

DAILY NEWSP APER ANALYSIS

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**CHANAKYA IAS ACADEMY
SECTOR 25 CHANDIGARH**

SC seeks CBI status report on Manipur violence cases

Krishnadas Rajagopal
NEW DELHI

The Supreme Court on Friday directed the Central Bureau of Investigation (CBI) to file a status report detailing whether the agency has compiled sufficient evidence to "bring home the guilt" to persons accused of various heinous offences, including the sexual assault and gang rape of women during the sectarian violence that rocked Manipur in May 2023.

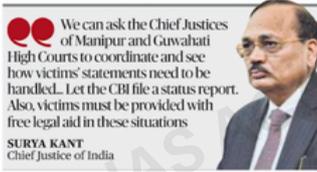
A Bench headed by Chief Justice of India Surya Kant said the CBI must share copies of the charge sheets with the victims or their families.

The top court proposed entrusting the Chief Justices of Manipur and Gauhati High Courts to monitor the progress of the criminal trials. It said the victims should be provided "quality legal aid" if required.

The court upped the ante on the trials linked to the Manipur violence after advocate Vrinda Grover, appearing in multiple applications related to young women sexually assaulted during the conflict, brought it up.

Ms. Grover highlighted the case of a young woman who died in January 2026 from an illness believed to be linked to the trauma she underwent after being gang-raped during the early days of the ethnic violence.

"These applications relate to young women sexually assaulted and gang-raped during the violence. They were among the 11 cases transferred to the CBI. It was said they would be monitored by the apex court... Now, one of the young women died in January 2026. I have been able



to trace the trial court orders in her case," she submitted. She said the young woman was never informed about the progress of her case by the CBI.

"The matter is being dealt with such casualness – the accused are not appearing, the CBI is not present... the main accused are not there..." she said.

On Ms. Grover's submissions, Solicitor General Tushar Mehta, appearing for the Centre and the State of Manipur, reacted that "no one could oppose any complaints from the side of the victims".

"Any complaint must be attended to with the sensitivity it deserves," Mr. Mehta said.

'Time is essence'

"But that has not happened. With the CBI, that has not happened... Even in 11 cases, they are not keeping anyone informed. No one knows what's happening. How do I know whether my daughter's case is taking place or not?" Ms. Grover asked.

The Chief Justice underscored that time was of the essence in these trials.

"That time has been lost," Ms. Grover conveyed the victims' disappointment.

The Chief Justice said the fact that the young woman had passed away was "very unfortunate".

Noting that some of the Manipur violence cases would go to trial in the State while others, numbering 27, had been shifted to neighbouring Assam, Chief Justice Kant suggested that the top court could request Manipur Chief Justice M. Sundar, who was recently appointed upon transfer from the Madras High Court, and Gauhati High Court Chief Justice Ashutosh Kumar to coordinate and evolve a mechanism to keep a close day-to-day watch on the trials.

"This is to ensure that everyone gets justice and to strengthen the rule of law," the CJI orally observed.

Further, the top court observed that the sensitive and heinous cases of Manipur violence shifted to Assam could be prosecuted there.

The Assam Chief Justice could monitor the trial by even constituting a Special Bench.

"Now since the matters are maturing for trial and trial requires a very close and deep monitoring and supervision, the State High Courts are in a better position to do it... If we find circumstances are getting complicated, this court could always intervene," Chief Justice Kant said.

The court scheduled the case for the next hearing on February 26.

Key Issues

- Judicial monitoring of investigations.
- Victim-centric criminal justice reforms.
- Federal coordination in criminal trials.
- Gender justice and accountability during internal conflicts.
- Rule of law in disturbed areas.

Static Dimensions

- Separation of powers.
- Judicial review.
- Fundamental Rights (Articles 14, 21, 32).
- Criminal justice system structure.
- Speedy trial jurisprudence (Hussainara Khatoon case).
- Witness protection framework (as per Supreme Court guidelines, 2018).

Constitutional & Governance Significance

- Strengthens accountability of investigative agencies.
- Reinforces speedy trial as part of Article 21.
- Demonstrates Supreme Court's supervisory jurisdiction.
- Reflects federal judicial cooperation (transfer to Assam).
- Focus on access to justice and legal aid.

Challenges

- Delays in investigation and trial.
- Limited forensic and prosecutorial capacity.
- Trauma and secondary victimization.
- Balancing judicial monitoring with separation of powers.

Way Forward

- Dedicated fast-track courts for conflict-related sexual crimes.
- Regular status reporting in sensitive cases.
- Institutionalized victim communication mechanisms.
- Strengthening forensic and prosecution infrastructure.
- Effective implementation of witness protection and compensation schemes.

KEY HIGHLIGHTS

Context

- The Supreme Court directed the CBI to file a status report on investigation and evidence collected in cases of sexual assault during the Manipur ethnic violence (May 2023).
- 11 sensitive cases were earlier transferred to CBI; 27 cases shifted to Assam for trial.
- The Court proposed monitoring of trials by the Chief Justices of Manipur and Gauhati High Courts.
- Emphasis on speedy trial, victim communication, and quality legal aid.

Key Points for Prelims

- Supreme Court can transfer criminal cases between states under Section 406 CrPC.
- High Courts can transfer cases within state under Section 407 CrPC.
- Article 21 includes right to fair and speedy trial (judicial interpretation).
- Article 142 empowers Supreme Court to do "complete justice".
- Section 357A CrPC – Victim Compensation Scheme.
- Legal Services Authorities Act, 1987 – Free legal aid.
- CBI functions under the Delhi Special Police Establishment Act, 1946.

CJI's office received 8,630 complaints against judges from 2016 to 2025: Minister

Ishita Mishra
NEW DELHI

The office of the Chief Justice of India (CJI) received 8,630 complaints against sitting judges in the last decade, Law Minister Arjun Ram Meghwal informed the Lok Sabha on Friday.

