revival strategy for the carrier, according to a source

Tata group official did not comment on the issue.

This isn’t McKinsey’s first engagement with the consulting firm. Its relationship with Air India started almost eight years ago. In 2017, Air India selected McKinsey to help develop its long-term strategic business plan — especially on cash-flow, route networks, marketing strategies and updating its loyalty program.

Watson Farley & Williams (WFW) advised multiple parties on the historic merger of Tata SIA Airlines Ltd (Vistara) with Air India, creating a unified full-service airline under the Air India brand. This followed the merger of Air India group’s low-cost airlines Air India Express and AIX Connect earlier.

The combined entity is now

the largest international carrier with more than 90 destinations worldwide and the second largest domestic carrier. The Indian aviation market is the third largest in the world and is one of the fastest growing.

Founded in 1932, Air India is a pioneer of India’s aviation sector and has developed an extensive global network, becoming a major international carrier. The consolidation of the four Tata-owned airlines into one group is part of Air India’s ongoing, five-year transformation program, Vihaan.AI which is focussed on establishing Air India Group as a world-class aviation company.

Air India reported a lower loss of Rs 4,444.10 crore for FY24, a significant decrease of 60 per cent compared to the Rs 11,388 crore loss in FY23. The airline’s turnover also increased by 23.69 per cent to Rs 38,812 crore during the same period.

The Dreamliner crash has cast a spotlight on the Tata group’s efforts to turn around the airline, which it acquired from the Indian government in 2022 with the goal of restoring its performance and reputation. **FULL REPORT ON** www.indianexpress.com

Tata chief: Need to use crash as ‘act of force’ to build a safer A-I

SUKALP SHARMA
NEW DELHI, JUNE 16

TATA GROUP and Air India chairman N Chandrasekaran on Monday asked the airline’s employees to stay strong and use last week’s crash of the airline’s Boeing 787-8 aircraft in Ahmedabad as “an act of force to build a safer airline”, according to sources in the know. Chandrasekaran also told Air India employees that while the reasons behind the crash will be known only once the investigation is complete, they should “stay the course” and not put their “shoulders down” in the face of criticism.

Chandrasekaran addressed around 700 Air India employees and its leadership team on Monday at the company headquarters and its training academy in Gurugram. According to sources, he later met Civil Aviation Minister K Ram Mohan Naidu at the Ministry of Civil Aviation (MoCA) in the Capital, and held discussions.

“Criticisms are there, and those of us who are very passionate...who are working on making this airline a great airline, and who genuinely care about what



N Chandrasekaran, Tata group & Air India Chairman. PTI

kind of a company we want to build, but it’s not easy to face criticisms. I want you to be strong. If you feel distraught, the word you should remember is determination. We are going to get through this. We need to show resilience. We need to use this incident an act of force to build a safer airline,” Chandrasekaran is learnt to have said.

According to sources, the Tata group chairman told Air India staff that the Ahmedabad air crash is the “most heartbreaking crisis” he has seen in his career. All but one of the 242 people on board the doomed aircraft perished in Thursday’s crash. There were a number of casualties on the

ground as well. The accidents was the worst aviation disaster involving an Indian carrier in four decades. It is also the first crash of the Boeing 787 globally.

“I went to the site on that day...it was not easy at all. I know many of you here in this room are part of the emergency response team, may be even at the site or were handling all the shocks of that day...Whatever I say and whatever we do is not going to bring the lives back. Those affected, they’re going to feel the pain for a very long time. But having said that, we have got to do our very best humanly possible to help each of them,” Chandrasekaran said, according to sources.

“It’s a very complex business...it’s a complex machine, so a lot of redundancies, checks and balances, certifications, which have been perfected over years and years. Yet this happens, so we will figure out why it happens after the investigation. So we just have to stay calm and not put your shoulders down. This is the time to be brave, time to be resolute, time to know that you have the full support,” he is learnt to have told employees. **FULL REPORT ON** www.indianexpress.com

Rated organisations are seeing increasing cyber threats, says Moody’s

SOUMYARENDRA BARIK
NEW DELHI, JUNE 16

CYBERATTACKS HAVE surged in recent years, posing a risk to the creditworthiness of debt issuers that Moody’s rates, the ratings agency said in a report. A survey of cybersecurity incidents affecting 9,600 rated debt issuers globally by Moody’s showed that the number of organisations experiencing cyber incidents has steadily increased, from an annual rate of 4-5 per cent prior to 2019 to approximately 7 per cent since 2020.

This surge, which poses a rising risk to creditworthiness, is primarily driven by indirect attacks originating from third-party software providers. With advancements in artificial intelligence expected to heighten the volume and sophistication of attacks, coupled with increasingly intricate supply chain dependencies, Moody’s projects this trend could persist.

While direct impacts on credit ratings have been limited to 14 organisations, three of these occurred in the past year alone, affecting prominent entities such as Mount Sinai Hospital, Financiere Verdi I.S.A.S. (Ethypharm), and Ascension Health Alliance due to disruptions in operations or collections stemming from ransomware attacks. These entities received a worse revised rating from

EXPLAINED

Incidents rose at an annual rate of 7% since 2020

A SURVEY of cybersecurity incidents affecting 9,600 rated debt issuers globally by Moody’s showed that the number of organisations experiencing cyber incidents has steadily increased, from an annual rate of 4-5 per cent prior to 2019 to approximately 7 per cent since 2020.

Moody’s after facing cyber attacks.

The persistent nature of cyber vulnerability

The Moody’s analysis underscored a troubling pattern: a past cyber incident significantly correlates with an increased likelihood of future breaches. One in three organisations examined since 2015 had experienced at least one incident. Crucially, for those affected, one in four encountered another incident within a year, and one in three within two years.

Organisations experiencing a cyber incident in one year are four to five times more likely to face another in subsequent years compared to those previously unaffected, Moody’s said.

The agency said that several interconnected factors were contributing to this persistent vulnerability. Organisations may fail to adequately address initial root causes, implement insufficient remediation, or delay critical patching after a breach. Further, media attention following an incident can inadvertently highlight vulnerabilities, attracting repeat attacks.

Sectoral hotspots

The study identifies significant variation in incident frequency and recurrence across different sectors. Not-for-profit hospitals exhibited the highest rates, with 42 per cent experiencing at least one incident since 2022, and 14 per cent suffering multiple incidents within a year. This is largely attributed to the critical nature of their services, the sensitive healthcare data they manage, and often constrained cybersecurity resources. Public-sector housing ranked second in frequency, yet led in recurrence, with 26 per cent of entities facing more than one incident within a year, likely due to ongoing challenges in modernising legacy IT systems.

Education and not-for-profit organisations, along with the telecommunications sector, also saw high attack rates, presumably due to them handling critical data and sometimes weaker cyber defences. **FULL REPORT ON** www.indianexpress.com

BRIEFLY

WPI inflation drops to 0.39% in May

New Delhi: Wholesale price index-based inflation declined to a 14-month low of 0.39 per cent in May on easing prices. **PTI**

Trump Org rolls out Trump Mobile

New York: The Trump Organization launched a self-branded mobile service and a \$499 smartphone on Monday, dubbed Trump Mobile, signaling a new effort to court conservative consumers with a wireless service positioned as an alternative to major telecom providers. The new venture, announced at Trump Tower, will include call centers based in the US and phones made in America, it said. **REUTERS**

Zee Ent to raise ₹2,237.44 crore

New Delhi: Zee Entertainment Enterprise Ltd (ZEEL) has said it plans to raise Rs 2,237.44 crore from promoter group entities, which will lead to an increase in promoter shareholding to 18.4 per cent. The board meeting approved to “issue of up to 16.95 crore fully convertible warrants to Altisil Technologies and Sunbright Mauritius Investments, Promoter Group entities, said ZEEL. **PTI**

Behind the numbers

Lessons for India in UN population report

For those who take a very grim view of India’s population of 1.46 billion (having overshoot China in April 2023 to be the world’s most populous nation), here’s some heartening news. According to the UN State of the World Population Report 2025 (SOWP), India’s total fertility rate (TFR), or the average number of children a woman has in her lifetime, has fallen to 1.9, or below replacement level of 2.1 – which is the level of births needed to keep a population stable from one generation to the next.



This does not mean that India’s numbers will fall off a cliff. Our population will peak at 1.7 billion in four decades from now before declining. Despite a decline in TFR, the population will rise for a while on account of a large young population and longer life expectancy. India will report higher numbers when the rest of the world, including China, combats declining fertility rates and ageing populations. It is hard to say, though, whether this is a ‘dividend’ or a disadvantage. With 68 per cent of its population in the 15-64 age group, India can only aspire to fill the labour gap for the rest of the world if its workforce is equipped to do so. There is also the fear of automation swallowing jobs across the board. While our large youth needs to be skilled to keep the country going, there is another goal to be pursued — the potential to reduce TFR in States which are at above replacement level, namely, Bihar, Uttar Pradesh, Meghalaya, Jharkhand and Manipur.

The SOWP 2025 report underscores that India has managed a demographic transition through an improvement in health, education, life expectancy, maternal mortality, gender empowerment (control over fertility decisions and use of birth control methods) and economic well being, and this has percolated to States that had high fertility rates in the past. Now, to close the gap between islands of high fertility and the rest of the country, decentralised initiatives are called for. There is enough research, including that based on Census 2011 and earlier years and the National Family Health Survey-5, to show that inclusive development is the best contraceptive. Indeed, it is hard to imagine a national population policy when India’s demographic map is so diverse. The southern States, in fact, have to contend with ageing populations that are well above the national average of 7 per cent.

The SOWP report shows through its global survey of 14,000 respondents that ‘the real fertility crisis’ (the title of the report) is a multi-layered one. In what is now a global issue, a large number reported an unfulfilled desire to have a child, even as unwanted pregnancies are the biggest headache. In India’s case, as many as 30 per cent reported an unfulfilled desire to have a child, while unintended pregnancies were 37 per cent. The former, the report points out, is clearly linked to uncertainty, particularly economic, about the future. The fertility crisis remains one of women’s agency, and that’s changing.

POCKET

RAVIKANTH



Hydrogen fuel: Move slowly from grey to green

Green hydrogen is currently expensive to produce. Focussing on production of grey hydrogen is a more pragmatic option

CAPITAL IDEAS.



RICHA MISHRA

The National Green Hydrogen Mission (NGHM), like other missions, envisions making India a global leader in hydrogen, with an initial emphasis on green hydrogen. The government is also giving it a major push. However, there are challenges, particularly that of pricing of green hydrogen vis-a-vis conventional alternatives.

Since the policy mandates it, those in the business are focusing on its use in refineries and exporting its derivatives. This has also been pointed out in a recent joint study, by the Hydrogen Association of India and ARUP, called ‘Unlocking the Role of Hydrogen for Mobility in India’.

“The core question facing India’s hydrogen eco-system today is clear: Where is the domestic demand for green hydrogen, especially when its production cost alone hovers around ₹400/kg, as seen in Indian Oil Corporation Ltd’s recent price discovery? The supply-demand imbalance is real and pressing. In response, many hydrogen developers are now exploring exports of green hydrogen derivatives such as green ammonia and green methanol, which offer more immediate economic viability due to global mandates and offtake readiness,” it said.

“However, India cannot afford to rely solely on exports. For a truly self-sustaining hydrogen economy, domestic demand must be stimulated. This calls for a pragmatic, phased approach in identifying the production pathways and enhancing the spectrum

of the end applications: What remains underexplored — but holds transformational potential — is hydrogen’s application in mobility,” it pointed out.

MOBILITY POTENTIAL

Clearly, role of hydrogen in mobility, according to the study, offers a long-term opportunity for transition to cleaner and more sustainable fuel.

“Hydrogen can be produced from a variety of sources — both fossil-based and renewable — and delivers high energy content with significantly lower emissions, especially when used in Fuel Cell Electric Vehicles (FCEVs),” the study authored by RK Malhotra President, Hydrogen Association of India, and Sachin Chugh, Energy & Hydrogen Lead, ARUP, observed.

It is a fact that India’s green hydrogen plans are making slow progress as there is not much clarity on the global demand for green ammonia, as the cost of producing Green hydrogen makes it economically unviable, resulting in uncertainty over its pricing.

But, why are we only talking of green hydrogen? Why not start with grey hydrogen, then move to blue and then subsequently reach green?

Reportedly, grey hydrogen is the most common form and is generated from natural gas, or methane. It is done through steam reforming process, which refiners can easily do.

Refineries can produce grey hydrogen from natural gas which may cost somewhere between ₹175-200 a kg and sold at about ₹250 a kg, compared with ₹450 for green hydrogen

The hydrogen is labelled ‘Blue’ whenever the carbon generated from steam reforming is captured and stored underground through industrial carbon capture and storage (CSS). Across industries CSS is being attempted at various levels.

Then there is green hydrogen or “clean hydrogen”, which is produced by using clean energy from surplus renewable energy sources such as solar or wind power, to split water into two hydrogen atoms and one oxygen atom through a process called electrolysis.

According to reports, it currently makes up about 0.1 per cent of overall hydrogen production. “Green hydrogen is obviously expensive at this point of time,” Malhotra acknowledges. Today, the base point is the discovered price by Indian Oil Corporation through tendering process for its Panipat Refinery at ₹397 a kg, over which some additional cost will be incurred for supply and distribution, he added.

“So it cannot be supplied at anything less than ₹450 or so. We do hope that this cost of Green hydrogen would come down in due course,” he said.

Meanwhile why not look at grey hydrogen, said Malhotra adding that the refineries can actually produce grey hydrogen from natural gas which may cost somewhere between ₹175-200 a kg and sold at about ₹250 a kg.

So what should be the right approach, if India wants to push hydrogen as the sought after fuel? Besides, making it affordable there will be need to create infrastructure too.

PHASED APPROACH

Most experts too believe that the right approach should be to gradually move to grey to blue to green. Malhotra and Chugh too, say that in their study.

“While India rightly pursues green hydrogen as the end goal, a pragmatic, phased approach is essential to

accelerate the hydrogen transition across the transport sector. Recognising that infrastructure, cost, and technology maturity vary significantly across regions and vehicle categories, India must adopt a “multi-colour hydrogen strategy” that leverages grey, blue, and green hydrogen in a targeted and sequential manner,” the study states.

Grey hydrogen can serve as an important launchpad in mobility, a target for carbon proponents. According to the study, it can be used in retrofitted hydrogen ICE trucks and other pilot deployments where industrial grey hydrogen is already available. This helps aggregate early demand, reduce upfront costs, and build technical familiarity.

Blue hydrogen should be the mainstay of medium-term adoption, especially for both H₂ ICE and FCEV platforms, as it delivers deep emission reductions and is more readily scalable with CCS-ready infrastructure.

And then comes green hydrogen. This must be strategically reserved and deployed in high-impact zones — such as urban corridors, export-oriented hydrogen hubs, and ESG-sensitive applications like public transit — while ramping up electrolyzer capacity and renewable energy integration, points the study.

While production strategy is one aspect, another important area is refuelling infrastructure, if hydrogen has to become part of daily life.

The study proposes a five-pronged refuelling strategy: Embed hydrogen into Gati Shakti Master Plan; conditional viability gap funding (VGF) plus public-private partnership; cluster-based rollout via hydrogen valleys; ownership innovation – franchise + anchor Models; indigenization with strategic licensing.

If hydrogen has to be promoted as the next fuel, the task ahead is not easy. A clear strategy is the need of the hour.

Is Netanyahu seeking regime change in Iran?

The Iranian regime is weakened by loss of allies in West Asia. But Israel may not be viewing regime change as a priority goal

Sridhar Krishnaswami

There is a good reason why the Trump administration advised Benjamin Netanyahu against targeting the supreme leader of Iran, Ayatollah Ali Khamenei. For one thing it could spark a wider conflict in the region that could be difficult to handle and wrap up in a short span of time.

For another, the US through the Central Intelligence Agency has had a long history going beyond the Cold War years to know what “regime change” could at times result in: something worse than what had just been disposed. And the neighbourhood of Latin America is a good example.

The lightning strikes against Iran of June 13 by Israel now seems to have had more than the single objective of ridding nuclear and missile sites. The deadly blows also took out the top echelons of the military leadership and that of the Revolutionary Guards Corps. And now word comes that Washington asked Tel Aviv not to personally target Ayatollah Khamenei after being informed of a “credible” plan to that effect.

Israeli officials called the reports to kill the Iranian leader “fake”; and Netanyahu maintained that regime change “could certainly be the result of the conflict” as the regime is “very weak”.

ABORTED N-DEAL

It is not just an expanded conflict in the Middle East that US President Donald Trump is worried about in cautioning Netanyahu from going after Ayatollah Khamenei. Trump has invested a lot of time and political capital in getting a nuclear deal with Teheran, something said to be different than the one he walked out of in his first term.

Washington and Teheran have been at it for several rounds and there is a big question mark if Iran would want to continue. Some reports have indicated that Iran sees the Trump administration as being complicit in the Israeli offensive.

Netanyahu’s pointer that the regime in Teheran is “very weak” might not quite be valid as far as internal political stability is concerned; the country may be weakened as a result of developments in the region. Without a doubt Iran has



UNDER FIRE. Ayatollah Ali Khamenei
VIA REUTERS

been dented by a loss of its proxies in the Hamas in the Gaza and the Hezbollah in Lebanon.

A bigger blow came by way of Bashar al Assad fleeing Damascus depriving Iran of one its last strongholds. A reported debt of some \$30 billion has also added to its economic woes.

The Israeli leadership cannot be under the impression that physically eliminating Ayatollah Khamenei — who is already said to be in frail health — could lead to regime change. Or, that the obliteration of nuclear and missile sites will engineer a popular movement strong enough to oust the clergy that has

been in power since the overthrow of the Shah in 1979.

For all the civil rumblings over the last few years and in the occasional statements from leaders in exile, opposition to the existing regime has not been strong enough to serve as a rallying point of displeasure against the current goings on. The missile barrage against the Jewish state is a visible attempt by the regime in Iran to showcase its resolve to its people.

If the last 40-odd years is anything to go by in Iran, it is that hardliners in the clergy have had their sway for the most part. Hence a calculation that ridding Ayatollah Khamenei might bring about a “different” regime could be misplaced. Given that Israel has for long been the central rallying point, it is unlikely that Netanyahu is going to find a group of politicians in Teheran who will voluntarily dismantle their nuclear plants and missile sites or stop calling for the extermination of the Jewish state. To put an old adage differently: Even if things change, they will remain the same.

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

✉ LETTERS TO EDITOR Send your letters by email to bleditor@thehindu.co.in or by post to ‘Letters to the Editor’, The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

Right attitude needed

This refers to ‘Customer service in banks: Mind the behaviour gap’ (June 16). The impact of well-considered suggestions for changing the mindset and behaviour of bank employees can be strengthened further by focusing on changing their attitude. For example, do bank staff consider their visitors as customers, or as needy depositors coming to banks to benefit from their services? The chosen attitude will determine their behaviour. Attitudinal change is not an easy task as attitudes are deeply ingrained, but training interventions like sensitivity training and feedback from customers derived from regular

customer satisfaction surveys can be helpful.

YG Chouksey
Pune

The China factor

Apropos, ‘Dealing with China’s coercion’ (June 16), as China tightens its grip on global rare earth supply chains, India must diversify its sourcing strategies to safeguard critical technologies and industries. Through bilateral agreements with resource-rich nations like Australia, Brazil, and African states, India can establish resilient supply corridors. Simultaneously, investing in domestic exploration, refining capabilities, and recycling infrastructure will reduce long-term dependency.

Such a pivot not only ensures economic security but also dilutes China’s monopolistic leverage. Ironically, by weaponizing rare earths, Beijing may accelerate global decoupling and undermine its dominance. Strategic diversification, therefore, is not just a necessity for India — it’s a geopolitical counterstroke that could boomerang on China’s ambitions.

N Sadhasiva Reddy
Bangaluru

Oil worries

This refers to ‘Blocked channels’ (June 16). While the RBI recently shifted its monetary policy stance from ‘accommodative’ to ‘neutral’, based on evolving inflation and

growth data, the anticipated stability in policy rates faces considerable risks from global geopolitical developments. The ongoing tensions in West Asia, particularly the intensifying Israel-Iran conflict, are expected to exert raise crude oil prices, an area of concern given crude oil’s significant share in India’s import basket. Volatility in global crude markets will likely impact India’s exchange rate dynamics, particularly as the US adopts a tougher posture on trade issues. Concurrently, Foreign Institutional Investor (FII) outflows have added further pressure on the rupee. Although a potential 50-basis-point repo rate cut may offer relief to borrowers by reducing lending costs,

it could adversely affect savers by lowering deposit rates substantially. While the RBI’s monetary policy actions currently emphasise supporting growth over curbing inflation, robust capital expenditure and a revival in consumption demand are crucial to sustain GDP growth. In view of the uncertain global outlook, especially with the Israel-Iran conflict posing risks to economic stability, the challenges before the RBI are complex. It must continue to calibrate its policy actions by weighing both domestic economic indicators and increasingly unpredictable global factors.

Srinivasan Velamur
Chennai

Rate cut hurts depositors

Interest income a casualty, especially for seniors

Manas R Das

That the RBI’s monetary policy announced on June 6 aims at giving economic growth a shot in the arm has received accolades from many market participants. However, the policy measures have some downsides.

Ensuring high growth rate is necessary, but does it ensure ‘distributive justice’? No. Consequent upon the 50 basis point (bps) reduction in the repo rate, banks will reduce their lending as well as deposit rates. However, these reductions are asymmetric.

For example, during February 2019 to March 2022 (easing cycle), when the repo rate was reduced by 250 bps, the weighted average domestic term deposit rate on fresh deposits and outstanding deposits reduced by 259 bps and 188 bps, respectively, whereas the weighted average lending rate on fresh rupee loans and outstanding rupee loans fell by 232 bps and 150 bps, respectively.

DEPOSITORS’ WOES

Banks reduce their deposit rates faster and by larger margins than the lending rates in order to protect their Net Interest Margins (NIMs). Thus, the depositors, especially the middle-class constituting majorly senior citizens and salaried workers, who are generally risk-averse, will be adversely affected in terms of lower interest income.

They will either reduce their consumption or move their savings to riskier destinations which offer higher return such as co-operative banks and non-banks. Therefore, the income tax exemption given by the Budget will be partly taken away by banks through the backdoor. There is thus a strong need for increasing the additional interest rate that seniors get over and above what the general public get.

Remittances in the form of Non-Resident Indians’ deposits, particularly from the US, have already become sluggish due to the latter’s new policies. And this will worsen as the interest rate differential between the US and India contracts.

The effect of lower lending rates on credit offtake is not as straight as assumed. It depends on several factors — such as pace and extent of monetary transmission to lending rates, composition of banks’ loan portfolios, elasticity of loan



CREDIT OFFTAKE. Depends on a host of factors ISTOCKPHOTO

demand by industries, rates offered by alternative sources of funds, particularly in the overseas markets, and domestic and global macroeconomic conditions. While the domestic economy is performing well, the global economy is not.

As for the ‘personal’ segment, a leader in credit offtake, education loans are destined to decline further; and auto loans may suffer from supply constraints emanating from China’s restrictions on export of magnets.

Home loan demand, especially from middle-class households, will hinge on reduction in their interest income and how the consumer inflation plays out.

The optimism regarding the likely performance of the agriculture sector is somewhat premature. Experience reveals that the temporal and spatial distribution of a ‘normal’ monsoon has, more often than not, been ‘abnormal’.

The time is not ripe to predict how banks will be affected. However, they would try to rebalance their deposit and lending rates such that their NIM and, consequently, profits are protected. However, they have to be watchful about possible deterioration in their asset quality, as bad debts are sown in good times. Besides, there could be diversion of loans by the ‘smart’ borrowers, especially when the stock market is buoyant.

These would require banks to bolster their risk management systems and internal controls, and the central bank to have stricter and prompt supervision.

If banks experience substantial erosion of their deposit bases, they have to look for alternative sources of funds including bonds, which, however, would mean weakening of their classical ‘financial intermediation’ function.

Das is a former Assistant General Manager (Economist), SBI. Views are personal

thehindubusinessline. TWENTY YEARS AGO TODAY.

June 17, 2005

FIIs allowed in print media

The Union Cabinet today further liberalised the print media policy by allowing non-resident Indians, overseas corporate bodies, persons of Indian origin and portfolio investments by foreign institutional investors in news and current affairs publications. However, all this would be permitted within the existing 26 per cent foreign investment cap.

Govt to go ahead with BHEL disinvestment

The Centre has decided to go ahead with its proposed stake sale in Bharat Heavy Electricals Ltd despite opposition from its Left allies. The Government has invited bids from global investment banks to manage the public offering. The Government proposes to sell 10 per cent of its stake in BHEL.

Tata Indicom handset for ₹499

The price war in the mobile market has gone up a notch higher with Tata Indicom offering a CDMA handset, a connection, and free talk time worth ₹1,500 all for a one-time payment of ₹1,999. The package effectively offers a mobile handset for ₹499. The handset, branded as Indicom Gem, is exclusively manufactured by the Chinese company Huawei.

A rebalancing of wheat procurement

FOR SUSTAINABILITY. There has been a welcome shift away from Punjab and Haryana in the latest round of procurement



A NARAYANAMOORTHY

India’s wheat procurement dynamics are witnessing a crucial shift in the rabi marketing season 2025–26. As of May 15, wheat procurement has increased by 14.4 per cent compared to the previous year’s procurement of 25.76 million tonnes (mt). However, the most telling aspect of this rise is the changing geography of procurement. While procurement in traditional States like Punjab and Haryana has declined by 3.4 per cent and 0.3 per cent respectively, other States have seen a substantial surge. Madhya Pradesh recorded an astonishing 69.4 per cent rise, followed by Rajasthan at 95.6 per cent and Uttar Pradesh at 16 per cent. Does it mean that equity in wheat procurement is beginning to take shape?

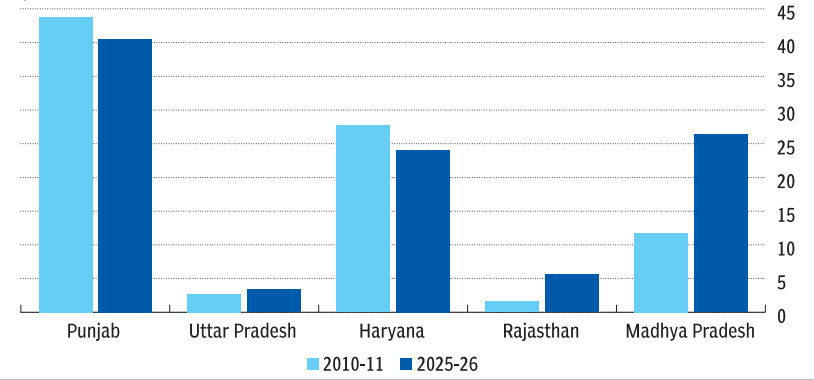
This shift marks a potential rebalancing of India’s wheat procurement policy, long dominated by a few States. Historically, Punjab and Haryana together contributed a lion’s share of the wheat procured by the Food Corporation of India (FCI) under the Minimum Support Price (MSP) regime. In 2023–24, Punjab alone accounted for over 46 per cent of the total wheat procurement, with Haryana contributing around 24 per cent. This meant that nearly 70 per cent of the national procurement came from just two States. In other words, out of 21.34 lakh farmers who benefited from MSP-based procurement at the India level, these two States alone accounted for 59 per cent.

Such concentration brought disproportionate benefits to farmers in these regions. The assured procurement under MSP led to greater investment in wheat farming, improved infrastructure such as *mandis* and logistics chains and a dependable income source for local farmers. On the other hand, despite being major wheat producers, States like Uttar Pradesh, Madhya Pradesh and Rajasthan witnessed much lower procurement levels (see Figure). Many farmers in these States were forced to sell their produce in open markets, often below the MSP, due to limited government procurement.

If MSP-based procurement continues



Major States’ share in India’s total wheat procurement: 2010-11 and 2025-26



Source: Food Corporation of India

to be centralised in a few States, it undermines the very rationale of the MSP system, ensuring a fair price for all farmers. The lack of procurement access in many wheat-producing regions not only depresses farm income but also discourages wheat cultivation due to perceived market risk. Farmers outside Punjab and Haryana are left vulnerable to price volatility, middlemen exploitation and distress sales. Over time, this inequity can widen regional income disparities as well.

EQUITY AND SUSTAINABILITY The recent trends signal a possible decentralisation of procurement, aligning it more closely with actual production levels across States.

To ensure equitable sharing of MSP benefits, procurement targets should be aligned with each State’s share in national wheat production.

According to the Ministry of Agriculture estimates of 2023–24, Uttar Pradesh is India’s top wheat producer, contributing over 31 per cent of the national output, followed by Madhya Pradesh (around 20 per cent) and Punjab (around 16 per cent). Despite this, procurement from Uttar Pradesh in recent years was 5–6 per cent and from Madhya Pradesh around 15 per cent. The 2025–26 figures show a significant movement towards correcting this mismatch.

This redistribution is important not only from an equity perspective but also from a sustainability standpoint. The over-reliance on Punjab and Haryana for procurement has exacerbated ecological problems, particularly groundwater depletion and soil degradation due to the wheat–rice cropping cycle. Decentralising procurement can reduce pressure on these States and encourage crop diversification.

Further, procuring grain from diverse geographic regions reduces the risk of supply chain disruptions due to localised climate or policy events. It can also help in reducing transportation costs and storage burdens in a few regions,

Why Goa has no room for Ola, Uber on its roads

bl.explainer

Jyoti Banthia

Despite being a tourism magnet with a growing demand for safe and reliable mobility, Goa continues to shut its doors to app-based cab aggregators like Ola and Uber. The coastal State’s refusal to let these tech-enabled platforms operate has sparked fresh debate over transport reform, State autonomy, and investor sentiment.

