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**CHANAKYA IAS ACADEMY
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Gas from new sources will end shortage, say officials

Importing natural gas from the U.S. and Norway is now viable, although the shipping distance may prolong the shortage of the fuel, government says; domestic LPG production has been increased

Saptaparno Ghosh
T.C.A. Sharad Raghavan
NEW DELHI

The current crunch in India's natural gas supply is likely to be short-lived as the prevailing higher prices make imports from distant sources economically viable, according to government sources. However, such shipments typically take longer to arrive, meaning the country could face a shortage in the interim, they said.

India's LPG output has increased by 10% after prioritising supplies to households over industry users, an official said requesting anonymity. On March 5, the Petroleum and Natural Gas Ministry had asked all oil refining companies to maximise production, directing that all propane and butane produced, recovered, or otherwise available to be utilised for LPG output. "On LNG, it is very diffi-

Short crisis

Gas shipments from distant regions, while economically feasible, might take longer to arrive, leading to a shortage in the interim

- On March 5, Centre had asked all oil refining companies to maximise production, with all propane and butane produced, recovered, or otherwise available to be used for producing LPG

- LPG output has increased 10% from previous levels since prioritising supplies to households over industries, says official

- Gas from Norway and the U.S. are now 'viable options' apart from Qatar

- Estimates suggest two months for India to bring gas from Norway or the U.S.



LPG shortage pushes eateries into a crisis

Hoteliers across the country have flagged the shortage in supply of commercial cooking gas. Various restaurant associations have warned that the situation would force many units to shut down while urging the government to ensure uninterrupted supply of cooking fuel. » PAGE 5

cult to make changes quickly," the official said. "Apart from Qatar, our other options are Norwegian or American gas, and that takes a long time to reach India." Shipping industry estimates suggest it takes about two months to travel to the U.S. or Norway and return to India.

Another government official said LPG and LNG supplies had been diversified, with cargoes "already arriving".

"We were getting Qatar gas at \$6-8 per MMBtu (metric million British thermal unit), and now the price is \$15 per MMBtu," he said. "But, the economics of it is that, once the price crosses even \$10 per MMBtu, then gas from Norway and the U.S. becomes viable despite the long distance," he said.

"Gas will not be a long-term problem, but there will be some short-term pain."

To allay concerns among restaurateurs, the government on Monday constituted a committee comprising three executive directors of oil marketing companies (OMCs) to "review the representations for LPG supply and try to provide some volumes to them."

The official said, "All genuine requirements will be addressed and relief provided to the extent possible."

KEY HIGHLIGHTS

Context

- India is facing a temporary shortage of natural gas and LPG supplies due to higher global LNG prices and logistical delays in imports.
- Earlier, India imported most LNG from Qatar at \$6-8 per MMBtu, but prices have increased to around \$15 per MMBtu.
- At prices above \$10 per MMBtu, LNG imports from the U.S. and Norway become economically viable, leading to diversification of supply sources.
- The Ministry of Petroleum and Natural Gas directed oil refineries to maximise LPG production, prioritising household consumption.
- LPG output in India has increased by around 10% following the directive.

Key Points

- Higher LNG prices are encouraging India to diversify imports beyond Qatar.
- LNG shipments from distant suppliers such as the U.S. and Norway take about two months to reach India.
- Household LPG demand is prioritised over industrial and commercial usage.
- Oil refineries were directed to use all available propane and butane for LPG production.
- Government formed a committee of Oil Marketing Companies (OMCs) to review LPG supply for commercial users such as restaurants.
- The shortage is expected to be short-term as additional cargoes arrive.

Static Linkages

- India aims to increase the share of natural gas in the energy mix to 15% by 2030.
- Natural gas currently contributes about 6% of India's primary energy consumption.
- LNG is natural gas cooled to about -162°C to convert it into liquid form for transport.
- Natural gas emits less carbon dioxide than coal and oil, making it a transition fuel in energy transition.
- India imports around 50% of its natural gas demand as LNG.
- Major LNG terminals include Dahej, Hazira, Kochi, Ennore and Dhamra.

Critical Analysis

Positive Aspects

- Diversification of LNG suppliers improves energy security.
- Prioritisation of household LPG protects welfare and social needs.
- Higher prices make global supply options economically feasible.
- Policy response helps manage short-term energy supply shocks.

Challenges

- Dependence on imports exposes India to global price volatility.
- Higher LNG prices increase the import bill and current account deficit.
- Industrial and commercial users face fuel shortages due to prioritisation.
- Long shipping times create supply disruptions during sudden demand spikes.

Way Forward

- Expand domestic gas exploration under reforms in hydrocarbon policy.
- Strengthen national gas pipeline grid and LNG regasification capacity.
- Diversify long-term LNG contracts with multiple suppliers.
- Increase investments in renewable energy and green hydrogen.
- Promote energy efficiency and fuel substitution in industries.

LS takes up resolution on removal of Speaker as MPs trade accusations in House

Sandeep Phukan
Nistula Hebbar
NEW DELHI

The Lok Sabha on Tuesday took up a resolution moved by the Opposition seeking the removal of Speaker Om Birla, with both the Treasury and Opposition benches trading sharp accusations over the neutrality of the Chair.

Parliamentary Affairs Minister Kiren Rijju described the motion as an "attack on democracy itself", while the Congress Deputy Leader in the Lok Sabha, Gaurav Gogoi, said the resolution was brought from compulsion to "protect the neutrality" of the institution of the Speaker.

Initiating the debate, Mr. Gogoi slammed the Speaker's conduct, alleging partisan behaviour and arguing that the motion was necessary to "save the Constitution".

"We are saddened that we had to bring such a resolution because we all have personal relations with the Speaker. But it is our dharma and duty to protect the decorum and dignity of this House," he said.

The discussion, for which 10 hours have been allotted, will continue on Wednesday and conclude with a vote.

Union Home Minister Amit Shah is expected to intervene in the debate on Wednesday before the House votes on the motion.

The proceedings began with Congress MP Mohammad Jawed reading out the notice seeking to move the resolution for Mr. Birla's removal. The motion was also moved by fellow Congress MPs K. Suresh and Malhu Ravi.

A brief procedural row erupted over who would preside over the proceedings during the debate. AIMIM MP Asaduddin Owaisi raised a point of order, asking why BJP MP Jagdambika



Lok Sabha Deputy Leader and Congress MP Gaurav Gogoi speaks during the budget session of Parliament on Tuesday. SANSAD TV/ANI

Pal was chairing the session, and arguing that Mr. Pal had been appointed to the panel of chairpersons by the Speaker himself.

The objection was countered by BJP MP Nishikant Dubey and Mr. Rijju, who said the claim was "irrelevant" and that Mr. Pal was competent to preside over the House during the debate.

After the presiding officer asked members supporting the notice to stand up, more than the required 50 MPs rose in their seats, allowing the motion to be admitted for discussion.

The Congress Deputy Leader, in his remarks, alleged that the Opposition had repeatedly been denied the opportunity to raise critical issues in the House and cited the treatment of Leader of the Opposition Rahul Gandhi during the debate on the Motion of Thanks to the President's Address.

"In the month of February, when the Leader of the Opposition tried to speak during the Motion of Thanks, he was interrupted 20 times. The interruptions came from the Chair, members of the panel, and senior leaders of the Treasury benches," Mr. Gogoi said.

'MPs silenced'
"There was an expectation that the Chair would be neutral. But research of the uncorrected transcripts will show the number of times the Leader of the Op-

position was interrupted. While he was on his feet, another member was called upon to speak," Mr. Gogoi said.

"Is this the parliamentary tradition we want to show? Microphones are being used to silence MPs. This stands in direct contradiction with the rituals of this House," he added.

Mr. Gogoi also cited instances where Opposition members' remarks were expunged, while allegations made by treasury bench members were allowed to remain on record.

Intervening during the debate, Mr. Rijju rejected the Opposition's charges and strongly defended Mr. Birla, saying that the Speaker had always acted impartially and had, in fact, provided many opportunities to Opposition members to raise issues.

He accused the Congress of targeting constitutional institutions since losing power in 2014 and said the latest move was aimed at undermining the office of the Speaker.

"This resolution against the Speaker is akin to an attack on democracy itself," Mr. Rijju said.

Mr. Rijju also dismissed allegations of bias, claiming that Opposition members had been given ample opportunity to ask supplementary questions and raise matters of public importance.

ISSUES RAISED
» PAGE 5

- Motion must be supported by at least 50 members to be admitted.
- Passed by effective majority (majority of all the then members of the House).
- The Speaker does not preside during the discussion on his/her removal.

- Panel of Chairpersons presides over the House during such debates.
- The debate reflects concerns regarding neutrality of the Chair and parliamentary functioning.

Important Constitutional Provisions

- Article 93 – Election of Speaker and Deputy Speaker of Lok Sabha.
- Article 94 – Vacation, resignation and removal of the Speaker.
- Article 95 – Power of Deputy Speaker or other person to perform duties of the Speaker.
- Article 118 – Each House regulates its own procedure and conduct of business.