The information came in response to a question raised in the House by Dravida Munnetra Kazhagam MP V.S. Matheswaran who had sought the database of complaints regarding corruption, sexual misconduct, or other serious impropriety received against judges of the High Courts or the Supreme Court.

Responding to the query, Mr. Meghwal submitted that 8,360 complaints against judges were recorded between 2016 and 2025.

As per the data shared by the Minister, the CJI's office got 729 complaints against judges in 2016, followed by 682 in 2017, 717 in 2018, and 1,037 in 2019. In 2020 and 2021, such complaints stood at 518 and 686 respectively. In 2022, 1,012 complaints were received, followed by 977 in 2023, 1,170 in 2024, and

Court scrutiny

Under the judiciary's in-house mechanism, complaints against judges are handled internally by the CJI and Chief Justices of the High Courts, with no public disclosure on outcomes.

Number of complaints received in last 10 years



1,102 in 2025.

Though Mr. Matheswaran asked if any action had been taken on the complaints, the Minister did not address the query.

To another question by the MP on whether the Centre was aware of any system maintained by the apex court to track complaints related to corruption, sexual misconduct, or other serious impropriety against judges of the higher judiciary, the Minister said that under the existing "in-house procedure", the Chief Justice of India and the Chief Justices of the High Courts are

authorised to receive and handle such complaints.

The Minister further noted that complaints submitted through the Centralised Public Grievance Redress and Monitoring System (CPGRAMS) or other channels are forwarded to the CJI or the respective High Court Chief Justices.

The MP also enquired if the government intended to introduce guidelines to ensure proper documentation, monitoring, and accountability in dealing with complaints against members of the higher judiciary. However, the Minister did not address it.

KEY HIGHLIGHTS

Context of the News

- The Union Law Minister informed the Lok Sabha that the office of the Chief Justice of India received 8,630 complaints against sitting judges in the last decade.
- Between 2016–2025, 8,360 complaints were recorded against judges of the Supreme Court and High Courts.
- Complaints related to corruption, sexual misconduct, and other serious impropriety.
- As per the existing in-house procedure, the CJI and respective High Court Chief Justices examine such complaints.
- Complaints received via CPGRAMS are forwarded to the concerned judicial authorities.

Key Points

- Year-wise trend (2016–2025):
 - Peak years: 2024 (1,170), 2025 (1,102), 2019 (1,037).
- Removal of Judges:
 - Supreme Court Judges – Article 124(4).
 - High Court Judges – Article 217 read with Article 124(4).
 - Grounds: Proved misbehaviour or incapacity.
 - Requires special majority in both Houses of Parliament.
- Articles 121 & 211: Restrict discussion on conduct of judges in Parliament/State Legislatures except during impeachment motion.

- Judges (Inquiry) Act, 1968: Regulates impeachment procedure.
- In-house procedure: Not mentioned in Constitution; evolved by Supreme Court (1999; revised 2014).

Static Constitutional Linkages

- Independence of Judiciary – Basic Structure doctrine (Kesavananda Bharati case).
- Separation of Powers.
- Judicial Review (Articles 32 & 226).
- Article 50 – Separation of judiciary from executive.
- Collegium system (Judges Cases).

Critical Analysis

Issues:

- Lack of statutory backing to in-house procedure.
- No public disclosure of action taken → transparency concerns.
- Impeachment process is extremely difficult → limited practical accountability.
- Increasing complaints may affect public trust.

Need for Balance:

- Judicial independence is part of Basic Structure.
- Excess executive oversight may compromise independence.
- However, absence of transparency may weaken legitimacy.

Way Forward

- Enact Judicial Standards and Accountability legislation.
- Institutionalised complaint-tracking mechanism with periodic disclosure.
- Strengthen internal ethics oversight.
- Promote judicial code of conduct and asset disclosure norms.

Telecom service providers do not own spectrum: SC

Court says operators can't list spectrum as an asset for insolvency or liquidation; says it is a scarce natural resource owned by people of India, with legal title vesting exclusively in the Union of India

Krishnadas Rajagopal
NEW DELHI

The Supreme Court on Friday laid down that telecom service providers (TSPs) do not own spectrum, a precious and finite public resource meant to be used for the common good of all, and cannot include it among their pool of "assets" for insolvency or liquidation.

A Bench of Justices P.S. Narasimha and Atul Chandurkar held that Insolvency and Bankruptcy Code (IBC) excludes any assets over which a corporate debtor has no ownership rights.

"Mere recognition of spectrum licensing rights as an intangible asset by TSPs in the financial statements is not conclusive of their ownership, as it only represents control over future economic benefits," Justice Narasimha clarified the law.

The court said spectrum was a scarce natural resource owned by the people of India, with legal title vesting exclusively in the Union of India, which holds it in trust for the public. "Licensees acquire no proprietary interest in spectrum," Justice Narasimha, who authored the



Mere recognition of spectrum licensing rights as an intangible asset by TSPs in the financial statements is not conclusive of their ownership, as it only represents control over future economic benefits

JUSTICE P.S. NARASIMHA

judgment, underscored.

'Limited privilege'

The mere grant of spectrum under a licence does not mean a complete transfer of a finite natural resource from the Union government to a TSP. "It confers only a limited, conditional and revocable privilege to use spectrum, subject to statutory requirements, licence conditions and overriding public interest," Justice Narasimha clarified.

The court observed that the Union as the owner and trustee of spectrum on the one hand and the Telecom Regulatory Authority of India (TRAI) as the regulator on the other, occupy the entire province of telecommunications.

"The statutory regime under IBC cannot be permitted to make inroads into the telecom sector and rewrite and restructure the rights and liabilities

arising out of administration, usage, and transfers of spectrum which operate under exclusive legal regime concerning telecommunications. The disharmony caused by applying IBC to the telecom sector which operates under a different legal regime was never intended by the Parliament," the court noted.

