

DAILY NEWSP APER ANALYSIS

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**CHANAKYA IAS ACADEMY
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SC seeks status reports on bank fraud investigation against Anil Ambani group

The Hindu Bureau
NEW DELHI

The Supreme Court on Friday sought status reports from the Central Bureau of Investigation (CBI) and the Enforcement Directorate (ED) on their probe into alleged bank frauds involving the Anil Dhirubhai Ambani Group (ADAG) and promoter Anil Ambani.

A Bench headed by Chief Justice of India Surya Kant directed fresh notices to be served on the ADAG and Mr. Ambani, emphasising that fresh notices were being issued as a "last opportunity" and in the "interests of justice".

The hearing was based on a petition filed by E.A.S. Sarma, represented by advocate Prashant Bhushan, seeking a court-monitored



The five-year unexplained delay by the complainant bank and the inertia displayed by institutions like the RBI and ED clearly indicate deeper institutional complicity that the investigating agencies have entirely ignored

E.A.S. SARMA
Petitioner

and extensive investigation with emphasis on the role of bank officials.

Solicitor-General Tushar Mehta, appearing for the Centre, the CBI and the ED, clarified that he was not opposing Mr. Bhushan. He submitted orally that a forensic audit revealed that there was "siphoning of funds". Based on the audit report, the State Bank of India (SBI) had registered a First Information Report

with the CBI in compliance with a Reserve Bank of India (RBI) circular.

Delayed challenge

Mr. Mehta further informed the Bench that there had been a delayed challenge to the forensic audit report with respect to three banks, other than the SBI, before the Bombay High Court which had granted a stay order. However, the banks had chal-

lenged the order and a Division Bench has reserved the case for judgment.

He clarified, however, that there was no pending challenge to the "fraud declaration" by the SBI.

Mr. Bhushan submitted that the alleged fraud was detected by the Bank of Baroda as early as 2020. Yet the CBI had registered an FIR only in June 2025 based on the audit report the Bank of Baroda had received in 2020.

"The five-year unexplained delay by the complainant bank and the inertia displayed by institutions like the RBI and ED clearly indicate deeper institutional complicity that the investigating agencies have entirely ignored..." the petition submitted.

KEY HIGHLIGHTS

Context of the News

- Supreme Court of India sought status reports from Central Bureau of Investigation (CBI) and Enforcement Directorate (ED) on alleged bank frauds involving Anil Dhirubhai Ambani Group (ADAG).
- Fresh notices issued to Anil Ambani as last opportunity in the interest of justice.
- Petition filed by former Secretary E.A.S. Sarma seeking court-monitored investigation.
- Forensic audit found siphoning of funds → State Bank of India registered FIR as per RBI directions.
- Allegation of five-year delay (2020–2025) in registering FIR despite early detection by banks.

Key Points

- Forensic audit revealed diversion/siphoning of funds.
- FIR registered under RBI Master Directions on Frauds.
- No pending challenge to SBI's fraud classification.
- Delayed challenge to forensic audit by other banks pending before Bombay High Court.
- Issue of institutional inertia and possible complicity raised.

Static Linkages

- RBI's role as banking regulator.
- Fraud classification under RBI Master Directions on Frauds (2016, updated).
- Criminal investigation via FIR → CBI/ED.
- Judicial oversight under Article 32 / Article 142.
- Corporate governance and fiduciary duty of banks.

Critical Analysis

Issues

- Delay in fraud reporting weakens deterrence.
- Regulatory and supervisory gaps in banking sector.
- Focus on borrower, limited scrutiny of bank officials.
- Multiplicity of proceedings causes investigation lag.

Significance

- Reinforces judicial role in financial accountability.
- Highlights systemic issues in NPA and fraud management.
- Sets precedent for court-monitored probes in economic offences.

Way Forward

- Statutory timelines for fraud reporting by banks.
- Fix accountability of bank officials under service rules.
- Strengthen Early Warning Signals (EWS) mandated by RBI.
- Better coordination among RBI-CBI-ED.
- Parliamentary oversight on large banking frauds.

Delimitation after 2027, redrawing power in India

Every democracy must periodically redraw its electoral map to reflect population change. In India, this process is known as delimitation. On paper, it is a routine constitutional adjustment. In reality, the next delimitation exercise – due after Census 2027 – will be the most consequential redrawing of political power since Independence. It will redefine how seats are distributed in the Lok Sabha and how India understands fairness, federalism and regional balance.

The Constitution requires delimitation after every Census. But this principle has been suspended for nearly half a century. Inter-State distribution of Lok Sabha seats has remained unchanged since 1976, frozen at 1971 Census figures so that States would not be penalised for controlling population growth. The 84th Amendment in 2001 specified that redistribution would remain suspended until “the first census taken after the year 2026”.

That suspension effectively expires with Census 2027. At present, representation still rests on an India of 548 million people (1971), not today’s 1.47 billion reality.

Delimitation is time consuming. India’s four previous Commissions took between three and five-and-a-half years – and the last one (2002-08) only redrew internal constituency boundaries without reallocating seats among States. The next Commission would probably reallocate seats among States for the first time since 1976, redrawing all constituencies, and create reserved constituencies for women’s 33% quota. Even if Census 2027 data is published in 2028, completing delimitation before 2032 seems impossible. As a result, women’s reservation cannot be implemented before the 2034 elections. But we cannot rule out surprises.

The complexity around numbers

In the 1970s, fertility rates across States were similar. Today, they have sharply diverged. The southern and western States achieved below-replacement fertility through investments in education, health and women’s empowerment. Northern States such as Uttar Pradesh and Bihar continue recording higher population growth. If population alone determines representation, States that controlled growth will lose political weight, while those that did not will gain significantly.

The numbers are stark. According to delimitation projections, if seats were allocated purely by population in an expanded Lok Sabha of approximately 888 members, Uttar Pradesh would rise from 80 to 151 seats and Bihar from 40 to 82 – just over 26% combined. Tamil Nadu would have 53 seats (from 39) and Kerala 23 (from 20). Though their absolute numbers rise, their share in the total Lok Sabha strength would fall from 7.2% to 6.0% and 3.7% to 2.6%, respectively, as the northern States gain



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disproportionately. This creates a moral paradox. Why should States be punished for good governance? For 50 years, India urged States to improve population control. Those who succeeded now stand to lose representation. The logic which forced the freeze in 1976 and 2001 is still valid.