Here’s a breakdown of what’s behind the move — and what it signals.

What is the State citing as a reason for disallowing app-based cab aggregators?

The primary reason cited by the Goa Government is to protect the livelihoods of local taxi unions, which have long opposed the entry of national ride-hailing platforms as it could trigger fare undercutting and hurt the earnings of independent taxi drivers who don’t have the benefit of platform-driven subsidies. State officials also argue that app-based platforms could lead to regulatory

challenges, price volatility, and potential law and order issues during tourist seasons.

What is the Goa administration’s stance regarding allowing Ola, Uber to operate in the State?

The Goa administration, under Chief Minister Pramod Sawant, has stated that app-based cab aggregators like Ola, Uber, and others will not be allowed to operate in the State. However, in May, the Goa Government had formulated a draft policy, ‘Goa Transport Aggregator Guidelines, 2025’, which proposed a regulatory framework to allow app based ride hailing services to enter the State, which was then welcomed by all the players.

Which other States have imposed similar restrictions?

While Goa is among the few that have explicitly denied entry to Ola and Uber, it is not alone in taking a guarded approach.

Recently, Karnataka also banned bike-taxi services and is yet to frame regulatory protocols for these services

Do such restrictions violate the



EYEING GOA. Cab aggregators

new Central Motor Vehicle Rules?

Under the Motor Vehicles (Amendment) Act, 2019, the Centre introduced a model framework for regulating aggregators, giving them legal recognition. However, transport is a State subject under the Constitution which means States can choose to accept, reject, or modify the Central guidelines.

While such restrictions are not technically illegal, they may go against the Centre’s push for uniformity and innovation in urban mobility. The Centre can issue advisories or push for broader compliance, but it cannot force a State to allow specific operators unless there’s a Constitutional violation.

What does this mean for companies like Ola and Uber?

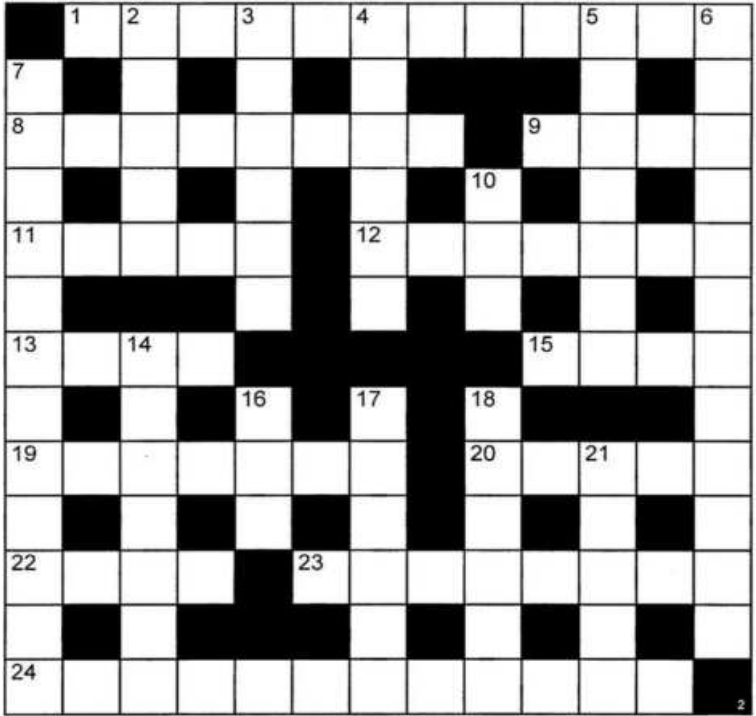
Operational bans in States like Goa limit the market for mobility players and makes expansion planning more uncertain and regionally fragmented. It can also deter new investments in last-mile mobility. While Goa’s tourist inflows represent a small slice of the national market, symbolic resistance from high-profile States adds to the regulatory burden.

Is this sending the wrong signal to investors?

For a State that thrives on tourism and has ambitions to become a start-up hub, Goa’s decision may send mixed signals to prospective investors. By denying market access to some of the biggest names in mobility, the State could be seen as resisting innovation and consumer choice.

It also raises concerns over policy unpredictability especially when state-owned platforms are seen as substitutes for competitive private offerings. For venture-backed start-ups and global mobility firms, it may act as a cautionary tale about State-level resistance in India’s otherwise growing tech economy.

BL TWO-WAY CROSSWORD 2719



EASY

ACROSS

1. In direct opposition (12)
8. Inflicting punishment (8)
9. Omen (4)
11. The clear upper air (5)
12. Italian wine from Tuscany (7)
13. Nobleman (4)
15. Sheltered, warm and comfortable (4)
19. Runner, messenger (7)
20. Forcible stream of air (5)
22. Accept (4)
23. Playing for time (8)
24. Narrowing one’s practice to particular field (12)

DOWN

2. Beethoven’s choral symphony (5)
3. One after another (2,4)
4. Latin poet (6)
5. Fold or roll of hair worn at back of head (7)
6. Plout to get off boat (7,5)
7. Inflammation of part of intestines (12)
10. By way of (3)
14. Finger joint (7)
16. Attack of illness (3)
17. Unfeeling, inhuman (6)
18. Printer’s dagger-sign (6)
21. Strange, foreign (5)

NOT SO EASY

ACROSS

1. It’s directly opposite to the tail: one can’t alter that (12)
8. It’s meant to punish your pint perhaps (8)
9. To put one’s name to it may be an indication (4)
11. It may put one out of there (5)
12. An itch one may have for wine (7)
13. Fist used in the noble art, no doubt (4)
15. Cosy way arms are reversed (4)
19. Messenger taking proclamation reader round Open University (7)
20. Use explosive as an expletive (5)
22. Photograph a successful tissue graft (4)
23. Stabling provided if involuntarily stopping car (8)
24. Becoming an expert in a field since a GP is about fifty-one (12)

DOWN

2. There are eight ahead of the choral symphony (5)
3. One by one soundly lock people away (2,4)
4. Roman poet it can be a chore to translate (6)
5. Inch gone endlessly wrong in roll of hair behind the head (7)
6. England tag is put out, showing where to disembark (7,5)
7. So to depict pain is attributable to abdominal trouble (12)
10. Going by way of Virginia, take one in (3)
14. Bad luck, Ken breaks finger joint (7)
16. Well, it may be an attack of madness (3)
17. Blurt a version of it that’s beastly (6)
18. Printer’s sign for blue, so awkward to set (6)
21. Extraneous use of one in the wrong lane (5)

SOLUTION: BL TWO-WAY CROSSWORD 2718

ACROSS 1. Choral 8. Loose 9. Netsuke 11. Emissary 12. Psalm 15. Rift 16. Wan 17. Oryx 19. Avian 21. Braggart 24. Earldom 25. Whale 26. Keeper

DOWN 2. Heels 3. Resolute 4. Lake 5. Close 6. Coma 7. Bevy 10. Embrasure 12. Port 13. Convulse 14. Oxen 18. Agree 20. Abode 21. Bowl 22. Away 23. Tank

IN THE NEWS

EPFO cautions members against taking agents' help

RETIREMENT FUND BODY EPFO on Monday cautioned its members against taking help from third-party agents and advised using online portal for services related to their provident fund accounts to avoid exposure risks to key details.

Coal mine auction: JSPL, many others submit bids

JINDAL STEEL AND Power, NLC India and Coal India-arm Western Coalfields Ltd (WCL) are among the companies that have submitted bids for coal mines put on sale in the 12th round of commercial coal mine auction. A total of 27 companies have submitted their bids in the auction process.

Helpdesks to resolve GST payer queries

THE CENTRAL GOODS and service tax (GST) commissioner rates across states have set up helpdesks from June 16-30 to resolve taxpayers' queries, the finance ministry on Monday said.

Nepal starts power exports to B'desh via India's grid

NEPAL HAS BEGUN exporting 40 megawatts (MW) of electricity to Bangladesh through India's power grid in its first move into the international energy market and positioning India as a key facilitator of regional electricity trading.

TRAI prescribes cap for tariffs charged to PDOs

Telecom regulator TRAI on Monday prescribed a tariff framework for the PM-WANI scheme, capping the connectivity rates offered by various service providers to Public Data Offices (PDOs) at up to twice the tariffs applicable to retail subscribers of Fiber to the Home (FTTH) broadband plans.

Bioenergy can cover 50% fossil fuel use: Gadkari

BIOENERGY CAN COVER 50% of India's fossil fuel consumption in five years, Union Minister Nitin Gadkari said on Monday while urging the auto industry to undertake research and development on alternative fuels.

FE BUREAU & AGENCIES

SO FAR, 11 ROUNDS OF NEGOTIATIONS ON THE AGREEMENT HAVE BEEN HELD

India-EU FTA by year-end: Modi

● Next round of talks with the bloc from July 7

MUKESH JAGOTA
New Delhi, June 16

INDIA AND THE European Union are aiming to finalise a free trade agreement (FTA) by the end of 2025, Prime Minister Narendra Modi said on Monday at the India-Cyprus CEO Forum in Limassol.

According to agency reports, Modi also stated that driven by next-generation reforms, policy predictability, stable polity and "ease of doing business," India has become the fastest-growing major economy in the world.

In June 2022, India and the 27-nation EU bloc resumed negotiations for the comprehensive trade agreement, an investment protection agreement and a pact on geographical indications after a gap of over eight years.

So far, 11 rounds of negotiations on the agreement have been held.

Additional secretary in the department of commerce L Satya Srinivas said here on Monday that the next round of talks with the EU for the FTA would be held from July 7 in Brussels.

"There are some tracks we are working together on this week. Momentum has picked up in the talks and frequency of meetings have gone up. Earlier, negotiating rounds were held every quarter, now, we have reduced the time period between rounds," he added.

Out of the 23 chapters in the FTA with the EU, five have been completed. "We have a large number of issues on which we are trying to find a convergence so that we move



Prime Minister Narendra Modi being felicitated with Cyprus' highest honour Grand Cross of the Order of Makarios III by President Nikos Christodoulides, in Cyprus, on Monday

Not an era of war: PM

PRESS TRUST OF INDIA
Nicosia, June 16

PRIME MINISTER NARENDRA Modi on Monday said he and Cyprus President Nikos Christodoulides "expressed concern" over the ongoing conflicts in West Asia and Europe, and they both agree that "this is not an era of war".

Modi made the remarks after wide-ranging talks with Christodoulides, covering the full range of bilateral relations. They talked about cooperation in areas like

defence, security, trade, technology, healthcare, renewable energy and climate justice. They also discussed regional and global issues, including the conflicts in West Asia and Europe.

During his visit, Modi and Christodoulides also viewed from atop a building the mountains near Nicosia, which are under Turkish control, signalling a message to Türkiye, which had openly supported Pakistan during the recent conflict with India.

from the date of the completion of negotiations and we are sticking to that," Srinivas said.

The key ask for India from the EU in its negotiations is zero tariffs on labour intensive exports and greater access to the services market of 27-member grouping. The EU is pushing for India to cut tariffs on cheese and skimmed milk powder, which India currently shields through high duties to protect its domestic dairy industry. Indian officials say that they would be unwilling to provide concessions in dairy in any of the FTAs. Even in the UK FTA, dairy has been kept out.

European winemakers are pushing for greater access to the Indian market, where imported wines currently face a 150% tariff. The EU wants India to eliminate or significantly reduce these duties to 30-40% levels.

towards the closure of the agreement," Srinivas said.

Last month, India and the UK announced completion of negotiations on their FTA. "The

agreement is getting ready to be signed. Work on documentation is going on and legal scrubbing is in progress. The process will be completed within three months

● LADAKH SEEKS SPECIAL PACKAGE



Union finance minister Nirmala Sitharaman during laying of the foundation stone of the Mini Planetarium and Astro Globe at the Hanle Dark Sky Reserve, in Ladakh, on Monday

FATF slams terror attack in Pahalgam

THE FINANCIAL ACTION Task Force (FATF) has acknowledged the concept of "state-sponsored terrorism" for the first time as a funding source and condemned the Pahalgam terrorist attack.

Only India's National Risk Assessment (NRA) recognises state-sponsored terrorism from Pakistan as a key TF (terrorist financing) risk, sources said.

"The FATF notes with grave concern and condemns the brutal terrorist attack in Pahalgam on 22 April 2025. This, and other recent attacks, could not occur without money and the means to move funds between terrorist supporters," FATF said in a declaration.

This marks the third time the FATF has explicitly condemned a major terrorist attack, following previous condemnations in 2015 and 2019.

—FE BUREAU

Kant ends 45-year-long govt service

● Resigns as G29 Sherpa to begin 'a new chapter'

FE BUREAU
New Delhi, June 16

AMITABH KANT HAS resigned as India's G20 Sherpa, in what marks the end of a 45-year-long impressive career in government service, and policy-making.

"I have decided to embrace new opportunities and begin a new chapter," he wrote in a LinkedIn post.

Kant, 69, belonged to 1980 batch of the IAS (Kerala cadre). He retired from IAS in March 2017, and but was soon appointed as the CEO of the Niti Aayog. He has been the G20 Sherpa since July 2022.

STEPPING DOWN

■ Kant, 69, belonged to 1980 batch of the IAS (Kerala cadre)

■ He retired from IAS in March 2017, and but was soon appointed as the CEO of the Niti Aayog

■ He has been the G20 Sherpa since July 2022

■ He was a key driver of flagship national initiatives such as Startup India, Make in India, Incredible India.

mous consensus on the New Delhi Leaders' Declaration, and refocused attention on key developmental issues," Kant wrote.

He played a key role in governance and policy reforms, as the Niti Aayog CEO (2016-2022) and the secretary of the

Reviewing global oil supplies, have enough fuel: Puri

ARUNIMA BHARADWAJ
New Delhi, June 16

INDIA IS REVIEWING the global oil supply situation and the emerging tensions between Israel and Iran on a daily basis, Union minister of petroleum and natural gas Hardeep Singh Puri said on Monday, adding that there is no concern on oil supplies and the country has sufficient domestic stocks.

The latest conflict between Iran and Israel has once again posed a threat to India's energy supplies, exposing it to price shocks, given its heavy reliance on crude oil imports - much of it through the vulnerable Strait of Hormuz.

While the country does not directly import Iranian crude oil, any disruption in West Asia could hamper the flow of energy trade with potential increase in freight and insurance cost, experts believe.

Official sources, who did not wish to be identified, told FE that the country is well prepared to protect its interest and closing the Strait of Hormuz route is not in anyone's interest as over 22% of global energy trade happens through the channel.

Following the conflict, crude oil prices spiked on Friday with Brent hitting up to \$78 per barrel.

On Monday, crude oil prices were hovering around \$73-74 per barrel.

Any further escalation of the conflict could result in an increase in crude prices with potential supply disruptions for India.

The country relies heavily on imports of crude oil for as much as 88% of its requirements and almost 50% of its natural gas consumption, a large portion of which comes from West Asia. Iran on Saturday launched ballistic missiles at Israel's Haifa Port and nearby oil refinery.

Rise in prices of crude oil and gas would impact the demand and profitability of the downstream companies, analysts say. In the past, Iran



has warned of blocking the route which could potentially hurt oil flows.

"As 20% of world oil and LNG trade happens through Strait of Hormuz, which Iran straddles, therefore escalation of conflict could have supply shocks for both these commodities.

As loading ports are on the Strait of Hormuz with no alternate arrangements for most of these supplies, the risk is high in case the conflict escalates," Prashant Vasishth, senior vice president and co-group head, corporate ratings, Icra, had told FE.

Iran holds about 9% of the world's oil reserves, and any disruption could impact several key Indian sectors, including oil marketing companies (such as BPCL, HPCL, and IOC), paints (like Asian Paints and Berger Paints), as well as the automobile and cement industries, noted Naveen Vyas, senior vice president, Anand Rath Global Finance.

The government had also earlier said that the rising geopolitical tensions in different regions across the world has contributed to increased freight rates and has disrupted energy trade.

Indian exports of petroleum products which have rebounded in May could again face risk if the situation escalates.

India's export of petroleum products in May bounced back to 1.34 million barrels per day, up 31% from 1.02 mbd in April, according to data from global real-time data and analytics provider Kpler.

Monsoon back on track, heatwave likely to ease

MONSOON HAS REVIVED

after stalling for more than a fortnight, and rains are set to cover central parts of the country this week, bringing relief from the heatwave in the grain-growing northern plains, two senior weather officials said on Monday.

The monsoon, the lifeblood of the country's nearly \$4 trillion economy, delivers nearly 70% of the rain that the country needs to water farms and replenish aquifers and reservoirs.

Nearly half of India's farmland, which has no irrigation, depends on the annual June-September rains for crop growth.

The monsoon has revived after a fortnight as a favourable weather system has developed in the Bay of Bengal, which would help the monsoon to cover entire central India this week, an official of the India Meteorological Department (IMD) told Reuters.

—REUTERS

Auditors support CAG move to rope in private companies

MANU KAUSHIK
New Delhi, June 16

AUDIT FIRMS IN India have come out in support of the Comptroller & Auditor General of India's (CAG) recent decision to engage Chartered Accountants (CA) and Limited Liability Partnership (LLP) firms for auditing the financial statements of autonomous, local and other bodies.

This comes in the wake of an opposition to the CAG's move in certain circles.

For now, the services of private auditors will be used by the CAG for the period between July 2025 and March 2027.

Audit firms, including some of the Big Five firms, feel that there is a "misinterpretation" and "lack of understanding" on the scope of work that will be assigned to the private CA firms during their engagement with



the CAG. "The idea that CA firms will perform audit work on behalf of CAG is incorrect. The terms of the contract states that the personnel from CA firms would work under the overall supervision of senior audit officers of the CAG," said a partner from a Big Five firm, on condition of anonymity.

On June 3, CPI (M)'s member of parliament S Venkatesan wrote a letter to the President Droupadi Murmu objecting to the CAG's tender describing it as a dilution of the constitutional mandate given to the

national auditor.

"It's not about compromising the constitutional responsibility. Owing to the complex nature of work at the central and state autonomous bodies, CA firms can use their expertise to enhance the overall audit quality," said an audit head of a CA firm.

The President of the Institute of Chartered Accountants of India (ICAI) Charanjot Singh Nanda told FE that the selected CA firms will only assist CAG in its job, and the audit work will be carried out by the CAG officials.

For instance, private auditors believe that CAG operates under structured and accountable guidelines. The tender to involve private CA firms is in line with global audit practices of utilising external expertise for data collection, field-level audit assistance, or sector-specific matters.

Good tidings for Bharat

Much depends on the revival of the southwest monsoon

THE UPTICK IN India's rural economy—with gross value added in agriculture, forestry and fishing registering an expansion of 4.6% in FY25—is good news for India's growth story. Higher farm incomes from record levels of foodgrain production due to an above normal monsoon and robust prices have led to more demand for fast-moving consumer goods, two-wheelers, and tractors, which favourably impacts industrial production with a lag. Real wages were also up by 7% in FY25 and could grow by 6.5% this fiscal, although there could be downward pressures if there are adverse weather shocks, according to India Ratings. The bullish sentiments in the countryside are also reflected in the fact that three-quarters of rural households expect their incomes to increase in the next year, according to a bi-monthly survey conducted by the National Bank for Agriculture and Rural Development.

While these are definitely good tidings, much depends on the spatial and temporal progress of the southwest monsoon, which has had an early onset this year, but has stalled of late. An early revival is critical for the sowing of crops in the kharif or summer season, especially in the crucial months of June and July. The signs of vibrancy in the rural economy are reflected in high frequency indicators, although there could be contrary signals, like the declining growth of credit to agriculture in FY25. The caveat is also that while all agriculture is rural, rural is not wholly agricultural. FMCG data for FY25 indicates that big players are getting bigger in the rural areas. Faster growth in large, listed brands is observed in the towns and cities. Tractor sales were also up 7.3% in FY25, according to the Tractor and Mechanisation Association, while two-wheeler sales—more than half of which are in rural areas—rose by 9.1%. Even this fiscal, tractor sales in April, the first month after the rabi harvest, were up by almost 8% on year. Leading companies like Mahindra & Mahindra also registered growth in domestic sales of 10% on year in May.

All of this clearly points to upbeat farm sentiments. While tractors typically are purchased by prosperous farmers with relatively larger land-holdings, there are signs of growing mechanisation also among farmers with smaller land holdings. The proximate factors relate to the rising costs of maintaining oxen, and bullocks. The positive momentum of the farm economy is reflected also in official expectations that a growth of 5% is feasible—higher than the earlier long-term trend of 3%—and vital for the country becoming a developed nation by 2047. Union agriculture minister Shivraj Chouhan has also stated that as the nation aspires to soon become a \$5 trillion economy, agriculture must contribute at least \$1 trillion from the current level of \$637 billion.

All of this entails prioritisation of reforms in this sector that support half the nation's workforce and contributes 18% to GDP or the nation's output of goods and services. The need is to step-up agri-R&D that will enable farmers to better cope with the vagaries of climate change. The policy imperative must be to ensure that agriculture does not remain hostage to the vagaries of the southwest monsoon by building more irrigation facilities, especially in peninsular India.

● TOWARDS VIKSIT BHARAT

THIS DECADE WILL BELONG TO THE NATION THAT CAN ALIGN INSTITUTIONS WITH AMBITIONS

Engineering India's competitiveness

AMIT KAPOOR

Chair, Institute for Competitiveness



stable industrial policy. Similarly, in electronics exports, Vietnam climbed from 47th place in 2001 to 12th place in 2021 by combining low costs with trade openness, efficient logistics, and investor-friendly policies.

India, to its credit, is not standing still. The Production-Linked Incentive (PLI) schemes across multiple sectors, from mobile phones to solar modules, are a bold bet on manufacturing revival. Infrastructure capital expenditure, particularly on highways, ports, and freight corridors, has surged. Yet, these advances are not to be

Building these competitive ecosystems, be it at any level, requires foundational services that make modern manufacturing and innovation possible—predictable power, reliable contract enforcement, skilled labour, R&D incentives, and empowered urban local bodies. Barring these, the PLI schemes risk becoming expensive one-offs rather than engines of sustained competitiveness. This is where Michael Porter's classic framework of competitive advantage becomes especially resonant. What differentiates truly competitive economies is not the presence of cheap

India's opportunity lies not just in where the world is going, but also in the kind of country it chooses to become

inputs or the size of the market, but the ability of firms to upgrade, innovate, and tap into virtuous feedback loops of demand and supply sophistication. India's challenge is not just to attract capital, but to retain and grow it, and to embed it in a context that enhances its productivity.

India's aspirations to join the semiconductor race is a case in point. The recent announcement of a major fabrication plant by the Tata Group marks a breakthrough in India's industrial ambition. However, the semiconductor industry is not a standalone one. It relies on ultra-precise logistics, highly skilled engineering talent, massive and uninterrupted electricity and water supply, a domestic base of chemical and materials suppliers, and a regulatory system that moves faster than the product cycle. Taiwan, which dominates this field, built these capabilities over decades through

deliberate clustering. India must view the semiconductor push not as an emblem of self-reliance, but as an opportunity to construct a full-stack ecosystem from university labs to export incentives that can anchor long-term competitiveness.

AI's rise is adding a new axis to the competitiveness conversation. The 2025 Human Development Report notes that India now leads the world in self-reported AI skill penetration. That is a striking data point, reflective of the country's digital public infrastructure, its youthful, tech-savvy workforce, and the rapid diffusion of AI-powered applications in daily life. Yet, raw skill is not enough. India's digital capacity is not evenly distributed; neither geographically nor institutionally. While AI may hold the promise of augmenting the productivity of less experienced workers, particularly in customer service, code writing, and logistics, it also raises the stakes for regulatory readiness, data governance, and inclusive skilling. Most of the foundational large language models and generative AI tools are still being developed in the US, China, and the UK.

None of this is to argue that India lacks momentum. The economy is growing faster than most, digital infrastructure is unmatched at its scale, and strategic positioning in the Indo-Pacific is giving it new leverage. Growth, however, is not the same as competitiveness. The former can be episodic; the latter must be structural. For true competitive advantage, India needs long-range thinking—seeing industrial policy, trade strategy, human capital development, and urban reform not as separate silos but as mutually reinforcing instruments. This decade will not be decided by who can subsidise the most or build the biggest factories, but by the ones who can align their institutions with their ambitions. India's opportunity lies not just in where the world is going, but in the kind of country it chooses to become. Competitive advantage, like prosperity, is not inherited, but engineered via patience, coherence, and purpose.

Chips won the Cold War.

Rare earths may win the next

IN RETROSPECT, THE symbolism of the moment was foreboding.

On May 15, 2019, President Donald Trump signed an executive order banning US firms from doing business with Chinese telecommunications companies, including Huawei Technologies Co. Five days after that first broadside in a brewing trade-and-technology war, President Xi Jinping was photographed touring a factory producing rare-earth magnets. Such devices, his visit seemed to imply, could be a geopolitical weapon for China quite as potent as advanced semiconductors are for the US.

Six years later, those battle lines are hardening. In the first major US-China trade dispute of Trump's second term, Beijing was able to use its control of rare earths to force Washington to a deal last week. The magnets produced from them are essential for the lightweight, powerful motors driving everything from automated car seats to guided missiles. After the US imposed its first round of tariffs in April, China started limiting export permits, causing US manufacturers to warn of imminent shutdowns. "FULL MAGNETS, AND ANY NECESSARY RARE EARTHS, WILL BE SUPPLIED, UP FRONT, BY CHINA," Trump said in a social media post Wednesday, announcing the trade deal had been finalised. Beneath the all-caps boastfulness there's a worrying note of desperation. America has been caught napping.

Beijing's response to being frozen out of the microprocessor ecosystem was an all-out drive to bridge the technological gap. State-owned chip foundry Semiconductor Manufacturing International Corp. has deployed \$33.5 billion on capital expenditures, and \$4 billion on research and development, since the middle of 2019. Huawei spends 180 billion yuan (\$25 billion) on R&D every year, founder Ren Zhengfei said in a recent interview. Just 12 months ago, the government created a separate \$47.5 billion semiconductor investment fund.

The US chip fortress still looks pretty impregnable, barring an unexpected DeepSeek moment. Although Huawei is reported to be developing a 3-nanometer chip to match the most advanced non-Chinese processors as soon as next year, Ren said its best designs still "lag behind the US by a generation."

A lesson of asymmetric warfare, though, is to exploit your enemy's weaknesses, rather than attempt to match their strengths. That's where rare earths come in. Rare-earth magnets promise to replicate that processing-power revolution in mechanical power—making motors smaller, stronger, cheaper, and more efficient. As with cruise missiles in the 1970s, this innovation promises to change the way future wars will be fought. Consider Ukraine's bold drone strike on Russia's long-range bomber fleet earlier this month.

Blinded by culture wars over the energy transition, America is doing far too little to close this technological gap. Its military needs for rare-earth magnets, as we've written, have been pretty much met at minimal cost. Compared to the hundreds of billions that China is pouring into chips, the Pentagon has built a rare-earth supply chain since the start of 2020 with \$439 million in grants and loans.

Worse is the way lithium-ion batteries are falling victim to politics. The looming repeal of Biden era clean-energy subsidies and the resultant collapse of the electric-vehicle supply chain may reduce the output capacity of US battery manufacturers in 2030 by about 75%. That would halt almost every plant not already under construction, and ensure the country can only produce enough cells to power about a fifth of annual car sales. America will be left more dependent on China, both for auto batteries and the host of more crucial niche applications for lithium-ion technology.

In the golden age of semiconductors, the US instinctively knew that its strength as a great power lay in its determination to remain at the bleeding edge of innovation. When the might of the state forces technology to submit to ideology, though, the consequences can be disastrous. That's the road the US is heading down, however, in letting China take the lead in rare earths, solar panels, lithium-ion batteries and the other clean electrical technologies of the future.

Should American troops find themselves on some future battlefield without the critical minerals and batteries to match the swarms of drones deployed against them, they'll rue the day Washington turned its back on the future.

Unshackling Indian science



HARILAL BHASKAR

Chief Operating Officer and national coordinator, I-STEM

INDIA STANDS AT a crucial crossroads in its scientific and technological journey. With growing ambitions to become a global innovation hub, the country has witnessed remarkable progress in research and development (R&D). Yet, an overlooked obstacle limits India's potential—the Goods and Services Tax (GST) levied on scientific infrastructure usage and research consumables. Reforming GST policies to exempt research-related goods and services is essential to democratise access to scientific facilities, accelerate innovation, and strengthen collaborations between academia and industry.

Publicly funded research centres, universities, and startups rely on expensive, cutting-edge scientific equipment—from electron microscopes to high-throughput sequencers and specialised chemical analysers. These instruments drive innovation across healthcare, agriculture, clean energy, and manufacturing. However, each time researchers book lab time or procure consumables like reagents or chemicals, they face GST ranging from 5-18%, significantly inflating operational costs. For many early-career scientists and small startups with limited resources, these costs are prohibitive.

Consider a startup developing biodegradable plastics. Each experiment requires multiple rounds of chemical testing involving reagents and equipment use. When GST applies to every purchase and booking, costs can double their budget, forcing reduced experimentation frequency or delayed tests. Such financial barriers stifle creativity and slow the trial-and-error essential for breakthroughs. In healthcare, teams working on affordable

diagnostics for diseases like tuberculosis face similar challenges. The constant taxing of consumables and testing delays innovations reaching patients.

Beyond individual labs, these GST charges have systemic consequences. High rates on scientific infrastructure usage discourage frequent access, leading to underutilisation of national laboratories and public research facilities. Instruments bought with taxpayer money often sit idle because smaller players cannot afford the cost.