On corporate debtors

The verdict is the culmination of a train of events dating back to the grant of telecom licences to corporate debtors – Aircel Limited, Aircel Cellular Limited and Dishnet Wireless Limited – by the Department of Telecommunications under Unified Access Service Licences (UASL). Domestic lenders, including the State Bank of India (SBI), had extended loan facilities to the corporate debtors for acquisition of rights to use spectrum.

Eventually, the corporate debtors failed to pay the licence fee. When the DoT attempted to recover these amounts, the debtors invoked the IBC for a voluntary corporate insolvency resolution process.

The top court's judgment was based on a series of separate appeals filed by the SBI and others against a 2021 National Company Law Appellate Tribunal (NCLAT) judgment requiring the TSPs undergoing insolvency to clear statutory dues to the DoT before transferring or selling spectrum under the IBC.

Friday's judgment made it clear that the spectrum cannot be brought under the IBC framework. The TSPs did not own spectrum in the first place to sell it. Besides, the top court made it clear that the DoT dues owed by the TSPs were not "operational debts" under the IBC.

"Licence fees and spectrum usage charges arise from the grant of a sovereign privilege and represent regulatory consideration, not payment for goods or services. The relationship between the Union and the licensee is that of sovereign licensor and licensee, not a commercial creditor-debtor relationship," the court held.

- Public Trust Doctrine – State holds natural resources in trust for people.
- Entry 31, Union List – Telecommunications under Union jurisdiction.
- Indian Telegraph Act, 1885 – Central government's exclusive privilege over telegraph (includes spectrum).
- TRAI Act, 1997 – Regulatory framework for telecom.
- IBC, 2016 – Defines operational debt and corporate debtor.

Importance

- Difference between ownership rights and licence rights.
- Meaning of operational debt under IBC.
- Role of DoT and TRAI in telecom regulation.
- Public Trust Doctrine application beyond environment.
- Union List Entry 31 relevance.
- Regulatory framework and statutory bodies.
- Conflict between general law (IBC) and special law (Telecom laws).
- Judicial interpretation strengthening public trust doctrine.
- Infrastructure sector (Telecom).
- Financial stress in telecom sector.
- Impact on banking sector recovery under IBC.
- Natural resource allocation governance.

Critical Analysis

Positive Aspects

- Protects public ownership of spectrum.
- Prevents private appropriation of national resources.
- Maintains regulatory clarity between IBC and telecom laws.
- Strengthens sovereign authority in resource management.

Concerns

- Reduces asset base for lenders during insolvency.
- May affect investor confidence in capital-intensive telecom sector.
- Highlights structural financial stress in telecom industry.

Way Forward

- Clear statutory harmonisation between IBC and sectoral laws.
- Strengthening telecom sector financial sustainability.
- Transparent spectrum allocation and pricing.
- Balanced approach to protect public interest and creditor rights.
- Long-term regulatory certainty to attract telecom investments.

KEY HIGHLIGHTS

Context

- The Supreme Court held that telecom spectrum is not owned by Telecom Service Providers (TSPs) and cannot be treated as their asset under the Insolvency and Bankruptcy Code (IBC), 2016.
- The case arose from insolvency proceedings involving Aircel group companies.
- The Court ruled that:
 - Spectrum is a public resource.
 - Legal ownership vests in the Union of India.
 - TSPs have only a limited, conditional, and revocable licence to use spectrum.
 - DoT dues (licence fee and spectrum usage charges) are not operational debt under IBC.

Key Highlights of the Judgment

- Spectrum is a scarce natural resource held by the Union in trust for the public.
- Mere accounting recognition as an "intangible asset" does not confer ownership.
- IBC cannot override the special statutory telecom regime.
- Licence fee and spectrum usage charges arise from a sovereign function, not a commercial transaction.
- Therefore, spectrum cannot be sold/transferred as part of liquidation assets.

Legal & Constitutional Dimensions

- Article 39(b) – Material resources of the community to be distributed for common good.

India tested, from U.S. sanctions to one-sided trade deal

Despite all the fanfare and future in Parliament, it may be premature to celebrate or criticise the India-United States Interim Trade Agreement, simply because it has not yet been forged. Yet, last week's announcement of a "Framework for an Interim Agreement on Reciprocal Trade" (where the agreement itself is expected to be announced in the next few weeks), follows a procedure and a path that should be disquieting for all. While the baseline objective for the Narendra Modi government must be to enhance the Indian economy, and ease the unbearable burden that the U.S. Trump administration had imposed on it through 50% tariffs, the question it must ask is this: how, and at what cost? The Indian government must consider if this will be the template for all other India-U.S. agreements, strategic, economic or defence in the future.

America's unilateral announcements
Every announcement on the deal thus far has been made by Washington unilaterally, with New Delhi racing to play catch up. The first sign that the two countries had agreed on going ahead with negotiations came in February 2025: came from a social media post by U.S. President Donald Trump on February 2, 2026. In it, he furnished several details of his conversations with Prime Minister Narendra Modi, all of which were incorporated into the Joint Statement and Executive Orders issued on February 6 – claims that Mr. Modi agreed to stop buying Russian oil, and to buy "much more" oil from the U.S.; that India would reduce tariffs and non-tariff barriers against the U.S. to "zero" in return for 18% U.S. tariffs on Indian goods, and that Mr. Modi committed to "buy American" products to the tune of \$500 billion.

Mr. Modi's post that followed only divulged that the U.S. tariffs would be reduced. Four days later (U.S. time, 4 a.m.), Washington released the joint statement and two executive orders, on Russia and Iran, and subsequently a "Fact Sheet". The Press Information Bureau released the joint statement a few hours later. The government has since refused to engage with other documents in its public comments. But the entire manner of bringing out a "joint statement" unilaterally, begs this question: Who is calling the shots?