Union Home Minister Amit Shah stated in 2025 that “not even one seat will be reduced” for any southern State. But this promise cannot offset the imbalance if northern States gain massively – or it may require suspending constitutionally mandated redistribution altogether, inviting legal challenge.

The arithmetic reveals a deeper complexity. Even if southern States retain their current seat numbers in an expanded House, their influence diminishes significantly. Parliament functions on absolute numbers, not proportions. When the combined strength of U.P. and Bihar rises to over a quarter of the House, the bargaining power of other regions inevitably declines – despite the promise being kept technically.

Options worth pondering over

There are six options that merit debate. First, extend the current freeze beyond 2026, delaying redistribution until fertility rates converge. This preserves current balances but denies fast growing States fair representation (a legitimate concern) and risks constitutional challenge under Article 14, as unequal representation based on 50-year-old data undermines the principle of equal suffrage.

Second, expand the Lok Sabha from 543 to, say, 750 or 888 seats, ensuring that no State loses seats; some gain more. However, proportional distribution means that larger States still get bigger shares, leaving southern concerns unaddressed.

Third, adopt a weighted formula: 80% weight for population, 20% for development indicators such as literacy, health, or sustained fertility control – analogous to how the Finance Commission uses composite indicators for tax devolution. This rewards governance outcomes, not just population size. The ratio could be 70:30.

Fourth, strengthen the Rajya Sabha as a genuinely federal chamber. Earlier, domicile requirements ensured that Members represented the States from which they were elected. Now, anyone can be elected from anywhere, weakening that link. The domicile condition must be restored. Additionally, Rajya Sabha seats remain distributed largely by population – Uttar Pradesh has 31 seats while Sikkim has one – blunting its federal purpose. Consider adopting the American system of equal seats a State, irrespective of size (California 39 million, Wyoming 0.5 million both have two Senators). An Indian model could be evolved which could have three tiers: largest States (15 seats each), medium States (10 seats), smallest States (five seats).

Within each tier, States would have equal representation regardless of population, balancing federalism and restoring the Rajya Sabha’s moderating role.

Fifth, bifurcate Uttar Pradesh into three or four States to neutralise its excessive weight. U.P. was already divided in 2000 to create Uttarakhnad, and movements for Bundelkhand and Purvanchal Statehood have persisted for decades. If U.P.’s projected 151 seats were divided among four States (about 38 seats each), no single State would dominate – making this a federalism solution, not just an administrative one.

Sixth, implement phased redistribution across two election cycles. Reallocate half the adjusted seats in 2034, the remainder in 2039, giving States and parties time to adapt. This reduces political shock while honouring constitutional requirements.

The need for careful navigation

Delimitation will reshape coalition politics fundamentally. If two States command a quarter of Lok Sabha seats, the mathematics of government formation changes entirely. Regional parties that historically provided parliamentary balance would find their leverage reduced, regardless of absolute seat numbers. The choice between constitutional fairness and political stability requires navigating this structural tension carefully.

Beyond formulas, procedure matters. The Delimitation Commission should include experts in demography, constitutional law and federal studies, with meaningful State representation. Transparency, extensive public hearings and robust oversight are essential.

The next delimitation will also redraw internal constituency boundaries – considering geography, administrative convenience, and Scheduled Caste/Scheduled Tribe (SC/ST) representation. While the number of SC and ST reserved constituencies is determined by strict population proportions, the location of specific SC constituencies involves Commission discretion, potentially creating scope for manipulation. The ST formula should apply to both.

Delimitation is a national milestone that will redistribute political voice and shape coalition politics for decades. Done well, it can reaffirm India’s unity and modernise representation. Done poorly, it can deepen distrust and injure the federal spirit.

The Census will measure India’s population; delimitation will measure its democracy. Once Census data is released, positions will harden and consensus will fade – making now the moment for dialogue.

If guided by transparency, empathy and shared justice, the exercise can renew faith in federalism and democracy. But if driven by political arithmetic alone, it may redraw the moral balance of the Republic itself.

Demographic Reality

- Southern & western States: Below-replacement fertility.
- Northern States: Higher fertility and population growth.
- Projected Outcomes
 - Population-only formula increases weight of high-growth States.
 - Risk of concentration of political power in a few States.

Timeline Constraint

- Census 2027 data likely by 2028.
- Delimitation may conclude only by 2031–32.
- Women’s reservation likely post-2034 elections.

Static Linkages

- Principle of “One Person, One Vote, One Value”
- Federalism as a basic feature of the Constitution
- Demographic Transition Theory
- Bicameral Legislature and federal balancing role
- Equality under Article 14

Critical Analysis

Advantages

- Updates representation to current population realities.
- Upholds democratic principle of equal representation.
- Enables implementation of women’s reservation.
- Addresses long-pending constitutional obligation.

Concerns

- Penalises States that achieved population stabilisation.
- Weakens incentives for human development investments.
- Risk of regional imbalance and dominance.
- Alters coalition politics and bargaining power of smaller States.
- Potential legal challenge under Article 14.

Federal Implications

- Shift from cooperative to competitive federalism.
- Erosion of political voice of low-fertility States.
- Rajya Sabha unable to fully counterbalance Lok Sabha dominance.

Way Forward

- Adopt weighted formula combining population with governance indicators.
- Expand Lok Sabha strength ensuring no State loses existing seats.
- Strengthen Rajya Sabha’s federal role through structural reforms.
- Implement phased delimitation across two election cycles.
- Ensure expert-driven, transparent Delimitation Commission.
- Initiate political consensus before Census data release.

KEY HIGHLIGHTS

Context of the News

- Constitutional freeze on inter-State redistribution of Lok Sabha seats ends after first Census post-2026 (Census 2027).
- Present Lok Sabha seat allocation based on 1971 Census, despite population nearly tripling.
- Next Delimitation Commission expected to:
 - Reallocate seats among States (first time since 1976)
 - Redraw all parliamentary constituencies
 - Enable 33% women’s reservation as per 106th Constitutional Amendment.
- Raises concerns related to federal balance, political equity, demographic divergence.

Key Points

- Constitutional Provisions
 - Article 82: Readjustment of Lok Sabha seats after each Census.
 - Article 170: Readjustment of State Assembly constituencies.
- Constitutional Amendments
 - 42nd Amendment Act, 1976: Freeze based on 1971 Census.
 - 84th Amendment Act, 2001: Extended freeze till Census after 2026.
 - 106th Amendment Act, 2023: Women’s reservation contingent on delimitation.
- Delimitation Commission
 - Statutory body; orders have force of law.
 - Decisions not subject to judicial review.

