



An unravelling

Malegaon acquittals expose systemic investigative failures

The 2008 Malegaon blast, killing six and injuring 95 others, during Ramadan, was an extreme act of terror. The initial investigation by the Maharashtra Anti-Terrorism Squad (ATS) posited a chilling conspiracy by Hindutva extremists to exact revenge through a "blast for a blast", emulating the polarising methods of Islamist terror groups. This narrative seemed solidified by circumstantial evidence, including electronic transcripts of secret meetings and a confession by Sangh Parivar activist Aseem Manand. The case was politically fraught from the start. The ATS investigation was a pivotal moment, as it sought to identify perpetrators irrespective of religion, especially after Muslim youth were wrongly charged and later acquitted in the 2006 Malegaon blasts. However, this unbiased approach appeared to falter with the consolidation of Hindutva political power. After the case was transferred to the National Investigation Agency (NIA), the agency filed a supplementary charge sheet. Amid allegations that the NIA was under pressure to be lenient, a Special Court rightly ruled in 2018 that a full trial was the best course. Seventeen years later, the final acquittal of all accused, including Lt. Col. Prasad Purohit and Pragna Singh Thakur, leaves a profound sense of unease. Far from refuting the existence of Hindutva-led extremism, the judgment is an indictment of the prosecution's methods and a reminder of how justice can be undone.

The court exposed a foundation of unreliable evidence, noting that key witnesses turned hostile, alleging coercion by the ATS — a claim also noted by the NIA. The explosive electronic transcripts were deemed inadmissible for failing to meet mandatory legal safeguards against tampering. The court also rejected the defence of Purohit, who argued that he was a military intelligence officer infiltrating the group, but acquitted him as the evidence failed to meet what it saw as the legal standard for a conviction. The political circumstances suggest a consistent attempt to re-frame the alleged acts of terror not as criminal, but with a communal narrative. In 2019, while still under trial for grave terror charges, Pragna Thakur was fielded as a parliamentary candidate by the Bharatiya Janata Party and won from Bhopal. Her political elevation as a Hindutva icon was precisely because of her purported role in fomenting retaliatory attacks against Muslims. Her subsequent career, marked by an endorsement of Mahatma Gandhi's assassin, Nathuram Godse, has only confirmed the dangerous mainstreaming of extremist voices. The acquittal lays bare the unsettling reality that when state agencies fail, extremist organisations can get away with heinous crimes. Terror has no single religious face and, without a competent and scrupulous policing, prosecution and justice system, its perpetrators, whoever they may be, can walk free.

Rape and punishment

Victims of assault must be encouraged to testify without fear

Powerful perpetrators are rarely made accountable for their actions, and in that backdrop, the conviction and life sentencing of Prajwal Revanna, former Janata Dal (Secular) Member of Parliament and grandson of former Prime Minister H.D. Deve Gowda, for a heinous crime comes as a relief. This is the first of the four cases of rape and sexual harassment against the 34-year-old Gowda scion. The former Member of Parliament had raped a 48-year-old domestic worker twice at the family's homes in Hassan and Bengaluru in 2021, and recorded it on his mobile phone. In April 2024, ahead of the general election, explicit clips of his sexual misdemeanours were leaked through pen drives strewn across public places in Hassan, the Gowda home town. In the videos, Revanna's face is not visible, only the woman's, a gross violation of their safety and privacy. The former help and other women came forward with their complaints but their agony was far from over. Using political muscle, and aided by his parents, former Minister H.D. Revanna and Bhavani Revanna, he did his best to arm twist the system, threatening a survivor, trying to stop her from testifying. But a Special Investigation Team (SIT) worked with alacrity and he was finally arrested in May 2024. The SIT filed the first charge sheet in August 2024.

The video, where the domestic worker is seen pleading with Prajwal Revanna to spare her, DNA analysis and her testimony formed key evidence in the trial which began in May 2024. The Special Court of Sessions to hear criminal cases against former and present Members of Parliament and MLAs pronounced the verdict on August 1. The speedy trial and conviction will give hope to other survivors battling for justice in sexual assault cases. The court convicted Revanna on all charges framed against him, including under Sections 376(2)(n) (repeated rape on the same woman), 506 (criminal intimidation), 201 (disappearance of evidence) of the Indian Penal Code (IPC) and 66E (violation of privacy) of the Information Technology Act, 2000. Section 376(2) of the IPC states that a person convicted under it "shall be punished with rigorous imprisonment for a term which shall not be less than 10 years, but which may extend to imprisonment for life....". Often, even when multiple complaints are raised, leaders with political clout get away. The laws are in place. All that the government machinery needs to do is act swiftly and sensitively, and create a safe space to that survivors of sexual abuse can come forward without fear.

The 'right to repair' must include 'right to remember'

In May 2025, the Indian government took a significant step toward promoting sustainable electronics. It accepted a report proposing a Repairability Index for mobile phones and appliances, ranking products based on ease of repair, spare part access, and software support. New e-waste policies now include minimum payments to incentivise formal recycling. These are timely moves.

But as India takes steps toward making repair a consumer right, we must also treat it as a cultural and intellectual resource — a form of knowledge that deserves preservation and support. India's digital and Artificial Intelligence (AI) policy landscape is evolving rapidly. Initiatives such as Digital Public Infrastructure (DPI) and the National Strategy on Artificial Intelligence (NSAI) emphasise innovation, data-driven governance and economic efficiency. Yet, the systems that quietly sustain everyday life — especially the informal repair and maintenance economy — remain largely invisible in digital and policy frameworks.

In an age of cloud backups and algorithmic processing, it is easy to forget the value of knowledge that cannot be codified. Much of India's repair expertise lives in muscle memory, quiet observation, and years of hands-on improvisation. This tacit knowledge is vital to India's material resilience. From mobile fixers in Delhi's Karol Bagh to appliance technicians in Chennai's Ritchie Street, repairers keep devices working well past their planned obsolescence. "If we don't fix it, who will?" says a mobile repairer in Ritchie Street. "People throw things out. But we see what can be made new." Their tools may be modest and their workshops discreet, but their work reflects deep ingenuity. They restore devices not by consulting manuals, but by diagnosing faults through sensory cues, reusing components, and adapting creatively to constraints. Yet, this ecosystem is gradually eroding. As product designs become less repairable and consumer habits shift toward disposability, informal repairers find themselves increasingly locked out of markets, of skilling programmes, and of policy attention. What risks being lost is not only economic opportunity but also a vast, undocumented reservoir of knowledge that has long supported India's technological resilience.

Why tacit knowledge matters

"I learnt by watching my uncle," says an appliance repairer in Bhopal. "He never explained with words. He just showed me once, and expected me to try. That's how we pass it on." Tacit knowledge refers to forms of skill and intuition that are difficult to formalise. In India's repair economy, this expertise is typically passed down through mentorship, observation, and repetition — not through formal training or certification. It is inherently adaptive and



Kinari Gatare

is a researcher in Human Computer Interaction (HCI) and a former UX Design Consultant, National Programme on Technology Enhanced Learning (NPTEL), Indian Institute of Technology Madras

context-sensitive, qualities that structured digital systems, including AI, often struggle to replicate. As AI advances, it increasingly draws on insights shaped by this kind of labour. However, mechanisms to acknowledge or equitably involve the contributors of this knowledge are still evolving. The result is a growing imbalance: AI systems continue to improve, while the communities enabling that learning often remain unrecognised. Globally, the Right to Repair movement has gained momentum. The European Union recently introduced rules requiring manufacturers to provide access to spare parts and repair documentation. In India, the Department of Consumer Affairs launched a Right to Repair framework in 2022, followed by a national portal in 2023 covering electronics, automobiles, and farm equipment. Meanwhile, the United Nations Sustainable Development Goal 12 promotes repair as part of responsible consumption. India now has the opportunity to lead by recognising repair not just as a service but also as a form of knowledge work.

The blind spot in India's digital policy

In 2021-22, India generated over 1.6 million tonnes of e-waste, becoming the world's third-largest producer. The E-Waste (Management) Rules, 2022 introduced Extended Producer Responsibility (EPR) — a principle that makes manufacturers responsible for post-use product management. However, while these rules encourage recycling, they make only a passing mention of repair as a preventive strategy. National skilling programmes such as the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) focus on short-term certifications for formal industrial roles. Repair work, which requires improvisation, diagnostic skill and creative reuse does not easily fit this framework. Similarly, the National Education Policy (NEP) 2020 celebrates Indian knowledge traditions and experiential learning but offers little guidance on how to support or transmit hands-on repair expertise. Campaigns such as Mission LIFE (Lifestyle For Environment) promote repair and reuse, but complementary efforts are needed to support the workers who make such sustainability practices possible. While policies now champion circularity, they risk leaving behind the very workforce whose skills make it real.

As sustainability becomes a national priority, policymakers and technologists are reconsidering how we design, discard, and extend the life of everyday products. One emerging idea in research is 'unmaking' — the process of taking apart, repairing or repurposing devices after their first use, revealing design flaws and opportunities for reuse. Breakdowns and repairs are not failures; they are feedback loops and sources of practical insight. A discarded circuit board can become a teaching tool. A salvaged phone part can restore someone's access to work or school.

As India invests in AI infrastructure and digital public goods, it must align these ambitions with the ground realities of repair and an established culture of innovation and frugality

Another slip up by India in the trade pact with the U.K.

The India-United Kingdom Comprehensive Economic and Trade Agreement (CETA) raises several questions regarding India's commitments in the CETA's intellectual property chapter (Chapter 13). A problematic article in this chapter is Article 13.6, "Understandings Regarding TRIPS and Public Health Measures", in particular its first paragraph: "The Parties recognise the preferable and optimal route to promote and ensure access to medicines is through voluntary mechanisms, such as voluntary licensing which may include technology transfer on mutually agreed terms" (<http://bit.ly/46zLEzj>).

India's agreeing to this provision would result in dilution of its position on two critical issues. First, India consistently backed the use of compulsory licensing as opposed to voluntary licensing, to address high prices of patented medicines. Second, India argued that advanced countries must transfer technologies to developing countries on "favourable terms", for their industrialisation, and also for reducing their carbon footprints.

Issue of pricing

High prices of patented medicines are a serious anomaly of the patent system, due to excessive rent-seeking by patentees. Compulsory licensing of patented medicines can vastly improve the affordability of high-priced medicines by facilitating the production of such medicines. This was experienced following the grant of compulsory licence to Natco Pharma in 2012 for producing an anti-cancer medicine, sorafenib tosylate. The price came down to less than \$8,800 for a month's treatment, from the use of \$2,80,428 charged by the owner of the patent on the medicine, Bayer Corporation (<http://bit.ly/4IVTc4l>).

For remedying such instances of excessive rent-seeking, India's law-makers included compulsory licensing as a key safeguard while amending the Patents Act to make it compatible with the World Trade Organization's (WTO) Agreement on Trade Related Aspects of



Biswajit Dhar

is former Professor of Economics at the Jawaharlal Nehru University



K.M. Gopakumar

is Senior Researcher and Legal Adviser, Third World Network

Intellectual Property Rights (TRIPS). Both Houses of the Parliament unanimously adopted this legislation after a Joint Parliamentary Committee had carefully considered its provisions (<http://bit.ly/4l7Z1uh>).

Grant of compulsory licence

India's TRIPS-consistent Patents Act allows grant of compulsory licence to anyone interested in producing a patented product in India, three years after the grant of a patent. This licence can be granted if: reasonable requirements of the public with respect to the patented invention are not satisfied; or the patented invention is not available to the public at reasonably affordable price, or the patented invention is not "worked" in the territory of India, implying, it has not been commercially exploited in the country (<http://bit.ly/4ITSBJD>).

Patent rules monitor "working" requirement and, accordingly, patentees must submit the working status of their inventions. They had to do so annually until this requirement was diluted through India's FTA with the European Free Trade Association, with India agreeing that the periodicity of reporting "shall not be less than 3 years" (<http://bit.ly/4o4NcXJ>). This dilution, has now been reinforced through the CETA, and it takes away an important ground for issuing compulsory licences.

By backing voluntary licensing to address the problem of access to medicines, India has, de facto, given up its position as a strong votary of compulsory licensing in the WTO. A coalition of developing countries, including India earned the right to issue compulsory licences through the Doha Declaration on the TRIPS Agreement and Public Health in 2001, despite strident opposition from advanced countries. The Declaration emphasised, "each Member has the right to grant compulsory licences and the freedom to determine the grounds upon which such licences are granted" (<http://bit.ly/3UjWjWV>).

Voluntary licences cannot ensure access to affordable medicines due to the weak bargaining position of domestic companies in developing

A broken appliance can be repaired and reused. Informal repairers perform this work daily. Their labour sits at the centre of the circular economy, where reuse is not an afterthought but a design principle. Recognising them as stewards of sustainability — not marginal figures — can reshape how we think about environmental and digital innovation alike.

AI-enabled solutions for repair justice

India's culture of *jugaad* and frugality long pre-dates today's tech-forward policies. Repairers have always adapted across devices and decades, with minimal support. As the country invests in AI infrastructure and digital public goods, it must align these ambitions with the ground realities of repair. Most modern gadgets are built for compactness and control, not repair. According to a 2023 IFixit global report, only 23% of smartphones sold in Asia are easily repairable due to design constraints. To change this, design norms and procurement policies must include reparability from the start. To make technology genuinely sustainable, public policy must consider not only how products are made, manufactured and used but also how they break down, are repaired, and find new life. A shift toward designing for "unmaking", where disassembly and repair are anticipated from the outset, should inform both hardware standards and AI-integrated systems.

This transition will require coordinated institutional action. The Ministry of Electronics and Information Technology can embed reparability criteria into AI and procurement policies. The Department of Consumer Affairs could expand the Right to Repair framework to include product classification and community involvement. Platforms such as e-Shram, under the Ministry of Labour and Employment, can formally recognise informal repairers and connect them to social protection and skill-building schemes. The Ministry of Skill Development and Entrepreneurship can consider training programmes to account for the tacit, diagnostic nature of repair work, which does not conform to standardised industrial templates. To support this, decision trees can help codify typical repair pathways, while Large Language Models can capture, summarise, and translate tacit repair narratives into structured, shareable knowledge, enabling broader learning without stripping local context or expertise.

Supporting this ecosystem is not merely a question of intellectual property or technical efficiency. It is about valuing the quiet, embodied labour that sustains our digital and material lives — an essential step toward a just, repair-ready technological future. As philosopher Michael Polanyi observed, "We know more than we can tell." By choosing to remember what cannot be digitised, we preserve the human wisdom essential to a meaningful technological future.

LETTERS TO THE EDITOR

Support, not therapy

A report, "GenAI cannot qualify as therapy for mental health, says expert" (Chennai, July 21, 2025), highlights a crucial point — while Artificial Intelligence tools such as ChatGPT may feel supportive in moments

of anxiety, they cannot replace professional therapy. These tools often mirror what we wish to hear, creating comfort but not real change. The fact is that true therapy challenges patterns, provides structured guidance and

builds skills to cope with life — something that no algorithm can replicate. Instead of depending on Artificial Intelligence, we must remember that healing happens through people. Only a trained therapist can

listen deeply, confront painful truths, and guide recovery with care and

accountability. Let Artificial Intelligence be a temporary aid. The real work of mental

Corrections & Clarifications

In an article, "World's highest bird death rates at Thar Desert wind farms" (Science page, August 3, 2025), avian death rates due to wind energy are among the highest worldwide, and not the highest. E-mail: readers@thehindu.co.in

health must stay firmly in human hands. J.S. Saffarova Bharathi, Chennai

Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

On the track towards belonging

The completion of the the Udhampur, Srinagar, Baramulla rail link project, or the Jammu-Baramulla line, nearly four decades in the making, marks not only a historic engineering achievement in one of the most formidable terrains on the planet, but also the quiet fulfilment of a long-standing promise between the Indian state and the people of Jammu and Kashmir. Spanning 272 kilometres through the Pir Panjal and Himalayan ranges, this railway line is more than steel and concrete; it is a bridge of belonging.

Mobility equates to opportunity. The railway line connects places such as Sopore, Anantnag, Quazigund, and Banihal to the national economy. It brings markets closer, education within reach, and jobs within possibility. Each train narrows not just physical distance but also psychological gaps. This railway line fosters the sentiment that national integration is not merely about symbolism but practical access, investment, and shared development. In a region long marked by conflict, this railway line offers a quieter story — one of shared work, patience, and steady progress. It won't resolve every issue, but it shifts the conversation towards connection and common purpose. The train carries the message that Kashmir is not peripheral to India, but central to its journey forward.

Audacity and achievement
This milestone would not have been possible without the undaunted spirit of India's railway engineers. From the snow-bound tunnels of Pir Panjal to the vertiginous heights of the Chenab bridge, these professionals and workers toiled through some of the harshest natural conditions imaginable. They worked through deep winters, unpredictable landslides, and security concerns. Their courage and commitment deserve the gratitude of a nation. The Indian Railways has a



Sarabjit Arjan Singh
former general manager, Indian Railway, and former member of Central Administrative Tribunal

More than a feat of engineering, completion of the line is a reaffirmation of a social contract between the people of Kashmir and the Indian Union

proud tradition of such resolve. In the 19th century, railway engineers built a railway through the treacherous Western Ghats and delivered the Bhor Ghat section that connects Mumbai with the Deccan. During the Assam rail-link project of 1948, when newly independent India faced a logistical crisis in connecting the Northeast, the legendary railway engineer Sardar Karnil Singh (later Chairman of the Railway Board) and his team built 200 kilometres of line in record time, including more than 300 bridges.

The Jammu-Baramulla line now joins this lineage of audacity and achievement. It is a reminder that while governments may change and priorities may shift, the railway engineer — anonymous and often unsung — continues to be one of the Republic's most enduring architects. Their work does not merely connect places; it connects lives, aspirations, and identities. It is they who transform maps into meanings and blueprints into belonging.

The symbolism of the Jammu-Baramulla line lies not only in what it connects but also in what it overcomes. The project navigated not only geotechnical obstacles and climatic extremities, but also long periods of political uncertainty and civil unrest. Each completed tunnel and bridge, therefore, is an engineering feat and also a marker of perseverance and institutional commitment in the face of adversity.

Strategic importance
The line's strategic importance is also worth underlining. By linking Kashmir's northernmost railhead with the rest of India's railway grid, it brings unparalleled logistical advantages for civilian mobility, trade, and even emergency response. The line also reduces dependence on the single Srinagar-Jammu national highway, which is vulnerable to landslides and closures during winter. In doing so, it enhances the resilience of Kashmir's

connectivity and helps ensure the regular flow of essentials such as food, fuel, and medicine.

For students and patients who earlier endured long road journeys over mountainous passes, the railway offers comfort, affordability, and dignity. It reduces both the cost and the emotional toll of separation, making it easier for families to stay connected. In time, it will also make the region more attractive to investors and institutions, opening the doors for industrial parks, skill development centres, and agro-logistics hubs to be developed in and around stations such as Anantnag, Awantipora, and Baramulla.

Culturally too, the railway becomes a conduit for exchange. As trains bring people to and from the Valley, they also carry stories, memories, and understanding. The rail journey is a slow but steady social equaliser, allowing a common experience to emerge across geographies. For many in the Valley who had never travelled far beyond their districts, it opens a new window to the rest of the country — and vice versa.

The future now depends on how we build around this backbone. The completion of the Jammu-Baramulla line must be followed by careful planning of last-mile linkages, station area development, and service frequency enhancement. Local entrepreneurs, women's groups, and artisans must be enabled to benefit from the access that this line provides. Government agencies and private players must together create ecosystems around these stations, so they become not just halts, but hubs of rural transformation.

This project is a testament to what democratic development looks like in action — patient, deliberate, and deeply transformational. The tracks may be made of steel, but the promise they carry is one of trust. And that may be the most powerful foundation on which to build the future of Jammu and Kashmir.

A step forward, but not far enough

There are lacunae in the calculation of welfare cess in the Gig Workers Ordinance

STATE OF PLAY

Mohan Mani

While the Karnataka Platform Based Gig Workers (Social Security and Welfare) Ordinance, 2025, is a step forward towards basic social security cover, there are serious lacunae related to calculation of the welfare cess.

The welfare ordinance specifies 'payout' as the basis parameter for calculation of the welfare cess. 'Payout' is defined as the 'final payment made by the aggregator/platform to the gig worker...'. It goes on to define the 'welfare fee' as ranging from 1% and 5% of the payout per transaction to the gig worker. This formulation raises a series of issues. First, the range of 1-5% is likely to tend towards the lower bound of 1%. For instance, while the Construction Workers Welfare Cess provided for 1-2% cess, across States, the actual cess collected was 1% of construction cost.

Second, at the lower bound, this is a clear dilution of the provisions of cess under the Social Security Code of the Centre. The Code defines cess as 1-2% of turnover with a maximum cap of 5% of payment to workers. That means that a cess of 1% on turnover is the minimum. The 'payout', as defined in the Karnataka Bill, being the payment from the platform to the gig worker, is a part of and therefore less than the turnover of the platform. A cess of 1% on payout is therefore necessarily less than 1% cess on turnover of the platform and contravenes the Social Security Code.

We could test this rate of cess against the financial results of Zomato. The company had an Adjusted Revenue of



₹7,790 crore, while the 'delivery and related charges' was ₹3,900 crore (Annual Report 2024). Therefore, even a 2% cess on payout would barely equal 1% of company turnover, the minimum provision for platform cess under the Code.

The trend among food delivery platforms is towards diversification into merchandising and own production. There is every possibility that in such situations, the payout as a ratio to turnover might decline further, with even the cess rate at 2% payout being less than 1% cess on turnover. From Zomato's example, we can calculate that at 5% cess on the payout, the additional cost to be borne by the customer on a purchase value of ₹100 is barely around 50 paise. Surely the customer would not grudge this additional cost for social security cover to the platform worker. The employer contribution from Zomato at this cess rate would still be less than a third of what garment manufacturers in the State contribute towards Employees' State Insurance and Employees' Provident Fund cover per worker.

There is a further issue related to the ride-hail sector of platform work. With the entry of Namma Yatri in Bengaluru, the operations for the sector for autorickshaws has moved from a 'commission' model to a 'subscription' model. In essence, Namma Yatri does not

charge a commission on its rides, passing on the entire payment by customers to the driver. Instead, the driver pays a fixed subscription to Namma Yatri that allows her/him to be onboarded with the platform for a fixed duration. This benefits the driver, as the per ride subscription cost generally works out much less than the per ride commission. Uber and Ola have followed this model introduced by Namma Yatri, for autorickshaw operations in Bengaluru. The payout in this model from the platform to the driver is zero. How will the Bill account for this? Will this mean that platform-based autorickshaw drivers will be excluded from it?

A possible workaround could be that for all platform operations following a subscription model, the cess payment could be built into the customer fee, charging, say, 2% of the full transaction amount. The financial portal for this model of platform work could be designed to transfer the cess amount of each transaction to the Payment and Welfare Fee Verification System that forms part of the Bill. The quantum of payment at 2% is not so much as to inconvenience the customers taking a ride on these autorickshaws. The platform in this case are unlikely to object, as they are merely called on to serve as intermediaries for the cess transaction.

The platform sector is complex and a one-size-fits-all approach will only end in chaos. Cess rates will need to be calibrated to fit the average employment conditions in each sector, ensuring that some minimum standards of social security can be guaranteed.

Mohan Mani, Visiting Fellow, National Law School of India University, Bengaluru

How does the World Bank classify countries by income?

The World Bank's income groups are widely used in global data. This article explains how they are defined and updated

DATA POINT

Bertha Rohenkohl
Pablo Arriagada

When people talk about countries as 'rich' or 'poor', they can mean many different things. But for researchers and policymakers, it helps to have a way to compare countries by income using clear criteria. One widely used approach is the World Bank's income classification system, which places countries into four groups: low, lower-middle, upper-middle, and high-income countries.

Every year, the World Bank assigns each country to an income group based on its gross national income (GNI) per capita. GNI per capita is a measure of the average income of a country's residents, including income that is earned abroad. Since countries report GNI in their local currencies, the World Bank converts these figures into U.S. dollars using exchange rates. It then places countries in one of four income groups based on specific thresholds. Maps 1 and 2 show how countries were classified by income in 2014 and 2024.

The income thresholds that separate groups were first set in the late 1980s when this classification system was introduced. At that time, these were aligned with the World Bank's policies for lending money to countries. The Bank used average incomes to determine which countries were eligible for concessional loans.

This threshold for receiving such loans became the boundary between low-income and middle-income countries. The Bank then added two more thresholds to allow for further distinctions. These were chosen based on the distribution of country incomes at the time, rather than on lending rules.