Important Institutional Roles of the Speaker

- Presides over Lok Sabha proceedings and maintains order.
- Decides questions of disqualification under the Tenth Schedule (Anti-Defection Law).
- Certifies Money Bills under Article 110.
- Chairs key parliamentary committees such as the Business Advisory Committee and Rules Committee.
- Presides over Joint Sitting of Parliament.

Critical Analysis

Issues Highlighted

- Concerns about impartiality of the Speaker in a politically polarised Parliament.
- Allegations of limited opportunities for Opposition to raise issues.
- Frequent disputes regarding expunging of remarks and control of debates.

Institutional Concerns

- The Speaker belongs to a political party but is expected to function impartially.
- Increasing partisan politics affecting parliamentary conventions.
- Speaker's powers in Anti-Defection decisions and Money Bill certification have been debated earlier as well.

Way Forward

- Strengthen parliamentary conventions of neutrality of the Speaker.
- Ensure fair allocation of speaking time to all parties.
- Encourage consensus-based parliamentary functioning between ruling and opposition parties.
- Improve transparency and procedural clarity in House proceedings.

KEY HIGHLIGHTS

Context

- The Lok Sabha discussed a resolution seeking the removal of Speaker Om Birla, moved by Opposition MPs.
- The motion was introduced by Mohammad Jawed, K. Suresh and Malhu Ravi of the Congress.
- Opposition leaders alleged partisan conduct and lack of neutrality in parliamentary proceedings.
- The government defended the Speaker, calling the motion an attack on democratic institutions.
- More than 50 MPs supported the notice, allowing the motion to be admitted for discussion.
- A 10-hour debate has been scheduled before the House votes on the motion.

Key Points

- Speaker of Lok Sabha is the presiding officer of the Lower House of Parliament.
- Removal Procedure
 - Requires 14 days' notice before moving the resolution.

SC to look into plea against law on Muslim inheritance

Top court says striking down provisions in Shariat Act could create vacuum in Muslim inheritance framework; says it would be better to defer to Parliament's wisdom to bring a Uniform Civil Code

Krishnadas Rajagopal
NEW DELHI

The Supreme Court on Tuesday orally observed that it would be better to defer to Parliament's wisdom to bring a Uniform Civil Code rather than judicially strike down provisions in the Shariat Application Act, 1937, on the ground of discrimination for giving Muslim women a smaller share of family inheritance compared with their male counterparts.

The law established Islamic law for inheritance among Muslims, providing widows with children a one-eighth share, or a further reduced one-fourth share if they do not have children, and daughters half of a son's share.

Appearing before a Bench comprising Chief Justice Surya Kant and Justices R. Mahadevan and Joymalya Bagchi, advocate Prashant Bhusan, appearing for petitioner Poojoni Pavini Shukla, challenged what he called "artificial discrimination" between



JUSTICE JOYMALYA BAGCHI
SC Judge

Muslim women and men regarding their right to inheritance.

The Bench, however, posed a practical question of law, asking which law would govern Muslim inheritance if the Shariat Act were struck down.

Mr. Bhusan responded that the more secular Indian Succession Act could apply. He referred to the landmark judgment in *Mary Roy vs State of Kerala*, in which the petitioner successfully fought for equal inheritance rights for Syrian Christian women in the State, nullifying the discriminatory Travancore Christian Succession Act, 1916. "Does the Indian Suc-

cession Act apply to Muslim women? Remember, when you strike an Act, you create a vacuum... In our over-anxiety for reforms, we may deprive them (Muslim women) of whatever they are getting now," the Chief Justice said.

Justice Bagchi asked whether it would be wiser to defer to Parliament's wisdom to realise the aspiration expressed in Article 44 of the Directive Principles of State Policy (DPSP) of the Constitution, which says that the state shall endeavour to secure for citizens a Uniform Civil Code across the country. "Look, you are talking

about inheritance. But the basic equality of a one man-one woman relationship, a monogamous existence, has it been realised throughout the country? No. Can we declare all bigamous relationships bound by personal law as *ultra vires* Article 14 of the Constitution? We have to defer to the wisdom of the legislature to bring the Directive Principles into reality," Justice Bagchi observed.

Mr. Bhusan urged the three-judge Bench to refer the case to a Constitution Bench. He said the court had earlier not hesitated to strike down triple *talaq*, which involved a more religious issue. "Inheritance is a civil right," he submitted.

The Chief Justice asked whether he was suggesting that the court strike down the Shariat Act and effectively re-legislate. Mr. Bhusan said the top court could either bring Muslim women under the Indian Succession Act or declare that the Shariat Act provisions on inheritance violated Article 14. The court agreed to list the case.

KEY HIGHLIGHTS

Context

- The Supreme Court heard a petition challenging discriminatory inheritance provisions under the Muslim Personal Law (Shariat) Application Act, 1937.
- The petitioner argued that the provisions violate Article 14 (Right to Equality) as Muslim women receive a smaller share of inheritance bench compared to men.
- The Bench observed that instead of striking down the law, it may be appropriate to defer to Parliament to enact a Uniform Civil Code (UCC) under Article 44 of the Directive Principles of State Policy (DPSP).

Key Points

- Shariat Application Act, 1937
 - Governs inheritance and other family matters among Muslims.
 - Provides that daughters receive half the share of sons.
 - Widow with children → 1/8 share, widow without children → 1/4 share.
- Petitioner's Argument
 - These provisions amount to gender discrimination.
 - Suggested that if the Act is struck down, Indian Succession Act, 1925 could apply to Muslim inheritance.
- Supreme Court's Observations
 - Striking down the law could create a legal vacuum.
 - Courts should avoid re-legislating in matters of personal law.
 - Parliament is the appropriate body to implement Uniform Civil Code.

- Reference to Past Case
 - *Mary Roy vs State of Kerala* (1986) ensured equal inheritance rights for Syrian Christian women by applying the Indian Succession Act.

Static Linkages

- Article 14 – Equality before law.
- Article 15 – Prohibition of discrimination on grounds including sex.
- Article 25 – Freedom of religion.
- Article 44 – Directive Principle directing the state to secure a Uniform Civil Code.
- Indian Succession Act, 1925 – Law governing inheritance for several communities except where personal laws apply.

Critical Analysis

Concerns with Existing Provision

- Gender inequality in inheritance rights.
- Conflict between personal laws and constitutional equality.

Concerns with Judicial Intervention

- May create a legal vacuum in Muslim inheritance law.
- Sensitive issue involving religion and social practices.
- Reform through legislation ensures democratic deliberation.

Way Forward

- Gradual reform of personal laws ensuring gender justice.
- Broader consultation with stakeholders and communities.
- Consider codification or harmonisation of personal laws.
- Debate and consensus-building for Uniform Civil Code implementation.

SC seeks balance; govt. says IT Rules do not curb satire

Petitioners question who decides if content about the government is fake or misleading, and warn against the state becoming the 'sole arbiter of truth'; Centre tells SC 'we know it when we see it'

Krishnadas Rajagopal
NEW DELHI

The Supreme Court on Tuesday sought balance between protecting the nation against fake online content and safeguarding the right to free speech while the Centre defended that its Information Technology Rules was not meant to curb humour, satire or criticism of the government.

"There is no intention under the statute (Information Technology Act) or the Rules to curb any humour, satire, expression of view, critical expression of view and criticism," Solicitor-General Tushar Mehta for the Union government, addressed a Bench headed by Chief Justice of India Surya Kant.

In fact, the government had notified the formation of a Fact Checking Unit (FCU) under the Press Information Bureau through a notification issued in March 2024 via the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, amended in April 2023. The FCU was meant to act as a "deterrent" against the creation and dissemination of fake news or misinformation regard-



JUSTICE SURYA KANT
Chief Justice of India

ing the "business" of the Centre. The Amendment Rules and the establishment of the FCU had come under the judicial scrutiny of the Bombay High Court through petitions filed by the Editors Guild of India and stand-up comedian Kunal Kamra.

The High Court had, in September 2024, struck down the FCU notification and concluded the amended IT Rules of 2023 "unconstitutional" and violative of Article 14 (right to equality), 19 (freedom of speech and expression) and 19(1)(g) (freedom of right to profession) of the Constitution. It had concluded that the expression "fake, false and misleading" in the Rules was "vague and hence wrong" in the absence of any definition. The High Court had said the government cannot assume the role of the

"sole arbiter of truth".

The Centre appealed in the Supreme Court against the High Court decision, saying it had no subversive intention to crush free speech.

Senior advocates Arvind Datar and N.H. Seervai, for parties including the Editors Guild, Association of Indian Magazines, News Broadcasters of Digital Association and Mr. Kamra, asked who in the FCU would decide if a particular content was fake or not. "Who mans the FCU? How can such a unit be formed on the basis of a notification? The High Court had merely asked the government to frame proper Rules," Mr. Datar submitted.

"The question raised in the case is of paramount importance. It would be better for the Supreme Court to lay down the law.

The issues flagged by the High Court leads to the question of how to balance rights without destroying the individual constitutional rights," Chief Justice Kant observed.

The Chief Justice however indicated that some of the online platforms conducted themselves in an offensive manner. "You can damage a personal life... you can damage the nation... I am bothered about the impact on the nation," the CJ said.