If done poorly, driven by political arithmetic alone, it can deepen distrust and injure India’s federal spirit

India and the EU – a fit partnership in a divided world

In geopolitics, clarity is rare. But when it arrives, it demands action. Both are now embodied within the deepening relationship between the European Union (EU) and India as the two sides prepare for the upcoming visit of the President of the European Commission, Ursula von der Leyen, and the President of the European Council, António Luís Santos da Costa, New Delhi. As chief guests at India's 77th Republic Day on January 26, 2026, and co-chairs of the 16th India-EU Summit on January 27, their presence is more than ceremonial. It is an alignment of intent. The optics of EU leaders standing alongside Prime Minister Narendra Modi at India's most symbolic national celebration will underscore the urgency of this moment.

India, once confident of its rapport with United States President Donald Trump, now finds itself in the crosshairs of America – hit with punitive tariffs and disparaging rhetoric, including being accused with the farcical charge of 'Modi's War' in Ukraine over Indian purchases of Russian oil. New Delhi has rejected this inflammatory rhetoric as "inaccurate and misleading", cautioning against "double standards", even as it insists that the partnership has survived many challenging transitions and will press forward on the basis of mutual respect and shared interests. Europe understands this rupture all too well. Today, the message is clear: alliances no longer guarantee protection, and strategic autonomy must take precedence over strategic patency.

A relationship with potential
For too long, the India-EU relationship has simmered with unrealised potential. The two sides have committed to strengthening the relationship but progress has remained episodic. It is often derailed by narrative wars over Russia and China, and by the simple reality that the two



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The two sides have the potential to write a new chapter in multilateralism

sides were more focused on their respective relationships with the U.S. But the new urgency behind this specific visit means that it could now result in relationship-defining outcomes.

What the FTA can deliver

First, India and the EU are in the final stages of negotiating a Free Trade Agreement (FTA) that has been sputtering along since 2007. It should be viewed as a geopolitical insurance policy. If realised to its full potential, the agreement could unlock major opportunities in textiles and apparel, where India seeks tariff reductions to boost exports to Europe; pharmaceuticals and chemicals, sectors where India's competitive edge can meet EU demand; automobiles and machinery, where Europe wants greater access to India's growing market; and digital and services trade, where India's IT sector could gain from regulatory harmonisation.

For India, the FTA is also about climate equity. One sticking point continues to be the EU's Carbon Border Adjustment Mechanism (CBAM), which levies a 20%-35% effective carbon charge on materials such as steel, aluminium, cement and fertilizers from India. India sees it as a non-tariff barrier that has the potential to erase the gains an FTA would provide. In the interest of both sides, Europe should be able to offer some relief to India on this front, while still ensuring that climate remains a top policy priority.

Second, while maximising cooperation in issues of trade and technology remains vital, perhaps the hardest and most necessary conversations lie in defence. Ms. Von der Leyen has called for a Security and Defence Partnership with India, on a par with Japan and South Korea. And while it is not headline-grabbing like the FTA, it is almost just as important. For the EU, it would offer access to India's defence market, and

the opportunity for co-production of defence equipment.

For India, it compliments Mr. Modi's 'Make in India' initiative, which aims to transform India into a global manufacturing hub. It would also offer access to European technology and a framework for more joint exercises and coordination in the Indian Ocean.

As a template for the world

Finally, on a strategic level, the EU-India partnership could be a model for other nations as they recalibrate and search for new partners.

With America's unpredictability and China's continued assertiveness, India and the EU could offer a model of relationship building that respects internal domestic sensitivities, while recognising the need for flexibility and pragmatism. At the heart of this alignment is a shared belief that sovereign choices must remain sovereign, and that neither Beijing, Moscow nor Washington should hold veto power over India or Europe's strategic decisions. India and the EU have paid the price of over-dependence – whether on Russian gas, Chinese markets or American security guarantees. Both also recognise the need for strategic autonomy, which is about enhancing flexibility, reducing over-exposure to or over-dependence on certain countries, and amplifying each other's voices on the global stage.

India and the EU have the credibility, the capability and the capital to co-create a new chapter in multilateralism. If they choose to seize this moment and avoid the trappings of internal bureaucracy, the two sides could help realise a multipolar order that is resilient, equitable and sovereign.

The views expressed are personal

- Strategic Significance
 - Both sides seek to reduce over-dependence on Russia (energy), China (manufacturing), and the U.S. (security).
 - Emphasis on rules-based multipolarity, not alliance-centric geopolitics.

Static Linkages

- Strategic autonomy as articulated in India's National Security Doctrine and EU's Strategic Compass (2022).
- Trade agreements under Article 73 of the Indian Constitution and EU's Common Commercial Policy.
- Climate governance principles under UNFCCC: Common But Differentiated Responsibilities (CBDR).
- Defence indigenisation under 'Make in India' and Defence Acquisition Procedure (DAP), 2020.
- Indo-Pacific cooperation aligned with India's SAGAR doctrine.

Critical Analysis

Opportunities

- Market access for Indian exports.
- Technology transfer and defence co-production.
- Strategic diversification of partnerships.
- Strengthening India's role in global governance.

Challenges

- CBAM as a potential non-tariff barrier.
- Regulatory and standards-related constraints.
- Defence cooperation limited by institutional fragmentation.
- Implementation gaps post-agreement.

Way Forward

- Address CBAM through climate finance and technology transfer mechanisms.
- Phase-wise implementation of FTA commitments.
- Strengthen institutional mechanisms for defence collaboration.
- Enhance coordination in Indo-Pacific security frameworks.
- Align trade liberalisation with domestic manufacturing goals.

KEY HIGHLIGHTS

Context of the News

- High-level visit of Ursula von der Leyen and António Luís Santos da Costa to India in January 2026.
- EU leaders invited as Chief Guests at India's 77th Republic Day.
- 16th India-EU Summit scheduled during the visit.
- India-EU Free Trade Agreement (FTA) negotiations in advanced stage (launched in 2007, revived in 2022).
- Engagement takes place amid global trade tensions, energy security concerns, and shifts towards strategic autonomy.