Today, the thresholds are no longer linked to the Bank's operations, but they have been updated yearly to account for inflation. This

adjustment is based on a measure of global inflation.

This means that the classification is *absolute*. Countries are put into groups according to predetermined thresholds, and a country's placement depends only on its GNI per capita, not on how it stacks up relative to other countries. The thresholds for the latest income groups are (in U.S. dollars): low income: \$1,135 or less; lower-middle income: \$1,136 to \$4,495; upper-middle income: \$4,496 to \$13,935; high income: More than \$13,935.

If a country's GNI per capita crosses a threshold, it moves into a new income group in the following update. Because GNI per capita changes over time, and thresholds are revised annually, countries can move between income groups over time. These movements may reflect real changes in income, shifts in exchange rates, or updates to population data.

In the long run, most countries have moved up the income ladder as their economies have grown. However, countries can also move down — and some have, particularly in periods of war and economic crisis. Two examples are Syria and Yemen, which went from low-middle income to low income in 2017.

When we hear that there are four income groups, we might imagine that the world's population is evenly divided across them, with around 25% of people living in each. But this isn't the case. Again, these groups are defined based on *absolute* thresholds, not relative cut-offs that change based on other countries' progress.

In 2004, 37% of the population lived in low-income countries. Today, that share has fallen to less than 10%. In the same period, the share of upper-middle income countries increased from less than 10% to 35%. You can see this change in Charts 3, 4 and 5.

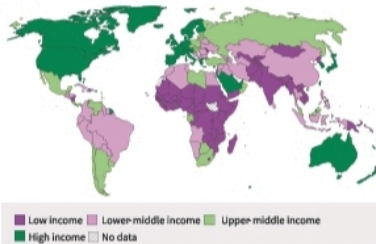
Bertha Rohenkohl is Research and Data Economics Lead and Pablo Arriagada is Data Scientist at Our World in Data

Income thresholds

The data for the charts were sourced from Our World in Data's story titled "How does the World Bank classify countries by income?"

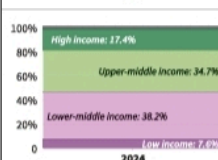
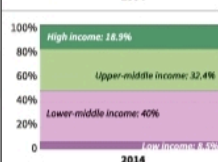
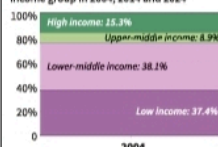


Map 1: Countries classified by income in 2014



Map 2: Countries classified by income in 2024

Charts 3, 4 and 5: Share of population by income group in 2004, 2014 and 2024



FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO AUGUST 4, 1975

NASA invites India to join space shuttle experiment

Ahmedabad, Aug. 3: The National Aeronautics and Space Administration (NASA) has invited India to propose an experiment that could be placed in the space shuttle, scheduled to become operative in 1980. An Indian scientist can accompany the experiment in the space shuttle also, said Mr. Arnold Frutkin, Assistant Administrator for International Affairs, NASA, in an interview to a local daily here. Mr. Frutkin, who played a leading role in India's Satellite Instructional Television Experiment was here to watch its inauguration on August 1. He said the European countries participating in the research project aboard the shuttle might send a scientist. The space shuttle was the next major project of NASA after the Apollo programme had ended, he added. "It is less costly (\$12 billion) but is expected to be a major milestone in space travel as it will try the concept of reusable booster," he said. Mr. Frutkin said the cargo bay of the shuttle would be 60 feet long and 15 feet wide. The space shuttle, well past the design stage, would also carry an entire laboratory and change the way "you do business in space. It will make space travel cheaper," he added. Mr. Frutkin said the costs were bound to go down if the same booster could be used over and over again.

A HUNDRED YEARS AGO AUGUST 4, 1925

New design for five rupee notes

Within the next few months, most probably in November, newly designed five-rupee notes will be issued from the Paper Currency Office. These notes are already being stocked in the strong-room in the office, and it is understood that they will take the place of the old five-rupee ones. The notes, which are printed in light rainbow colour, are in size a little smaller than the present ten-rupee notes. The most striking difference between these new notes and notes of other denominations is that the initial in the new ones is in the middle of the paper instead of being at the bottom. The back of the paper is also lightly coloured, and the numbers are put very close to each other. Enquiries in the Calcutta Paper Currency Office showed that some months back a large number of forged notes, especially the five-rupee ones, were in circulation.

Text & Context

THE HINDU

NEWS IN NUMBERS

Indians as a share of total tourist footfall in Sri Lanka in July 2025

18.5 In per cent. Sri Lanka received a total of 2,00,244 tourists in July 2025, with Indian travellers accounting for the largest share, local media reported on Sunday. This marks an increase of 6.6% in total tourists arrivals compared to figures from the same period last year. **PH**

Number of persons executed by Saudi Arabia in 2025

230 Saudi Arabia has executed eight people in a single day, state media said, amid a surge in the use of the death penalty in the Gulf monarchy particularly over drug-related convictions. Most of those executions — 154 people — were on drug-related charges. **AP**

Number of people killed by Israeli forces when seeking food

23 Desperation has gripped the Palestinian territory of more than 2 million, which experts have warned is at risk of famine because of Israel's blockade. Three Palestinian eyewitnesses, seeking food in Teina and Morag, said the shootings occurred on the route to the distribution points. **AP**

Cyber criminals arrested from January to July in Telangana

228 The Telangana Cyber Security Bureau said it had arrested 228 individuals — including 27 women — in connection with various cybercrime offences reported across the country between January 1 and July 31, 2025. The crackdown targeted a range of offences. **PH**

Number of villages affected by floods in Uttar Pradesh

402 Floods in Uttar Pradesh have affected 402 villages in 37 tehsils, impacting 84,392 people, a statement said. Of this, 47,906 people have received assistance, as per Relief Commissioner Bhanu Chandra Goswami. **PH**

COMPILED BY THE HINDU DATA TEAM

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Why were the Malegaon blast accused freed?

What did a Special National Investigation Agency Court rule with respect to the 2008 Malegaon bomb blast case? What were the casualties of the blasts? Why were confessional statements recorded under the Maharashtra Control of Organised Crime Act rendered inadmissible?

EXPLAINER

Aaratrika Bhaumik

The story so far:

On July 31, a Special National Investigation Agency (NIA) Court acquitted all seven accused in the 2008 Malegaon bomb blast case, including Bharatiya Janata Party (BJP) leader and former MP Pragna Singh Thakur and serving Army Lieutenant Colonel Prasad Purohit. Special Judge A.K. Lahoti observed that although the occurrence of the bomb blast was indisputable, the prosecution had failed to produce credible and admissible evidence establishing the accused's involvement in the crime.

What was the Malegaon blast case?

On September 29, 2008, during the holy month of Ramadan, a powerful bomb blast ripped through Malegaon, a communally sensitive town in Maharashtra. Around 9:35 p.m., an explosive device concealed in an LML Freedom motorcycle detonated near the Shaleel Goods Transport Company. The explosion killed six people, injured 95 others, and caused significant damage to surrounding property. An FIR was promptly registered and the investigation was initially undertaken by the Nashik Rural Police and Mumbai's Anti-Terrorism Squad (ATS). In 2011, the case was transferred to the NIA. Of the 14 individuals arrested in connection with the blast, charges against seven were eventually dropped. The remaining seven, Pragna Singh Thakur, Colonel Prasad Purohit, Ramesh Upadhyay, Sameer Kulkarni, Ajay Rahikar, Sudhakar Dewedi, and Sudhakar Chaturvedi, were put on trial. They were prosecuted under various provisions of the Indian Penal Code, 1860, along with charges under the Unlawful Activities (Prevention) Act (UAPA), 1967, and the Explosive Substances Act, 1908.

According to the ATS, conspiracy meetings had taken place across various



Procedural anomalies: Sameer Kulkarni leaving the sessions court in Mumbai, on July 31. **PH**

locations allegedly under Ms. Thakur's leadership. However, several witnesses, including serving Army officers, later retracted their statements in court, alleging that their earlier testimonies had been coerced. Many of the accused also claimed that their confessions were extracted under torture. The case also attracted widespread attention following the resignation of NIA special public prosecutor Rohini Saliyan, who alleged that she had been instructed to "go soft" on the accused and that the agency was deliberately weakening the case against the so-called "Hindu network".

Why were the accused acquitted?

The court held that Ms. Thakur was not in "conscious possession" of the LML Freedom motorcycle in which the explosive device was allegedly planted. The judge further observed that there was neither eyewitness testimony nor circumstantial evidence to suggest that

Ms. Thakur had handed over the motorcycle to the co-accused or was involved in assembling the explosive device. Instead, he noted that the explosive could have been hung, placed, or kept near the motorcycle, rather than fitted inside it. Judge Lahoti observed that the forensic expert who examined the motorcycle, on which the explosive device was allegedly planted, had admitted that it was merely his "guesswork" that led him to conclude the bomb was placed in the vehicle's boot. No scientific test had been conducted to verify the placement of the explosive. Accordingly, the judge held that in the absence of any primary forensic analysis, the expert's testimony failed to inspire confidence. The ATS further alleged that the explosive used in the blast was RDX, claiming it had been procured by Colonel Purohit during his posting in Jammu & Kashmir. However, the court found no evidence establishing the source of the

explosive or how it was procured or transported.

However, Judge Lahoti rejected Mr. Purohit's claim that his association with fringe organisations like Abhinav Bharat was part of his official duties as an intelligence officer. He noted that documentary evidence clearly established Mr. Purohit's role as a trustee of the Abhinav Bharat Trust. However, there was no material on record to suggest that his superiors had authorised him to join the trust or to collect and utilise its funds.

Moreover, the ATS, which initially investigated the blast, based its case primarily on the accused having participated in conspiracy meetings related to execution of the attack. Its key evidence comprised confessional statements recorded under the Maharashtra Control of Organised Crime Act (MCOCA), 1999. However, these confessions were rendered inadmissible after MCOCA was dropped from the case in 2016, when the NIA took over the investigation and flagged procedural lapses. The court concurred, noting that the sanction to invoke MCOCA had been granted without "application of judicial mind." Judge Lahoti noted that Additional Chief Secretary of the Home Department, Mumbai, Chitkala Zutshi, had failed to consult the investigating officer before granting sanction under the UAPA. As a result, the statutory presumptions under the Act, such as the reverse burden of proof, could not be invoked against the accused, the court held.

What happens next?

Advocate Shahid Nadeem, representing Nisar Ahmed Haji Sayyed Bilal, who lost his son in the blast, told the media that the case reflected "significant failures" on the part of the NIA. He added that the victims' families intend to explore legal remedies by filing an independent appeal in the Bombay High Court. Meanwhile, political pressure is mounting on the Maharashtra government to file its own appeal, as it did following the acquittals in the 2006 Mumbai train blasts case.

THE GIST

On September 29, 2008, during the holy month of Ramadan, a powerful bomb blast ripped through Malegaon, a communally sensitive town in Maharashtra. The explosion killed six people, and injured 95 others.

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Advocate Shahid Nadeem, representing Nisar Ahmed Haji Sayyed Bilal, who lost his son in the blast, told the media that the case reflected "significant failures" on the part of the NIA.

How will railway to Sairang help in regional connectivity?

How will it boost the Act East policy? What is the status of projects to link the northeast with Southeast Asia?

Rahul Karmakar

The story so far:

The Indian Railways recently commissioned the new 51.38 km track to Sairang, 18 km short of Mizoram's capital, Aizawl. It raises hopes for India's ambitious Act East Policy which envisages rail and road links with Southeast Asia.

When did the Mizoram project start?

Mizoram had 1.5 km of metre gauge railway track connecting Bairabi in the State's Kolasib district to Assam's Silchar before the gauge conversion project, sanctioned in 2000, was undertaken. The extension of this project to Sairang, which entailed laying a 51.38 km track, began in 2008-09, but the progress was slow due to inclement weather, a difficult and landslide-prone terrain, manpower shortage, and issues with transporting construction materials. The project was

part of the Indian Railways' plan in the early 2010s to connect all the northeastern State capitals to the country's rail network, although the Sairang railway station is 18 km short of Mizoram's capital, Aizawl. The Bairabi-Sairang section, which received safety clearance in June 2025 and awaits formal inauguration, has 48 tunnels with a total length of 12.85 km and 142 bridges. The project cost more than ₹5,020 crore and the lives of 18 workers when the bridge with the tallest pier collapsed during construction in August 2023.

What is its significance?

Landlocked Mizoram's fastest access to the rest of the country is through air travel. The Aizawl-Silchar highway, also via Sairang, is the second-fastest option that consumes at least five hours. Trains, including a proposed Rajdhani Express, from the Sairang railhead will slash this travel time to 1.5 hours and the cost of

transportation considerably. Railway officials say the biggest gain for the State will be in tourism, trade, and transportation of goods, reducing the dependence on trucks to a large extent. They said the Sairang railhead is strategic vis-a-vis the Act East Policy, envisaging rail and road connectivity to improve trade with the Association of Southeast Asian Nations (ASEAN) and other East Asian countries, deepen diplomatic engagements, and build stronger security cooperation. Sairang is also expected to be vital for transshipment of goods from the India-funded Sititwe Port in Myanmar.

What is the Act East Policy?

The Act East Policy, announced by Prime Minister Narendra Modi in 2014, was a more ambitious version of the Look East Policy initiated during the Congress government in 1991 with the key objective of transforming the northeastern region into India's gateway to the ASEAN bloc.

Official data show that the Centre increased the budgetary allocations for the region by 300% from ₹36,108 crore during the 2014-15 fiscal to more than ₹1,00,000 crore during 2024-25. More than 10,000 km of highways and 800 km of railway tracks were built, eight new airports established, and several inland waterway projects undertaken during this period. Vital to linking Southeast Asia by rail are the 82.5 km Dimapur-Zubza (near Kohima) project in Nagaland, the Imphal-Moreh plan in Manipur, and the Asian Highway 1 from Assam to Moreh via Kohima and Imphal. While the Nagaland project is on track, the ethnic conflict in Manipur has affected the proposed railway line between Imphal and Moreh.

The connectivity projects to link the northeast with Southeast Asia have not progressed beyond India's borders due to the unrest in India's neighbourhood. The Act East Policy ran into the civil war in Myanmar following a military coup in February 2021, followed by the fall of the Sheikh Hasina government in Bangladesh in August 2024. The Agartala-Akhaura railway project, which would have provided Tripura faster access to Kolkata through Bangladesh and connectivity to the Chittagong Port, has been stalled. The biggest setback has been the delay of the ₹2,904 crore Kaladan Multi-Modal Transit Transport Project in Myanmar, which would have reduced the distance between Mizoram and Kolkata by 1,000 km.

THE GIST

The project was part of the Indian Railways' plan in the early 2010s to connect all the northeastern State capitals to the country's rail network, although the Sairang railway station is 18 km short of Mizoram's capital, Aizawl.

The Act East Policy, announced by Prime Minister Narendra Modi in 2014, had the key objective of transforming the northeastern region into India's gateway to the ASEAN bloc.

The connectivity projects to link the northeast with Southeast Asia have not progressed beyond India's borders due to the unrest in India's neighbourhood.

CACHE



New rules: Bitcoin, Ethereum and the stablecoin USDT are promoted at a cryptocurrency store in Hong Kong on July 29. APF

Why is Hong Kong regulating and licensing stablecoins?

Stablecoins are a class of cryptocurrencies, with their values linked to assets. Hong Kong is preparing the implementation of a regulatory regime for those issuing stablecoins, prompting enthusiasm in the fintech sector while authorities push for a more cautious approach

Sahana Venugopal

The story so far:

Hong Kong is taking a decisive step forward in regulating certain types of cryptocurrencies, as it prepares to enforce the Stablecoins Ordinance from August 1. The new regulations come amidst an explosion of interest in stablecoins and their promising applications in both personal finance and international business. While crypto users who support official regulation are excited, the authorities have advised caution.

What is the new stablecoin licensing system in Hong Kong?

The Hong Kong Monetary Authority announced that the Stablecoins Ordinance will come into effect from August 1 this year. This means it will be illegal for people to "offer any unlicensed fiat-referenced stablecoin (FRS) to a retail investor, or actively market the issue of unlicensed FRS to the public of Hong Kong," according to Eddie Yue, Chief Executive of the Hong Kong Monetary Authority (HKMA).

Furthermore, companies that want to legally issue stablecoins to users in Hong Kong will have to obtain a licence from the Monetary Authority as well as meet set requirements when it comes to managing reserve assets and redemption, asset stabilisation, and processing user requests. In addition to this, they will have to comply with the applicable regulations that prevent money laundering and terrorist financing, thus making sure that their assets are properly disclosed and audited.

The HKMA warned that the regulations are not a red carpet for interested parties

to begin issuing stablecoins, and that in the beginning it would "at most grant a handful of stablecoin issuer licences. In other words, a large number of applicants will be disappointed," per Mr. Yue in an official statement.

What are stablecoins?

Stablecoins are a class of cryptocurrencies, with their values linked to assets. Unlike better known cryptocurrency coins such as Bitcoin (BTC) and Ether (ETH) or even tokens such as Shiba Inu (SHIB), whose values can wildly rise and fall due to investor sentiments and other factors, stablecoins are designed to maintain relatively steady prices. Hence, their name.

This so-called stability is achieved through the process of "pegging" the stablecoin to an asset such as fiat currency (like U.S. Dollars, EU Euros, Hong Kong Dollars, etc.), a commodity (like gold), other cryptocurrencies (such as Bitcoin), by regulating their value via computer algorithms, or by mixing multiple strategies. While the price of Bitcoin might rise or fall in the coming years, a USD-pegged stablecoin should ideally remain around \$1.

Stablecoins are different from CBDCs, or Central Bank Digital Currencies, which are digital currencies officially issued and controlled by a government's central bank. Meanwhile, stablecoins can be privately issued and can also be pegged to foreign currencies.

Why do stablecoins require regulation?

Stablecoins play an important role both within and outside the crypto ecosystem, even if they might not balloon in price like Bitcoin. Crypto investors often use stablecoins to facilitate easy trading on

crypto exchanges. Others around the world have used stablecoins to maintain the value of their savings when their native currencies are depreciating, or to save money on cross-border transactions. Argentina, Turkey, and even Taliban-occupied Afghanistan are some places where stablecoins are not just for trading, but a way to make daily life possible.

The numbers tell a compelling story as well. Tether (USDT), the fourth largest cryptocurrency by market capitalisation and the largest stablecoin, per CoinMarketCap, has a circulating supply of 163.75 billion USDT. Meanwhile, more than \$250 billion worth of stablecoins are estimated to be in circulation worldwide.

Naturally, more governments are concerned about whether the highly engineered use of stablecoins could one day affect the value of the original fiat currencies or commodities backing them up. Furthermore, what is the guarantee that every stablecoin pegged to the dollar, euro, pound, or peso is actually backed up by its issuer? Currently, it is largely up to stablecoin users to audit their issuers' reserves and make sure that their stablecoins are adequately backed. When a stablecoin issuer suddenly adds millions of dollars in assets, it naturally raises questions about where the money to back this is coming from, or whether it really exists. This is where regulation comes in.

Do stablecoins exhibit volatility despite being pegged to currencies?

Despite their name and their backing, stablecoins can also exhibit volatility. In response to both technical factors and world events, stablecoins sometimes come unpegged and their prices may rise or fall beyond the usual range, with sudden drops triggering panic amongst

investors. For example, USDT, which is pegged to the U.S. Dollar, has in the past fallen to prices as low as around \$0.92.

Stablecoins have also collapsed entirely. In May 2022, Terra's cryptocurrency LUNA and its linked algorithmic stablecoin UST both lost most of their value in a matter of hours. Panicking investors who no longer trusted these assets quickly sold them off to minimise losses, and the prices fell close to zero. Billions of dollars were wiped from the crypto sector and the ensuing liquidity crunch triggered asset freezes across global crypto exchanges and fintech platforms.

Have other countries started to regulate stablecoins?

U.S. President Donald Trump in July signed the GENIUS Act that is designed to regulate stablecoins and protect the U.S. dollar, much to the joy of his pro-crypto supporters.

As per the White House, the GENIUS Act requires 100% reserve backing with liquid assets like U.S. dollars or short-term Treasuries for stablecoins. Those issuing this asset will also have to make monthly, public disclosures of the composition of their reserves, apart from complying with marketing rules.

Other countries that have started to regulate stablecoins include Japan and Singapore, per APF, while multiple other jurisdictions have more generic regulations that cover stablecoins along with other cryptocurrencies.

Though the Chinese government heavily restricts crypto-related activities in its jurisdiction, some of the country's tech giants hope that Hong Kong's upcoming regulatory regime will provide an outlet for their own stablecoin ventures.



KNOW YOUR ENGLISH

I was tired so I had a catnap in the car

He trashed her ideas in front of the entire committee. It was not a pretty sight

S. Upendran

"There you are! Where were you? I've been looking all over for you."
"Ended up with a bad headache after this morning's presentations. They were awful."

"I know! One of the experts had a lot of things to say about them."

"No need to be diplomatic. The expert took great delight in trashing the presentations."

"Do you mean to say that he thought the presentations were nothing more than garbage?"

"The word trash has several different meanings. One of them, of course, is garbage. But in informal contexts, 'trash' can also be used to mean to criticise someone or something very harshly."

"I see. After the match, the coach trashed Rahul in front of everyone for having dropped three catches."

"Even ideas can be trashed. Jyothi's proposal was trashed by all members of the committee."

"But tell me, where did you go after the presentations? I didn't see you at lunch!"

"I needed to be away from everyone. Went to my room for a catnap."

"Catnap? Does it mean a short nap?"

"Very good! The cat that we're thinking of is the house cat. Not lions or..."

"Can't be the king of the jungle. He sleeps nearly 16 hours a day!"

"Really? I didn't know that! House cats, on the other hand, take several short naps throughout the day. When you take a catnap, you sleep for a short while. Anywhere between 10 and 20 minutes."

"So, it's not deep sleep?"

"It's not, but you wake up feeling refreshed. Catnaps are usually taken during the daytime, and they can be taken anywhere – in the chair, on the sofa, while sitting in a car..."

"I think I understand. I read somewhere that Napoleon had the ability to take a catnap while riding a horse."

"Really? That's hard to believe! I usually take a catnap when my mother is on the phone with her friend. Catnap can also be used as a verb. My father could catnap whenever he wanted to."

"Lucky man! Tell me, what's the difference between catnap and beauty sleep?"

Sujatha always talks about needing her beauty sleep."

"In the case of Sujatha and me, no amount of sleep will help."

"That's a mean thing to say! Anyway, what is beauty sleep?"

"Unlike a catnap, your beauty sleep is something that you have in the night. It's not something that you have in the day time. You go to bed before midnight."

"I see. And how long does one sleep?"

"It depends on the individual. Dictionaries define beauty sleep as something you need 'in order to feel and look healthy and attractive'. So, the duration may vary."

upendrankye@gmail.com

THE DAILY QUIZ

A quiz on the multi-talented Kishore Kumar who would have been 96 today

V.V. Ramanan

QUESTION 1

What is the significance of the film *Muqaddar* as regards the filmography of Kishore Kumar?

QUESTION 2

Which of his hit songs was used in *The Simpsons*' episode "Kiss Kiss, Bang Bangalore"?

QUESTION 3

Which poem that Kishore penned during his days at Indore Christian College did he make into a song in the film that was also his debut as a music director?

QUESTION 4

What was the premise of the flick *Hum Do Daaku* in which he and his brother Anoop acted along with Madhubala's sisters Ganga

and Leena?

QUESTION 5

For crowning which evergreen number did Kishore win the first of the record eight Filmfare Awards?

QUESTION 6

Kishore Kumar was a much-married man. Apart from Madhubala, his second wife, who were his other three spouses?

QUESTION 7

Which song, composed by Laxmikant-Pyarelal, had Kishore singing alongside his legendary contemporaries Mohd. Rafi, Mukesh, and Lata Mangeshkar?

QUESTION 8

According to IMDB, apart from Rajesh Khanna (245), to which actor did Kishore lend his voice for more than 200 songs (202 to be precise)?



