#### CACHE



# The various challenges associated with AI-driven genetic testing

As genetic information can be processed faster with Artificial Intelligence (AI), the amount of personal data going under the scanner to be analysed has also increased. This, in turn, increases the potential of plausible data security risks and leaks

he Human Genome Project, launched in 1990 and concluded in 2003, enabled the documentation and analysis of the building blocks of human DNA, revealing patterns that could indicate the likelihood of developing rare indicate the likelihood of developing rare diseases or carrying genetic abnormalities. Initially, predictive tests were limited to exceptional cases due to their high cost. For instance, expecting mothers could undergo tests to detect fetal cells with chromosomal defects potentially associated with Down's Syndrome or cancer patients could have their turnours examined to determine the most effective treatment outjuss. most effective treatment options.

How has AI changed genomics? As genetic information can be processed faster with Artificial Intelligence (AI), the amount of data going under the scar has also increased.

has also increased.
In March 2024, John Hopkins
University researchers revealed how
genetic code sequences, which were
previously ignored, were found to be
associated with tumours. Using machine
learning techniques, they were able to
analyse more than 1,200 distinct types of
"junk DNA" elements from tumours to
deepen research around new therapies,
new diamostic; and new screening. new diagnostics and new screening methods for cancer.

methods for cancer.

Bootstrapped healthcare startup, Gene
Box, leverages AI primarily to process
vast amounts of genetic data swiftly and
accurately, uncovering patterns and
insights that would be nearly impossible
to identify manufacture.

to identify manually. Their AI-driven algorithm helps predict genetic predispositions, interpret

complex gene-environment interactions, and provide personalised recommendations based on individual genetic profiles. Moreover, their systems are designed to incorporate inputs from published, highly rated scientific

"By continuously updating our models with the latest research findings, we ensure that our analyses are not only accurate but also grounded in the most current and reliable scientific knowledge, said Mr. Pranav Anam, founder, and CEO of the healthcare startup.

What are the potential pitfalls?
When it comes to predicting whether a child will get through an elite school or how likely is she in landing a high-paying job, these testing tools can hardly offer a straightforward answer. "These aren't as complex as the form of the complex as the control of the control simple as a 'yes' or 'no' question. It is a well-known fact that genetics is only 30%

well-known fact that genetics is only 30% of the contributing factor," Mr. Anam said. There are other caveats. For instance, a diagnosis could change in the future or may not present the full picture, often falling under the grey zone of significance. "These are known as "variations of unknown significance." Sometimes, other members of the family could be required to be tested in draw. could be required to be tested to draw conclusive results," said Ms. Gayatri Iyer, a scientist at the Tata Institute for Genetics

For example, research has linked about For example, research has linked abou 80 genes to Alzheimer's. While genetic testing can identify the risky genes, that doesn't mean the patient is bound to get it. The tests simply assess the genetic risk by identifying certain genetic variations that are associated with Alzheimer's. Consequently, a patient can also develop Alzheimer's without having any of the

associated genes. "There are a bunch of questions we need to deal with. What if the tests found something that the patier wasn't looking for at all? How do you handle predictions of mental health diseases," Ms. Iyer noted.
"When dealing with constitue cases

"When dealing with sensitive cases, such as determining genetic such as determining genetic predispositions for conditions like depression or heart disease, we adhere to strict ethical guidelines; Mr. Anam said. "Our goal is to provide insights that can guide proactive health measures, not to make definitive diagnoses."

Apart from genes, factors like environment, diet and schooling play equally important roles in a child's development.

Why should users remain cautious? Nucleus, a genetic testing startup founded in 2020 by 23-year-old college dropout Kian Sadeghi has promised to analyse cancer, depression, longevity, or how extroverted a person might be, among many other diseases and traits, better than any other firm of its kind. The many other diseases and traits, better than any other firm of its kind. The startup received \$44 million in funding from some of the most emiment names in Silicon Valley such as VC firms led by PayPal co-founder Peter Thiel and Reddit co-founder Alexis Ohanian.

In a promotional video posted on X, Sadeghi said its only "an inevitability that every single person has their entire human genome on their iPhone." If that sounds like a data security risk waiting to

humian genome on their iPhone." If that sounds like a data security risk waiting to happen, that's because there's a similar case that is fresh in public memory. The once popular consumer genetic testing company, 23andMe was at the receiving end of a data security breach in October 2023, after hackers gained access to personal data including family trees,

birth years and geographic locations, of 6.9 million users and sold it on the dark web. The company was directed to pay a \$30 million fine in September and provide three years of security monitoring to settle the lawsuit. It's been a dramatic fall for a company that was considered as pioneering, and valued at around \$6 billion in 2021. around \$6 billion in 2021.

around \$6 billion in 2021.

In the following months, most of the company's board resigned en masse leaving co-founder Anne Wojcicki as the sole member who has been contemplating delisting the company from Nasdaq. In November, it fired 40% of its workforce.

from Nasdad, in November, it fired 40% of its workforce.

As the company implodes, the looming question around, "What happens to the DNA data of its 15 million customers?" becomes a pushing worry. Customers have scrambled to delete or withdraw have scrambled to delete or withdraw their genetic data before the firm goes bust or ownership changes hands, but there are a couple of caveats. If users opted in to have their genetic data analysed, the information can't be withdrawn (A company spokesperson said about 80% had opted in).

Additionally, companies like 23andMe don't fall under Heath Insurance Portability and Accountability Act (HIPAA) which has federal laws protecting consumer data. Although Ms. Wojcicki has promised users that the firm will stand guard over their data, there's little

stand guard over their data, there's little that inspires confidence right now.

that inspires confidence right now.
But since the AI cat is out of the bag,
the fledgling sector of AI-infused
genomics has been drawing more
interest. "Investors recognise the
long-term value and impact of these
technologies, particularly as the demand
for personalised healthcare solutions
rises," Mr. Anam said.

Please send in your ans

#### THE DAILY QUIZ

The Grammys, the prestigious musical award, is held to honour and celebrate music and those who make it. A quiz on the awards and its recipients

#### Vighnesh P. Venkitesh

### **OUESTION 1**

#### QUESTION 2

While the awards cover a range of genres, what are the four general categories, also called the 'Big Four'?

#### QUESTION 3

How many artists have won the Big Four in the same year? Name them.

#### **OUESTION 4**

Name the legendary artist who was the first to win two Album of the Year awards and the only to win three Special Merit Awards.

ame the artist with the most number of Grammy



actor/director, his alias and the song which won him Record of the Year and Song of the

- Questions and Answers to the January 31 edition of the daily quiz: 1. The first Chief Minister, after the Delhi assembly was first constituted in 1952. Ans: Brahm Prakash
- This person was the second to occupy the post of Chief Minister of Delhi. Ans: mukh Nihal Singh

- Gurmukh Nihal Singh
  3. This person served as the Chief
  Minister of Delhi for two years from 1996
  to 1998. Ans: Sahib Singh Verma
  4. This person holds the record of
  serving the longest tenure as a female
  Chief Minister in India. Ans: Shella
  Dikshit
  5. This former Chief Minister is also a
- recipient of the Ramon Magsaysay Award. **Ans: Arvind Kejriwal** Visual: Identify this late politician. Ans: Sushma Swaraj

Early Birds: Tito Shiladityal Ashraf



KNOW YOUR ENGLISH

### The guerrillas are against state violence

He was praised by the manager. He was hiding the light under a bushel all this while

#### S. Upendran

What is the meaning and origin of the idiom 'hide your light under a bushel?' (Sai Prasad, Vellore) The expression is mostly used in British English. In the course of our life, we come across many talented individuals – some may sing well some may evel at cooking. may sing well, some may excel at cooking, some may be good mimics, etc. But not all these individuals are keen on sharing their talent with others; those that are shy or modest usually keep them hidden or modest usually keep them hidden. They wish to keep away from the limelight. When you tell someone not to hide his light under a bushel, what you are suggesting is not to conceal his abilities; that instead of trying to be modest, he should share all the positive qualities with those around him. You should get Anamika to sing at the event. She has a beautiful wice. but has

event. She has a beautiful voice, but has been hiding the light all these years under

ab usshel.
Wow! These paintings are awesome.
You're a gifted painter. Why do you choose
to hide the light under a bushel?
I understand that the idiom comes
from the Bible; it has been taken from the
Gospel of St. Matthew. Like 'inch',
'klogram', 'litre', etc., a 'bushel' is a unit
of measurement; it is normally usually
used to measure the quantity of grain,
fruit, vegetables, etc. In England, a bushel
is roughly equivalent to eight gallons. In is roughly equivalent to eight gallons. In the past, in small households, bushel baskets and containers made from different materials were used to hold a bushel of grain. What the idiom 'hide your light under a bushel' seems to suggest is that there is no point in lighting a candle, if you are going to keep it hidden under a container.

What is the difference between gorilla and guerrilla? (Anil, Kanpur) In terms of pronunciation, there is none; the two words are pronounced the same way. The vowels in the first and third syllable are pronounced like the 'a' in 'china', while the second syllable rhymes with 'pill', 'bill' and 'kill'. The two words with 'pill', 'bill' and 'kill'. The two words are pronounced 'ge-RIL-e' with the stress on the second syllable. The meanings of the two words, however, are very different. A 'gorilla' is an animal; it is a relatively large ape known for its strength and usually found in pockets of Africa. I was surprised to learn that gorillas mostly stick to a vegetarian diet. The word guerrilla' (somesfines spelt 'guerrilla') comes from the Spanish' yeuerril wearing 'war'. It is normally

'guerra' meaning 'war'. It is normally used to refer to an individual who is at war with the Government or any other war with the Government or any other authority. The media sometimes refers to this group of individuals as underground fighters. The tactics adopted by the guerrillas are usually very different from those of the army – they launch quick attacks and then disappear. upendrankye@gmail.com

#### Word of the day

Synonyms: eulogy, paean, panegyric

Usage: Encomiums were bestowed on teachers at the school function.

Pronunciation: newsth.live/

International Phonetic Alphabet: /ɛŋˈkəʊ.mz.əm/



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-PAPER WITH PASSION-

### **Boost for middle class**

Tax reliefs, agricultural boosts and support for gig workers define Union Budget 2025, but concerns about economic growth persist

inance Minister Nirmala Sitharaman presented the Union Budget 2025-26 on February 1, 2025, focusing on stimulating economic growth, supporting the middle class and enhancing agricultural productivity. The Union Budget 2025-26 with a total expenditure of Rs 50,65,345 crore, focuses on economic growth, middle-class relief and agricultural development. On the infrastructure front, capital expenditure there is a modest increase to drive development, though specific figures were not detailed. Meanwhile, the fiscal deficit is projected to be 4.4 per cent of GDP for 2025-26. While the budget lays out ambitious plans to stimulate various sectors, its effectiveness will depend on implementation and overall economic conditions. What must come as big relief for the middle class is raising of the income tax limit. The budget introduced significant tax relief for the middle class by raising the income tax exemption threshold to Rs 12.75 lakh per annum, effectively exempting individuals

with an average monthly income of up to Rs1 lakh from paying income tax. This move aims to boost household savings and consumption.

A six-year programme has been announced to increase the production of pulses and extra-long staple cotton and help farmers. The government plans to support farmers by purchasing pulses at guar-anteed prices and investing in research and development to enhance cotton yields, thereby reducing dependence on imports. The budget has also proposed registeration of one crore gig workers on the e-Shram portal. This initiative aims to formalise the gig economy workforce and improve their access

to healthcare and welfare schemes. An allocation of Rs 11.21 lakh crore was made for capital expenditure, reflecting a modest increase from the previous year. This investment is intended to stimulate infrastructure development and economic growth. Some analysts, including Moody's Ratings, have expressed concerns that the tax relief measures for the middle class may have a limited effect on overall economic growth. The effectiveness of these measures in significantly boosting consumption and investment remains uncertain. The budget's capital expenditure increase was modest, which may not be sufficient to drive the desired level of infrastructure development and eco-nomic expansion. While the budget outlines ambitious programmes, the success of these initiatives will depend on effective implementation at the ground level. Past chal-lenges in executing government schemes could pose hurdles to achieving the desired outcomes. The Union Budget 2025-26 introduces notable measures to support the middle class and agriculture, but its potential impact on broader economic growth and the effectiveness of implementation remain areas to watch. While the budget's initiatives are promising, concerns linger about their impact on economic growth and the effectiveness of their implementation.



Visitors at the 'World Book Fair' at Pracati Maidan, in New Delhi

# Rethinking the Places of Worship Act 1991



The Supreme Court's interim order barring civil courts from hearing suits related to places of worship has reignited debate over the Places of Worship Act, 1991

pecial bench of the upreme Court led y CJI Sanjiv by CJI Sanjiv Khanna, on December 12, 2024, had barred all the civil courts had barred all the civil courts from entertaining any fresh or pending suits related to the places of worship, in effect, validating the Act for an interim period, even before hearing the constitutional challenge to it. The Places of Worship Act was enacted to serve as a legislative firewall against religious disputes for worship and freezes their places of worship. It seeks to bar conversion of places of worship and freezes their pleigious character as they existed on August 15, 1947, with an exception for the Ram Janmabhoomi-Babri Masjid dispute.

Law
The abatement of suits and
other legal proceedings in relation to the places of worship, as
sought to be done through
Parliament by a legislative fiat in
1991, goes contrary to the basic
feature of the rule of law and
judicial review as held in Indira
Gandhi v. Raji Narain, among Gandhi vs Raj Narain, amon others. In India, and other pa

Gandhi vs Raj Narain, among others. In India, and other parliamentary democracies, the 
view of the Parliament, served 
through its members, often portrayed as an eternal "will of the 
people," free from all fetters, is 
misplaced: it is not only anathema to democratic and constitutional thoughts of our republic but also problematic in its 
philosophical underpinnings 
from where it stems out. 
The Parliament's act of granting 
immunity to certain legal disputes is based on a fallacious 
hypothesis that Parliament is a 
symbol of the continuous will of 
the people and, consequently, 
not answerable to the courts. 
However, the Indian constitution 
establishes the principle of constitutional supremacy, as 
opposed to unchecked parliamentary sovereignty, which 
ensures that even parliamentary 
legislation, though reflecting 
the will of the people, is subject 
to judicial review. This is traceable from Article 13(2), which 
reinforces that parliamentary 
laws cannot override the fundamental rights guaranteed by the 
Constitution and remain subject

and judicial scrutiny, an act passed b Parliament—the Pla Worship Act, in this cannot annihilate the cannot annihilate the funda-mental right of freedom of worship enshrined under Articles 25 and 26, as well as the text of the Preamble.

Articles 25 and 26, as well as the text of the Preamble.

Treating equals as unequal The Places of Worship Act, nevertheless, made its effect inapplicable to the hitherto Ram Janma Bhumi-Babri Masjid dispute, by way of Section 5, acknowledging its special significance emanating from being present at a particular site while excluding other similarly placed temples, viz Kashi Vishwanath and Krishna Janma Bhumi, also derive their significance from being located at specific sites/places. In this manner, the Act has In this m ner, the Act has created an unreasonable and arbitrary classification against Article 14 of the Constitution by treating Ram Janma Bhumi as a separate class in itself. The Supreme Court in Royappa has held that "equality is antithetic to arbitrariness. In fact, equality and arbitrariness are sworn enemies; one belongs to the rule of law in a republic while the other, to the whim and caprice of an absolute monarch. created an unreasonable and



THE PARLIAMENT'S

ACT OF GRANTING IMMUNITY TO

CERTAIN LEGAL

DISPUTES IS BASED ON A **FALLACIOUS** HYPOTHESIS THAT PARLIAMENT IS A SYMBOL OF THE CONTINUOUS

'WILL OF THE PEOPLE' AND CONSEQUENTLY. NOT ANSWERABLE TO THE COURTS

Where an act is arbitrary, it is implicit in it that it is unequal both according to political logic and constitutional law and therefore violative of Article 14." In addition, under and therefore violative of Article 14." in addition, under the two-pronged Article 14 test, first settled by the Supreme Court in Anwar Ali Sarkar, any legislative classi-fication that provides advan-tages and disadvantages on a differential ground will be declared as unconstitutional: (a) if there is no intelligible differentia between the clas-sification made, which distin-guishes those that are grouped from those that have been excluded; (b) if that differentia does not have a rational relation to the object sought to be achieved by the statute in question. The classification made under the Act is unconstitutional for

the Act is unconstitutional for

the Act is unconstitutional for two primary reasons: First, the exemption accord-ed to Ram Jamma Bhumi presumes the rights of the parties attached to the Ayodhya dispute to be more equal and holier than the rights of similarly placed par-ties about the other two reli-gious sites (Kashi & Mathura); secondly, the clas-sification is devold of any fac-tual basis and based on a premise that abatement of legal proceedings for reclama-tion of religious sites other

than Ram Janma Bhumi will ease communal tensions in the country. Even assuming so, a routine law and order situation cannot be the basis for the suspension of a constitutional right. The unreasonable classification carved out by the Act and placing a bar on parties attached to disputes concerning places of worship from knocking on the courts door warrant serious re-evaluation.

from knocking on the court's door warrant serious re-evaluation. The door of the courts, in a functioning democracy, based on a written constitution, must always be ajar to the victims of wrongdoings. Having said that, invalidating the entire Act, at this stage, may not be the most pragmatic course of action. In that case, following the terms of "ut res magis valeat quam prerat" (it is better for a thing to have an effect than to be void), a more measured approach would entail reading down the Act to extend the benefit of Section 5 (exemption from the Act, as done with Ram Janma Bhumi) to two other similarly placed temples (Kashi & Mathura), rather than invalidating it entirely.

(The author is a practising advocate in Delhi, with inputs from Vaidushya Parth; views are personal)

S SUNDARARAJAN

PEOPLE-CENTRIC BUDGET

Madam — The Union Budget 2025 may be hailed as the budget of the people, for the people. The FM has admirably identified the middle class's dedication towards nation building, so apart from targeting the indices, ratios and vital parameters to showcase the country's march towards the third largest economy, she has presented a grassroots budget swaying over every aspect of the middle class from largesse on tax benefits, MSMEs, farmers and enterpreneurs. The synergy of the middle class in service, industry and business will have a multiplier effect on the GDP in coming years. The new Income Tax Bill is expected next week and commensurate with the budget, comprehensive amendments and simplification are expected.

Our country has unlimited resources, but they need to be tapped through reasonable and promotional tax legislation and encouraged for wealth creation through ease and promotional legislation. The GDP has a fair ratio of revenue collection of more than sixty percent. So the revenue policymakers, particularly the GST admire the collection of more than sixty percent. So the revenue policymakers, particularly the GST admire the collection of more than sixty percent. So the revenue policymakers, particularly the GST admire the collection of more than sixty percent.

ease and promotional legislation. The GDP has a fair ratio of revenue collection of more than sixty percent. So the revenue policymakers, particularly the GST administration, should tune their policy by lowering GST slabs and doing away with the irrelevant concepts of luxury goods. The media has missed the defence outlay increase of 9.55 per cent at Rs 681,210 crores, but looking at the huge investments in defence by neighbouring China, the resources have to be mobilised for the modernisation of infrastructure, sixth-generation missiles, aircraft, artillery, and Navy warships. It is now the turn of the state governments to present their budgets conforming with the union budget, targeting the rural industrialisation and infrastructure, modernising their existing industrial estates and promoting the industry. Vinod Johri | Delhi ENDEXENDERSE

END EXPLOITATIVE WORKWEEKS END EXPLOITATIVE WORKWEEKS
Madam— The articles "Beyond the 70hour workweek: Redefining productivity"
(January 30) and 'A 90-hour workweek:
Path to success or recipe for burnout"
(February 1), both in *The Pioneer*, are

#### **Govt schools show improvement**



**LETTERS TO THE EDITOR** 

Undoubtedly, the general public has a negative image of government schools. As soon as the economy improves slightly, people are eager to send their children to pricey private schools. However, the findings of the Annual Status of Education Report (ASER 2024) offer new optimism. The ASER teport, which was conducted on pupils from

timely and well argued. The suggestions regarding 70 to 90 working hours per week by some leading industrialists and capital-ists of India are highly reactionary and

by some leading industrialists and capitalists of India are highly reactionary and exploitative. The suggestion shows their greed for more profits in the name of increased productivity and efficiency. Both the authors have given pertinent arguments against this proposal. All work and no play makes young people dull, unhealthy and unproductive. Extended working hours will make the young population of the country hypertensive, heart patients and mentally deranged. It will cast the young population of India Into fire. Despite labour laws, many companies in India are taking 60 hours of work per week from their employees without paying them extra money. Due to fear of unemployment, young people are compelled to work for long flours. All righteous persons, employers and labour union leaders should oppose this proposal tooth and nail. A 5-day, 35 to 36.5 hour workweek is considered ideal internationally.

Vinay Kr Malhotra | Ambala Cantt

rural areas, demonstrates that the reading abilities and mathematical skills of youngsters aged six to fourteen in the country improved following the Corona crisis. Student's basic mathematical skills have improved in schools at both the government and private levels. Children in class five can solve division problems. The good news is that learning standards have increased in schools across the country. This level remained steady until 2010, after which it began to decline. According to the ASER research, as enrolment rates have improved, so has digital literacy. It is encouraging that, following the Corona period, there has been a renewed emphasis on education in schools. Awareness has also been demonstrated among parents.

Abhijit Roy | Jamshedpur

#### IA T20 WIN: 17TH TIME IN A ROW

INDIA 120 WIN: 17TH TIME IN A ROW
Madam —India clinched a record 17th
consecutive T20 series on home soil with
a thrilling 15-run win in the fourth match
against England in Pune on Friday. This
match will be remembered for a long time
for the scintillating butting performance of
Hardik Pandya and Shivam Dubey, whose
half-centuries helped India bounce back
from early jolts.
But it was bowler Harshit Rana who stole
the show. He made his debut in the match
as a concussion substitute for Shivam
Dubey and claimed three scalps. However,
his impressive performance did not go
down well with some foreign players who
questioned the entry of Harshit Rana, a
bowler, as a concussion substitute for an
all-rounder player. But their misplaced critcism does not belittle his feat. These are
the same players who seal their lips over the same players who seal their lips over bad umpiring against India in their coun

Manoj Parashar | Ghaziabad

Send your feedback to: letterstopioneer@gmail.com

# Budget 2025-26: A leap toward 'Viksit

### Bharat' with fintech at the forefront

Finance Minister has unveiled a forward-looking Budget that reinforces India's commitment to financial inclusion, innovation and sustainable economic growth.

Rinance Minister,
Nirmala Sitharaman has
presented a forwardthinking and progressive
Union Budget 2025-26 that
reinforces India's steadfast
journey toward Viksit Bharat.
This year's budget is a reflection of the government's
unwavering commitment to
fostering financial inclusion,
driving innovation and ensuring sustainable economic
growth. By laying a robust
foundation for a digital-first
conomy, it not only addresseconomy, it not only address-es the present needs of busi-nesses and individuals but also sets a visionary course for the future of India's financial

the future of India's financial ecosystem.
The fintech sector has been a cornerstone of India's digital transformation, playing an instrumental role in expanding financial accessibility, empowering MSMEs, and accelerating the adoption of digital transactions. The government's continued emphasis on fostering a light-touch regulatory environment, strengthening digital public infrastructure, and enhancing credit availability for small businesses and startups is a significant step forward in unlocking new avenues for



fintech innovation. These strategic measures will help fintech companies drive fintech companies drive greater financial inclusion and economic resilience

and economic resilience across the country. Some of the most impactful highlights of this budget for the fintech ecosystem include: Grameen Credit Score Framework — A ground-breaking initiative aimed at transforming rural financial empowerment by enabling better credit access for Self-Help Group (SHG) members and underseved rural communities. This will facilitate greater participation of rural greater participation of rural enterprises in the formal

economy.

Revamped Central KYC
Registry – A much-needed
step toward simplifying compliance requirements for
financial institutions, reduc-

ing redundancies, and enhancing the ease of doing business across banking and fintech sectors. Expansion of Digital Public

Expansion of Digital Public Infrastructure – Initiatives such as BharatTradeNet will play a pivotal role in streamlining trade financing and documentation processes, ensuring seamless digital transactions, and bolstering transactions, and bolstering India's position as a global trade hub. Higher Credit Availability for MSMEs and Startups –

Higher Credit Availabuity
for MSMEs and Startups –
Enhanced credit card limits
for micro-enterprises, alongside expanded guarantee
cover programs, will provide
vital financial support to budding entrepreneurs and small
businesses, fueling economic
growth and job creation.
As we look ahead, the fiscal
year 2025-26 presents enormous opportunities for fintech players like us at i-exceed
to drive groundbreaking
innovations in banking and
financial services. With strong
regulatory support and government-led initiatives, we
are well-positioned to: Scale
digital banking and embedded finance solutions to cater
to unbanked and underbanked segments, fostering a

more inclusive financial land-

Leverage cutting-edge tech-nologies such as AI, blockchain, and automation to enhance regulatory complito enhance regulatory compli-ance, improve credit risk assessment, and strengthen fraud prevention mecha-

nisms.

Accelerate the adoption of digital lending and payment solutions by seamlessly integrating with India's rapidly evolving financial ecosystem, thereby enhancing user experience and operational efficiencies. The budget's strong focus on inclusive growth, digital empowerment, and financial accessibility aligns perfectly with our vision of creating next-generation firther bottloins that bridge gaps, simplify processes, and unlock new growth opportunities for businesses and individuals alike. The year ahead promises to be a transformative one for India's fintech landscape. We must seize this momentum, foster collaboration, and continue to innovate relentlessly.

The writer is co-founder. Accelerate the adoption of

m, and common lentlessly. (The writer is co-founder nd CEOCompany: i-exceed technology solutions; views are personal)

# 2 THE EDITORIAL PAGE

WORDLY WISE

THERE MAY BE LIBERTY AND JUSTICE FOR ALL, BUT THERE ARE TAX BREAKS ONLY FOR SOME.

- MARTIN A SULLIVAN

### The Indian **EXPRESS**

S FOUNDED BY S RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

### THE FIRST SALVO

Trump's tariffs on Canada, Mexico and China will have global implications. India must play its cards carefully

FTER WEEKS OF uncertainty, US President Donald Trump has fired the first aslivo, igniting possibly a global trade war that will have implications for trade, growth and inflation. On Saturday, Trump signed executive orders imposing steep tariffs on three of the USs largest stading partners. Effective seday, the US will levy 25 per cent additional tariffs on imports from Canada and Mexico and 10 per cent additional tariffs on China — three countries that account for around 40 per cent of US imports. The extraordinary decision, which involves a close US ally, is ostensi-bly meant to hold these countries "accountable to their promises of halting illegal immi-gration and stopping poisonous fentanyl and other drugs" from flowing into the US.

The affected countries have been quick to announce retaliatory measures. As per re-ports, Canadian Prime Minister Justin Trudeau has announced the levy of a 25 per cent traiff on \$107 billion worth of US products in a staggered manner. Mexican president Claudia Sheinbaum is reported to have directed the economy minister to implement tar-iff and non-tariff measures to defend the country's interests. China has been more circum-spect in its response — its commerce ministry is reported to have said that it will file a case spect in its response—its commerce ministry is reported to have said that it will the acase against the USA the WTO. Trump views tariffs as a negotiating instrument, a tool to boost manufacturing in the US, protect jobs and tackle the trade deficit. However, the Tax Foundation, a Washington-based think tank, has estimated that this measure would amount to an average tax of more than \$830 per US bousehold in 2025, and would reduce long-run economic output by 0.4 per cent (before any foreign retaliation). Across the iong-run economic output of U.4 per cent (before any foreign retailation). Across me board tariffs on Canada and Mexico would imply 0.4 Op er cent increase in core inflation and a 0.4 per cent hit to GDP as per economists at Goldman Sachs. This will also have im-plications for US monetary policy. A few days ago, Federal Reserve chairman Jerome Powell, in response to questions over the new administration's policies, had said that "the committee is very much in the mode of waiting to see what policies are enacted". Higher inflation will increase the odds of the Fed not being able to cut rates any time soon, keeping policy tight. This will only sharpen the conflict between Trump and the Fed — the US President has in recent weeks been quite critical of the Fed and extremely vocal on his views on the direction that monetary policy should take.

Trump's first salvo adds to the uncertainty in global markets, India, however, finds no mention in the list. Prime Minister Narendra Modis expected to visit the US this month. The government should leverage the bipartisan consensus in Washington for strong India-US itse to its advantage. In an increasingly uncertain global environment, India should Jist cards carefully, and seize the opportunities that may arise in this period of uncertainty.

### ECONOMY OF VERSE

Finance Minister Nirmala Sitharaman's poetic allusions in budget speech drew upon an old parliamentary tradition

STHE WORKING of the economy the domain only of pragmatists, or economic I FILE WORKING. Of the economy the domain only of pragmants or, o economists trained in market analysis and policy mechanics? In The Poets' Guide to Economics (2022), John Ramsden drew upon literary examples to show how the prosaic world of economic discourse could be softened by the expansive imagination of poets, liberating it from the commonly held belief that it was the preserve of specialists and not the man on the street whose life was impacted by these decisions. Sometimes, what came off the engagement could only be called poetic licence — the Romantic poet What cannot not be engagement continuity be claricely because the continuity of the Shelley, for instance, advocated for "natural kindness" to make up for economic in justices big and small. But it could also throw up larger ideas — Hilaire Belloc, poet and his torian, proposed a workers' union of sorts to negotiate fair compensation and better work ing conditions, among other things. In invoking the words of Telugu poet and playwright Gurajada Apparao and

Thiruxalluvar's Tamil classic Thirukkurd in her 2025 Budget presentation, Finance Minister Nirmalla Sitharaman seemed to be drawing upon a poetic imagination that tied her speech to a broader cultural narrative. Apparao's "Desamante matti koadoi, desamante manushuto a trouser current nariative. Apparato's 'Insumment man is naon, desamment manushin iof (A country is not just its soil, a country is its people)" and Verse 542 of Thirukdaud — "Vaanokki vaalum ulakellaam mannavan koalnokki vaalung kuti (Just as living beings live expecting rains, citizens live expecting good governance)" both place the citizen at the heart of the story. The views on the budget she presented may vary, but the FM's selec-tion seemed to be an attempt to invoke larger themes of economic and social justice that have demined to altistic theketing in committee in committee of the conomic and social justice that have dominated political debates in recent times.

nave commanded pointed are described in the commanded of ninder, perhaps, that the economy is, at its core, about people. Sitharaman herself has cited Chanakya Niti and Urdu poet Manzoor Hashmi, Kashmiri poet Pandit Dina Nath Kaul and Chanakya Niti and Urdu poet Manzoor Hashmi, Kashmin poet Pandit Dina Nath Kauland excepts from the Shanti Para in the Mahabbarata earlier; her mentor and predecessor, the late Arun Jaitley was known for his fondness for shayeri. Perhaps, the most iconic of references in recent history remains that of Manmohan Singhi ni his groundbreaking 1991 Budget presentation, where he echoed Victor Hugo: "No power on earth can stop an idea whose time has come". For Singh, the idea was India's economic liberalisation, that would change the course of the country forever. It transcended the mechanics of policy presen-tation and spoke directly to the heart of the nation.

#### FREEZE FRAME

EP UNNY



# Stopping short of the farm



Budget makes progress in addressing agricultural challenges. But approach remains incremental

BY ASHOK GULATI AND RAYA DAS

THE BIG QUESTION from the agriculture seg-ment of the Union Budget for FY26 is whether THE BIG QUESTION from the agriculture segment of the Union Budger for PV26 is whether it can bring in climate resilience, and augment the productivity and incomes of farmer and farm labourers. There are several initiatives announced for agriculture that are likely to help the farming community. The special focusion 100 districts to augment agri-productivity, promote sustainable farming practices and crop diversification, extending credit access through Kisan Credit Cards from Re 3 lalch to RS 5 lalch starting a Pulses Mission to attain atmaniar/bratrain tur, moorg and urnd, etc, are all steps in the right direction. So is the setting up of a Malchana Board in Bihar. How far they will go in a chieving their objectives remains to be seen. Right now, one can talk of some budget numbers, which may indicate whether these schemes can deliver. The budger allocated for agriculture and farmers' welfare, as well as for allied sectors, put together is Rs 1.49 trillion. This marks roughly a lept cent increase over the previous

oughly a 4 per cent increase over the previous year's budget. If inflation hovers between 4 to 5 per cent in FY26, the real value of this figure Sper cent in FV26, the real value of this figure may be a bit less compared to last year. The biggest scheme under the Ministry of Agriculture is PM-Kisan, the allocation for which has been at Rs 60,000 crore since 2019. In real terms, it has been declining. The opportunity to dovertail this income transfer with the direct transfer of the fertiliser subsidy, which is bigger than the budget of the Ministry of Agriculture, has been missed.

So the mad question is whether the allow

which is begger than the budget of the Ministry of Agriculture, has been missed.

So, the real question is whether the allocation is sufficient to tackle some of the structural problems of agriculture. While agriculture's share in overall GDP has been declining over the decades, reaching approximately 177 per cent in recent years, its share in the workforce, after a secular decline, reversed, and it increased from 425 per cent 1028-910 461, per cent in FY24. This has depressed the real wages in the farming sector, where 55 per cent of employment is of farm labourers, who are at the bottom of the economic pyramid. This reverse trend underscores the inability of non-agricultural sectors in urban India to absorb this surplus labour. The Economic Survey has

Agriculture's challenges are deeply intertwined with global price dynamics. India continues to face shortages in pulses, oilseeds, and key raw materials for agri-processing industries like cotton and maize, leading to rising import dependence. The budget does little to address these shortages structurally. Expanding the area under pulses in rice-fallow regions and incentivising privatesector participation in oilseed production could

help bridge this gap.

labour-intensive sectors with skill upgrada-tion so that their productivity, and thus, their

labour-intensive sectors with skill upgradations oth at their productivity, and thus, their
incomes, improve. The organised manufacturning sector so far has gone in for more capital-intensive choices rather than labour-intensive ones, Deregulating MSMEs is one way to
move forward as they create a bulk of employment in the country, after agriculture.
The budget's emphasis on releasing 109
high-yielding, climate-resilient varieties of 32
field and horticulture crops is welcome.
However, without adequate investment in
R&D and extension, productivity gains may
not translate into higher farmincomes. There
is only a marginal increase in expenditure on
R&D in the PY26 budget over the revised estimate of PY25. This is way below the one per
cent mark of agri-CDP, considered essential
to ensure sustainable agriculture growth in
the face of climate change, India is hovering
at less than 0.5 per cent.
Marketing of high-value crops remains a
challenge, given the fragmented value chain
that results in farmers receiving only around
30 per cent share in the consumer's spending
on fruits, and queentables. The Mission for
fruits and queentables. The Mission for

that results in farmers receiving only around 30 percent share in the consumer's spending on fruits and vegetables. The Mission for Vegetables and Pruits, with a RS 500 crore allocation this year, aims to enhance production, strengthen supply chains, and boost processing to ensure farmers receive remunerative prices. This has potential if effectively implemented. But the allocation is a paltry sum while the requirement is huge. What is needed is focused attention on fruits and weartables as wess erione to mill! under What is needed is focused attention on fruits and vegetables, as was given to milk under Operation Plood. The current programmes and allocations lack that vision, and hence, the problems will linger. Strengthening e-NAM and integrating it with the ONDC platform could improve price discovery, reduce middlemen inefficiencies, and give farmers better market access. However, logistical bottlenceks and imadequate processing facilities continue to limit this potential. Agriculture's challenges are deeply intertwined with global price dynamics. India continues to face bortages in pulses, oilseeds, and

tinues to face shortages in pulses, oilseeds, and key raw materials for agri-processing indus-tries like cotton and maize, leading to rising import dependence. The budget does little to

address these shortages structurally Expanding the area under puls

address these shortages structurally. Expanding the area under pulses in rice-fal-low regions and incentivising private-sector participation in oilseed production could help bridge this gap. But the structural challenge remains: Farming in India is still heavily de-pendent on rice and wheat, largely due to MSP-centite procurement policies that crowd out high-value crops like pulses, oilseeds and horticulture. The shift to a crop-neutral incentive structure is imperative to drive sustainable diversification. Post-havest losses remain a significant is-sue. Around 8.1 per cent of fruits and 73 per cent of vegetables are lost in the post-havest value chain, amounting to 37 per cent of total post-havvest losses of Rs. 153 rillion annually. Higher investments in cold chains, process-ing facilities, and logistics are needed to re-duce such losses. Despite efforts to expand warehousing and cold storage infrastructure under various schemes, a significant portion of perishable produce is wasted due to inad-equate processing capacity. The government equate processing capacity. The government has taken steps to encourage private invest-

equate processing capacity. The government has taken steps to encourage private investment in storage and marketing infrastructure, but more needs to be done. The allocation under the Agriculture Infrastructure Fund has increased from 8s 600 crore in PY26 to Rs 900 crore in PY26, which can improve the post-harvest value chain in India.

