

Don't rush in to prop up the rupee

ON WEDNESDAY, the Indian rupee breached the 90 mark against the US dollar. Over the past year, it has fallen by more than 6 per cent against the dollar, and to a much greater extent against other major currencies such as the euro and the pound. This decline seems to have raised concerns in some quarters. However, at the current juncture, intervening heavily in the markets to artificially prop up the rupee will not be an appropriate strategy. Exchange rates are a shock absorber. A weaker currency will help boost exports in a challenging global environment. The temptation to target the rupee around a particular level should be avoided.

A growing trade deficit, coupled with portfolio outflows, is exerting pressure on the rupee. India's overall merchandise exports contracted by around 12 per cent in October, with those to the US falling by 8.6 per cent as President Donald Trump's tariffs have impacted competitiveness. With imports surging, gold imports also soared to \$14.7 billion in October, as against \$4.9 billion a year before, and India's trade deficit surged to a high of \$41.7 billion. This widening goods trade deficit has come at a time when capital flows into the country are coming under pressure. In fact, since the beginning of this year, foreign portfolio investors have withdrawn around \$17 billion from the markets, while net inflow of foreign direct investment stood at \$2.9 billion in the second quarter. As per data from the RBI, in the first half of the year, there was a depletion of \$6.4 billion in the foreign exchange reserves. Market sentiment has also been weighed down by the continuing uncertainty over the India-US trade deal.

The RBI's Monetary Policy Committee is currently holding its last meeting of this year. Monetary policy should be used to tackle inflation, not defend the currency. Moreover, in the current environment of low price pressures — the consumer price index was at 0.25 per cent in October — there is even less concern over the impact of a weaker currency on inflation. Further, any intervention in the currency market will also have implications for liquidity in the economy. The central bank should allow for a calibrated depreciation of the currency, smoothening out the excess volatility. At the same time, the government must firmly push ahead with policies to raise productivity and improve export competitiveness. It must also seal the long-pending trade deals, which will help improve market access.

An all-powerful general, a weak state

THERE IS, in Pakistan, a curious contradiction, a disjunction that has flattened institutional checks and balances on the one hand and, ironically, created more political fragility in its wake on the other. Last month, a civilian regime that all but reports to the army chief, Asim Munir, rammed the 27th Constitutional Amendment through both Houses of the country's legislature, in what is widely being termed a "constitutional coup". In effect, the amendment makes Munir a monarch — appointed for life and immune from prosecution. It also seeks to restructure the judiciary and make it more subservient. Meanwhile, the jailed leader of the largest Opposition party was reportedly denied visitors and kept in solitary confinement. After rumours spread on social media that Imran Khan had died, his supporters took to the streets. It was only after protests that the former PM's sister was allowed to visit him earlier this week, seeking proof of life.

It could be argued that the sorry state of Pakistan's civilian rulers is of their own making. Khan and the Pakistan Tehreek-e-Insaf (PTI) were propelled to power with the support of the army, which viewed his predecessor, Nawaz Sharif, and his overtures to India with suspicion. Now, it is the PML(N) that holds office through the power of the army, while Khan, who openly attacked the army in the 2024 election campaign, is imprisoned. This is despite the PTI's impressive performance in the elections, even after its symbol was cancelled and its candidates were forced to contest as Independents. The fact remains that Pakistan's political class, across parties, has been all too willing to use the army to subvert elections and democratic practices to gain office.

Munir's triumphalism, however, is hollow. For all the White House dinners he is invited to and his fawning Nobel Peace Prize nomination of the US President, Pakistan today is far from secure. The border with Afghanistan continues to be restive; a fragile ceasefire has not addressed the fundamental dispute over the Durand Line. Internal insurgencies in the North-west and Balochistan continue. Underpinning these challenges is an economy that serves a garrison state, not the people. Democratic negotiations and institutional maturity can help resolve many of these internal issues. But Munir and the army prefer the jackboot.

Milky Way has a long-lost twin

IN THE study of the cosmos, exceptions play a curious role. They start as challenges to established science, disruptions to theories astronomers worked years to arrive at. They push the frontiers of science, finding patterns behind the non-sequitur, often uncovering a hidden facet of the universe. For example, until 1998, scientists believed that cosmic expansion would slow down. But, in a challenge to gravity, they found out it was speeding up. The unknown force driving this abnormal behaviour was named dark energy, a widely studied phenomenon today. Even Earth, as NASA notes, is "a tiny, fragile exception in the cosmos".

Since its launch in 2021, the James Webb Space Telescope (JWST) has unearthed many such exceptions, the most notable of which led scientists to the discovery that the universe formed much quicker than they originally thought. Scientists expected the earliest-formed galaxies to be irregularly shaped and unstable, turbulent. But in recent years, the JWST has recorded the existence of galaxies formed within 1.5 billion years after the Big Bang that were both stable and well-defined. This week, one of the earliest of these galaxies, and a "twin" of the Milky Way, was discovered by researchers in Pune, proving that "sophisticated structures were being built... much earlier than thought possible". Alaknanda is a mature galaxy with two well-defined spiral arms wrapping around a bright central bulge. It is remarkably similar in structure to the Milky Way. These discoveries have kicked off a rethink of how the universe evolved.

A challenge to the status quo, cosmic or otherwise, always arrives as an inconvenience. But in that irregular variable lie many answers. In trying to understand what stands out and apart, human beings may be able to understand both the universe and themselves a little bit better.



MONTEK SINGH AHLUWALIA & UTKARSH PATEL

WE ARE required, under the Paris Agreement, to submit new NDCs covering the period up to 2035. We have confirmed that we will be doing so soon. Ideally, the new NDCs should be part of an economy-wide transition plan, but all parts of the plan need not be included in the NDCs.

In this article, we identify seven elements for our energy transition strategy, which would be important in the next 10 years and should be reflected in our new NDCs.

First, we should set a higher target for reducing the emissions intensity of GDP. We will achieve the earlier target of reducing the emissions intensity of GDP in 2030 by 45 per cent compared to the 2005 level. The target for 2035 should aim to reduce it by 65 per cent. The projected GDP growth over this period is 7.6 per cent, which implies that India's total emissions will continue to rise, albeit at a declining rate, reaching a peak around 2035. Announcing a date for peaking emissions will give credibility to our commitment to decarbonise. It will also help counter the criticism that India is the third-largest emitter and its emissions continue to grow.

Second, having met the earlier target of non-fossil-fuel-based power generation capacity being 50 per cent of the total by 2030, we should now aim to raise the share to 80 per cent by 2035. Since the economy is expected to grow fast and electrification is ex-

pected to increase, we have to cater to the rapid growth of total electricity demand, taking the total generation capacity to around 1,600 GW by 2035. Of this, solar and wind, which are subject to intermittency, would be around 1,200 GW. The share of electricity from these sources would therefore increase from 13.5 per cent currently to 50 per cent by 2035. Energy storage capacity, which is less than 1 GW today, should reach approximately 170 GW by 2035. The new solar and wind capacities would also require expansion of the grid infrastructure.

Third, our new NDCs should include an explicit target for phasing down unabated coal-based generation. This has been a contentious issue in international negotiations, but we must recognise that net zero by 2070 means that coal-based thermal plants must be phased out. The model results suggest that to ensure peaking of total emissions around 2035, no new unabated coal plants should be commissioned post-2030. Coal generation capacity could rise from 255 GW at present, peak at 293 GW around 2030 and then decline gradually to 230 GW by 2040. Some coal capacity can be retained by 2070, conditional on carbon capture and storage systems becoming cost-competitive. Since demand for domestic coal will begin to decline only from 2040 onwards, coal-producing states such as Jharkhand, Odisha and Chhattisgarh have ample time to adjust to falling employment in the coal mining industry by introducing retraining programmes for displaced workers, economic diversification strategies, and social protection measures.

Fourth, electrification of major sectors is an important part of decarbonisation, and the transport sector will be critical. We have achieved over 99 per cent railway track electrification, but under 90 per cent of the movement is cur-

Announcing a date for peaking emissions will give credibility to our commitment to decarbonise. It will also help counter the criticism that India is the third-largest emitter and its emissions continue to grow

A half story on Congress is no story at all



AFROZ ALAM

DEAR EDITOR I disagree

A fortnightly column in which we invite readers to tell us why, when they differ with the editorial positions or news coverage of The Indian Express

A serious debate should be able to say that Congress is right to worry about democratic backsliding but wrong if it imagines this alone will win elections

A RECENT INDIAN EXPRESS editorial ('Bihar to Karnataka, Congress must ask why', November 29) returns to a familiar narrative, portraying Rahul Gandhi's approach as too dark and "apocalyptic", suggesting the party is in denial and seeing internal quarrels as signs of decay. I disagree, not because Congress has no problems, but because this reading ignores how power, money and institutions have reshaped Indian elections.

Rahul Gandhi's warnings about democratic erosion are not just a melodramatic excuse to explain away defeat. International and domestic observers have downgraded India's democratic standing in recent years, citing pressure on media, civil society and institutions. One can argue about his tone, but to dismiss his concerns as "apocalyptic" is to ignore evidence and the experience of citizens who see agencies and rules being used unevenly. An uneven field can still produce competition — the 2024 Lok Sabha results showed that — but it is still uneven. A fair assessment of Congress has to hold two truths. First, the party is organisationally weak in many places, and second, the playing field does favour the ruling party.

The Bihar election is then presented as a simple morality tale: Congress contested 61 seats, won only six, and blamed the Election Commission's (EC) SIR and the NDA's cash transfers. This caricature what happened on the ground. On October 31 and November 6, the Bihar government transferred Rs 10,000 each to the bank accounts of women beneficiaries under the Mukhyamantri Mahila Rojgar Yojana, along with a promise of additional support of Rs 2 lakh to eligible women. This was just days before the first and second phases of polling on November 6 and 11. While the Model Code of Conduct was in force, the EC then allowed "Jeevika Didis" — who had just received these payments — to be deployed as "volunteers" at polling stations. You may still feel Congress ran a poor campaign, but to pretend these factors are irrelevant is selective blindness.

Of course, Congress must introspect. It has not built a robust cadre in large parts of north India. It often appears confused about its economic message. And its alliance management is clumsy. But the call for introspection cannot be addressed to only one side. When opaque electoral finance sends a huge share of anonymous funding to the ruling party, when enforcement agencies open case after case against Opposition politicians with very few convictions, when voter lists and welfare schemes intersect neatly with electoral needs, then "the system is tilted" is not an alibi — it is a description. Asking Congress to stop talking about institutions and only talk about organisation is like asking a cricket team to accept a doctored pitch in silence.

Karnataka is treated in the same one-eyed way. Yes, there may be a tussle between Siddaramaiah and DK Shivakumar, and yes, it sometimes spills out in public. But leadership rivalries are part of every large party. The difference is in how they are narrated. What is called "assertive regional leadership" and "course correction" in one party is labelled "infighting" in another. Congress does need better discipline and more transparent decision-making, but turning every disagreement into a morality play hides the fact that competition inside parties is also a sign of life.

Serious debate should be able to say that Congress is right to worry about democratic backsliding but wrong if it imagines this alone will win elections; that the BJP is right to showcase its welfare schemes but wrong if it normalises a pattern of institutional capture; and that the media must scrutinise both with equal sharpness. Voters can hold two ideas at once. They want better governance and development, and they also want a democracy in which the rules are not constantly bent by those in power. Any editorial that blames only the Opposition, while treating the structures of power as neutral, ends up telling only half the story.

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AMITA PUNJ

Presenting Nandalal Bose's artwork embodying deities as part of the document undermines the intention of the Constitution-makers, who avoided reference to God in the Preamble

rently electrically powered. The Railways should target achieving near-100 per cent electric traction by 2035, implying phasing out diesel locomotives. We should aim to achieve 50 per cent electric buses in city bus fleets across the country. Electric three-wheeler sales are already more than half of total three-wheeler sales. This could be pushed to 100 per cent within the next years. EV sales targets can be set for other categories of vehicles, in consultation with auto manufacturers.

Fifth, the Carbon Credit Trading Scheme (CCTS), which becomes operational in April 2026, is an important initiative. We can include this in our NDCs, indicating that the scheme will be reviewed at the end of two years based on experience. The scheme could be expanded over time to cover sectors currently excluded, e.g. power, and its coverage deepened to include medium-scale units. The emission intensity targets for obligated units are lax to begin with, but must be tightened over time in line with the country's net-zero objective.

Sixth, the higher share of renewables will imply much greater intraday and seasonal variability in electricity generation. This poses problems for grid management. While battery and pumped storage will help, it will also necessitate more basic reforms in electricity pricing, including frameworks that move away from fixed power purchase agreements to exchange-based electricity trading mechanisms that allow for greater variability in prices at the wholesale level. This will imply corresponding price reforms at the consumer level via time-of-day tariffs. A major effort will be needed to create acceptance by the public.

Seventh, the proposed expansion in renewable generation and storage capacity and the corre-

● WORDLY WISE

I'd take the awe of understanding over the awe of ignorance any day.
— *Douglas Adams*

sponding augmentation of the grid will require additional investment. The model we have used estimates this at approximately \$62 billion annually during 2026-2035 (or about 0.84 per cent of GDP per annum). About 80 per cent of this amount will have to come from domestic sources through higher domestic savings, additional private investment, etc. The remaining 20 per cent, roughly \$12.5 billion annually, will have to come from international sources in the form of additional private debt and equity flows. This can be greatly helped by expanded lending from MDBs aimed at risk mitigation. As pointed out in Part 1 of the article, if the Indian economy is seen as headed on the path to Viksit Bharat, with necessary supportive reforms being rolled out, it should be possible to attract foreign capital at scale to support this move.

The seven-point agenda outlined above could be elaborated into an economy-wide transition plan. Implementing such a strategy would involve a combination of action by the Centre, the states, and the private sector. There is a strong case to revive the Prime Minister's Council on Climate Change as the central body to approve the national action plan, coordinate its implementation with different stakeholders, review its progress periodically, and modify it in the light of experience and technological developments.

Some of these elements, in appropriate form, could be submitted as our new NDCs. It will send a strong signal of India remaining committed to decarbonisation. They could be made subject to satisfactory resolution of the financing issue.

Ahluwalia is former deputy chairman of the erstwhile Planning Commission, and distinguished fellow at Centre for Social & Economic Progress (CSEP). Patel is fellow at CSEP. Views are personal

NCERT's introduction to the Constitution is confusing

FLIPPING THROUGH the pages of my son's new NCERT social science book for Class VII, I ran into the chapter, "The Constitution of India: An Introduction." It made me think about the clarity needed when introducing any new concept to young minds.

First, the chapter mistakenly mentions January 26, 1950, both as the date of adoption and the coming into effect of the Constitution. The Constitution is rightly described as "the rulebook for the country," entailing the basic framework of governance, rights and duties of citizens as well as goals and aspirations of the nation. Such a description captures the general understanding of the Constitution, expressed by Günter Frankenberg as "giving societies politico-legal form as an entity".

It then includes Nandalal Bose's illustrations from the pages of the Constitution. Artistic representation may be viewed as an innovative way of engaging students, but to title them as "Some illustrations in the Constitution of India" is likely to confuse. It implies that the illustrations are part of the formal legal document. Presenting Bose's artwork embodying deities as part of the formal legal document, undermines the intention of the Constitution-makers, who specifically avoided reference to God in the Preamble to the Constitution.

The Constituent Assembly voted against the amendment proposed by H V Kamath to add "in the name of God" at the beginning of the Preamble. A Thanu Pillai, who proclaimed himself as a staunch believer in God, argued that such an inclusion "affects the fundamental right of freedom of faith" as the Constitution guarantees liberty to "believe in God or not". Reference to God, according to Hridya Nath Kunzru, inappropriately imposes a collective view on a matter that concerns every person individually.

Even if one doesn't go back to the original intent, the projection of specific deities as being integral to the Constitution does not align with the agreed text. This contradiction is further exacerbated by a marked absence of any reference to freedom of conscience and cultural and educational rights of minorities in the chapter. The teaching methods prevailing in schools, where the prescribed book is not presented as the subject of deliberations but as a sacrosanct text, are likely to perpetuate this confusion.

Further, the insertions made into the Constitution through the 42nd Amendment have been treated differentially. While Article 51A, delineating the fundamental duties of citizens, is part of the chapter, the terms "socialist" and "secular" are missing from the full-page picture of the Preamble.

Factual inconsistency, conflation of the law of the land with the informal artwork and differential treatment of two aspects of the same amendment risk blurring the understanding of the Constitution, which is central to our collective existence as a nation.

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40 YEARS AGO

December 4, 1985



Citizenship bill

Parliament approved the Citizenship Amendment Bill, with the Rajya Sabha passing it after an assurance by Minister of State for Home P A Sangma that the government is committed to the implementation of the Assam Accord in letter and spirit. Responding to criticism by Opposition members, the minister said, "I want to make it very clear that the bill does not deal with the minorities. This bill deals with foreigners."

PM on personal law

Prime Minister Rajiv Gandhi said his government was not averse to reviewing any law that came into conflict with the per-

sonal law of any religious group. He said the existing laws had been framed to ensure they did not infringe on the personal laws of any community. The government was considering the demand for exclusion of Muslims from Section 125 of the CrPC in view of the SC judgment in the Shah Bano case.

Motions against Goenka

Lok Sabha Speaker Balram Jakhar, rejected two privilege notices against Ramnath Goenka, chairman, Indian Express group of newspapers, while observing that Goenka had "overreacted" to the reply of the Minister of State for Law and Justice, H R Bhargava, in Parliament over the Express-Jagmo-

han case. Madhu Dandavate (Janata) and K P Unnikrishnan (Congress-S) had given the notices drawing the Speaker's attention to the "deliberate and wilful" attack made by Goenka against the minister in an article in the *Indian Express*.

Sri Lanka gas leak

A toxic white gas identified as chlorine escaped from a semi-mothballed fertiliser factory in a suburban town near Colombo, causing nausea and setting off a panic. About 60 residents were rushed by ambulances to the Colombo general hospital and 50 others sought treatment in their local hospital. There were no reports of any deaths in the leakage.

● GLOBAL

Putin's visit: The long arc of India's ties with Russia, the road ahead



SHUBHAJIT ROY

Russian President Vladimir Putin first came to India for a summit with Prime Minister Atal Bihari Vajpayee in October 2000.

Putin was then new to the President's job — having been elected earlier in 2000 — and Vajpayee was also in the early years of his Prime Ministership.

New Delhi was under sanctions from the West for the Pokhran-II nuclear tests, while Russia was a pale shadow of the erstwhile Soviet Union. After the Soviet Union's collapse, the US dominated the scene in a unipolar world.

India and Pakistan were in a bitter relationship, after the Kargil war and the IC-814 hijack in 1999. In fact, Putin's visit took place months before the Red Fort attack in December 2000.

In short, Russia was weak and India was facing the brunt of Western sanctions.

Now, 25 years later, Putin will come to India on December 4-5 for the 23rd annual summit between India and Russia.

This is his first visit to India after Russia invaded Ukraine in February 2022. Putin's Russia is facing sanctions from the Western world, while India is also at the receiving end of secondary sanctions and high tariffs from the US. India and Pakistan have once again seen conflict in May, and Delhi just witnessed a blast near the Red Fort.

There are too many similarities in the global and regional context in the quarter century, but India and Russia have evolved not just in their bilateral relationship but also in terms of their place in the world.

India has built a strong and robust relationship with the West, including the US, forging security, defence, economic and people-centric partnerships.

With Russia, it has maintained a strong defence partnership — a legacy from the Soviet Union era — but has also diversified to other sources for technology.

Defence ties

Over time, India has reduced its defence import dependence on Russia. But there is legacy equipment that needs spares and servicing from Russia, and thus, about 60 % of the defence equipment is still from the country. India has bought



Narendra Modi and Vladimir Putin in Delhi in 2018. AP

the S-400 air defence system from Russia. Moscow has been able to deliver 3 out of 5 batteries, and now there is a demand for another 5 of them. But mired in the Ukraine war, Russia has not been able to deliver the entire equipment on time.

European analysts say the sanctions on Russia have also slowed down its capacity to manufacture cutting-edge defence equipment — something that Moscow rejects.

The oil question

Delhi started buying oil from Russia at discounted

prices once the Ukraine war began. That helped India keep fuel prices in check.

Bilateral trade between India and Russia reached a record high of \$68.7 billion in FY 2024-25. But this has been lopsided, as India's exports are worth \$4.9 billion and imports from Russia (mainly oil) amount to \$63.8 billion. Last year, the two countries set an ambitious target of trade worth \$100 billion by 2030.

Now, with US President Donald Trump throwing a tariff curveball on India — New Delhi is in a bind. The US and Europe have also put secondary sanctions on Indian oil companies for buying Russian energy. Thus, since the cost advantage has evaporated, Indian companies will reduce their oil purchases from Russia. This throws into question the \$100-billion target.

What's likely to happen

With India under pressure from the US and Europe over its Russia ties, the conversations between Putin and Prime Minister Narendra Modi will be watched very closely. Delhi prepares to host Putin with a private dinner, a state banquet, bilateral meetings, and an address to CEOs. The visit is expected to be high on optics and pageantry associated with a State visit.

The West had raised eyebrows at Modi hugging and holding hands with Putin earlier this year in Tianjin on the sidelines of the SCO leaders' summit. All that is expected to be repeated in Delhi over December 4 and 5.

There is likely to progress on a labour mobility pact, negotiations for a trade deal with the Eurasian Economic Union, new defence purchases, including the S-400 and the latest Sukhoi aircraft, and access to Indian goods like perishables (fruits, vegetables) to pharmaceuticals for the Russian market.

Balancing act

India wants strong ties with the US and Europe, as they are the source of technology and capital and remain the aspirational destination for ambitious Indians. It is in the process of negotiating trade deals with both these powerhouses.

But Russia remains a strategic partner because of long-term defence needs. Delhi is also concerned about Moscow's no-limits partnership with China. With 50,000 Indian troops still stationed at the India-China border, Beijing remains Delhi's biggest strategic challenge.

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● ECONOMY

Rupee breaches 90-mark: What's driving the slide



GEORGE MATHEW & SANDEEP SINGH

INDIA'S CURRENCY slipped below the psychologically critical 90-per-dollar level on Wednesday, jolting the financial markets and amplifying concerns about the broader macroeconomic landscape.

On the surface, the macro backdrop appears supportive: crude oil prices have softened, offering relief on the import bill; inflation has cooled to below 1%, easing household and corporate cost pressures; and GDP growth saw an impressive 8.2% expansion in the September quarter. However, while these factors should ideally bolster a country's currency, the Indian rupee is witnessing sustained pressure.

And that has been driven by forces such as persistent dollar outflows, particularly from foreign portfolio investors booking profits and reallocating to more attractive markets abroad. While the outflow has heightened demand for the greenback, at the same time, the prolonged delay in finalising a trade deal with the US has injected uncertainty into India's external position.

As exports have come under pressure and experts say that the Reserve Bank of India (RBI) too has not actively intervened to provide strength to the rupee. Meanwhile, a sharp jump in the value of gold imports this festive season has put further pressure on the rupee.

The RBI appears to be favouring a gradual depreciation to keep exports competitive in the wake of the 50% tariff imposed by US President Donald Trump. While a depreciation in currency may provide some support to exporters, many say that the RBI's decision to stay away from intervention is a wise one, as it is not something they can artificially control. If they do, they will end up dwindling their reserves, without achieving much.

Trade deficit

A trade deficit is a situation when a country buys more (imports) than it sells (exports). Rise in trade deficit leads to the rupee's depreciation, as India needs more dollars to pay for the imports as against what it earns from exports.

India's trade position appears to be under renewed strain, with early signs suggesting that the deficit may be widening. A sharp drop in exports to the US, one of India's largest markets, has been a major contributor to this shift. Merchandise exports contracted



The RBI has refused to intervene to provide strength to the rupee, favouring a gradual depreciation. REUTERS

by 11.8% year-on-year this October, slipping to an eleven-month low of \$34.4 billion. This came against the backdrop of higher tariffs and an unfavourable base, as exports had grown a strong 16.6 % in October 2024.

Oil exports dropped by 10.5%, falling to a nine-month low of \$3.9 billion as global crude prices declined. Non-oil exports fared no better, shrinking 12% to \$30.4 billion, also an 11-month low. Aside from electronic goods — which managed to expand by 19% — every major export category registered year-on-year declines. Engineering goods, gems and jewellery, chemicals, and ready-made garments saw sizeable contractions. Together, these segments accounted for nearly 90% of the fall in non-oil exports.

While exports faltered, merchandise imports surged 16.6% year-on-year to a record \$76.1 billion in October, up from \$65.2 billion a year earlier. Gold import witnessed an extraordinary surge in October, tripling to an unprecedented \$14.7 billion from \$4.9 billion a year earlier. If these trends persist, India's trade deficit could widen, adding additional stress to the currency.

Deal with US still not done

Market participants are growing increasingly uneasy as the long-anticipated India-US trade deal remains unannounced.

"The concern now is not just about the timing," one analyst said. "The bigger question is whether the absence of a deal will eventually widen the trade deficit."

For investors and policymakers alike, the worry is that prolonged ambiguity could affect currency stability, export planning, and the broader sentiment around bilateral economic ties.

Dollar outflows

The lacklustre performance of India's equity markets over the last 14 months has

Key Points

The depreciation is driven by a growing trade deficit caused by a sharp fall in exports to the US.

The failure to ink a trade deal with the US has been the cause of further ambiguity and concern.

also prompted foreign portfolio investors (FPIs) to scale back their exposure. NSDL data shows that FPIs have withdrawn Rs 1.52 lakh crore from domestic equities since January. What makes this trend particularly striking is that it has occurred despite India's broadly stable macroeconomic backdrop.

Yet, numbers on the ground tell a different story from headline optimism. Over the past year, India has ranked among the weakest performers within the major global equity markets. The occasional record highs in benchmark indices obscure the fact that returns have materially lagged those in several other markets that have posted outsized gains. This stark divergence has led FPIs to treat India almost like a convenient liquidity source, from where funds are repeatedly withdrawn to pursue more lucrative opportunities elsewhere, say market participants.

The persistent outflows have also made their presence felt in the country's external buffers. India's foreign exchange reserves have declined by \$12.1 billion between end-September and November 21, 2025, landing at \$688.1 billion. Much of this decline stems from a fall in foreign currency assets, which have shrunk by \$21.2 billion during the period. The drop has been partly offset by an increase of \$9.2 billion in the value of gold reserves, but not enough to prevent an overall erosion.

Gold imports, prices a driver

A major driver of the import surge in October was the jump in gold purchases. This spike was fuelled by two powerful forces: robust festive-season buying and speculative demand triggered by the relentless climb in gold prices. Domestic gold prices have shot past Rs 128,000 per 10 grams.

Beyond gold, import momentum remained firm. Non-oil, non-gold imports rose 12.4 % year-on-year to \$46.5 billion, driven

● GLOBAL

National security concerns & Trump's immigration crackdown

AFTER US President Donald Trump said he will "permanently pause migration from all Third World Countries" last week, his administration on Tuesday paused all immigration applications from 19 countries it determined to be "high-risk". This comes days after an Afghan national shot two National Guard members in Washington.

Extension of previous travel ban

Citing national security concerns, the Trump administration in June banned travel to the US by citizens of 12 of these countries and restricted access for those from the seven others.

The ban applied to citizens of Afghanistan, Myanmar, Chad, the Republic of Congo, Equatorial Guinea, Eritrea, Haiti, Iran, Libya, Somalia, Sudan and Yemen while the restricted access applied to people from Burundi, Cuba, Laos, Sierra Leone, Togo, Turkmenistan and Venezuela.

At the time, however, no action was taken

against immigrants from those countries who were already in the US before the travel ban went into effect. That has now changed.

"USCIS has determined that a comprehensive re-review, potential interview, and re-interview of all aliens from high-risk countries of concern who entered the United States on or after January 20, 2021 (the date on which former President Joe Biden took office) is necessary," a memo from the US Citizenship and Immigration Services (USCIS) on Tuesday stated.

Pending this comprehensive review, the US will "place a hold on pending benefit requests" for all immigrants from these "high-risk" countries. Benefit requests include forms I-485 (application to register permanent residence or adjust status), I-90 (application to replace Green Card), N-470 (application to preserve residence for naturalisation purposes), I-751, (petition to remove conditions on residence), and I-131 (application for travel documents, parole

Questions remain

● Experts say that Trump's latest decision amounts to collective punishment for communities or countries for the actions of a few.

● Many also question the economic rationale of the move: estimates suggest that curbing immigration could significantly harm the US's economic output.

documents, and arrival/departure records). The USCIS memo states that the agency would create a prioritised list of immigrants for review and if necessary, referral to immigration enforcement or other law enforcement agencies, within 90 days.

Targeting legal immigration

Since returning to power in January, Trump has cracked down on illegal immigration as he had promised on the campaign trail. Meanwhile, he has also made attempts to throttle legal immigration into the US, promising amendments to existing legal policies due to both economic and national security reasons.

The H-1B visa, which allows American companies to acquire skilled talent from abroad, has been criticised for disadvantaging American workers who would be more expensive to hire. Immigrants have also been accused, mostly wrongfully, by Trump of cornering government benefits.

Meanwhile, the national security argument has been used to step up screening of visa applications, and create additional deterrents to immigration, especially from certain countries.

Both the economic and national security themes were reflected in Trump's message on Truth Social last week. He wrote: "Immigration Policy has eroded those gains and living conditions for many. I will permanently pause migration from all Third World Countries to allow the US system to fully recover... remove anyone who is not a net asset to the United States, or is incapable of loving our Country, end all Federal benefits and subsidies to noncitizens of our Country, denaturalize migrants who undermine domestic tranquility, and deport any Foreign National who is a public charge, security risk, or non-compatible with Western Civilization...".

The latest USCIS memo is seemingly the first step in this direction.

EXPRESS NEWS SERVICE

2 THINGS TO KNOW

How LandSpace has emerged as SpaceX's biggest Chinese challenger

THE MAIDEN test of LandSpace's next-generation Zhuque-3 rocket failed on Wednesday, dashing the Chinese firm's hopes of becoming the third company, after Elon Musk's SpaceX and Jeff Bezos' Blue Origin, to successfully test a reusable spacecraft.

While the test may have failed, LandSpace has emerged as the most advanced private rocket company in China and the country's closest equivalent to SpaceX and Blue Origin.

Founded in 2015 and based in Beijing, LandSpace was one of the first startups to enter the industry after China opened parts of its space sector to private money in 2014.

In July 2023, LandSpace became the first company in the world to launch a rocket, called Zhuque-2, powered by methane and liquid oxygen.

LandSpace is now focused on Zhuque-3, which is made of stainless



LandSpace's Zhuque-3 rocket after launch on Wednesday. X/@LANDSPACE_TECH

steel and designed to carry about 20 to 25 tonnes to low-Earth orbit, several times more than Zhuque-2.

LandSpace's ambition to make this rocket take off, return, and land intact has put the company at the forefront of China's private efforts to make rockets cheaper and reusable.

REUTERS

Dizzying popularity of Spotify Wrapped, and why it has set off criticism

Spotify began rolling out Wrapped on Wednesday. Launched in 2016 as a marketing campaign, Wrapped provides users with a compilation of data about their activity on the platform over the preceding year, and invites them to share a colourful pictorial representation of it on social media.



Wrapped was first launched in 2016. SPOTIFY

The campaign has been wildly successful: Wrapped's release has historically correlated with a boost to Spotify's app store rankings. "It's a masterclass on fan advocacy," Guillaume Huin, social media director of McDonald's, had told *Adweek* in 2021.

But the campaign also has its critics, who raise data privacy concerns and how Spotify's algorithm itself shapes users' listening habits. Users have also pointed out how Spotify has historically mistreated artists. As one 2021 opinion piece on *The Guardian* said, Wrapped is "little more than free advertising for a company that... has [been widely] condemned for not extending a fair share of its profits and power to artists".

Nonetheless, Wrapped's popularity has forced Spotify's competitors to come up with their own versions of the product.

ENS

‘NEED TO UP OUR GAME’ TO COURT FDI, GLOBAL SUPPLY-CHAIN COMPANIES

‘Not losing sleep’ over rupee’s fall, says Chief Economic Advisor

Siddharth Upasani
New Delhi, December 3

THE GOVERNMENT’S top economist is “not losing sleep” over the rupee’s sharp fall in recent days and the currency’s exchange rate breaking past the 90-per-dollar mark for the first time, with Chief Economic Advisor V Anantha Nageswaran expressing confidence of a reversal in fortunes next year. He also said the foreign direct investment (FDI) “terrain” had become much harder since 2024 and “we need to up our game” to attract FDI and global supply-chain companies.

“I am not losing sleep over it,” he told reporters on the sidelines of the Confederation of Indian Industry’s India Edge summit on Wednesday when asked about the rupee’s weakness. “It (rupee) will come back next year. Right now, it is not impacting inflation or exports,” Nageswaran added.

After flirting with the 90-per-dollar mark on Tuesday, the rupee finally crossed the key psychological level on Wednesday to hit another fresh all-time low. So far this calendar year, the rupee has fallen by over 5 per cent against the US dollar



“I am not losing sleep over it ... It (rupee) will come back next year. Right now, it is not impacting inflation or exports”

V ANANTHA NAGESWARAN,
CHIEF ECONOMIC ADVISOR

and is the worst-performing Asian currency.

Nageswaran’s comments come after the Finance Ministry said in its Monthly Economic Review report last week that the fall in the rupee has been gradual and in line with emerging market trends.

Explaining rupee’s fall

Several factors have driven the rupee lower this year, with market experts citing the continued delay in the conclusion of a free trade agreement with the US as the primary reason. Since late August, Indian goods have faced a cumulative tariff of 50 per cent while entering the world’s largest economy. This has dented exports. As per latest data, India’s merchandise exports were down 12 per cent year-on-year in October and the trade deficit ballooned to an all-

time high of \$41.7 billion.

The Reserve Bank of India (RBI) has also seemingly loosened its grip over the exchange rate over the last year or so and intervened to a lesser extent in the foreign exchange market to stem the rupee’s decline. After selling almost \$400 billion of foreign currency on a gross basis in 2024-25 to shore up the rupee, the central bank sold only \$44 billion in the first half of 2025-26. Meanwhile, foreign investors have been exiting domestic equity markets, with outflows so far in 2025 totalling more than \$17 billion. This comes on the back of \$21 billion of net inflows in 2023, which then slumped to \$124 million in 2024.

The FDI challenge

At the same time, FDI inflows have been weak. In 2024-25, net FDI inflows into India

stood at a mere \$959 million. This has increased to \$7.6 billion in the first half of 2025-26. Net FDI is calculated after adjusting for investments that are repatriated by foreign companies and overseas investments made by Indian companies.

Speaking at the CII summit on Wednesday, Nageswaran said it was important for investor confidence that capital could easily enter and exit India. “That is why the net FDI numbers have been under pressure.”

“At the margin, what has changed in the last three years has been, of course, the abrupt increase in developed country interest rates from 0 per cent to 4-5 per cent — depending on the region you look at — from 2022 onwards, which has raised not only the cost of capital in those countries for investing overseas, but also incentivised some of those monies to stay back,” Nageswaran said.

The localisation of supply chains around the world has also altered the dynamic of net FDI, with India having to compete not just with other emerging economies but also developed countries who want to onshore their production. This,

Nageswaran said, is one of the reasons why Indian entities’ overseas investments have gone up “because in order to sell into those markets, you have to be present there these days rather than being able to export there”. While previously rising foreign investments have run into geopolitical and geoeconomic challenges, Nageswaran said he agreed that “we need to up our game with respect to courting FDI, courting global supply chain companies to come here”. This requires addressing tax and infrastructure-related issues as well as last-mile connectivity issues in terms of local governments being able to step in.

Given India’s growth aspirations, Nageswaran said the country will continue to need higher imports and they will have to be financed with exports and portfolio and direct investments.

“Even for exports to take off, you need investments coming in, both in terms of financial resources and technology, including in areas of energy sufficiency, etc. So, there is no question, therefore, that we do have to crank up the efforts in respect to FDI,” he said.

‘Weakening rupee the perfect medicine for problem of elevated tariffs’

EXPRESS
interview



PRANJUL BHANDARI
CHIEF INDIA ECONOMIST/STRATEGIST
AND ASEAN ECONOMIST, HSBC

that as our exports are weakening quite a lot. This has been a global exogenous tariff shock.

Whenever you have such shocks, they need to be addressed. I think the best way to address it is to allow the currency to depreciate. When the currency depreciates, exports become more competitive. Tariffs make your exports uncompetitive and your currency depreciating counters that. So, in a way, it’s the perfect answer to the problem.

In all the work that we have done in the past, we have noticed that exports of both goods and services react positively to currency depreciation; in fact, services exports respond even more than goods exports. Given that services exports have been our comparative advantage lately and we are not seeing protectionism in services trade the way we are seeing in goods, letting the currency depreciate could also be quite good for our services exports going forward. In a way, this is the perfect medicine to the problem of elevated tariffs at this point of time. From that perspective, I would agree with Chief Economic Advisor V Anantha Nageswaran, in that I am not overtly worried about a gradual depreciation.

What is the way forward? Is

a trade deal with the US the only trigger?

We would have to see when the deal happens and its details. But if it’s announced one month down the line and the tariff rate falls from 50 per cent to, say, 15 per cent, that would be a bigger reduction than markets have priced in at this point of time and could lead to a step appreciation in the currency for both direct and indirect reasons.

But there are other things that can also go right — for example, if the government suddenly becomes very serious about multiple reforms. We have already seen the labour codes being announced. If that is followed up by other reforms — there is a deregulation drive that’s going on — and if there is some impact from them, they would also be a positive trigger for inflows and therefore the currency.

Do you have a forecast for the rupee for end-2026 or is it too difficult to make predictions right now?

I can’t comment about the end of next year because there are so many moving parts. If there is no trade deal, then gradual depreciation could continue from these levels. If there is a deal, the rupee could quite easily come below 90-per-dollar again.

In such situations, people get very carried away. But the truth is that there’s a lot of mean reversion. If you were to take the real effective exchange rate and plot it, you’ll see that it mean-reverts in a major way. And that is the beauty of why we call the currency a shock absorber or automatic stabiliser.

For the last 20 years, if there is something that has not failed me, it is the mean reversion of the real effective exchange rate. It gives me the confidence that the currency never moves in one direction and it successfully plays the role of an automatic stabiliser.

FULL INTERVIEW ON
WWW.INDIANEXPRESS.COM

JSW Steel in 50:50 JV with Japan’s JFE for BPSL unit

Urvil Malvania
Mumbai, December 3

JSW STEEL has entered into a 50:50 joint venture with Japan’s JFE Steel Corporation, restructuring the ownership of Bhushan Power and Steel (BPSL) and creating a separate platform for its future expansion.

As part of the transaction, the BPSL steel business will be transferred to JSW Sambalpur Steel through a slump sale valued at Rs 24,483 crore. JSW Sambalpur is wholly owned by JSW Kalinga Steel, which will become the actual joint venture vehicle. JFE will acquire a 50 per cent stake in JSW Kalinga for Rs 15,750 crore, invested in two equal tranches, resulting in joint control of the asset once all transactions are completed.

JSW Steel’s management said the deal would reduce its consolidated net debt by Rs 37,250 crore by June 2026. This will be achieved through three components: the slump sale proceeds of Rs 24,483 crore (which include the first tranche of JFE’s investment); the transfer of approximately Rs 4,900 crore of existing BPSL debt into the joint venture structure and the receipt of Rs 7,875 crore from JFE’s second-tranche equity infusion.

Swayam Saurabh, chief financial officer, JSW Steel said with the reduction in debt, the company’s net debt to EBITDA ratio will also decline in the coming quarters.

JSW Steel emphasised that the joint venture is intended to support the next phase of BPSL’s development. The company acquired the asset in 2021 under the insolvency process. FE

IBC resolution: House panel raises concerns over ‘haircuts’, asset valuation

Dheeraj Mishra
New Delhi, December 3

WHILE NOTING that the Insolvency and Bankruptcy Code (IBC) has strengthened the confidence of creditors and encouraged foreign investments in the last eight years of its implementation, a parliamentary panel has identified multiple challenges that are hampering the law’s potential.

It has flagged delays stemming from inadequate judicial infrastructure, the uncertainty regarding the finality of resolution plans — primarily because of judicial reversals, and a lack of accountability among resolution professionals (RPs) as key hurdles to the efficacy of the law. The committee recommended adopting an enterprise-level price discovery mechanism, besides suggesting cross-border insolvency to strengthen IBC.

The Parliamentary Standing Committee on Finance said the government should take a holistic approach towards reforms through the IBC Amendment

E. EXPLAINED

What is a ‘haircut’?

A ‘haircut’ refers to the difference between the amount a lender is owed and the actual amount it is able to recover through the resolution process under the Insolvency and Bankruptcy Code.

Bill, 2025, which is being examined by the Lok Sabha’s Select Committee, to safeguard stakeholders’ interest. It raised concerns over the ‘haircuts’ and valuation of the assets, flagging a lack of transparency and accountability in the process, which sometimes results in a distress sale.

Put simply, a haircut refers to the difference between the amount a lender is owed and the actual amount it is able to recover through the resolution process under the IBC.

Rise above differences within while seeking deregulation: DPIIT Secretary to industry

Ravi Dutta Mishra
New Delhi, December 3

URGING THE industry to keep national interest in mind while seeking deregulation, Department for Promotion of Industry and Internal Trade of India (DPIIT) Secretary Amardeep Singh Bhatia said on Wednesday that the government is working to boost the ease of doing business in the country, but some regulations are required, keeping orderly

growth and public safety in mind.

Bhatia said the DPIIT is working under a clear mandate to reduce compliance burden and that several bodies, including two high-level committees, are going into the details of de-regulations required, but the industry needs to look at the entire sectoral growth rather than pursuing self-interest while providing inputs, he said.

“I would also like to add a cautionary note that let us see

realistically... while industry wants certain regulations to go away, there is also the larger public purpose which has to be kept in mind, like safety and orderly development. That purpose should not be lost sight of,” Bhatia cautioned.

Often the suggestions that are critical for the overall growth of the sector are not received as there are differences within the industry, Bhatia said at CII’s India Edge event.

“These (inputs) get hidden

creditors have realised an amount of Rs 3.89 lakh crore against the total admitted claims of over Rs 11 lakh crore.

The committee deliberated on 16 broad issues related to the code, while assessing its impact over the last eight years, including creditor realisation and asset valuation, post-resolution challenges, homebuyers’ rights, cross-border insolvency framework, and diversion or siphoning of funds.

The committee highlighted that even after the resolution, companies are facing problems starting with a clean slate. They face hurdles such as delays in obtaining necessary clearances from government agencies, and difficulty in obtaining fresh bank financing due to the corporate debtor being labelled a defaulter, said the report. It recommended that the government should establish a transparent online mechanism to issue ‘no dues’ certificates to such companies.

FULL REPORT ON
WWW.INDIANEXPRESS.COM

Labour codes likely to be fully operational from April 1

New Delhi: The four labour codes, notified on November 21, are likely to be fully operational from April 1, 2026 as the ministry has begun the process for enforcing rules under the notified law. The four labour codes are — Code on Wages, 2019, Industrial Relations Code, 2020, Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020.

Addressing CII India Edge 2025 here, Labour & Employment Minister Mansukh Mandaviya on Wednesday said draft rules will be pre-published shortly.

He said that earlier the Centre as well as states had pre-published draft rules, but that was a long time ago.