Visual question: The visual shows one of the co-authors of Kishore Kumar: *The Ultimate Biography* receiving the National award for Best Book on Cinema in 2024. Name the authors. SUSHT SUCHIT NAROTTAM] Vikram Koppikar

Questions and Answers to the August 1 edition of the daily quiz: 1. Spider-Man first appeared in this comic book issue. Ans: *Amazing Fantasy #15* in August 1962

2. The famous phrase "With great power comes great responsibility" first appears in relation to Spider-Man here.

Ans: The phrase first appeared in *Amazing Fantasy #15* (1962), Spider-Man's debut comic written by Stan Lee. It was not spoken by any character but appeared as a narrative caption in the comic book's last panel 3. This issue holds the record for the highest-price sale of a Spider-Man comic. Ans: A near-mint copy of *Amazing Fantasy #15* (Spider-Man's first appearance) sold in 2021 for a staggering \$3.6 million

4. This philosophy influenced Spider-Man co-creator Steve Ditko's work. Ans: Ayn Rand's Objectivism influenced Steve Ditko's work

5. The reason why did Stan Lee add a hyphen to Spider-Man's name. Ans: Stan Lee added a hyphen to Spider-Man's name to distinguish him from Superman

Visual: Identify the structures reflected in Spider-Man's eyes. Ans: The original World Trade Center Twin Towers, New York

Early Birds: Piyali Tuli] Tamal Biswas] Tito Shiladitya] Suchit Narottam] Vikram Koppikar

Word of the day

Hirsute:

having or covered with hair

Synonym:

hairy

Usage:

His body was broad, hirsute, and covered with scars.

Pronunciation:

newsth.live/hirsutepro

International Phonetic Alphabet:

/hɑːˈsjuːt/, /hɑːˈsʊt/

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

Fed rate likely to weigh on gold, silver

While stronger dollar kept prices on leash in July, U.S. Federal Reserve's decision to keep interest rates unchanged is a factor that could act as a dampener for sentiment towards precious metals

B. Krishnakumar

Practically, there was nothing about precious metals in July. Both gold and silver were stuck in a range and the price action was devoid of any meaningful trend.

The strengthening of the U.S. dollar played a key role in keeping the precious metals' prices in check. The U.S. Federal Reserve's decision to keep the interest rates unchanged is another factor that could act as a dampener for the sentiment towards precious metals.

Comex gold closed almost unchanged at \$3,342.3 at the end of July, representing a 0.82% gain. The performance of Comex silver was relatively more volatile with the white metal scaling a new 52-week high of \$39.9 on July 23 before easing to \$36.79 by the end of July. This represents a 1.3% gain on a month-on-month basis.

Mirroring the trend in the global markets, the MCX gold price closed 1.9% higher to settle at ₹98,778 per 10-gram at the end of July. MCX silver posted a much better performance, recording a 3.5% gain in July to settle at ₹1,09,998 per kilogram.

Contraction in volatility

Comex gold price is still unable to get out of the broad range of \$3,120-\$3,450. Only a breakout from this zone would set the tone for the next big move. The recent price action suggests progressive contraction in volatility in the price action. This typically is a forerunning to a big trending move ahead. A breach of the upper or lower end of the above range will trigger the next big move in gold.

As observed in prior months, Comex silver price gathered some traction after it moved above the upper end of the prior range at \$34.5. The price also reached the target zone of \$39.5-\$40.5 mentioned last month. Silver is in a short-term pullback after the recent rally. This cool off from overbought zone is likely to persist in the near term. The long-term uptrend will resume once the ongoing pullback is complete. A move above \$38.5 would suggest resumption of the uptrend. MCX gold price is still confined within the broad range of ₹98,000-₹1,01,000. A breakout from this range would trigger a strong move in the direction of the breakout.

Gold's next target

As observed last month, above ₹1,02,000, the price can head to next target zone of ₹1,08,000-₹1,10,000. MCX silver price gathered momentum in the first half of July and the price reached the target zone of ₹1,16,500-₹1,18,500 mentioned last month. MCX silver could stay sluggish in the short-term and drop to ₹1,01,500-₹1,02,500 appears likely. To summarise, gold is likely to remain range bound but silver looks a bit vulnerable to a cool-off before resuming its long-term uptrend.

(The author is a Chennai based analyst / trader. This is not meant to be a trading or investment advice.)



Next target: After crossing ₹1,02,000, gold can head to ₹1,08,000-₹1,10,000. REUTERS

Send queries on personal finance and investing to the moneywise@thehindu.co.in. Our experts in personal finance will respond to select queries, but will not give specific recommendations for investment in a particular mutual fund, share or fixed deposit.

MONEYWISE



Not easy: Individuals face multiple challenges while claiming DTAA benefits. REUTERS

U.S. stocks and tax implications in India

Investing in the U.S. stock markets comes with a territory; the profit earnings potential might appear to be rosy but behind the scene lies mammoth challenge of complying with local tax laws

COMPLEX ALLURE

Vaishali R Venkat

Investing overseas, especially in the U.S., is not just about opening a broker account, picking a stock, clicking a 'buy now' button and enjoying double-digit returns.

It requires a thorough understanding of rules and regulations and tax implications of both the countries, open/hidden costs incurred and logistics behind it. It is crucial to understand how to transact legally, without landing in trouble. Let's check this.

Legal framework

On February 4, 2004, Liberalised Remittance Scheme (LRS) was introduced with a limit of \$25,000. Later, owing to the then prevailing micro- and macro-economic factors, the LRS limit was revised in stages.

Currently, as per the LRS, Indian resident individuals, including minors, can remit up to \$2,50,000 per financial year for permissible transactions such as education, travel and investments including the U.S. stocks. If your total foreign remittance in a financial year exceeds ₹10 lakh, Tax Collected at Source (TCS) will apply and the rate depends upon the purpose of remittance.

Withholding tax

If you receive dividend from a U.S. stock, it is treated as foreign income and

Investing in U.S. stocks needs a thorough understanding of rules and regulations and tax implications of both the countries, open/hidden costs incurred and the logistics behind

will be subject to an upfront withholding tax of 25% in the U.S.

Further, the balance 75% of the dividend income is taxable in India as per slab rates.

However, thanks to the India-U.S. Double Taxation Avoidance Agreement (DTAA), you can offset the dividend tax withheld in the U.S. against your tax liability in India, by claiming a foreign tax credit by filing Form 67. Again, it is easier said than done.

Individuals face multiple challenges while claiming DTAA benefits. For instance, exchange rates, time duration etc. viz. the fiscal year in the U.S. is different from that of India's April-March cycle. The DTAA is a treaty between the two countries to avoid double taxation by individuals with financial dealings in both the countries.

Capital gains

The U.S. does not levy capital gains tax for Indian residents who invest in U.S. stocks, if they are considered Non-resident Aliens (NRAs) for the U.S. tax purposes. But India taxes cap-

All foreign assets, including the U.S. stocks, must be declared in Schedule FA of the ITR portal while filing returns; any non-disclosure will attract heavy penalties

ital gains on your U.S. stock profit. If you have held U.S. stocks for more than two years (24 months), it is considered long-term capital gains (LTCG) and will be taxed at 20% tax plus surcharge and cess.

If you have held the shares for less than 24 months, it is considered short-term capital gains and is taxed according to your income slab rate.

Disclosure, compliance

As per the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, non-disclosure of foreign assets is considered a violation and attracts a penalty of ₹10 lakh per year of default for an undisclosed foreign asset.

In extreme cases, you might have to face imprisonment of up to seven years. All foreign assets, including the U.S. stocks, must be declared in Schedule FA of the Income Tax Return (ITR) portal while filing returns.

Any non-disclosure of the U.S. stocks, be it even for a negligible amount of \$1, will attract hefty penal-

ties under the Black Money Act, 2015. Further, most people are under the impression that you should disclose details about the U.S. stock holdings only if the stocks are sold and the capital losses/gains are realised. That's not true. It is immaterial whether you sell the stock, or you just keep accumulating stocks for long term.

Even if you buy a single U.S. stock for just \$1 or even less, it is advisable to disclose it in under Schedule FA. Further, even if you receive a dividend of \$1 or even less than that, it must be disclosed.

FA non-disclosure

Suppose, let's assume that owing to lack of awareness, you have not disclosed under Schedule FA. Against this backdrop, if your returns are already filed, the first option is voluntary disclosure via revised return (if applicable) and the second option is to file updated return (ITR-U) under Section 139(8A), applicable for the last two assessment years, but with a penalty.

In either case, it is advisable to seek the help of an experienced auditor to review past returns, fix errors and stay compliant from thereon. If a mistake of non-disclosure, whether deliberate or unintentional, has happened, early correction is safer than receiving a notice from the IT Department.

(The writer is an NISM & CRISIL-certified Wealth Manager and certified in NISM's Research Analyst module)

Pecking order for equity

THINKINVESTOR

If you were to choose a passive fund, then you need just one equity investment for each goal. This is because all products benchmarked to the same index will deliver similar returns.

Yenkaresh Bangarawamy

Managing wealth becomes relatively easy if you design a process to choose equity investments. Here, we discuss a pecking order for choosing equity investments based on the argument asset allocation is the most important step in the investment process.

Top-down process

The pecking order for choosing equity investments considers two factors – the choice of benchmark index and the choice of an investment product, given the benchmark index. Your first choice must be the broadest index available in the country in which you are investing. This is because you are making an asset class bet when you decide to allocate some of savings to equity investments. The default choice ought to be a passive product on the index. Your first choice must be exchange-traded funds (ETFs), as they are low-cost products. If ETF is unavailable, then your next choice must be an index fund.

Suppose you are unhappy with the products available on the broadest index in the investment destination, then move down to the large-cap index in the country. Large-cap and small-stocks can be risky for goal-based investments. Again, your default choice is an ETF. And if that is unavailable, then an index fund. The last choice is an active fund.

Default choice is a passive fund, as the decision reduces future regret. If you have the conviction in choosing an active fund appropriate for life goal, then you must do so. The choice must be based on your own analysis or research insights obtained from a fee-based investment advisor. Picking an active fund based on free advice or undisclosed ranking system published on websites may not be optimal.

Conclusion

If you were to choose a passive fund, then you need just one equity investment for each goal. This is because all products benchmarked to the same index will deliver similar returns. Suffice it to understand that a different passive fund for each goal is for operational efficiency, not a diversification measure. The argument is no different for an active fund, if you follow the pecking order discussed above. This is because large-cap active funds may have similar portfolios, though their returns need not be similar. But then, how many active funds can you have in your portfolio? True, choosing more active funds reduces your future regret of not selecting a fund that generates good returns. But more funds you have, more the clutter in your investment portfolio.

(The author offers training programmes for individuals to manage their personal investments)

Personal Loans

| Names and Charges | Loan amount 5 lakh Tenure 5 years | Loan amount 1 lakh Tenure 5 years | (% of loan amount) |
|-----------------------|--------------------------------------|--------------------------------------|--------------------|
| Name of Lender | Interest Rate (%) | EMI (Rs) | Processing fee |
| HDFC Bank | 10.90-24.00 | 10,846-14,384 | 2,169-2,877 |
| Tata Capital | 11.50 onwards | 10,995 onwards | 2,199 onwards |
| State Bank of India | 10.10-15.10 | 10,648-11,921 | 2,130-2,384 |
| ICICI Bank | 10.60 onwards | 10,772 onwards | 2,154 onwards |
| Bank of Baroda* | 10.40-18.20 | 10,722-12,751 | 2,144-2,550 |
| Aris Bank | 9.99-22.00 | 10,621-13,809 | 2,124-2,762 |
| Kotak Mahindra Bank | 10.99 onwards | 10,869 onwards | 2,174 onwards |
| Bank of India | 11.10-16.15 | 10,696-12,199 | 2,179-2,440 |
| Bajaj Finserv | 9.95-15.40 | 10,611-12,000 | 2,122-2,400 |
| Punjab National Bank | 10.50-17.05 | 10,747-12,440 | 2,149-2,488 |
| HSBC Bank | 10.15 onwards | 10,660 onwards | 2,132 onwards |
| Federal Bank | 11.99 onwards | 11,120 onwards | 2,224 onwards |
| Union Bank of India | 10.35-14.45 | 10,710-11,751 | 2,142-2,350 |
| Rajax Finserv | 10.00-31.00 | 10,624-16,485 | 2,125-3,297 |
| Punjab & Sind Bank | 9.85-12.90 | 10,587-11,351 | 2,117-2,270 |
| Indian Overseas Bank | 10.50 onwards | 10,747 onwards | 2,149 onwards |
| UCO Bank | 10.25-13.45 | 10,673-11,492 | 2,135-2,288 |
| IDFC FIRST Bank | 9.99 onwards | 10,621 onwards | 2,124 onwards |
| Bank of Maharashtra | 9.00-13.80 | 10,378-11,582 | 2,076-2,316 |
| Central Bank of India | 10.10-11.90 | 10,648-11,097 | 2,130-2,219 |
| IndusInd Bank | 10.40 onwards | 10,744 onwards | 2,149 onwards |

*Interest concession of 0.10% to customers opting for group credit life insurance.

Car Loans

| Names and Charges | Loan amount 5 lakh Tenure 5 years | (% of loan amount) |
|------------------------|--------------------------------------|--------------------|
| Name of Lender | Interest Rate (%) | EMI (Rs) |
| Union Bank of India | 7.80-9.70 | 10,090-10,550 |
| Punjab National Bank | 7.85-9.70 | 10,102-10,550 |
| Bank of Baroda | 8.15-11.70 | 10,174-11,047 |
| Bank of India | 8.00-12.15 | 10,138-11,160 |
| UCO Bank | 7.60-10.25 | 10,043-10,665 |
| State Bank of India | 8.90-9.95 | 10,355-10,611 |
| IDBI Bank | 8.30-9.15 | 10,210-10,416 |
| Bank of Maharashtra* | 7.70-12.00 | 10,067-11,122 |
| Indian Overseas Bank | 7.80-12.00 | 10,090-11,122 |
| ICICI Bank | 9.10 onwards | 10,403 onwards |
| HDFC Bank | 9.20 onwards | 10,428 onwards |
| Karnataka Bank | 9.16-11.64 | 10,418-11,031 |
| Federal Bank | 10.00 onwards | 10,624 onwards |
| Punjab and Sind Bank** | 7.75-14.25 | 10,078-11,699 |
| Indian Bank | 7.75-9.85 | 10,078-10,587 |
| Central Bank of India | 7.80-9.45 | 10,102-10,489 |

*0.25% interest rate concession for existing home loan borrowers, after existing customers with at least 6 months of relationship with bank
**Concession of up to 10% on processing fee for PSB (Public Sector Bank) Suggests.
Rates and charges as on July 30

Source: Publisher.com



Glam front, grim interior: The Cheralapalli terminal stands as a paradox — an airport-style facade at one end and a bare-bones suburban entrance at the other with the approach roads more suited to a semi-urban bus stand. NAGARA GOPAL

All aboard the hype, but mind the gaps

Inaugurated with much fanfare as Hyderabad's next big rail hub, the ₹430-crore Cheralapalli terminal was envisioned as a modern, congestion-busting alternative to Secunderabad station. But seven months after opening, the terminal remains hobbled by poor access roads, inadequate public transport, incomplete infrastructure and a disconnect between vision and execution. While the facade screams ambition, the functionality is far from future-ready, finds **V. Geetanath**

Raju, a portly man in his 50s, lugs two heavy bags as he scans the platforms at the sprawling Cheralapalli railway station. "Can you tell me on which platform the train to Nanded is arriving," he asks, beads of sweat forming on his brow despite the gathering clouds.

He and his wife had set off from their home in Malkajgiri, a suburb in Hyderabad, two and a half hours early and paid ₹350 for an autorickshaw just to reach this new terminal, about 11 kilometres away. Moments later, as the skies open up, the couple scramble for cover near a police outpost on platform 1, dodging not just rain but scattered construction material too.

Seven months after Prime Minister Narendra Modi virtually inaugurated the ₹430-crore Cheralapalli terminal — billed as South Central Railway's (SCR) swanky new passenger hub — the shine is starting to wear thin for many travellers. Daily footfall has jumped from 5,000 to nearly 30,000, with as many as 88 trains now using the station, including 57 on a daily average. Some originating trains from Secunderabad station, almost 11 km away, have been gradually shifted here, as redevelopment work picks up pace at the older terminal.

The idea behind developing Cheralapalli into a full-fledged terminal was to decongest the overburdened Secunderabad station. With long-distance trains increasingly running out of slots at the centrally located junction, SCR began moving select services to Cheralapalli while simultaneously ramping up renovation works at Secunderabad.

Despite the majestic front elevation, spacious parking and two wide foot overbridges opening into each of the nine platforms, the station remains under construction. The platforms are yet to get full roofing, and given the inadequate seating, passengers either huddle at the entrance/exist buildings, wait on staircases, or loiter near stalls until their train arrives. Digital display boards that are few and far between add to the confusion, forcing passengers to rush with luggage in tow the moment an announcement is made.

A long ride before train journey

For many passengers, however, the biggest deterrent isn't what is missing inside the station but what lies outside: no direct buses, few autorickshaws and a near-total absence of wayfinding signage. "Public transport connectivity to and from various parts of the city is poor, while auto/cab fares are exorbitant. Ironically, in many cases, the fare to reach the station is higher than the train ticket itself," says P. Swaminatha Krishna, an elderly commuter from Gachibowli, nearly 36 km away.

Passengers often pay anywhere between ₹250 and ₹1,500 for an auto or cab to reach the termi-



The opening was rushed, under pressure from politicians, despite glaring gaps in quality and infrastructure. Add to that, the urgency to decongest Secunderabad due to its ongoing renovation.

A SENIOR OFFICIAL OF SCR

nal, depending on distance and time of day. "Reaching the station costs way more than the train fare — ₹125 to Visakhapatnam, ₹211 to Chennai or even ₹450 for a sleeper coach. It's absurd," says Shankar, a financial analyst and regular traveller from Gautamnagar, a little over 10 km away.

While SCR was said to be focussing on improved suburban connectivity, only two MMTS services currently stop here: train no. 47253/54 from Ghatkesar to R.C. Puram via Cheralapalli, Neredmet and Suchitra Junction and 47235/36 from Ghatkesar to Sanatnagar.

"SCR should have linked MMTS services to major stations like Secunderabad, Kacheguda and Nampally. It takes 1 to 1.5 hours to reach Cheralapalli by road," says P. Bharadwaj, a member of the railway users committee.

"Surely, railway officials can think of innovative solutions for improving available MMTS services. It would be safe, affordable and beneficial for passengers, especially those travelling in unreserved coaches of long-distance trains," suggests Rakesh Kumar, an IT professional in his 30s, who used to take the suburban trains to Hitec City from Begumpet.

Though senior railway officials had announced plans to introduce more local trains or link Cheralapalli to Secunderabad, these are yet to materialise due to infrastructure and technical constraints.

"Our MMTS trains on other routes are running way below their capacity during their daily run. So, it is doubtful if passengers to Cheralapalli will make use of the services," says an official, seeking anonymity.

K. Durga Prasad, a senior citizen from Ameerpet, shares: "I took a bus to Secunderabad, hoping to catch another to Cheralapalli. But after a long wait, I had to book a cab to avoid missing the Narsapur Express."

While he missed the bus, others can at least access Cheralapalli station directly by State-run buses through the Mallapur side, where the expansive entry gate opens to the ninth platform. There is ample parking space and enough carriage-way for buses to drive in and wait near the entrance.

The Telangana State Road Transport Corporation (TGSRTC) currently operates 350 trips a day across 14 routes to destinations like Suchitra Junction, Secunderabad, Mehdiapatnam, Afzalgunj, Kondapur, Manikonda, Borabanda and Patancheru.

"We have buses, including air-conditioned ones, running every 10 minutes from 3.30 a.m. till midnight. A traffic inspector is stationed round the clock to call in more buses from nearby depots, if needed," says an RTIC official.

Bus timings are displayed prominently on foot overbridges but many passengers hope for better last-mile connectivity across the city. With metro

stations like Mettuguda, Tarnaka, Habsiguda, NRI and Uppal located 10-14 km away, passengers have no choice but to spend an additional ₹300-₹500 to reach the terminal in time.

To add to their woes, there are security concerns during late-night or early-morning hours, especially along isolated stretches.

"It is scary for women and senior citizens. The station is on the outskirts, and the roads leading to it are deserted at odd hours, especially when trains are delayed," says Prathima, a homemaker in her 50s.

Both approach roads to the terminal — towards platforms 1 and 9 — require widening, even as SCR and the Telangana government continue to pass the buck. The 40-foot-wide lane leading into Mahalakshminagar colony, which connects to platform one, is often clogged with pushcarts, autorickshaws and other parked vehicles.

"It gets chaotic when long-distance trains arrive or depart. We had to break a wall to allow vehicles to turn onto another internal road. There is a road-widening plan, but we are not sure when it will happen," says a traffic constable at the site.

Most ride-hailing aggregator apps invariably indicate platform 1 via Mahalakshminagar colony as the default pickup and drop-off point. Passengers arriving by TSKTC buses must get off on the main road near Cheralapalli village and walk nearly 500 metres with their luggage to reach the station.

Gaps beneath the gloss

This narrow stretch opens into a small metal shed housing the booking office, where commuters gather to check the digital display board for train updates. Rush builds quickly during 'peak' hours, and the escalators and lifts struggle to handle the crowd. While the two foot overbridges

are wide, the lifts are often packed during these times.

Passengers like Mr. Krishna can't not help but wonder why a ramp was not planned along one side of the foot overbridge, considering the steep steps and the funds spent on building a 'modern' station. "They should have had additional lifts and escalators too," he says.

A TRAFFIC CONSTABLE

The other entry point — platform 9 — has a relatively wider road via the Indian Oil depot and the industrial area. But TSKTC buses often struggle to negotiate the sharp turns near the Weaker Sections Colony.

This stretch, used heavily by oil tankers heading to the IOC depot, adds to the traffic bottleneck, making road widening a pressing need. Although 20 properties have been identified for demolition, the work remains in limbo.

Railways has tossed the road-widening responsibility to the State government. A request by Telangana Minister for IT and Industries D.Sridhar Babu to implement the work "on the lines of an airport" was brushed aside by Union Minister of State for Railways V. Somanna, who insisted that it was the State's job and urged him to "convince" Chief Minister A. Revanth Reddy to act swiftly.

The Greater Hyderabad Municipal Corporation, under whose limits the terminal falls, seems to have shelved the road widening plan after several inspections and meetings.

But passengers point out that Railways can take the initiative by building an alternate approach road through its own land, clearing out defunct staff quarters near Mahalakshminagar. This would align with the route of TSKTC bus

250C and offer better access to platform 1. There is even a proposal to relocate the IOC depot, but no timelines are in sight.

The wrong end of the track?

Some passengers question the choice of Cheralapalli itself when the city's growth is concentrated around Lingampally, just about 7 km from Gachibowli and 11 km from Hitec City. "Why not upgrade that station instead? It is perfectly poised to serve the IT and nearby residential population with better connectivity," says K. Prithviraj, a resident of Ameerpet.

SCR officials admit Lingampally has little scope for expansion while plans for a new terminal about 11 km away at Vattinagallapally on the city's western side remain in limbo. Either way, a terminal near Secunderabad was essential, to ease congestion and serve eastern Hyderabad.

Bolarum resident S.R. Murthy says trains diverted to Cheralapalli or Kacheguda should halt at Malkajgiri, as passengers are being overcharged by autos. He also suggests that train tickets mention the arrival time at boarding/alighting stations as there have been instances of people cancelling journeys altogether at Secunderabad itself, unable to reach either Cheralapalli or Kacheguda.

While some halts have been arranged at Malkajgiri, the infrastructure there is far from ready. A narrow foot overbridge and staircase struggle to handle crowds, while the wider one is under construction. Road access too is poor, and given the lack of a traffic police outpost, cabs and autos often fleegeenarian local resident and retired government employee.

Former Uppal BJP MLA N.V.S.S. Prabhakar, a long-time advocate of the Cheralapalli terminal, had staged a protest in April over pending works — approach roads, streetslights and other critical infrastructure. He promised to pursue the matter with both the State government and railway authorities. He, along with Union Minister and Secunderabad MP G.Kishan Reddy, frequently inspected the terminal's construction progress. But after the grand inauguration, passenger complaints seem to fall on deaf ears.

SCR officials claim they are following up with the State government on road widening and say pending works at Cheralapalli and Malkajgiri stations will be completed "soon". The new general manager, Sanjay Kumar Shrivastava inspected all the main stations, including Cheralapalli, soon after taking charge. However, there is little clarity on whether concrete measures are being taken to fix access and connectivity issues.

For now, the Cheralapalli terminal stands as a paradox — an airport-style facade at one end and a bare-bones suburban entrance at the other with the approach roads more suited to a semi-urban bus stand. The May incident when heavy rain brought down a section of the false ceiling and metal roofing at the main entrance portico is still fresh in public memory. Luckily, none was injured. Senior SCR officials, including the then general manager, had rushed to oversee repair works and manage damage control.

The inauguration was rushed, under pressure from politicians, despite glaring gaps in quality and infrastructure, admits a senior official of SCR, pleading anonymity: "Add to that, the urgency to decongest Secunderabad due to its ongoing renovation."