Micro, small, and medium enterprises (MSMEs), the backbone of India's innovation-driven economy, are disproportionately impacted. Imagine an MSME working on solar panel technology trying to optimise efficiency. Repeated testing is critical, but taxing every material and lab session makes this financially unsustainable. This hinders locally made products and delays market entry. Consequently, India's research ecosystem skews toward well-funded institutions, widening disparities in access to science and technology. This opposes India's vision of inclusive innovation, where every capable mind—regardless of geography or financial backing—can contribute to progress.

Leading research economies have recognised that lowering financial barriers catalyses innovation. The US and many European countries exempt essential research materials from sales taxes or offer subsidies for lab usage. Asian power-

houses like South Korea, China, and Singapore go further, providing tax credits and full exemptions for corporate R&D. Israel's vibrant startup ecosystem benefits from tax relief on scientific infrastructure and consumables, accelerating product development. These countries know that accessible, affordable scientific infrastructure fuels entrepreneurship, attracts global collaborations, and produces discoveries.

India risks falling behind if it does not align tax policies with these global best practices. GST reform would spur domestic innovation and invite foreign researchers and companies to collaborate with Indian institutions.

Removing GST on scientific infrastructure and research consumables is not merely a financial adjustment—it is a structural reform that could transform the research ecosystem. Such a policy would make lab access affordable for

early-stage researchers and MSMEs, encouraging more experiments and faster learning cycles. It would also strengthen industry-academia partnerships by lowering costs for joint research in public labs. Utilisation of costly national equipment would increase, maximising returns on public investment.

On the regional end, equitable access to advanced technology across regions and institutions would be promoted, democratising innovation opportunities. Patent filings and startup formation could also see a boost by reducing barriers to pro-

hone its military preparedness. —NR Nagarajan, Sivakasi

Easing compliance

Apropos of 'Streamlining Indian labour laws' (FE, June 16), the government's efforts to streamline Indian labour laws by consolidating numerous regulations into four labour codes mark a significant step toward easing

compliance and promoting ease of doing business. However, challenges remain in implementation, clarity, and uniform adoption. A comprehensive reevaluation of the regulatory framework is essential to balance the needs of employers and employees. —Narayanan Kizhumundayur, Thrissur

● Write to us at feletters@expressindia.com

ANALYSTS WARN OF GLOBAL SUPPLY SHOCKS AMID WEST ASIA CRISIS

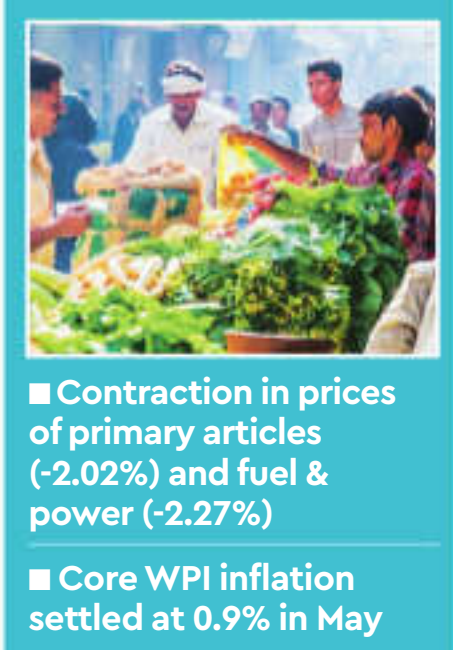
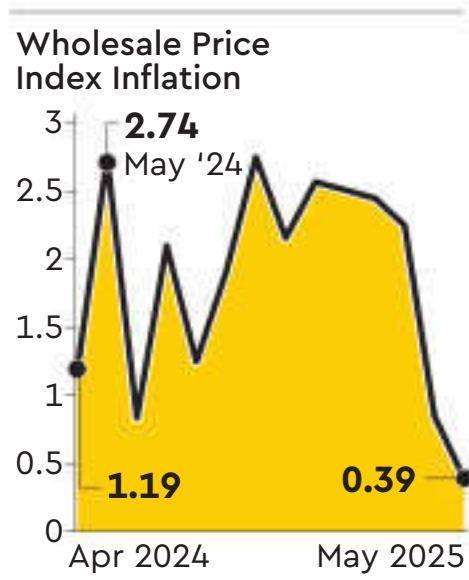
WPI inflation cools to 0.39% in May, lowest in 14 months

FE BUREAU
New Delhi, June 16

INFLATION MEASURED BY the Wholesale Price Index (WPI) eased to a 14-month low in May, falling to 0.39% from 0.85% in April, driven by declining prices of energy and primary articles.

Among the three key components of the index, there was a contraction in the prices of primary articles (-2.02%) and fuel and power (-2.27%). Inflation in manufactured products stood at 2.04%, lower than in the previous two months, according to data released by the ministry of commerce and industry. Retail inflation, based on the consumer price index (CPI), also moderated to 2.82% in May, down from 3.16% in April. This marked the lowest reading since February 2019. The decline was largely attributed to a sharp drop in food inflation, which fell to 0.99% — its lowest level since October 2021. In its recent monetary policy review, the Reserve Bank

COMFORT ZONE



of India revised its inflation forecast for FY26 to 3.7%, down from the earlier estimate of 4%.

While the retail inflation outlook for June by analysts is very benign, the Iran-Israel tensions have heightened the uncertainty over global inflation, with oil prices tending to move up.

WPI inflation mirrors more or less what was witnessed in the Consumer Price Index (CPI) which hit a 75-month low of

2.82% as food price inflation moderated further.

Core WPI inflation settled at 0.9% in May, higher compared with 0.5% last year (May), but was down from 1.2% in April, economist at Bank of Baroda Sonal Badhan said.

Food inflation with a weight of 24.38% in overall WPI moderated to 1.72% in May from 2.55% in April and 7.8% in May of last year. This was helped by decline in

index for potato, tomato, onion, ginger and cabbage. Index for spices and condiments (-15.2% versus 16.4%) and eggs, meat and fish (-1% versus 0.7%) too declined. Index for milk inflation noted moderation (2.7% versus 3.8%). Food grain inflation index reported flat growth in May (0%), coming down from a high base of 11.4% last year, Badhan said.

Fuel and power inflation eased, as crude oil prices remained downbeat. Within the manufactured segment, price pressure was visible for food products (8.45%), reflecting higher edible oil prices (26.49%).

"The outlook for food inflation has improved considerably. Positive indicators such as favorable prospects for agricultural production, recent reductions in basic customs duties on edible oils, and adequate reservoir levels are expected to keep food prices in check," chief economist at CareEdge Ratings Rajani Sinha said.



S RAMADORAI

"LOOK AGAIN AT that dot. That's here. That's home. That's us. On it, everyone you love, everyone you know, everyone you ever heard of... every hunter and forager, every hero and coward, every creator and destroyer of civilisation... every saint and sinner in the history of our species lived there — on a mote of dust suspended in a sunbeam."

— Carl Sagan, *Pale Blue Dot*
Sagan's haunting reflection reminds us how small we are in the grand scale of the cosmos, and how utterly futile our conflicts seem when set against the infinite backdrop of the universe. If we are to survive, let alone thrive, on this "pale blue dot," peace is not just a moral ideal — it is our only bet.

Across the world today, we continue to witness the unrest and uncertainty that wars and conflicts inevitably bring. While motives may vary and strategies may evolve, the true cost of violence often reveals itself in the scars that linger far beyond the battlefield. History, however, offers us powerful alternatives.

Over two millennia ago, Emperor Ashoka stood on the blood-soaked plains of Kalinga, confronting the brutal cost of conquest. The devastation spurred a profound transformation. Turning to the teachings of the Buddha, Ashoka chose a path of peace, moral responsibility, and public welfare — ushering in one of the most enlightened periods of governance in ancient history. His story is timeless, underscoring the eternal truth that peace is the true foundation of civilisation.

The 20th century echoed that ancient wisdom. After World War II culminating in the atomic horrors of Hiroshima and Nagasaki — Japan renounced aggression and embraced pacifist constitution. That decision



did not stifle its growth; instead, it unleashed an era of innovation and prosperity for Japan. In 1955, scientists Albert Einstein and Bertrand Russell echoed this sentiment in their landmark manifesto for nuclear disarmament, urging world leaders to "remember your humanity and forget the rest."

Institutions like the United Nations were designed to mediate conflicts and build a shared future. In parallel, globalisation deepened our interdependence. Ed Conway's "Material World" brings this vividly to life, outlining how six essential materials — sand, salt, iron, copper, oil, and lithium — form the backbone of our modern existence.

The supply chains for these resources weave across continents, highlighting a critical truth: no nation can exist as an island. Our survival and prosperity hinge on cooperation.

And nowhere is the positive impact of globalisation more visible than in the rise of India's IT industry. Firms like TCS leveraged the structural shifts in the global economy, guided by frameworks like CAGE that helped mitigate Cultural, Administrative, Geographic, and Economic disparities. Indian firms embraced cultural fluency, administrative agility, and economic efficiency to become trusted global partners — turning distance and differing time zones into strengths. This global collaboration was not just business; it was an act of building bridges through code and customer trust. Yet despite all that connects us, the world finds itself

trapped in new spirals of violence as nations vie for supremacy. The ongoing war in Ukraine, the tragedy in Gaza, simmering tensions between India and Pakistan, the persistent threat of terrorism, the weaponisation of trade, and the rise of digital disinformation have fractured our shared global consciousness. These conflicts — military, economic, ideological — drain resources, deepen mistrust, and push humanity further from the bridges we so painstakingly built.

This is why as global citizens, we must look for avenues to demonstrate leadership that elevates rather than annihilates. The United States and the Soviet Union, during the Cold War, battled for influence not with weapons but with chess boards and space crafts. Bobby Fischer's victory over Boris Spassky was seen not merely as a personal triumph, but as a symbolic victory for the West. Similarly, the space race, marked by Sputnik 1's launch and Apollo 11 moon landing, channelled geopolitical rivalry into achievements that advanced all humankind. Supremacy through intellect, innovation, and imagination is a far superior vision for the future, and the only path that can save humanity from the devastation of war.

In our own region, sports, science, and culture offer rich platforms for peaceful assertion. We have experienced it through cricket and sports diplomacy, international scientific collaborations, global music and film festivals — all these demon-

strate how influence can be established through shared excellence rather than dominance. Amid these realities stands Mahatma Gandhi, whose principles of non-violence, truth, and civil disobedience command universal reverence. His life proved that peace rooted in justice and moral authority creates more enduring legacies than victory rooted in fear.

As a pacifist, I believe our path forward must be one of elevation, not escalation. The future belongs not to conquerors, but to collaborators, because today our greatest threats are not geopolitical — they are planetary. Climate change, biodiversity loss, pandemics, and resource scarcity do not recognise borders or ideologies. They demand collective action, shared responsibility, and global unity. In an age when a rising sea or a melting glacier can impact millions across continents, cooperation is not a choice — it is a necessity.

When Voyager 1 and 2 drifted into the vastness of interstellar space, they carried with them golden records — tender whispers from Earth — sounds of rain, laughter, heartbeat, greetings in dozens of languages, music from several nations from Hindustani classical to Bach, a message from a child "Hello from the children of planet Earth." They carried not our fears, but our hopes and the essence of what makes us human — our wonder, our art, our longing to connect. In those fragile records, we offered the universe our gentlest truths. If we could choose to send only peace into the stars, then surely, we can choose to live by the same tenderness here on Earth.

Let us reimagine supremacy through ideas, innovation, skills, problem-solving, and compassion. Let us heed Sagan's voice, echoing across the cosmos, reminding us of the singular home we all share. Let us choose peace, not as a retreat, but as our boldest step forward.

(The writer is a former CEO and MD of Tata Consultancy Services)

Census 2027: Centre to spend ₹13,000 crore

PRESS TRUST OF INDIA
New Delhi, June 16

SIXTEEN YEARS AFTER the last census in 2011, the government on Monday issued a notification for conducting India's 16th census which will include caste enumeration in 2027.

The census will be carried out with a reference date of October 1, 2026 in the snow-bound areas like Ladakh and March 1, 2027 in the rest of the country, the notification said.

"The reference date for the said census shall be 00.00

hours of the 1st day of March, 2027, except for the Union territory of Ladakh and snow-bound non-synchronous areas of the Union territory of Jammu and Kashmir and the States of Himachal Pradesh and Uttarakhand," it said.

In respect of Ladakh and snow-bound non-synchronous areas of the Union territory of Jammu and Kashmir and the states of Himachal Pradesh and Uttarakhand, the reference date shall be 00.00 hours of the first day of October, 2026, it said. The massive exercise, which

is expected to cost the government over ₹13,000 crore to give population-related data from across the country, will be conducted by about 3.4 million enumerators and supervisors and around 130,000 census functionaries armed with digital devices.

Union home minister Amit Shah reviewed the preparation for the census with Union home secretary Govind Mohan, registrar general and census commissioner of India Mritunjay Kumar Narayan, and other senior officials on Sunday.

Q4FY25 wasn't as bad as feared: HSBC

WHILE EARNINGS GROWTH continued to moderate in the quarter ended March 31, the slowdown was not as severe as many had feared, according to a report by HSBC Global Research. The report also noted that consumption in India is likely to get a boost of ₹3,000-₹4,000 crore annually over the next 18-24 months.

According to the report, earnings for Q4FY25 led to a 5% downward revision in FY26 NIFTY earnings forecasts (unadjusted for float). "This is not as bad as feared by many and now Bloomberg NIFTY earnings growth forecasts are 11% in FY26 and 15% in FY27," it said. **FE BUREAU**

Unemployment rate climbs to 5.6% in May

● Female joblessness higher at 5.8%

PRESS TRUST OF INDIA
New Delhi, June 16

THE RATE OF unemployment in the country, measured in monthly term, rose to 5.6% in May from 5.1% in April this year mainly due to seasonal variation, showed the government data released on Monday. Earlier last month, the ministry of statistics & programme implementation released the first monthly periodic labour force survey (PLFS) as part of efforts to monitor the proportion of unemployed people among those eligible for jobs in the country in real-time.

The latest data collected in the current weekly status (CWS) showed that the unemployment rate for persons of all ages during May rose to 5.6% from 5.1% in April. The pace of joblessness among females was higher at 5.8% compared to 5.6% in males at the country

LESS JOBS



As per CWS for persons aged 15 years and above
Source: MoSPI

level in May.

Joblessness among those in the age group of 15-29 increased to 15% in May from 13.8% in April 2025 across the country. The rate of unemployment in urban areas rose to 17.9% in May from 17.2% in April, while it was 13.7% in the

month under review up from 12.3% in the previous month in rural areas.

CWS refers to the activity status determined on the basis of a reference period of the last seven days preceding the date of the survey. In rural areas, employment shifted away from the primary sector — agriculture (from 45.9% in April to 43.5% in May) — to the secondary and services sectors, it noted.

Reduction in agricultural activities with the end of rabi harvest season for both males and females in the rural areas may have brought about the downward shift in number of workers, it stated.

In urban areas, changes were more marginal with slight declines in own account workers and casual labourers, affecting workforce numbers, it stated. The study further showed that the unemployment rate among women in the age group of 15-29 also increased to 16.3% in May from 14.4% in April across the country (rural and urban).

Prithvi Exchange to foray into new global education markets

NESIL STANEY
Mumbai, June 16

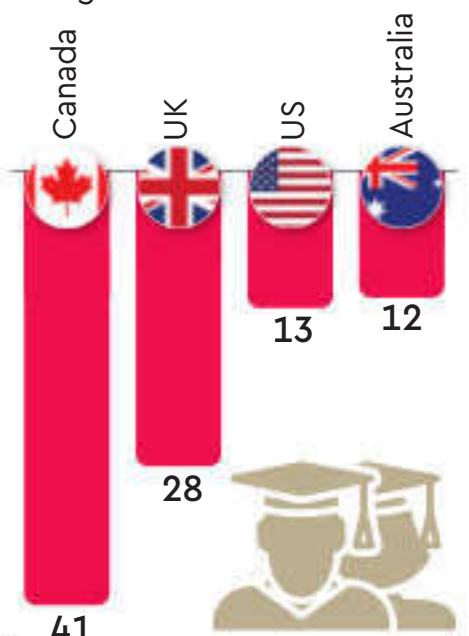
PRITHVI EXCHANGE, AN outward forex remitter, plans foray into new international markets such as Germany, New Zealand, Austria, Dubai, Singapore and France, where Indian students are now increasingly flocking to. The total market for education related outward remittances in India is \$3.5 billion.

The firm also plans to launch an insurance broking vertical, enter family maintenance remittance segment, and is open to strategic investors, said Pavan Kumar Kavard, managing director and promoter. It will also add 6-8 branches in tier-II cities this year.

In the past one year, Chennai-headquartered Prithvi handled about \$150 million in remittances, mostly for education. A decline in global student travel due to geopolitical issues

EXPANDING REACH

Indian students in big four foreign markets in 2024



in the big four markets — Canada, the US, the UK and Australia — slowed overall remittances, said Kavard.

Canada recorded the sharpest drop, with Indian student enrolments falling by 41% — from 233,500 in 2023 to 137,600 in 2024.

Israel-Iran war: Govt to meet stakeholders this week

MUKESH JAGOTA
New Delhi, June 16

LONG-TERM FREIGHT CONTRACTS might not be immediately impacted by the onset of the Iran-Israel war, but an adverse effect could be felt if tensions continue, a senior official said on Monday. To address the challenge faced by exporters, a meeting of all stakeholders would be called this week, the official stated.

Accordingly, the export promotion organisations, shipping lines, the container organisations and departments concerned will be participating in the meeting.

"It's too early to assess the impact of the tensions. We are monitoring the situation," commerce secretary Sunil Barthwal said.

Exporters have stated that

TAKING STOCK

■ Export promotion organisations, shipping lines, container organisations, departments concerned will be participating in the meeting

■ Exporters said the war can push up both air and sea freight rates



■ Movement of ships through the Red Sea, Strait of Hormuz would be affected

■ Around 80% of India's merchandise trade with Europe passes through the Red Sea

■ Red Sea strait is vital for 30% of global container traffic

if the war spreads then it would impact world trade and push up both air and sea freight rates as movement of ships through the Red Sea and Strait of Hormuz would be impacted.

After a long gap following the October 2023 attack on Israel the cargo ships had gradually started returning on Red Sea routes, saving them 15-20 days while moving to US and

Europe from India and other parts of Asia. This route could become dangerous and ships might start avoiding it again.

Around 80% of India's merchandise trade with Europe passes through the Red Sea and substantial trade with the US also takes this route. Both these geographies account for 34% of the country's total exports. The Red Sea

strait is vital for 30% of global container traffic and 12% of world trade.

As Iran is directly involved in the war, navigation through Strait of Hormuz could also be impacted. Already, voices within Iran have been asking for a blockade of these routes.

The Strait of Hormuz, located between Oman and Iran, connects the Persian Gulf

with the Gulf of Oman and the Arabian Sea. Around 21% of global petroleum liquid consumption passes through that route. China, India, Japan, and South Korea were the top destinations for crude oil, moving through the Strait. Oman also uses this route to supply liquefied natural gas (LNG) to India.

According to Ajay Srivastava, founder of Global Trade Research Initiative, nearly two-thirds of India's crude oil and half of its LNG imports pass through the Strait of Hormuz, which Iran has now threatened to close.

Any closure or military disruption in the Strait of Hormuz would sharply increase oil prices, shipping costs, and insurance premiums — triggering inflation, pressuring the rupee, and complicating India's fiscal management, he added.



Amitabh Kant said he'll work outside the public sector. PTI

Kant to shift away from govt, steps down as G20 Sherpa

Gireesh Chandra Prasad
gireesh.p@livemint.com
NEW DELHI

G20 Sherpa Amitabh Kant, who was instrumental in forging consensus among world leaders during India's G20 presidency amid sharp geopolitical rifts, has stepped down from the role, signalling a move to non-governmental sectors.

In a LinkedIn post, Kant said that after 45 years in government service, he was embracing new opportunities outside the public sector. "I now look forward to India's transformational journey towards *Viksit Bharat* by supporting free enterprise, start-ups, think tanks and academic institutions," he wrote.

When contacted, he told *Mint* that he would share next steps in due course.

One of India's most visible bureaucrats, Kant played a key role in shaping national initiatives ranging from infrastructure development to the 'Make in India' push and the turnaround of over 100 backward districts through the Aspirational Districts Programme.

Previously, as chief executive of federal policy think tank Niti Aayog and later as G20 Sherpa, Kant articulated Prime Minister Narendra Modi's vision on development, innovation, and sustainability. He was deeply involved in policies focused on low-carbon growth, digital infrastructure, and industrial reform.

Kant expressed gratitude to Modi for entrusting him with key developmental roles. India's G20 presidency, he said, was a major milestone in his career—"people-centric and inclusive" with meetings held across all states and union territories. This, he noted, "strengthened cooperative federalism, celebrated local culture, and upgraded infrastructure nationwide".

He also highlighted India's role in bringing the African Union into the G20 as a permanent member, calling it a "fulfilment of our commitment to global equity and the voice of the Global South".

For an extended version of this story, go to [livemint.com](#).

Centre takes over highway bids, clips state PWD wings

State depts to consult Union ministry's regional officers for national highway bids, arbitration

Subhash Narayan
subhash.narayan@livemint.com
NEW DELHI

The Centre has withdrawn the powers of state PWDs (public works departments) and road construction departments (RCDs) to independently issue bid documents for national highway projects in their states, according to a directive by the ministry of road transport and highways (MoRTH).

Instead, they will now consult MoRTH's regional officers (ROs), who will evaluate all state-issued bids, recommend necessary changes, and actively participate in resolving legal disputes and arbitration related to national highway works, the directive said, a copy of which was seen by *Mint*.

The new process will be applicable to all highway projects, including those costing less than ₹100 crore but excluding maintenance works.

Further, ROs would need to be consulted at every step in the case of contractual disputes and arbitration. MoRTH is preparing a separate, detailed standard operating procedure (SoP) for dealing with arbitration matters that will soon be issued.

Queries emailed to MoRTH remained unanswered till press time.

The National Highways Authority of India (NHAI) is responsible for highway



The new process will be applicable to all highway projects, including those costing less than ₹100 crore but excluding maintenance works. HT

construction across the country. However, it works with state-level agencies for bidding, processing and building specific highway sections within states, along with other agencies like NHIDCL and MoRTH's construction wing.

The ministry's directive pointed out that "in several projects pertaining to NH works implemented by State PWDs/RCDs, critical lapses have occurred due to lack of due diligence". That has led to disputes, legal complexities and financial liabilities for the central government, the directive noted, adding that ROs are not consulted or involved during

bidding or in courts and disputes are dealt with mechanically without safeguarding the interests of the Centre.

The directive was sent to secretaries and chief engineers of all states and Union territory PWDs, RCDs and departments dealing with national highways.

According to Jagannathan Padmanabhan, senior director & global head at Crisil Intelligence, scrutinising all proposals from all state governments has merits and demerits. "The merits of such an exercise could mean avoidance of construction of parallel and competing roads, having a uniform bid award-

ing process across the country and standardization of processes and bid documents, among other things," he said, adding that on the flip side, an extra layer of scrutiny and capacity augmentation at the central level would be needed.

Suprio Banerjee, vice president and co-group head at rating agency Icria Ltd said that these measures are likely to increase award timelines, but project execution is not likely to be hampered while adhering to the norms or standards stipulated by the road ministry.

"Also, the involvement of ROs in all legal contractual processes is expected to streamline the disputes adjudication process while avoiding the need for repetition," Banerjee said.

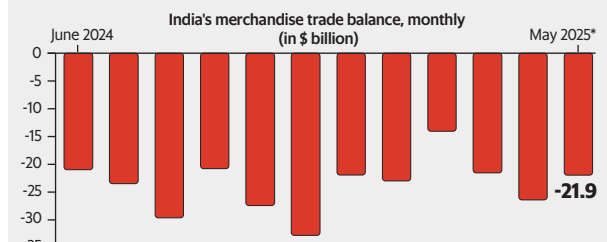
Shailesh Agarwal, partner for risk consulting (infrastructure) at EY India sounded a cautionary note, saying uniform documents don't always mean smoother highways. "Ultimately, true quality improvement depends on regular quality controls, digitalisation and accountability at the ground level," he said. "Due care must be taken to ensure the new system doesn't become a fresh bottleneck."

In FY26, MoRTH proposes to construct about 10,000 km of highways, per the outcome budget 2025-26. It spent ₹6,500 crore on highway repair and maintenance in FY24.

For an extended version of this story, go to [livemint.com](#).

Trade tremors

India's merchandise trade deficit narrowed in May on the back of higher exports and lower imports.



Note: *estimates. A negative figure denotes a trade deficit. Source: Ministry of commerce and industry

Exports hold firm amid W. Asia strife

Dhirendra Kumar & Rhik Kundu
NEW DELHI

India's exports in May rose 2.8% year-on-year (y-o-y) to \$71.12 billion, data released by the commerce ministry on Monday showed, amid concerns over the Israel-Iran conflict impacting trade.

Commerce secretary Sunil Barthwal said at a media briefing on Monday that India is holding up well despite global uncertainty. "There was a sustained fall in petroleum prices, which impacted value-added petroleum exports. But non-merchandise exports posted growth," he said.

To be sure, services exports rose to \$32.39 billion in May from \$29.61 billion a year ago, and imports stood at \$17.14 billion, up slightly from \$16.88 billion in May 2024. However, merchandise exports fell to \$38.73 billion in May from \$39.59 billion in May 2024, while imports declined to \$60.61 billion from \$61.68 bil-

lion in the same period.

On a sequential basis, the merchandise trade deficit narrowed to \$21.88 billion in May from \$26.42 billion in April, on the back of higher exports and lower imports.

Key export drivers included electronics, engineering goods, pharmaceuticals, chemicals, and readymade garments. Imports were dominated by petroleum, electronics, and machinery. Exports of electronic goods, including mobile phones, surged 54% in May, while chemical and pharma exports rose 16% and 7.4% respectively.

Meanwhile, a senior commerce ministry official said India and the US are likely to sign the first tranche of a bilateral trade agreement before 8 July. In a parallel development, the commerce ministry has begun talks with China to resume supplies of rare earth materials crucial for India's electric vehicle and electronics sectors, this official added.

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FATF to analyse terror financing trends

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Condemning the 22 April terror attack in Jammu & Kashmir in which 26 tourists were killed, a global agency that develops policies to combat money laundering and terrorism financing has said it will soon come out with a thorough analysis of trends in terror financing.

The statement on Monday from the Paris-headquartered Financial Action Task Force (FATF) comes in the wake of India's efforts to put global pressure on Pakistan, which it holds responsible for the terrorist attack in Pahalagam.

FATF said terrorist attacks kill, maim and inspire fear around the world. "The FATF notes with grave concern and condemns the brutal terrorist attack in Pahalagam on 22 April 2025. This, and other recent attacks, could not occur without money and the means to move funds between terrorist supporters," the statement posted on its website said.

The agency said it supports more than 200 jurisdictions within its global network to



The global agency to combat money laundering and terrorism financing has condemned the terror attack in Pahalagam. AFP

build and enhance their measures for counter-financing of terrorism (CFT), including through the strategic use of

FATF supports over 200 jurisdictions in its global network to build terrorism counter-financing measures

financial intelligence—making this one of the most powerful instruments for dismantling terrorist financing networks.

FATF said it has been working for 10 years to help countries stay ahead of terrorist financing risk. "To improve this picture, the FATF will soon release a compre-

hensive analysis of terrorist financing, compiling cases provided by our global network. It will also host a webi-

nario to help public and private sectors understand the risks and stay alert to emerging threats," the agency stated.

A person informed about the development said FATF rarely

issues condemnation of terrorist attacks and this is only the third such instance in the past decade that it has done so.

It has issued the condemnation because the international community has felt the severity of the attack and spotlights that such attacks will not go unpunished, said the person, who spoke on condition of not being named.

FATF is releasing a report on terror financing risks in a month's time and it is the first time the concept of "state sponsored terrorism" is being acknowledged by the global agency as a funding source, this person added.

India is stepping up pressure on Pakistan to ensure that the money it secures from multilateral agencies are used for their stated purposes and not for defence.

After the Pahalagam terrorist attack, India objected to multilateral funding from the IMF (International Monetary Fund) and the ADB (Asian Development Bank) to Pakistan.

Pakistan recently secured a \$2.4 billion funding from IMF for economic reforms and to build economic and climate resilience.

It also secured a \$800-million programme from ADB to strengthen fiscal sustainability and to improve public financial management.

India's wholesale inflation drops to 14-month low in May

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India's wholesale price index (WPI)-based inflation fell to a 14-month low of 0.39% in May, down from 0.85% in the previous month, according to provisional data released on Monday by the ministry of commerce and industry.

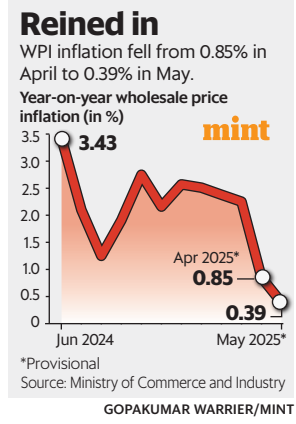
A favourable base aided the drop, with food, non-food manufacturing, minerals, and fuel and power segments contributing.

This follows a drop in India's retail inflation in May, which cooled to its lowest level in more than six years at 2.8%, helped by a sharp moderation in food prices, according to provisional government data released last week.

The WPI, a proxy for producers' prices, stood at 2.25% in March, 2.38% in February and 2.51% in January.

The latest wholesale inflation came in below expectations, with prices rising less than the 0.8% projected by economists in a *Reuters* poll.

According to economists,



lower food prices led the moderation, with wholesale food inflation declining to 1.72% in May.

The decline was also mirrored across non-food manufacturing, minerals, and fuel and power, which dragged down the headline number.