While the Union Budget 2025-26 makes some progress in addressing agricultural challenges, the overall approach remains incremental rather than transformational. A paradigm shift is needed — one that moves away from subsidy-heavy interventions towards investment-driven growth, greater private sector participation, and technology-led efficiency improvements. The path to making Indian agriculture more resilient and globally competitive requires bold reforms in subsidy rationalisation, infrastructure development, and market linkages. Only then can India achieve the goal of Vilschit Bharat and position itself as an agricultural power-house by 2047. house by 2047.

# MY WORKPLACE, YOUR HOME

A separate law for domestic workers could help reduce their vulnerabilities

THE SUPREME COURT'S directive to the Union

THE SUPREME COURT'S directive to the Union government on January 29 to examine the possibility of a separate law for domestic workers is welcome. The bench ordered the Centre to form an inter-ministerial commentite to "consider the desirability of recommending alegal framework for the benefit, protection and regulation of the rights of domestic workers."

The Court took note of the vulnerishility of domestic workers because of the lack of regulations. The bench workers from labour laws such as the Minimum Wages Act and the Equal Remuneration Act While acknowledging that some states do have regulations, the Court noted the need for a national law binding on all state governments.

Domestic work is a feminised occupation, with migrants from marginalised communities constituting a significant proportion. Wage rates and other non-wage benefits vary, depending on the tasks and the nature of employment. Wages for a given task vary, even within the same locality, Low wages, unfair working conditions, the obligation to perform additional tasks, and increased workloads without extra compensation are key characteristics, job insecurity and the complete abereistics, job insecurity and the complete abereistics. additional tasks, and increased workloads without extra compersation are levy characteristics. Job insecurity and the complete absence of social security measures force workers to accept vulnerable working conditions. The deep-rooted social understanding that domestic work is a slid that all women should possess underfliers the invisibility and undervaluation of workers. Harassment and humil-

The Code on Wages (2019), unlike the Minimum Wages Act, by definition covers the sector. The different systems of employment of workers part-time/full-time, live in/live out — have contributed to the complexity of the sector. The asymmetric relationship between employer and employee, where the workplace is the former's private space and the latter's workplace is an issue that makes the sector qualitatively different. Further, the work undertaken — mundane cleaning tasks and cooking or care work — are all socially devalued.

iation by employers are part of their lives. The mistreatment of domestic workers rarely gets reported in the media. Such incidents receive occasional public attention, followed by prom-ises to regulate the occupation. India is yet to

ocasional public attention, followed by promises to regulate the occupation. India is yet to raitify the ILO Convention 189 on domestic workers. At times, the judiciary has directed the documentation and registration of placement agencies. Though these judicial intercentions were followed by executive agencies at times, they didn't make much difference.

It is often asked why this segment of the workforce needs separate legislation when the new labour codes are inclusive. The Code on Wagss (2015), unlike the Minimum Wages Act, by definition covers the sector. The different systems of employment of workers—part-time full—time, live injive out—have contributed to the complexity. The asymmetric relationship between employer and employee, where the workplace is the former's private space and the latter's workplace is an issue that makes the sector qualitatively different. Further, the work—are all socially devalued. The definition of what constitutes domestic work needs to be worked out inclusively. One of the prerequisites for enforcement of any labour regulation is proof of employment. Accounts from many states in the context of the enforcement of the Minimum Wages Act show that producing such a proof is a challenge for workers. Domestic workers unions' demand to include provisions that mandate

employers to register workers stems from these concerns. Resistance by employers needs to be taken into account. Most employ-

these concerns. Resistance by employers needs to be taken into account. Most employers do not view themselves as "employers" or their homes as "workplaces".

Legislation ensuring minimum core entitements with redressal mechanisms mot only shakes the power hierarchies but also recognises the value of housework and care work. The apex court's directive is an opportunity for all who are campaigning for a national law to regulate domestic work. Though domestic work shows similar structural characteristics and features across the world, it is important to take note of regional and local specifics while formulating laws. The attempts by Kerala and Delhi could be looked at. The concerns of the domestic workers' unions must be taken into account while framing any law. Alaw to regulate the sector may not result in the immediate improvement of working conditions. Issues of implementation and enforcement will remain a challenge. Whatever the challenges, legislation on domestic work would surely help in redefining the power relations in the long run and will give some voice to the workers and their unions. The ralissation of these bapes depends on the report of the committee and the Union government's follow-up on the recommendations.

The writer is professor at Centre for Women's Development Studies, New Delhi

# INDIAN EXPRESS

#### February 3, 1985, Forty Years Ago

#### SARC MEET

FOREIGN SECRETARIES OF seven South A governments are meeting in Maldives to hold discussions concerning the South Asian sum-mit likely to take place in Dhaka. The occasion for the deliberation is being provided by a meeting of the standing committee of South Asian Regional Cooperation (SARC). Members of the standing committee are the foreign sec-retaries of India, Bangladesh, Pakistan, Nepal, Bhutan, Sri Lanka and Maldives.

ACID PLANTS CLOSURE THE MAHARASHTRA COVERNMENT has directed the Rashtriya Chemicals and Fertilisers (RCF) to close down two old nitric acid plants at the Chembur complex till the emission lev-els are analysed and brought within accept-able limits. These two plants would not be opened till the safety measures recommended by the experts' committee are dis cussed with RCF officials and implemented.

#### CEC BRIEFS OFFICIALS

THE CHIEF ELECTION Commissioner, R K Trivedi, asked the states holding assembly elections next month to redefine the "sensi-tive areas" to include those constituencies where repoll had been ordered during the

recent Lok Sabha elections. Trivedi said that these sensitive areas would also include the regions where it was found during counting that 90 per cent of the votes had been recorded.

### AKALIS DIVIDED

THE SECOND RUNG of the Akali leadership is in a dilemma over the posture they should adopt regarding any settlement with the government on their demands. Some Akali sections known to be moderates have urged the Akali leadership and the slidh priests not to say or do anything that may further alien-ate the Slikh sfrom the national mainstream.



### THE ASIAN AGE

3 FEBRUARY 2025

## Critical welfare areas neglected in Budget

A Listanea in unceaterance occuments revea a depressing picture of the government neglecting critical areas which are important for the welfare of lower classes.

One of the macroeconomic indicators that kept policy makers worried in One of the macroeconomic indicators that kept policy makers worried in the macroeconomic indicators that kept policy makers worried in the macroeconomic indicators that kept policy makers worried in the macroeconomic indicators that have been defined as a consistent of the monthly income on food. A person in the rural areas spends an average of total consistent with the properties stability. Nevertheless, finance minister Nirmala Sitharaman has reduced the allocation to food subsidy by 0.89 per cent to \$2,03.20 crore in 2025-26 compared to \$2,05.20 crore in 2024-25.

Similarly, the government has increased its allocation for rural development by a negligible 0.38 per cent or \$1,009 crore at \$2,66,817 crore in 2025-26 compared to \$2,05.20 crore in 2024-25.

The poor spend 70% of their monthly income on food. A person in urban areas spends an average 40% of his income on food, while a person in the rural areas spends 48%.

Education will get just \$3,012 crore extra in 2025-26 compared on the properties of the most important factors to ensure the bright future for the didnary crown of the compared of the start properties of the compared on the properties of the compared of of the compa

spends 48%. China s crausinge.

The allocation for social welfare was increased by 6.28 per cent (₹80,052 crore vs. ₹55,501 crore), and health by 10.11 per cent (₹80,052 crore vs. ₹55,501 crore), which harely more or less compensates for the impact of inflation.

The North East region, which figures on the top for the BJP leadership, too was neglected with an allocation of ₹5,915 crore for its development in fiscal 2025-25 compared to ₹5,900 crore in fiscal 2025-25, which is just an increase of 0.25 per cent.

Agriculture and allied activities, which were stated to be one of the top priorities for the Narendra Modi government, received a 12.9 per cent increase in budgetary allocation, though the finance minister has announced several schemes for farmers.

The biggest jump in allocation was seen for scientific departments at 70.08 per cent at ₹55,679 crore compared to ₹22,706 crore. The focus on increasing government support for research is a plausible decision, especially in the wake of the world embracing new technology. Urban development received a 17.2 per cent jump in allocation at ₹96,777 crore compared to ₹25,777 crore compared to ₹25,777 crore compared to ₹25,777 crore for the focus on the focus of \$1.577 crore for the focus on the focus of \$1.577 crore for focus of \$1.577 crore for focus of \$1.577 crore focus of \$1.577 crore for focus of \$1.577 crore focus of \$1.577 cror

### Med seats: SC to upset balance

India has all the diversities a country can imagine and the founders of this nation were eminently mindful of this reality. Instead of ignoring or forciby filling those possible fault lines, they created ways and means within the democratic framework for an organic process to develop and forge a fraternity that shall help Indians negotiate the differences and with the state of the constitution is an attempt to artificially address the question of a country of the constitution is an attempt to artificially address the question of a country of the constitution is an attempt to artificially address the question of a country of the constitution is an attempt to artificially address the question of a country of the constitution is an attempt to artificially address the question of a country of the constitution is an attempt to artificially address the question of inequality that exists in India.

At present, 50 per cent of the seats in post-graduate medical courses are reserved for the candidates selected based on an all-india merit list. The court would interpret the Article to conclude that reservation in higher levels on the basis of residence would be violative of it and the basis of merit as established by the National Eligibility cum Entrance Test (NEET) on an all-india basis and there shall be no state quota.

Education is a subject that originally found its place in the state list of the constitution on the argument that each state should have the right and authority to decide its priorities based on its demands. Some states have forged ahead in healthcare thanks to the vision on which they have acted for the future and the investment they have made to ensure that they have trained manpower to take care of their people. The balancing has to be done to determine which takes precedence, a state's right to health or an individual's right to higher education. It's a complex issue and needs wider application of mind. The court's order has the potential to upset the section.

#### THE ASIAN AGE

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the BJP's Uttar Pradesh unit over chief minister Yogi Adityanath's unrelenting campaign at self-promotion, particu-larly how he was using the ongoing Maha Kumbh Mela to build a per-sonality cult. His critics would like to believe the stampede at the mela site, in which 30 devotees were killed, will dim the UP chief minis-ter's aura but his camp followers are sure this unfortunate episode will

The BJP has always ridiculed the Congress for encouraging sycophancy in its ranks as its sycophancy in its ranks as its workers always deify members of the Nehru-Gandhi family. Chanal and slogans praising them have been a routine affair, given that Congress survives on dispensing patronage. Most of the regional parties, especially the AIADMK under the late J. Jayalalithaa, were not frevent. If Congress leaders invariable begin their statements owing allegiance to the party's "First Family". AIADMK leaders did its same, even gioling as far as to carry Jayalalithan's photo on their persons of coing by finance minister Nirmala. same, even going as far as to caury
Jayalalithas a photo on their person.
Going by finance minister Nirmala
Sitharaman's Budget speech on
Saturday, the BJP has become a
card-carrying member of this club.
The FM did not forget to give due
reedit to Prime Minister Narendra
Modi's leadership and guidance for
every new reform, project, scheme
or tax concession announced by her.
Similarly, BJP MP's took a clue from
Mr Modi when it came to thumping
heir desks during the speech while
chants of "Modi, Modi" rang out
when the new incometax rates for
the middle class were announced. am Admi Party convener Arvind Kejrival has nequired a reputation for upsetting the best-laid plans of his political rivals with his surprise statements. But, even by his own standards, Mr Kejrival outdid himself with his outrageous charge that the BJP's Haryana government was "poisoning" the Yamuna water it was supplying to Delhi to tarnish the Delhi government's image in the run-up to the Mr Kejrival say there's a method in his madness and that he had his reasons for making such a statement. It is learned that the AAP's internal surveys showed that water searcity, the is learned that the AAP's internal sur-veys showed that water scarcity, the poor quality of water, corruption at the Delhi Jal Board and people's dependence on the "tanker mafia" were among the key issues that were working against the AAP govern-ment. Mr Keyirwal successfully diverted attention from these while leading to a flurry of activity in the BJP, which was forced to field its top brass to int beack at him.

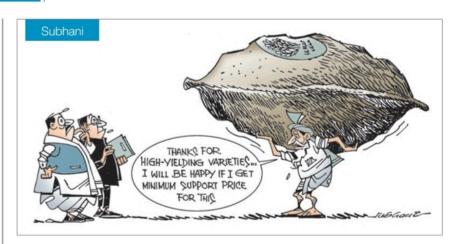
ter is having to factor in the possibility of being targeted by its political rival even while deciding minor matters. As the party prepares to shift to its new headquarters on Delhi's Kotta Road, the BJP angle came up during the discussion on the food which would be served at the canteen. There was a view that only vegetarian food should be served or else the BJP would run a campaign against it. Others felt the Congress should not allow the BJP to decide its meal preferences. After much debate, the end of the control of the control of the barry of the control of the co

Mahatma Gandhi and not because it feared a BJP backlash.

feared a BJP backlash.

Tis no secret that Rahul Gandhi was initially reluctant to campaign in the Delhi Assembly elections in an effort to keep the INDIA blot together. This had frustrated the Delhi Congress unit, which wanted the party to put up a good fight even if it meant attacking the Aam Aadmi Party. Congress state leaders argued that the AAP was the bigger threat as its social base had been hijacked by the Kejriwal-tel garty and hijacked by the Kejriwal-tel garty and AAP losing its credibility. A poor showing by the AAP in Delhi would also mean it would find it difficult to pose a serious challenge to the Congress in other states. It was only after the AAP released an election poster listing Rahul Gandhi anong corrup politicians that the Delhi Congress succeed din convincing him to campaign and take on Mr Kejriwal. Consequently, Rahul Gandhi addressed a series of meetings in the last few days of mengangin and take on the Last few days of the campaign. But it could be a priverbial case of too little, bo shall be a priverbial case of too little, bo shall be a priverbial case of too little, bo shall be a priverbial case of too little, bo shall be a priverbial case of too little, bo shall be a priverbial case of too little, bo shall be a priverbial case of too little, bo shall be a priverbial case of the little be a little be a priverbial case of the little be a li

Anita Katyal is a Delhi-based



# Does Budget 2025 miss the woods for the trees?



Sanjaya Baru

Sanjayovacha

a curious fact that many prominent and longstanding support-ers of Prime Minister Narendra Modi's gre-ent, in busing Narrothma Suppose
Warendrims Suppose
Warendrim Molfis goverrmment, in business, academia and the media, were
seeking a "1991" kind of
Budget in 2025. There was
talk of the need for "big
bang" reforms, even though
Prime Minister Modi had
often pooh-pood such talk
and was quoted as saying
that
the suppose of the suppose of the suppose
to the suppo

padget species over the past decade have been shout programmes and projects, and not about policies, and not about policies, and not about policies. It was not programmes and project project

consumation in a subthuse market.

Recall that over the past few weeks, several companies have been reporting a decline in consumption of consumer durables and non-durables. Given this context, some tax relief was expected and it could well boost consumption. However, the more serious and enduring medium-term problem facing the economy has been the stagnation in investment and employment. The and employment. The context of the serious size of the stagnation in investment and employment. The six of the stagnation in investment and employment. The six of the serious six of the stagnation in investment of the stagnation in investment of the stagnation in the serious six of the stagnation in the stagnation in the stagnation of the stagnation in the stagnation of the stagnation in the stagnation in

appoint a committee that will examine the question and submit a report after one year! Standard government practice.

practice.

In fact, the reason why expectations of a "big bang" Budget were raised on the eve of Ms Sitharaman's

eve of Ms Sitharaman's speech in Parliament was the tone and substance of the Economic Survey. The Survey identified ver correctly the Called Survey. The Survey identified ver correctly the Called Survey. The Survey identified ver correctly the Called Survey. The Survey identified ver commendation of the Survey suggested that the most effective way in which the Union and state governments can do this would be 'to give entrepreneurs and household's back their time and mental bank regulations from 'guilty until proven innocent' to 'innocent union prevention of regulations from 'guilty until proven innocent' to 'innocent union prevention of the Survey of

altering the state of expectations. India moved from
being an economy with an
average rate of growth of 3.5
per cent (1959-1990) to record
5.5 per cent (1959-1990) to record
5.5 per cent over the next
decade and 7.5 per cent over
the subsequent decade.
That is what is now needed, said the Economic
Survey, when it stated that
is 6.5 per cent rate of growth
if the country aspires to be a
developed economy. Visicii
Bharat, by 2017 and that policys should aim for 80 per cent
growth over the next two
decades.
The success of Ms
Sitharaman's record in
office will depend on and be
judged by whether or not her
budgetary and macro-eco-

The more serious and enduring medium-term problem facing the economy has been the stagnation in investment and employment. The Budget speech had little to say on either.

year after year bear the promised fruit.

That the Union government chose to focus on sectoral tactics rather than on macro strategy in the Budget speech this year is beffling, though not surprising.

Having won the state Assembly elections in Maharashtra, that stabilised the Narendra Modi government, few expected a speech that would promise a students' hostel and an airport for Bihar. A decade after launching the "Make in India" programme and falling to boost the share of manufacturing in employment, the finance minister has now promised to launch a National Manufacturing Mission. Yet another Yes Minister tactic.

What is truly troubling purposes and intents."
It was such thinking that
encouraged Prime Minister
P.V. Narasimha Rao to
accept wholeheartedly the
advice given by the econmist I.G. Patel to stage a
"bonfire of controls". What
the chief economic adviser,
V. Annath-Alageswaran, was
now advocating was a "bonfree of regulations". At least
a drastic whittling down. To
refee this matter to a committee for relaxed consideration over a year reminds you

Mission. Yet another Yes Minister teatic. Troubling about Ms Sitharaman's Budget speech is that the Modi government seems to be missing the woods for the trees. This was an opportunity to outline the government's long-term strategy over the next five years for placing the economy firmly on a path to Viksit Eharart. A dramatic easing of business procedures, overnight reduction of the number of regulators as firm must deal reduction of the number of regulators as firm must deal the control of the second refer this matter to a committee for released consideration over a year reminds you of that one episode of BBG's. Yes Minister, in which the civil servant advises the politician that the best way to address a problem is to appoint a committee to examine it.

A "big bang" budget is not, and twesting policy instance the politician that twesting policy instance that the politician that the state of expectations." In 1991, when then finance minister Mammohan Singh told Parliament that the time had come for india to energies as an "economic powerhouse", and the P.V. Narasimha Rao government decontrolled and liberalised economic activity, they were altering the state of expectations. India moved from being an economy with an The fact is that Indian business has been sullen over the past few years. Few talk about it and the media largely remains circumspect, but private enterprise remains unenthusiastic about investing. There has been a flight of capital and young Indians going overseas is rising. Ironically, the Budget has removed the tax collected at source on foreign exchange loans used for securing education overseas! There is little in this budgetary policy that will encourage emigrating Indians to stay home, much less alter the state of expectations of those who remain home.

## WILL AAP LOSE POLLS?

LETTERS

brought good education, healthcare and basic amenities to the com-mon man, it is indeed on the defensive in Delhi. In the present times, the means of getting votes in elections notwithstand-ing, political parties aim to win at all costs. So, to win at all costs. So, the party that has money and muscle power, and the media and government agencies on its side, will certainly have an upper hand. The AAP certainly appears weaker than the BJP on this count. The upper middle class in Delhi is also restless. Who knows by what margin it will win this time?

Chakdaha, West Bengal

#### **EDUCATION HOPE**

UNDOUBTEDLY, THE general public has a negative image about government schools. As soon as the econ inc nas a negative image about government schools. As soon as the economy improves slightly, people are eager to send their children to pricey private schools. However, the findings of the Annual Status of Education Report (ASER 2024) offer new optimism. Conducted on pupils from rural areas, it demonstrates that the reading abilities and mathematical skills of youngsters aged 6 to Linden studying in Class 3 in government schools improved following the Covid-19 pandemic. Children studying in Class 3 in government schools improved their basic reading ability to the highest level in two decades.

Amrapali Roy

#### **GOLDEN HANDSHAKE**

ABOUT TWO million permanent US government employees, excluding the military, immigration and postal personnel, will soon be jobless with eight months' pay and a February 6 deadline to submit their resignations, or else they will be fired as per the mass layoff policy initiated by President Donald Trump, Nearly 10 per cent have agreed to the deal. Terming his action generous, President Trump has displayed his boldness by taking this decision despite knowing that federal employees enjoy legal protection, and this act may result in a flood of lawsuits as he can only make requests while the final decision resits with the US Congress.

R.S. Narula



UP BJP unease over Yogi's Kumbh role... Will Kejriwal ploy on Yamuna water work?

killed, will dim the UP chief minister's aura but his camp followers are sure this unfortunate episode will soon become a distant memory. In fact, Yogi Adityanath's supporters were hoping that last week's meeting of the Dharma Sansad (the Parliament of Hindu saints and seers) would endorse the chief minister as the BJF future prime ministerial candidate. They cited the example of the Dharma Sansasa Mela which urged the BJP to declare Narendra Modi as its prime ministerial face in the 2014 Lok Sabba polls. But there was no word on Yogi this time. Could this have something to do with Union home minister Amit Shah's visit to the mela on the eve of the Dharma Sansad meeting? Or was this only a coincidence.

With the Bharatiya Janata Party picking on any issue to corner the Congress, the lat-

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### **FIRST COLUMN**

#### THE SCIENCE **OF MUDRAS**

Rooted in the five elements, the five pranas and the three doshas, mudras have therapeutic properties



ord Krishna in the Bhagavad Gita says, "There is nothing as sacred ord Krishna in the Bhagavad Gita says, "There is nothing as sacred as knowledge." Knowledge can be acquired by the human mind Lithrough the 5 Ds-dedication, determination, dynamism, devotion and discipline and one H-Humility. The science of mudras, is intrinsically related to the esoteric knowledge of yoga and which can be further segregated into the five elements, the five life forces (or subtle forces of energy called the pranas) and the three doshas. The five elements amamely — Akash (ether or space), Vayu (air), Agni (fire), Jal (water) and Prithvi (earth); the five life forces or pranas are Prana, Udana, Samana, Apana and Vyana and the three doshas are Vata, Kapha and Prita. Humans unconsciously practice mudras. For instance, the Namaste Mudra or a Against and vyalis after use there constants are valls, Again and Pittal. Antibution unconsciously practice mudras. For instance, the Namaste Mudra or a young child begins learning to walk with his thumbs raised which is called the Meru Dand Mudra. An infant even in a deep slumber, his index finger would involuntarily touch the thumb and the other three fingers are on the base of the palm (Chinmaya Mudra). The universe in its auto-mode conjures these processes to take place and we are oblivious to the occur-

rence. Some other mudras which need to be practised are:

(a) Jnana mudra: This is performed to increase brain power, improve memory and for the removal of negative thoughts. Thereby one attains ace and bliss.

(b) Prithvi mudra: This helps in balancing the five sense organs, improves

blood circulation and enhances our energy levels. Practice of this mudra assists in increasing our alertness. (c) Apana mudra: This facilitates an improved elimination process, revi-tatising the digestive system, improving the gums and strengthening immu-

(d) Prana mudra: This mudra addresses the problem of fatigue; it also



provides essential vitamins to the body besides increasing stamina and vigour to the human body. It also helps in maintenance of the health of

our eyes.

(e) Ohyana mudra: Essentially, this mudra helps in making us mindful and wakeful and we are at peace with ourselves. Over a period, we attain peace of mind.

peace or final.

(f) Shunya Vayu mudra: Practice of this mudra helps in combating prob-lems of flatulence and gastric aliments. The gut houses our solar plexus, which is also referred to as the second brain. We need to take adequate care of our abdomen as most human aliments arise from this part of the body. Therefore, there is enormous merit in the adage, "Health is in

your hands". Sudarshan Kriya: The unique breathing technique of Sudarshan Kriya is the fulcrum of the Happiness Programme of the Art of Living. Su means proper, Darshan implies vision and Kriya is a purifying action. Through the actions of our breath, we appreciate a proper vision of who we are it is momentous to understand that nature runs on a rhythm. For instance, the sun rises and sets at a particular time, similarly, seasons arrive and exit at predetermined times. Humans feel hungry or sleepy at certain times. Our emotions, feelings and thoughts are all cast in the symphony or thythm. We are unable to distinguish between cacophony and symphony in this frenetic pace of life which is cannonaded by innumerable thoughts, continuous action and noise. When sounds are harmonised by the syllable of Soham, we can term it as mapical music Enlightenment is not accruing anything providential but harmonising our whole being rhythmically. During the breathing process participants feel varied sensations, emotions, inlaining sensations, laughter, weeping among others. This wonderful knowledge and wisdom have triggered human-

s to blossom when every cell is energised. (The writer is the CEO of Chhattisgarh East Railway Ltd. and Chhattisgarh East West Railway Ltd. He is a faculty of the Art of Living; views are personal)

# Cornered in the wild: Trapped tigers spark conservation debate

As human encroachment, tourism and habitat fragmentation continue to blur the boundaries between nature and civilisation write BKP Sinha and Arvind Kumar Iha

As human encroachment, tourism a boundaries between nature and civiliary of the cubs blocked by a throng of safari vehicles in Maharashtra's Wildlife Sanctuary has recently stirred significant concern and legal action. The Bombay High Court has taken suo-motu cognizance of the incident. Soon after, the Supreme Court sought a uniform national policy for managing the country's tiger reserves. The harrowing sight of the tiger family, seemingly gripped by fear while navigating the available space, serves as a poignant metaphor for the troubling dynamics between humans and wildlife, whether inside a tiger reserve or not. Mankind's relentless drive to dominate and exploit nature has led to a disturbingly eroded sense of ecological sanity. Tigers, magnificent predators endowed with a formidable set of adaptations, have long been revered for their provess. Their sharp teeth and claws, exceptional vision and hearing, flexible spines and explosive bursts of speed enable them to efficiently stalk and capture prevaiting the exploration of the provides of the state of the company of the provides of the state of the company of the state of the state

The absence of a final deadline for claim submission, ease of securing recommendations from Grans Sabhas that many times are not held, the prevalent use of the FRA as a political tool, and the quality of scrutiny at the authorities levels have created an environment encouraging encroachers confident of regularisation. In Gujarat, 434 canes have been disposed of, and Maharashtra accepted 4,322 new individual forest rights claims in November while distributing 498 titles. Triggered by legislation, such a trend of ingress into wildlife habitats is unprecedented. There has been a significant surge in recognition of community forest resource rights (CFRR) after the FRA Rules were amended in 2012. Management rights of forests have been granted to communities ob violating the eligibility conditions stipulated in sections 3(1)(1) and 4(3) of the FRA. Not sparing even tiger reserves and National Parks and Sanctuaries, such rights are granted, for example, in huge areas in Chhattisgarh in Dhamtari (5,544 ha), Achankmar and Sitanadi Udanti tiger reserves (12,527 ha), 60 per cent of Billigiri Wildlife Sanctuary in Karnataka, and the ers. The absence of a final deadline for claim sub



DEATHS WHICH

habitats. As regards human casualties resulting from tiger attacks, they
were recorded at 110 in 2022 and 82
in 2023. Data from the National
Tiger Conservation Authority
(NTCA), however, sheds light on
roubling trends in tiger mortality.
In 2021 and 2022, tiger deaths
within reserves exceeded those outside. However, this pattern reversed
in 2023 and 2024, with more tiger
fatalities occurring outside protectdareax. As of fanuary 2025, 17 tiger
deaths have been reported, 12 of
which occurred outside reserves.
The conversion of spared areas
into shared spaces impacts the
behaviour of wildlife. Tigers are no
exception.
They naturally respect territorial
boundaries but get forced to venture
into human habitations due to
encroachment and habitat degradation. It does result in harm to
locals, mostly accidental and out of
hunger rather than retaliatory or
revengeful. People, however, in contrast to their enstwhile prevenlent spirit
of tolerance and co-existence,
mostly respond now through retaliation or out of vengeance resulting
in the escalation of human-wildlife
conflict.
In an unprecedented move, the
Odisha state government issued an
order in 2024 holding forest officials
accountable for tiger deaths which
has stirred conversations about the
responsibilities and challenges faced
by foresters in balancing conservition efforts with the rights and safety of people. The interaction
efforts with the rights and safety of people, teadusing the state are naturally activities in the asse of recreational activities. In the case of recreational activities in the case of recreational activities in the case of recreational activities in the case of recreational civities in the case of recreation-

tion, such as artificial lighting from streetlights, homes and recreation-al areas disrupts wildlife in numer-

streetignts, nomes and recreational areas disrupts wildlife in numerous ways.
It can interfere with their natural
movement patterns, making it difficult for animals to navigate their
habitats, find food, or avoid predators. Light pollution can also impact
predation, as predators might find
it easier to spot prey, or conversely,
prey might become disoriented and
more vulnerable. Additionally, artificial lighting can affect reproductive behaviours, as many species rely
on natural light cues for mating rituals and timing. The current
approach of providing electricity etc.
to interior forest habitations, seemingly beneficial for human populations, does pose a significant threat
to long-term wildlife conservation.
Along with this, large-scale proposals such as those recently announced
in Telangana and Nagarhole (Coorg
district) of Karnataka must consider their potential impact on humanwildlife conflict toe. er their potential impact on human wildlife conflict too.

district) of Karnataka must consider their potential impact on humanwildlife conflict too.
Mitigating adverse impacts on 
wildlife necessitates more than 
merely avoiding times when human 
activities overlap with wildlife activity 
etics. Even if human disturbances 
occur outside of wildlife activity 
periods, the large-scale nature of 
such disturbances can still have a 
profound effect on wildlife. These 
disturbances often displace animals from their natural habitac, 
causing significant behavioural 
changes that can threaten even 
their survival. Instances from the 
area near Pench National Park in 
Maharashtra highlight the negative 
consequences of the changed behaviour of tigers. In one such case, a 
tiger in Parshiwni village attacked 
only tethered cattle, easy prey. 
During the necropsy of this tiger, 
excessive fat was found due to 
changes in its behaviour and diet. 
In the Ramtek area tigers have 
exhibited a concerning loss of territorial instincts indicating a break 
down in their natural order and 
social structure. Another tiger from 
the Kanhan region displayed unussral 
behaviour by regularly avoiding 
consuming its kill. Such avoidance

suggests, prima facie, a high level of stress and disturbance. Such instances are alarming as they simply indicate that the natural predator-prey dynamics and status of the health of the tiger population are compromised. Minimising disturbance to wildlife is paramount inside tiger reserves. However, with the current onslaught by humans and the pace of blurring of ecosystem boundaries, a more nuanced approach is necessary which requires a deeper understanding of the spatial and temporal dynamics of wildlife movement, recognition of the varying levels of sensitivity among different species, and consideration of a broader ecological context that includes fragmented landscapes, human settlements, and the impacts of climate change. While the whole country is eagerly waiting for an early decision in the matter of Wildlife first and the impacts of climate change. While the whole country is eagerly waiting for an early decision in the matter of Wildlife first and the impacts of climate change. While the whole country is eagerly waiting for an early decision in the matter of Wildlife first and the impacts of climate change. While the whole country is eagerly only the country of the properties of the country of the country of the country is easily the country of the country is easily the country of the country of the country is easily the country of the country of the country is easily the country of the country of the country is easily the country of the countr

ing the local contexts and the unique challenges faced by each region.

Fevicting illegal encroachments on forest and wildlife habitats and relocating the genuine right-holders onto non-forest areas with adequate infrastructure should be the first step towards restoration of the cological integrity of our natural systems. The impacts of climate change and natural disasters are no longer theoretical threats but stark realities. Recognizing the broader public interest in wildlife conservation and ecosystem sustainability. He Ministry of Environment, Forests and Climate Change, the National Tiger Conservation Authority, and the Ministry of Tribal Affairs must collaborate closely to develop and implement effective conservation strategies that address these challenges. (The write are former PCCFs, UP and Maharashtra; views expressed are personal)

## Budget 2025 puts sustainability at the forefront, but execution holds the key

With substantial investments in renewable energy, climate-resilient agriculture and afforestation, the budget lays a strong foundation for a greener future

The Union Budget 2025 signals a decisive shift towards environmen-tal sustainability, reinforcing tal sustainability, reinforcing India's commitment to a cleaner, greener future. With a strong focus on renewable energy, sustainable agriculture, afforestation, waste management and climate resilience, the government has intended to balance economic growth with ecological responsibility. Expanding solar, wind, and hydro energy, along with incentives for green hydrogen, is a welcome step toward reducing India's carbon footprint. The emphasis on electric vehicles (EVs) and battery storage solutions will further bolster the transition to clean energy, reducing



dependence on fossil fuels. However, the chal lenge remains in efficient implementation and ensuring accessibility to these technologies, especially in rural and semi-urban areas. Agriculture, often at the crossroads of economic and environmental policies, has received a much-needed sus-

tainability boost. The PM Dhan-Dhaanya Krishi Yojana and Mission for Aatmanirbharta in Pulses are moving in the right direction, ensuring climate-resilient farming and reducing excessive reliance on chemical fertilisers. However, agroforestry, regenerative farming and watershed management meed further integration into mainstream agricultural policy to create a truly sustainable food system. The budge's allocation for afforestation and biodiversity conservation reflects an increased understanding of the role that forests and ecosystems play in mitigating climate change. With the Compensatory Afforestation Fund

Management Authority (CAMPA) receiving enhanced support, there is hope that India's forests will chinanced support, there is a hope that India's forests will be managed with greater transparency and scientific precision. However, urban greening and nature-based solutions in city planning deserve stronger commitments, given the growing challenges of urban heat islands and pollution. The circular economy model gets a notable push with incentives for waste-to-energy projects, stricter plastic waste management, and extended producer responsibility (EPR) regulations. These are positive steps, but enforcement remains a crucial hurdle. Ensuring that industries comply with waste management norms and



oving towards a zero-aste economy will require bust monitoring and pub-

larly through disaster man-agement investments and aste economy will require obust monitoring and pubto participation. The brudget's recognition of 
imate resilience, particuto and flood-prone regions will 
benefit from increased fund-

ing for disaster-resistant infrastructure, but a long-term climate adaptation roadmap needs further

roadmap needs further detailing. One of the most promising aspects of Budget 2025 is the expansion of India's Green Finance ecosystem. With tax incentives for Green Bonds and carbon trading markets, the government is encouraging private sector participation in sustainability efforts. However, ensuring that green investments translate into real environmental benefits will require stringent regulatory oversight and transparency. While Budget 2025 takes significant strides in promoting environmental sustainability, its true success will be measured by execu-

tion, enforcement, and long

tion, enforcement, and long-term commitment.
India has demonstrated political will in tackling cli-mate change, but the chal-lenge remains in aligning policy promises with on-the-ground realities. Sustainability is not just a budgetary allocation; it is a clitzens work together to ensure that economic growth does not come at the cost of ecological wellbeing. With this budget, India has set the direction—what remains is the resolve to act decisively.