A senior official explained that after pre-publishing the draft rules, the government will give 45 days time for public comments before firming up those for final notification. PTI

• BRIEFLY

Reserve Bank’s MPC begins deliberations

Mumbai: The Reserve Bank’s Monetary Policy Committee commenced its three-day deliberations amid expectations of 25 basis point rate cut, but some experts believe that the RBI may settle for status quo. The decision of the RBI Governor Sanjay Malhotra-headed six-member rate-setting panel will be announced on Friday. PTI

‘Single window for low-risk foreign investors’











New Delhi: Markets regulator Sebi has made it easier for low-risk foreign investors to participate in the Indian securities market with the introduction of a single window access, a move aimed at simplifying compliance and enhancing the country’s attractiveness as an investment destination. The new framework — Single Window Automatic & Generalised Access for

Trusted Foreign Investors (SWAGAT-FI) — would provide easier investment access to low risk foreign investors, enable a unified registration process across multiple investment routes and reduce repeated compliance and documentation for such entities. PTI

New biz intakes drive services sector growth

New Delhi: India’s services sector growth accelerated during November, after losing some momentum in October, driven by a faster upturn in new business intakes and subdued price pressures, a monthly survey said on Wednesday. The seasonally adjusted HSBC India Services PMI Business Activity Index rose to 59.8 in November, from 58.9 in October, supported by new business growth. In the Purchasing Managers’ Index (PMI) parlance, a print above 50 means expansion, while a score below 50 denotes contraction. International sales continued to improve. PTI

• MARKETS TODAY

 Sensex 85,106.81 -31.46 -0.04%	 NIFTY 25,986.00 -46.20 -0.18%	 NIKKEI 49,864.68 561.23 1.14%	 Hang Seng 25,760.73 -334.32 -1.28%
 FTSE 9,688.30 -13.69 -0.14%	 DAX 23,734.25 23.39 0.10%	 Gold ▲ ₹1,32,200	 USD Rate ▼ ₹90.19
		 Silver ▼ ₹1,80,900	 Oil ▼ \$63.86

NOTE: GOLD, SILVER RATES AS PER ALL INDIA SARAFI ASSOCIATION DATA
GOLD PER 10G, SILVER PER 1KG; CRUDE OIL (INDIAN BASKET) AS OF DECEMBER 2, 2025
INTERNATIONAL MARKET DATA TILL 1900 IST

• SMARTPHONE MAKERS WARN OF PRICE RISES DUE TO SOARING MEMORY COSTS

The AI frenzy is triggering a new global supply chain crisis

Reuters
Seoul, December 3

AN ACUTE global shortage of memory chips is forcing artificial intelligence and consumer-electronics companies to fight for dwindling supplies, as prices soar for the unglamorous but essential components that allow devices to store data.

Japanese electronics stores have begun limiting how many hard-disk drives shoppers can buy. Chinese smartphone makers are warning of price increases. Tech giants including Microsoft, Google and ByteDance are scrambling to secure supplies from memory-chip makers such as Micron, Sam-

sung Electronics and SK Hynix, according to three people familiar with the discussions.

The squeeze spans almost every type of memory, from flash chips used in USB drives and smartphones to advanced high-bandwidth memory (HBM) that feeds AI chips in data centres. Prices in some segments have more than doubled since February, according to market-research firm TrendForce, drawing in traders betting that the rally has further to run.

The fallout could reach beyond tech. Many economists and executives warn the protracted shortage risks slowing AI-based productivity gains and delaying hundreds of billions of



FILE

dollars in digital infrastructure. It could also add inflationary pressure just as many economies are trying to tame price rises and navigate US tariffs.

“The memory shortage has now graduated from a component-level concern to a macro-economic risk,” said Sanchit Vir Gogia, CEO of Greyhound Re-

search, a technology advisory firm. The AI build-out “is colliding with a supply chain that cannot meet its physical requirements.”

This *Reuters* examination of the spiraling supply crisis is based on interviews with almost 40 people, including 17 executives at chipmakers and distributors. It shows industry efforts to meet voracious appetite for advanced chips — driven by Nvidia and tech giants like Google, Microsoft and Alibaba — created a dual bind: Chipmakers still can’t produce enough high-end semiconductors for the AI race, yet their tilt away from traditional memory products is choking supply to smartphones, PCs

and consumer electronics. Some are now hurrying to course-correct. Average inventory levels at suppliers of dynamic random-access memory (DRAM) — the main type used in computers and phones — fell to two to four weeks in October from three to eight weeks in July and 13 to 17 weeks in late 2024, according to TrendForce.

The crunch is unfolding as investors question whether the billions of dollars poured into AI infrastructure have inflated a bubble. Some analysts predict a shakeout, with only the biggest and financially strongest companies able to stomach the price increases.

One memory-chip executive



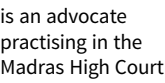
The Thiruppaguzh Committee appointed after the 2021 floods produced a 600-page report with basin-wise recommendations and numerous measures. The State government has cited this report while justifying design changes and drain upgrades, building artificial water bodies, and seeking central funds for an 'Integrated Urban Flood Management' project, yet the report remains out of public view. There is also no verifiable consolidated implementation plan with a deadline. Flood maps and elevation models exist for the Chennai basin but they are not a shared reference for enforcement and relief efforts, while proper zoning and limits on construction continue to elude residents. Thus, the rains underline an unresolved story while spotlighting gaps in infrastructure and transparency. As the upgrades take shape, the State must publish the report and ensure hazard maps and basin-wide coordination efforts as well as temporary solutions such as pumps keep pace with the storms that routinely test them.

Discriminatory provisions that impede lives of those with leprosy must go

Given that a plethora of medical advancements have enabled leprosy to be a non-infectious condition, and be fully curable with the right interventions, it will be a shame to allow these discriminatory, antediluvian provisions to continue to be in force. The judges directed all States and Union Territories to submit reports detailing the steps that they have initiated in this regard. In fact, armed with the evidence that the NHRC has provided, the Centre and States must set themselves the urgent task of removing these provisions, and launching remedial action. In this day and age, it is unfathomable that the state continues to trap a group of citizens in the dark ages based on laws written by humans who did not know better.

Our immediate reaction might well be to ask how? To answer this, the Court employs a wholly circular logic. As the then Chief Justice of India, Justice B.R. Gavai put it, to entirely deny retrospective clearances undermines public welfare because it could well compel authorities to halt or tear down completed projects that had begun without prior permission. Thus, the illegal act is, by itself, turned into a justification. The fact of a violation – of a project unlawfully commenced without an EC – winds up forming the rationale for granting the very clearance that the law requires in advance. In other words, the rules become fungible, to accommodate a *fait accompli*.

Worse still, they collapse entirely when the Court undoes its own carefully reasoned judgments. That is precisely the worry with the judgment in *CREDAL*. It turns non-compliance from an offence into an argument, and dismantles, in the process, the foundations of environmental regulation.



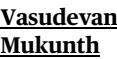
For an institution that has pioneered environmental protection, the top court's review of *Vanashakti* marks a disquieting step backward

Equally significant was Justice Oka's account of the Union Government's own conduct. Before the Madras High Court, the State's lawyers gave a

If the fact of a violation becomes grounds for erasing its consequences, any incentive to comply disappears. Project proponents will be happy to proceed without an EC, secure in the knowledge that the government, aided by the court, will help normalise their lapses through the payment of fines rather than the imposition of any serious consequences. In effect, what is rewarded is unlawful conduct with a declaration that the sheer scale of the wrongdoing compels the law to bend.

The Court will now have to reassemble to hear the challenges anew. When it does so, it will do well to remember that the validity of the two notifications is not the only thing at stake here, but also the credibility of India's rule of law.

Cyclone Dittwah brought intense rain to Sri Lanka, triggering flooding and landslides that killed over 400 people and displaced tens of thousands in Colombo and in densely populated countryside settlements. In Indonesia, cyclonic storms triggered floods and landslides across Sumatra, killing hundreds and destroying villages in river valleys and on steep slopes. Southern Thailand,



The impact of extreme natural events in Asia points to a deeper problem of how 'modern urban life is being defined and measured

These gaps matter because the assessment

International funds and technical assistance programmes often require cities to produce certain plans and indicators; cities that can already do this, which are typically larger and more prosperous, become the main recipients of adaptation support. Projects are then designed to satisfy reporting requirements, not necessarily to address the most acute local hazards. Eventually, the media and urban elites adopt the vocabulary of “top-10 most liveable”, “world-class” or “smart” cities while planning curricula and engineering standards adopt global indices as reference points, embedding their biases into the next generation of urban professionals.

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The most secretive manner in which the government mandated the preloading of the Sanchar Saathi app in smartphones raises questions. It is stunning now that the Department of Telecommunications has withdrawn its directive after an uproar. Why this hanky-panky by the government? It has become a habit of the

Kochi and pollution

Richard Hay,
Maradu, Kerala

The Centralized Public Grievance Redress and Monitoring System site (<https://pgportal.gov.in/>), the official platform for filing grievances against government departments, does not work. For several weeks now, the site has been unresponsive, the login (via OTP and password) does not work,

Prakash N.,
Vellore, Tamil Nadu

Letters emailed to letters@thehindu.co.in must carry the full postal address.

A missing link in India’s mineral mission

The Union Cabinet’s new ₹7,280 crore rare-earth magnet scheme acknowledges a simple truth: digging without processing is just exporting prosperity. The new G-20 framework on critical minerals also makes value creation through refining and manufacturing its centrepiece. For India, which has reformed its mining laws but still lacks large-scale processing, this is a timely reminder. Every solar panel, electric vehicle, and wind turbine begins not on an assembly line but in a refinery, where ores are turned into battery-grade graphite, magnet-ready rare earths, or ultra-pure polysilicon. Yet almost all this processing happens outside India, increasing the vulnerability of domestic supply chains. That exposure has grown as U.S.-China trade frictions trigger new tariffs and export restrictions.

In recent years, the Mines and Minerals (Development and Regulation) Act has been amended to support domestic mining through exploration licences, national auctions, mining-associated minerals, and a national mineral exchange. These reforms help us dig, but they do not help us refine. India imports almost the entire amount of its lithium, nickel and cobalt. And the stakes extend far beyond clean energy. High-purity materials are also critical for semiconductors, telecommunications, automobiles, pharmaceuticals, and defence systems.

The midstream segment of the critical minerals value chain – processing and refining – is a global chokepoint. China still controls over 90% of global rare earths and graphite refining. Citing national security, China tightened export controls on rare earth and battery technologies earlier this year and has since expanded them even further in recent weeks. Without domestic processing, India will stay exposed to such shocks.

Hence, India must scale up its



Sunil Kumar
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Rishabh Jain
is Fellow at the Council on Energy, Environment and Water (CEEW)

There's a pressing need to strengthen India's critical minerals sector but more focus needs to go into the often overlooked part of the value chain – processing and refining

processing and refining capacity, starting with the minerals it already produces or recycles. The recently approved ₹1,500 crore critical minerals recycling scheme is a promising start. A recent study by the Council on Energy, Environment and Water (CEEW) shows India already mines and processes seven critical minerals – copper, graphite, silicon, tin, titanium, rare earths, and zirconium. But in each case, our refining lags behind either in scale or quality.

India can take five steps to develop critical mineral processing. **First, turn Centres of Excellence into innovation engines.** The nine Centres of Excellence under the National Critical Mineral Mission must drive applied research, specifically for producing high-purity compounds and materials aligned to industry needs. In the short term, their primary focus should be to develop processing technologies that can be implemented and operationalised at a commercial scale. Academic institutes such as IITs, NITs, industry and think tanks should work on life-cycle modelling and cost-benefit analysis for rapid technology adoption by the processing industry. What matters now is momentum to push innovative technologies from labs to commercial scale.

Second, unlock secondary resources to recover critical minerals. India generates more than 250 million tonnes of coal fly ash annually, containing both light and heavy rare earths. Red mud from aluminium plants holds gallium; zinc residues contain cobalt; steel slag carries vanadium. Pilot projects at CSIR and IITs show recovery is possible from fly ash and red mud. Embedding such recovery units in the proposed Critical Minerals Processing Parks would enable scale.

Third, train and upskill a new generation of process metallurgists and technicians. Critical minerals require

specialised hydrometallurgical and advanced refining techniques. The ₹100 crore allocation under the NCMM for skilled workforce should fund train-the-trainer programmes for existing workers, diploma-level courses, and new curricula at academic and CSIR labs. Developing such a workforce could create thousands of skilled jobs.

Fourth, de-risk investment through demand assurance and financing tools. The U.S. Department of Defence’s deal with the U.S.-based MP Materials, rare earth minerals and magnetic producers, combining government offtake commitments and price guarantees, offers a model. India could adapt this by turning its proposed stockpiling of critical minerals under the Mission into an active market-maker, buying from domestic producers during downturns and releasing during demand surges. Key sectors such as defence, pharmaceuticals, and electronics should be mandated to source part of their inputs domestically, while processors should be encouraged to meet stringent quality standards.

Fifth, link mineral diplomacy to processing capacity. India’s recent overseas acquisitions are significant but focus mainly on getting access to raw ores. If India can demonstrate consistent high-purity refining across the seven minerals it already handles, it could shift global partnerships from buyer-seller deals to co-investment alliances. Critical mineral parks could serve as collaboration hubs where foreign firms co-invest and co-process.

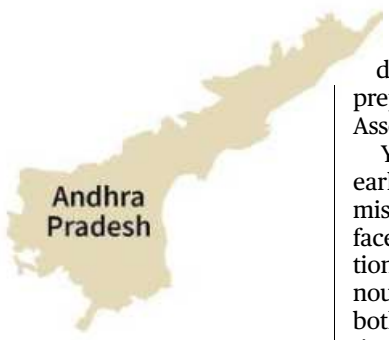
With China tightening mineral and technology exports, the real question isn’t whether India has enough mines, but whether it can master the art of turning ores into materials. Processing is the missing link that will determine if India remains a supplier of raw resources or becomes a builder of resilient and clean industries. *(With inputs by Vibhuti Chandhok. Views are personal)*

Smaller districts, bigger questions

Andhra’s administrative boundaries have been redrawn twice, but to what end?

STATE OF PLAY

G.V.R. Subba Rao
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From poll promises to present-day governance, Andhra Pradesh’s political map has changed dramatically, reshaping priorities and public expectations. The State’s administrative boundaries were redrawn in 2022 and once again in 2025, each time driven more by electoral commitments and political imperatives than by long-term administrative strategy.

The first major restructuring was undertaken by the YSR Congress government led by former Chief Minister Y.S. Jagan Mohan Reddy, who, ahead of the 2019 elections, promised that each Lok Sabha constituency would be converted into a district. Fulfilling that pledge, his government reorganised the State in April 2022, increasing the number of districts from 13 to 26. The present administration, led by Chief Minister and Telugu Desam Party national president N. Chandrababu Naidu, campaigned in the 2024 elections on a pledge to correct that reshuffle. Less than two years after the earlier overhaul, the new NDA government approved another round of reorganisation in November 2025, taking the total to 29.

This latest announcement has reignited a State-wide debate: is rapid territorial decentralisation driving meaningful governance reform, or is it merely adding layers to political cartography? Critics argue that the restructuring lacks coherence and appears politically motivated, fragmenting Assembly segments across two or three districts, shrinking district sizes, and distorting

earlier geographical and administrative structures.

One major flashpoint is the reshaping of Annamayya district. The carving out of the new Madanapalle district strips Annamayya of key Assembly segments, leaving it dramatically reduced in size and administrative relevance. Similarly, Prakasam district’s disfigurement stems from splitting four important segments to form Markapuram district. However, the most contentious move is the creation of Polavaram district without Polavaram.

Defending its earlier reorganisation, the YSRCP argues that it adopted a structured model based on parliamentary constituencies, ensuring minimum population thresholds of 15 to 20 lakh, at least two revenue divisions per district, and no fragmentation of Assembly seats. Through this exercise, revenue divisions rose from 51 to 76, and balanced development was claimed as the central objective. Critics, however, argued that the Lok Sabha-based model was fundamentally flawed, lacked geographical logic, ignored historical and cultural linkages, and placed many administrative units unreasonably far from district headquarters (in one case, 277 km away).

Announcing the 2025 expansion, Mr. Naidu said the restructuring would empower

local governance, particularly in tribal and drought-prone belts, and prepare the ground for future Assembly delimitation.

Yet critics caution that the earlier restructuring promised similar outcomes but faced significant implementation challenges. The 2025 announcement presents itself as both expansion and correction, responding to long-standing demands for improved accessibility. It also reflects a political recalibration under the current government, emphasising regional inclusion and administrative rationalisation. Yet a recurring criticism is that governments seldom provide clear criteria when forming new districts.

Creating districts is also financially and institutionally demanding. It requires establishing new collectorates, police headquarters, zilla parishad offices, and courts; hiring additional administrative personnel; separating land, revenue, and welfare records; and building supporting infrastructure. Without parallel strengthening of local self-governance bodies, the creation of smaller districts risks becoming a substitute for real decentralisation.

This raises a broader question: in an era of digital governance, is the proliferation of smaller districts still necessary for efficiency?

Ultimately, the success of Andhra’s restructuring will depend on whether political commitment is matched by administrative capacity, realistic financial planning, adequate staffing, transparent digital systems, and stakeholder participation. If these foundations are established, smaller districts could enhance service delivery, improve responsiveness, and strengthen participatory governance.

Economic offenders who fled India owe ₹39,000 crores

Just nine Fugitive Economic Offenders owed ₹58,000 crore, of which ₹19,000 crore was recovered

DATA POINT

Sambavi Parthasarathy

Just nine Fugitive Economic Offenders (FEOs) owed Indian banks over ₹58,000 crore in principal and interest. Despite having arrest warrants issued against them, these FEOs have left India and refuse to return to avoid criminal prosecution. Of this, the principal amount owed is ₹26,645 crore, while interest accounts for ₹31,437 crore. To date, banks have recovered just over ₹19,000 crore – roughly 33% of the total dues (**Chart 1**).

Earlier this week, the Ministry of Finance informed Parliament that 15 individuals had been declared FEOs as of October 31. Nine of them are involved in large-scale financial fraud, and the amounts they owe have been made public.

State Bank of India (SBI) is owed over ₹22,000 crore, followed by Punjab National Bank and Bank of India (**Chart 2**). Notably, the SBI has achieved the highest recovery rate among these lenders, retrieving close to 52%. This is largely attributed to effective recovery measures, including liquidation, in Vijay Mallaya’s account. In contrast, the recovery rate for other banks remains below 40%.

In terms of total dues owed initially (principal plus interest), businessman Mallaya tops the list with nearly ₹27,000 crore (**Chart 3**). He is followed by the Sandesara family (Sterling Group) and Nirav Modi. Over 56% of amount owed by Mallaya has been recovered till date, date show, while for others, the rate is much lower at 17% for the Sandesara family and 7% in the case of Modi.

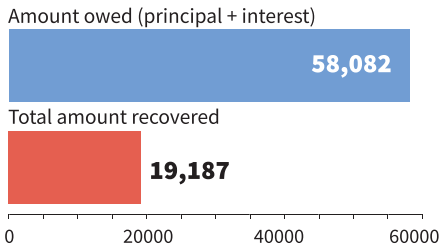
Charts 4, 5, and 6 detail the loan exposure and recovered amount for the top offenders. SBI led in exposure to Mallaya, whereas PNB bore the brunt of Modi’s defaults. For the Sandesara family, the exposure was shared among multiple banks.

Amounts owed by and recovered from fugitives

The data for the charts were sourced from Parliament Questions and Answers



CHART 1: Amount owed and recovered by Indian banks from select FEOs. Figures in ₹crore



This analysis includes the two fugitive economic offenders who have negotiated loan settlement under One Time Settlement (OTS). In the graphs, members of the Sandesara family refers to amount borrowed by/recovered from Nitin J. Sandesara, Chetan J. Sandesara, and Dipti C. Sandesara as mentioned in the parliament document

**In chart 2, others include Bank of Maharashtra, Punjab and Sind Bank, and Central Bank of India*

CHART 2: Amount owed to the banks and amount recovered. Figures in ₹crore

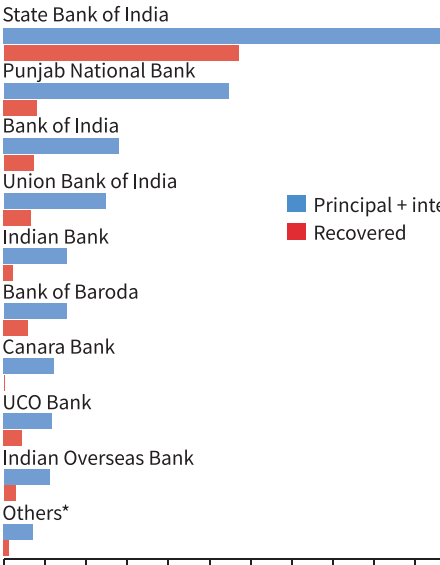


CHART 4: Loan exposure of various banks and the recovered amount in accounts related to **Vijay Mallaya**

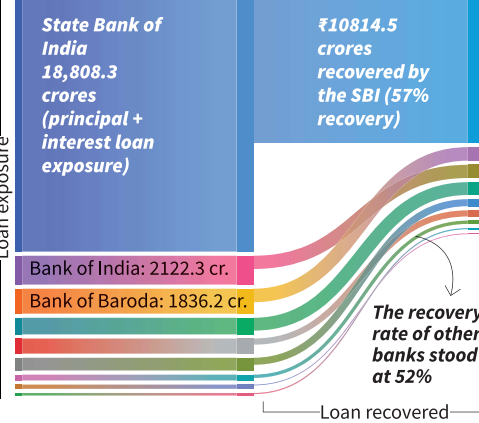


CHART 5: Loan exposure and the recovered amount in accounts related to the **Sandesara family**

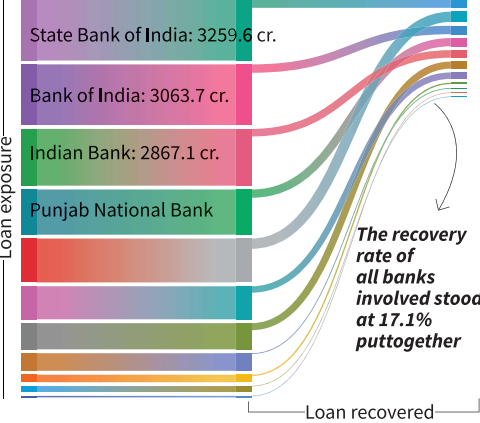


CHART 3: Amount owed by the offenders and amount recovered. Figures in ₹crore

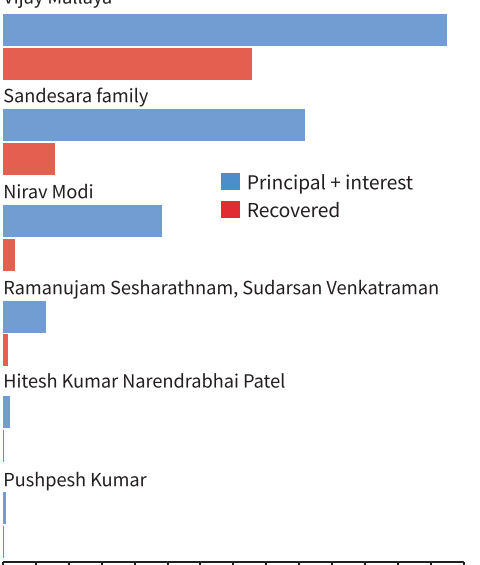
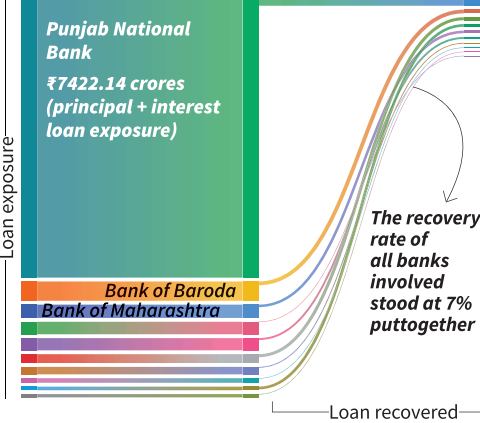


CHART 6: Loan exposure and the recovered amount in accounts related to **Nirav Modi**



FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO DECEMBER 4, 1975

A Fish to Control Malaria

NEW DELHI, Dec. 3: A three-inch long fish may hold the key to the problem of controlling malaria which has come back with a vengeance.

Called “Gambusia Affinis Halbrookii”, it is a voracious eater of the larvae of anopheles Stephensii, the mosquito which spreads malaria in towns and cities.

The possibility of using this fish to control malaria has been successfully demonstrated in a two-year study in Hyderabad city.

The little publicised experiment which might change the strategy of the National Malaria Eradication Programme (NMEP) was performed by Dr. N. L. Sitaraman of the NMEP Regional Co-ordinating Organisation in Bangalore and Dr. M. A. Karim and Dr. G. Venkata Reddy of the Andhra Pradesh Health Department.

They released the fish Gambusia in all the 3, 800 wells in Hyderabad city. Immediately after release, the density of mosquito larvae in the wells was reduced by half. After six months, they found only 18 pupae in all the wells and as long as there were fish, the wells remained free of mosquito breeding. The malaria cases continued to be low or nil.

The cost of controlling malaria by keeping the wells breeding-free was only ₹15 a month.

A HUNDRED YEARS AGO DECEMBER 4, 1925

Lac Plantations in Bihar

(ASSOCIATED PRESS OF INDIA)

PATNA, Dec. 3. An interesting feature of the official report on the Forest Administration in Bihar and Orissa for 1925 is the undertaking of research work and experiments, particularly with regard to lac plantation. Very valuable results are foreshadowed, which are to be achieved by the close co-operation of the Forest Department with the new Indian Lac Research Institute, opened in Naukum, by the Association of Shellac Manufacturers last year. A start has been made with lac nurseries in Singhbhum and Palamau districts, and, since the conclusion of the year under review, the Government have given their sanction to a comprehensive scheme for the establishment of eight lac plantations, of 750 acres each, to be opened in the more important lac districts. The capital outlay, involved in the scheme, is about ₹90,000.

Text & Context

THE HINDU

NEWS IN NUMBERS

The European Union’s proposed funding plan for Ukraine

90 In billion euros. The European Commission has proposed a 90-billion-euro funding package for Ukraine to help the country “lead peace negotiations from a position of strength,” EU chief Ursula von der Leyen said. The plan aims to cover Ukraine’s needs through 2027. AFP

Death toll of Maoist insurgents in Chhattisgarh in 2025

275 Twelve Naxalites and three personnel of the District Reserve Guard (DRG), a specialised unit of the State police, were killed in a fierce encounter in Chhattisgarh’s Bijapur district. The gun battle broke out in a forest along the border of Bijapur-Dantewada districts. PTI

Kolkata metro area held up due to land acquisition issues

20 in kilometres. A 52-km stretch under four metro corridors is under construction in and around Kolkata, of which 20 km has been held up due to land acquisition and utility shifting issues pertaining to the State government, Railway Minister Ashwini Vaishnaw said. PTI

Illegal occupants to be defended in the SC by Himachal government

1.24 in lakh. The government will hire renowned lawyers to seek relief from the High Court’s decision. On August 5, the Himachal Pradesh High Court had ordered the State to start eviction proceedings against all encroachments on government land. PTI

Number of private sector jobs lost in the U.S. last month

32,000 The U.S. private sector shed 32,000 jobs in November, payroll firm ADP said on Wednesday, surprising markets that had forecast net growth in employment. AFP

COMPILED BY THE HINDU DATA TEAM

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Why has Airbus ordered upgrades to its aircraft?

What happened on a JetBlue flight, which left some of the passengers injured? Are elevator aileron computers of the Airbus A320 family of aircraft susceptible to solar radiation? How many aircraft were affected in India? How long does it take to upgrade the software and hardware?

EXPLAINER

Murali N. Krishnaswamy

The story so far:

Airbus ordered software and hardware upgrades to an estimated 6,000 of its widely flown Airbus A320 family of aircraft across the world. This followed from an investigation of an inflight incident, on October 30, 2025, involving JetBlue flight B61230 from Cancun Mexico to Newark in the U.S., a distance of about 2,500 kilometres with a flight time of about three hours 30 minutes. The airline is a U.S.-based low-cost airline.

What happened to the Jetblue flight?

Flight B6-1230 was in U.S. airspace at about 35,000 feet when the aircraft experienced what was termed as an inflight upset that left some of the passengers injured and in need of medical aid on the ground. The crew, who reported flight control issues, decided to land in Tampa, Florida about 25 minutes after the incident, which was identified as an “uncommanded pitch-down event even as the autopilot was engaged”.

In investigations in the U.S., involving the Federal Aviation Administration as well as the National Transportation Safety Board, one of the aircraft’s two elevator aileron computers (ELAC) was identified to have been faulty.

What does the ELAC do?

The Airbus A320 family (like in the other Airbus aircraft families) has a fly-by-wire system, where flight crew moves/inputs through the sidesticks are converted to electronic signals. These are processed by the aircraft’s flight control computers. Of these, the ELACs control the elevator and aileron controls which make the aircraft pitch up or down or bank left or right.

What was the issue?

David Kaminski-Morrow, Air Transport Editor, FlightGlobal, told *The Hindu* that the issue relates to a possible vulnerability in a relatively new software update



A revamp: An Airbus A320 aircraft at IGI Airport, in New Delhi in 2016. FILE PHOTO

specifically developed for the A320 aircraft family. This software version is intended for the ELAC. The software upgrade incorporates new protective features for the aircraft’s ‘flight envelope’, which is intended to assist the pilot during abnormal situations.

Airbus believes that this system is susceptible to solar radiation where energetic particles entering the earth’s atmosphere can alter digital data and affect the avionics of aircraft, which, in turn, could corrupt information being transmitted by the ELAC flight-control computer and cause unexpected consequences. The nature of the suspected vulnerability in this case has not been disclosed, he said.

He said that Airbus feels that the software needs to be more resilient to such risks. The A320 operators affected

have been instructed to ensure that the ELAC is in a particular configuration which, in most cases, involves uninstalling the new software and going back to using a previous version. On November 28, Airbus, through an Alert Operators Transmission, advised airlines operating the Airbus A320 family with ELAC B hardware (software version LI04) to replace it with software version LI03+.

The European Union Aviation Safety Agency (EASA) also issued an emergency Airworthiness Directive highlighting the issue and recommendation.

What has happened in India?

India’s regulator, the Directorate General of Civil Aviation (DGCA), moved quickly to ensure that Airbus operators in India – Indigo, Air India and its low-cost subsidiary Air India Express – complied

with the directive. In a stringent order, it said that no aircraft should continue in service without meeting the required safety standards. The DGCA circular of November 29, put the number of affected aircraft in India at 338 jets: Indigo (200), Air India (113), Air India Express (25).

In the case of Indigo, the upgrade was done at the airline’s base stations in Delhi, Bengaluru, Mumbai, Chennai, Hyderabad and Kolkata. For Air India, the aircraft affected were a mix of new and older Airbus A320 variants and the upgrade was done at its base stations in New Delhi, Bengaluru, Mumbai, Hyderabad, Kolkata and Chennai. Air India Express had the “precautionary safety upgrade” done at base stations in Delhi, Bengaluru and Chennai. Contrary to expectations of major flight disruptions in India, the three operators completed the work quickly, with hardly any impact on schedules.

How has it been globally?

Aerospace firm Thales, the supplier of the ELAC, said that its hardware “complied fully with Airbus specifications and regulatory certifications, and that the vulnerable functionality involves software outside the company’s responsibility”.

Globally, most airlines have completed the work, with estimates of the number of aircraft left to be 100 or less. Several airlines revised the number of planes impacted as well as the time it would take for the work to be completed, which Airbus had estimated to be between two to three hours an aircraft. One operator, Colombia’s Avianca, stopped flight bookings until December 8, but has revised the date to December 5, after receiving software support from France for its Airbus fleet.

A media report said that the fix involved uploading the previous software version with a cable from a device called a data loader. In some instances, the delays to the upgrade have been due to airlines not having enough data loaders. In some older aircraft, the report said that new hardware would have to be installed, which would cause delays. An additional issue was airline maintenance capabilities as well as global supply chain issues.

THE GIST

Flight B6-1230 was in U.S. airspace at about 35,000 feet when the aircraft experienced what was termed as an inflight upset that left some of the passengers injured and in need of medical aid on the ground.

In investigations in the U.S., one of the aircraft’s two elevator aileron computers (ELAC) was identified to have been faulty.

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Why is volcanic ash a safety concern for flights?

How has the eruption of the Hayli Gubbi volcano in northern Ethiopia affected flights? What has the Director General of Civil Aviation ordered? How does the ash affect the engines of aircraft?

Jagriti Chandra

The story so far:

Last week, the Director General of Civil Aviation (DGCA), India’s aviation regulator, ordered airlines to brace for the impact of volcanic ash travelling from Ethiopia after volcano Hayli Gubbi erupted for the first time in 12,000 years.

How did it travel?

Hayli Gubbi volcano in northern Ethiopia erupted on November 23 for the first time in nearly 12,000 years, sending thick plumes of ash up to 14 km into the sky, and across the Red Sea towards Yemen and Oman. It even drifted towards Iran. The volcanic ash reached India’s western border on November 24 at 5.50pm and moved out of the country’s airspace by

10.30pm on November 25. Moving at around 100-120 km/hour at an altitude of 15,000 to 25,000 feet the plume carried volcanic ash, sulphur dioxide and tiny particles of glass and rock, travelling over Rajasthan, parts of Gujarat, Delhi-NCR, Punjab and Uttar Pradesh before crossing over to China.

How does it impact aircraft?

A jet engine works by sucking in air, squeezing it, mixing it with fuel, burning it, and pushing hot gases out the back to produce thrust.

The engine runs extremely hot at temperatures of 1,600 degrees Celsius while turning very fast, with air racing through it at 600 mph. When volcanic ash gets into this environment, the silicate components melt and re-solidify at high temperatures creating a glassy deposit on

hot parts, which blocks tiny cooling holes choking off flow within the engine. This can lead to engines losing power or shutting down.

What did the DCGA order state?

The DGCA issued an advisory urging airlines to steer clear of affected altitudes and regions to ensure safety. Airlines were also advised to report any suspected impact of ash on engine performance or cabin smoke or odour. Airports were ordered to inspect runways for contamination and suspend or restrict flight operations, if need be.

Air India cancelled at least nine flights on November 24 and 25, including those originating from Dubai, Doha and Dammam and said it was carrying out precautionary checks on aircraft.

Akasa also cancelled flights to and from

Jeddah, Kuwait and Abu Dhabi.

How have flights been affected?

In 1982, a British Airways Boeing 747 flying at 37,000 ft enroute from London to Auckland flew through a volcanic ash cloud from Mount Galunggung near Jakarta. All four engines failed one after another due to the ash. As engines control the pressurisation system, the oxygen levels in the passenger cabin started to drop and passenger oxygen masks were deployed. With mountains blocking the way to the emergency airport, it seemed like the plane would have to ditch in the Indian Ocean. Luckily, after descending more than 25,000 feet, the pilots managed to restart one engine and then the other three, although one engine had to be shut down again. With enough power to reach the airport safely, the crew still faced the difficult task of landing with windscreens clouded almost completely by volcanic ash.

In 1989, a KLM Boeing 747-400 flying to Anchorage, Alaska, hit ash from the nearby Mount Redoubt eruption. All four engines shut down suddenly at 24,000 ft. The crew descended 14,000 ft and had to perform the engine restart procedure a number of times before it was able to successfully land the plane safely. But the engines worth \$80 million were severely damaged and had to be scrapped.

THE GIST

Hayli Gubbi volcano in northern Ethiopia erupted on November 23 for the first time in nearly 12,000 years, sending thick plumes of ash up to 14 km into the sky.

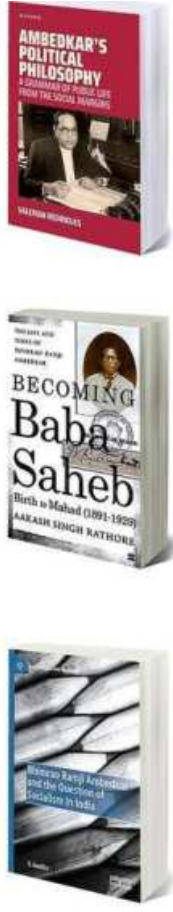
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BIBLIOGRAPHY



Always relevant: Monsoon clouds gather over the Dr. B. R. Ambedkar statue in front of the Vidhana Soudha, in Bengaluru on October 18. MURALI KUMAR. K



Understanding Ambedkar: why reading his work carefully is important today

A new book by Valerian Rodrigues argues that B. R. Ambedkar is not just a political leader but also a moral philosopher. His ideas on representation, power, democracy, nationalism speak to the marginalised in any society

Arpan Acharya

The appropriation of B.R. Ambedkar remains central to the project of the current regime trying to make inroads into the Dalit electorate. His intellectual legacy is sought to be decontextualised and refashioned to suit current political agendas. *Ambedkar's Political Philosophy: A Grammar of Public Life from the Social Margins* by political philosopher Prof. Valerian Rodrigues seeks to (re)situate Ambedkarite thought in its socio-political, and more importantly, moral context. The book takes the position that Ambedkar cannot be reduced to a political leader; he is a philosopher and thinker whose work speaks to the marginalised in any society. Rodrigues foregrounds the political frame that makes Ambedkar ask the difficult questions that the Congress party often expediently overlooked in the name of anti-colonial unity and then post-colonial consensus.

The work stands alongside recent works on Ambedkar, both biographical and analytical. V. Geetha's *Bhimrao Ramji Ambedkar and the Question of Socialism in India* explains Ambedkar's contentious relationship with communists in India (both within the Congress and without). He thought that socialism had immense emancipatory potential and proposed a parliamentary socialist structure for independent India in *States and Minorities*. At the same time, he thought that Indian communists, owing to ignorance about caste, did not understand that Brahmanism is not just a historical relic but an ever-evolving reactionary socio-intellectual force.

Aakash Singh Rathore's *Becoming Babasaheb* is a biography (until 1929) which wants to do away with the 'bloodlessness' and inaccuracies of

previous biographers; in that sense it's a 'full length, personality-driven narrative', without the slew of misinformation that has crept in over the years (sometimes thanks to Ambedkar's disregard of dates in his own writings). Militating against the hagiographical tradition is Anand Teltumbde's *Iconoclast*, where he supplements the already existing sources with his reflections to get people to 'rethink their state of devotional inebriation' with respect to Ambedkar. The irony lies in making the iconoclast an icon. But, as Rodrigues clarifies in his introduction, the focus of this work is its exposition of (and engagement with) concepts that Ambedkar regards as 'political'; in that sense, the book is not biographical.

Comprehensive overview
One of the other contributions of the book is that the author makes Ambedkar accessible. This is not because Ambedkar is difficult to read but because he wrote so much over his lifetime. The author draws upon a variety of sources within Ambedkar's own works as well as works about Ambedkar to give a comprehensive overview on Ambedkar's take on political concepts like representation, power, untouchability, democracy, religion, nationalism, etc. All of this is undergirded by his moral view of human nature; that, given the right kind of sociality, even the worst of us are capable of reform and even the most wretched can improve their conditions.
In a world obsessed with nationalism, Rodrigues shows us that Ambedkar's idea of nationalism was connected to larger questions of justice and fraternity and was irreducible to mere markers of essentialised identity like race, religion, territory, etc. The institutional architecture of operationalising nationalism has to be carefully thought

through, especially when it comes to the question of representation. Otherwise, all that nationalism and electoral democracy yield is brute majoritarianism which reinscribes dominant narratives as the norm. In other words, it is important to have a politico-moral idea of politics which understands that strategic moves do not necessarily mean corrosive instrumentalism.

A rigged system
Rodrigues underlines the Ambedkarite point that the mandate to speak for a community should never be with other communities which have traditionally been their oppressors. If the form of representation does not account for this, the oppressed will have to perforce compromise with the oppressors. During the Second Round Table conference he wanted separate electorates for the Untouchables so that a system of common electorates would not be hijacked by caste Hindus. Eventually, he had to come to terms with Gandhi on this and accept reservations in common electorates. His fears were not unfounded; the 1937 elections showed that even in reserved constituencies, Congress candidates won. To the Congress that was proof of their pan-India appeal; for Ambedkar it was the demonstration of a system rigged against effective Dalit representation. Electorally speaking, the Bahujan Samaj Party (BSP) has been the only significant party in India with an explicit Dalit agenda to have won an election, but even they had to compromise to be electorally viable in a common electorate.

In his conclusion, Rodrigues flags the burden that Ambedkar brings to bear on the state and the fact that it fails because it needs the consent of the people it is trying to fight against. The capture of Parliament by the entrenched socio-economic elite post-Independence

meant that the only way to get a seat at the table was to build electoral heft through numbers. But if there is no space for universality within the main representative institution, it becomes a conduit for partisan electoral jostling which starts essentialising group identities.

That will happen in a polity which does not aspire to idealism and whose only value is using the electorate to win a mandate.

Political Hinduism
Ambedkar is celebrated as a constitutionalist, but mainstream political narratives overlook the complex history of his relationship with the Congress party, the Constituent Assembly, and the Constitution itself.
The current political project also overlooks the hostile relationship he had with Hinduism which ultimately results in the conviction that there is no emancipation, material or transcendent, for anyone within Hinduism; and thus his conversion to Buddhism. Reading Ambedkar carefully, as Rodrigues helps us to do, allows us to understand the continuing project of political Hinduism.
Gandhi's offer to Dalits and the current political regime's outreach project have certain similarities, namely that caste is seen as a social problem (thus internal to Hinduism); and that symbolic acts (cleaning toilets, touching the feet of people engaged in manual scavenging) will always be prioritised over structural change.
As philosopher Michel Foucault says, we don't write a history of the past simply because we are interested in the past; we write a history of the past to write a history of the present.
Arpan Acharya is Assistant Professor at Jindal Global Law School, OP Jindal Global University. Views expressed are personal.



Language in conversation

Vaishali R. Venkat

"Dear, Moon. You appear rather crestfallen, and your cute little face has its own sad story. Did someone rain on your parade?"
"Genie, don't get on my nerves right now. I'm already upset. And for the record, there was no parade. I couldn't take part in the running race at our annual sports day because I wasn't well. On top of that, it was raining heavily, so my mother didn't let me step outside."
"Oh, Moon, I've told you this before: when a phrase makes no sense literally, it's usually an idiom. 'Rain on someone's parade' is one such expression. It means doing something that spoils another person's plans. Example: I didn't mean to rain on her parade, but somehow she missed out on the promotion."
"So, Genie, in my case, the rain itself rained on my parade."
"Don't worry, Moon. Next year you'll 'be as right as rain', and you'll win cups in all the matches, even if it rains that day."
"Genie, there you go again. What exactly does 'right as rain' mean?"
"Moon, it simply means to feel well and healthy."
"Genie, it's not just about the sports event. I can't write my mathematics exam either. I prepared so well, but I keep forgetting the formulas. And my father had promised to take me to Ooty for three days, but he cancelled the plan. So my fever, coupled with the rain, has triggered a cascade of problems and feels like a run of bad luck."
"Moon, 'When it rains, it pours'."
"Wonderful, and yet it's a pity I don't understand a thing. Your words are a mystery to me, Genie."
"Moon, 'when it rains, it pours' is an idiom. People use it to mean that when one bad thing happens, many more follow, making the situation worse. That is, troubles often arrive one after another."
"Fantastic, Genie. When I go back to school after the vacation, I'll be the first to tell my English teacher all the idioms I've learnt from you, even before my friend steals the moment."
"Moon, that would mean 'stealing your friend's thunder'."
"Genie, now you sound like a monster. My friend doesn't own any thunder. And even if she did, how could anyone steal thunder? It sounds terribly dangerous and painful."
"Moon, it means preventing someone from getting credit, praise or attention by doing what they were planning to do. It can also mean using someone else's idea for one's own advantage."
"Interesting, Genie. Could you come to my school sometime next week? I'd love to introduce you to my English teacher."
"Moon, would you mind if I 'take a rain check' on your invitation? Some imps wandering through snow-laced woods have whisked away my lamp to light up their igloos, and I have to rush across the snow to sort things out."
"Genie, I think you've mixed it up. When it's raining, you take a raincoat, not a rain check."
"Moon, all I meant was that I can't accept your invitation right now. 'Rain check' has another meaning as well, and I'll explain it to you later. For now, don't dwell on the missed match."
"Sure, Genie. Just make sure the imps don't whisk you away as well."