Key Points

- Trade & Economy
 - India-EU bilateral trade crossed €120 billion (2023), making the EU India's largest trading partner (European Commission data).
 - The proposed FTA covers goods, services, investment protection, digital trade, and sustainable development.
- Carbon Border Adjustment Mechanism (CBAM)
 - EU's CBAM proposes carbon-linked levies on imports of steel, aluminium, cement, fertilizers, electricity and hydrogen.
 - Indian estimates (Ministry of Commerce) indicate 20-35% effective cost escalation for carbon-intensive exports.
- Defence & Security
 - Proposal for an India-EU Security and Defence Partnership, similar to EU's arrangements with Japan and South Korea.
 - Focus on defence co-production, maritime security, and Indo-Pacific coordination.

Mindless killing

Manipur is still reeling from the mishandling of the 2023 protests

In multi-ethnic Manipur, the divide between communities continues to grow and spill over into violence. With people still trying to rebuild lives upended by two years of mindless hostility that began on May 3, 2023, another senseless killing has led to fresh tension. On Wednesday night, a 29-year-old Meitei man was killed by unidentified assailants. Mayanglambam Rishikant Singh was visiting his wife, who is from the Kuki-Zo community, in Churachandpur district, when the couple was picked up from home by masked gunmen. While she was allowed to walk away, Singh was shot dead, which was recorded on camera. There were demonstrations in Meitei-dominated Imphal Valley, and at Kakching, from where Singh hailed, people blocked the Indo-Myanmar Sugnu Road to seek justice for his family. According to security officials, on Wednesday night, a video of the killing was shared on WhatsApp from a Guwahati IP address with the title, 'No peace no popular governments'. A joint action committee, set up in the Meitei-dominated Imphal Valley, demanded that the case be handed over to the National Investigation Agency. The acute trust deficit among the people in a State which has been under President's rule since last February is palpable. The faultlines between the hills, dominated by the tribes, and the Valley, home to the Meiteis, have sharpened.

Manipur, which became a State in 1972, has 33 recognised tribes. Each tribe, including the Kuki-Zo and Nagas, and several non-tribal communities such as the Meiteis have their unique identity and culture, which the political leadership has to be mindful of. Despite witnessing waves of insurgencies and ethnic conflict since 1972, people of different tribes and non-tribal communities did work and live together without fear of reprisal. That has become almost impossible now, and the killing of a Meitei in a Kuki-dominated area will only add to the mistrust. The present cycle of violence began after the Manipur High Court gave the go-ahead to the State government to grant Scheduled Tribe status to the Meiteis, an old demand. Tribal groups vociferously protested, saying this would give the Meiteis unprecedented advantages. Things soon got out of control after the Meiteis and Kuki-Zo tribes clashed. The Biren Singh government may have resigned in February 2025, but the State is still reeling under the consequences of the manner in which the Centre and State leaders handled the situation. To find permanent peace, civil society and political leaders need to continue to work tirelessly to bring all stakeholders on board and resolve underlying issues of identity and marginalisation.

KEY HIGHLIGHTS

Context of the News

- Ethnic violence in Manipur ongoing since May 3, 2023.
- Recent killing of a Meitei man in Kuki-Zo dominated Churachandpur escalated tensions.
- Protest demands transfer of investigation to National Investigation Agency.
- Manipur under President's Rule since February 2025.
- Deepening trust deficit between Hill tribes and Valley communities.

Key Points

- Manipur became a State in 1972.
- Home to 33 Scheduled Tribes; major groups include Nagas and Kuki-Zo.
- Meiteis are non-tribal, concentrated in Imphal Valley.
- 2023 violence triggered after Manipur High Court direction on examining ST status for Meiteis.

- Tribal opposition based on:
 - Fear of land alienation
 - Dilution of reservation benefits
 - Political marginalisation
- Over 60,000 internally displaced (government relief data).
- Use of internet shutdowns, central armed forces, AFSPA for control.
- Spread of violence amplified through encrypted social media platforms.

Static Linkages

- Article 342: Procedure for Scheduled Tribe inclusion
- Article 356: President's Rule
- Federal structure and Centre-State relations
- Tribal land protection mechanisms
- Internal security: ethnic conflict
- Role of civil society in peace processes

Critical Analysis

Issues

- Governance failure despite prolonged central intervention
- Politicisation of identity-based demands
- Weak institutional communication with stakeholders
- Humanitarian crisis: displacement, livelihood loss
- Erosion of social capital and coexistence

Constitutional Concerns

- Judicial directions vs executive discretion
- Balance between equality and affirmative action
- Limits of coercive security responses

Way Forward

- Inclusive political dialogue with all ethnic stakeholders
- Parliamentary route only for ST inclusion decisions
- Independent reconciliation and rehabilitation framework
- Strengthen misinformation regulation mechanisms
- Gradual restoration of elected government
- Confidence-building measures between hill and valley regions

Right to dignity

Governments must ensure equitable pay for ASHA workers

The ongoing protests by ASHA and anganwadi workers in West Bengal demanding their wages be increased to ₹15,000 a month is a sour reminder of efforts to deny them permanent employee status despite their centrality to many national and State welfare schemes. The Indira Gandhi government denied the first of many of these workers 'worker' status under the Integrated Child Development Scheme (ICDS), laying a foundation that India has continued to build on to bypass labour laws. As the workload increased, the formation of a national union followed in 1989, but even in the liberalisation era, the state created the category of 'scheme workers' and expanded social schemes but not permanent government jobs. The *State of Karnataka vs Ameerbi* (1996) – tribunal decision – further excluded anganwadi workers from the set of government employees even as the top court expanded the right to food, and thus the need for these workers, in 2004. The ASHA programme took root in the mid-2000s and followed a similar trajectory, with the government framing them as 'activists'. Worse, in the 2010s, when the government, employers, and workers' unions recommended job regularisation, minimum wages, and pension and gratuity for ASHA workers at the 45th Labour Conference, successive UPA and NDA governments chose not to implement this. In 2015, the NDA government slashed the ICDS budget, and these workers have been protesting since at regular intervals just to make ends meet.

The Centre also froze its contribution to these workers' pay in 2018, in effect leaving ASHA and anganwadi personnel to absorb fiscal shocks. Together with the lack of a guarantee of better working conditions for gig workers in the new labour codes, the state has effectively exited the social contract for many of its most vulnerable labourers in favour of promoting business metrics and more fiscal headroom at the Centre. States do wield more power in hiring and dispute resolution and are also more vulnerable to electoral pressure, which unions have taken advantage of, but there is also considerable disparity between States. As central honoraria stagnated, States were compelled to top up payments from their own budgets. Predictably, wealthier States and those facing sustained Union pressure have been able to offer more or additional benefits than fiscally constrained ones. Nonetheless, it is unconscionable that the practice of denying these workers their due still continues to be knowingly exploitative. The Centre must legally reclassify these 'volunteers' as statutory employees under the Code on Social Security, guaranteeing minimum wages and pension coverage. The Centre and States must also bridge fiscal gaps to ensure equitable pay across regions. Only by institutionalising these protections can India grant these essential workers their rightful dignity.