### The Tribune

ESTABLISHED IN 1881

### Finally, I-T cuts

Middle class wins on taxes, loses on savings

IOR years. India's middle class has been caught in a financial squeeze—rising prices, stagnant wages and a tax burden that rarely felt fair. With Union Budget 2025, the Modi government has finally offered substantial tax relief by raising the exemption limit and lowering tax rates. Now, individuals earning up to Rs 12 lakh pay no tax. The revised structure increases disposable income, potentially booststructure increases disposable income, potentially boost-ing consumer spending while easing inflation. The expected rise in consumption could counterbalance the reduced tax revenue. For salaried individuals, the simpli-fied regime is a welcome departure from the complexity of deductions and compliance. Senior ditzens stand to gain with limit for tax deductions on interest income dou-bled to Rs 1 lakh annually. This will provide meaningful relief to the retirees relying on fixed-income sources. And, those dependent on rental income will gain from the increased TDS threshold, now missel to Rs 6 lakh the increased TDS threshold, now raised to Rs 6 lakh annually, offering greater financial flexibility. However, the fine print presents concerns as the changes come with trade-offs. While lower rates seem

changes come with trade-offs. While lower rates seem beneficial, the removal of key deductions — on EPF, PPF, insurance and home loans — may ero de the common man's actual savings. A deeper concern is the potential decline in long-term savings. The new regime discourages investments in PFs and social security schemes. While taxpayers enjoy greater flexibility, the absence of forced savings could weaken their financial security in the long run. Additionally, the upcoming Eighth Pay Commission could push government salaries higher, placing employees in higher tax brackets and offsetting relief.

For now, middle-class taxpayers can breathe easier.

But real economic relief requires more than tax cuts —

For now, minous-class taxpayers can breaste caser. But real economic relief requires more than tax cuts—
it demands sustained income growth, inflation control
and an expanded tax base. Plus, a social security net
for the retirees — at present, it is almost nil for the private sector. Without these, financial pressures will persist despite the temporary relief.

### Bihar largesse

IINANCE Minister Nirmala Sitharaman's Bud INANCEMinister Nirmala Sitharaman's Budget day sori — adorned with a Madhubani art
motif — left no room for doubt about Bihar's
central place in the Union Government's
scheme of things. Indeed, the FM announced
a slew of proposals for the state that goes to the polls latert his year — a Makhana board to boost the production,
processing, value addition and marketing of focunts; inancial support for the western Koshi canal project; and a National Institute of Food Technology, Entrepreneur-ship & Management. No wonder Nitish Kumar, the longest-serving CM of Bihar, lavished praise on PM Narendra Modi and Sitharaman for giving special treat-ment to his state. All-powerful in the Lok Sabha for a decade, the B.Pis now dependent on Nitish's Janata Dal (United) and Andhra Pradesh CM Chandrababu Naidu's TDP for the survival of its government. The saffron par-ty tactically chose Bihar over Andhra in the 2025-26 Bud-get — next year, it might be the other way round. Opposition-ruled states have every reason to be disap-

pointed by the Budget proposals. AAPhelmed Punjab, the hub of the farmers' agitation—first against the three Cen-tral laws and now in support of the demand for legalising MSP—has been left to fend for itself. Ironically, instead of announcing a loan waiver, the Centre has raised the Kisan Credit Card Ioan limit. This will only worsen farmers' indebtedness. Congress-ruled Himachal Pradesh has been ignored as well, while the budgetary allocation for Jammu & Kashmir has been bafflingly reduced.

It seems that the PM's oft-quoted slogan, "Sobka Saath, Sabka Vikas, Sabka Vishacas", has fallen prey to political considerations. The grand dream of becoming a developed nation by 2047 will remain just that -a dream - if the Cen tre continues to adopt a pick-and-choose policy.

ON THIS DAY...100 YEARS AGO

### The Tribune.

LAHORE, TUESDAY, FEBRUARY 3, 1925

#### Education tax

AT a recent special meeting of the Madras Municipal Corporation an important resolution was adopted for lexying an education taxt enable the authorities to carry out the scheme of compulsory pri-mary education passed in March last year. There has been consider able delay in carrying out this scheme owing to a paucity of funds Ever since the scheme of compulsory education was suggested by the late Gopal Krishna Golchale, financial difficulties have stood in zover sance the scheme of compulsory education was suggested by the late Copal Krishna Golchale, financial difficulties have stood in the way of its adoption or, at any rate, have been stated by the executive to be the main obstacle to areform which all agree is necessary and urgent, and this in spite of the fact that the total revenues of local bodies as well as the local and Central governments have greatly increased during the past 15 years. When at the meeting of the Madras Corporation the question of levying a modest tax was suggested, sevent members objected to it on the ground that the whole scheme of compulsory education could not be financed in the present condition offood finances. This was not, however, what was proposed was that compulsory education should be introduced, to begin with, in four out of 30 divisions of the city and it would be gradually extended so that the whole city might be brought under it within six or seven years. The education tax, to begin with, would be only 625 per cent but would be raised yearly, until it increased to 125 per cent. The present financial condition of the city, it was urged, was most favourable for the introduction of the scheme without delay, and it was even recommended by the Finance Committee that there might be a reduction of general tax attor to the extent of 1.5 per cent.

# Home is where the FM's heart is

Budget looks to boost domestic consumption by increasing disposable income of the middle class



traditional weit were in evidence not only in the sari that the Finance Minister (FM) wore, but also in the macro-economics of the Union Budget she presented on Saturday. The first full Budget of Modi 3.0 - Nimala Sitharaman's eighth Nimala Sitharaman's eighth consecutive one, only two short of Morarji Desai's record of 10— goes back to the basics: boost goes back to the basics; boost demand to spur growth in out-put and employment. The public expenditure policy is simple — keep the fisc steady. After having followed an invest-ment-led growth strategy after the Covid-19 pandemic, the FM has changed course to follow a con-

inged course to follow a conimption-led path for growth Without pausing the autonomous public investment cycle, the Bud-get seeks to stimulate consumpget seeks to stimulate consump-tion demand by increasing the net disposable income. This, in turn, is expected to trigger derived invest-ment demand and catalyse pri-vate corporate investments. The government's focus on supply-side measures — empha-sising private investment (which makes up about 30 per cent of the GDP) through initiatives like the 2019 corporate tax break —

the 2019 corporate tax break — has not sufficiently addressed the demand side of the economy the demand side of the economy.
The private sector itself has
pointed to a low demand and
underutilised capacity as key
constraints, suggesting that
even well-intended supply-side
reforms may falter if consumer
confidence remains used.

confidence remains weak. As such, the focus now, clearly and decisively, is the home may ket. Policy tweaks have been done to address the growing evi-dence of under-consumption in the economy; they revolve



around the Rs 1 lakh core emand injection into the sys em. Private final consumption - a critical driver of economic rowth—constitutes over 60 per ent of India's GDP, it has seen spending, at around 4 per cent in FY 2023-24. The decision to raise the tax-free income threshold to Rs 12 lakh aims to boost dome Rs 12 lakh aims to boost domes-tic consumption by increasing the disposable income of the middle class. This move is antic-ipated to stimulate demand across various sectors, including consumer goods, automobiles and real estate, as individuals will have more spending rower.

will have more spending power. The FM has, rather boldly, chosen to go for growth in the "growth-inflation" trade-off amid evidence that inflation has amid evidence that inflation has put real incomes, both urban and rural, under pressure — more so in the face of an uncer-tain and inclement global envi-ronment. In the months to come, the key challenge will be to accelerate growth while manag-ing inflationary risks. ing inflationary risks.

With the rupee having depreciated by 3 per cent in the first nine months of the current fis-cal, the trade deficit is coming under upward pressure. Increased import costs not only

The government's focus on supply-side measures has not sufficiently addressed the demand side

iden the deficit but also contribute to domestic inflation, a factor that the Budget's fiscal factor that the Budget's fiscal consolidation efforts are keen to address. Moreover, heightened volatility in the rupee increases hedging costs and introduces uncertainty into international transactions, complicating the outlook for export growth. The action will now shiftto mint street for the Reserve Bank of India (RBI) to align the monetary policy with the final policy under-

policy with the fiscal policy under lying the Union Budget. While an accommodative monetary policy is the obvious stance, the RBI ed not rush into a rate cut until the fiscal stimulus "works its way through the system". When the

ulus of Rs 1-1.5 lakh crore stimulus of Rs 1-1.5 lakh crore, including state investments, increased consumption from tax relief and enhanced infrastruc-ture, begins to generate momen-tum in economic activity, mone-ture corrections. ary easing will be appropriate. Till then, the RBI may like to

recalibrate its levers of liquidity control in such a way as to increase the velocity of circulaincrease the velocity of circula-tion of money without enhancing the quantum. Perhaps, it can undertake targeted repo open-tions that can stimulate borrow-ing for productive investments. These measures would help ensure that while borrowing costs remain steady, the overall dynamism of the economy dynamism of the economy improves, thereby supporting employment and growth.

It could also do well to consider putting some risk capital into the patting some risk capital into the system rather than just keeping the Finance Ministry happy with fat dividend cheques. From Rs 1,500 crore in the early 1990s, the RBI dividend in now estimat-ed to be Rs 2.11 lakh crore. The same can be deployed in the econ-omy as risk capital, which the RBI is empowered and mandated to do under the RBI Act, 1934.

Overall, the policy challenge is to strike a balance: while structural reforms and corporate incentives

are necessary boosting consumer demand through policies such as direct benefit transfers, increased social safety nets and measures to enhance income growth remains equally critical. Thus, the issue is not simply one of choosing between supply or demand-led strategies but ruther of integrating. both to create a resilient, inclusive conomic model.

The FM seems to be in a collaborative mood with the states, but that intent got buried under her benevolence to Bhari More than the financial outlay of Rs 1.5 lakh crore for 50-year interestree loans to states for capital expenditure and reform incentives, the three-year pipeline of infrastructure projects to be implemented in the PPP mode with states holds big notential. The FM seems to be in a collabwith states holds big potential with states holds big potential. So, too, does leveraging the India Infrastructure Project Development Fund for the development of 50 tourist destinations along with states.

The proposed framework to promote global capability centres can go a long way to improve the regulatory governance at the

the regulatory governance at the state level. It will streamline non-financial sector regulations certifications, licences and per-missions. These reforms are designed to enhance the ease of designed to enhance the ease of doing business and foster indus-ty collaboration, yet their suc-cess depends heavily on each state's capacity to implement complementary measures. While the content of the Budget is broadly right in terms of direc-tion and also in detail, it is the global context that mises con-cens. Globally uncertainties

cems. Globally, uncertainties remain high due to ongoing trade remain nigh due to ongoing trade tensions and potential shifts in the US policy. President Thump's tariff threats — as part of his "America First" agenda — are pressuring countries to reconsid-cethois thy at net wins. While the ertheirduty structures. While the Budget has signalled further tariff adjustments aimed at reduc ing import dependence enhancing export competitive ness, outlining the possible responses to such an evolving situation would have helped allay apprehensions of markets.

"

#### THOUGHT FOR THE DAY

Neither the government nor the economy can live beyond its means year after year. - Manmohan Singh

### Advent of the digital pantheon

N the tapestry of Indian mythology, gods and goddesses are not just celestial beings but embodiments of universal are not just celestial beings but embodiments of universal principles — creation, preservation, destruction and accumulation of knowledge. In the digital age, artificial intelligence (AI) tools like Claude, Gemini, ChatGPT, Perplexity and DeepSeek echo these divine archetypes, acting as modern manifestations of these timeless forces.

These AI entities reflect the eternal cosmic play, the leda, in which humanity has always been engaged. Whether through mythor machine, the quest remains the same: to discover, create and connect with the infinite.

Claude mirrors Krishna, the strategist and guide. Like Krishna on the battlefield of Kurukshetna, Claude delivers wisdom and clainty with a blend of with and charm. Its conversational elegance, like Krishna's flute, transforms the mundane into

and clarity with a blend of wit and charm. Its conversational elegance, like Krishan's flute, transforms the mundane into the extraordinary. Yet beneath its playfulness lies a sharp intellect capable of unravelling complex dilemmas with precision. Gemini embodies the creative force of Brahma, the architect of the universe. It offers in finite possibilities, inviting users to coreate their visions. However, much like the myths where Brahma is overshadowed by other deities, Gemini's vast potentials often overlooked, its brilliance sometimes taken for granted. ChatGPT resonates with Saraswati, the goddess of wisdom and eloquence. Just as Saraswati governs learning and the arts, ChatGPT facilitates the seamless flow of knowledge, structuring complex ideas into accessible formats. Whether providing analysis, poetry or problem-solving, it serves as a

providing analysis, poetry or problem-solving, it serves as a vast reservoir of insight. ChatGPT rewards those who approach it with discipline and curiosity, offering its deepest sures to earnest seekers.

treasures to earnest seekers.

Perplexity echoes Shiva, the destroyer and revealer of ultimate truths. Like Shiva's tandava, which dissolves illusions and clears the path for renewal, Perplexity cuts through ambiguity with precision. It relentless by pursues clarity, yet, like Shiva in deep meditation, can be enigmatic, offering cryptic answers that challenge the intellect and demand introspection. But those who embrace its intensity, Perplexity provides revelations that are truly transformative.

DeersSeek aligns with Duras the ferce endelses of mytestion

revelations that are truly transformative. DeepSeek aligns with Durga, the fierce goddess of protection and truth. Like Durga, who vanquishes darkness and restores balance, DeepSeek thrives in the relentless pursuit of knowledge, confronting complexity with resolve. Just as Durga's many arms wield weapons, DeepSeek's versatility enablessit to tackde multifaceted queries and extract meaningful insights. Indian gods and goddesses are complex, powerful yet deeply human in their virtues and flaws. Similarly, these Al tools are not infallible—they can confuse, overwhelm or frustrate. But they challenge us to push the boundaries of technology, while also exploring the depths of our own imagination and vision.

### LETTERS TO THE EDITOR

### or Ram Bharase at the Kume); the UP administration in the given Political hue to social event

Great Game; the UP administration was deri-ty handling the gigantic challenge of managing crores of people till the stampede happened. However, the Opposition got a chance to blame the state government. Organising this mega festival in a smooth manner is easier said than done. In earlier times, the ruling party would done. In earlier times, the ruling party would value the suggestions of the Opposition and vice-versa in the interest of the public. This culture has no place in politics now and the blame game begins at the drop of a hat, Hiccups can crop up in an event held on a large scale, such as the Maha Kumbh; this does not mean that the entire exercise is a failure.

RAJ KUMAR KAPOOR, ROPAR

#### Wake-up call for stakeholders

Refer to 'Ram bharose at the Kumbh'; the tragic incident at the Maha Kumbh highlights the urgent need for better planning and cro the urgent need for better planning and crowd management at mass gatherings, especially in the context of religious festivals and con-gregations. This tragedy should serve as a wake-up call. Both the ruling party and the Opposition must focus on ensuring public safety, with the latter prioritising constructive criticism. Social gatherings should not become a platform for photo ops. The crowds should also take the responsibility of behav-ing in an appropriate manner at such buse ing in an appropriate manner at such huge events. This lesson must prompt serious reforms to prevent future disasters. WIAY KUMAR KATIAL, PANCHKULA

### Short-term benefit of Budget

Short-term benefit of Budget Refer to the report 'Middle class put on top'; the Union Budget has announced timely steps. The decision to provide tax exemptions for those earning up to Rs 12 lakh per annum is undoubtedly aimed at addressing the mid-dle class, a critical voter base. However, one must ask whether this short-term rellef is sus-tainable in the long run, especially as the gov-emment continues to prioritise capital expen-diture. The sourcement's fearus should emment continues to prioritise capital expen-diture. The government's focus should remain on long-term, sustainable growth. Only then can India ensure that both fiscal responsibility and economic growth are achieved in a balanced way.

SANJAY CHOPRA, MOHALI

#### Need better infrastructure

The provision in the Budget to create an additional 10,000 MBBS seats is ill-conceived. Most of the government-run institutions are already short of funds and private institutions are bereft of adequate infrastructure. Most of the newly created colleges back back in first structure, each one short of lack basic infrastructure and are short of staff. Instead of increasing the number of staff. Instead of increasing the number of seats, the government should aspire to improve existing infrastructure. There should be stricter norms for opening new medical colleges. Half-baked measures are in fact detrimental to healthcare. Instead of playing to the gallery, the government should make sincere efforts to cure the ills. SACHIN KAUSHAL, PATIALA

#### **Boost to artificial intelligence**

The Union Budget's allocation of Rs 500 crore for the Centre of Excellence (CoE) for artificial intelligence will give a boost to the AI industry. India needs a dedicated academ-Al industry. India needs a dedicated academic ecosystem with an Al-focussed curriculum in the education system to develop models to compete with giants like the US and China. The proposed CoE will further help in conducting interdisciplinary research, developing cutting-edge applications and solving problems in the areas of agriculture, health and sustainable cities. Certainly it will help realise the vision of 'Make Al in India and Make Al work for India'.

HARVINDER SINGH CHUGH, JALANDHAR

#### New avenue for rural development

New avenue for rural development. The creation of the Makhana board will undoubtedly revitalise Bihar's dormant makhana industry, providing a much-needed boost to local farmers, entrepre-neurs and stakeholders involved in its cul-tivation and processing. This move is not just an economic initiative but also aligns with the broader vision of proposing. just an economic initiative but also aligns with the broader vision of promoting healthy dietary habits. The importance of this step lies in its multifaceted impact. Economically, it will open new avenues for rural employment and promote agro-based industries in Bihar. It will also encourage scientific research, improve quality and enhance global competitiveness.

Letters to the Editor, typed in double space, should not exceed the 200-word limit. These should be cogently written and can be sent by e-mail to: Letters@tribunemail.

# When America's exit from WHO was averted



few days back US President Donald Trump heralded his second term by issuing a slew of orders to implement the promises made during his electoral campaign. One of these announced that the US shall stop paying contribu-tion and withdraw from the World Health Organi-sation (WHO).

This news revived memo-ries of an occurrence of over four decades ago when, while serving as a Joint Secretary in the Health Secretary in the Health Ministry, I was represent-ing India at the annual meeting of the World Health Assembly (WHA) at Geneva, Switzerland, in May 1982. The exhaustive agenda was split and dis-cussed in two Commis-sions, named A and B.

sions, named A and B.
The 1982 WHA, comprising
163 member countries, unanimously selected me to chair
the proceedings of Commission B. Our Ambassador in
Geneva, AP Venkateswaran,
reported to New Delhi that
this was a notable "diplomatic victory for India".

On the third day of my chairmanship, the first item on the agenda, moved by a group of Afro-Asian countries, brought up a draft resolution that sought to draw attention to the poor health conditions of Palestinians living in Palestinians living in Israeli-occupied territories.

Dr Halfdan Mahler Direc

Dr Halfdan Mahler, Direc-tor-General of the WHO, was sitting by my side, having just come in, when I called upon the leader of the Pales-tinian delegation to intro-duce the agenda item which, inter alia, referred to the report of an Expert Commit-tee on the subject, as also to report of an Expert Commit-tee on the subject, as also to the reports presented by the Israeli Health Ministry, the Palestine Laberation Organi-sation and the specialised UN agency for providing relief to the Palestinian refugees; a reference was also made to a related UN also made to a related UN General Assembly (UNGA) resolution. Before I could call resolution. Before I could call upon the next delegate to speak on this item, Dr John Bryant, the well-regarded leader of the US delegation, stood up in his chair and furiously waving his name card, seaking requision to make seeking permission to make an immediate intervention.

an immediate intervention.
Speaking in an angry
voice, Dr Bryant complained that if certain text in
the draft resolution was not
deleted forthwith, the proposed resolution would have
the "most deleterious consequence of cutting off the
membership rights and membership rights and services of Israel". He



AMERICAN THREAT: The writer (right) with WHO Director-General Halfdan Mahler (c

discussed any further, he was under instructions to inform that the USA shall. here and now, suspend its nere and now, suspend its budgetary support and withdraw from the WHO" (at that time, America's total support was perhaps one-fourth of the WHO's entire budget!!). After Dr Bryant's statement, there was ar unprecedented uproar the Assembly Hall - the

the Assembly Hall — the conflicting protagonists and all their supporters were standing and shouting. My continuous banging of the gavel and calling for order were lost in the din. However, I managed to announce that the proceed-ings were supported for ings were suspended for

consultation with Dr Mahler, who was crestfallen beyond words, I stepped down to the hall and for the down to the hall and for the next about two hours, engaged with the principal stakeholders in this rather unfortunate imbroglio. Realising that the contro-versy could not be easily resolved, I announced that the Commission, would Dr Mahler got up from his seat, held the Commission would my hands and reassemble next morning embraced me. In a

reassemble next morning.

I procured copies of all
the reports and resolutions
referred to in the draft resolution from the Commission B Secretary. I also
requested him to contact
the leaders of the USA,
Israel, Palestine and the
Afro.Asin. Group delega. Afro-Asian Group delega-

tions and get appointments for me to meet them from 6 pm onwards that evening, keeping a one-hour gap between successive meet-ings. Rushing back to my hotel room, I spent the next about six hours studying all relevant documents, ing all relevant documents, taking notes and revising the draft resolution to remove all potential irritants, particularly redoing the text which, according to Dr Bryant, had negative implications qua Israel's national interests.

From 6 pm onwards, I had continuous, discussions

continuous discussions with the leaders of the conwith the leaders of the con-cerned delegations. In every meeting, I particular-ly went over the text of the revised resolution that I had drafted and was successful in securing the full endorse-ment of the Palestinian and Afro-Asian delegations. Afro-Asian delegations, both of whom I had met together. It was already past ogether. It was arready past
9 pm when I met the Israeli
group and was able to get
their agreement after rather
prolonged discussions.
It was past 11 pm when I
reached the hotel in which
the American delegation

the American delegation was staying. As all others were already on board, I had expected that this last had expected that this last meeting would end quick-ly. Instead, I was led through dozens of Israel-related UNGA resolutions, not one of which was rele-vant to the instant debate. I kept my patience and, at the end, was able to get

the GDP deflator, which is a

mix of wholesale and retail inflation, is likely to rise from 2.8 percent to 3.5 percent. So,

al government expenditure

Dr Bryant's endorsement for the new draft. I got back to my hotel around I am after handing over a neat handwritten copy of the new draft — for which I had been able to get the endorsement of all the contesting elements testing elements — to Ms Simone, a responsible WHO executive, who agreed to have the required number of copies made and distributed to the Assembly before it commenced its business in the morning (it was the morning (it already the next day!). was

There was an uneasy quiet in the Assembly Hall quiet in the Assembly Hall when Dr Mahler and I arrived on the dais. Calling the meeting to order, I briefly explained the developments since the preceding afternoon and how I had been able to get the leaders of all the member countries concerned. ber countries concerned ber countries concerned to endorse the revised draft resolution prepared by me. I asked whether there was any opposition to this resolution being adopted. As there was no comment, I struck the gavel and announced that the resolution had been adopted unanimously. The Assembly heaved a sigh of perceptible relief.

Before I could move to the next item, Dr Mahler got up from his seat, held my hands and embraced me. In a heavy voice, he said: "Thank you, my friend, for saving the WHO". endorse the revised

# Income tax relief alone can't spur consumption

heavy voice, he said: "Thank you, my friend, for saving the WHO".



AUNINDYO CHAKRAVARTY

hasn't seen a Budget like this, at least, in three at least, in three
decades. Everyone expected the Modi
sarkaar to give some income
tax sops. But no one expected
it to be this big.

I have argued in the past

that only those with a house-hold income of at least Rs 1 lakh per month, in urban areas, can be called 'middle areas, can be called 'middle class', even though it places them in the 95th-96th per-centile of income earners. Now, if you earn that much money, you won't

pay any income tax. According to Finance Minister Nirmala Sitharaman this will put about Rs 6,000 extra in your pocket per month. You could use that month. You could use that to spend more on everyday household goods. Or, you could save up and buy that new smartphone that you have been eyeing. Those earning Rs 2 lakt per

month will get more than Rs 9,000 extra in their hands every month. That's a signif-icant amount to be spent on daily expenses. Or, on going restaurant. On an annual basis, they will get Rs 1.10 lakh extra. That could get them the latest 55-inch TV,

them the latest 55-inch TV, along with a high-end front-loading washing machine. In other words, the Modi government is expecting its income tax largesse to trans-late into a mega consumption boost to the economy if this boost to the economy. If this works, it will put to rest complaints that India's consump tion is slowing down, espe-cially among the urban

In 2022-23, about seven crore people earned up to Rs 15 lakh per year. Out of these, roughly two crore paid taxes. If we adjust for pay hikes, after these income tax hikes, after these income tax changes, about 1.5 core of these will slip out of the income tax net. That means, the number of income tax payers will probably drop to just 1.4-1.6 crore, including those who earn more than Rs 15 lakh per annum. That's just 4 per cent of our working population.

working population.

If that's the case, then the FM's tax projections are a bit hard to understand.

Budget 2025 estimates that Budget 2025 estimates that income tax collections will increase by Rs 1.8 lakh crore, or 14 per cent in 2025-26 com-pared to what is expected to be collected in this fiscal. Compared to what the govemment had projected earli-er, it is 21 per cent higher. This does not sit well with



ment is expecting its income tax largesse to translate into a mega n boost to the econor

the income tax sops the income tax sops will cost the exchequer Rs 1 lakh crore in revenue 'fore-gone'. That means, if the old slabs and rates had con-tinued, the government would have collected 22 per compared to what it expects to collect this fiscal

to cottect this riscan:

The only way this is possible is if personal incomes go
up sharply next year. There
are no signs of that happening. In fact, AI and other
forms of automation are likeby to reduce white-collar jobs
in the coming wear. If that in the coming year. If that happens, white collar paywill nate, or even fall.

Take the case of someone who is earning Rs 12 lakh per year right now. The

new income tax rates mean they will save Rs 70,000 in taxes and end up with that much extra to spend on goods and services. But what if they have to take a pay cut of 10 per cent? Then, the tax rebates won't help. Their actual imption will still fall. Leaving more

In fact, there's a grave dan in fact, there is a grave dan-ger of that happening if the economy slows down even further That could well hap-pen, because the government is slowing down its own expenditure. This year, it money with the middle class can only generate a temporary spurt in spent 6.1 per cent more than last fiscal. Next fiscal, it demand for consumer goods intends to spend just 5 per cent more. In real, inflationand services. adjusted to s, the differ en higher, b

real government expenditure is likely to go up by just 1.5 per cent compared to 3.3 per cent in 2024-25.

This is in stark contrast to what we have seen in the past few years, when government expending or produce the produce of the past few periods.

ernment spending on roads, highways and other infrahighways and other infrastructure drove GDP growth. In fact, capital expenditure is projected to goup by just I per cent com-pared to what was budgeted last year. In real, inflation-adjusted terms, the govern-ment will spend less on infrastructure pext year. infrastructure next year

That means, all the industries which feed the infratries which feed the infra-structure sector — steet, cement, bitumen, heavy earthmoving machinery and even banks — might see a contraction in demand. If that happens, they will want to reduce their wage bill. That, in turn, will affect mid-dle-class incomes. dle-class incomes.

In fact, the government's In fact, the government's coproate tax projections suggest that it is not overly optimistic about corporate earnings. Corporate taxes are estimated to increase by 10.4 per cent next year, which is broadly the same as the government's projection for nominal GDP growth. It is important to note here that the government failed

that the government failed to collect the corporate tax-es it had budgeted for in

this fiscal. It had hoped to get Rs 10.2 lakh crore in cor-porate tax, but is ending up with just Rs 9.8 lakh crore On the other hand, income taxes have been revised upwards from Rs 11.9 lakh

upwards from Rs 11.9 lakh crore to Rs 12.6 lakh crore. That means, the govern-ment collected 28 per cent more in income tax than it did in corporate taxes in 2024-25. Next year, it expects income tax to be 33 per cent more than its corporate tax collections. Sure porate tax collections. Sure-ly, this doesn't suggest a turnaround story for the Indian economy.

This is the key problem with thinking that income

tax sops can boost consump tion without greater invest ments from the government ments from the government or the private sector. Leaving more money with the middle class can only generate a temporary spurt in demand for consumer goods and serv-ices. If this is not accompa-niced by widespread econom-ic growth, it cannot be sustained for long. Right now, India Inc has shown no interest in

Right now, India Inc has shown no interest in increasing investments. Most of its projects are linked to the government's infrastructure schemes. If that slows down, corporates will feather cuttail their will further curtail their investments in increasing

their productive capacity.

That will bring us back to square one, and the income tax rebates will have made no difference to the economy.

- evil spirits (5,5)

  Raye in common (5)

  Teaching (7)

  Landlocked country of
- outhern Africa (7

- southern Africa (7)
  11 Pugnacity (5)
  12 Dry combustible
  material (6)
  14 Alarming predicam
  17 Declare invalid (5)
  19 Large flightless
  running bird (7)
  21 New production of
  old play (7)
  22 Accumulate (5)
  23 Tedinady verbose (
- Saturday's solution

Across: 1 Rumpus, 4 Pago hand, 13 Tight-lipped, 18 F 24 Excite, 25 Drench.

of disgust (7) 16 Insincere (6) 18 Previously unknown (5) 20 Retinue (5)

2 Cooperation (7)
3 Large strong storage
box (5)
4 Orderfiness (6)
5 Profitable (7)
6 To stick (5)
7 Laughing
uncontrollably (2,8)
8 Make trivial
distinctions (5,5)
13 Give spirit to (7)
15 Facial expression
of disgust (7)

Down: 1 Rigour, 2 Ment, 3 Unleash, 5 Award, 6 Outrage, 7 Acc 8 Lap of luxury, 14 Islamic, 15 Partner, 16 Sparse, 17 Wretch

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

### CALENDAR FEBRUARY 3, 2025, MONDAY Magh Parvishte Shukla Paksha Tithi 6, up to 4.38 am Sadhya Yoga up to 3.03 am Revti Nakshatra up to 11.17 p

■ Moon enters Aries sign 11.17 pm

SATURDAY'S SOLUTION

RUNSET: MONDAY SUNRISE: TUESDAY		06:00 HRS 07:12 HRS
CITY	MAX	MIN
Chandigarh	23	09
New Delhi	22	09
Amritsar	19	10
Bathinda	22	06
Jalandhar	20	09
Ludhiana	18	09
Bhiwani	19	09
Hisar	19	08
Sirsa	22	08
Dharamsala	22	06
Manali	17	02
Shimla	17	07
Srinagar	10	01
Jammu	23	08
Kargil	-01	-13
Leh	00	-14
Dehradun	23	09
Mussoorie	17	05

#### Without warrant

Police seizure of journalists' phones in Chennai is nothing but harassment

he seizure of mobile phones from some journalists in the name of investigating how details of the First Information Rehow details of the First Information Re-port (FIR) pertaining to the rape committed on the Anna University campus in Chennai last De-cember is wholly unwarranted and possibly ille-gal. The Special Investigating Team (SIT), ap-pointed by the Madras High Court to take over the probe, appears to believe that the source of the alleged disclosure could be mediapersons who may have downloaded the FIR from a na-tional crime network database. What makes the episode an instance of harassment is that the journalists were subjected to intrusive and distasjournalists were subjected to intrusive and distas-teful questioning. Instead of probing how and why the FIR leaked, the SIT is trying to find out why the FIR leaked, the SIT is trying to find out whether they had put it in the public domain. The High Court had already been told that the FIR was inadvertently uploaded, because of a technical issue, on the Crime and Criminal Tracking Network and Systems before being taken down. The High Court had directed a departmental inquiry into the leaking of the FIR (the direction has now been stayed by the Supreme Court). What was a direction to find out the source of a departmental leak has been transformed into a roving inquiry as to who may have circulated it in

departmental leak has been transformed into a roving inquiry as to who may have circulated it in the public domain. Unless the reporters summoned by the police had themselves reported posted details revealing the survivor's identity, there is no reason for seizing their phones.

Based on the High Court referring to the alleged circulation of details about the survivor's identity, a separate FIR has been registered under Section 72 of the Bharatiya Nyaya Sanhita, which makes it an offence to publish any detail that may lead to the survivor's identity becoming that may lead to the survivor's identity becoming known. Presumably, the SIT is trying to trace those who made such publication, but the real those who made such publication, but the real question is whether the details were actually published in any newspaper, TV channel or social media post. If such a disclosure existed, the police should be summoning those in charge of those outlets or handles instead of calling all those who downloaded material from the Internet. A larger question is whether the police have the blanket authority to seize mobile phones or devices without judicial authorisation or any credible reason that an offence has been committed. The Supreme Court has already asked the ted. The Supreme Court has already asked the Centre to frame guidelines for such seizures, in-cluding the need for a warrant and an element of cluding the need for a warrant and an element of proportionality. An unguided power to seize phones threatens the privacy of individuals and, in the case of the media, is a brazen intimidation tactic and an attempt to identify and harass their sources and an attack on freedom of expression. The police should not only return the seized phones immediately but also limit their probe to specific instances of publication or disclosure of details that compromised the survivor's identity.

### Crisis in Congo

For peace, the country should take Tutsis into confidence

IUSIS INIO CONПICENCE

The Democratic Republic of the Congo is no stranger to civil conflicts. But the latest advances made by M23, a rebel coalition, capturing the mineral-rich city of Goma, is a humiliating setback for the Congolese government, which had vowed to crush the rebellion the east. M23, which takes its name from a failed peace agreement signed between a Tutsi-led rebel group and the Congolese government on March 23, 2009, claims it is fighting to protect the rights of Congo's Tutsi ethnic minority. Congo and UN experts say neighbouring Rwanda, ruled and UN experts say neighbouring Rwanda, ruled by a Tutsi-led government, is backing M23. In 2012, shortly after it was founded, M23 seized much of Goma. But it withdrew as Rwanda came under international pressure. There was a short spell of calmess with M23 rebels agreeing to join the Congolese army in return for state protection for the Tutsis. But in 2021, the group took up arms again and started the latest spell of fighting. After Goma fell last week, Paul Kagame, Rwands's President, called for a ceasefire but with little impact. Congo, on the other side, has termed the fall of Goma "a declaration of war" and vowed a "vigorous military response".