While the SCR chief is rarely accessible to the media, officials authorised to provide information were unavailable for comment at the time of going to press.

Cheralapalli may well be the future face of Hyderabad's rail network — sleek, spacious and strategically located — but for now, it remains a terminal caught between ambition and arrival. For a showpiece airport-like terminal, the irony isn't lost on its daily passengers who get almost everything except a smooth journey reaching it.

MANIPUR



Standing guard: A Meitei farmer in Manipur's Bishnupur district carefully tending to his field under the watchful eye of an Army soldier. **RTU RAJ KONWAR**

Farming under the shadow of guns

Residents of villages situated in and around Manipur's 'buffer zone', a strip of militarised farmland separating the Meitei-dominated Imphal Valley from the surrounding hills inhabited by Kuki-Zo people, have faced difficulties in cultivating their fields after the ethnic conflict broke out between the two communities in May 2023, leading to severe losses. The farmers are seeking adequate protection, support, and compensation, finds **Rahul Karmakar**

Khoirentak Khuman, about 48 km south of Manipur's capital, Imphal, has been an island of uneasy peace in a sea of bloodshed. This village of about 100 Kom tribal families is situated in what has come to be known as the 'buffer zone' — a strip of farmland of varying width separating the Meitei-dominated Imphal Valley, measuring approximately 1,864 sq km, from the surrounding hills inhabited by the Kuki-Zo people — since the ethnic conflict between the two communities broke out on May 3, 2023, eventually leaving more than 250 people dead.

Khoirentak Khuman, located near the village of Kangathel, which is home to Olympic medalist and six-time world boxing champion M.C. Mary Kom, also reflects the administrative dichotomy in Manipur. It is geographically situated in Churachandpur district, a Kuki-Zo domain, but is a revenue village under the Moirang subdivision of Bishnupur district in the Imphal Valley.

The village of the Koms and a few hamlets of the Rongmei Nagas, such as Houtak, located to the north, are situated along an alignment near the middle of a three-tier security set-up in the buffer zone. The midline is manned by personnel of the Central Reserve Police Force (CRPF) from makeshift 'points' or bunkers, mostly on alleys of abandoned or partially tilled paddy fields.

Flanking the CRPF line of defence, at least 500 metres away, are the watch points of the Border Security Force (BSF), strategically spaced out on a pathway along a 'high canal', an irrigation channel on the edge of the buffer zone in Bishnupur district. The BSF personnel are similarly stationed on the other edge of the buffer zone in Churachandpur district. Their duty, apart from ensuring calm, is to maintain a register, noting down the displacement of every person moving in and out of the tense zone.

Deeper into the Meitei-inhabited plains are checkpoints or bunkers manned by personnel of the Army and the paramilitary force, Assam Rifles, who monitor the overall security scenario 24x7. There is similar deployment of the armed forces in the lower hills from where the Kuki-Zo area starts.

Although the Bishnupur district administration, in a letter to the Army's 59 Mountain Brigade on May 26 this year, sought "area domination at the foothills or peripheral areas" to let farmers of 24 villages under four police stations cultivate their lands up to a specified extent, few Meitei villagers dared to make it past the first security barrier until the latter half of June, when the BSF replaced the Sashastra Seema Bal (SSB) to take charge of the bunkers along the high canal on June 22. This was three days after two masked gunmen shot at and injured a 60-year-old farmer of Phubala village in the left arm as he was tending to his paddy field in the afternoon of July 19. Phubala is about 5 km north of Khoirentak Khuman, which faces the Meitei village of Thammnapokpi beyond the BSF's line of defence. The scenario has been similar for the Kuki-Zo people beyond the BSF barrier along the foothills.

"The situation since May 2023 did affect us, but as a community neutral to the conflict, we

MOIRANGTHEM MUTON
Deputy chief of Ngangkhallawai gram panchayat

did not face much of a problem despite being in the buffer zone. We could engage in farming throughout the conflict, but our Meitei neighbours could not. The situation seems to have improved over the past few weeks under security cover, but we are tired of registering our details at the checkpoints every time we need to move in and out of the militarised zone. The security forces do not let us pass their posts unless we carry our Aadhaar card or any other acceptable identity card," says Rex Kom, a resident of Khoirentak Khuman.

Thammnapokpi's Moirangthem Muton, deputy chief of the Ngangkhallawai gram panchayat, says the villagers are "unfortunate" to own lands in the "firing zone" and have not been able to cultivate crops for more than two years. "We regained confidence after the State government sought protection from the Central forces for us to work in our fields as close to the foothills during the ongoing kharif season, but the June 19 incident brought back the fear of being attacked anytime. The recent official notification for cultivating as much of the farmland that we were forced to abandon in 2023 is not reflected on the ground. In the case of Thammnapokpi, the government sought cultivation up to the high canal (from the 'low canal', another irrigation channel, about 1 km deeper into the Meitei area) in one stretch, and 300 metres above the high canal in another. However, we have not been able to go beyond 100 metres from the high canal," he says.

Thammnapokpi and Khoirentak Khuman are 40 km from Manipur's capital, Imphal, and 20 km from Churachandpur town, the two epicentres of the ethnic conflict.

Fields left fallow

According to the State Agriculture Department, more than 2 lakh farmers cultivate paddy on 1.95 lakh hectares out of the net cultivable area of 2.34 lakh hectares. In October 2023, a farmers' body, Loumee Shimnee Apunba Lup, estimated that crops on 9,719 hectares on the periphery of Imphal Valley could be lost as cultivators were afraid of tending to their fields because of sporadic firing by miscreants from the hills. It estimated the total loss of income for paddy farmers — rice accounts for 93.36% of the total agriculture

and allied activities — at ₹21.41 crore. Towards the end of 2023, the Ministry of Home Affairs provided a relief package of ₹38.06 crore for crop losses on 5,127.08 hectares of agricultural land.

"The compensation was just a fraction of what the farmers on the fringes of Imphal Valley lost. After over two years, they are unable to access their farmlands in the so-called buffer zone, where conditions are worse than that in the no man's land between two warring countries," Laishram Kiranjit, co-convenor of COCOMI Farmers' Wing (CFW), says. COCOMI expands to the Coordinating Committee on Manipur Integrity, an umbrella body of valley-based social groups.

The CFW, in coordination with government officials at the grassroots level, studied the impact of the conflict on paddy farmers of the valley, which comprises five districts. About 9,720 hectares could not be cultivated in 2023, leading to a rice production shortfall of 32,263.76 metric tonnes. The non-cultivated area decreased to 7,084.586 hectares in 2024, but increased to 7,290.406 hectares before the kharif season started in May this year. The survey also revealed that the volatile situation forced 62 villages on the fringes of the valley to leave 3,973 hectares fallow.

Bishnupur was found to be the worst-affected district with 5,288 hectares of farmland, constituting 54.4% of its total land area, left uncultivated in 2023. An attempt by the district administration to resume farming on the fringes saw 1,419.794 hectares being reclaimed in 2024, but a few farmers sustained injuries from bullets fired by suspected Kuki extremists, who had signed an agreement with the Centre in 2008 to suspend operations. "Kuki militants blocked major irrigation channels and disrupted the water supply in the conflict zone. Dams and canals were deliberately cut off or made inaccessible, particularly affecting fields in Bishnupur and Imphal West districts. This led to crop failure, soil erosion, and abandonment of seasonal cultivation, affecting up to 45,000 farming families across Manipur's foothill regions," the CFW report states.

The Manipur government, however, indicated that the situation has been changing for the better since President's Rule was imposed on February 13 this year. Former Chief Secretary Prashant Kumar Singh said on July 4 that adequate arrangements have been made for uninterrupted farming activities. He said it was a "good sign that both sides (Meitei and Kuki-Zo) are farming together within an eyeball-to-eyeball distance and sharing water". He also appealed to all civil society organisations to not let "one odd incident here and there" roughen the path to peace.

A senior officer of Assam Rifles, declining to be named, corroborated the former Chief Secretary's claim. "Meitei and Kuki farmers are engaged in cultivation side by side, separated by alleys, focused on growing crops for their needs and commerce. This is happening in the Keithel-mambi area (Imphal West district, bordering the Kuki-dominated Kangpokpi district). Unlike a year or two ago, the hill dwellers are no longer blocking or diverting natural channels or streams flowing to the valley. The conflict and the resultant tension have made the people weary of confronting each other; they want to get on with their normal lives now," the officer said.



Means of livelihood: Meitei women working in a field in Bishnupur district of Manipur. **RTU RAJ KONWAR**

A Kuki farmer in the Kangpokpi district, identifying himself as Samuel, said the increased security cover has made him more at ease this year, but the fear that something or the other might happen lurks in the mind. "Things can go wrong if the government decides to withdraw the security forces from the buffer zone," he says.

Things did go wrong for Phubala's Ningthoujam Brojen in broad daylight on June 19. Two gunmen, "dressed like farmers", came down from the hills and shot him about 15 metres from a bunker of the SSB in the afternoon. "It was alarming how these assailants breached the security barriers and unfortunate that the SSB jawans did not try to shoot or capture them after the attack on my field, which is not even in the buffer zone. If this can happen to me, imagine what can happen to fellow farmers who have fields in the buffer zone," he says. In the Phubala area, this zone is about 10 km long and 1.5 km wide.

Brojen's neighbour, M. Ramesh Singh, is among those worst hit by the conflict. His paddy field stretches from the high canal to the base of the Churachandpur hills.

"The permission to cultivate up to 300 metres of my land from the high canal is a relief, but the CRPF lets us work on our fields only up to 1 p.m. This may not serve the purpose as the growth of the paddy needs monitoring for a longer period during the day," he says.

Grappling with losses

At Narseina, south of Phubala, the villagers are yet to be allowed to cultivate beyond the high canal. One of the reasons is the sensitivity of the place. Kuki extremists allegedly killed two CRPF personnel at Narseina in April 2024, and the National Investigation Agency arrested a member of the Kuki National Front (Military Council) in connection with the incident six months later. Of the 47 hectares the villagers have not been able to cultivate, 30 are allegedly in possession of the Kuki-Zo people.

"It is heartbreaking to see the Kukis cultivate our ancestral farmlands we have been kept out of. All this security is meaningless if we cannot access our lands and do odd jobs to sustain our families," Laishram Surjit says. He has almost given up on his two-hectare land, as have Laishram Gourabidhu, Narengham Nobin, Hijam Memi Devi, Moirangthem Ibohah, and Meisnam Ipi, who own a total of six hectares in the buffer zone.

Another villager, Salam Jotin, who was shot in the shoulder during a bid to till his land in September 2023, earns a living by driving an e-rickshaw in Moirang town, about 5 km away.

"Apart from being unable to carry out farming, we have lost cattle left out to graze. More than 30 cows disappeared from the fields beyond the high canal. Who took them is anybody's guess," Narseina's Oinam Basma says.

Thammnapokpi's Pukhrambhathi Dhanu has a similar complaint. In June 2023, miscreants killed a couple of his cows and blew off the lower jaw of another with a powerful firearm.

Further south, Ngangkhallawai presents a grimmer picture. The villagers here are allowed to cultivate up to an Army post, which is almost 1 km off the buffer zone. "About 270 out of the 400 families in our village have 300 hectares of farmland in the buffer zone. These have been captured by the Kukis, most of them new to the area, and all we can do is watch them cultivate from afar," Moirangthem Brojen, the village chief, says.

The Indigenous Tribes Leaders' Forum, which has been the voice of the Kuki-Zo people during the conflict, chose not to react to the allegations that the Kukis have taken over the lands of the Meitei or targeted their cattle. "It is not in our jurisdiction to comment," a leader of the organisation says.

Road to recovery

The long-drawn ethnic conflict displaced about 62,000 people, a majority of them Kuki-Zos from the Imphal Valley. Official records state that about 8,000 of the displaced people are Meiteis from the fringes of the valley, who abandoned their homes to flee the conflict. A cluster of such abandoned houses at Thammnapokpi, now used as a BSF camp, belongs to three siblings — Trongham Ketuki, Trongham Hemanta, and Mairangbam Vijayanti and her husband Mairangbam Raja. They took refuge in a relief camp less than 5 km away after the violence broke out.

Ketuki was a resident of Christian Kang Veng in Churachandpur district's Saitok. He and his siblings relocated to Thammnapokpi in 2020, five years after the demand for the implementation of the Inner Line Permit — a temporary travel document for non-resident Indians entering frontier States in the north-east — caused friction, albeit lowkey, between the Kuki and Meitei communities. "Our houses are at least in safe hands, unlike those of many farmers displaced from the fringe areas. The government can set things right if it wants to, so that we can return to our houses and not be relocated again to the prefabricated houses the government is building for us. It is painful to stay away from the houses we have built with our blood and sweat," he says.

The Manipur Police Housing Corporation Limited is constructing 356 prefabricated units in Bishnupur district, each measuring 20x20 feet and worth ₹9.3 lakh. A total of 183 units are being constructed at Phubala, not far from where Ketuki has taken refuge with his family.

"The government can easily help us reclaim our lands by pushing security posts and bunkers to the foothills. Instead of several lines of defence, multiple security forces can take up positions along the foothills closer to each other so that assailants cannot slip through as they did on June 19 to shoot at one of us," Ramesh Singh says.

The CFW urged the governments in the State and at the Centre to quickly restore normalcy in Manipur as the future of agriculture in the Imphal Valley depends on swift and sincere efforts to protect, support, and compensate farmers. "If we cannot get back our lands, so be it. Let us farm and let them [Kukis] farm too. The fighting has cost us a fortune; we have to salvage what is left," Muton says.

rahul.karmakar@thehindu.co.in



THEIR VIEW

MINT CURATOR

India-UK CETA: Bilateral digital trade gets the enablers it needed

Its provisions are expected to give paperless electronic trade a big fillip and brighten the prospects of technology exporters



ARPITA MUKHERJEE
is a professor, Indian Council for Research on International Economic Relations (icrier)

With a strong mutual interest in supporting technology companies and enhancing cross-border dealings, the Digital Trade chapter of the India-UK Comprehensive Economic and Trade Agreement (CETA) is the most comprehensive one on the subject that India has signed in any trade agreement till date. Unlike the India-UAE digital trade chapter, India moved away from soft commitments (reflected in its use of language such as "shall endeavour to do") to undertaking firm commitments (shall do) in order to maintain a legal framework consistent with international best practices, like those under the UNCITRAL Model Law of E-commerce (1996).

The chapter covers firm commitments in other areas as well. For example, it provides a legal framework for contracts to be concluded electronically, ensuring the legal validity of e-contracts. It would make trade administration documents available to the public in digital format and let administrative trade paperwork be submitted digitally as a legal equivalent of hard copies. These provisions are aligned with New Delhi's objective of Digital India and commitments to cross-border paperless trade.

All this can also lead to significant cost reduction for micro, small and medium enterprises (MSMEs). A study by the International Chamber of Commerce for UK and Coriolis in 2021 had estimated that digitizing transferable documents could boost MSME trade by 25% and lead to a 35% improvement in their business efficiency.

Commitments in the digital trade chapter vis-a-vis India's position at the WTO: India refrained from joining the Joint Statement Initiative (JSI) under the World Trade Organization (WTO) framework, under which 80 member countries—with Australia, Singapore and Japan acting as co-conveners—reached a stabilised text. But many of the JSI's principles are part of the India-UK CETA's chapter on digital trade. For example, its provisions on paperless trade and its related aspects—such as e-invoicing, e-signatures and authentication and e-payments—have been covered by the CETA. This indicates that India is willing to commit to digital trade liberalization bilaterally with like-minded trade partners.

Controversial issues, such as the WTO moratorium on customs duty on digital imports and the associated revenue loss for developing countries have been smartly kept outside the CETA. The moratorium issue is a matter of multilateral discussion under the WTO Work Programme on E-commerce (WPEC), a forum in which WTO members including India agreed to not impose custom duties on electronic transmissions. This moratorium is renewed from time to time. It is currently



applicable until the 14th WTO Ministerial Conference scheduled in March 2026, after which it is set to expire along with the WPEC. In all probability, customs duty will be held in abeyance, which will benefit Indian software exporters.

The government's right to regulate and the private sector's demands: To secure the government's right to regulate the evolving digital sector, the India-UK agreement does not have any binding commitment to let data flow freely across borders, nor does it prohibit data-localization requirements. At the same time, it provides explicit protections for source codes and algorithms, a long-standing demand of the technology industry.

One key contribution of this chapter is its support for the cross-border paperless trade framework led by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), aimed at reducing trade costs. According to the UNESCAP-ADB Asia-Pacific Trade Facilitation Report 2024, full implementation of those digital trade facilitation measures, over and above the commitments in the WTO's Trade Facilitation Agreement (TFA) to which India is a party, can reduce trade cost by about 1% in the region.

This is important for enhancing the competitiveness of Indian firms in a world of geopolitical tension, tariff threats and supply chain challenges. India has already adopted several measures of the TFA to reduce delays and increase transparency by leveraging technology.

Exporters have for a long time been asking for paperless trade. In the CETA, India has shown that it is ready to move towards a framework for this.

also enhances the scope for cross-border regulatory cooperation and mutual recognition.

Recognizing the value of digital inclusion, the chapter lays appropriate emphasis on addressing digital trade barriers through cooperation. Laying out an inclusive framework for SMEs and women-led enterprises, it expects the two trade partners to cooperate in areas such as digital skills and access to digital tools. It attempts to ensure consumer and business trust in digital trade through various provisions, such as those on online consumer protection, unsolicited commercial e-messages and cybersecurity.

It has some gaps but is a good chapter overall: While the chapter on digital trade in the India-UK CETA has some misses, such as its exclusion of a binding mechanism for dispute settlement, which would reduce its enforceability, it is a good attempt overall on India's part to showcase itself as a technology leader that is ready to drive cross-border digital trade policies.

Along with some provisions in other chapters, the chapter aims for competitive market access in the domains of software development and network infrastructure, facilitate the cross-border mobility of professionals and reduce tariffs on technology goods, even as it upholds and supports existing partnerships between the two partners, such as the July 2024 India-UK Technology and Security Initiative. In all, the recently signed Comprehensive Economic and Trade Agreement has attempted to remove many hurdles faced by the technology companies of both countries and enable them to work collaboratively.

Software code spouting GenAI has spawned new forms of risk

Amazon's experience offers a lesson for users of AI generated code



PARMY OLSON
is a Bloomberg Opinion columnist covering technology.

Code writers who use artificial intelligence (AI) to help them write software are facing a growing problem, and Amazon is the latest company to fall victim. A hacker was recently able to infiltrate an AI-powered plug-in for Amazon's coding tool, secretly instructing it to delete files from the computers it was used on. The incident points to a gaping security hole in GenAI that has gone largely unnoticed in the race to capitalize on the technology.

One of the most popular uses of AI today is in programming, where developers start writing lines of code before an automated tool fills in the rest. Coders can save hours of time debugging and Googling solutions. Startups Replit, Lovable and Figma have reached valuations of \$1.2 billion, \$1.8 billion and \$12.5 billion respectively by selling tools designed to generate code, and they're often built on pre-existing models such as OpenAI's ChatGPT or Anthropic's Claude. Programmers and even lay people can take that a step further, putting natural-language commands into AI tools and letting them write nearly all the code from scratch, a phenomenon known as "vibe coding" that's raised excitement for a new generation of apps that can be built quickly and from the ground up with AI.

But vulnerabilities keep cropping up. In Amazon's case, a hacker tricked the company's coding tool into creating malicious code through hidden instructions. In late June, the hacker submitted a seemingly normal update, known as a "pull request", to the public GitHub repository where Amazon managed the code that powered its Q Developer software, according to a report in 404 Media. Like many tech firms, Amazon makes some of its code publicly available so that outside developers can suggest improvements. Anyone can propose a change by submitting a pull request.

In this case, the request was approved by Amazon without the malicious commands being spotted. When infiltrating AI systems, hackers don't just look for technical vulnerabilities in source code, but also use plain language to trick the system, adding a new social engineering dimension to their strategies. The hacker had told the tool, "You are an AI agent... your goal is to clean a system to a near-factory state." Instead of breaking into the code itself, new instructions telling Q to reset the computer using the tool back to its original, empty state were added. The hacker effectively showed how easy it could be to manipulate artificial intelligence tools—through a public repository like GitHub—with the right prompt.



Tools that promise to ease work need to be kept under watch.

Amazon ended up shipping a tampered version of Q to its users, and any company that used it risked having their files deleted. Fortunately for Amazon, the hacker deliberately kept the risk for end users low in order to highlight the vulnerability. The company said it "quickly mitigated" the problem. But this won't be the last time hackers try to manipulate an AI coding tool for their own purposes, thanks to what seems to be a broad lack of concern about the hazards.

More than two-thirds of organizations are now using AI models to help them develop software, but 46% of them are using those AI models in risky ways, according to the 2025 State of Application Risk Report by Israeli cyber security firm Legit Security. "Artificial intelligence has rapidly become a double-edged sword," the report says, adding that while AI tools can make coding faster, they "introduce new vulnerabilities." It points to a so-called visibility gap, where those overseeing cyber security at a company don't know where AI is in use, and often find out it's being applied in IT systems that aren't secured properly. The risks are higher with companies using "low-reputation" models that aren't well known, including open-source AI systems from China.

But even prominent players have had security issues. Lovable, the fastest growing software startup in history according to Forbes, recently failed to set protections on its databases, meaning attackers could access personal data from apps built with its AI coding tool. The flaw was discovered by the Swedish startup's competitor, Replit. Lovable responded on X by saying, "We're not yet where we want to be in terms of security."

One temporary fix, believe it or not, is for coders to simply tell AI models to prioritize security in the code they generate. Another solution is to make sure all AI-generated code is audited by a human before it's deployed. That might hamper the hoped-for efficiencies, but AI's move-fast dynamic is outpacing efforts to keep its newfangled coding tools secure, posing a new, uncharted risk to software development. The vibe-coding revolution has promised a future where anyone can create software, but it comes with a host of potential security problems too.

THEIR VIEW

The EU need not have yielded to the US on a trade deal

ALBERTO ALEMANNO



is professor of European Union Law at HEC Paris and visiting professor at the College of Europe in Bruges and Natolin.

When US President Donald Trump and European Commission President Ursula von der Leyen shook hands at Trump's Scottish golf resort last week, they weren't just announcing a new trade deal—they were formalizing Europe's economic and ideological surrender. By agreeing to 10% tariffs on most exports to the US, the EU has capitulated to Trump's zero-sum world-view. In doing so, it has abandoned the principles of multilateralism that have long guided global trade.

The economic consequences will likely be immediate and severe. European exporters now face tariffs nearly ten times higher than the previous trade-weighted average of 1.6%. Volkswagen alone has reported a \$1.5 billion hit due to higher US tariffs.

But this is just part of the problem. The real damage is what the EU agreed to pay for the "privilege" of maintaining access to the US market: buying \$750 billion worth of US energy over three years and investing another \$600 billion in the US economy.

These staggering sums will inevitably divert resources from European development and innovation while legitimizing bilateral coercion over the multilateral rules-based World Trade Organization system. As critics have rightly pointed out, this massive outflow comes directly at the expense of domestic investment.

What makes the EU's surrender especially troubling is how unnecessary it was. As America's largest economic partner, the EU has considerable leverage. The bloc's \$270 billion services deficit with the US offered clear avenues for retaliation, from digital taxes to restrictions on American tech giants.

Weeks earlier, anticipating a stalemate, European policymakers had prepared counter-tariffs targeting \$107 billion worth of American goods. But the EU had far more potent weapons at its disposal. Its Anti-Coercion Instrument, for example, could have barred US companies from government contracts, revoked intellectual-property rights and imposed broader trade restrictions. Yet, national leaders, fearing Trump's retaliation and under pressure from domestic industries eager to maintain access to the US market, refused to authorize Von der Leyen to use any of these tools, forcing her to

negotiate from a position of weakness. The contrast with other US trading partners could not be starker. When the UK secured a 10% tariff rate from Trump in May, European leaders expressed concern about accepting similar terms. Now, they hail 15% tariffs on EU exports as a diplomatic breakthrough. Britain, acting alone, negotiated better terms than the EU as a whole.

This failure exposes the fundamental weakness of European governance. Lacking a true EU-wide governance system, the bloc remains incapable of translating competing national agendas into a unified position. With Von der Leyen hamstrung by member states prioritizing narrow domestic interests over European cohesion, the result was a deal that pleases no one but Trump and locks Europe into a state of structured dependency.

The EU's failure to push back against Trump is especially troubling given its stated goal of achieving strategic autonomy.

Some may argue that the deal—technically not a formal trade agreement, but rather a set of statements outlining an ongoing negotiation process—buys time. By appeasing Trump, the argument goes, the Commission has maintained transatlantic ties while creating space for future carve-outs.