KEY HIGHLIGHTS

Context of the News

- ASHA and Anganwadi workers in West Bengal are demanding:
 - Monthly wage of ₹15,000
 - Recognition as regular workers
- Highlights long-standing policy of treating frontline welfare workers as "scheme workers/volunteers".
- Raises issues related to labour rights, social security, and Centre–State fiscal responsibility.

Key Facts & Developments

- Integrated Child Development Services (ICDS) launched in 1975:
 - Anganwadi workers classified as honorary workers, not employees.
- National union of anganwadi workers formed in 1989.
- Liberalisation era:
 - Expansion of welfare schemes without creation of permanent government posts.

- State of Karnataka vs Ameerbi (1996):
 - Anganwadi workers not government employees.
- ASHA programme (mid-2000s):
 - Workers designated as "activists".
- 45th Indian Labour Conference (2010) recommended:
 - Regularisation
 - Minimum wages
 - Pension and gratuity
 - → Not implemented.
- ICDS budget cut (2015).
- Centre froze honoraria contribution in 2018.
- States compensate through top-ups → inter-State pay disparity.
- Labour Codes:
 - No explicit minimum wage or pension guarantee for scheme workers.

Static Linkages

- Article 21 – Right to life (includes livelihood and nutrition).
- Directive Principles:
 - Article 38 – Social justice
 - Article 39 – Adequate means of livelihood
 - Article 41 – Right to work
 - Article 42 – Humane working conditions
 - Article 43 – Living wage
- Informalisation of labour.
- Gendered nature of care work.
- Welfare state obligations.

Issues / Challenges

- Absence of minimum wages.
- No pension or gratuity coverage.
- Legal exclusion from labour protections.
- Fiscal burden shifted to States.
- Unequal remuneration across States.
- High workload without employment security.
- Weak implementation of tripartite recommendations.

Way Forward

- Legal recognition as employees.
- Inclusion under Code on Social Security.
- Implementation of Indian Labour Conference recommendations.
- Uniform wage framework through Centre–State sharing.
- Pension and social security coverage.
- Strengthening labour protections for scheme workers.

FTA can lower reliance on China, Russia, US'

today shows how far our partnership has matured. We began with dialogue and cooperation (and) today, we act together on trade, security and technology. The invitation to EU leadership to join Republic Day is a great honour and reflects genuine trust. India is no longer merely an important partner. It is a major strategic partner. This is a qualitative shift.

How does the India-EU FTA strengthen economic relations?

The FTA will create a market for 2 billion people, which accounts for about one-fourth of global GDP. The deal will boost investment and growth, strengthen supply chains and open new opportunities for companies on both sides. It also provides a chance to reduce reliance on China, Russia and the United States. At a time when free trade is under pressure and supply chains are being weaponised, deepening our economic partnership makes perfect sense. This agreement is a strategic choice.

India and EU have also stepped up on defence and security. Can Europe be an alternative to Russian defence equipment?

One only has to watch the news to see that the world is becoming more dangerous, so

making the EU-India defence cooperation deeper is a natural step. Both EU and India are increasing defence spending because global events demand it. Next Tuesday, EU and India will sign a new Security and Defence Partnership. It will expand our cooperation in areas such as maritime security, counterterrorism and cyber-defence.

We also want to scale up defence industry cooperation. India is a sovereign nation and will make its own choices about procurement. But one thing is clear: Europe is a reliable partner, Russia is not.

India and EU have had differences over the Russia-Ukraine war, and now India feels that it has been selectively targeted by 50 percent tariffs by the US. How do you respond to those concerns?

Russia's war against Ukraine poses an existential threat to Europe. Just as India considers its national interests, so does the EU. I have said before that India's energy and defence ties with Russia cast a shadow over our cooperation. Europe is completely phasing out imports of Russian fossil fuels, because we have learned the hard way that Russia uses energy for political blackmail. Fossil fuel sales remain a major source of income funding its war, so less money

for Russia means less war. A world in which borders can be changed by force is dangerous for all of us, including for India. I discuss such issues regularly with my Indian counterparts. These conversations are candid and respectful.

How does the EU view the China challenge, especially its assertive behaviour in the Indo-Pacific as India has faced it along the contested border and its neighbourhood?

Europe has major stakes in the Indo-Pacific, and we are acting accordingly. The EU is a major economic partner for many countries in the region. We also have Security and Defence Partnerships with Japan and South Korea. We all share an interest in keeping the region free, open and rules-based.

When it comes to China, we must acknowledge that our economic decisions directly affect our security. China weaponizes trade, supports Russia's war in Ukraine and acts aggressively in the South China Sea. While China is a major trading partner, we cannot allow our economic relations to come at the expense of our security. That is why the EU has put in place our own economic security strategy. We have a robust trade defence toolkit, from stronger foreign-subsidy and investment screening

to anti-dumping duties. We are also taking steps to better shield critical infrastructure.

How do India and the EU work together on cutting-edge technologies, including Artificial Intelligence, semiconductors and supply chains resilience?

Technology is reshaping the world, and India and Europe have a greater chance to shape that future when we work together. The EU-India Trade and Technology Council can help align our approaches to critical technologies. We can bring policymakers, start-ups and industry together to shape standards and reduce dependencies.

With the US becoming unpredictable as a destination for Indian students and professionals, what is EU's policy towards Indian students, businesses and tourists?

Indian students, professionals and entrepreneurs contribute greatly to Europe's economies and societies. We want to deepen mobility, skills partnerships and ties between our peoples. A strong partnership is not built by governments alone; it is built by citizens. I would want to see closer ties between our peoples.

- India and EU both increasing defence expenditure.
- New partnership focuses on:
 - Maritime security → Indo-Pacific stability.
 - Cyber security → critical infrastructure protection.
 - Counter-terrorism → intelligence sharing.
- EU positions itself as a reliable defence partner, especially as Russia's credibility declines after Ukraine war.

Energy Dimension

- EU is phasing out Russian fossil fuels.
- Reason:
 - Energy dependence used by Russia as political leverage.
- Shows link between:
 - Energy security and national security.
- Important for UPSC as it links economy, geopolitics and security.