"As many as 20 of the 22 food items for which data is released by the Department of Consumer Affairs, reported an easing in their YoY inflation rate in June 2025 (until 15 June) compared to May 2025, partly aided by a favourable base," said Rahul Agrawal, senior economist at Icria Ltd.

"Given these trends, ICRA expects the WPI-food inflation to soften further in June 2025 from 1.7% in May 2025," Agrawal added.

Meanwhile, expectations of a normal monsoon and a rebound in rabi sowing have raised hopes of improved agricultural output, potentially easing food prices further in the coming months.

Data showed prices of primary articles, which comprise food items such as cereals, vegetables, eggs, meat and fish, as well as non-food articles such as crude petroleum and natural gas declined year-on-year, with inflation in this category slipping into negative territory.

Pulses saw negative inflation of 10.41% year-on-year, vegetables saw 21.62%, and potatoes recorded 29.42%.

In May, non-food article prices rose 1.53%, while crude petroleum and natural gas fell 12.43%.

Fuel and power prices declined 2.27%, and manufactured goods saw a 2.04% rise.

For an extended version of this story, go to [livemint.com](#).

MINT SHORTS

Census with nationwide caste enumeration to begin in 2027

New Delhi: The government on Monday notified the 16th Census of India will take place in two phases; on 1 March, 2027 for most of India and 1 October, 2026 for snow-bound, remote regions like Ladakh, Jammu & Kashmir, Himachal Pradesh, Uttarakhand. This will be unique as it'll include the first nationwide caste enumeration since 1931. **GIREESH CHANDRA PRASAD**



RBI issues draft norms on rupee interest rate derivatives

Mumbai: The Reserve Bank of India on Monday issued

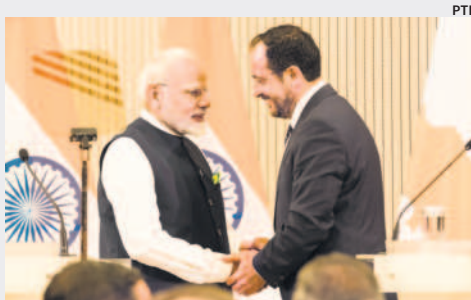
draft regulations for rupee interest rate derivatives to align the extant regulatory framework with the market and other related developments. 'Interest rate derivative' means a financial derivative contract whose value is derived from one or more rupee interest rate, prices of rupee interest rate instruments, or rupee interest rate indices. **PTI**

Unemployment at 5.6% in May, rural farm jobs slump

New Delhi: India's unemployment rate rose to 5.6% in May from 5.1% in April, driven by a shift in rural employment away from agriculture, as per data released Monday by the Ministry of Statistics and Programme Implementation (MoSPI). Unemployment in women was marginally higher at 5.8%, compared to 5.6% for men. MoSPI said contraction in agricultural activity affected both men and women in rural areas. **RHIK KUNDU**



India-Cyprus to step up defence collaboration



Nicosia: India will step up its defence ties with Cyprus through collaboration between the two countries' respective defence industries, Prime Minister Narendra Modi said on Monday. He didn't offer details, but said talks would begin on boosting bilateral maritime and cybersecurity cooperation. His two-day Cyprus visit is the first by an Indian prime minister in over two decades. **AP**

UPI transactions set to become faster from Monday

New Delhi: Transactions through the popular unified payments interface (UPI) are set to become faster from Monday with National Payments Corporation of India (NPCI) mandating reduction in response time to as swift as 10 seconds for payments. **PTI**



Cabinet secretariat to hear taxpayer, trader grievances

New Delhi: The government brought both the income tax department and customs-related matters under the purview of its central public grievance system, as per a notification on Monday. Taxpayers or importers/exporters facing delays, harassment, or poor service from the departments can file complaints with the Directorate of Public Grievances (DPG). **DHIRENDRA KUMAR**

CORRECTIONS AND CLARIFICATIONS

A 16 June, page 1 story, 'West Asia conflict casts cloud over Indian stocks', should have said that the Strait of Hormuz sees around 20 million barrels of oil transit every day. The error is regretted.

Mint welcomes comments, suggestions or complaints about errors. Readers can alert the newsroom to any errors in the paper by emailing us, with your full name and address to [feedback@livemint.com](#). It is our policy to promptly respond to all complaints. Readers dissatisfied with the response or concerned about *Mint's* journalistic integrity may write directly to the editor by sending an email to [asktheditor@livemint.com](#)

INSIDE THE RISE OF INDIA'S VOICE-FIRST INTERNET

Some startups are giving voice to the non-typing majority among India's 900 million internet users

Shadma Shaikh
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BENGALURU

Geeta Nikam, 38, speaks into her smartphone in Marathi as she makes her way through a bustling vegetable market in Hiware Bazar, a village in Maharashtra, looking for seeds for her farm. A first-time internet and mobile phone user, Nikam has never typed a word. Keyboards, especially in Indic scripts, feel alien.

In Ludhiana, a large textile manufacturer with crores of rupees in revenue spends his entire working day talking to people on his phone to get tasks done. A computer system loaded with the business softwares of the world is useless to him.

Nikam and the textile manufacturer are part of the 'non-typing majority' among India's 900 million internet users. These are primarily people from Tier II, Tier III cities and villages, where English is uncommon and digital literacy is just emerging. Their preference for voice communication highlights a fundamental need for new interaction methods.

"Nobody's typing in Gujarati or Marathi," says Abhishek Upperwal, founder of Soket AI Labs. Founded in 2019 by Upperwal, Soket AI Labs is an AI research company developing multilingual large language models such as Pragna-1B for Indian languages. It is among the four startups selected by the government under its IndiaAI initiative to co-develop indigenous AI systems.

Voice remains the 'primary interface' for most Indians, says Upperwal. These users, including rural entrepreneurs, gig workers and homemakers, are reshaping India's internet, demanding tools that listen and respond in their native languages.

Those demands are slowly being addressed by AI startups. In the drought-prone villages of Maharashtra, for instance, farmers can now learn about crop insurance, credit eligibility and weather-resilient agriculture without reading a single word. They receive three-minute voice calls from bots deployed by a local non-banking financial company (NBFC), in partnership with Bengaluru-based conversational AI firm Gnani.ai.

The bot speaks in their own dialect, poses simple questions and delivers tailored advice. In one pilot, more than 15,000 farmers across 120 villages received weekly updates and 38% of them adopted new crop diversification strategies using this information, according to Gnani.ai.

Voice AI is improving accessibility and also reshaping how information is delivered at scale. In Tamil Nadu, the same technology was used to deliver financial literacy and health education to over 12,000 women in 85 villages. Following the initiative, 59% of the participants opened their first savings accounts and 41% reported improved medical savings behaviour, the company states.

These pilots, in some ways, demonstrate how a voice-native internet might function. "India's voice-first internet will likely be a dynamic blend of multilingual, context-aware, and personalized experiences," says Ganesh Gopalam, CEO and cofounder of Gnani.ai.

FROM GUIs TO VOICE

In 2019, a Google report said that Hindi had become the second-most used language globally on Google Assistant, just behind English, indicating how voice was gaining ground in multilingual markets such as India. Around 60% of Indian users interact with voice assistants on their smartphones, making voice a core part of everyday digital life.

A subsequent report by WATConsult found that 76% of Indian users were familiar with speech and voice-recognition technology, which reflects a natural shift in a country where smartphone access is high, but digital and linguistic literacy is not evenly

distributed. A growing reliance on voice has emerged as a workaround to the limitations of Graphical User Interface (GUI)-based systems, which require users to be comfortable navigating English-language menus.

A GUI lets you interact with computers and devices using visuals such as buttons, icons and menus. This method of using computers started evolving in the 1970s with Xerox PARC's Alto. GUIs gained popularity with Apple's Macintosh in 1984 and then expanded through Microsoft Windows, transforming computing from complex text-based command systems into a more visual experience.

"GUIs ruled for decades because Apple and Microsoft made screens and clicks the global standard, but they're a poor fit for India's chaotic and voice-driven markets," says Tushar Shinde, founder of Vaani

Research, an enterprise voice AI startup. "With millions of non-typing users juggling dialects and high-volume businesses, voice is the natural interface. It's how we've always connected," he adds.

"Many entrepreneurs are earning crores in revenue but barely use any software, because they spend most of their day just talking to people. The systems built for them were never in a format they found acceptable," says Shinde, referring to enterprise softwares built specifically for small and medium businesses. "That's where voice comes in." His startup builds voice agents for insurance, banking and healthcare clients.

Voice as an interface is now gaining prominence with advanced AI, as it offers hands-free convenience and challenges the long-standing dominance of GUIs in many everyday interactions.

This is especially relevant in markets such as India, where GUI-based systems that come designed with dropdown menus, buttons, toggles and input fields require a level of literacy and linguistic ease that many users simply don't have. Though Indic keyboards were introduced as an alternative for users like Nikam, they remain clunky and unreliable. Autocorrect often yields incorrect results and filling out forms in Hindi or Tamil becomes a frustrating ordeal.

Even targeted solutions such as Indus OS, founded by an IIT Bombay alumnus to create a multilingual app ecosystem, struggled to take off due to its heavy reliance on text navigation. In contrast, voice, which is rooted in India's oral culture, is now emerging as a more intuitive bridge to digital access.

Unlike GUI-based apps, voice systems deliver content naturally in the user's own words. A 2025 study cited by Gnani suggests that educational content delivered in local dialects results in 47% higher retention than standardized language formats.

GOVERNMENT PUSH

India's voice AI sector is experiencing massive growth, driven by the country's

linguistic diversity and increasing demand for voice-first digital interactions. Under the government's IndiaAI mission, launched in 2024 with a five-year budget of ₹10,372 crore, four startups—Sarvam, Soket Labs, Gnani.ai and Gan.ai—have been selected to build foundational AI models in India.

Sarvam AI has developed Sarvam-M, a 24-billion-parameter multilingual large language model trained in 10 Indian languages, aiming to enhance reasoning tasks such as mathematics, coding and multilingual comprehension. Despite early criticism, the model is recognized for its technical achievements in building AI infrastructure within India.

Gnani.ai specializes in voice-first agen-

tic AI solutions, and supports over 40 languages, including 12 Indian languages. The platform handles more than 30 million voice interactions daily, serving over 150 enterprises across India and the US.

In Gurugram, Soket AI Labs is commercializing its Realtime Speech API, enabling AI agents to augment call centres with support for Hindi, Tamil and Marathi, addressing India's non-typing users. Last year, in one of its more ambitious endeavours, Soket AI Labs developed its foundational AI model, Pragna-1B (like Open AI's ChatGPT) with a focus on Indian languages. But in the absence of venture capital funding for research efforts, Soket pivoted to building monetizable voice APIs for customer support, marketing and sales, which proved to be a more immediate route to revenue, one that still serves India's non-typing majority.

Startups building voice-based applications in India lack the kind of institutional support and infrastructure readily available to their western counterparts. As a result, most are building voice-first applications for business use-cases to continue to fund their foundational research journey and attract investments.

TECH CHOPS AND CHALLENGES

Building voice AI for India is as much a linguistic challenge as a technological one. "If there are five tokens for English, there will be almost 15 to 20 for Hindi," says Upperwal, pointing to the extra compute

MINT SHORT STORY

WHAT

India's voice AI sector is experiencing massive growth, driven by the country's linguistic diversity and increasing demand for voice-first digital interactions.

AND

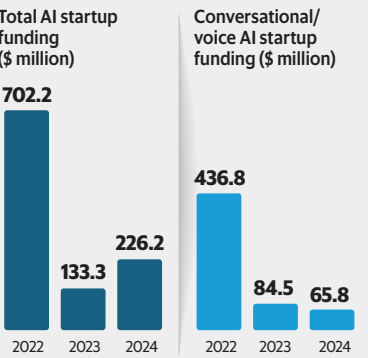
Startups Sarvam AI, Soket Labs, Gnani.ai and Gan.ai have been selected to build foundational AI models under the government's ₹10,372 crore IndiaAI mission.

BUT

Startups building voice-based applications in India lack the kind of institutional support and infrastructure that is readily available to their counterparts in the West.

LOWER PITCH

Funding for voice AI startups has dipped significantly since 2022.



Big voice

Customer service automation has attracted the most funding within the voice AI segment

Voice vertical	Total funding* (in \$ million)	Top funded companies
Customer Service Automation	435.49	Uniphore, Skit.ai, Senseforth
Multilingual AI Agents	115.17	Krutrim, Sarvam, Dhee.AI
Contact Center Analytics	0.23	GreyLabs, Callmatic
Other Applications	3.38	Dubdubai, Vitra, Dubverse

*between 2022-2024

Source: Tracxn

GOPAKUMAR WARRIER/MINT

required for Indic languages.

A token is a unit of text, such as a word or character or subword, which language models use to process and generate language. The more tokens a sentence requires, the more memory and compute power the model needs to handle it, making Indian languages more resource intensive to train.

Soket introduced a novel tokenization method that significantly reduces this burden, making AI systems faster and more cost-effective for Indian languages.

Upperwal says that apart from core infrastructure, India's voice-first internet also relies on domain-specific intelligence tailored to Indian needs. "Sectors like education and law are especially underserved. Western LLM models like ChatGPT don't work well with Indian legal systems. It often mixes up Indian and US laws," he says, recalling how a legal AI startup ran into challenges while fine-tuning an open-source model after it began hallucinating hybrid jurisprudence.

Soket is now exploring collaborations with domain experts to build models from scratch, rooted in Indian context and vernacular data. "We're not domain experts, we build systems. But if startups come in with their expertise, we can train models together and open-source them for the ecosystem," he explains.

Indian startups still rely heavily on models like OpenAI and Deepgram, trained on Western datasets. These models often misinterpret names, accents or local nuances, especially in sectors such as healthcare or banking, where clarity is critical.

To close this gap, the IndiaAI mission has allocated subsidies and compute access to startups such as Soket and Vaani, encouraging them to build speech systems trained on Indian datasets. "These infrastructure breakthroughs don't just make AI cheaper. They make it accessible

THEIR VIEW

MINT CURATOR

Why the independence of the US Federal Reserve may be at threat

Trump's disposition and a recent Supreme Court ruling raise worries about the fragility of the US central bank's autonomy



BARRY EICHENGREEN

is professor of economics and political science at the University of California, Berkeley, and the author, most recently, of 'In Defense of Public Debt'

The independence of the US Federal Reserve is back in the spotlight. Late last month, Fed Chair Jerome Powell met at the White House with President Donald Trump “to discuss economic developments,” as the Fed antiseptically put it in a post-meeting statement. Market participants will wonder what went on.

Held at the president's request, the meeting was exceptional but not unprecedented. Fed chairs have met with presidents on occasion, although those occasions generally were less than propitious. In 1965, William McChesney Martin met with Lyndon B. Johnson at LBJ's Texas ranch. Johnson worried that a Fed interest-rate hike had created headwinds for growth, and anticipated a challenging midterm election.

Johnson confronted the Fed chair physically as well as verbally, using his considerable girth to pin Martin to a wall. The impact on Fed policy is disputed to this day. President Richard Nixon met with his Fed Chair Arthur Burns on scores of occasions, regularly pressing him to pursue expansionary monetary policies, which Burns obligingly did.

In 1984, with another election looming, Ronald Reagan summoned Paul Volcker to the White House, where James Baker, the president's chief of staff, instructed Volcker not to raise rates.

Ben Bernanke met repeatedly with George W. Bush during the Global Financial Crisis, when cooperation to prevent collapse of the financial system was imperative.

Powell himself dined with Trump at the White House in 2019.

Periodic meetings pose no threat to central bank independence. Independence requires accountability. And in describing the Fed's priorities and general outlook to the president, the Fed chair is demonstrating accountability to the public. But as in the case of Nixon and Burns, a president who regularly harangues the Fed chair, specifically over interest-rate policy, threatens that independence.

Trump has, of course, repeatedly criticized the Fed's interest-rate decisions. The post-meeting statement issued by the Fed was careful to say that “expectations for monetary policy” were not discussed. So far so good, assuming the statement can be taken at face value.

The second event raising questions about Fed independence was the Supreme Court's 22 May decision in *Trump vs Wilcox* in which the court granted an administration request to allow the president to fire members of independent government agencies such as the National Labor Relations Board (NLRB), which oversees union elections and labour laws.

Technically, the court paused a lower court ruling that would have stayed the president's



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power of dismissal, suggesting that presidential discretion is justified because NLRB members “exercise considerable executive power.” In other words, they are *de facto* members of the executive branch, subordinate to the president. This logic would appear to put the Federal Reserve squarely in Trump's crosshairs.

But in a 6-3 ruling, the six-member majority on the court explicitly exempted the Fed. “The Federal Reserve,” the justices reasoned, “is a uniquely structured, quasi-private entity that follows in the distinct historical tradition of the First and Second Banks of the United States.”

This argument might be seen as providing strong support for Fed independence, except that it is illiterate, illogical and ahistorical. The First and Second Banks of the US, which executed limited functions on behalf of the government between 1791 and 1836, were private banks, full stop. Along with providing depository services to the government, they competed with other banks, extending commercial loans. There was nothing quasi about their private status.

In contrast, the Federal Reserve Board—if we assume that's what the justices mean when they write “Federal Reserve”—is made up of seven presidentially-appointed public servants. The Federal Open Market Committee (FOMC), responsible for interest-rate policy, includes

those seven board members and five regional Reserve Bank presidents, who are appointed by Reserve Bank directors, subject to the approval of the Federal Reserve Board. The regional Reserve Banks come closest to being ‘quasi-private,’ because private citizens serve on their boards. But to argue that the same is true of the FOMC or the Federal Reserve System as a whole is a *non sequitur*.

Beyond the Fed's governance is the scope of its authority. The First and Second Banks of the US lacked statutory authority to regulate banks, a key public-policy mandate of the Federal Reserve.

In justifying its decision, the majority cited an earlier ruling, *Seila Law LLC vs Consumer Financial Protection Bureau*, in which the court affirmed the president's power to remove the heads of agencies led by a single director and not a board. That decision included a footnote that the Second Bank and the Fed “can claim a special historical status.” But it provided no legal basis for that statement, and no judgment of validity of the claim. The note reads like a ChatGPT hallucination.

Removing checks on presidential powers while arbitrarily exempting the Fed opens the door to arbitrarily not exempting the US central bank. Advocates of Fed independence should be worried. Maybe that's what Trump and Powell

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America's crypto embrace can be turned into a trade weapon

Most stablecoins being dollar-based could expose Europe to risk



LIONEL LAURENT

is a Bloomberg Opinion columnist writing about the future of money and the future of Europe.

Are trade wars good for technology after all? Circle Internet Group, a major issuer of digital currencies designed to replicate the US dollar, has tripled in value since going public and is worth \$23.6 billion (or 150 times last year's earnings). Call it Zuckerberg's revenge: Six years after Meta Platforms sparked a global backlash with its own plans for a digital dollar, the \$250 billion stablecoin market is booming and has the backing of Donald Trump, Congress and investors.

Europeans are watching the froth with concern. Even as the Louvre Museum this week hosted a crypto conference full of buzz at the prospect of more traditional financial institutions like Goldman Sachs Group or Societe Generale dipping their toe in this market, officials fear virtual currencies are a serious financial threat for the continent and an extension of Trump's ambitions of bringing global trade to heel. And they may be right to worry.

While crypto's roots are libertarian and anti-state, stablecoins could serve to entrench the existing tech and monetary order dominated by the US, as 95% of them are dollar-denominated.

The euro commands less than 1%, despite accounting for 20% of global reserves, according to specialist publication Euro Stable Watch.

Circle's success may exacerbate this, perhaps by encouraging Big Tech and Wall Street to join in. Hence why Bank of France Governor Francois Villeroy de Galhau warned this week of the risk of death by stablecoin—literally ‘de-Europeanization’—for a continent that's heavily dependent on the US for a host of services, from social media to Microsoft's cloud computing to payments via Visa and Mastercard.

This isn't just a virtual-world thing, like Robux or loyalty points. Regulated stablecoins are backed by real-world liquid assets, as proposed by the US Genius Act. This gives issuers like Circle a revenue stream and it also gives the US a source of demand for its debt: US Treasury Secretary Scott Bessent has repeatedly cited speculation that stablecoins could create up to \$2 trillion of demand in the next few years for Treasuries.

Bond market participants are even on watch for signs the US Treasury will start to skew its debt sales toward the shorter-dated securities that these tokens will need. A 2023 paper by the Bank of France found that an increase in circulating stablecoins increased issuance of dollar-denominated commercial paper.



Crypto adoption could give the US an edge in export markets.

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Putting these digital bricks end to end, we can see how they could tip the scales in a trade war. Right now, stablecoins are essentially used for crypto trading. But imagine if Amazon.com were to come up with irresistible shopping discounts for customers paying in AmazonBucks?

Multiply an annual shopping basket of \$2,700 by 350 million Europeans and you start to get to serious money—money which would indirectly contribute to keeping demand for dollar debt afloat in a more uncertain world.

Economist Eric Monnet recently described it as “crypto-mercantilism”: The 21st-century version of the dollar's exorbitant privilege, used as a counterweight to the investment capital fleeing Trump's policies.

European officials aren't defenceless, of course. There are a few options available to try to stem the tide. One is regulation: While the EU was quick to put up guardrails around the crypto market, it's been superseded by the Genius Act. The European Central Bank could fine-tune rules to encourage more European institutions like banks or fintech startups to issue more euro stablecoins, while ensuring that there are sufficient safeguards to reduce the risk of digital bank runs (including outright bans on those that don't play by the rules). Another is the digital euro, which is currently envisioned as a kind of sovereign European payment tool of last resort, but which needs more changes to get buy-in from banks fearful of competition for deposits.

And while the supply of new financial products is going to be a key part of the tectonic geopolitical shifts afoot, Europe shouldn't lose sight of the analogue characteristics that make up monetary power. Marc Schwartz, head of the Paris Mint and co-author of a new book on currency wars, says there's an opportunity for the euro in a world where the dollar is still dominant but vulnerable. Increasing the euro's global influence and reach would get a big boost from closer integration of its member countries, which is a political and not a technological question. It's a bit rich to warn of de-Europeanization when the euro area is struggling to let banks merge and dragging its feet on capital-markets integration.

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MY VIEW | A VISIBLE HAND

The good, the bad and the ugly of the IPL phenomenon

NARAYAN RAMACHANDRAN



is chairman, InKlude Labs. Read Narayan's Mint columns at www.livemint.com/avisiblehand

The Indian Premier League (IPL) for Cricket is the second largest sports league in the world after the American National Football League (NFL).

You read that right, second largest in the world! And the IPL is a toddler, only 18 years old, compared to over 125 years of the American Major League Baseball's existence, 100 years of the NFL's and 75 years of Formula One's. The NFL dominates all revenue metrics like total revenue (nearly \$20 billion), revenue per team (\$600 million) and revenue per match (\$67 million). The last of these metrics is considered the most relevant for comparison across geographies and formats, and the IPL comes in second with nearly \$17 million per match. Justifying its position as a young league, the IPL has been growing revenue at a compounded annual rate of above 20% compared with about 8-10% for other major sports leagues like the NFL.

The Board of Control for Cricket in India, widely known by its four-letter abbreviation BCCI, sits atop the IPL pyramid. It is a tax-

exempt organization that oversees this entertainment juggernaut. Like for most major sports leagues around the world, the revenue model is made up of TV and digital rights revenue, central sponsorships, franchise level sponsorship, stadium receipts and merchandise revenue.

The BCCI struck a five-year \$6 billion deal with Disney/Viacom 18 for TV and digital rights revenue from 2023 through 2027. In addition to this annual \$1.2 billion, the Board earns another \$100-200 million from central sponsorships. The BCCI shares half of this with the ten franchise teams. So, each franchise team makes about \$60 million directly from the Board and another \$10 million or so at the franchise level. The BCCI imposes a total salary cap of ₹146 crore (\$17 million) for cricketers and if you add about \$3 million in miscellaneous expenses, each franchise stands to make a whopping operating profit of about \$50 million per season.

There are many ingredients that make up the magic sauce for the IPL. The demographics of the country naturally lend themselves to a newly introduced short form of the game. A remarkable 40-50% of IPL fans are women (thus dramatically expanding the ad market). Some stars like Virat Kohli have a 'gram' followership (280 million) that is in

the league of Kendall Jenner and Taylor Swift. The only sportspersons with a greater following are footballers Cristiano Ronaldo and Lionel Messi. Even though we in India are shocked by the vast sums of money that IPL players are auctioned for, in comparison with other major leagues around the world, IPL's 'talent cost' as a percentage of total revenue is among the lowest.

Inevitably, the number of teams and the playing season will expand, perhaps as soon as the next media auction in 2027. By my estimate, over the next ten years or so, media rights for the IPL should roughly be 10 to 12 times the current value of \$1.2 billion a year. The BCCI will make a profit each year of over \$5 billion. The Board pays no taxes on this profit.

A main reason why the IPL has remained exciting in sporting terms is that literally any team can win in a given year. This is enabled by a 'mega auction' every three years, during which all but four players per team have to be released. Each team is required to have a

minimum of 18 players and a maximum of 25. Each team can only have a maximum of eight international players. So, the mega auction releases somewhere between 150 and 200 players into the fray. In the intervening years, auctions are held for new players, for international players who elect not to return, and for a few who are released.

This unique process ensures that a small group of players fly the franchise flag (such as Kohli for Royal Challengers Bengaluru or Rohit Sharma for Mumbai Indians), but others get thrown in the great pot with any team being able to bid for their services. This ensures that each game remains competitive, which makes any outcome possible. Multi-year dominance by any single team is unlikely; eight different teams have won in 18 years.

That's the good part of the story. A fast-growing, world-scale sporting league with structural elements that will keep it exciting and growing fast.

In the early years, the IPL was rocked by

'fixing' scandals rendered worse by the fact that insiders seemed to have the biggest hand in those scandals. Fortunately, large-scale fixing seems to have been eliminated. Informal and international (where sports betting is legal) betting continues, but it appears that insiders are much less involved today. The 'bad' part of the story today comes from the unbridled consumerism that has taken hold, indulging everything from binge drinking to unhealthy eating.

The 'ugly' part was visible in Bengaluru with the tragic death of 11 fans and injuries sustained by scores of others during a 'victory party' at the RCB stadium. Officials were hopelessly overwhelmed by the size of the crowds and their apathetic complacency resulted in a needless tragedy.

The IPL juggernaut is likely to crush on at its current growth rate for at least a few more years. The BCCI must reallocate some of its astonishing profits and work with cities to move stadiums to zones that are well connected by mass transit and are built to be disaster proof. Planning and systematization will be required everywhere to realize the full potential of the IPL phenomenon.

P.S.: "The great wheel of fate rolls on like a juggernaut, and crushes all in turn, some soon, some late," said the writer H. Rider Haggard

This cricket league's success is stupendous but it's time for the BCCI to put its riches now to good use

DIAMOND BUYBACKS IN CHINA LIGHT UP A DULL EXPORT SEASON FOR INDIA

Export of Natural Diamonds may See Turnaround as China Reignites Demand

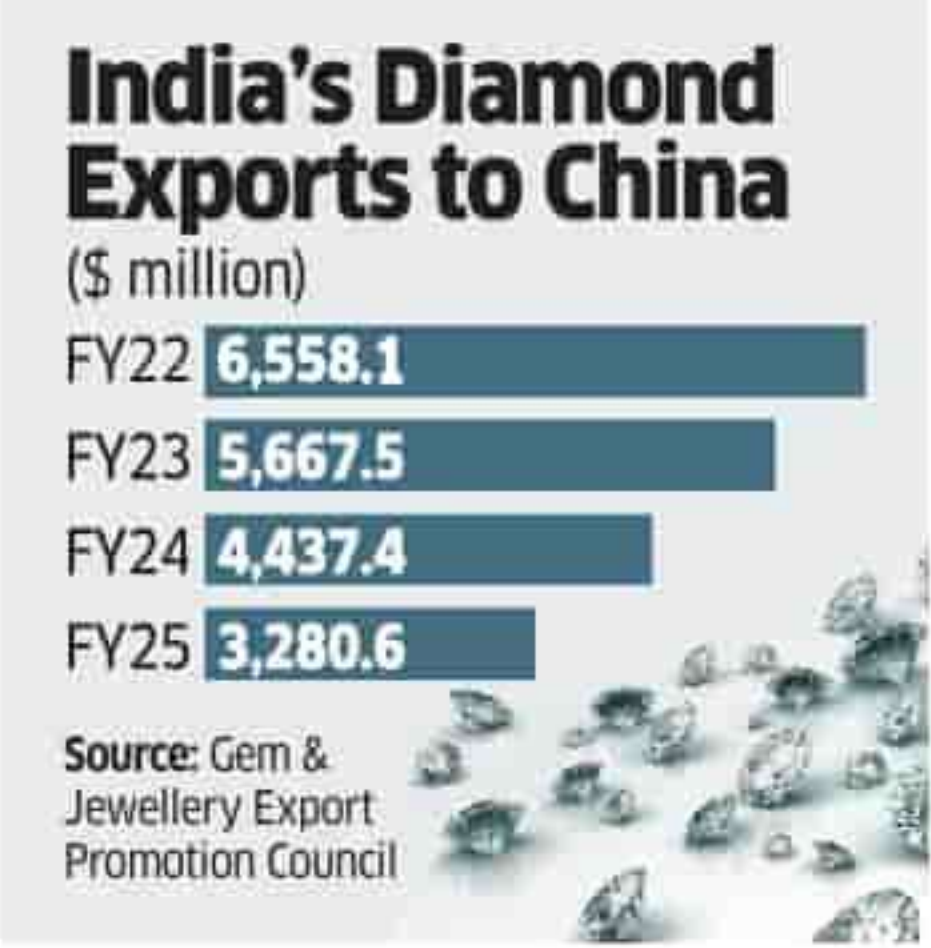
Indian traders expect sales in China to pick up from Sep, with Jun to Aug being dull months

Sutanuka Ghosal

Kolkata: Indian diamond exporters are hopeful of a rebound in Chinese demand after three years of decline as top jewellery retailers in China have rolled out a buyback programme to rekindle interest in natural diamonds.