Mr. Datar said whatever was misleading or fake should be taken down. "But then who defines 'misleading'?" he asked.

Need clear guidelines

"There should be clear guidelines," the CJ responded, "but, at the same time, shifting all the onus on the state machinery without putting any obligations on those who play mischief requires a lot of consideration" the CJ responded.

"When we see it, we know it is fake," Mr. Mehta interjected.

Issuing notice on the special leave petition by the Centre, the court refused Mr. Mehta's request to stay the High Court decision.

- Government cannot be the sole arbiter of truth.
- Provision violates freedom of speech and equality before law.
- Union Government's argument:
 - The rule targets misinformation, not satire, humour or criticism.
 - Intended to protect public interest and national integrity.
- The Supreme Court issued notice but did not stay the High Court judgment.

Static Linkages

- Article 19(1)(a) – Freedom of speech and expression.
- Article 19(2) – Reasonable restrictions (security of state, public order, defamation, etc.).
- Article 14 – Equality before law and protection from arbitrariness.
- Information Technology Act, 2000 – Legal framework for digital governance.
- Section 79 (Safe Harbour) – Protection for intermediaries complying with due diligence.
- Shreya Singhal v. Union of India (2015) – Supreme Court struck down Section 66A for vagueness and chilling effect on free speech.

Critical Analysis

Significance

- Helps tackle fake news, misinformation and deepfakes.
- Protects national security and public order.
- Strengthens accountability of digital platforms.

Concerns

- Risk of executive censorship and misuse.
- Vague definitions may lead to arbitrary decisions.
- Possible chilling effect on journalism and satire.
- Lack of independent oversight mechanism.

Way Forward

- Define clear legal standards for misinformation.
- Create an independent fact-checking mechanism rather than government-controlled body.
- Ensure judicial or multi-stakeholder oversight.
- Promote digital literacy and responsible platform governance.
- Maintain balance between national security and constitutional freedoms.

KEY HIGHLIGHTS

Context of the News

- The Supreme Court is hearing the Union government's appeal against the Bombay High Court (2024) judgment striking down the Fact Checking Unit (FCU) provision under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, amended in 2023.
- The FCU under the Press Information Bureau (PIB) was notified in March 2024 to identify fake, false or misleading information about the "business of the Central Government."
- Petitions challenging the rule were filed by Editors Guild of India and digital media organisations.
- The Bombay High Court declared the provision unconstitutional, citing violation of Articles 14, 19(1)(a) and 19(1)(g).
- The Supreme Court emphasised the need to balance misinformation control with protection of free speech and sought clear regulatory guidelines.

Key Points

- IT Rules 2021 (amended 2023) introduced the Fact Checking Unit (FCU) to flag misinformation related to government functioning.
- Online intermediaries must remove flagged content to retain safe harbour protection under Section 79 of the IT Act, 2000.
- Bombay High Court observations:
 - Terms like "fake", "false", "misleading" were vague.

Inside China, authority, conflict and strategic challenges

The progression from Mao Tse Tung/Mao Zedong to Deng Xiaoping to Xi Jinping in China reveals the nature of the power shifts that have occurred since the country became a communist nation in 1949. All three iconic leaders, in their own ways, demonstrated what was essential to maintain and sustain power in a country that had managed to stave off takeovers by foreign powers over the years.

Since 1949, when Mao Tse Tung led the Communist Party of China (CPC) to victory and took control, the three eponymous leaders wielded unquestioned authority over the party and the country. Between 1949 and 2026, there have, no doubt, been many other leaders who steered the country's fortunes, but it is Mao, Deng and Mr. Xi who left an indelible stamp on China's fortunes and progress.

The 'inner devils'
Across China, signs of Mr. Xi's authority are markedly evident. However, even as China has emerged as the second most powerful country, it faces its own 'inner devils'. Periodic purges at the highest levels of state institutions have led to conflicting interpretations as to the real state of affairs. While China outwardly appears to be a monolith, several purges have been intended to eliminate opposition to the leader of the time. This was also the case during the periods of Mao and Deng.

In the latest purge, Mr. Xi removed the highly placed general of the People's Liberation Army (PLA), and vice chairman of the Central Military Commission, General Zhang Youxiu, and another senior officer, Gen. Liu Zhankui, from the highest policymaking body of the CPC. The purge also claimed nine military law makers from China's Parliament including Ground Force Commander Li Qiaoming and Information Support Force Political Commissar Li Wei. It is worth examining whether this is merely another purge by Mr. Xi or an indication of the growing challenges to his leadership. A hint to this effect is the language used to describe Gen. Zhang in the People's Liberation Army Daily, viz. 'a toxin that had to be incised'. This could lead to an inference of inner party struggles at the top of the Chinese Communist pyramid. While by no means grown, it is still worth examining.

Even during Mao's lifetime, there was the infamous Liu Shaoqi episode, which though not acknowledged as a power struggle, is viewed by experts as having been an abortive challenge to Mao's supremacy. While Mr. Xi appears to have emerged successful, yet again, the flag leaf of another massive anti-corruption purge is beginning to wear thin. It merits a rethink of China today as a monolith, facing few internal challenges.



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Most prophets seem to flounder when it comes to making political predictions. While Mr. Xi may appear stronger on the surface following the recent purges, it is worth considering the nature of the 'inner devils' said to be hindering China's progress. Analysing China's future clearly demands better comprehension of where China stands today.

Over the years, the mark that China is a monolith has been wearing thin. Insightful analysis would seem to suggest that belief in the goals set by the leadership has been declining, producing a degree of 'trust deficit'. Together with a less than optimistic assessment of the state of the Chinese economy, and the problems faced by some of its political institutions, it may be presumed that inner tensions are increasing, and are beginning to impact the highest levels of the party. Dealing with such a situation would undoubtedly require drastic measures to retain control and 'scull out' all opposition to the leadership, even at the highest party levels. This, rather than accusations of corruption against senior party functionaries, would seem a more plausible explanation for the periodic purges taking place.

Dents to global credibility
Exacerbating international tensions and China's apparent ineffectiveness in addressing challenges beyond its 'near abroad' – namely East and Southeast Asia – seem to have damaged its image as a global power, potentially intensifying tensions within the CPC leadership. Venezuela was a test case of China's global outreach in this respect at the beginning of 2026. China failed the test and could not counter United States President Donald Trump's assertions that the Western Hemisphere belonged to the U.S. and no one else. This despite China having invested a great deal in Venezuela in recent years. More recently, in West Asia, China again failed to demonstrate its ability to checkmate the U.S. and prevent an attack on Iran, leading to the death of Iran's supreme leader, Ayatollah Khamenei.

The outcome in West Asia has, incidentally, prompted unfavourable comparisons between Chinese weaponry and that of the U.S. and the West, further harming China's reputation. China's conspicuous incapability to counter the U.S. both in the Western Hemisphere and in West Asia is undoubtedly having repercussions and may have possibly impacted China's image beyond repair. In China's eyes, it has, meanwhile, shattered a carefully covered impression that China is more than equal to the West. It would be reasonable to surmise that this too would have led to recriminations at the highest levels of the party, even, perhaps, provoking a challenge to the ruling dispensation.

It is, however, uncertain, as of now, whether

China is indeed undergoing a turmoil at the very highest levels of the CPC. What is discernible is that a normally belligerent China has, of late, been acting with far greater circumspection than usual in its dealings with the world at large, and with the U.S. in particular. This is even more surprising considering that China is hiding a wave of turbocharged innovation in many areas such as electric vehicles, pharmaceuticals and logistics, and, of late, Artificial Intelligence. In all this, China appears well ahead of the curve.

A reticence
What is even more surprising is that – and with the exception of Taiwan – China, of late, has been distinguished to take a confrontational posture, vis-à-vis the U.S., even deferring to it on some issues. The journey of a Chinese cargo ship, in late 2025, from Asia to Europe, through the Arctic Ocean, that was completed in a fortnight as against the normal three weeks (through the Suez Canal), would normally have been heralded by China as evidence of the emergence of a 'Polar Silk Road'. But China has preferred to play down this achievement, stating that this contributes to 'supply chain stability'.

Strategic experts are confounded by this display of reticence, and feel that it is intended to avoid ruffling the feathers of western powers at a time when China's economy is facing certain problems and Mr. Trump has warned of the threat posed to U.S. interests in Greenland by Chinese ships in the vicinity. Apart from this, China's unwillingness to press its claims to being a 'near Arctic State' requires a valid explanation. Most strategic experts seem to feel that problems at the highest levels of the CPC can be the only plausible explanation.

What also needs valid explanation is the general mood of pessimism that appears to be sweeping across China. No plausible explanation has emerged so far. Cracks in the Communist party monolith could possibly be one explanation. Or it might well be an aggravating fear – about the wind in the tower heralding a great storm. All this might appear rather far-fetched for now, but is worthy of more detailed analysis, given the past history of China's politics.