Indo-Pacific & China

- EU has strong economic interests in Indo-Pacific trade routes.
- China:
 - Uses trade coercion.
 - Acts aggressively in South China Sea.
 - Supports Russia indirectly.
- India and EU share interest in:
 - Free, open and rules-based Indo-Pacific.
- This aligns EU with India's Indo-Pacific vision.

Technology Cooperation

- Technology determines future economic and military power.
- EU-India Trade and Technology Council (TTC):
 - Coordinates policies on:
 - Artificial Intelligence
 - Semiconductors
 - Critical technologies
- Goal:
 - Reduce dependency on single-country technology sources.
 - Shape global tech standards together.

People-to-People Ties

- Indian students and professionals:
 - Contribute significantly to EU economies.
- With uncertainty in US immigration:
 - EU emerging as alternative destination.
- Strong people ties:
 - Sustain long-term strategic partnerships.

KEY HIGHLIGHTS

Context

- India and the European Union held a Leaders' Summit in January.
- EU's top leadership attended India's Republic Day, indicating a high level of trust.
- Two major developments:
 - Push to conclude India-EU Free Trade Agreement (FTA).
 - Signing of a Security and Defence Partnership.
- EU publicly stated that engagement with India helps reduce dependence on China, Russia and the US.

India-EU FTA (Why important?)

- The FTA would combine:
 - India's large consumer market
 - EU's advanced manufacturing and technology base
- A 2 billion population market gives scale to trade and investments.
- After COVID-19 and geopolitical tensions:
 - Global supply chains became vulnerable.
 - Countries now follow "de-risking", not full decoupling.
- For India:
 - Diversifies export destinations.
 - Reduces over-reliance on any single major power.
- For EU:
 - Alternative to China-centric supply chains.

Defence & Security Cooperation (Why strategic?)

- Global security environment is deteriorating.

Static Linkages

- GATT Article XXIV → Legal basis for FTAs.
- Strategic autonomy → Core principle of India's foreign policy.
- UNCLOS → Maritime security framework.
- Supply chain resilience → Post-COVID global trade shift.
- Economic security strategies → New global governance tool.

Critical Analysis

Advantages

- Reduces strategic vulnerabilities.
- Enhances India's global negotiating power.
- Supports Make in India and defence indigenisation.

Challenges

- Differences on Russia-Ukraine war.
- EU's strict labour, environment and data rules.
- Slow pace of trade negotiations.

Way Forward

- Conclude FTA with phased commitments.
- Promote defence co-production.
- Align technology and digital standards.
- Expand skill and mobility partnerships.

EU leaders' R-day visit aims to conclude talks

The EU official said that the trade agreement will help India and the EU diversify supply chains and reduce unwanted dependencies. The official added that both countries are "looking at how to develop and joint industrial capacity in specific supply chains such as active pharmaceutical ingredients (API) and solar equipment".

Dependence on APIs and other high-tech products from China is a key source of strategic worry for India as well as the West. India is the largest exporter of generic drugs, but the majority of the ingredients come from China. India's imports from China have crossed \$112 billion during the last financial year.

"Goods trade between India and the EU has already grown by almost 90 per cent over the past decade, and that is despite higher tariffs on the Indian side over that period. India still accounts for around 2-2.5 per cent of the EU's total goods trade compared with close to 15 per

cent in the case of China," the official said.

The EU official said that, alongside the free trade agreement, the EU is also looking at traditional measures to boost investment and business cooperation in specific supply chains that both sides aim to reinforce, including hydrogen, machinery and advanced manufacturing.

The EU official said there is political will on both sides to expand the trajectory of the relations beyond the FTA. "We don't see eye to eye on everything, but we do share a core set of interests which include having a stable international order," the official said, adding the summit will also be an opportunity to discuss Russia's war of aggression against Ukraine.

EU officials said Costa will convey to India that the Russia-Ukraine war, besides representing an existential threat to Europe, poses a direct challenge to the rules-based international order which also has conse-

quences in the Indo-Pacific.

"We are aware of India's relationship with Russia, and in this context, it is important to encourage India to use its leverage in this regard towards the peace efforts," the official said.

India and the EU are also expected to launch a new cooperation framework on mobility that would cover students, researchers, seasoned workers, and highly skilled professionals in line with the labour market needs in the European Union, EU officials said, adding that the decision on movement rests with the EU members.

The official said that the India-EU summit is also expected to "inject some momentum" into the preparatory work for India-Middle East-Europe Economic Corridor (IMEC).

"The progress on IMEC has been impacted by developments in the Middle East, but work has been advancing. Working groups have been formed, and feasibility studies are on-

going. Political considerations are still bearing on the speed of the work on the initiative. But both India and the EU are very much committed to taking this forward," the official said.

The IMEC was announced during the G20 Summit held in New Delhi in 2023, "to stimulate economic development through enhanced connectivity and economic integration between Asia, the Arabian Gulf, and Europe."

Its eastern leg will carry container traffic from India's western ports to the UAE, from where high-speed freight railway will carry goods across the Arabian peninsula (UAE, Saudi Arabia, Jordan) up to the port of Haifa in Israel. The second leg will see cargo being shipped from Haifa to ports in Greece and Italy, from where Europe's well-established train networks will take goods to their final destinations across the continent.

— WITH INPUTS BY SHUBHAJIT ROY

KEY HIGHLIGHTS

Context of the News

- India and the European Union nearing conclusion of Free Trade Agreement (FTA) negotiations
- Four negotiation chapters remain unresolved
- High-level political push during India-EU Summit and Republic Day visit
- Objective: conclude negotiations, formal signing later after internal approvals
- Trade talks linked with supply-chain diversification and geopolitical realignments

Key Points

- India-EU goods trade increased by ~90% in last decade
- India's share in EU trade: ~2-2.5%
- China's share in EU trade: ~15%
- India's imports from China: > USD 112 billion
- Focus sectors:
 - Active Pharmaceutical Ingredients (APIs)
 - Solar equipment
 - Hydrogen
 - Advanced manufacturing
- Aim: reduce strategic dependence on single-country supply chains
- Proposed mobility framework:
 - Students
 - Researchers
 - Skilled professionals
- Mobility decisions subject to EU member states' approval

Static Linkages

- Free Trade Agreements as tools of economic integration
- Trade creation and trade diversion effects
- Strategic autonomy in economic policymaking