Retailers like Chow Tai Fook, Lao Feng Xiang, Chow Sang Sang, Luk Fook, Chow Tai Seng, and Qeelin introduced the buyback offer last month, leading to a spike in queries. "The buyback scheme has created positive sentiment among the Chinese diamond buyers and queries have gradually started coming in," said Sabyasachi Ray, executive director of Gem & Jewellery Export Promotion Council (GJEPC).

Indian cut and polished diamond exports to China have halved in the last three years to \$3.28 billion in 2024-25 from \$6.55 billion in 2021-22 as consumers there moved away



from diamond to gold as a safe haven. China is the second largest consumer of diamonds from India after the US.

Indian trade executives expect renewed diamond sale in China from September as June to August are traditionally dull months.

"Now that the buyback scheme has been introduced for diamonds like gold, we expect diamond demand

New Grading System for LGDs

Gemological Institute of America (GIA), a leading authority on diamonds and coloured gemstones, has introduced a new descriptive grading system for lab-grown diamonds (LGDs) to provide consumers a more transparent and accurate way to understand LGDs. It has introduced two categories for laboratory-grown diamonds – 'premium' and 'standard' – moving away from the traditional 4Cs – cut, colour, clarity, and carat – grading system used for natural diamonds. Sabyasachi Ray of GJEPC said this will enable customers, including Chinese consumers, to make an informed decision to buy a natural diamond or a lab-grown diamond.

from China will pick up from September onwards," said Colin Shah, managing director of Kama Jewellery, a leading diamond jewellery manufacturer and exporter.

China has been facing economic challenges with poor consumer spending since the Covid-19 pandemic. "China's economy is facing significant headwinds, including a real estate slump, slow consumer spending,

BACK IN COURT CROSSHAIRS: ₹19,300-CRORE ACQUISITION

BPSL Lenders Seek Review of SC Order Scrapping JSW Deal

Plea comes after SC ordered status quo on liquidation; JSW yet to file its petition

Indu Bhan

New Delhi: Bhushan Power and Steel (BPSL) lenders, including State Bank of India, led by Punjab National Bank on Monday moved the Supreme Court seeking review of its May 2 judgment that scrapped JSW Steel's acquisition of the debt-laden firm.

The review comes after the apex court had on May 26 ordered status quo on the liquidation proceedings of bankrupt BPSL, giving a big relief to Sajjan Jindal-led JSW Steel, which had warned that the liquidation would be "fatal" to it and other stakeholders, including lenders and workers.

The court had said that the status quo would operate till it decided the review petition that was likely to be filed by JSW Steel and lenders against the May 2 judgement that rejected the former's ₹19,300-crore resolution plan for BPSL, citing non-compliance with rules.

JSW Steel had asked the Supreme Court to keep the liquidation of BPSL in "abeyance" before the National Company Law Tribunal (NCLT) till the company exhausted all its legal remedies. The liquidation of the company might "jeopardise" the review petition to be filed by JSW Steel, it had said.

JSW Steel has yet to file its review petition, according to people familiar with the matter.

The May 2 ruling had scrapped JSW Steel's acquisition of BPSL after four years on the grounds that the resolution plan was "illegal" and "in gross violation" of the Insolvency and Bankruptcy Code (IBC). While directing the NCLT to initiate liquidation proceedings against BPSL, the court had directed that payments made

to financial and operational creditors and the equity contribution by JSW Steel be refunded within two months, as undertaken by the lenders to the bankrupt firm.

BSPL owed more than ₹47,000 crore to lenders when the Reserve Bank of India put it on a bankruptcy resolution list in 2017. The NCLT began the resolution process in July that year, based on the filing of lead lender Punjab National Bank, which initiated criminal proceedings in 2019 against former directors of the company after unearthing a ₹3,800 crore fraud on its books. Punjab National Bank and State Bank of India led the committee of creditors (CoC). JSW Steel acquired BPSL in March 2021 after its proposal was approved by the CoC and the National Company Law Appellate Tribunal (NCLAT).

The NCLAT approved JSW Steel's offer in 2019 while holding that the successful bidder could not be held responsible for any alleged misdeeds of the previous promoters at any stage. The NCLAT had upheld the decision in February 2020.

SHAREHOLDERS TO VOTE IN EGM ON JULY 10

ZEE Board Approves Preferential Warrant Issue to Promoters

Proposal for ₹2,237-cr issue aimed at raising promoter group stake to 18.39% from 3.99%

Our Bureau

New Delhi: Zee Entertainment Enterprises (ZEEL) on Monday said its board has approved a preferential issue of fully convertible warrants worth up to ₹2,237.4 crore to promoter group entities Altis Technology and Sunbright Mauritius Investments.

The issue, subject to shareholder approval, will raise the promoter group's stake to 18.39% from 3.99%, as of March 2025. The group includes chairman emeritus Subhash Chandra and his sons Punit and Amit Goenka.

Chandra had last year told ET that he intends to increase promoter shareholding in the company following the collapse of a merger deal with Sony.

Shares of ZEEL dropped to ₹137.95 apiece on the BSE as of Monday, from a 52-week high of ₹165.5 in June 2024. Punit Goenka's family members increased their stake to 0.46% last month, with an additional investment of around ₹20 crore.

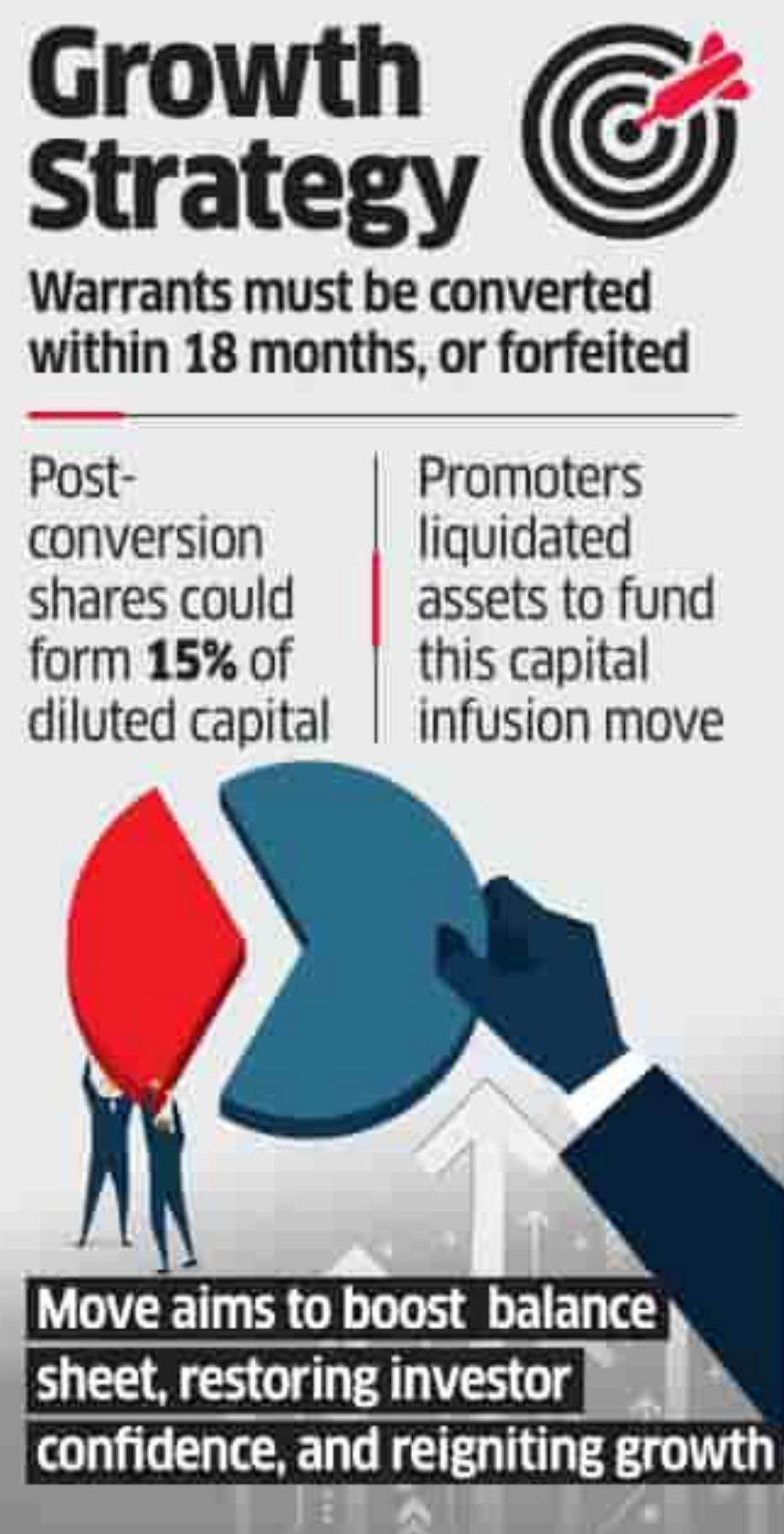
The preferential issue involves up to 169.5 million warrants, each convertible into one equity share of face value ₹1, at ₹132 per warrant – ₹34.42 higher than the Sebi-prescribed floor price of ₹128.58.

Promoters will pay ₹33 upfront (25%) and ₹99 upon conversion, which must occur within 18 months. Unexercised warrants will lapse, and the subscription money will be forfeited.

Post-conversion, the new shares could make up as much as 15% of ZEEL's fully diluted capital. Shareholder approval will be sought at an EGM on 10 July via video conferencing.

The decision followed two board meetings on Monday. In the first, JP Morgan India presented its assessment of ZEEL's growth strategy. The second meeting saw the board evaluate strategic options and approve the capital infusion.

"The Board has deliberated upon the various alternatives discussed with J.P. Morgan and has conducted a thorough evaluation of the company's growth plans," said R. Gopalan, chairman, ZEEL. "The steps being implemented to enhance the promoter shareholding will ensure their added



motivation to work in line with the enhanced business plan."

Elara Capital EVP Karan Taurani said the promoter group capital infusion marks a turning point for ZEEL – its first bold step since the Sony fallout – strengthening the balance sheet, restoring investor confidence, and reigniting growth ambitions amid rising industry competition.

"As per our conversation with the management, ZEEL promoter group (Essel) has been able to liquidate some of their assets, which will help them raise up to ₹2,200 crore over the near term, which in turn will be used for the above infusion," he said. "Further, the management may also be in advanced stages of identifying merger targets or investment in digital initiatives."

As part of its transformation into a content and technology powerhouse, Zee is strengthening its core business while investing in high-growth areas. It recently announced a strategic investment in Bullet, a content-tech startup developing a micro-drama app for younger audiences. Going forward, the company aims to expand its entertainment offerings with a focus on purposeful storytelling.

Shubham Shree, speaking for the promoter group, said they had conveyed their intent to raise their stake on 1 May when ZEEL shares were at ₹106.35. "They are committed to the company and its business even at this higher price," he said.

Earlier this year, ZEEL approved setting up three new subsidiaries and issued a growth roadmap.

Reasons Behind Shift

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"A compositional shift has been observed in Indian households' portfolio of financial savings," according to a research paper by RBI economists. "The share of deposits with banks has declined over time, with a concomitant increase in insurance and mutual fund products, pointing to a growing appetite for alternative financial instruments."

The declining share of deposits reflects the impact of lower household savings and rising allocations to other investment avenues such as equity markets, said IDFC Bank chief economist Gaura Sengupta.

Mutual fund assets under management more than tripled to ₹69.50 trillion on April 30 from ₹22.26 lakh crore at the end of FY20.

"It is to do with markets but not necessarily due to demographics – this has been the trend of households moving from deposits to mutual funds," said Madan Sabnavis, chief economist at Bank of Baroda. "That's why bulk deposits are going up along with certificates of deposits to meet credit requirements."

A December 2024 RBI paper, De-

terminants of Household Saving Portfolio in India: Evidence from Survey Data, had highlighted the shifting focus of savers. It said that 17.8% of Indian households had investments in risky assets in 2022 compared with 15.7% in 2019.

The data on household financial savings published in the RBI's latest annual report show that the share of household deposits fell from 6.2% of gross national disposable income (GNDI) in FY21 to 4.5% in FY24. The proportion of shares and debentures, which also include investment in mutual funds, meanwhile has gone up from 0.5% to 0.9% of GNDI in the same period.

The RBI research paper cited above said there was a noticeable decline in households choosing not to invest, except during the pandemic, suggesting an increasing "proclivity" toward financial instruments.

"This could possibly be driven by rising income levels, increased financial literacy due to educational initiatives, technological advancements, such as proliferation of smartphones and improved internet connectivity, fintech innovations and regulatory reforms aimed at safeguarding investors' interests," the paper said.

Timebound BTA Needed

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An assurance from Washington is required to ensure tariffs negotiated within the framework of the trade deal remain ringfenced from any changes effected later by the US, said a third official detailing India's concern.

There is also Trump's mercurial nature.

Independent experts are agreed on the need for such a clause. "The BTA should be timebound and not in perpetuity," said an expert on trade issues. "India must insist on a clawback provision – that it will withdraw benefits if the US raises tariffs or goes back on any of its commitments."

NEGOTIATIONS

Officials said Washington has to find a way to reduce tariffs as New Delhi has sought concessions for sectors such as textiles and leather, as mentioned above.

The Trump administration currently requires approval from the US Congress to lower levy below most favoured nation (MFN) rates, but it does have the authority to scrap reciprocal tariffs.

"We want preferential and sustained trade advantages and have left it to the US to decide the route it takes to reduce its tariff barriers – whether through the Trade Promotion Authority or by seeking Congressional approval," said one of the officials cited earlier. The government is also monitoring

the impact of the 50% tariffs on steel and aluminium and the 25% tariffs on auto. While the auto components sector doesn't expect a big dent for now, there may be an impact if the tariffs persist.

According to the official quoted, India will pursue a concession, if others get one.

EARLY HARVEST

Both sides have had several rounds of discussions on the proposed trade deal and are hopeful of concluding at least an early harvest deal. "We are working on the early tranche, and there is a date (July 9), before which we would like to conclude this. The progress is good," commerce secretary Sunil Barthwal said on Monday.

A US trade team is in India last week to firm up the contours.

India has made it clear that any meaningful expansion in bilateral trade will require a significant reduction in US tariffs. Both sides aim to more than double such trade to \$500 billion by 2030.

However, a Delhi-based trade expert cautioned, "India should rethink its proposed BTA with the US. The US has a history of incomplete trade deals, such as the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership. It has retracted its WTO commitments also. Moreover, the future of the Indo-Pacific Economic Framework for Prosperity hangs in the balance with the US-China trade deal."

Indu Bhan

New Delhi: The Supreme Court on Monday refused to give interim bail to Amtek Group's former chairman Arvind Dham in connection with a Rs 2,700-crore bank fraud case.

A vacation bench led by Justice Sandip Mehta said Dham, whose earlier plea for extension of interim bail on medical grounds was rejected in April, has grossly "abused the process" of the court by filing the fresh appeal seeking interim bail.

Senior counsel Mukul Rohatgi

and counsel Sahil Tagotra, appearing for Dham, sought interim bail on medical grounds. "He has been in custody for 11 months and his regular bail application has been pending before the Delhi High Court since February," the counsel argued.

The bench said it was not impressed by the petitioner's tactics. "Your SLP was dismissed by a three-judge bench of this court. Now you are trying to get in during this vacation and trying to get the same relief in a matter which has already been dismissed," Justice Mehta said.

Rohatgi then sought the court's

permission to withdraw the petition.

The ED arrested Dham on July 9 last year under the provisions of money-laundering law in a case pertaining to ACIL Ltd, an Amtek Group company.

The ED initiated its probe after the Central Bureau of Investigation registered first information reports against the Amtek Group on complaints from IDBI Bank and Bank of Maharashtra. The banks had alleged misdeeds of bank loans through cheating, fraud and criminal breach of trust and causing wrongful loss to them.

Slew of Launches

Feeling the Rush		
COMPANIES	INVESTORS	ACTION
Flick TV	Stellaris venture Partners, Gemba Capital, Titan Capital	Short, pay-per-episode binge-worthy videos
Eloelo	Waterbridge Ventures, Lumikai, Kalaari Capital	Launching micro-drama app Story TV
Kuku FM	Fundamentum, Vertex Ventures, Shunwei Capital	Launched Kuku TV for serialised micro dramas
Reel Saga	Picus Capital, ITI Growth Opportunities, 8i Ventures	Features short, episodic drama content
ShareChat	Lightspeed Venture Partners, Touchstone Partners, SAIF Partners	Launched Quick TV for short paywalled dramas

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"However, these are often disconnected clips that lack emotional engagement, something traditional TV and OTT web series have long provided through coherent, engaging storylines," said Jain. "Micro-dramas promise the best of both worlds of short videos that cater to shrinking attention spans, but with emotionally engaging content and structured narratives," he added.

Amazon MX Player already features MX Fatafat, a collection of mini web-series with episodes of about two minutes each.

Earlier this month, Zee Entertainment entered into a strategic equity partnership with Bullet, a content and tech startup cofounded by Azim Lalani and Saurabh Kushwah. Bullet has developed a micro-drama app aimed at younger audiences to be launched within the Zee ecosystem.

Elsewhere, live social entertainment platform Eloelo is prepping for the launch of a new micro-drama app called Story TV next week, sources said.

While storytelling platform Kuku FM launched its video streaming

service Kuku TV, earlier in the year. While Sharechat is looking to ride this wave with its newly launched Quick TV, dedicated to paywalled short dramas and films as well as through its short video app Moj.

MONETISATION HURDLE

Industry executives say the key challenge now is to make this format a paying proposition. A tough ask for media startups in a market like India, where average revenue per user still remains low.

Firms like Flick TV have adopted the pay-per-episode model using micropayments, with plans to eventually offer monthly and quarterly subscription options.

"It is a mix of subscriptions and micropayments. Initially, users pay per episode through micropayments, as Indian consumers are quite comfortable with that model now. Over time, as users develop trust in the platform and explore more content, we offer them the option to switch to monthly or quarterly subscriptions," said Kushal Singhal, cofounder of Flick TV.

ShareChat is looking to leverage both subscriptions and ad-support

ted revenue streams for its micro-drama offerings. According to Charan the micro-drama segment could contribute a "mid to high teens" percentage of ShareChat's within the next 12-18 months. For the fiscal year ended March 2024, Mohalla Tech, the parent company ShareChat and Moj reported an operating revenue of Rs 718 crore.

AI'S GROWING ROLE

Companies like ShareChat, Flick TV, Eloelo and others are also increasingly using generative AI across various stages of content creation, including scripting, editing, storyboarding, voiceovers, dubbing, and transcription.

According to Charan, the cost of producing content has dropped by nearly 75% over the past couple of years, thanks to generative AI.

Even as user and investor interest grow, questions remain around long-term engagement, content fatigue, and the viability of monetisation in a market like India. For now, micro-dramas are a promising experiment. But whether they can scale into a sustainable business model is still playing out.

'More Secure Than Many Alternatives'

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It's based on the limited information we have on WhatsApp on the updates tab, conceptually about your usage.

Tell us about the growth of WhatsApp Business in India? You've been competitive with channels like Google RCS and SMS in terms of pricing. How do you see competition?

There's a lot of competition and options for businesses, and that's a good thing. And we think we offer something that's really reliable and easy to use for customers and matches how they want to talk to businesses. And that has fuelled our growth.

I don't have anything other than the numbers we've given out globally. But look, India is, by many dimensions, one of our largest countries. In terms of the number of people using WhatsApp, India is obviously the largest country in the world. If you look at businesses, we have unbelievable numbers of businesses in India using our free

business features, talking to customers directly and using the paid features as well.

Telecom companies in India are pressuring regulators to regulate OTT channels such as WhatsApp. Your thoughts?

It's hard to talk about regulation in the abstract. We pride ourselves on being more secure than many of the alternatives. Regulation that would reduce the security you're allowed to offer as an OTT service, I think, would be a bad thing.

WhatsApp Payments hasn't picked up the way it was envisioned. What went wrong?

We're still really committed to making payments simple, reliable, private, making it work well on WhatsApp. It is growing really quickly in India. It has more than doubled (for businesses) in India in the past year.

How is AI changing communications on WhatsApp? Are we seeing

more user satisfaction than traditional rule-based journeys?

I think AI is a huge opportunity for businesses to make their customer service more seamless by accepting any input, any way people want to ask the question, and respond where they can. We're very early in some of our tools.

Is there a plan to bring AI as a specialised offering in your business plans? What could be the pricing for it?

Yes...we're already doing some pilots. We're working with small businesses to let them use AI tools. Business service partners are also integrating AI. But, we're still in the test-and-learn phase.

Is there cross-platform data sharing among Instagram, Facebook and WhatsApp for personalised ad targeting? The Competition Commission of India (CCI) recently fined your parent Meta Rs 213.14 crore over WhatsApp's 2021 privacy

policy that allowed data sharing with Facebook, and ordered a five-year data sharing ban on Meta. Your comment?

I know there was a partial stay. But I don't want to comment on an ongoing judicial process other than to say that...we're working on finding a path forward that gives the businesses and consumers what they want.

Within India, we will work within all constraints. But globally, we do have options for people to choose to link their WhatsApp account to their Facebook/Instagram account. That's an option that people can opt into. And again, anything we do, we're going to be consistent, obviously, with the rules in India.

WhatsApp will soon roll out voice for businesses. What is your vision? Will this resolve customer communication issues with traditional IVR telephony?

That's exactly one of the reasons why so many people want to talk to businesses over WhatsApp... You can get a re-

sponse quickly. And messaging will continue to be a huge area of growth. But we know that sometimes you want to talk to the business. Maybe sometimes it's easier to talk live. And we've seen that go well in our pilots.

Calling in India on WhatsApp is an incredibly popular feature and we think it should be just as easy for large businesses to accept your call as it is for a small business or a friend.

But the call volumes are very high when it comes to business communications. We are a voice-first market. Do you see this as a challenge for a data-based platform?

No, we already support an incredible volume of calls around the world and in India. But I do think you're raising an important question for each business. Which is, does accepting calls make sense for them? Can they offer the right experience for their customers? That's going to be something obviously each business is going to have to work through. Maybe, not every large business will want to, but I think many will.

Tell us about the growth of the Channels feature in India. We've seen tremendous usage of

channels globally...(there are) about 500 million. But especially in India, channels have really taken off. We're seeing that become a big part of the app that a lot of people and businesses use. We have over 1.5 billion users visiting it daily. We've also seen a lot of Bollywood usage. The India cricket team is one of our largest channels. There are people doing a lot of educational stuff like learning English. A lot of news organisations are driving traffic back to their publication.

So how's the pricing going to be?

The channel creator will be able to price it as sort of a monthly fee or subscription. For the ads part, it will work similar to how it does on Facebook and Instagram, where businesses can specify how much they want to pay overall, as well as per sort of events. And then there'll be an auction.

How will WhatsApp do personalised ads if private data is encrypted?

One of the challenges is going to be, we have more limited data in WhatsApp. And so, that is one of the trade-offs with the fact that it is a more private service. These ads will be based on more limited data, including about your updates tab usage


and we're going to try and do our best to make the ads relevant.

Q) Do you expect users to drop out of WhatsApp Channels once creators put a price to it? Because Instagram subscriptions haven't worked very well...

I would say this doesn't take away anything about how the product works today. You can already create channels that post for free. You can already use status the way it is. We're not changing anything. We're adding new features.

So, if a channel creator wants to add extra content they weren't going to share for free, they can. And they can charge for it. There's plenty of examples of businesses that publish a lot of content for free and then have a premium tier that some people pay for where they charge for it. Newsletters do that. Lots of fan clubs for musicians do that. But we'll see how they use it.

In India, in particular, we think this will be really helpful, especially for small businesses which don't have a website, an app, or other ways to talk to their customers digitally. We think that's potentially a huge opportunity for them as well as us.



A thought for today

Statistics show that of those who contract the habit of eating, very few survive

GEORGE BERNARD SHAW

The I In Census

Self-enumeration may be among the toughest challenges in this huge exercise

Finally, seven years delayed, census 2027 is notified – India’s first digital census. The registrar general’s work resumes in earnest. About 33cr households and 136cr people will be counted by over 30L enumerators in about 24L enumeration blocks, each comprising around 800 people, per media reports. Household listing – the first of a two-part exercise – can be expected by about Sept 2026, about six months before the population count, if traditional time frames are observed. Much of the discussion on how crucial this exercise is has revolved around political events to follow, delimitation and women’s reservation. But before we reach those destinations, it’s changes in the journey itself, including additional questions on caste, that make this census a whole new ballgame – if all goes as announced so far. Not least among these changes are the amendments to census rules, 1990, notified on March 11, 2022.

The amendment said that information would be collected “in paper form or in an electronic form and can be canvassed in the said modes including through self-enumeration.” Electronic form is defined in Information Technology Act, 2000. And “self-enumeration means filling-up, completion and submission of census schedule by respondents themselves.” Both of these can be a huge challenge. While

yesterday’s notification has no details, it is expected data collection will be digital, enumerators will use tablets. Self-enumeration will be via apps. It’s all hypothetical now. Some will be junked, some fine-tuned and tweaked. Glitches will be fixed after multiple pilots. What we know is that perhaps the logistics may be under control – 2021 census was to be in hybrid mode. Coding on caste and its enumeration won’t be a problem once political thinking is clear on what to ask.

It is self-enumeration, again hypothetical at the moment, that’s causing concern. For one, self-enumeration can be proposed only in metros. But even here populations are barely digitally literate. We hate filling up even physical forms, let alone digital. Household register notified back in 2020 had 30-plus questions. So, response rate can be dodgy. Two, how can it be ensured that everyone house-listed is also enumerated? Three, we can kiss goodbye to anonymity. Four, there will be information missing, incomplete or incorrect filing of data. There’s a reason why trained enumerators do the job. Collection of census information demands a level of integrity that simply cannot be left to a people generally ill at ease with both digital platforms and govt exercises.

Friends With Benefits

Most countries today prefer keeping options open rather than locking in ties. That may help stave off WWII

Modi’s visit to Cyprus – the first by an Indian PM in 23 years – is being read as a deft signal to Türkiye following the latter’s support to Pakistan during Operation Sindoor. New Delhi was clearly not happy with Ankara taking Islamabad’s side. Cyprus, which has a history with Türkiye given the latter’s invasion of the country in 1974 and effective partitioning of northern Cyprus, strongly supports India’s position. So this appears to be a classic case of “my enemy’s enemy is my friend”. Except that ties between India and Türkiye aren’t totally belligerent, and routine relations continue on several fronts.

In a similar vein, in the latest round of Iran-Israel conflict several countries, including India, aren’t taking a clear side. They would ideally like to preserve ties with both parties. The same can be said of the Ukraine-Russia war with many countries looking to have balanced relations with both Kyiv and Moscow after the hostilities end. The 21st century foreign policy dictum, therefore, is more closely aligned with the saying “there are no permanent friends and enemies in geopolitics”. Be it US’s approach to Afghanistan after the return of Taliban, Vietnam’s ties with US today that have buried the acrimony of the Vietnam War, or the improving ties between South Korea & Japan, there’s a sense that our increasingly inter-connected world provides opportunities that can overcome differences.

Does this approach make the world safer? Well, going by the number of conflicts currently raging or threatening to break out (from Ukraine to Taiwan) it may appear not. However, giving primacy to geopolitical flexibility puts a check on Cold War-type bloc scenarios from taking hold and furthers the case of multipolarity. That in turn could at least help stave off World War III, if not prevent regional conflicts. Hence, India’s multialignment strategy appears to be surfing the right wave.

Silent Black Box

What gadgets of doomed aircraft never record

Kannan.Somasundaram@timesofindia.com

As the Air India flight taxied on the Ahmedabad runway, the jet would have gargled fuel to clear its throat, reminders to keep the seat belt fastened would have sounded like familiar chants in the pressurised cabin, a few passengers would have whispered their customary travel prayers, some would have argued that Heathrow offers better connectivity to Central London than Gatwick, somebody would have recalled their last flight to Heathrow from Delhi and wondered if the Thames would appear on the Gatwick route.

The etiquette-conscious would have deliberated on the correct response to ‘how do you do?’ in UK, some would have joked that Brits wouldn’t mind if people said ‘how’re ya doin’?’ to the King as long as they had waited British-ly in a queue to address the monarch, some laughter would have strummed seat belts when those averse to culinary adventures relished with desi glee the prospect of ordering choley-bhature in the former Raj HQ.

A first-time visitor to London would have shown explorational savvy and proclaimed that London Bridge has ‘cliché’ splashed all over it like betel-leaf stains and Charles Dickens Museum is the place for sophisticates, their seat neighbour would have commented that Delhi taxiwallahs’ directional acumen is just as legendary as London’s Black Cab drivers’, some passengers would have started a battle of wills with time itself to hug their loved ones sooner than determined by the mundane arrival schedule, a few would have gone back in time to worry about not switching off all their home lights.

And then as the jet engine’s gargling began smoothing into the war cry of human ingenuity against gravity, even some frequent fliers would have looked out of their windows to marvel at the audacity of a toothpaste-tube-shaped machine to rescue hundreds of people at once from the solidity of routines, passengers would likely not have known that the plane was losing altitude, would probably not have realised that the pilots were overriding instinctual fear with professional focus, the pilots would have been using the muscle of their conscience to strengthen their trained hands to do everything they could to save the passengers in their care and save the metrics that make us all human: love, ambition, excitement, and the faith in ourselves to plan for the next day. Black boxes don’t record those metrics.