THE DAILY QUIZ

The Indian healthcare system has been shaped and sculpted by several luminaries. Let's look at a few of them from pre-Independence India

Ramya Kannan

- QUESTION 1**
In a sense, he is the architect of the modern healthcare system in India. As part of a report he submitted in 1946, he recommended merging curative treatment with preventive care, building medical colleges to train human resources, and stressed on strengthening the primary healthcare system. Who are we taking about?
- QUESTION 2**
A close associate of Mahatma Gandhi, this highly respected physician was a freedom fighter who went on to serve in government as well. His birth anniversary is very significant in India, for healthcare, and an award has been instituted in his name.
- QUESTION 3**
Dr. Kadambini Ganguly and Dr. Anandibai

- Joshi were the first Indian women to obtain degrees in Western medicine in 1886. Dr. Kadambini was the first practising female doctor of modern medicine in India, but she also held another historic role. What was it?
- QUESTION 4**
An unsung hero, this Indian physician and scientist made a monumental contribution by discovering effective treatment for kala-azar, a deadly protozoa infection also known as visceral leishmaniasis. Who was he?
- QUESTION 5**
In 1959, the Union government set up a Health Survey and Planning Committee to evaluate the progress made in the field of health since Independence and make recommendations for future course of action. A south Indian, who was also a Vice Chancellor of a varsity, headed this committee. Do you know who he was?



Visual question:
In 1912, Madras Medical College celebrated as this young girl who had come all the way from Pudukottai, to be a doctor, scored 100% in surgery. She went on to set up a distinguished institution in Madras that puts service before profit while delivering specialised healthcare. Name her.

- Questions and Answers to the previous day's daily quiz:** 1. India ratified the UN Convention on the Rights of Persons with Disabilities on this day. **Ans: October 1, 2007**
2. The number of categories of disabilities identified under the Rights of Persons with Disabilities Act, 2016. **Ans: 21**
3. The name of this iconic civil disobedience event that took place on March 12, 1990 in Washington D.C. **Ans: The Capitol Crawl**
4. 'More I believe in myself, my strength multiplies, my will power gives the confidence that I can do it'. This is one of the three point oath for persons with disabilities suggested by this President of India. **Ans: Dr. A.P.J. Abdul Kalam**
- Visual: Name this Paralympian from India. **Ans: Sumit Antil**
- Early Birds:** Tamal Biswas| Vidyasagar Reddy| M. Suresh Kumar| Gaurav Deshmukh| Suchit Narottam

Word of the day

Schadenfreude:
delight in another person's misfortune

Usage: *His business thrives on schadenfreude.*

Pronunciation:
newstw.live/schadenfreudepro

International Phonetic Alphabet: /ˈʃɑː.dən.ʃɪ.ɪ.də/, /ʃɑː.dən.ʃɪ.ɪd/

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Editor's
TAKE

Defining fake news: What is it, after all?

Fake news erodes trust, distorts public perception and threatens democratic stability, making a clear legal definition essential to protect national interests

Winston Churchill once famously said, “A lie gets halfway around the world before the truth has a chance to put its pants on.” Today, in the age of social media, that lie may well travel around the world ten times over. A lie packaged as fake news has now become a major menace – an industry unto itself. Savour this: between April 2020 and April 2025, in a span of five years, the PIB Fact Check Unit received over 1.6 lakh queries and debunked more than 2,200 fake news items. These numbers reveal the vast scale of the problem. And this is just the tip of the iceberg, as it is only a small fraction of the misinformation circulating each day. The rot runs deep and is increasing with every passing day, thanks to social media and AI-generated deepfakes that make it more authentic and believable than ever before.

Now, at last, some headway is being made to understand it and define it to put it into legal terms. The parliamentary panel led by BJP MP Nishikant Dubey has rightly recognised a central challenge: India still lacks a precise, legally enforceable definition of fake news. This ambiguity makes regulation inconsistent and largely ineffective. It is used to describe everything from satirical content to state-sponsored propaganda. This looseness allows harmful misinformation to slip through the cracks while also enabling powerful actors to misuse the label for news inconvenient to them.

Fake news should be understood as any content that is wholly or partially false, presented as genuine news, and created deliberately to mislead or manipulate public opinion. The key element here is intent – not mere error or opinion, but deliberate fabrication. The problem gets compounded when celebrities and influencers – politicians, film stars, sportsmen, Godmen – indulge in it, distorting perception and creating confusion in the minds of the people.

For India to regulate fake news without compromising constitutional freedoms, especially the freedom of speech, the definition must be crafted with precision. It should be narrow enough to prevent misuse, yet broad enough to capture the spectrum of harmful, deceptive content. The committee has rightly noted that striking this delicate balance is essential.

Fake news is not a simple case of misinformation; it is engineered deception. Once these falsehoods take root, they distort public perception and poison democratic discourse. In recent years, misinformation in India has fuelled mob violence, stoked communal tensions, undermined faith in public health measures, and intensified political polarisation. A nation can survive disagreements, but it cannot function amid disorientation and distrust. In this sense, fake news behaves like cancer: spreading silently, affecting vital systems, and weakening the entire democratic body.

If India does not act now – by defining fake news clearly, ensuring checks against misuse, and strengthening accountability – misinformation could grow into a threat far beyond regulatory control.

Between Washington and Moscow, India chooses itself

For India, the message is equally blunt: it will not be pressured into choosing sides in a conflict that it did not create, and it will not sacrifice its own strategic autonomy at the altar of Western expectations



UTTAM
KUMAR SINHA

In a world splintering into rival blocs, Russian President Vladimir Putin's visit to New Delhi today is far more than diplomatic theatre. In an era when sanctions, tariffs and coercive alignments are redrawing the global order, the optics and outcomes of this trip will resonate well beyond the India-Russia relationship.

This is Putin's first trip to India since the Ukraine war began. For Moscow, which has endured unprecedented sanctions and isolation from the West, the visit signals something fundamental: Russia refuses to be trapped in a binary world where its only strategic anchor is China. For India, the message is equally blunt: it will not be pressured into choosing sides in a conflict that it did not create, and it will not sacrifice its own strategic autonomy at the altar of Western expectations.

Breaking Out of the China Corner

Since 2022, Western policy has had an unintended, though entirely predictable, consequence. By weaponising SWIFT, imposing a record number of sanctions and seeking to expel Russia from global markets, the US and Europe have pushed Moscow into Beijing's strategic embrace. The irony is stark; Stalin once dismissed Mao Tse-tung as a “caveman Marxist”, yet today Russia finds itself leaning heavily on a China whose economic weight far exceeds its own. The partnership has deepened, especially in energy and defence, but it remains asymmetrical. Beijing's dominance in trade, finance and technology risks reducing Moscow to the status of a ‘junior partner’, a role the Kremlin is acutely aware of and eager to avoid.

Putin's trip to New Delhi must be read in that context. India, till recently the leading purchaser of discounted Russian oil, has seen its imports fall by nearly a third in the wake of stringent US sanctions.

But more importantly, India offers Russia strategic diversification – a way to balance Chinese influence without needing to confront it. For Moscow, the symbolism matters. In the middle of a grinding war and near-total Western hostility, India is one of the few major powers willing to host Putin without apology or hesitation. The optics of a warm and public welcome from the world's largest democracy undermine the narrative of global isolation that Washington and its allies have sought to construct.

India's Strategic Autonomy, Asserted Yet Again

India's message to the world is equally clear –



THE INDIA-RUSSIA STRATEGIC PARTNERSHIP SIGNALS SOMETHING LARGER THAN THE RENEWAL OF AN OLD FRIENDSHIP; IT TELLS THE WORLD THAT NEW DELHI WILL SHAPE ITS FOREIGN POLICY BY ITS OWN INTERESTS, NOT BY INHERITED LOYALTIES, IDEOLOGICAL NOSTALGIA OR EXTERNAL PRESSURE

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and perhaps even more consequential. New Delhi refuses to be confined by the West's “with us or against us” binary. It has never accepted that global politics can be reduced to a moralistic scoreboard curated in Washington or Brussels. Instead, it has revived and modernised the credo of nonalignment, reframed today as ‘multi-alignment’ and maintaining simultaneously strong ties with the US, Europe, Russia, Southeast Asia and West Asia, while aligning fully with none.

Putin's visit is a sharp reminder that India's choices are its own. And the timing could not be more deliberate.

One of the most significant outcomes of the visit is likely to be the creation of new payment mechanisms that bypass the Western-controlled financial order. India and Russia are expected to finalise channels that avoid the SWIFT system altogether, insulating bilateral trade from American and European sanctions.

Such efforts are not new, but this time they carry an unmistakable momentum. The weaponisation of the dollar during the Ukraine war – from freezing Russia's foreign reserves to blocking banks from SWIFT – has shaken the world's confidence in the neutrality of global finance.

Countries across the Global South are exploring alternatives, from local-currency settlements to regional payment systems.

India, which imports billions of dollars' worth of Russian oil monthly, has already experimented with rupee settlements, though they have limitations. The new mechanisms discussed during the visit are expected to be more

durable and technologically robust. If they work, they will not just deepen India-Russia trade; they will contribute to a slow but steady erosion of the dollar's monopoly in global finance.

A Relationship Driven by Interests, Not Nostalgia

The India-Russia relationship is often explained through history: the Soviet Union's support on Kashmir, military cooperation since the 1970s, the memory of the 1971 veto. But this visit shows something different. The relationship endures today not because of nostalgia, but because it serves current interests on both sides.

For India, Russia remains central to defence diversification. Despite Western hopes, India cannot switch overnight from Russian-origin platforms to NATO systems without jeopardising readiness. Moreover, Russia remains a crucial supplier of discounted oil, helping India maintain energy affordability at a time of global volatility. For Russia, India represents a major market, a diplomatic partner that refuses to toe the Western line, and a counterweight to China. The relationship allows Moscow breathing space –politically, economically and strategically.

What This Means for the Global Order

Putin's visit is ultimately a reflection of a larger transition. The post-Cold War order, built on US financial primacy and Western political norms, is no longer universally accepted. Countries are carving out their own spheres of autonomy, building parallel institutions and hedging against the uncertainties of an increasingly unpredictable superpower.

India sits at the centre of this transformation. It is deeply engaged with the West, but not dependent on it. It maintains ties with Russia but is not beholden to Moscow. It partners with China in multilateral forums even as it confronts it in the Himalayas.

This is not contradiction. It is strategy. The India-Russia strategic partnership signals something larger than the renewal of an old friendship; it tells the world that New Delhi will shape its foreign policy by its own interests, not by inherited loyalties, ideological nostalgia or external pressure. India is neither retreating into Cold War alignments nor succumbing to the new bipolarity imposed by the West and China.

Instead, it is asserting a model of autonomy that other mid-sized and emerging powers increasingly find compelling – a refusal to be drafted into somebody else's conflict, somebody else's sanctions regime or somebody else's worldview.

The Pioneer
SINCE 1865

Studying the Gita's frameworks for today's world



SAKSHI
SETHI

2ND OPINION
THE PIONEER

The Gita is regarded as one of the most respected and insightful sacred texts, known for its ability to guide individuals toward a clearer and more purposeful life. Though profound, the Gita is a layered scripture, composed of ‘shlokas’ that carry meanings requiring interpretation. Only a limited number of scholars and spiritual teachers are able to explain these nuances with precision. Among them is Sudhanshu Ji Maharaj, whose work focuses extensively on the teachings of the Gita. His discourses present these ideas in a manner accessible to a wide audience, combining scriptural references with practical application.

Sudhanshu Ji Maharaj places particular emphasis on the Gita's principle of selfless action. For him, Karma Yog – the path of performing one's duties without attachment –

forms the core of meaningful living. He teaches that an individual's karma shapes both present circumstances and future outcomes. According to his interpretation, transformation occurs through the combined role of sustained effort, prayer or meditation, and grace. He often states that life is influenced by eighty percent ‘karma,’ ten percent prayer or ‘dhyān,’ and ten percent blessings (kripa) from a Guru or the Divine, suggesting that disciplined action remains central to progress. In his framework, *karma* (righteous action), prayer or meditation (inner discipline), and *kripa* (divine support) operate together as essential components of a balanced life. While prayer and blessings contribute to emotional and spiritual grounding, he maintains that committed action is necessary for walking the path of ‘Karma Yog’ and for contributing positively to society. Another major aspect of Sudhanshu Ji Maharaj's work is his effort to highlight the values of Sanatan culture for contemporary times. His more than 8,000 discourses draw from the Vedas, the Bhagavad Gita, and the Upanishads, presenting traditional ideas in language suitable for modern listeners. He frequently states that service to humanity is a fundamental form of worship, expressed in the idea that serving people is equivalent to serving the Divine. On meditation, he explains that grace (*kripa*) is understood to arise from a deeper connection with

higher spiritual energy, and that meditation (*dhyān*) is a key method for cultivating such awareness. Motivated by concern for marginalised and underprivileged groups, Sudhanshu Ji Maharaj founded the *Vishwa Jagriti Mission* in 1991. The Mission was created with the objective of supporting vulnerable populations, including the elderly, orphans, and economically disadvantaged individuals.

It works on 7s principles given by Sudhanshu Ji Maharaj drawn from Indian traditions namely: *Seva* - Serve, *Simran* – Divine remembrance, *Swadhyaya* – Self-study, *Satsang* – company of truth, *Sadhana* – Practice, *Samarpan* – dedication; *Santosh* – contentment. Through initiatives in education, healthcare, women's empowerment, and community support, the Mission aims to address both immediate social needs and long-term development goals.

Beyond its social programmes, the Mission also seeks to encourage personal growth and ethical awareness among individuals. His teachings emphasise introspection, recognition of one's inner potential, and acting in ways that contribute to social welfare. Today, the VJM continues to operate across various regions, and its work reflects the ideas and values promoted by Sudhanshu Ji Maharaj.

The Pioneer
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The writer is an educator

LETTERS TO THE EDITOR

Social media needs responsible use

Social media is undoubtedly the fastest means of communication, yet the same speed has turned it into a powerful instrument for spreading rumours and misinformation. Deepfake content, the circulation of old incidents as if they were new, and the forwarding of unverified posts have become increasingly common. These irresponsible practices have created an environment where falsehood spreads far more rapidly than truth.

Some individuals misuse these platforms to provoke violence, generate animosity, and incite hatred between groups or communities, which is extremely dangerous and deeply damaging to social harmony. Therefore, social media platforms must be monitored with care, and fake news should be identified and removed promptly to prevent harm. Equally important is public awareness. People need to be trained and educated about the responsible use of social media, including understanding the impact of sharing unverified information. Digital literacy should be promoted so that users can recognise misleading content and avoid contributing to its spread. Every individual carries a responsibility to verify information before forwarding it to others. Used wisely, social media strengthens communication; misused, it undermines trust and social harmony.

MD ARSHAD | UTTAR PRADESH

Election promises rarely become reality

After the two major Assembly elections in Delhi and Bihar, the nation is set for yet another major electoral season in Kerala, Tamil Nadu, Assam and West Bengal next year. Even before that, intense political activity is already under way in Kerala and Maharashtra for the local body polls. Whether in national, Assembly, or local elections, candidates and their parties make numerous promises in their manifestos. But are these promises fulfilled? The answer is, unfortunately, a resounding no. Election assurances remain confined to manifesto pages and are rarely implemented by winning parties. For the common people, long-standing issues persist unchanged. We forget this pattern and fall for the same promises during every election cycle. Politicians thrive because of the gullibility and credulity of the electorate.

However, the public has begun to recognise this, and changes are emerging. Recent election results show that if people are ignored, they will certainly ignore those who ignored them.

Citizens now expect action rather than rhetoric. Politicians must understand that voters remember those who stand by them during crises. People are increasingly expressing their preferences and disapproval with clarity when choosing their representatives.

M PRADYU | KANNUR

Mandatory app order raises concerns

Apropos “Sanchar Saathi app: Govt spells out the mandate”, December 3. The government's order directing mobile handset manufacturers to pre-install the Sanchar Saathi application on every device made or imported for use in India is not only poor governance but also unsound economics. Though presented as an effort to “strengthen cyber security and anti-spam measures”, such a diktat raises legitimate concerns regarding surveillance and intrusion. The directive initially specified that users would not be able to delete the app, effectively making it a permanent fixture on all devices.

Following public backlash, Union Minister for Communications Jyotiraditya Scindia clarified that the app is “optional” and deletable. However, this reassurance is insufficient. Genuine consent must be based on opting in, not opting out – a fundamental principle underpinning the right to privacy.

Cybercrime is real, and Sanchar Saathi offers useful services, but mass adoption must be built on trust, not compulsion. India's successful digital platforms thrive because users choose them voluntarily. Instead of imposing mandates, the government should withdraw the order and focus on awareness and voluntary participation.

N SADHASIVA REDDY | BENGALURU

PIC TALK



Artists dressed as Lord Hanuman during the ‘Hanuman Jayanti’ celebrations in Bengaluru.

PHOTO: PTI

DIGITAL EXPERIENCE



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INDIA FACES RISING THREAT FROM ANTIBIOTIC RESISTANCE CRISIS

Around 83 per cent of patients in India are now found to have Multidrug-Resistant Organisms (MDROs), meaning bacteria that no longer respond to multiple antibiotics. As a result, many patients fail to recover even after taking commonly prescribed medicines. Across the country, a widespread lack of seriousness regarding health is clearly visible. Medicines continue to be easily obtained at chemists without a doctor's prescription. Numerous individuals take antibiotics on their own or rely on the advice of pharmacists instead of consulting qualified medical practitioners.

Even for minor ailments, the routine use of antibiotics is causing harm. Increasingly, bacteria are developing resistance to these medicines. This concern has been highlighted by researchers in a study

published in The Lancet eClinical Medicine. Consequently, questions are being raised about the nation's disease-fighting capacity. Researchers warn that once bacteria stop responding to low-intensity antibiotics, stronger medicines are administered, yet microbes are gradually becoming resistant to those as well.

If this situation persists, the health of citizens – as well as their overall immunity, may face serious risk. Misuse of antibiotics, easy availability of medicines without prescriptions, incomplete treatment courses, the habit of stopping medication midway, and self-medication remain major contributors. Although medical science has advanced remarkably in recent years, the excessive and unregulated use of antibiotics will undoubtedly harm public health.

DATTAPRASAD SHIRODKAR | MUMBAI

Please send your letter to the info@dailypioneer.com. In not more than 250 words. We appreciate your feedback.

Colonised minds: Modi didn’t speak the whole truth

When, amid Vedic rituals on November 25, the PM raised the standard of Sanatan in Ayodhya, it was a definitive statement about India’s civilisational renaissance and its quest to dismantle the colonial mindset. No wonder the Macaulay-Marxist pack is in a funk



BALBIR
PUNJ

Recently, Prime Minister Narendra Modi vowed to liberate India completely from the Macaulayite mindset. In his words: “Alongside pride in our heritage, one more task is equally vital-and that is the complete eradication of the mindset of servitude. Nearly 190 years ago, in 1835, a Briton named Macaulay sowed the seeds of uprooting India from her civilisational roots. It was Macaulay who laid the foundation of India’s mental colonisation. Ten years from now, in 2035, that unfortunate episode will complete two hundred years. Only a few days ago, at another event, I urged the nation to adopt the coming decade as a mission-a resolve that in these ten years, we shall free India entirely from this mindset of slavery.”

PM Modi hit the nail on the head, and what better place than Ayodhya to do so. The seven-decade delay in building the Shri Ram Janmabhoomi Temple symbolises the lingering scars of colonised mindsets. The temple could have been constructed soon after independence and marked the conclusion of India’s struggle to reclaim its self-respect and identity.

However, opposition driven by Macaulay-Marxist influences turned it into a Hindu-Muslim issue. Their colonial mindset created misleading narratives, resulting in endless litigation, damage to Hindu-Muslim relations, and the loss of many innocent lives and properties. I have explored this topic in detail in my book-‘Tryst with Ayodhya: Decolonisation of India’.

What Modi said about the Macaulay mindset is true, but unfortunately not the whole truth. India’s influential political, intellectual, and social elite has long been influenced not only by Macaulay but also by the ideological legacy of Karl Marx. Since independence, this powerful network has worked tirelessly-both jointly and separately-to carry forward the unfinished agenda of these two, who never met but shared a hatred for India’s timeless civilisation.

Thomas Babington Macaulay was a staunch capitalist and imperialist. In contrast, Karl Marx was the pioneer of Leftist ideology, focusing on class struggle while sharply criticising capitalism. Despite their



MARX AUTHORED THIS CARICATURE WITHOUT VISITING INDIA, YET MANY OF HIS IDEOLOGICAL SUCCESSORS SPREAD THIS DISDAIN IN INDEPENDENT INDIA. SANATAN PHILOSOPHY VIEWS MAN AS PART OF THE COSMIC ORDER, NOT ITS MASTER

The writer is an eminent columnist and the author of ‘Tryst with Ayodhya: Decolonisation of India’ and ‘Narrative ka Mayajal’

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 The Pioneer

ideological differences, both shared a common goal: to diminish India’s presence in the minds and hearts of its people. As a result, when the British, in collusion with the Muslim League, moved the subcontinent towards an inevitable partition, the contemporary Left intelligentsia not only justified it but also mused about breaking India into more than fifteen smaller pieces.

Macaulay’s 1835 education policy aimed at shaping a class of Indians who would be “Indian in blood and colour, but English in taste, in opinions, in morals and in intellect”-a group that would support British rule. His policies encouraged Indians to look down on their own civilisational roots and to detach mentally from their cultural foundations. So strong was his disdain that he famously claimed the entire “native literature of India” and learning was not “worth” even a “single shelf of a good European library”.

Macaulay’s project was not merely colonial; it was deeply evangelical. Writing to his father on October 12, 1836, he

declared: “...Our English schools are flourishing wonderfully... The effect of this education on the Hindoos is prodigious. No Hindoo who has received an English education ever continues to be sincerely attached to his religion. Some continue to profess it as a matter of policy, and some embrace Christianity... It is my firm belief that, if our plans of education are followed up, there will not be a single idolater among the respectable classes in Bengal thirty years hence...”

Macaulay’s thoughts aligned with the 1813 Charter Act of the East India Company, which encouraged European missionaries’ evangelical efforts in India. From this colonial origin, divisive ideas like the ‘Aryan Invasion Theory’, the ‘Dravidian Movement’, and the claim that “India is not a nation” arose, still influencing Indian politics and academia.

British rule in India, ironically, fulfilled Marx’s worldview, at least in one way. His satisfaction is evident in his column — ‘The Future Results of British Rule in India’-published on 8 August 1853 in the ‘New York Daily Tribune’, where he wrote: “The

British were the first conquerors superior, and therefore inaccessible to Hindoo civilisation. They destroyed it by breaking up the native communities, by uprooting the native industry, and by levelling all that was great and elevated in the native society.”

Mark these words, “they destroyed it by breaking up the native communities, by uprooting the native industry...”. This sentence by Marx, over 170 years old, summarises how India was culturally and economically destroyed by colonial powers. Marx celebrated this destruction of Indian culture and industry as necessary for revolution, as culture and economics are intertwined-destroying one kills the other.

He further added in ‘The Future Results of British Rule in India’: “England has to fulfil a double mission in India: one destructive-the other regenerating-the annihilation of old Asiatic society and laying the material foundations of Western society in Asia.”

Marx’s contempt for Indian traditions was further exposed in another New York Daily Tribune article, ‘The British Rule in India’, dated 25 June 1853: “...We must

not forget that these little communities were contaminated by distinctions of caste and by slavery, that they subjugated man to external circumstances instead of elevating man the sovereign of circumstances, that they transformed a self-developing social state into never-changing natural destiny, and thus brought about a brutalising worship of nature, exhibiting its degradation in the fact that man, the sovereign of nature, fell down on his knees in adoration of Hanuman, the monkey, and Sabala, the cow...”

Marx authored this caricature without visiting India, yet many of his ideological successors spread this disdain in independent India. Sanatan philosophy views man as part of the cosmic order, not its master. India’s Vedic culture, with deep roots, supported a thriving economy from the first to the seventeenth century, acknowledged by global research.

The liberation from the colonial Macaulay-Marx mindset-an emancipation that should have started immediately after independence-only gained momentum after 2014, with some exceptions. The Guardian’s May 18, 2014 editorial highlighted this shift-“Narendra Modi’s victory in the elections marks the end of a long era in which the structures of power did not differ greatly from those through which Britain ruled the subcontinent. India under the Congress party was in many ways a continuation of the British Raj by other means. The last of midnight’s children are now a dwindling handful of almost 70-year-olds, but it is not the passing of the independence generation that makes the difference.”

Post-independence, there was a unanimous demand in Ayodhya from civil society, the political leadership of United Provinces (as Uttar Pradesh was called then), and the top echelons of state bureaucracy for handing over the Shri Ram Janmabhoomi site to Hindus, but the colonialists led by the then Prime Minister Nehru wouldn’t let that happen.

In this context, the Shri Ram Janmabhoomi Temple in Ayodhya stands as a living symbol of Sanatan resurgence and a national resolve to break free from colonial consciousness.

When, amid Vedic rituals on November 25, the PM raised the standard of Sanatan in Ayodhya, it was a definitive statement about India’s civilisational renaissance and its quest to dismantle the colonial mindset. No wonder the Macaulay-Marxist pack is in a funk.

India–Russia 2025: A roadmap for building a high-tech strategic partnership



ARVIND
GUPTA



AAKASH
GUGLANI

The forthcoming visit of President Vladimir Putin marks a pivotal opportunity to redefine the India-Russia partnership beyond its long-standing hydrocarbons and defence anchors. While these pillars will remain relevant, they no longer capture the strategic or economic imperatives shaping the next decade. Both countries are investing heavily in digital public infrastructure, cyber-resilience, artificial intelligence and high-technology R&D. India’s emerging IndiaAI Mission, with its focus on compute capacity and AI safety frameworks, and Russia’s deep research base, demonstrate that both states already possess significant building blocks.

At a moment when access to compute, secure chips and AI model governance is increasingly shaped by sanctions, export controls and supply-chain chokepoints, both sides have strong incentives to explore technology cooperation that enhances strategic autonomy. Financial interoperability is also evolving, with the shift of nearly 95 per cent of bilateral trade into national-currency settlements reflecting a structural adjustment and new institutional channels, including integration between Russia’s System for Transfer of Financial Messages (SPFS) and India’s Structured Financial Messaging System (SFMS), and exploratory work on digital-rouble and digital-rupee interoperability (TASS). This moment therefore calls for a structured expansion of the partnership into emerging technologies, supported by clear institutional mechanisms that can guide, finance and sustain long-term cooperation.

First, a bilateral Technology and Innovation Commission should be established to coordinate regulatory frameworks, identify priority technologies and structure multi-year funding. India already manages such frameworks with other major partners. The EU-India Trade & Technology Council works through joint working groups on semiconductors, high-performance computing, trustworthy AI and digital governance, and has published outcomes on coordinated semiconductor value-chain mapping and High-Performance Computing cooperation (EU-India TTC). The India-U.S. TRUST (Transforming the Relationship Utilizing Strategic Technology) Initiative has begun aligning the two countries on AI governance, quantum communication, space technologies



and strategic trade, including joint quantum network testbed work and cooperation on advanced materials. A comparable architecture with Russia would allow both sides to converge on AI governance, cyber norms, export controls and IP-sharing frameworks-prerequisites for responsible co-development in critical technologies. Institutionalising cooperation also insulates critical projects from external geopolitical pressures and cyclical fluctuations in bilateral trade.

Second, India and Russia need joint technical programmes that demonstrate immediate utility and build confidence. Collaborative testbeds for AI safety, hardware design and domain-specific models-especially disaster-response and low-resource language tools-would allow both sides to pool talent and accelerate applied research. India has deployed AI systems for flood forecasting, while Russia’s EMERCOM uses AI for wildfire prediction and remote sensing, creating natural entry points for shared geospatial and emergency-response AI models. India’s Bhashini programme on low-resource languages could be coupled with Russia’s extensive work in Slavic, Turkic and Eurasian languages to develop multilingual models suited for governance and public service delivery across linguistically diverse regions. Cooperative development of secure-by-design telecom stacks and quantum-safe encryption would address vulnerabilities in critical networks, building on India’s indigenous 5G/6G research trajectory and Russia’s established applied-cryptography ecosystem, including research arms at Skolkovo. These initiatives would translate into verifiable metrics and reproducible toolkits so that technical ecosystems in both countries adopt shared

norms rather than isolated experiments.

Third, technology cooperation is sustainable only when it scales into commercial capacity, exports and employment. India and Russia could establish co-investment vehicles that blend public and private capital to support joint ventures in secure chips, telecom hardware, trusted cloud infrastructure and enterprise cybersecurity products. In telecom and cloud infrastructure, Indian manufacturers of 4G/5G radios and Russian producers of secure network appliances could collaborate to serve markets in the Global South seeking sovereign digital-infrastructure alternatives.

Creating mutually recognised certification standards will help firms enter each other’s markets and extend into other geographies.

Talent pipelines-through joint fellowships, translational engineering programmes and start-up incubators-would convert research prototypes into manufacturable products and deepen industrial interdependence in high-innovation sectors. The innovation ecosystems of Start-up India and the Skolkovo Innovation Center, which houses hundreds of deep-tech start-ups, provide platforms for early-stage bilateral ventures.

Diversification into AI, cyber and R&D is a strategic necessity. Reliance on oil and defence hardware confines the relationship to sectors exposed to price shocks, sanctions regimes and procurement cycles. A broader technological partnership builds resilience by embedding cooperation in multiple layers of each economy. It also leverages strong complementarities: India’s scale in digital services, data governance and software talent aligns with Russia’s strengths in fundamental research, mathematical modelling, systems engineering and applied cryptography. Together, these can generate innovations that neither side can achieve independently.

A three-stage roadmap-institutionalising governance, operationalising joint programmes and scaling industrial capacity-provides a structured way into long-term capability. The 2025 Summit offers an inflexion point to embed this approach in the broader strategic partnership. If both countries act with sustained commitment, India-Russia cooperation can move decisively beyond legacy sectors and position itself around the technologies that will shape economic competitiveness and national security in the decade ahead.

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 argupta26

aakashguglani



NANDAN
JAIN

When leadership truly possesses the will to solve a problem, even the toughest challenges eventually bow down. The remarkable decline of Naxalism the country is witnessing today is a direct outcome of the unwavering resolve displayed by both the Central and State governments. Permanent peace is now gaining ground in Bastar, which was once known as the epicentre of Naxalism.

Faced with relentless administrative and strategic efforts, Naxal cadres are now surrendering or being eliminated in security operations. On the other side, villages that were cut off from progress for decades are finally witnessing the presence of roads, electricity, healthcare, education, and other essential facilities. The same tribal population that past governments and Maoists misled and kept away from democracy is today stepping into the mainstream of development. Even though Naxalism is now on its last breath, its decades-old wounds are deep and painful. The killing of hundreds of soldiers and innocent civilians, the deprivation of entire generations of development, and the perpetuation of an atmosphere of fear are all horrific legacies of Naxalism. In the early 2000s, Naxalism had reached its peak. Then Prime Minister Manmohan Singh described it as the “most serious internal security threat” to India, yet due to political hesitation and lack of resolve, successive Congress governments failed to take decisive action.

During those years, Naxal terror spread beyond Bastar to Rajnandgaon, Kawardha, and Gariaband. Their goal was to hoist the red flag from Dantewada to Delhi, which was actively supported by an urban ideological network. But the then governments ignored this serious threat, as a result of which about 200 districts came under the grip of Maoist terror and development was badly affected. In contrast, the current Modi government is moving forward with the firm vision of making India a developed nation by 2047. The government clearly understood that the country could not achieve full development by leaving Naxal-affected areas to fend for themselves. The results of strong will and firm action are evident today.

Today, not only Bastar but the entire Dandakaranya region is eager to write a new chapter of development. This region is linked to Lord Rama’s exile. Rampal village in Bastar, the



Ramaram Temple (Sukma), Rakashahara, and Kanger Valley National Park in Bastar are also associated with Lord Rama. Bastar is now freeing itself from the ravages of Naxalism. The glory of Lord Rama is being re-established here once again. Under the guidance of Prime Minister Shri Narendra Modi ji and Union Home Minister Amit Shah ji, the Vishnu Deo Sai government is committed to establishing Ram Rajya here. That is the difference between governance driven by intent and governance weakened by indifference. But it is unfortunate that the opposition of the country is also looking at this success through negative lenses. Some politicians are now promoting the idea that the fight against Naxalism is only an excuse to acquire

land for industrial interests. Even more dangerous, some political rhetoric portrays Naxalites as protectors of tribals and forest preservers. This is a clear attempt to keep alive a brutal, violent ideology-a very dangerous sign for the future.

Nurturing violence in the name of Hidma

Some people have emerged as sympathisers of Hidma, the Naxalite commander recently killed in an encounter. Some are even trying to portray him as the protector of Bastar. But there is a need to be cautious of this political move. Hidma was not innocent; his hands were stained with the blood of hundreds of people. To glorify such a violent figure or portray him as an ideal or a symbol is tantamount to fostering Naxalism. How can this notorious killer be a role model for Bastar?

Please read the complete article online at <https://www.dailypioneer.com>

The writer is, State Vice President, BJP Chhattisgarh

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 The Pioneer

End of the road for street dogs?

GOVIND SINGH AND
MOMISHA DAS

Changing public perception and recent court orders on street dogs are concerning. On 11 August 2025, the Supreme Court ordered the relocation of all street dogs in Delhi NCR to dog shelters. The order was modified on 22 August 2025; healthy and non-aggressive street dogs were to be released back to the areas from where they were picked up. Feeding street dogs in public areas was prohibited and the scope of the matter was extended beyond Delhi NCR. The modified order has been appreciated by the public as scientific since it mandates sterilisation and vaccination before release.

On 7 November 2025, the Supreme Court directed the removal of stray dogs from educational institutions, hospitals, sports complexes, bus stands and depots, and railway stations. All such animals are to be relocated to designated shelters. They should also be sterilised and vaccinated as per the Animal Birth Control Rules, 2023. Public response to this ruling has largely been critical with many calling it hasty, impractical, and potentially harmful to street dogs. However, a considerable number of people are backing this order calling it a necessary step for protecting humans. We now stand at a critical juncture where considerations of animal rights

intersect with public safety concerns. At the heart of this matter is the plight of stray, street or community dogs who exist as a consequence of human actions.

Dogs have undergone centuries of domestication and selective breeding which have made them dependent on human environments. According to one research, even the cute “puppy-dog eyes” look is a product of co-evolution with humans, a trait which has selective advantage due to the nurturing human response it triggers. Dogs have shaped human society since early times as hunting partners, herders, and guardians. Ancient cultures from around the world placed dogs in high reverence and considered them the epitome of loyalty. Dogs continue to hold working roles, offering companionship or acting as guides, helping in rescue and police work or as therapy animals. Some dogs became free roaming strays mainly due to unregulated breeding, abandonment, and lack of civic infrastructure like dog shelters.

A key factor behind the recent court-mandated removal of stray dogs is an increase in dog-bite cases. According to a 2025 Press Information Bureau release, dog-bite cases in India rose from 21,89,909 in 2022 to 37,15,713 in 2024. Over the same period, reported human fatalities due to rabies increased from 21 to 54. This highlights the importance of strengthening rabies surveillance,

timely post-exposure prophylaxis, and broader public-health interventions. Currently, there is no way to find out if a street dog has been vaccinated which enhances the rabies threat fear. This, along with lack of awareness on post-exposure treatment, triggers anxiety and fear among many. The humane, science-based solution is rigorous census-based sterilization and vaccination of all dogs and optimizing the public-health system.

The changing perception toward street dogs calls for another important enquiry. Human communities and free-roaming street dogs have coexisted for centuries. What contemporary environmental, social or public-health shifts have led to reconsidering this established pattern of human-animal interaction? Is this due to rising human population leaving no urban space for other species? Or is it yet another indicator of shifting human-animal relationships, as evidenced by rising human-wildlife conflicts across India? Contemporary shortcomings in solid waste management provide consistent food supply for street animals. Its inadvertent contribution to growing street-dog population needs analysis for corrective action.

Each individual dog exhibits unique behavioural traits, yet in urban contexts we increasingly perceive “dogs” as a single, homogeneous entity. In fact, a dog may be responding to a variety of



circumstances like protecting its offspring, defending its territory, or expressing general pack-related behaviours. However, the fact that urban life affords us neither the time nor the attentiveness to distinguish one animal's condition from another is itself concerning.

It raises a pertinent question, are stray dogs the problem or is the need felt for their removal a symptom of a larger oncoming problem? Declining awareness of our relationship with animals is leaving us poorer in judgement; immediate removal of street dogs will create a vacuum that other species will fill resulting in unpredictable consequences.

The real problem is not stray dogs but the lack of timely implementation of sterilization and vaccination drives. Cities like

Lucknow have shown the way by surpassing the WHO recommended benchmark for controlling rabies; these successful models must be replicated. It is not just insensitive to remove millions of dogs from their packs into dog shelters but also impractical from an operational perspective. While closed campuses may see short-term success, large multi-entry facilities like railway stations will not be able to do so. The focus should therefore be on adopting humane and scientific methods that promote coexistence and collective wisdom rather than taking a quick-fix approach.

(The writers are, respectively, associate professor and a student at the Jindal School of Environment & Sustainability, O.P. Jindal Global University, Haryana, India.)

100 Years Ago



Front page of The Statesman dated 04 December 1925

OCCASIONAL NOTE

THE Burman criminal is often a man of great resolution, and the out-break of prisoners reported from Pyapon is in a way reminiscent of the famous Spartacus of Roman history, though it was fortunately checked before it had time to spread. It appears that while a gang of prisoners were being taken out to work they turned on their warders and snatched their firearms from them. Thus advantageously placed, they first shot two warders, then attacked a group of prisoners who refused to join in, next engaged in pitched battle with the jail police, and finally defied the military police who came to reinforce these. They were finally subdued, not without bloodshed. Three sepoy and four convicts were killed, these including the leader of the outbreak, a murderer under sentence. Fortunately no rioter escaped to cause trouble outside.

News Items

PEACE SPIRIT IN EUROPE

NEW REGIME IN RHINELAND

(BRITISH OFFICIAL WIRELESS) LEAFIELD, (OXFORD), DEC. 2.

IT is understood that while the Ministers of the various countries have been in London in connexion with the signing of the Locarno Treaties, informal conversations have taken place upon a number of subjects in which these countries are interested.

It is stated that among the matters touched upon have been the reduction of the forces within the Occupied area, and of the completion of the withdrawal which is now proceeding from the northern zone, and the question of the nine rules at present governing German aviation.

DISUNITY AMONG LIBERALS

WILL PROPOSALS BE MODIFIED?

(FROM OUR CORRESPONDENT.) LONDON, DEC. 3.

A new and astonishing example of Liberal disunity has occurred in re-ference to the land proposals.

In a statement issued from the offices of the Liberal Party it is declared that at a meeting of the Executive Committee of the National Liberal Federation in London yesterday, it was authoritatively announced that substantial modifications were being made in the rural land proposals of the Land Inquiry Committee over which Mr. Lloyd George presided.

Then came a repudiation from the Land and Nation League, of which Mr. Lloyd George is president, stating:—

“The communiqué issued to the Press with reference to the land proposals is premature, inaccurate and wholly misleading.”

It further declared that there was no suspension of the land campaign, which will proceed on the proposals formulated.—Copyright.

THREAT OF DRUSE LEADER DAMASCUS IN STATE OF SIEGE

LONDON, DEC. 3.

A PARIS message from Damascus says that the town is in a state of siege, barbed wire and sandbags block the streets. French troops and Syrian gendarmes are standing by. The Druse leader has sworn to be in Damascus when M. De Jouvenel arrives.

Considerable anxiety prevails.—Reuter.

RIFT IN THE LOT BOMBAY SWARAJISTS AND PANDIT NEHRU

BOMBAY, DEC. 3.

ADDRESSING a public meeting on Wednesday night, Mr. N. C. Kelkar said that he had met Pandit Motilal Nehru on Tuesday and intended to meet him again at a conference on Friday, when he and his party will have a discussion on their attitude regarding responsive co-operation. Mr. Kelkar told the meeting that Pandit Motilal Nehru's lectures and conversation were unnecessarily inflammatory, and had given a bitter turn to the controversy. His personal attacks were unjustifiable.

Proceeding Mr. Kelkar said that he (the speaker) and Mr. Jayakar were to be sacrificed as scapegoats simply because the Pandit was unable, as the high-priest of the Swaraj Party, to satisfy the reactionary cravings of his No-changer critics. If he had real confidence in the merits of his own policy and his beautifully progressive constructive career, he would not have sought to put a gag on them in the name of party discipline and suppress their opinion. He (Mr. Kelkar) was insisting upon remaining a member of the Swaraj Party until actually expelled. Even after expulsion he would, without joining any party, be content, to plough his lonely furrow in full confidence that his view would ultimately prevail.

Riding the waves of valour and compassion

SANTHOSH MATHEW

December 4 is not just a date on the calendar; it is a reminder of a night when the Indian Navy changed the course of history. Navy Day commemorates the spectacular success of Operation Trident, the audacious 1971 naval assault on Karachi harbour. In the annals of global naval warfare after World War II, Operation Trident shines as one of the finest examples of precision, courage, and maritime strategy. The memory of that night still stirs national pride, for it marked the moment when India stepped into its role as a decisive maritime power.

On that December night, a group of young Indian naval officers and sailors set out on missile boats, racing through the darkness of the Arabian Sea towards one of Pakistan's most heavily guarded ports. They had only one asset - unshakeable confidence in their mission. When they struck Karachi, the results were devastating for the adversary. PNS Khaibar was sunk, fuel tanks burned for days, and Karachi harbour was left crippled. It was a flawless demonstration of surprise and planning, and it announced to the world that India could defend its maritime interests with formidable strength. That is the legacy we remember every Navy Day.

This year, the celebrations held at Shanghumugham in Thiruvananthapuram carried an added symbolism. The waves that kissed the shores of Kerala echoed India's renewed commitment to its maritime destiny. For centuries, the Indian Ocean has been a theatre of trade, culture, and civilisation. Today, it is also a theatre of power.

Alfred Thayer Mahan, the great maritime strategist, once said: “Whoever controls the sea controls the world.” More than a hundred years later, his words find resonance in India's rise as a naval power in the Indo-Pacific. Alongside this strategic viewpoint is

Woodrow Wilson's more idealistic reminder: “The sea is for all.” Together, these ideas describe India's approach - strength balanced with openness, security blended with cooperation.

The most remarkable transformation in India's defence story is the rise of the Indian Navy from a modest, equipment-dependent force to a confident, indigenously capable power. In the early decades after Independence, India largely depended on ships built abroad. Today, it stands among the rare handful of nations capable of designing and building its own aircraft carriers, destroyers, frigates, and submarines. This shift - “from buyers to builders” - is perhaps the Indian Navy's greatest success.

The commissioning of INS Vikrant, India's first indigenous aircraft carrier, marked a turning point. It proved that India could conceptualise, engineer, and sail a massive floating fortress on its own. Following this, ships like INS Mahe and INS Urumi represent a new age of indigenous naval strength. This evolution mirrors the principles of Gunter Pauli's “Blue Economy.”