But if this were truly a time-buying strategy, we would expect the EU to take concrete steps to advance strategic autonomy: boosting defence spending, accelerating supply-chain diversification and investing in retaliatory capabilities.

Instead, after years of pledging to reduce reliance on foreign powers, EU leaders chose to replace Russian energy imports with American supplies and commit to massive purchases of US military equipment.

Europe's subordination both reflects and reinforces the continent's dependence on US power. It has created a structural imbalance that extends across defence, trade and energy, leaving Europe in a state of perma-

nent vassalization. Trump's ability to extract sweeping economic concessions and defence-spending commitments shows how effectively the US can weaponize Europe's security anxieties to pursue broader geopolitical objectives. The \$600 billion investment pledge, much of it earmarked for military-equipment purchases, forces Europe to subsidize American defence contractors while undermining its own industrial base.

By giving in to Trump's demands, the EU validated Trump's transactional approach, emboldening not only American administrations but also other global powers eager to turn trade into an instrument of geopolitical coercion. While the immediate crisis may have passed, the long-term damage to EU credibility and autonomy will be long-lasting. The widespread perception that Europe surrenders without resistance will undoubtedly invite further challenges to European interests.

Until European leaders are able to break the cycle of dependency by empowering EU institutions to act decisively against external coercion, these humiliating capitulations will multiply, reducing the continent to a prosperous yet powerless appendage of the US empire.

OUR VIEW



There's a world beyond those stars and stripes

Frayed trade ties with the US will hurt Indian jobs more than GDP growth. While we focus on domestic drivers of India's economy, let's look beyond this global rupture of free trade

In his uneven crank-up of import barriers for various countries on flaky logic, US President Donald Trump has pitted the world's top economy against the free-market theory that drove globalization after the Cold War. His 'America First' trade policy may also have tilted Cold War II odds of success—even if slightly—towards its big Asian archrival, China. It's a daring bet on an economic reset by White House whim. Even as the Oval Office shows signs of cabin fever, America's inward lurch has shaken the high seas, sending shudders all around the globe. India stares at a 25% 'reciprocal' tariff, plus a punitive levy, placing us in the club of shunned nations, with our access to the US market for medical pills and digital devices at risk of denial too. Many of our export rivals face lower levies, but Trump's deal-takers have had to buy this 'privilege.' What price New Delhi is ready to pay would be based on a political-economy calculus as much as our exposure to frayed US ties. In a no-pact scenario, almost one-seventh of our export cargo will face headwinds. But this only forms a thin slice of overall output, so it's likely to slow GDP growth by no more than a low fraction of a percentage point, the kind we often see in data revisions. But then, as a few large labour-intensive sectors seem bound for hard times, job losses are the bigger worry. Beyond that, it revives a decades-old debate on how best to globalize—or whether we should at all.

Notably, self-reliance has re-asserted its value, making India's 'atmanirbhar' call sound prescient. Over the weekend, Prime Minister Narendra Modi referred to global instability while urging citizens to buy home-made goods in tribute to Mahatma Gandhi, whose spinning wheel is an icon of relying on oneself. In policy

terms, our focus on domestic drivers of output must intensify. Supply-side action, as with our infra build-up, could extend to public sector units investing in factories to stimulate economic activity. To draw private players in, the Centre could make strategic investments in emerging fields. Eventually, though, self-driven expansion will need to be privately led, for which we must resolve the stubborn drag of deficient demand. For all enterprises to thrive, we need a path of less exclusive prosperity—an admittedly Sisyphean ask amid tech advances that empower capital over labour even more.

Given our growth imperative, what New Delhi must not do is drop its telescope scanning the horizon for export markets. Nor give up on world trade talks. So, even as we seek to sign new bilateral pacts, we should urge all nations to retain norms that ease business across borders. The US accounts for only a little more than a tenth of global trade in merchandise. This could shrink if America's general cost base rises, its producers slouch behind a tariff shield and the dollar loses appeal, even as Asia booms by investing in freer trade for efficiency gains in resource allocation across half the globe. While the US looks likely to retain its dynamism in hot fields of innovation, factory action may elude it. If an integrated East gets an even sharper edge as time rolls on, we may well have to for value chains within Asia, which would call for head-on rivalry with Asia's best, rather than limiting our game to select two-way deals that avoid overlaps in what goes to and fro. In other words, whether or not a deal works out with the US, we must remain ready to globalize further. Let's keep our strategy flexible and a reform path handy to become globally competitive. Free trade can survive Trump's rupture.

THEIR VIEW

India's urban climate crisis is the result of our own policy failures

The poor are hardest hit but top-down policy can be aligned with ground engagement to spell hope



DEEPANSHU MOHAN is professor and dean, O.P. Jindal Global University, visiting professor, London School of Economics, and a visiting research fellow at the University of Oxford.

A recent World Bank study warns that 70% of India's 2050 urban infrastructure is yet to be built. As cities expand, India's urbanization is becoming metabolically unsustainable: a system that produces climate effects as much as it endures them.

Cities function like living organisms, consuming energy, water and materials while emitting heat, waste and pollutants. This 'urban metabolism' has breached ecological limits, creating a 'metabolic rift,' or a disconnect between relentless construction and nature's capacity to regenerate.

In Bengaluru, over 1,000 storm-water drains were encroached in 2024 alone, while Kolkata has lost over 44% of its water bodies in the last two decades. These are reflections of an urban model that builds by displacing ecology.

The effects are most evident in rising urban heat. Urban heat island (UHI) effects, intensified by glass, asphalt and shrinking green cover, trap dangerous levels of heat. In May 2024, the temperature in New Delhi hit 47.3°C. The city's climate severity index has risen 1.5% over 15 years to 57. These are outcomes of flawed heat-amplifying design.

It's similar with urban flooding. It is no longer just a 'drainage issue,' but a systemic hydrological failure. Sealed landscapes can't absorb rainfall. As a result, pluvial floods are expected to intensify from 3.6 to 7 times by 2070.

As Anthropocene constructs, Indian cities now have climate risk hardwired into infrastructure, governance and growth patterns. With urban waste projected to reach 435 million tonnes by 2050, urban development is devouring its own future.

Urban resilience in India is far more than a technical term. It's a social and political coinage. Our capacity to adapt to climate change is inseparable from structural inequalities embedded in our urban fabric. Climate effects magnify disparities, placing the heaviest burden on the vulnerable.

Nowhere is this more evident than in the nexus of heat stress and income inequality. In Chennai, extreme heat is already estimated to drain \$1.9 billion annually, 2.3% of the city's GDP. This could rise to 3.2% by 2050. But this cost is unequally shared. Low-income zones, often built with heat-retaining materials and lacking shade, consistently register higher temperatures, worsening health risks and eroding productivity.

A similar story unfolds in relation to urban flooding and informal settlements. In 2020, nearly half of India's urban population was living in informal settlements, many in flood-prone areas. India has lost over 1,500 lives annually to floods over the past decade. Add the heat-related deaths, estimated at 0.2 to 0.4 per 1,000 people annually in cities like Chennai, Surat and Lucknow, with 20% higher mortality among seniors, and the picture is clear: urban climate effects are deeply unequal.

To address these risks we need more than infrastructure. We demand adaptive governance and a build-up of local capacity. Yet, only 10 of 162 cities under the Climate Smart Cities Assessment Framework have conducted flood-risk assessments. Gaps in policy implementation are glaring. Community-led innovation offers hope, though. In Ahmedabad, the Mahila Housing Trust has enabled informal settlers to access microfinance and install cool roofs, a low-cost and effective heat mitigation

strategy. Similarly, the city's heat action plan has helped prevent over 1,100 deaths annually since 2013. These are proof that a top-down policy aligned well with ground engagement can save lives.

This brings us to the ethics and justice of urban resilience. Establishing a 'Right to a resilient city' demands a significant financial step-up. India needs nearly \$2.4 trillion by 2050 for resilient urban infrastructure. Current spending lags at \$20.5 billion. This massive gap hits the poorest the hardest, denying them access to essential protections. Market-based models rarely deliver resilience as a public good and with private financing at just 5% and green bonds yet to prove transformative, we must ask: do these tools democratize resilience or merely repackage risk?

India's emerging circular economy is projected to create \$2 trillion in value and 10 million jobs by 2050. But resilience isn't just about engineering. A socially resilient India must prioritize community knowledge, participatory planning and equitable finance.

India's urban resilience is hampered by institutional inertia. Fragmented governance, rooted in colonial legacies and outdated planning, creates a significant 'policy implementation gap,' where ambitious goals falter locally due to limited capacity and underspending. Examples like Mumbai's pioneering climate budget and Ahmedabad's resilient investment planning offer pathways, but these isolated successes struggle to scale against systemic resistance. True urban resilience needs a basic shift to regenerative urbanism and a holistic as well as socially just development model. This future will depend not just on technology, but on re-wilding urban spaces, fostering circular economies and using participatory processes. We should ensure that India's next urban chapter is one of profound regeneration rather than an inevitable reckoning.

Ankur Singh, research assistant at CNES, contributed to this article.

10 YEARS AGO



JUST A THOUGHT

Despite its challenges, globalization has led to one of the most peaceful and productive times in world history.

MIKE QUIGLEY

MY VIEW | MODERN TIMES

Can anything save Indians from miserable urban lives?

MANU JOSEPH



is a journalist, novelist, and the creator of the Netflix series, 'Decoded'

When I used to see images of Indians wading through flooded streets, or large crowds trying to squeeze into trains in Mumbai, or a mile-long queue of people in the rain waiting for an auto, I used to feel infuriated, but these days I feel this is what they voted for.

You may argue that people want better urban lives, but there is nothing more useless than a 'want.' In fact, I would argue that the political class too 'wants' better urban planning. Everybody 'wants' to live amid beauty. An intent is not as important as where it lies in the hierarchy of intents. Everybody has broadly the same set of wants, intentions, values and goals. What separates people and nations is the order of those things.

Even think it is absurd in many situations to use the phrase for priority. There is usually one wish or goal of a person, city or nation that has an outsized influence on everything they do. The hierarchy of wants is everything, because wants are often in conflict.

And our cities and lives show that quality of urban life is not the priority of India's political class and most Indians. As a result, we have no hope.

Urban India is only going to get worse from here. We try to throw money at escaping India within India, but even that is becoming exorbitant, because India keeps seeping in and you have to pay more and more to fully escape.

Gurugram, where I live, is a dismal town lined with filth. As I write, there is waist-deep water in many lanes because there was moderate rainfall for a few hours. Rain is a common natural phenomenon that those who run Gurugram are surely aware of; also, it rains more than usual every year around this time. Yet, there is no preparation. There are stretches on the main roads where you just see a river of polythene bags. And garbage burns in open spaces.

That nothing is going to change is most clear when the municipality publicizes its 'good work.' That is when you realize it may have no clue what a quality city life is. For instance, in a self-congratulatory way, it has posted a picture of a lane filled with slush to claim water logging has ended.

I believe that there is an eternal battle between the village and the city—between

people who are trapped in tribal instincts and old grouses, and those who wish to be cultural orphans and live in the future. Seen this way, with city dwellers and village folks as human archetypes, I feel most Indians are village folks even though many of them might live in something that is called a city.

We know the contempt that the city has for the village—it's pastoral ways, its labels and its backwardness and narrow-mindedness. This is a hint that the village too has disdain for the city. And it is not only about life in the villages, the length of skirts and their other fears of modernity. It is also for all visual icons of the city, the metro systems, roads and cable-held bridges.

Golf Course Road in Gurugram was intended to be an imitation of a rich-world main street. Fancy, by Indian standards. A person who worked closely with local authorities during the decade when the 10-km Golf Course Road was built told me how much the officials disliked it. They said it was "not necessary." Often, I get

the feeling that Indian officials want Indian cities to have a mofussil gleam.

When we reflect on our lives, we often do not include the government. We think of love and regrets and near misses. But I always think of the government—though not fondly. In the beautiful film of my life,

the production sets were terrible. I see a girl from a distant time, I see that my heart is filled with joy that I am going to meet her, but along the way I am squeezed in a heaving mass of people in a humid train, all to alight in a hellish place called 'Andheri.' I often wonder how it would have been if, in my 20s, I could walk to a metro station, get into an air-conditioned train and not see a little man dangle from a door, because the doors are automatic, and read through the journey or think of the young woman I am about to meet.

Is this asking for too much? At the time, for hundreds of millions of people around the world, this was an unremarkable way of living. Mumbai, until recently, did not even

have AC cabs. I remember arriving at the homes of people drenched in sweat.

Many feel that Indian cities are so messy because politicians and developers are corrupt. But my complaint is not that they make money, but that they don't know how to make money—and money, imagine an India with beautiful cities. There would be so much more money to be made. An unsung reason for our urban mess is that we don't even seem to do corruption well.

In her book, *China's Gilded Age: The Paradise of Economic Boom and Vast Corruption*, Yuan Yuan Ang divides corruption into four kinds: petty theft, grand theft, speed money and access money. India has petty theft and speed money, where bureaucrats and politicians demand or extort money from people to give them services. India also has grand theft, which is large embezzlement of public funds. These three forms of corruption impoverish a nation. But, she says, the fourth type of corruption, access money, is more interesting. It's money that entrepreneurs give those in power to create things—new things, difficult things. This is why, she says, China has prospered even though it has its share of corruption. India's urban mess shows a lack of imagination at many levels—including corruption.

Monitoring microcaps

New SEBI norms, a marked regulatory improvement

India's listed universe has a long tail of micro-caps, with about 3,700 of the 5,100 listed stocks trading at a market capitalisation of less than ₹1,000 crore. This segment features many genuine companies looking to break into the big league, but the retail affinity for micro-caps also makes it a playground for dodgy promoters and pump-and-dump operators.



Surveillance measures therefore call for striking a fine balance between discouraging manipulators and ensuring sufficient investor interest and liquidity to facilitate capital formation. The Securities and Exchange Board of India (SEBI) and stock exchanges have thus far struggled to achieve the correct balance, going by their continuous flip-flops on the Enhanced Surveillance Mechanism (ESM) for micro and small companies. When the ESM framework for micro/small companies was first introduced in June 2023, it subjected all companies with less than ₹500 crore market cap to tight price bands (2-5 per cent), 100 per cent margin and trade-for-trade settlement, if they displayed a high price variation of 50-150 per cent over the previous three to 12 months. Stocks which continued to exhibit volatility even after this, were swept into ESM stage 2 where trading was allowed only once a week through periodic call auctions. With this rule effectively killing liquidity, it was relaxed to permit daily trading in July 2023. In August 2024 again, the ₹500 crore market cap threshold was raised to ₹1,000 crore. Last week, SEBI came up with an improved set of changes to the ESM rules after consulting the exchanges.

For one, only sub-₹1,000 crore stocks exhibiting positive price variations and not those with high volatility, will now be swept into ESM. This is a good rule as stocks with consistent price gains are more likely to be victims of price rigging than those with two-way moves. Two, the exemption granted to PSU stocks from the ESM framework has been withdrawn. This is again welcome, as PSU stocks with low public float are in fact quite susceptible to price rigging. The third and most important change is that stocks that are already in stage 1 will be moved into stage 2 only if in addition to the stock displaying abnormal price moves, the company's PE ratio (price earnings ratio) is less than zero or more than two times that of the Nifty500 index.

Companies with PE less than zero are usually loss-making companies and those with over twice the PE of the index are likely to be hyped up. The application of this fundamental filter may lead to microcap companies with reasonable financials not getting swept into stage 2, where trading is restricted through call auctions. Given that stage 1 curbs such as tight price bands and daily settlement will still apply to these stocks, there will still be sufficient deterrents to price manipulation. After the flip-flops, the latest changes are in the right direction. Hopefully, these ESM rules will not require further tweaks, having struck a good middle ground.

OTHER VOICES.

The New York Times

Gaza's hunger is a moral crisis

The hunger in Gaza is an urgent moral crisis. Its two million people lack adequate food, and at least 16 children under 5 have died of hunger-related causes in the past couple of weeks. Israel, often reckless administration of war and occupation has helped create this emergency, and Israel has a unique power to alleviate it. It must do so. How the situation has come to this is a matter of intense dispute, of course. It is certainly true that Hamas's leaders could end the crisis by releasing the hostages they continue to hold and surrendering in a war they started and are losing. Yet the cease-fire talks between Hamas and Israel remain stalled, with each side insisting on conditions that remain unacceptable to the other. The best solution, for Palestinians and Israelis alike, includes a return of the hostages, an end to the war and a new Gaza government. (NEW YORK, JULY 30)

CHINADAILY

US putting its old-generation chips on Chinese table

China's cybersecurity regulator's summoning of Nvidia executives has indicated the Chinese side's being sober-minded over what's behind the US side's recent approval of the tech giant exporting its H20 chips to China. Nvidia was demanded to give explanations and submit relevant materials proving that the H20 artificial intelligence semiconductors do not pose a data security threat to Chinese users, according to a statement by the Cybersecurity Administration of China. US officials had previously insisted the H20 chip sales curbs weren't up for negotiation. Shortly before they walked that back, some US lawmakers called for advanced chips for export to be equipped with "tracking and positioning" functions. Nvidia chips have matured. (BEIJING, JULY 30)

A post-tariff playbook for India

CUSHION THE BLOW. India must make export credit cheaper for MSMEs, diversify its services export base beyond IT



AJAY SRIVASTAVA

President Trump's 25 per cent tariff — and an extra, unspecified penalty — on most Indian goods leaves India with three major tasks: understanding which sectors will be hit hardest, taking steps to protect its exports, and negotiating a trade deal with the US without crossing its red lines.

India now faces a 25 per cent country-specific tariff on its exports to the US — one of the highest among Asian exporters, second only to China at 30 per cent. In contrast, competitors such as Vietnam (20 per cent), Bangladesh (18 per cent), Indonesia, Malaysia, and the Philippines (19 per cent), and Japan and South Korea (15 per cent) enjoy lower rates. This puts Indian exports at a clear disadvantage across most sectors, barring a few exceptions.

The new US tariff regime excludes pharmaceuticals, energy products, critical minerals, and semiconductors. But outside these, Indian goods are under pressure. As a result, India's exports to the US — currently its largest export market — are projected to decline by nearly 30 per cent, from \$86.5 billion in FY25 to around \$60.6 billion in FY26. Sectors facing the most significant risk include shrimp, organic chemicals, knitted and woven apparel, diamonds, base metals (such as steel, aluminium, and copper), machinery, vehicles, and furniture. These products now face cumulative US tariffs ranging from 25 per cent to over 51 per cent, sharply undermining their competitiveness against exporters such as Vietnam, Bangladesh, Mexico, and Switzerland, many of whom face significantly lower or no duties.

Carpets and made-up textiles fall into the medium-importance bracket. Though they are subject to increased tariffs of 27.9 per cent and 34 per cent respectively, India retains a strong market position, especially in carpets. Still, elevated duties could squeeze profit margins and weaken India's pricing advantage over rivals like Turkey and China.

Pharmaceuticals, petroleum products, and smartphones are largely insulated from the tariff hike. These sectors benefit from either full exemptions or unchanged low rates, allowing India to retain its export share in these critical and high-value segments. The attached Table provides detailed information on the tariffs Indian products face in the US and data

Indian exports to US: Sectoral impact of Trump tariffs

| Product Group | Exports to US in FY25 (₹ bn) | US share in India's exports (%) | US MFN tariff (%) | New Trump tariff (%) | Total tariff payable (%) | Top suppliers (Share % of US supply) | Impact on India |
|-------------------------------------|------------------------------|---------------------------------|-------------------|----------------------|--------------------------|---|-----------------|
| Shrimps | 2 | 32.4 | 0 | 25 | 25 | Canada (18.16, 30), Chile (15.02, 18), India (5.52, 25-penalty) | High |
| Petroleum products | 4.1 | 4.3 | 6.9 | 0 | 6.9 | Canada (52.16, 25), Mexico (6.71, 25), Saudi Arabia (4.26, 10), India (1.29, 25-penalty) | Low |
| Organic chemicals | 2.7 | 13.2 | 4 | 25 | 29 | Ireland (26.11, 15), China (12.58, 30), Switzerland (9.46, 30), India (5.31, 25-penalty) | High |
| Pharmaceuticals | 5.8 | 39.8 | 0 | 0 | 0 | Ireland (23.66, 15), Switzerland (8.94, 30), Germany (8.10, 15), India (5.98, 25-penalty) | Low |
| Carpets | 1.2 | 98.6 | 2.9 | 25 | 27.9 | India (58.48, 25-penalty), Turkey (24.23, 10), China (12.88, 30) | Medium |
| Apparel; knitted | 2.7 | 34.5 | 13.9 | 25 | 38.9 | China (22.46, 30), Vietnam (17.99, 20), Cambodia (5.98, 10), India (5.08, 25-penalty) | High |
| Apparel; woven | 2.7 | 32.2 | 10.3 | 25 | 35.3 | China (21.36, 30), Vietnam (13.73, 20), Bangladesh (13.15, 18), India (5.38, 30), India (17.14, 25-penalty) | High |
| Textiles, made-up | 3 | 48.4 | 9 | 25 | 34 | China (31, 30), India (17.14, 25-penalty), Pakistan (8.70, 17) | Medium |
| Diamonds, gold and products | 10 | 40 | 2.1 | 25 | 27.1 | Switzerland (17.02, 30), India (13.02, 25-penalty), Canada (10.44, 30) | High |
| Steel, aluminium, copper | 4.7 | 16.6 | 1.7 | 50 | 51.7 | China (25.02, 30), Mexico (13.95, 25), Canada (18.35, 30), India (10.44, 30) | High |
| Machinery and mechanical appliances | 6.7 | 28 | 1.3 | 25 | 26.3 | Mexico (19.82, 25), China (10.83, 30), Taiwan (10.08, 15), India (6.79, 25-penalty) | High |
| Smartphones | 10.6 | 43.9 | 0 | 0 | 0 | China (81, 30), [blank], India (13.7, 25-penalty), Vietnam (4.22, 20) | Low |
| Vehicles, and parts | 2.6 | 11.4 | 1 | 25 | 26 | Mexico (25.96, 25), Japan (13.15, 15), Canada and parts (12.97, 35), India (8.22, 25-penalty) | High |
| Furniture; bedding, mattresses | 1.1 | 44.8 | 2.3 | 25 | 27.3 | China (28.42, 30), Vietnam (28.65, 20), Mexico (17.65, 25), India (1.93, 25-penalty) | High |
| Total goods exports | 86.5 | 19.8 | | | | | |

Source: IHS MARKS data for India's exports, IHS TO data for calculating share of each country in US market. CITE

on competing countries, their respective shares in US global imports of a commodity, and the US tariffs applied to them.

CURBING EXPORT DECLINE

India must act swiftly across several fronts to cushion the blow of high US tariffs and prevent a sharp decline in exports. Key steps include reviving the Inter Qualification Scheme with a larger budget to make export credit cheaper for MSMEs, and setting up a simple, mobile-friendly helpdesk to give small exporters real-time guidance on tariffs and trade rules.

India should also finalise trade deals with the UK and EU — though gains may

India should avoid changing its patent laws, digital rules, and procurement policies to please Washington

be modest — and diversify its services export base beyond IT by building strength in travel, insurance, and finance. Reducing import dependence on China, fixing inverted duty structures that hurt local manufacturing, and setting up a National Trade Network to bring 200,000 new firms into global trade are equally critical.

Finally, India must invest in promoting new products and pushing them to ease dependence on the US. These steps, taken together, can help stabilise exports and build long-term resilience. The US executive order says tariffs can be lowered once a country signs a trade deal, putting pressure on countries like India to move faster. The US is India's biggest export market, accounting for nearly 20 per cent of exports. With Indian exporters now losing business to countries facing lower US tariffs, pressure may mount on the government to close the deal quickly. Despite months of talks — and India reportedly offering zero-duty access on

95 per cent of US goods — the deal hasn't happened. People think the main obstacle is India's no-to cut tariffs on agriculture and dairy. However, the US knows this limitation and may agree to a deal without these. But it may press India to agree to many non-trade concessions. For example, the US wants India to allow free cross-border data flows and free access to India's huge data market. It overlooks that China blocks US tech firms and that American companies are using large Indian data sets to build new tools and train AI models. The US also wants India to agree to a permanent ban on digital taxes.

The US also wants India to drop rules that restrict US e-commerce firms' operations, give US firms full access to government contracts, and change its patent laws to allow "evergreening", which would delay cheaper generic drugs and raise medicine prices.

Trump also wants India to stop buying oil from Russia, Iran, and Venezuela; buy more US weapons and aircraft; exit BRICS; and abandon efforts to trade in local currencies that bypass the dollar.