- Pharmaceutical value chain: bulk drugs vs formulations
- Multimodal connectivity corridors and logistics efficiency
- Rules-based international order
- De-risking and supply-chain resilience

Critical Analysis

Positives

- Supply-chain diversification away from China
- Market access to high-income EU economies
- Boost to manufacturing and exports
- Strengthening India's geopolitical positioning

Concerns

- Impact on MSMEs due to tariff liberalisation
- Stringent EU environmental and labour standards
- Regulatory divergence in data and digital trade
- Geopolitical instability affecting corridor projects

Way Forward

- Phased tariff liberalisation for sensitive sectors
- Strengthen domestic manufacturing ecosystems
- Align industrial policy with trade commitments
- Invest in logistics and port-rail integration
- Maintain strategic autonomy while deepening partnerships

The familiar world order will not return. What India and EU can build

THE VISIT by European Council President Antonio Costa and European Commission President Ursula von der Leyen as chief guests for India's Republic Day celebrations and the EU-India Summit on January 27 come in the context of New Delhi's rapidly rising engagement with the EU and its members. In her new term, von der Leyen's first visit outside Europe was to India in February 2025, accompanied by the entire cabinet or College of Commissioners. Visits by leaders of member states and Prime Minister Narendra Modi's travels have also strengthened ties across Europe.

This could be a moment of enormous global consequence. US President Donald Trump has unshaken the long-adrift transatlantic relationship from its anchors of security, economics, and values. His posturing on Greenland has injected hostility. This, together with the Russia-Ukraine war, economic pressure from China, crumbling multilateralism and fragmenting global economic and energy systems, has put unprecedented strategic pressure on the EU. Yet, Europe has shown cohesion and resolve on multiple issues, including the Ukraine war. From the crises, it is now seeking to build a new sovereign future, independent of the US. It has the intellectual, industrial, and financial capacity for the task. It also needs new alliances and trusted partnerships of complementarity, not competition. India, too, is at a moment of reckoning. Many of the trends and forces that are affecting Europe have forced reappraisal of India's strategic bets, exerted stress on the framework of its global engagement and raised risks and barriers for national economic transformation.

Adjustments often follow a J-curve. Short-term costs can yield to long-term

gains with the right strategy. India's response to the shifts has many dimensions: rapidly adding to domestic capacities, affirming strategic autonomy, reframing traditional relationships, expanding plurilateral engagement and diversifying partnerships to mitigate risks and build influence. A partnership with Europe touches each dimension of India's strategy. The value of a relationship is not just in the strength of a partner, but in the need it fulfills and the benefits it brings. India's extensive European outreach and the EU's New Strategic EU-India Agenda 2025 signal a higher level of mutual priority.

Of the greatest consequence is the expected conclusion of the EU-India free trade agreement (FTA). Pursued and abandoned more than a decade ago, it was resurrected with greater ambition and scope in 2021. Growth in the EU's trade with India, and its FDI stock in the latter, is already among the fastest in the Indo-Pacific region. The trend reflects growing trade-investment linkages and ongoing adjustments in the supply chains in response to geopolitical risks. The negotiations are nearly complete. The high-quality FTA will address the compelling need to diversify trade and investment, deepen India's integration into global value chains, stimulate the development of resilient supply chains, and foster greater industrial and technological collaboration. This will enhance the viability of the India-Middle East-Europe Economic Corridor (IMEC) — the great new strategic initiative that reopens an old India-Europe corridor.

Technology determines power and leadership, but its use also shapes the character of our society and world. India and Europe can collaborate to gain self-sufficiency in the building blocks of the digital age such as artificial intelligence



JAWED ASHRAF

collaborate to gain self-sufficiency in the building blocks of the digital age, such as artificial intelligence (AI) and semiconductors. That can help prevent a global duopoly. India and Europe also converge on the public character and purpose of digital technology. Indeed, science, technology, and innovation should drive the partnership to lead industries of the future, address global priorities, and support development in the Global South. Guided by this vision, the two sides are building a comprehensive mobility programme of higher ambition for students, scholars, and scientists.

EU-India relations are built on India's deep ties with key member states. France has been a strong and reliable strategic partner for decades, from consistent support in the UN to long-standing defence, nuclear, and space collaboration. Germany, a major economic partner, is developing stronger defence and strategic cooperation with India. Spain and Italy, too, are prioritising India. The Nordic countries are the new frontiers of India's engagement. Attention is now turning to the strategically important and dynamic east.

Europe has emerged as India's major partner in advanced defence platforms. Europe, seeking to rearm itself, and India, pursuing *atmanirbhar* (self-reliance), will benefit from the scale that collaboration in development, production and supply chains brings. New domains of conflict such as maritime, underwater, space, and cyberspace call for cooperation in operations, capacity-building, and global regulation. Countering terrorism must be an essential element of the security partnership. Beyond technical and intelligence cooperation, it must also focus on the sources of terrorism, especially in Pakistan.

India and Europe can together play a bigger role in addressing the challenges of our times: Recourse to power over norms, the perilous course of our planet, the arrested future of the Global South, growing global fragmentation, emasculated multilateralism, fragile security in the Indo-Pacific, and seemingly intractable Eurasian security challenges. The two can, thus, influence the evolution of a new multipolar global order that will arise from the broken present — one of greater diversity, but still underpinned by the rule of law and collective choices.

There are challenges. That includes carving out influence in a world buffeted by the major powers. The EU must remain cohesive and united, with sovereign capabilities and an independent foreign and security policy. India's relationship with Russia and Europe's relations with China cast a shadow of concern. The two sides have clashed in multilateral forums and on political and human-rights issues. Negative public perceptions and narratives on both sides impose constraints. There is a need for continuous engagement and greater mutual sensitivity and respect, collaboration over censure, and dialogue over prescription.

The familiar world order that shaped national choices will not return, even if a change of political actors on the global stage raises hopes. India and Europe need to turn the turbulence of a world in transition into a tide of opportunities that steers their nearly 2 billion people, living in democracy and diversity, to a future of resilience, security and prosperity.

The writer, a retired ambassador, currently serves as chairman of Indian Trade Promotion Organisation (ITPO). Views are personal

Static Linkages

- FTAs permitted under Article XXIV of GATT (WTO).
- Strategic Autonomy as a core principle of India's foreign policy.
- Atmanirbhar Bharat supports defence indigenisation with foreign collaboration.
- Multipolar World Order as discussed in NCERT Political Science.
- Defence cooperation aligned with Defence Acquisition Procedure (DAP).
- IMEC linked to historical India-Europe trade routes.