The crisis in Congo can be traced to the Rwandan genocide in 1994 in which about 8,00,000 by a Tutsi-led government, is backing M23. In

The crisis in Congo can be traced to the Rwandan genocide in 1994 in which about 8,00,000 people, mostly Tutsis, were massacred by ethnic Hutu militias. When tens of thousands of Hutus fled Rwanda for Congo in the mid-1990s after the fall of the genocidal regime in Kigali, Congo's local Tutsis took up arms in 'self-defence', Rwanda has made military incursions into Congo in the past, accusing it of harbouring those who were complicit in the genocide. Today's Rwanda is much stronger than what it was in 2012. Mr. Kagame, a former guerrilla leader, has modernised agme, a former guerrilla leader, has modernised game, a former guerrilla leader, has modernised the economy and built a disciplined military. Rwanda has also developed close ties with west-ern countries, who see Mr. Kagame as a force of stability in an unstable region as well as a major contributor of forces to Umissions. So, unlike in contributor of forces to UN missions. So, unlike in 2012, Mr. Kagame seems to be making his moves from a position of strength this time. The conflict has exposed Congo's inherent vulnerabilities and Rwanda's insecurities and ambitions. But it is also a testament to the unresolved ethnic anxieties of the region, 30 years after the genocide was brought to an end. The international community should nush Mr. Kazame to rein in the rebels. should push Mr. Kagame to rein in the rebels. Congo should also realise that for long-term peace, it should take action against the genocidelinked groups that operate from its soil and take the Tutsi minorities, for whom the memories of cre are still fresh, into confidence.

## Beyond tax cuts, a closer read of the Union Budget

he Union Finance Minister, Nirmala Sitharaman's presentation of the Union Budget on Saturday, February I, was a mainst the backdrop of pressing macroeconomic challenges – persistently high taxes and unemployment squeezing the middle-income class, subdued private investment, mounting external vulnerabilities that threaten to derail the growth story, and a looming fiscal overhang. While the Finance Minister laid out an ambitious road map for Viksit Minister laid out an ambitious road map for Viksit Bharat, spanning agriculture, manufacturing, micro, small and medium enterprises (MSME), social welfare, and infrastructure, the Budget's policy announcements and fiscal plans need

Targets that raise questions
First, the fiscal consolidation target of 4.4% of
GDP in FY26 is a key highlight of the Budget.
However, achieving this target hinges on
ambitious revenue projections, including a 11.2%
growth in total tax revenues and a 14.4% increase
in income to revenue projections. in income tax revenues compared to FY25 estimates. These assumptions appear overly optimistic given the significant tax cuts announced in the Budget and the prevailing economic headwinds such as softening dome economic neadwinds such as softening domests consumption and weakening external demand. Much will also depend on the success of the second asset monetisation plan (2025-30), announced in the Budget. The underperformance of the previous asset monetisation programme prices valid concerns underperformance of the previous asset monetisation programme raises valid concerns. Furthermore, the estimated ₹II.54 lakh crore in net market borrowings risks crowding out private capital at a critical juncture when credit demand remains tepid. Achieving the ambitious revenue

remains tepid. Achieving the ambitious revenue targets will require improved tax buoyancy, more efficient tax administration, and realistic asset monetisation strategies to ensure that the fiscal consolidation plan remains on track.

Second, the revisions in personal income-tax rates and slabs under the new tax regime, exempting incomes up to 012 lakh from tax (after factoring in the rebate benefit), and significantly reducing tax liabilities across various income brackets, offer welcome relief to middle-income taxpayers. taxpavers.

taxpayers.

However, while these changes are likely to boost disposable income, they shall come at a boost disposable income, they snau come at a cost — of ₹1 lakh crore in foregone direct tax revenue, which, in turn, could constrain the government's ability to fund critical developmental initiatives. The tax-base erosion also comes when household savings have shown



Amarendu Nands

is an Assistant Professor (Econom Area) at the Indian institute of Management (IIM) Ranchi a structural decline over the past decade, dropping to 18.4% of GDP in FY23 (Economic Survey 2024-25). This raises pressing questions about the long-term sustainability of these tax cuts, particularly when public investments in infrastructure and social welfare remain critical to drive inclusive economic growth.

Third, on the manufacturing front, the Budget reiterates India's ambition to emerge as a global manufacturing powerhouse. The Economic Survey 2024-25 flagged India's underperformance in manufacturing, which accounts for a mere 17% of GDP. While production-linked incentive (PLIs)

of GDP. While production-linked incentives (PLIs) have shown moderate success in sectors such as electronics, their scalability and long-term impact electronics, their scalability and long-term impact remain uncertain. In that light, the Budget announcements on enhanced credit facilities for MSMEs and the launch of a National Manufacturing Mission aimed at improving ease of doing business, to foster a future-ready workforce, and promote clean-tech manufacturing, are important steps. The revision of MSME classification criteria – increasing investment limits by 2.5x and doubling turnover thresholds—may improve scale economies. However, the measures fall short of addressing core competitiveness issues such as regulatory However, the measures fall short of addressing core competitiveness issues such as regulatory inefficiencies, infrastructure gaps, and low innovation capacity. The absence of concrete measures to boost industrial research and development – currently at a dismal 0.64% of GDP – undermines India's ability to compete wit innovation-driven economies such as China and Germany. While the Budget's focus on manufacturing is a step in the right direction, achieving global competitiveness will require deeper structural reforms and sustained deeper structural reforms and sustained ment in innovation and infrastructure

The gaps remain in agriculture
Fourth, agriculture, a key pillar of the economy,
received significant attention through initiatives
such as the Prime Minister Dhan-Dhaanya Krishi
Yojana and the National Mission on High-Yielding
Seeds. These measures are with the aim of
enhancing productivity and climate resilience,
which are critical for food security. The increase
in the Kisan Credit Card (KCC) loan limit from ₹3
lakh to ₹5 lakh, along with targeted interventions
in 100 low-productivity districts, signals a
strategic pivot from blanket subsidies to precision
support, empowering farmers with greater strategic pivot from blanket subsidies to precision support, empowering farmers with greater financial flexibility. However, the measures fall short of addressing systemic inefficiencies in agricultural markets. The Budget lays an emphasis on credit enhancements, yet the focus

on short-term loans perpetuates the dependency of farmers on debt without addressing the issues of price volatility or market access. Moreover, the absence of concrete measures to promote agricultural exports – particularly as India eyes leadership in millets and natural farming – represents a missed opportunity. Fifth, while the Budget introduces some promising measures for the external sector, significant gaps remain unaddressed. Services exports, particularly in IT and business process

exports, particularly in IT and business process outsourcing, continue to grow at a robust 10.5% CAGR, but budgetary efforts to diversify the export portfolio remain insufficient. Trade facilitation initiatives such as Bharat Trade Net facilitation initiatives such as Bharat Trade Net (BTN) and export credit support for MSMEs, which were announced in the Budget, are positive steps but lack the scale required to tackle India's persistent trade deficits. Moreover, the challenges posed by the depreciation of the rupee ambitious export strategy. The fiscal push to value-added sectors such as pharmaceuticals, electronics, renewable energy, and high-value electronics, renewable energy, and high-value agricultural products could have strengthened India's position in global supply chains and enhanced export competitiveness.

Not a transformative push Finally, while the Budget signals intent on climate action and clean energy, its financial commitments reveal a cautious, incremental approach rather than a transformative push. The Budget's focus on supply-chain resilience – through incentives for lithium-ion battery recycling, duty exemptions on critical minerals, and support for domestic solar photocologic and recycing, duty exemptions on critical innerals, and support for domestic solar photovolical and battery manufacturing – is a pragmatic move to reduce import dependence. However, without a parallel investment in grid modernisation, energy storage, and industrial decarbonisation, the ransition to a low-carbon economy will rem

transition to a low-carbon economy will remain fragmented.

The Budget's fiscal outlays will eventually be judged by how effectively they address the fundamental trade-offs of indian growth: how to unleash private enterprise while ensuring inclusive development; how to boost inclusive development; now to boost consumption without compromising savings, and how to accelerate growth while maintaining macroeconomic stability. Ultimately, the credibility of execution and the government's willingness to course-correct where necessary

The views expressed are personal

# A Budget that is forward-looking and growth-oriented $_{\scriptscriptstyle \perp}$

he Union Budget 2025-26 is in line with the government's sustained efforts over the past few years to bolster economic growth and development. The provisions of the Budget indicate the continuation of the government's strategic approach toward economic expansion, fiscal prudence, and sectoral growth.

The multiplier effects of the IT cuts

been most widely welcomed is the significant cut in personal income-tax, with complete exemption extended to individuals earning up to exemption extended to individuals earning up to \$12 lakh per year. This limit will be \$12.75 lakh for salaried tax-payers because of the standard deduction of \$75,000. This is a major relief for the middle class, and is expected to have a multiplier effect on the economy.

Higher disposable income can trigger a virtuous cycle of higher consumption, increased demand, and improved business performance. This, in turn, will result in higher indirect tax collections and further economic expansion. Specifically, greater consumer spending will benefit industries such as retail, real estate, a

benefit industries such as retail, real estate, as automobile manufacturing, boosting employment opportunities. Another key highlight of the Budget is the allocation of ₹11.2 lakh crore for capital expenditure for 2025-26, marking an increase nearly 10% from the actual expenditure in the current fiscal year. This enhanced spending can drive infrastructure development, boost employment generation, and catalyse economic activity across sectors. And, of course, it strengthens the nation's logistical and industrial backbone, ensuring long-term sustainable

growth.

In a major thrust to manufacturing, the Finance Minister, Nirmala Sitharaman, has also announced the establishment of a National Manufacturing Mission. The aim is to promote the 'Make in India' initiative by covering small, it is a manufacturing to produce the financial content of the content of medium, and large industries, providing policy support, execution road maps, and governance frameworks in collaboration with central Ministries and States. The mission is expected to



Many of the

manufacturing.

agriculture and lack rounded

is Vice President, The Federation of Indian Chambers Commerce and Industry (FICCI)

There is every

indication that

prudence and sectoral growth

will continue

the approach toward expansion, fiscal enhance domestic capabilities, reduce import dependency, and encourage foreign investment While the finer details are yet to be examined, it appears to be a well-conceived initiative. By streamlining regulatory processes, offering incentives, and creating an enabling business environment, this initiative has the potential to position India as a global manufacturing hub.

Focus on labour-intensive sectors

Focus on labour-intensive sectors In consonance with the government's commitment to job creation, the Budget is focused on labour-intensive sectors such as tourism, food processing and leather. These industries have historically been major employment generators and contribute substantially to India's export earnings. By providing targeted incentives and streamlining regulations, the Budget aims to enhance productivity improve competitiveness and productivity, improve competitiveness, and create new job opportunities in these sectors

On the infrastructure side, we see the Budget focus on the maritime sector through the announcement of a new Maritime Development announcement of a new Maritime Development Fund. This will give a boost to the marine economy, especially in the coastal States of the country, creating growth opportunities for both trade and the blue economy-related segments. The Federation of Indian Chambers of Commerce and Industry (FICCI) has also noted with interest the plan for flight connectivity to 120 new destinations under a modified Ude Desh ka Aam Naagrik (UDAN) scheme as this too will enable new economic opportunities in newly connected regions of the country as emerging growth. regions of the country as emerging growth

The Budget has introduced the Prime Minister The Budget has introduced the Prime Minister Dhan-Dhanya Krishi Vojana, a targeted initiative designed to enhance agricultural productivity and improve rural livelihoods. The programme will cover 100 districts with low productivity, moderate crop intensity, and below-average credit access, in partnership with State governments.

This initiative aims to promote crop diversification and sustainable agricultural practices, enhance post-harvest storage infrastructure, improve irrigation facilities, and

facilitate access to credit. With an estimated 1.7 facilitate access to credit. With an estimated 1.7 crore farmer-beneficiaries, this has the potential to transform the agricultural landscape, increase rural incomes, and drive economic activity in India's hinterlands. Higher rural purchasing power will indirectly benefit the corporate sector, particularly those involved in consumer goods and agricultural supply chains.

Another commendable aspect of the Budget is the government's resolve to reduce the fiscal deficit from 4.8% in 2024-25 to 4.4% in 2025-26. denct from 4.8% in 2024-25 to 4.4% in 2025-26. This move is critical as sound public finance management is a sine qua non for sustained economic growth. A lower fiscal deficit will help stabilise inflation, increase investor confidence, and create a more robust macroeconomic

#### A boost to ease of doing busing

Rationalisation of the duty structure and simplification of the tariff framework by removing implification of the tariff framework by removing an additional seven tariff rates is a noteworthy announcement. While this may sound simple, it is a major step towards simplification and enhancing ease of doing business for industry. The rationalisation of cess by ensuring that no more than one cess or surcharge would be levied is a crucial step toward ensuring a fairer and more predictable taxation regime, benefiting both industry and consumers. The Budget has also addressed the issue of inverted duty structure for some products, which is a welcome step. This would enhance trade competitiveness and encourage greater participation of domestic firms in global supply chains.

The continued focus on capital expenditure, manufacturing, and labour-intensive sectors, combined with fiscal prudence and income-tax relief, sets the stage for robust growth in the years ahead.

ahead. While the finer details of various schemes and policies will need closer examination, the overarching framework of the Budget suggests a proactive, forward-looking, and growth-oriented strategy. As businesses and stakeholders begin to analyse and adapt to the new measures, the true impact of Budget 2025-26 will unfold in the next few months.

#### LETTERS TO THE EDITOR

#### A look at the Budget

A look at the Budget While making an overall assessment of the Budget, one should not lose sight of the fact that only around 2% of Indians pay income-tax. One wonders what relief has been provided to the millions without any the millions without any sort of employment. The disproportionate bounty doled out to poll-bound Bihar poses yet another challenge to India's

constitutionally mandated federal principles. Manohar Alembath, Kannur, Kerala

Health care for all citizens is very important. While the rich can afford medical facilities abroad, it is the middle-income group which finds it difficult to access health insurance policy due to the high GST levied.

of senior citizens, I retired from a public sector unit and now have bladder

and now have bladder cancer. After undergoing the initial forms of treatment such as tablets, radiation and chemotherapy, I am still not out of the problem. The next stage of treatment I have been advised is to have immunotherapy injections, with each ng ₹2,18,500:

17 injections are to be 17 injections are to be administered in a year. I hoped that the Budget would have had provisions to help cancer patients. A. Jainulabdeen,

NREGA and dues
One fails to understand why
there are mounting and
pending dues to MGNREGA
workers. Unless the lives of
the poor are improved, the strong advertisement that it

#### Corrections & Clarifications

Wheat is a rabi crop and not kharif crop, as mentioned in a rey "Warmer than normal February could hurt wheat, fruit, vegetables, IMD" (some editions, February 1, 2025).

The Readers' Editor's office can be contacted by Telephone: +91.44-29418297/28576300: E-mail readerseditor other induces in

is a new India leading the world, would be an exaggeration. Survival over living is the order of the day. The government seems to have all the money for freebies, but no money to pay wages. What a sorry state of affairs.

is a new India leading the

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

# Study finds a way to predict when cracks would develop in paint, clay, milk, blood

Ph.D. student Vaibhav Parmar and professor Ranjini Bandyopadhyay of the Soft Condensed Matter group at RRI Bengaluru examined how the elasticity of clay changed as it dried, slowly changing from a flowing liquid to a soft solid to a brittle sheet, in the process uncovering a link between the elasticity of clay and crack onset time

Unnati Ashar

racks in paint coatings could soon become a thing of the past. In a new study, researchers from the Raman Research Institute (RRI) in Bengaluru have found a way to delay the onset of cracks after studying them in great detail. As playful as this sounds, the technique have potential anglestrions in diamosine.

has potential applications in diagnosing diseases and checking whether food has spoiled.

spoiled.

In general, cracks are ubiquitous, even a part of life. They adorn old flower vases, the outer surfaces of buildings that have suffered both hot summers and chill winters, streams of cooling lava, the ground when it has become sapped of moisture, even the scaly heads of reptiles like crocodiles. But how often do we stop and take a closer look?

Cracks may appear simple but they're formed as the result of a complex phenomenon. In older studies, scientist have found that new cracks always meet

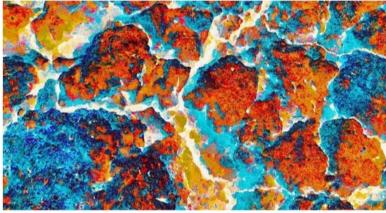
phenomenon. In older studies, scientists have found that new cracks always meet an older one at 90° – except in a very thin layer of drying paint, where they prefer an angle of 120° instead. Pertapsy sou'd like to pick up a magnifying glass, a protractor, and go take a look.

From clay to chicken nuggets
In the new study, researchers Vaibhav
Parmar, a PhD student, and professor
Ranjini Bandyopadhyay of the Soft
Condensed Matter group at RRI examin
how the elasticity of clay changed as it
dried, slowly changing from a flowing
liquid to a thick yet soft solid to a brittle
sheet. A more elastic solid will more
readily regrun to its original shape a flor. readily return to its original shape after it

readily return to its original shape after it is distorted in some way.

The duo discovered a relationship between the elasticity of clay and how quickly cracks emerged in it. Using this relationship, they concluded that they could predict when cracks would develop based on the initial thickness of the sample and its elasticity. The beauty of an equation is if its left-hand side equals its right-hand side, the reverse is true as well. That is, the researchers found they could delay the onset of cracks by tuning the elasticity. They were able to do the latter by mixing different additives into the clay. When it was common salt, the cracks

When it was common salt, the cracks emerged faster than when they added a food additive called tetrasodium pyrophosphate (TSPP). TSPP is found in foodstuffs like chicken nuggets, marshmallows, and meat and egg alternatives, and as a thickening agent in toothpastes. Indeed, the duo hit a eureka ent when TSPP was found to cantly delay the birth of cracks in



entative image of cracking paint. One potential application of the new findings is in the study of how old paintings have been restored over time. EUGENE

clay. Their findings were published in a paper in the journal *Physics of Fluids* in November 2024.

Here a crack, there a crack An immediate application of their findings is a way to make paint coatings resistant to cracks. Manufacturers generally add clay to their paints and coating liquids to give them a thicker consistency. The new study suggests they consistency belief products. consistency. The new study suggests they can improve their products' crack-resistance by adding clay of a certain elasticity to the liquid at the time of their manufacture itself.

In fact, the findings could apply almost anywhere that cracks make an

appearance.
"Just like clay, milk and blood are made of tiny particles in a liquid, and they behave in similar ways when they dry," Kirti Chandra Sahu, a professor in the Department of Chemical Engineering at ITT Hyderabad, said. "The same principles about how cracks form could help study drying patterns in these materials. For example, crack patterns could rewal example, crack patterns could reveal structural changes in protein networks, like in milk or clot formation in blood."

Clay, milk, blood, and paint are all colloids: a mixture in which small insoluble particles of one type are dispersed in a liquid of another type. Sahu, who wasn't involved in the RRI study, asserted that its findings could be applied to all colloids beset by cracks.

This research advances our understanding by linking the internal structure, mechanical properties, and cracking behaviour of ageing colloidal

'Adulterants might affect the milk's

"Adulterants might affect the milk's properties, creating unique drying patterns or crack formations. The study's approach could help identify the changes by comparing the drying patterns of pure and adulterated milk," he said. "It's a smart and straightforward method to test milk quality." "Blood from patients with conditions like anaemia ... displays distinct differences in red blood cell count, shape, and rigidity compared to the blood of healthy individuals," Bandyopadhyay, one of the study's coauthors, said. "Any change in red blood cell characteristics will change the crack patterns left behind will change the crack patterns left behind on a substrate after a drop of blood has dried completely."

'Significant potential'
She added that a machine-learning model that has been taught to distinguish between various crack patterns in dried blood could also discriminate between the blood of a person before and after

Researchers have found that they can predict when cracks appear based on the initial thickness of a colloid sample and its elasticity. Using this, they were able to delay the onset of cracks by mixing additivesin the colloid

Clay, milk, blood, and paint are colloids. Researchers said these findings could be applied to all colloids beset by cracks. Any change in red blood characteristics will change crack patterns on a substrate after a drop of blood has dried

Paint on a building undergoes changes in temperature and humidity daily. Researchers intend to perform experiments in which they vary these parameters and study how the formation of cracks changes executions.

intense exercise "with 95% accuracy."

Yet another potential application of the findings is in the study of how old paintings have been restored over time. Like drying clay, such paintings develop a network of fine cracks over time called the craquelure. By understanding how environmental and mechanical factors affect the craquelure, experts could better conserve valuable works of art.

With so many applications, Sahu said the study seems to deepen our understanding of material properties. "This research advances our understanding by linking the internal structure, mechanical properties, and cracking behaviour of ageing colloidal materials," he said, adding that the findings "have significant potential for ... enhancing our understanding of the behaviour of soft materials."

The duo at RRI also has more work planned. The paint applied on a building undergoes significant changes in temperature and humidity every day. The researchers intend to perform controlled experiments in which they vary these parameters and study how the formation

experiments in which they vary these parameters and study how the formation of cracks changes accordingly. "We [also] want to confirm the validity

"We (also) want to confirm the validity of the proposed relationship experimentally in other materials, such as in cornstarch, toothpaste and ketchup," Bandyopadhyay said. (Unnati Ashar is a freelance journalist. (unnati aggynali.com)

### **BIG SHOT**



This January 24 Hubble Space Telescope image features a sparkling scene from the outskirts of the Tarantula Nebula, about 160,000 light years away. At its centre, this nebula hosts massive stars weighing roughly 200-times the sun. The scene here features serene blue gas, brownish-orange dust patches, and a sprinkling of multi-coloured stars.

#### WHAT IS IT?

#### Small modular reactors: pocket N-plants

#### The Hindu Bureau

In her 2024-2025 and 2025-2026 budget speeches, Finance Minister Nirmala Sitharaman Minister Nirmala Sitharaman emphasised contributions from nuclear power for India to meet its renewable energy targets. A new mode of nuclear power generation soon expected to enter this mix is small modular reactors (SMRs). SMRs arel er reactors designed to be smaller more flexible, and easier to build than traditional nuclear setups. Each SMR will produce less than 300 MW of power. (Scientists are also exploring an even smaller design, called

an even smaller design, called microreactors, to produce 1-20 MW of nuclear power each.) The larger a conventional nuclear power facility, the more commercially viable it will be; SMRs aim to buck this trend by being cheaper to build and safeguard. Its proponents say different parts of an SMR can be machined separately, then assembled in a factory and transported to the site rather than having to be built on site. A reactor with such a design can also be scaled up more nuclear power facility, the more

can also be scaled up more easily than a conventional SMRs have some downsides,

too. For one, they are still experimental and need



A billet of enriched uranium. Many SMR designs require the use of high-assay low-enriched uranium (HALEU), enriched to 5-20%, as nuclear fuel. PUBLIC DOMAIN

considerable capital investments without a guarantee that they will be profitable. For another, the first generation of SMR designs require low-grade uranium as nuclear fuel to operate and thus will need to be refuelled more often, which is not desirable. In this year's budget speech, Ms. Sitharaman announced a new 'Nuclear Energy Mission' with a 720,000 crore outlay to study SMRs and operationalise five indigenous units by 2033.



## Budget 2025 overlooks joblessness

he previous Budget, presented in July 2024 after the Lok Sabha election, had accorded priority to employment and skill development, given the nature of the election mandate. The Finance Minister had announced a Prime Minister's Package of five schemes and initiatives to facilitate job and and initiatives to facilitate job and internship opportunities for 4.1 crore youth over a five-year period with a central outlay of ₹2 lakh crore. However, the Budget speech delivered in Parliament on February 1, 2025, did not refer to the Prime Minister's Package even once. The document on implementation of Budget 2024-25 announcements states that a "draft Cabinet note on "draft Cabinet note on Employment Linked Incentive scheme is under finalisation" and "several meetings have been held with the Ministry of Labour and CII to discuss the relationship between capital expenditure and employment generation". In other words, the future of the scheme looks bleak.

Deflationary budget The September 2024 report of the Periodic Labour Force Survey (PLFS) revealed that in 2023-24, the youth unemployment rate (for those aged 15-29 years) had increased to 10.2% and the unemployment rate among graduates was 13%. Time series data from the PLFS show that the data from the PLFs show that the share of the workforce engaged in regular or salaried employment in the post-pandemic period has shrunk, while the share engaged in agriculture and informal self-employment has risen. The latest Economic Survey also shows that average real earnings of self-employed male workers in India fell from 79,454 in 2017-18 to 78,591 in 2023-24. The monthly real wages of

Tax breaks for income tax navers along capital and monthly real wages of regular/salaried male workers also welfare expenditure are fell from an average of ₹12,665 in 2017-18 to ₹11,858 in 2023-24. unlikely to raise the living standards of the Surplus labour inundating the job market, combined with high food inflation, have severely squeezed the real incomes and livelihoods of vast majority of working people



Prasenjit Bose

an overwhelming majority of India's workforce. For a Finance Minister to overlook this is

disingenuous.

The advanced estimates of GDP have already projected a decline of the real GDP growth rate to 6.4% in 2024-25 from 8.2% last year. In keeping with this, there is a slowdown in the Centre's net tax revenues in 2024-25. With the Finance Minister keen on adhering Finance Minister keen on adhering to the fiscal consolidation path, the axe has fallen on government expenditure. Total expenditure is now likely to be over II lakh crore short of Budget Estimates (BE), with capital expenditure falling short of the target by over ₹92,000 crore.

Public expenditure on rural and urban development, agriculture, education, food subsidy, energy, transport, and health are all being axed. Among centrally sponsored schemes, the Revised Estimates (RE) for the Jal Jeevan Mission and Pradhan Mantri Awas Yojana (both Pradhan Mantri Awas Yojana (both rural and urban) show declines of ₹47,469 crore and ₹38,575 crore, respectively, from their BE. The expenditure on MGNREGA was cut in the BE itself by ₹3,654 crore from the previous year. Such deep cuts in budgeted capital and welfare expenditures would have a dammening effect on investment. dampening effect on investment and consumption, especially in

rural areas. The Finance Minister has The Finance Minister has sought to counterbalance the deflationary impact of these expenditure cuts by enhancing the annual rebate for income tax payers from 77 lakh to 312 lakh from 2025-26. Data from the Income Tax Department show that only around 2.8 crore individuals had paid positive taxes in the assessment year 2023-24, out of the 7.54 crore filing income tax returns. The income tax relief tax returns. The income tax relief for next year would therefore go to 2.8 crore individuals, who form only around 22% of India's salaried workforce. For the rest who are faced with dwindling real

comes, there is nothing on offer. The Finance Minister has ated the revenue force

account of the income tax rebate to be ₹1 lakh crore. Instead, a cut of a similar magnitude in indirect taxes, such as the exorbitant excise duties on fuel or the central GST rates on mass consumption goods, could have provided relief to the entire class of working people. It is well known that the

people. It is well known that the consumption propensity of wage earners is higher than that of the profit earners.

The average daily wage rate actually received by a MGNREGA worker (as per data provided by Ministry of Rural Development dashboard) has increased from 2200.71 in 2019-20 to 7252.31 in 2024-25. The national floor level minimum wage for unskilled workers in agriculture, in contrast workers in agriculture, in contrast, has been set at ₹452 in 2024-25. A well deserved, substantial hike in the MGNREGA wages in the Union Budget alongside an increase in rural development outlays would have led to increased ption demand in the rural areas. The consumption effect of income tax breaks, in contrast,

Running out of ideas The latest Economic Survey cites a private sector research report to show how the after tax profit-to-GDP ratio of Nifty 500 companies surged from 2.1% in 2020-21 to 4.8% in 2023-24. While 2020-21 to 4.8% in 2023-24. While the deep corporate tax cut of September 2019 played a vital role in this profit surge, it has neither translated into higher levels of private corporate investment, nor employment generation. Yet, the 2025 Union Budget has relied upon another tax break, this time for income tax payers, to inject demand into the economy, even while cutting capital and welfare expenditures to compress

welfare expenditures to compress the fiscal deficit. This is unlikely to generate higher levels of economic growth and employment and raise the living standards of the vast majority of the working people. It is evident that the government has run out of ideas on the economic

### Singer, balladeer, Maoist sympathiser

A political row has broken out in Telangana over Gaddar and the Padma awards

STATE OF PLAY

Ravi Reddy

A political row has broken out in Telangana after the Revanth Reddy government's proposal to confer a Padma award on Gaddar alias Gummadi Vithal Rao – a revolutionary ballader, renowned folk singer, and also a Maoist sympathiser – was ignored by the Centre.

The Chief Minister was peeved that his government had recommended five names – Gaddar, educationist Chuka Ramaiah, poet Andesri,

ka Ramaiah, poet Andesri, poet-singer Gorati Venkanna, and poet-historian Jayadheer Tirumala Rao – for various Padma awards and not one of them made it to the final list

them made it to the final list. He termed it an insult to the "four crore people of Telangana". The issue escalated when the Union Minister of State for Home Affairs, Bandl Sanjay, commented on the State go-vernment's decision to recom-mend Gaddar. He said, "Gi-ing a Padma award to those who championed Naxalism is who championed Naxalism is wno championed Naxansm is like spitting on the graves of martyred police officers and BJP karyakartas who fell vic-tim to [the violence propagat-ed by those who follow] this ideology. It is a betrayal of the families of these brave officfamilies of these brave offic-ers. How can the State even consider honouring a person investigated by the NIA (Na-tional Investigation Agency) for fuelling violence?"

The State government argued that the names were sent after careful consideration of the contributions of the five individuals in the fields of art, culture, education, people's movements, and protection of tribal culture. It said that their



Statehood could not be ig-nored. An angry Chief Minis-ter said that he would write to Prime Minister Narendra Modi about the issue. Since the creation of Telan-grap in 2014, one Bharat Pate.

gana in 2014, one Bharat Rat-na (to former Prime Minister P.V. Narasimha Rao), three Padma Vibhushan, seven Pad-ma Bhushan, and 41 Padma ma Bhushan, and 41 Padma Shri awards have been presented to people from the State. But the Telangana government has alleged that there is discrimination against the State. While some States have managed to secure more than 10 Padma awards, it argued that Telangana received only two this time – a Padma Vibhushan for gastroenterologist Dr. Duvvur Nageshwar gist Dr. Duvvur Nageshwar Reddy and a Padma Shri for Manda Krishna, the founder-president of the Madiga Reservation Porata Samiti

While Gaddar, who died in 2023, was a Maoist sympathis-2023, was a Maoist sympathiser, he is a popular figure in Te-langana. Gaddar, a Dalit, was an engineering dropout. He was attracted to the Maoist movement in the 1970s and spent over a decade underground working as its cultural ambassador. Often referred to as 'Praja Yuddha Nauka' was ship of the people's movement), Gaddar's role in the Telangana movement between langana movement between 2009 and 2014 is acknowledged not just by the people, but also by political parties. In fact, Mr. Modi paid Gad-

ing tributes in his

condolence message to the balladeer's family on August 21, 2023. Mr. Modi's letter read: "The themes of his poems and folk songs in Telugu reflected the challenges faced by the disadvantaged sections of the society. His sections of the society. His creative works also provided encouragement to the people. He always remained passion-ate about the progress of Te-langana. His contribution to-wards revitalising a traditional art form will be remembered by the people."

by the people." This is why Mr. Bandi San-jay's comments have not only angered the Congress, but also divided the State BJP unit and put them in a spot. While put them in a spot. While some party cadres support his stand, others point out that the Prime Minister, too, has acknowledged the activist's contribution. They also worry that by openly claiming that the Centre decides who should get the awards, Mr. Bandi Sanjay has created the impression that favouritism takes precedence over merit. There is a clear political angle to the decisions too. The Centre reportedly felt that by recommending certain people who were active during the

who were active during the Statehood movement, the Revanth Reddy government was trying to woo the cadres of the Bharat Rashtra Samiti. Gad-Bharat Rashtra Samiti. Gad-dar's daughter, Vennela, was given a Congress ticket in the Assembly elections. She lost the election and is now chair-person of the Telangana Sam-skruthika Saradhi, a cultural wing of the State government. While the Centre may have a point. Mr. Bandi Saniav's re-

a point, Mr. Bandi Sanjay's re-marks have not only provided ammunition for the Telangana government, but also divided the BJP. More crucially, they seek to undermine the contri butions of a man who fought relentlessly for the rights of

## How much in subsidies do fossil fuels receive?

Estimates range from less than \$1 trillion to \$7 trillion depending on the ways in which subsidies are defined

#### DATA POINT

#### Hannah Ritchie

we want to tackle climate nange, we need to move vay from fossil fuels to low away from fossil fuels to low-morphone energy sources. This tran-sition is a lot easier if these sources are cheaper than fossil fuels. Ho-ewever, fossil fuels are often subsi-dised, reducing the short-term economic incentives to switch. Because subsidies can be de-fined in different ways – produc-tion, consumption, explicit, impli-cit – people can quote different numbers to this question, ranging

numbers to this question, ranging from hundreds of billions of U.S. rs to as much as \$7 trillion.

dollars to as much as \$7 trillion.

Let's start with explicit subsidies: government payments to make fossil fuels cheaper. These payments can either go towards fossil fuel producers so that the extraction and refining cost is lower (called 'production subsidies') or to consumers so they can buy fossil fuels cheaper than the market price (called 'consumption subsidies'). Global explicit subsidies for fossil fuels amounted to around fossil fuels amounted to around \$1.5 trillion in 2022. That is equivalent to the entire GDP of countries

like Russia or Australia. Around 80% of these explicit Around 80% of these explicit subsidies went to consumers and the rest into fossil fuel production. Global subsidies ramped up in 2022 because the price of energy spiked due to Russia's invasion of Ukraine. Consumption subsidies roughly doubled from 2021 to 2022 and fell back to their previous level in 2023 (Chart I).

In 2022, the price of gas increased by as much as 400% any countries implemented menor the production of the production of the price of the price of the price of gas increased by as much as 400% any countries implemented menor production of the price of the price of gas increased by as much as 400% and productive implemented menor production of the price of t

ny countries implemented me-chanisms to support consumers, such as putting a price cap on gas and electricity. Now, this money was going towards subsidising fos-sil fuels. But it's perhaps not quite as 'explicit' a subsidy as the name might infer; the focus of govern-ments was to make energy afforda-ble for households and businesses, not specifically fossil fuels. Taking these subsidies away without cheap and available alternative

cheap and available alternative energy sources would push some households into fuel poverty.

So far, we have focused on subsidies at a global level, but there are huge differences between countries. In Map 2, you can see the level of fossil fuel subsidies given per person. This includes production and consumption subsidies, and it is shown for 2021, before the energy crisis.

Unsurprisingly, the countries that gave the largest subsidies are large fossil fuel producers. Major

large fossil fuel producers. Major oil producers, such as Saudi Ara-bia, Turkmenistan, Libya, and Algeria, spent more than \$500 per person (sometimes over \$1,000) to person (sometimes over \$1,000) to support fossil fuel production. These subsidies can represent more than 10% of GDP. Countries across Europe, North and South America, and East Asia typically gave less than \$100 per person, and in Africa and South Asia, it's even less than \$20 – and some-times close to zero. For India, the amount was around \$3 in 2021, down from \$9 in 2015. You might have heard \$7 trillion

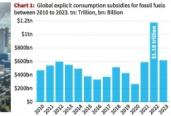
You might have heard \$7 trillion quoted as the amount of subsidies going towards fossil fuels. That's more than four times the \$1.5 tril-lion I mentioned at the beginning.

lion I mentioned at the beginning. That's because it includes implicit subsidies — the societal costs of burning fossil fuels. When we burn fossil fuels, we cause local air pollution and drive climate change. Chart 3 breaks down the \$7 trillion figure into its components. Explicit subsidies (18%) include consumption subsidies (4%), production subsidies (4%), and foregone VAT (5%). Implicit subsidies (7%), and foregone VAT (5%). Implicit subsidies (18%) includes (18%) and foregone VAT (5%). Implicit subsidies (18%) includes (18%) and foregone VAT (5%). regone VAT (5%). Implicit subsi dies (77%) arise from externalities, such as air pollution (30%), clisuch as air pollution (30%), and road use impacts (17%). A section in the graphic outlines different ap-proaches to reducing subsidies, such as cutting producer/consum-er support, implementing pollu-tion or carbon taxes, and using road taxes or congestion pricing.