The nuts and bolts of the eventual trade regime being discussed, which includes tariffs, non-tariff barriers and market access can be considered at a later date when India and the U.S. actually sign the "interim agreement" on trade, as they are expected to next month. However, the concessions given in order to secure the interim agreement are set out clearly, and are a major cause for concern. While the Ministry of External Affairs and Commerce and Industries Ministry have sought to separate the trade agreement from



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Mr. Trump's Executive Orders pertaining to Russian oil, they are in fact part of the same raft. Mr. Trump's Truth Social post, the documents released on February 6, and the White House Fact Sheet issued on February 10 all present them together.
The U.S. makes it clear that it rescinded 25% punitive tariffs on India (imposed in August 2025), under three understandings: that India would stop buying Russian oil; that it had already begun to do so, and that the U.S. would impose tariffs again if India were to resume Russian oil supplies. Mr. Trump has even set up a panel of his top officials to monitor India's oil intake. What is perhaps even more surprising is that the order states that India has agreed to "align sufficiently with the United States on national security, foreign policy, and economic matters".

The Indian government has not so far denied any of these claims, instead issuing long statements outlining India's energy sourcing priorities and the need to diversify its supply sources. On the ground, the trends are clear: India's imports of Russian oil have been reducing since November 2025, and oil purchases in December 2025 crashed to 38-month lows. From 40% of its oil intake in 2024, Russia now accounts for 25%.

Contrary to External Affairs Minister S. Jaishankar's assertion that India would put cheap oil for its consumers at the highest priority, and his Ministry's characterisation of the U.S.'s punitive tariffs as "unfair, unjustified and unreasonable", India is now buying less Russian oil, just as the discounts on it get larger. Other concessions, such as the zeroing of tariffs in several sectors, and the promise to buy American goods worth \$500 billion require further scrutiny. Buying U.S. goods in such large volumes would leave limited space for imports from other trading partners, and offering Washington terms not extended to countries that have only recently concluded trade agreements with India. These include the European Union, the European Free Trade Association, and New Zealand and would likely prompt questions from them.

Needless to say, the developing world, or the global South, that once cheered India's refusal to back down in the face of non-United Nations, unilateral sanctions, will be watching closely. As a result, understanding the U.S. deal's impact on India's diplomatic standing among other nations is also vital.

A pattern of U.S. demands
Should India accept the U.S.'s ultimatums to halt Russian oil imports, it would mirror its 2019 approach of compliance on giving up Iranian and Venezuelan oil – resisting at first before ultimately yielding to U.S. pressure months later. The U.S. is now pushing for India to buy

American and American-controlled Venezuelan oil, for India to give up the Chabahar port project and all trade with Iran.

If New Delhi agrees to all these, it will not only lose respect and goodwill with the countries in question (where India had promised to increase trade and investment) but also its credibility as a buyer and supplier in the market worldwide. This could prove particularly awkward for India as it prepares to host this year's BRICS summit, with the leaders of Russia, Iran and other developing-world partners expected to attend.

The next question New Delhi must ask itself is this. If the only way to do business with the U.S. involves the acceptance of "unfair, unjustified and unreasonable" measures such as tariffs, then what does this mean for strategic relations with the U.S.? Will every agreement on strategic ties, including on defense deals, military alignment, the Quad (India, Australia, Japan, the U.S.) and the Indo Pacific, counter-terrorism and India's neighbourhood follow this pattern? Not only have the U.S.'s deals with Pakistan and Bangladesh underscored Washington's limited regard for India's interests in the neighbourhood, but its insistence that India end Russian oil imports, curtail trade with Iran, and halt development of Chabahar would only further benefit China. It is worth noting that India is the only country that the U.S. imposed 25% punitive tariffs for Russian oil on, while China and Türkiye are among other major buyers. In 2022, Mr. Modi's refusal to criticise Russia for the invasion of Ukraine publicly was seen as a compulsion of India's ties with Russia – abandoning its principles of territorial integrity in favour of pragmatism. In 2026, giving up Russian oil as a compulsion of India's ties with the U.S. is neither principled, nor pragmatic.

On India's standing
Finally, the repercussions of this deal could inflict the greatest damage on India's principles of strategic autonomy, multi-alignment and multipolarity, as it would narrow India's options rather than diversify them – not just in energy procurement, trade, and connectivity but also in its broader global relationships. In 2019, Mr. Modi announced that India had rejected the Regional Comprehensive Economic Partnership (RCEP), invoking "Mahatma Gandhi's talisman test", walking out of a deal that his government had worked on for five years, citing discomfiture with Chinese economic domination. Confronted with an agreement that makes far more rigorous demands on India's sovereign choices, it would be surprising if the government did not subject the U.S. deal to additional scrutiny before finalising it.

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- Reduction may affect:
 - Import bill.
 - Current Account Deficit.
 - Domestic fuel prices.
- Energy security pillars: Availability, Affordability, Accessibility, Sustainability.
- 3. Strategic Autonomy
 - India's foreign policy evolution:
 - Non-Alignment → Strategic Autonomy → Multi-Alignment.
 - Concerns over linkage diplomacy (trade tied to foreign policy alignment).
 - Impact on:
 - BRICS.
 - Chabahar Port (Iran).
 - Russia relations.
 - Indo-Pacific engagements.
- 4. Economic Implications
 - Large U.S. purchase commitments may:
 - Increase trade volume.
 - Crowd out other suppliers.
 - Sectoral impact likely in:
 - Agriculture.
 - Manufacturing.
 - Defence imports.
 - Possible effect on domestic industries (tariff reductions).

Static Linkages

- Article 51 – Promotion of international peace and security.
- WTO Principles – MFN, National Treatment.
- Article XXIV of GATT – FTA exception.
- Balance of Payments components.
- Current Account Deficit.
- RCEP withdrawal (2019) and domestic industry concerns.
- Quad and Indo-Pacific strategic framework.