Please Quit, Justice Varma

His fate is in Parliament’s hands now, and the odds are stacked against him. The first-ever sacking of an HC judge would be degrading for the judiciary’s position

Abhishek Singhvi

I was deeply saddened and shocked by the extraordinary discovery at Justice Yashwant Varma’s residence in March. A man of enviable legal competence, great judicial efficiency, equitable temperament and balance on the Bench, his visage had come to embody calm, reasoned authority.

When the first firefighters arrived on the scene, they found several bags of unaccounted cash among the burnt remains. This appears not only to be the finding of the in-house inquiry but also the admitted position, since the judge’s defence is that the outhouse was not in his exclusive control.

The Supreme Court acted swiftly. A three-member in-house committee was constituted. It recorded witness statements, examined Justice Varma, and, after due deliberation, found that the allegations had substance and that cash had indeed been recovered. The then CJI, Sanjiv Khanna, wrote to the President and PM, urging that the impeachment machinery be set in motion.

Justice Varma, no doubt, has pleaded innocence, calling the claims “preposterous”, accusing the media of defaming him and alleging a conspiracy. He is fully entitled to his stand but defiance alone cannot stem the tide. He refused to resign, and with the Monsoon Session in mid-July, he faces a stark choice: bow out with dignity or be sacked by Parliament.

The constitutional machinery for impeachment is deliberately constructed like a fortress: Articles 124(4), 124(5), and 217 require a presidential order only after a special parliamentary majority – a majority of total membership and two-thirds of those present and voting in each House. This high bar is necessary to preserve judicial independence but equally to engender accountability when misconduct is unequivocally proven.

Historically, impeachment attempts have been seismic yet sparse. Justice Ramaswami faced proceedings in 1993, but the motion failed in Lok Sabha. Justice Soumitra Sen resigned in 2011 after Rajya Sabha’s approval of his impeachment but before the process could be completed. Other attempts concerning judges like Gangele, Nagarjuna Reddy, Misra, and Dinakaran have either faltered or fizzled. Most examples underscore how rare and arduous this path remains.

Justice Varma’s case follows the trajectory of

extraordinary allegations, from the spark of a fire to the blaze of public attention, from an in-house probe to a crescendo of institutional accountability. The Allahabad High Court Bar Association called it a “victory for the public”, contemplating indefinite strike and even asking for all his judgments to be reexamined. Others cautioned against knee-jerk moves. They urged adherence to due process and provisions under the law. Ill-informed cries for scrapping verdicts are clearly preposterous. Yet, credibility is the currency of justice – if faith is gone, everything is gone.

The Monsoon Session looms like a storm on the horizon. The govt, reportedly, is confident of crossparty support for impeachment, and Union ministers are courting opposition leaders to secure the necessary momentum. But even an ironclad case must navigate shoals of political intent. Govt must be sincere and transparent: supporting accountability and wielding institutional control are not the same. One ensures justice; the other smacks of backdoor NJAC, of executive attrition masked as reform.

The delicate balance between judicial independence and accountability is the gravamen, not Justice Varma’s decline from grace. Neither popular sentiment nor political expediency should influence this serious process.

Parliament will be spared the arduous process of debate, vote, political crossfire and, above all, institutional insult, if the judge steps down, given the overwhelming odds stacked against him. If he decides to stay, the first-ever likely constitutional dismissal of a high court judge may be historic but highly degrading to a vital organ of state. It needs to be met

Parliament will be spared the debate, vote, political crossfire and institutional insult if the judge steps down



Are Low Fares Making Char Dham Choppers Risky?

Cheap tickets are forcing operators to fly too many trips, disregarding pilot fatigue, machine maintenance and risks from terrain and weather

Manmohan Bahadur

“Toddler among 7 killed as Kedarnath chopper crashes,” ran this paper’s headline yesterday, after the fifth such crash in six weeks. Relatives of the deceased will shed tears, but will tears move officialdom to prevent these recurring fatal accidents? There is a dire need to look at the culpability of business policies, commercial interests, talent shortage and govt indifference if we are to stop this loss of pilgrims.

Official information is difficult to come by, but evidence in the open domain suggests the pursuit of profit is the main driver of unsafe operations in this pilgrimage belt. Yes, this is strong language, but this writer hopes that it moves the powers-that-be to look at four points that require immediate attention.

Low fares | First, the Uttarakhand Civil Aviation Development Authority (UCADA), which controls operations, may have laid down high charges for each helipad landing but kept passenger ticket costs impractically low; it is believed that at some places helicopter tickets are cheaper than pony fares! While this may be good for pilgrims, it places enormous pressure on helicopter operators.

Too many trips | Second, to compensate for the landing charges and low returns per ticket, operators feel compelled to fly more trips per hour. Though DGCA has set a limit on this, at times operators under-log the number of trips.

Too much pressure | Third, maximising the number of trips for commercial gains is a sure recipe for disaster as pilots are forced to cut corners in their procedures or take chances with weather. PIB’s June 15 release says, “...the helicopter landed at Kedarnath at 0518 hours

and took off at 0519 hours for Gupkashi...” So, in just one minute, six passengers were off-loaded and six climbed in. Obviously, there was extraordinary pressure on the pilot to expedite this activity. In aviation there is something called ‘get-home-itis’ – the strong irrational pull on the psyche of a pilot to jettison common sense and press on with a mission to get home. In Uttarakhand, it may be ‘commercialitis’ – in which safe flying gets step-motherly treatment.

Neglecting maintenance | Fourth, technicians come under intense pressure to service helicopters in the restricted time frames available to meet the unrealistic



requirement of trips per hour. Rectifying unserviceabilities in hostile weather, terrain and under pressure of time magnifies chances of servicing errors.

In this scenario, the blame for an accident usually gets pinned on the helicopter and/or the pilot. This writer has spoken to many aircrew who have operated there and they talk of a third cause – the existence of the unrealistic environment of meeting daily passenger transportation targets that have not been given due weightage by an unprofessional supervisory body.

In aviation, experience cannot be compressed as developing a culture of flight safety takes years. In IAF,

a pilot becomes a flight commander in 12 years and a commanding officer (CO) in about 14 years. The CO then becomes a station commander (who has operational, maintenance and administrative jurisdiction) of an airbase in 20-odd years. This time frame is necessary to gain field knowledge and, more importantly, wisdom in matters of aviation. One needs to honestly answer the question whether this level of experience and wisdom, or even a percentage of it, is available in the top UCADA hierarchy that is making policies and overseeing helicopter operations in the challenging Char Dham hills? The PIB release says qualified officers from DGCA “...are to be immediately posted to supervise operations.” This would be a band-aid solution to a malignant problem that demands radical surgery. Here are four actionable recommendations.

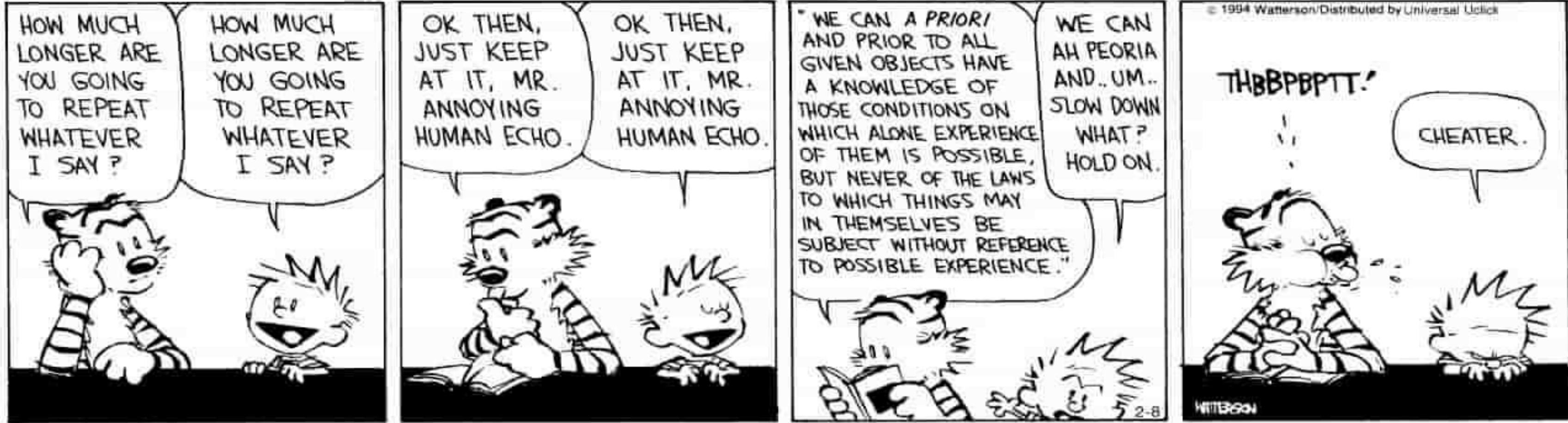
Cost model | First, UCADA should re-examine the financial structuring of royalty, ticketing costs, tender requirements, etc, so that business pressures on operators do not impinge on safe flying operations.

Pilot selection | Second, every helicopter pilot with a licence is not automatically qualified for hill flying; operating companies must ensure deployment of suitable aircrew.

Specialist regulators | Third, the govt should restructure UCADA to bring in aviation professionals at the helm. And, as is the practice worldwide, shouldn’t DGCA itself be headed and manned by professionals and not by generalists, just as the Railway Board is headed by railway professionals?

Consult experts | Finally, aviation should be seen as a system with multiple prongs that requires a systems approach to ensure safe flying. The Rotary Wing Society of India, whose only aim is to work for safe helicopter operations, should be tapped for advice.

Calvin & Hobbes



Miracles Are Beyond Causality And Human Knowledge

Vijay Hashia

Miracle, also known as ‘chamatkar’, is a complex phenomenon beyond human understanding in relation to causality and human knowledge. In philosophy and theology, it is often debated and generally understood as an event that defies natural laws or exceeds known powers of nature.

The survival of lone passenger, Vishwash Kumar Ramesh, in the recent Air India plane tragedy that took 241 lives, is a miracle. The survivor revealed, “I opened my eyes, unfastened seat belt, escaped through a small space on my left and walked up to an ambulance...don’t know how I survived?”

A 10-minute delay due to a traffic jam made Bhoomi Chauhan miss the flight from Ahmedabad to London. She believed that the delay and missed flight were due to divine intervention and considers her survival a miracle.

Such tales defy or interrupt the standard chain of cause and effect that one typically expects in such a catastrophic event. It is a moment when the ordinary flow of events diverges and cannot be explained by physical factors or statistical probability. The incident compels one to ask a much deeper question: Is a miracle something entirely unknown and beyond the perception of the human mind?

The human mind, conditioned by habit, empirical observation, and specific situations, typically interprets events within a framework of cause and effect. However, the causal framework does not account for such an anomaly in catastrophic events where a lone survivor has emerged unscathed against all odds. Lone survivors: Julianne Koepcke (Dec 24, 1971), Vesna Vulovic (Jan 26, 1972), Cecelia Cichan (Aug 16, 1987), Bahia

Bakari (June 30, 2009), Ruben Van Assouw (May 12, 2010), and now Vishwash Kumar Ramesh (June 12, 2025), underline limits of human knowledge and understanding pointing towards a hidden depth of reality yet to be fully comprehended by humans.

Philosophers have different perspectives. For example, Spinoza insists that nature operates according to eternal universal laws, a deterministic system. To him, ‘miracle’ would violate these natural laws, which is impossible because God and nature are the same – *Deus sive Natura*. David Hume is sceptical and views ‘miracles’ as improbable, irrational or unknowable. However, Thomas

Aquinas and Leibniz have different perspectives and view ‘miracle’ as a purposeful intervention by a higher principle, a manifestation of God’s will. This point is in accordance with traditional Hinduism, which views the

universe not as a closed, mechanical system but as an expression of Brahmn, the ultimate reality. Naturally, the will of this Supreme principle can interrupt ordinary causality to produce what we call a chatmatkar – an improbable event. Therefore, surviving a serious accident is a blessing in the ordinary sense.

Such phenomena consider the possibility of hidden causal orders, subtler than physical laws, which govern extraordinary events. The survival of the lone individual against all odds may be a manifestation of these hidden dimensions. This resonates that the ordinary world we experience is only a surface phenomenon, a visible ripple, while the true depth of reality lies in a more unified whole. Miracles, therefore, are not violations of nature but revelations of their greater potential than the physical, measurable world. Here, the Supreme principle can interrupt ordinary causality to produce a wonder beyond human knowledge and causal explanations.

Sacredspace



Wars will be stopped only when soldiers refuse to fight, when workers refuse to load weapons onto ships and aircraft, when people boycott the economic outposts of Empire that are strung across the globe.

Arundhati Roy

After 50 yrs of rescue effort, gharials still face extinction

Sandeep.Rai@timesofindia.com

Before dams, dredgers, and fishing nets dominated India's rivers, long-snouted gharials ruled their waters. Fossil records date their lineage back millions of years, and historical reports from the 19th and early 20th centuries speak of abundant gharials in the Ganga, Brahmaputra, Mahanadi, Indus and Irrawaddy river systems. By the 1940s, their population was estimated to be between 5,000-10,000 individuals.

But the mid-20th century marked the beginning of a steep decline. According to a report recently released by WWF India on the gharial reintroduction programme, unregulated sand mining, poaching for skins, nest destruction, and the damming of rivers for irrigation fragmented and degraded their habitat. By the early 1970s, gharials had vanished from over 98% of their historic range.

'Head-Starting' Strategy

In the winter of 1975, the Centre, FAO (Food and Agriculture Organization) and UNDP (United Nations Development Programme) jointly launched one of the most ambitious wildlife conservation programmes: The Crocodile Conservation Project. The goal was clear — pull the shy, slender-snouted gharial (Gavialis gangeticus) back from the brink of extinction with other crocodilian species. During this project, 16 rehabilitation centres and many crocodile sanctuaries were declared. National Chambal Sanctuary, Katarniaghat Wildlife Sanctuary, Satkosia Gorge Wildlife Sanctuary, Son Gharial Sanctuary, Ken Gharial Sanctuary were then established.

Fifty years later, despite decades of captive breeding, reintroductions, head-start programmes and riverine sanctuary protections, the wild population of adult gharials stands at just around 650 today (IUCN Red List for Critically Endangered Species). Of these, over 550 are confined to a single protected stretch of river — the National Chambal

From **10,000** in the 1940s to around 700 today, India's gharial population has dwindled by over **90%**. Conservation efforts used to focus on a 'head-start' approach. Experts now think that saving our rivers might be key to protecting the Critically Endangered species

WHAT CAN BE DONE?

➤ Promote eco-friendly farming practices, like vermicomposting and reduced riverbed cultivation

➤ Enforce strict ban on sand-mining within 500 metres of active nesting sites

➤ Deploy community-led river watch programmes to prevent illegal activities near nesting

Focus on securing and restoring natural riverine habitats, especially those with sandy banks, deep pools and low human disturbance

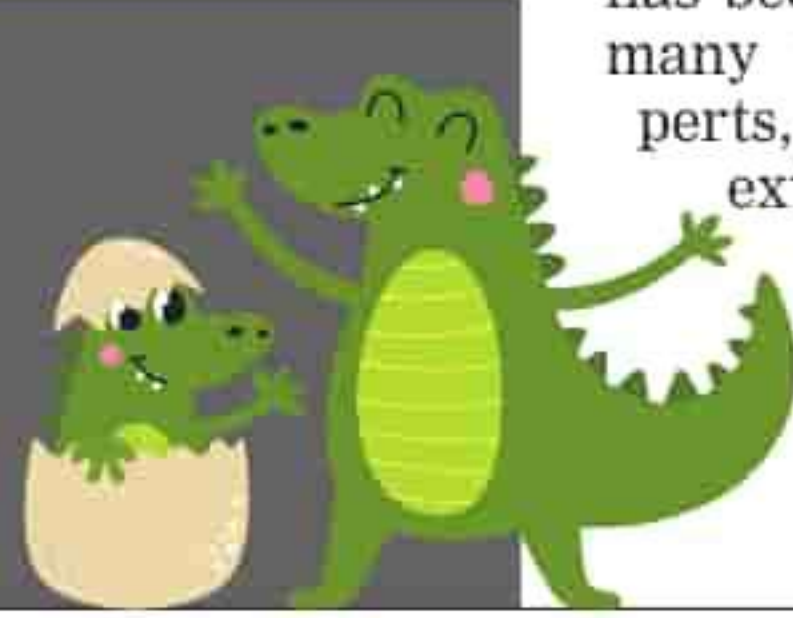
and basking habitats

➤ Regulate fishing practices to eliminate gill nets

➤ Facilitate corridor connectivity between fragmented river segments to promote genetic flow

➤ Continue awareness programmes in riparian villages to reduce misconceptions surrounding gharials

Scale up school- and college-level awareness programmes on riverine biodiversity and gharial conservation. Coordinate gharial conservation efforts between UP, MP, Rajasthan, and Bihar to manage mobile individuals and prevent translocation conflicts (e.g., Son to Gandak dispersal)



Sanctuary. The rest, scattered across fragile outposts like the Ganga, Gandak, and Son rivers, are hanging by a thread.

"The central idea of the 1975 strategy was 'head-starting' — collecting gharial eggs, hatching them in captivity, rearing juveniles to a safer size, and releasing them into protected rivers," says B C Choudhary, wildlife biologist and senior adviser and consultant, Wildlife Institute of India. "By all accounts, it was a pioneering strategy: It brought gharials back to the National Chambal Sanctuary (NCS), where early reintroductions led to some successful breeding. Over time, the strategy expanded to other rivers."

Low Hatchling Survival Rate

Monitoring data from the Gharial Ecology Project (GEP) shows that hatchling survival post-monsoon remains dismally low — there has been up to 90% mortality in many years. According to experts, captive rearing may delay extinction, not replace habitat. And that's where the system faltered.

In 2007-08, 111 adult and sub-adult gharials died in a span of weeks

in the Chambal river. Necropsies suggested kidney failure, likely due to toxic pollutants. It was a devastating blow to a recovering population — and a moment of reckoning for Indian conservation. That same year, IUCN escalated the gharial's threat status from endangered to critically endangered. The message was clear: breeding centres alone weren't enough.

Bringing Back Science

In response, the Madras Crocodile Bank Trust launched the Gharial Ecology Project (GEP) in 2008 to bring science back into the field. Through tagging, telemetry, and long-term monitoring, the project has since documented not just population trends but the precise ways gharials interact with their habitats — and the multiple threats stacked against them.

Between 2009 and 2019 alone, WWF-India and UP's forest department released 788 captive-reared gharials into the Ganga at the State Animal Barasingha Sanctuary. But results were mixed. Most head-started gharials did not survive long enough to breed. Those that did were facing shrinking habitats, deadly

fishing nets and disappearing sandbanks due to extensive riverbed cultivation.

Despite the "successes", the central paradox remains: how can a conservation programme this long-running and multi-institutional still yield just 650 adult gharials?

Last Stronghold

The Chambal river remains the gharial's last real stronghold, hosting much of the wild population, but an abysmally low survival rate poses a constant challenge for the species. Upstream stretches like Palighat and Nadiagaan are losing nesting sites to rampant sand mining. Illegal fishing nets continue to snare both adults and hatchlings. In Jan 2024, two radio-tagged gharials died in such nets within weeks of release.

In recent years, gharial conservation has ventured into new frontiers. In 2021, a large male was translocated from Chambal to the Son Gharial Sanctuary, resulting in successful nesting — a historic first for the region. Another male was moved early 2025, with breeding expected later this year. While in the Ganga, at State Animal Barasingha Sanctuary, there are more than 20 adult females waiting for male translocation by the UP forest department.

As India enters the second half of its gharial conservation journey, one lesson stands out: saving the species requires saving the river. Experts say the clock is ticking and policymakers must act.

"Captive breeding and reintroductions, though important, serve as mere band-aids on a much deeper wound," says Rajeev Chauhan, secretary, Society for Conservation of Nature and former member Uttar Pradesh Biodiversity Board. "Without flow regulation reforms, fishing regulations and sand mining crackdowns, no number of hatchlings released into the wild will sustain populations."

"Gharial conservation, moving forward, must refocus on the integrity of river habitats, particularly open, free flowing mainstream channels free of dams, barrages, and other impediments, with minimal water extraction for irrigation, drinking water, etc, and with very limited sand removal," says Jeffery Lang, professor emeritus, University of North Dakota and principal investigator, Gharial Ecology Project in India. "It involves protection of the existing

sand banks and maintenance of natural water regime."

Lang says head-starting of gharial was probably important decades ago, when total numbers were "dangerously low, but now, in most stable systems, such as Chambal, Chitwan-Gandak, Katarniaghat, and Corbett, head-starting is probably minimally effective in terms of increasing or stabilising population numbers. More emphasis needs to be placed on protecting riverside habitats, as well as the rivers themselves, from resource extraction and watershed pollution."

The Way Forward

Gharial re-introduction expert Sanjeev Kumar Yadav says: "To develop a comprehensive site-specific conservation plan for the species, we need to assess current population status as well as emerging threats along the Gharial ranges. In addition, genetic mixing is crucial in reintroduction programmes to lessen the risk of inbreeding."

Fifty years ago, the gharial was nearly extinct. Today, it's still here — but barely. That alone is worth acknowledging. But survival is not recovery, say experts.

Anuradha Vemuri, chief wildlife warden of UP, the state that houses 90%

of gharials in the country, admits the challenges. "It is true that only one out of 100 hatchlings is able to make it to maturity. Illegal and extensive fishing in rivers severely damages the nests of gharials. But our efforts are on. The Centre has also released gharials in natural habitats found in other states like Odisha, Madhya Pradesh, Rajasthan and Uttarakhand."

Around 264 gharials from the Kukrail-based centre have also been sent, for educational purposes, to various centres such as Lucknow zoo, Madras Crocodile Bank and countries like Bhutan, USA, Japan and Pakistan, she adds. "This initiative has helped spread awareness regarding this indigenous species at the global level."

Despite the effort, at 650 adults, the gharial's fate remains precarious. It is a species living on borrowed time, buffered only by the passion of a few scientists, forest officials and riverside communities in the country.

If the next 50 years are to be more successful than the last, India will need to protect not just a species, but an entire ecosystem. Because, in the end, the gharial's story is not just about saving a crocodile. It's about whether India can still save its rivers.



TIMES NATION

Joblessness rate rises to 5.6% in May from 5.1% in April: PLFS

Scorching Heat Slows Rural Labour Demand

TIMES NEWS NETWORK

New Delhi: The unemployment rate for those in the 15 years and above age group rose to 5.6% in May from 5.1% in April while the labour force participation rate also dipped during the month, indicating some tightness in labour market conditions due to a number of factors, including heatwave conditions in some parts of the country.

The Periodic Labour Force Survey (PLFS) monthly data for May showed that in rural plus urban areas, the joblessness rate among males in the 15 years and above age group was at 5.6%, higher than the 5.2% in April. Among females, it was at 5.8%, higher than April's 5%.

The unemployment rate for those in the 15-29 years age group in rural areas among males was at 14% in May,

RURAL + URBAN UNEMPLOYMENT RATES RISE IN MAY				
Age Group		Male	Female	Person
15-29 years	Apr	13.6	14.4	13.8
	May	14.5	16.3	15
15 years and above	Apr	5.2	5	5.1
	May	5.6	5.8	5.6
All age	Apr	5.2	5	5.1
	May	5.6	5.7	5.6

higher than the 13% in April, while among females it was at 13% during the month, higher than the 10.7% in April.

In urban areas, the unemployment rate in the 15-29 years age group was estimated at 15.8% in May, higher than 15% in April, while among females it was at 24.4% in May, above the 23.7% in April.

The labour force participation rate (LFPR) in the current weekly status (CWS) among those in the 15 years and above age group was 54.8% during May compared to 55.6% during April. LFPR in rural areas was 56.9%, and

in urban areas, it was 50.4% during May for persons in this age group. LFPR is defined as the percentage of persons in the labour force (working or seeking or available for work) in the population.

PLFS has been revamped since Jan this year, and the latest addition to the Jobs data in the form of a monthly bulletin has been done to ensure availability of high frequency labour market data with robust coverage to aid timely policy intervention. It contains data for both urban and rural areas.

The decline in LFPR and

worker population ratio (WPR), and the rise in unemployment were driven largely by seasonal agricultural patterns, higher summer temperature in May in some parts of the country, due to which physical outdoor work gets limited and movement of some unpaid helpers to domestic chores, especially in the higher income (top three decile) rural households, the survey results showed.

The statistics office said that in rural areas, employment shifted away from the primary sector (agriculture) — from 45.9% in April to 43.5% in May 2025 — to secondary and services sectors. It said the decline in female LFPR, especially in rural areas (more than one percentage point) was due to fewer women working as casual labourers and unpaid helpers.

"Reduction in agricultural activities with the end of the Rabi harvest season for both male and female in the rural areas may have brought about the downward shift in the number of workers," according to the survey results.

Probing lawyers for legal opinion undermines rule of law: SCAORA

► Continued from P1

Despite withdrawal of summons, Supreme Court Advocates on Record Association (SCAORA) through chief Vipin Nair and general secretary Nikhil Jain issued a statement on ED's unwarranted action, saying it "reflects a disturbing trend of investigative overreach that threatens independence of legal profession & undermine the very foundation of the rule of law".

"To summon a member of Bar for discharging his responsibility is a misuse of authority and an affront to sanctity of role of advocates. When agencies resort to coercive measures against advocates for giving legal opinions, they don't just injure individuals, they strike at institutional structure that ensures justice," SCAORA said. "If advocates can be subjected to coercive measures for providing legal advice, it would paralyse functioning of legal system."

ED had sent a questionnaire to Arvind Datar asking whether he knew before giving legal opinion that insurance regulator IRDAI had already rejected the offer of ESOPs to Saluja.

Kant resigns as G20 sherpa, ends 45-year stint in bureaucracy

TIMES NEWS NETWORK

New Delhi: India's G20 sherpa **Amitabh Kant** Monday stepped down from his role, ending a 45-year stint in country's bureaucracy where he handled crucial assignments and helped design several vital policies.

Kant, a retired 1980-batch IAS officer of Kerala cadre, was appointed G20 sherpa in 2022 and tasked with steering the meeting of developed and emerging countries. A sherpa works as the PM's envoy for the forum and does heavy lifting on behalf of the country's leader.

"After 45 years of dedicated service, I have decided to embrace new opportunities & begin a new chapter," Kant said in a social media post, thanking PM Modi for the trust he placed on him to drive developmental initiatives that shaped the country's growth trajectory.

"Leading India's G20 Presidency in 2023 was a

significant milestone in my career. Despite complex global challenges, we achieved unanimous consensus on the New Delhi Leaders Declaration, and refocused attention on key developmental issues," Kant, who is known for his problem-solving abilities, said.



Kant, an alumnus of St Stephen's College and JNU, has served as CEO of policy think tank Niti Aayog, where he worked on crucial initiatives such as the aspirational districts programmes aimed at improving conditions in some of country's most backward districts.

He began his career in Kerala and helped design the "God's Own Country" campaign, which helped promote tourism significantly. "Later in ministry of tourism, we initiated the 'Incredible India' campaign — born from the belief that travel and tourism has the best multiplier impact on jobs and growth," said Kant.

In bid to retrieve Iota, man & son suffocate to death in well

Daitonganj: A father and son suffocated to death inside a dry well while attempting to retrieve a stainless steel 'Iota' (a small rounded vessel) in Sahiyara village of Jharkhand's Palamu district on Monday.

The deceased were identified as Jugal Rajwar (65) and Munna (37). According to locals, the vessel belonging to Jugal had accidentally fallen into the well, which was filled with rotten mahua fruits and debris.

Munna climbed down using a rope to retrieve the pot. However, as he began to ascend with it, he reportedly lost consciousness and fell back into the well. Seeing this, Jugal went down the well in an attempt to rescue his son but also lost consciousness and died due to toxic gases inside.

"It was a challenging task to extract the bodies from a narrow, dirt-filled well," said Sonu Kumar Choudhury, OC of Husainabad PS. "Terrified villagers refused to enter even with safety gear. The bodies were finally pulled out using an iron rod and rope." The well was later flattened and filled with soil to prevent further mishaps. TNN

Vadra gets fresh ED summons in Bhandari case

New Delhi: ED on Monday issued a fresh summons to **Robert Vadra** for questioning in a money laundering case linked to UK-based arms consultant Sanjay Bhandari.

Vadra has been asked to depose before the agency on June 17 for recording of his statement in the case. He was called for questioning on June 10 but he skipped, saying he had flu-like symptoms on June 9 and had undertaken a Covid-19 test as per protocol.

The probe agency is understood to have summoned Vadra to record his statement under PMLA and subsequently file a chargesheet in the case. PTI

Poll-day webcasting now at all polling booths to help EC monitor procedures

TIMES NEWS NETWORK

New Delhi: Election Commission has decided to carry out poll-day webcasting across all polling stations to help it monitor procedures. As per earlier guidelines, webcasting was to be done in all critical polling stations in vulnerable areas or at least in 50% of total polling stations, including auxiliary polling stations, whichever was higher.

"The commission has issued instructions on the use of multiple civil (non-force) measures to keep a watch on various stages of the election process, including webcasting on poll day, to monitor critical activities as an inter-

nal management tool to prevent any vitiation of the poll process... It has been decided that webcasting shall be done in all polling stations, i.e. 100% of polling stations having net connectivity," the poll panel said in a communication to state/UT chief electoral officers on Monday.

In shadow areas where internet is not available, suitable alternative arrangements of videography, photography, among others, can be made, it said.