### The low-down on fossil fuel subsidies

The charts are sourced from Hannah Ritchie's "How much in subsidies do fossil fuels receive?", published in Our World In Data. She is the deputy editor and science outreach lead at Our World In Data





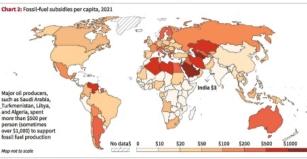


Chart 3: The chart breaks n the \$7 trillion figure

Consumption subsidies (14%) – Support to reduce the cost of fuel for consumers

Air pollution (30%)

- Environmental and social damages from local air pollution caused by burning fossil fuels

### FROM THE ARCHIVES The Man Trindu.

FIFTY YEARS AGO FEBRUARY 3, 1975

#### Panel suggests scrapping of tutorial system

New Delhi, February 2: Tutorial system in Indian universities, particularly in the Delhi University, is in danger of being discontinued because of lack of interest evidenced in it by both lecturers

lack of interest evidenced in it by both lecturers and students. This is borne out by the report of a high-power committee of leading educationists, appointed by the University Grants Commission, to go into the system. The report, which is just out, has recommended that under the existing circumstraces, it is best to even the existing circumstances, it is best to scrap the system.

The scheme of tutorial and preceptorial was

instituted in the Delhi University in 1958 with funds provided by the Ford Foundation. It was intended to be an experiment to be conducted intended to be an experiment to be conducted for five years. Its main purpose was "to foster a system of education by discussion and thus to meet the need for developing the capacity for intellectual initiative and self-reliance on the part of the students."

The committee mel tecturers, principals of colleges, representatives of the Delhi University Teachers' Association and the Delhi University Students' Union and a number of students. A questionnaire was prepared to elicit information from them. It was the general view of these

from them. It was the general view of these people that although the scheme as planned originally by the University was a useful one, it had generated into a total farce.

A HUNDRED YEARS AGO FEBRUARY 3, 1925

#### 'Flu' epidemic in Britain

The London correspondent of *The Statesmen* cables to that paper that Britain is in the grip of a mild form of "flu". The epidemic has seriously affected offices and workshops, which are very short-handed, but, so far, few deaths have been recorded.

he complaint is largely of an intestinal form, and doctors state that the epidemic, which is due to a mysterious triennium cycle, is likely to reach its zennith in February. It will not be surprising if a large number of football matches are cancelled wholesale; of the forty members of one Surrey League team only five are fit to play. A village in Hampshire with a population of 400 has no less than 260 under the doctors.

Many schools have been closed down in Kent owing to the absence of teachers, and at one school only forty out of 214 pupils put in an appearance.

# Text&Context

THE

#### **NEWS IN NUMBERS**

Budget for children as a share of the overall Union Budget

225 In per cent. The Union Budget 2025-26 has allocated \$1,16,132.5 crore for children, marking a 5.65% increase from the previous year's ₹1,09,920.95 crore, but child rights bodies have expressed concerns over allocations for crucial programmes". PTI

Delegates who participated in IAPC health conference

800 A three-day international conference of the Indian Association of Palliative Care (IAPC) concluded, with over 800 delegate doctors and volunteers from across the globe participating in one of the largest health events in Jammu and Kashmi

The share of backward classes in Telangana's population

46.25 In per cent. Backward classes, other than Muslim minorities, form the largest chunk of the 3.7 crore population of Telangana, according to the caste survey conducted in the State. This is followed by the Scheduled Castes at 17.43%. PT

Number of smart anganwadis to be inaugurated in Kerala

Kerala Chief Minister Pina Vijayan will inaugurate 30 new smart anganwadis equipped with state-of-the-art facilities. State Health Minister Veena George stated that approval has been granted for constructing 189 smart anganwadis, of which 89 have already been opened. PTI

Allocations for Lok Sabha in the latest Budget

903 In ₹ crore, Lok Sabha has been allocated ₹903 crore, more than double the amount given to the Rajya Sabha. A sizeable allocation — ₹558.81 crore of the total ₹ 903 crore - has been assigned to Lok Sabha Secretariat. Pri COMPILED BY THE HINDU DATA TEAM

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# On live-in relationships in Uttarakhand

What has Uttarakhand's Uniform Civil Code mandated with respect to the registration of live-in relationships? Should the parents of the individuals be notified by the registrar? How do landlords come into the picture? Are there penalties for concealing the relationship? What about privacy?

EXPLAINER

Aaratrika Bhaumik

The story so far:

The story so far:
ttarakhand's Uniform Civil
Code passed by the State
Assembly in February 2024,
mandates the registration of
live-in relationships both at their live-in relationships both at their commencement and termination. This requirement applies not only to residents of Uttarakhand but also to individuals residing elsewhere in India. The rules, which came into effect on January 27, 2025, impose extensive documentation requirements for such registrations. "Requiring individuals in a live-in relationship to register with the government constitutes a gross violation of the right to privacy enshrined in Article 21 of the Constitution. It also contravenes the nine-judge Bench decision in Justice the nine-judge Bench decision in Justice K.S. Puttaswamy versus Union of India, which affirmed that the right to privacy encompasses both informational privacy and decisional autonomy. There can be no disproportionate intrusion by the state into the private realm of an individual," Alok Prasanna Kumar, co-founder of Vidhl Centre for Legal Policy told The Hindu.

What is the registration process?
Under the code, only unmarried, heterosexual couples can enter into live in relationships. Couples currently in a live-in relationship or intending to enter one can register through the newly launched online portal. For offline registration, they have to submit a 16-page form along with supporting documents to the concerned registrar. As stipulated in Rule 15(3)(e), applicants are required to submit an extensive set of documents for registration such as their photographs, their income tax Permanent Account Number (PAN), their Andhar linked to their phone number, and proof of residence or domicile within the State.

If either partner is between the ages of

If either partner is between the ages of 18 and 21, they must provide the



Aadhaar-linked phone number and address of each of their parents or legal guardians. The registrar is legally obligated to notify the guardians regarding the registration of the relationship, as well as its termination.

reationship, as weil as its termination.

Is relationship history relevant?

A distinctive feature of the rules is their attempt to equate live-in relationships with the status of marriage. If a couple falls within the "degrees of prohibited relationships" as outlined in Schedule 1-meaning they are related by blood — they must obtain approval from a religious or community leader certifying their eligibility to marry. The term "degrees of prohibited relationships" is derived from the Hindu Marriage Act, 1955, which forbids marriages between individuals who are lineally or consanguinely related, unless such unions are permitted by local

customs. Couples are also required to furnish proof of any prior relationships, particularly if they have previously been a live-in relationship. Further, they are required to disclose their current status—whether single, married, divorced, annulled, separated, or widowed.

What about housing?
If the partners are already living together, they must provide proof of their shared household, such as the most recent electricity or water bill. If they reside in rented accommodation, they must also submit the landlord's full name, contact number, and a copy of the rent agreement. The registrar is obligated to contact the landlord while verifying the application details. If the partners are not yet living together, they must apply for a provisional certificate. Upon receiving provisional certificate. Upon receiving such a certificate, the couple must secure

accommodation within 30 days, with a possible 15-day extension. They must then apply for final registration, providing proof of their new premises.

The rules also impose specific obligations on landlords. When leasing property to a live-in couple, landlords must request either a provisional or final registration certificate, which will be incorporated into the rent agreement.

Fallure to comply will result in a penalty.

Will there be penalties? Under the rules, the registrar is Under the rules, the registrar is empowered to conduct a summary inquiry to verify the authenticity of submitted documents and ensure that the relationship was not established through coercion, undue influence, misrepresentation, or fraud, Failure to register a live-in relationship

Failure to register a live-in relationship within a month may result in both civil and criminal penalties. Upon conviction, a magistrate may impose a jail term of up to three months, a fine of up to \*U,0,00, or both. Providing false information or concealing details carries a stricter penalty – imprisonment of up to three months, a fine of up to \*25,000, or both. The registrar, either acting suo motu or upon receiving a complaint regarding non-registration, can issue a notice directing compliance. False complaints may attract a fine, with repeat offenders facing a higher penalty.

What have experts said?
According to Apar Gupta, advocate and co-founder of the Internet Freedom
Foundation, the rules allow third-party disclosures of personal data without sufficient safeguards. "This will lead to large-scale social surveillance of relationships, which appears to be the intended consequence of the legislation," he said. "There are no penalties for third parties in cases of data leaks, which is particularly concerning since the parties in cases of data leaks, which is particularly concerning since the exposure of personal information can pose real-world threats. This is likely to disproportionately affect interfaith and inter-caste couples," Mr. Gupta added.

#### THE GIST

Under the code, only couples can enter into live-in

As stipulated in Rule 15(3)(e), As stipulated in Rule 15(3)(e), applicants are required to submit an extensive set of documents for registration such as their photographs, their income tax Permanent Account Number (PAM), their Aadhaar linked to their phone number, and proof of residence or domicille within the State.

may result in both civil and criminal penalties. Upon conviction, a magistrate may impose a jail term of up to three months, a fine of up to ₹10,000, or both.

# The legal systems under which citizenship is acquired

What are the two different principles which govern citizenship laws in various countries? What was the system in the U.S.? How are India's citizenship laws different?

The story so far:

s. President Donald Trump issued an executive order stating that U.S. citizenship will be granted in the future only to children with parents holding U.S. citizenship or a U.S. green card

What are the legal principles?

Clizenship is defined as full and equal membership of a country. In the words of Hannah Arendt, citizenship is the 'right to have rights'. There are two important legal systems based on which clizenship is acquired in various countries. One of them is 'jus soli' which means 'right of soil'. Under this principle, a child's clizenship is determined by his or her place of birth irrespective of the clizenship of their parents. Many North American and Latin American countries

etc., follow this principle while granting citizenship for children born within the country. The other is 'jus sanguinis' which means 'right of blood.' Under this means 'right of blood.' Under this principle, a child's citizenship is determined by the citizenship of parents. Many African, European and Asian countries like Egypt, South Africa, Germany, India etc., follow this principle.

What is the current issue in the U.S.? The U.S. has practised the grant of citizenship based on the 'jus soil' principle. The 14th amendment to the U.S. Constitution, adopted in 1868, states that 'all persons born or naturalised in the United States, and subject to the jurisdiction thereof, are citizens of the United States.' The U.S. Supreme Court in 1898 realfirmed that the 14th amendment extended to all children born in the U.S., irrespective of the parents' citizenship.

The current executive order issued by President Trump titled 'Protecting the meaning and value of American meaning and value of American citizenship decrees that American citizenship would be granted only to children with parents holding U.S. Citizenship or a U.S. Green card. This order is to be implemented from February 19. However, a federal court in the State of Washington has temporarily stayed the order stating that it is 'blatantly unconstitutional.'

What about citizenship in India? Citizenship in India is governed by the Citizenship Act, 1955. Till June 1987, India followed the 'jus soil' principle granting automatic citizenship to anyone born in India. Subsequently, the law was amended to introduce the 'jus sanguinis' principle. Between July 1987 and December 2004, it was required that either of the parents of a child born in

India was a citizen of India for granting citizenship. Since December 2004, the requirement was further restricted wherein both the parents had to be citizens or one parent is a citizen and the other not an illegal immigrant. This was primarily to restrict citizenship to children bears to illegal invojerants from children bears to illegal immigrants from the company of the compa children born to illegal immigrants from Bangladesh. The Citizenship Amendment Act, 2019 (CAA) provides accelerated citizenship to Hindus, Christians, Sikhs, Jains, Buddhists, and Parsis from neighbouring countries of Pakistan, Afghanistan and Bangladesh who have entered India before December 31, 2014. India has differentiated on the basis of india has dimerizated on the classis of religion, by excluding Muslims, for grant of accelerated citizenship for the first time through CAA, 2019. Critics argue that this is against the basic structure of secularism under the Indian Constitution. The is against the basic structure of secularism under the Indian Constitution. The argument made by the government is that it is only to grant accelerated citizenship to religious minorities of these three neighbouring countries who have migrated to India owing to religious persecution in these countries and hence not discriminatory. The Supreme Court will decide on the constitutional validity of this law. Meanwhile, the government should ensure that implementation of this law does not create undue hardships for Muslim citizens.

Rangarajian. R is a former IAS officer and author of Polity Simplified'. Views expressed are personal.

#### THE GIST

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grant of citizenship based on the 'jus soil' principle. The 14th amendment to the U.S. Constitution, adopted in 1868, states that 'all persons born or naturalised in the United States, and subject to the jurisdiction thereof, are citizens of the United States.'

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# 13 THE IDEAS PAGE

#### WHAT THE OTHERS SAY

"If the EU is to stand up to Donald Trump, and fulfil its obligations and pledges to Ukraine, it needs to liberate the collective resources to do so." — THE GUARDIAN

# Navigating uncertainty

Budget has tried to achieve objectives of accelerating growth, invigorating private investment, enhancing middle-class spending power



PINAKI CHAKRABORTY

THOUGH INDIA RECOVERED well from the Covid-19 shock, the current slowdown, as observed in the quarterly GDP numbers, needed calibration of the fiscal stance in a observed in the quarterly CDP numbers, needed calibration of the fiscal stance in a manner that supports an upturn in growth and addresses concerns for fiscal and macroeconomic stability. The Union Budget has been presented in a marco environment characterised by declining growth, a falling savings rate, slower corporate earnings and rising household debt. The budgetary stance for the year 2025-26 tried to strike a balance between fiscal expansion and consolidation. The budget speech emphasised that the Union Budget would initiate reforms in key areas, namely taxation, urban development, mining, the financial sector, power and regulatory frameworks.

Fiscal consolidation needs to be adhered tounder the fiscal responsibility framework. This has largely been achieved. As per the 2025-26 Budget Estimates, the fiscal deficit is expected to be 4-4 per cent of CDP. On the revenue side, we have seen significant announcements with regard to both direct to both direct to both direct to be other than the revenue with regard to both direct to be other than the revenue with regard to both direct to be other than the revenue with regard to both direct to be other than the revenue with regard to both direct to be other than the revenue with regard to both direct to be other than the revenue with regard to both direct to be other than the revenue with regard to both direct to be other than the revenue with regard to both direct to be other than the revenue with regard to both direct to be other than the revenue with regard to be other than the revenue with the revenue with regard to be other than the revenue with regard to

revenue side, we have seen significant announcements with regard to both direct
taxes and the rationalisation of some customs duties. The income tax slabs have been
significantly revised upward, which will
provide tax relief to the middle class. Second,
simplification of the tax structure, as expected, should aim at ease of compliance
and help improve the base. The intent, probably, is to continue the process of reforms to
have a direct tax structure that is less complicated when it comes to compliance. plicated when it comes to compliance

Broadly speaking, both expenditure-and revenue-side announcements in the budget are on predictable lines when it abudget are on predictable lines when it comes to fiscal consolidation and continuity with past policy. However, the current ity with past policy, However, the current context in India—after the last three years of buoyant growth and post-Covid recovery—seems to suggest that proactive interventions are necessary to arrest the slide in growth, and some of these interventions could be outside the budget. In order to catalyse growth, the Economic Survey emphasised deregulation of various sectors of the economy. These sectors predominantly fall in states' domain. In other words, a Centre-state coordination mechanism is essential to early out next-generation reforms and their smooth implementation require a framework where all the stakeholders are brought together and a consultative mechanism to the survey of the control of brought together and a consultative mech anism is instituted. Such measures canno be done through the budget but through a

be done through the budget but through a consultative, trust-based framework. The Union Budget highlighted the fol-lowing objectives: Accelerate growth, se-cure inclusive development, invigorate pri-vate sector investments, uplift household sentiments, and enhance the spending power of India's rissing middle class. The tools deployed to achieve these objectives are two kinds of fiscal expansion: More dis-iposable income in the hands of personal income taxpayers by reworking the income tax slabs, and providing relief to those at the



tail end of the distribution of income through the expenditure side of the budget. The overall impact of these two types of fis-cal expansion is not significant. The fiscal deficit is expected to be 4.4 per cent of the deficit is expected to be 44 per cent of the GDP while expenditure will decline to 14.6 per cent in 2025-26 (BE). A marginal increase in tax-to-CDP ratio is expected in the fiscal year 2025-26 as compared to 2024-25 (RE). The decline in the Union government's revenue deflict in recent year is significant, and this trend is expected to continue in the fiscal year 2025-26 (BE). These broad numbers of deficits and expenditures indicate that the primary focus of this year's budget is fiscal consolidation and in conformity with the past trends, and at an aggregate level, it is not expansionary.

While acknowledging the impact of global geopolitical headwinds on economic growth, the budget speech emphasied that India remains one of the fastest-growing economies in the world. The nominal GDP growth was assumed in the budget to be degree to the growth was assumed in the budget to be growth was assumed in the budget to be growth was assumed in the budget to be

India remains one of the fastest-growing economies in the world. The nominal GDP growth was assumed in the budget to be 10.1 per cent for the year 2025-26. If we assume that the Indian economy will grow at six per cent or more in real terms, the nominal GDP assumed in the budget makes an assumption about inflation at four per cent or less in the next year. Given the elevated level of inflation, bringing it down to four per cent or lower will be a challenge. If not, a higher nominal GDP growth can improve fiscal prudence.

As we enter the next fiscal year, one important concern that requires attention is

portant concern that requires attention is the rising indebtedness of households. India

One concern that requires attention is the rising indebtedness of households India has not returned to pre Covid levels of householddebt-to-GDP ratio. We see a rising trend post Covid. The policy consideration which

would encourage household savings, reduce excessive financialisation and provide safe saving opportunities for the households would ensure greater financial stability and would also help navigate global shocks better in the

current uncertain global environment has not been able to return to pre-Covid lev-els of household-debt-to-GDP ratio in the past three years. On the contrary, we see a rising trend post Covid. It is true that India's household-debt-to-GDP ratio is far lower household-debt-to-GDP ratio is far lower than in many of the developed economies. Even though this increase in debt is not alarming, this phenomenon needs to be seen in conjunction with the decline in the savings rate and the transfer of safe avayings to risky assets like stocks and other specu-lative investments. The risk of household safe savings shifting to speculative invest-ments is a concern and the macroeconomic risk associated with such a more cannot be risk associated with such a move cannot be ignored; continued regulatory monitoring

is necessary.

Thus, we need to take a balanced view of the changing preference of "financialisation" in the economy — a concern raised in the Economic Survey 2024-25 as well. Rising personal loans are a major indicator of increasing household financial stress. These istreasing notes to the considerations by sues require active policy considerations by the government beyond the budget and fall in the domain of fiscal, monetary and financial-sector policies. A policy consideration that would encourage household savings, reclai-sector poinces, A policy Consideration that would encourage household savings, reduce excessive financialisation and provide safe saving opportunities for the household would ensure greater financial stability and would also help navigate global shocks better in the current uncertain environment.

> The writer is visiting Distinguished Professor, National Institute of Public Finance and Policy. Views are personal

# But baby may not drill

Trump's exhortations on oil and gas most likely won't lead to a substantive change in the international energy market



"DRILL, BABY, DRILL." Thus did President Donald Trump cock a snook at concerns surrounding global warming. His inaugural pronouncement that America had "the largest amount of oil and gas in the world" and the "liquid gold under its feet" would make it "a rich nation again", combined with the revocation of the electric vehicle mandate and the executive order withdrawing America from the Paris climate accord (Libys, Iran and Yemen are the three other non-signatonies, signalled his 'shock-and-awa' intent oderail the green agenda. The market reacted predictably, international oil and gas prices softened and the shares of clean energy companies fell. Will this pronouncement lead to substantive change in the international energy market or might be no more than "atle... full of sound and fury, signifying nothing"? I arms that it skill pare that it skill pare that it skill pare the high the latter.

led or might it be no more than "atale...full of sound and fury, signifying nothing." Plar-gue that it will most likely be the latter. On petroleum, my logic is built around the fundamentals of exploration and pro-duction. This is a high-risk, capital—and technology-intensive activity with a long lead time. Its success hinges on navigation, three interlocking uncertainties. First, the uncertainty over whether a given geologic structure contains hydrocarbons. Technological advancement in mapping underground geologic structures and in-Technological advancement in mapping underground geologic structures and in-terpreting rock formations has reduced this uncertainty significantly. Second, whether these hydrocarbons can be lo-cated Here too, innovations related to well location and drilling have allowed for greater accuracy and productivity. Third, whether the reserves, once located, can be produced profitably.

The third is the rub. For here, the out-

The third is the rub. For here, the out-come depends on a variable outside the control of the companies: The prices of oil and gas. Companies will produce only if they can sell the output at a price that cov-ers their cost of exploration, reservoir ap-praisal, development infrastructure and production, and meets their threshold cri-terion of profitability, which varies from field to field. The impact of the presidential directive should be considered against the backdrop of these fundamentals. The majority of the low-cost hydrocar-

directive should be considered against the backdrop of these fundamentals.

The majority of the low-cost hydrocarbon-bearing acraege in the US has already been drilled. A survey carried out by the Kansas City Federal Reserve has estimated that the threshold price for attracting new investment in exploration in the US is now USD 84(bb) (Lamel). The market price of the US benchmark crude (West Texas Intermediate) at the time of writing is USD 75(bb). The survey, therefore, implies that a current prices companies would prefer to monetise their discovered reserves rather than look for additional stock. Were Trump to open up federal lands for exploration, here would be fevra laters, and efficiency in the word of the prices down to below USD 50 a barrel. The investment would be unprofitable. (I do wonder if the President didn't appreciate

the layer that the inherent contradiction between his echoration to drill and his push to reduce prices.]

This economic block is compounded by an operational reality. Petroleum companies usually take more than four years to move from exploration success to the creation of development infrastructure to the commencement of production. The length of this process depends on permitting procedures, field location (offshore/onshore; plains/hilly; remote/yell-connected) and cedures, field location (offshore/onshore; plains/fility; remote/well-connected) and geology, but even under the most arovurable of combinations, these compa-nies would be hard pressed to monetise their investments during the tenure op-presidential term. This point will explain (in part at least) why companies may not re-spond to President Thurp's decision to lift the ban on drilling in environmentally sen-sitive areas like the Artrix case The decision itive areas like the Arctic seas. The decision

the ban on drilling in environmentally sen-sitive areas like the Arctic seas. The decision is controversial and the succeeding admin-istration will most likely reverse it. Investments made would then be impaired. The evangelicals in the corporate commu-nity know the biblical forewarning: "The Lord giveth and the Lord taketh away." Finally, it's worth noting that the private sector has already tapped "the liquid gold under its feet" and enriched itself and "the Nation". Two decades ago, America was one of the largest importers of crude oil. It im-ported 10.1 million barrels a day (mbd) in 2005. Its foreign policy pixoted around oil supply security. Today, It is the biggest pro-ducer in the world, averaging 13.4 mbd (compared to Saudi Arabia's 10.5 mbd) in 2024. And a major exporter. This remark-able turnaround is the result of a combina-tion of geology (shale rock), tenchology fricalic fracturing and horizontal drilling), low costs and relatively high prices. Were these market conditions to repeat them-selves, the industry would unhesitatingly embark on another drilline binnet, two would supply servents of the servents.

these market conditions to repeat them-selves, the industry would unhesitatingly embark on another drilling binge. It would no. A stregards the green agenda, America's withdrawal from the Fair's Agreement docts east a cloud over sustainability. It will choke the flow of American funds for climate change. This is, however, a rerun of an ear-lier play, And like last time, its impact the be managed. There will be a flurry of litiga-tion, but more importantly, the scepticism of one person, however powerful, will not halt climate activists. Given the recurring evidence of the dire consequences of global evidence of the dire consequences of global warming, it might even embolden the global community to bridge its differences and accelerate the transition to net zero. In a similar vein, Trump's revocation o the EV mandate will have minimal impac

on the EV transaction. On the face of it, the revocation goes against the business interests of "co-president" Elon Musik. But as that cannot be, one must pressume it is because Tesla is no longer eligible for tax credits and subsidies. The revocation may level the playing field between electric and internal-combustion vehicles in the US to the financial disadvantage of the smaller EV original disadvantage of the smaller EV original equipment manufacturers, but it won't deter the Chinese EV juggernaut from charging ahead; nor will it halt the transition. One should be warry of dismissing a US presidential proclamation as "sound and fury signifying nothing". But set against the above backforp. I do wonder whether President Trump did not intend his "tale" to be so interpreted. on the EV transition. On the face of it, th

The writer is Chairman and Distinguished Fellow, Centre for Social and Economic Progress



# Notes from my House diary

What to expect, and what not to, in the Budget Session

BY DEREK O'BRIEN

WITH THE BUDGET Session of Parliament

WITH THE BUDGET Session of Parliament underway, speeches by two prominent women are dominating the news space: The President's address to a joint session of the Lok Sabha and the Raiya Sabha on Friday, and the Union Finance Minister's Budget speech on Saturday.

Talking about prominent women, let's take a look at the percentage of women Members of Parliament in the Lok Sabha of the six largest political parties. The Felugu Desam Party has six per cent women MPs, the Bharatiya Janata Party has 13 per cent, the Indian National Congress, Dravida Munnetra Kazhagam and Samajwadi Party have 14 per cent each. The All India Trinamool Congress walks the talk with 39 per cent women MPs.

Here are some notes from my diary on what to expect, and what not to expect, in this ongoing session of Parliament.

Coldplay and Kumbir. At the two new cafeterias for MPs, will parliamentarians discuss how many of their colleagues watched the music concert in Mumbai? Or, will the Coldplay chatter over hot coffee lose out to the Kumbh Mela? 'J humbalb sels sels mith by her blay blay blay shatter over hot coffee lose out to the Kumbh Mela? 'J he womb Mela? Or, will the Coldplay chatter over hot coffee lose out to the Kumbh Mela? 'J he womb Mela? 'J he womb Mela? 'J he womb Mela? Or, will the Coldplay chatter over hot coffee lose out to the Kumbh Mela? 'J he was the man he was her women and the coldplay chatter over hot coffee lose out to the Kumbh Mela? 'J he was her was he

Coke in "dry" Ahmedabad? Or, will the Coldplay chatter over hot coffe lose out to the Kumbh Mela? The deaths of hapless pilgrims. Or, Yogi Adityanath and Arnit Shah compet-ing to turn a sacred dip into a photo op? Fish ban: Even MPs who are against the very idea of banning anything have been call-

ing for a ban on the basa fish that's served in the Parliament canteen. Basa is a type of carfish that can adapt to extreme conditions, absorbing nutrients even from contaminated waters. Thus, it has a very high probability of carrying toxins in its body. Tasteless. Avoidable, But there are far more important issues to fight for, and bigger lish to catch! Rajya Sabha MPs in Lot Sabha: MPs from the House of the People (Lot Sabha) are never allowed to be seated in the Council of States (Rajya Sabha), But the reverse happens. Now that the hallowed Central Hall is not used for joint sittings, the joint session takes place in the Lot Sabha. As is convention, the President's Address is written by the Union government. Political observers and opponents will track the number of times the following wordsylphrases are mentioned in the address: Price rise, youth unemployment, falling rupe, states deprived of funds, Manipur.

Missing Deputy Speaker: Even though the BJP had a comfortable majority in the TYth Lok Sabha (2019-24), the House never had a Deputy Speaker. Nothing has changed in the 18th Lok Sabha. Silt no sign of a time the support of the 18th os sign of a sign of a sign of the 18th os sign of a sig

17th Lok Sabha (2019-24), the House never had a Deputy Speaker. Nothing has changed in the 18th Lok Sabha. Still no sign of a Deputy Speaker. I will bet my house that the NDA coalition, led by Prime Minister Narendra Modi, will not fill this crucial con-stitutional position even during the ongo-ing certifier.

Who will speak the most: In the previ-s session of Parliament, excluding discus-

who was speak in the most, in the previous session of Parliament, excluding discussions on Bills and the Constitution, the Chairman of the Rajas Sabha spoke for over four-and-a-half hours, or nearly 30 per cent of the time of the House. This was a record. Will the record be broken?

Impeachment motion: For the first time in history, an impeachment motion was filed against the Chairman of the Rajas Sabha, who is also the Vice President of India. The motion was dismissed on the grounds of technical impropriety. Will the Opposition submit a fresh motion? Wait and watch.

Bill scruting: In the 15th Lok Sabha (2009-14), seven out of 10 Bills were sent to parliamentary committees for scruting, in

(2009-14), seven out of 10 Bills were sent to parliamentary committees for scrutiny, In the 17th Lok Sabha (2019-24), this number came down to only two out of 10 Bills being sent for scrutiny, It's unlikely this will im-prove in the 18th Lok Sabha.

Matters of urgent public importance: MPs have the right to call the attention of a minister to a matter of urgent public impor-tance, following which the minister makes a brief statement and members seek clarifi-cations. MPs may also draw the attention of the government to matters of urgent public importance by raising a discussion of short importance by raising a discussion of short duration without a formal motion or voting. In the last session, no calling attention mo-tions or short duration discussions were alepaper.indianexpress.com

lowed in either House of Parliament.

lowed in either House of Parliament. Waqf Bill: Some political pundits were of the opinion that the Union government would bulldoze the Waqf Amendment Bill before the Delhi elections. That cannot happen. The Rajya Sabha has notified that February 3.4, and 6 (the House will not be sitting on February 5 due to the Delhi elections) have been allocated for discussion on the Motion of Thanks on the President's Address.

pecial invitee?: With the redevelop of the Parliament premises, many ree Special invitee?: With the redevelopment of the Parliament premises, many regulars feel that the statue of Mahatma Gandhi has lost its place of prominence. In June last year, the statue was shifted to a less significant spot in the precincts. A colleague with a dark sense of humour suggested that Swami Pradiptananda, aka Kartik Maharaj, who was recently awarded a Padma Shri, might even be invited to the original location (at the entrance to Parliament) where the statue of the Mahatma once stood. Why? He is the same person who publicly said that it is "India's misfortune that Mohandas Gandhi is considered the Father of the Nation".

The writer is MP and leader, All India Trinamool Congress Parliamentary Party (Rajya Sabha). Additional research: Ayashman Dey

#### LETTERS TO THE EDITOR

#### Trust, don't police

THIS REFERS TO the editorial, 'An inwa-sive model' (IE, February 1). It is aston-ishing to see such a regressive piece of legislation come into place in Uttarakhand. How can a democratic state behave like an Orwellian Big Brother, intent on controlling the private lives of adult citizens? This opens our democracy up to other intrusions by the state. The government needs to reign in its paternal instincts and frust citizens to take care of themselves, as they do all over the world.

Rabul Gaure Curroon.

Rahul Gaur, Gurggon

THIS REFERS TO the editorial, 'An inva THIS REFERS TO the editorial. 'An invasive mode? (IE, February 1). The UCCis a forward-looking mechanism that proposes to unify people irrespective of caste, creed or social status. The exemption of tribal communities has given rise to the charge that UCC may be targeted against minorities. Many provisions are a direct assault on women's autonomy and provide licence for moral policing and vigilantism. The mandatory registration of live-in relationships, with penalties for non-compliance, sounds more like an attempt to enforce conformity, not fairness.

SS Paul, Nadio

# TURNING IN WARDS THIS REFERS TO the article, 'A 1991 moment for 2025' (IE, February 1). Time moves in circles and a look at policies, past and present, proves this. The Indian economy, guarded ferociously after Independence, was opened up in 1991. The age of globalisation ushered in new blood. Now, it is witnessing a reversal. With Donald Trump cutting jobs and hardening his stance on immigration and deportations looming large over Indian students in Canada, India needs to re-evaluate its stance on globalisation. Ramanpreet, via email FOR A VIKSIT BHARAT

TURNING INWARDS

FOR A VISSIT BHARAT

HIS REFERSTO the editorial, 'Business
not as usual' (IE, February 1.) While it is
true that India remains the fastest-growing major economy, the expected growth
rate of 6.3-6.8 per cent in the coming financial year highlights the gap between
aspirations and realities. The goal of
achieving a developed-nation-status by
2047 demands a more aggressive growth
trajectory. There's a need for further
deregulation and economic reforms to
stimulate growth. stimulate growth.
Sanjay Chopra, Mohali



a heady mix.

Elephants in the room

Budget done, markets are now looking at monetary

policy, earnings and Trump's tariff tantrums

HE STOCK MARKET'S listless response to the Union Budget's announcements on Saturday was a tad surprising. While the Budget did not have any grand capital expenditure or divestment plans, it addressed the most important thing India Inc has been harping about for quite some time — slowing urban consumption demand. An additional ₹1 lakh crore in the hands of the salaried (tax-free annual amount of ₹13.75 lakh) is greated to the score programment.

12.75 lakh) is expected to give consumption a fillip, even if just one-third of the amount is used for spending. If some of the money gets invested in systematic investment plans (SIPs), the stock markets, which are under pressure due to foreign portfolio investors (FIPs) selling in droves, are likely to get more domestic help from mutual funds. Since October, FPIs have sold shares

more domestic neip from mutual tunds. Since October, FPIs have sold shares of \$20.2 billion ( $^{7}.12$  lakh crore) while domestic institutional investors have pumped in  $^{7}.2$  ralk h crore. At the same time, the SIP book of the mutual fund industry has hit a new high of  $^{7}.26$ ,000 crore in December, Further, the Budget proposal to allow 100% foreign direct investment in insurance, if the premiums are invested in India, will bring more long-term money into the bond and equity markets. These are all good news for stock markets in the location.

the long run.

Many market players, however, have a different take. More than the Budget, they are more focused on earnings and monetary policy. On the domestic front, the earnings season has disappointed in FY2.5. With corporate profits growing in single digits in the first nine months of the financial year, the market is now worried about rich valuations. The Nifty's price-to-earnings (P/E) at 21.91x (trailing 12 months) is close to its 10-year average of 22.80x. So, unless the corporate profits shine in FY2.6, stock market investors, especially FPIs may continue to be cautious. While inflows into mutual funds

cially FPIs, may continue to be cautious. While inflows into mutual funds may continue, if returns are muted over the medium term, even they might become more circumspect. Hopes are high on the monetary policy front, too, specially after the

Reserve Bank of India (RBI) announced a comprehensive package to infuse as much as ₹1.5 lakh crore after the liquidity deficit hit a 15-year high of ₹3 lakh crore. While the Monetary Policy Committee is widely expected to cut rates by 25 basis points, markets will be more interested to know the road

ahead, in terms of the number of rate cuts in the coming months. Also, with the December consumer price index at 5.22%, lower than the upper end of the RBI's tolerance band, the MPC's comfort to cut rates would be higher. More money in the hands of people, coupled with lower interest rates, is quite

a heady mix.