Critical Analysis

Positives

- Immediate tariff relief.
- Improved market access to U.S.
- Diversification of crude sourcing.
- Strengthened bilateral partnership.

Concerns

- Compromise on energy affordability.
- Strategic autonomy erosion.
- WTO compliance issues.
- Diplomatic cost with Russia, Iran.
- Precedent for conditional agreements.
- Potential inflationary pressures if oil import cost rises.

Way Forward

- Ensure WTO-compatible framework (Article XXIV).
- Maintain diversified oil basket.
- Sector-wise impact assessment before finalisation.
- Protect sensitive domestic industries.
- Preserve multi-alignment doctrine.
- Enhance renewable energy capacity (500 GW non-fossil target by 2030)

KEY HIGHLIGHTS

Context

- In February 2026, India and the United States announced a "Framework for an Interim Agreement on Reciprocal Trade."
- The development followed:
 - U.S. imposition of 25% punitive tariffs (August 2025) on Indian goods.
 - Broader tariff pressures (up to 50%) by the U.S. administration.
- The U.S. indicated withdrawal of certain tariffs subject to:
 - India reducing Russian oil imports.
 - Increased purchase of U.S. oil and goods.
 - Reduction of tariff and non-tariff barriers for U.S. products.
- India's Russian crude imports reportedly declined from ~40% (2024) to ~25% (early 2026).

Key Exam-Relevant Dimensions

1. Trade & WTO Angle

- MFN Principle: Equal tariff treatment to all WTO members.
- Exception: Allowed under Article XXIV (FTAs/Customs Unions).
- Preferential concessions to U.S. may require legal structuring under WTO norms.
- Risk of trade diversion affecting EU, EFTA, and other FTA partners.

2. Energy Security

- India imports ~85% of crude oil (Economic Survey data).
- Russian crude became significant post-2022 due to discounted pricing.

India's autonomy and global credibility could be undermined by its unilateral trade deal with the United States

The labour codes redefine wages, empower the worker

The implementation of India's labour codes marks a decisive shift towards greater financial inclusion of the workforce by embedding social security, income protection, and long-term financial safeguards into the employment relationship. By consolidating multiple fragmented labour laws, the codes aim not only to modernise labour governance but also to ensure that the gains of economic growth are shared more equitably with workers.

While some trade unions have responded with nationwide strike calls, a closer examination of the labour codes reveals that these reforms are fundamentally designed to correct long-standing exclusions and integrate millions of workers into formal systems of financial and social security.

Moreover, fixed-term employees are now entitled to gratuity after completing one year of service. This change recognises the realities of modern labour markets and ensures gratuity payments for fixed-term employment.

For decades, workers engaged on fixed-term contracts contributed productively to enterprises but exited employment without any terminal financial benefit. By extending gratuity coverage, the labour codes convert short-term employment into a mechanism for asset creation and income security. PF, pension and gratuity thus function not merely as a retirement benefit, but as a tool for financial inclusion, enabling workers to build savings, manage life-cycle risks and reduce vulnerability during job transitions.

This change has naturally increased the



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financial liability of large corporations, including well-known companies such as TCS, Infosys, HCLTech, and L&T, where workforce size and reliance on fixed-term employment are significantly high.

Reports suggesting that companies have been "hit by crises" due to gratuity provisions must be viewed in proper perspective. The financial outlay arising from the new labour codes translates directly into enhanced income security for workers, strengthening their financial capacity and purchasing power. This, in turn, has positive multiplier effects on the economy through increased consumption, savings and social security coverage. The increased social security benefits also signify a more equitable redistribution of value towards labour rather than any erosion of employer interests. This also underscores the success of the labour codes in advancing fairness, dignity, and long-term stability in employment relations.

The macroeconomic impact
Financial inclusion under the labour codes extends well beyond social security benefits for organised sector workers. The expansion of social security coverage to gig, platform and unorganised workers is a landmark reform. For the first time, these workers have been formally recognised within India's labour law framework, enabling access to insurance, PF mechanisms, and welfare schemes. Portability of benefits across States and employment is particularly significant for migrant and informal workers, who have historically remained excluded from stable financial systems. The Code on Wages further strengthens income security by introducing a universal wage definition, ensuring statutory minimum wages across sectors, limiting arbitrary deductions, and mandating timely payment.

Collectively, these measures stabilise incomes and enhance workers' ability to participate meaningfully in the formal economy. The redistribution of income towards workers has important macroeconomic implications. Enhanced income security increases workers' purchasing power, leading to higher consumption, improved savings behaviour and

greater engagement with formal financial institutions. Unlike shareholder income, which may be invested in financial markets or external assets, worker income largely circulates within the domestic economy, generating demand-led growth. From this perspective, the labour codes function as instruments of inclusive growth. By strengthening the financial base of the workforce, they reduce vulnerability to economic shocks and contribute to social stability.

Earlier labour laws were outdated
Despite these advances, sections of trade unions continue to oppose the labour codes, often portraying them as anti-worker reforms. While apprehensions about proper implementation and enforcement are legitimate, blanket opposition overlooks the tangible gains embedded in the legislation. In several instances, strike calls appear to be driven by sheer opposition to reforms that by the substantive provisions of the codes themselves. This risks diluting public understanding of reforms that are, in many respects, pro-worker and welfare oriented. It is also important to acknowledge that labour law reform in a country as large and diverse as India cannot be static. The earlier labour laws had become fragmented, outdated and ill-suited to a rapidly changing labour market. Consolidation into four labour codes simplifies compliance, improves transparency and creates a more predictable regulatory environment which benefits workers and employers.

India's labour codes should be understood not merely as regulatory restructuring but as a structural intervention aimed at greater financial inclusion. By extending gratuity, expanding social security coverage and closing long-standing legal exclusions, the codes facilitate a gradual but meaningful redistribution of economic value from capital to labour. This shift strengthens income security, enhances financial dignity, and aligns economic growth with social justice. The true success of the labour codes will lie not in resistance or rhetoric, but in ensuring their effective implementation so that every worker becomes an active participant in India's growth story.