Given China's position in the world, the prevailing situation in China deserves a better and more detailed understanding of what is taking place. Events in China cast a shadow not only over Asia but also over much of the world. What is happening in China needs better explanation and understanding. A more benign and less antagonistic China would be of great value to a world facing many crosscurrents. For India, a return to an earlier era of 'Hindi Chini' (that Indians and Chinese are brothers) would be a gift worth savouring.

- Economic pressures
 - Slowing economic growth.
 - Real estate crisis and rising debt.
 - Demographic challenges due to aging population.
- Foreign policy posture
 - China is increasingly cautious in confronting the United States.
 - Strategic focus remains on Taiwan, South China Sea, and Indo-Pacific influence.
- Technological leadership
 - China is advancing in sectors such as:
 - Electric vehicles
 - Artificial intelligence
 - logistics and digital infrastructure.

Static Linkages

- China follows a single-party political system dominated by the Communist Party.
- The Central Military Commission controls the armed forces.
- The National People's Congress (NPC) is the highest legislative body.
- The Politburo Standing Committee is the top decision-making body of the CPC.
- Leadership legitimacy in China is often maintained through economic performance and political control.

Critical Analysis

Positive Aspects

- Strong leadership may provide political stability and policy continuity.
- Anti-corruption campaigns may improve governance and discipline within institutions.
- Military reforms strengthen civilian control over armed forces.

Concerns

- Frequent purges may indicate internal factional struggles within the CPC.
- Over-centralisation may weaken institutional decision-making.
- Economic slowdown may increase internal political tensions.
- Declining global credibility could affect China's strategic ambitions.

Implications for India

- Internal political dynamics in China may influence its border policies and regional strategy.
- India must monitor developments affecting Indo-Pacific security and regional power balance.

Way Forward

- Strengthening institutional governance within China's political system.
- Addressing structural economic challenges.
- Greater diplomatic engagement to reduce global tensions.
- For India: maintain strategic vigilance, strengthen partnerships in the Indo-Pacific, and continue diplomatic engagement with China.

KEY HIGHLIGHTS

Context

- Recent developments indicate purges of senior military officials and party members in China under President Xi Jinping.
- High-ranking officers of the People's Liberation Army (PLA) and members of the Communist Party of China (CPC) have been removed under the ongoing anti-corruption campaign.
- Analysts interpret these developments as either anti-corruption efforts or consolidation of political power within the CPC.
- Historically, strong leaders such as Mao Zedong and Deng Xiaoping also used purges and institutional control to maintain authority.
- The developments occur amid economic slowdown, geopolitical competition with the United States, and internal governance challenges.

Key Points

- Centralised leadership in China
 - Political power is concentrated in the Communist Party of China (CPC).
 - The top leadership controls the party, state institutions, and military.
- Anti-corruption campaign
 - Initiated by Xi Jinping in 2012.
 - Targeted thousands of party officials, bureaucrats, and military officers.
- Military restructuring
 - Reforms strengthened the authority of the Central Military Commission (CMC) over the PLA.
 - Aim: ensure political loyalty of the armed forces to the CPC leadership.

Given China's global position, the prevailing situation within the country demands closer and deeper understanding of events

AI and the national security calculus

Anthropic, an American Artificial Intelligence (AI) lab, is asking for three Chinese AI labs (DeepSeek, MoonshotAI, and MiniMax) to be treated as national security threats. The AI models of Anthropic and other American labs have also reportedly been used by the U.S. military in the Iran attacks to fast-track the "kill chain" from target identification to legal approval and strike.

The Pentagon has labelled Anthropic a "supply chain" risk – a designation associated with foreign adversaries, for raising concerns about how its technology is being used in military operations. This decision is now being challenged in court. These developments over the course of a few weeks have serious implications for AI development and national security calculus worldwide.

The Issue

The Chinese AI labs have been accused of distilling frontier models from American AI companies. In a nutshell, this involves taking a stronger AI model's outputs to teach a weaker model. The attacks were sophisticated and used deceptive techniques to mask the identity and intent of the distillers. Anthropic claims that this happened on an industrial scale – "16 million exchanges with Claude through approximately 24,000 fraudulent accounts, in violation of our terms of service and regional access restrictions".

Generative AI is often equated with nuclear technologies, with the aim of containing the proliferation of the technology. However, it is a dual-use general-purpose technology that is more comparable to semiconductors than nuclear weapons. Unlike nuclear technologies, where governments drive research and development efforts, cutting-edge AI research happens in the private sector for civilian applications. It just so happens that the same technology also has military applications.

Nuclear non-proliferation works because fissile



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The controversy over AI integration in military systems highlights the need for plurilateral commitments by states to responsible use

material is rare, controlled and traceable. The same is not true for mathematical AI models. The fact that DeepSeek was able to achieve comparable performance of frontier models at a fraction of the cost after export controls were imposed is proof that restrictions are not effective. The nuclear narrative asks us to treat querying an AI model as equivalent to weapons proliferation.

Distilled models and guardrails

Anthropic's argument that a distilled model will be used less responsibly lies on weak foundations. Models from frontier American AI labs such as Anthropic, OpenAI, Google and xAI could be used by the U.S. military for applications such as surveillance, cyberwarfare and lethal autonomous weapons systems. In fact, when Anthropic recently raised concerns about the kinds of uses its models were put to, it faced the threat of being removed from defence systems and designated as "supply chain risks". Its rival, OpenAI, however, has accepted a permissive contract for military uses, highlighting a race to the bottom, given the competitive pressure to serve government clients. When their own models are being put to such uses, the argument that distilled models will not have guardrails collapses.

It is extremely hard to control the diffusion of such a technology for many reasons. Talent mobility is hard to restrict. Many of the researchers at Chinese labs were trained in U.S. universities or worked in U.S. companies. The restrictions on inputs such as semiconductors have been repeatedly circumvented and are now partially repealed. Now, distillation is one more vector that is even harder to restrict, as the Anthropic report acknowledges. Each time a restriction appears, workarounds find a way to bypass it. If distillation is seen as extremely risky, not allowing public access to it should be an option to consider.

In the language of national security, these restrictions do not make the world safer. They make it harder for rivals to compete with dominant U.S. companies even on civilian applications. Input-based restrictions are ineffective and only cause collateral damage to innovation, scientific collaboration and widespread economic development. They effectively consolidate power in the hands of a few U.S. companies.

Equating distillation to industrial-scale intellectual property theft also seems unfair, given that frontier AI models are trained on the creative and intellectual output of millions of people who were not compensated and did not consent. The process of asking a model millions of questions and learning from its answers is arguably no more extractive than training that model on billions of web pages written by people who never consented to it.

The companies whose models were distilled are right to claim that their terms of service have been violated by those distilling their models and can pursue measures to block such actors. However, they are also arguing for a coordinated response across the AI industry, cloud providers, and policymakers. This move further entrenches the market power of a handful of companies.

What is needed

As scary as it is, it seems inevitable that armed forces worldwide will integrate generative AI into military systems. The Anthropic episode demonstrates that corporate guardrails are not a substitute for governance: a company can be overruled, replaced, or pressured into compliance. What is needed instead are plurilateral commitments by states to responsible use, covering meaningful human control over lethal decisions, prohibitions on mass civilian surveillance, and auditable technical standards for such capabilities. These commitments must apply universally for them to be effective.

KEY HIGHLIGHTS

Context of the News

- U.S.-based AI company Anthropic has urged the U.S. government to treat Chinese AI labs such as DeepSeek, Moonshot AI, and MiniMax as potential national security threats.
- Anthropic alleged that these firms accessed its AI model Claude through millions of queries using fraudulent accounts to extract outputs for training their own models.
- Reports also suggest that AI models from companies such as OpenAI and Google are being used by the United States Department of Defense to accelerate military decision-making processes ("kill chain").
- The episode reflects intensifying U.S.-China technological competition in Artificial Intelligence and concerns over AI governance.

Key Points

- AI Model Distillation
 - Technique where a smaller AI model learns from the outputs of a larger model.
 - Helps achieve similar performance at lower computational cost.
- Dual-use Nature of AI
 - AI technologies have civilian uses (healthcare, education, productivity).
 - They also have military uses (surveillance, cyber warfare, autonomous weapons).
- Limitations of Technology Restrictions
 - AI relies mainly on software, data and talent, making restrictions difficult.
 - Export controls on advanced chips have not fully prevented AI development in rival countries.
- Corporate-Military Interface
 - Private AI companies increasingly collaborate with defence agencies.

- Raises issues regarding ethical use and accountability.

Static Linkages

- Artificial Intelligence is considered a General Purpose Technology (GPT) with economy-wide applications.
- Dual-use technologies can be used for both civilian and military purposes.
- Intellectual Property Rights (IPR) in technology are governed internationally under the TRIPS Agreement of the WTO.
- Military operations often follow the "kill chain" framework: detection → identification → decision → strike.
- Global governance challenges arise when critical technologies are controlled by private corporations.

Critical Analysis

Concerns

- Increasing militarisation of Artificial Intelligence.
- Technology monopolies among a few global companies.
- Intellectual property disputes related to AI model training.
- Lack of international regulatory frameworks for AI use in warfare.

Opportunities

- AI can improve productivity, healthcare diagnostics, and governance systems.
- Innovation through open research ecosystems and global collaboration.