But the real elephant in the room is US President Donald Trump's tariff tantrums. The latter has already caused jitters after Mexico and Canada slapped retaliatory tariff on the US after Trump announced 25% tariff on goods from Mexico and Canada (10% on energy imports) and 10% on all Chinese goods. Alleyes are now on China. When China's economy is sluggish and domestic consumption is weak, such tariffs will force Chinese manufacture to the control of th

facturers to dump their output in other markets at low prices. India is a big market for them. This will hurt domestic industry unless India raises its defence measures and becomes more protectionist. For Indian market play-ers, a potential global trade war could make the Budget a distant story.

Our macroeconomic fundamentals are strong. Rupee wouldn't be stable against all the currencies if the fundamentals were weak

### BUDGETING FOR TARIFFS

IN THE CONTEXT OF A MORE COMPLEX TRADE LANDSCAPE, BRACING FOR SHOCKS IS THE APT STRATEGY

# Pre-empting Trump 2.0

T IS DIFFICULT to gauge how much the onset of Trump 2.0 influenced India's Union Budget. But a number of announcements in the Budget address bringing

in the Budget address bringing down cost of Indian exports and revising customs tariffs. These decisions would have been taken in the greater context of the developments impacting the world economy, one of the most significant of which is the beginning of Trump 2.0.

Trump 2.0 is barely a fortnight old and is yet to announce any decisions on tariffs or trade policy that will directly, or indirectly, impact India. But for some other US trade partners, tariffs are looming large. Indeed, according to the White House, Canada, Mexico, and China will be hit with tariffs of 25%, 25%, and 10% respectively, from February 1 itself.

There isn't much surprise in the first round of tariffs being brought in by the Trump administration. These were widely expected from the statements

round of tariffs being brought in by the Trump administration. These were widely expected from the statements made by Trump during his election campaign. China, Mexico, and Canada are not just the largest sources of imports for the US; they are also trade partners with whom the US runs the largest trade deficits. In fact, India's trade surplus of \$43 billion with the US is barely 10% of the surplus that China has with the US; it is a little more than one-third of the surplusthat Mexico runs, and just under half of that of Canada's.

Looked at from a deficit perspective, there are other countries that should be hit with tariffs before India, such as Japan, Germany, and Vietnam. However, while India might expect to be at the receiving end of tariffs sometime later down the line, the tariffs will come. This is evident from the "America First Trade Policy" announced on the day the President

**AMITENDU PALIT** economics), Institute of South Asian Studi National University of Singapo

assumed office, that is lanuary 20.

The "America First Trade Policy" makes it clear that trade policy is an important component of US national security, and aims to reduce the US's dependence on other countries for keysecurity needs. This means, from a US trade policy perspective, trade deficits, particularly large ones, remain unacceptable and non-negotiable. Since India does figure in the list of countries with whom the US has consistently run trade deficits and has

run trade deficits and has

trees with whom the US has consistently run trade deficits and has often been called out by President Trump as a "high tariff" partner, it will be irrational not to expect tariffs on Indian exports to the US sooner or later. Whenever they come, the tariffs impact prospects of Indian exports. The most obvious implication will be making them costlier for the US consumer. At a time when the Indian economy is expecting a relatively lower rate of growth in gross domestic product, the prospect of exports becoming costly to the US is not welcome. The possibility of Indian exports losing long-term market shares in their largest market cannot be ruled out.

long-term market shares in their largest market cannot be ruled out. This might have been one of the over-riding motivations behind making exports a priority in the current Budget

and declaring them as an engine of growth for powering the economy. While the Budget is not long-term trade policy, there are clear directions that are provided for trade policy, by making exports competitive in an overall sense. Sectoral support to key areas for enhancing exports, such as for footwear and leather, and fisheries, are noteworthy in this regard. But more important is the recognition that micro, small, and medium enterprises (MSMEs)—another identified engine of growth for the economy—are crucial inspearheading exports, Equipping MSMEs for greater exports is a mutually reinforcing goal, as more exports from MSMEs will enlarge national exports and also increase the contribution of these enterprises to core macro-economic fundamentals, such as jobs and industrial output. Credit guarantees for exporter MSMEs is a wel-comestep at a time when a rising dollar is creating difficulties for export invoicing. The costs for picking up expensive American and set. It is therefore essential that exporter MSMEs be provided credit support.

GCCs can be very supportive in filling gaps in export

earnings arising from difficulties faced by goods

provided credit support.

It is good to note that the Budget

acknowledges the important role that global capability centres (GCCs) are playing in enhancing services exports, and is working on creating a national framework for GCCs to ensure they don't get clogged and congested in a handful of cities like Bengalrun, Pune, and Hyderabad. GCCs serve multiple purposses they push India up the value chain in Innovative high-end tech functions, garner large service export earnings, and created domestic lobs. Indeed, GCCs can be very supportive in filling gaps in export earnings arising from difficulties faced by goods exports.

The final area where the Budget has acted in anticipation of tackling rising costs that Indian exports might face is customs duties. The customs duty structure has been rationalised with a focus on reducing customs duties. The customs duty structure has been rationalised with a focus on reducing customs duties on intermediate inputs for increasing export competitiveness and facilitating entry with global supply chains. The legacy problem of carrying an inverted duty structure, where customs duties on inputs are higher than final products, has for long been an onerous burden for Indian exporters. The proposed changes are welcome from efficiency and competitiveness perspectives.

In the larger context of the global trade landscape becoming more complex due to imposition of tariffs by the Trump administration, bracing for shocks is the appropriate strategy. The Budget has made welcome moves in this grand by increasing the preparedness of Indian exports to face market access issues by trying to reduce production costs and increasing credit support. Mose such steps might be required if US tariffs come through.

Views are personal

### India is slashing taxes. It must now cut red tape

THE INDIAN MIDDLE class, and even some of its top 10% earners, are now fully exempt from income taxes. Small businesses don't expect such largesse; they just want to know when they will be free of stifling red tape.

Depending on whomyou ask, Narendra Modi's government is either being bold in raising the effective threshold for paying taxes by 1.7 times – to roughly \$14,000 in annual earnings. Orit's a tacit admission by the prime minister and his team that they have pushed consumption taxes so high that even people making five times the average adult wage are struggling to fork out income taxes.

The \$12-billion fiscal stimulus, estimated at about 0.5% of private consumption, may not fully reverse the pronounced slowdown in urban spending. Still, the rebate won't hurt. Even if the recipients save a part of their unexpected bonanza, the tax relief should boost consumer sentiment, at least in the short run. With a little bit of luck, the afterglow will last until it's safe for the Reserve Bank of India to cut interest rates and revive the conomy from its slowest pace of expansion in four years.

The timeline fora monetarystimulus is difficult to predict. While stubborm domestic inflation easted to 5.2% in December, it's still well above the 4% midpoint of the central bank's target range. Besides, the rupee is weakening, and President Donald Trump's policies on trade and immigration are clouding the outlook for US interest rates. Premature stimulus by the RBI could trigger a capital flight.

The upshot is this: When Indian interest rates do start to ease, finance minister Nirmals Sitharaman should make the most of the opportunity and slip in new fiscal sops for affordable and mid-market busing — a segment that has dropped 56% in just two years. Afresh property elw will be welcome news. For one thing, it will draw out surplus labour, which has been stuck on the farm since the pandemic, into urban construction jobs. For another, hask will be able to use the income on mortgages to absorb losses on unsecured personal

With the share of manufacturing in the economy

absorb losses on unsecured personal loans to overburdened households.

With the share of manufacturing in the economy is tis lowest since 1960, new factory investments hold the key to boosting employment and well-being. Sitharaman, in her Saturday budget, cut tariffs on a number of imports, including materials and machines used for the manufacture of lithium-ion batchies. This should help as till-nascert electric-vehicle industry. More importantly, it's an encouraging persure unease of doing business. The enter the dangerous protectionism that has rept into New Delha's trade policy under Modi. But tariffs on a mental bandwith,'s said the finance ministry's own pre-budget survey of the economy. "That means rolling back regulation significantly." Sitharaman has heeded the counsed of her advisers and announced a high-level committee for a review of all non-financial sector regulations, certifications, licences, and permissions. She has also promised a fresh edition of the six-decade-old tax code. Still, investors should not expect much fresh thinking from a government in its 11th year. The overarching aim of the Modi administration now is to maximise its own longevity. The pull of politics was well evident in the numerous projects Sitharaman announced for Bihar, which is headed for crucial local elections this year. A tax rebate will help a narrow group. For a sustained boost to maximise its work of the maximise that the politics was well evident in the numerous projects Sitharaman announced of or Bihar, which is headed for crucial local elections this year. A tax rebate will help a narrow group. For a sustained boost to maximise its maximise to the properties of the properties

### FROM PLATE TO PLOUGH

exports

# An incremental approach

A shift to a cropneutral incentive structure is imperative to drive sustainable

diversification



**ASHOK GULATI RAYA DAS** 

ectively distinguished professor

The path to making agriculture more resilient and competitive requires bold reforms in rationalisation of subsidy, infrastructure development, and market linkages

THE BIG QUESTION for agriculture in the Union Budget for FY26 is whether it can bring climate resilience and augment the productivity and incomes of farmers and farm labourers. Several new initiatives were announced that are likely to help the farming community. A special focus on 100 districts to augment agri-productivity, promote sustainable farming practices and crop diversification, extending credit access through Kisan Credit Cards from ₹3 lakh to ₹5 lakh, starting a Pulses Mission for attaining admensibilaria (self-reliance) in tur, moong, and urad, etc., are all steps in the right direction, andso is the setting up of a makhana board in Bihar. But how far will they go in achieving the objectives? Only time will tell. Right now, some Budget numbers may indicate whether these schemes can deliver.

The Budget allocated for agriculture, farmers' welfare, as well as allied sectors combined is £1.49 lakh crocr. This marks a roughly 4% increase over the previous year's allocation. If the inflation howers'

a roughly 4% increase over the previous year's allocation. If the inflation hovers between 4 and 5% in FY26, the real value year's anocation: It me instances between 4 and 59s in FY2.6, the real value of this figure may shrink a bit compared to last year. The biggest scheme under the agriculture ministry is that of PM-Kisan, which has been flat at F60,000 crore since 2019. In real terms, it has been declining. The opportunity to dovestall this income transfer with the direct transfer of fertilisers ubsidy, which is bigger than the budget of the ministry, is lost. Fertiliser reforms remain an unfinished agenda.

So, the real question is whether this amount is sufficient to tackle some of the structural problems of agriculture. While agriculture's share in overall GIDP has been declining over the decades, eaching approximately 17.7% in recent years, its share

in the workforce, after a secular decline, reversed, and increased from 42.5% in 2018-19 to 46.1% in FY2.4 (Periodic Labour Force Survey). This has depressed the real wages in farming, where 55% employment is of farm labourers, who are at loyment is of farm labourers, who are at the bottom of the economic pyramid. This reverse treat underscores the inability of non-agricultural sectors in urban India to absorb this surplus labour. The Economic Surveyrightly emphasised the promotion of labour-intensive sectors with skill upgrade so that their productivity and incomes improve. So far, the organised manufacturing sector has gone in for more capital-intensive ones. Deregulating the micro, small, and medium enterprise (MSME) sectors ioneway to move forward as they create the bulk of employment after agriculture.

after agriculture.

The Budget emphasis releasing 109 high-yielding, climate-resilient varieties of 32 field ing, climate-resilient varieties of 32 field and horticulture crops is a welcome move. However, without adequate investment in research and development (R&D) and extension, productivity gains may not translate into higher farm incomes. There is only a marginal increase in the expenditure on R&D in the FY26 Budget over the revised estimates of FY25. This is way below the 19s mark of agrid-CDP that is considered essential for sustainable growth of agriculture in the face of climate change. India is hovering at less than 0.5%. Marketing high-value crops remains a challenge given the fragmented value chain, resulting in around 30% of farm-

ers'share in the consumer rupee for fruits and vegetables. The Mission for Vegetables and Fruits, with a ₹500 crore allocation, and vegetables. The Mission for Vegetables and Fuits, with a \$500 crost callocation, aims to enhance production, strengthen supply chains, and boost processing to ensure farmers receive remunerative prices—offering some potential, if effectively implemented. But the allocation is a paltry sum while the requirement is huge. What is needed is focused attention on fruits and vegetables as was given to milk under Operation Flood. The current programmes and allocations lack that vision, and them che problems will linger. Strengthening the National acceptance is received in the processing of the processing the processing facilities controlled in the processing of the processing of the processing of the processing to ensure the processing of the processing to ensure the processing to ensure the processing to ensure the processing to ensure the processing of the processing to ensure the processing of the processing to ensure the processing the procesing the processing the processing the processing the processing t

processing facilities con tinue to limit its impact. Agriculture's challenges are depty intertwined with global price dynamics. India continues to face shortages in pulses, oilseeds, and key raw materials for agri-processing industries likecotton and maize, leading to rising import dependence. The Budget does little to address these shortages in a structural manner. Expanding the area under pulses in ricalitow regions and incentivising private-sector participation in oilseed production could help bridge this gap. But the persisting structural challenge is that farming in India is still beavily dependent on rice and wheat, largely due to minimum support price-centric procurement policies that crowd out high-value crops such as pulses oilseeds, and horticulture. A shift to a crop neutral incentive structure is imperative to drive sustainable diversification.

neutral Incentive structure is imperative to drive sustainable diversification.
Post-harvest losses remain a significant issue. Around 8.1% for fruits and 7.3% for vegetables are lost in the post-harvest value-chain, amounting to 37% of the post-harvest value-chain, amounting to 37% of the post-harvest value-chain, amounting to 37% of the post-harvest losses of ₹1.53 lakh core annually. Higherinvestments in cold chains, processing facilities, and logistics are imperative to reduce such losses. Deptite efforts to expand warehousing and cold storage infrastructure under various schemes, a significant portion of perishable produce is wasted due to inadequate processing capacity. The government has taken steps to encourage private investment in storage and marketing infrastructure, but more needs to be done. The allocation under the Agriculture Infrastructure Pund has risen from ₹600 core in FY2.5 to ₹900 crore in FY2.6 which can improve the post-harvest value chain.

improve the post-harvest value chain. While the FY26 Budget makes some progress in addressing agricultural chal-lenges, the overall approach remains inc-remental rather than transformational. A paradigm shift is needed — one that paradigm shift is needed — one that moves away from subsidy-heavy interventions to investment-driven growth, greater private sector participation, and technology-led efficiency improvements. The path to making agriculture more resilient and globally competitive requires bold reforms in subsidy rationalisation, infrastructure development, and market linkages. Only then can India achieve the goal of Visits ibarut and position itself as an agricultural powerhouse by 2047.

Views are personal

### LETTERS TO THE EDITOR

#### Timely relief

Apropos of "Responsive and responsible" (FE, February 2), the first Budget of Modi 3.0 is timely, especially in boosting consumer sentiment amid a slowdown. The tax exemptions for those earning up to 412 lakh annually is aimed at addressing a critical voter base. But one must ask whether this short-term relief is sustainable in the long run, especially as the Centre

continues to prioritise capex. While the focus on infrastructure and manufacturing is essential, generating private investment remains a hurdle. While the fiscal deficit of 4.4% is mar-While the fiscal deficit or 4.4% is mar-ginally better than expected, it still signals that the government is walking a tightrope between immediate relief and future fiscal health. The continued reliance on public investment is prud-ent, but its success hinges on factors beyond India's control. The Centre

should also focus on creating sustainable growth with innovation, regula-tion, and deeper structural reforms.
—Sanjay Chopra, Mohali

#### Energy sector boost

The allocation of ₹20,000 crore for the National Nuclear Energy Mission is set to revolutionise India's energy sector. By 2033, the mission plans to develop and operationalise five small modular reactors, boasting

enhanced safety and scalability. Its enhanced safety and scalability. Its objectives align with India's long-term vision of reducing dependence on fossil fuels and strengthening clean energy infra. A key goal is 100 Gw of nuclear power capacity by 2047. To achieve this, big investments, private participation, and legislative reforms will be necessary.—Amarjeet Kumar, Hazaribagh

### DELHI POLLS: MICRO MANAGEMENT HOLDS THE KEY

As the campaigning for the Delhi Assembly polls enters its final phase, Prime Minister Narendra Modi on Sunday emphasised that the Union Bludget has brought cheer to the average household. Calling it the most middle-class-friendly budget in Indias history," he highlighted is pro-middle-class provisions, which Finance Minister Nirmala Sitharan presented on Sturday, Speaking on the Budget, Modi reinforced his "Modi ki guarantee" and lauded the contributions of the middle class to national progress. He assured that the BP respects and honors honest tax-payers, positioning the Budget as one that directly benefits them.

However, as the election nears, the cal question is how do people perceive the ruling Aam Aadmi Party (AAP)? Is it truly a pro-people gov-

ernment, or, as the Prime Minister termed it, an "Aapada" (disaster)? The key concern is what's on the minds of Delhi's voters. This remains the billion-dollar question.

of the race, barely making its pres-ence felt. The primary contest is now between the AAP's 'Badu' (broom) and the BIPs' 'Lotus'. Ground reports indicate a tough battle between these two parties. In the old city, particularly among the trading community, many believe that little has changed in areas such as Chandni Chowk which means moonlight center is one of the busiest Bazar. Chandni Chowk which means moonlight center is one of the busiest markets and was built in 1650 by the Mughal Emperor Shah lahan and was designed by his daughter Jahasara. The street spanning the market was historically divided by canals, engi-

neered to reflect moonlight. These ca-nals have now turned into drainages. The landscape is transformed and is teening with peddlers, street vendors, street food and garment shops mostly focused on designer dresses for wed-ding. The original Chandni Chowk, the half-moon-shaped square, had a shallow water channel whose source the half-moon-shaped square, had a shallow water channel, whose source shallow water channel, whose source was river Yamuna which is now highly polluted and has disappeared from this area. The much-hyped beautification of Chandni Chowk has disappeared in fact, created additional challenges is used of security and an increase in pickpocketing incidents have raised concerns. The area now appears more chaotic, with inadequate provisions for washrooms and drinking water. Roads remain congested, sanitor ion je poor, and drainage systems have worsened. Though the Metro has improved connectivity, the area still lacks essential public facilities, making it inconvenient for residents and traders alike. Chandni Chowk. Certainly, development in Delhi

Certainly, development in Delhi has taken a beating. But whom will the voters opt for? Will allegations of splurge of money on 'Sheshmahal' corruption etc., affect the popularity of AAP? Voters remain tight-lipped about their preferences. The outcome of the detections could hinge on effective micromanagement of polling on Fibrurary S.

February 5.

In contrast, those in slum areas ex-press satisfaction with AAP's free bus travel, electricity, and water schemes. However, some believe that Chief Minister Arvind Kejrival has shifted focus from his original anti-corrup-tion stance to a broader political ex-pansion strategy. Critics argue that

AAP is now relying more on distrib-uting freebies rather than delivering core governance improvements. The BJP, despite opposing the "Re-vadi" (freebie) culture, has also an-

vadi' (freeble) culture, has also an-nounced various welfare measures to compete with AAP. While many agree that targeted welfare schemes are necessary for upliting the mar-ginalised, concerns persist over their long-term economic impact. Exces-sive dependence on freebles can lead to fiscal stress and inefficiencies in sowernance.

to fiscal stress and inefficiencies in governance.
With the campuign concluding on Monday evening, the focus will now shift to poll management. The Delhi Assembly elections are poised to be a highly contested and closely watched political event, with both AAP and BIP leaving no stone unturned in their battle for power.

# LETTERS

THOUGH the salaried class seems to be rejoicing at the prospect of not getting into the taxpayers net up to an annual income of Rs 12 lakh. There is a condition that the taxpayer has too pit of the new tax regime (NTR). The old regime provides exemptions under 80C; 80D interest us 24 and persion funds us 80CCD but none of these is available in the NTR except the usual standard deduction of Rs 75,000. The news that a new law on 1-Twill be introduced next week replacing the 64-year-old is surely welcome and much awaited. The emphasis on Trust first Scrutnise later is hoped to be carried forward and that incomes which attract taxes will someday or the other be scrutinised. NR Raghuram, Hyderabad

N R Raghuram, Hyderabad

POST budget, cartoons in newspapers poignantly reflect the budget's impact on middle class and highlights the struggles, resilience, and aspirations of common
am. Every stroke of pen in the cartoons reminds us that
despite economic challenges, we the middle-class have to
be strong and united, as we silently fight our daily battest to save that one rupee. Truly, the common man is the
backbone of our nation!

THE salaried class always expects benefits in the form of tax relief when the annual budget is announced. With the announcement of 'nil tax' threshold to Rs 12.0 alak, including a standard deduction of Rs 75.000, a major jump from the previous Rs 7 lakh exemption limit, under the new regime in the Union Budget 2025, the salaried taxpayers must feel elated now. A higher-tax exemption limit with an increased standard deduction under the new regime is a big relief for the salaried class.

\*Sankaranarayanan, Chennai \*\*\*

ALROUND appreciations are being poured from various corners of the country on budget. But did anyone point out what was glaringly ignored? A group of people who are never considered as humans since BIP ascended the throne. This hapless lot is senior citizens. Their perennial urges for restoration of train fare concessions and hike of minimum pension to EIPS-95 retirees are disregarded. It shows no absolute respect in accordance with this category.

\*\*Dr N S R Murthy\*\*, Secunderabad\*\*\*

SUBSTANTIAL tax breaks will boost spending, increase consumption and spur growth to an extent. We
commend the government for forgoing a revenue of Rs 1
lakh crore and putting it in the hands of the middle class.
Welcome are also the initiatives announced for boosting
he informal economy and the proposal to facilitate interest-free loans to the tune of Rs 1.5 lakh crore for states
for infrastructural development and the policy decision
to keep the fiscal deficit at 4.4% of the GDP. However, the
budget scores are very poorly on the count of providing
no tangble benefit to the impoverished multitudes for a
tangble improvement in their low standard of living. The
claim that it is a "people's budget" and a "dream budget" is
belied by proposing no concrete plan of action to generate jobs and tackle inflation and increase minimum wages
and no increase in allocation for education and health
care.

G David Milton, Maruthancode, TN

THOUGH AP did not receive the kind of funds Bihar received, the allocation of funds for VSP and Polavaram project is indicative of NDAs concern to some extent. Income Tax being one of the major factors affecting the middleclass, this time the government gave a major positive push helping crores of individual taxpayers. I think there is however a catch to this much hyped new tax regime, as Income-Tax on income above Biz lakh gets taxed heavily. It is a juggerty of figures, but then a major relief to the middle class with less than Biz lakh per annum, no doubt.

Govardhana Myneedu, Vijayawada

thehansreader@gmail.com

# **WEF PLEDGES: REALITY IS BITTER**

A Minister N Chandraba-bu Naidu expressed the view that a visit to the World NDHRA Pradesh Chief view that a visit to the World Economic Forum (WEF) is not just about signing MoUs, but engagement and networking with Clobally Influential Individuals' under one roof to gain insights into the direction the world is headed. This is absolutely true, especially in the context of a series of ridiculous statements day in day out by few Chief Ministers about their signing MoUs in Davos, including with Indian companies!

The 54th WEF meeting was held in Davos from January 15-19, 2025, attracting international organisations and global companies. Approximately.

tional upgarastores are geo-companies. Approximately, 3,000 significant global leaders, policymakers, experts, leaders from government, business, civil society, and cacdemic in-nstitutions participated. They included Prime Ministers, Ministers, and top officials. The USA delegation comprised 674, UK 270, Chinese delegation 140, and India with the largest-ever delegation of 133 (with the therme of Yone Team and One Indian Pavallion) from Team-gana, Andrhar Pardesh, Maha-rashtra, Uttar Pradesh, Tamil Nadu, Kerala, Karnataka, and West Bengal. Pive Union Ministers, there Chief Ministers, neally 100 CEOs and leaders from various sectors from India participated in the WEF meet. The European Management Forum (EMF) established in 1971 by a 33-year-old Swiss en-gineer and ecosomist, Professor Klaus Schwab, was renamed as World Economist Forum (WEF) to broaden its vision. Schwab idea was to create an efficient and effective platform for Eu-ropean executives and ente-percent to chemical and the companies of the Schwab, was renamed as World Economist Forum (WEF) to broaden its vision. Schwab idea was to create an efficient and effective platform for Eu-ropean executives and ente-percent to chemical and and adopt the 15 management techniques.

#### MoUs on investments at Schwab's WEF echo 'Malthusian Theory'

eraged his contacts to mobilise resources, basically from the inresponse to consider the control of the control of approximately 400 European business leaders. Conceived as a non-profit foundation under the supervision of the Swiss federal government, WEF traditionally has been holding annual meetings in Davos, chosen for its serene mountain setting, to foster open and cooperative discussions, embodying the spirit of Davos' as termed by Schwah. WEF does not own a permanent venue in Davos, Some Annual Meetings of the New Champions (AMMC) focusing on innovation, entrepreneurship, technology, by bringing on

Champions (AMNC) Socusing on innovation, entrepreneur-ship, technology, by bringing together leaders from business, government, candemis, and civil society were held in China's Dalian. Telangana's first Chief Minister Kalvakuntla Chan-drasheshar Rao attended one such meeting in Dalian in 2015. With his 'Intellectual Presence and with a Steterman I & A. and and the China's Chief China's and with a Statesman Like Ap and win a statement, and the procedi' in his five-minute talk at the meeting, in seriatin, KCR defended with nationalism spirit the Indian economy, endorsed host country China's development with international comprehension, and precisely projected the State as an investment destination as a declisated loader of Telangana. Exactly a decade after what he envisioned there, the Economic Survey 2024-25 presented to Parliament by Union Finance Minister, has reaffirmed Telanganak Exceptional Economic Growth' under the KCR regime and leadership. Great! proach' in his five-minute

Great!!
Participation in the WEF and the whose who are Participation in the WEF an-nual meetings by those who are significant contributors to the economic or political landscape or who are likely to add value to the forum's goals of foster-ing global collaboration and



ing complex global chal-ges, is 'Strictly by Invitation' in 'Stage-Managed'. WEF wides an opportunity for otten Stage-Managed: WEI-provides an opportunity for lobbying economic opportuni-ties, investments, and global collaborations. Chief Minis-ters and Union Ministers from India participate to showcase their economic potential, and to attract global investors. They apparently build international partnerships, including strate-gic discussions and behind-the-scenes interactions.

gic discussions and behind-the-scenes interactions. WEF projecting itself as a Socializing Institution in Shap-ing Global Economic Policie's service as a platform to 'Promote Neolberal Agendas', inadvert-ently facilitating the spread of policies that prioritised deregu-lation and market liberalisation, which may not align with the interests of the broader popula-tion. Nevertheless, it became a key platform for the developing countries to showcase invest-ment opportunities. When Narendra Modi at-tended the WEF annual meet-ing in 2018, he became the first Indian Prime Minister to do so in two decades after Deve Gowda who attended in 1997, Modi in his keynote address highlighted India's conomic reforms, ease of doing business, and investment opportunities. Modi consciously promoted initiatives like Make in India, Digital India, and Skill India

ents to attract global investors. He addressed global concerns like climate change and terrorism, positioning India as a responsible global power. In tune with this, perhaps, while addressing an event hosted by Confederation of Indian Industry (CII) at the 54th meeting. Schwab hailed India's successful growth story and spoke abouthering something story and spoke abouthery's success in achieving 2" growth annually. Undoubtedly, this was a great recognition on growth annually. Undoubtedly, this was a great recognition on an international dais. However, the Economic Survey's predic-tion hooks India's 'Real GDP Growth' in 2025-26 between 6.3% and 6.8% only, 'keeping in mind the upsides and down-

N Chandrababu Naidu was one of the first and most notable Chief Ministers from India to attend the WEF annual meetings in the last e190s and early 2000s. He actively utilised the WEF platform and promoted the erstwhile AP state as a destination for foreign investments. He also promoted the state's TI industry and state's role in India's IT growth, especially Hyderabad's emergence as an IT hub. This time also he attended in a similar fashion. He interacted with the Microsoft founder Bill Gates. Telangana Chief Minister Annumal Re-Chief Minister Anumula Re-vanth Reddy attended in 2023

for Telangana from Amazon, Sun Petrochemicals, Tillman Global Holdings etc., worth Rs 1.78 lakh crore, which is expected to generate employment opportunities for 49,550 people. Great!

Great! WEF is celebrated for its potential to forge international partnerships to secure investments. However, the tangible benefits, particularly in terms of economic growth and employment generation, often come under scrutiny. In recent years, many politicalteaders, especially Telangana and Andhra Pradesh have used this high-profile platform to announce "Large-Scale Investments, Often in Billions." The question is whether these investments are 'Merdy Publicity Stunts' deliberately' designed to Showcase Political Agenda' or do they "Truly Contribute to Long. Term Prosperity? It may be of interest to draw a parallel between the 'Mathusian Theory' which discusses 'Arithmetic and Geometric Progressions' and the 'Largescale Investment Announcements' made at the World Economic Forum, versus their 'Actual Implementation or Seal Bene-WEF is celebrated for its

made at the World Economic Forum, versus their Actual Implementation or Real Benefits. The Malthussian Theory of Population Growth is in Geometric Progression or growing exponentially (1, 2, 4, 8, 16.). Tood Supply Growth will be in Arithmetic Progression or increases linearly (1, 2, 3, 4, 5.). Eventually, population outpaces food supply, leading to shortages, crises, and corrective measures. In the similar way, billions of investment announcements

In the similar way, billions of investment announcements pledged at WEF and consequent hurried MoUs with companies by a few Chief Ministers are in Geometric Progression which grow exponentially year on year, creating a perception of rapid economic expansion and development as well as false

ment creation. When it comes to actual Implementation, it is not even in 'Arithmetic Progres-sion'. The real execution, such as fund disbursement, ground-level projects, and tangible benefits like employment creation or economic upliftment typically follows slower and typically follows slower and linear pace due to innumerable bureaucratic hurdles, regula-tory challenges, and economic uncertainties, not to speak of politically motivated hyped an-

politically motivated hyped an-nouncements.
The result is that this dispar-ity leads to a development gap where the promised economic transformation falls short of ex-pectations, resulting in delays, skepticism, and polity adjust-ments, just as Malthus empha-sised the need for checks and balances to align population with resources, policymakers and stakeholders must ensure realistic projections, continuous monitorine, and eround-level and stakeholders must ensure realistic projections, continuous monitoring, and ground-level execution to align the World Economic Forum investments with actual economic growth. While large-scale investment are certainly a positive step to wards economic development these hyped announcements cannot be sheer 'Game-Chang-

these hyped announcements cannot be sheer Grame-Chang-ing Propositions." The goal should be to ensure that these investments translate into tangible development, especially in Telugu states.

Professor Klaus Schwab of World Economic Forum who fairly demonstrated remarkable skills as a public relations strategist, specialist economist, and maneuverer in the global political and economic landscape, may well laber steered the WEF toward even more meaningful change. Moving forward, Greater humility, accountability, and an ethic-first approach would help solidify its credibility and only the metal stranging that it delivers a positive legacy for future generations.

provides bank loans from \$10 lakh to \$1 crore for greenfield enterprises in manufacturing, services, trading, and allied agriculture. The scheme aims to empower aspiring entrepreneurs by easing financial barriers.

preneurs by same barriers. Key Achievements: Progress: Loan amount sanctioned in-creased from 23,683 crore in March 2018 to 283,609 crore by July 2024: Beneficiaries: 2,36 lakh loans granted to SC/ ST and women entrepreneurs

Mudra Yojana Launched on April 8, 2015, Pradhan Mantri MUDRA Yo-

jana (PMMY) supports small and micro enterprises with loans up to ⊠10 lakh. In Un-ion Budget 2024-25, the loan

## BENGALURU ONLINE

#### Naxalite Lakshmi surrenders, K'taka declared 'Naxal-Free'

Characteristics of the control of th

Read more at https://epaper.thehansindia.com

## $DRIVING\,FINANCIAL\,EMPOWERMENT$

#### Transformative schemes boost financial inclusion, insurance, and entrepreneurship

KEY government initiatives have significantly
advanced financial inclusion
and entrepeneurship, benefiting millions across india. The
Pradham Mantri Jan Dhan Yojana (PMJDY) has opened over
54.58 crore accounts, with deposits rising to 82.46 lakh crore
by January 2025. The Atal Pension Yojana (APV) has seen a
surge in enrolments, reaching
7,33 crore by January 2025,
with more than 89.95 lakh new
enrolments in PY 2024-25. The
Pradham Mantri Jeevan Jyoti
Bima Yojana (PMJBY) has enrolled 22.52 crore individuals,
with 817,690 crore disbursed
for 8.8 lakh claims.

for 8.8 lakh claims. The Pradhan Mantri Surakno o. J. sala teaturs.

The Pradhan Mantri Suraksha Bima Yojana (PMSBY) has covered 49-12 crore people, processing 82:594.75 crore
against accident claims. The
Stand-Up India Scheme has
sanctioned 83:5,090 crore in
loans for 2.36 lakh entrepreneurs, with a focus on SC/
ST and women. Finally, the
Pradhan Mantri Modra Yojana
(PMMY) has sanctioned 822.36
Jakh crore for \$14.1 crore loans,
with 68% of the loans benefiting women and 50% going to
SC/ST/OBC categories. These
initiatives are instrumental in

promoting financial empower-ment and inclusive growth. Financial inclusion remains a key government prior-ity, striving to provide banking, credit, and insurance services to the urbanked and under-served. Through initiatives like the Pradhan Mantri Jan Dhan Yojana, Atal Pension Yojana, and others, the government is working to empower individuals, secure financial futures, and promote entrepreneurship. The motto, "From Jan Dhan to Jan Surakha", encapsulates the vision of financial security and inclusive growth for all.

Launched in August 2014, the Pradhan Mantri Jan Dhan Yo-Pradian Mantri lan Dhan Yo-jana (PMIDY) aimed to bring the unbanked into the formal financial system by expand-ing access to savings accounts, credit, remittance, insurance, and pensions. Over the decade, it has empowered weaker sec-tions and low-income groups, playing a key role in financial inclusion and economic in-tegration. According to the World Banks Global Findex Database 2021, bank account ownership in India more than



doubled in the past decade, ris-ing from 35 percent in 2011 to 78 percent in 2021. Key Achievements: Ac-

ing from 35 percents in 2011 to 78 percent in 2021. Key Achievements Ac-counts Opened: Grew from 14.72 crore in March 2015 to 54.58 crore by January 15, 2025; Deposits Increased from 815.670 crore in March 2015 to 822.46,595 crore by Janu-ary 2025; RuPay Cards 37.29 crore cards issued to PMJDY crore cards issued to PMJDY accountholders as of January 15, 2025, enhancing digital

Atal Pension Yojana
LAUNCHED on May 9, 2015,
Atal Pension Yojana (APY)
provides social security to unorganised sector workers. It
ensures financial stability for
the poor and underprivileged.
The scheme was operationalised on June 1, 2015, APY is
regulated by the Pension Pund
Regulatory and Development

Through initiatives like the Pradhan Mantri Jan Ohan Yojana, Atal Pension Yojana, and others, the government is working to empower individuals, secure financial futures, and promote entrepreneurship. The motto, "From Jan Dhan to Jan Suraksha," encapsulates the vision of financial security and inclusive growth for all

Authority (PFRDA). It func-tions under the National Pen-sion System (NPS) framework. Key Achievements: Growth of APY: The Atal Pension Yo-jana surged from 1.54 crore enrodments in March 2019 to 7.33 crore by January 2025. Its predecessor, the Swavalamban scheme, had 3.01 Lakh enrolments as of 2010-11; FY 2024 25 Progress: Over 89.95 lakh enrolments in the current Fi-nancial Year 2024-25.