- Recognises contractualisation of labour.
 - Converts short-term employment into asset-building opportunity.
- #### 4. Social Security Expansion
- First-time recognition of gig and platform workers.
 - Provision for Social Security Fund.
 - Portability of benefits across states (important for migrant labour).
 - Integration with EPFO, ESIC mechanisms.
- #### 5. Universal Wage Protection
- National floor wage concept.
 - Statutory minimum wages extended across sectors.
 - Limits arbitrary wage deductions.
 - Mandates timely payment of wages.

Macroeconomic Implications

- Income redistribution towards labour increases:
 - Consumption demand.
 - Savings and financial inclusion.
 - Domestic multiplier effects.
- Supports inclusive growth and reduces vulnerability to economic shocks.
- Encourages labour formalisation and social stability.

Static Linkages

- Article 38 – Promote welfare of the people.
- Article 39 – Adequate means of livelihood.
- Article 41 – Right to work and public assistance.
- Article 43 – Living wage.
- Article 23 – Prohibition of forced labour.
- Concept of Inclusive Growth (Economic Survey).
- Financial Inclusion architecture: JAM Trinity.
- Demographic dividend and human capital formation.

Critical Analysis

Positives

- Enhances financial inclusion of workers.
- Strengthens long-term social security corpus.
- Recognises gig economy within labour framework.
- Simplifies compliance via consolidation.
- Aligns economic growth with social justice.

KEY HIGHLIGHTS

Context of the News

- India consolidated 29 Central labour laws into four Labour Codes to modernise labour governance and expand social security.
- Key debate centres on:
 - Revised definition of wages (minimum 50% of total remuneration).
 - Gratuity entitlement for fixed-term employees after 1 year.
 - Extension of social security to gig and platform workers.
- Trade unions have raised concerns, including nationwide strike calls.
- The reforms are positioned as tools for financial inclusion and formalisation of the workforce.

Key Provisions of the Labour Codes

- 1. The Four Labour Codes**
 - Code on Wages, 2019
 - Industrial Relations Code, 2020
 - Occupational Safety, Health and Working Conditions Code, 2020
 - Code on Social Security, 2020
- 2. Reform of Wage Definition**
 - "Wages" must be at least 50% of total remuneration.
 - Prevents structuring salary to reduce:
 - Provident Fund (PF) contributions.
 - Gratuity liability.
 - Leads to:
 - Higher PF accumulation.
 - Improved pension and gratuity benefits.
 - Greater long-term income protection.
- 3. Gratuity for Fixed-Term Employees**
 - Eligible for gratuity after 1 year of service.
 - Earlier requirement under Payment of Gratuity Act, 1972: 5 years.

Concerns

- Increased compliance cost for MSMEs.
- Implementation gaps across states.
- Trade union concerns regarding labour flexibility.
- Risk of informalisation if compliance burden rises.

Way Forward

- Strengthen enforcement and digital compliance.
- Ensure centre-state coordination for uniform implementation.
- Periodic revision of floor wages linked to inflation.
- Expand social security coverage database for gig workers.
- Promote awareness among workers about new entitlements.

Overdue upgrade

The new CPI series will aid policymaking and bolster data stability

The new series of the Consumer Price Index (CPI), released on Thursday, has addressed the many shortcomings of the previous series. The new series has a base year of 2024, and is pegged to consumption patterns from the Household Consumption Expenditure Survey 2023-24. The previous series had a base year of 2012 and was based on consumption patterns of 2011-12. As Chief Economic Adviser V. Anantha Nageswaran noted, India has changed markedly over the last decade or so, including consumption behaviour and the composition of household expenditure. For example, 80 crore households receive free foodgrain now, which naturally reduces how much they need to spend on food. Simultaneously, several new service offerings have emerged, such as over-the-top (OTT) video streaming, and online marketplaces. The new series commendably tries to address these changes. The weightage of food and beverages in the overall CPI has been reduced to 36.75% from the earlier 45.86%. This is significant since food inflation was having an outsized influence on the overall CPI, despite forming a shrinking part of households' monthly expenditures. The index also covers more items, increasing its granularity and representativeness. Notably, this increase includes a larger number of goods and services. India's service economy is growing faster than the economy's average growth rate, and so price levels here are an increasingly important factor. The new index also collects data from more marketplaces across the country, and, for the first time, includes 12 online marketplaces.

More accurate inflation data have several implications for macroeconomic stability and monetary and fiscal policy. Food inflation in India is notoriously volatile, quickly reflecting supply bottlenecks as well as the vagaries of the weather. A more realistic weightage for food in the CPI stands to make the overall index more stable. This, in turn, can increase predictability in Budget-making, since some aspects are linked to the CPI, such as inflation-indexed dearness allowance and dearness relief. As far as monetary policy is concerned, an updated CPI gives the Reserve Bank of India's Monetary Policy Committee a more accurate picture of inflation as it decides the various policy interest rates. At the moment, MoSPI provides a 'linking factor' and leaves it to the public to calculate how earlier inflation data would have looked like under the new methodology. It should, instead, provide the back data itself, to ease comparative analysis. It should also stick to its plan to revise the CPI every five years, and not wait another 11 years to update it.

KEY HIGHLIGHTS

Context

- Ministry of Statistics and Programme Implementation (MoSPI) released a new CPI series with base year 2024.
- Previous base year: 2012 (based on Household Consumption Expenditure Survey 2011-12).
- New series based on Household Consumption Expenditure Survey (HCES) 2023-24.
- Reflects structural changes in:
 - Consumption patterns.
 - Expansion of welfare schemes (free foodgrain).
 - Growth of digital and service economy.