The revised guidelines require webcasting monitoring control rooms at the state, district and assembly constituency level. These will be supervised and monitored by a nodal officer appointed

at each level. The nodal officers will ensure webcasting arrangements are put in place and a dry run is conducted two days ahead of polling day. They will also monitor poll day activities at all polling stations with their team, and work in close coordination with field officers.

"It shall be ensured that all polling stations are watched live multiple times during the day for an adequate period of time to closely observe proceedings," according to the guidelines.

Violation or suspicious activity observed at any polling station, will be brought to the notice of presiding officer, returning officer or observer for necessary action.

Pilgrims posed as patients in 'luxury' ambulances: Cops

► Continued from P1

One ambulance, air-conditioned and classified as a "luxury" model, had been booked by a single pilgrim. The other, more basic, carried two. On their way up from Haridwar, drivers picked up three more passengers, squeezing them in as if the ambulances were taxis on a meter.

Police said both the vehicles were seized near Acrow bridge after officers grew suspicious. "The unusual thing was that the ambulances were moving towards Gaurikund with people who posed as patients. If someone is unwell, there is no reason to go towards Gaurikund," a policeman told TOI.

Bike taxi capt & woman attack each other in B'luru, cops arrest the man

TIMES NEWS NETWORK

Bengaluru: A Rapido bike taxi captain was arrested in Bengaluru Monday on charges of slapping a woman rider, who objected to his alleged rash riding. The accused, though, said it was the woman who had attacked him first.

A video recorded by a passerby shows the two arguing and the captain can be seen slapping the woman, who loses her balance and is knocked down. Later, cops collected CCTV footage from a building, which showed the woman attacking the captain first.

The accused bike captain, S Suman, 28, was arrested on a complaint filed by the pillion rider, Priya (name changed).

He has been booked under multiple sections of BNS.

Speaking to TOI, Priya said the incident took place on June 13, when she was on her way to work. She had booked a Rapido bike, and Suman was assigned the ride. According to Priya, the ride was rough as Suman was driving rashly,

ROAD RAGE

violating traffic rules at will, and even took a detour.

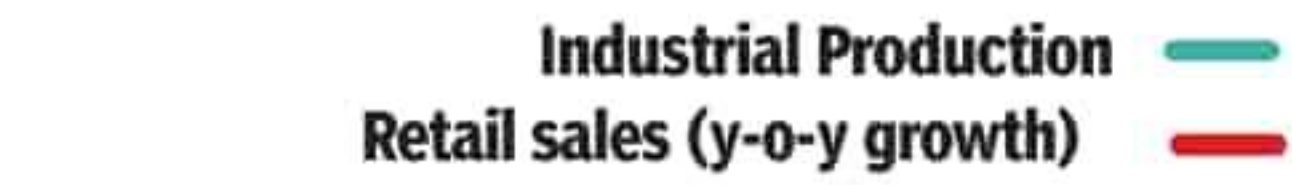
"I requested him to slow down and follow the route shown in the map, but he refused to listen," she said, adding that she finally decided to end the ride when her office was about 200 metres away. Priya added that as she got

off the bike, Suman got into an argument with her for ending the ride prematurely. "When I countered, he slapped me hard," she said, adding, "In a bid to protect myself, I too attacked him."

Suman later told the police it was Priya who hit him first, which made him lose his cool. "Since there was a huge traffic congestion on the main roads, I took the inner lanes. But the woman kept yelling and abusing me for taking a different route. On reaching Jayanagar Block III, when she abused me yet again, I lost my cool. She spoke ill about my parents. When I warned her, she slapped me," Suman said, clarifying that it was then that he hit back.

China's Retail Sales Accelerate in May

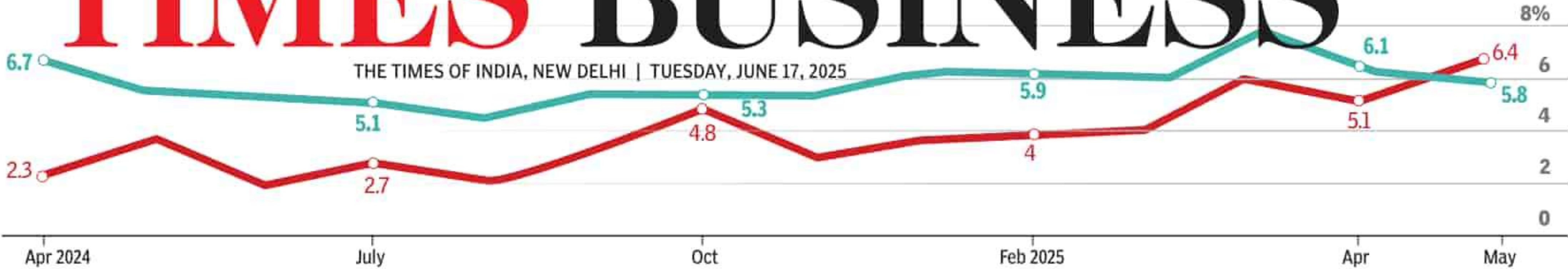
Industrial output expansion slightly missed economists' forecast



Source: Bloomberg

TIMES BUSINESS

THE TIMES OF INDIA, NEW DELHI | TUESDAY, JUNE 17, 2025



China's unexpectedly strong retail sales in May gave the economy some relief from US tariffs, although the momentum may not last as deflationary forces persist and a housing market slump shows signs of deepening

NPCI cuts by half response time for UPI transactions

Mumbai: The National Payments Corporation of India (NPCI) has halved the response time for multiple stages of Unified Payments Interface (UPI) transactions in a move aimed at enhancing user experience and improving system efficiency. According to the revised framework, the response time for debit and credit processing—under Request Pay and Response Pay APIs—has been cut from 30 seconds to 15 seconds with effect from June 16. NPCI monitors compliance by levying financial penalties. **TNN**



Meta names Srinivas as India MD, head

New Delhi: Meta has named Arun Srinivas as the new managing director and head for its India operations, effective July 1, 2025. The appointment comes after Sandhya Devanathan, previously leading India, was given an expanded role overseeing both India and Southeast Asia. In his new position, Srinivas will oversee the integration of business, innovation, and revenue priorities for Meta in India. Srinivas will report directly to Sandhya Devanathan. **AGENCIES**

Crude awakening: Cos wait & watch

Escalation Of West Asia Conflict May Impact Demand Recovery In Near Term

Asmita.Dey@timesofindia.com

Mumbai: From packaged goods makers to retailers and paint companies, firms are keeping a close tab on crude oil prices, which have been volatile since the start of the escalating conflict between Israel and Iran.

Higher crude oil prices tend to inflate input costs for companies—crude-linked derivatives, for instance, are used in the packaging of FMCG products across categories such as food and beverages and personal care, while certain segments like detergents and dishwashing liquids are heavily dependent on Linear Alkyl Benzene (a crude derivative) as a key raw

TENSIONS RISE FOR INDIA INC

- High crude oil prices can inflate input costs for companies; packaging and transportation costs get impacted significantly
- FMCG products across categories, are crude linked inputs
- They form around 8-10% of the input costs
- HDPE (High-Density Polyethylene) and PET (Polyethylene Terephthalate), used in packaging of
- In home care segment, detergents and dish washing liquids are heavily dependent on Linear Alkyl Benzene, a crude derivative



Source: Crisil, companies

material. Beauty products like lotions, creams, and lip balms also use crude derivatives like petroleum jelly, said Anuj Sethi, senior director at Crisil Ratings.

The development comes at a time when broader consumption had started seeing some green shoots after se-

veral sluggish quarters, helped by tax sops, easing food inflation, and rate cuts. Further escalation of the conflict in West Asia could impact demand recovery in the near term. For companies, the challenge will be on two fronts—protecting margins if input costs spike and getting

consumers to spend more; high oil prices typically impact overall household spending, nudging consumers to cut budgets on their discretionary purchases.

“Crude plays a major role in two cost centres—freight and packaging. This can impact the bottom line of companies. We are monitoring the situation and hope things do not escalate,” Mayank Shah, vice-president at Parle Products, told **TOI**, not ruling out risk to demand recovery in the short term. Geopolitical tensions in West Asia could pose short-term headwinds by driving up crude oil prices. “This may drive up prices of the overall purchase basket and pinch consumers,” said Krishna

Khatwani, head of sales (India) at Godrej Consumer Products. Oil prices settled 7% higher on Friday, rising more than 13% during the session to their highest levels since Jan. On Monday, prices edged down after opening higher as the attacks so far didn't hit critical export infrastructure, international media reported. But oil markets remain tense, and the future trajectory is uncertain.

“Israel-Iran tensions and Brent Crude climbing into the high \$70s per barrel pose cost pressures. If sustained, these may translate into pricing adjustments for some businesses and temper consumer sentiment,” said Tarun Arora, CEO at Zydus Wellness.

D-Street ignores Iran-Israel conflict, sensx up 678 pts

TIMES NEWS NETWORK

Mumbai: Investors on Dalal Street ignored global geopolitical tensions with the sensx, after a marginally negative start on Monday, rallied through the session to close 678 points (0.8%) higher at 81,796 points. HDFC Bank, ICICI Bank and Infosys contributed the most to the day's gain. A slight dip in crude oil prices also helped the stock market rally, traders said.

On the NSE, Nifty too rallied strongly and closed 228 points (0.9%) up at 24,947 points. “Despite ongoing geopolitical tensions between Israel and Iran, the (domestic) market moved higher, supported by gains in large-cap stocks, as investors maintained their focus on long-term fundamentals in the time of volatile situa-

IFC to put \$60mn in Motilal Oswal grp

IFC, an arm of the World Bank Group, has agreed to invest \$60 million in India Business Excellence Fund VG, which is managed by MO Alternates, the private investment arm of Motilal Oswal Financial Services. The fund aims to help mid-market companies in India expand, adopt advanced technology, and create jobs in sectors such as consumer, financial services, life sciences, and manufacturing. **TNN**

tions,” said Vinod Nair of Geojit Investments. Geopolitical developments in West Asia are likely to influence near-term market sentiment, with any signs of de-escalation being closely monitored, Nair added.

Foreign funds, however, remained net sellers on Monday with a net outflow of Rs 2,539 crore. In contrast, domestic funds net pumped in Rs 5,781 crore, BSE data showed.

The day's session made investors richer by about Rs 3.3 lakh crore with BSE's market capitalisation now up at Rs 450.5 lakh crore.

For Tuesday, there is a possibility of a rally in the stock market, on the back of Monday late evening reports that Iran had approached some Gulf nations to negotiate a US-mediated ceasefire with Israel. The news sparked a rally in the US market with all the leading indices up more than 1% each in mid-session Monday. Gold prices, meanwhile, slid nearly 1% in the international market on news of a likely ceasefire.

W Asia unrest: Govt to meet stakeholders

New Delhi: Amid fears of higher shipping rates, longer routes and increase in insurance premium due to the latest conflict in West Asia, govt will meet shipping lines, container firms, and other stakeholders to assess the impact on the country's trade and address the concerns.

“We are watching the situation. We are calling a meeting to understand what are the kinds of issues being faced and how we can sort them out,” commerce secretary Sunil Barthwal said, adding that the impact will depend on how the situation unfolds over a period of time.

Exporters said ships may be forced to take longer routes just when 30-35% of the goods had once again started moving through Red Sea. This means that voyage time will increase and so will the cost. With Pakistan airspace already closed the escalation of tensions will also impact air freight over Iran.

US trade deal: Govt looks at duty cuts by both sides

TIMES NEWS NETWORK

New Delhi: Govt, which is hoping to clinch the early tranche of a bilateral trade deal with the US before July 9, asserted on Monday that it is looking at a “preferential and sustained advantage” through a reduction in duty by both sides.

“If trade has to be doubled to \$500 billion, both sides have to reduce tariffs for better market access. It should be the endeavour of both countries to lower the tariffs. To what extent they have the legal authority to do so, that will depend upon their outlook towards trade,” a senior official said.

When asked about the trade deal, commerce secretary Sunil Barthwal said that officials from both sides were en-

NEGOTIATIONS ON

“If trade has to be doubled to \$500 billion, both sides have to reduce tariffs for better market access — An official

Govt is focusing on lower-duty access for labour-intensive products

gaged in negotiations, and they have made good progress. “We are working on the early tranche and as you are aware that there is a date (July 9), before that we would like to conclude this early tranche.”

For India, a key concern is the mechanism through which the US will lower duties as absence of the US Fast Track Trade Authority may delay the proposed trade agree-

ement. An official said that it is up to the US authorities to decide how to navigate through local regulations.

The US Fast Track Trade Authority is a special mechanism that allows the American President to negotiate trade agreements and present them to Congress for an up-or-down vote, without amendments or procedural delays.

Officials said the US and India were looking at a different product mix under the proposed agreement with New Delhi focusing on lower-duty access for its labour-intensive products in return for offering concessions for American automobiles and some farm products. The two countries are also targeting a bilateral trade pact by Fall (Sept-Oct).

TIMELESS TREASURES OF SBI

The United Nations announced 1981 as the International Year for Disabled Persons, and in keeping with its proud tradition of helping the community, SBI modified several schemes and introduced several new ones such as assistance for purchase of modified or remodelled cycle rickshaws and also mini buses to meet the needs of the less abled. It also helped finance the purchase of artificial limbs and provided loans to institutions engaged in the training and rehabilitation of the differently abled.



THE 7 & THE X7

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‘Decision on SFBs’ transition applications soon’

Some reports speculate re-introduction on VRRR to suck out some parts of the surplus liquidity and that CRR – as a liquidity tool, may be used more frequently. We would like to know if you are comfortable with weighted average call rate at the lower end of the corridor, given we are in the easing phase? Do you see CRR as a liquidity management tool or is it more of a safety net/buffer that needs to be maintained by banks?

■ The guiding principle of liquidity management framework of the Reserve Bank is to maintain the operating target of monetary policy, i.e., WACR close to the policy repo rate. However, it is not unusual for WACR to trade in the lower segment of the LAF corridor in surplus liquidity conditions. Also, keeping system liquidity in surplus helps transmission during the easing cycle. The Reserve Bank will continue to weigh the trade-off between keeping WACR closer to the SDF rate for better transmission or closely aligned to the policy repo rate as part of our framework and act accordingly.

I would like to emphasise that fine-tuning operations, whether through the VRRR or the VRR, do not impact durable liquidity. As stated earlier, we remain committed to maintain sufficient durable liquidity in the banking system.

As for CRR, it is one of the tools of monetary policy and a particularly potent one to manage durable liquidity. CRR used to be as high as 15 per cent in the eighties and was gradually reduced to 4 per cent by 2013. It has since been reduced only once, that too by only one per cent to infuse liquidity. 3 per cent of reserves seem adequate to be used as a monetary policy tool to provide liquidity, when needed. Higher the reserves, lower is the money supply available for credit and higher the cost for the banks. The banks have been requesting for a lower CRR.

The reduction in CRR should be seen in this context. It would not be correct to infer that CRR will be used frequently for liquidity management.

There is a committee examining the liquidity framework? What are the key issues that the committee is looking at?

■ Yes, the liquidity framework is being examined. It is a complex subject because there are various market segments. What should be the operating target, is the main issue. That is still under examination.

Banks have started to cut lending and deposit rates after the June policy. Are you fine with monetary transmission with banking channels, or you look forward to transmission via the risk free sovereign bond market channel. Do you also expect transmission via NBFCs to improve? Do you think the steepening of the yield curve will auto correct because of surplus liquidity?

■ Monetary policy transmission happens with a lag. The transmission in this cycle has been faster. The frontloading of rate cut aims for faster transmission, of which there are good early signals, as many major Banks reduced both lending and borrowing rates immediately post the MPC meet.

Available data shows that in response to a cumulative reduction of 50 bps in the repo rate in February and April policy, the lending and deposit rates had moderated by 6 bps and 27 bps on fresh loans and fresh deposits, respectively, during February-April 2025. While the transmission of policy rate cuts of earlier 50 basis points to banking channel continues, additional 50 basis points cut effected recently should also get transmitted over the period.

While in a bank-based financial system such as ours, the banking channel is indeed crucial, transmission through risk-free sovereign bond market is equally important as it serves as the benchmark for pricing in other segments of the market. It is also important to highlight that risk-free sovereign bond market and banking channel are complementary, reinforcing each other's transmission.

NBFCs cater to the credit demand of, hitherto, underserved

and niche segments and are important financial intermediaries for monetary policy transmission. The dynamics of interest rates charged by NBFCs are different as compared to commercial banks reflecting, inter alia, their liability structure and the risk profile of their borrowers. Thus, the speed and degree of monetary policy transmission differs between NBFCs and banks.

Coming to sovereign bond yields, to put things in perspective, 10-year and 30-year spreads over the policy repo rate stand at about 84 bps and 150 bps, respectively, as on June 12, 2025. These spreads are in line with the historical average (since April 2016 excluding the Covid period) of 97 bps and 132 bps, respectively. Moreover, they are significantly lower than their levels of 212 bps and 281 bps, respectively, during the COVID period. Therefore, the current levels of bond yields remain congenial.

Rupee has underperformed its emerging market peers. Dollar has depreciated but rupee has not appreciated against the dollar. Is the RBI comfortable with such a situation?

■ The Reserve Bank's exchange rate policy has remained consistent over the years. The stated objective is to maintain orderliness and stability, without compromising market efficiency. Accordingly, RBI's interventions in the forex market focus on smoothening excessive volatility rather than targeting any specific exchange rate level or band. The exchange rate of the Indian Rupee is determined by market forces.

Having said this, I may add that it is not appropriate to compare prices over short periods. From 2023 till date, INR has performed better than CNY, IDR, KRW and even Japanese Yen.

Improving customer service by regulated entities has been a key focus area for you. Do we expect regulatory measures/steps to enhance customer service/grievance redressal mechanism?

■ Customer service has been a focus area where we need continuous improvement. Regulated



PHOTO: KAMLESH PEDNEKAR

Entities (REs) should have a frictionless banking experience where customer expectations are anticipated, need based services are provided fairly and transparently, and processes are seamless. This represents a shift from reactive service to a proactive approach.

I would urge all REs to improve service delivery. Higher management must spend some time every week on customer service and grievance redressal.

During the last couple of years, we have taken a number of steps which include instructions on digital lending, Key Facts Statement for retail and MSME loans, reset of floating rate interest in EMI based personal loans, penal charges in loan accounts, timely release of property documents, revised instructions on inoperative accounts/unclaimed deposits in banks, etc.

This will continue to remain a priority area for us. We plan to strengthen the regulatory regime. We are also reviewing the compensation mechanism for customers under the RBI Ombudsman Scheme to enhance its deterrent effect.

“IT WOULD NOT BE CORRECT TO INFER THAT CRR WILL BE USED FREQUENTLY FOR LIQUIDITY MANAGEMENT”

Sanjay Malhotra, Governor, RBI

Updating of KYC is a pain point for customers. Do you think there is scope for revisiting the norms, or this is more of an implementation issue by regulated entities?

■ We are working on two aspects in this regard. A KYC with one regulated entity in the financial sector should get recognised by all regulated entities, thereby obviating another KYC when a relationship is established with another regulated entity. Moreover, updation of address with a regulated entity should result in updation with other regulated entities of any financial sector regulator.

RBI is reviewing the bank license framework. What will it entail? Do we expect a decision either way on SFBs' applications for conversion to universal banks any time soon?

■ The proposed review of the bank license framework shall be a

study and assessment of the extant framework, in the context of current as well as the evolving economic priorities, so that Banks are able to meet the funding needs of aspirational India.

As far as SFBs' applications for transition into Universal Banks are concerned, these applications are under various stages of assessment and processing. A decision on the applications will be taken soon.

In the last six months, RBI has reviewed a lot of issues on the regulation side, following which, norms were relaxed on a lot of areas — Liquidity coverage ratio, Alternative Investment Funds, on gold loans, microfinance institutions were relaxed. What was the thinking behind the moves?

■ Each one has a different reason. I would not like to look at it as a relaxation. We are here to regulate and supervise the banks in such a way that they are able to meet the needs of the economy in a sustainable way. We would like them to lend, but lend prudentially. The fine balance between cost and benefit of regulation has to be maintained. And we will continue to maintain that balance.

We have heard that RBI is thinking about possible regulations to curb mis-selling. Can you shed some light on the issue?

■ There are instructions already in place which require that the needs of the customers should be assessed properly and there is no mis-selling. We will continue to endeavour to improve the business conduct framework and supervision so that complaints for mis-selling are minimised if not eliminated.

Is there pressure from the US, after Donald Trump assumed office for the second time, to open up crypto currency? What are your views on the issue?

■ There is no pressure. We will decide whatever is in our best interest. Having said this, let me inform that there is an inter-ministerial group (IMG) including RBI, formed by the government, which is looking into this. There are concerns due to its potential impact on monetary policy, on the management of currency, capital controls, etc. I am sure all these will be looked into. And at the same time, we continue to promote innovation. We will also continue to encourage & facilitate adoption of the underlying technologies like DLT, blockchain, etc. But wherever there are concerns from a monetary policy and financial stability perspective, we have to be careful.

You have lowered interest rates, the government has cut income tax to spur consumption. Is it time to also rationalise GST rates for a further boost to consumption and make classification issues a thing of the past through fewer slabs?

■ GST has been a game changer. I was handling this subject earlier when I was in the Department of Revenue in the Ministry of Finance, Govt. of India. It has been a win-win-win for the stakeholders. It is a win for the central government and the state governments because their revenues have improved and leakages have reduced. It also a win for the businesses and industries because their costs have reduced. It is a win for the customers as well because the tax rates have actually come down.

▶ FROM PAGE 1

Retail inflation to remain largely insulated: Experts

Bank of Baroda Chief Economist Madan Sabnavis agreed, and said the immediate impact would be on India's trade maths amid pressure on the Indian rupee and CAD. He expects retail inflation to remain largely insulated.

“It will not impact inflation as petrol and diesel prices under CPI (consumer price index) are largely controlled by the government. The informal deal seems to be: If crude price goes up, retail (pump) prices won't rise; if it goes down, (pump) prices won't fall. But WPI (wholesale price index) may show some impact,” he explained.

Even if crude oil prices stay at the current levels, Nayar said, this might not trigger a material revision in her FY26 GDP growth forecast, which she currently pegs at 6.2 per cent, lower than the monetary policy committee's projection of 6.5 per cent. “However, a sustained increase from the current level would weigh on India Inc's profitability and the extended uncertainty may further delay private capex, resulting in a downward revision in our GDP growth projections for the second half of this financial



year,” she cautioned.

Sabnavis, however, argued that static petrol and diesel prices would shield consumer spending, limiting the downside risk to GDP growth. “Even if FMCG (fast-moving consumer goods) firms pass on higher input costs, their weight in the CPI basket is relatively small,” he noted.

Hajra forecast a 20-basis-point dip in real GDP growth and a 70-basis-point rise in retail inflation if crude remained at \$81 per barrel for

six months. “The nominal GDP growth is likely to increase by 50 basis points,” he added.

QuantEco Research said India's direct trade exposure to Israel and Iran was limited, reducing the risk of any direct fallout.

“On the indirect front, as long as the price of Brent stays under \$80 per barrel on average basis in FY26, there should be no adverse macro-financial spillover impact on India,” it added.

Piramal Fin raises ₹2.9K cr via bonds backed by MFs

SUBRATA PANDA
Mumbai, 16 June

Piramal Finance on Monday raised ₹2,950 crore through bonds issued in three tranches, with coupon rates ranging from 9.10 per cent to 9.25 per cent, sources said.

The non-banking financial company (NBFC) arm of Piramal Enterprises raised ₹500 crore through bonds maturing in 22 months at a coupon rate of 9.10 per cent per annum, payable annually. Additionally, it raised ₹2,050 crore via 24-month bonds at a 9.15 per cent annual coupon, and ₹400 crore through 5-year bonds carrying a coupon of 9.25 per cent per annum, which are also payable annually.

The NBFC was in the market to raise up to ₹3,500 crore through a combination of base issue and green shoe options, but ultimately retained ₹2,950 crore.

ICICI Prudential Mutual

Fund anchored ₹300 crore of the total fundraising, while Kotak Mutual Fund, Larsen & Toubro, Nuvama Wealth Finance, and AK Capital Finance collectively anchored ₹165 crore.

The lender will use the proceeds of the fundraise for onward lending activities and for refinancing of existing debt, debt repayment and for short term investments.

Standard Chartered Bank, Nuvama Wealth Management, and AK Capital Services were arrangers of the issue while IDBI Trusteeship Services was the debenture trustee.

The bonds have been rated “AA” stable by domestic credit rating agency CARE Ratings.

Piramal Finance is a wholly owned subsidiary of Piramal Enterprises, and offers a range of financial products and services, including home loans, business loans, personal loans, and loan against property. It is classified as an NBFC – Middle Layer.

BS SUDOKU #4609

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DATANOMICS



Private-sector collaboration to drive self-reliance in defence

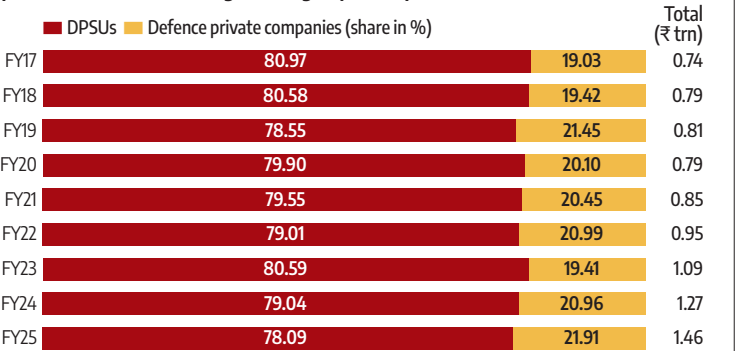
With the success of Indian defence products in Operation Sindoor, India aims to showcase the export potential and combat readiness of its indigenous arms globally. Recently, Dassault Aviation and Tata Advanced Systems Ltd (TASL) signed four production transfer

agreements to manufacture Rafale fighter jet fuselages in India, marking the first time this will be done outside France. Such private-sector collaboration is expected to boost India's self-reliance in the sector and support the 'Make in India' initiative.

YASH KUMAR SINGHAL

Steady climb in defence production

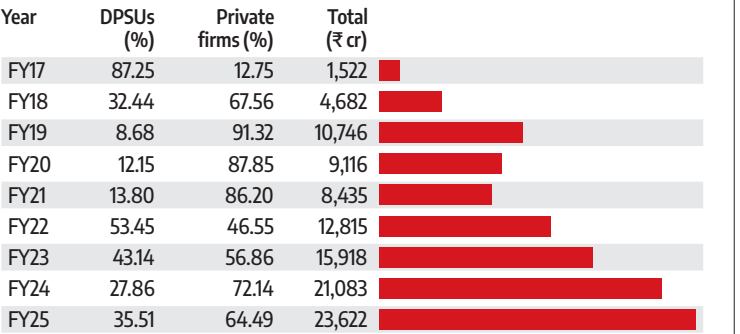
Defence Minister Rajnath Singh has said India's annual defence production nearly doubled to ₹1.46 trillion in FY25 from ₹74,000 crore in FY17. While the share of private players increased to 22 per cent in FY25, that of public-sector undertakings fell slightly to 78 per cent.



Note: Defence PSUs include production by new defence organisations and joint ventures
Source: CII-KPMG report, Business Standard calculations

Gaining momentum in exports

India's defence exports grew manifold from ₹1,522 crore in FY17 to ₹23,622 crore in FY25. The share of the private sector, which was just 12.75 per cent in FY17, jumped to 91.32 per cent in FY19. However, this share declined in FY25 to 64.49 per cent from 72.14 per cent in FY24.



Source: PIB, Department of Defence Production dashboard

IN BRIEF

Trump Organization enters phone market with new mobile service

The Trump Organisation launched a self-branded mobile service and a \$499 smart-phone on Monday, dubbed Trump Mobile, signalling a new effort to court conservative consumers with a wireless service positioned as an alternative to major telecom providers. The new mobile venture, announced at Trump Tower in Manhattan, will include call centers based in the United States and phones made in America, the organisation said. “We are going to be introducing an entire package of products where people can come and they can get telemedicine on their phones for one flat monthly fee, roadside assistance on their cars, unlimited texting to 100 countries around the world,” said the president’s eldest son, Donald Trump Jr. REUTERS

Opec expects solid second-half of 2025 for world, trims ’26 supply

The Organization of the Petroleum Exporting Countries (Opec) said on Monday it expected the global economy to remain resilient in the second half of this year and trimmed its forecast for growth in oil supply from the United States and other producers outside the wider Opec+ group in 2026. In a monthly report which did not mention the Israel-Iran conflict, the Opec also left its forecasts for global oil demand growth unchanged in 2025 and 2026, after reductions in April. It said the economic outlook was robust despite trade concerns. REUTERS

Man suspected of shooting Minnesota lawmakers arrested

The man suspected of killing a Minnesota lawmaker and wounding another crawled to officers in surrender Sunday after they located him in the woods near his home, bringing an end to a massive, nearly two-day search that put the entire state on edge. Vance Boelter was arrested and charged with two counts of murder and two counts of attempted murder. Jail records show Boelter was scheduled to appear in court Monday afternoon. He is accused of posing as a police officer and fatally shooting former Democratic House Speaker Melissa Hortman and her husband, Mark, in their home early Saturday in the northern Minneapolis suburbs. AP

Zelenskyy visits Austria for 1st time since Russia’s invasion of Ukraine

Ukrainian President Volodymyr Zelenskyy is visiting Austria on Monday in his first trip to the European Union member country since Russia’s full-scale invasion of Ukraine in 2022. Zelenskyy was scheduled to meet with Austrian President Alexander Van der Bellen and Chancellor Christian Stocker, and the two presidents were set to hold a news conference. This is Stocker’s first high-profile visit from a foreign dignitary since he took office in March at the head of a previously untried three-party coalition after a record five-month wait for a new administration. AP

Bilawal Bhutto urges India to return to negotiating table

Pakistan People’s Party (PPP) chief Bilawal Bhutto Zardari has urged India to return to the negotiating table, saying that all outstanding issues between the two countries can only be resolved through comprehensive dialogue. Bilawal, who is leading a parliamentary delegation to the West, made the comments in an interview with German broadcaster DW Urdu during a visit to Brussels on Sunday. The Express Tribune newspaper reported. “All outstanding issues between Pakistan and India can only be resolved through comprehensive dialogue,” he said. PTI

Iran urges Trump to make Israel halt war

Netanyahu says Israel on the ‘path to victory’

REUTERS
16 June

Iran called on US President Donald Trump on Monday to force Israel to cease fire as the only way to end the four-day-old aerial war, while Israeli Prime Minister Benjamin Netanyahu said his country was on the “path to victory”.