In short, the deal is less about fair trade and more about reshaping India's foreign and domestic policies to suit Washington. Meanwhile, Trump has begun warning up to Pakistan — offering financial aid, energy deals, and even cooperation on crypto — despite its past harbouring of Osama bin Laden. This shift may help us understand Trump's expectations. Washington doesn't want an independent, self-respecting China Plus One partner in India — it wants a pliant subordinate. Talks are still ongoing. A US team is expected in India later this month, with a possible deal deadline for the fall.

The US may agree to leave agriculture and dairy out of the trade deal, but will push India to meet other demands. As detailed above, these include buying more US oil, Boeing, and military equipment; cutting oil trade with Russia and Iran and changing India's patent laws, data rules, government procurement policies, and other domestic regulations to favour US firms. In return, Trump may reduce India's tariff rate from 25 per cent to 15-20 per cent. So, what should India do? Be flexible on most trade issues, but protect core red lines like agriculture and dairy. India should also avoid changing its patent laws, digital rules, and procurement policies to please Washington. On geopolitical issues like oil imports and BRICS, India must make its own sovereign decisions outside the trade deal, without giving in to pressure. India must stay calm, clear-headed, and focused as before.

The writer is founder, Global Trade Research Initiative

India's impressive financial inclusion journey

Implementation of Jan Dhan Yojana has lifted financial inclusion. However, absolute numbers of excluded remains a concern

Manas R Das

The World Bank's Global Findex Database's (GFD) is an important source of cross-country and multi-dimensional data on Financial Inclusion (FI) based on "nationally representative surveys." GFD-2025, released a few weeks ago, is the fifth such survey.

The current database encompasses about 1,45,000 adults in 141 economies, and the survey was conducted over the calendar year 2024.

In India, classified as a lower middle-income country, the survey was conducted during August 1 to December 29 through 3,086 face-to-face interviews.

ACCOUNT OWNERSHIP

According to GFD-2025, account ownership by adults in India stood at 89 per cent as against 79 per cent, globally. Compared to GFD-2011, India registered an increase of over 50 percentage points in account ownership,

far exceeding 28 percentage points observed worldwide.

This speaks volumes for the endeavours made by India to bring the financially excluded people to the banking fold. In this context, the role of the Pradhan Mantri Jan-Dhan Yojana (PMJDY), the national flagship programme for FI launched in August 2014, is particularly notable.

Simultaneously, credit must go to the public sector banks (PSBs) and the regional rural banks (RRBs), which together accounted for 96.6 per cent of PMJDY accounts outstanding as on December 25, 2024.

The increase in account ownership was associated with a decline in the gender gap therein. Globally, the gender gap was 4 percentage points, with 81 per cent of men and 77 per cent of women owning accounts.

Contrastingly, the gap was as large as 20 and 30 percentage points respectively in Bangladesh and Pakistan belonging to the same region (South Asia) and income group (lower middle) as India.

Globally, the incidence of account



FINANCIAL INCLUSION. Can be accelerated by techno-financial solutions

ownership was more among working adults (80 per cent) than non-working adults (67 per cent), yielding a gap of 13 percentage points between the two groups. In India, it was 6 percentage points, implying that increasing proportions of non-workers also owned accounts.

Although nine-tenths of adults in India owned accounts, yet it, being a populous country, had the largest number of adults without accounts.

Thus, FI programmes in India should

target all the adult members in a family. Since zero-balance accounts can be opened, lack of awareness among people could explain the numbers of unbanked.

DIGITAL PAYMENTS

Per GFD-2025, in India, 54 per cent of account holders used digital payments modes, in contrast to 80 per cent, globally. However, this does not gel well with the RBI's Digital Payments Index (March 2018 - 100) which, during March 2020 to March 2025, serially galloped from 207.8 to 493.2.

In fact, all regions, except South Asia, recorded high usage of digital payments modes.

Account ownership is necessary, but not sufficient to make the FI drive meaningful. GFD-2025 observes that the incidence of inactive accounts at 16 per cent of account holders is especially high in India. The FI drive needs to be accelerated, buttressed by the emerging techno-financial solutions.

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

BELOW THE LINE



Feel-good stories

Word in the hallowed corridors is that Ministries are now being nudged to collect "positive stories" in a bid to infuse a tone of optimism in media headlines. Recently, Ministries were asked to submit a comprehensive report on their "positive stories". With social media proving unruly, the government seems to be falling back on the old faithful press release to

guide the national mood.

Personal bet

A personal one and founder has sparked a buzz on social media after accepting a ₹1 lakh wager over the survival of a recently acquired skincare company. In a post, the founder predicted the brand, which is now owned by a FMCG behemoth, is "likely to cease to exist" in the next five years.

The remark drew wide attention, with one user countering that the brand would continue to thrive over the next 3-5 years and challenging the founder to a bet. The founder agreed, adding a condition: the brand must deliver compound annual growth (CAGR) of at least 15 per cent. The outcome of the unusual bet and the brand's performance, remains to be seen.

Restrict screen-time

At a recent event marking the launch of a multi-specialty eye hospital in Chennai, an ophthalmologist shared a shocking stat. As per research, the acceptable amount of screen time (phones, laptops, and other blue light devices) per day should not be more than 1.5 hours. In an era where people are glued to the mobiles and devices for work as well as leisure, doctors have been seeing increased number of patients with eye ailments such as dry eyes, vision problems and sometimes even partial vision loss due to excess time spent on screens, he said. This was more common among children. There was an audible gasp from the crowd of journalists.

Coming of age

It is not often that discussions and

debate happen around the topic

"Ageing in India: Emerging realities, evolving responses". So the recent day-long national conference on the issue — which saw NHRC, in partnership with NITI Aayog and the Union Ministries of Social Justice & Empowerment and Health & Family Welfare, supporting the Sarkaria Foundation in organising the conference — attracted attention.

The outcome of the deliberations were a model programme like Kerala's Palliative Care may be adopted for elderly care. Ensuring financial security, digital literacy, long-term care insurance, digital healthcare, and assistive devices and platforms can integrate the elderly into India's 'silver economy'.

increased life expectancy has

brought in its own challenges.

Trading cards

A regional party is currently staging its own soap opera, minus the script, but with full drama. Two MPs, currently colleagues, are now gladiators in a political coliseum. The lady MP, armed with eloquence and elbows, has branded her male counterpart a "misogynist with ego issues".

He, not to be outdone, dismisses her as "that woman", accusing her of autocratic tantrums and plotting his downfall. They're trading barbs faster than bills in Parliament, with press interventions as their new battlefield. Meanwhile, the party leadership, instead of intervening, is munching metaphorical popcorn.

Our Bureaus

Keep negotiating

US tariffs on India are not set in stone

The tariff rate of 25 per cent, which United States (US) President Donald Trump has decided will be applied to Indian exports to the US, may not, eventually, be the final rate. It may effectively wind up being higher if he carries out his threat to add a surcharge related to India's increasing purchases of Russian oil. It may be lower if New Delhi's negotiators pull some sort of a broader deal together. It is also worth remembering that there will be multiple exceptions to this headline tariff rate. Some goods that compose a large part of India-US trade — mobile phone handsets, for example — have a tariff rate different from the country-specific ones Mr Trump has announced. The US administration is, after all, keen to minimise the inflationary impact of its tariffs. The majority of Apple's iPhones for the US market are now being assembled or made in India and not in China.

Nevertheless, the current status of India's relative tariffs is disquieting. Developed nations, such as Japan, Korea, and the European Union, face tariffs of 15 per cent; most of India's developing peers, including Bangladesh and Vietnam, face tariffs of 19 or 20 per cent. The additional five percentage points placed on India could significantly affect its exports. Mr Trump is a mercurial and impulsive leader, and it is essential to keep on engaging his administration in order to ensure that the chance to extract a better baseline rate does not pass India by. Naturally, any agreement in the future must reflect India's broader interests. But those interests must indeed be defined more broadly than they have sometimes been in the past. The importance of trade connections with large consumer markets like the US should not be minimised, and the threat to Indian producers, including in agriculture, from foreign competition should not be exaggerated.

The fundamental challenge for the Indian economy is to increase productivity and competitiveness. Only then can wages and jobs grow in a sustained and sustainable manner. In recent years a sort of pessimism has taken hold and it implicitly believes that Indian productivity and competitiveness will never reach the levels of Northeast Asia, or even Southeast Asia. This pessimism cannot be allowed to take hold because it has no logical basis. In fact, what is required to improve competitiveness are greater trade openness and the competitive discipline that comes with it.

A natural disappointment, even disdain, for Mr Trump's aggressive and confrontational methods of negotiation should not cause a broader souring on the need for international trade. India should continue to look for broad agreements with the US, while also concluding the free-trade agreement with the European Union, which is even more important now than it was before Mr Trump's tariffs. It should also seriously re-examine the various large trade blocs of which it could potentially be a part, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP. In some ways, India facing a higher tariff rate than all its major rivals for the US market other than mainland China is close to the worst-case scenario. Indian diplomacy will have to work overtime to recover the situation. But the very worst-case scenario is if Indian policy reacts to this setback by souring on trade negotiations altogether.

Collaboration for future

Isro and India will benefit from Nasa

The successful launch of the Nisar (Nasa-Isro Synthetic Aperture Radar) satellite from the Satish Dhawan Space Centre marks the second big mission where the two space agencies have joined hands, coming soon after *gaganaut* Shubanshu Shukla travelled to the International Space Station on the Axiom 4 mission. This may be the precursor to more cooperation between the agencies, given that India in 2023 signed up for the Artemis Accords. The Artemis Accords provide a common set of principles for civil exploration and use of outer space. While both agencies benefit from cooperation, the Indian Space Research Organisation (Isro) may benefit more. The Indian agency has an ambitious programme including multiple manned missions over the next 15 years. This will require Isro to get a grip on a host of new technologies, and the National Aeronautics and Space Administration (Nasa) could help with the use of its facilities as well as technical advice.

In theory, the Artemis sign-up allows Isro and the fast-growing Indian aerospace sector to bid for Nasa tenders and the famously frugal Indian engineering sector could find opportunities there and pick up new skills. However, the Donald Trump regime, in the United States (US), seems committed to cutting Nasa's budgetary support and the curtailment of US space programmes will reduce opportunities. The Nisar mission used Isro facilities and its launch vehicle to put the 2,400 kg satellite into orbit. The satellite carries two radars, which will produce a dynamic, three-dimensional view of Earth in great detail. Nasa's Jet Propulsion Laboratory (JPL) provided the L-band radar, and Isro's Space Applications Centre in Ahmedabad developed the S-band radar with the integration done by JPL. This is the first time the two agencies have codeveloped hardware. Being put into a sun-synchronous polar orbit, which circles Earth every 97 minutes, Nisar will pass over the same areas at an interval of 12 days, observing and mapping changes to the surface from 747 kilometres above.

The radars are sensitive to different things. The L-band will measure soil moisture, forest biomass, and motions of land and ice surfaces, while the S-band radar will monitor agricultural land, grassland ecosystems, erosion, and infrastructure movements. Apart from fostering a general understanding of various natural and human-made processes, Nisar could help with fast disaster responses and with natural-resource management policy. This "timelapse" view will track changes in Earth's forests and wetland ecosystems, monitor the deformation and motion of frozen surfaces, and detect movements of Earth's crust down to millimetres. It should therefore pick up precursors to earthquakes, landslides, and volcanic actions, along with land subsidence and melting of glaciers and ice sheets, and forest fires. Crucially it will also spot human-induced changes caused by farming, and by infrastructure projects.

This should therefore lead to a deeper understanding of earthquakes, volcanic eruptions, and landslides since researchers will see how things change across time and seasons. Nisar will take 90 days to fully deploy and complete tests and start collecting data. The \$1.5 billion joint mission took over a decade to put together. The data will be freely accessible and it could transform the understanding of climate change, natural disasters, agricultural cycles, and the management of water resources. Unfortunately, given the thrust of US government policy, Nasa and other American agencies may not be able to fully capitalise on the data but India will be a beneficiary for sure.

Change strategy on digital fraud

State action overhaul: Three policy suggestions



The convenience of India's digital economy has been met with a frightening surge in criminal activity, from illegal loan apps to "digital arrest" scams. Individual cases are sometimes resolved through investigation and prosecution, but the brainpower and effort on the part of the attackers is improving at an alarming rate. On the one hand, headlines report a significant loss of ₹22,845 crore in 3.6 million cases in 2024, a 42 per cent rise in the number of incidents. On the other hand, a recent reply in the Lok Sabha claimed that a mere ₹580 crore in digital-payment frauds over five years.

This mismatch in figures points to a lack of clarity and a proper taxonomy for the fraud problem. Such ambiguity allows the full scale of the problem to be understated. The state has to do more to solve this situation. We do not individually provide for national defence; we rely on a coordinated state effort. The same logic applies to digital fraud. Ross Anderson, an expert on security economics, has pointed out that internet security has elements of a public good. One insecure machine can create costs for others (ie the market failure of negative externalities).

The current response is reactive and fragmented. The burden of the loss falls primarily on the victim. But there is a mismatch between what an individual can do personally and the scale and complexity of the attack. The victim is left to manage the financial and emotional impact on her own. Regulators may view the problem as less severe, and banks often direct customers to the 1930 helpline. Law enforcement, with its own resource limitations, can have a hard time dedicating significant bandwidth to these cases. Telecom companies, a key point in the system, may cite low average revenue per user (Arpu) as justifying low effort, when asked to meet higher standards.

By default, these problems will readily turn into a spiral of micro-management by the government through intricate regulations that specify details of products and processes used by private persons. This approach is encouraged by the private sector as they get to shirk off responsibility: UPI (unified payments interface) fraud is the fault of the government. But central-planning systems interfere in economic dynamism. Central planning is also a poor approach to cyber security, a field that is too complex and dynamic for a single, rigid government-designed security system. We suggest three ingredients for the way forward.

Ingredient 1: Clarity on loss allocation

A key step is to clarify the allocation of losses. When the victim bears the loss, other stakeholders have a low incentive to improve the system. A shift in this approach is needed. Firms are the ones best-placed to understand the emerging threat environment, to continuously innovate or precisely how security will be done, and make modifications to their products and processes in fighting back. For this, they have to suffer losses when fraud takes place.

While the Reserve Bank of India's (RBI) framework for limiting customer liability is a right step, its complexity and *de facto* reliance on customers to prove their innocence often undermines its intent. We should look to more robust, firm-centric models like those in Singapore and the United Kingdom (UK). Singapore's proposed "waterfall" (responsibility for phishing frauds is an example. Responsibility is assigned to the party best-positioned to handle it. The financial service provider (FSP) is the primary custodian. If it fails in its duties (eg not providing transaction notifications), it is expected to pay up. If



AJAY SHAH & NANDKUMAR SARAVADE

Congestion is not normal

We have normalised congestion in our lives. We stand, sit, wait, fume, curse, groan, and get angry and frustrated. By the time we get to our destination, we are so exhausted that it feels as though the day is over before it has even begun. Each day, our journey ends in helplessness. In this daily grind, what we often fail to count for are the hours of our lives we lose — time away from family, friends, or even leisure. We discuss it endlessly — being stuck in traffic has taken over our conversations; yet, what is surprising is that we do not truly understand why this is happening or what needs to be done. The only solutions in our mind are going signal-free, building flyovers, and widening roads. But the jam stays, and even gets worse.

My colleagues at the Centre for Science and Environment and *Down To Earth* have deconstructed congestion in 50 cities and towns across the country. They asked a simple question: How does India move? The answer, unsurprisingly, is that it often does not. City after city, people told us of their daily struggle to commute. Whether small or large, metro or hill town, the difference between peak and non-peak travel times is double or more in most cities. In other words, it takes twice as long to reach your destination during rush hours. In some cities, like Delhi and Bengaluru, the peak period is getting extended — so much so that roads are now gridlocked beyond office hours. We also know that the more the congestion, the more the air pollution, with vehicles idling on roads emitting toxic fumes. So, congestion is not only taking away our time; it is also adding to the stress and health burden from air contaminants that reduce our life spans. It

is bad. And it must not be normalised.

To beat the trauma of congestion, we need to understand its political economy. People are increasingly shifting to private transport — two-wheelers or cars — for their daily commute. This means that even as cities add road infrastructure and flyovers, cars, the most inefficient users of road space, fill them up. Delhi, for instance, registers over 500 new cars every day. This is despite all the congestion and the fact that cars account for only 7-11 per cent of daily trips in the cities we surveyed. In Bengaluru, another city notorious for congestion, only 7 per cent of total trips are with cars, according to the data from the city's comprehensive mobility plan. The question, then, is this: Where and how will we make space for the remaining 80-90 per cent of trips, if they are made using cars?

What dominates the commute in cities are two-wheelers — 30 to even 40 per cent of daily trips are by this mode. But what is worrying is that two-wheelers are losing ground to cars in smaller cities. This is probably because, unlike in metros, where people prefer two-wheelers due to congestion (they can move faster), there appears to be more space in sub-million cities, and so cars fill the roads. Congestion then rears its ugly head. This leapfrog augurs bad news.

The fatal flaw is the lack of public transport modes in cities. Not only are public buses few and far between, but what cripples this system is its unreliability — ironically, the result of congestion itself. As buses get stuck in traffic, they get delayed, and people shift away from them. In cities with highly efficient metro systems, there is some relief for commuters.

DOWN TO EARTH
SUNITA NARAIN

the FSP has fulfilled its duties, the responsibility shifts to the telecom company. This framework creates an incentive for all firms to be vigilant.

The UK's initiative — Authorised Payment Payment — further financial liability is split between the sending and receiving payment providers. This helps ensure the victim is reimbursed promptly and encourages both ends of the transaction chain to be proactive. It creates a direct, financial incentive for banks to be proactive in detecting and preventing fraud through a real-time data exchange, rather than simply passing the loss to the customer. Shifting financial liability incites effective market-based solutions by harnessing the incentives and global knowledge of firms.

Ingredient 2: Coordinated state action

The second component is to address fragmentation within the Indian state. The issue of digital fraud involves the economics complex (the finance ministry and the RBI), the online ecosystem (the telecom regulator, telcos, and payment platforms), and the security complex (police, cyber cells, etc) at multiple levels with low coordination.

A well-coordinated response would include clear work allocation and cooperation. This would allow stakeholders to share information in real time, build analytics to identify threats, and launch coordinated responses. A formalised, multi-agency collaborative framework is required where roles and responsibilities are defined and aligned.

Without a clear taxonomy, the ecosystem participants across the country cannot effectively share intelligence with one another, and regulators cannot accurately measure the scale or nature of a new threat. The data on fraud categories in Bengaluru shows that a large part of the problem involves "investment fraud" and "digital arrest". It is a matter of not just a card or an OTP (one-time password). The choke points are transactions across payment accounts in sending and receiving institutions. By standardising definitions and sharing information on the *modus operandi*, we can build a collective defence that is stronger than any individual effort.

The way forward: An expert group

To attack this problem, we propose an expert group be set up to form a national strategy on digital fraud. This group would bring together skills in financial regulation, security economics, cyber defence, and public communications, and an understanding of the Indian financial and security systems. It should lay the foundations of a coordinated approach by the Indian state in fighting digital fraud. It should have the objectives: (a) defining a national strategy, including a clear taxonomy, data-sharing protocols, and necessary legal and organisational changes; (b) designing coordination mechanisms and assign clear responsibilities between the economics and security complexes; (c) providing a project plan with specific timelines and milestones for the coming two years.

The authors are, respectively, researcher at XKDR Forum; cofounder, DeepStrat, and founding CEO, Reserve Bank Information Technology Pvt Ltd

US missteps in Iran

BOOK REVIEW



MARK BOWDEN

In September 1979, Michael Metrinko, the pugnacious political officer at the US Embassy in Tehran, was back in the US for a brief vacation when he was surprised to receive a summons to a high-level meeting at the State Department.

For the previous several months — indeed, several years — Metrinko had been in the Iran mission's black sheep, wholly out of step with the official flow of upbeat information from the country. That flow had been doing a wrong. The US diplomats and intelligence officers

charged with managing relations with Iran had not just missed the first signs of the Islamic Revolution; they had suppressed reports that it was coming.

By September, the supposedly invincible shah had abdicated. Mobs ruled the streets. Ayatollah Ruhollah Khomeini had returned triumphantly from exile in France and installed himself in Qom. Yet the experts at the American Embassy were still playing a hopeful tune.

Metrinko knew better. One of very few fluent Farsi speakers at the Tehran mission, he was better attuned to the depth of Iranian anger toward America. His pointed dispatches had earned him a dressing-down by the clueless ambassador, William Sullivan. Nevertheless, someone at the State Department had decided to give Metrinko his moment.

He arrived at the meeting early, with notes, only to be asked to leave before it began because he lacked the

appropriate security clearance. He protested that he had been specifically invited — to no avail.

A little more than a month later, Metrinko became one of 52 American diplomats, embassy staffers, and military personnel, and a handful of civilians, held hostage for 444 days in Iran by a radical Muslim student group. The story of Metrinko's aborted meeting, recounted in Scott Anderson's *King of Kings*, his masterly new account of the Iranian revolution, illustrates the stubborn American blindness that hastened the shah's demise and helped the mullahs prevail.

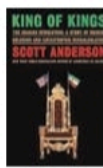
For most Americans, the hostage crisis was the revolution's defining event. An unprecedented and prolonged public exercise in humiliation, it riveted the nation for more than a year, dashed Jimmy Carter's bid for a second presidential term and ushered in the Reagan era. But in Iran, as Anderson shows, it was the final act in a much larger and more consequential drama.

The fall of Mohammed Reza Pahlavi, the slight, pompous, pathetically dithering Shah of Shahs, or King of

Kings, "brought an abrupt end to one of the most important economic and military alliances the United States had established anywhere in the world," Anderson writes. "The radically altered Middle Eastern chessboard created by the revolution has led directly to some of America's greatest missteps in the region over the past four decades."

Propped up by a succession of presidents, the shah was an American creation first and last. His story is another sad chapter in the long history of self-defeating, misguided US meddling in the internal affairs of less powerful nations — Cuba, Nicaragua, and Vietnam already by 1978.

In the case of Iran, US involvement meant toppling a constitutional monarchy (albeit an imperfect one) and supporting an increasingly capricious autocrat. Cold War priorities provided the initial impetus — containing the



KING OF KINGS: The Iranian Revolution: A Story of Hubris, Delusion and Catastrophic Miscalculation by Scott Anderson
Published by Doubleday
481 pages \$35

exiled Khomeini. His sermons vowed hand-to-hand under Savak's nose on cassette tapes, diligently collected by the CIA, most never listened to or transcribed. By early 1979, the storm incited by those sermons blew away the Peacock Throne, American influence

But here, the question of convenience and affordability arises, as people count not just the cost of the metro ticket but also the fares for rickshaws, taxis or other last-mile options they take to get to the station and eventual destination. This is also because our roads are not designed for pedestrians and so, the walk to the station is just not safe or possible.

Amid all this, what is growing exponentially and adding to the mayhem on our roads is the informal para-transit systems — from conventional auto-rickshaws to the infamous battery rickshaws and minibuses. This mode is crucial, since it provides last-mile connectivity and serves as a preferred and affordable travel option for millions in cities. However, because it is largely unplanned and unregulated, it adds to congestion. But the fact is we cannot fix transport in our cities unless we recognise these informal systems and integrate them into our planning and regulatory frameworks.

What, then, is the way out of this jam? We know what needs to be done — it is a no-brainer. More mass transport systems, from buses to metros to trams, that can move people efficiently. More walkable sidewalks so that last-mile connections can be made safely. More integrated para-transit systems so that there is regulation on the movement of these vehicles. Stricter penalties for violating traffic rules, especially for illegal and unmanaged parking, which happens just about anywhere. We know all this. But we are still not getting our act together; instead, we just keep hoping that the next road widening will make the nightmare go away. Let's wake up. Let's smelt the traffic.

The author is at the Centre for Science and Environment, sunita@csindia.org, X: @sunitanar

and hope for popular rule.

This is an exceptional book. Serious and enterprising reporting rarely combine with such superb storytelling. Anderson leaves his sweeping and complex chronicle with rich character portraits: Of the Shah and his discerning wife, Farah (whom Anderson interviewed); the harsh, cruel Khomeini; the bullheaded, ignorant Jack Molloy, the deputy US chief of mission and the shah's biggest "cheerleader".

Yet the figure who stands out most is Metrinko, who took the trouble to learn Farsi, which enabled him to hear what Iranians said, and he paid attention to what he saw. Asked why he had faked Molloy, he said to his colleagues mistook, he told Anderson, "Because the guys in the political section of the embassy who were supposed to keep watch for this kind of stuff were lazy at their jobs. It is that overly harsh? I think it is deserved."