Key Features

- Base Year Updated: 2012 → 2024.
- Food & Beverages Weight Reduced:
 - Earlier: 45.86%
 - Now: 36.75%
- Expanded Basket of Goods & Services:
 - Inclusion of OTT subscriptions.
 - Online marketplace transactions.
- Wider Data Collection:
 - Increased physical markets.
 - Inclusion of 12 online marketplaces.

- Linking Factor Provided for comparability with old series (back-series not fully released).

Importance for Economy

- More realistic inflation measurement.
- Reduced volatility in headline inflation (due to lower food weight).
- Better reflection of services inflation.
- Improved accuracy for:
 - Monetary policy (RBI's MPC decisions).
 - Fiscal planning and Budget estimates.
 - Dearness Allowance (DA) and Dearness Relief (DR) revisions.

Static Linkages

- CPI compiled by National Statistical Office (NSO).
- CPI uses Laspeyres Index method.
- Inflation Targeting Framework (4% ± 2%) under RBI Act, 1934 (amended 2016).
- CPI is the nominal anchor for monetary policy.
- Base year revision required to capture structural economic changes.
- Service sector contributes more than 50% of GDP (Economic Survey).

Issues & Concerns

- Absence of full back-series data limits long-term comparison.
- Lower food weight may understate inflation burden on poor households.
- Online price data may create sampling challenges.
- Need for regular 5-year revision (avoid long gap like 2012-2024).

Way Forward

- Release full historical back-series data.
- Ensure 5-year periodic revision.
- Improve digital data methodology.
- Track food inflation separately for welfare targeting.
- Maintain transparency in statistical processes.

Trade pact with America is first step, not diplomatic solution



RIAN DHANKHAR

THE US-India trade deal marks a welcome thaw after months of tariffs, reprimands, and diplomatic strain. But the deal itself will not fix the trust deficit between Washington and New Delhi. It lowers the temperature but does not restore confidence. Read it as an opening: A chance to convert de-escalation into strategic repair, if leaders act quickly and deliberately.

The trust deficit began with coercive trade policy. After talks stalled, US duties on Indian exports shot up as high as 50 per cent, turning commerce into a public test of India's reliability. Then the politics got sharper. Washington compounded the damage with muddled Pakistan-related optics: President Donald Trump claimed credit for ending the May 2025 India-Pakistan crisis and floated US mediation on Kashmir — precisely the kind of third-party framing New Delhi rejects and treats as interference. The trade deal addresses one part of that cascade: It de-escalates. The agreement reduces US tariffs on Indian goods to 18 per cent and rolls back additional penalties tied to India's purchases of Russian oil.

Still, tariffs were never just an economic variable. They became the symbol of unpredictability — of a relationship that could turn punitive. India's Russian oil imports became a proxy fight over strategic autonomy and US signalling towards Pakistan became a proxy fight over whether Washington understands India's red lines. A lower tariff rate is a first step. It is not, by itself, a durable solution to reviving the relationship to its former height.

The good news is that the bureaucratic machinery of the relationship has kept moving under the surface even as the relationship frayed. After the tariffs were announced, a new 10-year defence framework was signed, and the US also approved an Indo-Pacific Maritime Domain Awareness package for India.

That operational density shows up in the numbers, too. India conducts more military exercises with the US than with

any other country, an indicator of how routine the security partnership has become. The personnel layer reinforces it. Ambassador Sergio Gor, a close Trump aide, is reported to have been central in pushing for an expedited trade breakthrough. Read that for what it is: Institutionalisation. It's proof that this partnership has resilience.

But time is not infinite. This is among the sharpest leadership-level downturns in roughly a quarter-century, and bureaucratic momentum has limits. The trade deal should be treated as a bridge back to diplomacy, not a substitute for it. If Washington wants this thaw to become a durable reset, it will need leader-driven moves that create visible alignment.

Two moves must happen quickly. First, de-risk the Pakistan optics. Washington does not need to abandon counterterrorism engagement with Islamabad. But it should make explicit what Indian strategists need to hear: The US is not rehypenating India and Pakistan, and it is not seeking to mediate Kashmir. Here, the trade deal helps at the margin. The 18 per cent tariff on India is lower than the rate imposed on China and Pakistan, a step in the right direction that is already being received well in New Delhi as a signal of relative prioritisation. Second, go big at the leadership level. A presidential visit to India would be the cleanest confidence-building mechanism. The most plausible vehicle, politically and logistically, is a Quad leaders' summit. India was set to host the Quad before the relationship soured and the summit was postponed. Reviving it in the first half of this year would give the thaw a strategic frame and create space for visible alignment.

The trade deal is a welcome thaw. The trust reset will require leadership: Disciplined signalling on Pakistan, and a visible strategic anchor at the top. The bureaucracy can keep the lights on. Only the leaders can restore the line of sight.

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The trade deal should be treated as a bridge back to diplomacy, not a substitute for it. If Washington wants this thaw to become a durable reset, it will need leader-driven moves that create visible alignment

KEY HIGHLIGHTS

Context

- The US and India concluded a trade de-escalation agreement after a period of elevated tariffs and diplomatic strain.
- US tariffs on Indian exports (earlier raised up to ~50%) have been reduced to around 18%.
- Additional penalties linked to India's purchase of Russian oil have been rolled back.
- Tensions were aggravated by:
 - US remarks regarding mediation in Kashmir.
 - Differences over India's energy imports from Russia.
- Despite tensions, defence cooperation continued, including a 10-year defence framework and enhanced Indo-Pacific Maritime Domain Awareness (MDA) cooperation.
- Possibility of revival of a Quad Leaders' Summit hosted by India.

Key Points

- Tariff De-escalation
 - Reduction to 18% lowers trade friction but does not fully restore trust.
 - Lower than tariffs imposed on China/Pakistan, signalling relative strategic preference.
- Strategic Autonomy
 - India continues diversified energy imports to ensure energy security.
 - Reflects India's long-standing policy of multi-alignment.