Way Forward

- Develop international norms for responsible military use of AI.
- Ensure human oversight in lethal autonomous weapon systems.
- Promote transparent and accountable AI development standards.
- Strengthen multilateral cooperation for global AI governance.

Strategic blunder

The U.S. must pull back instead of tailing Israel in this reckless war

By picking Ayatollah Mojtaba Khamenei as the Supreme Leader, after the assassination of his father Ali Khamenei in a joint U.S.-Israeli strike on February 28, Iran has signalled defiance and continuity. Last week, U.S. President Donald Trump, who demanded Iran's "unconditional surrender", made it clear that the younger Khamenei was unacceptable to him. But Iran's Assembly of Experts, the 88-member clerical body, chose the 57-year-old ayatollah, who also lost other close family members in the February 28 strike, as the new "leader of the revolution". Having fought "on the frontlines" of the Iran-Iraq war and studied Islam in the seminaries of Qom, Mojtaba Khamenei has maintained close ties with the Islamic Revolutionary Guard Corps and the clerical establishment. By elevating him, Tehran has sent an unmistakable message: the Islamic Republic stands firm despite the war. If Mr. Trump believed that his initial decapitation strike would lead to the Islamic state's collapse, he was mistaken. Instead, all branches of the state rallied behind the military and the clergy, while Iran regionalised the war by attacking U.S. bases and energy infrastructure in the Persian Gulf as well as Israel. Now, a new Khamenei is in power; the Iranian state is far from collapsing; energy prices are soaring and leaders in the U.S. and Israel are searching for exit strategies.

This was a wholly unnecessary war. Israel and the U.S. began attacking Iran hours after Oman, which mediated talks between Tehran and Washington, had said that a nuclear deal was within reach. After the war began, Mr. Trump kept shifting the goalposts. On day one, he said the overthrow of the Iranian state was his objective; by the fifth day, he said he wanted to be involved in selecting Iran's new leader, and by the eleventh day, he declared that America had already won and that the war would be over "soon", even as Iranian missiles continued to rain down on Israel and target U.S. bases in the region. To be sure, the U.S. and Israel possess immense air power and can continue to pound Iran. Independent investigations have found that American missiles struck a girls' school in Iran on February 28, claiming over 160 lives. Last week, Israeli strikes on Iran's oil storage facilities enveloped Tehran in thick smoke. But what is the point of continuing to bomb a people whom the Americans promised to "liberate" until a few days ago, without clearly achievable political goals? The Iranian state is not folding, it is fighting back. If Mr. Trump and Benjamin Netanyahu continue this war, the global economy will come under even greater stress. Whether they realise their grave miscalculation or not, the way forward is not more bombing. This war must be brought to an end immediately.

KEY HIGHLIGHTS

Context

- Ayatollah Mojtaba Khamenei was appointed as the new Supreme Leader of Iran by the Assembly of Experts after the assassination of former Supreme Leader Ali Khamenei in a U.S.-Israel strike on February 28.
- The strike triggered military escalation between Iran, the United States, and Israel, with Iran retaliating against U.S. bases and Israeli targets.
- The conflict has raised concerns about regional stability, global energy security, and international diplomacy, particularly because negotiations on Iran's nuclear programme were reportedly close to agreement before the attacks.

Key Points

- Assembly of Experts
 - An 88-member clerical body responsible for appointing and supervising the Supreme Leader of Iran.
- Mojtaba Khamenei
 - Son of former leader Ali Khamenei.
 - Participated in the Iran-Iraq War (1980-88).
 - Studied Islamic theology in Qom, a major religious centre in Iran.

- Known for close ties with the Islamic Revolutionary Guard Corps (IRGC).
- Conflict escalation
 - Iran launched missile strikes on Israel and targeted U.S. bases in the Persian Gulf region.
 - Attacks on energy infrastructure have raised concerns about disruptions in global oil supply.
- Global implications
 - Rising crude oil prices due to instability in the Persian Gulf.
 - Increased strategic importance of the Strait of Hormuz, a major oil transit route.
 - Risk of wider West Asian regional conflict.

Static Points

- The Strait of Hormuz connects the Persian Gulf with the Gulf of Oman and carries nearly one-fifth of global oil trade.
- The Iran-Iraq War (1980-1988) significantly shaped Iran's military and political leadership.
- The Nuclear Non-Proliferation Treaty (NPT) aims to prevent the spread of nuclear weapons and promote peaceful nuclear energy use.
- India imports over 85% of its crude oil, making stability in West Asia crucial for its energy security.

Critical Analysis

Strategic Issues

- The conflict may lead to regional militarisation in West Asia.
- Escalation risks disrupting global oil supply chains.

Political Dimensions

- Iran's rapid leadership transition indicates institutional resilience of the Islamic Republic.
- Military strikes may weaken ongoing diplomatic efforts on nuclear negotiations.

Global Implications

- Rising oil prices may increase global inflationary pressures.
- The conflict may intensify great-power rivalry in West Asia.

Implications for India

- Possible increase in energy import costs.
- Risks to Indian diaspora and maritime trade in the Gulf region.
- Need for balanced diplomacy with Iran, Israel, and the United States.

Way Forward

- Encourage diplomatic negotiations to revive nuclear agreements.
- Strengthen international monitoring mechanisms through global institutions.
- Promote regional dialogue and de-escalation efforts.
- Diversify global energy supply sources and accelerate renewable energy transition.
- Ensure adherence to international humanitarian law during armed conflicts.

Catch them young

Increasing activity, eating healthy meals will help keep obesity away

The phrase 'catch them young' has acquired a perverse slant in a world grappling with a galloping non-communicable diseases epidemic. The full gamut of conditions that comprise metabolic diseases, usually impacting people with advancing age, are affecting even children, studies show. The recently released World Obesity Atlas 2026 delivers a true shocker. As per the report, released on World Obesity Day (March 4), in 2025, there were 14.9 million children in the 5-9 years group and more than 26.4 million children in the 10-19 age group in India who were overweight or obese. About 41 million children had a high BMI rate. Further, estimates suggest that by 2040, 20 million children in India will be obese and 56 million will be overweight. The report also estimates that at least 120 million children of school-going age are expected to have early signs of chronic illnesses such as hypertension and cardiovascular disease due to weight, in 2040. While, globally, China leads both categories, with 62 million children with high BMI and 33 million with obesity, India comes second, and is trailed by the United States (27 million high BMI; 13 million obesity). With such high obesity figures, the attendant health statistics too are unacceptably off the charts: In India, children aged 5-19 years with disease indicators attributed to high BMI, including hypertension, diabetes, hyperglycaemia, high cholesterol, and metabolic dysfunction-associated steatotic liver disease (MASLD) are projected to rise substantially by 2040. The risk factors are similar to adult-onset metabolic conditions, broadly categorised as insufficient activity and consumption of unhealthy foods. Other aspects, mentioned as causes, include poor access to healthy school meals for primary and secondary grade children, and sub-optimal breast feeding for infants aged 1-5 months.

Clearly, not enough is being done to stem this tide of growing childhood obesity. The World Obesity Federation calls for greater action and emphasis on monitoring in terms of marketing restrictions and sugar levies on packaged food products. Experts have also called for restrictions on marketing packaged foods to children, sincere implementation of global physical activity recommendations for children, ensuring the mandatory breastfeeding period for infants, and healthier school food standards, besides integration of prevention and care into primary health systems. It is worrisome that obesity and overweight, once associated with higher-income countries, are now catching up rapidly in low- and middle-income countries. If nothing is done at this stage, the gains that the nation expects from its youth, even as it heads towards a grey path, will be hollowed out. The only way out is to catch them young, even before non-communicable diseases can.

KEY HIGHLIGHTS

Context of the News

- The World Obesity Atlas 2026, released by the World Obesity Federation on World Obesity Day (4 March), highlights the alarming increase in childhood obesity in India.
- In 2025, India had 14.9 million children (5–9 years) and 26.4 million adolescents (10–19 years) who were overweight or obese.
- About 41 million children in India had high Body Mass Index (BMI).
- By 2040, projections suggest 20 million children will be obese and 56 million will be overweight.
- India ranks second globally in childhood obesity, after China.

Key Points

- Health Risks
 - Rising incidence of hypertension, diabetes, hyperglycaemia, high cholesterol, and metabolic dysfunction-associated steatotic liver disease (MASLD) among children.
 - Increased risk of cardiovascular diseases at younger ages.
- Major Causes
 - Sedentary lifestyle and low physical activity.

- Increased consumption of ultra-processed and high-sugar foods.
- Poor access to nutritious school meals.
- Sub-optimal breastfeeding practices in infants.
- Increasing screen time and urban lifestyle changes.
- Global Comparison
 - China: 62 million children with high BMI; 33 million obese.
 - India: Second largest burden.
 - United States: 27 million high BMI; 13 million obesity.
- Recommended Interventions
 - Restrictions on marketing unhealthy foods to children.
 - Sugar tax on packaged foods and beverages.
 - Implementation of physical activity guidelines for children.
 - Healthy school food standards.
 - Integration of obesity prevention into primary healthcare systems.