KEY HIGHLIGHTS

Context of the News

- President of the European Commission Ursula von der Leyen visited India as Chief Guest at India's Republic Day.
- Visit coincided with the EU-India Summit (January 27).
- The visit follows her February 2025 India visit, the first overseas visit of her new term.
- Engagement reflects rising India-EU strategic convergence amid:
 - Russia-Ukraine conflict
 - Weakening transatlantic security architecture
 - Supply chain disruptions
 - Growing multipolarity

Key Points

- India-EU relations guided by EU-India Strategic Agenda 2025.
- EU-India Free Trade Agreement (FTA) negotiations (revived in 2021) are nearing conclusion.
- EU is one of India's largest trading partners and a major source of FDI.
- FTA aims to:
 - Diversify trade and investment
 - Strengthen resilient supply chains
 - Integrate India into Global Value Chains (GVCs)
- Strategic cooperation areas:
 - Defence manufacturing and platforms
 - Artificial Intelligence and semiconductors
 - Clean energy and critical technologies
- Connectivity cooperation through India-Middle East-Europe Economic Corridor (IMEC).
- Mobility initiatives for students, researchers, and scientists expanded.

Critical Analysis

Opportunities

- Reduces overdependence on single trade partners.
- Enhances India's role in shaping multipolar global order.
- Supports manufacturing, exports, and employment.
- Joint technology development reduces strategic vulnerabilities.
- Defence collaboration strengthens capability development.

Challenges

- Divergence on human rights and regulatory standards.
- India-Russia and EU-China relations create strategic frictions.
- Asymmetry in market access and environmental norms.
- Trust deficit due to negative public narratives.

Way Forward

- Early conclusion of a balanced, high-quality EU-India FTA.
- Strengthen technology and semiconductor cooperation.
- Expand defence co-development and co-production.
- Deepen people-to-people and research mobility.
- Enhance coordination in multilateral forums.
- Align IMEC with energy transition and supply chain resilience.

Amid volatility, a supply comfort in commodities

IN 2022, Russia's invasion of Ukraine, even as the world was recovering from the post-pandemic supply chain disruptions, sent international prices of food and other commodities soaring. The benchmark FAO Food Price Index scaled an all-time high of 160.2 points in March and Brent crude futures crossed \$139 per barrel on March 7 that year. In contrast, the recent geopolitical storms — whether in Venezuela, Iran or Greenland, not to speak of US President Donald Trump's seeming upending of the world order — have had minimal effect on the global commodity trade. The FAO index is well below the 2022 peaks, averaging 124.3 points in December, while Brent prices are at around \$65 per barrel now.

As far as supplies go, the world is moving to surpluses. Global wheat production is projected to reach a new high, mainly on the back of bigger crops in Argentina and the EU. The same goes for rice, corn and barley, where the drivers for record output are India, the US and the EU respectively. In oilseeds, too, the expected bumper production of soyabean and palm oil is largely courtesy of Brazil and Indonesia. On top of that, take India's own total stocks of wheat and rice in government godowns on January 1, which were nearly 4.5 times the required minimum level for that date. The good monsoon rainfall in 2025, in combination with moderate temperatures, has also delivered a good harvest in the kharif and, in all likelihood, the current rabi season as well.

The supply comfort in commodities, both global and domestic, is a redeeming feature in the present situation, where the rupee and the stock market are in freefall amid continued selling by foreign portfolio investors and capital outflows from India. Soft commodity prices are cushioning the impact of a weakening rupee that would otherwise have engendered imported inflation. The Union Budget should focus on macroeconomic stability. Far from taking the foot off the pedal of fiscal consolidation, there should be a clear glide path for a reduction in the deficit and debt ratios of both the Centre and state governments. Geopolitical risk and uncertainty are often beyond any government's control. The same cannot be said, though, about macro stability and policy predictability.

KEY HIGHLIGHTS

Context of the News

- Russia–Ukraine war (2022) led to unprecedented global commodity price shocks.
- FAO Food Price Index peaked at 160.2 (March 2022).
- Brent crude crossed \$139/barrel (March 2022).
- Recent geopolitical tensions (West Asia, Latin America, US policy uncertainty) have not triggered similar price shocks.
- FAO Food Price Index averaged 124.3 (Dec 2025).
- Brent crude prices around \$65/barrel.
- Global and domestic commodity supply situation currently comfortable.

Key Points

- Global commodity markets shifting from shortage-driven volatility to surplus-driven stability.
- Global wheat production projected at record levels (Argentina, EU).
- Rice production driven by India.
- Corn production led by the US.
- Barley output boosted by EU.
- Oilseeds (soybean, palm oil) bumper output from Brazil and Indonesia.

- India's wheat and rice stocks on 1 January nearly 4.5 times the minimum buffer norm.
- Good monsoon rainfall (2025) + moderate temperatures → strong kharif output and likely good rabi harvest.
- Soft commodity prices reducing imported inflation risks.
- Cushioning impact against rupee depreciation.
- Continued FPI outflows and pressure on Indian equity markets.
- Macroeconomic stability highlighted as key policy priority.

Static Linkages

- FAO Food Price Index: Weighted average of international prices of cereals, vegetable oils, dairy, meat and sugar.
- Buffer stock norms defined under Food Security framework (FCI, GoI).
- Commodity prices directly impact CPI inflation via food and fuel components.
- Fiscal consolidation linked to macroeconomic stability (Economic Survey).
- Imported inflation transmission via exchange rate pass-through.
- Agriculture output sensitive to monsoon variability (NCERT Geography).

Critical Analysis

Positives

- Global supply surplus moderates food inflation.
- High domestic stocks strengthen food security.
- Lower crude prices ease current account pressure.
- Reduces inflationary impact of rupee depreciation.

Concerns

- Over-reliance on favourable global supply conditions.
- Climate shocks can quickly reverse surplus.
- Persisting capital outflows weaken macro stability.
- Excess stocks increase storage and fiscal costs.

Policy Challenge

- Balance between fiscal prudence and growth support.
- Managing inflation without harming farm incomes.

Way Forward

- Maintain clear fiscal consolidation glide path.
- Rationalize buffer stock management.
- Strengthen agricultural supply chains and storage.
- Diversify energy sources to reduce crude dependence.
- Enhance climate-resilient agriculture.
- Improve policy predictability to stabilize investor confidence.