In Pauli's vision, oceans are sources of innovation and prosperity. In the Indian context, this philosophy has become reality. The Blue Economy now drives national thinking—not merely as an abstract concept but as a framework connecting defence, trade, environment, fisheries, energy, tourism, and maritime diplomacy. With India's 7,500-km coastline and its central position in the Indian Ocean, the Navy becomes both guardian and enabler of ocean-based growth.

The Indian Navy's area of influence has expanded dramatically. Its operational reach now covers the Persian Gulf and Gulf of Oman to the west; the Strait of Malacca, Singapore, and the Indonesian archipelago to the east; and stretches down to the Cape of Good Hope in Africa. To the southeast, it keeps a vigilant eye near

Australia's western coast, extending cooperation, joint exercises, and maritime support.

These are not just geographical markers—they are signs of trust earned from friendly nations and deterrence projected to adversaries. Yet, maritime capability does not function in isolation. A strong navy must be complemented by equally strong air and land forces. Here lies an uncomfortable truth: while the Navy has surged ahead, the Indian Air Force faces a worrying decline in its fighter squadron strength.

In 2010, the IAF had 37 fighter squadrons. According to the 2025 edition of the Military Balance, that number has fallen to 29, far below the sanctioned strength of 42. It is difficult to speak of air dominance with shrinking squadrons. The recent crash of a Tejas jet at the Dubai Air Show, though likely a temporary setback, raised questions about indigenous aerospace reliability at a time when India urgently needs robust, modern aircraft. The contrast between the Navy's rise and the Air Force's struggle is a reminder that national defence is only as strong as its weakest link.

The Indian Navy too has challenges, even as it stands tall. One of the most persistent issues is India's dependence on foreign engines and propulsion systems. A warship may be designed in India, built in India, and equipped with Indian weapons - but if its heart beats with an imported engine, true autonomy remains incomplete. The two newest frigates, Udaygiri and Himgiri, carry propulsion systems sourced from the US and Germany. For submarines, destroyers, and even aircraft carriers, the story is similar. Without indigenous aero and marine engines, India remains vulnerable to global supply chains and geopolitical disruptions. A nation aspiring for strategic autonomy cannot afford such dependency. Another chronic



problem is time and cost overruns in shipbuilding. Indian shipyards possess immense technical talent and industrial capability, but bureaucratic processes and manufacturing delays often slow down progress. Defence projects are not ordinary construction assignments; every delay weakens preparedness, and every escalation burdens national resources. India's naval future demands not only vision but also efficiency.

Despite these challenges, the larger narrative is one of optimism. India's maritime confidence is rising like a tide that refuses to retreat. The seas around India have become more contested and more central to global trade than ever before. Over 80 per cent of the world's trade-by-volume moves through oceans. Energy shipments that fuel India's economy sail through vulnerable choke points like the Strait of Hormuz and Malacca. The Navy ensures these arteries remain open and secure.

Beyond warfighting, the Indian Navy has become a symbol of humanitarian strength. Whether evacuating Indian citizens from conflict zones, delivering aid after natural disasters, rescuing stranded sailors, or offering support to island nations during crises, the Navy stands as a force of compassion. The Indian Ocean remembers the Navy's operations during the Yemen crisis, the tsunami relief missions, and the countless

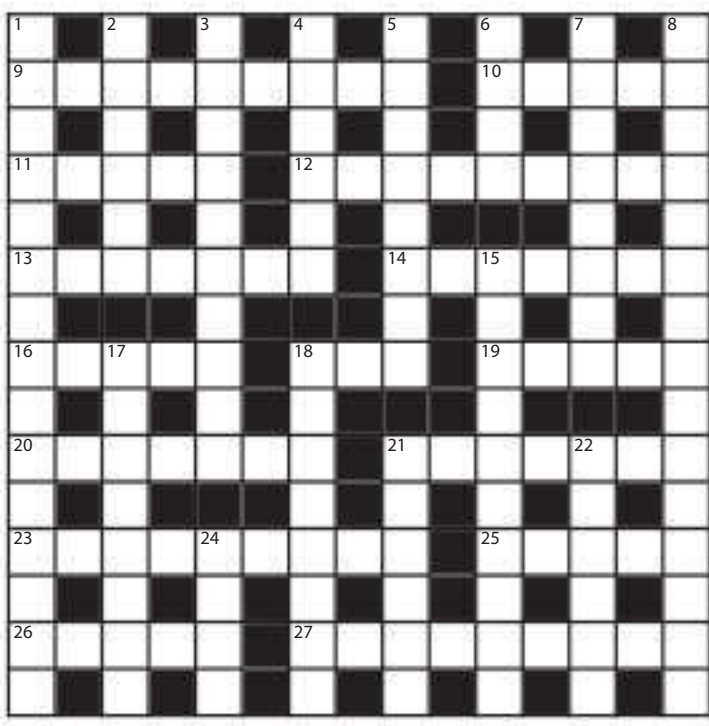
times Indian ships were the first to respond in emergencies across the region. This blend of strength and service has elevated India's reputation in global maritime diplomacy.

Navy Day also highlights the human element—the sailors, officers, engineers, and families who give their lives to guard the seas. Behind every ship that sails confidently into the horizon is a network of sacrifice and dedication. Their work is silent but indispensable. As India stands at a maritime crossroads, the message from the waves is unmistakable. The Indian Ocean is not just geography; it is a destiny. India is no longer merely a land civilisational power. It is becoming a maritime power with global responsibilities, regional partnerships, and a capability that is respected across continents.


The celebration of Navy Day at Shanghumugham is therefore more than a ceremonial display. It is a reminder of who we are and what we aspire to be. The roar of the waves against the rocks is a reminder of India's ancient maritime heritage - from the Cholas who sailed to Southeast Asia to the seafarers of Gujarat who traded with Arabia and Africa. Today's Navy carries that civilisational memory into a modern world shaped by strategy and technology.

(The writer is Professor, Centre for South Asian Studies, Pondicherry Central University.)

Crossword | No. 293311



Yesterday's Solution



ACROSS

9 See two newspapers coming round for church feature (5,4)

10 Longer and shorter periods reversed in final letter (5)

11 Excellent daughters returned to home land (5)

12 Designer makes Catholic dose with ecstasy during play (9)

13 Artist seen in every echo? Listener's smart! (7)

14 Recline to consume honeyed drink and quencher (7)

16 Fine beer to be sent round for beast (5)

18 See 20

19 Correlation shown where moon follows rodent (5)

20/18 It needs treatment, rough, for backing protocol row (7,3)

21 By it one develops feeling for character (7)

23 Hearings in case due to be rescheduled (9)

25 Money short, then endlessly given in tax (5)

26 Fish served with duck's tongue (5)

27 Oil producers lie and cut pay anyway (9)

DOWN

1 Busy work mounting bugs famed oil worker (6,9)

2 Aura surrounding old tribe in Moroccan location (3,5)

3 Lark circling sailor caught — a bleak prospect? (10)

4 Gypsy turning up with beer and spirits (6)

5 Large adhesive label covers disciplinarian (8)

6 Here camels roaming spit on one (4)

7 Material about eastern Mediterranean region (8)

8 Reproduction Stonehenge assembled in capital (15)

15 Tees upset about hypocrisy

concerning trade (10)

17 Notice six-footer eating cake that's rich (8)


18 Deeply impressed after heartless 18 Across, but miserable (8)

21 Split in religious group that goes both ways? (6)

22 Reprises ram trapped among the French (3,5)

24 Poet's black book one that's devious keeps (4)

NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with The Independent, London)



epaper.thestatesman.com

MODI'S SOUTH ASIA DIPLOMACY: STRENGTH WITHOUT OVERREACH

India's model of regional cooperation is one that offers support without strings.

OPINION

SHEHZAD POONAWALLA
AND VIJETA RATTANI



Prime Minister Narendra Modi's recent visit to Bhutan is not an isolated diplomatic gesture. It is reflective of India's evolving role in South Asia. In a region often marked by conflicting pressures, climate extremes and socio-economic challenges, India positions itself as provider of stability and enabler of growth, based on responsibility than dominance and overreach.

The true cost of 'Big Fat': Why India needs a luxury-wedding tax

When celebration becomes spectacle, society — and the country — pays dearly

OPINION

SUNDEEP BHUTORIA



"More! More! Is the cry of a mistaken soul" — William Blake

For generations, Indian weddings were intimate rituals woven with meaning — a sacred union, a gathering of families, a celebration of blessings and community. But the visionary English poet's warning feels painfully current in a country where the wedding industry, worth an estimated \$200 billion, is increasingly driven by competitive display. What once unfolded in ancestral courtyards has expanded into multi-day extravaganzas: destination resorts, celebrity performances, imported decor, curated feasts, and photogenic rituals engineered for social media.

cost we rarely acknowledge — an ecological footprint that swells with every unused plate of food, a civic burden shouldered quietly by public systems run by tax-payer's money, and a widening social gap fuelled by excess.

It is time to confront the imbalance. Let me stick my neck out and say — it is time to tax the 'big fat' Indian wedding. Not to stifle joy or tradition, but to recognise that when private indulgence strains public resources, a well-designed 'luxury-wedding tax' becomes less a penalty and more a policy instrument. One that aligns private indulgence with public responsibility.

THE HIDDEN BILL OF EXCESS

A recent research paper surveyed food wastage at Indian weddings and functions, revealing that 20 to 40 per cent of the food prepared often goes to waste. I have personally witnessed this at various occasions. This is staggering in a country where 74 per cent of Indians cannot afford a nutritious diet. In elite weddings, the food wastage number climbs to 700-800 kg, often disposed

SOUTH ASIA TIED TOGETHER

India is among the top trade and investment partner including for Bhutan, Bangladesh, Sri Lanka and Nepal. Connectivity has become the crucial pillar of engagement in Modi's South Asia policy — including air connectivity, maritime connectivity, energy and power connectivity, financial connectivity trade, economic and digital connectivity and people to people connectivity. Significant initiatives include Economic Land Corridor, multi-product pipeline connecting India and Sri Lanka and the power grid interconnection; integrated check posts, petroleum supply infrastructure, cross border rail links with Nepal; petroleum pipelines with Bhutan and Bangladesh, airport development, Greater Male Connectivity Project and open skies agreement with Maldives and introduction of UPI and RuPay in Nepal and Sri Lanka respectively in order to boost digital connectivity.

Energy cooperation has steadily progressed through construction of green field terminals, multi-product pipeline, investments in hydropower projects, cross-border transmission infrastructure long-term and trilateral power trade agreements, new energy projects in the fields of hydro-power, solar and green hydrogen



PM Narendra Modi holds discussions with Jigme Khesar Namgyel Wangchuck, the King of Bhutan, in Thimphu. (File photo)

projects. By supporting renewable energy projects, disaster relief operations, and digital infrastructure, India is not only addressing immediate needs but also shaping a future-oriented regional agenda.

India is also investing in capacity building in area of naval and defence cooperation, training of diplomats, teachers and scholarships with Sri Lanka, Bhutan and Nepal, Judicial and Institutional cooperation with Nepal, Joint Exercises, Maritime Domain Awareness exercises, gifting of hard-

ware, infrastructure development, human resource development with Maldives and sports cooperation with Afghanistan, with a view towards institutional growth and empowerment of neighbours.

PARTNERSHIP WITHOUT PATERNALISM

However, what provides moral weight and normality to India's "neighbourhood first" policy of regional cooperation is its focus on aid, assistance and cultural ties. For instance, India is largest foreign aid donor to Bhutan, providing over Rs2000 crore in 2025-26 while aid has increased in countries including Sri Lanka and Maldives in the same year. India is major developmental donor of Nepal in the field of priority sectors such as health, education and connectivity. Last year, India's overall credit assistance to Sri Lanka amounted to over USD 7 billion, across several sectors including infrastructure, housing, health, livelihood and rehabilitation, education. On similar

lines, it has committed concessional Line of Credit of INR 40 billion to fund the energy projects in Bhutan. Across domains, India is investing in High Impact Community Development Projects in its neighbourhood.

When crisis strikes, India has led from the front. From medical aid in pandemic to aid in Nepal and Afghanistan quake; from relief and bailouts in Sri Lanka's economic collapse to assisting Bhutan in Gyalshing Project for skillful youth and creating jobs, New Delhi has been the first to act. In cultural affairs, in view of deep rooted cultural and historical ties, India is helping build cultural centres, restoration of temples, places of pilgrimages and heritage languages and literature, displaying its soft power.

Broadly, in all the engagements, the purpose has been dual. On the one hand, it supports and anchors the smaller countries against external pressures and internal uncertainties, while on the other, it strengthens India's position as an enabler of growth, connectivity and cultural upliftment. In both the roles, the underlying theme is partnership and solidarity rather than dependency and paternalism.

India's civilizational history, size and capacity make it the natural leader, yet the approach is to empower the neighbours. By normative developmental outreach, India projects that sovereignty can be safeguarded and assistance can be provided without hidden agendas. The takeaway is clear: India's outreach should be seen as an opportunity and that its rise is central to shared peace and prosperity of entire South Asian region.

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Dr Vijeta Rattani works and writes on International Development, Climate and Environmental aspects.

of without segregation or redistribution. Every plate tossed aside is a reminder that abundance and hunger coexist in tragic proximity.

And it is not just about food. Destination weddings — whether in the hills, palaces, resorts or luxury hotels — rely heavily on civic and state infrastructure. Roads clogged with limousines and chauffeurs, security personnel deployed for crowd control and VVIP movement, extra lighting and sanitation, road access, power, water, waste-management — all paid for by you and me. The host family may bear the bill for decor and catering, but the strain on public infrastructure is borne collectively. The more 'luxury' the wedding, the greater the burden on our civic systems.

Moreover, such spectacular celebrations often reinforce social inequalities. Weddings morph from celebrations of union to competitions in conspicuous consumption.

ATTEMPTS AT REFORM: GOOD INTENTIONS, LIMITED REACH

Recognition of this problem is not new. In the past, certain Indian states had experimented with "Guest Control Orders" to limit the number of wedding invitees — a nod to societal and ecological limits. In 2023, a private member bill titled the Prevention of Wasteful Expenditure on Special Occasions Bill was introduced in Parliament, seeking to cap wedding



TAX

guests and dishes — "only 50 guests, 10 dishes" — and to limit the value of gifts and auspicious offerings. The rationale was not moralising tradition, but preventing social harm: financial burden on families, wasteful expenditure, and curbing ostentatious displays that fuel inequality and debt.

Yet those proposals remain mired in debate or are languishing as private-bill drafts. They fall short because they attempt to regulate private celebration with blunt instruments — which frequently fosters evasion (splitting events, multiple functions, hidden expenses). The lived reality is more complex than a headcount or dish-limit.

THE CASE FOR A LUXURY-WEDDING

If the traditional, hard-act approach has failed, perhaps a more nuanced instrument could succeed. Across the world, cities and governments have shifted from outright restrictions to impact-based levies, recognising that excess must pay for its footprint. Italy's Venice imposes a "high-impact tourism tax" on private events that strain civic systems. France levies steep surcharges on luxury events to offset environmental and public-resource costs. Cities like New York and Singapore charge scaled "event impact fees" when private functions require street closures, sanitation, or police deployment.

A well-calibrated luxury-wedding tax would not ban celebration, it would internalise the external costs that



lavish weddings inflict on society, environment, and public infrastructure.

Firstly, it would serve as a way to reclaim from those who heavily draw on civic resources — traffic management, security, sanitation, waste disposal, water and power usage — an amount that approximates the public burden. If a wedding marshals dozens of security staff, involves road closures and heavy traffic — these are not private costs alone. Taxpayers and civic bodies pay indirectly. A tax would acknowledge this.

Secondly, it could discourage excessive waste — especially food waste. When multiple cuisines, buffets, huge platters, and long menus become subject to fiscal cost, hosts may choose simpler, more appropriate options. They may even prioritise

donation or composting rather than discarding.

Thirdly, revenue from the tax could be channelled towards social welfare: boosting civic infrastructure and security systems, supporting underprivileged marriages, assisting food-security or hunger-relief initiatives, funding community development, girls' education or sustainable livelihood schemes. Let those weddings that underscore inequality fund efforts to reduce it.

Finally, a luxury-wedding tax would send a cultural signal: that celebration must not become a show-off. That status need not always come with excess.

That in a country grappling with both inequality and ecological stress, we have a responsibility. Our weddings — reflections of who we are, our values, our priorities — should demonstrate our moral wealth, not just our financial one.

CELEBRATE THOUGHTFULLY, RESPONSIBLY, MEANINGFULLY

Some will argue that this is an interference in personal liberty, or an insult to tradition. But as with taxes on luxury cars, tobacco, or pollution fines, society has the right to impose a cost on private choices with public consequences. If a wedding consumes public resources and exacerbates inequality, it is no longer a private affair alone. Imagine a nation where weddings return to being about union and community — not about status contests. Where menus are designed consciously, not competitively; where leftovers go to food banks instead of dumpsters; where public roads don't gridlock because a private event wants grandeur.

If we truly believe in India's soft power — not as an exhibition of silk and spectacle, but as a civilisation rooted in generosity, sustainability, and empathy — then a wedding tax is not an intrusion.

It is an invitation to celebrate more thoughtfully, more responsibly, more meaningfully.

We have already introduced mandatory CSR contributions after a company reaches a certain profit threshold, so why not consider a mandatory tax on excessive wedding expenditures beyond a certain limit?

comment

THOUGHT
FOR THE DAY

Safety is everyone's
responsibility
— A safety first slogan

Safety measures at stations should be year-round

Western Railway (WR) has announced extensive security and crowd-management arrangements at Dadar station ahead of Mahaparinirvan Diwas on December 6, when lakhs of followers of Dr Babasaheb Ambedkar are expected to visit Chaityabhoomi, at Shivaji Park.

According to a press release issued by WR, nearly 700 personnel from the Government Railway Police (GRP) and Railway Protection Force (RPF) will be deployed. Surveillance has been

strengthened with 160 CCTV cameras, which will monitor movement 24x7. It went on to say helpdesks operating 24x7 will be set up at Dadar station to guide visitors heading to Chaityabhoomi (Dr Ambedkar's resting place) and Rajgruha (memorial). Staff from the RPF, GRP and ticket-checking department posted at these desks will provide information on train timings and other assistance, our report said.

To manage the heavy footfall, WR has put up barricades and rope-based

segregation at crowd-prone locations such as the BMC and Tilak foot overbridges. Controlled diversions will be enforced at entry and exit points, while clear directional signage has been placed across bridges and gates to ensure smooth movement.

Some of these measures may be helpful round the year. Sharp surveillance is a must all through, especially at such high-density spots. Announcement systems should project loudly and clearly. Mumbling, undeci-

pherable noises over systems lead to confusion and panic. Clearly-marked diversions are needed on other days, too, some even for infra work.

Clear directional signage is a year-round necessity. Well-lit platforms and exit entry gates are a must throughout. The poorly lit areas need to be addressed post Mahaparinirvan Diwas. Additional personnel and troops may not be possible but some of these measures to ensure safety and smooth movement need to be in place 365 days.

LETTERS

Kudos to shopkeepers for seeing through scamsters

This refers to 'Fake clean-up marshals try to clean out Dharavi shopkeepers'. The absurd attempt by fake clean-up marshals to fleece Dharavi shopkeepers felt straight out of a Bollywood script. Their attempt to get rich "like the BMC" failed due to the shopkeepers' alertness.

PV PRAKASH

Stress-relief will strengthen police force

This refers to 'Charkop cops tackle stress with stretches'. Such simple stress-relief stretches should be made mandatory in all police stations, along with encouragement of humour and wit, to create a more alert, strong and healthy police force.

PETER CASTELLINO

Train delays are fine; but complete silence isn't

Apropos of 'Railways must communicate clearly during crises', it rightly highlights the apathetic attitude that leaves commuters confused by delays, sudden platform changes and unclear announcements. Quick and timely updates are essential for passenger well-being.

AMIT BANERJEE

Clear communication at all times is essential

Considering that railways are the preferred mode for millions and the world's fourth-largest network, clear communication, timely services and acceptable hygienic travel conditions are essential for travellers.

BAL GOVIND

Judge leaves his court

PAVILION
END



Clayton Murzello

These are sad times. For English cricket in particular, and I'm not referring to the shellacking at Perth courtesy Australian opener Travis Head's near-unbelievable fourth innings century.

In late November, the wife of late England batsman Graham Thorpe opened up in an interview with Talksport, saying her husband would have been alive had the England and Wales Cricket Board offered him more support before he took his own life in August 2024. The left-handed batsman was relieved of his services as England's batting coach in 2022, after which he battled depression.

On Tuesday, news came through that England had lost another batting stalwart — Robin Smith — who played alongside Thorpe in 17 Tests and 10 one-day internationals.

Like Thorpe, South African-born Smith, whose cause of death has yet to be released, struggled with mental health issues. Smith was open about it in his 2019 book, *The Judge - More Than Just a Game*. He was known as Judge to mates because his curly hair resembled a wig that judges wear.

The book's Prologue dwells on what a wreck he was in 2013 after losing "my marriage, my home, my children, not to mention my identity, money, dignity, direction, purpose and hope." Towards its end, there is a chapter titled Reinvention. Smith was transformed and said he enjoyed coaching even those days when sessions stretched to seven hours in 37-degree heat at Perth. However, his father's death caused him to fall back into old patterns.

From an interview done by Simon Wilde, *The Times'* cricket correspondent and ex-England fast bowler Gladstone Small's Facebook account, we learnt that Smith caught up with his former England teammates in Perth a few days before his death — Graham Gooch, David Gower, Allan Lamb, and Small himself; also, commentator Mark

Ex-England batsman Robin Smith, 62, nicknamed Judge, has gone too soon, but there is solace in the fact that he met some of his dear teammates in Perth a few days before his final goodbye



Man of the match Robin Smith celebrates with his Hampshire captain Mark Nicholas (right) after the county beat Kent by 41 runs in the Benson and Hedges Cup final at Lord's on July 12, 1992. PICS/GETTY IMAGES

Nicholas, his captain at Hampshire. Smith spoke to Wilde about how England Lions head coach Andrew Flintoff invited him to chat with the young guns and he reluctantly obliged. It reminded me of the late Terry Jenner reluctantly making it through the main gates of the Adelaide Oval to be interviewed by the Australian Broadcasting Corporation in the summer of 1992-93 as Shane Warne's spin guru. Smith was hesitant because he wondered whether the England Lions would remember him. Jenner's reluctance was based on being ashamed since he served a prison sentence for embezzlement. Warne, incidentally, was a mate of Smith's. The late spin legend was one of the Foreword writers (Nicholas was the other) for Smith's book. Warne revealed that they first met each other when Smith was part of the England squad for the 1990-91 Ashes tour. Warne, who was with the Australian Cricket Academy, had been approached to recommend some places where Smith and Lamb could spend their late evenings. Nine years later, Warne signed for Hampshire, where Smith was captain. They found themselves at opposite ends in

the 1993 Ashes, and Warne dismissed his pal four times in five Tests. Warne didn't believe Smith was a bad player of spin, and Smith took pride in his performances against the turning ball, no matter how poorly coaches like Ray Illingworth and Keith Fletcher thought of him as a spin tackler. He didn't have a three-figure innings to show on his 1992-93 Test tour of India. But he scored half-centuries in the Chennai (56 off 89 balls) and Mumbai (62 off 166 balls) Tests. The following month, in the one-off Test against Sri Lanka at Colombo, Smith, as opener, took 128 and 35 off a Sri Lankan attack that included Muttiah Muralitharan and Jayananda Warnaweera. "It was really hard work. That was my best innings against spin, and possibly my best overall in terms of concentration, fitness, and resilience. I didn't play any beautiful square drives or anything like that, as there was no pace in the wicket. In fact, I barely played an attacking stroke. But I hung in there, getting outside the line to Murali whenever I could, and got ugly runs," he wrote in *The Judge*.

As highlighted in most tributes to Smith, he got three of his nine Test

centuries against the West Indies at a time when they were one of the two best teams in the world. Against India in 1990, he helped himself to centuries in consecutive Tests — at Lord's and Old Trafford — averaging 180.50 in that series. Ravi Shastri, who figured in all three Tests of that rubber and also clashed with Smith during his county cricket stint at Glamorgan, told me on Wednesday: "Judge was a terrific player of genuine fast bowling, a point fielder's nightmare. Lovely bloke. Really sad to see him go. God bless his soul." The Australians respected him too, and the selectors may have been mighty pleased when they saw him carve two hundreds against the old enemy in the 1989 Ashes, where nothing much went England's way. Unfortunately for England, Smith could not improve on that Ashes centuries count.

Smith was highly respected by South Africa, his country of birth, but he couldn't come up with a three-figure knock against Hansie Cronje & Co. The fast bowlers were let loose on him, and he responded by smashing spearhead Allan Donald for three fours in four balls in the opening Test of the 1995-96 series at Centurion. Not long after, he was bowled by the burly Brian McMillan for 43. "It's a sad time indeed... too young. He was a great change room fella to have a beer with," former all-rounder Brian McMillan said to me on Tuesday.

Former players are often asked what they miss most about cricket in their post-playing years. Many of those answers will centre around the fact that they miss the camaraderie and being in the company of their teammates. And Smith was particularly fortunate to have met some of them before the eternal judge sentenced him to the great beyond.

mid-day's Deputy Editor Clayton Murzello is a purist with an open stance. He tweets @ClaytonMurzello

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The Tribune

ESTABLISHED IN 1881

App of discord

Pushback leads to govt U-turn on Sanchar Saathi

A fierce backlash has forced the Modi government to withdraw its order requiring smartphone makers to pre-install the Sanchar Saathi app, a state-run cybersecurity application, on all new devices. The Centre did a U-turn after it tried in vain to allay fears that the measure could compromise user privacy or facilitate surveillance. Even Communications Minister Jyotiraditya Scindia's assurance in Parliament that Sanchar Saathi was voluntary, 'deletable' and inoperable without user registration failed to convince the Opposition as well as privacy advocates. At the outset, there was something suspicious about the directive which stated that the app must be preloaded, visible at first use and that its "functionalities must not be disabled or restricted." This set the alarm bells ringing in political, legal and technological circles. Questions were raised about digital rights and state overreach. Some detractors even drew a parallel with Pegasus, the Israeli military-grade spyware which was allegedly used by the government to target journalists, Opposition leaders and activists in recent years.

Unfortunately, the Sanchar Saathi controversy has shifted the focus away from the app's ability to track and block stolen phones and prevent them from being misused. A measure apparently intended to protect citizens from fraud must win public trust in the first place. Moreover, a global technology hub can't afford to let unilateral directives override transparency, consultation and consent.

This is the third time in less than a month that the government has beaten a hasty retreat in the face of a strong pushback. In November, it had first withdrawn a controversial notification on Panjab University and later backed away from introducing a Bill related to the governance of Chandigarh. These flip-flops show that the Centre is not doing adequate groundwork before taking decisions with far-reaching consequences. It's high time lessons were learnt from these fiascos to prevent an embarrassing repeat.

Flights of neglect

ARC-expiry scandal points to systemic failure

THE revelation that an Air India Airbus A320 operated eight commercial flights with an expired Airworthiness Review Certificate (ARC) is not just a regulatory lapse; it is a troubling breach of public trust. The aircraft reportedly flew on November 24 and 25 without a valid safety clearance, prompting the Directorate General of Civil Aviation (DGCA) to ground the aircraft and de-roster the personnel involved, pending investigation. Commercial aviation rests on an uncompromising foundation of safety discipline. The ARC is a mandatory evaluation that certifies an aircraft's readiness to fly. The fact that a lapse of this magnitude could occur — and go unnoticed for multiple flights — points to systemic failures in compliance, monitoring and oversight.

This is not the first time Air India has been pulled up for operational deficiencies, including faulty rostering and scheduling issues, raising questions about whether procedural shortcuts have become normalised within the system. Equally concerning is the repeated pattern of reactive enforcement. Regulators swing into action after media reports or internal alarms, rather than through proactive, continuous safety audits. This was seen in the aftermath of the catastrophic crash in Ahmedabad earlier this year, which triggered a reckoning on aviation safety. The DGCA launched a framework of 'Comprehensive Special Audits' across airlines, maintenance organisations, air-navigation and ground-handling agencies, emphasising safety-management systems, crew-resource protocols, maintenance discipline and ramp-check inspections.

Yet, despite these major overhauls, the ARC-expiry scandal shows that old problems persist. The DGCA's earlier decisions allowing certain maintenance tasks to be delegated to less-qualified technicians as a cost-cutting measure too have come under scrutiny. Air India must also undertake a transparent internal audit, fix accountability at senior levels, and publicly outline steps to prevent recurrence. When lives are at stake, even one lapse is one too many.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, FRIDAY, DECEMBER 4, 1925

Cotton excise ordinance

WE now know why the cotton excise duty was not suspended two and a half months ago when both the mill owners of Bombay and the Indian Legislative Assembly asked for its suspension, and why the ordinance suspending it has only been issued now. That is to say we know the reasons as stated in the Statement of Objects and Reasons accompanying the ordinance. The action was not taken earlier because, as stated on behalf of the government during the debate on the subject in the Legislative Assembly in September, suspension must be followed immediately by abolition, and it was then too early to form a reliable estimate of the financial position in the next year. It has been taken now because "the final results of the monsoon are now known" and "on such information as is now before it, the Government of India is satisfied that there would be no serious risk of a large deficit in the current year if the cotton excise duty were suspended for the rest of the year and that there is a reasonable prospect that the budget for the next year can be balanced without assistance from the cotton excise duty in the absence of any big change for the worse in the next few months". As a statement of the reason for the delay, this may or may not be convincing, but it certainly has a measure of plausibility. In any case, the Government of India has taken the entire responsibility for the delay and kept the Secretary of State out of it.

A chance for the Army to look within

Lt Kamalesan case highlights tensions between an individual's faith and institutional culture



ADMIRAL ARUN PRAKASH (RETD)
FORMER CHIEF OF NAVAL STAFF

Lt Samuel Kamalesan must have been a proud man when he was commissioned in March 2017 into the 3rd Cavalry, an old and illustrious armoured regiment which had won battle honours in the 1965 and 1971 wars. Little would the young officer have imagined that barely four years later, the Chief of Army Staff would order his summary dismissal for "acts of misconduct". The case entered the public domain when Kamalesan challenged the decision in the Delhi High Court. The court dismissed his appeal, finding no reason to interfere with the Army's disciplinary action.

Opinion is sharply divided between those who consider any hint of criticism of the armed forces as "unpatriotic" and others who feel that in a democratic system of civilian control, the military should be accountable to the people through their elected representatives. Another view, which remains muted (for fear of judicial displeasure), holds that court interventions in recent years have forced the armed forces to alter policies, with potentially adverse effects on morale, personnel management and combat effectiveness. However, the Kamalesan case has wider, societal implications that transcend the usual civil-military debates and merits an open discussion.

First, the facts of the case. Given the religious diversity within its ranks, the Indian Army has established the unique institution of "Sarva Dharma Sthal" (multi-faith centres) in almost every major unit and station, where soldiers of all faiths can pray and where religious functions are conducted. These functions are treated as "regimental



ROLE MODEL: India's armed forces are exemplars of unity, integrity and secularism for their compatriots. FILE PHOTO

parades" and attendance is compulsory for all personnel, irrespective of faith.

Kamalesan's offence was that despite repeated counselling, advice and direct orders, he refused to attend these functions, claiming that his Christian beliefs did not permit him to participate in the worship of "other gods." Viewing his persistent refusal as a serious breach of discipline and regimental ethos, the Army dismissed him from service.

The court's ruling prioritising unit cohesion over the officer's religious beliefs may be legally unassailable, but it has sparked a debate in civil and military circles. While Kamalesan has paid the price for breaching discipline, the episode highlights tensions between an individual's faith, tradition and the Indian Army's institutional culture amidst the current social churn.

Over the past two decades, India has seen religion assuming an increasingly prominent and deeply polarising role in politics as well as society. This has been accompanied by assertive displays of religiosity. If the beard, hijab and burqa are seen increasingly in public, so are *tilaks*, *vibhuti*-smeared foreheads and sacred threads. Other consequences of this phenomenon include the incipient advent of segregation, ghettoisation and even persecution on religious grounds.

A reappraisal of the Army's inherited organising principles should be given priority.

Against this backdrop, we must remind ourselves that India's armed forces remain the strongest bond that holds our diverse and heterogeneous nation together. Apart from being defenders of the nation and its Constitution, they are also exemplars of unity, integrity, discipline and secularism for their compatriots. And while the Army remains the nation's most respected institution, it has retained practices that accentuate religiosity, caste and regional identities: recruitment on caste/regional basis, religious functions treated as "regimental parades", battle cries drawn from religious traditions and the sectarian identity of certain regiments.

THOUGHT FOR THE DAY

Indian secularism does not mean irreligiousness. It means profusion of religions. —Shashi Tharoor

The nitty-gritty of patient referral

ATUL JOSHI

THE clamour for reducing the patient load at the PGI and the Government Medical College and Hospital (GMCH), Chandigarh, keeps getting louder. There is merit in this suggestion since the burgeoning number of patients puts the available facilities under strain. Healthcare administrators lament the impression that doctors serving in neighbouring areas are quick to refer patients to Chandigarh.

I have been on both sides of the fence. I initially worked in a hospital on the periphery of the city and later joined the PGI. While serving in a district hospital, I did overhear a pernicious advice, "If by late evening an admitted patient looks better, send him home; if not, then send him to Chandigarh". The premise was to refer the patient and be free of all responsibility. Fortunately, most doctors would not buy that argument.

Later, while working in the GMCH, I was once posted in the surgery Emergency at night. The whole reception area was full of patients and their attendants. Since all the beds were occupied, we had to treat some patients on makeshift beds or trolleys.

Around midnight, the languid pace of activity was suddenly intensified by the arrival of about 25 patients from a peripheral hospital. A quick enquiry revealed that they were passengers of a bus that had overturned. They had received first aid before being referred to the GMCH. Many had blood-soaked bandages and some were critically injured. Though already overwhelmed, we began to treat them as per the established surgical protocols. Those who required lifesaving interventions were accorded priority. In about two hours, with the zealous support of the staff, we were able to finish our task.

Later, while surveying the Emergency area again, I realised that I had failed to attend to two of the patients. They were sitting on a patient trolley, but did not seem to be injured. They were conversing with each other while looking nervously at me. Probably they had heard me shouting instructions and going from one trolley to another.

I asked them, "Were both of you on the bus which met with an accident?" I could barely hide my unease at having missed seeing them. After a bit of hesitation, they whispered, "Sir, we were admitted to that hospital for some other ailment. When all these trauma patients were being referred, we were also told to go to Chandigarh. Honestly, sir, we do not have any injury".

I felt relieved and satisfied to be at the 'referred to hospital and not the 'referring one'. I considered myself fortunate to have got an opportunity to serve the sick and even the 'not so needy'.

LETTERS TO THE EDITOR

Covid lockdown experiment

Apropos of 'Why Delhi chokes', the Supreme Court's query on why the Capital had a blue sky during the Covid lockdown despite continued stubble burning is a useful reminder that Delhi's toxic air cannot be blamed on a single cause. The lockdown months offered an inadvertent but revealing experiment. This contrast reinforces what environmental experts have long maintained that vehicular pollution, construction and road dust and unregulated urban expansion contribute far more to Delhi-NCR's chronic smog than the limited window of stubble burning. The court has reminded all stakeholders that accountability cannot be seasonal.

VANDANA, CHANDIGARH

Combined effort will work

Apropos of 'Digital arrest', the Supreme Court's call for a nationwide CBI probe reflects rising public frustration and government's delay in taking decisive action. Real action, however, hinges on giving the CBI full operational independence, specialised training, adequate manpower, modern tools and unwavering support from both the Union and state governments. Banks, telecom operators and enforcement agencies must work seamlessly to plug systemic gaps, while public awareness and swift enforcement remain essential to curb this menace.

K KUMAR, PANCHKULA

SAD must shed its ego

The Tarn Taran bypoll result has amply proved that the Akali Dal and BJP are no match for the ruling AAP if they contest separately. The Akali Dal is desperate to regain political ground but the odds are stacked against it. How hard the Akalis may try unilaterally, they can't dream of capturing power in Punjab as the populist measures adopted by AAP are tempting enough to keep voters on its side. The only way out is a state government which has cordial relations with the Centre. The Akali Dal-BJP alliance can pull Punjab out of the uncertainty. The BJP has nothing to lose in the present scenario, but the Akali Dal must give up its stubborn stand.

KARNAIL SINGH, KHARAR

Punjab cannot afford blockades

The recent blockade of the Kurali-Mohali highway by farmers is causing repeated disruptions which is proving counter-productive and harmful to the state's long-term interests. This newly developed route was intended to decongest the airport road, improve regional mobility and enhance economic activity across Mohali, Punjab and neighbouring states. Unfortunately, Punjab is increasingly being viewed as a 'dharna state', where public roads and highways routinely become sites of protest. While the right to protest is fundamental in a democracy, it cannot come at the cost of public inconvenience, stalled projects and economic losses. Punjab cannot afford to let repeated blockades stall its development trajectory.

HARJINDER SINGH THANDI, MOHALI

The curse of poverty

Refer to 'Children of a lesser God'; poverty is a curse that deprives many poor and marginalised families of dignity. The poor children especially are the worst sufferers. They are unable to grow like other children. They beg, do menial jobs to support their parent's and family income to eke out a living. Despite several government schemes, there still remain millions who continue to face the curse of poverty and its concomitant effects. They deserve a humane treatment and the targeted approach of NGOs, governments as well as good Samaritans to make them lead respectable lives.

RAVI SHARMA, DHARIWAL

'Misleading' headline

The headline 'Op Sindoor legacy of Guru's valour: Modi' seems to be misleading. By linking the military operation with Guru Tegh Bahadur's legacy, the headline risks distorting the profound spiritual and historical significance of Sikh teachings. The Guru's legacy is not about temporal power or military operations, but about spiritual courage, universal brotherhood and the protection of humanity's right to live and worship freely.

BIRENDRA KAUR, CHANDIGARH

India's Russia ties shield its interests



ASOKE MUKERJI
FORMER PERMANENT REPRESENTATIVE
OF INDIA TO UNITED NATIONS

THE 23rd India-Russia summit on December 4-5 is a watershed moment for the two countries' "special and privileged partnership." The resilience of the summit mechanism demonstrates the high degree of trust between the two, enabling them to navigate India-Russia relations in an increasingly turbulent world.

The focus of the bilateral partnership is mutually beneficial cooperation. Defence and energy initiatives agreed upon during the previous summits have contributed to India's national interests. During Op Sindoor in May, the jointly manufactured Su-30MKI aircraft and BrahMos missiles, as well as the S-400 air defence system purchased from Russia in 2018, played a critical role in India's robust response to cross-border terrorism. Russian-built stealth frigates inducted into the Navy in the western Indian Ocean protect key sea lanes transporting India's trade through the Suez Canal. AK-203 rifles are being manufactured through a joint venture in Amethi for the Army. The summit is expected to enhance such cooperation.

While the fate of Russian oil exports to India dominates the headlines, the focus will be on energy joint investments, which provides a long-term sustainable framework for strategic cooperation. These include Indian investments in Russia's oilfields and Russian investments in India's oil-refining sector. Russia is the only country that has invested with technology in India's nuclear energy sector after the 2008 Indo-US Civil Nuclear Deal. The Kudankulam NPP in Tamil Nadu provides 2000 MW of power to Tamil Nadu, Puducherry, Karnataka and Kerala. The summit is expected to consider the proposal for Russian collaboration in the manufacture of small modular reactors in India.

Two-way trade until March 2025 stood at \$68.7 billion, of which Russian oil exports were valued at \$63.8 billion. Diversification of bilateral trade is needed to achieve the proposed target of \$100 billion by 2030. The negotiation of a Eurasian Economic Union-India Free Trade Agreement, which began in August 2025, and the use of national currencies to finance bilateral trade and investment are two options. A deci-

sion to allow a designated Indian commercial bank to operate in Russia along the lines of Russia's Sberbank, which has been operating in India since 2010, will provide support for bilateral economic relations. This includes integrating opportunities for digital economic cooperation and a future India-Russia digital corridor.

India's partnership with Russia (and Iran) in connectivity projects in Eurasia is hostage to unilateral western sanctions on Russia, Iran and some Indian entities. This has prevented connectivity to boost economic relations.

At the same time, the Chennai-Vladivostok maritime corridor has become functional, providing another connectivity route linking India to Russia's Far East and the Arctic. Maritime cooperation has become a new dimension of India-Russia strategic partnership. President Putin was the only P5 leader who attended the online UNSC meeting on maritime security chaired by PM Modi in August. In November, connectivity, skill development, shipbuilding and the blue economy were identified as priorities for cooperation.

The number of Indians studying medicine in Russia has grown from 19,700 in 2019 to over 31,000 in 2024. The two sides are negotiating a labour mobility agreement for the employment of Indian workers in Russia. A holistic framework for educational, cultural, tourism and youth cooperation, proposed in 2020 as the Ganga-Volga Dialogue initiative, needs to be revived.

Russia has endorsed India becoming a permanent member of a reformed UN Security Council (UNSC). This requires an amendment of the UN Charter, overcoming the veto power of the P5, to make the UN more effective and meet India's call for "reformed multilateralism".

Until that happens, Russia's strategic partnership with India would play a role in safeguarding India's core interests. This was evident in August 2019 after the revocation of Article 370, when Russia did not support China's attempt to revive the 'India-Pak Question' in the UNSC.

Putin proposed the "indivisible security" of Eurasia in June 2024 as the fulcrum of a multipolar world order. Today, as the US and China are forging a "spheres-of-influence" based G-2, engaging with Russia on how to sustain indivisible security in a multipolar Asia should be a priority for India.



Balancing China with the India pivot



NIVEDITA KAPOOR
ASSISTANT PROFESSOR,
HSE UNIVERSITY, MOSCOW

RUSSIAN President Vladimir Putin is in New Delhi on a state visit for the 23rd India-Russia summit. Amid an ongoing war and an unstable world order, what does the special and privileged strategic partnership mean for Russia today? A look at Russian official documents offers a hint.

The 2021 National Security Strategy of Russia marked a small but significant change in its foreign policy objectives. It noted the development of a strategic partnership with China and India in the same sentence, unlike previous versions when the point about India came after China. The latest foreign policy concept, released in 2023, repeated this trend, mentioning China and India together in the sub-heading on regional tracks for Russian priorities.

This seemingly minor change pointed to a deeper concern in the Russian administration about the rise of China. While relations with the rising power had never been better, the asymmetries in the partnership were all too visible. Russia's recognition of this imbalance pointed to how it sought to address it — by strengthening ties with India.

But Russia's policy choices subverted its intentions, as the war with Ukraine in 2022 made China the most promising partner to replace the loss of European markets (except in oil trade). The situation revealed the skewed nature of Russia's broader engagement with the Asia-Pacific. Trade with China soared to \$244.8 billion last year, making it Russia's leading trade partner, constituting over a third of its foreign trade turnover, with India a distant second at 8.8%.

With an economy under stress and resources directed to executing its war,

Russia now faces the challenge of reducing its over-dependence on China. The cost is not just economic but also geopolitical, where China's influence across Eurasia has been expanding. While the strategic value Beijing and Moscow have for each remains high, providing a strong basis to their relationship, the fact that China, as a power, is today in a different league is not lost on anyone.

In this situation, it is not surprising that the need to further the partnership with India acquires a renewed logic for Russia, providing an opportunity to balance its pivot to the East, vital for its foreign policy ambitions. The visit offers a chance to use Russia's strengths to diversify economic ties in areas like agriculture, infrastructure, shipbuilding, space and nuclear energy. Longer-term sustenance of bilateral ties necessitates the continuation of defence-export contracts, maintenance of energy ties and identification of new areas of economic cooperation. Moscow seeks to secure Indian support for its multilateral agenda in non-western institutions, and also to reduce the prospects of one power dominating their functioning.