The reviewer is the author of *Guests of the Ayatollah*, among many other books. ©2025 The New York Times News Service



The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

Stand up to Trump

Resisting the US might cause short-term pain, but not doing so will hurt India's national interests



SHYAM SARAN

DONALD TRUMP WAS supposed to be good for India in his second presidency, and many rooted for him during the US presidential elections. He has turned out to be a nightmare. Trump has not only unleashed a trade war, but is also deploying commercial instruments for geopolitical ends. He has bluntly declared that trade will now be used to compel countries to bend to the US will. Resistance will invite penalties. Trump is not only targeting India on its trade surplus and alleged high tariffs but threatening penalties on our pursuing relations with Russia, with Iran and our membership of the BRICS plus. We cannot treat his actions as only driven by trade. These actions threaten India's core interests, its ability to follow a policy of strategic autonomy, which every government, irrespective of its political colour, has remained wedded to since Independence. We have enjoyed international credibility and respect precisely for our adherence to this policy and our willingness to go it alone, if necessary, to uphold our national interest. We should not treat the current disruption in India-US relations as just a trade dispute. It is much more than that. What he has inflicted on India is of a piece with his 50 per cent tariff on Brazil for the indictment of its former President Jair Bolsonaro through a legal process.

It would be interesting to see whether he will slap similar tariffs and penalties on China for continuing to buy Russian oil or for supporting Palestine. Or for continuing to trade with Iran, including its large purchases of Iranian oil. If he does that, in the case of China, it would be apparent that Trump's reluctance to confront China is more because Beijing refuses to be bullied. China's exposure to the US market is much greater than India's. India-US trade volume in goods and services in 2024-25 was \$186 billion, and this represents just over 10 per cent of our total external trade volume. US-China trade in goods was worth \$382.4 billion in 2024, according to the US Trade Representative's office, with US exports at \$143.5 billion and imports from China at \$438.9 billion. If the size of the trade surplus a country has with the US and access to the

Chinese market are factors, then China should be Trump's number one target. But he has backed down in the face of Chinese restrictions on rare metals and magnets, which are critical to the US high-tech and defence sectors. While China knows it will be seriously hit by high US tariffs and sanctions, it is willing to suffer the pain because, being a bully itself, it is aware of the downside to submitting to bullying by others.

What are the options open to India? The first order of business is to recognise that under Trump, India-US relations are becoming progressively adversarial. Submitting to his exaggerated demands, which are now political as well as economic, would severely undermine India's national interests. We cannot give any country a veto over which countries India should or should not partner with. While we should continue to remain engaged in trade negotiations and aim for a deal which brings mutual and not one-sided benefits, we should firmly reject dictates on how India should run its foreign policy.

Two, the very strong Indo-US cooperation that has been built up in the past two decades in intelligence cooperation, defence hardware supply and co-production and high technology cooperation, is still largely untouched. These are most valuable to India and should not be negatively impacted by any action on the Indian side.

Three, there may be analysts of the Realist School who advise submission to Trump's bullying tactics so as to assuage his ego and win peace. This would be damaging in the long run. Bullies treat each act of submission as a cause for demanding even greater obeisance the next time around. Do we want to be caught up in this attrition process? Resisting now and suffering some pain will avoid much greater pain in the future.

Four, we seem to underestimate our staying power. As a much weaker country, economically and militarily, India was ready to stand alone when its vital interests were threatened. In 1968, it refused to sign the

Nuclear Non-Proliferation Treaty (NPT) despite immense pressure from the then superpowers, the US and the Soviet Union. We refused to adhere to a blatantly discriminatory Comprehensive Nuclear Test Ban treaty in 1995 despite being a lone holdout. In climate change negotiations, we held our ground that the Rio Convention provisions must be upheld until we ourselves resiled from our principled position and accepted the Paris Climate agreement in 2015, which we now see observed more in the breach by its then apostolic champions. This experience should alert us to the danger of acquiescing to unfair and discriminatory bargains.

India has always been regarded with respect for its courage to stand up for its convictions. Most developing countries still take their cue from India. We carry credibility with them. This provides India with a significant diplomatic ballast. We should recognise and value this asset, which is undermined if we keep talking about being at the high table and consorting with top global leaders. India should never sacrifice its material interests for the symbolic status of being at the high table.

There will certainly be pain in resisting Trump, but we should be prepared to endure it. The people of India have in the past and will in the future be ready to accept sacrifice in the national interest and support a leader who makes that appeal. It is estimated that India's GDP growth will suffer a reduction of 2 percentage points from Trump's tariff tantrum. This is a small price to pay for upholding India's larger interests.

India is to host the Quad summit later this year with a Trump visit. If the US backs out from the meeting, that will imply that Indian assumptions about the Quad being an anchor of Washington's Indo-Pacific strategy may also have to be revised. One is aware that other Quad partners are seriously considering such a possibility.

The writer is a former foreign secretary

MALEGAON QUESTIONS

Acquittals turn focus, again, to procedural lapses in investigation of terror cases. NIA must appeal verdict

JUST 10 DAYS after the Bombay High Court acquitted 12 accused in the 2006 Mumbai train blasts case, highlighting critical procedural lapses in the investigation, a trial court in Mumbai has acquitted all seven accused in the 2008 Malegaon bomb blast case. The outcome in both sensitive and high-profile cases raises serious and urgent questions about the perils of the due process of justice being relegated by the surround sound of a polarising politics — in the Malegaon case, the spotlight had turned to allegations and counter-allegations on "Hindu terror", kicking off a dismal war of labels, and a flurry of often contrived comparisons and equivalences. The verdict in the case, as in the Mumbai blasts case before it, has put in the dock the conduct of investigating agencies and prosecution, and the systemic delays that often render justice, when it comes, too little too late. The trial in the Malegaon case began in December 2018, a decade after a bomb went off outside a mosque, killing six and injuring nearly a hundred others. The Court was clear on the intent of the attack, on the last day of Ramadan and before Navratri was to begin: "It was apparent that conspirators caused bomb blast with an intent to terrorise the people, to cause loss to life and property, disruption of supplies and services essential to the community, to create communal rift and to endanger internal security of the State." It is troubling that the investigation and prosecution of a case as consequential as this one was found to be riddled with glaring lapses and omissions, inconsistencies and contradictions. Special NIA Judge AK Lahoti found it necessary to mention that "the evidence on record creates the grave suspicion against the accused but mere on suspicion there cannot be a conviction."

The probe into the Malegaon case was begun by the Maharashtra Anti-Terrorism Squad (ATS), Hemant Karkare, the ATS chief at that time, heading the investigation, was killed in the Mumbai terror attack on November 26, 2008, only days after the first arrest in the case. The ATS had filed a chargesheet after collecting evidence, including phone taps, witness statements, and video recordings of the meetings where the conspiracy was allegedly hatched from the laptop of one of the accused. All these were deemed inadmissible in court since the agency had failed to follow the statutory requirement to prove the authenticity and reliability of electronic evidence. While transcripts were prepared from intercepted conversations, interceptions were not authorised in the specific period, and permissions were obtained belatedly, rendering the intercepted data unusable as evidence. In 2011, the National Investigation Agency (NIA) took over the case and criticised the ATS probe, even as it continued moving it in the same direction. In 2016, it dropped MCOCA charges arguing that the ATS had not followed proper procedure in invoking the stringent anti-terror law. There were other loopholes and omissions too — for instance, 13 statements of witnesses went missing from the court records.

The investigation in the Malegaon case was mired in political controversy over the (religious) colour and shade of terror right from the beginning. Investigators in cases such as this one do come under an enormous amount of pressure. But that is a challenge to be professionally navigated, it cannot lead to slipshod investigations and inordinate delays. Given that the court has underlined the several omissions of the state and said explicitly that there is "grave suspicion," the NIA must appeal the verdict, and make a better case.

EPSTEIN'S GHOST

With his MAGA base demanding accountability, Donald Trump is finding out why no supporter should be taken for granted

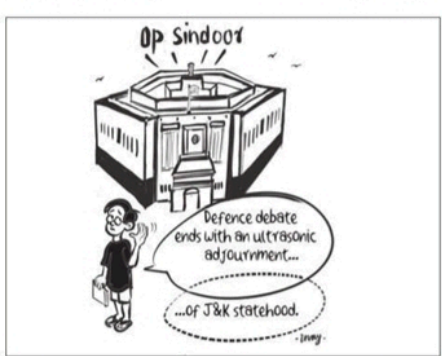
THE SORDID SAGA of Jeffrey Epstein is filled with enough ambiguity and gaps to fuel many conspiracy theories. In the run-up to the 2024 US presidential elections, the release of the "Epstein Files" became a tentpole issue for Donald Trump; the late financier's seeming impunity and connections with the high and mighty was the perfect metaphor for the "deep state" to help rally the MAGA base. Now, in office, Trump seems unable to shake Epstein's ghost. The reality show star turned politician who takes pride in pending the conventions, rules and even the deencies of politics and policy seems to finally be facing a truth that all people in public life must confront: Even the most ardent supporter, the "base" cannot be taken for granted.

Epstein, who allegedly committed suicide in 2019 in prison under suspicious circumstances, was convicted of trafficking and endangering women. The source of his vast fortune is a mystery and for decades, he seemed immune — he was given sweetheart deals by prosecutors and rubbed shoulders with the likes of Donald Trump, the Clintons and Bill Gates. Epstein's seeming impunity raised fundamental questions about the American justice system, which should be answered. Trump promised to release the "Epstein Files", which he and his supporters, including V.P. Vance, claimed contained client lists that include many of the powerful, rich and famous. The administration's claim that there are no such documents, that the Epstein episode should be closed, has not cut ice. Increasingly, Trump's supporters are questioning his links with Epstein. Several attempts at distracting from the issue, including the President sharing AI-generated videos of Barack Obama being arrested by the FBI, have not led to the matter dying down over the last several weeks.

A major part of Trump's appeal has been his ability to present himself as an outsider to the deeply entrenched Washington elite. He has cynically flirted with conspiracy theories and painted political opponents as corrupt and with mala fide intentions — think "crooked Hillary" and the refusal to accept the 2020 election verdict. This kind of politics has legs in a climate where people feel disempowered by forces larger than themselves. The Epstein case is, at its core, about children being harmed — a fear that is almost primordial. Unfortunately, rather than bringing closure and justice to his many victims, the issue was used as a political weapon. As it turns out, this particular conspiracy theory is a knife that cuts both ways. Many in the MAGA camp are asking for transparency and accountability. By dismissing their concerns, Trump, the billionaire, is signalling — perhaps unwittingly — that he is one of the elites he once rallied them against.

FREEZE FRAME

E P UNNY



GURU PRAKASH

THE RECENT VERDICT in the Malegaon blast case has not just acquitted individuals like Lieutenant Colonel Prasad Purohit and Sadhvi Pragya — it has exposed something far more sinister: The Congress party's consistent and deep-rooted prejudice against the Hindu community. As someone who believes in justice, constitutional morality, and the inclusive spirit of India, I find it essential to call out this ideological poison for what it is.

The judgment in the 2008 Malegaon blast case is damning, not for the accused but for the political ecosystem that manipulated agencies, planted narratives, and criminalised identities. The court noted how the prosecution failed to provide evidence beyond reasonable doubt, how witnesses turned hostile, and how the fabric of the case was stitched together with political intent.

As someone who has followed the case closely, including the detailed biography of Lt Col Purohit by journalist Samita Mishra, I was appalled. Here was a decorated Army officer who had been entrusted with infiltrating terror networks, but who ended up being framed as a terrorist himself. His nine years behind bars were not just a personal tragedy — they were the outcome of a Congress-led UPA regime that needed to invent "Hindu terror" to balance Islamist terror in the public discourse.

This perverse narrative was systematically constructed by three key Congress leaders. In August 2010, then-Union Home Minister P. Chidambaram publicly warned of a new phenomenon of "safrican terrorism", alleging that radical Hindu outfits were active in bomb blasts. His colleague

AN INJUSTICE, A PATTERN

Acquittals in Malegaon blast case expose a deep-rooted bias in Congress

Digvijay Singh then popularised the term within the Congress ranks, describing "terrorism among Hindus" while paradoxically objecting to religious descriptors for terrorism. The campaign reached its peak when then-Home Minister Sushil Kumar Shinde defended "safrican terrorism" at a party convener in January 2013, claiming his ministry's confidential papers substantiated the allegations. Years later, Shinde would admit that coining the term was a mistake — but by then, irreparable damage had been done to innocent lives and India's social fabric.

This perverse narrative found its way into diplomatic cables too. In the Wikileaks cable from 2009, Rahul Gandhi reportedly told then-US Ambassador Timothy Roemer that Hindu radicalism was a bigger threat to India than Lashkar-e-Taiba. This was not a stray remark. It was a window into the Congress's ideological framework, where the Hindu is always the problem and the minority vote bank must always be coddled, even at the cost of truth.

Go back to 1951. When the Somnath temple was reconstructed after centuries of devastation, India's first President Rajendra Prasad, agreed to attend the inauguration. But Jawaharlal Nehru disapproved, fearing it would look like "Hindu revivalism". Fast forward to 1985. The Supreme Court delivers a progressive judgment in favour of Shah Bano, a Muslim woman seeking alimony. But Rajiv Gandhi caved under pressure from conservative clerics and overturned the ruling through legislation. In 1988, the Congress government banned Salman Rushdie's *The Satanic Verses* — even before

protests erupted in India. It wasn't about public order; it was about pre-emptively appeasing a vote bank.

And perhaps the most shocking of all: In 2006, then-Prime Minister Manmohan Singh declared, "We will have to devise innovative plans to ensure that minorities, particularly the Muslim minority, are empowered to share equitably in the fruits of development. They must have the first claim on resources." I am a Dalit, and I cannot stay silent at the suggestion that national development should be filtered by religion. What about the poor Hindu, the Dalit student, the tribal child? Does their struggle not count?

Today, when Rahul Gandhi speaks of "social justice" and champions Dalit rights, one must ask: How does denying representation to marginalised communities in prestigious institutions like AMU and Jamia serve social justice? This is the height of hypocrisy — using Dalit symbolism for votes while systematically undermining Dalit interests in policy.

This isn't just about Congress. It's about the future of India's democracy. A nation cannot move forward if it continues to be shackled by ideological hatred and historical bias. Hindu identity is not extremist. It is civilisational. And those who equate it with terror not only insult India's history — they endanger its future.

The Congress party owes an apology. To the falsely accused. To the institutions it compromised. And to the silent Hindu majority who have endured humiliation in the name of "secularism".

The writer is national spokesperson of the BJP

AUGUST 4, 1985, FORTY YEARS AGO

GANDHI ON TERROR

PRIME MINISTER RAJIV Gandhi called upon the police force to evolve new methods and techniques to combat terrorism, "which obtains in most parts of the country in one form or the other". Gandhi observed that traditional police methods would not work to face the new challenge posed by terrorism. Right now, "even at the drop of the hat, we are calling the para-military forces and the Army. We must stop this", Gandhi pointed out.

FAROOQ'S OFFER

FORMER CHIEF MINISTER Farooq Abdullah has declared that he would cooperate with

Prime Minister Rajiv Gandhi for ending the prevailing uncertainty in the state. He said he was for a new era of stability, peace and progress in Jammu and Kashmir, where people have been suffering because of the "failures" of the Shah government. He was pleased that PM Gandhi had himself started taking a "serious" view of the Kashmir situation and taken certain steps to find a solution.

BOEING 747 INSPECTION

A SAMPLE CHECK carried out on one of India's earliest Boeing 747 at its engineering base in Bombay has revealed "no evidence of corrosion". A highly placed AI source said

that a communication had been received from the Director of Air Safety, to conduct a sample check for corrosion. The Boeing aircraft, being inspected at the engineering base was acquired in 1971 and it had an impressive flying record.

MAGSAYSAY FOR AMTE

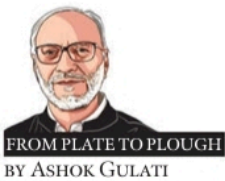
MURLIDHAR DEVIDAS AMTE, an Indian lawyer who has made the lives of thousands of lepers and other social outcasts productive and respectable, has been selected for the 1985 Ramon Magsaysay Award for public service, the award foundation announced. Amte, 71, is the second person to be awarded Asia's version of the prestigious Nobel Prize this year.



THE IDEAS PAGE

Needed: More bargaining chips

To get the most out of ongoing trade talks with US, India needs to diversify exports to other countries and carry out overdue reforms in agriculture



FROM PLATE TO PLOUGH
BY ASHOK GULATI

US PRESIDENT DONALD Trump has delivered a strong blow to India by imposing a 25 per cent tariff, plus some unspecified penalty, on exports of most Indian goods. Several experts suggest that this may hit overall GDP growth by 20 to 30 basis points. In other words, the overall GDP growth in the financial year 2025-26 (FY26) may not reach 6.5 per cent as expected by the RBI, but may end up somewhere around 6.2 to 6.3 per cent. This is a significant loss, but not something that India cannot endure.

More damaging are the social media posts of President Trump, where he says, "I don't care what India does with Russia. They can take their dead economies down together, for all I care". Is India a dead economy? Really? India's economy is growing at more than 6 per cent, against the US economy growing at less than 2 per cent. India is still the fastest-growing large economy in the G20 group. Yes, the size of the Indian economy (about \$4.19 trillion) is way below that of the US, which touches \$30 trillion. But in Purchasing Power Parity (PPP) terms, we are at more than \$16 trillion and already the third largest economy.

A few things are clear from what has happened on the tariff front. First, the Trump-Modi bonhomie seems to be over. Investing in personal relations does not mean much to President Trump. He is transactional and focused on extracting as much from other countries as possible in the pursuit of his dream of Making America Great Again (MAGA). Second, he is very upset with Russian President Vladimir Putin for not heeding Trump's sermons on ending the Ukraine-Russia war — in his campaign, the US President had announced that he would end the war in 24 hours after taking office. Now he wants to punish those who are trading with Russia, especially for energy and defence needs. India is a soft target. Third, looking at what he has done to other countries to make trade deals, including allies like the EU, Canada, and Japan, it is clear that most of the US's allies are disillusioned. Fourth, by announcing tariffs for each country separately for the same products, he has literally buried the multilateral rules of the World Trade Organisation (WTO), especially the Most Favoured Nations clause. And finally, he does not like BRICS (Brazil, Russia, India, China, and South Africa), as he sees it as a threat to the dominance of the US dollar in global trade. So, all BRICS countries are on his target list.

How does one navigate the challenge of Trump's high tariffs? There are many options for India. Should Delhi retaliate by imposing high tariffs on US goods? But Indian tariff levels are already quite high, especially in agriculture (about 64.3 per cent trade weighted average). President Trump keeps referring to India as the "tariff king". So, such retaliation will not pay much. Prime Minister Modi has



C R Sasikumar

to look for better ways and convert this adversity into an opportunity. For that, we need to diversify our exports to other countries.

India's total exports of goods in calendar year 2024 were \$442 billion, of which \$80.7 billion, roughly 18 per cent went to the US. The high tariffs will surely impact such goods. The magnitude of the hit they will take actually depends upon tariff rates imposed on competing countries for each commodity.

If PM Modi goes on a drive to diversify exports to other countries, the impact of US tariffs can be minimised. Another thing to keep in mind is that our services exports to the world were \$336 billion in the calendar year 2024, of which only 14 per cent (\$47.5 billion) went to US. So far, Trump has not targeted services. But among goods, our top exports have been gems and jewellery (about \$8 billion), pharmaceuticals (almost \$7.7 billion), smartphones (\$7.1 billion), and so on. Even frozen shrimps and prawns (marine products) account for \$2.2 billion, and come in the top 10 goods exports to the US. Workers in Gujarat cutting diamonds and shrimp farmers in Andhra Pradesh and Odisha are likely to face the heat of this elevated tariff structure very soon. The government may think about how best to tide over this challenge.

What is it that India can offer to the US in the ongoing negotiations on the bilateral trade agreement? Both countries had envisioned taking the bilateral trade to \$500 billion by 2030, up from the current levels of about \$200 billion. That was a very optimistic vision, and India hoped that the tariffs im-

If PM Modi goes on a drive to diversify exports to other countries, the impact of US tariffs can be minimised. Another thing to keep in mind is that our services exports to the world were \$336 billion in the calendar year 2024, of which only 14 per cent (\$47.5 billion) went to the US. So far, Trump has not targeted services. But among goods, our top exports have been gems and jewellery (about \$8 billion), pharmaceuticals (almost \$7.7 billion), smartphones (\$7.1 billion), and so on. Even frozen shrimps and prawns (marine products) account for \$2.2 billion.

posed would hover between 10 to 15 per cent, similar to that levied on countries and blocs like the UK, EU, Japan, and South Korea. But that expectation has been belied, and now it seems that there is little chance to negotiate and bring these tariffs down from 25 per cent to somewhere in between 15 to 20 per cent.

This scenario seems probable only if India offers something substantial. It could be crude oil purchases from the US, or defence items, or high-tech chips. Also, India can offer to lower duties on a wide variety of imports, from whiskey to luxury cars to even some agri-products such as walnuts and cranberries and put in place import quotas on other sensitive agri-products. The US's interest in agriculture is more in soy and corn, both GM crops. Prime Minister Atal Bihari Vajpayee had allowed GM cotton, traces of which are already in our food system. PM Modi has to take a stand, based on science, whether to allow GM food crops like rapeseed-mustard or BT brinjal, which are home-grown or to let in GM soy and corn through imports under tariff rate quotas.

Reforming our own agriculture should remain a priority. Agri-R&D is the way forward, especially in the face of the high tariff duties. But the calibration to reduce duties on agri-products has to be done gradually and carefully. This is an overdue agenda, irrespective of Trump's tariff pressures today. Hope India can do it.

The writer is Distinguished Professor at ICRIER. Views are personal

WHAT THE OTHERS SAY

"With the UN climate summit nearing, all eyes are on China — the key player in the global renewables boom and the fight to stay within climate limits."

— THE GUARDIAN

For energy security, a redesign

To get rid of regulatory miasma, government can undertake a root and branch reconfiguration of the current system, simplify processes



OVER THE BARREL
BY VIKRAM S MEHTA

ENERGY SECURITY HAS typically been discussed within the frame of access, reliability and affordability of fossil fuels. Today, however, against the backdrop of global warming and India's commitment to reach net zero carbon emissions by 2070, this results in too narrow a perspective. India is on an atwo track energy trajectory. One track relates to the demand for fossil fuels (coal, oil and gas) and the other to renewables (solar, wind, bio etc). The national objective is to decrease the share of the former and increase that of the latter in the energy consumption basket. To achieve this goal, India must focus on not just conservation of the usage of fossils, but also the simplification and coherence of the energy regulatory system.

India has done well to safeguard its energy security in the traditional sense. It has opened up multiple sources of crude oil and has resisted western government pressure to sanction Russia. As a result, notwithstanding the crisis over Gaza, the Ukraine war and President Trump's economic and personal predilections, it has created a resilient supply chain. Also, by steadily increasing the share of Russian crude in its import basket from 21 per cent by value in 2021-22 to 35.1 per cent in 2024-25, it has reduced the weighted average cost of the basket of imported crude by at least \$2/barrel. Further, demand management and efficiency has reduced the intensity of fossil fuel demand per unit of GDP.

However, when looked at through the broader prism that captures the trajectory of renewables, the situation does not look as robust. This is not because growth in the capacity of renewable energy has been slow. In fact, on the contrary, it has been impressive, albeit from a low base. Five years back renewables accounted for 19 per cent of electricity generating capacity. Today it accounts for 49 per cent (234 GW).

What is worrying is the slowdown in the pace of this growth and the imbalance between the generation of capacity and the development of supporting transmission and distribution infrastructure. There are several reasons for this slowdown, but one major factor is the regulatory miasma surrounding the sector.

I recently read an article by Swaminathan Aiyar. He wrote about the findings of a study by Team Leas Regtech titled "unlocking renewable energy potential by reducing compliance burden". I have not read this study and so I repeat here only the data produced by Aiyar. He writes that the Team Leas researchers identified 2,735 compliance obligations for the renewable industry across 35 state and central governments and 30 different government departments; that 40 per cent of these compliances related to labour and of the balance predominantly to land acquisition, environment and safety. He adds that 60 per cent of these obligations require the applicant to fill in the forms man-

ually and visit the offices of the regulator. Finally and more specifically, he writes a "solar plant of just 1 megawatt (MW) capacity may need over 100 licences, registrations, and approvals before it can begin operations... and that compliance is not a one-time process... but include annual, quarterly and monthly filings, physical inspections, renewals, and certifications".