Static Linkages

- Body Mass Index (BMI): Indicator used to classify overweight and obesity based on weight and height.
- Non-Communicable Diseases (NCDs) account for nearly two-thirds of deaths in India.
- National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke (NPCDCS) targets NCD prevention.
- POSHAN Abhiyaan focuses on improving nutritional outcomes among children and mothers.
- PM POSHAN Scheme provides nutritious meals to school children.
- WHO recommendation: Children should engage in at least 60 minutes of physical activity daily.

Critical Analysis

Concerns

- Rapid rise of childhood NCD risk factors threatens India's demographic dividend.
- Increasing availability of cheap ultra-processed foods.
- Weak regulation of food marketing targeting children.
- Urban lifestyle changes reducing physical activity.

Challenges

- Limited nutrition awareness among parents and children.
- Inequality in access to healthy food options.
- Fragmented health monitoring systems in schools.

Stakeholder Perspective

- Government: Responsible for regulation and public health programs.
- Food Industry: May resist stricter regulations or sugar taxes.
- Schools and Parents: Key role in promoting healthy habits.
- Public Health Experts: Advocate preventive and behavioural interventions.

Way Forward

- Implement strict regulation on junk food advertising targeting children.
- Introduce taxation on sugar-sweetened beverages and ultra-processed foods.
- Strengthen school health programs and nutrition education.
- Promote daily physical activity in schools through mandatory sports periods.
- Integrate child obesity screening into primary healthcare and school health programmes.
- Improve breastfeeding awareness and maternal nutrition programs.

FDI from China

60-day deadline for processing and deciding investment proposals from the land border countries in the specified manufacturing sectors. A Committee of Secretaries (CoS) under the Cabinet Secretary has been given powers to revise the list of specified sectors going ahead.

The government has also incorporated the definition and criteria for 'beneficial owner' for investors from land border-sharing countries, in line with money laundering rules.

"The Beneficial Ownership test shall be applied at the level of the investor entity. Investors with non-controlling LBC (land bordering countries) Beneficial Ownership of up to 10 per cent shall be permitted under the automatic route as per the applicable sectoral caps, entry routes, attendant conditions. Such investments shall be subject to the reporting of relevant information/details by the investee entity to DPIIT (Department for Promotion of Industry and Internal Trade)," the release stated.

The new guidelines are expected to provide clarity and ease of doing business in India, and facilitate investments which can contribute towards greater FDI inflows, access to new technologies, domestic value addition, expansion of domestic firms and integration with the global supply chain, the release stated.

"This would help in leveraging and enhancing India's competitiveness as a preferred investment and manufacturing destination. Increased FDI in-

flows would supplement domestic capital, support the objectives of Atmanirbhar Bharat, and accelerate overall economic growth," it stated.

This comes after a high-level committee chaired by NITI Aayog member Rajiv Gauba had recommended withdrawing curbs on Chinese investments. Separately, the Economic Survey 2023-24 had made the case for attracting investment from Chinese companies to strengthen India's export competitiveness.

In its statement Tuesday, the government said that the applicability of PN3 restrictions to cases where LBC investors were having "only non-strategic, non-controlling interests" was seen as adversely affecting investment flows from investors.

India had imposed restrictions on investments from China through Press Note 3 in April 2020, making government approval mandatory for investments from countries sharing a land border with India. The move was aimed at preventing opportunistic takeovers during the Covid-19 pandemic and had remained in force amid heightened national security concerns following the Galwan clash later that year.

The PN3 was primarily meant for Chinese investors as entities of Bangladesh and Pakistan can invest only under the government route. Investments from other bordering countries such as Nepal, Myanmar, Bhutan, Afghanistan are very small as a share of India's total foreign investment inflows.

KEY HIGHLIGHTS

Context

- The Union Cabinet (2026) approved easing of FDI restrictions from countries sharing a land border with India in selected manufacturing sectors.
- The restrictions were originally imposed through Press Note 3 (2020) requiring government approval for investments from neighbouring countries.
- The move aims to boost manufacturing, attract technology and integrate India with global supply chains.

Key Points

- Press Note 3 (2020):
 - Issued by DPIIT under the Ministry of Commerce & Industry.
 - Made government approval mandatory for FDI from countries sharing a land border with India.
 - Introduced to prevent opportunistic takeovers of Indian firms during COVID-19.
- Countries Covered:
 - China, Pakistan, Bangladesh, Nepal, Bhutan, Myanmar and Afghanistan.
- New Policy Changes:
 - Limited investments allowed in select manufacturing sectors:

- Capital goods
- Electronic capital goods
- Electronic components
- Polysilicon
- Ingot-wafer for solar cells

- Strategic sectors like semiconductors remain restricted.
- Automatic Route Threshold:
 - Up to 10% beneficial ownership allowed through the automatic route.
- Ownership Condition:
 - Majority ownership and control must remain with resident Indian citizens/entities.
- Approval Mechanism:
 - 60-day deadline for processing investment proposals.
 - Committee of Secretaries (CoS) under Cabinet Secretary can revise the sector list.
- Beneficial Ownership Test:
 - Applied to identify the actual controlling investor as per anti-money laundering rules.
- Policy Objective:
 - Increase FDI inflows
 - Improve ease of doing business
 - Promote technology transfer
 - Strengthen Atmanirbhar Bharat and domestic manufacturing

Static Points

- FDI Routes in India:
 - Automatic Route
 - Government Route
- FDI Policy Administration:
 - Managed by Department for Promotion of Industry and Internal Trade (DPIIT).
- Legal Framework:
 - Governed under Foreign Exchange Management Act (FEMA), 1999.
- Important Initiatives Linked to Manufacturing:
 - Make in India
 - Production Linked Incentive (PLI) Scheme
 - Atmanirbhar Bharat

Critical Points

Advantages

- Strengthens manufacturing ecosystem in electronics and solar sectors.
- Improves global value chain integration.
- Enhances technology transfer and export competitiveness.

Concerns

- National security risks from Chinese investments.
- Potential dependence on foreign supply chains.
- Monitoring beneficial ownership structures may be difficult.

Way Forward

- Create strong investment screening mechanisms for sensitive sectors.
- Encourage joint ventures with technology transfer.
- Strengthen domestic manufacturing capability through PLI and R&D support.

Taking sides in conflict: Delhi's past record tells a complicated story



RAJA MANDALA
BY C RAJA MOHAN

roots. Part of it reflected the lingering residue of anti-colonial sentiment. Part of it was grounded in Delhi's genuine Cold War contradictions with Washington — over Pakistan, Kashmir, and nuclear non-proliferation.

India's moral clarity, however, tended to blur when Moscow transgressed norms that India supported. That ambivalence was visible in Delhi's muted responses to the Soviet invasions of Hungary (1956), Czechoslovakia (1968), and Afghanistan (1979), as well as to Russia's annexation of Crimea in 2014 and its occupation of eastern Ukraine after 2022.

More telling, India called this hypocrisy "set double standards are a universal feature of international life. India's reluctance to criticise Moscow was noted in the strategic value Delhi attached to the Russian connection in managing its security challenges.

There were, however, brief moments of deviation. When Soviet forces invaded Afghanistan in December 1979, the Charan Singh government took a critical line. That position was consistent with the Janata Party's long-standing critique that Congress foreign policy, while professing non-alignment, was in practice tilted towards Moscow.

But within weeks, Indira Gandhi returned to power. In January 1980, she moved the point. She instructed India's Permanent Representative at the United Nations, Brajesh Mishra, to abstain on the resolution condemning the Soviet Union.

More tellingly, Indian diplomacy soon began arguing that the Soviet intervention had been necessitated by external interference against the communist government in Kabul.

The echo of this reasoning in the widespread refrain in Delhi after 2022 — that the Russian invasion of Ukraine had been "provoked" by the West — is hardly new.

The transition from Janata to Congress also altered India's position

on Cambodia. The Janata government had held back from recognising the government installed in Phnom Penh after Vietnam's invasion of Cambodia in 1978. Congress reversed that position in 1980, justifying it as part of an effort to balance China in Southeast Asia by supporting Vietnam. Ironically, Cambodia eventually became one of China's strongest Asian partners.

Both choices carried costs. India's reluctance to criticise Soviet actions in Afghanistan damaged its standing in the Islamic world. Endorsing the Vietnamese-backed government in Cambodia provoked backlash across Southeast Asia. There was an earlier precedent, too.

In 1950, Indian diplomacy actively sought to prevent the United Nations from condemning China's military intervention in the Korean War. Jawaharlal Nehru was then investing heavily in building a partnership with Beijing to construct a new Asian order. That "tilt" towards China in the 1950s also carried costs.

In 1990, Delhi struggled to articulate a credible response to Saddam Hussein's annexation of Kuwait. India avoided condemning the Iraqi action, partly because Saddam was viewed as a "secular" leader in the Middle East who often supported India on issues involving Pakistan. Iraq was also an important source of oil.

Foreign Minister I K Gujral travelled to Baghdad after the invasion to secure Iraq's cooperation in evacuating thousands of Indians stranded in Kuwait. If India's reluctance to defend Kuwait's sovereignty might have lacked a moral basis, it could nonetheless be explained in terms of India's significant equities in Iraq.