This bilateral agenda serves another purpose — that of underpinning the Russian worldview about itself, which reflects in its foreign policy. Since 2022, Moscow has positioned itself as aligned with the non-western world, where it occupies a key position in an emerging multipolar order. The Russian narrative of the decline of the West rests on the extent to which the non-western world pursues an independent foreign policy, wherein Russia is a valued partner, reflecting its reach in the Global South.

The other dominant worldviews currently guiding foreign policy — Russia as an anti-colonial power, a conservative civilisational-state espousing traditional values and a Eurasian power — all require recognition from the external world towards whom this narrative is directed. Without a strong backing from India, these Russian attempts to reorder its status in the international system would receive a setback.

Moscow's self-identification as a great power, which paradoxically can no longer shape the contours of a new world order on its own, entails building partnerships with those who will have a role in shaping the evolving international system. In this pursuit, the role of India as one of the leading candidates cannot be denied.



SANDEEP JOSHI

Russia didn't support China in UNSC after revocation of Art 370.

Moscow needs partners who will support it in shaping the global system.

Relaxing Himachal's land rule will risk ecology



TIKENDER SINGH PANWAR
EX-DEPUTY MAYOR, SHIMLA

THE Himachal Pradesh government has again opened the debate on relaxing Section 118 of the Himachal Pradesh Tenancy and Land Reforms Act, 1972 — a provision that has, for five decades, protected the state's most sacred resource: its land. Under this Section, a non-agriculturist cannot buy land in Himachal without prior permission from the state government. This legislative instrument ensures that land is not reduced to a commodity but continues to embody livelihood, culture and ecological balance.

Today, in the name of "encouraging investment, industry, tourism and housing", the state government is tempted to loosen this protective clause. But to tamper with Section 118 is to play with fire. The Section was designed to protect the fragile Himalayan economy from being devoured by speculative capital and real-estate expansion. Himachal's economy was meant to grow on its natural strengths: horticulture, smallholder farming, forest resources and local entrepreneurship, not on speculative trade of its slopes.

It is being argued relaxing Section 118 will attract investment and accelerate development. However, in the past two decades, the state has granted hundreds of relaxations for hydropower, cement plants and tourism ventures. But have we seen industrial transformation or sustained job creation? Hardly.

Hydropower projects displaced communities and dis-

rupted river ecosystems. Cement industries extracted more from the earth than they gave to the local economy. Highways have ripped into forests and destabilised slopes.

When the BJP government in August 2018 attempted to relax Section 118 to allow employees and their wards to buy land without permission, the move was resisted. The government had to retract. The present push must therefore be viewed with caution.

Already, the cracks are visible. According to the Town and Country Planning Department, 60% of the new constructions in Kasauli, Dharampur and Manali belong to non-locals. Much of this caters to tourists, investors and urban people seeking second homes.

The ecological consequences are grave. The carrying capacity of our hill towns is exhausted. There is a mounting crisis of water scarcity, solid-waste disposal and traffic congestion. In the aftermath of last year's



PTI

Land is not a commodity; it is the soul of Himachal's economy and ecology.

devastating rains and landslides, it is evident that Himachal's hills are sliding away under unplanned development. Relaxing Section 118 would mean speeding up this process. It would effectively legalise the commodification of land and formalise the influx of speculative capital.

The experience of Uttarakhand is a grim reminder — over 40% of the land there is reportedly owned by non-locals and local communities are increasingly priced out of their own settlements. Goa presents another cautionary tale, where the coast has been devoured by tourism-driven real estate, and the original inhabitants can no longer afford to live near their ancestral beaches.

In contrast, Sikkim offers a more thoughtful model. There, land protections remain intact and development has been pursued through cooperatives, community-based tourism and ecological safeguards. Sikkim demonstrates growth without

resorting to land sale.

The notion that "outside investment" will bring prosperity to Himachal is flawed. The major investments so far — hydropower and cement — have neither diversified the economy nor created enduring local enterprise. Instead, they have eroded ecology. The promise of jobs remains unfulfilled; instead, we have inherited deforestation, drying rivers and destabilised slopes.

The future lies in decentralised, cooperative economies — agriculture and horticulture cooperatives, local agro-processing units, forest produce enterprises and eco-tourism owned by locals, strengthening animal husbandry, a nascent form of which is being imagined by the current state government.

Cooperative activism has shown promise in the state, such as apple growers' collectives, women's self-help groups and panchayat-led initiatives in waste manage-

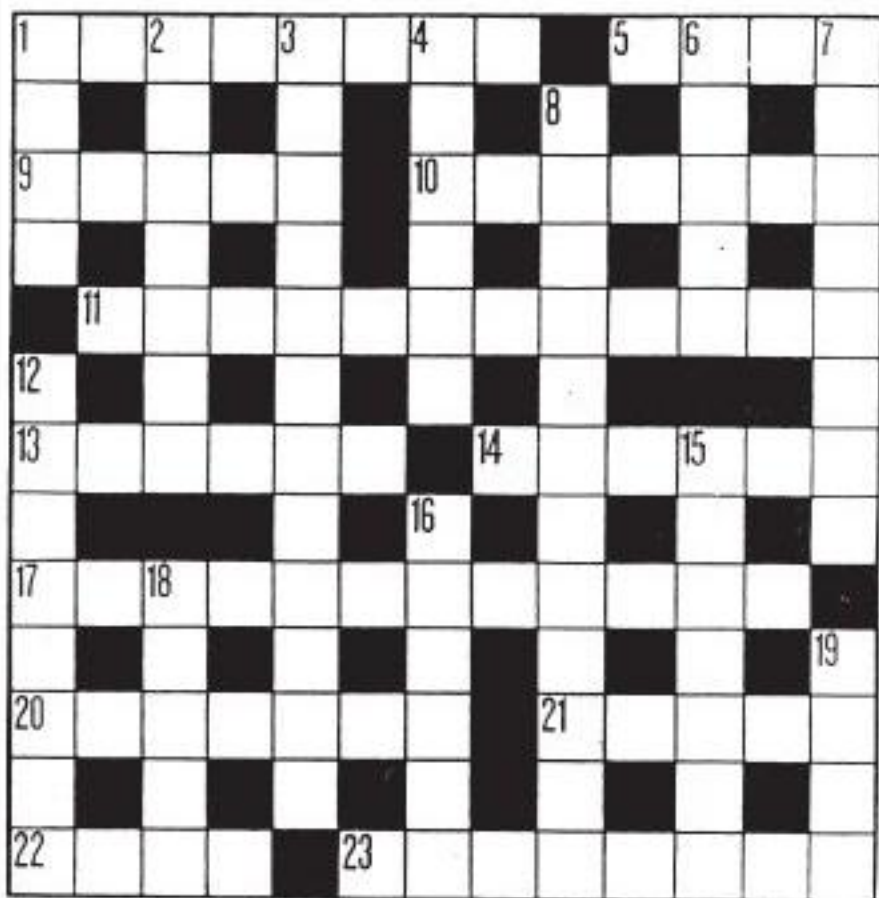
ment and renewable energy.

With a fertility rate below 1.5, the state is witnessing population stabilisation. The argument that vast tracts of land lie unused or that there is "room" for expansion is misleading. The challenge is not scarcity of people but scarcity of meaningful livelihoods. Youth migrate because they find no dignified local opportunities.

Relaxing Section 118 is a political and ecological gamble. It may bring applause from investors and land brokers, but it will eventually scorch the foundation of HP's identity.

The Supreme Court, too, has taken cognisance of the state's ecological vulnerability, emphasising the need for sustainable urban planning and restraint in hill development. Himachal stands at a critical crossroads. Section 118 is not a relic of the past; it is a living covenant between the people and their mountains. To touch it carelessly is to betray the very idea of Himachal.

QUICK CROSSWORD



ACROSS

- 1 Having enduring fame (8)
- 5 Uncompromising (4)
- 9 Souvenir (5)
- 10 Unimaginative (7)
- 11 Struggle doomed to fail (6,6)
- 13 Real (6)
- 14 Very handsome young man (6)
- 17 Deride (5,2,5)
- 20 Acquit (7)
- 21 Corrupt practice (5)
- 22 Bird of prey of hawk family (4)
- 23 Noteworthiness (8)

DOWN

- 1 Rabbit-like animal (4)
- 2 Betray one's cause (4,3)
- 3 Occasionally (4,2,1,5)
- 4 Call in question (6)
- 6 Modify (5)
- 7 Reduction (8)
- 8 Behave obsequiously (3,3,6)
- 12 Stamp of authenticity (8)
- 15 Foster (7)
- 16 To rule (6)
- 18 To distress (5)
- 19 Nuisance (4)

Yesterday's Solution

Across: 1 Deathtrap, 8 Raise, 9 Council, 10 Entrap, 11 Shrink, 12 Below par, 15 Outright, 18 Liable, 20 Astute, 21 Roughly, 22 Let on, 23 Take stock.

Down: 2 Epoch, 3 Tennis, 4 Think big, 5 Pronto, 6 Disrupt, 7 Temperate, 11 Scholarly, 13 Let loose, 14 Statute, 16 Intent, 17 Target, 19 Lilac.

SU DO KU



EASY

YESTERDAY'S SOLUTION

2	4	7	3	1	9	6	5	8
3	8	5	4	7	6	9	2	1
6	1	9	8	5	2	3	4	7
4	9	6	2	3	8	7	1	5
7	5	8	6	4	1	2	9	3
1	2	3	5	9	7	8	6	4
5	3	2	7	6	4	1	8	9
9	6	4	1	8	3	5	7	2
8	7	1	9	2	5	4	3	6

CALENDAR

DECEMBER 4, 2025, THURSDAY

- Shaka Samvat 1947
- Marghshirsh Shaka 13
- Marghshirsh Parvishle 19
- Hijari 1447
- Shukla Paksha Tithi 14, up to 8:38 am
- Shukla Paksha Tithi 15, up to 4:44 am
- Shiva Yoga up to 12:34 pm
- Kritika Nakshatra up to 2:54 pm
- Moon in Taurus sign

FORECAST

SUNSET:	THURSDAY	17:22 HRS
SUNRISE:	FRIDAY	07:04 HRS
CITY	MAX	MIN
Chandigarh	23	05
New Delhi	23	06
Amritsar	20	06
Bathinda	25	04
Jalandhar	20	06
Ludhiana	22	05
Bhiwani	23	08
Hisar	24	05
Sirsa	25	06
Dharamsala	20	07
Manali	17	06
Shimla	18	06
Srinagar	12	-02
Jammu	23	09
Kargil	04	-06
Leh	05	-07
Dehradun	26	07
Mussoorie	17	05

TEMPERATURE IN °C

Seeds of change

Draft Seeds Bill pushes transparency, but has some flaws

The Draft Seeds Bill, 2025, which is open for comments and is likely to be placed before the ongoing Parliament session, is aimed at curbing the sale of spurious and poor quality seeds to farmers. The draft Bill says at the outset that it wishes to promote ease of doing business for the seed industry through reduced compliance burden. While its approach of protecting farmers as well as incentivising the seed industry is a sensible one, the draft needs to address certain ambiguities and imbalances.



The EoDB provisions may ease supply constraints. A clause that provides for multi-State permit for entities selling across States will do away with the difficulties of obtaining clearances from each State in this regard. The Bill also makes a distinction between “trivial” and serious offences and invoking criminal provisions selectively, which may curb harassment and rent-seeking. A bold move being contemplated in the Bill is allowing the private sector to participate in the testing of seeds through a system of accredited laboratories. While this may help ease the burden on the ICAR set-up, these testing centres must inspire confidence. The Bill promotes transparency and traceability in the seed industry by mandating that all marketable varieties be registered, and the seeds be sold with a QR code on the pack that tells you where it has come from. All stakeholders in the value chain will have to be registered as well, and this includes producers, seed contractors for many farmers, nurseries and processing units. Seed health, too, has to be certified on the pack by recognised laboratories.

The proposed Bill does incentivise bonafide seed industry players to produce good seeds in larger quantities. In keeping with this thrust, it has turned away from price control, opting to use that lever only as a last resort; product choice, competition and transparency are expected to work instead. However, a major lacuna in the Bill, unlike its earlier avatars, is that it does not provide for any system of compensation apart from the consumer courts for quality and performance lapses. This must be resolved.

An especially disquieting aspect of the draft Bill is its ambiguity over whether farmers will be criminalised for producing their own seeds and distributing them locally — a practice through the ages that has preserved India’s unique gene pool of varieties. An unchecked move to brand all produce, with the compliance costs associated with it, could drive out even small seed producers and leave the space for large players. This may also lead to appropriation of GI or IP rights vested in communities. The rights of farmers spelt out under the Prevention of Plant Varieties and Farmers’ Rights Act should not be diluted. There is an indication of divergence here between Section 1(2) of the draft Bill and Section 39 (i) iv) of the above-mentioned law. These issues must be addressed to strike the right balance between promoting the interests of farmers and the seed industry.

OTHER VOICES.

The Guardian

It’s wrong to remove a pillar of British justice

Can Labour save a failing system by hollowing out its safeguards? David Lammy, the justice secretary, thinks so. Under his proposals, jury trials in England and Wales will be effectively halved. Currently, defendants charged with “either-way” offences have the right to choose whether to be tried by magistrates or a jury. But Mr Lammy wants any case where the likely sentence is less than three years – everything from sexual offences to theft to violence to narco-crime – to be judge-only. This is the most sweeping change to criminal justice in modern British history. Only the gravest crimes – such as murder and rape – will retain lay participation. Mr Lammy once said juries filter prejudice. LONDON, DECEMBER 1

THE WALL STREET JOURNAL.

EUROPE

Billionaire Cash for Kids and Capitalism

Billionaires are unpopular these days, even more than usual, and some of them are trying to court a better image by endorsing a government-guaranteed income for all Americans. Michael and Susan Dell have a better idea with their plan to donate \$6.25 billion to 25 million children for savings accounts. The founder of Dell Technologies and his wife will provide \$250 for children age 10 or under who were born before Jan. 1, 2025. They will target children in zip codes with a median income of \$150,000 or less. The birth date was chosen to complement the new “Trump accounts” that the feds will seed with \$1,000 for children born between Jan. 1, 2025, and Dec. 31, 2028, who are American citizens. The new accounts are a provision in the GOP tax bill that passed this year. NEW YORK, DECEMBER 2

Are stock exchanges innovative?

RECAST NEEDED. Indian MIIs certainly enable markets to function, but are discouraged from shaping how markets evolve



RAVI VARANASI

For over two decades, India’s exchanges and clearing corporations have been viewed through the lens of market infrastructure institutions (MIIs) — entities designed to serve public purpose functions such as fair access, efficient clearing and systemic stability. That framing made perfect sense in the 2000s, when market confidence was fragile and the regulator’s priority was integrity over innovation.

Today, however, India’s financial markets are among the most active and sophisticated in the world — equity and derivatives volumes rival global leaders, settlement systems are near-frictionless and retail participation has exploded. Yet, the policy imagination governing these institutions remains anchored in a utility mindset. MIIs are still treated as quasi-statutory entities rather than dynamic platforms competing in a global digital economy.

It is time to move beyond that frame — to see exchanges not as static utilities but as evolving ecosystems that design markets, integrate participants and drive financial innovation.

MII MODEL: SUCCESS, LIMITS

When SEBI introduced the MII framework, its aim was clear: ensure neutrality and build institutional legitimacy. Ownership caps, governance checks etc. were crucial to preventing concentration of market power. The model worked — Indian exchanges became global benchmarks in transparency and risk management.

But that same model now constrains their evolution. The governance and ownership structure that once guaranteed neutrality today often discourages agility.

* Exchanges face restrictions on investing in adjacent technologies or overseas ventures.

* Strategic collaborations, joint ventures or product incubation initiatives require layers of approval.

* Compensation and incentive frameworks are treated more like those of public sector utilities than competitive technology firms.

The result: while Indian MIIs are operationally world-class, they risk becoming innovation-poor. Their comparative advantage in transaction integrity is unmatched, but their contribution to product and ecosystem development remains under-leveraged.

Across the world, exchanges have evolved into multi-layered ecosystems.

* Nasdaq now earns nearly 70 per cent



Stock markets must move from regulation to financial innovation REUTERS

of its revenues from data, analytics and software services.

* CME Group integrates futures, options and OTC clearing with global data and AI-based risk analytics.

* HKEX and SGX have become regional hubs linking capital, commodities and carbon markets.

These exchanges see themselves not as neutral facilitators, but as market architects. They design new products, partner with fintechs and expand their ecosystems horizontally.

By contrast, Indian MIIs remain boxed into a minimalist definition of “infrastructure”. They enable markets to function, but are discouraged from shaping how markets evolve. This asymmetry is not benign — it risks India’s exchanges becoming efficient yet sterile, unable to keep pace with the innovation frontier that defines global finance.

A REGULATORY CROSSROADS

SEBI’s recent consultations signal an inflection point. The regulator must now differentiate clearly between core functions and adjacent functions.

* Core functions — ensuring market access, fair trading, clearing integrity and investor protection — must remain tightly regulated.

* Adjacent functions — data analytics, technology innovation, product development and global connectivity — can operate under a light-touch regime with outcome-based supervision.

This does not mean deregulation. It means re-regulation for innovation: establishing boundaries that protect the public interest while freeing MIIs to invest, collaborate and experiment within them.

ECOSYSTEM APPROACH

An ecosystem-oriented exchange

performs several interlocking roles:

Market architect — Designing new instruments such as electricity contracts, carbon credits, EGRs, weather derivatives and other emerging products while integrating them into coherent risk-management frameworks.

Technology integrator — Providing APIs and AI/ML-enabled analytics that brokers, AMCs and fintechs can plug into, reducing duplication of infrastructure.

Data & intelligence hub — Curating anonymised trading, risk and sentiment data to serve policymakers, investors and issuers.

Global connector — Building regional linkages — for instance, through GIFT City, to intermediate offshore flows.

This ecosystem logic aligns with India’s own policy goals: financial inclusion, market deepening and capital formation. But it requires a regulatory compact built on trust and outcome-orientation rather than micro-control.

RE-IMAGINING OVERSIGHT

A new MII-SEBI compact could rest on three broad pillars:

Outcome-based regulation: Shift from activity pre-approval to post-facto supervision based on measurable outcomes — transparency, risk containment and investor welfare.

Indian MIIs’ comparative advantage in transaction integrity is unmatched, but their contribution to product and ecosystem development remains under-leveraged

Quantum roadmap for India’s financial sector

Quantum computing can improve risk modelling and help in better stress detection

P Saravanan
A Paul Williams

The global financial services industry is at a technological inflection point. For decades, classical computing has defined the limits of risk modelling, optimisation, and security. However, as quantum technologies rapidly mature, encompassing computing, security, and sensing, they promise to fundamentally reshape the competitive landscape.

A recent white paper from the World Economic Forum (WEF), titled ‘Quantum Technologies: Key Strategies and Opportunities for Financial Services Leaders’ provides an essential roadmap for navigating this transition, assessing not only the threats but also the immense value-creation opportunities.

For a rapidly digitising economy like India, with its ambitious Digital India stack and one of the world’s largest financial ecosystems, the WEF’s analysis is not merely academic, it is a blueprint for national competitiveness and cybersecurity resilience.

Quantum computing is the engine of optimisation, harnessing principles such as superposition and entanglement to solve problems that are currently



FINANCE. Quantum benefits

intractable even for the most powerful classical supercomputers.

In finance, this translates into unprecedented capabilities for risk modelling and achieving more accurate stress testing and systemic risk detection. A striking case study is that a pilot that reduced the time needed for financial crash analysis from years to just seven seconds.

Further, it enables superior portfolio optimisation and advanced fraud detection by utilising non-linear pattern analysis. Quantum Security and Communications, addresses the most urgent existential threat: the arrival of a cryptographically relevant quantum computer (CRQC). The strategy here is multi-pronged, focusing on Quantum Key Distribution (QKD), Quantum Random Number Generation (QRNG),

and, crucially, Post-Quantum Cryptography (PQC), which is a scalable, near-term solution for achieving crypto agility.

Finally, Quantum Sensing provides ultra-precise, atomic clock-level accuracy for high-frequency trading (HFT) timestamps and regulatory compliance, offering a definitive sequence of market events. Collectively, these applications could generate up to \$622 billion in value by 2035 in financial services alone.

INDIA’S QUANTUM LEAP

Lessons and implementation: India could transform from being a quantum consumer to a quantum leader in finance. India’s massive digital infrastructure, including the Unified Payments Interface (UPI) and core banking systems, represents an invaluable national asset. A proactive national-level strategy for migrating to PQC standards is crucial. Indian institutions must urgently conduct a cryptographic inventory and begin phased integration of quantum-resistant algorithms to safeguard sensitive data from harvest-now-decrypt-later attacks, essentially building a firewall against future quantum threats.

The second key lesson is to leverage public-private collaboration and the National Quantum Mission (NQM). India’s NQM, with its substantial funding commitment, must actively funnel resources into financial-sector use cases. This necessitates robust partnerships between premier research institutions (such as IITs, IIMs, and IISc) and leading Indian banks, insurance companies, and FinTechs to establish quantum-as-a-service (QaaS) pilot platforms.

Policies and incentives must be designed to support quantum start-ups that develop solutions specifically for local financial challenges, such as optimising micro-lending risk models or enhancing cybersecurity for financial inclusion platforms. Institutions should start with quantum-inspired hybrid solutions, which offer immediate competitive gains in areas such as liquidity management and risk assessment, providing practical, low-risk experience and building the institutional knowledge essential for India to secure its digital economy and unlock billions in new value.

Saravanan is a Professor of Finance and Accounting at IIM Tiruchirappalli; Williams is the Head of India at Sernova Financial

✉ **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.

Credit scores

Refers to ‘Credit information should remain purpose-bound’ (December 3). Credit scoring is one of the most important pieces of information useful for assessing the credit culture of borrowers. Borrowers who make timely repayments of loans or dues, irrespective of the quantum, will receive a higher score. However, this repayment culture may not remain the same due to various reasons. Unscrupulous borrowers can secure

a high score by timely liquidating small dues to secure a higher loan. Sometimes defaults happen due to reasons that are beyond the control of the borrower. Therefore it is paramount to enquire into the details of the borrower’s cash flows to understand that the repayment has been from cash flows of genuine economic activities. Merely relying on score numbers may lead to a biased judgment about the borrower.

YSK Pillai
Changanacherry (Kerala)

App controversy

Apropos, “Sanchar Saathi app voluntary, can be deleted, says Telecom Minister Scindhia.” (December 3), the government’s directive mandating the integration of the Sanchar Saathi application into all mobile devices has ignited an intense debate over digital autonomy and state overreach. Though the platform serves legitimate functions in mitigating fraud and tracing stolen devices, sceptics contend that imposing a pre-loaded, government-endorsed app without

prior, explicit consent establishes a perilous precedent. Confronted with mounting criticism, the Communications Minister clarified that the app would merely be pre-installed and freely removable, yet apprehensions surrounding intrusive governance persist.

N Sadhasiva Reddy
Bengaluru

Arecanut imports

Apropos “Despite India’s self-sufficiency, arecanut imports from nearby countries rise”

(December 3). This is akin to the issues pepper growers are facing by virtue of illegal import of poor quality Black pepper. What is more concerning regarding arecanut is that Bangladesh trade with India is through land with high possibility of smuggling. If India can insist on “Proof of Origin” instead of “Certificate of Origin” to avoid re-export at the cost of Indian growers, restrict imports with an annual quota, without compromising on quality.

Rajiv Magal
Halekere Village (Karnataka)

The battle for top faculty

This will intensify as global universities move in

Jai Mohan Pandit

The Government’s decision, supported by the University Grants Commission (UGC), to allow top foreign universities to set up campuses in India is a visionary and progressive reform. It aligns perfectly with the National Education Policy (NEP) 2020, which emphasises globalisation, innovation, and excellence in higher education.

The entry of world-class universities into India is undoubtedly a positive transformation, but it also intensifies the battle for top faculty and researchers.

The arrival of reputed foreign universities reflects the growing international confidence in India’s talent base, market size, and regulatory clarity. Students stand to gain immensely; they can now access global degrees at home, with reduced costs and increased employability.

Equally significant is the opportunity for domestic higher-education institutions (HEIs) to learn from global best practices in governance, curriculum design, and research management. International partnerships can catalyse a new wave of innovation across disciplines.

Foreign campuses, with their global pay scales, flexible work culture, and access to cutting-edge research funding, will inevitably attract Indian academics — not only from public universities but also from private and deemed universities that have long faced retention challenges.

India’s higher-education system is already grappling with an acute talent shortage. In many universities, posts remain vacant for years due to delayed approvals and complex procedures. The recruitment process, often manual and centralised, discourages promising candidates who find quicker offers elsewhere.

Once recruited, faculty often face limited career progression, inadequate research support, and little flexibility in designing or updating curricula. The performance-management system remains weak, with few mechanisms to differentiate and reward excellence.

These systemic issues, if not addressed urgently, will magnify once foreign campuses start hiring locally. Unless Indian HEIs rethink their human resource management (HRM) strategies, they risk a gradual erosion of talent to international and private players.



IN DEMAND. Quality faculty

The solution is not to restrict or fear global universities, but to professionalise HRM in Indian higher education. The NEP 2020 provides a clear policy foundation; what is required now is rigorous execution and institutional autonomy.

Modernise recruitment: Universities should adopt rolling advertisements, online application systems, and transparent selection criteria. Recruitment must be fast, research-driven, and merit-based.

Empower institutional leaders: Vice-chancellors and directors must have the flexibility to offer variable pay, research grants, and special incentives for high performers. Timely recognition builds loyalty and motivation.

Reward performance: Promotions, increments, and awards must be tied to measurable achievements in teaching, research, mentoring and community engagement rather than years of service alone.

Institutionalise succession planning: Universities should identify and groom future academic leaders. Planned transitions preserve institutional continuity and create role models for younger faculty.

Strengthen work culture and autonomy: Research shows that a supportive environment and academic freedom are decisive factors in retention. Faculty must be trusted to innovate, experiment, and collaborate without excessive bureaucratic control.

The UGC’s initiative should be seen as an opportunity to collaborate rather than a threat to domestic institutions. Joint research projects, faculty-exchange programmes, and co-taught courses can ensure mutual learning. Foreign campuses in India should be encouraged to contribute to local capacity-building through shared training, infrastructure, and knowledge exchange.

The writer is Registrar, Indira Gandhi Institute of Development Research. Views are personal



R KRISHNA KUMAR

It is common knowledge that insulin “unlocks the doorway,” allowing sugar to enter our cells. We also know that insulin is secreted by specialised β -cells in the pancreas. What is far less known is the extraordinary scientific journey that has unfolded over the past five decades to understand how these cells release insulin in an oscillatory mode. This research, conducted quietly by mathematicians, physiologists, experimental biologists, and clinicians, has not only shaped our understanding of diabetes but also led to the development of many drugs used today. But more importantly, this story offers profound lessons for the scientific community, for those who craft science policy, and for leaders of academic institutions.

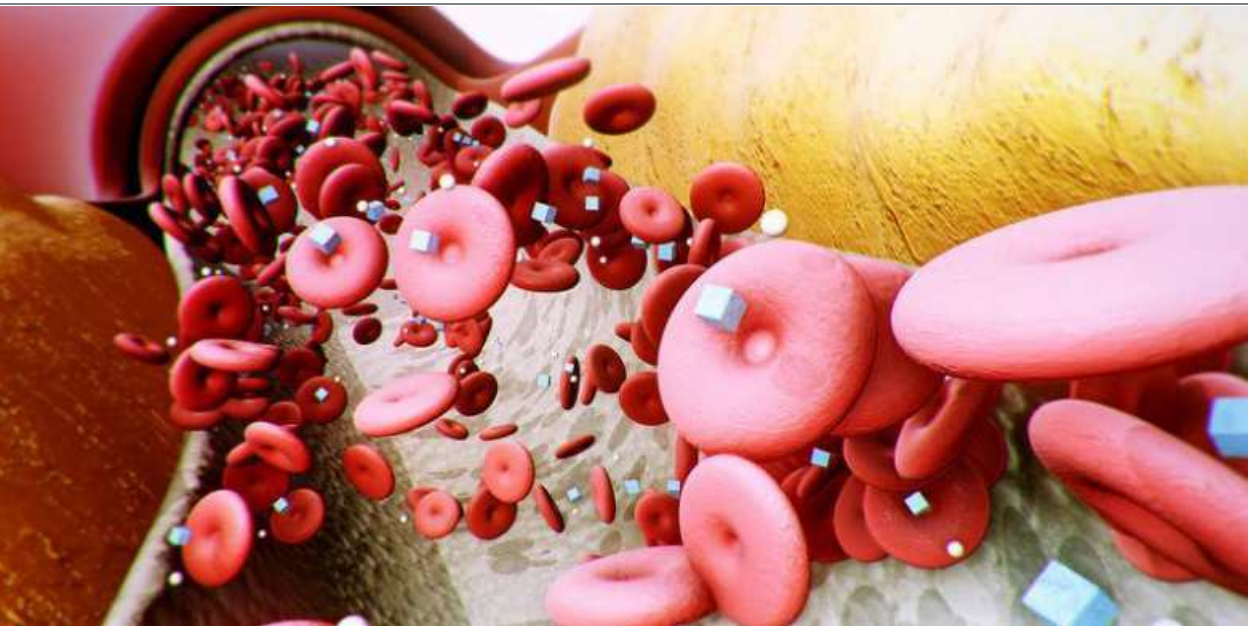
In fact, such research led to a striking line from *The Endocrinologist*, the magazine of The Society for Endocrinology, that captures this beautifully: “Mathematical modelling is a powerful tool for understanding hormonal regulation because it requires us to describe in non-ambiguous terms.” In other words, the future endocrinologist would do well to know a little mathematics.

A TEST MATCH OF 4 DECADES Deep research is not a Twenty-20 match. It is a classic Test match — patient, strategic, and full of unforeseen turns. For 40 years, mathematicians and experimental biologists took turns batting and bowling, correcting each other, challenging each other, and ultimately advancing science together. The match concluded most peculiarly: both sides won, and science triumphed.

The opening shot came in 1983 from the mathematicians Chay and Keizer. They proposed an elegant mathematical model explaining how electrical activity in β -cells leads to rhythmic, pulsatile insulin release. Their equations predicted how calcium — the key signal that triggers insulin secretion — would rise and fall inside the cell. But the first experimental bouncer arrived quickly. With better calcium-sensitive dyes, researchers measured actual calcium patterns in β -cells and declared, “Your mathematics is wrong.”

Mathematicians, unshaken, took fresh guard. They revised their model, added a second calcium compartment, and finally matched the experimentally observed dynamics. But the biologists bowled a googly. The model now failed to predict certain strange rhythms in insulin release — bursts grouped into episodes and patterns that stretched and shrank like an accordion. The mathematicians failed, and another wicket fell. The match was becoming tense.

The mathematics team did not give up. They stayed in the field, added a second oscillator — a glycolytic rhythm driven by biochemical reactions — and explained these new experimental observations. The revised model predicted how electrical bursts and metabolic cycles interact. A solid cover drive for four runs. The next ball, they aimed to hit a six. The mathematicians



GETTY IMAGES

Lessons from the oscillatory insulin story

SCIENCE TRIUMPHS. The breakthrough discovery emerged as scientists were free to critique, question, revise, and challenge assumptions — slowly and rigorously

boldly predicted the time-course of a crucial molecule in the cell: fructose-1,6-bisphosphate (FBP). Biologists were chasing the ball; for years, they attempted to measure it. Alas, the mathematician was caught at the boundary line; sophisticated fluorescence probes proved the mathematician wrong. Another wicket falls. The match could have shifted in a different direction. Instead, mathematicians introduced a new enzyme into the model — pyruvate dehydrogenase, activated by calcium — and once again the predictions aligned perfectly with experiments. Now a clean six over long-on.

After 40 years, the scorecard revealed something extraordinary: in essence, the game was being played collaboratively by mathematicians and experimental biologists. They had developed one of the most sophisticated models of any endocrine system. This knowledge has directly shaped the development of diabetes medications, the interpretation of insulin oscillations, and the wider field of systems biology. Science triumphed.

But behind this victory lies a more sobering truth: only a few scientists had the stamina, patience, and intellectual honesty to stay at the crease for decades.

SCIENCE IS LONG-TERM The story of oscillatory insulin teaches us something vital: science does not operate on quarterly deadlines. Real science — the kind that changes medicine, technology, and society —

The game was being played collaboratively by mathematicians and experimental biologists. They had developed one of the most sophisticated models of any endocrine system

develops over years or decades. It is uncertain, non-linear, and messy. It demands persistence, mistakes, corrections, bold ideas, and the willingness to be proven wrong. And yet, many academic systems worldwide increasingly treat research like a corporate balance sheet. Papers are expected each quarter. Grants require constant “deliverables.” Researchers increasingly break down their findings into “least publishable units,” not because science demands it but because career advancement does. Such an approach may maximise the number of papers. It rewards noise rather than the signal.

RANKINGS DISTORT One of the central culprits in this shift is the global ranking system. By collapsing the complexity of universities to a single number, ranking schemes inadvertently promote institutions to chase superficial metrics: number of publications, citation counts, patents filed, start-ups created, and other frivolous output-based performance indicators. The list of precious things we have lost is extensive; long-term scientific vision, profound conceptual breakthroughs, interdisciplinary cooperation, strong teaching and mentorship of the next generation, the courage to tackle difficult problems, and the freedom to fail and learn. Universities are quietly drifting away from their core missions. Instead of being centres of education and inquiry, they risk becoming factories that produce measurable outputs — not necessarily meaningful ones.

Oscillatory insulin was not discovered by chasing publication counts. It emerged because scientists were free to critique, question, revise, and challenge assumptions — slowly and rigorously.

THE PATENT TRAP The shift from publication to patent culture introduces another danger. Patents are valuable when they protect

genuine breakthroughs and enable commercial translation. But when patents are pursued for numerical metrics — number of patents filed rather than number commercialised — they distort scientific purpose even more than publication bean-counting.

Unlike papers, patents are not validated by scientific peer review. Many never lead to products. Publications expand the frontiers of science. When patents are misused as metrics, they artificially fence them off.

NATURE DOESN’T RESPECT SILOS If oscillatory insulin taught us anything, it is that nature does not recognise departmental boundaries. Mathematics explained physiology. Physiology deepened mathematics. Engineers, clinicians, and computational scientists all contributed to understanding cell behaviour. Most transformative discoveries lie between disciplines. Yet universities often create rigid silos that inhibit cross-pollination of ideas. This fragmentation slows progress precisely at a time when the world needs integrated approaches — in AI, biotechnology, materials science, climate modelling, and medicine.

Artificial intelligence emerged from decades of fundamental, curiosity-driven science — not quarterly targets. The next generation of AI-enabled discoveries in biology, medicine, and engineering will require even deeper fundamental research. If nations reduce research to short-term metrics, they risk long-term stagnation.

The story of insulin oscillations is a reminder that breakthroughs come to those who are willing to play the long game. The 40-year “test match” of insulin research is more than a scientific tale. It is a metaphor for how true discovery happens: slowly, collaboratively, self-critically, and with intellectual courage.

The writer is Institute Professor, Department of Medical Sciences and Technology, IIT Madras

thehindubusinessline. TWENTY YEARS AGO TODAY.

December 4, 2005

PM launches urban mission

The Prime Minister, Dr Manmohan Singh, today launched the ₹1 lakh-crore Jawaharlal Nehru National Urban Renewal Mission (JNNURM) aimed at improving urban infrastructure and urban basic services in over 60 cities with a million-plus population, all State capitals and some cities of religious, historical and tourist importance.

Ruia group plans to open Dunlop factories in 9 months

The Kolkata-based Ruia Group has taken over the controlling stake in Dunlop India Ltd, Falcon Tyres and Indian Tyre and Rubber (ITR) from the Dubai-based Jumbo group owned by the family of the late MR Chhabria. The block deal was sealed for a consideration of roughly ₹200 crore.

Equity market dwarfs banks as India Inc’s source of finance

Between April and October 2005, Indian companies mobilised ₹51,459 crore through public offers, rights issues and private placements. In contrast, through financial year 2005, banks lent ₹42,976 crore to medium and large industries as a whole. Not all of them are listed, too. Clearly, the stock market is beginning to dwarf the banking sector as a source of finance for listed firms.

Citi splits from Wall Street dollar bears on emerging currencies

Andras Gergely

Citigroup Inc. strategists recommend emerging-market investors seek trades cushioning against a potential rebound in the dollar, in contrast with Wall Street peers that expect more weakness for the US currency.

While assets in developing countries have had a stellar year so far, strategists at Citi including Luis Costa argue that the trends driving dollar weakness already started shifting around the

middle of 2025. Focus has moved on to the boom in artificial intelligence and lack of strong evidence for a global trade collapse following higher US tariffs, Citi said.

“These two important factors combined generated a gradual comeback to US exceptionalism, ultimately changing the dollar dynamics once again,” Costa and colleagues said in a research note Tuesday. “Barring a significant repricing in US equities, we believe global markets are likely to remain in

this regime, which basically means a more resilient USD.”

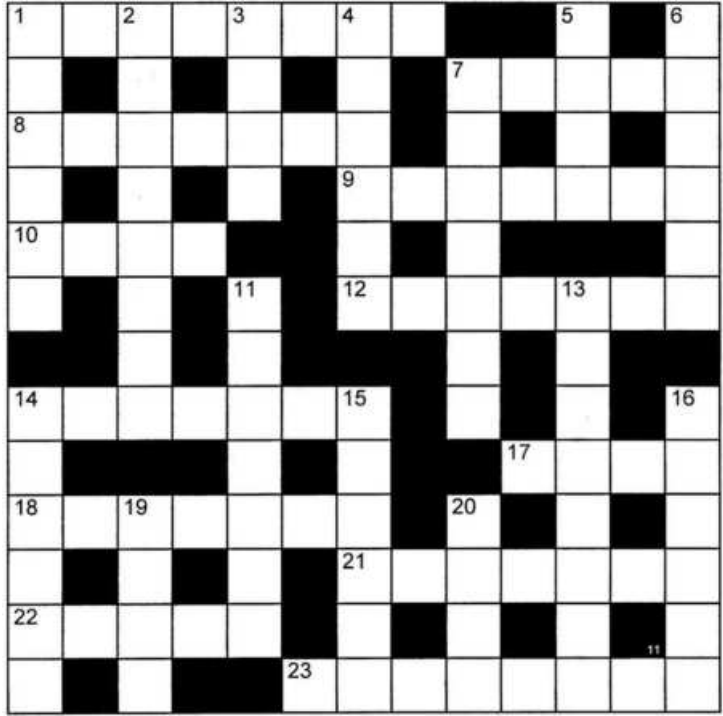
Citi’s view on the dollar differs from the likes of Morgan Stanley, Bank of America Corp. and Goldman Sachs Group Inc., which are gearing up for more weakness in the US currency. They have argued that rate cuts by the Federal Reserve will put downward pressure on the greenback in 2026. That in turn would bode well for emerging markets as an asset class.

Citi sees selected emerging markets as having enough protection left

against a resilient dollar in the form of carry trades, in which investors borrow in lower-yielding currencies to buy those that offer higher yields.

It recommends going long the Turkish lira, the Brazilian real and the Mexican peso to benefit from that interest-rate premium, funding it with shorts in the Canadian dollar, the Swiss franc and the Thai baht. Including the premium offered by carry trades, Citigroup still sees total returns of about 5 per cent for emerging-market bonds next year. BLOOMBERG

BL TWO-WAY CROSSWORD 2838



EASY

ACROSS

- Holding erroneous view (8)
- Demise (5)
- Annul, abrogate (7)
- Spreads open (7)
- At any time (4)
- Carry into effect (7)
- Violent wind in S France (7)
- Be enamoured (4)
- Drape (7)
- Motorists (7)
- Dismiss from school (5)
- Made into figure of worship (8)

DOWN

- Culpable homicide (6)
- Thinks to be guilty (8)
- Eagerly desirous (4)
- Bear without sinking (6)
- Equitable (4)
- Refined and pure in taste (6)
- Swerve from proper course (7)
- Cut short, abridge (7)
- Removes wrapping (8)
- Scorned (6)
- Was put ashore (6)
- Gained an impression of (6)
- Ready to eat (4)
- Beak (4)

NOT SO EASY

ACROSS

- Minehead is captured? No : that’s the wrong view (8)
- Hated change that might spell the end (5)
- Annul the metamorphosis of Cinders (7)
- Displays one French sable at Lourdes, first and last (7)
- At any time he may lose head, being very short (4)
- Carry out order to put one to 7 Across (7)
- Alarmist loses a version of it created by wind (7)
- Term of endearment may mean nothing to one serving (4)
- Ruin act by ringing it down in tatters (7)
- Those who use the roads as clubs (7)
- Drive out as previous partner quietly goes to the Spanish (5)
- Worshipped one at part when fifty changed side (8)


DOWN

- Do one to 7 Across as champion racehorse turned up (6)
- One thinks they have done what they shouldn’t have (8)
- Very keen to help lead violin with entrance (4)
- Last part is certain not to have begun to stick it out (6)
- Place of amusement deserved only by the brave, they say (4)
- Unstilled by speed after Charles the First (6)
- A flaw that involves Labour leader one may turn aside (7)
- Cut short suitable part of wretched dog (7)
- Curves no different if one lays them bare (8)
- Dock me for having treated it with derision (6)
- Came down on this sort of gentry in the past (6)
- Felt a variety of needs initiated by the South (6)
- Fit for use as brief epitaph on grave finally (4)
- Some old battleaxe, as presented by one who charges (4)

SOLUTION: BL TWO-WAY CROSSWORD 2837

ACROSS 7. Carpet sweeper 8. Established 12. Stride 14. Straws 16. Kicked 18. Series 19. Cooperating 23. Undercarriage

DOWN 1. Game 2. Spot 3. Stable 4. Swains 5. Mesh 6. Mend 9. Sirocco 10. Elation 11. Asks 12. Sake 13. Dye 15. Toe 17. Drench 18. Stairs 19. Cone 20. Open 21. Ibis 22. Gags



A thought for today

There is only one thing in the world worse than being talked about, and that is not being talked about

OSCAR WILDE

Money Ball

Modern sports offer great lessons in branding, how to cash in on a name long after the talent's gone

It's said you aren't a brand until the world knows you by one name. Like Messi, who starts his four-city tour of India next weekend. In that sense, Messi has had it easier than, say, Kohli, or Neeraj. In Recanati, the little Italian town that his forebears left in the 1890s, only about a dozen Messis remain. So, Messi can't know how hard it is to be a brand when you're born Rohit Sharma 🤔. But once you get there, the rewards are well worth the slog.

Stadium tickets for Messi's celebrity matches are already sold out. Yet, what he makes over his three days in India would be nothing compared with his \$1.2bn-plus career earnings. And money is only part of the deal. Heavyweight boxing champ Klitschko is mayor of Kyiv. When the Saudis met Trump at White House mid-Nov, they brought along Messi's rival for GOAT-hood, Ronaldo. Not in a bag, as they like to, but in a suit. And Trump said that introducing his son Barron to Ronaldo, had raised him "a little bit more now" in the lad's eyes. Given that Barron is 19, and 6'9", Trump must be equal parts shocked and grateful.

Fame passes, though. What stays, if you're careful, unlike Tyson and Becker, is the stash of career earnings. And if you nurture your brand carefully, it keeps paying even when your hung boots have turned mouldy. Our own Kapil, Gavaskar, Tendulkar remain brands with occasional endorsements. Perhaps the greatest endorsement of all is the one formed by association. Like 'Sandow', which remains shorthand for a man's vest in many parts of India, 120 years after the proto-bodybuilder's India tour.