- Pakistan Optics
 - India rejects third-party mediation in Kashmir.
 - Consistent with bilateral resolution principle (Shimla Agreement, 1972).
- Defence Cooperation
 - Foundational agreements: LEMOA, COMCASA, BECA.
 - Increased interoperability and joint military exercises.
 - Indo-Pacific remains central to strategic convergence.
- Institutional Continuity
 - Bureaucratic and defence mechanisms sustained engagement despite political tensions.

Static Linkages

- Trade and commerce with foreign countries fall under Union List (Entry 41).
- Executive power in foreign affairs flows from Article 73.
- Principle of sovereignty and non-interference under international law.
- Strategic autonomy as a guiding principle of India's foreign policy.
- Energy security linked to economic growth and macroeconomic stability (Economic Survey).
- Bilateral dispute resolution principle under Shimla Agreement (1972).

Critical Analysis

Positives

- Immediate relief to exporters.
- Reinforces Indo-Pacific strategic cooperation.
- Maintains defence partnership momentum.
- Signals partial diplomatic thaw.

Concerns

- Use of tariffs as coercive tools affects predictability.
- Trust deficit persists at leadership level.
- Overexposure to US market risks economic vulnerability.
- Pakistan-related signalling affects strategic sensitivities.

Way Forward

- Institutionalise trade dialogue mechanisms.
- Clear diplomatic signalling on non-mediation in bilateral disputes.
- Diversify export markets to reduce concentration risk.
- Strengthen Quad cooperation for strategic anchoring.
- Enhance energy diversification and domestic capacity.

USEPA, now a voice for climate denialism

DONALD TRUMP has taken every opportunity to declare that "climate change is a hoax". On Thursday, the US President made sure that his country's premier environmental watchdog would also be informed by climate denialism. In what has been described as the biggest deregulatory move in American history, Trump has rolled back the Obama-era Endangerment Finding. The rules required the US Environmental Protection Agency (USEPA) to be guided by scientific knowledge about the harm caused by GHGs to the environment and public health. Under Trump, the Department of Energy formed a panel of scientists to write a report, last year, challenging the widely accepted science on the impacts of GHGs. And now, after Thursday's announcement, the environmental regulator in a country that has historically spewed the greatest amount of carbon dioxide into the atmosphere — and remains the second-largest emitter in the world — has given a virtual vote of confidence to climate-disrupting fossil fuels. The agency has drastically scaled back limits on GHG emissions from automobiles.

Transport is the biggest source of GHG emissions in the US. Though electric vehicle (EV) sales increased after the incentives provided by the Joe Biden administration, the transition to climate-friendly transport has been too slow to offset the emissions from fossil-fuel powered cars, buses and trucks. The Trump administration has withdrawn key subsidies to EVs and renewables. Now, as USEPA head Lee Zeldin put it, "automakers will not be pressured to shift their fleet composition towards EVs". Getting rid of the Endangerment Finding also clears the way for the EPA to repeal limits on GHGs from power plants and oil and gas wells.

The American rollback bucks the trend in global warming mitigation efforts across the world. Renewable energy use is at an all-time high. That said, a number of reports have also underlined the waning of popular enthusiasm around net-zero targets in large parts of the developed world. Much of that is due to misinformation. However, it's also true that environment-friendly leaders in the developed world — including Biden — have failed to communicate that sustainability means good economics. They failed to root mitigation efforts in equity and fairness. Climate deniers like Trump have thrived as a result.

KEY HIGHLIGHTS

Context of the News

- The administration of Donald Trump has rolled back the 2009 Endangerment Finding.
- The Endangerment Finding empowered the United States Environmental Protection Agency (USEPA) to regulate greenhouse gases (GHGs) under the Clean Air Act.
- The rollback weakens emission standards for:
 - Automobiles (transport sector – largest emitter in U.S.)
 - Power plants
 - Oil and gas wells
- EV subsidies and renewable energy incentives expanded under Joe Biden are being withdrawn.
- The U.S. is historically the largest cumulative CO₂ emitter and currently the second-largest annual emitter globally.

Key Points

- Endangerment Finding (2009):
 - Based on scientific assessment that GHGs endanger public health and welfare.
 - Enabled regulation of CO₂ under the Clean Air Act.
- Transport Sector:
 - Largest source of GHG emissions in the U.S.

- Paris Agreement (2015):
 - Based on Nationally Determined Contributions (NDCs).
 - Non-uniform and nationally decided targets.
- CBDR Principle:
 - Recognizes historical responsibility and differing capabilities.

Static Linkages

- Greenhouse gases: CO₂, CH₄, N₂O, water vapour (NCERT Geography).
- Greenhouse Effect and Global Warming mechanism.
- Clean Air Act – Pollution control legislation framework.
- UNFCCC (1992) – Stabilization of GHG concentrations.
- Paris Agreement – Temperature goal: well below 2°C, pursue 1.5°C.
- Polluter Pays Principle.
- Intergenerational Equity (Brundtland Report).

Critical Analysis

Implications

- Weakens science-based environmental regulation.
- May slow global climate mitigation efforts.
- Encourages fossil-fuel dependence.
- Affects global climate diplomacy and credibility of developed nations.

Economic Argument

- Short-term industrial relief.
- Energy affordability concerns.
- Potential slowdown in green innovation and EV transition.

Climate Justice Dimension

- Historical responsibility of developed countries.
- Burden shifts disproportionately to developing nations.
- Intergenerational equity concerns.

Way Forward

- Strengthen global climate cooperation beyond domestic political cycles.
- Align sustainability with economic incentives (green jobs, industrial policy).
- Promote carbon pricing and market-based mechanisms.
- Ensure just transition for fossil-fuel-dependent communities.
- Strengthen adaptation and climate finance mechanisms.