Israeli forces stepped up their bombardment of Iranian cities, while Iran proved capable of piercing Israeli air defences with one of its most successful volleys yet of retaliatory missile strikes. “If President Trump is genuine about diplomacy and interested in stopping this war, next steps are consequential,” Iran’s Foreign Minister Abbas Araqchi said on X.

“Israel must halt its aggression, and absent a total cessation of military aggression against us, our responses will continue. It takes one phone call from Washington to muzzle someone like Netanyahu. That may pave the way for a return to diplomacy.”

Sources told Reuters that Tehran had asked Qatar, Saudi Arabia and Oman to press Trump to use his influence on Israel to agree to an immediate ceasefire. In return, Iran would show flexibility in nuclear negotiations, said the two Iranian and three regional sources.

Netanyahu told Israeli troops at an air base that Israel was on its way to achieving its two main aims: Wiping out Iran’s nuclear programme and destroying its missiles.

“We are on the path to victory,” he said. “We are telling the citizens of Tehran and we are taking action.”

Iran says more than 224 Iranians have been killed, most of them civilians. Media published images of wounded children, women, and the elderly from cities across the country.

In Israel, 24 people have been killed so far in Iran’s missile attacks, all of them civilians. Round the clock television images showed rescuers working in ruins



(Above) Several missiles launched from Iran intercepted in Tel Aviv (Right) Damaged residential buildings following missile strikes, in Tel Aviv on Monday

PHOTOS: REUTERS

of flattened homes.

Trump has consistently said that the Israeli assault could end quickly if Iran agrees to US demands that it accept strict curbs to its nuclear programme.

Talks between the United States and Iran, hosted by Oman, had been scheduled for Sunday but were scrapped, with Tehran saying it could not negotiate while under attack.

On Monday, Iranian lawmakers floated the idea of quitting the nuclear non-proliferation treaty, a move bound to be seen as a setback for any negotiations.

Before dawn on Monday, Iranian missiles struck Tel Aviv and Haifa, killing at least eight people and destroying homes.

Israeli authorities said a total of seven missiles fired overnight had landed in Israel. At least 100 people were wounded.

Iran’s Revolutionary Guards said the latest attack employed a new method that caused Israel’s multi-layered defence systems to



target each other so missiles could get through.

“The arrogant dictator of Tehran has become a cowardly murderer who targets the civilian home front in Israel to deter the IDF,” Israeli Defence Minister Israel Katz said.

“The residents of Tehran will pay the price, and soon.” Global oil prices had shot up on Friday at the prospect of conflict disrupting supplies from the Gulf.

Netanyahu has said that, while toppling the Iranian government is not Israel’s primary aim, it believes that could be the outcome.

Iran’s currency has lost at least 10 per cent of its value against the US dollar since the start of Israel’s attack.

34 Palestinians killed in Gaza

At least 34 Palestinians were killed Monday in new shootings on the roads leading to Israeli and US-supported food distribution centres in the Gaza Strip, the local health ministry said.

The toll was the deadliest yet in the near-daily shootings that have taken place as thousands of Palestinians move through Israeli military-controlled areas to reach the food centres.

Airbus kicks off Paris Air Show with sale to AviLease

Wins up to 50 widebody jets order from Riyadh Air

REUTERS
16 June

Airbus bagged \$8 billion in aircraft orders from Saudi Arabia’s wealth fund on an opening day of the Paris Air Show clouded by a separate diplomatic dispute over France’s decision to shut down four Israeli stands for displaying deadly weapons.

Delegates expect this year’s iteration of the world’s biggest aviation trade show to see less business than usual, partly due to last week’s fatal crash of an Air India Boeing 787 and also because Boeing racked up huge deals during US President Donald Trump’s recent tour of the West Asia.

But Airbus looks set to close a series of sales on its home turf, and interest in the defence

side of the show is high as Europe ramps up military spending and conflict between Israel and Iran escalates.

Tensions between long-standing allies France and Israel flared up as the show was getting underway, when Paris ordered the main four Israeli company stands to be closed down when they refused to remove weapons from display. Israel’s ministry of defence condemned the move as “outrageous and unprecedented” and accused France of trying to shield its companies from Israeli competition.

Speaking to reporters by the black partitions erected to block off the Israeli stands, US Republican Governor Sarah Huckabee Sanders described the French move as “pretty absurd”.

Show organisers said they were holding talks to try to “find a favourable outcome”.

Boeing’s Chief Executive Officer Kelly Ortberg and Commercial Airplanes boss Stephanie Pope have cancelled their trip to Paris and the US company is scaling back its schedule at the event as it focuses on supporting the probe into last week’s Air India crash that killed more than 240 people in the first fatal 787 accident. But Airbus was busy at the show working on deals.

Saudi leasing company AviLease said on Monday it had ordered 30 Airbus A320neo single-aisle jets and 10 A350 freighters in its first direct deal with the European planemaker.

That would be worth around \$3.5 billion, according to estimated prices from analysts Cirium Ascend.

Saudi Arabia is spending big on becoming a new



Closed Israel Aerospace Industries stall after four main Israeli company stands were shut down by organisers during the 55th Paris Air Show at Le Bourget Airport near Paris on Monday

PHOTO: REUTERS

regional aviation hub, seeking to catch up with Dubai and Qatar by launching new airline Riyadh Air and announcing a massive six-runway airport.

Riyadh Air also signed a deal with Airbus for 25 A350-1000 long-haul jets.

Two people familiar with the matter said earlier that Polish airline LOT was poised to announce an order for 40 Airbus A220 plus options for a further 44 aircraft — seen as a part of a broader reset of relations with France.

Blaise Metreweli becomes first woman to lead UK spy agency MI6

PRESS TRUST OF INDIA
London, 16 June

UK Prime Minister Keir Starmer has announced the “historic” appointment of Blaise Metreweli as the first female chief of the UK’s Secret Intelligence Service, commonly known as MI6, in the 116-year history of the organisation. Commonly referred to as ‘C’, the international spy agency’s chief has operational responsibility for MI6 and is the only publicly named member of the organisation, accountable to Foreign Secretary David Lammy.

Metreweli, 47, a veteran intelligence officer with 25 years of service, has been promoted from current role as Director General, or ‘Q’, responsible for technology and innovation in MI6 and has previously held a director-level role at MI5 — the UK’s domestic security service.

“The historic appointment of Blaise Metreweli comes at a time when the work of our intelligence services has

never been more vital,” Starmer said on Sunday. “The United Kingdom is facing threats on an unprecedented scale — be it aggressors who send their spy ships to our waters or hackers whose sophisticated cyber plots seek to disrupt our public services,” he said.

Metreweli will succeed Sir Richard Moore, who leaves the service in the autumn later this year.

“I’d like to thank Sir Richard Moore for his dedicated service, and I know Blaise will continue to provide the excellent leadership needed to defend our country and keep our people safe — the foundation of my Plan for Change,” added Starmer.

The new spy chief expressed her pride and honour in leading the security service which she has been a part of since 1999 as a career intelligence officer, having joined the Security Service as a case officer.

“MI6 plays a vital role — with MI5 and GCHQ (Government Communica-

The new ‘Modesty Blaise’

Age: 47

Education

■ Anthropology graduate from Pembroke College, Cambridge University

Experience

■ 25 years

Roles

- Currently serving as director general (‘Q’), overseeing technology and innovation at MI6
- Will become the 18th chief of the organisation
- Previously held a director-level position at MI5
- Spent most of her career in operational roles across the West Asia & Europe
- Joined the Secret Intelligence Service in 1999

tions Headquarters) — in keeping the British people safe and promoting UK interests overseas. I look forward to continuing that work alongside the brave officers and agents of MI6 and our many international partners,” said the new ‘C’.

Metreweli, who studied anthropology at Pembroke College, Cambridge



University, has spent most of her career in operational roles in the West Asia and Europe. “With a wealth of experience from across our national security community, Blaise is the ideal candidate to lead MI6 into the future,” said her boss David Lammy.

“At a time of global instability and

emerging security threats, where technology is power and our adversaries are working ever closer together, Blaise will ensure the UK can tackle these challenges head on to keep Britain safe and secure at home and abroad,” he said.

“Every day, our intelligence services work behind the scenes to protect our national security and compete with our adversaries. That’s why I am proud that we are investing an extra GBP 600 million in our intelligence community so they can continue to defend our way of life,” added Lammy.

Metreweli will be the 18th chief of MI6 when she takes charge from Moore. “I am absolutely delighted by this historic appointment of my colleague, Blaise Metreweli to succeed me as ‘C’. Blaise is a highly accomplished intelligence officer and leader, and one of our foremost thinkers on technology. I am excited to welcome her as the first female head of MI6,” said the outgoing chief.

Adnoc makes \$19 bn bid to take over Santos

BLOOMBERG
16 June

Abu Dhabi National Oil Co. (Adnoc) has made an \$18.7 billion offer for Australian fossil fuel producer Santos Ltd, in one of the most audacious overseas moves yet by the West Asian company as it seeks to expand its production of liquefied natural gas.

Adnoc’s investment arm XRG PJSC joins peers including Saudi Aramco in targeting LNG, tapping the potential of one of the fastest-growing fossil fuel markets. It now stands on the brink of a deal that would hand it stakes in major operations in Australia and Papua New Guinea — if it can secure regulatory approvals.

Santos Chief Executive Officer (CEO) Kevin Gallagher has rebuffed several approaches from peers over the last few years, and has come under fire from impatient investors. Now the board of Australia’s second-largest fossil fuel producer has recommended Adnoc’s cash offer of \$5.76 (\$8.89) per share — a 28 per cent premium to Friday’s close.

“Credit to Gallagher for extracting such a premium offer — he will have earned the payout of his ensuing incentives in doing so,” Saul Kavonic, an energy analyst at MST Marquee, said in a note. “Gallagher has found his escape parachute and it’s made of gold.” Santos shares closed 11 per cent higher on Monday at A\$7.72 a piece. That’s the biggest daily jump since November 2020, but the stock remains shy of the Adnoc offer, in large part because of the hurdles that lie ahead, including clearance from the Australian authority that reviews foreign investments.

“It’s a great price,” Fereidun Fesharaki, founder and chairman of energy consulting group FGE told Bloomberg TV. “XRG is a global entity which wants to create a lot of LNG and upstream capability inside the company. My only question is whether Australia’s Foreign Investment Review Board will accept this or not, and I think it will be challenging for them to approve it. In the past they have been very reluctant to make these approvals.”

Fesharaki added that one option would be to keep the current management and Santos as an independent player. “If you can convince them that this will function as an Australian company with foreign ownership, they might go along with it,” he added.

Collateral damage

High oil prices will stifle growth

The conflict between Israel and Iran has opened another front of uncertainty for the global economy, with implications for the Indian economy. Since both sides have refused to back down, and given the objectives Israel has set for itself, the conflict may widen and prolong. The immediate impact of conflict in West Asia is being felt on oil prices. Fearing an escalation, benchmark Brent crude prices have risen about 9 per cent over the past week. Analysts are now predicting that oil prices can double from the present level to \$150 per barrel. Notably, oil prices in the wake of Russia's attack on Ukraine remained above \$100 per barrel for over five months. There are at least two ways in which the Israel-Iran conflict can affect prices. The first is the production side. Israeli attacks have targeted Iranian oil facilities, which could disrupt supplies. While analysts say the Organisation of the Petroleum Exporting Countries has the spare capacity to bridge the shortfall, how quickly production can be expanded remains in question. Moreover, if the conflict draws in other regional powers, the consequences could be more severe.

The second source of uncertainty is possible disruption in the Strait of Hormuz. About a quarter of the global oil supply comes from this route. Along with crude oil, the supply of gas could also be severely affected. For a global economy already grappling with trade-related uncertainties, a sustained increase in oil and gas prices would further cloud the outlook. Those will also have a direct impact on the Indian economy through multiple channels. High oil prices could significantly widen the trade deficit. The current account deficit (CAD) in the current year is projected to remain at a modest 1 per cent of gross domestic product. However, if oil prices increase to substantially higher levels as projected by analysts for an extended period, it could widen substantially. Although India has comfortable foreign-exchange reserves to deal with external uncertainties, a significant widening of the CAD could pose financing challenges because global financial conditions would also be expected to tighten. Thus, oil prices could put significant pressure on the currency.

Higher crude-oil prices would also have a direct impact on growth and inflation outcomes. According to the Reserve Bank of India's (RBI's) projections, a 10 per cent increase in oil prices from the baseline assumption can push up the inflation rate by 30 basis points and reduce the growth rate by 15 basis points. A substantially higher increase in oil prices would inevitably have a bigger impact. The RBI's Monetary Policy Report in April had a baseline assumption for crude oil (Indian basket) at \$70 per barrel for 2025-26. Although India is comfortably placed on the inflation front, which allowed the Monetary Policy Committee to front-load the policy rate cut, a sustained higher level of oil prices could affect expectations and potentially change the inflation outlook. Higher oil prices can also affect the government's fiscal position if it reduces excise duty or asks oil companies to shoulder part of the burden to cushion the impact of higher crude-oil prices on pump prices. The fiscal position could also be impacted if oil drags economic growth, affecting revenue collection. The sheer uncertainty caused by war and higher oil prices could postpone consumption and investment decisions by households and corporations, affecting growth prospects. Indian policy managers need to be alert to deal with the fallout.

A wake-up call

India must urgently address plastic pollution

Last week, nearly 100 countries called for an ambitious agreement on global plastics negotiations at the third United Nations Ocean Conference in Nice, France, held between June 9 and 13. Labelled the "Nice Wake Up Call for an Ambitious Plastics Treaty", the initiative is an effort to address the failure of countries to reach a legally binding plastics treaty at Busan, South Korea, in December last year. This "wake-up call" makes an important shift. Having concluded that just better waste management and recycling will not work, it seeks to reduce the production and consumption of plastics and plans to convince blocking countries to reconsider red lines.

India did not sign on to the "wake-up call", though. Jitendra Singh, Union minister of state for science and technology and earth sciences, issued a statement advocating a legally binding treaty on global plastics. This is in keeping with India's position at Busan. There India, one of the world's largest plastic polluters, argued that restricting primary plastic polymer production could hinder its economic growth. The Indian plastic industry, including polymer production, is estimated to be \$44 billion, employs more than four million people, and earned \$11 billion from exports in 2024. Producers range from giants such as Reliance Industries to myriad medium and small enterprises. The government recently sought to boost this industry by approving 10 plastic parks.

This upbeat picture must be contrasted with the catastrophic environmental impact. India generates 9.3 million tonnes of plastic waste a year. Of that, 3.5 million tonnes of plastic leaks into the environment owing to mismanagement. Rising consumerism and the explosive demand for single-use and packaging plastics are likely to make the problem worse. The irony is that India has made efforts to curb plastic pollution since 2016 with the Plastic Waste Management Rules and the Extended Producer Responsibility Framework. But the gross inadequacy of the waste management and recycling infrastructure and its unorganised nature have hindered the efficacy of such laws.

For instance, a new regulation that took effect on April 1 requires companies to use at least 30 per cent recycled plastic in their plastic packaging. Beverage firms, big users of PET bottles, are exploring the possibility of seeking legal recourse for extending the deadline, principally because of the challenges involved in the transition. India has only five plants authorised to produce food-grade recycled plastic. Only 60 per cent of plastic waste is recycled but the bulk of this is done inefficiently in the informal sector, offering income opportunities for waste pickers and small-scale recyclers. The absence of curbs on plastic production combined with poor monitoring and inadequate incentives for eco-friendly alternatives such as bagasse-based packaging has meant that mandates to control plastic use — such as the ban on plastic bags and on plastic straws — have not worked. As much as toxic air, plastic pollution is rapidly becoming a public-health crisis — polluting drinking water, being ingested by livestock and fish, and clogging waterways and coastal areas. Biting the plastic bullet with a realistic time-bound production phaseout plan to enable the industry to handle the transition would be a good way of addressing this looming crisis.

Apple in China, lessons for India

One company turned China into a manufacturing powerhouse. Now India must ride the diversification wave to do the same



ILLUSTRATION: BINAY SINHA

I am in the middle of reading this fascinating book, *Apple in China – The Capture of the World's Greatest Company*. The book has been written by Patrick McGee, a Financial Times journalist based in San Francisco and responsible for covering Apple. The book tells two intersecting stories. First, how Apple moved from being just days away from bankruptcy in 1996 to becoming the most valuable company in the world within a span of 15 years. Second, it traces the contribution Apple has made to transforming China from a third-world, low-skill manufacturing base into the world's largest and most sophisticated manufacturing location — a hub for advanced manufacturing.

Apple began as a vertically integrated company that wanted to do its own manufacturing and control its destiny. Given cost pressures and the need to compete with others who had outsourced, however, it eventually offloaded its manufacturing.

The book traces how Apple was actually the last of the PC original equipment manufacturers to outsource manufacturing — initially to LG of Korea, with operations across Europe, Asia, and North America. You learn how Foxconn and Terry Gou enter the picture, and how manufacturing, starting from Taiwan, eventually becomes entirely consolidated in China. The author highlights the importance of Apple — and the iPhone specifically — in establishing China's manufacturing prowess and building a highly capable and sophisticated supply chain within the country.

The iPhone is probably the most iconic and successful consumer product ever launched. It ramped up from sales of about 5 million phones in 2007 to over 230 million in 2015. Almost \$3 trillion worth of iPhones have been sold since launch. Despite a global smartphone market share of only about 20 per cent, the iPhone accounts for more than 80 per cent of the profit pool. Unlike other consumer electronic products, pricing has only gone up. The initial iPhone was launched at a price of \$499; today, the price is over \$1,000.

The author, in various interviews, has made the point that Apple employs — through its suppliers — almost 3 million workers in China. Given the churn, Apple has trained 28 million workers in the country. For

context, the entire IT services industry in India employs fewer than 6 million people.

Apple was investing over \$55 billion per annum into China by 2015, and by 2018 had installed over \$18 billion worth of specialised machinery at its suppliers. Due to its obsession with quality, it invested heavily in training its supply base in cutting-edge manufacturing technologies, processes, and quality standards. The book highlights how Apple was sending engineers by the thousands to sit with and train its suppliers. It also had people stationed full-time at critical manufacturers.

We come to the realisation that one of the key reasons China is so good at advanced manufacturing is the training its suppliers received at the hands of Apple. Apple was unique — given its scale (at its peak, China

was producing almost 500 million i-gadgets with a retail value of over \$250 billion), its focus on quality and finish, and its willingness to handhold and train its supply chain. Even if the main supplier was Foxconn, a Taiwanese company, all the manufacturing was done in China, and the components were increasingly sourced from within the country. China now has the most dense, cost-effective, and sophisticated supply chain in the world across components. No other country has a supply base that can match

the iPhone's scale and quality.

Mr McGee goes on to make the point that these manufacturing skills have enabled China 2025 (the thrust on indigenisation of advanced manufacturing) and facilitated Chinese domination of other sectors such as drones and electric vehicles. The rise of the Chinese smartphone industry — with Huawei, Xiaomi, Oppo, and Vivo together accounting for over 50 per cent of the global market share — can also be traced to this trained and sophisticated supply chain. The book also highlights the strategic challenge facing Apple today. It needs to diversify, given the geopolitical challenges but cannot afford to annoy China, which is making any diversification difficult through export controls and visa restrictions.

From India's perspective, it's striking how one world-class multinational corporation can build an entire ecosystem of manufacturing excellence. Apple may be unique given its scale and willingness to train



AKASH PRAKASH

India's overzealous anti-dumping response

For years, several countries, including India, have worried about imports of cheap Chinese goods undermining local industries. These fears have grown in recent months due to rising United States-China trade tensions. As of June 16, the US has increased the effective tariff on Chinese imports to 55 per cent.

The higher costs of selling to the US have raised concerns that China will dump its surplus goods in other markets. In response, many countries, including India, are using trade remedies such as anti-dumping duties (ADDs) to protect themselves.

India is now the world's biggest user of ADDs — not only against China, but also other nations. While dumping is a real risk, India's heavy use of ADDs can create new problems, and hence, policymakers should apply them carefully.

In international trade, dumping occurs when a country sells goods abroad at prices lower than their fair market value. While the World Trade Organization (WTO) does not consider dumping unfair by default, it allows countries to impose ADDs if the practice causes "material injury" to local industries.

China has been the main target of ADDs, facing about 25 per cent of all anti-dumping investigations since it joined the WTO in 2001. India, on the other hand, is among a select few developing countries with a long history of liberal use of ADDs. From 1995 to 2023, India initiated over 1,100 investigations — more than the US or European Union — targeting not only China but also the EU, Switzerland, South Korea, Japan, and others. In 2024 alone, India launched 47 trade remedy investigations — 37 aimed at Chinese products like aluminium foil, vacuum flasks, and steel.

While in some instances ADDs can help protect local industries, their use comes with several drawbacks. First, ADDs can raise costs for local industries

that use the taxed imports as raw materials, making them less competitive. In March 2024, India imposed a 30 per cent ADD on bare printed circuit boards (PCBs) from China and Hong Kong. This raised production costs for IT hardware manufacturers by 1-4 per cent. Many of these companies were part of the government's production-linked incentive (PLI) scheme, and the added costs hurt their profits and global competitiveness, thereby undermining the PLI's goal of boosting manufacturing and exports. Domestic PCB suppliers were unable to fill the gap due to quality issues, forcing electronics and lighting companies to either absorb the higher costs or pass them on to consumers.

Second, ADDs disproportionately hurt micro, small, and medium enterprises (MSMEs), which already struggle with regulatory compliance. Unlike large firms that can lobby for exemptions, MSMEs are forced to absorb the higher input costs triggered by ADDs or shut down. When India imposed ADDs on jute yarn and fabric from Bangladesh and textile businesses. Many of these single-unit plants struggled with supply shortages and rising costs.

Third, ADDs can conflict with broader national policy objectives. In 2024, India imposed ADDs on solar glass from China to shield local producers, which pushed solar photovoltaic (PV) module prices up by 10-12 per cent. This, in turn, drove up project costs by 7-8 per cent, forcing developers to renegotiate contracts and postpone major projects — likely impacting India's clean energy adoption push. In effect, the ADDs made solar power costlier and less appealing for investors, undermining national renewable energy targets.



RAJESWARI SENGUPTA & NIHARIKA YADAV

its supply chain but other global giants can have a similar impact. The targeted production-linked incentive (PLI) in smartphone manufacturing (especially Apple) was good policy. As Apple scales, it will ensure the ecosystem becomes cost competitive. We should not be shy to roll out the red carpet and target specific companies to come to India. The book also highlights the importance, even in China, of government support for Apple — from subsidising land and capital to ensuring the availability of a floating labour force, the Chinese government left no stone unturned to encourage Apple to concentrate its supply chain in the country.

We should also recognise that we are being presented with a once-in-a-lifetime opportunity to become part of global supply chains. Viewed purely through an economic lens, Apple has no reason to move manufacturing out of China — the supply chain there is so finely honed that no other location can match it in terms of cost or quality. It is geopolitics that is driving the shift. Creating an alternative supply chain will be incredibly hard work. Apple will do it because it has no choice. India is the obvious destination, but we must recognise our good fortune, the potential upside for the country, and the fact that we cannot become a world-class manufacturing base unless we plug into global supply chains.

We must follow the same playbook and target other large category leaders with limited in-house manufacturing — such as Nike in apparel and footwear, or Syngenta in specialty chemicals. Many of these companies do little manufacturing themselves and rely heavily on sourcing from China. With growing pressure from their boards to diversify supply chains, India must position itself as an alternative base through targeted PLI schemes. As Apple has shown, one large player can catalyse an entire supply chain ecosystem.

While we have been successful in getting Apple to move some final assembly to India, the real upside will come if components are manufactured in the country. The PLI on components is helpful and focus has to remain on increasing value addition. China will resist any shift that allows India to emerge as an alternative base. It will, therefore, take years of sustained effort — we cannot afford to be impatient.

Given their focus on profitability, few Indian groups seem willing to invest to build out this supply chain for Apple. We must learn from China and see the upside for local manufacturers in terms of skill upgrade. Supplying Apple may not make you much money, but it will give you the skills and capabilities to become a global supplier.

China has ridden on the back of Apple's success to build out its advanced manufacturing ecosystem. A single company has been instrumental in making it the world's leading destination for high-end manufacturing. Similarly, we must ride the wave of global supply chain diversification out of China to develop our own manufacturing and supply chain ecosystem. This is an opportunity like never before. We must pull every policy lever, across all levels of government, to make this transition happen. We will not get another chance.

The author is with Amansa Capital

Sexism in the age of AI



NEHA BHATT

As we transition into the era of artificial intelligence (AI), feminist activist and author Laura Bates describes this moment as one of "great possibilities and enormous peril" in her new book, *The New Age of Sexism: How the AI Revolution is Reinventing Misogyny*. What we often underestimate, she argues, is how the increasingly hostile digital climate disproportionately puts women at greater risk. Her book serves as a call to action, "before it's too late".

What most readers know about the

rapidly evolving virtual world is likely the tip of the iceberg. In *The New Age of Sexism*, Ms Bates exposes the disturbing realities beneath the surface, taking us to the heart of deepfake pornography, rampant abuse in the metaverse, the proliferation of cyber brothels, customised sex robots, and other warped distortions of gender dynamics. She examines how emerging technologies are infiltrating nearly every aspect of our lives — from education and entertainment to professional and intimate relationships — amplifying misogyny and introducing new threats to women's rights and safety.

Ms Bates has a fair vantage point. As the founder of "Everyday Sexism", she has documented hundreds of thousands of testimonies of women on gender inequality, discrimination and abuse, and observed how frequently harms suffered by them are ignored when they are seen as inconvenient truths that threaten the interests of powerful, wealthy white

men. Globally, 38 per cent of women have had experiences of online violence and 85 per cent have witnessed digital violence against other women. Ms Bates herself has faced overwhelming abuse, including years of rape and death threats, which intensified following the publication of her 2020 book *Men Who Hate Women* that explored the unchecked rise of incel and misogynist networks radicalising a generation of teenage boys.

In her latest book, she turns her investigative lens on the insidious spread of online misogyny, now taking on new virtual avatars, but still rooted in age-old patriarchal violence. As she reveals, institutions across governments, education, law enforcement and civil society are not quite equipped to deal with these emerging forms of abuse. She places herself in harm's way — creating her own deepfake, spending time in the metaverse, entering cyber brothels and engaging with sex robots to document the disturbing realities of digital violence firsthand. Shock, panic, desperation, fear — she finds that the physiological and psycho-

logical effects are as real and intense as though it were happening offline, mirroring experiences of millions of young girls, women, and celebrities around the world.

Each form of online misogyny is examined in depth over eight chapters, interwoven with Ms Bates's real-life online exchanges. This book is not for the faint of heart. In the chapter "The New Age of Slut-Shaming", she writes about 14-year-old girls in a quiet Spanish town being driven out of school because of deepfake pornography. In "The New Age of Street Harassment", she uncovers how women and young girls, some as young as 10 years old, are attacked relentlessly in the metaverse. In "The New Age of Rape", she reports on the hundreds of companies creating sex robots — some in the form of girls as young as five — including "self-lubricating" ones designed to bend to every male fantasy,



The New Age of Sexism: How the AI revolution is reinventing misogyny
by Laura Bates
Published by Simon & Schuster UK
312 pages ₹699

including rape. They are created to be "ideal", "submissive" companions — customised down to breast size. In "The New Age of Objectification", Ms Bates enters a cyber brothel in Berlin, where she meets Kokeshi, a doll, prone on the bed, who can be dressed up as the customer desires, be it a nurse or a schoolgirl. In "The New Age of Domestic Abuse", Ms Bates experiments with AI girlfriends on apps who offer customers new ways of virtual domination. Even as these technologies multiply in the blink of an eye, there are few safeguards or regulations in place to prevent the kind of harm they are capable of unleashing. Some manufacturers even claim such products are beneficial, allowing customers to enact violent fantasies in a "safe", "non-judgemental", "legal" way.

While Ms Bates presents arguments and material that are frequently compel-

ling, original and valuable, the book falters due to a loose narrative and a tendency to go off on tangents. She is a powerful speaker who has addressed these issues on numerous occasions, and much of the writing feels conversational. Stronger editing, and a clearer narrative nonfiction approach could have made it more cohesive and gripping. Despite its flaws, it is essential reading, particularly in bringing to light the terrifying underbelly of the virtual world and demanding accountability from tech companies and lawmakers. The current wave of AI tools perpetuates existing inequalities as they are fundamentally shaped by systemic biases designed to discriminate. It is heartening, then, to read about progressive developers who are building AI and chatbots grounded in feminist values designed to spark meaningful conversations around gender and culture. There may still be hope.

The reviewer is a Delhi-based freelance journalist who writes on policy, development, public health, gender and cultures

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