Eugen Sandow was probably the first sports celebrity who turned himself into a brand, and launched products ranging from magazines to corsets and cocoa. Corsets? You can say that about Messi endorsing Qatari telco Ooredoo, or Beckham being the face of SharkNinja air fryer. Sometimes, the products sportspersons endorse don't gel with their personal brand. But if the money is good, why not? This year, the 50 top sports earners will take home \$1.04bn just from endorsements and non-playing events. They've come a long way from the time when Edwin Moses, who won 107 consecutive golds in 400m hurdles, made less than \$500,000 in a year. And the money is only getting bigger.



Image: AI

UnCruel Night

Neighbourhood dogs protect an abandoned newborn.
Something in us is deeply drawn to such stories

It's a few weeks to Christmas but something very Christmassy has happened. A newborn was abandoned near a toilet in Bengal's Nabadwip town. Nothing merry about this. But a ring of neighbourhood dogs circled the baby boy, keeping guard until a resident took over at dawn. As she said, those dogs, the ones we often chase away, did what many humans wouldn't.

How we treat those who cannot protect themselves is, of course, a fundamental measure of our society's health. This is why stories of abandoned children finding an unexpected caretaker move us so much. And in this scenario, when it is an animal that turns up as the protector, the moral actor, there is a further impact: an inversion of the presumed superiority of humans over non-humans. Mowgli is perhaps the most storied such child today – created by Rudyard Kipling, raised by wolves in an Indian jungle, taught by Baloo the bear and Bagheera the panther. But his lineage is long. For example, Romulus and Remus, legendary founders of Rome, were nursed by a she-wolf.

As these stories are passed on from one generation to another, so are their question marks on human exceptionalism.

Specifically in India, 'found' children being raised into greatness is a powerful trope. In *Mahabharat*, a charioteer's family rescues a child from the Ganga, and he becomes the noble warrior Karna. In *Ramayan*, King Janak finds a child in the field, and she becomes the noble Sita. In blockbuster *Baahubali*, this finding is the foundational scene. It's actually impossible to separate the pull of JK Rowling's Harry Potter, Shekhar Kapur's Mr India, Salman Rushdie's Saleem Sinai, Sarat Chandra Chattopadhyay's Lalita...from the orphan archetype. Maybe because of the abandonment anxiety deep within us. Narratives that flip the script and bring strangers to the rescue, promise that the world is less cruel than we fear.



Faith accompli

So, you still don't believe in miracles?

Bachi Karkaria

A fortnight ago, I was devastated; last Sunday I was uplifted. Incredulously. The long-defunct fire temple of my Kolkata childhood had literally risen from the ashes. My TOI Kolkata colleague, Subhro Niyogi, had WhatsApped me his report from that morning's edition, 'City's oldest agiary not lost to fire, believers call it a miracle'.

What else could it be if not one? On Nov 15, a raging fire had gutted a swathe of the city's congested Ezra Street (and me; my first 23 years were spent there). Subhro's report then was titled, 'Blaze ravages a slice of city's Parsi link as flames destroy 186-yr-old fire temple'. And here, on Nov 30, were the contradicting photographs.

The façade's giant Tuscan pillars and Doric pilasters still stood, derelict but imposing – unfazed by the inferno which had razed the surrounding crush of illegal stalls; their onslaught over 50+ years had entirely obliterated the expansive compound. Even more goosebumps-raising was the intact image of the inner sanctum's huge *afargan* in which the sacred fire had continuously burned for 126 years before it died down forever – snuffed out by the once-fabled trustee family's self-destructing wars.

This proof that faith can never be singed has invigorated Kolkata's fast-depleting Parsi community. But me and my sisters have been most directly affected. Our now-lost 100+ year-old house shared a wall with the *agiary*. Its burning sandalwood fragrance mingled with our kitchen aroma of frying onions; its reverberating gongs elevated our quotidian tasks. More than all else, we appropriated it as our personal hotline to Almighty Ahura Mazda.

But here's sobering irony. In the last few years, the encroaching shopkeepers came to the rescue of a fire temple that its legit protectors/worshippers could not save; they had generously pitched in to expensively repair, replaster, repolish the exterior. 'We felt we could not flourish at the expense of the temple's decline,' said one.

Honour among thieves? Maybe, but also consider William Cowper's 1774 hymn: 'God moves in a mysterious way, His wonders to perform.'

Alec Smart said: "Rupee's getting Trumped."



erratica

Himalayan Geometry Of Power

India & China must learn to live with fracture and turn LAC into something routine and predictable. This will also reduce Pakistan's influence over New Delhi-Beijing ties

Nirupama Rao

The recent detention of an Indian citizen in Shanghai, reportedly on the grounds of her origin in Arunachal Pradesh, is a small incident in bureaucratic time but a revealing one in civilisational terms. It was not a crisis. It was a signal. It exposed the unresolved strain that runs through the India-China relationship, where even ordinary movement can suddenly acquire strategic meaning and where identity itself becomes a site of friction. What appeared, on the surface, as an immigration matter was in substance an echo from a longer, colder fault line that neither side has found a language to conclusively settle.

The Himalaya did not begin its modern life as a fault line of armed confrontation. For centuries it functioned as a zone of movement and exchange. What we see today as a hardened frontier was, for much of history, a civilisational corridor rather than an ice-wall.

It is that older landscape of connection that makes the contemporary India-China rupture so difficult to normalise. Arunachal Pradesh and Aksai Chin are no longer simply tracts of land. They have become repositories of suspicion, insecurity, and pride. The boundary is lived, not merely demarcated. Every patrol, every road, every new administrative assertion echoes not only in military calculations but in historical consciousness.

The trauma of 1962 still shapes the present. For China, the conflict affirmed capacity and reach; for India, it exposed vulnerability and imposed a long season of reckoning. Neither country was merely changed by that moment; both were re-scripted by it. What followed was not closure, but an elaborate choreography of restraint and mistrust that continues to this day.

This is why the border now resembles a tattoo rather than a wound. It is a permanent mark etched into the muscle memory of the relationship. It tingles when the political weather shifts, it itches when touched, and from time to time it reminds both sides of the pain that attended its making.

What is often missed in superficial readings is that neither side experiences itself as the aggressor. Each moves under the conviction of defence. For China, control over Aksai Chin is experienced as a matter of internal



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cohesion and strategic continuity. For India, the defence of Arunachal Pradesh is experienced as a question of political integrity and national sovereignty.

Into this already fragile equation enters a third structural reality: the China-Pakistan relationship. This bond is not sentimental. It is architectural. Pakistan has served as a strategic bridge and pressure point in China's western orientation, while China has served as Pakistan's guarantor against isolation. This relationship, reinforced by infra, defence cooperation and diplomatic backing, adds a geometric complexity to the Himalayan fracture. The border is no longer simply a line between two states; it is part of a triangle of strategic import, in which every movement on one side casts a shadow on the other.

When relationships become triangular, instability multiplies. A miscalculation on one front reverberates across another. Suspicion becomes layered. Signalling becomes ambiguous. The danger is not war by intent, but war by misunderstanding.

History offers a lesson here. Frontiers that have endured have done so not by resolution alone, but by habits of management. The Himalayan world itself was once governed by practices of accommodation and mobility, where cultural boundaries overflowed political ones and coexistence was more practical than



Image: AI

Why Macaulay's India Is An Everyday Reality

Decolonisation of the Indian mind is worth doing. But real decolonisation won't happen till the powerful live by the same rules as everyone else & ordinary Indians experience a democratisation of privilege

Anjana Menon

As we near 80 years of Independence, PM has set us a worthy goal: decolonisation of the colonial mindset. He has called for greater use of local languages and renewed pride in our traditions. Our colonial mindset cannot be wiped out by a culture fix. Decolonisation will happen only when the extraordinary in India begin to live, behave, and be governed like the ordinary.

We will need to redesign our public systems, which strip ordinary citizens of agency in order to prioritise 'rulers' over the 'ruled', exactly as our colonisers designed them to be.

Modi, more than anyone, would know what disenfranchisement does to the common man, given his own modest upbringing. He must have watched, growing up, Anglophiles infiltrate the vast bureaucracy and media, land the top jobs, corner political favours to build generational wealth, and expand their business empires.

Since his coming to power, their shine has dulled. Speaking fluent English no longer guarantees a seat at the high table; Hindi and regional languages dominate public discourse. Digitisation, ranging from citizen services to payments, has reduced petty rent-seeking in some pockets and made everyday banking transactions easier and more widespread. It could be argued his rise has inspired Indians to be confident and aspirational, their English language prowess notwithstanding.

Govt's move to rename the building complex housing PMO to 'Seva Teerth', centred around the idea of seva or service, is being canvassed as a change in governance model – from power to service and, hopefully, from authority to responsibility.

Yet, the biggest challenge to decolonisation lies in the othering of India's most ordinary, which continues largely unchanged from the colonial era. To this day, ordinary citizens in our villages and towns struggle to matter. They experience this when they report crimes to the police, when they queue up for medical care in public hospitals, when their children aim for better schools, in the distribution of job opportunities, and in hundreds of other ways.

The villager knows that while she trudges home on dirt tracks, the road to the house of the local politician or magistrate is tarred and well maintained. Urbanites understand how opportunity depends heavily on 'knowing' someone in a system that thrives on navigating connections and power.

This legacy from the British, where gatekeeping the distribution of goods and services was used to wield power, is hardwired. It's a phenomenon that cannot be explained away as individual apathy or corruption; it thrives because of structural immunity and entrenched systems.

India's formidable army of administrators is rarely held accountable. Municipality officials are promoted despite allowing unlawful construction on their watch. Public officials overlook conflicts of interest. Businessmen engineer opportunities for themselves and trouble for rivals, using connections. Those plugged into govt machinery often amass disproportionate assets without scrutiny. India's top league competes only among themselves.

Majority of Indians grow old watching a system where power is allowed to rewrite the rules and, in doing so, accumulate even more power. To be fair, there are exceptional public servants who rise above this. They often find themselves sidelined and targeted for their integrity because the colonial framework systematically disincentivises the calling out of imbalances in power.

Indians who find themselves in a state of permanent inferiority are trapped in a lifelong fight for opportunities and resources. Consumed by all of this, cultural pride becomes a sideshow,



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because it is only by being first among equals, by whatever means necessary, that one can secure privileges.

It's only when this ordinary Indian experiences a democratisation of privilege and law, where he no longer sees a distinction between his rights, opportunities, and that of those in power, that the seismic shift PM envisions, will happen. It will not happen unless the powerful are stripped of unnecessary privileges – whether it is immunity from law, a rampant VIP culture, cornering of best and most resources, pensions guaranteed and so on. And the powerful have little incentive to allow changes in a system that puts them first.

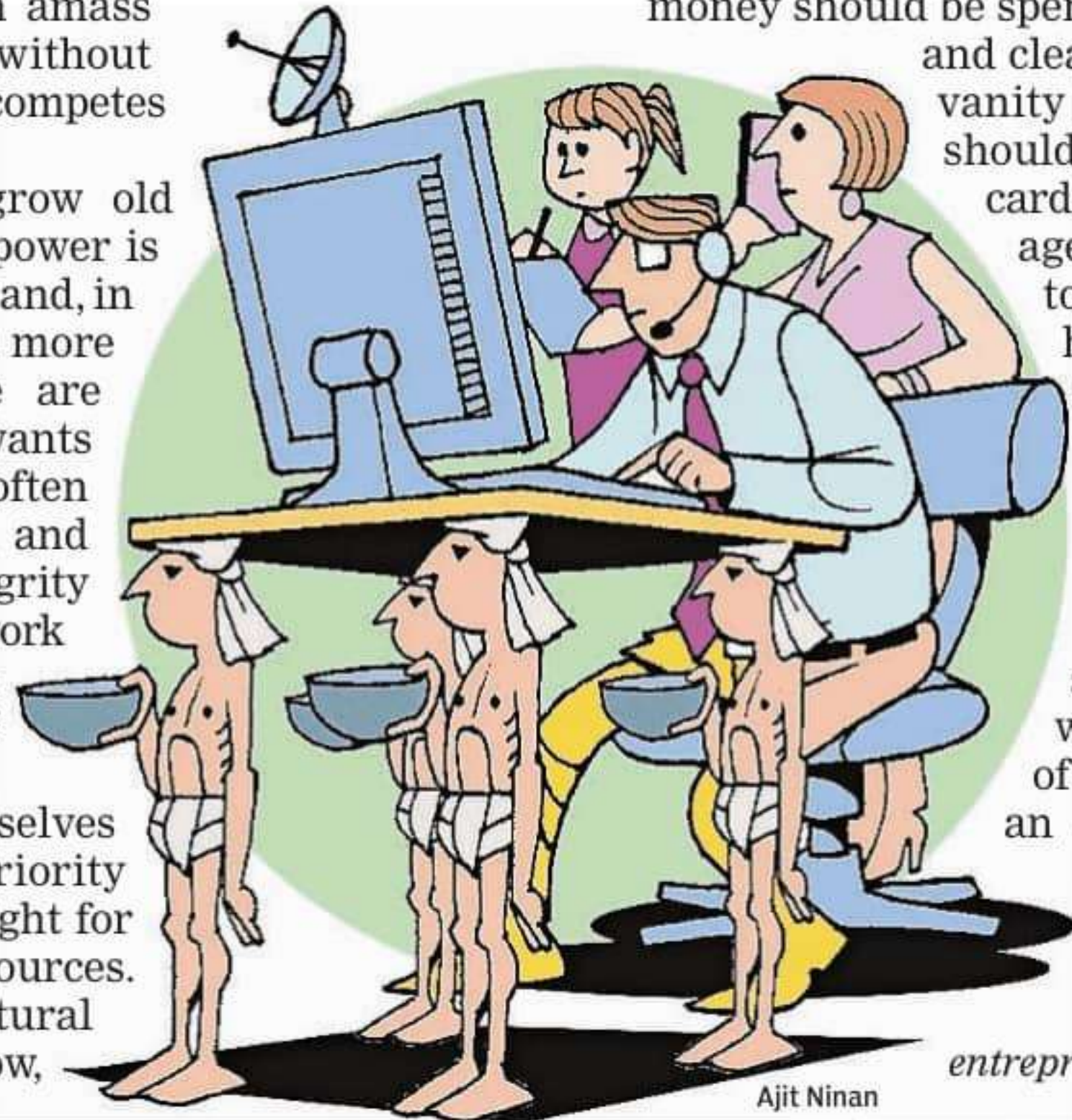
To erase the colonial mindset, we need to ensure that those on the high table abide, like the rest of us.

Wealth, political clout and power should not buy immunity. If anything, those who hold disproportionate power ought to face greater public scrutiny. A fair-minded system must reward or penalise them just as it would any citizen.

Citizens should have a right to choose whether their money should be spent on homes for the homeless and clean air, or be squandered on a vanity project for a politician. They should have access to the report cards of those who administer. Our agency should not be limited to just the ballot box but how we are governed and our resources distributed.

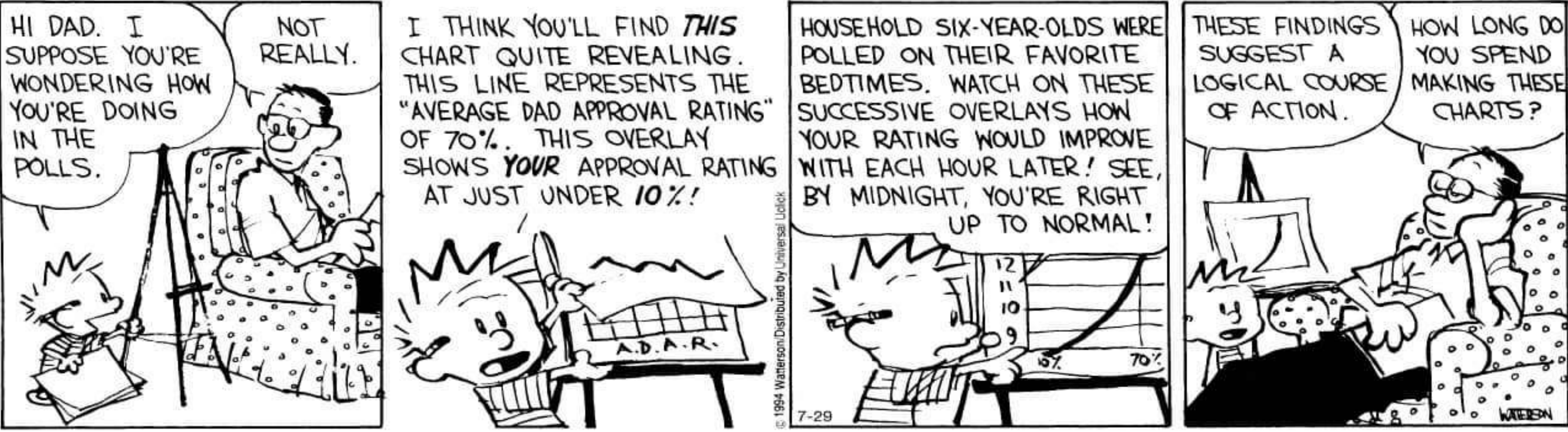
PM's goal of rewiring our mindset is so vast in ambition that it will require him to dismantle an iron frame that will shake allies and administrators alike. Given he is widely accepted as a mascot of steely determination, this is an opportunity for the taking and, possibly, the toughest task for any PM since India won Independence.

The writer is an author and entrepreneur



Ajit Niman

Calvin & Hobbes



Why Atheists Can Also Swoon To Glorious Bhajans, Hymns

Indrajit Hazra

Belief is too important to be left to believers. Those devoted to the idea of finding comfort and pleasure, only in the devotion to god(s), could do well to relisten to Geeta Dutt singing Sahir Ludhianvi's delirious words in SD Burman's bhajan: 'Aaj sajan mohe ang laga lo/Janam safal ho jaye' – Today, beloved, hold me/My life will be fulfilled.

In the scene from Guru Dutt's *Pyasa*, this delicate slip of a song is being performed by a group of wandering kirtaniyas. Their Vaishnavi *objet désir* is divine: Krishn. And yet, for the character played by Waheeda Rehman, who hears the song wafting up to her, it is transposed effortlessly to the man leaning out on the terrace, whom she longs to be possessed by – 'Mohe apna banalo'.

We are in the throes of what Yusuf Lien depicted in his *Amar Chitra Katha* illustration of Mirabai (pic): the divine and erotic intertwined and indistinguishable, as Krishn holds Mira to hold her back from ending her life of separation from him. You do not need to be a bhakt to feel the bhakti in the song (or the picture). For it is the verb 'believe' that holds the key, not the noun 'god' or 'lover'.

This double entendre pervades through –all> devotional music. All devotional songs are, after all, love songs. Take the sublime piece of Gregorian chant, 'Christe Redemptor' (Christ the Saviour). The hymn, with its ethereal harmonies, captures the essence of divine contemplation and reverence. Yet what it really does is serve us the very ingredients that go into making the warm broth of belief. No wonder 'bhajan' is derived from the Sanskrit 'bhañ' – to adore, an action hardly confined to those who 'believe'.

It works both ways. An atheist listener of Bismillah Khan's 'secular' 'Raag Brindabani Sarang Ek Taal' is transported to the same zone of ecstasy a believer finds himself in. And when you listen to Bismillah's shehnai-nigans in his rendition of 'Raghupati Raghav', you are inside a well in which sacral bhakti is only one of the residents, along with others like *areligious* beauty, love, longing...

Handel's 'Messiah' brings the listener as close to ecstasy in its Hallelujah chorus, as does George Harrison's 'Here Comes the Sun', the splendour of the liberator transposed to the grandeur of the sun.

For the atheist, swooning to magnificent 'sacred music' is neither contradiction nor subterfuge. One needn't believe that Sherlock Holmes actually existed to find the great fictional detective detectable. Longing for the divine mother that the atheist finds in Kamalakanta Bhattacharya's popular Shyama sangeeet (Kali bhajan) – 'Amar sadh na mitilo/Asha na purilo/Shokoli phuraye jaye ma' (My longings didn't get fulfilled/My hopes never came materialised/Everything just ends, Ma) – is 24 carat longing nonetheless.

And you needn't believe in a god, Christian or otherwise, to listen to the Newton Brothers' haunting version of Henry Lyte's hymn, 'Abide with Me' to get goosebumps.



THE SPEAKING TREE



Sacredspace

For those who believe in God, most of the big questions are answered. But for those of us who can't readily accept the God formula, the big answers don't remain stone-written...

We are pliable. Love need not be a command nor faith a dictum. I am my own god...

Charles Bukowski



IN THE NEWS

SERVICES SECTOR GROWTH IN NOV ACCELERATES

INDIA'S SERVICES SECTOR growth accelerated during November, with the HSBC India Services PMI Business Activity Index rising to 59.8 in November, from 58.9 in October, supported by new business growth. A print above 50 means expansion.

GOVT MOPS UP ₹2,492 CRORE FROM BoM OFS

THE CENTRE IS expected to realise about ₹2,492 crore by diluting its 6% stake in Bank of Maharashtra. The offer for sale was oversubscribed on Wednesday. Post allotment, BoM will become compliant with Sebi's minimum public shareholding norms.

Strong political push to seal FTA by 2025, says EU Ambassador

EUROPEAN UNION AMBASSADOR to India Herve Delphin on Wednesday said that there is "strong political commitment" from both the sides to conclude the revamped India-EU Free Trade Agreement by the end of 2025. "Of the 23 chapters under discussion, 11 have already been closed. Important chapters still under negotiation include market access for cars, steel, some aspects of services and investment and technical barriers to trade," Delphin said. "No doubt, there is a strong political commitment to conclude the FTA negotiations by the end of the year." Delphin said a 40-member EU team is arriving in Delhi this week to resolve lingering hurdles. Current bilateral goods trade stands at approximately \$136 billion, making the EU India's third-largest trading partner after the US and China.

—PTI

FM: States to benefit from tobacco excise duty hike

● Proceeds to be part of the divisible pool

FE BUREAU New Delhi, December 3

FINANCE MINISTER NIRMALA Sitharaman on Wednesday said excise duty collected on tobacco and related products will be part of the divisible pool, with 41% shared with states, ensuring that states also benefit following the expiry of the GST compensation cess. Responding to the debate on the Central Excise (Amendment) Bill in the Lok Sabha, she emphasised that the measure does not introduce any additional tax burden and merely maintains the current tax incidence applicable under the GST regime. The Bill, which was passed by the House, seeks to reintroduce excise duty on tobacco products to replace the GST compensation cess. Sitharaman clarified that the move is not a new levy, but a reinstatement of the pre-GST excise mechanism. "This is not an additional tax. This is not something which the Centre is



Finance Minister Nirmala Sitharaman speaks in the Lok Sabha on Wednesday

taking away. This is not a cess. This is excise duty... It is coming back to the Centre, to be collected as excise duty, which will go to the divisible pool," she said, adding that 41% of the revenue will continue to flow to states under the Finance Commission's devolution formula. Introducing the Bill, the

minister said the excise duty was necessary to ensure that the total tax burden on tobacco — considered a demerit good — does not drop once the compensation cess expires. The GST law caps the maximum tax rate at 40%, meaning that without an excise levy, the tax incidence on cigarettes and other tobacco products would

sharply decline. "Cigarettes should not become affordable now because the incidence has become less," she said. The Bill proposes an excise duty of 60–70% on unmanufactured tobacco. For cigars and cheroots, the duty will be 25% or ₹5,000 per 1,000 sticks, whichever is higher. Cigarettes without filters, up to 65 mm in length, will attract ₹2,700 per 1,000 sticks, while those between 65 mm and 70 mm will attract ₹4,500 per 1,000 sticks. These rates will effectively replace the varied compensation cess currently levied alongside the 28% GST on all tobacco categories. Sitharaman noted that the move is timed with the near-completion of repayment of the ₹2.69 lakh-crore loan taken to compensate states for GST revenue losses during the Covid period. The loan will be fully repaid in "a couple of weeks", after which the compensation cess will cease. On the IMF's 'C' grade for India's national accounts data, she said the issue relates only to the outdated base year. The government will update the same to 2022–23, with changes coming into effect from February 27.

Industry ignoring vulnerabilities in supply chain, rues Goyal

MUKESH JAGOTA New Delhi, December 3

COMMERCE AND INDUSTRY Minister Piyush Goyal on Thursday expressed concerns over the lack of urgency among the industry in identifying and plugging vulnerabilities in their supply chains at a time when the world has seen weaponisation of trade. "I still don't see that sense of urgency when people are assessing their supply chain to see where the concentration of a geography or a supplier can hurt their long-term survival. And such areas of concern, if we can identify them quickly, if we can plug them quickly, will be essential in our long-term strategies to survive and then to grow," the minister said at the CII IndiaEdge 2025. "If in your supply chain a particular product is not permitted to be exported or not

available at any point of time for your use, it could cripple an entire operation... There will be many products where we will need to be self-sufficient. We



will need to have the supply chain in our own control." The most prominent example of using trade as a tool for meeting strategic aims is visible with China clamping down on exports of rare earth magnets, disrupting entire advanced manufacturing in the world. The minister asked the industry to support each other. "Unless Indian industries support each other, we cannot expect somebody from outside to come and help us through our growth journey or through our journey to expand manufacturing and take its share to 25% of the economy." The minister said India's merchandise exports rebounded smartly in November after contracting 12% year-on-year due to 50% addi-

tional tariffs by the US. "Merchandise exports went down in October. Incidentally, November has gone up by a greater amount than what went down in October. If I aggregate October and November, there is growth in merchandise exports despite the global turmoil," he later told reporters. He said India is working towards deeper integration with global trading partners, and in the months and days to come, "you will hear a lot more about our own successful engagements with many of our trading countries". India is negotiating several FTAs with various countries and regions, including the US, EU, New Zealand, Oman, Chile, and Peru. On the rupee's value against the US dollar touching all time lows, he said the Indian economy continues to power on.

Macro fundamentals are intact, FDI terrain shifted to net inflows, says CEA



Chief Economic Adviser V Anantha Nageswaran addressing a CII event in New Delhi on Wednesday

FE BUREAU New Delhi, December 3

CHIEF ECONOMIC ADVISER V Anantha Nageswaran on Wednesday downplayed concerns over the rupee's sharp fall past the 90-per-dollar level, stressing that the currency's weakness does not currently pose risks to India's inflation trajectory or export competitiveness. Speaking at the CII IndiaEdge Summit, Nageswaran said the government is "not losing sleep" over the domestic currency's slide as long as macroeconomic fundamentals remain intact. The rupee touched a fresh intra-day low of 90.30 against the US dollar on Wednesday, extending its decline for the sixth consecutive session. The

currency has depreciated nearly 5% so far in 2025, pressured by sustained foreign portfolio outflows, heavy bank buying of dollars, and the absence of progress on an India-US trade deal. A fall in domestic equity markets has added further strain, making the rupee Asia's worst-performing currency this year. Despite these pressures, the Nageswaran maintained that the depreciation is not alarming in the current context. "It will come back next year. Right now, it's not hurting our exports or inflation. I am not losing my sleep over it. If it has to depreciate, now probably is the right time," Nageswaran said. He emphasised that temporary volatility should be assessed against broader macroeconomic

strengths, rather than triggering panic. Nageswaran also underscored that India, as a rapidly developing economy, will see imports continue to rise. Financing these imports sustainably, he said, will require stronger export growth and higher investment inflows. "Imports will only grow, and they need to be financed through exports and through investments. We need to crank up our efforts to get FDI." Looking ahead, Nageswaran expressed optimism about foreign investment prospects. Gross FDI inflows could cross \$100 billion in FY26, he said, supported by a 16.1% year-on-year rise in inflows to \$50.36 billion in the first half of FY26, as per RBI data. However, net FDI—inflows minus outflows—remained low at \$7.64 billion during the same period. Nageswaran attributed the subdued net inflows to the sharp rise in interest rates across developed economies over the last three years, which has redirected global capital away from emerging markets. Simultaneously, Indian companies have ramped up outbound investments into advanced economies, further weighing on net figures. "Starting 2023–24, the nature of the terrain has shifted in respect of net FDI inflows. We need to up our game," he added.

Govt taps thermal plants for room for more solar in grid

RAJESH KUMAR SINGH December 3

THE GOVERNMENT WANTS coal plants to invest in upgrades that would allow them to work regularly at a lower capacity, creating space for a greater share of renewables in the power mix, according to people familiar with the matter. Under the plan, coal-fired plants would be asked to budget for improvements to boost flexibility and to prepare for additional maintenance, the people said, asking not to be named as the plan is still being finalised.

In 2023, China did the same so it could increase the share of green electricity

The additional costs would trickle down to consumers once approved by a price-setting regulator, in what would be a calculated trade off to help the country make the most of its solar capacity. After a decade of rapid expansion, India's grid is struggling to absorb all the clean energy it generates. Without batteries and grid-scale storage

to help manage those curtailments, the nation is falling back on its coal-fired fleet. The latest plan, currently being elaborated by the power ministry, involves mandating plants to run at load factors as low as 40% — a level which would hurt efficiency and cause faster wear and tear, the people said. To help individual operations to cope, power producers are being asked to plan for software updates, for a 20% increase in maintenance expenses and for incentive payouts to plants, to increase participation.

—BLOOMBERG

Proposed TER rationalisation can unlock investment-led growth



INDIA'S MARKET INFRASTRUCTURE has reinvented itself with each technological leap. This evolution has been matched by an extraordinary deepening of mutual fund participation. Over the past decade, folios have expanded nearly sixfold — from approximately 39 million to over 234 million — and the industry AUM has grown from ₹8 trillion to more than ₹75 trillion, compounding at an annual rate of over 20%. Yet, despite this surge in scale and digital efficiency, total expense ratios (TERs) have remained largely unchanged, often clustering near regulatory ceilings, particularly for equity funds that derive more than 80% of their assets from individual investors. So, a review of TERs is not just timely, it is essential to ensure that the benefits of scale flow back to investors and strengthen India's investment-led growth engine.

Sebi's recent proposal to revise TER norms directly addresses this imbalance. The proposal removes the extra 5 basis points (bps) fee allowed for schemes with exit loads. It also reduces the permissible brokerage limits — dropping them to 2 bps for cash market transactions and 1 bps for derivatives — while excluding statutory charges, such as GST, STT, and stamp duties, from TER caps.

How much could this move boost investments?

While the exact behavioural response of investors to lower TERs depends on multiple factors, the primary effect is immediate savings. Consider this: A 5-bps reduction on an AUM of ₹77.78 trillion results in annual investor savings of about ₹3,889 crore. Add indirect benefits from reduced brokerage and transaction costs to this, and total savings could conservatively reach ₹7,000 to ₹8,000 crore per year. If even a portion of these savings — say 60% — is reinvested within the investment ecosystem through mutual funds or related financial instruments, it could generate additional flows of nearly ₹5,000 crore.

The growth effect: Multiplying the momentum

From a macroeconomic perspective, these incremental investments are not just financial flows, they are drivers of growth. India's fiscal multiplier, especially for capital expenditure, has been between 1.5 and 2 in recent Budget cycles. Using a conservative multiplier of 1.5, the ₹5,000-crore reinvestment boost could result in a GDP increase of approximately ₹7,500 crore. Although not transformative in itself, this gain is recurring and accumulative.

India in global context: Still paying more

India's mutual fund costs remain high compared to global standards. In the US, the Investment Company Institute reports that the asset-weighted average expense ratio for equity mutual funds has decreased from 1.04% in 1996 to approximately 0.40% in 2023. Bond funds are even cheaper at around 0.37%, and index ETFs often charge less than 0.10%. In Europe and the UK, regulations like MiFID II have also promoted greater transparency and reduced product costs. In contrast, even after Sebi's proposed changes, active equity mutual funds are expected to stay mostly within the 1.5%–2% TER range, while debt funds will typically



be around 0.75%–1%. The difference is significant and unsustainable. If Indian investors want to remain loyal to domestic funds instead of cheaper global or passive alternatives, costs must become competitive.

Industry impact: From cost coverage to capability building

For AMCs and intermediaries, this proposal isn't just about squeezing margins — it's a pivotal moment. Old cost structures, especially in marketing, distribution, and investor servicing, will need to be reconsidered. However, this doesn't mean profitability has

to decline. In fact, many leading firms already show that automation, digital onboarding, and algorithmic portfolio management can lower unit costs while boosting efficiency. For the brokerages, too, balance sheets have shifted from revenue from institutional execution services to various other value-adds. Distributors and platforms will also need to shift from commission-heavy models to more customer-focused, experience-driven approaches. This is where innovations such as AI chatbots, automated KYC, and algorithmic risk profiling can cut costs for acquisition and service while expanding reach.

Active vs passive: A recalibration, not a collapse

The pressure on fees will also speed up a shift already underway — the rise of passive investing. Index funds and ETFs are gaining popularity, especially among younger and institutional investors. Their lower costs and predictability make them attractive options. This, however, does not signal the end of active management. Instead, it marks the end of undifferentiated, high-cost active management. For AMCs with proprietary in-house research, particularly in sectors or market segments not easily tracked by indices, active strate-

gies will remain important. The real challenge is justifying fees through consistent outperformance and unique insights — not through marketing strategies or theme chasing. If anything, rationalising TERs will act as a filter: Eliminating commoditised active products while strengthening those built on genuine intellectual capital.

Redefining trust and participation

Mutual funds in India have always been associated with accessibility and simplicity. The "Mutual Funds Sahi Hai" campaign has greatly expanded its investor base. However, increasing participation now depends on a new level of trust — one rooted not only in product appeal but also in cost transparency and investor-first design. By unbundling statutory charges, capping commissions, and enforcing clear expense disclosures, the regulator is strengthening the agreement between investors and intermediaries. Rebalancing for resilience Perhaps most crucially, the proposal comes at a time when India's macroeconomy needs dependable, long-term sources of capital. With global capital flows becoming more volatile, India must develop its own

investment base. Domestic mutual fund investors are best positioned to fill this role. To do so, the system must be lean, fair, and aligned. TER rationalisation is not about punishing fund houses or advisors; it's about modernizing the structure so that costs reflect the services provided, and scale results in savings.

Costs — growth catalyst

India's growth story is still unfolding, and capital markets remain at the heart of that. However, to fully realise the potential, participation must expand and offer rewards. This is what makes the TER revamp proposal both timely and transformative. By reducing friction costs, increasing investor returns, and encouraging industry innovation, the reform paves the way for a more inclusive and efficient investment ecosystem. It transforms cost-cutting from a defensive move into a growth driver. If implemented clearly and purposefully, this reform could be remembered not just as a regulatory adjustment but as a fundamental shift in how India channels its savings into sustainable growth. (Authors are dean, National Institute of Securities Markets; and partner, MCQuibe. Views are personal)

RUPEE @90

THURSDAY, DECEMBER 4, 2025

WIN SOME, LOSE SOME

IT, pharma, rice exporters to gain; automobiles net positive

URVI MALYANIA, MANU KAUSHIK, SANDIP DAS, NITIN KUMAR, NARAYANAN V & KRISHNA BAROT
Mumbai/New Delhi/Chennai/Ahmedabad, December 3

THE RUPEE'S SLIDE towards the 90-per-dollar mark has begun to filter through the major export-linked sectors, offering relief to some and little to others. While IT services, pharmaceuticals and rice exporters stand to gain from stronger dollar realisations, the textile and apparel industry continues to contend with tariff pressures that blunt the usual upside of a weaker currency.

In the IT sector, where close to half of revenues originate from North America, the depreciation provides a straightforward earnings lift. Dollar-denominated contracts translate into higher rupee revenues, strengthening operating margins for large-cap companies such as TCS and Infosys. This comes at a time when deal activity is being driven by clients consolidating vendors and seeking sharper pricing.

"With the weaker rupee, Indian IT firms can offer higher discounts without much impact on margins, helping the order book," Pareek Jain, founder and CEO of EIIRTrend, told *FE*. The currency move gives companies more flexibility on pricing without diluting profitability, particularly in renewal and long-tenure deals.

Pharmaceutical exporters are similarly placed. India ships more than \$30 billion worth of medicines annually, with the US remaining the largest market. A weaker rupee improves realisations for major exporters such as Sun Pharma, Lupin and Zydus.

"Their top line is expected to increase by about 7-8% due to the rupee fall," said the head of a leading pharma association. However, the benefit is partially offset by the fact that India imports around \$10-11 billion of active pharmaceutical ingredients (APIs) and intermediates from China each year, raising input costs as the dollar strengthens. Even so, companies with larger US portfolios and better product diversification are likely to see overall gains following the slide in the exchange rate.

Rice exporters are also reporting an



expect to continue if the rupee remains at current levels. Both basmati and non-basmati shipments are seeing firmer inquiries.

The textile and apparel sector, meanwhile, remains largely shut out of these gains. The industry, with exports of about \$37 billion, is struggling under the weight of the 50% tariff imposed by the US, its most critical destination.

"A weaker rupee normally helps exports, but in the current tariff-driven situation the benefit is very limited," said Prabhu D, convenor of the Indian Textpreneurs Federation. Companies say they are offering heavy discounts to retain buyers, with some working at near-cost levels. Vishal Fabrics CEO Suketu Shah said that the depreciation has limited impact when imported inputs also become more expensive.

A few manufacturers, particularly in denim, are reporting marginal gains on older orders. Ultra Denims MD Bharat Patel said that exporters with pending payment cycles have been able to capture some of the currency benefit. Denim margins typically range between 18-20%, and Patel expects an additional 10% gain due to the stronger dollar against the rupee.

"If we offered a product at \$2 and China did the same, the weaker rupee lets us offer \$1.95 or lower, while China cannot," he said, adding that small price gaps become meaningful in bulk categories. Still, most companies stress that currency-led advantages are overshadowed by the tariff structure, which remains a decisive factor for the sector.

The auto-component industry presents a more balanced picture. India imports a significant volume of components but also exports aggressively, resulting in a trade surplus of about \$453 million. Exports currently stand at roughly \$22.9 billion, compared to imports of \$22.4 billion.

The rupee's weakness raises costs for import-heavy players but improves export margins, leaving the overall impact slightly positive. The broader passenger-vehicle market, largely dominated by domestic manufacturing, remains less sensitive except in categories where imported components form a substantial share.

Input costs to go up for FMCG; fertilisers, crude to get costlier

YARUQHULLAH KHAN, ARUNIMA BHARADWAJ, NITIN KUMAR & SANDIP DAS
New Delhi, December 3

FOR SECTORS WHERE the country is heavily import-dependent, a weaker rupee would inflate costs further. But the worries are abated, at least for the time being, by the current benign domestic inflation and relatively low commodity prices.

The adverse effect of falling rupee will be felt across traders and companies that import/process crude oil and natural gas (LNG), edible oils and fertilisers. Weak local currency could jack up imported-inputs costs for fast-moving consumer goods (FMCG) firms. The aviation sector is also vulnerable given that its key cost components are denominated in dollars, which have turned more expensive.

With the central bank's policy to interfere much less in the forex market than it used to, some of the large-import sectors like edible oils and coal have a pressing case for reducing import reliance over the medium term. Policies are being implemented to spur domestic edible oil production and coal mining, and these have already begun to bear fruit. For crude oil and natural gas, however, import volumes will continue to be high, as prospects of higher domestic production are limited.

The impact on the end consumers will be limited/calibrated as the cost increases will be shared by the government budget and to a certain extent by state-run oil firms. Retail prices of fertilisers are controlled and auto fuel pricing is not totally free in practical terms.

Prices of petchem and polymers for Indian consumers will rise as these crude derivatives are priced on import-parity basis. "Import bills for both oil and gas will be impacted as these are essentially dollarised businesses. Crude import bill will go up in rupee terms. Since prices are fixed for petrol and diesel at the pump level, there would be an impact of rupee depreciation," said Prashant Vasisht, senior vice president at Icra.

For domestic crude oil producers like ONGC and Oil India, the rupee's fall is, however, positive thanks to import-parity pricing. The downstream industries, which consist of refiners and marketers, may feel the pinch. Reliance Industries and state-run



oil and oil derivatives along with that of other imported commodities will increase for the industrial sector, increasing input costs and wholesale inflation. Some petrochemical players buy naphtha and other material from foreign markets where again there could be an impact on their cost in rupee terms because of dollar denominated purchases.

FMCG companies such as Hindustan Unilever and ITC could face a 5-7% increase in input costs as palm and crude derivatives account for 20-30% of their total raw material costs. Of course, the prices of palm oil, a major ingredient in FMCG products, have been stable for the last six months, creating a cushion.

A report by Goldman Sachs last month indicated that HUL was significantly impacted by the declining value of the rupee, with 55% of its raw material prices being tied to international commodity prices, 25% of which being imported and 30% linked to global prices. Exports constitute only 15.5% of HUL's revenues. Analysts believe that a prolonged decline in the rupee could result in a rise in HUL's input costs by 6-8%, which may affect profit margins for 2025-26.

According to Pushan Sharma, director-research at Crisil Market Intelligence and Analytics, rupee fall coupled with crude price rise is expected to increase input costs. Preeyam Tolia, senior research analyst at Axis Securities expects a falling rupee to have an impact on operating margins of firms like HUL, ITC, Godrej Consumer, Dabur India, Marico and Wipro Consumer. Tolia, however, expects margins to improve sequentially in the third quarter and any impact to be short-term.

Apart from rising input costs, increasing international acquisitions are also exposing FMCG companies to currency risks, as many firms have financed acquisitions through foreign currency loans.

India imports nearly 30% of fertilisers consumed — urea, DAP, potash, and NPK. "Cost of imports is largely dependent on the global fertiliser prices (rather than exchange rate) which often see volatility due to transportation routes impacted by the geo-political factors," an official told *FE*.

Imports of edible oils — palm, soyabean and sunflower — from Malaysia, Indonesia, Russia, Ukraine and Argentina could get costlier.

IOC, BPCL and HPCL would, however, be able to offset the negative effect to the extent gross refining margins are dollar-denominated. One positive aspect for marketers of auto fuels is that marketing margins are now very healthy.

City-gas companies like IGL and MGL will see their costs going up. "In the LNG segment, the increase in import bill may be passed on to consumers also, at least with a lag if not immediately and there will be some compression on margins," Vasisht said.

While retail petrol and diesel prices may not go up immediately due to absorption of the under-recoveries by the state-run oil marketing companies, the prices of

Explainer

● Economic contradictions

IN THE SEPTEMBER quarter of 2025, India posted GDP growth of 8.2%, but during the same period, the rupee lost nearly 5% of its value. This happened while the US Dollar Index DX stayed broadly stable near 99, meaning the fall was not driven by global dollar strength. Instead, India saw foreign portfolio outflows of \$16-18 billion this year, net foreign direct investment (FDI) stagnating around \$30 billion, and a goods trade deficit of \$25-30 billion every month. Capital is leaving just as import demand is rising—a combination which pulls the rupee down despite strong domestic output.

● Anatomy of the fall

AS THE ECONOMY grows, India consumes more imported oil, raw materials, electronics and machinery — and therefore more demand for dollars. At the same time, global investors attracted by high US interest rates have been pulling money out of emerging markets, including India. The need for dollars is rising while the supply of incoming dollars is shrinking. When demand for dollars outpaces demand for rupees, the rupee must depreciate. What makes this decline notable is that it is not a reflection of domestic weakness but of external financing stress. High import dependence, slowing exports, and unstable capital flows form the structural backdrop to the fall. Even rapid output growth can't fully compensate for these external pressures.

THE SOFT RUPEE & STRONG GROWTH

The exchange rate disconnect puzzle

The economy is growing at more than 8%, yet the rupee has slipped past the 90-per-dollar level. The underlying dynamics indicate a deeper story about India's external vulnerabilities, explains *Saumitra Bhaduri*

● Why this is worrying for India

DESPITE THE EMPIRICAL parallels, India's predicament is more serious because its depreciation is not cyclical but structural. Growth is strong, yet import dependence remains high. Exports have not kept pace with GDP. FDI inflows are softer. Portfolio flows are negative. If global risk sentiment

deteriorates or if US yields remain the same, more capital could leave, pushing the rupee down further.