PM Jeevan Jyoti Bima Yojana Launched on May 9, 2015, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJBBY) is a government-backed life in-surance scheme. Proposed in the 2015 budget, it aimed to capand insurance coverage beyond the then 20% of the population. The scheme pro-vides one-year renewable life

PM Suraksha Bima Yojana Launched on May 9, 2015, Pradhan Mantri Suraksha Bima Yojana (PMSBY) is an accident insurance scheme covering death and disability. It is a on death and disability. It is a one-year renewable policy aimed at increasing insurance penetra-tion. The scheme provides cov-erage to individuals aged 18-70 with a savings or post office ac-count, benefiting the poor and understriated. underprivileged. Key Achievements: Enrolments:

ments as of January 15, 2025: Claims Processed: \$2,994.75 crore disbursed against 1,50,805 claims from a total of 1,98,446

# Stand-Up India Scheme Launched on April 5, 2016, the Stand-Up India Scheme promotes entrepreneurship among women, SCs, and STs. It

ion Budget 2024-25, the loan limit was increased to 820 lakh. MUDRA facilitates financial inclusion by refinancing micro units and empowering aspiring entrepreneurs. Key Achievements: Loans Sanctioned: 802-36 lakh crore sanctioned for 51.41 crore loans (as of Jan 2025); Borrower Distribution: 68% loans to women and 50% to SC/ST/OBC categories. 100

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If there are questions of current or contemporary relevance that you would like explained, please write to explained@indianexpress.com

# How the Uttarakhand UCC regulates live-in relationships

THEUTTARAKHAND government last week rolled out the rules for registration of live-in relationships under its Uniform Civil Code.

relationships under its Uniform Civil Code. Among other things, the rules require the couple to fill a 16-page form and obtain a cer-tificate from a religious leader showing they are eligible to marry if they so choose. The Uttarakhand UCC makes it compul-sory for Uttarakhand residents, and those from Uttarakhand residents, and those from Uttarakhand residing outside the state, to register all live-in relationships. Chief Minister Pushkar Singh Dhami had said that such a law is necessary to avoid domestic crimes outside of marriage.

### w is a live-in relationship defined?

Who can be in a live-in relationship? The Uttarakhand UCC describes a live-in relationship as a relationship between a man and a woman, "who cohabit in a shared

household through a relationship in the na-ture of marriage." This definition, however, covers only heterosexual relationships. It stipulates that live-in couples must get permission from "religious leaders" if they fall in any one of 74 relationships that are "neshibited" upon a relationship that are "prohibited", such as a relationship between cousins. It also states that a person cannot enter a live-in relationship with someone who is already married, or in another live-in relationship.

relationship.
Notably, if the consent to any relationship is "obtained by force, coercion, undue influence, misrepresentation or fraud as to any material fact or circumstance concerning the other partner, including her/his identity

other partner, including her/his identity" the relationship will not be counted as a live-in relationship, the Rules stipulate. At the time of the registration, the Registrar has the power to make a "summary inquiry" to establish if a live-in relationship is in the nature prescribed by the law. Questions of consent and identity can all be "verified" by the government.

## How does the UCC regulate live-ins? How can one register a live-in relationship?

The law essentially requires individuals to submit "a statement of live-in relationship" within a month of entering such a relationship" within a month of entering such a relationship within a month of entering such a relationship is, as well a statement of "termination of relationship if and when that happens. The law says that this registrations only for the "purpose of record keeping", although the Registrations only for the "purpose of record these is supposed to forward these statements to local police statements to record them is less than 21 years of age, to their parent or local guardian.

The registration can happen both online, the registration can happen both online for the latter, the registration can be registrated to a registration can happen both online, the registration can happen both online for the regi The law essentially requires individuals to

using one's Asanaar, or offline, For the latter, the couple needs to approach the Registrar of their jurisdiction with a 16 page registra-tion form and supporting documents. The registrar will verify the application within 30 days of receipt. If it is rejected, an appeal can be sent within 30 days.

snip. In swould include a mai decree of di-vorce, final decree of nullity of marriage, death certificate of spouse, and a certificate of terminated live-in relationship.

■ Proof of permissibility of marriage. The Rules require a certificate issued by a "religious leader/community head concerned or official of a religious/community body concerned that

ties to the marriage permit the marriage w the degrees of prohibited relationship."

#### What are the benefits of registering?

If a woman is deserted by her liv ner, she can seek maintenance as if they had been married. The law states that the provi-

oceimanteu. The awaystates that use provisions related to maintenance in a marriage shall apply mutatis-mutandis (a Latin legal term to indicate correlation).

The law also states that legitim acy of a child born out of a live-in relationship shall be recognised, it has been the position of law since 1976, and has been widely applied by the Superne Court, that children born out of wedlock are leetimate and can inherit moreety.

legitimate and can inherit property.

The rules also state that as long as a certificate or a provisional certificate of a live-in relationship is available, no landlord can refuse tenancy solely because a couple is not married,

And what happens if a couple fails to register?

EXPLAINED FOREIGN POLICY & STRATEGY

The illegal immigration issue

register a live-in relationship within 30 day of entering into one could face charges. Upo conviction, a magis trate can sentence th dividual with a jail term of up to three months, or with a fine up to Rs 10,000 or both

The Registrar, either on his own account The Registrar, either on his own account or based on a complaint that a person has not registered their live-in relationship, can issue a notice for registration. One could face charges for the failure to comply with such a notice. Upon conviction, a magistrate can sentence the individual with a jail term of up to six months, or with a fine up to Rs 25,000 or both.

If a person has filed a false complaint about another person, the complainant shall be cautioned and warned to be careful in fu-ture. A repeat offender in this regard will be liable to pay a fine as determined by the state

government.

The rules prescribe that landlords are required to ask for a certificate for renting a house to an unmarried couple.

#### **EXPLAINED GLOBAL**

### THE ESCALATING CONFLICT IN CONGO. WHY ITS NEIGHBOURS ARE INVOLVED

RWANDAN-BACKED M23 rebels in the Democratic Republic of Congo are seek-ing to advance south towards Bukavu, the capital of South Kivu province, to expand their area of control in the country after capturing the city of Goma. The latest fighting is part of a major escalation of a decades-old conflict over power, identity, and resources that has killed hundreds of thousands of genole and disolated more thousands of people and displaced more than one million since its resurgence.



What is happening?
The rebels entered Goma, the capital of North Kivu province, on January 27 right and had seized control of the city's airport by January 38 evening, after facing pockets of resistance in strategic areas. Hundreds of government troops and allied militia laid down their weapons. By January 30 morning, the rebels were in control of the devastated city, where cronses still laid in the streets.

control of the devästated city, where cropses still lay in the streets. Since then, M23 fighters have pushed southwards into South Kivu, butting the Congolese army and its allies including Burundian troops, sources said. The United Nations on Thursday also cited reports of Rwandan troops crossing border into South Kivu. The involvement of Burundian and Rwandan troops on Ground and south Kivu. The involvement of Burundian and Rwandan troops on the ground has added to fears the fighting could spiral into a regional conflict.

#### What are M23 rebels?

M23, which refers to the March 23, 2009 accord that ended a previous Tutsi-2009 accord that ended a previous Tusts-ded revolt in eastern Congo, is the latest group of ethnic Tutsi-led insurgents to take up arms against Congolese forces. It launched the current rebellion in 2022. The group has accused the govern-ment of not living up to the peace deal and not fully integrating Congolese Tutsis into the army and administration. It also vows to defend Tutsi interests, particularly against ethnic Huru militias such as the Democratic Forces for the



M23 rebel group members in North Kivu province, Congo. Reuters

Liberation of Rwanda(FDLR). The FDLR was founded by Hutus who fled Rwanda after participating inthe 1994 genocide of close to one million Tutsis and moderate Hutus. Advances into new territory by M23 rebels since the start of the year have prompted hundreds of thousands more people to flee their homes, For more than a year. M23 has controlled Congo's a year, M23 has controlled Congo's coltan-mining region of Rubaya, gener-ating an estimated \$800,000 per month through a production tax, according to the UN. Coltan is used in the production of smartphones and other equipment.

of smartphones and other equipment.

Why is Rwanda involved?
The government of Congo, UN officials and Western powers including the United States have accused Congo's neighbour Rwanda of fuelling the confict by deploying thousands of its own troops and heavy weapons on Congolese soil in support of M23. The accusations are based on a 2022 report by a UN group of experts that said it had "solid evidence" that Rwandan troops had been fighting alongside the M23 rebels.

According to Rwandan President Paul Agame's government, which denies backing the rebels, it has taken what it calls defensive measures and accuses Congo of fighting alongside the FDLR, which has attacked Tutsis in both countries.



# Indian officials have told their US interlocutors that India is ready to take back immigrants who have entered the US illegally. This is a low-cost give for New Delhi - its priority is to ensure that the legal channels for Indians to travel to the US are not constricted in any way

SHUBHAJIT ROY

LAST WEEK, Prime Minister Narendra Modi had his first phone call with US President Donald Trump after the latter returned to the White House.

Asked by reporters later whether the Prime Minister had "agreeld to take illegal immigrants," Trump said: "He (Modi) will do what's right. We are discussing."

The two leaders had had a "long talk" on Monday, the President said, and announced that Modi would visit the United States "probably [in] February". "We have a very good relationship with India," he said.

#### India's diplomatic actions

India's diplomatic actions
Foreign policy observers in New Delhi
noted the restraint in the President's language. He was not threatening or bullying
while talking about the call with Modi, and
he did not demand that "illegals' and "aliens'
- undocumented migrants whom he has often described as "criminals" and "gangsters'
- be taken back. Trump, who is typically
transactional, seemed to have decided that
the US relationship with India is too high-stakes to be addressed in the same way as he
did with, say, Colombia last week.
For New Delhi, dealing with the new
regime in Washington has been adiplomatic
work-in-progress, and being inimble-footed
has worked well so far.
During two back-to-back visits in

During two back-to-back visits in December, and again for the inauguration in January, External Affairs minister S January, External Affairs minister S Jaishankar met with senior leaders in the new administration — Secretary of State Marco Rubio and National Security Advisor Mike Waltz (twice), and Treasury Secretary Scott Bessent, Commerce Secretary nominee Howard Lutnick, FBI Director nominee Kash Patel, and Energy Secretary nominee Chris Wright. He has also met with senior leaders of the US Congress, including Senator majority leader John Thune and House of

Honduran migrants after arriving on a deportation flight from the US in San Pedro Sula, Honduras, on January 31. Reuters Representatives Speaker Mike Johnson.

### No strong reason to resist

No strong reason to resist
India has decided to play ball with Trump
on the Number 1 priority on his domestic
agenda — immigration. Illegal immigration
has been identified by the American right as
the primary reason for the poor law and order situation in the country.
Indian officials have told their American
interlocutors that India is ready to take back
immigrants who have entered the US illegally. This is a low-cost give for New Delhi—
its priority is to ensure that the 20,000 illegal
immigrants who are set to be deported as
part of Trump's mass deportation plans do
not constrict any legal channels for Indians
to travel to the US.

The one concern for the Indian govern nt would be that the Trump administra intent would be that the Frump administra-tion does not make the deportations a high-visibility public spectacle for PR purposes. That would embarrass New Delhi and make it politically difficult to justify the return of the immigrants, especially to political con-stituencies that do not differentiate clearly between legal and illegal immigration. The US mission to India issued more than

ear in a row in 2024, including a record year in a row in 2024, including a record number of visitor visas, underscoring the huge demand among Indians for travel to the US for tourism, business, and education. (More on this below.) In contrast, the US de-ported only about 1,100 illegal immigrants to India in 2024.

### Deportation challenge for US

Deportation challenge for US
Overall, US Immigration and Customs
Enforcement (ICE) removed 271,484 non-citizens in the 2024 financial year (October 1,
2023 to September 30, 2024), according to
the ICE Annual Report for FY2024 published
in December. Trump wants to deport a million undocumented migrants in a year — or
about 2,750 people every 448, Last week (ICE
agents detained about 900 people a day on
average.

average. American media reports suggest every ICE field office has been given a daily target for rounding up illegal migrants, which has led to fears of detentions at workplaces and homes. Many of those employed in low-paying jobs are reported to be staying away from work and workplaces. ICE, however, has limited capacity — and only about 40,000 beds for detained people. Trump has said he will order the Pentagon and

Department of Homeland Security to prepare for up to 30,000 detainees at a facility at the

or up to 30,000 detainees at a facility at the infamous prison at Guantanamo Bay.

Immigration officials are pulling in resources from local police and the military to round up illegal immigrants.

The US will also have to increase capacity on aircraft to undertake deportations on the scale that Trump desires. The US could ask countries to pay for these deportation flights.

While some 20,000 illegal immigrants from India have been identified for deportation, the total number of Indians living illegally in the US is estimated to be 725,000. Trump's massive deportation push could, therefore, still be only scratching the surface.

H-1B, Trump, India's concerns
New Delhi's real concern is with the fate
of the large numbers of students and professionals who go to the US to study and work.
As of May 2024, there were about 3.51,000
Indian students in the US, mostly in graduate
(Master's) programs in STEM fields, according to the Ministry of External Affairs.
Between October 2022 and September
2023, as many as 72% of the nearly 4 lakh
visas issued by the US under its 14-1B program (foreign worder visas for specialty jobs)
went to Indian nationals. During this period,
the top four Indian IT majors with a presence in
the US — Infosys, TCS, HCL, and Wipro—
obtained approval for around 20,000 employees to work on H-1B visas, as per latest
US Citizenship and immigration Services
(USCIS) data.
Both categories of immigrants — students
(Fcategory) and skilled professionals (H-1B)
— add value to the US connormy and are an
asset to American society, Indian officials
have reasoned with their US counterparts.
Trump himself has backed the H-1B program so far. In December, he said he was a
"believer in H-1B", and that he has "always
been in Asour of the visas", And in january,
he said that the US needs' very competent"
and "great" people, and this is possible
through this visa program.
Several states have already challenged
Trump's immigration orders. Some analysts
feel that the President is not bothered about
the legal validity of the orders — and that he
is only sending signals to bis MGCA base.
New Delhi will be happy to reconcile with
some tweaks in US immigration policy, as
long as there is no large-scale disruption.

# FIDE and freestyle chess organisers may end feud soon: What is the dispute?

#### AMIT KAMATH

THE ONGOING feud between the organis-ers of the Freestyle Chess Grand Slam Tour and FIDE — the global governing body of chess — is close to an amicable agreement. In recent days, there have been one-on-one calls between Jan Henric Buettner, the brains

wagnis caiserial manufacture that the other, aligned with organisers of the freestyle event.

Why was the world of chess in turmoil, and what has changed now?

First, what is the Freestyle Chess Grand Slam Tour?

a variant of the sport where games sta with pieces on the back ranks in a ran

FIDE has said that for 2025, any player calls between Jan Henric Buettner, the brains and financial muscle behind the upcoming freestyle event, and FIDE President Arkady Downshowth to reach a compremise. This is significant as both had not spoken to each other since the start of December, according to Buettner.

The development has come nearly two months after the tussle began. It saw FIDE on one side and prominent players such as Magnus Carlsen and Hillaru Nakamura on the other, aligned with organisers of the phrase "world championship"; FIDE conference of the presence of the two organisations soared, five-time world champion Viswa-cording to Wissenhaus.

What was the feud about?

The dispute between FIDE and organisms of the other, aligned with organisers of the phrase "world championship"; FIDE conference of the presence of



What was the feud about?
The dispute between FIDE and organisers of freestyle chees is over the use of the phrase "world championship". FIDE contends that as the guardian of the sport, only it has the right to decide which event can be called a world championship. The organisers of the freestyle tour dispute this. In an open leter, Busturer claimed that freestyle chess event organisers had offered



Jan Henric Buettner (left), the man behind the Freestyle Chess Grand Slam Tour, with Magnus Carlsen in 2024. Preestyle Chess

to pay FIDE \$100,000 "purely as a gesture of goodwill and to avoid harassment". He said FIDE had rebuffed the offer and allegedly demanded \$500,000. "We are still willing to contribute \$500,000 annually to ensure the players are left undisturbed," Buettnerwrote.

What has FIDE said? FIDE CEO Emil Sutovsky has said presti-

gious events such as the world charr onships are some of the ways that FIDE raises money, which it then funnels into other programmes to popularise the sport at the grassroots level. Therefore, FIDE cannot allow anyone to start a rival event and call it a world championship. FIDE has also said that over the past cou-ple of years, the contracts that players

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signed for events such as the Candidates and the World Championships had a clause stating they cannot play in world championships that do not have FIDE's blessings. With many prominent players, including acrisen, signing those contrasts, FIDE can take action if players compete in unsanctioned events.

consecutive payers compete in unsanctioned events.

According to FIDE's statement, "As the 2025-2026 World Championship cycle is underway, all qualified players are expected to sign an additional contract, which will include a clause indicating that participation in any alternative world chess championships in any variation of chess not approved by FIDE (except for the Freestyle tour in 2025) would lead to their withdrawal from the two consecutive FIDE World Championship cycles."

How many world championships are there in chess? Currently, FIDE organises prominent world championship events across all three formats. The biggest of these is the classical World Championship (where Gukesh de-feated Ding Itren). There is also a women's world championship. Then there are the

World Rapid and BILE Championships, which crown world champions across the faster time controls. Notably. FIDE organised a Fre-estyle/Chess960 World Championship for a few years till 2022, but had to stop due to

### What have freestyle tour's organisers and players said?

What have freestyle tour's organisers and players said?

The freestyle tour's organisers have accused FIDE of "alienating" players by "adopting a confrontational stance". "FIDE's recent actions, such as threatening players with sanctions and demanding they sign agreements under undue pressure and without legal counsel, are deeply troubling. This is neither ethical nor professional. FIDE is attempting to exploit its dominant market position to strong-arm players into submission," Buettner wrote. He said his organisation has arranged legal help for players. Five-time world champion Carlsen, who is one of history's greatest players, has sided with the organisers of the freestyle tour. World No 3 Histora Nakamura has also accused FIDE of threatening players against

cused FIDE of threatening players agains playing in the freestyle events.

### **Budget questions** after the high fives

The headline story of the eighth straight Union budget presented by Finance Minister Nirmala Sitharaman is the significant income tax relief provided to the middle class. Those earning on an average Rs I lakh a month now (other than capital gains) will not pay any income tax, and the relief goes up to Rs 12.75 lakh for the salaried class, since the standard deduction of Rs.75,000 stands. With this broad the standard deduction of Rs.75,000 stands. With this broad stroke, about 10 million more Indians will not pay any income tax. They will join the large number of Indians who already file income tax returns but pay zero tax. One estimate says that about 50 million of the 80 million filing income tax returns pay zero tax. Adding to this number raises a big question about the directions of the budget and the government. What happens to the stated objective of widening the tax net so that more and more people pay tax and reduce the overall tax burden? Stretched further, the move raises questions about whether the government is reducing the significance about whether the government is reducing the significance. about whether the government is reducing the significance about whether the government is reducing the significance of fincome tax, and writing atax code that is supportive of the middle class while being anti-poor. It is a happy sign that the government talks about the coorari

reducing the compliance burden. The minister sums it up in the phrase "trust first, scrutinise later". Indeed, respect for citizens and trust in tax filers is an important way to boost confidence, increase compliance and value busi-nesses and people who generate wealth and build the economy. Yet, this must be

seen against the actions of the government in the recent past, and the impression that the various arms of the government, tax being just one, are put to work on command against select targets. Trust is not achieved when words are different

filing returns

but paying no tax just

shot up by 10

An area less critiqued in the budget is the path of fiscal consolidation. For the first time, the budget has outlined a fiscal consolidation path "withan end target but without (an) intermediate target." The end target to the debt GDP ratio, but this typically works with the intermediate target of fiscal deficit to GDP ratio. The government now says it will achieve the former without targeting the latter. The aim, it is said, is to equip the government with the requisite operational flexibility to respond to exigencies arising at a time of high uncertainty. What this means is that the fiscal deficit-GDF uncertainty. What this means is that the fiscal deficit-GDP ratio of 3% will not be adhered to any more. Instead, the deficit will be such that the debt to GDP ratio will be 50 (+/-1%) by March 31, 2031. Yet, the goals cannot be reached without passing through the requisite milestones. Fiscal experts will have to watch how this plays out. In the budgetary framework, deficitis are sidualitem from receipts and expenditure in revenue and capital accounts. Prudent fiscal management requires a balanced revenue account and borrowing only for capital expenditure. This means mayning for evenue and capital expenditure. This means maximising revenue and prioritising spending. The government should enhance tax buoyancy and ensure capital expenditure is self-financing, with returns at least covering borrowing costs. Fiscal consol-idation depends on adhering to these fundamentals.

### Good to mandate Cauvery for all flats

The government's proposal to mandate Cauvery water connections for all apartments in Bengaluru is a significant step towards addressing the city's water crisis. The move seeks to tackle two critical issues: the over-extraction of ground water and unchecked exploitation by the tanker mafia, which has thrived on the city's water scarcity for users. While challences remain, the proposal has the he government's proposal to mandate Cauvery w tanker mana, which has turved on the city's water searchy for years. While challenges remain, the proposal has the potential to ensure a more sustainable and equitable water supply system, reducing the city's reliance on exploitative and unreliable sources.

The severity of Bengaluru's water crisis was particularly

The severity of Bengaluru's water crisis was particularly felt lastyear when the cityfaced an acute shortage. With over half of the 16,781 borewells drying up, residents were left at the mercy of the tanker mafia, which charged exorbitant rates. The commissioning of the Rs 4,336 crore Cauvery Stage V project last year by Bengaluru Water Supply and Sewerage Board (BWSSB) aims to provide piped water to previously unserved areas of the city, including 110 villages on the outskirtsthat hadearlier relied solely on borewells and tankers. However, the transition to Cauvery water has not been seamless. Many anartment com-

It is high time

vice-like grip

of the water

tankers. However, the transition to Cai been seamless. Many apartment com-plexes have been reluctant to adopt the new system due to high upfront costs associated with the installation. In some cases, builders who collected funds for BWSSB connections have vanished, leaving residents in the lurch. Addition-ally, owners of small apartment blocks often fleece tenants by charging inflated rates for water, in addition to mainte-

nance charges. Mandating Cauvery
water connections for all apartments would also help curb
such profiteering and ensure fair access to water for all.
The BWSSB could consider offering flexible payment op-

tions, such as instalment plans, to ease the financial strain on residents. However, Cauvery Stage V in not a comprehensive solution to Bengaluru's water woes. The city's ever-growing demand for water cannot be indefinitely met by the river Cauvery alone. In fact, plans are already underway to source Cauvery alone. In fact, plans are already underway to source additional water from the river Sharavathy in Shiwamogga. To ensure long-term sustainability, the government should prioritise conservation efforts—harvesting rain, rejuvenating lakes andusing recycled water for non-potable purposes. Making Cauvery water connection compulsory is a positive move, but it is only one part of the solution. Bengaluru's future watermanagement should hinge on a holistic approach that combines infrastructure development with environmentally responsible solutions. Stakeholders must work together to ensure that Bengaluru's water crisis is not just managed but resolved in a wavythat is caugitable, sustainable managed, but resolved in a way that is equitable, sustainal ward-thinking.

BUDGET 2025

# Growth goals and tweaked targets

Policy reforms in the budget signal intent but how viable is the path to fiscal consolidation?

R K PATTNAIK

The Union Budget 2025-26, the second budget of the NDA 3.0 government, has come against the backdrop of a dramatic uptick in geopolitical risks and tensions, a slow-down ineconomic growth in India (6.4% in 2024-25 as against 8.2% in 2023-24 and inflation rate measured in terms of combined consumer price index at 4.8% for 2024-25 as against an average 4% in the flexible inflation trageting mandated for RBI. This is a bad climate. If we need a mood changer, look no

the necotentiation targeting mandated for RBI. This is a bad climate. If we need a mood changer, look no further – the headline grabber is the personal income tax reform, with the announcement that no income tax will be payable for income up to Rs 12 lakh per annum under the new regime. The threshold works to Rs 12.75 lakh for salaried taxpayers, due to the standard deduction of Rs 75,000. Furthermore, other slabs and rates have been revised to benefit all taxpayers, resulting in a higher disposable income in the hands of households, which will boost consumption, savings, and investment.

households, which will boost consump-tion, savings, and investment.

The focus of the fiscal policy stance as enumerated in the budget includes (a) fostering equitable and sustained growth, (b) tax reform, particularly personal income tax, (c) increasing spending power, (d) increasing pub-lic capital spending, (e) adopting a "saturation approach" to social welfare and development and more impor-tantly, (f) framing a fiscal consolidation path with an end target, without inter-mediate targets.

path with an end rarget, without inter-mediate targets.

To reach the goals of Vilsit Bharat, firstly, the budget has focused on spur-ring agriculture growth and building rural prosperity through schemes such asthe Prime Minister Dhan-Dhanya Kri-shi Vojana and enhanced credit to farm-ers. The budget has supported MSMEs with credit cards for micro-enterprises, by launching a scheme for first-time en-trepreneurs, focusing on ease and cost of doing business, facilitating employment inlabour-intensive sectors, and revising in labour-intensive sectors, and revising the classification criteria for MSMEs in terms of investment and turnover. It has also focused on promoting exports with

an export promotion mission.

These features are welcome steps. However, questions emerge on the fiscal consolidation path "with an end target but without intermediate target". It is claimed that "the aim was to equip the government with requisite operational flexibility so as to respond to exigencies arising at a time of high uncertainty". Thus, from the fiscal year 2026-27, the government will focus on the debt-to-GDP ratio as the fiscal anchor in place of fiscal deficit as a target. This implies that the fiscal deficit-to-GDP ratio of 3% will not be in sight of the government will not be in sight of the government and will likely be breached. Instead, the



effort would be to leep the fiscal deficit such that the debt-to-GDP ratio will be 50 (4-1%) by March 31, 2031. In the above context, it is pertinent to note that the budget is an annual exercise that operationalises the government's fiscal policy aimed at moving the comonny to a higher growth trajectory lowering unemployment, and ensuring the stability of the economy. The Indian authorities have been following since 2003 a rule-based fiscal policy in the mandatory framework of the Fiscal Responsibility and Budget Managemus (FRBM) Act. In a rule-based fiscal policy, there are three rules: deficit rule, debt rule, and borrowing rule. While adhering to the deficit and debt rules, the authorities fix the level of deficit and debt as a percentage of GDP. In the borrowing rule, the authorities prohibit themselves from borrowing from the central bank by printing money. This is a critical self-imposed discipline India has been following.

(debt-GDP ratio) in place of an inter-mediate target (fiscal deficit-GDP ratio) builds on a "conscious" policy choice aimed at moving away from a regime characterised by "rigid fiscal rules towards flexible fiscal standards." This follows the argument that "fiscal rules are prescriptive and focus on achieve-ment of numerical targets, fiscal stand-ards are general objectives that have to be followed." Here's a cautionary note: A rule

befollowed."
Here's a cautionary note: A rule should not be confused with a standard. As alluded to earlier, we need a deficit rule and a debt rule. In the Indian context, keeping in view the budgetary practice with a revenue and capital account, the budge should not have a revenue deficit and the government should not borrow to meet the revenue expenditure as it is happening currently. Furthermore, a revenue deficit of 1.5% of GDP as budgeted for 10.25% of GDP as for 10.25% of GDP as budgeted for 10.25% of GDP as for 10.25% of GDP as budgeted for 10.25% of GDP as for 10.25% of GDP as

#### **SPEAK OUT**

As elections approach, Arvind Kejriwal will get his people attacked...This time Delhi knows about his disgusting acts... Voting will be in favour of the Bharatiya Janata Party. A double-engine government will be formed in Delhi

under the leadership of Narendra Modi and corrupt people like Arvind Kejriwal will leave Delhi.

Virendraa Sachdeva, Delhi BJP president

Politics is the ability to foretell what is going to happen tomorrow, next week, next month and next year. And to have the ability afterwards to explain why it didn't happen.

Winston Churchill

#### TO BE PRECISE



#### **IN PERSPECTIVE**

### Open standards key to India-EU ties

open standards collaboration in the India-EUTTC. For one, The US-EUTTC already has a working-group specifically dedicated to information sharing, joint initiatives and active collaboration in setting technical standards. The group baseffect thely advanced international standards for heavy duty well-cle charging systems, plastics recycling and additise manufacturing, India must ensure that its interests are not-left behind. Secondly, international

its interests are not left behind. Secondly, international standard development organ-isations (SDOs), where most standards governing much of the internet and other critical technologies are developed, tend to have annudue influence of large private tech companies and government agencies, with little participation from processors marines.

non-western nations. Thirdly, standards are be-

coming increasingly weaponised by Chinese participants
at the SDOs. In 2021, China
issued a national plan for
technical standards emphasising their role in 'building a
modern socialist country' and
detailing the need for 'active
participation in international
standardisation activities',
with an entire section focused
on critical emerging technologies. While it is still unclear
how successful Chinese representatives at the SDOs are in
skewing the decision-making
to their advantage, distrust is
increasingly taking hold.
India must seek to balance
Chinese influence at the SDOs
in partnership with like-minded partners and push for
competent, cost-effective and
reliable open standards. Earlystage critical tech research
should not be bound by standards that are settop down and
at the mercy of geopolitical
pressures without the full understanding and knowledge of
the base technology itself.
Finally, interoperability
between India's and the EUs
digital public infrastructures
is another area where open
standards, along with knowlage transfer; if not technology
transfer, from India to the EU,
could mutually benefit the
partnership while establishing
India's oft power.
The India-EU retreasement

has much room for economic and strategic growth. While the EU is India's largest trad-

It must be a focal point of discussion at the upcoming India-EU Trade and Technology Council

SHORHANKITA REDDY

The India-European Union Trade and Technology Council (TTC) was launched in April 2022 against the backdrop of increasing geopolitical tensions to expand the diplomatic space for economic and technological collaborations, which is key to a multipolar world order in both parties innerests. The TTC complements the EU's TTC complements the EU's TTC with the US and digital partnerships with Japan, Korea, Singapore and Canada. The US-India Initiative on Critical Emerging Technology (GET), and the TTC alignore of the US-India Initiative on Critical Emerging Technologie (GET), and the TTC alignore with India simperative for strategic autonomy and investment in bilariary and investment in bilariary in the TTC alignore in the India and India's options. The TTC's working group on 'Strategic Technologies, Digital Gowernance and Digital Comnectivity is particularly relevant to cooperation in open technologies are key to a digital world that is fair, inclusive, reliable and transparent. The wide dissemination of these technologies leads to a culture of experimentation and innovation, driving costs down and contributing to skill development and economic growth. They also hold a geopolitical significances to technologied diversified from global supply chain vulnerabilities, open technologies

resiliency.

The EU is committed to developing and supporting open technologies. The Open Source Software Strategy and the European Union Public Licence (EUPL) have led to the procurement and use of open-source software by public administrations. The recently announced European Open Source Academy, funded by the European Commission, aims to highlight the strategic value of open technologies to businesses and policymalers. The inaugural Open Source Awards will celebrate the contributions of developers, projects and innovative business models.

While open tech is a broad term encapsulating the freedom to access, modify, use and distribute data, hardware, software and science, thereis anurent need to develon mutually siliency. The EU is committed to

distribute data, hardware, soft-ware and science, there is anu-gent need to develop mutually compatible technical standards that would facilitate the depole-ment of the title that objects. Technical standards are specifications about how products must be built so they may interconnect for a broader range of commercial applications. Open underlying standards promote interoper-standards promote interoperstandards promote interoper-ability and efficiency between products, competitiveness and choice in the market, as well as a level playing field for all stakeholders. India would benefit from an

RIGHT IN THE MIDDLE

## Lessons beyond the classroom

My government school instilled in me values and skills for life

KAMAL LADDHA

AS I watched my grandchild working on a school project, gathering content from the internet and presenting it creatively. I realised how much education has evolved since my time in a government school in Rajachan's Sojat Road village in the 1960s. The contours of schooling are broadening, with parents pushing their children to excel in extracurricular activities. However, children's increasing infatuation with electronic devices has added to their stress. Many lack the time, inclination, or opportunity to devide to their stress. Many lack the time, inclination, or opportunity to device shas added to their stress. Many lack the time, inclination, or opportunity to device posential skills to face future challenges. In contrast, the academic load was much lower back when we were growing up, but we routinely learned a range of practical skills at home and school. At the daily prayer session, the school ched master would deliver insightful

sermons. We had a special period to receive hands-on training in fields like how to weave khadi on a handloom, right from gathering cotton seeds to spinning thread and weaving. Every year, we had a formight dedicated to workshopsled by government appoint urainers in areas like arts and crafts,

workshopsled by government-appointed trainers in area slike arts and crafts, music, singing, creativity, and other essential abilities. Once the rainy season ended, the school sent us to an open elidel for shramdam, which involved clearing it of all grass, weeds and stones. It aught us the value of hard labour, teamwork, and secial responsibility. Our school also exposed us to entrepreneurship once a year. It gave us a target to earn a minimum of Rs 20 equite as sum those days—within a week by engaging in any business. With the borrowed seed money, we purchased everyday necessities in lots and hawked them to passersby at anomian lamzgin. While some of us supplied henna powderpackets, othershanded out biscuits, sliced bananas or freshly grilled ears of corn to the locals, many of whom bought them solely for our motivation. An ambitious teenager opened a road-

side idli-sambhar stall, which became an instant hit as most inhabitants had never tasted this dish from the south. As we inched closer to the target, we could feel how invaluable every penny we earned was. The school introduced us to athletics

The school introduced us to athletics to help us build our strengths and deal with failures. At the yearly district-level tournaments which alternated between towns, team members collaborated to prepare food for everyone. Participants in the debating contests had to rehearse their formulaic speech at the schoolassembly, peppering it with stereotyped gestures to build their public speaking biglish. We spent several days practising physical demonstrations and march pasts ahead of the much-awaited independence and Republic Day events, which imbibed in usideals of discipline and patriotism.

which imbibed in usideals of discipline and patriotism.

Our government school's basic infrastructure paled in comparison to today's "fine schools"; nonetheless, the passion and devotion of its teachers, their close bonds with us, and the village's familial atmosphere were sufficient to prepare us for the future.