For decades, India framed its Middle East policy around two broad contradictions: The US versus the region, and Israel versus the Arabs. But Indian debates paid far less attention to the region's internal rivalries

Arabs. But the Indian debates paid far less attention to the region's internal rivalries — between Arabia and Persia and between conservative monarchies and republican forces (both secular and Islamic) in the Arab world.

Over the decades, those internal contradictions, for example between Gulf Arabs and Iran, have become far more consequential. The Gulf Arab states' reliance on the US for security against various forms of radicalism, and the gradual normalisation of relations between Israel and several Arab countries, have altered the regional picture. India's debate, though, appears stuck in the mental maps of the past.

India's current approach to the unfolding war in the Gulf is shaped by the scale of its stakes in the Arabian Peninsula. India today has roughly \$200 billion in trade with the Gulf, depends heavily on the region for energy supplies, and has nearly nine million citizens living and working across the Arab Gulf states. Protecting these interests has become the overriding concern for Delhi in the present crisis. This is not an unreasonable calculation.

Looking ahead, Delhi must operate on the basis of a simple strategic reality: The security and prosperity of India and Arabia are now indivisible. Political support for Arabs was an important principle articulated at the very outset of independent India's foreign policy. Eight turbulent decades later in the Middle East, it has acquired a new meaning — in the form of a deepening interdependence between India and the Gulf Arab states. The current nightmares in the Gulf will eventually end, but managing India's deep interdependence with the Arab Gulf will remain one of Delhi's enduring challenges.

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- Changing West Asian Geopolitics
 - Earlier framework:
 - US vs Arab world
 - Israel vs Arab states
 - Emerging dynamics:
 - Iran vs Gulf Arab states rivalry
 - Israel-Arab normalization
 - Growing strategic competition in West Asia.
- India's Stakes in the Gulf Region
 - Trade with Gulf countries: around \$200 billion annually.
 - Indian diaspora: ~9 million Indians living in Gulf states.
 - Region is a major source of India's crude oil and LNG imports.

KEY HIGHLIGHTS

Context of the News

- Discussions have emerged regarding India's diplomatic position in the ongoing tensions/war in the Gulf region.
- Some analysts argue India has "tilted to one side," questioning whether India should maintain neutrality.
- India's traditional doctrine has been Non-Alignment, which differs from neutrality.
- The debate is relevant as India today has large strategic, economic, and diaspora interests in the Gulf region.

Key Points

- Non-Alignment Doctrine
 - Adopted during the Cold War to maintain strategic autonomy from power blocs.
 - Allowed India to take issue-based positions, rather than remain neutral.
- Examples of India's Past Positions
 - Limited criticism of Soviet interventions:
 - Hungary (1956)
 - Czechoslovakia (1968)
 - Afghanistan (1979)
 - Neutral/abstention approach on Russia-Ukraine conflict (2022).
 - Attempted to prevent UN condemnation of China during the Korean War (1950).
 - Avoided strong condemnation of Iraq's annexation of Kuwait (1990).
- Domestic Political Influence
 - Janata Government (1979) criticized Soviet invasion of Afghanistan.
 - Indira Gandhi Government (1980) later softened the stance and abstained at the UN.

Static Linkages

- Principles of Panchsheel guiding peaceful coexistence.
- Policy of Non-Alignment and Strategic Autonomy in foreign policy.
- Importance of West Asia for India's energy security.
- Role of the United Nations in maintaining international peace and security.
- Significance of diaspora in India's external relations.

Critical Analysis

Advantages of India's Approach

- Protects energy security and economic interests.
- Maintains strategic autonomy in global politics.
- Enables balanced relations with competing powers.

Concerns

- Perception of double standards in foreign policy.
- Risk of diplomatic pressure from major powers.
- Balancing moral positions vs national interests remains difficult.

Way Forward

- Continue policy of strategic autonomy with issue-based alignment.
- Strengthen energy diversification to reduce vulnerability.
- Enhance diaspora protection mechanisms in West Asia.
- Promote diplomatic engagement and mediation roles where possible.
- Develop long-term West Asia strategy aligned with India's economic and security interests.

For South Asia, Iran is not a faraway conflict



SYED MUNIR
KHASRU

THE WEST Asia conflict may be unfolding thousands of miles away, but for South Asia, its economic consequences are uncomfortably close. The region's external stability is deeply intertwined with West Asia through two structural lifelines: Remittances and energy. The scale of this "dual dependency" can hardly be over-emphasised. India received a record \$135 billion in remittances in FY 2024-25, maintaining its position as the world's largest remittance recipient. Roughly 38 per cent of these inflows originate from GCC economies. Bangladesh received over \$30 billion in remittances in 2025, nearly half from the region. Pakistan received about \$31.2 billion. Sri Lanka, still stabilising after its recent economic crisis, recorded an all-time high of \$8.076 billion in 2025. Remittances act as a financial shock absorber. They support household consumption, provide foreign exchange, and help stabilise balance-of-payments positions. Yet this stabilising role also masks vulnerability: If instability in the Gulf slows investment, construction, or labour demand, the effects could quickly reach South Asian economies. Then there is the reliance on imported energy. India sources around half of its crude oil from Gulf countries, while Bangladesh, Pakistan, and Sri Lanka too depend on petroleum products and LNG from the region. The Strait of Hormuz carries roughly one-fifth of globally traded oil and LNG. Even perceived disruptions can trigger volatility in global energy prices. Energy markets often respond as much to geopolitical risks as to actual supply disruptions. An International Energy Agency analysis showed that insurance premiums, freight rates, and shipping delays tend to rise well before physical supply constraints emerge, pushing up import costs for energy-dependent economies like those in South Asia. A \$10 increase in crude oil prices can widen India's current account deficit by around 0.3 per cent of GDP, while reducing growth by roughly 0.5 per cent through higher inflation and rising import costs. Smaller economies with tighter fiscal margins, such as Pakistan or Sri Lanka, face greater vulnerability as rising fuel costs increase subsidy burdens and place additional strain on public finances. Export-oriented economies like Bangladesh, where the ready-made garment sector accounts for over 80 per cent of export earnings, could see competitiveness erode as freight costs rise and transit times lengthen. India may face similar pressures, with over \$75 billion in annual exports to the EU relying heavily on stable shipping routes. The crisis also underscores the urgency of diversification across South Asia. Expanding renewable energy and diversifying LNG suppliers could reduce exposure to supply disruptions. India has set a target of 500 GW of non-fossil fuel power capacity by 2030, while Bangladesh and Pakistan are gradually increasing investments in solar and wind energy. Reducing dependence on imported energy, strengthening reserves, and diversifying supply chains will be critical to building greater resilience against future geopolitical shocks.

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Energy markets often respond as much to geopolitical risk as to supply disruptions. An IEA analysis showed that insurance premiums, freight rates, and shipping delays rise before supply constraints emerge

KEY HIGHLIGHTS

Context

- Ongoing geopolitical tensions in West Asia have raised concerns about economic spillovers for South Asian economies, particularly India.
- South Asia has strong economic linkages with Gulf countries through remittances and energy imports, creating a structural dependency.
- Instability in the region could affect oil prices, shipping routes, and labour markets, impacting macroeconomic stability.

Key Points

- Remittances
 - India received \$135 billion remittances in FY 2024-25, the highest in the world (World Bank).
 - About 38% of India's remittances come from GCC countries.
 - Bangladesh received \$30+ billion, Pakistan \$31.2 billion, and Sri Lanka \$8.076 billion in remittances.
 - Remittances support household consumption, foreign exchange reserves, and balance of payments stability.
- Energy Dependence
 - India imports around 50% of its crude oil from Gulf countries.
 - South Asian economies depend heavily on oil and LNG imports from West Asia.
 - The Strait of Hormuz carries about one-fifth of global oil and LNG trade.

- Economic Impact
 - According to the International Energy Agency (IEA):
 - Geopolitical tensions increase insurance costs, freight charges, and shipping delays.
 - A \$10 rise in crude oil price may:
 - Increase India's Current Account Deficit by ~0.3% of GDP.
 - Reduce GDP growth by ~0.5% due to inflation and import costs.
- Trade Risks
 - Bangladesh's ready-made garment sector accounts for more than 80% of exports, making it vulnerable to shipping disruptions.
 - India exports over \$75 billion annually to the EU, relying heavily on stable maritime routes.
- Diversification Efforts
 - India targets 500 GW of non-fossil fuel electricity capacity by 2030.
 - South Asian countries are increasing solar and wind energy investments to reduce fossil fuel dependence.

Static Linkages

- Remittances are part of the Current Account in the Balance of Payments.
- The Strait of Hormuz is one of the world's most critical maritime energy chokepoints.
- Energy security involves availability, accessibility, affordability, and sustainability of energy resources.
- India's energy transition policy promotes renewables, diversification of suppliers, and strategic petroleum reserves.

Critical Analysis

Benefits

- Remittances strengthen foreign exchange reserves.
- Gulf region provides large employment opportunities for Indian migrants.
- Economic ties enhance India's strategic engagement with West Asia.