This matters because a weaker rupee touches almost every part of the economy. A sustained fall increases inflation risk, erodes household purchasing power, raises

borrowing costs for companies with foreign-currency debt, and puts additional pressure on the Reserve Bank of India (RBI) to step in. A fast-growing economy facing a weak currency is not a contradiction — it is a call out for the fragility of India's external balance.

● Impact of the slide on exports and imports

THE RUPEE'S FALL has uneven consequences across sectors. Exports such as that of IT services, pharmaceuticals, and parts of the manufacturing sector may appear to gain from a weaker rupee, but the benefit is limited because most Indian exporters rely on imported components. When those imported inputs get costlier, the competitive advantage shrinks fast.

Import-heavy sectors bear the direct pain. Oil and gas companies, airlines, automobile manufacturers, electronics producers and chemical firms see costs tick up right away. Imported food items and medicines start turning costlier.

Overseas education and travel become costlier for households. The inevitable downstream effect is inflation.

● Why hedging matters

THESE FACTORS MAKE hedging necessary, not optional. Several firms, particularly the mid-sized ones, remain unhedged, hoping that the rupee bounces back. But decades of emerging-market behaviour suggest that depreciation cycles take time to reverse. Hedging through forwards, options or natural offsets immunises businesses against volatility and prevents cash-flow shocks. In a world of fickle capital flows, "wait and hope" is not a strategy.

● What the RBI should do

WHAT IS REQUIRED is a calibrated and disciplined stance on the part of the central bank. The RBI's intervention should be to monitor and iron out volatility, not to defend any particular level. Any attempt to defend a level will dissipate foreign-exchange reserves fast without removing the structural reasons for the fall. A correct approach will be to let the rupee seek its market-compatible value, intervening only to prevent disorderly movements.

Monetary policy needs to remain focused on inflation dynamics, not exchange-rate angst. The need for clear communication is paramount: the RBI needs to underscore that its job is to ensure financial stability, not to engineer a strong rupee.

● The bottom line

THE RUPEE'S SLIDE does not mean India's growth numbers are suspect. It means that in a globalised, dollar-dominated financial world, even a fast-growing economy can struggle with external pressures. India's challenge is not just to grow but to strengthen its external resilience through better export performance, higher-quality capital flows, effective trade negotiation and reduced vulnerability to swings in global sentiment.

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In a spot

It's good that RBI hasn't tried to artificially shore up Re's value, but policymakers must read the warning signals

THE RESERVE BANK of India's (RBI) tolerance for a free-falling, undervalued rupee is a fresh and pragmatic approach as the central bank has finally stayed away from attempting to defend any symbolic line in the sand. For far too long, central bankers and successive governments have preferred to leave the currency over-valued even though an artificially strong rupee doesn't really help India's exporters who trade in a competitive global market. An undervalued currency will help exporters discover some new markets and should help improve the trade balances with some countries. With the India-US trade deal not having been signed yet, exports are clearly suffering. So far in FY26, exports have been more or less flat. While a cheaper rupee will no doubt push up imported inflation, the low inflationary environment at home will help cushion the impact of costlier imports. Globally too, inflation has been benign though of late prices of some commodities, like copper, have been rising. Fortunately, prices of crude oil have been stable around the \$63-64/barrel level.

The RBI, by some estimates, sold nearly \$38 billion in dollars in the January-September period with the intervention taking place both in the spot market and in the non-deliverable forward market. Apart from the fact that precious forex reserves were being used up, intervening in the forex market leaves less rupee liquidity in the system. That is undesirable at a time when the central bank is working to ensure that interest rates in the system come down and boost loan growth. The central bank has quite a few reasons to be careful about using its forex reserves to intervene in the market.

For one, foreign portfolio investors continue to take money off the table even as a buoyant primary market has seen private equity players sell shares in their investee companies. Also, foreign direct investment (FDI) inflows have not been encouraging. FDI flows via the equity route were down 11% in the July-September quarter compared with the previous quarter. In fact, the capital account surplus reduced to 0.1% of GDP in the September quarter versus 0.8% of GDP in Q1.

But the rupee crossing the 90-to-the-dollar mark is more than a psychological breach; it illuminates structural weaknesses that India has long known about but rarely confronted with urgency. The story is clear: India's external balance is under strain, capital flows are uneasy, and policy complacency is no longer affordable. What looks like relief to exporters often becomes pain for everyone else. India imports far more than crude oil: energy, electronics, capital goods, fertilisers, and critical components. All of them now become costlier. That feeds into inflation, dents corporate margins, and quietly taxes consumers through higher prices. The danger is not the number itself but the trend behind it. For example, India's insufficient export depth. The country still sells too few sophisticated products to the world and buys too many high-value inputs. When global risk appetite turns even slightly nervous, portfolio money leaves, the dollar strengthens, and the rupee bears the shock. The result is a currency that behaves predictably—and uncomfortably. The warning has arrived and the policymakers must do three things urgently. First, exports need a serious strategy reset. Second, foreign capital must be attracted not by hot money but by confidence—stable tax policy, regulatory predictability, and a credible reform timeline. Third, import dependence must be tackled with realism. Self-reliance is not about isolation; it is about capability.

Trump has lost his political superpower

HOW LOW CAN President Donald Trump go?

One answer is his Thanksgiving Day social media screed, trashing America as “divided, disrupted, carved up, murdered, beaten, mugged, and laughed at,” because of the immigration policies of leaders like Minnesota Governor Tim Walz, whom he called “seriously retarded.” (This was after two National Guardsmen were shot, one fatally, by an Afghan refugee in an ambush attack near the White House.)

Another is “quiet, Piggy,” the derogatory insult Trump directed at a *Bloomberg* White House correspondent after she questioned him about what he knew about Jeffrey Epstein, just one of the many slights Trump has recently hurled at women who ask him tough questions.

And there was Trump's suggestion that execution could be a punishment for six Democratic senators who reminded military members that they must refuse unlawful orders. “This is really bad, and Dangerous to our Country. Their words cannot be allowed to stand. SEDITIOUS BEHAVIOR FROM TRAITORS!!! LOCK THEM UP???” Trump wrote in a post. “SEDITIOUS BEHAVIOR, punishable by DEATH!” (Unsurprisingly, death threats against the lawmakers increased after Trump's rant.)

And yet another answer to the depths Trump will sink to is 36%, Trump's approval rating according to Gallup, the lowest of his second term. Some 60% of Americans disapprove of Trump's handling of his job, a 12-point increase since he was sworn in.

Americans have long seen anger and attitude from Trump. What's different now is that the politician who could once detect and shape the public zeitgeist now appears out of touch—cloistered, flanked by the elite, and motivated by naked self-interest. And for the GOP, Trump's second-term preoccupations—steering foreign policy, pardoning white-collar criminals, inflicting retribution on political opponents—have left them unmoored and mired in Trump's mess.

All of this comes as Trump, the oldest American to be sworn in as president, faces increased scrutiny over his stamina. According to a recent story in *The New York Times*, Trump's public appearances are truncated, his domestic travel is diminished, and he is frequently seen sitting behind a desk at the White House. This is a shift from his first term and his whirlwind dervish campaign style, where raucous rallies took him all over the country.

“One of the worst mistakes you can ever make is over promise and under deliver,” Georgia Representative Marjorie Taylor Greene wrote on X.

A *CBS News/YouGov* poll from November captures just how out of sync Trump is with the electorate. On prices and inflation, 60% Americans say Trump makes things sound better than they are. Among those who judge him mostly on the economy, 77% believe Trump isn't spending enough time on the issue. The poll shows majorities of all ages and races disapprove of Trump's job performance, with his highest disapprovals coming from voters under 45, people of colour, and women.

More broadly, Trump's debasement has implications for his party, a group of politicians who gave their loyalty and power to him, but now find themselves with little to run on. In a Tennessee district that Trump won by 22 points just a year ago, the GOP hasn't run a single ad that mentions Trump or the importance of electing someone to help advance his agenda. This is because Trump's agenda is... what exactly? It will be an uphill battle for a Democrat to win this seat, but Trump made the race seem more competitive because of his distracted, chaotic approach to his job.

His disruptive sensibility was supposed to be in the service of bettering the lives of average Americans, who felt left behind. Now, he is walked off and cooed by his own grievances. Monday night between 7pm and midnight, Trump posted over 160 times to *Truth Social*, his social media platform, attacking his Democratic opponents and reposting conspiracy theorists and AI-generated content. He ended a cabinet meeting on Tuesday with calling Congresswoman Ilhan Omar and her friends “garbage.”

It is, unfortunately, unrealistic to expect that Trump will spend less time attacking Democrats and rehashing all the ways he thinks he has been wronged. But his poll numbers, his party, and the country would all be better off if he did.

REGULATING PROFESSIONALS

A DISCLOSURE-BASED REGIME IS MORE THAN TRANSPARENCY: IT'S ABOUT CULTIVATING TRUST

Shift from silence to discourse

MS SAHOO
SUMIT AGRAWAL

The authors are advocates and regulatory professionals

Sebi enabled investors to make their own choices. It unleashed market dynamism, deepened capital markets, improved efficiency, and enhanced accountability, placing India alongside the most developed markets. A similar evolution is underway in professional regulation. While the Sebi Act, framed for a market economy, mandates regulation and development of the securities market, the Chartered Accountants Act, enacted in pre-sovereign days, focused solely on regulation.

Recognising the evolving needs of a market-driven system, Parliament amended the Act in 2022 to explicitly include the development of the profession with regulation. Far from cosmetic, this change calls upon the regulator of the profession, and indeed all professional bodies, to evolve into market-savvy institutions that uphold standards, expand opportunities, foster competition, and cultivate a vibrant market for professional services.

Professions are regulated because markets for professional services, left to themselves, are prone to failure. Information asymmetry is inherent: professionals know far more about the service, its necessity, and quality than clients ever can. Clients often can't assess value or competence before or even after a service is delivered, making them reliant on trust. This imbalance exposes them to exploitation, inconsistent quality, and inflated fees.

Moreover, professional lapses can have systemic consequences: faulty audits can destabilise markets, and medical negligence can endanger lives. Thus, regulation exists to correct such market failures, safe-

guard clients and public interest, and establish a framework where professionalism and competition reinforce each other.

Responsible regulation relies on the strategic use of targeted tools to address market imperfections. Among these, disclosure is the most effective: it directly addresses information asymmetry by providing clients and the public with relevant, accurate, and comprehensible information about each professional. Additional mechanisms—like robust entry standards, accountability measures, and open competition—complement disclosure, aligning professionals' incentives with the broader public interest. The aim is not to insulate professions from market forces but to make the market for professional services more informed, efficient, and trustworthy.

Advertising shapes perceptions but does little to correct information asymmetry. By contrast, a disclosure-based framework empowers clients to make informed choices by ensuring that essential information about each professional is timely and accessible.

Regulators should maintain a publicly accessible register of verified professionals, providing essential details, including qualifications, experience, areas of expertise, affiliations, notable contributions, performance indicators, integrity standing, and disciplinary history. Where relevant, anonymised outcome data, like success rates, value preservation metrics, or average case timelines, should be published. Regulators could further enhance transparency by standardising service categories and publishing indicative fee ranges, without limiting market-driven pricing. This visibility enables informed client choices, motivates quality performance, and strengthens regulatory oversight, while deterring unqualified practitioners.

The Insolvency and Bankruptcy Board of India has taken a step in this direction by publicly disclosing details about insolvency professionals. Professionals should supplement this with their own disclosures, covering experience, affiliations, noteworthy transactions, potential conflicts of interest, and tangible measures of service quality. They should communicate service offerings and fees with clarity. For those within firms or networks, disclosures should include details on governance, collective track record, quality assurance, fee structures, and any material developments. This layered approach lets clients assess both capability, reduces information gaps, and encourages competition on merit.

Regulators, too, must be transparent, disclosing their governance framework, decision-making processes, conflicts of interest, funding sources, performance metrics, and enforcement track record. Such openness lends credibility to their oversight and strengthens public trust. Disclosure-based regimes are standard practice. In the US and the UK, professional directories, client reviews, and disciplinary databases are publicly accessible. Clients can access information about a professional's qualifications and conduct. This transparency is key to modern professional ethics, raising standards, fostering competition, and building client trust.

India's professional landscape stands at an inflection point. The next leap in professional regulation should mirror India's broader economic journey—from control to competition, restriction to responsibility, and secrecy to disclosure. A disclosure-based regime is more than transparency: it's about cultivating trust, earned through verified competence, ethical conduct, and measurable performance. By embracing openness and verified transparency, India can enhance public confidence in its professionals and build globally competitive markets for professional services.

Revisiting citizen-centric saving models



DEEPTI GEORGE
NANDINI VIJAYARAGHAVAN

Respectively Founder, Yutadhi, and head of research at Phidels Capital

THE GENESIS OF the Post Office Savings Bank (POSB) and the Employees' Provident Fund Organisation (EPFO) goes back to 1882 and 1952. These were conceived at different points in time, as state-backed solutions to promote savings back when citizens investing in instruments such as bank deposits and mutual funds were not widespread. POSB garners voluntary savings while the EPFO mobilises compulsory savings. Both institutions have since delivered stable risk-free medium- and long-term returns for India's citizens.

Fast forward to today, the government may decide, rightly so, to subject the POSB and the EPFO to regulatory oversight. This could be either as part of its frameworks for the Reserve Bank of India's (RBI) All India Financial Institutions (AIFIs) or by way of a separate regulatory process. Quite unlike AIFIs such as Small Industries Development Bank of India and National Bank for Agriculture and Rural Development, the POSB and the EPFO have extensive retail-facing operations. Yet, they differ in capabilities and operations, and any regulatory oversight needs to be tailored to suit their respective characteristics.

The POSB is not a bank that lends in the legal sense of the word; it does not report a balance sheet separate from that of the Department of Posts (DoP). The EPFO does have a separate balance sheet but is very akin to pension funds and asset management companies regulated by the Insurance Regulatory and Development Auth-

ority of India, Pension Fund Regulatory and Development Authority, and Securities and Exchange Board of India. We look at the POSB and the EPFO separately using a public objective lens that is citizen-centric.

The POSB is an agent of the central government to mobilise savings and fixed deposits managed by the DoP. These include senior citizen savings schemes, monthly income plans, public provident

fund, and fixed deposits accounts amounting to ₹18.65 lakh crore (as of end-March 2024), collectively referred to as small savings. These are pooled in the National Small Savings Fund, which is a part of the Public Account of India, and invested in state and central government securities. The POSB has access to the RBI's Payment and Settlement Systems and at India Post Payments Bank (IPPB) ATMs, withdrawals have been enabled. The RBI's focus will then be less about market risks (which are almost non-existent), and more about the POSB's role as a financial services intermediary which uses skilled personnel and technology to enable collections and disbursements.

Here, rather than focusing just on internal control mechanisms to prevent fraud (large fraud incidents warranted this review), regulators should take an expansive view of the matter. They can, in conjunct-

ion with the DoP and the IPPB, shape priorities in a way that streamlines the customer's experience to a swift and delightful one via both human-mediated and digital journeys. Can we enable “anywhere banking” (multi-homing instead of single-branch interfaces), seamless inter-branch account portability, moving away from paper-based signature authentication, and verification of passbooks while ensuring senior savers have a sense of safety about their monies with regular update of their paper passbooks?

Can existing agent-assistance models be empowered via real-time digital confirmations without disturbing the sanctity of citizen-agent relationships built locally and oftentimes over many years? Can we significantly reduce wait times at branch-

hes, while also upholding respectful treatment of the small saver? Can tech diagnostics focus on cleansing server downtimes that are symptoms of technical and bandwidth challenges across the country? And can we revamp bequeathed processes in the event of death of account holders (including possibly integrations with the village offices and birth and death registrars)?

In the EPFO's case, primacy is likely to be given to investment management, prudent management of market and interest rate risks, asset-liability mismatches, op-

erational and cyber risks, and conflicts of interest. Further, the EPFO's reporting should improve and be aligned with that of the National Pension System. Specifically, the EPFO should disclose the market value of exchange-traded fund investments and benchmark returns in its annual reports.

But beyond micro- and macro-prudential considerations, a fresh review of the EPFO's technological systems may be in order, to even begin work towards delivering a world-class service quality experience. This cannot be ignored given the EPFO's corpus, as of March-end 2024, is equivalent to 8.2% of India's GDP, making it a systemically important financial institution. It announced a slew of measures in October to improve flexibility for account holders and strengthen pension sustainability, and yet, if its users are unable to access their monies easily, the work will remain only half-done.

Both the entities are key to enhance our financial system's ability to deliver value to the Indian citizen's lives and manage their wealth. The performance of these avenues in enabling safe savings and investments can make or break the abilities of Indians to have easily accessible funding both for immediate needs as well as for post-working life needs that can withstand the vagaries of economic, environmental, and political risks into the future.

Views are personal

LETTERS TO THE EDITOR

Fighting fraud

Apropos of “A sprint to nowhere” (*FE*, December 3), the Centre's decision to mandate pre-installation of the Sanchar Saathi app on all new mobile phones touches upon two urgent concerns—rising cyber fraud and the growing anxiety over digital privacy. Tools that help verify IMEI numbers or report fraud are welcome in principle. Yet, the core issue is whether compul-

sory app installation addresses the deeper rot in our KYC processes and the widespread leakage of personal documents fuelling SIM-based scams. The confusion over whether the app could be deleted reinforced the fear that government software may become default on personal devices. When the Supreme Court has underlined privacy as a fundamental right, any intrusion, however well-intentioned, must pass the test of proportionality.

What's needed is a clean-up of KYC norms, public awareness, and strict accountability for data leaks. Security must not come at the cost of liberty. —Sanjay Chopra, Mohali

Digital awareness

With financial fraud, loan-app scams, deepfake impersonations, and digital blackmail rising rapidly, the government is justified in taking cybercrime seriously. However, citizen privacy

cannot be sacrificed at the altar of security, and both objectives must be balanced carefully. If people are required to forgo certain freedoms, they must be empowered to make informed choices. Any policy affecting privacy should emerge through consultation. The strongest defence against cyber threats is digital awareness. —N Sadhasiva Reddy, Bengaluru

●Write to us at feletters@expressindia.com



OPINION

The
Hindustan Times
ESTABLISHED IN 1924

{ OUR TAKE }

A new deal for
India-Russia ties

It's time New Delhi and Moscow add depth to the legacy relationship by expanding the trade basket

Russian President Vladimir Putin will travel to India after four years for an annual bilateral summit at an interesting juncture. One, India-Russia ties are at their best since the days of the erstwhile Soviet Union. This is more on account of global factors, just as it was in the 1970s. Second, US-Russia talks aimed at ending the war in Ukraine are at an advanced stage, and a closure may be imminent, despite the misgivings of European nations. This could change the global dynamic. In this context, New Delhi and Moscow must focus on taking their relationship much beyond defence cooperation, which has acted as the ballast for many decades, and hydrocarbons, a relatively new factor that has boosted trade ties but in a manner that is entirely to Russia's advantage.

There are several factors in Moscow's favour. Russia is currently the country with the deepest strategic partnership with India. Over the years, Russia has shared sensitive defence and nuclear technologies that others have been reluctant to part with, despite several hiccups related to the delayed delivery of military hardware and lack of adequate support on occasions. Russian officials have spoken about expanding cooperation in the civil nuclear field to small modular reactors, and ramping up connectivity to bolster trade.

But it is in the area of future-proofing and broadbasing the relationship that both sides have faltered. Unlike in the Soviet era, India and Russia are economies with large internal markets and a substantial middle class. India is yet to find a foothold in the Russian market, largely due to a variety of non-tariff barriers, and must push to gain access to this. It is not enough for Russia to act in a piecemeal manner by opening up a handful of sectors to Indian exports. A solid and wide-ranging trade basket will provide further depth to bilateral trade, for which both sides have set a target of \$100 billion by 2030. A planned mobility agreement and the proposed India-Eurasia Economic Union free trade deal, too, will help strengthen economic ties, provided they are concluded speedily. The India-Russia Summit and other meetings around it must go beyond mere optics and the established script to open up new areas of cooperation and business. The Russian market is an opportunity for India, and New Delhi should not let go of it by focusing only on pursuing defence deals and hydrocarbon trade.

China's battles to
boost population

China's demographic desperation underlines its decision to tax birth control products. Its new VAT regime withdraws the exemption granted three decades ago to contraceptives and removes the tax on childcare and marriage services. Over the past few years, the Chinese State has been scrambling to undo the disastrous effects of its one-child policy, adopted in 1979 and junked in 2015 (capping the number of children per couple was entirely done away with only in 2021). Thanks to a raft of coercive measures such as fines, registration limits, etc, the country's birth rate spiralled downwards quickly, reaching 6.77 births per 1,000 population in 2024 from 17.8 in 1979. The total fertility rate, at one child per woman, is now less than half of the replacement rate (2.1). The signs for the country's demographic future are, predictably, ominous — not enough working hands and a swelling number of elderly dependents.

But can costlier contraception and cheaper support services push procreation and avoid the oncoming demographic crisis? Three things are important to note here. First, State intervention has yet to demonstrate success in reversing demographic decline — South Korea, Japan, and a few European countries have rolled out incentives for having children, but fertility and crude birth rates have stayed stubbornly low. Two, condoms — one of the most easily available contraceptives — play a key role in controlling the spread of sexually transmitted infections (STIs). So, making these costlier could have an unintended health care fallout. Three, it is odd that people unable to afford birth control are expected to be able to afford having children and bringing them up, even with cheaper care services and State support. Many factors — including personal economic, familial and social contexts, apprehensions about the future, and individual emotional capacities — influence the decision to have children. Whether China manages to reverse its demographic course or not, its desperation should be instructive for those who buy the Malthusian logic of population control.

Ditwah exposes South
Asia's fragile edges

South Asia and Southeast Asia face a new class of disasters — storms that may not be the strongest by wind speed but are supercharged for rain. The infrastructure of the last century cannot meet the extremes of this one

Cyclone warnings reached communities long before Senyar and Ditwah made landfall. Satellites tracked the storms, meteorological agencies issued heavy-rain alerts, and governments moved rescue teams into place. Yet, more than 1,000 people still died across Indonesia, Sri Lanka, Thailand, Malaysia, and India. Most were swept away not by wind but by sudden torrents of water, landslides and flash floods.

Neither Senyar nor Ditwah ranked among the strongest storms of recent decades. Their wind speeds (60–80 km/hr) did not approach the ferocity of super cyclones (often reaching 200–250 km/hr), but they carried extraordinary amounts of water. In Sumatra, Senyar's rains triggered landslides that buried homes and cut off entire districts. Ditwah drenched Sri Lanka, submerging towns, breaching the Mavil Aru dam, and forcing hundreds of thousands into shelters. Both storms acted as triggers — their

rainfall cascaded into landslides upstream and flash floods downstream, creating fast-moving, compound hazards that left communities little time to react.

The common thread is that the rainfall disasters occurred in places with hills and rivers, where steep terrain, encroached channels, dense settlement and fragile infrastructure amplify the danger. The cyclone warnings were technically accurate. What failed was the ability to translate a meteorological alert into safety on the ground. In several regions, communities had no time to act even when alerts were received. Rainfall intensified so quickly that slopes failed within minutes, highlighting how traditional warning lead-times are shrinking in a warming climate.

Across much of the region, the most vulnerable live on slopes and flood-plains. Hillsides carved for small farms or makeshift housing become unstable after days of saturation. Riverbanks packed with settlements mean the residents are just a few metres away from water that can rise violently within minutes. Forecasts can't compensate for decades of unplanned growth, weak land-use regulation and absence of safe alternatives.

Meteorological agencies in Indonesia, Sri Lanka, Thailand, Malaysia and India tracked the storms, issued advisories and pre-positioned emergency teams. But the geography of risk is intensely local. A national alert cannot by itself tell a family on a hillside when

their slope is about to fail, or evacuate a neighborhood where the only road washes away, or overcome the economic reality that leaving home means losing livestock, wages or the small savings many depend on.

The science behind these disasters points to a climate system that is primed for heavier extremes. Warmer oceans store more heat, which fuels stronger rain bands around tropical cyclones, while a warmer atmosphere holds more moisture and releases it in more intense bursts. The ongoing La Niña phase strengthened moisture flows into Southeast Asia and the Bay of Bengal, creating multi-day downpours. Under global warming, the Indo-Pacific warm pool — a large patch of warm ocean from the Bay of Bengal to the western Pacific, where temperatures stay above 28°C and support storms and cyclones — has grown larger and hotter. This "warm pool" puts more moisture into the air, and during La Niña, it gets an extra push, sending even more moisture into this region and into these storms. Even moderate storms can now deliver rainfall that overwhelms drainage, destabilises slopes and breaches rivers and reservoirs.

Higher ocean heat is also prolonging the window for extreme rainfall. Even outside the traditional cyclone or monsoon seasons, the atmosphere now holds enough moisture to trigger severe downpours when any disturbance passes through.

To understand why so many lives



Roxy Mathew Koll



To understand why so many lives were lost, it helps to think not just in terms of hazard but in terms of exposure and vulnerability.

REUTERS

were lost, it helps to think not just in terms of hazard but in terms of exposure and vulnerability. The hazard, a cyclone that delivers extreme rain, was well forecast, but the exposure of people living in landslide-prone terrain and on floodplains, and the vulnerability created by limited warning-to-evacuation capacity, fragile housing, poor drainage and lack of risk-informed planning meant that a forecast alone could not prevent tragedy.

This last mile is the weakest link in South Asia's disaster preparedness. Inland flooding, landslides and compound events — multiple hazards arriving together — remain far harder to manage than coastal storm surges. Many local governments lack up-to-date landslide maps, flood-inundation models or clear protocols for emergency evacuation. In many rural and peri-urban areas, people have no safe shelters within reach, no transport during an emergency and no way to receive real-time instructions once communications fail. The result is that communities are forced to cope on their own, often reaching the soft limits of what local adaptation can achieve without stronger institutional support.

The solution is not simply "more warnings". It is better planning, stronger local governance and devel-

opment that recognises climate risk as a central organising principle. That means mapping dangerous slopes and restricting construction there, and investing in drainage, river-embankment strengthening and slope-stabilisation projects. It means designing reachable, trusted shelters, with drills in schools and communities and early-action plans that activate long before water rises or hills begin to move.

These storms should shift the regional conversation. South Asia and Southeast Asia face a new class of disasters — storms that may not be the strongest by wind speed but are supercharged for rain in a warmer ocean. The infrastructure of the last century cannot meet the extremes of this one.

Senyar and Ditwah revealed something uncomfortable yet undeniable. Science has moved ahead, the satellites see more than ever, and the forecasts reach further. But, unless homes, roads, schools, farms and local institutions adapt at the same pace, warnings will remain as weather reports — signals that arrive on time, yet still too late.

Roxy Mathew Koll is a climate scientist at the Indian Institute of Tropical Meteorology and a lead author and reviewer of recent IPCC reports. The views expressed are personal

New horizons for an
enduring partnership

When President Vladimir Putin arrives in New Delhi today for a State visit and the 23rd India-Russia Annual Summit, he will be reaffirming one of the world's most durable major partnerships. Few relationships have demonstrated the steadiness, trust and long-term strategic alignment that characterise India-Russia ties. At a time when global politics is marked by fracturing alignments and divisive sanctions regimes, the visit reinforces a legacy of friendship while recasting the partnership for what lies ahead.

At the core of this relationship lies the India-Russia Special and Privileged Strategic Partnership, a mutually chosen designation that differentiates from all other strategic partnerships and is unique to our two countries. It has been strengthened by a quarter century of annual summits. One thread that traverses the turbulence of contemporary geopolitics has been the regular, candid, high-level dialogue between us. Prime Minister Narendra Modi and President Putin have met over the last couple of years in Moscow, Kazan and Tianjin, and held multiple, discreet phone conversations on issues ranging from regional security to the Pahalgalam terror attack. Ministerial and NSA-level engagements have been equally active.

Economic cooperation continues to expand. Bilateral trade reached \$68.7 billion in FY 2024–25, driven largely by India's energy imports. While India's exports remain just under \$5 billion, the scope for growth is significant. Indian pharmaceuticals, textiles and apparel, agricultural products, and marine exports such as shrimp have strong potential in the Russian market. The larger goal is to move beyond a hydrocarbons-dominated trading pattern toward a more diversified, resilient economic partnership anchored in industrial collaboration, technology transfer, and investment. India's interests in coking coal, rare earths, and fertilisers align naturally with Russia's pivot to Asia.

Connectivity will be central to achieving this transformation. The Chennai-Vladivostok Eastern Maritime Corridor and the emerging Northern Sea Route could sharply reduce logistics costs. Expanded cooperation in the Russian Far East and the early conclusion of the long-pending India-Eurasian Economic Union free trade agreement would further unlock opportunities. Several important agreements — such as a new framework for safe, regulated migration of skilled Indian workers to Russia — are in advanced stages of preparation.

Defence cooperation, long a cornerstone of India-Russia ties, remains vital. While India

has diversified its procurement sources in recent years, platforms such as the Su-30MKI fighter, T-90S tank, and the S-400 air defence system remain central to India's defence capabilities. The partnership has evolved beyond a buyer-seller model to encompass joint research, design, and development — most notably the world-class, India-made, BrahMos cruise missile. India's emphasis on defence indigenisation under "Make in India" aligns well with Russia's interest in stable, long-term markets for its defence industry. The Inter-Governmental Commission on Military and Military-Technical Cooperation will be reviewing projects and advancing negotiations on next-generation systems.

Civil nuclear cooperation provides another layer of strategic depth. India's largest nuclear power plant at Kudankulam is a flagship of our technological cooperation. Progress on additional units, greater localisation of components, and discussions on jointly implementing nuclear power projects in third countries underline the maturity of this partnership. Explorations into cooperation on small modular reactors and across the nuclear fuel cycle reflect an ambition to elevate the relationship further into high-technology domains.

Support for strong India-Russia ties has long cut across political party lines in both countries. The relationship is underpinned by a shared commitment to a multipolar world order, and within it, a multipolar Asia. India considers Russia a reliable partner that has consistently supported it in the UN, including for a permanent seat on the UN Security Council. Our multilateral cooperation will assume even greater salience as India takes on the Brics Chairmanship shortly.

The cultural and educational foundations of the partnership are robust. Over 20,000 Indian students currently study in Russia, principally in medicine and engineering. Yoga enjoys enormous popularity across Russia. Indian cinema, dance, and music have long commanded an enthusiastic following. Tourism and artistic exchanges continue to grow, creating a reservoir of goodwill that helps keep the relationship resilient.

India's multi-alignment approach enables it to deepen ties with the US, expand its role in the Indo-Pacific, and diversify defence procurement, while simultaneously maintaining Russia as an indispensable strategic partner in critical domains such as defence, energy, nuclear cooperation, and space. In a fractured international environment, India-Russia ties provide strategic cushioning and stability to both.

Over the coming decade, economic diversification, high-technology collaboration, enhanced connectivity, and long-term arrangements in energy and fertilisers will help shape the next phase of the partnership. Putin's visit will re-anchor India-Russia relations within a transformed geopolitical landscape, while opening new vistas for cooperation. For India, the visit underscores that strategic autonomy is not just a doctrine, but a lived practice. Few partnerships demonstrate that practice more consistently than that between India and Russia.

Ajai Malhotra is a former ambassador to Russia. The views expressed are personal



Ajai Malhotra

{ ASHWINI VIASHNAW }

UNION MINISTER FOR RAILWAYS,
INFORMATION AND BROADCASTING, ELECTRONICS AND IT

Fake news is a threat to democracy.
There is a need to take strict action
against fake news and AI-generated
deep fake videos

Speaking during Question Hour in Parliament

Development and clean
air are not binary choices

Last week, the Supreme Court of India handed developers a surprising reprieve in *Confederation of Real Estate Developers of India (CREDAI) v. Vanashakti & Ors.* 2025. In a 2:1 verdict authored by former Chief Justice of India BR Gavai and Justice K Vinod Chandran (with Justice Ujjal Bhuyan dissenting), the Court reopened the door to *ex post facto* environmental clearances (ECs), i.e., approvals granted to a project after construction has already begun, without the mandatory prior environmental scrutiny.

The move is controversial not just because of what it allows, but because of what it overturns — a hard-hitting judgment from May that categorically banned the practice. In this original *Vanashakti v. Union of India* ruling, a two-judge bench (comprising retired Justice Abhay S Oka and Justice Bhuyan) had struck down the Union environment, forest, and climate change ministry's 2017 Notification and 2021 Office Memorandum allowing *ex post facto* ECs under strict conditions, calling the practice contrary to the principles of environmental protection.

The ruling was hailed as a progressive milestone in environmental jurisprudence, reinforcing the principle that environmental protection must come before economic gain. But shortly after, CREDAI (India's largest association of real estate developers) filed for review with support from Union and state governments. They argued that the judgment had failed to consider precedents where the Supreme Court had approved *ex post facto* clearances in exceptional situations. The Court has now reopened that door.

What's the real impact of this ruling? Real estate companies and developers can now initiate projects even in ecologically sensitive zones, proceed with construction, and later seek regularisation with fines or remediation conditions they can budget for. The earlier detentions of demolition, legal challenge, and reputational harm are now softened. It also sends a dangerous signal: In the tug-of-war between profit and planet, short-term convenience can trump long-term survival. Over time, more projects will likely begin without prior clearances, especially in areas where delay is likely.

Proponents argue the judgment is pragmatic. Demolishing half-built projects or halting ongoing infrastructure work would cause economic losses, waste public funds, and, ironically, generate more pollution and debris. Workers and communities that rely on these

projects bear the brunt. In many cases, procedural delays, not deliberate violations, are the reason projects start without prior clearance.

Yet this pragmatism comes at a steep cost. By allowing retroactive approvals once again, the Supreme Court has effectively signalled that rules can be negotiated after the fact. Developers know that demolition is politically unpalatable and economically costly. If violating environmental norms can be regularised later, why not proceed first and negotiate later?

Many may calculate that paying fines works out cheaper than following the law. Over time, this threatens to erode the precautionary principle, the cornerstone of environmental law that holds that damage must be prevented before it happens. Because once rivers are diverted, wetlands filled, forests cleared, or groundwater depleted, no penalty can undo the damage.

Justice Bhuyan dissented strongly. In his dissenting opinion, he slammed the decision, arguing that environmental protections cannot be reduced to a financial transaction by giving a free pass to rule-breakers who are willing to "pay to pollute." Bhuyan called *ex post facto* ECs against the spirit of environmental law, highlighting that they betray Article 21 (right to a clean environment) and Article 51A (duty to protect environment).

Decisions that have a retrospective impact like this tend to create perverse incentives that end up worsening the problem; a dynamic famously known as the cobra effect. In colonial Delhi, the British introduced a bounty on dead cobras to reduce their numbers. Instead, it became a perverse incentive for people to breed cobras to collect the reward, ultimately increasing the population of snakes. It's entirely reasonable to fear that the same pattern could play out — with more violations, not fewer.

India needs infrastructure. It also needs clean air to breathe and clean water to drink. Pretending these goals are mutually exclusive is lazy political thinking. The recall judgement avoids the spectacle of blasting apart half-built towers, but risks setting off a quieter, slower crisis: a slow, legalised erosion of environmental safeguards. And the environment won't wait for a larger bench.

Ashish Bharadwaj is professor & dean, BITS Pilani's Law School in Mumbai and Insiyah Vahanvaty is a socio-political writer and author of 'The Fearless Judge'. The views expressed are personal



Ashish Bharadwaj



Insiyah Vahanvaty

IN BRIEF

India's services sector growth in Nov driven by new biz intakes: PMI

India's services sector growth accelerated during November, after losing some momentum in October, driven by a faster upturn in new business intakes and subdued price pressures, a monthly survey said on Wednesday. The seasonally adjusted HSBC India Services PMI Business Activity Index rose to 59.8 in November, from 58.9 in October, supported by new business growth. In the Purchasing Managers' Index (PMI) parlance, a print above 50 means expansion, while a score below 50 denotes contraction. "India's services PMI Business Activity Index rose from 58.9 in October to 59.8 in November, driven by robust new business intakes that fuelled output growth," said Pranjul Bhandari, chief India economist at HSBC.

Strong political push to seal India-EU FTA by 2025-end: Ambassador

European Union Ambassador to India Herve Delphin on Wednesday said that there is "strong political commitment" from both sides to conclude the revamped India-EU Free Trade Agreement by the end of 2025. "Of the 23 chapters under discussion, 11 have already been closed. Important chapters still under negotiation include market access for cars, steel, some aspects of services and investment and technical barriers to trade," Ambassador Delphin said.

ONGC Chairman Arun Kumar Singh gets one-year extension

The government has approved the extension of Arun Kumar Singh as Oil and Natural Gas Corporation (ONGC) chairman and chief executive officer on contract basis for another year, according to a senior company official. It has also approved setting up a committee for identification and selection of a regular Chairman. The committee will be headed by Public Enterprise Selection Board Chairperson Mallika Srinivasan and comprise petroleum secretary Pankaj Jain and former Indian Oil Corporation (IOC) Chairman B Ashok as members.

Sarbananda Sonowal flags off India's first all-electric tug project

Union Minister for Ports, Shipping and Waterways Sarbananda Sonowal on Wednesday virtually flagged off India's first all-electric green tug, marking a major milestone in the country's shift toward sustainable and energy-efficient maritime operations. The green tugboat, designed for Deendayal Port Authority (DPA) in Kandla, is being developed under the Ministry of Ports, Shipping and Waterways' Green Tug Transition Programme, a flagship initiative aimed at accelerating India's maritime decarbonisation efforts.

India sends mobile field hospital to cyclone-hit Sri Lanka

India has sent a mobile field hospital and over 70 medical personnel to Sri Lanka as part of its continuing humanitarian assistance following the devastating floods and landslides triggered by Cyclone Ditwah, the Indian mission said on Wednesday. Sri Lanka has been grappling with widespread flooding, landslides and severe infrastructure collapse, leaving several districts isolated and severely straining the country's disaster-response capacity. As of Tuesday, 465 people have been killed, with 366 missing, in floods and landslides caused by extreme weather conditions since November 16.

'Tobacco levy neither a new tax nor a cess'

LS clears Central Excise Bill 2025

MONIKA YADAV

New Delhi, 3 December

The Lok Sabha on Wednesday passed the Central Excise (Amendment) Bill, 2025, with Finance Minister Nirmala Sitharaman emphasising that the proposal restored substantive excise duty on tobacco products that had been drastically reduced after the goods and services tax (GST) introduction, and "is neither a new levy nor a cess".

Assuring Parliament that the excise duty being restored on tobacco products will go into the divisible pool of taxes, the minister said: "Excise duty forms part of the divisible pool, and 41 per cent of the collections will go to states," she said. Several members had termed the levy a cess, but Sitharaman clarified: "This is not a cess. It is excise duty. When there is a cess, I will stand up and say it is a cess. This is not one."

Moving the bill, Sitharaman said the Centre had surrendered its power to levy excise duty on tobacco and tobacco-related products in 2017 solely to enable the collection of the compensation cess during the first five years of GST. "That right was given away to the GST Council so that compensation cess could be collected on items taxed at 28 per cent. That cess was collected from 2017 till 2022 and transferred to the states," she said.

"With the sunset of compensation cess, what was conceded by the Centre in 2017 is naturally reverting to the Centre. This is not a new law, not an additional tax, and not something the Centre is taking away," she told the House. Even during GST, the basic excise duty account head on cigarettes was kept nominal "just to keep the account alive", the minister pointed out. "In practical terms, the excise per stick was a fraction of a paisa," she said.

Under the current regime, the excise duty on tobacco products is: ₹200-735 per 1,000 cigarettes, ₹1-2 per 1,000 bidis, 64 per cent on unmanufactured tobacco, and 25-100 per cent on chewing, snuff and jarda products. The new Bill raises these sharply to pre-GST levels with cigarettes' duty moving to ₹2,700-11,000 per 1,000 sticks, unmanufactured tobacco to 70 per cent and smoking mixtures to 325 per cent, with other levies for chewing and other tobacco products.

Pre-GST excise rates, however, ranged between ₹1,585 and ₹2,850 per 100 sticks for non-filter cigarettes, and ₹1,585 to ₹4,170 per 100 sticks for filter cigarettes. "So pre-GST rates were far



higher. During GST, compensation cess did the major job while excise remained only token," she said.

The compensation cess rates on cigarettes remained unchanged from July 2017 to 2024. Citing the WHO's Global Tobacco Control Report, the minister said India did not revise specific cess rates even as retail prices rose much slower than income growth. As a result, cigarette affordability "either stagnated or increased in the past decade", meaning prices did not rise in line with purchasing power.

More than 80 countries revise tobacco taxes annually using inflation indexing or multi-year schedules, she noted, naming Australia, New Zealand, the Philippines, Turkey and South Africa. India also used to raise tobacco taxes annually before GST, she pointed out, adding that the country's tax incidence on cigarettes is around 53 per cent, well below the WHO benchmark of 75 per cent.

Responding to concerns about tobacco farmers, Sitharaman said efforts to shift them away from tobacco cultivation have been ongoing for decades. Under the Rashtriya Krishi Vikas Yojana's crop diversification programme, ten major tobacco-growing states — including Andhra Pradesh, Gujarat, Karnataka, Odisha, Tamil Nadu and Uttar Pradesh — have been covered since 2015-16. Between 2018 and 2021-22, 1.12 lakh acres or 45,325 hectares have switched from tobacco to crops such as sugarcane, groundnut, oil palm, cotton, chilli, maize, onion, pulses and turmeric. Telangana has encouraged a shift to bengal gram and chillies, Odisha to vegetables and maize, and Karnataka to soybean and sugarcane.

PwC India sees ₹1.1 trn tax shortfall in FY26

PwC India expects buoyant non-tax revenues to offset a projected ₹1.1 trillion shortfall in net tax collections in the financial year 2025-26 (FY26), keeping the fiscal deficit within the target at 4.2-4.4 per cent of gross domestic product (GDP), provided nominal GDP growth reaches at least 9 per cent in the second half of FY26 (April-September). The economy grew 8 per cent in the first half of FY26. Following this uptick, PwC expects growth to moderate to 7 per cent in the second half, putting full-

year expansion at 7.5-8 per cent.

The firm estimates gross tax revenue at ₹40 trillion (94 per cent of the budget estimate) with net tax revenue to the centre likely at ₹26.6 trillion against the budgeted ₹28.4 trillion. Excluding the impact of the now-abolished GST compensation cess, this results in a ₹1.1 trillion shortfall. Total receipts are projected at Rs. 33.4 trillion (96 per cent of the budget estimate), leaving an overall gap of ₹82,000 crore.

HIMANSHI BHARDWAJ

Terrain changed, need to up our game to court FDI: CEA

SHIVA RAJORA

New Delhi, 3 December

India needs to "up its game" in order to court foreign direct investment (FDI) into the country as geopolitical and geo-economic terrain have changed since 2023-24, Chief Economic Advisor (CEA) V Anantha Nageswaran said on Wednesday.

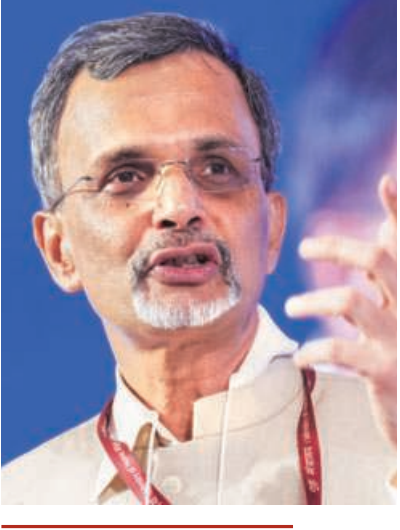
According to him, since India is a developing country, it will continue to need higher inputs.