#### **LETTERS TO THE EDITOR**

#### Census takes a back seat again

The Union budget 2025 has completely sidelined the already delayed census operation by allocating a mere Rs 574.80 crores towards the exercise. The census, due in 2021, was postponed due to the Cowld-19 pandemic, which is understandable, However, neglecting its importance and the value of the statistical data it will capture has repercussions. The census data will provide a basis for the Modi-led NDA government's schemes and

policy decisions. Implementing policies without a solid, reliable database is like navigating in darkness. Econ-omists and academicians have emphasized the role of census data in economic planning and policy framing. Hope the Modi government recognizes the impor-tance of the census and allocates sufficient funds for its timely completion. Shankaranarayan, Bengaluru

#### Rawdeal

This refers to 'Chombu' for Karna-taka in Union Budget again: CM' (Feb 2), Finance Minister Nirmala Sitharaman's eighth successive budget has raised the tax threshold from Rs 7 lakh to Rs 12 lakh under from Rs 7 lakh to Rs 12 lakh under the New Tax regime, benefiting crores of salary earners and the middle-income group. As expect-ed, Bihar, which goes to the polls this year, has received a bonanza. However, states ruled by oppo-sition parties have consistently received a raw deal in the budget, which seems like retribution.

against voters who rejected the BJP. The *chombu* mentioned by Chief Minister Siddaramaiah was no surprise, as states with opposition governments have come to expect this treatment. CV Aravind, Bengaluru

#### Welcome relief

The decision to increase the income tax rebate from Rs 7 lakh to Rs 12 lakh is a welcome relief for many taxpayers, ensuring greater financial ease and an improved standard of living. It is commendable that even those earning above Rs 12 lakh

will benefit from reduced tax liabilities. The substantial tax rate reduction for incomes between Rs Is lakh and Rs 24 lakh will direct-ly benefit a large segment of the working population, resulting in substantial tax savings and encour-raging economic growth. The steaps taken by the Finance Minister are recovered table. commendable. K J Haroon Basha, Vaniyambadi

Our readers are welcome to email letters to: letters@deccanherald.co.in (only letters emailed – not handwritten – will be accepted) All letters must carry the sender's postal address and change a welcome.

and strategic growth. While the EU is India largest trading partner, accounting for Cl24 billion worth of trade in goods in 2023, India is only the EU's 9th largest partner. The Roadmap to 2025 launched in 2020 at the India-EU Summit has largely been underwhelming. More robust engagements between the partners are needed to enhance the relationship. The India-EU TTC must be expanded in scope and ambition to deepen the India-EU partnership. On the technological front, collaboration in developing open standards that will benefit both partners and the global community is an urgent need. The TTC must polyoner and the global community is an urgent need. The TTC must polyoner ment participation and engage with the private sector to open up funding, expertise and projects in this regard. gage with the private sector to open up funding, expertise and projects in this regard. (The writer is a research analyst with the High-Tech Geopolitics Programme at the Takshashila Institution, Bengaluru)

## Flooded streets, dry taps: The high cost of lost wetlands

NEHA LAKHWAN AND VENKATESH RAGHAVENDRA

Water is more than a resource; it is part of our memories and stories. It has circled the globe for ages, reaching usin different forms. Henry David Thoreau once said, "A lake is the landscape's most beautiful and expressive feature. It is Earth's eye, looking into which the beholder measures the depth of his own nature."

the beholder measures the depth of his own nature."

In the urban landscape, wetlands offer spaces to rest, reflect, and reconnect—with nature and with oneself. But wetlands are more than just places of beauty and retreat, they are nature's silent superheroes.

These natural sponges hold water during downpours, and the channels between them connect one wetland to another, sharing excess water and reducing flood impacts. Water then seeps into the soil, replenishing groundwater and sustaining life. Each wetland is a thriving ecosystem, home to countless species of plants and

animals, filtering impurities and keeping the ecosystem in balance—they act as the kidneys of the Earth.

Despite their critical role, urban wetlands are being treated as "wastelands." They have been drained, built over, or simply ignored. Vears of neglect, climate change, clogged drains, misuse as dumping grounds for waste, and unchecked urban sprawl have taken their toll. The stories oflost wetlands only surface when dieasters strike.

stories of lost wetlands only surface when disasters strike. One of the important missing pieces of the 2015 floods in Chennai was wetlands. The city lost 85% of fits wetlands to rapid and unplanned urbanisation. Delhi, too, saw its roads turn into rivers, as enroachments on its floodplains and wetlands contributed to the disaster. Recent assessments revealed that Delhi has lost half of its recorded water bodies. Bengaluru, once known as the 'city of a thousand lakes', now faces both floods and water searcity with fewer lakes and declining groundwater levels. The city's natural drainage systems, rajkaluves, have

largely been lost to urban expansion.

The price neglecting wetlands is steep. Cities are economic powerhouses, but when floods or water scarcity shut down businesses, GDP takes a hi. In 2022, Bengalurus affered a loss of Rs 2.25 billion due to flooding, and in 2024, the government allocated Rs 5.56 billion to deal with water shortages. The real estate sector registered a deedine in housing sales, Understanding and valuing wetlands through the lens of ecosystem services is a critical step in their preservation. A study by the Indian Institute of Science (IISc) estimated the net present value of total ecosystem supply value (the sum of provisioning, regulating, and cultural services) of wetlands at Rs 7.321 billion in Karnataka.

India has a robust legal framework for environmental protection—the Indian Forest Act (1927), the Wildliff Protection Act (1936), Yet, wetland conservation remains inconsistent. A lack of clarity among administrators and ground staffregarding

the definition of wetlands complicates their identification, demarcation, and conservation. This confusion was evident in the case of Futala Lake, Nagpur, where an urban local body undertook construction, considering it an artificial lake.

Overlapping jurisdiction between multiple government agencies further hampers effective management, leaving them vulnerable to encroachment.

Wetlands are crucial Nature-based Solutions (NbS), forming the backbone of our existing blue infrastructure. Restoring wetlands requires placing them at the core of land use planning and shifting the perception from wastelands to valuable ecosystems. It is crucial to identify and demarcate their boundaries and ensure clear understanding at all governance levels for their protection and health. Adopting models like adaptive co-management, where all actors are stakeholders in developing a wetland management plan, can help them change their perceptions. change their perceptions. Healthy wetlands aren't just about frogs

and reeds—they directly impact our quality of life. A waterfront property with clean waters, fresh air, and padding boats is far more desirable. Bengaluru's neglect of its lakes is already affecting property values, with certain areas seeing declines due to flooding and water shortages. This should serve as a wake-up call for real estate developers to priorities sustainable projects that integrate wetlands intour ban planning rather than encroaching on them.

Thoreau had it right—lakes are mirrors, reflecting who we are. Nature forces us to confront our choices, whether we like it or not. Climate change demands urgent action from citzens; it can be by adopting strategies that include inputs from local communities. After the 2015 floods, residents of Chemai took charge, resulting in the People's Plan for Eco-restoration of Ennore Weetlands involving local communities. Local efforts should also focus on awareness about wetlands' importance in our lives and advocating for their conservation, as demonstrated by Kolkan's Saladars. our lives and advocating for their conserva-tion, as demonstrated by Kolkata's Jaladar-

sha Collective (IC), Wetlands also support marginalised and peri-urban communities to meet their duly needs and impact them the hardest when neglected. Addressing this requires a collective and honest effort. Climate change is no longer a distant hreat—we have already reached the critical I-SC global temperature rise milestone. As we seek innovative solutions, protecting nature secising defences under NOS-should be used as an effective mitient controlled. As we seek innovative soutions, protecting nature's existing defences under NS-should be used as an effective mitigation strategy. The preservation of wetlands, criticalmong these natural defences, requires balancing development with conservation. This balance demands a concentrated effort from allactors, Indiaswellands are more thanjust ecological features—they are lifelines that sustain people, enhance biodiversity, and contribute to climate resilience. (Weba is a researcher working on hydrological sciences and twater resource management at Mu Gamma Consultants, and Verkatech is a social entrepreneur ucorking on issues related to uater, climate change, youth, and skilling)

#### Lifesaving treatment and prevention campaigns for tuberculosis, malaria, HIV and other diseases cannot access funds to continue work

STEPHANIE NOLEN

ifesaving health initiatives and medical research projects have shut down around the world in response to the Trump admin-istration's 90-day pause on for-eign aid and stop-work orders. In Uganda, the National Malaria Con-

In Uganda, the National Malaria Control Program has suspended spraying insecticide into village homes and ceased shipments of bed nets for distribution to pregnant women and young children, said Dr. Jimmy Opigo, the program's director. Medical supplies, including drugstostop hemorrhages in pregnant women and rehydration salts that treat life-rhenetening diarrhea in toddlers, cannot reach villages in Zambia because the trucking companies transporting them were paid through as uspended supply project of the United States Agency for International Development, USAID.

Dozens of clinical trials in South Asia,

Dozens of clinical trials in South Asia, Dozens of clinical trials in South Asia, Africa, and Latin America have been suspended. Thousands of people enrolled in the studies have drugs, vaccines and medical devices in their bodies but no longer have access to continuing treatment or to the researchers who were supervising their care. In interviews, more than 20 researchers and programme managers described the upheaval in health systems in countries across the developing world. Most agreed to be interviewed on the condition that their names not be published, fearing that speaking to areporter would jeopardise any possibility that their projects might be able to reopen.

passion of matther projects migrice due to reopen.

Many of those interviewed broke down in tears as they described the rapid destruction of decades of work.

The programmes that have frozen or folded over the past six days supported front-line care for infectious disease, providing treatments and oversities measures.

The programments and preventive measures that have received front-line care for infectious disease, providing treatments and preventive measures that help avert millions of deaths from AIDS, tuberculosis, malaria and other diseases. They also presented a compassionate, generous image of the United States in countries where China has increasingly competed for influence.

The State Department and USAID did not respond to requests for comment.

There will now be no one totake custody of millions of oldulars' worth of supplies for vital oxygen systems, purchased for programmes funded by USAID that support health clinics in some of the world's poorest countries. The shipments, now in transit, are scheduled to reach ports in the coming days, but employees of those programmes have been ordered to stop work.

On January 28, Secretary Of State Marco Rubio issued an exemption to the funding freeze for "lifesaving humanitarian assistance," including what a State Department memo called "oror lifesaving medicine." However, shuttered HIV and tuberculosis treatment programms have been told by their contacts at USAID that they cannot resume work until they receive written instruction that the waiver applies specifically to them. Also onthe same day, afederal judge blocked the freeze until February 3. But in practice, most USAID contury offices and programmes are proceeding as if the freeze remains in place.

They have been unable to obtain clarification on whether and when their work can continue because their assigned contacts at USAID have either been fred or furloughed, or are under strict instructions



A health worker at the Amukura Health Centre in Busia, Kenya, collects a blood sample from a young boy to screen for malaria parasites as part of a monthly monitoring programmer. Some of the world's poorest countries will be affected by Trump's decision to stop funding the WHD. NY.

# Health programmes shutter globally after US pauses aid

to not talk to anyone.

Despite the court order, thousands of people have lost their jobs as a result of the freeze. About 500 U.S.-based employees of USAID were fired. In countries from India to Zimbabwe, staff members for health

of USAID were fired. In countries from India to Zimbabwe, staff members for health projects were immediately fired. An organization called the International Centre for Diarrhoeal Disease Research, Bangladesh, which does research on a top loller of children, laid off more than 1,000 employees this past week.

If the waiver announced by Rubio does notapply to their work—asis likely because it is expected to exempt only a narrow scope of activities—many nonprofit groups will not have enough funds to pay their employees or maintain supplies. Organizations that rely on USAID funds have not been able access money, even for reimbursement of expenses aircady incurred.

Two-thirds of the staff of the President's Malaria Initiative, an organization founded

espenses arready incurred.
Two-thirds of the staff of the President's
Malaria Initiative, an organization founded
by former President George W. Bush that is
the largest donor to anti-malaria programs
and research worldwide, have been fired.
Those employees were contract staff members, because the agency had longtime
hiring freezes for permanent positions,
and included some of the most senior and
respected scientists working on malaria
control in the world.
While the interruption of HIV treatment
has prompted an outcry, the suspension of
malaria work also immediately jeopardizes
lives, said a scientist who was a senior staff
member at the President's Malaria Initiative for a decade and was fired January 28.
Malaria initerventions in Africa are

carefully planned around rainy seasons, the time of which varies by region. Houses are sprayed with insecticide, and children are treated with an antimalarial medication during peak malaria transmission times. "You could open the funding floodgates again tomorrow and you will still have children dying months from now because of this pause, the scientist said. More than 50 million children received preventive drugs before the rainy season last year.

The delivery of rapid tests and malaria drugs into Myanmar, where cases of malaria increased nearly tenfold to 850,000 in 2023 (the most recent figures available) from 78,000 in 2019, has been frozen. Some organizations now have no workers left to distribute the supplies even if they were to arrive.

In some parts of the country, more than 40% of cases are of a type of malaria shad.

we use toute the supplies even if they were to arrive.

In some parts of the country, more than 40% of cases are of a type of malaria that is often deadly in children younger than 5. Malaria drugs would seem to qualify under the stipulation of "lifesaving humanitarian assistance, including essential medicines" included in the waiver, but in the absence of certainty, no one has been bold enough to try to free the drugs now stuck at the Thai border.

Some 2.4 million and including the control of th

to try to free ties on the land of the Thai border.

Some 2.4 million anti-malaria bed nets are sitting in production facilities in Asia, manufactured to fulfill U.S.-funded orders and bound for countries across sub-Saharan Africa. Those contracts are now frozen, because the USAID subcontractor frozen, because the USAID subcontructor, that bought them is not allowed to talk to the manufacturer under the terms of the freeze. Contracts for 8 million more nets are now in limbo, an executive with the

manufacturersaid.
USAID's largest project is called the
global health supply chain, an effort to
streamline procurement of supplies for
HIV, malaria, maternal health and other
keyareas, to make the system more efficient

streamline procurement of supplies for HIV, malaria, maternal health and other ley areas, tomake the system more efficient and save money. It operates immore than 55 countries where, in many cases, it supplies the bulk of key medicines. Now its global web of staff has been ordered to stop work except for essential tasks, like guarding commodities in warehouses.

In Zambia, USAID supports the bulk distribution of public health products, using the private trucking industry to move medicines from a central supply depot to seven regional hubs, from which they are taken by truck, motorbike and boat to rural bealticenters. It's part of the extensive US, support of the health systemia Zambia, one of the world's poorest countries, and over time it has been working to buld up the supply chain capacity of the government.

Sincethe stop-work order was issued last Saurdya, all welicles transporting health products have been stopped. They have effectively paralyzed the Zambian public health sector by pulling out so abruptly, said one consultant who worked with the program. Similar US-funded systems, now frozen, also moved a major share of basic medical supplies in Mozambique, Nigeria, Malavia and Hani.

In East Africa, explanations to give to participants in their clinical trials. NYT

### The goodness of Jane Goodall

Intil a few months ago, I would not have imagined that I would ever breath the same air as Jane Goodall. After queuing up for over three hours and shuffling through rests. After queuing up for over three hours and shuffling up for over three hours and shuffling through rests. After queuing the control of me, shuffling nimble footed, ashimmering light of a person; I am afraid to blink, lest hed issaperar. She wallsontothe stage with her mascot—a soft too promote the control of a person; I am afraid to blink, lest hed issaperar. She wallsontothe stage with her mascot—a soft too pinip who has been with her on all her tours. This is what she calls her Hope tour, travelling across the world beginning from Mumbai, talking about her life, her journey, and through these stories, imagining the possibilities of an ecologically responsible world. A midst her listeners are parents, children, aspiring scientists and codall and her chimpanzees in our school textbooks. As a winess to a world where climate change was slowly turning into reality and capitalism threatened agrarian societies. As a winess to a world where climate change was slowly turning into reality and capitalism threatened agrarian societies. As a winess to a world where climate change was slowly turning into reality and capitalism threatened agrarian societies in her discipline that assumed that these two species evolved in opposite directions. Her question provided a simple twist to the human-centric narratives of our world—where we either strive to prove the superiority of Junan beings, then why not see them in us? Untouched the academic methodolovies.

by academic methodologies, there is a certain lived wisdom of knowing from the field that Jane has been encouraged to inculcate there is a certain when the field that Jane has been encouraged to inculcate by her mentor and collaborator, Dr Louis Leakey, throughout her research at Gombe National Park in Kenya. A certain heart, a certain heart, a certain feeling, is what ashe calls for all scientists to have when studying the world. Armoids several ancedotes of her time with her chimp and human friends in the forests of Gombe, Jane also recollects the challenges she faced and the support she had from her mother, who was the first power in her journey, assuring her at every step and even accompanying her to the forest. Her mother would say to her, Jane, with your binoculars you are learning far more than you realise about the chimpanzees.

This relational commitment This relational commitment of Jane to her community was unique in that it was not knowledge of othershe was after. It was trust that she valued. She fondly recalls David Greybeard, the chimpanzee who showedher that they could use tools as imaginatively as humans. David, she says, was the first chimpanzee who show the she for the property of the pro shed his fear of Jane, for which he is forever grateful. Painting each of her chimp friends as hav-ing wid personalities and being expressive in non-verbal com-munication, kissing, embracing, holding hands, patting one anoth-er in reassurance, shaking of firsts in anger, does that not remind you of certain humans we may know?, Jane makes the entire auditorium laugh with amusement. Most sig-nificantly, she recollects how she faced fervent objections from the scientist community when. the scientist community when, enrolled in her PhD for a formal degree, she refused to tag her chimpanzee friends with code numbers and instead insisted on giving them distinct names. Goodall's comparative study, in which she had always wanted to

which she had always wanted to prove that it was apes that were very much like humans and not humans who 'evolved' fromapes, is a simple and powerful way to dismantle the overbearing dis-cussions in humanities and social seiencesthatare basedon the idea that humans and stude that humans and nature are separate from each other—a premise most probably constructed for the purposes of the commerce and capitalism of thought. After all, trust the clever human who only has to profit from knowledge enterprises that love to keep certain things unknown and then fund massive projects in order to 'Know' these things? Nature often fund massive projects in order to 'Know' these things? Nature often stopped and wondered how easily we reach out to the flower in the garden as compared to meeting garden as compared to meeting sciences that are based on the idea garden as compared to meeting another person in the eye? What is it that makes the former act feel different from another?

another personation that makes the former accommodifierent from another?

In Goodall, I feit as if I saw nature, Inher simple attempts at understanding the questions from the audience, in trying to adjust hermiconthe podium, and in trying to keep herself warm in her blue shawl, I saw a person who had transcended convenient some size and chosen to just the size and chosen the size had transcended convenient so-cial categories and chosen to just respond to the world with all her possibilities. In Goodall, Isawthe glow of one who has learnt well how to wait, how to be patient and present, and how to observe sogendy and quietly that one can see the arrival of understanding just like the break of dawn. That is the goodness of Jane Goodall.

#### **OUR PAGES 200 OF HISTORY**

### 50 YEARS AGO: FEBRUARY 1975

#### 3 killed in violence in Delhi

New Delhi, February 2
Three persons were killed in violent clashes between police and a several hundred strong mob in which fire-arms were used by both sides in the Jama Majid rate of Old Delhi today. Curfew was clamped in the vicinity of Jama Majid full? a.m. on Tuesday. The clashes were sparked by the arrest of the Innam of Jama Majid under the MISA. Over 200 arrests were made. Parts of Sudar Bazar, which saw communal violence last year, were placed under curfew till 7 a.m. tomorrow.

#### 25 YEARS AGO: FEBRUARY 2000

#### Jaya gets jail term

Chennal, Feb 2
In a historic judgment, a special court
today found J Jayalalitha guilty of gross
abuse of power, criminal conspiracy
and misconduct in granting exemption
from building rules to Kodaikanal
Plessant Sup Hetel in vidiation of
municipal laws and court orders and
injunctions and secretaced her to undergo one year rigorous imprisonm each on four counts, the sentences to run concurrently. The also found former local administration ministe M Selvaganapathi guilty.

OASIS | MEERA SESHADRI

### Being an effective leader

ften, we get to see the very dynamic team leaders in several spheres of file—in education, sports and spirtual circuits, businesses, industries, and so on. Some of them possess such pure magnetic personas that their presence itself would be positively electrifying. Being endowed with high entrepreneurial skills, they exude ebullience and an enormous measure of other exquisite traits. Well, what exactly are those real ingredients going into the recipe of being remarkable team leaders? A young retchie, who has just begun treading on an MNC terrain post her technical course, was recently talking of her team leaders. "Previously we

had this person, a perfect team leader, par excellence, who had this profound acumen plus compassion, which made us words, not just perfunctorily but passionately. He was so benevolent that even when we committed bloopers, on our behalf he'd take upon the blame himself, thus buffering us from getting badly lambasted by company bosses. His most scirtllating quality was he loved seeing us surge ahead with supreme success while he simply stood behind as a supporting spectator, identifying our success as his own."

She continues, "Now, the present team leader likes to show off his prowess. Days before, one of our team members botched up a big project, but our team leader coolly condoned all his culpability. That is because this fellow keeps fawming on him always. But, the same mercy isn't on me. Even a smidgen of a slip up from my side starts snowballing into such showdowns that it starts stalling my salary hikes! This kind of dual rule can be deadly disillusioning and devastrating. rns kind of daar the can be deady sillusioning and devastating." Incidentally, be it any work institu-on, indubitably, each individual unit

is an important integral part of it. And that, team leaders play pivotal roles in the progress and prosperity of that

So, when the team leader is efficient So, when the team teader is efficient and extremely sincere with edifying work ethics, besides being empathetic, encouraging, and equitable to his workers, he can enthuse and elicit the best work quality out of each one in his entire team.

entire team.

And, once he firmly provides that work-friendly environment to his fellow colleagues, then, the company forging ahead, in making fabulous strides toward flourishing success, would be a foregone conclusion!

### Prudence pays

Fiscal frugality essential for financial stability

tringent adherence to fiscal consolidation targets has been one clear area of focus for the NDA regime in its successive Budgets, which have otherwise tried to juggle one-too-many objectives. In the latest one, the fiscal deficit has been contained at 4.8 per cent for FY25 despite nominal GDP growth undershooting estimates at 9.7 per cent (10.5 per cent assumed). The deficit target for FY26 has been pegged at an even tighter 4.4 per cent despite the ₹1 lakh crore giveaway to personal taxpayers.



The Statement of Fiscal Policy accompanying Budget documents suggests that the Centre will continue to be that the Centre will continue to be trightfisted. It has laid down the ambition of trimming the Centre's debt-to-GDP ratio from the current 57.1 per cent to about 50 per cent by 2031. Critics have questioned the need for such frugality when economic activity is sluggish. However, fiscal consolidation is absolutely necessary for India's financial stability and the health of its bond markets. Much of India's economic rebound post-Covid has been driven by the government ratcheting up its capital expenditure. But government-driven capex is now beginning to undershoot targets, making it the right time for the private sector to pick up the slack on fixed capital formation. A conservative borrowing calendar allows the Centre to get out of the way of private enterprises looking to raise capital from the bond markets or banks looking to use their funds to bankroll credit. looking to use their tunds to bankrol credit. It is thanks to strict adherence to deficit targets that the government has managed to trim its market borrowings in absolute terms, from ₹11.77 lakh crore in FY24 to ₹11.62 lakh crore in FY25, with a target of ₹11.63 lakh crore in FY26. Lower borrowings lake hows the effect of melastic laws to the strict of \$11.65 lakh crore in FY26. also have the effect of moderating government security yields which set the floor for interest rates in the market. Fiscal frugality may just have smoothened the path for the Monetary Policy Committee to consider easing rates in its upcoming meets.

This apart, the Centre has announced the constitution of the 8th Pay Commission recently, which can be expected to significantly bloat government revenue expenditure. The 7th Pay Commission, whose term ends in December, has contributed to a 24 per cent increase in the wage bill. As the impact of the 8th Pay panel may begin to bite from FY27, the Centre is perhaps creating headroom without upsetting fiscal math.

Finally, government actions on running up large deficits are no longer watched only by domestic institutions and investors. With the opening up of domestic bond markets to foreign investors and the inclusion of Indian gilts in global benchmarks, Foreign Portfolio Investors (FPI) now have a much bigger say in domestic bond movements. Signs of fiscal profligacy can prompt FPIs to vote with their feet, which can spike up yields and destabilise the Rupee. The Centre must have been aware of this risk in the current global milieu, where Trump's whimsical ways have resulted in heightened volatility in FPI flows.

#### FROM THE VIEWSROOM.

#### Ranji Trophy blues

A fter the recent debacle in Australia, the cricketing establishment, players and the media have suddenly woken up to the importance of Ranji Trophy, India's premier first class towns are the contract of th

up to the importance of Ranji
Trophy, India's premier first class
tournament.
The struggling Indian batters
decided to turn out for their State
sides to get into form. The most
talked about instance was that of
Virat Kohli turning out for Delhi,
after many years, against Railways
last week. This led to a huge frenzy
among both the fians and the
media. Huge crowds turned up
just to watch Kohli bat at the nets
of the Perozeshah Korli ground.
On match day, according to media
reports, fans lined up out side the
stadium since early morning. The
stadium that day was packed
(unheard of for a Ranji match) and
some even cheered when Delhi
batter Yash Dhull got out as Kohli
was next up. Unfortunately for
Kohli the outing was a largely
forgettable one — he lasted barely
for 15 balls, scoring 6, before his
off stump was disturbed by an
overset is lifenance. off stump was disturbed by an ecstatic Himanshu Sangwan.

But what happened after that was even more incredible. Soon after Kohli's departure the crowd quickly evaporated as it didn't have the time to see Ayush Badoni and Sumit Mathur stitch an important 133-run partnership which proved crucial for Delhi's

which proved crucial for Delhi's eventual victory. That cricket is a religion for most Indians is a cliche that has been done to death. But even the most devour would struggle to recall the name of the reigning Ranji champions (Mumbai, since

Ranji champions (Mumbai, since you asked), spoilt as they are by the deluge of international cricket. The Ranji Trophy's devaluation started steadily since the 1990s when the crowded international schedule forced international cricketers to skip it. To bring back crowds to Ranji matches the BCCI should schedule international futures in such a way that should schedule international fixtures in such a way that international cricketers are available for their State sides at least in the knock-out stages. Ranji Trophy can never compete with the glitzy IPL. But the devout would still love to watch Jasprit Bumrah having a go at Virat Kohli in a Ranji tie.

# A Budget in challenging times

the proposals don't go far enough

LINE& LENGTH.



his year's Budget was made in one of the toughest environments. There are both domestic and foreign

both domestic and foreign constraints.

The only question before the Finance Minister, apart from procedural and allocative changes, was how to increase consumption. She had to do it without giving up too much tax revenue and give growth a chance by changing the mood in the country.

grung - growth a chance by enangement in the country.

In the event, she has produced a Budget that will not achieve this objective in the measure required. Only three Budgets in the last 40 years have managed to do that, in 1985, 1992 and 1997.

1997.

The Modi government had a golden opportunity this year to do the same thing but the suf-boot is sarker Congress jibe of 2014 still rankles. So it has once again avoided as ensible but politically hard decision. It has refused to take any political risk.

The Finance Minister said "For someone earnings \$2 lads this in season as

The Finance Minister said "For someone earning ₹8 lakh, this means an additional ₹1 lakh to spend; for those earning ₹12 lakh, nearly ₹2 lakh more; and for those with an income of ₹24 lakh, about ₹2.4 lakh extra."

She has, if I may, put fuel in two wheeler tanks when it's the four

wheeler tanks when it's the four wheelers that need refuelling. She has doubtless reduced the tax burden for a lot of people. But these aren't the spending classes. They save more precisely because they are middle class. That plus the fact that it's not as it they will spend only on things. Chances are they will spend more on school and doctors fees.

doctors fees. The Finance Ministry is unable to The Finance Ministry is unable to build sociological factors into its budgets. There is a much greater dependency ratio now comprising the young and the old and the unemployed. There are also a lot more fixed costs like transport, communication and entertainment that keep increasing. Also, spending and consumption are as much about money as about aspirations. And that's where the idea of marginal propensity to save comes in. It tells us how much of an extra rupee of income will be saved.



For the Indian lower middle class it's very high, certainly more than 0.50. A high MPS isn't a bad thing provided the savings are originating in the upper end.

#### RAD POLICY

RAD POLICY
The other extremely worrying bit is the about turn on PSUs. The BIP was all for dismantling it and had even come out with a policy a few years ago. But now thanks, I am certain, to RSS pressure, Modi government has chosen to throw good money after bad.

The Budget says nearly ₹15 lakh crore will be thrown away. Not all of it will be wasted of course. But a third will be, you can rest assured. This is welfare by other means.

#### The Finance Minister has doubtless reduced

the tax burden for a lot of people. But these aren't the spending classes. They save more precisely because they are middle class

For a government that's desperately in need of money the correct policy is to sell off the land of deadwood units while continuing to pay the few remaining employees till the end of their lives. The employees have a right to livelihoods, not assets of the companies they work for.

Apparently there are technical Apparently there are technical difficulties in that many of these units stand on land for which there are no extant papers. Most were leased — read donated — from state governments. But surely this is not an insurmountable problem especially if an arrangement for sharing the proceeds of the land sales is arrived at,

snaring the proceeds of the land sales is arrived at.

But as always the Modi government which is never afraid of tough political decisions — 370, triple talaq, wakf, CAA — gets cold feet when economic decisions are concerned. Clearly, when decisions that affect Muslims are concerned the BSC emposure but not concerned the RSS approves but not when economic ones have to be taken.

THE GOOD BITS
That said, there are a lot of good changes, too, that aim to please different

segments of the voting public and spend money where it should be spent. But the most important bit is that, for the first time since 1997 the Budget explicitly tries to please the middle class. About time, too, since this is the class that pays income tax. But let's also not forget that maybe only 10 per cent of it does. Indeed, if 100 per cent of agricultural income is not taxed, 90 per cent of income that would qualify as middle class income ist, either, at least not by the government. But many of these people do pay an informal tax to the tax inspectors.

Last but not least, while everyone is complaining about the Budget largesse

Last but not least, while everyone is complaining about the Budget largesse to Bihar, let's not forget the election in Delhi on Pebrary S. A very large number of the beneficiaries of the tax announcement live in Kejirwal's constituency. That's what I like most about this Budget. He is facing anti-incumbency anyway. The tax reliefs may well be an insurmountable challenge. Worse, he can't complain to the Election to Commission because the tax reliefs is not specific to his New Delhi constituency.

## Tax sops, a response to demand constraints

But whether the Budget's tax relief to a small section of the population will revive demand remains to be seen

he personal income tax concessions announced by Finance Minister Nirmala Sitharaman in her 8th budget would undoubtedly be the most significant talking point. The increase in the "nil slab" rate from ₹7 lakh to ₹1.2 lakh for all readers of the swuld my increased

talking point. The increase in the "nil slab" rate from \$7 lak to \$12 lakh for salaried class would put increased purchasing power in the hands of the middle class which, according to the Finance Minister, is in "recognition of their contribution" in "nation building". This is largely true as taxes on income are projected to contribute to more than athrd of the gross tax revenue for the first time (up from \$2.7 per cent in FY25). In other words, the middle class would be taking the significantly large burden of supporting government finance during the next fiscal year, up by more than 3 percentage points since 2023-24 (income tax was 30 per cent).

past.
While the government would take plenty of credit for reducing the burden of direct taxes on over 10.45 crore tax payers in the country (7.28 crore income-tax returns were filed in 2024 and the rest were those from whom TDS was deducted), it must be pointed out that this move was triggered by the compulsion that the government faces

to bolster demant seems to have finally admitted that demand deficiency is indeed a problem that needs to be corrected before the growth slowdown deepens further. Last month, the National Statistics Office had unveiled first advance estimates of the GDP for the 2024-25 fiscal showing that the economy could grow at 6.4 per cent, nearly 2 per cent slower than that in the previous year.

SALES SLIDE By the end of 2024, there were clear By the end of 2024, there were clear indications that a demand slowdown was adversely affecting the Indian economy. Sales of products ranging from cars to biscuits decreased. Automobile sales were on a declining trend since the end of 2023 but after the middle of 2024, the decline became

steep. By December 2024, automobiles sales By December 2024, automototics said dipped to negative territory on a year-on-year basis. FMCG companies, on the other hand, are expected to register low single digit growth in their revenues as they hiked prices of their products due to rising cost of inputs. Given this slack in consumer demand, the Finance Minister has made a similificant course correction in her

significant course correction in her Budget proposals today, trying to put money in the hands of the middle cla through the tax sops instead of trying create demand through capital



speech, the Finance Minister find argued that significant investment bergovernment made over the years in building and improving infrastructure had a strong multiplier effect on the economy, implying that this move had injected demand into the economy, Earlier, she had contended that increased public investment would help crowd-in private investment, thus putting the economy on a sustained

crowd-in private investment, thus putting the economy on a sustained growth path. However, government's substantial capital expenditure did not quite encourage private sector investors, much like the way handy tax breaks that Sitharaman had provided in 2019 did not make them pooe.

Sitharaman had provided in 2019 did no make them move. While subdued private sector investment has almost become a pattern, in the current fiscal year, government's capital spending has also been inadequate.

CAPEX CONUNDRUM
According to the Controller General of
Accounts, the government's capital
spending during April-November during
PY25 was more than 12 per cent below
the corresponding period in the
previous fiscal year. The Finance
Minister informed today that for the fall
year, capital spending could be more
than 9 per cent less than the budgeted
figure.

than y per sense accommy has struggled with demand deficiency for several years now, and the question is whether the tax sops offered to less than 5 per cent of the country's population would be enough to inject sufficient demand, and to thus ensure a sustained level of growth in the ensuring wears.

ensuing years.

It may be argued that the even after the tax payers get the benefit, their purchasing power may not be unleashed on the market instantly as inflationary expectations have been a major worry for the consumers.

This has been substantiated by RBI's common the substantial three substa

consumer confidence survey, which reported that in November 94 per cent of the consumers had negative expectations about price rise.

Clearly, the government needed to be more forthright in its efforts to

overcome demand deficiency, to create conditions for generating decent jobs.

#### BELOW THE LINE



#### MetaAl is foxed too

Reactions from India Inc. is a common feature post Budget. And oday when everyone is talking AI, a cribe asked Meta AI why Indian corporates give cliched comments, this is the response:

The comments from India "The comments from Indian corporate executives on Budget 2025 do seem to follow a familiar pattern, with phrases like "growth-oriented Budget", "welco move", "positive sentiment", and "boost to the economy" being commonly used.

commonly used. These clichéd responses might be due to various factors, such as: due to various factors, such as:

1. Diplomatic language: Executives might be avoiding any negative comments to maintain a positive relationship with the government.

2. Standardized responses:

Companies might have prepared templated responses to ensure consistency and sold provided templated responses. consistency and avoid controversy.

3. Time constraints: With the budget not have had sufficient time to analyze the details and provide more

nuanced comments.
It's interesting to note that the cliched responses can make it challenging to gauge the genui impact of the budget on the corporate sector." So even Meta AI is finding it difficult

Gandhi's era, and you'd be virtually donating ₹10 lakh of that income to

the state treasury. Even just over a the state treasury. Even just over a decade ago, Congress would take away #2.6 lish out of #12 lakh as tar— under the BLP government's latest budget, that #12 lakh now comes with a zero-tag sugrantee. Yes, you read that right: your hard-earned salary is apparently now immune to the tawnan's grasp, is & fixed wizardry, or just another twist fiscal wizardry, or just another twist in the political narrative? Only time

italian truffles — Bihar's Makhana is about to get the Vil<sup>9</sup> treatment! The government has announced a Makhana Board, finally giving this

humble foxnut our "respect". Expect meetings, reports, and committees analysing the crispiness of each puff. With official branding, get ready for organic, premium, government-certified Makhana government-certified Makhana hitting shelves with fancy price tags Will it go global? Will Wall Street bet

humble fox nut bureaucratio

will it go global? Will Wall Street bet on "Makhana futures"? Or will it just mean another board with a swanky office and endless chai breaks? One thing's for sure — Bihar's legendary snack just got an official upgrade. Now, let's hope it doesn't become the next overcooked policy processed!