Challenges

- Heavy dependence on Gulf oil exposes India to price volatility.
- Regional instability may reduce labour demand for migrant workers.
- Shipping disruptions can increase transport costs and trade delays.

Way Forward

- Diversify energy imports beyond West Asia.
- Expand renewable energy capacity and green hydrogen initiatives.
- Strengthen Strategic Petroleum Reserves (SPR).
- Enhance diaspora protection policies in Gulf countries.
- Improve regional trade resilience and supply chain diversification.

To end the war, it will take three

THE JOINT strikes by the US and Israel may have severely degraded Iran's military since the war began on February 28. But in the face of US President Donald Trump's constantly shifting aims — from regime change to "unconditional surrender" — Mojtaba Khamenei, son of the assassinated Supreme Leader Ali Khamenei, assuming his father's mantle signals an assertion of defiance by Tehran. If Trump's plan was to replicate the Venezuela model in Iran, it does not appear to be working. There is no sign of a Delcy Rodríguez waiting in the wings, and Trump saying that "most of the people we had in mind are dead" can be read as an admission that the prospect of installing a leader acceptable to Washington looks distant. Instead of forcing the regime to change course, the war appears to be hardening Iran's resistance.

If regime change, or a variation of it, does not materialise in Iran, Washington will have to start thinking about the timing and terms for the war to end. A prolonged war that leads to American casualties is hardly compatible with an "America First" presidency. The enormous costs of war include its severe economic consequences. As oil prices briefly surged close to \$120 a barrel on Monday, Trump said the war was "very complete, pretty much" and would end "very soon". Yet if the unilateralism and arbitrariness with which he weaponised tariffs across the world are anything to go by, his assurances cannot be taken at face value. For the rest of the world, second-guessing Trump is risky and can prove costly.

Ending the war would require circling back to questions that lay at its beginning and finding answers in diplomacy — questions around Iran's nuclear and ballistic missile programmes and its patronage of proxy militias across the region, and the nature of constraints, if any, on them. Another challenge will be persuading Israel, which appears to view the war as its best chance to resolve the Iranian threat once and for all. Operation Roaring Lion has temporarily united the country after two years of conflict and the long wait for hostages in Gaza. For Netanyahu, facing a reckoning for his government's failure to prevent Hamas's terror attack, the war with Iran in an election year further delays accountability at home. Iran's regime, too, while desperately clinging to power, will not want its military and economy battered beyond repair. The war, then, is likely to end when all three principal players, from their different vantage points, recognise the necessity of an off-ramp. The sooner they do so, the better.

KEY HIGHLIGHTS

Context

- The United States and Israel conducted joint strikes against Iran (Feb 2026), escalating tensions in West Asia.
- Iran's Supreme Leader Ali Khamenei was reportedly killed, after which Mojtaba Khamenei assumed leadership, indicating regime continuity.
- The U.S. leadership hinted at regime change, but Iran's swift leadership transition suggests resilience of the Iranian political system.
- Rising tensions led to global oil price volatility (approaching \$120/barrel) and concerns over disruption in the Persian Gulf energy routes.
- The conflict centers on Iran's nuclear programme, ballistic missile development, and its support to regional proxy groups.

Key Points

- Leadership Continuity
 - Iran's political system remained stable despite leadership change.
 - The Assembly of Experts plays a key role in selecting the Supreme Leader.
- Strategic Objectives
 - U.S. objective: weaken Iran's strategic capabilities and influence.
 - Israel objective: eliminate perceived threats from Iran's nuclear and missile programmes.
- Regional Security Concerns
 - Possibility of escalation involving proxy militias in Iraq, Syria, Lebanon, and Yemen.

- Risk of destabilizing the West Asian security architecture.
- Economic Impact
 - Potential disruption in the Strait of Hormuz, a critical global oil transit route.
 - Energy price spikes affecting energy-importing countries such as India.
- Diplomatic Dimension
 - Conflict highlights the need for renewed negotiations on:
 - Iran's nuclear programme
 - Missile capabilities
 - Role of proxy militias in regional conflicts.

Static Linkages

- Iran follows a theocratic republic system combining elected institutions with clerical authority.
- The Supreme Leader is the highest political and religious authority in Iran.
- The Strait of Hormuz is one of the world's most important oil chokepoints for global energy trade.
- The International Atomic Energy Agency (IAEA) monitors nuclear activities and compliance with international safeguards.
- West Asia has historically experienced proxy conflicts and geopolitical rivalry among regional and global powers.

Critical Analysis

Positive Aspects

- Could strengthen deterrence against nuclear proliferation.
- May push stakeholders toward renewed diplomatic negotiations.

Concerns

- Risk of prolonged conflict destabilizing West Asia.
- Potential disruption to global energy supplies.
- Increased geopolitical polarization and proxy warfare.
- Economic repercussions for developing economies dependent on oil imports.

Way Forward

- Promote diplomatic negotiations on Iran's nuclear and missile programmes.
- Encourage multilateral mediation through international institutions.
- Ensure energy supply diversification to reduce dependence on conflict-prone regions.
- Strengthen regional security dialogue to reduce proxy conflicts.

Facing down the spectre of energy crisis

THE ONGOING conflict in the Middle East has caused significant dislocation in energy markets, and sharp price gyrations. On Monday, Brent crude oil surged to nearly \$120 per barrel. Prices softened thereafter, with reports suggesting discussions between the G7 countries over the release of oil from their strategic reserves (the group is yet to take a decision on the matter) and US President Donald Trump's comments that the war could come to an end "very soon". Crude is currently hovering around \$87 per barrel. The dislocation can also be seen in the gas markets, where prices have surged as roughly a fifth of global LNG flows through the Strait of Hormuz. As much of India's gas imports — the country imports around 50 per cent of its total natural gas requirements and over 60 per cent of its LPG demand — are also from this region, the demand-supply mismatches are now showing.

As per a report in this paper, shortages are affecting industrial users of LNG and LPG, be it tile and ceramic makers in Gujarat, or commercial users of cooking gas such as restaurants in cities like Bengaluru and Mumbai. The government has moved quickly. It has invoked the Essential Commodities Act to ensure supply of natural gas to priority sectors. The top priority has been given to piped natural gas for household consumption, compressed natural gas for transport and LPG production — segments that directly impact millions of households. The second category is fertiliser units (they will receive 70 per cent of their average consumption of the last six months), followed by tea industries, manufacturing and other industrial consumers, and commercial and industrial consumers of gas distribution companies.

There is little clarity on how soon this conflict will come to an end. India's heavy dependence on the Gulf region for meeting its energy requirements increases its vulnerability. The costs imposed by higher energy prices will have to be borne. An extended conflict and closure of the Strait of Hormuz will have implications for inflation, the growth momentum and twin deficits. The ripple effects of the conflict are also being felt in other segments of the economy. This situation requires deft economic management. The government must carefully navigate this challenging period as it tries to absorb and balance multiple pulls and pressures.

KEY HIGHLIGHTS

Context

- The ongoing Middle East conflict has caused volatility in global energy markets.
- Brent crude oil prices briefly surged close to \$120 per barrel before stabilising around \$87 per barrel.
- Around 20% of global LNG trade passes through the Strait of Hormuz, making the region strategically critical.
- India imports ~85% of crude oil, ~50% of natural gas, and over 60% of LPG, making it highly vulnerable to supply disruptions.
- Shortages of LNG and LPG are being reported among industrial and commercial users.
- The Government invoked the Essential Commodities Act, 1955 to prioritise natural gas allocation.

Key Points

- Energy Dependence
 - Crude oil imports: ~85% of consumption.
 - Natural gas imports: ~50%.
 - LPG imports: >60%.
- Strategic Maritime Route
 - Strait of Hormuz: One of the world's most important oil transit chokepoints.
- Government Response
 - Gas allocation prioritised for:
 - PNG for households
 - CNG for transport
 - LPG production
 - Fertiliser sector (70% of average consumption)

- Industrial and commercial consumers
- Economic Impact
 - Higher oil prices can increase:
 - Inflation
 - Current Account Deficit
 - Fiscal pressure
 - Production costs for industries.

Static Points

- India has Strategic Petroleum Reserves (SPR) at:
 - Visakhapatnam
 - Mangaluru
 - Padur
- Major global oil chokepoints:
 - Strait of Hormuz
 - Strait of Malacca
 - Bab-el-Mandeb
- Essential Commodities Act, 1955 allows the government to regulate supply and distribution of essential goods.

Critical Analysis

Challenges

- High dependence on the Gulf region for energy imports.
- Rising oil prices can trigger cost-push inflation.
- Industrial sectors face higher input costs and supply shortages.
- Possible impact on growth and twin deficits (fiscal + current account).

Opportunities

- Encourages diversification of energy sources.
- Strengthens focus on strategic petroleum reserves.
- Push towards renewable energy and green transition.

Way Forward

- Diversify crude oil import sources beyond the Gulf region.
- Expand Strategic Petroleum Reserves capacity.
- Accelerate renewable energy and green hydrogen mission.
- Strengthen long-term LNG supply agreements.
- Improve energy efficiency and domestic gas production.