"The nature of the terrain has shifted. It has become a much harder terrain (compared to 2014-23). Therefore, we need to up our game with respect to courting FDI, courting global supply chain companies to come here," said Nageswaran.

The CEA was speaking at the IndiaEdge 2025 summit held by the Confederation of Indian Industries (CII) on 'Making India a global foreign investment magnet.'

Nageswaran said gross FDI flows may cross \$100 billion in FY26 and added that it is imperative for India to 'crack up' the efforts with respect to FDI.

Data from the Reserve Bank of India (RBI) shows that gross FDI inflows in H1 FY26 increased 16.1 per cent year-on-year (Y-o-Y) to \$50.36 billion. Net FDI in India — inflows minus outflows — stood at \$7.64 billion during the first half of FY26. In 2024-2025 India's gross FDI inflows were \$81.04 billion, up 14 per cent, while net FDI inflows were 97 per cent down year-on-year.



CHIEF ECONOMIC ADVISOR V ANANTHA NAGESWARAN CALLED FOR ADDRESSING ISSUES RELATED TO TAX AND NON-TAX, REGULATORY MATTERS, INFRASTRUCTURE AND CONNECTIVITY ISSUES, AND SINGLE-WINDOW DIMENSIONS

The reason for lower net FDI inflow, according to the CEA, is that developed economies in the last three years saw an "abrupt increase" in interest rates. This has impacted FDI inflows into India. Meanwhile, outbound investments

IMF hasn't questioned GDP growth figures: FM

MONIKA YADAV

New Delhi, 3 December

The 'C' rating assigned by the International Monetary Fund (IMF) to India's national accounts data was linked only to the country's use of an old base year of 2011-12 for GDP data, and the IMF had not questioned India's growth numbers, Finance Minister Nirmala Sitharaman said on Wednesday.

Terming the debate around the IMF's rating for India's national accounts data adequacy "very ill-informed", the minister said the IMF report released recently mainly talks about India's overall economic performance which it has praised. The IMF expects India to grow at 6.5 per cent in 2025-26, and has appreciated its macro stability and inflation management, with inflation, she noted, is expected to stay around 2.3 per cent, below the Reserve Bank of India's tolerance

band.

The IMF, she said, gives data quality grades for countries from 'A' to 'D'. A 'B' rating means data has some shortcomings but is broadly adequate, and 'C' means some shortcomings that can "sometimes hamper surveillance".

India got a 'C' grade only for its national accounts data because the base year used is still 2011-12. "If my base year is old, obviously the ranking will reflect that," she said. The government has already decided to update the base year to 2022-23, which will come into effect from 27 February, 2026, she added.

On every other front, including inflation, government finance, external sector statistics, monetary and financial statistics, and intersectoral consistency, India has been rated B. "Our median rating is B," she said, adding that many developing countries such as China and Brazil also get a median B.

Participate in rare-earth magnet scheme: Yadav

SAKET KUMAR

New Delhi, 3 December

The Centre on Wednesday asked the industry to participate in the recently announced Rare Earth Permanent Manufacturing (REPM) scheme, while calling it "another milestone" in its push for green transition and in acquiring self-sufficiency in critical mineral security.

"The scheme to promote manufacturing of rare earth permanent magnets (REPM) is another milestone. REPM powers EV motors and enhances efficiency in grid, wind turbines, and solar panels. Industry can participate by investing in these facilities, innovating across EV and renewable value chains, and scaling green manufacturing through that

integration," Union Environment Minister Bhupender Yadav said.

He was addressing a Confederation of Indian Industry (CII) event in New Delhi.

On November 26, the Union Cabinet approved a

₹7,280 crore scheme to promote manufacturing of sintered rare earth permanent magnets (REPM), marking India's first attempt to build an integrated domestic supply chain for the critical material.

"Through this first-of-its-kind initiative, the government aims to establish 6,000 metric tons per annum of integrated REPM manufacturing in India, building a technology self-reliant, globally competitive, and sustainable industrial base," Yadav said.



Indian economy on a strong footing: Goyal

SHREYA NANDI

New Delhi, 3 December

Commerce and Industry Minister Piyush Goyal on Wednesday said the Indian economy is on a strong footing and there is aggregate growth in merchandise exports during October-November, despite the global turmoil. Goods exports had dipped 11.8 per cent to \$34.4 billion in October.

On the rupee falling to a record low of below 90 to the

US dollar, the minister said the Indian economy saw 8.2 per cent growth in the second quarter, beating all estimates. Inflation has been at its lowest in recent months and foreign exchange remained robust.

"This only goes to show that the economy is on a strong footing. We are working towards deeper integration with global trading partners, and, in the months and days to come, you will hear a lot more about our own successful engagements with many of our trading countries," he said on the sidelines of CII IndiaEdge 2025.

Present 'realistic' demands

Meanwhile, Department for Promotion of Industry and Internal Trade (DPIIT) secretary Amardeep Singh Bhatia on Wednesday urged industry to present 'realistic' demands while seeking relaxation in regulations.

"Let us be realistic. While

the industry wants certain regulations to go away, there's a larger public purpose of safety, of ensuring there is orderly development. That purpose should not be lost," Singh said. "I request the industry also to carry out an exercise, keeping yourself in the shoes of the public... and see what are the regulations that need to continue and which ones should be done away with," Singh emphasised at the CII event.

We should look at FDI from China with safeguards: CII President

Having delivered on a long list of reforms, the government should focus on reducing the factor cost of production in sectors such as power, and further incentivising manufacturing, says **Rajiv Memani**, president of the Confederation of Indian Industry (CII), in an interview with **Asit Ranjan Mishra** in New Delhi. Memani also suggests that the government should fast-track disinvestment of public-sector units and use the proceeds for some large transformational projects. Edited excerpts:

The Centre has undertaken many reforms in the recent past, like the goods and services tax (GST), labour codes. What areas can more be done in?

■ The government has been undertaking reforms for a long time now, but there is a very palpable sense of urgency that one can see over the last six months. We are living in very interesting global times. Because of geopolitics and geoeconomics, things are very dynamic in every respect. So reform has to be a very, very constant process — whether it's around power, logistics, labour, land, what can be done for opening up other sectors, and for ease of doing business.

Q. What are the top few priorities the government should be focussing on?

■ For the government, the biggest priority is to encourage manufacturing much more. And the way to encourage manufacturing is really to see how we create greater value addition in India, which requires some deliberate action and much more focus on the competitiveness of the economy. We feel there has to be an inter-ministerial group, so that we have a very clear strategy on how we should encourage manufacturing in India. That

could mean technology tieups, some policy support, and clarity on what the Customs duty rate should be over the next three to five years. We have identified some items like compressors, wafers, APIs (active pharmaceutical ingredients), and some chemicals. I would say that's one big area.

The second is how you reduce the factor cost of production. So, for example, if you look at the power sector, because of the cross-subsidisation, industry has to pay almost ₹1.5-2 per unit more. Even if you're using a captive power plant, the access charges are much more on the higher side. Also, the accumulated losses of the state electricity boards are going up by almost ₹2 trillion every year. So, one big idea is privatisation of state electricity boards. The central government will have to see if there are some areas where they can provide soft incentives or hard incentives to states for doing that.

On land, some states are already working on this area, but there's free land available with the government, public sector units, etc. Likewise, the government had said that they would establish 35 industrial parks... about five of them have come up... if we can accelerate that.

Can some of those industrial parks that are taken care of by the government be managed on a public-private partnership basis?

Disinvestment, obviously, is another big thing, given where the markets are today. The value of the government stock is almost about ₹45 trillion. So, if every private player is using this opportunity to strengthen their balance sheet, the government should also be doing that. And, one should be using this capital in a very strategic way so as to assist states in privatisation of state electricity boards, do some large transformational projects like high speed rail, because that improves the economy's efficiency and creates much greater manufacturing opportunity.

A sovereign wealth fund of \$50 billion, raised out of domestic capital, should be created over a period of five years. This fund should be focused on advanced manufacturing, technology, and strategic resources both in India and globally. Also, it should focus on providing a little bit of risk capital in areas that are of long-term strategic interest where capital is not easily available for Indian companies.

What is your view on amending Press Note 3 and allowing greater foreign

INDUSTRY'S VIEW IS THERE SHOULD BE A RATE CUT, GIVEN THE FACT THAT THE INFLATION NUMBERS ARE VERY LOW

Rajiv Memani, President, Confederation of Indian Industry

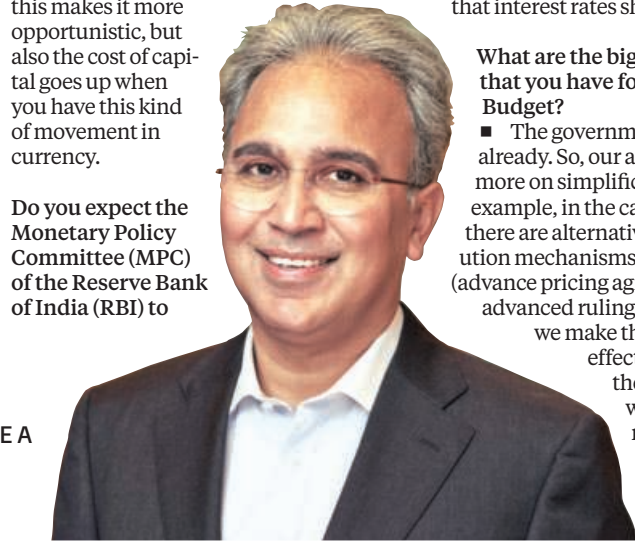
direct investment (FDI) from China?

■ We should look at FDI from China when it comes along with technology and greater manufacturing competitiveness in India. As long as there are safeguards on equity ownership, as long as it doesn't compromise any national interest of the country, CII's view has been that to some extent, the Press Note 3 should be relaxed.

The rupee has hit an all-time low. Do you see it as an opportunity or a risk?

■ It's very hard to say. Any sharp movement is not good. So, too much volatility in any currency is not good. For exports, this makes it more opportunistic, but also the cost of capital goes up when you have this kind of movement in currency.

Do you expect the Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) to



further cut repo rate in its ongoing meeting?

■ Industry's view is there should be a rate cut, given the fact that the inflation numbers are very low. And also given the fact that relative to other economies that we are competing with, our interest rates are still higher by 3-4 per cent. The interest rate should be coming down, but it has to be seen in the broader macroeconomic policy context. When you have a slightly weakened rupee, then you have to look at the interest rate cut in that context. But definitely, given inflation, and the focus on growth, the industry view is that interest rates should come down.

What are the big tax proposals that you have for the upcoming Budget?

■ The government has done a lot already. So, our approach has been more on simplification. So, for example, in the case of income tax, there are alternative dispute resolution mechanisms such as APAs (advance pricing agreements), and advanced ruling authorities. Can we make them more effective than where they are today? Can we look at alternative ways of mediation? There is a big clog-up that happens at the CIT (Com-

missioner of Income Tax) appeals level.

So, we have made very clear suggestions on how we can reduce the number of disputes at the CIT (appeals) level? Then regarding mergers and acquisitions, some of the rules and laws need some level of simplification. While GST is not part of the Budget, we have told the government even if you can't reduce the multiplicity of audits at state level, you can cut the multiplicity of audits at the central level. The government had rationalised the Customs duty structure last time, can we rationalise it more?

For ease of doing business, the Commerce Ministry is preparing the Jan Vishwas Bill 3.0. What issues do you think should be resolved now?

■ On ease of doing business, many Acts don't have a statute of limitation, while some Acts have a much longer statute of limitation. So, can we limit the statute of limitation to three to five years? There is a lot of pendency of cases. In many cases, when parties, whether government or others, lose, they just go for one appeal after another, and there is no negative consequence. There has to be some disincentive for doing that, so that you reduce the number of pending cases. Decriminalisation is a big ask in many Acts. We have also suggested that each ministry should digitally publish an updated, clear, and comprehensive list of requirements such as fees, timelines, and grievance procedures that one has to follow.

Psychological levels

A weaker rupee will help exporters

The rupee on Wednesday breached the psychological level of 90 a dollar in trade and has fallen over 5 per cent since the beginning of the year. However, it is important that this depreciation is seen in the context of broader macroeconomic developments, and policymakers and other stakeholders do not get carried away by its specific levels. The data shows that the balance of payments in the second quarter this financial year turned negative to the tune of \$10.9 billion, as against a surplus of \$18.6 billion in the same period last year. The trade deficit has also widened, and economists are expecting the current account deficit to expand this financial year. It has also been reported that the Reserve Bank of India (RBI) is not aggressively intervening in the currency market, which is a sensible policy choice.

In a situation where the balance of payments has turned negative, the currency would be expected to depreciate and act as a stabiliser. The currency-market movement is also being influenced by the India-United States trade position. India is facing a 50 per cent American tariff, which has started to affect exports. While some segments are reported to have found alternative markets, the data on this must be interpreted carefully. High-value items such as gems & jewellery may be getting rerouted from other markets to the United States (US) and may not be sustained. Thus, it is important that India and the US arrive at a mutually beneficial trade deal as soon as possible. Negotiators on the Indian side have expressed hope that an agreement will be finalised by the end of the year.

However, it is unclear how the agreement will affect the India-US trade over the medium term. Given the context of global trade, a weaker rupee will help Indian exporters. Although rupee depreciation will not be enough to offset the current US tariff disadvantage, it will help Indian exporters find other markets to some extent. The latest RBI data shows that the rupee has also fallen in real terms as reflected by the real effective exchange rate. Currency weakness in the present situation will be useful for exporters. Notably, as highlighted in a recent analysis in this newspaper, while the rupee has declined against a basket of currencies, in real terms, it has appreciated significantly against the Chinese yuan since the pandemic. This makes Chinese imports much cheaper in real terms and can worsen the trade deficit with China.

Therefore, the ongoing depreciation is in India's favour and will help provide some protection to the tradable sectors of the economy. The RBI is holding foreign-exchange reserves worth over \$688 billion, which will help ensure that the conditions in the currency market remain orderly. In the immediate short run, the value of the rupee will be influenced by the outcome of India-US trade negotiations. It will not only sway outcomes on the current account but also on the capital account. A favourable deal will encourage foreign-portfolio investors (FPIs) to start buying Indian assets. FPIs have sold Indian assets worth over \$15 billion so far this year. The ongoing Monetary Policy Committee meeting will likely also deliberate on the implications of developments in the currency market, though these may not sway its decision. Given the low-inflation environment, a weaker rupee does not pose a risk.

Danger-free driving

India must build safer road networks

As a recent analysis by this newspaper of the latest data showed, deaths in India due to road accidents, adjusted for population, reached a 30-year high of 12.02 per 100,000 people in 2023, higher than in Nepal (7.4), China (4.26), and Brazil (2.66). Union Transport Minister Nitin Gadkari has emphasised the need for better road design and safety enforcement, noting that over 400 people die every day on Indian roads. The National Crime Records Bureau (NCRB) data for 2023 states that more than 173,000 people lost their lives and 447,000 were injured in road accidents across India, with two-wheeler riders accounting for nearly 46 per cent of the fatalities. The leading causes remain speeding and careless driving, indicating that strict enforcement of traffic regulations and behavioural change remain weak links in India's transport system.

In this regard, it is worth noting that the budget allocation for road safety and maintenance remains low. For 2025-26, the Ministry of Road Transport and Highways has allotted ₹595 crore for road safety, which is 0.002 per cent of the budget of the ministry. Road maintenance and repair get a mere ₹4,595 crore, barely 2 per cent of the total, far below the 10 per cent norm suggested by the NITI Aayog. This underfunding has risked degraded roads and, by extension, resulted in rising fatalities. Experts highlight that mixed traffic, inadequate pedestrian infrastructure, and poor emergency response exacerbate fatality rates. Cars, trucks, bicycles, two-wheelers, and pedestrians share the same lanes, often without proper demarcation or speed-calming measures. The absence of pedestrian infrastructure, such as safe crossings and footpaths, means that the most vulnerable road users are at constant risk. Moreover, emergency response remains inconsistent, with trauma-care facilities often too distant or ill equipped to save lives within the critical "golden hour" after an accident.

India needs to build safer highways and road networks. Stricter enforcement of road laws is essential, supported by technology such as automated surveillance, e-challaning, speed-detection cameras, and artificial intelligence-based violation tracking. These tools can ensure compliance while reducing discretionary enforcement. Every highway project should be integrated with mandatory road-safety audits during both design and post-construction stages. Accident-prone stretches or "dark spots" need targeted engineering intervention such as better signage, lane separation, and surface improvement. Equally important is reform in driver licensing, and it should be examined on the knowledge and execution of safe driving rather than a skill test. Regular vehicle inspection, particularly for commercial vehicles, must be made mandatory to ensure fitness and emission compliance. Further, robust trauma-care networks must be inbuilt in the overall framework. To be sure, a lot needs to be done at state and local levels. Ensuring safer roads is the responsibility not just of the government but also of every driver and pedestrian. The cost of haste on the road is often a life lost. No journey or deadline is worth that price. Without this realignment towards safety, India's mobility gains will keep coming at an unacceptable human cost.



ILLUSTRATION: BINAY SINHA

Stop blaming Nehru 60 years later

The real question is why others changed course but India did not

More than 60 years after his death, Nehru is still being blamed for many of India's problems and ills. In his latest book, *The Nehru-Era Economic History and Thought & Their Lasting Impact*, Arvind Panagariya rehearses all of Jawaharlal Nehru's economic mistakes, but then goes on to show that they had a lasting impact that was hard for those who came after him to reverse. While it is true that Nehru, as the country's first Prime Minister, made many mistakes in his economic policies, the Nehru-bashing has gone too far.

First, by the time Nehru left power in 1965, India's economic performance was not so far behind that of its Asian neighbours. The country's per capita income was just a bit lower than Thailand's and better than China's or even Korea's (see chart). Its income per capita fell far behind these countries much later, when they changed course in the 1970s and 1980s, while India plodded along.

Second, Nehru's policies were not that unique. The state-led import substitution model, which he favoured, was followed in many parts of the developing world after decolonisation and the end of World War II. From Latin America through much of Africa, and in China and East Asia, that model was quite popular. What was perhaps unique in India was the licence raj, where the private sector was given production quotas, and the Industrial Disputes Act of 1947, which made it very difficult to lay off workers in firms larger than 100 workers. Dr Panagariya appears to give the impression that Nehru developed socialist ideas on his own, whereas the reality is that those ideas were the flavour of the day.

In fact, even the Bombay Plan, prepared by a bunch of capitalists led by Birla and Tata in 1944 looked very similar to the socialist Second Five-Year Plan brought in by Nehru and Mahalanobis in 1956. Dr Panagariya explains this awkward evidence by arguing that these industrialists already knew

Nehru's mind and, therefore, prepared a plan that mirrored Nehru's thinking. He fails to explain why such powerful industrialists who had Gandhiji's ear would be so scared of Nehru in 1944. As I have argued in a chapter in a book on the Bombay Plan edited by Meghnad Desai and Sanjaya Baru, India's industrialists did not follow the path of Japanese and Korean industry, which sought government support to industrialise. Instead, they prepared a plan that handed over all key sectors and heavy industry to the state, leaving only consumer goods to the private sector.

Third, countries in East Asia — such as Taiwan, Korea, Singapore, and Hong Kong — followed Japan in shifting to export-led growth in the 1970s, and China under Deng Xiaoping did the same in the 1980s with spectacular success. India did not change course until the economic crisis of 1991, and even then did so only partially, continuing to maintain a large and expanding public sector. In fact, Nehru's successors pushed his failed model even further. Indira Gandhi nationalised the entire banking system, something Nehru never even imagined. India had five public sector units (PSUs) in 1951, and around 80 by 1965 — the year after Nehru passed away. By 1991, when the first wave

of economic reforms began, the number had risen to 246, and by 2014–15 it had reached nearly 298. Surprisingly, the Modi government has increased the number even further to a whopping 365, doubled the Maharatnas (giant PSUs) from 7 to 14, and reintroduced import protection since 2018.

Dr Panagariya's explanation for the persistence of the Nehru model is that it created an entire cadre of politicians, civil servants, policy analysts and even businessmen that were wedded to the socialist model and resisted any attempts to change. The problem with Dr Panagariya's book is that it is devoid of any comparative analysis. Why was Deng Xiaoping able to change Mao's policies so dramatically



IF TRUTH BE TOLD
AJAY CHHIBBER

A U-turn in the age of snooping apps

Breach of cybersecurity — carried out in multiple ways and forms — has been a reality for more than two decades in India and no solution has been good enough so far. Even the latest government diktat to handset makers, asking them to install or rather pre-install Sanchar Saathi, which is an app meant to combat fraud, on smartphones will remain just an idea. In less than a week of the Department of Telecommunications (DoT) order being sent to handset makers, including Apple and Samsung, and after much noise in Parliament and TV studios, the mandate has been withdrawn.

While the storm has blown over, for now, the issue will continue to be debated for many reasons. First, handset makers, especially the likes of Apple, were not expected to comply with such a diktat as it would have meant an overhaul of their global algorithm. Apple, known for its stand on such issues, would have stood its ground against such a directive. That may have been quite an aberration at a time when the American major and its global vendors are scripting an upbeat manufacturing story for India.

Also, even though the installation of the app was called a pro-customer move, it turned into a political hot potato, with Opposition parties and citizen groups labelling it as a Big Brother moment. Could this app on our phones result in invasion of privacy and snoop on the confidential data stored on the handsets? While there's no authentic evidence of that, the fear of personal data leaks through an app on the mobile phone could turn out to be as harrowing as cyber fraud. That itself would have been a good enough reason for the government to with-

draw its diktat to smartphone makers.

There are other reasons why smartphone makers should not be made to bear the brunt of any cybersecurity breach. They are not the perpetrators of cybercrime, nor are they providing the telecom service through which frauds are committed.

If a phone user has the liberty to keep or delete the Sanchar Saathi app, as the government clarified earlier this week after the issue became a talking point, there was no reason to impose a compliance burden on smartphone makers. The user, who's at the receiving end of any cybersecurity breach, should be able to install any app of his choice without involving the smartphone manufacturer. It's good that the government made a hasty retreat.

Sanchar Saathi, which was launched in 2023 as an indigenously made portal where users could report suspicious phone calls and track lost phones, pivoted earlier this year as a mobile app version — which was at the centre of controversy as a tool to check fraud through phones.

The effort to fight phone spam began way back in 2006 in the country through a process of consultation initiated by the Telecom Regulatory Authority of India (Trai). Rewind to the Trai consultation paper on unsolicited commercial communication, which said: "As telephones have become a ubiquitous communications medium, there has been a sharp increase in marketing and advertising activities through the telephone, a process colloquially referred to as 'telemarketing'. A significant share of telemarketing is unsolicited..." It noted that over the past year, commercial unsolicited calls have



NOT FOR PROFIT
NIVEDITA MOOKERJI

Between being and nothingness



AKANKSHYA ABISMRUTA

Suicide is a contentious subject. It involves deeply held moral, religious, ethical and legal beliefs. Those who choose to die by suicide usually cannot argue their case amid the speculation that follows. Recently, a former Canadian High Commissioner informed his friends that he had chosen to use Canada's Medical Assistance in Dying following a diagnosis of early-stage Alzheimer's. This has sparked a domestic and international discussion on the ethics or otherwise of assisted suicide. So, when a mother who lost both

her sons to suicide (unassisted in the US) chooses to respect their decision, readers are likely to be stunned and pro-life contenders agitated.

Yiyun Li is an award-winning Chinese-American author with multiple novels and short story collections to her name. She lost her elder son, Vincent (16), in 2017, and James (19) in 2024. Both chose suicide. Upon Vincent's death, she wrote a novel *Where Reasons End* (2019) featuring dialogue between a grieving writer and her son after his suicide. She writes, "The book for Vincent [who lived flamboyantly and demandingly] was published as fiction because it could only be called that: no dead child has ever come back to have an argument with his mother."

For James, the silent one who indulged in philosophy and languages, she says, "It's an impossible task to write a book for James. It will have to be done through thinking, rather than feeling; that is how I will reach for an approxima-

tion of understanding James." The result is a profoundly poignant contemplation, *Things in Nature Merely Grow*.

This isn't a grief memoir and isn't meant for anyone searching for lessons or resolution. Losing two children entails chronic suffering for parents. Li chooses radical acceptance as a way of living, an acceptance of being in an abyss, and writing about facts and logic. She neither provides any closure nor answers the questions readers might have about suicides in the first place. She reflects on life's extremities, quotes Montaigne, reads Shakespeare, Euripides and Euclid and, most importantly, she denies any comfort to readers at the expense of making herself understood.

Li writes with precision, and denies using "grief" or "mourning" to describe her experiences. These words imply that there's an end to the suffering. In speaking of such never-ending suffering, she provides a language to people who find themselves at a loss. In being unapolo-

getic about her stance to stay true to her reality, she provides courage to people living with continuous hard-to-categorise loss that "suffuses one's being; one no longer resists."

As she distinguishes facts from feelings and weak wishes, the helplessness of a parent comes to the forefront. Li and her partner come from abusive families, and created an open space for their children to have honest conversations. Vincent asks about the suffering in existence, James confesses that his skill is to not be noticed by anyone. The author questions, "If a child is not, in many ways, compatible with the world, should the parents gently usher him out of his cocoon [...] Or should the parents fortify that cocoon to keep him safely there?"

Without intending to, she invites readers into the discourse of parenting: Is there any right way of parenting, and if there is one, then does that keep their children safe? It drives home the absurd-



Things in Nature Merely Grow
by Yiyun Li
Published by HarperCollins
192 pages ₹599

ity of existence that Albert Camus talks about in *The Myth of Sisyphus*, a book that James read before his decision to end his life. Li refrains from making a connection, from interpreting something she can never know.

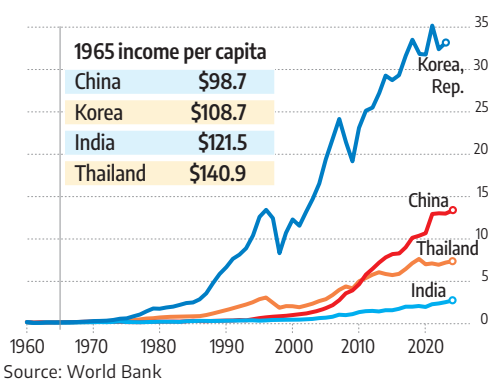
Her restraint is the strength of her prose even as she rightfully rages against people who make her suffering about themselves, the ones who see this as an opportunity to preach God, and the aspiring writers who sent her manuscripts for feedback, asking her to connect them to the publishers. She was called

a murderer by Chinese media owing to the fact that she fled the country in 1990s, never to look back. This sheer malevolence when juxtaposed with Li's nuanced understanding for her son's decision makes the readers look at the world in its most cruel form where people are keen to speak, unwilling to sit in discomfort.

Things in Nature Merely Grow is as difficult a book to review as it is for par-

INCOME TRENDS

Per capita income 1960-2024; India and Selected Asian countries (Thousand)



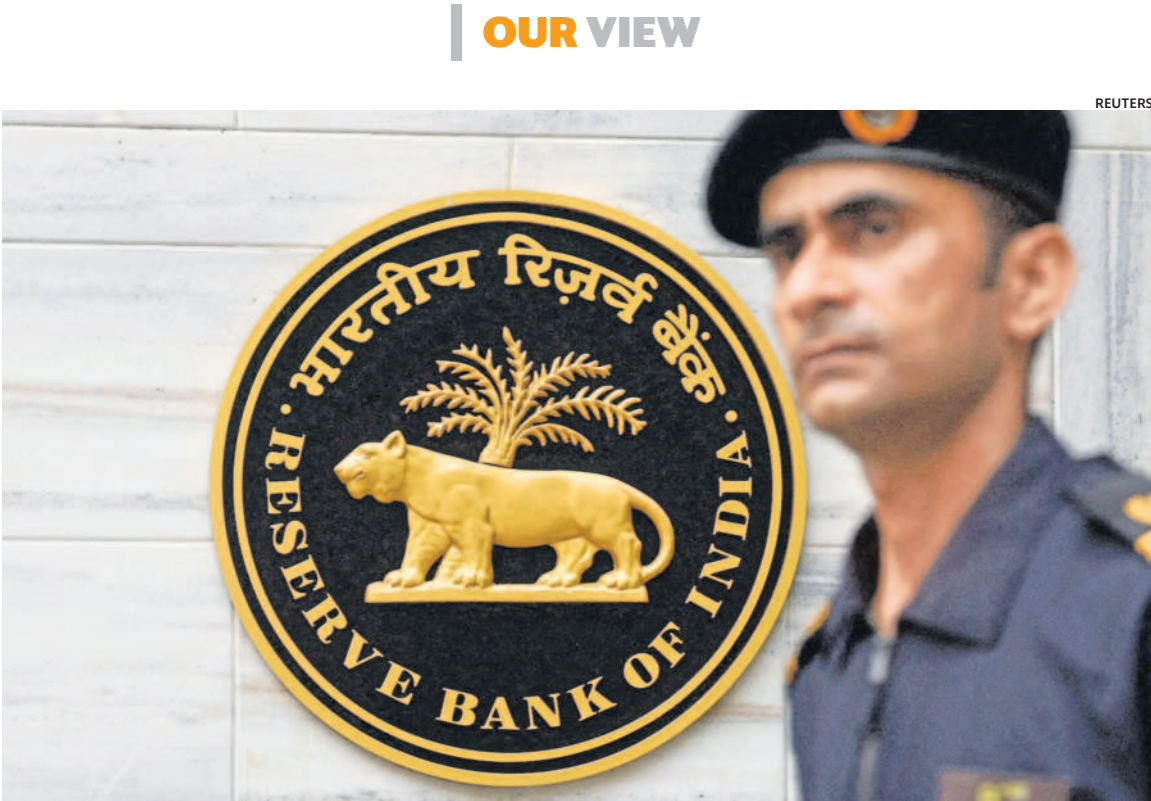
after 1979, even while working with the same Communist Party that had previously owed complete allegiance to Mao, whereas Nehru's successors found it so difficult to change course? He provides no convincing explanation for this. He praises Narasimha Rao for the partial change in course in 1991, crediting him with having read about Deng Xiaoping's reforms, and forgets that even in 1990, India's income per capita was higher than China's. China's explosive double-digit growth came later. In fact, Rao said so explicitly in an interview with Shekhar Gupta — that he was not inspired by Deng's reforms.

I am, of course, heartened by the labour reforms notified by the Narendra Modi government last month, which were passed by Parliament five years ago. Based on that five-year-old legislation, 19 states had already implemented labour-market flexibility — raising the threshold from 100 to 300 workers for government permission to lay off — along with many other elements of the codes. So the additional benefit of last month's notification may not be huge, but it is welcome nonetheless. What India now needs is more aggressive and transparent privatisation to unlock the huge capital locked in PSUs, which could be used to build more public infrastructure and reduce public debt. With the economy doing well despite Donald Trump's tariffs and inflation staying low, that is where I hope the next Budget will focus.

My point in writing this column is not to defend the Nehruvian economic model. I studied economics under the redoubtable Raj Krishna, who was a staunch critic of that model. He famously coined the phrase the "Hindu rate of growth" for India's nig-gardly economic performance from 1950 to 1980, and was a severe critic of the licence raj. My point is that we have had 60 years to fix whatever Nehru left us, and if his successors have not done so, let's not keep blaming Nehru for it. And while his economic policies were in hindsight flawed, we must not forget that he sacrificed a lot for India's independence, including nine years in jail, and left us a vibrant democracy that has endured despite many challenges.

The author is a distinguished visiting scholar at the Institute for International Economic Policy, George Washington University. His book *Unshackling India* (HarperCollins India) was declared the best new book in economics by the *Financial Times* in 2022

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The retail pivot of banks has seen lots of friction

Grievance data from RBI's Ombudsman Scheme report reveals rising discontent—much of it traceable to a major retail thrust by private sector banks. Remedial measures are a must

Soon after assuming office at the Reserve Bank of India (RBI) almost a year ago, Governor Sanjay Malhotra had flagged the central bank's growing concern over the banking sector's disregard for customer service, especially the scant resources that banks earmark for timely redressal of grievances. The 2024-25 annual report of the Integrated Ombudsman Scheme (IOS), a framework designed for complaint handling, offers details and analysis of the sector's receipt and resolution of complaints. It shows the scale of the problem that needs to be tackled. At a broad level, the IOS platform received 1,334,244 complaints during 2024-25, a rise of more than 13.5% over 2023-24. How lightly the banking industry appears to take customer service is reflected by the fact that over 87% of them came from individual customers. Significantly, most related to loans and advances, with disgruntlement over credit cards coming second and both categories making up over 46% of all gripes. Rising discontent, with many grievances left unaddressed, reveals a weakness that must not be allowed to persist.

The sector's retail services account for most of last fiscal year's grievances. Retail customers are far more numerous in general, but rapid expansion in this segment over the past few years has had an effect on complaint data sliced by the nature of bank ownership. Private sector banks notched up the highest number, accounting for over 37.5% of the grouses. This turns on its head the popular perception that public sector banks (PSBs) lead the field in customer apathy and deficient service standards. Complaints against PSBs shrank by close to 9% from the previous year. The reason for this

switch can be traced to the private sector's particularly sharp pivot to retail growth once corporate credit began to slow down. Private banks have not just been hyperactive in the origination of unsecured small-ticket loans, but have aggressively enrolled credit card customers, many of whom are debtors with nothing put up as collateral. All-out drives by lenders to sign up people are often at the expense of proper loan appraisals or assessments of creditworthiness. Friction tends to arise or worsen when loan repayments fall due and collection agents use underhand methods. Confusion over dues is another fallout of hasty or faulty on-boarding processes.

There is a lesson in all this for RBI and its regulatory framework. The justice system for retail customers, as revealed by the central bank's ombudsman scheme, exposes gaps in the treatment of retail customers by regulated entities and points to a crying need for remedial measures. A four-fold increase in complaints against credit bureaus also demonstrates today's lop-sided design: most of these bureaus accept whatever banks tell them to adjust their ratings of individual customers, even if there might be a dispute. This is because these entities are beholden only to the banks that pay their fees, relegating those who suffer rating cuts to a secondary position in their hierarchy of importance. Typically, the banking industry still treats retail customers primarily as a source of deposits, deserving of limited service, and this flies in the face of its effort to convert this cohort into a reliable source of revenue. Depositors shifting their attention to other asset classes should come as a wake-up call for private banks. They may have to contend with lower margins if this trend strengthens, as it well might.

THEIR VIEW

Putin's visit is an opportunity to recalibrate relations with Russia

New Delhi and Moscow need to look beyond the past in a rapidly evolving geopolitical context



This week's visit to India of Russia's President Vladimir Putin has drawn New Delhi's long relationship with Moscow into the spotlight. The India-Russia bond has been strong and steady, as evident in the fact that it has outlasted many shifts in global geopolitics. Looking at the cooperation between the two, whether it is on defence materiel or navigating past twists and turns in the global order, India and Russia have understood each other's requirements and managed to support each other in their time of need. But is the relationship ready for a new wave of geopolitical shifts?

The 1971 Indo-Soviet Treaty of Friendship and Cooperation paved the way for India-Russia relations where both could benefit from bilateral ties. Moscow supported India in multilateral forums with its veto power and New Delhi bought its defence equipment from the Russian Federation (or Soviet Union before it split). The relationship also had soft-power elements, with Indian movie actors finding popularity in Russia and the latter being a popular destination for Indian medical students.

In the 2000s, Russia's support for the India-US nuclear deal as well as for India's membership of the Nuclear Suppliers Group assisted New Delhi in its negotiations at various levels. This led to a new dawn in the relationship between the US and India, making

space for an enhanced global role for New Delhi. But this new role was not to be at the cost of its ties with Russia.

Even though India's ties with the Group of Seven (G-7) countries—the US, UK, Canada, France, Germany, Italy and Japan—have expanded significantly in the recent past, these nations were unable to convince India to speak against Russia in the context of Moscow's actions in Ukraine.

India's foreign policy has maintained a balance in its engagement with different nation-states, where a third party does not determine its relationship with any of them. If India's engagement with Saudi Arabia is not determined by the latter's relationship with Pakistan, ties between India and Russia should not be held hostage to India's engagement with the US or Russia's growing ties with China.

Russia is still etched in Indian minds as our one steady friend in the world. However, it is important to bear in mind that the Russia imprinted in Indian thought is a Russia of the past.

For more than a decade, Russia has been facing challenges and adapting to the world around it. Moscow was removed from the G-8, which was quickly converted into the G-7 in 2014 after Russia's annexation of Crimea. Since Russia embarked on a full-scale military operation against Ukraine in 2022, it has faced many hurdles, including Western sanctions and a loss of access to European and American markets, which until then had been integrated with the Russian market. Moscow, however, was able to garner some support from the Global South on the issue of pressure from the G-7.

Additionally, Russia has considerably expanded its relationship with China into different arenas, from military and diplomatic to cultural and economic. Moscow continues to face pressure at multilateral forums even as it tries to navigate its economy through multiple storms. The Russian Federation has also evolved its relationships with different

powers in Asia and Europe to deal with a geopolitical landscape in flux.

Nostalgia is an important element in relations, but it should not act as a deterrent in finding pathways for the future. While Russia's support had been valuable to India, a continuation of past policies may not suffice anymore.

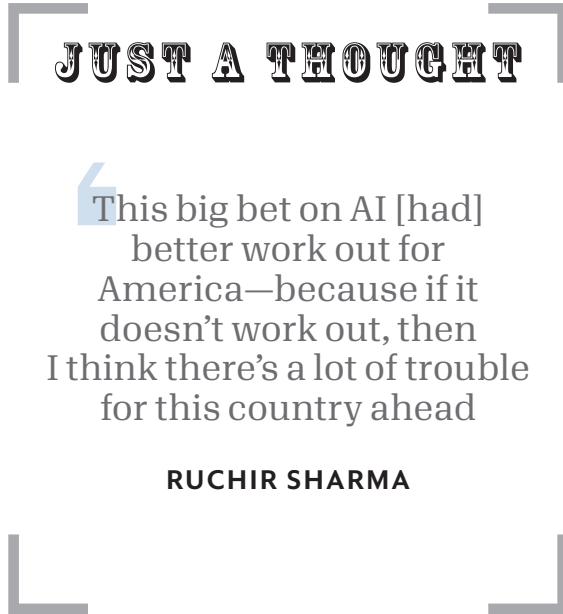
Half a century ago, India was a newly independent state that was looking for support, economic and political, from an established global power; but today, India is poised to become the world's fourth largest national economy. New Delhi thus seeks its own place in the global order on its own terms. Russia, once the second pole in a bipolar world, was India's perpetual helper; today, it seeks assistance in evading sanctions. Moscow is also reinventing itself and seeking a new role in the comity of nations.

As India and Russia navigate new geopolitical realities, the mutual engagement may need to span scientific collaboration, academic exchanges and people-to-people connections, where understanding each other and breaking free of past baggage would be a key factor in finding new pathways.

The India-Russia Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation provides space for the expansion of relations in many fields. A new entity, it hopes to expand the relationship in a direction that benefits both countries in equal measure.

The Russian President's visit this week comes in the backdrop of India's external affairs minister S. Jaishankar's visits to Russia in August and November 2025 and the opening of two new Indian consulates in Russia.

With wide-ranging talks on the bilateral agenda, this visit may provide the impetus required to plug gaps in understanding between the two nations and identify areas and means of mutual cooperation that could yield fruitful results for both in today's context of geopolitical dynamics.



MY VIEW | MYTHS AND MANTRAS

Is there an AI bubble? Here is a look at what's brewing

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The question I am asked most often these days is whether there is an artificial intelligence (AI) bubble forming in global markets. Rather than offering my opinion, let me tell you some facts.

Yes, I do have concerns. Especially if one looks at the US market. Its move has been very narrow. It has basically been a tech move, and even within that, just a handful of companies have been powering the whole rally. Even globally, the whole equity market move has had a contribution of 70% from technology stocks. Among Nasdaq shares, the biggest returns have come from companies with either no revenues or no profits. And there is this mindset around new technologies, an almost irresistible urge to 'go chase the next new thing.' But it's often just a mirage. Because the real questions are: How long will this new technology take to succeed? Who will actually succeed? Or, to be specific, which particular technology and which company will succeed? And, most importantly, will even that company make

enough of a return on capital employed?

Let us go back to the dotcom boom. Back then, there was this thinking that if the internet will be used by everybody in the world—which turned out to be true—then you cannot go wrong investing in companies that are building the infrastructure for it.

The internet is carried across the world on undersea cables. There was a company called Global Crossing that laid many of these cables. These are still in use, but the company went bankrupt more than 20 years ago. So it is not only about whether a particular technology succeeds. Will it earn a return on the massive amount of money being invested? That's the question.

Coming to AI, large companies in the AI race right now, such as Meta, Google and others, are hiring individuals and buying very small companies with just one or two people at eye-popping figures like \$100 million and \$500 million.

They are also setting up huge data centres. Now what is a data centre? It is real estate. It is a very substantial investment in buildings and equipment, which depreciate very quickly. As for their running costs, they require a lot of energy.

The cost of being in the AI game is rising. And the dilemma is that if you run a technol-

ogy company, you cannot afford not to be in the game. But, again, the real question for any investment is: Are you really going to make good returns on it?

Here is one damning fact: when schools and colleges shut down for vacations in the US recently, the usage of many AI models dropped by 50-70%. I am sure if we map it onto school breaks in other regions as well, this percentage will rise even further. The point? These models are mainly used by students for their assignments. That's not exactly a high-paying user base. Moreover, most AI companies are losing money, and not just on an aggregate basis. With every incremental subscriber, their losses go up, not down.

An additional danger is that this over-investment cycle could spill over to the world of finance. This is visible in two things.

One is the debt being raised, not just by existing mega players, but a number of much smaller players. A *New York Times* article on 10 November titled 'Debt Fund-

ing Racheting Up Risks of AI Boom' details some of this debt-raising. For example, Meta has committed to buy \$14 billion worth of computing power from a company called Core Weave, which in turn is financing about 55% of its investments via debt. There is a similar arrangement between Microsoft and Nebius, a startup.

By some estimates, the total debt taken on for data centres will cross \$1 trillion by 2028. Loads of debt has already been taken against buildings and equipment as security, most of which can be expected to depreciate fast, leaving that much less value to be reclaimed by lenders if it comes to that eventuality.

Then there are also a bunch of financial tangles that you may have seen in the form of infographics. For example, Nvidia and Microsoft funding OpenAI, which gives them business in turn, either directly or through Oracle.

This crisscross of lines between companies looks like a spider's web. But net of all the details, it is a case of capital funding by

bigger companies like Nvidia, Meta or Microsoft coming back as revenue for them. So negative fund flows show up only on balance sheets, while boosting revenues and profits in income statements.

In simple terms, Company A invests in the debt or equity of its Customer B. This capital infusion is used to buy goods from A, which boosts its revenues and profit. This type of circular financing is a red flag in general.

But for now, the AI music is still playing and, as Citibank's then head Chuck Prince said before the 2008 blow-up in America's mortgage market, "As long as the music is playing, you've got to get up and dance."

That, in some sense, is the dilemma of all tech companies in the world. While the AI race is on, you cannot opt out of it without protests from your stakeholders, even if the race veers into risky territory.

Let me end with one of my favourite examples of investing in successful technologies. Which were the two technologies of the 20th century that fundamentally transformed how human beings live? One was the automobile and the other aviation. Both sectors have been graveyards for companies. The two have largely been terrible industries to invest in, even though these technologies succeeded so dramatically.