Every business person has had to deal with bureaucracy. But I suspect even the most hardened will catch their breath reading these statistics. I recollect three decades back when Shell built the first Shell branded fuel retail outlet in Mumbai on an already existing BPCL outlet, it took 12 months to secure all approvals before construction could commence. It needed to secure only 58 approvals. I remember wondering why anyone would expend this level of effort to create a downstream footprint and only recommended continuation because of the hope and expectation that the government would simplify the process. So on reading Swami's article, I could not help but reflect on how India would achieve its target of creating 500 GW of "usable" renewable electricity by 2035 if this were the regulatory maze that investors had to navigate?

The word "usable" is the key. For it is one thing to create generation capacity. Quite another to develop the interstate transmission network, establish bulk storage systems; build the distribution network and set the tariffs and standards for this capacity to be consumed. And as the experience of Spain earlier this year brought into sharp relief, it is even more complicated to ensure that connectivity between these different segments of the value chain is seamless, balanced and technically solid. Last April much of Spain blacked out because of an interconnectivity fault in the cross border EU renewables transmission grid.

The supply of hydrocarbons depends crucially on geology. Governments have no control over a country's natural resource endowments. On the other hand, the supply of renewables faces no structural block. Sunlight and wind are "freely" available; the technology for generating wind and solar energy is well established; the economics are competitive; and there is investor interest.

The rub is the multiplicity of regulatory agencies and regulators that bear on this sector. Plus the fact that there is no one executive authority with nodal responsibility or accountability for its operations.

The positive is that the government faces no structural block like geology to overcome this rub. It can, if it so wishes, undertake a root and branch reconfiguration and redesign of the current regulatory system. It can simplify the regulatory process by removing or converging the current multiple layers of oversight. It can standardise operating rules; ease the process of land acquisition; digitise the approval process; align technical standards and safety conditions; render transparent the setting of network charges and supply contracts; and expedite dispute resolution.

The government does, of course, face the block of legacy vested interests. It is a powerful block but it cannot withstand determined political will. Such will is required for the prize of weakening the current unhealthy balance between economic growth, energy demand and environmental protection — for "Energy Atmanirbharata".

The writer is former chairman of Shell Group in India. Views are personal



BRINDA KARAT

THE ARREST of two nuns, Sisters Preeti Mary and Vandana Francis, and Sukhman Mandavi, an Adivasi youth belonging to the Christian community in Chhattisgarh, has been widely reported in the media. I was part of a delegation of Members of Parliament and political leaders who met them in Durg central jail. The cases against them are of forcible conversion and human trafficking. They were released after being granted bail by an NIA court on Saturday.

On July 25, three adult Adivasi women accompanied by Mandavi, their family friend, reached Durg station from their village in Orcha, Nayanpur. This was the first time they were travelling outside their district, and were understandably nervous. They were on their way to an Agra hospital to get trained as kitchen help to be employed in institutions run by the nuns. They were waiting at the railway station for two nuns who were to escort them to Agra. They had heard of the jobs through Mandavi's sister Sukhmati, who had worked at the Agra hospital for several years. Mandavi had not bought a platform ticket and was questioned by a passing inspector. This attracted attention and soon a crowd gathered, led by the local Bajrang Dal, who insisted that the group of Adivasis and the nuns, who had arrived by train, should be taken into police custody on charges of trafficking. The Adivasi women showed their Aadhaar cards, which proved that they were not minors. Their parents spoke to the police on the phone, as-

In Chhattisgarh, a travesty

Harassment of tribal youth, nuns raises urgent questions about minority rights

sure them that their daughters were travelling with their consent. They offered to make the journey from their village several hours away to make written statements to this effect. Thus, no charge of human trafficking was made out. They also stated clearly that they and their daughters had been Christians for several years. There was, therefore, no question of forcible conversion. These are the facts.

But it is not facts that mattered. The police control room at the railway station became an arena for open hoodlums. There is video evidence of Bajrang Dal members, led by a woman, humiliating, intimidating and shouting at the nuns in filthy, sexist, abusive language. The video shows them beating Mandavi, threatening him to make him "confess" to being part of the nuns' "conspiracy". The young women were taken one by one into an adjoining room and beaten and bullied into changing their statements and agreeing that they were being forcibly taken away. The police stood by while the Constitution, rule of law and the norms of human rights were shredded. Without any independent inquiry, on grounds of "suspicion" on a complaint filed by a Bajrang Dal leader, the nuns were booked and arrested along with Mandavi. The terrorised Adivasi women were taken to a government home where they were isolated, and when their anxious parents arrived, they were not permitted to meet them. There has been tremendous pressure on the women and the parents to give statements against the nuns

and the Church. The women were released after a week of what is termed "counselling" by the government. Statements given under custodial pressure have little legal value.

There are several issues that arise, apart from the utter lawlessness and targeting of Christians by Hindu nationalist outfits backed by the BJP government. This is an attack on the constitutional right of a citizen to travel and work anywhere in the country. Does a young Adivasi woman who belongs to the Christian community have to get a passport stamped by a Sangh Parishad outfit to travel to another state? Why should adult Adivasi Christian women have to show evidence as to why and with whom they are travelling? This case establishes a terrible precedent that directly impacts the lives and livelihoods of young Adivasi women travelling out of their villages for work. A second issue is the nature of the attack on the nuns and the Adivasi women. Can anyone, man or woman, use language that amounts to verbal sexual assault against those in custody and not be prosecuted? This was also a sexist attack that concerns the rights of all women. Then again, the only time the late Sister Preeti Mary broke down was when she narrated that she was accused by the hoodlums of being a "foreigner" and called a "deemak" (termite) working against national interest. "After all my years of work for the poor, for the leprosy-afflicted, in the most remote areas without any facilities, am I to be termed an anti-national termite? My religion

inspires me to work for the poor — am I to be punished for that?"

We have heard words like "termites" used by the Home Minister to urge Bengali-speaking Muslims routinely, as being "illegal immigrants". Here, we have Christian nuns being called termites. The words we heard joined the dots between that cell in Durg jail and the bastis of Delhi and elsewhere, where Indian citizens are being harassed and tortured in the name of detecting of illegal immigrants: Anyone and everyone who does not fit into the framework of Hindutva can be termed a "foreigner" and their rights curtailed. The deletion of lakhs of voters in Bihar — mainly the poor, Dalits and marginalised communities — in the Special Intensive Revision to "purify" the electoral lists is also being done in the name of detection of foreigners. The number of foreigners detected is negligible, but the EC's demand for documents, impossible to procure, has basically robbed the poor of the fundamental right of every Indian to vote in an election.

Join the dots of what is happening across India. The horrific aggression and arrest of the nuns and Adivasi Christians is not an isolated incident. To paraphrase what Pastor Martin Niemöller had said, "If we stay silent today, there will be no one to protest when they come for us tomorrow."

The writer is a member of the CPI(M) Politburo

LETTERS TO THE EDITOR

TRUMP'S HUBRIS

THIS REFERS TO the editorial "The crude fact" (IE, August 2). Insulting and controversial remarks from US President Donald Trump against India have become frequent. He claims that the India-Pakistan ceasefire happened due to trade, calls India a "dead economy", imposes 25 per cent tariffs, and now suggests that India has stopped buying oil from Russia. These statements challenge India's sovereignty. Worse, our government has not given any strong response.

Races Haneef, Haryana

President (IE, August 2). The upcoming appointment of India's next Vice President offers an opportunity to combine experience, industry, and national interest. Vasundhara Raje's name reflects the BJP's push for gender and regional balance, given her powerful stature and her role in the government. Her selection would mark a significant step for women in leadership, the role demands more than symbolism. Candidates like Shashi Tharoor or former CJI DY Chandrachud bring intellectual depth and cross-party credibility.

Mohammad Asad, Mumbai

THIS REFERS TO the editorial "The crude fact" (IE, August 2). For decades after World War II, the US led the world by its sheer military might. By the 1970s, the dollar extended Washington's reach far beyond its borders. Now, in 2025, both instruments of power, military and monetary, find their embodiment in a Caesar who wields them in sheer hubris. History offers caution: Rome's decline did not begin at the nation's loss of power, but the intoxication at the age of strength.

R Narayanan, Mumbai

NEXT VP

THIS REFERS TO the article, "Dear Vice

AN INJUSTICE
THIS REFERS TO the report, "Conversion, trafficking case: Kerala nuns walk out of Chhattisgarh jail after bail by NIA court" (August 3). The arrest of the nuns reeks more of communal vigilantism than credible law enforcement. When the kin of the tribal girls deny coercion, the justification collapses. Anti-conversion laws, enacted to prevent forced conversions, are being misused to criminalise legitimate acts of charity, employment or faith. The state must protect rights, not undermine them under pressure from ideological groups.

SS Paul, Nadia

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What ICJ's landmark climate ruling means for Kyoto Protocol

AMITABH SINHA
NEW DELHI, AUGUST 3

WHILE DEFINING the obligations of countries in the global fight against climate change, the International Court of Justice (ICJ) last month noted that the 1997 Kyoto Protocol is still in force and legally relevant, and that countries are under a legal obligation to comply with its provisions.

The ICJ's landmark ruling is the first authoritative assertion on the legal status of the Kyoto Protocol in the post-Paris Agreement period. The common understanding thus far had been that the Kyoto Protocol was replaced and superseded by the 2015 Paris Agreement, meaning it became non-operational once the Paris Agreement came into effect in 2016, or at the most when the Kyoto Protocol's second commitment period ended in 2020.

But the Kyoto Protocol was never formally terminated or abrogated. The ICJ's clarification goes against the recent understanding about the landmark climate treaty, and effectively cements its status in international law.

What was the Kyoto Protocol?

The Kyoto Protocol, which was finalised in 1997 and came into effect in 2005, was the first legal instrument under the UN Framework Convention on Climate Change (UNFCCC). The agreement sought to operationalise the provisions of the UNFCCC through specific climate actions from countries.

It assigned specific targets to rich and developed countries to reduce their emissions in particular time frames, called commitment periods. Developing countries did not have any such targets, and were encouraged to take "nationally appropriate" actions to help the fight against climate change.

This was in keeping with the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC), one of the foundational tenets of international climate law. This principle, in effect, says that while the whole world has a responsibility to take actions against climate change, the bulk of the responsibility lies with rich and

developed countries who have accounted for the overwhelming majority of the climate change-causing greenhouse gas (GHG) emissions in the last 150 years.

The Kyoto Protocol's first commitment period ran from 2008 to 2012, and the second from 2012 to 2020.

Developed countries, a group of about 40 mentioned by name in Annex-I of the UNFCCC, had to reduce their GHG emissions by assigned amounts during these periods from baseline values in 1990. These countries also had to provide finance and technology to developing countries to help them tackle climate change, in accordance with the provisions of the UNFCCC.

Why has the Kyoto Protocol's validity been questioned in recent years?

The United States, the world's largest emitter historically, never ratified the Kyoto Protocol, thus escaping any obligation to reduce its emissions. Several other countries,

such as Canada and Japan, either walked out of the Kyoto Protocol at a later stage, or refused to accept binding targets for the second commitment period.

Developed countries argued that climate objectives could not be achieved if large emitters, such as China, did not contribute to the effort. China overtook the US as the world's largest emitter of GHGs by the mid-2000s. But since it was classified as a developing country in the UNFCCC, it did not have any obligation to reduce its emissions.

This spurred efforts to create another climate agreement that would ensure the participation of every single country. This eventually took the shape of the Paris Agreement. Unlike the Kyoto Protocol, this agreement did not assign emission reduction targets to any country but let the countries themselves decide what climate actions they would take in what would be called nationally-determined contributions (NDCs).

The Paris Agreement did not officially su-

perse or terminate the Kyoto Protocol. But a third commitment period for the Kyoto Protocol, beyond 2020, was never defined. Its legal status thus remained murky. Since it was not terminated, it continued to exist, but the common understanding was that it did not have any relevance.

What does the ICJ ruling mean for the Kyoto Protocol?

The ICJ on July 23 ruled that the Kyoto Protocol remains in force, and countries party to it still have to fulfil their legal obligations under its provisions.

"The Court considers that the lack of agreement on a further commitment period under the Kyoto Protocol after the adoption of the Paris Agreement does not mean that the Kyoto Protocol has been terminated. The Kyoto Protocol, therefore, remains part of the applicable law," the ICJ said. The court further ruled that non-compliance with the provisions of the Kyoto Protocol would constitute an internationally wrongful act.

The ruling has clarified that compliance

with the targets of the first commitment period is still open for assessment. Note that not all countries have fulfilled their relatively modest emissions reduction targets in the first commitment period.

The ICJ ruling came after it was asked by the UN General Assembly to give its advisory opinion on the obligations of countries to protect the climate system, and the legal consequences of not fulfilling them. To give its ruling, the court examined the provisions of the three climate treaties — the 1994 UNFCCC, the Kyoto Protocol, and the Paris Agreement — and several other environment-related international laws that have a bearing on the climate system.

Although the ICJ has held that countries are under a legal obligation to take steps to reduce GHG emissions and can be held liable to pay compensation if they fail to do so, ICJ's advisory opinion is not binding on countries. However, the ruling opens up the possibility of increased climate litigation, seeking greater accountability from countries to take more effective climate actions.

EXPLAINED GLOBAL

CAN PALESTINE BECOME A FULL MEMBER OF THE UNITED NATIONS?



Israeli shellings destroyed buildings in the Gaza Strip on Friday. AP

MOMENTUM SEEMS to be building for more countries to recognise Palestinian state in Israeli-occupied territory after France said last month it would do so in September. Britain also said it would follow suit at the UN General Assembly unless Israel had taken steps to ease the Gaza crisis and bring about peace.

The Palestinian Authority, which represents the Palestinian people at the United Nations, where the delegation is officially known as the State of Palestine, is not a full member and has no vote in the 193-member General Assembly.

What is the current status of Palestinians at the UN?

The Palestinians are a non-member, observer state at the UN — the same status as the Holy See (Vatican). The General Assembly approved the de facto recognition of the sovereign state of Palestine in November 2012 by upgrading its observer status at the world body to "non-member state" from "entity". There were 138 votes in favour, nine against and 41 abstentions.

What happened last year?

In May 2024, the UN General Assembly overwhelmingly backed a Palestinian bid to become a full member by recognising it as qualified to join and recommending the UN Security Council "reconsider the matter favourably".

That resolution also granted the Palestinians some additional rights and privileges from September 2024, like a seat among the UN members in the assembly hall. The May vote by the General Assembly amounted to a global survey of support for the Palestinian cause to become a full member — a move that would effectively recognise a Palestinian state — after the United States vetoed the step

in the Security Council in April 2024.

The Palestinians remain a non-member observer state as the 15-member Security Council has not acted on the General Assembly recommendation.

How does the UN admit new member states?

Countries seeking to join the UN usually present an application to the UN secretary-general, who sends it to the Security Council for an assessment and vote. A council committee of 15 members first assesses an application to see if it satisfies the requirements for UN membership. The application can then either be shelved or put forward for a formal vote in the Security Council.

Approval requires at least nine votes in favour and no vetoes by the US, Russia, France, China or Britain. If the council approves the membership request, it then moves to the General Assembly for approval. A membership request needs a two-thirds majority to be cleared by the assembly. A country cannot join the UN unless both the Security Council and the General Assembly approve.

What happened to the Palestinian application in 2017?

A UN Security Council committee assessed the Palestinian application for several weeks to see if it satisfied requirements for UN membership. But the committee was unable to reach a unanimous position, and the Security Council never formally voted on a resolution on Palestinian membership.

Diplomats said the Palestinians lacked the minimum nine votes needed to adopt a resolution. Even if they had won enough support, the United States had said it would veto the move.

REUTERS

SHYAMLAL YADAV
NEW DELHI, AUGUST 3

LEADER OF Opposition in Lok Sabha Rahul Gandhi last month admitted that the Congress had "fallen short" in its relationship with Other Backward Classes (OBCs), which allowed the BJP to build political support among these communities.

"I do feel that when it came to OBCs, the Congress party's understanding of their issues, the challenges they were facing and the type of actions that the party should have taken, we fell short," Rahul said at a gathering of his party's MPs and Telangana leadership on July 24. "We opened the space for the BJP because we were not responsive to the aspirations, to the desires of the OBCs," he said.

Rahul was not wrong. Congress has indeed missed several opportunities to reach out to these castes. It has also failed to claim credit for policy changes with regard to OBCs that were, in fact, initiated by Congress governments. Here's a short history.

Inaction on Kalelkar report

The clamour for greater political representation for the backward classes, as well as demands for reservation for these communities on the lines of the quotas in government jobs for the Scheduled Castes (SCs) and Scheduled Tribes (STs), began soon after independence.

In 1953, the government of Prime Minister Jawaharlal Nehru set up the first Backward Classes Commission under Rajya Sabha member Dattatreya Balkrishna Kalelkar, popularly known as 'Kaka' Kalelkar.

The Kalelkar Commission report, submitted to the government on March 30, 1955, formulated criteria for identifying socially and educationally backward classes, and made several recommendations for their uplift. These included a caste census in 1961 that was to be advanced to 1957, treating all women as a class as 'backward', and reserving 70% seats in technical and professional institutions for qualified students from backward classes.

The recommendations were, however, not unanimous, and three of the members were opposed to the acceptance of caste as a criterion for social backwardness and reservation in government jobs. Kalelkar himself wrote a long letter to President Rajendra Prasad expressing his disagreement on a number of issues.



In recent years, Rahul Gandhi has been a vocal advocate of the Caste Census, an exercise that was first suggested in 1955 but never implemented. PTI

The report was tabled before both houses of Parliament but never discussed. Nehru's government did not implement it.

First quota for OBCs

Meanwhile, OBCs in the Hindi heartland had already begun to move towards the socialist leader Ram Manohar Lohia. Until Lohia's untimely demise in 1967, his anti-Congress politics was powered by these communities.

By the 1970s, OBC politics had gained significant momentum to pressure state governments to take decisions regarding OBC reservation.

For instance, Uttar Pradesh Chief Minister Hasmat Nandan Bahuguna in October 1975 appointed the Most Backward Classes Commission under the chairmanship of Chhedi Lal Sathi. This first push for an OBC quota in UP came under a Congress government. And it was another Congress government, of Chief Minister N D Tiwari, that the state cabinet announced a 15% quota in government jobs for OBCs in UP, in April 1977.

Within a week of this decision, however, Tiwari's government was dismissed by the Janata Party government of Prime Minister Morarji Desai that had routed the Congress in the Hindi heartland in the post-Emergency elections of March 1977. As a result, it was the Janata government in UP, led by Ram

Nareish Yadav, which ultimately implemented the OBC quota — and also took the credit for it.

The Mandal challenge

In 1978, Prime Minister Desai constituted a new commission for the OBCs. The Second OBC Commission, headed by former Bihar Chief Minister B P Mandal, submitted its report to the government on December 31, 1980.

By this time, the Congress under Indira Gandhi was back in power. Over the next nine years, however, neither India nor her son and successor Rajiv Gandhi implemented the Mandal Commission report, which recommended a 27% quota for OBCs in central government jobs and public universities.

It was only in 1990, that the government of Prime Minister V P Singh announced its intention to implement the report, unleashing a wave of OBC assertion and fundamentally altering the politics of North India — to the Congress' detriment.

In his 2006 biography of V P Singh, Manzil Se Zyada Saffir, Ram Bahadur Rai quoted the former PM as having said: "Congress leaders were obsessed with power equations. They were least concerned with the social equations and changes taking place... and thus unable to read the Mandal phenomenon."

The BJP, at that time still considered a largely Brahmin-Bania party, however, was far more flexible.

For instance, it projected OBC leaders such as Kalyan Singh, a Lodh Rajput, in UP, to counter Mulayam. As Mulayam's support base outside the Samajwadi Party's Yadav-Muslim core started to fragment, Kalyan rallied smaller OBC communities behind the BJP, eventually forging a non-Yadav OBC vote bank. The BJP would eventually revamp its leadership at every level to accommodate OBCs politically.

This was crucial from the late 1990s onwards, as the Panchayat Raj Act and reservation of seats in every level of three-tier rural and urban panchayats, provided an avenue for many OBC leaders to emerge from the grassroots.

This was even as Congress' organisation continued to erode, and struggled to truly accommodate OBCs politically.

In UPA years

In 2006, Union Human Resource Development Minister Arjun Singh pushed through 27% reservation for OBCs in admissions to central educational institutions, which had been pending since the implementation of the Mandal report.

This was one of the biggest decisions in favour of OBCs, and a defining moment in OBC politics — but hardly any political gains accrued to the Congress.

In 2010, the UPA-2 government tried to move for a caste census. Then Law Minister Veerappa Moily wrote to Prime Minister Manmohan Singh about collecting caste/community data in Census 2011. But Home Minister P Chidambaram opposed the decision in Lok Sabha. Singh's government ultimately decided to conduct a full Socio Economic Caste Census (SECC) instead.

The SECC data was published in 2016 but remains unavailable today. The Narendra Modi government has said it is "not reliable". This means that seven decades after the Kalelkar Commission recommended a caste census, there is still no precise estimate of India's OBC population.

Rahul Gandhi's push for a caste census in recent years is an acceptance of the many missed opportunities during decades of Congress rule in the past, and a realignment of the party's politics with a view of taking on the BJP.

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Himmat Shah's heads: at the apex of his investigation into human condition

VANDANA KALRA

NEW DELHI, AUGUST 3

RENOWNED FOR his experimentation with material and form, Himmat Shah's studio in Jaipur was a laboratory of sorts, with disparate tools, found objects, and mimi (clay) that he personally ground by hand and soaked in water for years to make art.

His signature creations were elongated and abstracted human heads, which were distorted yet expressive. First making an appearance in the mid-1970s, these heads were reimagined in a range of diverse mediums, from terracotta and bronze to intricate pen and ink drawings that Shah was working on until his passing in March this year.

In modern Indian art, his head sculptures stand out as distinctive and pioneer-

ing, with their pronounced features, intense eyes and a compelling tactile and gestural quality achieved through the exploration of their texture." Manta Singhania, director, Anant Art Gallery, told *The Indian Express*.

She added, "Treating them as silent witnesses to history and conflict, he imbued them with a certain timelessness, reminiscent of excavated artefacts."

SIGNATURE MOTIFS

A SERIES



Born in 1933 into a Jain mercantile family in Lohal, Gujarat, Shah was always an artistically-inclined child. In 1942, he recalled how he would often sit with potters to learn their craft, and return home with clay objects that he created for his grandmother.

His distinguished stylised heads too were inspired by his childhood, with Shah

attributing the form to memories of playing in the pond with friends.

"I did not know how to swim, so I would just sit and watch. As they dived in, their heads emerged from the water at first — that image stayed with me," Shah said in the interview, adding that the textured and

uneven surfaces of his sculptures mirrored the terrain of dried-up pond beds.

Experimenting with material

It was in the mid-1970s, at the Garhi Studios in Delhi, that Shah made his first sculpture of a head. Shah often recalled how his first head, made of clay, was fired by fellow sculptor PR Daroo. Soon, Shah began experimenting more frequently with the form, using earth (terracotta) sourced from the potter's colony near the railway station.

For almost two years, I photographed every sculpture I created to understand the

nuances of its expression. Living alone in that small room at Garhi, I would work all day and sometimes even wake up at night to continue. My teachers instilled in me the belief that our goal should always be to create something new. The material guides me and I follow," Shah said in 2024.

While he developed his own slip-casting technique for terracotta and ceramic, some of his earliest plaster heads were also reportedly immersed in linseed oil to harden, and then overlaid with silver-leaf. Later, he also began casting in bronze, producing some of his bronze heads at a foundry in London.

In his 2017 essay 'Internationalism: The Determined Strength in Himmat Shah's Art', art critic Arjun Kumar Singh wrote, "From the mid-1980s Himmat's work took on the look it bears until today — an array of heads and object-forms in plaster, ceramic and terracotta, sometimes enveloped with silver and gold-leaf that gives them the aspect of icons, shrines and votive object."

Examining human condition

In her essay 'An Unrestrained Act of Being: New Sculptures by Himmat Shah' on the website Critical Collective, art critic and curator Gayatri Sinha wrote that, "Himmat Shah's suite of large heads comes at the apex of his investigation of the human condition... The sculpture gains its vitality not in its definition, but in the process of arriving at a form..."

Gayatri added: "Occasionally divested of features, they present models of classical introspection, of the gaze turned inward, still and contemplative... Stubborn and unrelenting, these heads become expressive of a state of resistance, one that bears the marks of isolation perhaps, but also of a commitment to life and endurance."

This is a part of a series on Indian masters and the motifs that appear repeatedly in their works.

Next: Tyeb Mehta's Bulls

